



0000166190

**Appendix of Exhibits to  
Application for Rehearing of  
Decision No. 75251 Regarding  
Commissioner Stump  
And  
Application for Rehearing of  
Decision No. 75251 Regarding  
Commissioners Forese and Little**

**E-01345A-13-0248**

**PART 3 OF 3  
BARCODE # 0000166190**

**To review Part 1 please see:  
BARCODE # 0000166188**

**To review Part 2 please see:  
BARCODE # 0000166189**

# Exhibit 17

## ACC Commissioners Pave Way for APS Solar Fees

SEDONA TIMES / AUGUST 19, 2015 / 4 COMMENTS

Sedona AZ (August 19, 2015) – The following is a letter to the SedonaEye.com editor:

### ACC Commissioner Little Changes Arguments to Fit the Circumstance

Information & Perspective by Warren Woodward

Sedona, Arizona ~ August 19, 2015

Yesterday, in a 3 to 2 vote, the Arizona Corporation Commission (ACC) gave in to part of electric utility APS's request for more money from solar customers. The ACC did not decide to grant the money APS wanted (about \$21 per month instead of the current \$5 average) but they did decide to move forward with the issue instead of waiting for APS's next rate case. Thus the ACC has paved the way for APS to get more money sooner rather than later from solar customers and, in so doing, stop the growth of rooftop solar.

One of the 3 in favor (and who filed the amendment to make it happen) was ACC commissioner Doug Little. Little's ACC election campaign was widely believed to have benefited from massive "dark money" contributions from APS.

The other two who voted in favor were Tom Forese and Bob Stump. Like Little, Forese's ACC election campaign was also widely believed to have been a recipient of mass APS cash (some \$3.2 million between Forese & Little). Bob Stump is suspected of being the middleman between APS, Forese, Little, and the organizations who received the dark money to promote Forese and Little.

Regarding the recent ACC solar decision, Little was quoted in the Arizona Republic newspaper as saying, "Delaying the conversation another year basically is a disservice and not in the public interest." (<http://www.azcentral.com/story/money/business/consumer/2015/08/19/regulators-delay-aps-solar-fee-decision/31963553/>)

I think he meant to say "not in APS's interest."

"Delaying the conversation another year," or delaying APS's money and ability to stop independent solar another year? I think the latter is more like it.

Hypocritically, just last April, when the issue was whether the ACC should hear the "smart" meter issue sooner than later, Commissioner Little said practically the opposite. At that time it supposedly was in the "public interest" to "delay the conversation another year."

An additional problem – but one which did not seem to bother the commissioners last April – was that according to Arizona statute, a hearing was supposed to have been held within 20 days, not a year later. But the ACC is not an agency to let pesky laws get in its way.

Last April, Little argued that because each rate case is a fresh look at rates, then any fees the ACC might grant at that time to APS to charge customers not volunteering for a "smart" meter could be challenged again at APS's next rate case. So effectively, the "smart" meter issue could be heard twice, once at the hearing the ACC was supposed to have within 20 days, and again during APS's rate case.

At the April 13<sup>th</sup> ACC Staff Meeting Little said:

"Um, I think, looking at this, um, we could have one hearing or we could have two hearings. I would tend to say that while it's probably not the most optimum situation, um, in the interests of the ratepayers' and taxpayer money, to have two hearings would be to me, duplicative. We would be discussing the same issues twice."

In the words of Abraham Lincoln, "No man has a good enough memory to make a successful liar."



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TAGS: ABRAHAM LINCOLN, ACC, ACC COMMISSIONER BOB STUMP, ACC COMMISSIONER DOUG LITTLE, APS, ARIZONA CORPORATION COMMISSION, ARIZONA NEWS, ARIZONA REPUBLIC NEWSPAPER, ARIZONA ROOFTOP SOLAR, DARK MONEY, ROOFTOP SOLAR, SEDONA EYE NEWS AND VIEWS, SEDONA NEWS, SEDONA TIMES PUBLISHING NEWSPAPER, SEDONAEYE.COM, SEDONATIMES.COM, SOLAR FEES, UTILITY RATES

## 4 Comments

**A "Little" more sleaze at the ACC says:**

August 28, 2015 at 7:44 pm

A "Little" more sleaze at the Arizona Corporation Commission  
Information and Perspective by Warren Woodward  
Sedona, Arizona ~ August 28, 2015

I went to the Arizona Corporation Commission (ACC) website today to listen to the audio archive of their Staff Meeting which occurred yesterday.

On the agenda was what to do about "dark money" campaign contributions to ACC candidates. That item was placed on the agenda by commissioners Susan Smith and Bob Burns. Both are up for election next time and I guess they finally realized (or some other Republicans clued them in) that APS's dark money contributions are more of a liability than a help at this point. In short, the issue has become something of a PR nightmare.

But no such dark money discussion took place.

It turns out commissioner Doug Little exercised his right to pull an agenda item. Why would he do that? Perhaps it's because he and ACC commissioner Tom Forese benefited from some \$3.2 million in dark money in the last election.

The Arizona Republic's Laurie Roberts nails Little here: <http://www.azcentral.com/story/opinion/oped/laurieroberts/2015/08/27/corporation-commission-aps-dark-money/71273766/>

**ACC/APS revolving door says:**

September 4, 2015 at 10:53 pm

Arizona Corporation Commissioner Bob Stump's Top Aide Goes to APS

<http://checksandbalancesproject.org/2015/09/03/arizona-corporation-commissioner-bob-stumps-top-aide-goes-to-aps/>

**Carol says:**

September 8, 2015 at 9:25 am

Thanks for info/article.

**N. Baer says:**

September 8, 2015 at 3:22 pm

It's still a puzzle how such corruption and lawlessness is permitted to continue without the intervention of higher authority, unless of course, that "higher authority" shares the same taint.

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ELECTION

# APS called out on Corporation Commission campaign support

September 23, 2014 5:30 am • By HOWARD FISCHER Capitol Media Services

(0) Comments

PHOENIX — In a sometimes testy exchange, candidates Arizona Corporation Commission traded barbs Monday night on whether someone should force the state's largest electric utility to say whether it's putting money into the race and how much.

Democrats Sandra Kennedy and Jim Holway said the current members of the commission -- all Republicans -- should demand that Arizona Public Service disclose what funds it or Pinnacle West Capital Corp., its parent company, have provided to elect Tom Forese and Doug Little.

"They are the APS-chosen candidates," Kennedy charged. And she said Wall Street analysts have suggested the ability for Pinnacle West to improve its bottom line is likely better with the election of the two Republicans.

"I want to be good for your bottom line," she told the audience watching the televised debate on KAET-TV, the Phoenix PBS affiliate.

The whole question of whether the two Republicans got nominated for the two open seats because of APS backing and they could win the general election with utility help drew an angry response from Forese.

"The idea that it's impossible that we have broad support is insulting," he said, saying he and Little have backing from business groups and many consumers.

"The idea that we could be bought is insulting," Forese continued. "I'm calling you out on it."

But Forese, acknowledging that APS has refused to say if it is pouring money into the race, said he has no problem with the commission looking into the issue.

Save Our Future Now reported weeks before the GOP primary it already spent close to \$1.3 million backing Forese and Little and against their foes. The Arizona Free Enterprise Club spent another \$420,000 on the race.

It won't be known for weeks how much either group is going to spend on the general election.

## Related Documents

campaign 2014 bug



And both groups are refusing to disclose donors, saying they are exempt from such a requirement.

Holway said there's a simple solution: Instead of asking the outside groups, have the existing commission members demand that APS testify on its spending on political races. And he said individual commissioners have subpoena power.

To date, however, the commission has shown no interest in the issue. And Forese said he cannot personally ask either group about their spending, at least not during the campaign, as that would amount to illegal coordination with what is supposed to be an independent expenditure group.

Little was less interested in demanding answers from APS, at least in part because he said the money is coming not from ratepayers but instead from Pinnacle West shareholders.

But he also said it may be bad policy to start demanding such information -- and only from one side: He noted that an organization known as Tell Utilities Solar Won't Be Killed spent about \$236,000 against both Forese and him but, not being a regulated utility, would not be subject to Corporation Commission scrutiny.

"Everybody has the right to participate in the election," he said, citing the U.S. Supreme Court ruling that said corporations are entitled to political speech just like individuals. "And spending money on elections is a form of political speech."

But Holway said there's a difference. He said it already is clear that TUSK is being financed by companies that make money selling, leasing and installing solar power systems on homes while there is no transparency in the source of cash for the other groups.

APS, for its part, has spurned all questions about whether it is spending money to elect candidates of its choice or defeat those it does not like.

Company spokesman Alan Bunnell has said APS has been the subject of a "non-stop propaganda war" by TUSK, saying the organization has "misrepresented important Arizona energy issues" to further their own interests.

"It would be irresponsible for us not to defend our company," Bunnell said in a prepared statement, adding that "no one disputes our right to participate in the political process."

"It's an integrity issue," said Kennedy of utility funds in the campaign. She is a former commissioner defeated two years ago in a re-election bid and now seeking her old job back.

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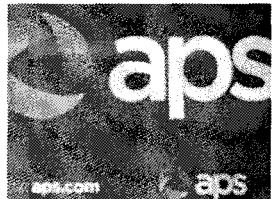


# APS can't promise to keep out of politics



Ryan Randazzo, The Republic | azcentral.com 12:02 p.m. MST June 25, 2014

## Utility faces suspicion over support for regulatory candidates



Arizona Public Service Co. may reverse its tradition of abstaining from the Arizona Corporation Commission elections because of the political tactics of its critics, the utility said in a letter.

The five Corporation Commissioners regulate the prices APS charges for electricity, so the company has maintained a self-imposed policy of staying out of the elections in order to have a constructive relationship with whoever is elected.

(Photo: The Republic)

But two Republican candidates for the commission, Vernon Parker and Lucy Mason, wrote the company last week saying they were concerned APS was supporting their primary opponents, Tom Forese and Doug Little.

"As a practice, APS has not contributed to the campaigns of candidates for our regulator, the Arizona Corporation Commission, even though there are no local, state or federal regulations that prevent us from doing so," Executive Vice President and Chief Operating Officer Mark Schiavoni wrote in response.

### : Candidates suspect APS influencing Corp. Comm. race (<http://10886483>)

He said the company instead provides candidates information on energy policies affecting the company in hopes of working with the commission.

"Nothing we have done or would do by way of advocacy conflicts with these priorities," Schiavoni said.

However, he also said it was impossible to promise that no organization APS has ever done business with or financially supported also stays out of the races.

Parker and Mason suspect that a committee making independent political expenditures to help Forese and Little is backed by APS.

Company officials declined to answer that question directly.

"But as you are undoubtedly aware, the political landscape is changing," Schiavoni continued in the letter. "Because of the tactics a number of organizations are employing to misrepresent important regulatory issues, we may need to respond in the future to set the record straight on issues of importance to Arizona, our customers and our company."

Parker, the former mayor of Paradise Valley, said APS' response was "disingenuous."

"I don't think that Arizona 2014 and other groups that are out there conducting political activity on behalf of Forese and Little are doing it out of the goodness of their heart," Parker said. "Someone is funding them. It is a simple question. If it is not APS, then APS should speak up and say we are not doing it."

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APS has been in a contentious fight with solar leasing companies for the past year over a variety of issues, and those issues are spilling into the political race.

Parker and Mason attended a recent rally opposing property taxes on rooftop solar panels that are leased, not owned by the building occupant. The rally was organized by a group called TUSK, tell utilities solar won't be killed.

TUSK also recently sent a mass email soliciting \$5 donations for Parker and Mason's campaigns, which are funded by Citizens Clean Elections Commission, which limits donations to that amount.

Parker said he did not ask for the support of TUSK and does not want it.

"I don't need their help," he said. "I will not be beholden to anyone. I don't want the appearance that I'm in bed with any special interest group."

Parker said that he is friends with TUSK spokesman Barry Goldwater Jr. and its public relations consultant Jason Rose, but has not spoken with either about support for his campaign.

He said he is more concerned with opposition he believes APS is rallying to his campaign.

"I didn't sign up to run against a \$1 billion corporation," Parker said.

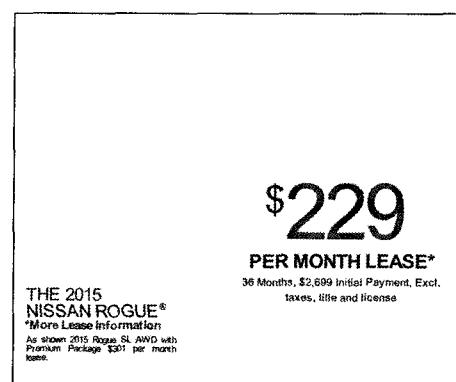
APS officials declined to answer further questions about political spending.

"We appreciate the opportunity for constructive discussions with candidates who are interested in Arizona's energy future and the important issues facing the commission," said Hal Pittman, director of external communications. "I am not going to characterize the contents of the letter — it stands on its own."

Last year, *The Arizona Republic* found the top APS lobbyist had once, when working as a consultant to the company, suggested APS try to influence the commission. APS officials responded at the time by saying that would never happen.

But company officials also said they were funding political groups, including 60 Plus and Prosper, that were conducting campaigns against solar. Those groups created ads that compared rooftop leasing companies to the bankrupt Solyndra and to people who would steal ice cream toppings from the ice cream truck.

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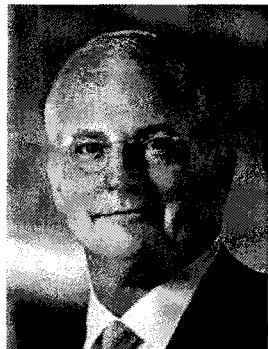


## APS controversy is 'political theater,' CEO says



Brahm Resnik, 12 News 9:03 p.m. MST May 20, 2015

Questions about APS' coziness with regulators KPNX



In his first comments about Arizona Public Service's controversial role in state election campaigns, the utility's top executive said Wednesday the issue was "political theater" created to damage the company.

"The political and media controversy in Arizona over solar energy is not the byproduct of a legitimate policy disagreement," Chief Executive Officer Don Brandt said at the annual shareholder meeting of Phoenix-based Pinnacle West, the utility's parent company, which Brandt also runs.

"It is political theater, manufactured to confuse the issue and damage one of Arizona's largest employers."

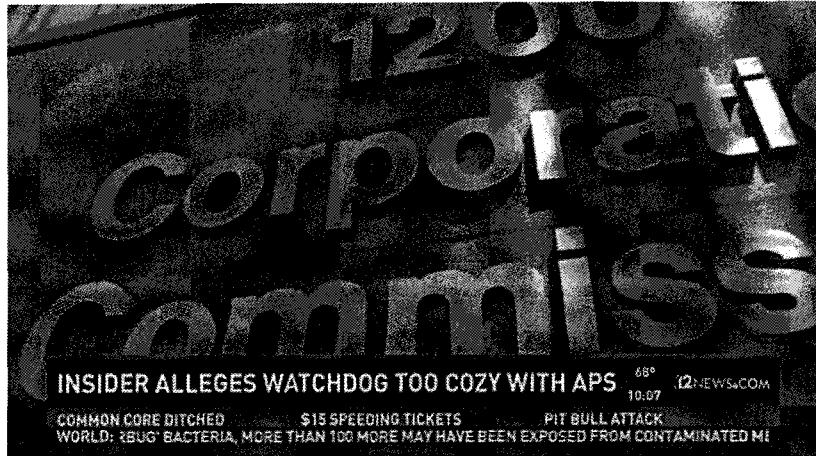
Brandt's comments were posted on the company's Web site. Reporters were turned away from the meeting, at Phoenix's Heard Museum. Many publicly-held companies allow only shareholders to attend.

(Photo: APS)

Brandt has found himself and his company ensnared in questions about their unprecedented and often hidden financial role in influencing policy and political debates.

Those questions first emerged during the 2013 debate over APS' push to raise fees for solar customers. The commission that regulates APS forced the utility to disclose millions of dollars in anonymous spending (<http://azcapitoltimes.com/news/2013/11/04/arizona-public-service-aps-spent-9-million-dollars-on-solar-net-metering-and-deregulation-public-relations/>).

In March, Arizona Attorney General Mark Brnovich launched an investigation ([/story/news/12-news/2015/03/02/12news-arizona-attorney-general-investigating-whistleblower-allegations-about-aps-watchdog/24291431/](http://story/news/12-news/2015/03/02/12news-arizona-attorney-general-investigating-whistleblower-allegations-about-aps-watchdog/24291431/)) of a whistleblower's allegation ([/story/news/12-news/2015/02/18/12news-arizona-corporation-commission-whistleblower/23645101/](http://story/news/12-news/2015/02/18/12news-arizona-corporation-commission-whistleblower/23645101/)) that Brandt and a member of the Arizona Corporation Commission held secret meetings, a potential violation of the regulatory body's rules.



12 News obtains a whistleblower's letter alleging APS rate increases could be challenged because of a cozy relationship with a state corporation commissioner. Our investigation found almost a dozen lunch dates with the electric company's CEO. 12 News

The investigation has been overshadowed by Pinnacle West's donation of more than \$400,000 to help Brnovich win office in 2014.

APS is widely believed to have made big donations backing its preferred candidates in 2014 for the Corporation Commission. The company hasn't confirmed or denied those donations, saying only that its following the law. Brandt repeated that assertion Wednesday.

Meantime, the five-member, all-Republican commission has also come under fire. On Tuesday, 12 News reported on another commissioner's [frequent texting](#) ([/story/news/politics/2015/05/20/arizona-corporation-commissioner-aps-cozy-with-text-messages-dark-money/27619695/](#)) with an APS executive, as well as the operator of a "dark money" group that steered anonymous donations to commission candidates.

[New questions about Arizona regulators' ties to APS](#) ([/story/news/politics/2015/05/20/arizona-corporation-commissioner-aps-cozy-with-text-messages-dark-money/27619695/](#))

On Wednesday, Brandt dated the monopoly utility's aggressive response to 2014, when "solar leasing companies" supported "two candidates for the Arizona Corporation Commission on an explicitly anti-APS platform."

The two Democratic candidates for the commission were buried by \$2 million in anonymous spending against their campaigns.

The utility was approached as far back as 2009 on a plan to [work behind the scenes](#) ([http://archive.azcentral.com/business/news/articles/20131020aps-lobbyist-alter-energy-panel.html](#)) to change the commission, according to the Arizona Republic.

Here is an excerpt of Brandt's remarks Wednesday:

"The political and media controversy in Arizona over solar energy is not the byproduct of a legitimate policy disagreement. It is political theater, manufactured to confuse the issue and damage one of Arizona's largest employers.

"At this point, I remind our long-time shareholders that our approach during rate cases in 2009 and 2012 was to successfully negotiate compromise agreements with stakeholders for the various interests: large businesses, environmental groups, low income advocates, consumer watchdogs and so on. Our record of constructive issue resolution is clear, and it is long.

"In 2014, the solar leasing companies went a step further, supporting two candidates for the Arizona Corporation Commission on an explicitly anti-APS platform. This caused us to reevaluate how to ensure the interests of APS customers, employees, communities and shareholders are represented in the political process.

"Whenever we make the decision to support a candidate or cause, we follow the laws regarding campaign contributions and disclosure. Our policy is published on our website for all to see.

"Today's shareholder proposal advocated for our company to voluntarily disclose more than the law requires. We respectfully disagree with that point of view. This is not an energy issue—it is a campaign finance issue, for others to debate and decide. Our responsibility is to follow the law with honesty and integrity, and that is what we do."

A shareholder resolution that would have forced Pinnacle West to disclose spending on lobbying and political campaigns was defeated.

Wall Street analysts have applauded APS' aggressive moves to fill the Corporation Commission seats with friendly regulators. Analysts say that gives the company more certainty regarding future regulatory changes.

The success of that strategy has helped make Pinnacle West a potential takeover candidate. The company's regulatory filings ([http://www.pinnaclewest.com/files/doc\\_financials/annual/2014/PNW\\_2015\\_Proxy\\_Statement.pdf](http://www.pinnaclewest.com/files/doc_financials/annual/2014/PNW_2015_Proxy_Statement.pdf)) show Brandt has a so-called "change of control" provision that would award him \$35.5 million in the event of a takeover.

*Full text of Don Brandt's comments here*

([http://www.pinnaclewest.com/files/doc\\_presentations/2015/PNWRemarksFromThirtiethAnnualMeetingofShareholders\\_v001\\_i99022.pdf](http://www.pinnaclewest.com/files/doc_presentations/2015/PNWRemarksFromThirtiethAnnualMeetingofShareholders_v001_i99022.pdf))

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# APS to ASU charity to dark-money campaign?

Laurie Roberts



Laurie Roberts, The Republic | azcentral.com

3:07 p.m. MST March 10, 2015



Another player heard from in last year's dark-money campaign to get certain candidates elected to the Arizona Corporation Commission.

And once again, Arizona Public Service pops up.

Don't you just love a good coincidence?

(Photo: fuzznails, Getty Images/iStockphoto)

Like, say, the one uncovered by the [Sunlight Foundation](http://sunlightfoundation.com/blog/2015/03/10/asu-foundation-links-utility-funds-to-anti-solar-push/) (<http://sunlightfoundation.com/blog/2015/03/10/asu-foundation-links-utility-funds-to-anti-solar-push/>) – one I've verified via IRS records.

It seems APS Foundation, the fundraising arm of everybody's favorite utility, gave \$181,100 to ASU Foundation, the fundraising arm of ASU, in 2013.

ASU Foundation, meanwhile, gave \$100,000 to Save Our Future Now in 2013.

SOFN is one of two dark-money groups that spent millions last year to get Doug Little and Tom Forese onto the Arizona Corporation Commission that regulates utilities.

APS and ASU Foundation officials assure me that there's nothing to see here. So does Save Our Future Now.

"We have no reason to believe that APS directed ASU to give money to Save Our Future Now," SOFN's attorney, Kory Langhofer, told me.

Yet, as usual, the view is rather riveting.

SOFN is a 501c4, one of those dark-money groups that claims to have been formed in order to promote social welfare but just coincidentally promotes certain secret political agendas.

According to campaign-finance records, SOFN spent more than \$2.8 million in last year's state elections. Of that, more than \$2.7 million was spent to get Forese and Little onto the Corporation Commission – or, in the alternative, to make sure that pro-rooftop solar candidates did not get onto the Corporation Commission.

SOFN won't say where it got the \$2.8 million to promote Forese-Little and attack their opponents. Sadly, state law doesn't require it to disclose who bankrolled the effort to stack the commission with the candidates considered the most likely to back pro-utility positions.

APS has likewise declined to say whether it was involved in financing the dark-money campaigns by SOFN and the Arizona Free Enterprise Club.

Which is, of course, why people like me find it oh-so-interesting when these small dots line up, just begging to be connected.

John Skinner, chief of staff for ASU Foundation, tells me the foundation's contribution to SOFN had nothing to do with politics and everything to do with promoting ASU and higher education in general. He says he doesn't believe that the foundation's chairman, former APS CEO Bill Post, was involved in the decision to donate to SOFN.

"We made the contribution to Save Our Future because as part of its mission it helps general public awareness of higher education issues and advances higher education in the state of Arizona," he said.

Hal Pittman, director of external communications for APS, likewise says there's no connection between the utility's charitable contributions and its political activities, noting that APS Foundation gives to all three universities and community colleges.

"Investing in education – particularly science, technology, engineering and math – helps ensure a bright economic future for Arizona and prepares students for good jobs in tomorrow's workforce," he said, in an e-mailed statement. "Where the ASU Foundation directs its own contributions to improve educational outcomes is guided by the foundation's judgment and expertise, not ours."

SOFN's Langhofer says that ASU Foundation's money couldn't have gone into SOFN's Corporation Commission campaign. Contributions from 501c3 groups, such as ASU Foundation and APS Foundation, can't be used to expressly advocate for candidates. Instead, he says the money would have been spent on the group's social-welfare activities.

Langhofer says SOFN spent at least \$3.7 million last year promoting social welfare -- mostly by promoting voter turnout in last year's election.

Not everybody's buying that APS Foundation to ASU Foundation to SOFN is mere coincidence. Cue Republican Vernon Parker, who lost his bid for the Corporation Commission courtesy of an unprecedented \$832,000 attack campaign from SOFN.

"We have a real problem in our state when dark money organizations can infiltrate an organization such as the ASU Foundation, and get them to donate money to be used to drag good people through the mud, and call it education? Maybe the foundation should stick to its original purpose and donate its money to higher education, and not gutter politics," he said.

So do the dots connect?

Everybody involved swears that they don't. Yet neither APS nor SOFN will put the speculating to rest by proving it.

Me, to Langhofer: Where did the \$2.76 million spent on the Corporation Commission come from?

Langhofer, to me: "We definitely do not identify donors who don't identify themselves publicly."

Such is the state of Arizona law, that voters aren't entitled to know who is trying to influence their vote -- or why.

Sadly, no one in state government seems inclined to change that.



**Laurie Roberts** ([/staff/25817/laurie-roberts](#))

Columnist: Laurie Roberts is a metro columnist for The Republic/azcentral.com. A wife, mother and Missouri grad who loves all things Arizona – even its crazy politics. &nbsp;&nbsp;

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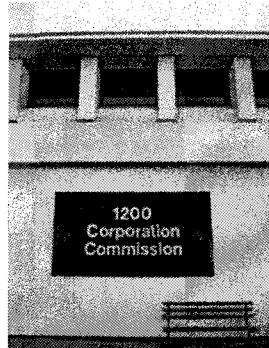
# Arizona utility regulators seek legal advice on dark money



Ryan Randazzo, The Republic | azcentral.com

6:08 p.m. MST September 8, 2015

**Utility regulators differ on whether electric company should disclose political spending.**



(Photo: The Republic)

Utility regulators at the Arizona Corporation Commission asked Tuesday for a legal opinion from their staff about dark-money political contributions that utilities could be making toward the campaigns of candidates who, if elected, will set their rates.

Susan Bitter Smith and Bob Burns are trying to encourage utilities and other entities such as rooftop-solar groups from funding independent political groups that advertise for and against candidates for the commission. But they said they need more information on whether they can force utilities to disclose such spending.

Former commissioners and various media outlets have suggested the regulators can force utilities to disclose such spending, but the regulators want the opinion from their own staff.

"There is no definitive legal opinion from the commission," Bitter Smith said. "There is uncertainty regarding the role of the commission."

Three of the sitting commissioners, Bitter Smith, Burns and Bob Stump, were elected in 2012 with the help of the Arizona Chamber of Commerce and Industry with money from Arizona Public Service Co. and Southwest Gas Corp., both of which are regulated by the commissioners.



AZCENTRAL

Roberts: Shocker! Two utility regulators side with APS

(<http://www.azcentral.com/story/opinion/op-ed/laurieroberts/2015/09/08/corporation-commission-dark-money-aps-campaigns/71898072/>)

The other two commissioners, Tom Forese and Doug Little, were elected last year with the help of \$3.2 million in independent political campaigns widely believed to be financed with so-called dark-money from APS.

APS and chamber officials said the 2012 funds that went to the commission race were an accident. At the time, APS and Southwest Gas said their policy was to abstain from participating in regulatory races.

APS no longer takes that position. APS doesn't deny funding the 2014 political groups that helped Forese and Little and will say only that it is politically active. The political groups don't have to disclose their donors.

Bitter Smith and Burns, both facing re-election next year, opened a new docket at the commission last month and proposed a letter for the regulators to sign that asks utilities and unregulated entities with business at the commission, such as rooftop-solar companies, to "voluntarily refrain from making campaign contributions in support of or in opposition to Corporation Commission candidates."

The two regulators' draft letter said that it is "unacceptable and inappropriate" for utilities and unregulated businesses to finance campaigns for or against corporation commissioners.



AZCENTRAL

Top Arizona utility regulator faces conflict complaints

(<http://www.azcentral.com/story/money/business/energy/2015/08/27/susan-bitter-smith-conflict-complaints/32439457/>)

Forese and Little, as well as the Arizona Chamber of Commerce and Industry and other business groups, oppose the measure, citing First Amendment freedom of speech issues and conflicting campaign-finance rules.

"It is well beyond the Commission's constitutional and statutory mandate to coerce these entities to forego their rights or face public scrutiny of their private financial records," said the Chamber letter, also signed by Greater Phoenix Chamber of Commerce, Greater Phoenix Leadership, Greater Flagstaff Chamber of Commerce, Arizona Business Coalition, Arizona Small Business Association and the Arizona Cattlemen's Association.

"Instead, we encourage the commission to work collaboratively with the Secretary of State and the Legislature to propose true election reforms where they are needed to protect all Arizonans' rights and privileges," it continued.

Burns said he was interested in accessing information from APS about its participation in elections, and he and Bitter Smith requested the commission legal staff offer an opinion on whether the commission or any individual commissioner has that authority.



AZCENTRAL

Outside donors, 'dark money' influenced Ariz. races

[\(http://www.azcentral.com/story/news/arizona/politics/2015/01/10/outside-forces-dark-money-influenced-races/21531099/\)](http://www.azcentral.com/story/news/arizona/politics/2015/01/10/outside-forces-dark-money-influenced-races/21531099/)

Little didn't think the staff opinion mattered.

"I don't think it addresses the larger issue," he said.

"In my personal view, more political speech, whether it comes from corporations, unions, associations, self-appointed 'watchdog' groups or individuals is a good thing because the ability to engage in robust discussion about the qualifications of candidates in an election is a good thing," Little said in a letter he read aloud during Tuesday's meeting.

Forese reiterated a point he made during his 2014 election when questioned about the possibility of APS supporting independent political groups advertising on his behalf. He said that it is unlawful to coordinate with such independent campaigns, and that he was not coordinating with them. He said that asking them not to spend money on his behalf would be just as much of a violation as coordinating how they spend money.

The Alliance for Solar Choice, or TASC, which represents leasing companies such as SolarCity Corp., said before Tuesday's meeting it would honor the request of Bitter Smith and Burns.

"In making this commitment, TASC and its member companies pledge that this guarantee extends to any and all direct or indirect expenditures in support of or opposition to candidates for the Corporation Commission," attorney Court Rich wrote. "This means that TASC and its member companies commit that they not only will not directly spend money, but that they will not cause expenditures to be routed through third parties resulting in anonymous advocacy in support of or opposition to candidates for the Arizona Corporation Commission."



AZCENTRAL

Rooftop-solar group offers to stay out of elections

[\(<http://www.azcentral.com/story/money/business/energy/2015/09/02/rooftop-solar-group-offers-stay-out-elections/71592236/?from=global&sessionKey=&autologin=1>\)](http://www.azcentral.com/story/money/business/energy/2015/09/02/rooftop-solar-group-offers-stay-out-elections/71592236/?from=global&sessionKey=&autologin=1)

TASC and its member companies are "inviting" other regulated and unregulated entities to make the same pledge (<http://www.azcentral.com/story/money/business/energy/2015/09/02/rooftop-solar-group-offers-stay-out-elections/71592236/>).

Rooftop-solar companies supported two Republican candidates in the 2014 election who faced opposition advertising funded by dark-money. Both lost in the primary to Forese and Little.

Read or Share this story: <http://azc.cc/1ET75tL>

# Arizona's Own Espresso Pundit

## APS Finally Goes Too Far

Since I practice in front of the Corporation Commission, I try not to blog about the ACC or ACC races. So I have remained on the sidelines while Arizona Public Service has escalated its bizarre and wholly inappropriate effort to affect the outcome of the ACC elections by funneling anonymous "Dark" Money into the race.

If you are looking for a little background, the Republic's Ryan Randazzo and Laurie Roberts as well as the Arizona Capitol Times have had excellent coverage.

But there is a point at which APS has gone too far and even those of us who have to work with the company have to speak out. Today they reached that point.

It was bad enough that APS used some of its (essentially unlimited) corporate funds in order to push two candidates for the Corporation Commission. But here the company is funding a smear campaign against a specific candidate using anonymous\* corporate money and relying on discredited charges and allegations in order to affect the election of the body that regulates them.

That's too much\*\*.

When it became clear that APS was going to participate in the ACC election, people started asking me about the propriety of the company's actions. Many of these people are APS supporters who don't have a problem with the recent Supreme Court decisions. Here are some of those questions and my answers.

### ***Doesn't APS have a free speech right to participate in this election?***

Yes, and I think the ads and signs are legal.

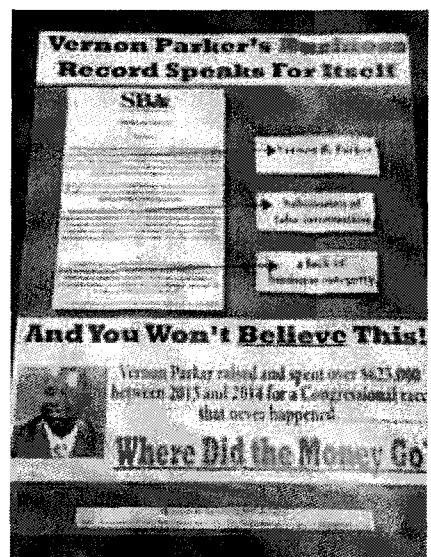
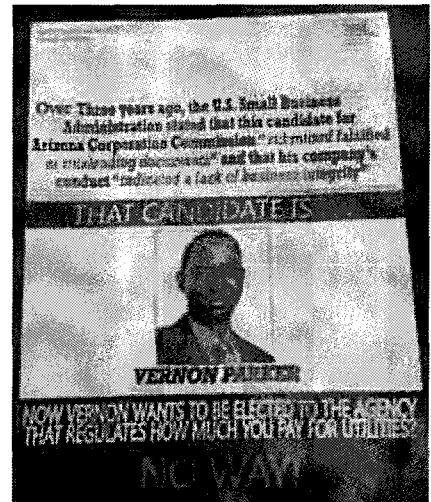
### ***Don't other companies (for example solar companies) spend money in ACC elections?***

Yes. But, APS is a monopoly and is 100% regulated by the ACC. APS doesn't make a dime that isn't approved by the ACC. Other entities are only marginally affected by the ACC and those contributions are similar to the contributions that APS makes in Legislative races. No one is going to say that APS can't make legislative or Gubernatorial contributions. They are affected by the outcome of those races, but not much more than other companies are affected by the outcome of Legislative races. Here however, APS is REGULATED by the ACC. The ACC sets the very rates that allow APS to survive. The company is using its massive corporate resources in order to hand pick the regulators who will set the company's rates.

There is also a scale issue. It looks like APS is going to spend more money than all of the other candidates combined.

### ***But these contributions are "Shareholder" money...the company can do whatever it wants with "shareholder" money.***

Believe me, I know the difference between "Ratepayer" and "Shareholder" funds. When the company has retained earnings, it can spend them on whatever it wants—like marketing at Sun's Games, charity events, or dividends. I'm fine with that and whenever regulators make a big deal out of these expenditures, I support the



company.

However, what utility executives don't understand is that ratepayers are the SOURCE of all the money and all of that money comes into the company as result of Commission decisions. So what if the company donated several million dollars to the "Marriage is between one man and one woman campaign"? Or what if the company donated the money to a "Marriage Equality" initiative? Sure, it's the company's money, but since all of it originated from ratepayers, the general populace gets very upset if the company spends the money on controversial causes.

So when the company spends money to trash an ACC candidate, APS can't say that it's OK because it's "shareholder" money.

***Yes, APS is taking extraordinary measures to influence the ACC, but its in the fight of its life with the solar companies. So isn't the company justified?***

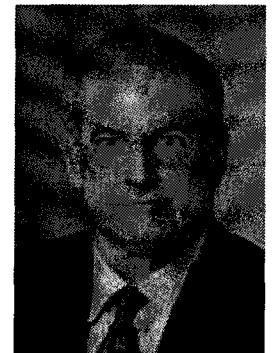
APS was in the fight of its life when it needed to get the Palo Verde Nuclear Plant into ratebase. It was in the fight of its life when its Savings and Loan collapsed. It was in the fight of its life when Suncor imploded. It was in the fight of its life when it built the Red Hawk plant at the top of the market. It was in the fight of its life when the ACC considered retail electric competition. So the fact that management thinks it's ok to spend corporate dollars to influence the ACC election because the company is "in the fight of its life" is an indication of the short sighted view and limited history of current management.

***Aren't you just upset that APS's new management is more aggressive and plays a style of East Coast Hardball that you aren't used to?***

Actually, Don Brandt and Mark Schiavoni won't survive this move, so it doesn't matter what I think of them.

***Why is that?***

Let's try a little game theory. Let's say that APS wins and that Forese and Little get elected while Parker and Mason get crushed. What happens during APS's next rate case? Everyone will be looking to see if APS gets favorable treatment. Forese and Little can't give APS a break or they will get recalled and forever branded as stooges. They will have to be HARDER on APS than they would have been if APS had stayed out of it. Frankly they will have to be much harder on the company in order to regain any credibility.



Now let's expand that game theory to the three sitting Republican Commissioners. Do you think that they can risk looking like they are giving APS favorable treatment? No, if they look like they are favoring the utility over ratepayers because they know that the utility can put big money into their future races then their career's are over. So they have to err on the side of being too hard on the company during its upcoming rate case.

And what if Parker actually wins? If you strike the king you have to kill him and I don't see how APS investors or the PNW Board can possibly keep Brandt and Schiavoni if Parker or Mason win. Even if Parker and Mason swear that all is forgiven and that they will uphold their Constitutional duty to be fair, the shareholders can't risk it.

So either way, APS will have new management by the time it's next rate case is filed in July of 2015.

***Won't you be embarrassed if we find out that APS isn't behind this mailer?***

Nope. Ryan Randazzo's work on this issue has been excellent. He has already made a good case that APS is playing in these races. Money is fungible and if APS has managed to triple launder the money so that they can claim that this specific piece was paid for by another entity, it wouldn't matter. APS is behind it or APS's efforts made it possible. And if they can make a credible claim that they are not involved, then they should have made that claim when Randazzo asked them the first dozen times.

***Don't you give money in ACC races too?***

Sure. I've helped nearly all the candidates of all parties (often at the same time) collect \$5 contributions and I gave seed money to Parker and Mason when they made a credible case that APS was making it harder for them to get signatures. That's a matter of scale. If Don Brandt wants to write a \$160 check to Doug Little, I have no problem with that.

#### Footnotes:

\*How can I say that it's APS money and also say that it's "anonymous"? Because I didn't think it was appropriate to use the word "Laundered". WE know that APS is behind the pieces, but they gave the money to a third party so that the VOTERS would have no idea who is paying for them.

\*\* I hesitate to even mention the other reason why this piece goes too far. Sandra Kennedy is the only African American in Arizona to have been elected state wide. In fact, she was elected to the very office that Parker is seeking. Why do you think that Sandra Kennedy never put her pictures on her signs? Why didn't she submit a picture for the Clean Elections pamphlets? The answer is obvious. Yet Kennedy's path was through a Democratic Primary and then a General Election. Parker has to get through a Republican Primary and then a General Election. One of the goals of this piece is make sure that Republican voters know what Parker looks like and to feed stereotypes of corrupt black politicians.

July 11, 2014 | [Permalink](#)

#### Comments

 You can follow this conversation by subscribing to the [comment feed](#) for this post.

Hey, corporations are people now, with all the rights but none of the attendant responsibilities of citizenship. That particular Overton window has long since been opened and closed.

I know I should be outraged, blibbity-blub, but frankly, I'm just exhausted by all this. I'm just thankful I don't have any kids to inherit the next stage of return to vassalage.

Posted by: [The klute](#) | July 11, 2014 at 06:46 PM

I agree with the author regarding the potential for abuse as APS "dark money" influences the election of members their own over sight board.

It is very dicey for all the reasons laid out here. But, is it different when the city's public employee unions contribute and openly campaign in a City Council race? We seem to tolerate that form of the "fox electing their own to guard the hen house".

Posted by: [Curtis Brown](#) | July 11, 2014 at 07:34 PM

Just saw the last comment about the race baiting. That is probably a load of crap. Vernon has been a public figure for the better part of 15 years. He's held municipal office for over a decade, run for state wide office and national office. I'm pretty sure people already know what he looks like. And BTW, nobody gives a crap what "race" you are. Whatever that stupid label is supposed to mean.

Posted by: [Curtis Brown](#) | July 11, 2014 at 07:38 PM

Thanks, Greg. Excellent article!

Posted by: [Mitch Martinson](#) | July 11, 2014 at 07:43 PM

Greg. Good comments. The Commission itself has some authority to deal with this problem, but they don't. I'd suggest the one party republican rule of the commission is also one of the problems. Yes as a candidate for the Commission myself I do have a biased view here! I'd suggest your readers check out Holway 2014.com for a campaign that is focusing on our energy and water management challenges. Jim Holway - Democratic Candidate for ACC.

Posted by: [Jim Holway](#) | July 11, 2014 at 08:25 PM

Somebody needs to beat your campaign site designer with a rubber hose.

Posted by: Rob | July 11, 2014 at 08:50 PM

And this:

LET'S MAKE ARIZONA THE NEW SOLAR CAPITOL!

VOTE JIM HOLWAY FOR ARIZONA CORPORATION COMMISSION THIS NOV.

It's "capital," and please spell out "November."

Thanks

Posted by: Rob | July 11, 2014 at 08:52 PM

\*capital

Posted by: Rob | July 11, 2014 at 08:53 PM

All the dark money, in all elections, needs to be brought into the sunlight.

If we the people can see who and what is going on, things will definitely change for the better.

Posted by: James Strock | July 11, 2014 at 09:48 PM

Um, Rob, it is "capitol". You might want to delete your post.

Posted by: benson | July 12, 2014 at 11:28 AM

Want to lay money on it?

writingexplained.com/capital-vs-capitol

Posted by: Rob | July 12, 2014 at 11:44 AM

"The vote for Arizona Corporation Commission effects your every day life, from how much you pay for your electricity to whether or not you can open that new business - what kind of candidates do you want representing you?"

That's "affects." Oy.

Are we hiring U of A students or something?

Posted by: Rob | July 13, 2014 at 07:01 PM

I disagree with the last point in the post. Parker and his campaign teams have traditionally traded on the "historic" nature of his campaigns and they feature his picture on his materials. It can't be not-racist to use his picture on a positive piece and also racist to use the same picture on a negative piece. There are far more corrupt white politicians than black politicians, so if putting a white politician on a piece accusing them of corruption isn't racist, neither was this piece.

Posted by: CQ | July 13, 2014 at 08:05 PM

Let's see... We have a utility monopoly regulated by a government commission and the players are trying to game the system? I'm shocked! Disband the commission and open the energy market to unfettered competition. The market will sort itself out and the consumers will get the best product for the best price in the end.

Posted by: Ray AZ | July 14, 2014 at 12:50 PM

WHAT the hell Greg? It's fine that you want to dereg electricity and sink Arizona utilities, but saying the Republican Party is racist??? You have a huge role in our party. A former Legislator, cabinet member, RUCO director, and on the Board of Regents. Now you post that for Dem bloggers to capture and use til the cows come home... WTF? Vernon freaking won the GOP Nomination for Congress two years ago - using his image and his remarkable personal story.

Posted by: Paul Walker | July 14, 2014 at 02:31 PM

I hesitate to even mention... but Sandra Kennedy also put a green shamrock on her campaign signs.

Posted by: Can't remember my pseudonym | July 15, 2014 at 12:54 AM

I base my vote on who I believe to be the best candidate. I don't care what APS or anyone else does or says. I know four of the six candidates (three R's and one D). I'm supporting Tom Forese, who I believe is the best of the group. I'm torn between Doug Little (I don't know) and Vernon Parker (I do know). Lucy Mason is a nice lady but is clueless. Sandra Kennedy and Jim Holway? Not a chance!

Posted by: RonJ | July 15, 2014 at 12:20 PM

The ACC CAN & should satisfy their Constitutional duty to compel the regulated utilities to optimize costs(total)to ratepayers and set rates that allow recovery of REASONABLE costs....rather than continue to allow the utilities to restructure rates, recover unreasonable/avoidable costs via automatic surcharges that require no review by neutral party versus base rate hearings, they should eliminate surcharges and change the current Cost PLUS Profit(ROR) as a percent of cost structure to one that allows recovery of current costs but pays the fee or profit, return on rate, from cost reductions they implement and SHARE with Ratepayers....if cost reduced 10% reduce the rate by 6% for ratepayers, Shareholders EARN 4%.

Per ADOA Utilities pay the highest average(50% of employees higher) wage of ANY industry, \$92k/year....in a regulated market, no risk, assured recovery of all costs, reasonable or otherwise, I don't believe those wages are currently REASONABLE. They are competent, can earn those wages by providing equal or better value to their Customers.

That "customer-centric" action would promote responsible innovation, stimulate our local economy, assure that utilities can survive the competition from their own customers, promote collaboration and integration of customer generation instead of adversarial negative obstructionism, and reduce the amount of Dark Money available for inappropriate manipulation of voters and commission elections.

Posted by: Terry | [July 16, 2014 at 12:42 PM](#)

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## ASU foundation links utility funds to anti-solar push

by Jacob Fenton

MARCH 10, 2015, 11:52 A.M.

The nonprofit fundraising arm of Arizona State University gave \$100,000 to a shadowy political group that spent at least \$2.4 million on TV ads attacking state candidates who sided with the solar industry during last year's election.

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1.048.925.

ACC\_AR0379

(11) RESEARCH SOLAR ENERGY, INC.				
P.O. BOX 2260 TEMPE, AZ 85280	46-3815674	501(C)(3)	341,889.	
4715 N. 32ND STREET PHOENIX, AZ 85018	45-4568597	501(C)(4)	187,000.	

*Detail from the ASU Foundation's Fiscal Year 2014 tax returns.*

Save Our Future Now was one of several groups that spent heavily on last year's election to the Arizona Corporation Commission, which has jurisdiction over state utility rules. Though the groups attacking candidates aligned with the solar industry have never had to disclose their donors, it's been widely assumed they were funded by power companies looking to keep cheap solar energy out of consumers' hands in the sun-drenched state.

That narrative gained credence after leaders of the Salt River Project, which provides power to nearly a million customers in the Phoenix area, voted this January to raise electrical rates about \$50 each month to solar users.

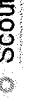
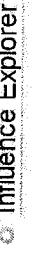
Tax documents newly unearthed by The Sunlight Foundation suggest that Arizona Public Service Co., the state's largest utility, often called just "APS," left fingerprints on the money.

The ASU Foundation board is chaired by Bill Post, who retired as chairman and CEO of APS' corporate parent in 2009 after 38 years there. Post has been on the ASU Foundation board since 2004. And APS' own charitable foundation gave \$181,000 to the ASU foundation according to its 2013 tax filings. APS did not return calls for comment.

The contribution from the ASU Foundation would appear to be most of Save Our Future Now's seed money. The group raised a total of \$126,190 in 2013 and had little public profile.

The ASU Foundation is a separate legal entity from the university. Located on University Drive on ASU's Tempe campus, the foundation has a mission "to ensure the success of Arizona State University"

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with which it is deeply entwined. University president Michael Crow and General Counsel Jose Cardenas serve on the group's board, which currently lists 22 members. Cardenas and Crow didn't return calls; a university spokesman referred questions to the foundation.

Staff at the Arizona University Foundation wouldn't talk on the phone, and refused to answer a series of emailed questions. John Skinner, the foundation's chief of staff, wouldn't say why the foundation gave money to Save Our Future Now or whether the board had voted on the contribution. Skinner's entire explanation was that the university had given money to the dark money group "which, as part of its mission, helps generate public awareness of higher education issues and advances higher education in the State of Arizona."

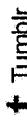
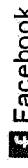
Save Our Future Now's mission is unclear. Incorporated in 2012, the group didn't raise enough money to file taxes until 2013. At that time, its mission focused on education entirely, but now the group's web site lists a focus on "public policy issues related to business development, job creation, economic development, higher education, transparency in elections, election integrity, ballot access and other relevant topics."

If Save Our Future Now has been advocating for public education on behalf of ASU, it hasn't been very successful. Newly elected Governor Doug Ducey's most recent budget would cut \$75 million in state funding for the state's university system, roughly 10 percent of its overall state money.

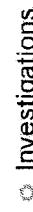
Last August, Sunlight identified Save Our Future Now's president as Todd Bradford, a realtor at Homesmart who served on a local planning commission. Reached by phone this week, Bradford referred all questions to an unnamed spokesman reachable at a number he gave that belonged to the Phoenix political firm Coleman and Dahm.

Joyce Downey is listed as Save our Future Now's vice president and answered the phone at Coleman and Dahm. Asked about the Arizona State University Foundation's contribution, Downey's only comment was: "I just don't have anything to say about it at all."

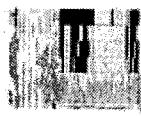
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Vernon Parker, a Republican who says he was leading in the primary election for corporation commission until the outside groups mobilized against him, was critical of the effort. "It just shows how far-reaching dark money has gotten that our state's largest corporation can utilize an organization whose purpose is to raise money for higher education — to go to these extents — to me its just kind of shocking." But Parker, a former mayor of Paradise Valley, Ariz., said he's worked with former APS CEO Bill Post in the past and can't believe he would be involved.



APS Foundation 2013 Form 990



3 documents

**ASU Foundation Form 990 for 2014 has been altered to clarify that the Salt River Project solar metering vote was taken by a separate board.**



Save Our Future Dark Money Arizona Public Service Arizona State University

Arizona State University Foundation For A New American University Save Our Future Now

### 3 Comments Sunlight Foundation

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Dave R • 3 months ago

Did not see this coming! It looks like APS asked ASU a favor to wash some money and it appears ASU just stepped into a game they not only should never be in but worse they don't know how to play. The explanations defy belief. I suspect it comes from APS & SRP being the power brokers for so many decades there is no one to hold them accountable.

1 ▾ ▿ ▾ • Reply • Share ↗

Jtaza • 3 months ago

Where can we find the documentation showing the \$2.4M SOFN spent on anti-solar marketing last year?>

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 jacob fenton ➔ Jtaza • 3 months ago

Here's a link to the Center For Public Integrity's page of estimated TV ad spending by SOFN: <http://www.publicintegrity.org...>

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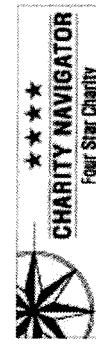
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# Brnovich not the guy to investigate APS-Corp Com links

LAURIE ROBERTS



Laurie Roberts, The Republic | azcentral.com

6 a.m. MST February 23, 2015



(Photo: file)

It is, you could say, A Potential Scandal – or at least A Problematic Story for everybody's favorite utility.

Certainly something to think about next time you get ready to pay your electric bill.

A staffer at the Arizona Corporation Commission has filed a complaint alleging that political shenanigans have been afoot over at the commission that regulates utilities.

Among the allegations: that then-Commission Chairman Gary Pierce had a number of "covert" meetings with the CEO of Arizona Public Service while APS was seeking a rate increase.

Yeah, that APS. Or, as I like to call it, AP-Shhhh. The one widely believed to have secretly sunk several million dollars into a successful dark-money campaign last year to get Tom Forese and Doug Little onto the five-member commission. The one believed to have spent \$750,000 on an unsuccessful dark-money campaign to get Pierce's son, Justin, elected secretary of state.

Not to worry though. The complaint has been sent to Attorney General Mark Brnovich. Yeah, that Brnovich. The one whom APS spent \$425,000 supporting in last year's election.

The whistleblower story was reported last week by [12News' Brahm Resnik](#) ([/story/news/12-news/2015/02/18/12news-arizona-corporation-commission-whistleblower/23645101](#)). Both Pierce and APS told me there's nothing to see here.

"The letter written by my former assistant is nothing more than scurrilous half-truths and fabrications," Pierce said, in an emailed response. "I am confident that any investigation will completely clear me of any wrongdoing."

APS said there was nothing secret or nefarious about the meetings.

"Meetings between commissioners and organizations with business in front of the ACC happen all the time and are entirely appropriate and conducive to good public policy," APS spokesman Jim McDonald said, in a written statement."

The whistleblower, whose name was removed from [the six-page letter](#) ([http://archive.azcentral.com/persistent/icimages/news/ACC\\_whistleblower\\_letter\\_02-18-15.pdf](#)) outlining the allegations, is a six-year Corporation Commission staffer who previously worked as an executive aide to Pierce, who termed out of the commission this year.

In his letter to commission officials and Brnovich, he wrote that Pierce used him and other staffers to pressure commission employees into expediting corporation paperwork for Ron Ludders, a tea party activist who was working on a campaign to defeat Commissioners Paul Newman and Sandra Kennedy in 2012. Newman and Kennedy, both Democrats, lost that year to Republicans Susan Bitter Smith, Bob Burns and Bob Stump.

The whistleblower said Pierce and Commissioner Brenda Burns later hired Ludders as an intern. He was paid \$9,000, the whistleblower said, but never produced any work during the six months he was there.

"Mr. Ludders departed the commission abruptly after Laurie Roberts of the *Arizona Republic* began reporting on the incidence of dark money involvement in the election for the Arizona Corporation Commission," the whistleblower wrote.

Hmmm.

Most interesting to me? The claim that Pierce was meeting privately with APS brass. Specifically, that Pierce had 14 private lunch or dinner meetings with APS CEO Don Brandt or his predecessor – seven of which occurred while APS was seeking rate hikes.

"I knew this because I was asked to arrange most of the covert meetings," the whistleblower wrote.

Bitter Smith told Resnik that she believes an investigation is warranted and is consulting with the commission's attorney. While that's nice, an independent look would be even nicer, from an agency that has no ties to APS.

That leaves Brnovich out. According to IRS records, APS parent company Pinnacle West kicked \$425,000 into the Republican Attorneys General Association's independent campaign for Brnovich last year.

At the time, I asked why a regulated monopoly would care who snagged the state's top law enforcement job ([/story/laurieroberts/2014/12/05/arizona-public-service-mark-brnovich-republican-attorneys-general-association/19970377/](#)). No need to ask anymore.

Brnovich's spokeswoman Kristen Keogh wouldn't tell me whether an investigation has begun or whether Brnovich plans to transfer the complaint to another agency, given that APS contribution.

It doesn't seem like it's asking for much, to find an independent public official to handle the investigation -- someone free of APS influence.

Then again ...

**Laurie Roberts (/staff/25817/laurie-roberts)**

Columnist: Laurie Roberts is a metro columnist for The Republic/azcentral.com. A wife, mother and Missouri grad who loves all things Arizona – even its crazy politics. &nbsp;&nbsp;

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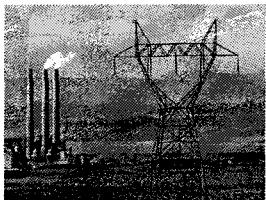
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# Candidates push APS about involvement in campaign



Ryan Randazzo, The Republic | azcentral.com

8:10 p.m. MST July 10, 2014



Two candidates hoping to regulate utilities continue to pressure Arizona Public Service Co. to disclose whether the company is working to get its preferred candidates elected as regulators.

The Arizona Corporation Commission consists of five elected officials who regulate rates for APS and other utilities in the state. Two of the positions are open for the 2014 election. Four Republicans and two Democrats are vying for the jobs.

(Photo: David Wallace / The Republic)

The Republicans have split into teams. One of the teams — Vernon Parker and Lucy Mason — has received support from the rooftop-solar industry. The other team — Tom Forese and Doug Little — has received support from the Free Enterprise Club and another non-profit group that will not disclose their donors.

Parker and Mason believe APS is donating to the groups supporting Forese and Little. The utility has not denied any affiliation with the campaign.

The primary election is Aug. 26.

"When your company attempts to buy and pay for its regulators, you are planting the seeds for an Enron-like moment to happen," Parker and Mason wrote in a letter Thursday addressed to APS' CEO, Don Brandt. "Arizona ratepayers cannot be guaranteed affordable and reliable energy when the largest regulated monopoly handpicks its regulators."

Parker and Mason previously wrote to Brandt asking if APS was providing money to a non-profit called Arizona 2014, which sent mailers in support of Forese and Little.

APS responded with a letter that said the company's previous practice was to avoid participating in the elections, but that it no longer would make that claim.

On Thursday, a company spokesman said nothing has changed since that response.

"We appreciate the opportunity for constructive discussions with candidates who are interested in Arizona's energy future and the important issues facing the commission," said Hal Pittman, APS director of external communications.

In their latest letter to APS, Parker and Mason wrote, "Your non-answers to our very specific questions serve as a clear confirmation that you do plan to influence the election of candidates who may one day be your regulators."

They note that the Arizona Free Enterprise Club reports spending more than \$180,000 supporting Forese and Little, and ask again whether APS is contributing the money to the non-profit, which does not have to disclose donors.

**PRIMARY FIGHT:** [Candidates suspect APS of influencing Corp. Comm. race](#) ([/story/money/business/2014/06/19/candidates-suspect-aps-influencing-corp-comm-race/10886483/](#))

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([http://www.azcentral.com/story/money/business/2014/06/30/solar-companies-sue-stop-property-taxes-leased-rooftop-panels/11806043/](#))

**ROBERTS:** [Who is it that so badly wants Justin Pierce elected SOS?](#) ([/story/laurieroberts/2014/07/03/justin-pierce-dark-money-secretary-of-state/12149775/](#))

Asked about the support from Free Enterprise Club and the Arizona 2014 non-profit helping his campaign, Forese said earlier this month that he is not coordinating with the groups, which would violate campaign laws.

He said it could be considered a violation of campaign laws even to make statements to reporters about the funding.

"We have very serious campaign finance laws," Forese said. "Our answer is no, we have not interacted (with utilities that are regulated by the commission) nor shall we."

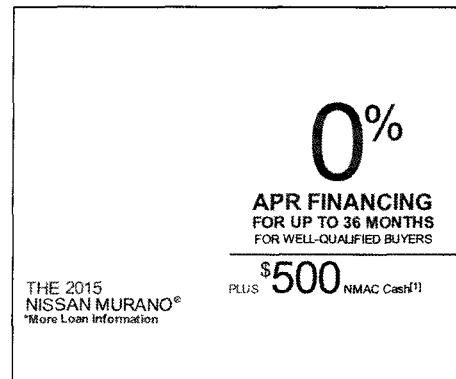
Bob Stump, the current Corporation Commission chairman, was elected in 2012 with help from APS, Southwest Gas and small water companies that he now regulates, although he said he did not solicit their independent expenditures. APS officials said the utility's money was spent on the Stump campaign without their knowledge.

Stump has said that while regulated utilities have the same First Amendment rights as other companies when it comes to political independent expenditure committees, he would prefer that companies with business before the regulators abstain from spending money on commission campaigns.

He has criticized Parker and Mason for the support they have received from the rooftop-solar industry, saying it is inappropriate because the solar companies are directly affected by commission decisions.

Parker and Mason have openly supported the rooftop-solar industry, which currently is suing the state over a Revenue Department decision to tax leased rooftop solar panels.

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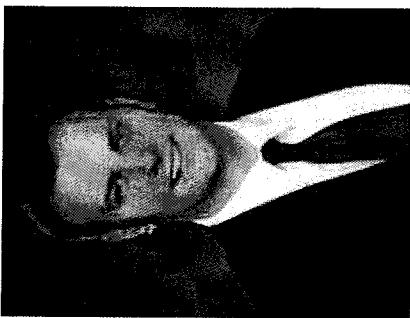
## Corporation Commission: Republican Team Takes 2 Seats

Story by Zachary Ziegler

Last updated November 5, 2014

Republicans Tom Forese and Doug Little have won the two out of five seats on the Arizona Corporation Commission that were up for grabs this year.

The pair took about 29 percent of votes each, while Democrats Jim Holway and Sandra Kennedy had about 21 percent each.



One of the most contentious issues in the race was the role of dark money from utility Arizona Public Service in pushing forward Little and Forese.

Kennedy and Holway said Little and Forese would be overly friendly with APS, the state's largest utility company, and could hold back the state's growing solar power movement.

Little and Forese denied the allegations, saying they will push for development of a balanced energy portfolio including solar, while aiming to keep electricity rates low.

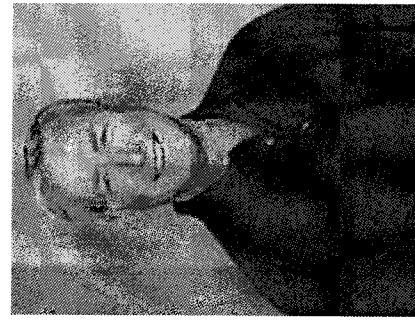
Holway and Kennedy also said their Republican opponents could have asked APS to stop giving money to campaigns, and that any of the current corporation commissioners, all of whom are Republicans, could force APS to disclose any involvement.

*Tom Forese.*

Little and Forese said they would welcome any disclosure from APS on the matter, while saying any requests to the dark money groups to stop would amount to illegal coercion.

APS in a statement said, "Although we typically do not comment on individual contributions, we routinely support public officials, candidates and causes that are pro-business and supportive of a sustainable energy future for Arizona, regardless of party affiliation."

Little and Forese said they were worried with the role the federal government is playing in Arizona energy policies, pointing to recent rules changes



*Doug Little.*

by the U.S. Environmental Protection Agency and the effect that could have on local utility rates.



For more coverage of the 2014 Elections,  
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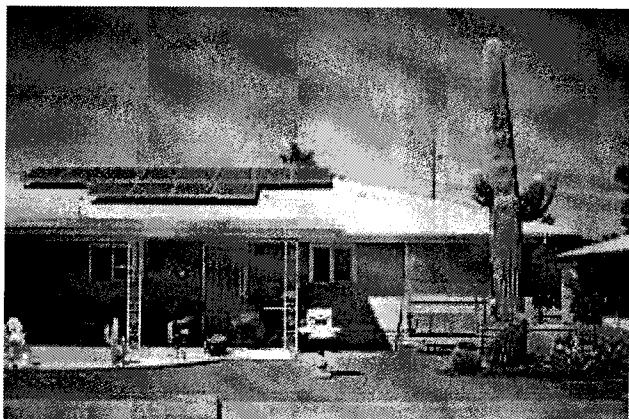
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## Dark Money Casts Shadow over Push to Tax the Sun

Submitted by [Brendan Fischer \(/users/35275/brendan-fischer\)](#) on August 18, 2014 - 7:34am

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Arizona has been ground zero for the American Legislative Exchange Council-backed effort to penalize homeowners who build solar panels on their homes.



Last year, the state's main electricity company, ALEC member Arizona Public Service (APS), pushed for a huge new

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surcharge on families and companies that switch to cheaper (and cleaner) solar energy, which would have had the effect of driving up the costs of rooftop solar and keeping more consumers dependent on the fossil fuel-powered electricity grid.

In November of 2013, the Arizona Corporation Commission – the agency tasked with regulating utilities – voted 3-2 against ([http://www.huffingtonpost.com/gabe-elsner/the-campaign-against-net-b\\_4297678.html](http://www.huffingtonpost.com/gabe-elsner/the-campaign-against-net-b_4297678.html)) APS' effort to "tax the sun."

(The next month, ALEC considered

([http://www.huffingtonpost.com/gabe-elsner/the-campaign-against-net-b\\_4297678.html](http://www.huffingtonpost.com/gabe-elsner/the-campaign-against-net-b_4297678.html)) an "updating net metering policies resolution" reflecting APS' push to charge solar users, which fit squarely within ALEC's antagonism (<http://www.prwatch.org/news/2014/08/12559/how-alec-fronts-fossil-fuels>) towards renewable energy). The Corporation Commission instead passed a smaller tax, allowing APS to charge homeowners around \$5 per month for home solar panels rather than the \$50-100 solar "deathblow" ([http://www.huffingtonpost.com/gabe-elsner/the-campaign-against-net-b\\_4297678.html](http://www.huffingtonpost.com/gabe-elsner/the-campaign-against-net-b_4297678.html))" that the industry had sought.

Many suspect that APS is now secretly seeking revenge.

This year, two seats on the Corporation Commission are open, and a wave of undisclosed dark money has flooded into the races, attacking the candidates that support solar and boosting those that are expected to support the industry. Many suspect that the true source of the funds is APS -- a charge that the utility company has not denied (<http://www.azcentral.com/story/money/business/2014/07/10/candidates-push-aps-involvement-campaign/12499335/>), although they have denied donating to similar groups in the past.

Arizona is an overwhelmingly Republican state, and currently every member of the Corporation Commission is a Republican. Yet, the issue of solar energy has not split along party lines. The son of conservative icon Barry Goldwater, for example, is a solar advocate and chairman (<http://www.motherjones.com/environment/2013/07/barry-goldwater-tusk-arizona-solar-net-metering>) of the group "Tell Utilities Solar won't be Killed" (known as "TUSK").

The four Republicans vying for the two seats have split into two camps: Vernon Parker and Lucy Mason, who are described as "consistently pro-solar," and Thomas Forese and Doug Little, who are viewed as sympathetic to APS interests.

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The Arizona Free Enterprise Club, a nonprofit dark money group, has spent around half-a-million boosting Forese and Little and attacking Parker and Mason. Although it is unprecedented to have this level of spending in a Corporation Commission race, the Club had previously had not even been a major player in any Arizona elections.

"Seemingly overnight, the Arizona Free Enterprise Club has morphed from a low-profile, low-tax advocacy group into the biggest-spending organization of this year's election season," the *Arizona Republic* noted

(<http://www.azcentral.com/story/news/arizona/politics/2014/08/03/arizona-free-enterprise-money-election-season/13537793/>) this month.

Save Our Future Now, another dark money nonprofit that keeps its funders secret, has spent almost \$400,000 attacking Parker.

"The candidates supported by APS or the Arizona Free Enterprise Club would pursue utility-friendly regulations at the expense of ratepayers and the solar industry," says Gabe Elsner, Executive Director of the Energy & Policy Institute, a clean energy watchdog.

"When your company attempts to buy and pay for its regulators, you are planting the seeds for an Enron-like moment to happen," Parker and Mason wrote (<http://www.azcentral.com/story/money/business/2014/07/10/candidates-push-aps-involvement-campaign/12499335/>) in a July letter addressed to APS' CEO, Don Brandt. "Arizona ratepayers cannot be guaranteed affordable and reliable energy when the largest regulated monopoly handpicks its regulators."

Even national figures on the right are concerned.

"APS is literally attempting to purchase its regulators in the state's August 26th Republican primary," wrote (<http://townhall.com/columnists/rachelalexander/2014/07/28/public-utility-attempting-to-buy-arizona-elections-n1870216/page/full>) Townhall columnist Rachel Alexander. "If successful, the implications are national, especially for fledgling solar power, and crony capitalism will have a new model that will boomerang on the Republican Party."

The Free Enterprise Club has additionally spent more than half-a-million on the Secretary of State race backing Republican state Rep. Justin Pierce, whose father is on the Corporation Commission and a reliable vote in favor of APS interests. Pierce's opponents have claimed that APS is backing the Corporation Commissioner's son as a "thank you."

If APS is providing the funding for the dark money groups, it wouldn't be the first time.

In 2013, the Koch-backed [60 Plus Association](#) ([http://www.sourcewatch.org/index.php/60\\_Plus\\_Association](http://www.sourcewatch.org/index.php/60_Plus_Association)) entered the Arizona solar battle, spending \$3.7 million on a [website](#) (<http://azsolarfacts.com/>) and [ads](#) (<http://azsolarfacts.com/get-the-facts-video>) claiming that solar amounts to "corporate welfare" helping "out of state billionaires." APS [initially denied](#) (<http://www.motherjones.com/environment/2013/07/barry-goldwater-tusk-arizona-solar-net-metering>) funding 60 Plus and its anti-solar campaign, but [later admitted](#) ([http://www.huffingtonpost.com/2013/10/25/solar-arizona-net-metering\\_n\\_4164731.html](http://www.huffingtonpost.com/2013/10/25/solar-arizona-net-metering_n_4164731.html)) that it had backed the group.

Notably, APS [acknowledged](#) (<http://www.azcentral.com/business/news/articles/20131007aps-solar-clash-credits-customers.html>) earlier this year that its funding for the 60 Plus campaign was being coordinated by [Sean Noble](#) ([http://www.sourcewatch.org/index.php/Sean\\_Noble](http://www.sourcewatch.org/index.php/Sean_Noble)), a close associate of the Kochs and president of [American Encore](#) ([http://www.sourcewatch.org/index.php/Center\\_to\\_Protect\\_Patient\\_Rights](http://www.sourcewatch.org/index.php/Center_to_Protect_Patient_Rights)), formerly known as the Center to Protect Patient Rights. Noble was central to the \$11 million "campaign money laundering scheme" in California that resulted in a record \$1 million fine.

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**Brendan Fischer** is CMD's General Counsel. He graduated with honors from the University of Wisconsin Law School.

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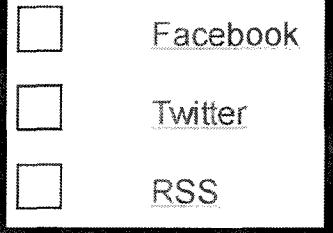
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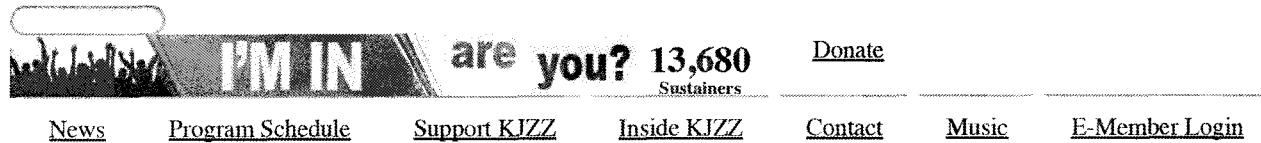
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## 'Dark Money' Clouds Contentious Arizona Corporation Commission Race

By [Kristena Hansen](#)

Oct. 16, 2014

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The Arizona Corporation Commission and its elections have historically flown under the radar.

00:00

But this year's race between the two Republicans and two Democrats vying for the two open commission seats is one of the most controversial on the November ballot.

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The outcome could set the tone for solar and renewable energy in Arizona for years to come, and that's prompted 'dark money' groups to dump an unprecedented amount of cash into the race in an effort to sway it in the GOP's favor.

The Corporation Commission incorporates new businesses, regulates securities and investments and oversees safety of the state's railway systems.

It also plays a big role in the everyday lives of Arizona residents. The rates that millions of Arizonans pay for basic utilities such as water, sewer, electricity and gas are determined by the five Corporation Commissioners.

Despite this enormous responsibility, the commission hasn't received much attention. But with the proliferation of solar, particularly rooftop solar, in Arizona that's been changing.

"Solar has had a huge upswing and that's brought a lot of great benefits for customers, but it's also created a lot of complexity for the grid itself as a physical engine and it's created real quandaries in who pays for what," said Paul Walker, a utilities lobbyist at Phoenix-based Insight Consulting LLC.

That dilemma has ignited a turf war between the solar industry and Arizona utilities such as Arizona Public Service Co. in recent years. The nation has been keeping an eye on how the commission, which regulates monopolistic utilities such as APS, referees the debate.

But the current all-Republican commission has earned a pro-utility reputation, which Walker said isn't deserved.

"The election of the Democrats, I think you would see a lot more debate at the commission about renewable energy's role," he said. "I think the Republicans now at the commission, and (Tom) Forese and (Doug) Little, I think all five of them have adopted a sort of all-of-the-above approach to energy in Arizona."

Democratic candidates Jim Holway and Sandra Kennedy have been coined the "pro-solar" candidates.

GOP candidates Tom Forese and Doug Little support a more diverse group of energy sources, as Walker mentioned, but they've been dubbed the "pro-utility" candidates.

(see candidate bios below)

That's because Forese and Little's campaign has benefited from more than \$3 million in 'dark money' spending, according to campaign finance documents with the Arizona Secretary of State's Office. That's far more than the roughly half-million dollars the solar industry, through a group called Tell Utilities Solar won't be Killed, has spent on the race.

The dark money is coming from two groups, Save Our Future Now and the Arizona Free Enterprise Club, who don't disclose their donors because of their 501(c)4 nonprofit statuses.

But it's widely assumed that APS is the nonprofits' primary source of funding for this campaign. APS has neither confirmed nor denied its involvement.

This is by far the largest amount of outside money that's been spent on a commission race.

It's also unprecedented for an Arizona utility to fund the election of its own regulator, which raises ethical and conflict of interest issues, said Diane Brown, executive director of the Arizona chapter of the Public Interest Research Group. She said she wonders how Forese and Little, if elected, could maintain their autonomy when making important decisions regarding APS.

"It is symbolic of key decisions that will be made in the upcoming years and special interests wanting to have an influence on who those commissioners may be. While we can never say that just because an entity contributed money, an elected official is going to vote in a certain way, we do know that there tends to be more access and influence when large sums of money are involved," Brown said.

Walker, on the other hand, said the spending is OK if a company truly feels threatened by the political platforms of certain candidates.

"I think it's not just acceptable, I think it's imperative that companies weigh in and let the voters know what's at stake in that election," he said.

Forese and Little didn't respond to multiple requests for an interview. Since the primary, the pair has declined other media interviews and Holway said they've cancelled several debates and forums.

"They are effectively squashing a conversation because they think they have a better chance of getting elected if there isn't a conversation," Holway said. "And I find that offensive."

All four candidates are campaigning with Arizona Citizens Clean Elections Commission money, which required them to participate in one debate last month on KAET's Arizona Horizon.

During that debate, Little denied any knowledge of APS's involvement and the discussion became heated when Forese addressed the issue.

"The idea that it's impossible that we have broad support is insulting. The idea that we could be bought is insulting. Ok I'm calling you out on it," Forese said, looking around the table at his opponents.

The room erupted into a brief yelling match and after host Ted Simons interjected, Forese continued.

"It's insulting, I think we have broad support," Forese said. "I don't have a problem with asking them to show who it is. I look forward to that information more than anybody else does."

Each commissioner has subpoena power, so any one of them could demand APS disclose its political spending. So far, the commissioners have not done so and both Holway and Kennedy said that's the first thing they'd do if elected.

"The fact that they don't do that, to me, is that there's a party ideology telling them not to do it because it could hurt their candidates in the election," Holway said.

There are some things all candidates seem to agree on.

For example, they oppose the state Department of Revenue's decision last year that a property tax exemption on solar should no longer apply to leased solar systems. They've also said that last year's net metering debate, the controversy over whether solar customers shift more costs onto non-solar customers, should have been conducted through a rate case, which is the rigorous process involved when utilities ask to change the rates it charges customers.

But the candidates differ on other issues, such as whether Arizonans pay too much or not enough for basic utilities.

"There's no consumer advocate," Kennedy said. "Everything that they do reflects big corporations and we've got to return some civility to the commission and I think I can do that."

Kennedy also supports deregulation of utilities, another controversial debate that the commission tabled last year. That would've allowed ratepayers to choose from whom they buy their power, similar to how consumers choose their cell phone carriers.

But Holway said he has concerns about deregulation. Overall, he said being a commissioner is a balancing act, which includes protecting utilities too.

"We need them to attract investment capital to build our water systems, to build our energy systems. They have to be successful to do that," he said. "That's the difficult balancing act for a commissioner. Your job is to represent the public, represent the ratepayer, but in the long-

term interest of Arizona, driving our utilities into bankruptcy would not be the answer."

Wall Street is also keeping a close eye on this election.

In a note to investors last month, Moody's analyst Jeffrey Cassella explained how the growth of rooftop solar in APS's territory, currently about 25,000 customers, was shifting an extra \$1,000 annually to each non-solar customer.

Cassella said Forese and Little's victory in the primary over Lucy Mason and Vernon Parker, the other GOP candidates who were considered to be pro-solar, was "credit positive" for Arizona utilities.

If Mason and Parker had won, he said it "risked giving the solar industry more influence when revisiting rooftop solar rate design in the state at the expense of the utility sector."

#### ABOUT THE CANDIDATES (in alphabetical order, by last name)

**Tom Forese:** Current state Representative and chairs the House Commerce Committee. Forese also works for an educational-software company called Link-Systems International Inc.

**Jim Holway:** Current board member of the Central Arizona Water Conservation District, which oversees the Central Arizona Project canal system. Holway was most recently director of the Sonoran Institute's Western Lands and Communities program.

**Sandra Kennedy:** Served one four-year term on the Arizona Corporation Commission, which ended in 2012 after being defeated as an incumbent in that year's election. Kennedy previously served several terms in the state Senate and House of Representatives and was also a board member of the Phoenix Union High School District.

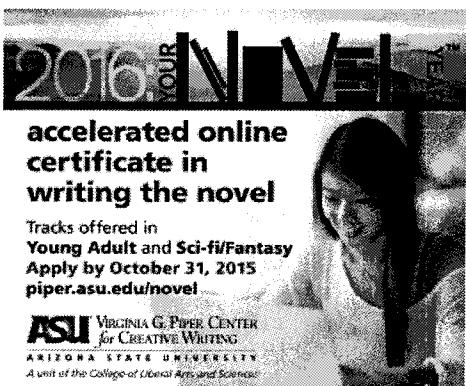
**Doug Little:** Current owner and director of training at Armed Personal Defense, a Scottsdale-based firearms training facility. Little was also formerly vice president of North America sales for Micro Focus International, a software vendor.

### Fresh Air

**Friday at 7 p.m.**



Musician John Darnielle, founder of The Mountain Goats, talks about his novel, "Wolf in White Van."



**Here & Now** **1h**

hereandnow @hereandnow A labor shortage is being blamed for New Mexico's declining chile crop, reports @Jung\_Carrie: n.pr/1Nui93C Retweeted by Carrie Jung

Show Media

**Steve Goldstein** **1h**

@offcentervoice I'll talk Chicano art and comedy albums with @CheechMarin at 2:50 on The Show @kjzzphoenix.

Expand

**Mark Brodie** **1h**

@markwbrodie Coming up on The Show: new research could help some veggies stay longer in your fridge & @MesaAzgov uses tech to help city biz @kjzzphoenix

Expand

**Steve Goldstein** **1h**

@offcentervoice Modern humans aren't the only ones who like caffeine. Check out The Show @kjzzphoenix now to learn more about our ancestors and stimulants.

Expand

**Mark Brodie** **1h**

@markwbrodie Coming up on The Show: @JoshPola on why drones could make retail facilities management cheaper and safer @kjzzphoenix

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# Dark-money donors dancing (in the shadows) today

Laurie Roberts



Laurie Roberts, The Republic | azcentral.com

10:24 a.m. MST August 27, 2014



(Photo: Getty Images/Stockphoto)

I can only imagine that there is dancing in dark corners this morning, given last night's election results.

No really, I can only imagine it because I can't see who it is who is high fiving out there in the shadows, overjoyed that their candidates were victorious.

Dark money abounded in this year's primary and it mostly succeeded in doing what anonymous donors intended in several key statewide races. The Arizona Free Enterprise Club, which spent \$1.7 million hoping to boost 19 statewide and legislative candidates to victory, was successful in all but four races, with one still too close to call (*Mary Hamway v. Shawnna Bolick*).

Doug Ducey enjoyed anonymous support to the tune of more than \$1 million – mostly aimed at attacking his two chief opponents, Christine Jones early on and then later Scott Smith.

Tom Forese and Doug Little cruised into the GOP nomination for the Arizona Corporation Commission, thanks to more than \$1.7 million in shadowy support. It's widely believed that Arizona Public Service supplied the money to ensure the victory of the two candidates most likely to be friendly regulators. Of that \$1.7 million, nearly \$900,000 was poured into attack ads against Vernon Parker, who along with Lucy Mason were considered the solar-friendly slate. Is it any wonder Parker came in dead last?

Tom Horne was the recipient of \$185,000 in anonymous attacks, though he helped his detractors along quite a bit with his conduct.

Meanwhile, the GOP treasurer's race went to Jeff DeWitt, who endured nearly \$23,000 worth of anonymous attacks but benefited from a particularly venomous \$80,000 covert campaign against his closest rival, Hugh Hallman.

The only place where dark money backfired was against Justin Pierce. The son of Corporation Commissioner Gary Pierce enjoyed – and I use that word loosely – a jaw dropping \$752,000 or more worth of support from dark money suspected to also come from APS. Pierce lost handily to Michele Reagan.

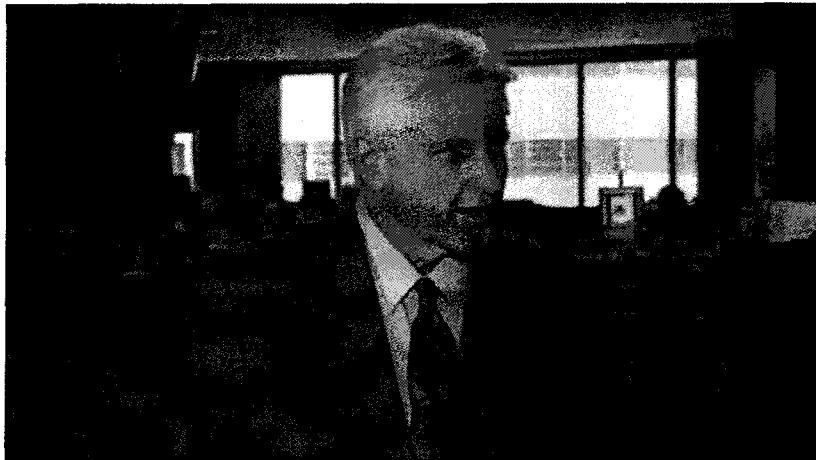
Theoretically, Pierce couldn't have done anything to stop the unrelenting "assistance" from the Arizona Free Enterprise Club, given that the dark-money campaign was supposedly independent and thus not something he could legally control.

But Pierce never decried the cheap shots taken from cover of darkness on his opponents and in fact, offered his support for anonymous spending in campaigns.

Um, a chief elections officer who doesn't believe in transparency, doesn't believe that voters should be able to consider the source of the messages bombarding them.

Yeah, that's not gonna work, as Pierce found out last night.

Now, on to the general election where I expect dark money to flow like a river. The Colorado River, that is – not the Salt.



Arizona Republic columnist Ed Montini and Democratic Gubernatorial candidate Fred DuVal discuss dark money's influence in this year's primaries.

Read or Share this story: <http://azc.cc/1phWaBb>



# Dark-money river continues raging for Justin Pierce

Laurie Roberts



Laurie Roberts, The Republic | azcentral.com

2:04 p.m. MST July 30, 2014



(Photo: Laurie Roberts)

He is Arizona's "proven leader", a guy who is "fighting for our Second Amendment rights", a Republican who is "tough on immigration."

"Who," the latest dark-money ad asks, "can we trust to secure our border?"

Well, not Justin Pierce. Dude's running for secretary of state. If he wins, he'll be pushing around paper, not pushing back border crossers.

In all, the Arizona Free Enterprise Club has now spent more than \$465,000 to catapult him into the state's No. 2 spot. That is, \$465000 that we know of. It's likely higher.

Scot Mussi, who runs the Free Enterprise Club, doesn't return calls to talk about where he got the money for this Amazing Pierce Support. Dean Riesen, who along with Randy Kendrick recently resigned his position with the group that he founded, also isn't talking.

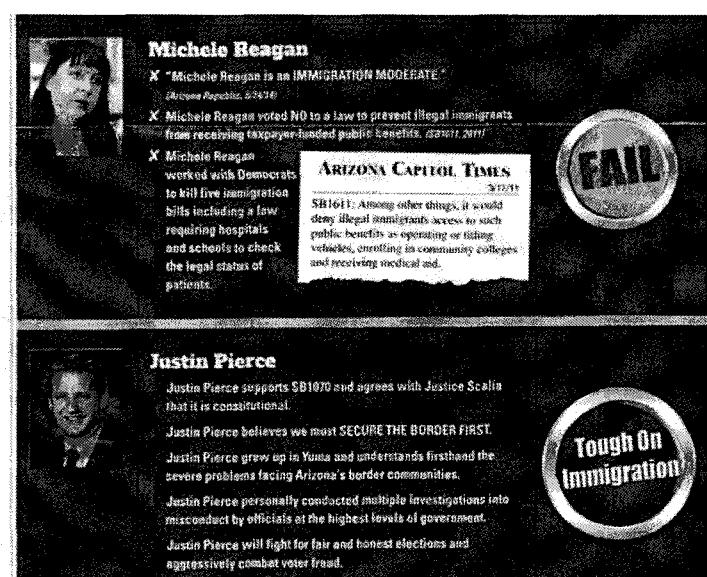
Of course, they're allowed by law to hide the real moneybags behind Pierce, thanks to a Legislature that doesn't get worked up about such things. One that doesn't seem to think you need to know who is trying to influence your vote – or why.

But while there's no way to say for certain who is behind the ads, dots are easily connected and they make an Amazingly Picturesque Scenario.

Last year, politicos were abuzz with speculation about a secret plan by Arizona Public Service to win the support of Corporation Commissioner Gary Pierce in the utility's bid to stave off competition from rooftop solar companies. Word was the payback for that support would be APS's support for his son Justin Pierce's secretary of state bid.

APS pronounced the conspiracy theory a dud, but APS also said it wasn't funding a massive PR campaign to impact the Corporation Commission vote on rooftop solar. Turns out its parent company, Pinnacle West, was secretly funneling millions to a pair of non-profits to wage that PR campaign. Oops.

So now comes this independent dark-money drive to install Pierce into the state's No. 2 job. Thus, the inevitable picture of Barack Obama, along with knocks on Pierce's competition -- Republicans Michele Reagan and Wil Cardon and Democrat Terry Goddard -- essentially as cheerleaders for illegal immigration.

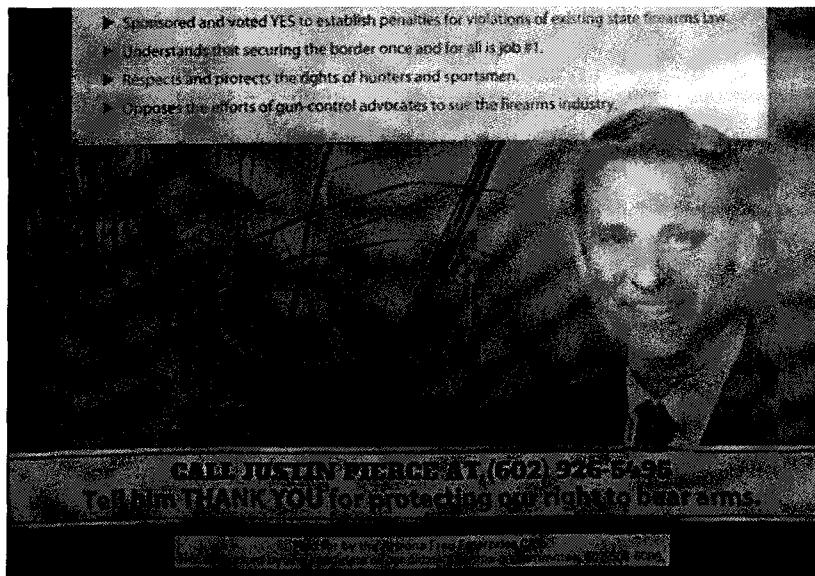


Dark-money mailer for Justin Pierce (Photo: Laurie Roberts)

ACC\_AR0403

APS officials won't acknowledge the utility's role in Pierce's campaign but curiously, they also don't deny it. Perhaps they've learned it's better to stay silent than to lie?

This secret campaign for Pierce is likely higher than \$360,000 the Free Enterprise Club has admitted to spending. This, because at least one of the pro-Pierce mailers didn't expressly advocate for Pierce's election and thus wouldn't have to be reported as a campaign expense. Instead, the ad simply pointed out that Justice Pierce supports the Second Amendment and that "Arizona Gun Owners Say Thank You to Justin Pierce."



Dark-money mailer for Justin Pierce (Photo: Laurie Roberts)

Of course, it's a campaign ad but it's just one more way that the lords of darkness can hide just how badly they want this guy elected.

The question for the rest of us continues to be this: why?

Read or Share this story: <http://azc.cc/1rQg7jy>

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## Did APS Fund ACC Candidates Forese and Little?

SEDONA TIMES / OCTOBER 15, 2014 / 11 COMMENTS

**Sedona AZ (October 15, 2015)** – The following is a letter to the SedonaEye.com editor:

It is so disheartening that politics on all levels of government is such a sleazy game of power and propaganda. And it is the season when we get barraged with endless TV ads, chock full of out-of-context half-truths and outright lies. Unfortunately our state and community are not immune to such shenanigans and other dirty tricks.

The Forese-Little ad for the ACC commissioner race is a good example.

An Arizona Republic investigation discovered that APS has mostly likely funneled contributions to Forese and Little, just as they had indirectly done with Commissioners Stump, Burns and Bitter Smith. The allegation can't (and couldn't) be verified because neither party would admit any wrongdoing, and because the money from APS's parent company, Pinnacle West Capital Corp., would have been laundered through PACs like Arizona 2014. Since Forese and Little now seem to be in APS's pockets, their claim to be "committed to protecting consumers and providing clean, reliable energy at the lowest possible price" seems misleading, if not mendacious.

So how do you think Forese and Little will vote when APS asks them to sanction a \$30-or-higher monthly fee for those who refused to install a smart meter? Ironically the ad warns "Don't be fooled by the so-called solar candidates [their opponents Holway and Kennedy...They] support extreme energy policies [that] cause prices to skyrocket." Of course, they don't detail the specifics of those policies.

On the local front I was thoroughly disgusted to learn that Rio Robson decided to withdraw from the Council race due to harassment, intimidation and minor dirty tricks (e.g. taking down Rio's signs) by Scott Jablow supporters.

I don't know much about the details, but here is Rio's email that has been circulating on the web:

October 10, 2014  
Attn: Sedona press, friends and supporters,

I have made a decision to end my campaign for election to the Sedona city council. In the past several months there is a long list of incidents and aggressive, vindictive, hateful bullying actions against me, my family and my business. These are far outside the possibility of coincidence. I have a whole list of names and even video of persons involved, including my opponent. I thought that being on city council would be a matter of simple public service but it's obvious that Sedona city councilors and Sedona Fire Board members have much more influence than I ever considered. Some say it's just politics but not for me. I have a responsibility to my family business and my staff. They are my priority and focus, not local politics. I want people to know that I am not making this announcement as a ploy to get votes because I can tell you I won't take the oath of office to serve even if I get the most votes. The direction that this campaign has taken is not good and I am not going to run on that negative level. I want to thank my many friends and supporters. I have learned a lot during the campaign and apologize for letting their hopes down. Thank you and sincerely  
Rio Robson (end email)

Now what does this say about democracy and the lack of integrity in our local politics here in Sedona? Scott Jablow immediately sent out an email, thanking his supporters and promising to serve the community and signed "Council Elect" under his name.

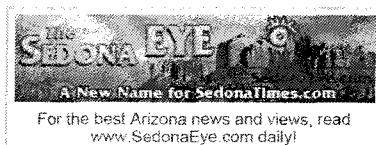
But he hasn't been elected yet. Rio is still on the ballot, and Scott already serves on the Fire District Board.

What next, Scott? A hat trick, serving on the School Board simultaneously as well?

I have voted and urge you to vote for Rio as a matter of principle, as a protest vote against dirty tricks, as a statement that democracy in Sedona can't be hijacked by the egregious thuggery of the powers that be.

And who knows? If Rio wins, maybe he'll change his mind.

Henry Twombly  
Sedona, AZ



Related posts:

1. [Sedona Candidates Pledge No Highway Signs](#)
2. [Wastewater Fees Fund City Boondoggles](#)
3. [Letter from Germany Supports Sedona Candidates](#)
4. [Rio Robson Bows Out of Council Race](#)
5. [Sedona Welcomes Primary Candidates](#)



The ACC is tasked with the responsibility to protect AZ ratepayers by weighing the costs and benefits of all state utility requests.



INVESTIGATION, HENRY TWOMBLY SEDONA AZ, HOLWAY AND KENNEDY, PINNACLE WEST, RIO ROBSON SEDONA AZ, SCOTT JABLLOW SEDONA AZ, SEDONA AZ, SEDONA ELECTION 2014, SEDONA EYE NEWS AND VIEWS, SEDONA TIMES PUBLISHING NEWSPAPER, SEDONAEYE.COM, SEDONATIMES.COM, SMART METERS, SURVEILLANCE DEVICES

## 11 Comments

**Shevy Heaney Lee says:**

October 15, 2014 at 10:41 pm

Appreciates this!

**N. Baer says:**

October 16, 2014 at 9:20 pm

Just like we thought about the two Republican candidates for the Arizona Corporation Commission. Voters need to remember this when they cast their votes and vote for Holoway and Kennedy.

<http://azcapitoltimes.com/news/2014/10/16/tom-forese-doug-little-admit-broke-campaign-finance-laws-get-2k-fine/>

**Carrie, Payson AZ says:**

October 16, 2014 at 10:01 pm

Secretary of State's Office dismissed a claim filed by the Arizona Democratic Party against Mark Brnovich, Republican nominee for AG. It was a false accusation and had no merit and the Democratic party knew it when it was filed. AG office shouldn't be partisan, justice and the law should be blind.

**Karambir Singh Khalsa says:**

October 16, 2014 at 10:04 pm

Appreciates this!

**Monnie Ramsell says:**

October 18, 2014 at 9:37 pm

Appreciated this article too.

**Rev Sherie Mercier says:**

October 19, 2014 at 4:08 pm

Of course, APS funneled monies to these candidates. It was well known before the primary that they were doing so. There are no so called "Clean Elections" because everyone is out for themselves. We will see our energy bills go up and up, while these politicians get paid the big bucks. For those on fixed income, it sure doesn't help, we make too much for assistance, but not enough always to keep up with the energy costs. So far, we've been able to but if this trend continues, and unfortunately there are no other sources for our energy here in Northern AZ except APS, we are screwed.

**Earl Preston says:**

October 20, 2014 at 10:16 am

Amen

**Frank Henry says:**

October 21, 2014 at 2:43 pm

"Full Voting Rights"...is the hidden story...No voter in Arizona has their "Full Voting Rights". The many folks might be unaware with the with this negative status....We all need to have our "Full Voting Rights" placed in our Arizona Constitution. There are some 30 Rights contained in every individual's full voting rights....Thanks and Good Luck, ...Frank Henry,..."Full Voting Rights" Advocate,...Tel: 928-640-0249,...  
e-mail: fmhenry4@netzero.com

**S. Neely says:**

October 22, 2014 at 8:50 am

"An Arizona Republic investigation discovered that APS has mostly likely funneled contributions to Forese and Little."

"Most likely?"

Well, these days that's most likely good enough for the Republic's news coverage as well.

**Taylor Rothberger says:**

October 22, 2014 at 10:00 am

@SNeely

They pleaded guilty and were fined!!!!

That good enough for ya stupid jackass????

Spare us voting idiots#%@^&()@@@@

**John Stuart says:**

October 31, 2014 at 8:14 am

S.Neeley, I'm an independent. Sick of all the corruption. You secured my vote for Kennedy & Holloway. Time to stand up America instead of being led by the nose by party despots. Voting Republican on most offices. Kirkpatrick is pathetic, voted 99% with Democrats stupid policies & last time I voted Democrat straight line. Tobin better do a good job or no vote again. Country has to have a Congress that will balance Executive branch. Let's start recalling the jerks.

# **FACT CHECK: Dark money floods normally low-profile Corporation Commission race**

**BY:** Lauren Gilger (<mailto:lgilger@abc15.com>)

**POSTED:** 5:41 PM, Aug 25, 2014

**UPDATED:** 5:11 PM, Oct 27, 2014

**TAG:** investigations (/topic/investigations) | 2014 election (/topic/2014+election) | political ad fact check (/topic/political+ad+fact+check)

## **A LOW-PROFILE RACE**

A normally low-profile race has taken center stage thanks to hundreds of thousands of dollars in dark money being funneled into ads for and against candidates Vernon Parker, Doug Little and Tom Forese.

There are two seats open on the Arizona Corporation Commission and four Republicans battling it out to take them.

On one side of the Republican primary race is Vernon Parker (<http://vernonbparker.com/>), who is campaigning with Lucy Mason (<http://www.lucymasonforacc.org/>). On the other side, Doug Little and Tom Forese (<http://www.corpcomm2014.com/home.php>) campaign together.

Jim Holway (<http://holway2014.com/>) and Sandra Kennedy (<http://www.sandraforsolar.com/>) are running on the Democratic ticket.

Two candidates from each party will be elected in the primary and go on to compete for the two open spots in the general election.

The Corporation Commission is the state agency that regulates power and water in Arizona – mainly the largest utility company in the state, Arizona Public Service (APS).

Five elected commissioners hear rate cases and decide how much you pay for utilities.

Several ‘dark money’ groups have gotten involved in the race, most notably a non-profit called, Save Our Future Now (<http://azsaveourfuturenow.com/>). The group has spent more than \$1.3 million in various Arizona races to date, according to the Secretary of State’s Office campaign filings.

More than \$830,000 of that money has been spent fighting against Vernon Parker in the Corporation Commission primary race.

In their most recent ad, the group attacks Parker on behalf of the “real conservatives” in the race, Tom Forese and Doug Little.

“Who do you want on the Corporation Commission?” the ads narrator asks, “Ethically challenged Vernon Parker?”

The ad goes on to describe an investigation into Parker by the Small Business Association (SBA) in 2008. The SBA claimed Parker applied for a loan from the administration while he was still a federal employee, which is against the rules.

Parker appealed and lost. In the end, the SBA dismissed several other allegations against him.

Parker adamantly denies any wrongdoing in this case. In a statement, he told ABC15, “Please understand that it was I who brought action against the SBA, because of their poor investigation and allegations that were proven to be false.”

Parker said he fought back against the government so the same thing wouldn’t happen to anyone else.

## **SOLAR CHALLENGE**

Solar groups are backing Parker and Mason in the race. Parker has received more than \$140,000 in positive campaigning from a non-profit called, T.U.S.K. or Tell Utilities Solar Won’t Be Killed (<http://dontkillsolar.com/tusk/>).

But, he told ABC15 he has asked all groups – including the rooftop solar industry – to stay out of the race.

Save Our Future Now has spent more than \$425,000 combined in support of Little and Forese, according to the Secretary of State’s ~~Office~~

And, because of their nonprofit 501(c)(4) status, they're not required to report the names of who donated.

Many people, including Parker, speculate the money is coming from APS.

Parker told us the agency is trying to hand-pick the commissioners who will ultimately regulate them.

*See Parker's full Q&A below.*

When we asked them about it, APS didn't confirm that they gave money to Save Our Future Now, but they did defend their right to get involved in the election.

APS blamed T.U.S.K. and other "wealthy California companies" for "injecting politics into the regulatory arena."

"It would be irresponsible for us not to defend our company," APS said in a statement. "No one disputes our right to participate in the political process, although some have voiced the opinion we should not exercise that right."

*See APS's complete statement below.*

Both Little and Forese said they have no idea why this group is supporting their campaigns – and they don't know who is funding them.

"We can only speculate that, like hundreds of thousands of voters in Arizona, there may be some groups that believe that Tom Forese and Doug Little are the most qualified and best candidates to represent the ratepayers on the Arizona Corporation Commission," the Little and Forese campaigns said in a statement.

Their campaigns also pointed out that there has been a lot of dark money spent in opposition to their campaigns, as well.

*See full statement from the Little and Forese campaigns below.*

T.U.S.K. has spent more than \$240,000 against Doug Little's campaign, according to filings with the Arizona Secretary of State's Office.

No money has been spent against Forese's campaign, according to the Secretary of State's Office.

In all, nearly \$900,000 has been spent against Parker's campaign by Save Our Future Now and another non-profit called the Arizona Free Enterprise Club.

*In the original version of this story, it was incorrectly stated that Salt River Project (SRP) is also regulated by the Arizona Corporation Commission (ACC). SRP is not regulated by the ACC.*

**APS Statement:**

*Although we typically do not comment on individual contributions, we routinely support public officials, candidates and causes that are pro-business and supportive of a sustainable energy future for Arizona, regardless of party affiliation.*

*TUSK, TASC and the wealthy California companies that fund it have orchestrated a non-stop propaganda war for the last 18 months, distorting our record and attempting to disrupt our relationships with customers, regulators, investors and employees. They have misrepresented important Arizona energy issues to further the narrow financial interests of their clients. And now they've thrown their support and rhetoric behind candidates for the ACC.*

*It would be irresponsible for us not to defend our company, which plays a critical role powering Arizona's economy and supporting our communities. No one disputes our right to participate in the political process, although some have voiced the opinion we should not exercise that right. Meanwhile, the toxic work of TUSK/TASC injecting politics into the regulatory arena goes along with no scrutiny.*

*In the end, we will continue to work productively and in good faith with any ACC commissioners elected by the citizens of our state. We have faithfully and reliably served Arizona for more than 125 years. That will not change.*

**Statement from the campaigns of Doug Little and Tom Forese:**

*In answer to your questions, we have no idea why there are groups supporting our campaign. We do not know who is funding these efforts and we have no idea what their message will be until it is actually published to the public and we have no control or input as to what the message will be. We can only speculate that, like hundreds of thousands of voters in Arizona, there may be some groups that believe that Tom Forese and Doug Little are the most qualified and best candidates to represent the ratepayers on the Arizona Corporation Commission.*

*It is clear and without question that hundreds of thousands of dollars have been poured into this election on behalf of Vernon Parker and Lucy Mason and in opposition to Tom Forese and Doug Little. The voters of Arizona do not know where that money has actually come from. The “paid for by” is often T.U.S.K. (Tell Utilities Solar won’t be Killed) and/or T.A.S.C. (The Alliance for Solar Choice – a wholly owned subsidiary of Solar City – although others are part of the Alliance). These two organizations are typically the ones identified as paying for these Independent Expenditures, however, they have reported receiving less than a thousand dollars of income and it appears that they may not be registered in Arizona to make these types of expenditures. The fact is we don’t know who is really funding these campaign materials for Vernon Parker and Lucy Mason and in opposition to Tom Forese and Doug Little.*

*In other words, the voters of Arizona do not know the real source of money that is supporting Vernon and Lucy and that has portrayed Tom and Doug in a very dishonest and negative light. We don’t know whether or not APS has actually put any money into this election for Tom and Doug and in opposition to Vernon and Lucy as has been so widely reported, just as we do not know who is actually paying for the Vernon and Lucy materials. If the money that has been used to support Vernon and Lucy and oppose Tom and Doug is actually coming from out of state power companies such as Solar City and/or other solar power companies and organizations – the question surely must arise, are they using ratepayer money or money that comes from taxpayer subsidies to fund their political activities? We don’t know - and unfortunately the media seems to have no interest in questioning or reporting the possibility of “Dark Money” or other power companies who may have spent money in this election in support of Vernon Parker and Lucy Mason and in opposition Tom Forese and Doug Little. It is important to note, that the decisions made by*

*the Corporation Commission can bring millions of dollars to these out of state solar power companies and these companies meet regularly with Corporation Commissioners in an effort to influence their votes.*

*While I can't tell you why groups are spending money in this election, I can tell you what Tom Forese and Doug Little stand for in their campaign and what they have said during this election. Tom and Doug sincerely believe that a broad and diverse energy portfolio is the best way to provide the people of Arizona with clean, reliable energy at the lowest possible price. They believe that high energy prices are bad for the people of Arizona and have the potential to cause many problems, including the loss of jobs. They both support the use of solar, nuclear, hydroelectric, wind, clean coal, thermal, and variety of other forms of energy generation.*

*It is important for the voters of Arizona to understand that Tom Forese and Doug Little are committed to protecting ratepayers, not special interest groups, lobbyists or power companies – regardless of who they are and regardless of whether or not they are spending money in this election. Tom and Doug are not anti-solar and they are not pro-APS. They are pro-Arizona ratepayers and they take seriously their obligation and duty to represent the people of Arizona in a fair and honest manner as Commissioners serving on the Arizona Corporation Commission.*

*It is unfortunate that there is an appearance that some in the media have taken sides and are not reporting the non-disclosure and/or the source of money and/or the amount of money being spent for Vernon Parker and Lucy Mason and the spending in opposition of Tom Forese and Doug Little. We are hopeful that if you are reporting about spending in Corporation Commission race you will not be one-sided, please report spending on both sides. For example you ask "We found this non-profit has, so far, spent about \$226,000 in support of your campaigns." your question clearly identifies the problem – the Independent Expenditures that seem supportive of Tom Forese and Doug Little – which Tom and Doug have no control or knowledge of – have at least been reported. We don't see that same transparency for those who are spending for Vernon Parker and Lucy Mason and opposing Tom Forese and Doug Little.*

## **Q&A with Vernon Parker –**

This ad refers to Mr. Parker as “ethically challenged” because of an investigation into his activities by the

Small Business Association. We found Mr. Parker lost his appeal to the SBA, which claimed he was still a

federal employee when he applied for a loan for disadvantaged businesses. What does this instance say

about Mr. Parker’s ethics?

*I was an independent contractor not an employee. No one at the Department of Agriculture believed I*

*was still an employee when I applied for my small business status (see attached sworn statement). Please*

*understand that it was I who brought action against the SBA, because of their poor investigation and*

*allegations that were proven to be false. I poured all of my recourses into fighting the government,*

*because I did not want what happened to me to happen to others. Former Arizona U.S. Attorney Paul*

*Charlton so believed in my case against the government that he took the case on a pro bono basis. I have*

*attached a recent statement by Mr. Charlton. I believe it says a lot about my ethics to stand up against*

*the federal government. I will take that same fight and determination to the Corporation Commission to*

*protect our State’s ratepayers.*

So far, Save Our Future Now has put about \$730,000 into opposition ads against Mr. Parker.  
What does your  
campaign think is the motivation behind these attacks?

*I opposed a tax on seniors, schools, churches, and nonprofits who currently have rooftop Solar. This*

*would have been a retroactive tax. This tax was not passed by the Legislature or signed by the Governor.*

*It was lobbied for by APS, and was implemented by an unelected official at the Revenue Department. As*

*evidenced, (see attached letter). The president of APS, Don Brandt, sent out a Blog to all APS employees,*

*telling them not to vote for me. APS is afraid that I will put our State's ratepayer first, not their profits.*

*The bottom line is that APS wants to hand pick those who will regulate them. They are a regulated*

*monopoly in our state, no competition, and should not be able to buy the election to determine who will*

*regulate them. Finally, I am an APS subscriber, as such, I have no choice as to who provides my utility*

*services. I am one of their ratepayers, and they are using my own money to campaign against me.*

We found Mr. Parker's campaign has received more than \$100,000 in support from a nonprofit group called

TUSK, or Tell Utilities Solar Won't Be Killed. How does the solar rooftop industry play a role in this campaign  
for Mr. Parker?

*The rooftop solar industry does not play an official role in the Parker campaign. I have asked ALL parties,*

*including rooftop solar to STAY OUT of the race. To date, only one other candidate in this race, Lucy*

*Mason has made a similar request. Even so there is a distinction. Solar is not a regulated monopoly and*

*unlike Forese and Little, we have not received any assistance from Dark Money. Mr. Forese and Mr. Little*

*have not spoken out against Dark Money, because they are the recipients of what is widely believed to be*

*APS money. If elected, I will owe nothing to any special interest groups, and will put the Arizona*

*ratepayers first.*

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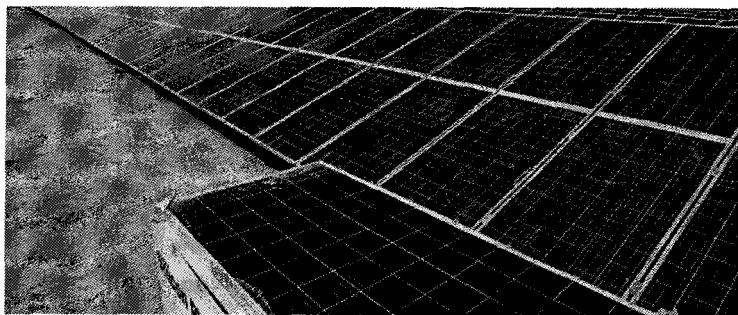
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## Fight Brews In Arizona Over Dark Money, Solar Policy

Posted: 08/06/2014 7:37 am EDT | Updated: 08/06/2014 8:59 am EDT

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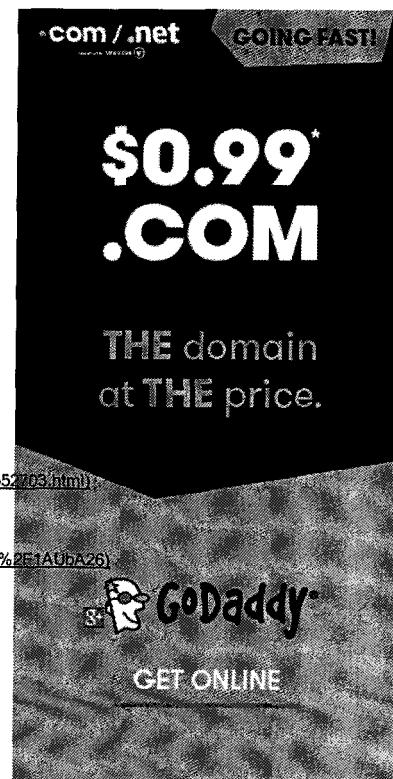
Comment

Arizona Public Service, the largest utility in the state, is facing scrutiny over whether it is secretly funding a campaign against two Republican candidates for the state's utility regulatory commission.

The primary race for the state's Corporation Commission, which oversees utility issues in the state, features four Republican candidates: Thomas Forese, Doug Little, Lucy Mason and Vernon Parker. A conservative dark money group, the Arizona Free Enterprise Club, has thrown its money behind Forese and Little, as well as behind secretary of state candidate Justin Pierce — spending a total of \$1.1 million on the primaries this year, according to the [state's campaign finance records](#) (<http://www.azsos.gov/cfs/FilerDetail.aspx?id=201000733>).

As the [Arizona Republic reported earlier this week](#) (<http://www.azcentral.com/story/news/arizona/politics/2014/08/03/arizona-free-enterprise-money-election-season/13537793/>), that's a significant increase in electoral spending for the Arizona Free Enterprise Club, which doled out just \$185,000 on 2012 races. It's a nonprofit making independent expenditures in this campaign, so it doesn't have to disclose its donors. But this secrecy has allowed [allegations to fester](#) (<http://www.azcentral.com/story/laurieroberts/2014/07/30/justin-pierce-dark-money-mailer/13372249/>) that APS is the one funding the effort in Arizona.

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For its part, APS has evaded directly answering whether it is funding the group. In response to The Huffington Post asking about the issue, company spokesman Alan Bunnell wrote: "Although we typically do not comment on individual contributions, we routinely support public officials, candidates and causes that are pro-business and supportive of a sustainable energy future for Arizona, regardless of party affiliation."

If this sounds familiar, it is.

Last year, APS caught flack when it came to light that the company was secretly funding the Koch-backed conservative group 60 Plus Association ([http://www.huffingtonpost.com/2013/10/25/solar-arizona-net-metering\\_n\\_4164731.html](http://www.huffingtonpost.com/2013/10/25/solar-arizona-net-metering_n_4164731.html)) to run anti-solar ads, after initially denying it had done so (<http://www.motherjones.com/environment/2013/07/barry-goldwater-tusk-arizona-solar-net-metering>). Those ads came amid a major fight over whether to change the state's solar net-metering policy, which allows homes and businesses with solar panels to sell excess energy back to the grid.

APS had wanted to increase fees for those solar customers, arguing they weren't paying a fair share for maintenance of the grid. But solar advocates, like Barry Goldwater, Jr., son of the famed Arizona Republican politician, accused APS of trying to effectively kill rooftop solar (<http://www.motherjones.com/environment/2013/07/barry-goldwater-tusk-arizona-solar-net-metering>).

That fight ended in a draw ([http://www.huffingtonpost.com/2013/11/15/arizona-solar-energy-fight-ends\\_n\\_4282220.html](http://www.huffingtonpost.com/2013/11/15/arizona-solar-energy-fight-ends_n_4282220.html)), with the Corporation Commission setting a \$5 monthly fee for solar users — higher than what solar advocates wanted but lower than what APS preferred.

Since then, another fight has broken out between APS and solar groups like The Alliance for Solar Choice and Goldwater's Tell Utilities Solar Won't Be Killed over whether people who lease solar units should have to pay property taxes (<http://www.azcentral.com/story/money/business/consumer/2014/04/26/leased-solar-panels-property-taxes/8232401/>) on them. (APS initially said (<http://www.azcentral.com/story/money/business/consumer/2014/04/26/leased-solar-panels-property-taxes/8232401/>) it was neutral on the tax, but then later said it was for it, the *Arizona Republic* reported in April (<http://www.azcentral.com/story/money/business/consumer/2014/04/26/leased-solar-panels-property-taxes/8232401/>.)

Those fights have increased the attention to this year's Corporation Commission race, turning it into a slugfest over solar.

Solar groups are backing Lucy Mason and Vernon Parker in the Republican primary. Bryan Miller, the vice president of public policy and power markets for the solar company Sunrun and the co-chairman of TASC, said the two candidates "have been consistently pro-solar." Mason and Parker have been publicly critical of APS, writing in a letter to the utility's CEO, Don Brandt, that it would be "highly inappropriate" for the company to try to influence the election of commissioners who would, in turn, regulate the company.

Meanwhile, the Arizona Free Enterprise Club has sent mailers (<http://www.lucymasonforacc.org/2014/07/lucy-and-vernon-fight-back-against-smear-campaign/>) accusing Mason and Parker of being supporters of "President Obama's energy plan" and has spent nearly half a million dollars (<http://www.azcentral.com/story/news/arizona/politics/2014/08/03/arizona-free-enterprise-money-election-season/13537793/>) in support of Little and Forese. The group is also spending big on Justin Pierce, a Republican primary candidate for secretary of state, who is the son of current Corporation Commission member Gary Pierce.

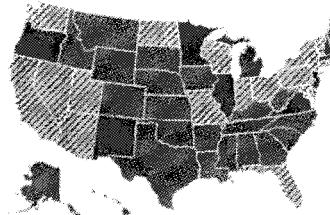
(While APS has not publicly supported Pierce's candidacy, *The Huffington Post* reported last October ([http://www.huffingtonpost.com/2013/10/25/solar-arizona-net-metering\\_n\\_4164731.html](http://www.huffingtonpost.com/2013/10/25/solar-arizona-net-metering_n_4164731.html)) that APS' chief lobbyist reserved a room at a Phoenix country club for a Pierce campaign event. Pierce's spokesman said at the time that the lobbyist "simply provided access to a venue at the request of a friend.")

With the fresh allegations about APS' potential role in the commission and secretary of state races, solar advocates and APS are once again going at it. TASC's Miller accused APS of being "a company that's run amok" and is misusing ratepayer money.

## 2014 ELECTION RESULTS

### SENATE

36 out of 100 seats are up for election.



DEMOCRAT LEADING  
DEMOCRAT WON  
RUNOFF

REPUBLICAN LEADING  
REPUBLICAN WON  
NOT UP FOR ELECTION

	DEMOCRATS	REPUBLICANS
CURRENT SENATE	55	45
SEATS GAINED/LOST	-8	+8
NEW TOTAL	46	✓ 53

### Competitive States

	DEM/DIND	GOP
ALASKA	45.6%	✓ 48.8%
ARKANSAS	39.5%	✓ 56.5%
COLORADO	46.0%	✓ 48.6%
GEORGIA	45.1%	✓ 53.0%
IOWA	43.7%	✓ 52.2%
KANSAS	42.5%	✓ 53.3%
KENTUCKY	40.7%	✓ 56.2%
LOUISIANA	✓ 42.1%	✓ 41.0%
NEW HAMPSHIRE	✓ 51.6%	48.4%
N. CAROLINA	47.3%	✓ 49.0%
VIRGINIA	✓ 49.2%	48.4%

### HOUSE

All 435 seats are up for election. 218 are needed for a majority.

DEMOCRAT LEADING  
DEMOCRAT WON

REPUBLICAN LEADING  
REPUBLICAN WON

	DEMOCRATS	REPUBLICANS
SEATS WON	186	✓ 244

### GOVERNORS

36 seals are up for election.

DEMOCRATS REPUBLICANS

SEATS WON	10	24
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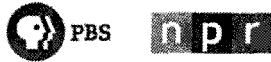
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  - Forese, Little Get Republican Nomination for Corporation ...

## Forese, Little Get Republican Nomination for Corporation Commission

Story by Zachary Ziegler

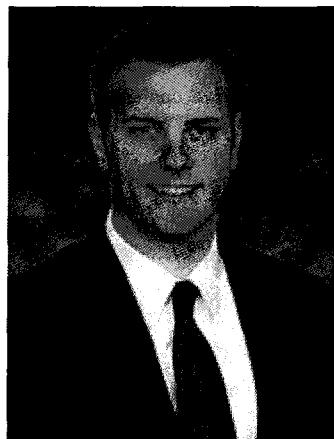
last updated August 26, 2014



PHOTO: AZPM Staff

Tom Forese and Doug Little won the Republican primary in a four-way race for two open seats in the Arizona Corporation Commission.

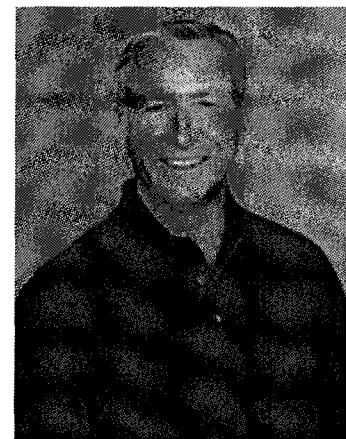
The pair led with about 29 percent of votes each.



*Tom Forese.*

Opponent Vernon Parker, former mayor of Paradise Valley, got nearly 19 percent of votes, and Lucy Mason, who has served four terms in the state House, had about 23 percent.

Forese has been a member of the state House, currently serving his second term as the representative of Legislative District 17, which includes Chandler and Gilbert. His teammate Little is a political newcomer, who's spent his career in the computer software industry.



*Doug Little.*

During the race, Parker and others said they thought Arizona Public Service, the state's largest utility, had gotten involved in the race and was backing the Little-Forese team.

An official statement from APS on the subject said, "Although we typically do not comment on individual contributions, we routinely support public officials, candidates and causes that are pro-business and supportive of a sustainable energy future for Arizona, regardless of party affiliation."

Solar energy in Arizona was at the center of debate between the two teams, with Forese and Little supporting a tax on rooftop solar, and Parker and Mason opposing it.

The Corporation Commission is a five-member elected body that regulates utilities and businesses in the

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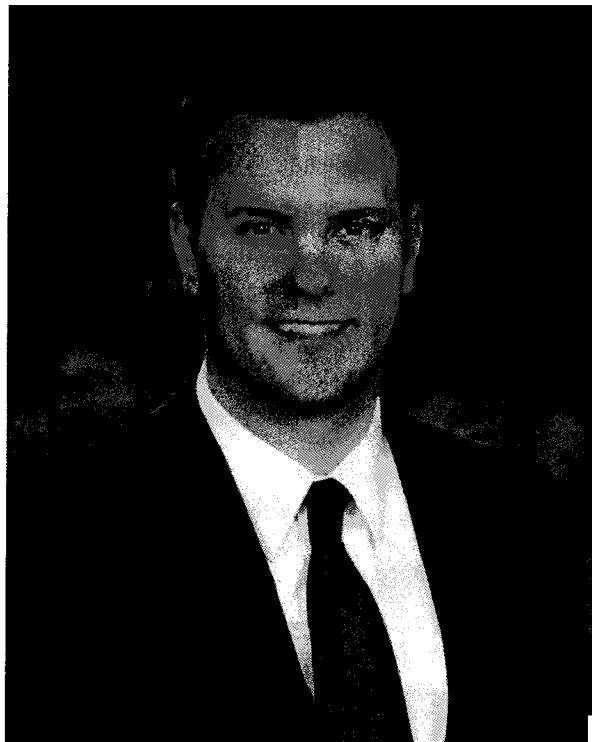
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# Forese, Little move on in Corporation Commission race

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Courtesy Tom Forese

Tom Forese, Republican candidate for Corporation Commission

August 27, 2014 12:00 am • By Carli Brosseau

2

After a bitter big-money fight, voters chose **Tom Forese** and **Doug Little** to represent Republicans for two open seats on the Arizona Corporation Commission.

They will face Democrats **Jim Holway** and

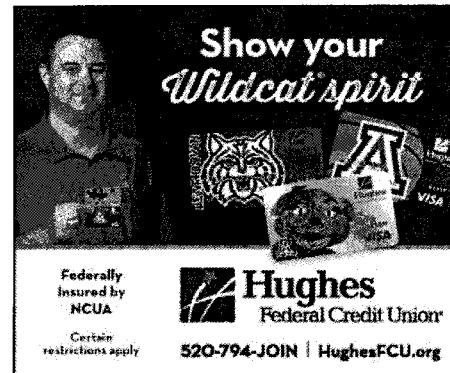
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Sandra Kennedy in the general election.

Forese is a two-term state representative representing the Gilbert and Chandler area, and Little is a political newcomer with a background in computer software.

The so-called "conservative slate," backed by current commission Chairman Bob Stump, defeated former Paradise Valley Mayor **Vernon Parker** and former state Rep. **Lucy Mason** in the Republican primary.



The race was deluged in recent months with more than \$2 million in so-called "dark money," political spending for which the donors do not have to be disclosed.

The unprecedented outside money — with donors thought to include Arizona Public Service Co., the major Phoenix utility that is not denying such payments — dwarfed what the candidates themselves spent.

"When you have \$2.2 million spent against you, it's hard to overcome that," Mason said. "I'm furious that a monopoly can throw money around and choose their own regulators."

Forese and Little could not be reached for comment Tuesday night.

The Arizona Corporation Commission is a five-member elected board that regulates utilities and businesses. Generally its most high-profile task is approving or denying utility rate adjustments

[x]

Forese and Little are generally understood to be APS's favored candidates, but the debate has not much focused on the fine points of policy.

Of the outside money, the largest chunk — more than \$887,000 — was spent to oppose Parker, much of it to draw a link between him and President Obama and to allege ethical missteps. Nearly \$87,000 was spent against Mason, according to filings on the Secretary of State Office's website.

Tucson Electric Power officials say the company doesn't make political contributions in commission races.

The dark money has set off a spate of letter writing and calls for transparency from across the political spectrum.

Democratic candidate Holway wrote to the Corporation Commission asking the board to require utilities to report contributions intended to influence commission elections.

And the Goldwater Institute, a libertarian-leaning think tank, wrote APS to demand that it disclose any electioneering paid for by ratepayers.

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Contact reporter Carli Brosseau at cbrosseau@tucson.com or 573-4197. On Twitter @carlibrosseau

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**Tags** Politics, Arizona Public Service, Arizona Corporation Commission, Tom Forese, Doug Little, Vernon Parker, Lucy Mason, Jim Holway, Republicans, Sandra Kennedy, General Election, Democrats, Energy Sector, Dark Money, Major Phoenix Utility

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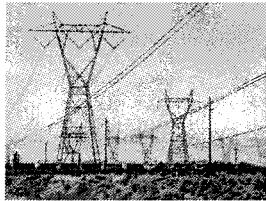
# Investment firm weighs in on 'preferred candidate pair' for APS



Ryan Randazzo, The Republic | azcentral.com

7:51 p.m. MST August 16, 2014

*It will be good for Arizona Public Service Co. if Tom Forese and Doug Little win election to the board that regulates utilities in the state, according to UBS Investment Research.*



It will be good for Arizona Public Service Co. if Republican Tom Forese and Doug Little win election to the board that regulates utilities in the state, according to analysts working for UBS Investment Research in New York.

The analysts, who evaluate potential investments and recommend whether to buy the stock, said Forese and Little are "preferred" to Republicans Vernon Parker and Lucy Mason.

(Photo: The Republic)

The four regulatory candidates, who are squaring off for the Republican nomination in a contentious race for two open seats on the five-member Arizona Corporation Commission, have seen more money spent on opposition advertising than some of the candidates for governor. The commission sets power rates for APS and other utilities.

"Despite continued mud-slinging over politics and practices, we suspect the community overall is supportive of the preferred candidate pair for APS (Tom Forese/Doug Little) over the other candidate team (Lucy Mason/Vernon Parker)," wrote Julien Dumoulin-Smith, UBS executive director of equity research in a Thursday note to investors.

He said he assumes the winners of the Republican primary will defeat Democrats Jim Holway and Sandra Kennedy in the general election.

With things looking positive for APS, the UBS analysts maintained a recommendation to buy stock in its parent company, Pinnacle West Capital Corp., with the expectation shares eventually will be worth \$60, compared with \$54.52 Thursday.

Parker and Mason participated in a recent rally for rooftop solar where some participants protested APS and its solar policies.

"Anyone who is investing in the state would be really scared of someone advocating against the company at public demonstrations," said Dumoulin-Smith in an interview Friday. "That is a very worrying sign."

He said the election in Arizona has created an atmosphere of negativity around utility regulators unlike any other in the nation. Only 12 other states have elected utility regulators, with the rest appointed.

"It's gruesome," Dumoulin-Smith said of the primary election.

In addition to attending the solar rally, Parker and Mason have benefited from advertising paid for by a pro-rooftop solar group called TUSK, Tell Utilities Solar won't be Killed.

Forese and Little have benefited from outside advertising paid for by "dark money" groups that choose not to disclose their donors, although APS has said it will participate in the election to counter messages from TUSK and is suspected by many to be behind the ads.

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Forese and Little's campaign manager Alan Heywood issued a statement on their behalf in response to questions about the UBS report.

"Tom and Doug are not anti-solar and they are not pro-APS," he said. "They are pro-Arizona ratepayers and they take seriously their obligation and duty to represent the people of Arizona in a fair and honest manner as commissioners serving on the Arizona Corporation Commission."

APS spokesman Jim McDonald said that UBS analysts came to the conclusion that Forese and Little are the preferred candidates on their own, and that utility executives did not discuss the outcome of the election with them.

"Our (Chief Financial Officer) Jim Hatfield and Director of Investor Relations Paul Mountain just returned from the road meeting investors," McDonald said. "Our financial people routinely go on the road for discussions with financial analysts. It is an important part of what we do."

UBS has provided investment banking services for APS' parent company, Pinnacle West Capital Corp., and it's the latest in a long line of utility companies to hire the job of UBS to be a "mouthpiece" for APS.

While the analysts view Forese and Little as better for the utility, Dumoulin-Smith said that doesn't necessarily mean the utility will be better for customers. He said having a stable utility company with a consistent profit helps keep rates low.

"A struggling utility drives higher (utility) bills, full stop," he said. "Frankly, you want a company that is strong enough to withstand regulators. It is important a balance is struck. Having someone out there protesting does not strike that balance."

Dumoulin-Smith also said that a recent decision to delay the next rate case will be good for APS because it will limit the influence of the rooftop solar industry in that proceeding.

APS last year asked the Corporation Commission to increase monthly bills on solar customers by \$50 to \$100 but give them more up-front incentives. That turned into an ugly battle. Eventually regulators voted to add an average of \$5 a month to customer bills, with no new up-front incentives.

UBS analysts expect APS to request an increase in that fee.

On Tuesday, the commissioners voted 5-0 to grant APS's request to delay its next rate hearing from next year until 2016.

APS officials rejected the UBS assertion that the delay would limit the participation of the solar industry and said that the company doesn't plan to increase solar tariffs outside of a rate case.

Addressing tariffs outside of a rate case would mean that regulators would not have access to detailed financial information on which to base their decision.

"We have consistently said we have no current plans to ask the commission for any change in the \$5-per-month charge on residential rooftop solar installations prior to the next rate case because we are focused on the broader rate-design discussion," McDonald said.

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## More than 75 percent of record-setting Corp Comm spending shrouded in secrecy

By: Evan Wyloge November 3, 2014 , 5:41 pm

Of the

\$4.1 million spent to help four candidates vying for two open seats on the board that regulates Arizona's utilities – more than in any previous Corporation Commission race – the source of more than \$3 million of that is shrouded in secrecy.

The so-called “dark money” has gone entirely to help Republicans Tom Forese and Doug Little.

The most recent campaign finance reports show the race has been dominated by \$3.2 million coming from outside the campaigns themselves, and only a sliver of that – about \$29,000 – comes from a traditional “independent expenditure” group that discloses its donors.

Of the \$3.2 million in anonymous money pumped into the campaign, \$925,000 has been spent to advocate for Forese and Little, while the remaining \$2.3 million was spent criticizing their opponents.

The secretly-sourced election cash comes from a small group of generically named 501(c)4 operations, sanctioned by the 2010 Citizens United Supreme Court decision and free to spend without disclosing their donors. The groups are Arizona 2014, Arizona Cattle Feeders’ Association, Arizona Free Enterprise Club and Save Our Future Now.

The groups have repeatedly declined to say where the money is coming from, though many political insiders have suspected that Arizona’s largest utility, Arizona Public Service, who routinely has business before the commission, is behind much of the spending. APS has

ACC\_AR0425

declined to say whether it is involved with the spending.

Last month, Forese and Little admitted to breaking campaign finance laws by failing to properly report expenditures for paid nominating signatures and campaign signs, as well as for violating cash-on-hand rules. Both are violations of the state's public campaign financing system, which the two opted into. Each candidate was fined \$1,000 by the Arizona Citizens Clean Election Commission.

ACC\_AR0426



JUNE 8, 2015

# Public Utility Attempting to Buy Arizona Elections

Rachel Alexander

7/28/2014 12:01:00 AM - Rachel Alexander

What's happening in Arizona right now is sufficient to make every conservative shudder. And I'm not talking about the border crisis. I am talking about the state's largest regulated utility, Arizona Public Service (APS). APS is literally attempting to purchase its regulators in the state's August 26th Republican primary (early ballots go out this week). If successful, the implications are national, especially for fledgling solar power, and crony capitalism will have a new model that will boomerang on the Republican Party.

First, a little background. APS has concluded that too much energy choice via rooftop solar is bad for it. The more people turn their lights off, making an energy choice of rooftop solar, the less money the publicly-traded electric monopoly makes. In sunny Arizona, people are understandably going solar as costs have come down – even though subsidies have gone away – by the tens of thousands. As their energy costs have skyrocketed in some areas, churches, schools, seniors, rich, poor, you name

ACC\_AR0427

them - everyone is considering a switch to the less-costly solar.

Last year, APS attempted to get the all-Republican Arizona Corporation Commission, its regulators, to pass a massive new tax that would make going with rooftop solar too expensive. By a 3-to-2 vote, the commissioners rejected the APS plan to “tax the sun,” but still passed a much smaller tax.

Well, APS didn’t like that very much. Who were these Republicans after all, to discover that energy choice should be much like school and health care choice?

Fast forward to this election year. Two seats on the Arizona Corporation Commission are open. APS has found at least a couple of dark money front groups – fooling the Arizona Free Enterprise Club as one, an organization that was started by legitimate conservatives – through which to route ratepayer money to, in order to install its two favored Republican candidates: the inexperienced and Second Amendment enemy Doug Little and the lobbyist largesse-loving State Representative Tom Forese. Another group, mysteriously named “Arizona 2014,” tellingly will not disclose its donors. “Save Our Future Now” has issued hit pieces against Parker - a whopping \$82,000 to oppose him in what is usually considered a fairly low-level race in Arizona. Even more telling, APS has not denied donating to the groups this year, even though it denied donating to groups like that in previous elections.

The government-regulated monopoly APS is spending mightily to own and control its regulators. This is not the way American democracy is supposed to work, especially when Arizona Republicans have two other good conservative Republican choices in this race.

One is conservative African-American Vernon Parker. Parker served in both Bush administrations, and as mayor of Paradise Valley, Ariz., and was the area’s 2012 GOP nominee for Congress. His story is an amazing American one. Born into a neighborhood of drugs and crime, he escaped it to become one of the Republican Party’s most inspirational leaders. He is running on a diverse team with former Arizona State Representative Lucy Mason. She once chaired the House Energy Committee, and hails from Republican stronghold Yavapai County in conservative northern rural Arizona. Both

oppose the new taxes on rooftop solar that APS wants. Aren't Republicans supposed to stand against new taxes? Parker and Mason do. Little and Forese do not.

The APS-funded campaign against Parker and Mason tries to tie them to President Obama. Laughable doesn't even begin to describe such a connection. I know Parker personally and he is very conservative and has no love for Obama - uhhh, he was a Bush appointee.

There are terrible problems with APS currently. Due to the virtual monopolies it owns, some residents with nothing more than dirt yards report water bills as high as their electric bills.

What we do know is this: In Arizona, two conservative Republicans are offering voters not only terrific Republican bona fides, but a commitment to taking on the high-cost energy monopoly.

If APS prevails, using ratepayer money to defeat potential regulators it doesn't like, it will set freedom and our party back to the 1900s, while advancing crony capitalism to a whole new level. APS realizes that a black conservative Republican like Vernon Parker is a real threat to entrenched liberalism, socialism and corporate subsidies, and so it will stop at nothing to defeat him. APS isn't a "friend" of Republican principles, and the sooner we reject its government subsidized-monopolies, the better to defeat this subtle but ingenuous attack on conservative principles. This type of enemy of liberty will stop at nothing in order to defeat and destroy an intelligent, principled, black conservative.

# Republicans Forese, Little win Arizona Corporation Commission race



Ryan Randazzo, The Republic | azcentral.com 9:40 p.m. MST November 4, 2014



(Photo: azcentral)

Republicans Tom Forese and Doug Little defeated Democrats Jim Holway and Sandra Kennedy in the race for two open seats on the Arizona Corporation Commission on Tuesday night.

The five-member commission regulates and sets rates for major utilities such as Arizona Public Service Co., Southwest Gas Corp. and Tucson Electric Power Co. It also sets policies, such as how much renewable energy the companies must use.

Republicans Forese and Little benefited from more than \$3.2 million in political advertising by independent groups during their primary- and general-election campaigns. The money went to ads in support of Forese and Little and hit pieces opposing their rivals.

APS is widely believed to have contributed to the independent groups that supported Forese and Little and ran \$1.3 million in negative ads against Democrat Sandra Kennedy as well as primary opponents of Forese and Little.

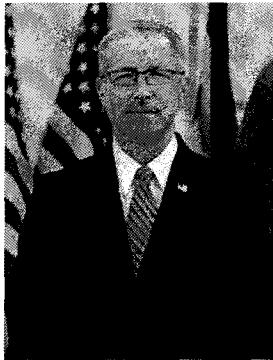


Republican Tom Forese teamed with Doug Little to run for the Corporation Commission. (Photo: The Republic)

The housing industry also was involved in the "dark money" campaigns, with money coming from a group called Save Our Future Now. That group lists the same address as a political group called "Save Glendale Now," where Connie Wilhelm of the Home Builders Association of Central Arizona served as treasurer. Wilhelm has close ties to APS.

The three sitting commissioners, all Republicans, won election in 2012 with the help of APS and Southwest Gas, both of which donated to a political group run by the Arizona Chamber of Commerce and Industry. The group, under the direction of Chamber President Glenn Hamer, sent mailers opposing Democrats running for the commission in 2012, including Kennedy, who lost a re-election bid.

Utility officials said last year, when *The Arizona Republic* uncovered the spending, that it was improper to support commission candidates because, unlike other elected state and federal offices, the Corporation Commission deals directly with the utilities and decides how much each is allowed to charge customers.



Republican Doug Little teamed with Tom Forese in a run for the Arizona Corporation Commission. (Photo: The Republic)

APS has since backed off that stance in light of political campaigns waged by the rooftop-solar industry.

The investment community widely viewed Forese and Little as the preferred candidates because they are considered to be more favorable toward utilities. It's unclear exactly what that means for people who pay bills to utilities.

Both Moody's and UBS Investment Research declared that Forese and Little would benefit utilities like APS if elected, compared with the opponents they faced in the primary election. A Moody's analyst said Forese and Little would not give the solar industry as much influence as their opponents when crafting utility rates.

Little saw about \$241,000 spent opposing him in the primary election from the rooftop-solar industry.

A solar-leasing organization, TUSK, for Tell Utilities Solar won't be Killed, ran television ads that portrayed Little as a Pomeranian "lap dog" to APS. Little's campaign laughed off the ads by bringing stuffed dogs to his campaign events.

All four candidates ran with public funds from the Citizens Clean Election Commission.

Forese is an educational-software executive and a state representative who chairs the House Commerce Committee.

Little is a retired software-industry executive who now runs a gun range.

Kennedy, who served one term from 2008 to 2012 on the commission, advocated strongly for more solar energy in her campaign. She is a former business owner who served in the state House and Senate.

Holway is a board member of the organization that runs the Central Arizona Project canal system and is director of the Western Lands and Communities program through the Sonoran Institute. He also is a former professor of practice at Arizona State University and assistant director of the Arizona Department of Water Resources.

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[The Arizona Republic | Page A14](#)

Thursday, 10 September 2015



## Resistant commissioners bolster APS lackey image

One of these days, either Tom Forese or Doug Little, the two most recently elected Corporation Commission members, is going to do or say something that will distance them in some small way from the biggest utility they were elected to regulate, Arizona Public Service.

A phrase. A gesture. A grim glance in the direction of the APS tower in downtown Phoenix.

Something. Anything that might belie the blossoming conviction that both of them truly are beholden to APS, which is widely (and ever *more* widely) believed to have spent millions of dollars to aid their election last year.

The Arizona Corporation Commission has the power — the constitutionally explicit, well-documented power — to require the utilities it regulates to open their books, to divulge spending.

Yet Forese and Little — indeed, all five members of the all-Republican commission — are in open resistance against efforts to make public that spending. It is getting embarrassing.

Actually, it is insulting.

In a letter he read aloud on Tuesday, Little attempted to invoke Thomas Paine, the First Amendment and the 2010 *Citizens United* Supreme Court decision to defend his commitment to doing exactly what APS wants him to do, which is to refuse to call for the utility to open its books: "In my personal view, more political speech, whether it comes from corporations, unions, associations, self-appointed 'watchdog' groups or individuals, is a good thing because the ability to engage in robust discussion about the qualifications of candidates in an election is a good thing," Little said.

No one is attempting to limit APS' speech. They are seeking openness, which is perfectly compatible with the Arizona Corporation Commission's regulatory mission, to say nothing of the free-speech tenets at the heart of the recent high-court decision on campaign-finance law.

The author of *Citizens United*, Justice Antonin Scalia, devoted nearly half of the opinion to the importance of disclosure. He has said, repeatedly, that disclosure of the sources of funding is critical to public confidence in its election system. From a 2012 interview: "I think Thomas Jefferson would have said the more speech, the better. That's what the First Amendment is all about — so long as the people know where the speech is coming from (emphasis added)."

Forese compounded the intellectual insult when he suggested that asking APS to not spend money on Corporation Commission candidates — something fellow commissioners Bob Burns and Susan Bitter Smith have done — would be as much of a violation of campaign-finance law as direct coordination of spending, which is expressly prohibited.

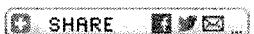
That is, simply, posturing. No, Forese cannot compel APS to desist from spending money on commission elections. But he at least can ask.

He at least can send the message that the scales have lifted from his eyes and at last he sees what wretchedness APS is perpetrating on the integrity of the commission with its "dark money" manipulations. He could say or do something that might be interpreted as

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irksome to his APS masters.

Regretfully, Commissioners Burns and Bitter Smith are getting into the foot-dragging act where APS campaign spending is concerned.

The two veteran commissioners, both of whom will face re-election next year, have asked the commission's legal staff for an opinion about whether they can force utilities to disclose campaign spending. Bitter Smith contends "there is uncertainty regarding the role of the commission."

Again, the explicit mission of the commission is to examine the books of the utilities it regulates in service of setting rates. There is no "political campaign spending" exemption. Separately or as a group, the commissioners can — and, needless to say, should — demand that APS open its books to the campaign-finance pages.

The most valuable asset of the five-member Arizona Corporation Commission is its independence.

This continuing defensive action on behalf of the largest utility the commission regulates is threatening that asset. The wonder is just how oblivious this commission is to the danger it now faces.

**Doug Little and fellow Arizona Corporation Commission members are resisting efforts to make APS open its books on campaign spending.**

PATRICK BREEN/THE REPUBLIC



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# Secretary-of-state race shadowed by 'dark money'

## FROM ARIZONA SECRETARY OF STATE TO GOVERNOR

Here is a list of Arizona secretaries of state who ascended when the sitting governor was removed from office.



Mary Jo Pitzl, The Republic | azcentral.com

10:31 a.m. MST August 6, 2014



**Editor's note:** This story continues an occasional series, *Shadow Campaigns*, to shed light on outside spending in this year's election. Operating with fewer restrictions on donations and expenditures than candidate campaigns, these groups are attempting to sway voters by spending record amounts, in some cases more than the candidates themselves.

Ken Bennett has, as Arizona secretary of state, overseen countless candidate filings, advocated for proof of citizenship to register to vote, and preached the need to return early ballots.

(Photo: Getty Images Getty Images/Stockphoto)

But during his 5 ½ years in office, he has never waded into the immigration debate. Nor has his office had a say on gun rights.

The same goes for former Secretary of State Jan Brewer, now Arizona's governor, and her predecessors in the state's No. 2 political post.

But an outside spending group is interjecting those issues into this year's GOP primary, arguing that it's important to know where candidates stand on those topics, because the secretary of state is next in line to become governor if the office is vacated.

By raising these issues, the Free Enterprise Club has effectively highlighted what has become the central issue of the race: the role of anonymous funding, or so-called dark money, in campaigns.

**RELATED:** [Arizona Free Enterprise Club doles out big money in election races](#) (/story/news/arizona/politics/2014/08/03/arizona-free-enterprise-money-election-season/13537793/)

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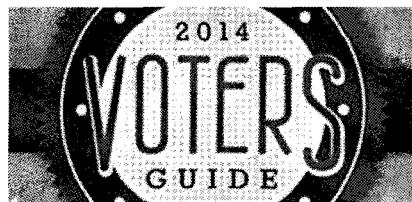
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The club, which isn't required to disclose the source of its money, has put \$391,026 into mailers and signs supporting state Rep. Justin Pierce's campaign through July. The total rises to \$560,808 when club spending that advocates the defeat of his opponents is added in.

The money is more than double the \$195,280 that Pierce, as a publicly funded candidate, has available for his campaign. And it is likely to eclipse spending by the other two Republican candidates: businessman Wil Cardon and state Sen. Michele Reagan, who are running with private contributions.

Cardon and Reagan have both seized on the "dark-money" spending to highlight their calls for transparency in political transactions and to distinguish themselves from Pierce and his benefactor.

Both note that they have to disclose all their donors. Reagan has received thousands of dollars from Capitol lobbyists, business owners and attorneys, as well as \$37,800 in a family loan. As of May 31, the latest record available, she reported \$295,000 in contributions.



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AZCENTRAL

## State questions campaign spending by 5 outside groups

[\(http://www.azcentral.com/story/news/arizona/politics/2014/08/06/state-questions-campaign-spending-outside-groups/13658121/\)](http://www.azcentral.com/story/news/arizona/politics/2014/08/06/state-questions-campaign-spending-outside-groups/13658121/)

Cardon, who runs dozens of businesses related to his family's gas and real-estate fortune, has received donations from business owners, many from out of state, as well as attorneys and long-established Mesa families.

Paradise Valley resident Robert Walton, of Walmart fame, gave \$1,000. In addition, Cardon has lent his campaign \$133,500, bringing his contributions to \$208,000 as of May 31. (The next reports are not due until Aug. 22.)

As a publicly funded candidate under the state's Clean Elections system, Pierce gets \$195,280 for the primary. He has also benefited from the Free Enterprise Club's spending, a fact that has brought an uncomfortable spotlight on his campaign as opponents and others speculate on the source of the money.

Because the club is a non-profit corporation that "primarily" engages in social-welfare issues, it does not have to disclose its donors.

That hasn't stopped Cardon from naming names. He suspects Arizona Public Service is bankrolling much of the club's spending, saying it's a "thank you" to Justin's father, Corporation Commissioner Gary Pierce, who has voted favorably for the utility.

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Commissioner Pierce, in a statement to *The Arizona Republic*, denied the allegation and said the media has circulated untrue statements.

"It should go without saying, but to set the record straight, I have never made a deal with APS to cast a vote in exchange for a benefit to my son Justin Pierce's campaign for Secretary of State," he wrote.

APS won't directly answer if it is channeling money to the club on behalf of the Pierces. Instead, it notes it does contribute during elections.

"Although we typically do not comment on individual contributions, we routinely support public officials, candidates and causes that are pro-business and supportive of a sustainable energy future for Arizona, regardless of party affiliation," spokesman James McDonald said in a statement.

Both Cardon and Reagan said that, as secretary of state, they would work to require more transparency in political spending. That would eliminate speculation about funding sources and perhaps redirect attention to other issues, they said.

Reagan, as chairwoman of the state Senate's Elections Committee, tried earlier this year to require non-profits to reveal their three largest donors. But after winning unanimous approval from her committee, the bill never advanced.

In late July, as early voting was getting underway, Reagan appealed to donors for help, fretting in an e-mail to supporters and potential donors that Arizona's elections could be bought by anonymous spending.

Cardon said that, if elected, he would initially encourage a voluntary approach in which candidates could rebuff dark money and put their campaign treasury on the line to back it up.

For example, if a candidate benefited from anonymous spending, Cardon suggested, the candidate should write a check to charity in an identical amount to show his rejection of the practice.

Pierce takes a more nuanced view, warning that full disclosure of donors could trigger political retribution. For example, he said, the chairman of the tech organization Mozilla was pressured into resigning after his \$1,000 contribution to California's anti-gay-marriage ballot measure was publicized.

Pierce said that, if elected, he would bring together dark-money groups and others to find a compromise on disclosure. He doesn't know what that would look like, but he said he believes his ability to bridge different viewpoints would lead to a better result than an outright ban on anonymous political spending.

The dark-money debate has drowned out discussion of the more mundane, but essential, obligations of the post.

The secretary of state's duties are mainly administrative, overseeing records filing from state agencies, political candidates and businesses.

In 2009, the Legislature put the state library and archives under the secretary of state's control. The office also runs a registry for advance directives, where Arizonans can electronically file wills or medical powers of attorney, and it maintains an address-confidentiality program for victims of domestic violence.

Reagan points to her experience in both the public and private sectors as her qualifications. Her involvement with a family-run sign business and her years serving on business-related committees during her 12 years at the state Legislature have grounded her in the needs of Arizona companies, she says.

She notes that any business opening in the state must make a stop at the Secretary of State's Office to file partnership information and trademark data, among other things. She would make that a welcoming stop, she says.

Both she and Pierce say their legislative experience is invaluable. Pierce said it's "critical" to know how the Capitol works because relationships with lawmakers and state officials help to get things done.

Cardon plays the outsider card, arguing that the office is better served by a fresh face, rather than "professional politicians." In addition to advocating for additional transparency and accountability in campaign filings, he said he'll use his business background to root out inefficiencies.

His message, however, has been overshadowed by a lawsuit his siblings filed in July, charging that Cardon is abusing his role as manager of various family trusts by enriching himself. The case is scheduled for a hearing after the Aug. 26 primary.

Pierce has focused much of his attention on broader issues, such as the economy, education and public safety, saying those are the issues voters want to discuss. It's appropriate, he argues, because Arizona has a history of seeing secretaries of state ascend to the governor's post and it's important to know where candidates stand on issues of statewide importance.

"It does not surprise me that people are paying more attention to this and not just looking for someone who is a chief elections officer," he said. "Although I would be a great chief elections officer."

The winner of the Republican primary will face presumptive Democratic nominee Terry Goddard, who is running unopposed.



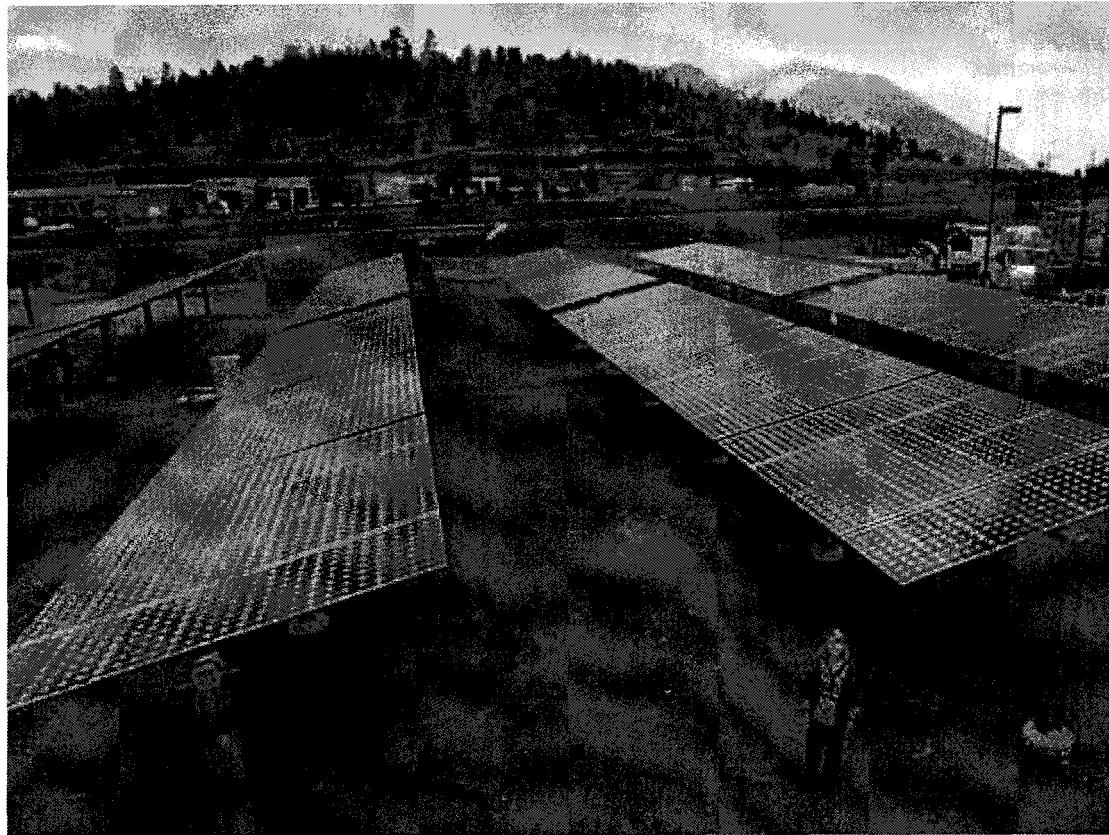
The GOP chairman of the Arizona Corporation Commission says he doesn't want to see 'dark money' spending by APS and others in the current race for two commission seats. But he won't demand that APS reveal how much it's spending.

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## **solar companies only lash out because they're losing**

Barbara Lockwood, AZ I See It 6:07 p.m. EDT June 4, 2015

### **My Turn: Attacks against the Arizona Corporation Commission only serve to muddle the debate.**



Barbara Lockwood, APS general manager, energy innovation, talks about an APS solar program at their Flagstaff facility.(Photo: Cheryl Evans/The Republic)

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Solar energy is flourishing in Arizona. At Arizona Public Service, we are proud to have supported that growth and we know the future of solar is bright.

To ensure that growth continues, we need to focus on modernizing our electric grid as well as modernizing our electric rates so they are fair and reasonable for all customers, solar and non-solar customers alike.

The Arizona Corporation Commission, the governmental agency responsible for regulating the state's public utilities, was the first in the nation to recognize the need to update the way utility rates are set to reflect the declining cost of solar and the changing way customers use electricity. Utility commissions across the country are following Arizona's lead.

**ROBERTS:** [Corporation Commission cozy with APS? Say it isn't so!](#)

**OP ED: It's time to demand honesty from APS**

**EDITORIAL: The Corporation Commission needs to earn back our trust**

A handful of companies that lease rooftop solar systems to residential customers are vehemently opposed to such progress and insist on preserving their taxpayer and regulatory subsidies for as long as possible, even if it causes long-term harm to customers and the responsible growth of solar energy. These subsidies were recently reported by the Los Angeles Times to be \$1.5 billion for SolarCity alone.

But it's increasingly clear the facts aren't on their side. They are becoming desperate, and now lashing out at whomever they believe is in their way.

So, they unfairly attack Arizona's corporation commissioners. They are also attacking regulators and utilities in states such as Louisiana, Wisconsin and Florida, simply because they are beginning to take responsible action to ensure a modern grid for sustainable solar energy.

One of the most recent attempts is the insinuation that communications between APS and Commissioner Bob Stump were inappropriate, based on the method of communication (texts) and the timing.

Joining in this attack is a new group calling itself the Checks and Balances Project, which claims to be a public watchdog but in fact is a dark money political advocacy organization widely believed to be funded by California-based solar leasing companies.



Barbara Lockwood is the general manager for regulatory affairs and compliance at Arizona Public Service. (Photo: APS)

I am the primary APS liaison with the ACC and it's my job to communicate with all commissioners and ACC staff. I keep them up to date on a range of topics from storm outages to Palo Verde Nuclear Generating Station to our energy efficiency and renewable energy programs.

In 2014, APS made 342 filings with the ACC, representing tens of thousands of pages of public documents. On any given day, APS has between six and 10 matters actively before the ACC staff and commissioners. These matters often require the exchange of vast quantities of information and data.

Communications with the ACC take many forms, from in-person meetings to phone calls to — yes — text messaging. It's a useful form of communication that has become ubiquitous in our technology-driven society.

A small number of ACC proceedings are subject to ex-parte rules, which prohibit communications between parties and commissioners. During these proceedings, we don't communicate with ACC commissioners on these topics by any means other than official filings and hearings. They, and we, take these rules very seriously.

Our work is important: keeping the lights on for more than half of Arizona through 120-degree days and monsoon storms. The ACC's work is just as important. The commissioners and their staff are dedicated professionals responsible for setting utility rates appropriately and establishing policy in the best interest of all Arizonans.

By contrast, the sole purpose of these recent attacks is to confuse the debate and prevent progress. We deserve better than this type of distraction in Arizona.

*Barbara Lockwood is the general manager for regulatory affairs and compliance at Arizona Public Service.*

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# Steller: APS' shady behavior sullies commission campaign

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August 05, 2014 8:30 pm • By Tim Steller

3

It wasn't a denial.

It wasn't even a non-denial.

It was basically just a non-denial, which is pretty close to a confirmation.

After a month of criticism in the Phoenix media that Arizona Public Service is secretly spending money on statewide elections, an APS company spokesman noted first in a written statement Sunday that the company is being attacked by outside groups in a "propaganda war."

**Alan Bunnell** continued: "It would be irresponsible for us not to defend our company, which plays a critical role powering Arizona's economy and supporting our communities. No one disputes our right to participate in the political process, although some have voiced the opinion we should not exercise that right."

Adding to the evidence: Last year, APS acknowledged contributing to third-party political groups that then engaged in a proxy fight over fees for rooftop solar panels.

From that, it seems evident that APS, Arizona's largest electric utility, or its parent company are funding an effort to win the Republican nominations for their preferred candidates for Arizona Corporation Commission, **Tom Forese** and **Doug Little**.

That may not seem such a big deal in this post-Citizens-United era, in which corporate and union donations to campaigns are permitted and pervasive. But in fact, those who pay attention to the little-noticed five-member commission consider it unprecedented.

For the first time, one of Arizona's utilities is trying to determine who will regulate it and, perhaps most importantly, cast votes on the rates utility customers pay, helping determine the company's bottom line. You can imagine the thinking: A little bit of political spending now can protect profits down the road. But it's something other utilities avoid.

The political action committee for employees of Tucson Electric Power, the other large electric utility regulated by the commission, doesn't get involved in its campaigns: "It has been our policy



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Tim Steller, columnist at the Arizona Daily Star.

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not to contribute to corporation commission candidates, to avoid any appearance of conflict of interest," TEP communications manager **Joe Salkowski** told me.

Neither does the PAC for employees of Salt River Project involve itself with corporation

[x]

By all appearances, APS decided it's OK to break this barrier and, worse, to ride it.

The vehicles for this effort are two groups, as Capitol Media Services' **Howard Fischer** reported Monday: The Arizona Free Enterprise Club and Save Our Future Now. Neither is required to disclose its donors.

They've supported Forese and Little in the corporation commission race to the tune of \$331,345, and they've worked against Republican opponents **Vernon Parker** and **Lucy Mason** by spending \$683,937 so far against Parker and \$86,832 against Mason. That's a total of \$1.1 million on races where candidates typically have spent in the low six figures for the entire election.

The result? Mailers such as the one sent by the Arizona Free Enterprise Club declaring, "Vernon Parker and Lucy Mason support Obama's energy plan." Another, by Save Our Future Now, shows Parker, Obama and Mason standing together in an obvious blend of three separate pictures and says, "They are the environmental team that could shut down Arizona power plants."

Of course, Bunnell is right that APS is being attacked by outside groups. Companies such as SolarCity benefit from the subsidies for homeowners who install rooftop solar panels. They've fought APS' justifiable efforts to reduce those subsidies and the shifting of costs they create from solar customers to the rest of us.

The solar companies formed a group called Tell Utilities Solar won't be Killed, abbreviated creatively as TUSK, to galvanize Republican support for the solar industry. TUSK fought APS last year over its effort to impose new fees on rooftop solar owners, and this year, TUSK is fighting the candidates apparently favored by APS, spending \$242,539 so far.

But there's a difference: TUSK is a traditional political action committee and must disclose its donors. **Jason Rose**, a Scottsdale publicist who represents the group, said the vast majority of its money comes from solar companies whose donations will be disclosed in its next required filing.

Typical of groups whose business is secrecy, representatives of the Arizona Free Enterprise Club and Save Our Future Now did not return my calls.

"Among Republican primary voters, the APS position is wildly unpopular," Rose told me. "That explains why they don't have the guts to do it in their names."

**Jim Holway**, a Democratic candidate for corporation commission, had a novel idea to address the problem. He sent a letter to chairman **Bob Stump** asking the commission to order the utilities they regulate to disclose all their spending on the corporation commission race. So far, they've refused to do so.

That's a shame: At least, voters should know who is spending how much to sway them and whether that money could benefit the donors directly through commission decisions.

I'm sure I won't be the only person tempted to vote Parker and Mason just to send APS and the other utilities a message.

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Contact columnist Tim Steller at [tsteller@tucson.com](mailto:tsteller@tucson.com) or 807-7789. On Twitter: @senyorreporter

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## The Stakes Are Too Big For Arizona Republicans To Elect Doug Little To The Arizona Corporation Commission

TUSKADMIN / JULY 18, 2014 /

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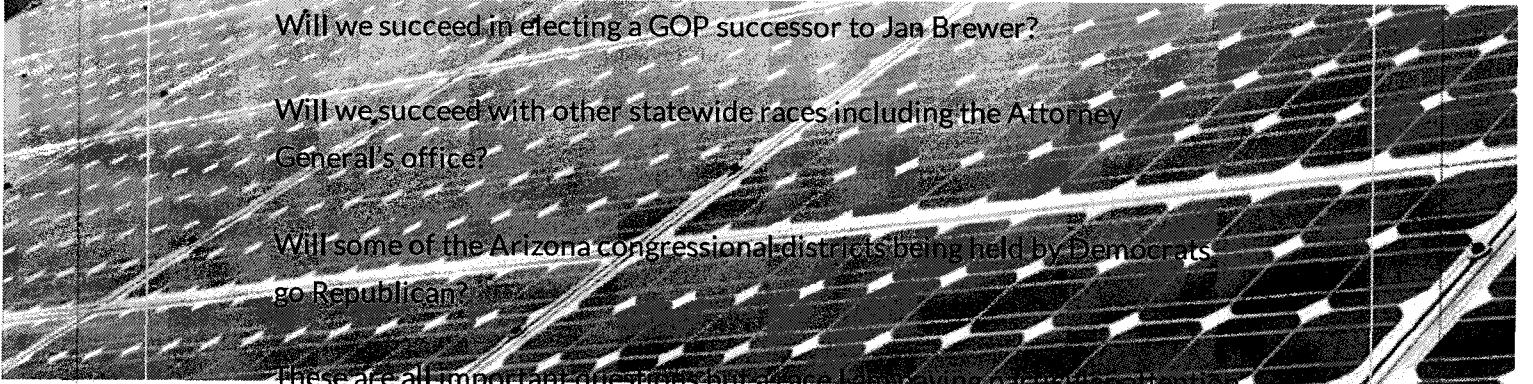
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July 18, 2014 / By Barry

Goldwater, Jr.

I've been involved in Arizona Republican politics for quite a while. As always, the stakes in the upcoming primary election for our party are significant.





Will we succeed in electing a GOP successor to Jan Brewer?

Will we succeed with other statewide races including the Attorney General's office?

Will some of the Arizona congressional districts being held by Democrats go Republican?

These are all important questions but at issue I am paying particular attention to this year is for the Arizona Corporation Commission. It regulates Arizona utilities including monopolies like Arizona Public Service and Tucson Electric Power.

For the first time I can ever recall Arizona Public Service is spending money, your money, to elect and install Corporation Commissioners favorable to them.

They are routing this money through third party "dark money" organizations so they don't have to be so obvious about what they are doing.

This is a very dangerous situation for all Arizonans. If utility monopolies are able to essentially purchase politicians beholden to them our rates will go up as those elected will be indebted to those who spent to put them there.

That's why I am fighting against this. In particular, I think one of these candidates, Doug Little, would be a very poor choice for the Arizona Corporation Commission.

Not only does Little have very little experience to make the complicated, important decisions that impact our lives on a daily basis, he is vehemently anti-solar.

Being against energy choice just isn't the American way. Republicans stand for school choice, health care choice and should be for energy choice too – not just dependent on the whims of the monopoly.

Little wants to reverse policies that have allowed tens of thousands of Arizonans from seniors to schools to churches to save on their electric bills by going with rooftop solar. His policies would kill thousands of Arizona solar jobs.

Indeed, Little wants to tax solar out of existence at the behest of Arizona Public Service. Why? Because the more energy efficient we all are – I have a solar heater myself – the less money Arizona Public Service makes.

What's most troubling about Little is that he actually favors a big new property tax on rooftop solar equipment. Very few in the Republican Party support such a thing – tax hikes are supposed to be anathema to our philosophy – yet Little supports it because APS wants him to. Even the leading Republican gubernatorial candidates oppose this tax.

This is not a candidate our Party needs on the Corporation Commission. We need watch dogs not lap dogs. We need people who will look after the ratepayer and Republican principles not the utility monopolies and tax hikes.

If Little somehow wins the Republican primary on August 26<sup>th</sup> he will also provide Democrats their best chance of picking up a seat on the regulatory body which is now all Republican.

Mr. Little may very well be a fine man. But he is just too wrong on too many issues to be a Republican nominee next month. Besides, being against solar in Arizona is like being against the beach in California. It just makes no sense.

 (http://dontkillsolar.com/tusk/wp-

content/uploads/2014/03/Barry-Goldwater-Jr-Signature.png)

NOTE: Mr. Goldwater is the Chairman of T.U.S.K., (Tell Utilities Solar won't be Killed) a national Republican organization dedicated to energy choice and rooftop solar. He is also a former United States Congressman.

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[WHAT WE WANT](http://DONTKILLSOLAR.COM/TUSK/WHAT-WE-WANT/)  
[IN THE NEWS](http://DONTKILLSOLAR.COM/TUSK/LATEST-NEWS/)  
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# Who is it that so badly wants Justin Pierce elected SOS?

Laurie Roberts



Laurie Roberts, The Republic | azcentral.com

11:24 a.m. MST July 3, 2014



(Photo: campaign photo)

Justin Pierce, the state legislator who wants to oversee Arizona's elections, is coming out of the closet, so to speak, to support those who are hiding back there behind the winter coats.

Why, you ask, would he be supporting dark-money campaigns? I, for one, am Absolutely Positively Stumped.

While his fellow Republican opponents for secretary of state, Michele Reagan and Wil Cardon, are calling for more transparency, Pierce said during a debate this week that there are legitimate reasons to allow anonymously funded campaign ads.

He had to go back 60 years to find that justification, citing fears of retribution when the state of Alabama asked the NAACP to turn over its membership list during the 1950s civil rights movement.

"We've seen more recent examples ... when the IRS has targeted groups," he added, during Tuesday's debate, sponsored by the Citizens Clean Elections Commission. "I have heard from more and more voters who want to be involved but are afraid of painting a target on their backs."

One wonders how many of those voters have the initials A.P.S.

Basically, Pearce is supporting the idea of people -- or corporations -- being able to hide behind the bushes and lob grenades -- or heap praise -- in an effort to get you to vote as they'd like.

Without telling you who they are -- information that might help you evaluate their plea.

Sort of like Arizona Public Service did last year.

Politicos were abuzz last fall with speculation about a secret plan by APS to win the support of a certain corporation commissioner in the utility's bid to stave off competition from solar companies. This, by quietly helping the commissioner's son in his bid to win the state's No.2 political job in 2014.

Justin Pierce, that would be.

APS pronounced the conspiracy theory a dud, but the utility has shown a propensity of late to dwell in dark places.

Now comes an independent dark-money campaign touting Pierce for secretary of state.

The Arizona Free Enterprise Club dropped an astonishing \$90,000 the mailer for Pierce last week, then did the same for Tom Forese and Doug Little, a pair of utility-friendly Republicans who are running as a team for the Corporation Commission. The Club has evidently found a sugar daddy because \$180,000 dwarfs its previous campaign spending, which generally ranges from \$2,000 to \$10,000 a candidate.

I called the Arizona Free Enterprise Club to ask who put up the \$180,000. Cue the crickets. To be fair, the non-profit doesn't have to come clean given the current state of secrecy allowed by our laws.

But if I had to guess where the money for the Pierce and Forese/Little ads came from, I'd look to last year's APS-solar fight.

At the time, a pair of non-profits -- Prosper and the 60 Plus Association -- were waging a dark-money ad campaign to support APS's goal of making solar customers pay higher bills.

APS initially denied that it was funding the ads. Eventually, however, APS conceded that its parent company, Pinnacle West, was shuttling money to those non-profits to pay for the ads through consultant/dark-money maestro Sean Noble.

So back to Pierce and my pondering...

...Is APS the moneybags behind the Arizona Free Enterprise Club's \$90,000 campaign aimed at making Justin Pierce our next secretary of state? Is this the utility giant's thank-you to Pierce's father, Corporation Commissioner Gary Pierce, for his support during last year's solar wars?

It certainly would explain why Justin Pierce abruptly decided to run as a Clean Elections candidate last year, allowing dark-money independent  
ACC\_AR0446

campaigns to carry the load.

APS won't say whether it's funding the campaigns to install Pierce into the state's No. 2 job and Forese/Little onto the Corporation Commission.

"APS periodically contributes to candidates, causes and organizations that support economic growth, sound energy policy and other issues important to our company and our customers," spokesman Jim McDonald, said in a prepared statement. "We don't comment on any particular contribution."

Others in the political trenches see the utility's fingerprints all over this thing.

"This is the fifth or sixth entity that's been using APS dark money," said Jason Rose, spokesman for solar-industry group TUSK, Tell Utilities Solar Won't be Killed.

...Is there some other reason why the Arizona Free Enterprise Club – a non-profit devoted to limited government -- would be involved in a Corporation Commission race?

It's clear why APS would pony up anonymously to get its candidates elected to the commission that regulates utilities -- or to defeat the more solar-friendly Republicans, Lucy Mason and Vernon Parker.

Then again, it could be just one giant coincidence that Alan Heywood, who has reportedly done consulting work for APS, is running the campaigns of Pierce, Forese and Little.

Lots of questions to ponder but none more important than the one raised by the \$90,000 mailer extolling the virtues of Justin Pierce for the job that would put him one step away from the governor's office.

"Justin Pierce," it says, "is one of us."

The question: who is "us"?

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<http://yellowsheetreport.com/2014/08/20/so-much-for-that-argument-2/>

## SO MUCH FOR THAT ARGUMENT

August 20, 2014 4:19 pm 0

A major argument in favor of passing higher campaign contribution limits, which the Arizona Supreme Court upheld last year, was that it would allow candidates to regain control of their campaigns' narratives instead of being forced to surrender them to outside groups. Under this theory, higher contribution limits would allow deep-pocketed contributors to give more money to candidates, making it less likely that they would give to outside groups that are wont to hijack the campaign messaging. And, in the event that the outside groups still spent money, the candidates would be better able to financially compete with them. But real life has proven to be far different than theory. A cursory review of the IE spending in the primaries shows that outside groups have swamped the airwaves and mailboxes like never before. As of this afternoon, a total of \$7.9 million of independent expenditures had been reported: \$5.7 million in statewide races and \$2.2 million in legislative contests. By way of comparison, outside groups spent \$3.7 million on legislative contests during the entirety of the 2012 election, putting this year's independent expenditures on track to beat that figure by nearly 20 percent by the time the dust settles in November. (A comparison of overall outside spending with 2012 is not possible, as the only statewide races that year were three Corp Comm seats. The race attracted a total of about \$200,000 of independent expenditures.) Political consultant Constantin Querard told our reporter that outside spending has commandeered the campaigns' narratives in pretty much all of the contested races, particularly the legislative contests. "That is true in virtually every battleground race. In races where there is actually a significant IE presence, the candidates will have the smallest wallets. The candidates will have the least control over their message," he said. But consultant Chris Baker said the outside spending in the Corp Comm and secretary of state races is unique, reiterating the widely accepted speculation that APS is funding groups to spend for J Pierce, and for Forese and Little. For the rest of the races, outside money merely acted as "adjunct" to candidates' spending, he said. "It doesn't become the overwhelming [and] dominating factor in the race. I don't know that you are really seeing the kind of domination that many have come to expect," he said. Baker doesn't see the tremendous outside spending in the secretary of state or Corp Comm races becoming the norm, and said that most corporations are gravely reluctant to wade into elections and risk upsetting their consumer base or getting wrangled in politics. "Most corporations wouldn't be so stupid to do this," he said.

<http://yellowsheetreport.com/2014/07/23/peanut-gallery-sez-better-ways-to-do-this/>

## PEANUT GALLERY SEZ: BETTER WAYS TO DO THIS

July 23, 2014 4:16 pm 0

Many observers believed APS would shy away from throwing money around on J Pierce's behalf – or at least be discreet in doing so – given the multiple news reports last fall about APS's rumored deal-making with G Pierce on the Corp Comm deregulation vote that supposedly secured the utility's support for J Pierce's campaign. However, one source with strong ties to the situation, but who is not directly involved, said the circumstantial evidence makes it impossible to conclude that anyone other than APS is funding the Free Enterprise Club's efforts. Most troubling, the source said, is that APS is doing little to cover its tracks. "I'm really surprised at the carelessness of this. I find it unbelievable that they're going out this big and not being discreet about it, and they don't think people are going to connect the dots," the source said. One political consultant echoed that sentiment, and said there are "a lot smarter ways to do this." Instead of directing the money (and, thereby, the spending) to a single group that only has a penny-ante history of electioneering, the consultant said APS should have sent the money to either multiple organizations or a single larger group that regularly accepts and spends big money, because such a group's activities wouldn't raise as many red flags.

<http://yellowsheetreport.com/2015/02/23/old-suspicions-die-hard/>

## OLD SUSPICIONS DIE HARD

February 23, 2015 4:10 pm 0

The whistleblower's allegations have highlighted accusations leveled at G Pierce, particularly the unsubstantiated charge that APS was secretly helping his son's bid to become the next secretary of state purportedly in exchange for his support on matters involving the utility before the commission. Last year, speculation was rampant that APS was the source of funds that the Free Enterprise Club deployed on the Corp Comm and secretary of state's races (YS, 7/3). During the primary, businessman Wil Cardon accused Justin Pierce and G Pierce of being "bought and paid for by APS." J Pierce responded that Cardon was "stoop[ing] to a new low" and dismissed the accusations as "100 percent false" (YS, 8/13). "As if there weren't already doubts about the independence and integrity of the commission, this just poured lighter fluid on every concern [and] every issue that people have expressed over the past couple of years about the slumber party occurring between the utilities and their favorite friends at the commission," one railbird said. But the railbird said the allegation also put the spotlight on Stump. "There's a whole bunch of issues with Bob Stump about knowing what he did and doing nothing about it," the source said, referring to the whistleblower's narrative that he told Stump about his complaint and the former chairman did nothing about the information. Another source also provided a context to the musical chairs at the Corp Comm in 2013, when a few staffers changed positions. Early that year, former legislator Steve Court joined Pierce as his policy advisor, replacing longtime policy advisor John LeSueur who became an assistant director with the Utilities Division (YS, 1/24). The second source said G Pierce hired Court to ensure that J Pierce wouldn't have a contested primary in 2012.

<http://yellowsheetreport.com/2014/08/07/the-exceptions-not-the-rule/>

## THE EXCEPTIONS, NOT THE RULE

August 7, 2014 4:15 pm 0

While roughly \$4 million has been spent on the races for governor, secretary of state and Corp Comm, outside groups have completely stayed out of the contested GOP primaries for AG, superintendent and treasurer. Political consultant Chris Baker said that, despite the big dollars that are being spent by IE groups, the fact remains that it is highly difficult to raise money – unless a rich patron (former GoDaddy CEO Bob Parsons has owned up to contributing \$1 million to a pro-Jones IE) or brave corporation (APS is fingered by many as financing the spending for J Pierce, Forese and Little) decides to dip into its treasury and funnel money to an independent political committee. Additionally, IE spending is typically made during the general election, not in the primary, he said. Baker also surmised that the governor's race is sucking in the funds that could have been spent in other races. "I don't think there's enough money out there for the remaining other races," he said.

<http://yellowsheetreport.com/2014/07/03/is-a-pattern-emerging-here/>

## IS A PATTERN EMERGING HERE?

July 3, 2014 3:06 pm 0

The \$186,000 in spending by the Free Enterprise Club on the secretary of state and Corp Comm races has led to rampant speculation about the group's source of funds – particularly since it only spent roughly \$90,000 in the previous two election cycles combined. Thus far, the consensus among railbirds is that APS is the source. "This has got to be APS. It's the easiest way for them to do it – to take an existing organization, give them a bunch of money and direction, and then deny it," one energy industry lobbyist told our reporter this week. The source added that APS has been signaling its willingness to dive into the Corp Comm race and that it is "unafraid of the public opinion on this thing." He insisted that the bread crumbs all lead to APS, saying the Free Enterprise Club is spending money on Corp Comm candidates who are perceived to be favored by APS, and on secretary of state candidate J Pierce, whose father is viewed as a strong ally of the utility company. The *Republic's* Laurie Roberts also ramped up the speculation game today, writing that she has little doubt the money for Forese, Little and Pierce came from APS, pointing to last year's net metering fight as the basis for her belief. "At the time, a pair of non-profits – Prosper and the 60 Plus Association – were waging a dark-money ad campaign to support APS's goal of making solar customers pay higher bills. APS initially denied that it was funding the ads. Eventually, however, APS conceded that its parent company, Pinnacle West, was shuttling money to those non-profits to pay for the ads through consultant/dark-money maestro Sean Noble," she wrote (LINK). "Is APS the moneybags behind the Arizona Free Enterprise Club's \$90,000 campaign aimed at making Justin Pierce our next secretary of state? Is this the utility giant's thank-you to Pierce's father, Corporation Commissioner Gary Pierce, for his support during last year's solar wars?"

# Exhibit 18

# APS' ALLEGED "DARK MONEY" TOWARD TWO CANDIDATES LOOKS TO HAVE PAID OFF

BY RAY STERN

TUESDAY, AUGUST 26, 2014 | 10 MONTHS AGO



Doug Little and Tom Forese appear to have won in a four-way GOP primary race for the Arizona Corporation Commission.

*Image: Ray Stern*

Arizona Public Service's apparent "dark money" spending for two Arizona Corporation Commission members appears to have paid off.

Four Republican candidates were vying for two open seats on the commission in Tuesday's primary election, and the two who APS allegedly preferred were comfortably in the lead.

**See also:** *-Home Solar Takes Hit After Vote by Corporation Commission to Add Surcharge*

Doug Little, a gun range operator and former software executive, and Tom Forese, an education-software executive, were the benefactors of millions in campaign spending by groups including the Free Enterprise Club. The independent groups didn't have to divulge the source of their funding, leading to speculation that APS had donated the money. APS, when asked by reporters about that possibility, would not confirm or deny it had made the donations.

With 36 percent of voting precincts reporting at 11 p.m., Little and Forese each had 29 percent of the vote.

Their next closest competitor, State Representative Lucy Mason, trailed well behind with 23 percent. Former Paradise Valley Mayor Vernon Parker, meanwhile, came in last in the GOP primary race with 18 percent. Reached by phone on Tuesday night, Parker sounded bitter.

The targeting of specific GOP candidates in the Corporation Commission race, plus spending against State Treasurer candidate Hugh Hallman [who opposed APS' plan to charge rooftop solar customers more for the electricity they generate] is a "horrific precedent," he said.

"This is not good, when a regulated monopoly can choose who regulates them," Parker said, adding that the election could result in higher utility rates for Arizonans. "For me to have to overcome millions of dollars and negative ads -- it's an abomination of the political process."

The two GOP winners, if elected, would be "hard-pressed not to do what APS wants," Parker said.



Vernon Parker

Arizona Congressman David Schweikert, who was at the Republican Party's primary party at the Hyatt Regency on Tuesday, said the possibility that APS spent dark money to support specific Corporation Commission candidates "really concerns me on multiple levels."

Schweikert wondered whether any "upside" existed for APS or the two winning GOP candidates, who -- if elected -- would remain under a "shadow of a perception of conflict of interest."

During the race, Forese and Little typically didn't comment to reporters about the spending, which by law should not have been coordinated with the candidates.

The two GOP winners will go on to face Democrats Jim Holway and Sandra Kennedy in the November 4 general election.

**Got a tip? Send it to: Ray Stern.**

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# Pinnacle West board to shareholders: Reject increased disclosure proposal

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 [azcir.org/2015/04/20/pinnacle-west-aps-board-urge-reject-increased-lobbying-election-finance-disclosure-proposal/](http://azcir.org/2015/04/20/pinnacle-west-aps-board-urge-reject-increased-lobbying-election-finance-disclosure-proposal/)

Evan Wyloge

PHOENIX – When Pinnacle West Capital Corporation shareholders open their mail this spring, they'll be asked whether the state's largest utility should provide more information about money it spends to influence policies and elections in Arizona.

The question has been formally posed to Pinnacle West shareholders, as part of the publicly-traded company's 2015 proxy statement, which is used to solicit shareholder input prior to the company's annual meeting. Pinnacle West is the parent holding company of Arizona Public Service.

While the Pinnacle West board of directors has unanimously panned the proposal, tens of thousands of shareholders have the chance to vote on it, even though it would only be symbolic. The votes will be tallied at the organization's May 20 shareholder meeting.

Pinnacle West spokesman Alan Bunnell said the organization already complies with all legal disclosure requirements involving election and lobbying spending, and that there would be no value to any greater disclosure. APS and Pinnacle West executives have declined to confirm or deny giving money to "dark money" groups that spent heavily in the 2014 election, particularly to help defeat candidates for the Arizona Corporation Commission who were critical of APS.

As You Sow, a 501(c)3 nonprofit organization, which describes its mission as promoting "environmental and social corporate responsibility through shareholder advocacy, coalition building, and innovative legal strategies," filed the resolution on behalf of Calvert Investment Management Inc. and First Affirmative Financial Network LLC, which own 2,178 and 49 shares respectively, out of more than 100 million shares.

"Our greatest concern is transparency," said As You Sow spokeswoman Amelia Timbers. "We think investors deserve to know how the company is spending shareholder dollars, and whether those expenditures are good for the company."

Timbers said the motivation for the resolution began with APS' involvement in the 2013 debate over net metering. That year, APS spent \$3.7 million to fund publicity campaigns aimed at urging the Arizona Corporation Commission to add a fee to APS customers using the company's solar net metering program.

Net metering allows energy consumers to use rooftop solar panels to offset their energy bill and sell excess energy back to the utility. APS executives and managers argued in 2013 that because net metering participants also avoid grid maintenance fees, they should be charged \$50-\$100 per month to be part of the net metering system.

Ultimately, the Corporation Commission approved a roughly \$5-7 monthly fee for net metering customers. APS has since asked to have the fee quadrupled.

The 2013 publicity campaign funded by APS painted net metering customers as stealing from non-solar

customers.

APS executives eventually admitted the money was at least partially channeled through 60 Plus Association and Prosper Inc., both 501(c)4 “dark money” groups that don’t disclose their donors.

“I would say that put them on a lot of peoples’ radar,” Timbers said. “APS has come to the attention of the investor community nationally... Investors are concerned this lobbying is hurting the company’s brand.”

The shareholder proposal takes aim at “both direct and indirect” lobbying, as well as “grassroots lobbying communications,” which Timbers said would include spending like what took place in 2013.

“The company’s defense to its lobbying is that it’s legal, but just because something is legal doesn’t make it appropriate or good for the company and its shareholders,” Timbers said. “We don’t think it makes sense for investors.”

A shareholder proposal vote is non-binding, and would not require the disclosure, but Timbers said the vote will formalize concern that has fomented in the investor community over the perception of possible impropriety.

“Investors can’t force the management to do anything. But it’s an important way for investors to say what they’re seeing and what they’re concerned about,” Timbers said.

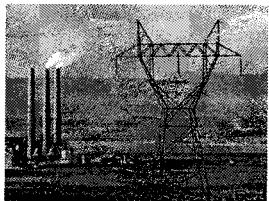
Arizona Rep. Ken Clark, D-Phoenix, an outspoken critic of anonymous electioneering, has asked shareholders to support the proposal.

“It seems that the only way to get APS to pay attention to this issue is through its shareholders,” Clark said in a video posted to YouTube.

# Candidates push APS about involvement in campaign



Ryan Randazzo, The Republic | azcentral.com 8:10 p.m. MST July 10, 2014



Two candidates hoping to regulate utilities continue to pressure Arizona Public Service Co. to disclose whether the company is working to get its preferred candidates elected as regulators.

The Arizona Corporation Commission consists of five elected officials who regulate rates for APS and other utilities in the state. Two of the positions are open for the 2014 election. Four Republicans and two Democrats are vying for the jobs.

(Photo: David Wallace / The Republic)

The Republicans have split into teams. One of the teams — Vernon Parker and Lucy Mason — has received support from the rooftop-solar industry. The other team — Tom Forese and Doug Little — has received support from the Free Enterprise Club and another non-profit group that will not disclose their donors.

Parker and Mason believe APS is donating to the groups supporting Forese and Little. The utility has not denied any affiliation with the campaign.

The primary election is Aug. 26.

"When your company attempts to buy and pay for its regulators, you are planting the seeds for an Enron-like moment to happen," Parker and Mason wrote in a letter Thursday addressed to APS' CEO, Don Brandt. "Arizona ratepayers cannot be guaranteed affordable and reliable energy when the largest regulated monopoly handpicks its regulators."

Parker and Mason previously wrote to Brandt asking if APS was providing money to a non-profit called Arizona 2014, which sent mailers in support of Forese and Little.

APS responded with a letter that said the company's previous practice was to avoid participating in the elections, but that it no longer would make that claim.

On Thursday, a company spokesman said nothing has changed since that response.

"We appreciate the opportunity for constructive discussions with candidates who are interested in Arizona's energy future and the important issues facing the commission," said Hal Pittman, APS director of external communications.

In their latest letter to APS, Parker and Mason wrote, "Your non-answers to our very specific questions serve as a clear confirmation that you do plan to influence the election of candidates who may one day be your regulators."

They note that the Arizona Free Enterprise Club reports spending more than \$180,000 supporting Forese and Little, and ask again whether APS is contributing the money to the non-profit, which does not have to disclose donors.

**PRIMARY FIGHT:** Candidates suspect APS of influencing Corp. Comm. race (</story/money/business/2014/06/19/candidates-suspect-aps-influencing-corp-comm-race/10886483/>)

**APS RESPONSE:** Utility can't promise to keep out of politics (</story/money/business/2014/06/24/aps-promise-keep-politics/11321909/>)

**SOLAR LAWSUIT:** Panel companies sue to stop property taxes on leased rooftop panels (<http://www.azcentral.com/story/money/business/2014/06/30/solar-companies-sue-stop-property-taxes-leased-rooftop-panels/11806043/>)

**ROBERTS:** Who is it that so badly wants Justin Pierce elected SOS? (</story/laurieroberts/2014/07/03/justin-pierce-dark-money-secretary-of-state/12149775/>)

Asked about the support from Free Enterprise Club and the Arizona 2014 non-profit helping his campaign, Forese said earlier this month that he is not coordinating with the groups, which would violate campaign laws.

He said it could be considered a violation of campaign laws even to make statements to reporters about the funding.

"We have very serious campaign finance laws," Forese said. "Our answer is no, we have not interacted (with utilities that are regulated by the commission) nor shall we."

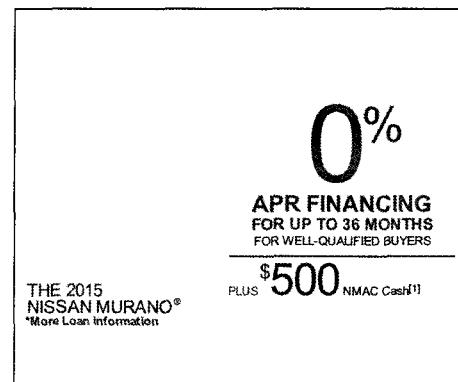
Bob Stump, the current Corporation Commission chairman, was elected in 2012 with help from APS, Southwest Gas and small water companies that he now regulates, although he said he did not solicit their independent expenditures. APS officials said the utility's money was spent on the Stump campaign without their knowledge.

Stump has said that while regulated utilities have the same First Amendment rights as other companies when it comes to political independent expenditure committees, he would prefer that companies with business before the regulators abstain from spending money on commission campaigns.

He has criticized Parker and Mason for the support they have received from the rooftop-solar industry, saying it is inappropriate because the solar companies are directly affected by commission decisions.

Parker and Mason have openly supported the rooftop-solar industry, which currently is suing the state over a Revenue Department decision to tax leased rooftop solar panels.

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Outside spending drives secretary of state races

By: Jeremy Duda and Luige del Puerto August 1, 2014 , 10:13 am

The Arizona Free Enterprise Club has never shown much of an interest in who serves as Arizona's secretary of state.

That changed this year. So far, the conservative, free market advocacy group has spent nearly \$480,000 in the three-way Republican primary for secretary of state, promoting Rep. Justin Pierce, R-Mesa, and attacking opponents Wil Cardon and Sen. Michele Reagan, R-Scottsdale. As a 501(c)(4) nonprofit, the Free Enterprise Club doesn't have to disclose where its funding comes from, and has declined to do so. But many are pointing to Arizona's largest utility company as the source of the dark money spending.

Arizona Public Service has a lot of reasons to be grateful to the Pierce family. Corporation Commissioner Gary Pierce, Justin Pierce's father, sided with APS in a 2013 battle over solar energy incentives. Even more critical for the company, Gary Pierce played a key role in stopping a push for the deregulation of Arizona's energy market, which could have been a devastating blow to APS, a regulated monopoly.

APS refuses to say whether it has provided money to the club for use in either the secretary of state's race or the race for two seats on the Arizona Corporation Commission, where the Free Enterprise Club is also spending heavily. The company's silence has further fueled speculation that it's behind the independent expenditure that's bolstering Justin Pierce's campaign.

### **Breaking the bank**

The Arizona Free Enterprise Club has a history of getting financially involved in elections, but never anything near the rate at which it's spending in 2014.

So far this year, the club has spent \$932,671. Most of that spending has been split between the secretary of state's race and the hotly contested four-way GOP primary for two Corporation Commission seats.

A month before the Aug. 26 primary, the club had spent more than twice as much promoting Pierce as he has to spend himself. As a Clean Elections candidate, the Republican lawmaker from Mesa has about \$195,000 for the primary.

The club's support of Pierce has further raised eyebrows because the Secretary of State's Office has little to do with the organization's issues. Though it has an interest in free speech issues related to elections — it played a leading role in striking down the matching funds provision of Arizona's Clean Elections system — the Legislature and governor decide election law, not the secretary of state.

Consequently, pro-Pierce mailers sent out by the club have little to do with the job of the secretary of state. One mailer declares Pierce as the only candidate Arizonans can trust to fight illegal immigration, though it doesn't say exactly how he would do so as the state's top election official. Another mail piece touts his pro-Second Amendment credentials, another issue that is out of the purview of the Secretary of State's Office.

In the Corporation Commission race, the club is backing state Rep. Tom Forese, R-Chandler, and Doug Little, a firearms training instructor. Both are viewed as supporting APS' positions on solar issues, while opponents Lucy Mason and Vernon Parker are considered advocates for the interests of solar companies.

The club has polled both campaigns, along with the governor's race. It recently released the results of its gubernatorial polling, but did not disclose the numbers for the secretary of state or Corporation Commission campaigns.

Scot Mussi, the group's executive director, said it does not disclose its funding sources. But he defended the group's backing of Forese, Little and Pierce.

Mussi described Pierce as a "rising star" and a champion of free market principles in his three years at the Legislature. He said Pierce will be a great secretary of state who will ensure the integrity of elections and fairly execute Arizona's election laws.

Furthermore, secretary of state is first in the gubernatorial line of succession, and Mussi noted that the state's top election officer often ascends to the Ninth Floor. Three of Arizona's last five governors, including incumbent Gov. Jan Brewer, inherited the office through the line of succession.

"We don't see why it is unusual to support an SOS candidate that represents true limited government, conservative values in case they become governor," Mussi said in an email to the *Arizona Capitol Times*.

The Arizona Free Enterprise Club hasn't spent any money in the gubernatorial race, where Doug Ducey, whom the club has endorsed, faces a tough fight for the Republican nomination. Mussi wouldn't say whether the club plans to spend in the governor's race.

So far in 2014, the group has spent nearly \$60,000 in legislative races. The club spent about \$33,000 in legislative races in 2012.

#### **Dark money campaign**

Not only has it become conventional wisdom in political circles that APS is bankrolling the club's pro-Pierce efforts, but some people were predicting an APS-funded dark money campaign for him nearly a year ago.

APS appears to have marked Pierce as a candidate to back early on. In October, APS lobbyist Jessica Pacheco helped organize a Pierce fundraiser at the Phoenix Country Club, using her membership to reserve space. Alan Heywood, Pierce's campaign consultant, initially denied coordinating the fundraiser with Pacheco, though the company later confirmed that it organized the event at the campaign's request. Pierce's campaign paid \$300 organizing the event.

Justin Pierce and APS faced a wave of criticism for the fundraiser due to the connections between his father and the company.

The campaign flatly denied that Gary Pierce was using his position to help his son's campaign. When Cardon, a wealthy Mesa businessman, accused Pierce of trying to leverage his father's position on the Corporation Commission to curry favor with APS, Pierce switched from traditional to public financing for his campaign.

But some speculated that APS would find other ways to back Pierce as a favor to his father. In 2013, APS urged the Corporation Commission to allow it to purchase excess solar energy at significantly lower amounts under a program called net metering, which allowed customers to significantly lower their electric bills. The high-profile fight ended with a compromise brokered by the Residential Utility Consumers Office. APS didn't get the surcharge it sought, which would have cut the discount on solar customers' energy by half. But the solar companies that lobbied for no change, and ran a high-profile advertising and public relations campaign, had to deal with the new fee.

Gary Pierce opposed what the commission ultimately adopted, arguing it didn't go far enough to protect ratepayers. In fact, Pierce's proposal hewed most closely to what APS is seeking to achieve — a drastic reduction in the incentives to install solar rooftop panels.

The bigger threat to APS was the specter of deregulation, which would have ended the company's lucrative role as a regulated monopoly.

Gary Pierce made an unexpected motion during a September 2013 meeting for a vote that closed the Corporation Commission's docket on deregulation, ending its months-long examination of the issue, which APS strenuously fought. The move came after commission attorneys detailed the legal and constitutional barriers to deregulating Arizona's energy industry.

Afterward, Commissioner Bob Burns criticized an unnamed colleague for "hijacking" the commission's agenda to kill deregulation. He alleged that the colleague — whom many suspected was Gary Pierce — was doing APS' bidding for personal benefit.

"If there is a commissioner who wants to do work for the utilities when their term is up, they ought to do it now to take advantage of revenues they would make (as a result of the vote)," Burns told the Yellow Sheet Report, a sister publication of the *Capitol Times*.

Gary Pierce, who is term-limited and will leave the commission after this year, defended his decision and emphasized that the advice of attorneys made it clear that the legal impediments to deregulation, including a previous Court of Appeals ruling on the issue, were too great to overcome.

The commissioner told the *Capitol Times* that he has done nothing to bring APS money into his son's race.

"It should go without saying, but to set the record straight, I have never made a deal with APS to cast a vote in exchange for a benefit to my son Justin Pierce's campaign for secretary of state," Gary Pierce said in an email.

Chris Baker, a consultant for Cardon's campaign, said APS may be spending in the secretary of state's race to show its gratitude to Gary Pierce. He said he has a hard time believing that anyone besides APS would spend so much money on behalf of Justin Pierce's campaign.

"I don't think this is a question of currying favor. I think it's a question of paying a debt, shall we say," Baker said. "I think it's a very nice thank-you for all of the help that Gary has provided them on the Corporation Commission."

Baker said APS' silence on the issue speaks volumes.

"I just tend to believe that if you're a company, a donor, whatever, if you're being falsely accused of doing something you're not, why don't you say so?" he said.

#### **Support for pro-business causes**

APS spokesman Jim McDonald would not comment on whether the company has provided any money to the Free Enterprise Club for use in the secretary of state or Corporation Commission races.

"Although we typically do not comment on individual contributions, we routinely support public officials, candidates and causes that are pro-business and supportive of a sustainable energy future for Arizona, regardless of party affiliation," he said.

The company has traditionally stayed out of Corporation Commission races, though it has recently asserted its right to do so in the face of a well-funded campaign against it by solar companies.

Heywood said he has no idea who is providing the money to the Arizona Free Enterprise Club. Justin Pierce did not return a message from the *Capitol Times*.

"They are running pieces for and against candidates we represent. I'm surprised every time I see one," Heywood said in an email.

Even a denial by APS would likely be greeted with skepticism, thanks to a recent about-face on dark money spending. During the net metering fight, APS denied that it was bankrolling ads

from a conservative nonprofit that touted the company's position, only to later acknowledge that it funded the ads after all.

The notion that APS is behind the club's spending is widespread but not universal, not even among Pierce's opponents. Reagan, a state senator from Scottsdale, said she believes the Free Enterprise Club is a conduit for outside money, but isn't convinced the utility is financing the independent expenditure for Pierce.

"Everyone keeps pointing at APS, but I'm not convinced it's APS. This could be four or five rich guys sitting in a room deciding they want to play kingmaker. That is certainly their right. But why they need to be so secretive about it is absolutely disturbing," she said.

Reagan said the club's spending illustrates the problems with "dark money," anonymous, untraceable campaign spending that has proliferated since the U.S. Supreme Court's landmark Citizens United ruling in 2010. Reagan unsuccessfully pushed legislation this year that would have required disclosure of the kind of anonymous money that is now flowing through the Free Enterprise Club.

"I think this shows the need to man up and put their name on who they are. If somebody likes Justin Pierce that much and believes in him that much, that is great. Then why are they so afraid to say who the hell they are?" Reagan asked.

If the public finds out whether APS is providing money to the Free Enterprise Club, it likely won't be until after the election.

Burns said he's not averse to asking APS to disclose its campaign spending or any spending by parent company Pinnacle West to determine whether ratepayer money is being used for electioneering purposes. But he said he's wary of injecting the commission into the race, and would like to wait until after the election to make his request.

"(Inserting) ourselves as the members of the commission at this point in the election cycle would likely create a lot of 'what-ifs' and 'whys' and all that sort of thing," Burns said.

- [All Stories](#)
- Corporation Commission: Republican Team Takes 2 Seats

# Corporation Commission: Republican Team Takes 2 Seats

Story by Zachary Ziegler

last updated November 5, 2014

Republicans Tom Forese and Doug Little have won the two out of five seats on the Arizona Corporation Commission that were up for grabs this year.

The pair took about 29 percent of votes each, while Democrats Jim Holway and Sandra Kennedy had about 21 percent each.



One of the most contentious issues in the race was the role of dark money from utility Arizona Public Service in pushing forward Little and Forese.

Kennedy and Holway said Little and Forese would be overly friendly with APS, the state's largest utility company, and could hold back the state's growing solar power movement.

Little and Forese denied the allegations, saying they will push for development of a balanced energy portfolio including solar, while aiming to keep electricity rates low.

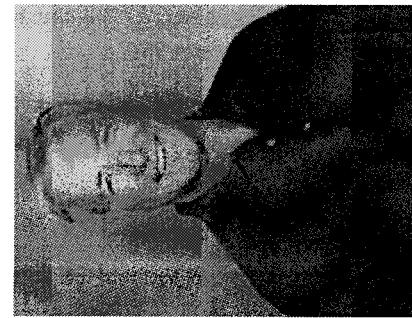
Holway and Kennedy also said their Republican opponents could have asked APS to stop giving money to campaigns, and that any of the current corporation commissioners, all of whom are Republicans, could force APS to disclose any involvement.

*Tom Forese.*

Little and Forese said they would welcome any disclosure from APS on the matter, while saying any requests to the dark money groups to stop would amount to illegal coercion.

APS in a statement said, "Although we typically do not comment on individual contributions, we routinely support public officials, candidates and causes that are pro-business and supportive of a sustainable energy future for Arizona, regardless of party affiliation."

Little and Forese said they were worried with the role the federal government is playing in Arizona energy policies, pointing to recent rules changes



*Doug Little.*

by the U.S. Environmental Protection Agency and the effect that could have on local utility rates.



For more coverage of the 2014 Elections,  
please click here.



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By submitting your comments, you hereby give AZPM the right to post your comments and potentially use them in any other form of media operated by this institution.

## More than 75 percent of record-setting Corp Comm spending shrouded in secrecy

By: Evan Wyloge November 3, 2014 , 5:41 pm

Of the

\$4.1 million spent to help four candidates vying for two open seats on the board that regulates Arizona's utilities – more than in any previous Corporation Commission race – the source of more than \$3 million of that is shrouded in secrecy.

The so-called “dark money” has gone entirely to help Republicans Tom Forese and Doug Little.

The most recent campaign finance reports show the race has been dominated by \$3.2 million coming from outside the campaigns themselves, and only a sliver of that – about \$29,000 – comes from a traditional “independent expenditure” group that discloses its donors.

Of the \$3.2 million in anonymous money pumped into the campaign, \$925,000 has been spent to advocate for Forese and Little, while the remaining \$2.3 million was spent criticizing their opponents.

The secretly-sourced election cash comes from a small group of generically named 501(c)4 operations, sanctioned by the 2010 Citizens United Supreme Court decision and free to spend without disclosing their donors. The groups are Arizona 2014, Arizona Cattle Feeders’ Association, Arizona Free Enterprise Club and Save Our Future Now.

The groups have repeatedly declined to say where the money is coming from, though many political insiders have suspected that Arizona’s largest utility, Arizona Public Service, who routinely has business before the commission, is behind much of the spending. APS has

declined to say whether it is involved with the spending.

Last month, Forese and Little admitted to breaking campaign finance laws by failing to properly report expenditures for paid nominating signatures and campaign signs, as well as for violating cash-on-hand rules. Both are violations of the state's public campaign financing system, which the two opted into. Each candidate was fined \$1,000 by the Arizona Citizens Clean Election Commission.

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## New questions about Arizona regulators' ties to APS



**Brahm Resnik**, 12 News 10:30 a.m. MST May 20, 2015

Questions about APS' coziness with regulators KPNX



(Photo: 12 News)

The five people we elect to the Arizona Corporation Commission have enormous power -- deciding how much you'll pay for electricity, whether you'll pay more for solar.

But for almost two years, since the explosive debate over boosting solar fees in 2013, there have been questions raised about how much power the state's largest utility, Arizona Public Service, has over the commission that regulates it -- and what APS will spend to hold on to that power.

In February, 12 News broke the story of a Corporation Commission whistleblower who alleged former commission chairman Gary Pierce held secret get-togethers ([/story/news/12-news/2015/02/18/12news-arizona-corporation-commission-whistleblower/23645101/](#)) with APS' chief executive, Don Brandt. The attorney general's office is now investigating ([/story/news/12-news/2015/03/02/12news-arizona-attorney-general-investigating-whistleblower-allegations-about-aps-watchdog/24291431/](#)).

Now there's new evidence suggesting another Republican commissioner has been playing footsie with yet another APS executive, as well as with the head of a "dark money" group.

Commissioner Bob Stump (<http://www.azcc.gov/commissioners/bstump/default.html>) exchanged 56 text messages over two months last summer with Barbara Lockwood, APS' liaison to the commission, according to Stump's phone logs, which were obtained by the Checks and Balances Project and reviewed by 12 News.

Stump was commission chairman at the time. The flurry of text messages in July and September came as APS was seeking a delay on setting new electric rates.

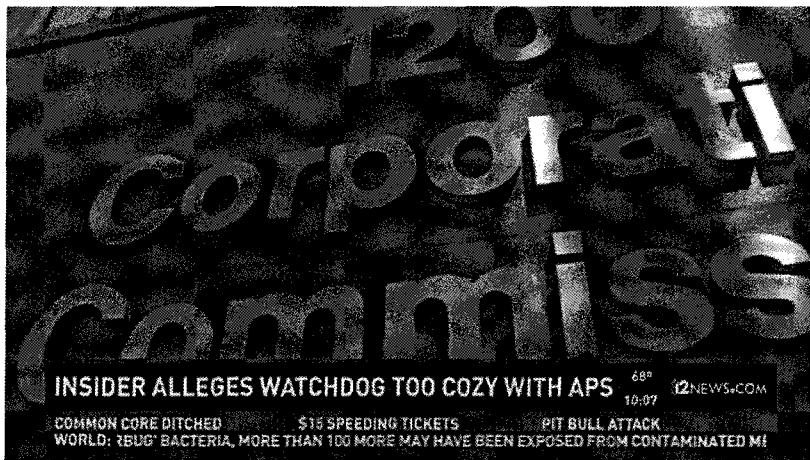
The phone logs also show Stump exchanged 100 text messages over six months with Scot Mussi, the head of the Arizona Free Enterprise Club (<http://www.azfree.org/>), a "dark money" group that played a major role in the 2014 Corporation Commission elections.

Records at the Secretary of State's office show Mussi's conservative non-profit spent \$453,105 in anonymous donations to support Republicans Tom Forese and Doug Little, both APS-backed candidates. Forese and Little won the two open seats.

The Corporation Commission election last year was one of the nastiest and the most expensive ever held. APS was widely believed to be doling out anonymous donations to "dark money" groups helping its candidates. APS will neither confirm nor deny that.

(Mussi also funneled \$384,478 into Justin Pierce's unsuccessful bid for secretary of state in last year's Republican primary, according to state records. Justin Pierce is Gary Pierce's son.)

Former Republican Corporation Commissioner Bill Mundell said he was outraged by Stump's behavior, labeling it "abnormal" for a commissioner.



12 News obtains a whistleblower's letter alleging APS rate increases could be challenged because of a cozy relationship with a state corporation commissioner. Our investigation found almost a dozen lunch dates with the electric company's CEO. 12 News

"What were you thinking? Why would you do this?" said Mundell, who served on the commission from 1999 to 2009.

"Commissioners are not legislators. They're supposed to avoid even the appearance of bias or prejudice."

The [Checks and Balances Project](http://checksandbalancesproject.org/) (<http://checksandbalancesproject.org/>), a Washington, D.C.-based clean-energy advocate that's taking on utilities across the country, fought the Corporation Commission to get access to emails from Stump's personal account, as well as text messages sent on his mobile phone. Stump's mobile phone is paid for by Arizona taxpayers.

The commission provided logs of both voice calls and text messages on the phone. The text messages cover 10 months -- from May 1, 2014, to March 11, 2015.

The Checks and Balances Project is now discussing how to get the content of those text messages.

Stump and Lockwood also traded emails on his personal account -- tracking pro-solar campaign groups and sharing news reports critical of solar leasing companies

"I don't think they were talking about the Diamondbacks or the Cardinals or the opera that many times," Mundell said of Stump's texts with Lockwood.

Stump, who is out of town, emailed this response about his texting with Lockwood:

"Ms. Lockwood and I - and scores of other stakeholders - communicate via text if I need to reschedule a meeting or if she needs to schedule a meeting on a pressing matter and my assistant is not available. Substantive policy discussions occur in my office, where they belong."

APS said in a statement:

"Barbara Lockwood is the company's liaison to the Arizona Corporation Commission. She deals with the commission staff every day. That's her job."

APS spokesman Jim McDonald said he didn't know the content of Lockwood's texts but he wasn't concerned about what they might show. "There's nothing about (the texts) that shouldn't exist," he said.

Stump had this to say about his texts with Mussi:

"Scot Mussi and I have known each other for nearly 15 years. We have had lunch on several occasions this past year, and we have been trying for months to coordinate a double-date to the Phoenix Symphony with his fiancé. Given that Scot is a long-standing friend, there is no conflict of interest."

Stump's logs show his 100 text exchanges with Mussi occurred over just six months of the 10-month period covered by the phone logs. The texts began June 28, 2014 -- coincidentally as spending on the Corporation Commission primary was beginning -- and ended six months later, on Dec. 29, 2014.

"I can't imagine what the conversations would be about," said Tim Hogan, a former attorney for the Arizona Corporation Commission who now argues before the commission on behalf of citizens.

"We don't know that right now, but it sure raises a lot of questions."

Both APS' McDonald and Stump criticized the Checks and Balances Project as a left-wing group funded by anonymous donors.

Wednesday morning, shareholders of APS' parent company, Pinnacle West, will vote on a resolution ([/story/laurieroberts/2015/04/23/pinnacle-west-shareholders-propose-disclosure-dark-money/26202343/](#)) that would force the company to disclose APS' own "dark money" donations.

There was one text exchange between Stump and APS CEO Don Brandt, in August 2014. Stump said he couldn't remember what it was about.

The Corporation Commission employee who made the whistleblower allegations ([http://archive.azcentral.com/persistent/icimages/news/ACC%20Whistleblower.pdf](#)) against Gary Pierce had said in a letter in February that he warned Stump last August about Pierce's contacts with APS CEO Brandt. The whistleblower said Pierce's meetings during ongoing rate cases could nullify Corporation Commission decisions, because the meetings might violate commission rules.

Mundell said the warning to Stump bolsters the whistleblower's letter. "I think it gives (it) a lot of credibility," Mundell said.

The letter apparently gave Stump and current Commission Chairwoman Susan Bitter Smith ([http://www.azcc.gov/commissioners/bitter\\_smith/default.asp](#)) their only reason to text each other during the 10-month period covered by the logs.

The records show Bitter Smith and Stump exchanged 54 text messages over the three days after the whistleblower letter was received: 36 texts on Feb. 18; 16 texts on Feb. 19; and two texts on Feb. 20.

They had exchanged no texts before the letter and have exchanged none since.

Read or Share this story: <http://12ne.ws/1Hg9sBR>



# Will dark money affect your future electric bill?

12 News political reporter Brahm Resnick takes you inside Arizona's political scene.

**LAURIE ROBERTS**



Laurie Roberts, The Republic | azcentral.com

3:49 p.m. MST July 18, 2014



Everybody's favorite incognito electric company appears to be at it again.

This time, with a six-figure ad campaign aimed at making sure that you **Absolutely Positively Seriously** should not -- no way, no how -- put Vernon Parker or Lucy Mason on the Arizona Corporation Commission.

To do so would be an **Astonishingly aPpalling cataStrophe**.

(Photo: Getty Images/Stockphoto)

From a certain utility's point of view, that is.

Of course, I can't say for sure which utility that might be because it's all dark money, which our Legislature has thus far found no reason to force into the sunshine.

Where you can see it.

And evaluate who it is that's pulling out all the stops to get you to vote a certain way.

The Corporation Commission traditionally is one of those races that produces more yawns than *yikes*. Not much money and not much excitement in the five-person board that regulates utilities in this state.

This year, however, someone is anonymously pouring big money -- \$400,000 as of mid-week -- to make sure that he (or it) calls the shots on who will sit on that commission.

Somebody really, really, *really* wants to see that Republicans Tom Forese and Doug Little are installed on the all-Republican commission -- and that Republicans Vernon Parker and Lucy Mason aren't. (Presumably, they also don't want Democrats Jim Holway and Sandra Kennedy but that's a fight for the fall.) Little and Forese are considered to be pro-utility candidates while Parker and Mason are pro-solar.

So will the deep pockets Acknowledge their Participation in this **Surreptitious** campaign?

Arizona Public Service officials have curiously and repeatedly dodged questions about whether they're secretly slipping big money into the race in hopes of selecting who will regulate them.

It seems like an easy yes or no answer.

Me: Did APS or its parent company directly or indirectly put up the money for the Parker and Mason attack ads?

Hal Pittman, APS director of external communications: "APS continues to provide equal access to information to all candidates regarding energy policies and issues, and we are committed to working with the ACC to plan for Arizona's energy future. Nothing we have done or would do by way of advocacy conflicts with these priorities. Because of tactics some organizations are using to misrepresent important regulatory issues, we may need to respond to set the record straight on issues of importance to Arizona, our customers, and our company."

In other words, APS doesn't want to own up but it also doesn't want to be caught with its wattage hanging out. Again, that is.

Last year, APS officials flat-out denied that the utility was secretly funding a pair of dark-money non-profits that waged a public campaign supporting the utility's goal of making rooftop solar customers pay higher bills. Imagine their chagrin when it became public that APS' parent company, Pinnacle West, was secretly shuttling millions to those non-profits to battle rooftop-solar subsidies.

That might explain why mum's the word now over at APS HQ.

And why one of this year's non-profit front groups has poured an astonishing \$234,000 thus far into another independent campaign supporting Justin Pierce for secretary of state and another \$48,000 advocating defeat of Pierce's opponent, Wil Cardon – a thank you gift, it seems, to Pierce's father, Corporation Commissioner Gary Pierce, who supported APS in its war against rooftop solar.

The two non-profits that are spending the money – the Arizona Free Enterprise Club and Save Our Future Now – won't say where they're getting the cash to mount all these independent campaigns. In all, the two groups had spent about \$750,000 by midweek to push Pierce into the state's No. 2 political job and Forese and Little onto the board that regulates APS. (That is, \$267,000 to support Forese and Little and now, \$133,000 to attack Parker and Mason.)

With five weeks left until the Aug. 26 primary, look for these to be multi-million-dollar campaigns -- ones that could well have an impact on your future utility bills.

Not bad for a pair of nonprofits that at best have spent a few thousand dollars in the past elections – mostly on legislative races and never on Corporation Commission candidates.

It really is Aggravating, Painful and downright Scandalous, to think that a certain utility can legally go undercover to pull one over on Arizona voters.

For a company dedicated to providing light, these people seem awfully comfortable operating in the darkness.

Read or Share this story: <http://azc.cc/1mRTic4>

<http://yellowsheetreport.com/2014/08/13/that-escalated-quickly/>

## THAT ESCALATED QUICKLY

August 13, 2014 4:24 pm 0

Cardon has gone on the offensive against J Pierce and his alleged benefactors at APS with a new mailer that landed in mailboxes today. The front of the mailer features J Pierce and his father, Gary, on Old West-style "wanted posters" asserting that both are "for sale." "His campaign for secretary of state is being secretly financed by APS," the mailer says of J Pierce. It declares that G Pierce is "accused of selling his vote on the Corporation Commission to APS in return for money to support his son Justin." "Say no to this secret plan by saying no to Justin Pierce," the mailer states. The reverse side of the mailer alleges that "Justin Pierce is bought and paid for by APS, just like his father, Gary Pierce." Conversely, the mailer touts Cardon as representing "honest, conservative values." The Arizona Free Enterprise Club has spent about \$660,000 to help J Pierce so far in the secretary of state's race, and is widely presumed to be simply a pass-through for money from APS, something the company will not confirm or deny. G Pierce has repeatedly denied exchanging his vote for APS assistance to his son's campaign. In a statement issued this afternoon, J Pierce accused Cardon of "stoop[ing] to a new low" and said the accusations are "100 percent false." A copy of the mailer can be viewed in the "documents" section.

# Exhibit 19

# How Long Will the Commission Stall Before Downloading Bob Stump's Cell Phone?

JULY 15, 2015 BY [CHECKS AND BALANCES PROJECT](#)  
([HTTP://CHECKSANDBALANCESPROJECT.ORG/AUTHOR/CHECKSANDBALANCESPROJECT/](http://checksandbalancesproject.org/author/checksandbalancesproject/))  
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(<https://checksandbalancesproject.files.wordpress.com/2015/07/jody-jerich.jpg>)

Arizona Corp. Commission Executive Director Jody Jerich

It's been one month since we learned that Bob Stump, former chairman of the Arizona Corporation Commission (ACC), "routinely deleted" text messages on his government-funded cell phone "not long after he received them."

Through our public records counsel, Dan Barr, we informed the Commission that despite the deletions, Stump's text messages could probably still be found on his phone's hard drive. We proposed a leading, Valley-based electronics forensic expert who is on the state-approved vendor list. But that suggestion was ignored. We then proposed Detective Kathy Enriquez of the Phoenix

Police Department, certified as an expert by the Dept. of Homeland Security, Mobile Digital Investigations program. Two weeks ago, the Commission's outside counsel, David Cantelme, rejected our suggestion of Det. Enriquez.

Commission Executive Director Jody Jerich asked the Arizona Dept. of Public Safety for help, but they turned her down. Last week, Jerich is reported to have changed her mind and asked Phoenix Police Chief Joseph Yahne for permission to allow Det. Enriquez to perform the download of the phone.

### **But still no answer**

Jerich has stated she is concerned that the phone's "chain of custody" not be violated. However, the phone needs never to leave the sight of Ms. Jerich or her designate, so the chain of custody need never be in question. The entire process can be videotaped. Det. Enriquez has offered to take the day off to download the phone.

### **Why the delay?**

Three big facts hang over the entire situation:

1. Checks and Balances Project has uncovered compelling, circumstantial evidence (<http://checksandbalancesproject.org/2015/07/08/readers-tip-further-decreases-commissioner-bob-stumps-credibility/>) that Commissioner Stump might have been illegally coordinating the August 26, 2014 GOP primary election with key dark money electoral scheme players. The roster includes: ACC then-candidates now Commissioners Forese and Little, their campaign manager Alan Heywood, dark money electoral groups, and Arizona Public Service (APS). If true, this could be a violation of campaign election laws.
2. According to an email with the subject, "Brewing legal dispute – public records request," provided by the Commission in response to our records request, Ms. Jerich began looking for outside counsel on April 23, 2015 – *the day after* receiving a request from Checks and Balances Project attorney Dan Barr for Stump's complete cell phone records.
3. As the Arizona Republic editorial board recently pointed out, the ACC could use its subpoena powers (<http://www.azcentral.com/story/opinion/editorial/2015/07/04/aps-arizona-corporation-commission/29649101/>) to demand APS to open its books for a review of any dark money electoral spending.

What was Bob Stump texting about with Forese, Little, Heywood, dark money captains Mussi and Noble, and APS's Lockwood? If there is nothing on the phone and nothing to hide, then why the foot-dragging and delay?

*Scott Peterson is executive director of the Checks and Balances Project, a national watchdog blog that seeks to hold government officials, lobbyists, and corporate management accountable to the public. Funding for C&BP comes from pro-clean energy philanthropies and donors.*

COMMISSIONER BOB STUMP, COMMISSIONER DOUG LITTLE, COMMISSIONER TOM FORESE, JODY JERICHI

## Reader's Tip Further Decreases Commissioner Bob Stump's Credibility

JULY 8, 2015 BY CHECKS AND BALANCES PROJECT  
([HTTP://CHECKSANDBALANCESPROJECT.ORG/AUTHOR/CHECKSANDBALANCESPROJI](http://checksandbalancesproject.org/author/checksandbalancesproj))  
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(<https://checksandbalancesproject.files.wordpress.com/2015/07/man-texting.jpg>)

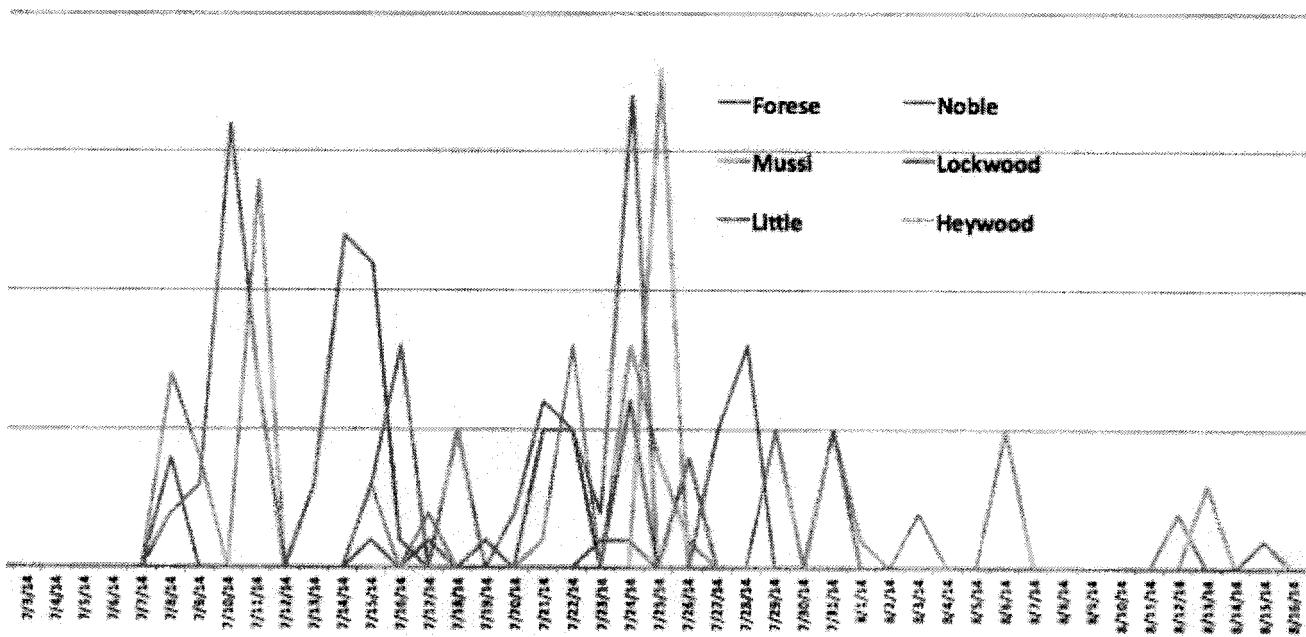
Newly uncovered information based on a tip from a reader shows that not only was former Chairman Bob Stump of the Arizona Corporation Commission (ACC) texting with four key players in the dark money electoral scheme prior to the August 26, 2014, primary election, **he was also in contact with Alan Heywood – the campaign manager of pro-utility candidates Tom Forese and Doug Little.**

In fact, the day after Stump exchanged a last text message with Sean Noble, who in the past has served as a conduit for the Koch Brothers (<http://www.propublica.org/article/the-dark-money-man-how-sean-noble-moved-the-kochs-cash-into-politics-and-ma>) dark money network, **Stump exchanged 18 texts in just 24 hours with Heywood.**

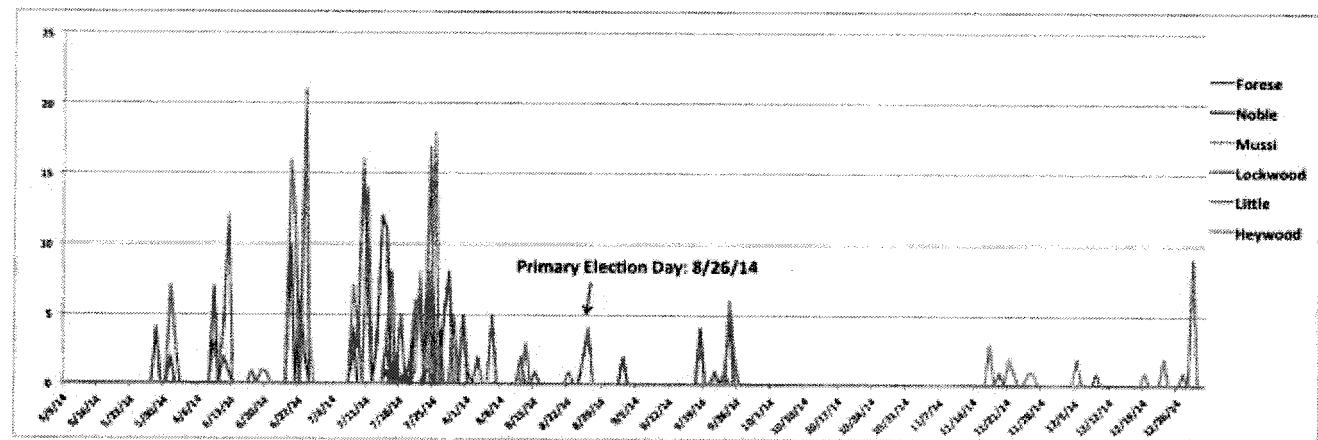
Then, his texts with the other central players soon stopped. According to Stump's text message log (<http://checksandbalancesproject.org/2015/06/30/text-message-log-provides-new-insights-into-stump-contacts/>), the following day, he texted for the last time with Scot Mussi, president of the Arizona Free Enterprise Club and candidate (now Commissioner) Forese. Several days later, Stump stopped texting with his Arizona Public Service liaison, Barbara Lockwood, for nearly two months.

This was one month before the primary – what could be plenty of time to flush money into the campaigns of winning candidates Forese and Little. The ultimate origins of more than 75% of the spending on the ACC race (<http://azcapitoltimes.com/news/2014/11/03/az-corp-comm-spending-75-percent-dark-money/#ixzz3fG5Ay5EY>) that benefited Forese and Little has been a secret. But it should be noted that Noble's largest client last year was Arizona Public Service.

We charted the texting frequency below, and the distribution pattern hardly looks like what you would expect for arranging a social function, unless Stump was planning something like a small wedding with just these six people attending:



(<https://checksandbalancesproject.files.wordpress.com/2015/07/text-graphic-small.jpg>)  
(July 7-August 16, 2014)



(<https://checksandbalancesproject.files.wordpress.com/2015/07/text-graphic-large1.jpg>)  
(May 5-December 29, 2014)

Arizona election law prevented candidates Forese, Little, and their campaign manager Heywood from directly coordinating with APS, the Free Enterprise Club, and the Koch network. But it appears that Stump may have been doing it for them – communicating with the dark money electoral funders, APS, the candidates, and, now we know, their campaign manager.

This new information about Heywood deepens suspicions that the former Chairman may well have been at the very center of a dark money electoral scheme to elect pro-APS, anti-solar Republicans. If true, Stump's actions may be a violation of Arizona election law.

### Criticism of Publishing Text Log

Our decision to publish Bob Stump's full text log, a public record provided to us by the Commission in response to our March 11 records request, has not been without criticism ([here](http://www.azcentral.com/story/money/business/2015/06/30/regulator-says-nonprofit-invading-familys-privacy/29542465/) (<http://www.azcentral.com/story/money/business/2015/06/30/regulator-says-nonprofit-invading-familys-privacy/29542465/>) and [here](http://www.azcentral.com/story/laurieroberts/2015/07/01/stump-decries-publishing-private-phone-numbers/29570035/) (<http://www.azcentral.com/story/laurieroberts/2015/07/01/stump-decries-publishing-private-phone-numbers/29570035/>)). Commissioner Stump has blamed us for his failure to have the ACC staff redact purely personal contacts – which we didn't seek, didn't want, and have no way to identify – and for his choice to conduct public business via text messages on his cell phone. Our offer to Stump to remove the purely personal contacts stands. ACC outside counsel, David Cantelme, has not sent those personal contacts, as he committed to doing.

All that said, our invitation to C&BP readers to identify others on the list has paid off. And, the results aren't helpful to Commissioner Stump's credibility.

Remember that when the news first broke of [Stump's extensive texts](http://checksandbalancesproject.org/2015/05/20/bob-stumps-text-messages-support-whistleblowers-allegation-that-arizona-corporation-commissioner-knew-of-dark-money-scheme/) (<http://checksandbalancesproject.org/2015/05/20/bob-stumps-text-messages-support-whistleblowers-allegation-that-arizona-corporation-commissioner-knew-of-dark-money-scheme/>), Stump asserted the contacts were of a nature that was either personal or universal, i.e., he texts with everyone. Stump now-famously said:

*"We have been trying for months to coordinate a double-date to the Phoenix Symphony."*

This dismissal line is now considerably harder to make, thanks to sources who provided us with names matching up to a dozen additional numbers on the full logs.

### Heywood's Phone

Heywood's cell phone number was wrongly identified in a recent post as belonging to Investment Prime, where he is President and CEO. He is also chairman of the Arizona Chamber of Commerce and Industry. We confirmed through multiple sources that the number is Heywood's personal cell. Another number previously labeled as Investment Prime we now know belongs to former ACC Chair Gary Pierce – a business associate of Heywood.

### Unnecessary Taxpayer Expenses

The Commission has subpoena authority to ask Verizon for the content of the text messages. Any one of the five commissioners could do so today, *free of charge*. Instead, Stump and the ACC have:

- Hired a high-priced lawyer, David Cantelme, to obfuscate the right by law of public access to public records for a cost in May alone of \$5,428.
- Contracted a high-profile public relations firm, Marson Media, to represent the ACC after firing its staff spokesperson Rebecca Wilder.
- Hired the mediation firm of Scott, Skelley and Muchmore to “supervise” the download of text messages – assuming they haven’t been tampered with – at the cost of \$475 per hour.
- Secured the Arizona Dept. of Public Safety’s forensic unit to do the cell phone exam.

## Public Accountability

The revelation about Commissioner Stump’s 18 texts with Alan Heywood during same period of a flurry of text activity with Scot Mussi, Tom Forese, Doug Little, Sean Noble and Barbara Lockwood raises obvious questions about Commissioner Stump’s actions that must be answered. Members of the public should demand answers from the four other Corporation Commissioners as to whether they are concerned about Commissioner Stump’s conduct, and if so, what they plan to do about it. All of them have subpoena power to get to the bottom of these questions if they desire to discover the truth.

*Scott Peterson is executive director of the Checks and Balances Project, a national watchdog blog that seeks to hold government officials, lobbyists, and corporate management accountable to the public. Funding for C&BP comes from pro-clean energy philanthropies and donors.*

FILED UNDER [ARIZONA](#), [BLOG](#), [CAPTURED REGULATORS](#) TAGGED WITH [ALAN HEYWOOD](#), [ARIZONA CORPORATION COMMISSION](#), [ARIZONA FREE ENTERPRISE CLUB](#), [BOB STUMP](#), [COMMISSIONER BOB STUMP](#), [DAVID CANTELME](#)

## The Checks and Balances Project

Blog at WordPress.com. The Enterprise Theme.



# Arizona Corporation Commissioner Bob Stump's Top Aide Goes to APS

SEPTEMBER 3, 2015 BY [CHECKS AND BALANCES PROJECT](#)  
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[\(https://checksandbalancesproject.files.wordpress.com/2015/09/amanda-ho.jpg\)](https://checksandbalancesproject.files.wordpress.com/2015/09/amanda-ho.jpg)

Amanda Ho

Bob Stump's Policy Advisor Amanda Ho has resigned from the Arizona Corporation Commission and is going to work for Arizona Public Service (APS). Wonder how that came about?

We thought she didn't know anyone over there.

On March 11, 2015, we sent our first records request to Commissioner Stump, and asked to see "public records that relate to communications by yourself [and] Policy Advisor Amanda Ho... about solar energy or net metering in Arizona with any representatives of Arizona Public Service Company or Pinnacle West Capital Corporation." Our request covered the 17 months of two rate cases.

But Ms. Ho had no relevant emails with APS. This was during the time period when, under her boss the chairman's leadership, Arizona became the first state to establish a monthly charge for APS rooftop solar customers.

She had no text messages with APS either. Although we know she and her boss, Bob Stump, exchanged 609 texts during the 17 month period.

(<https://checksandbalancesproject.files.wordpress.com/2015/09/acess-denied.jpg>) And as far her calendar was concerned, Ms. Ho – or someone – had a field day with a black marking pen. When we counted up the number of her meetings that were illegally redacted or hidden from the public, out of a total of 515 meetings, 166 were blacked out – 32%.



On August 5, we sent a letter to the Commission and pointed out that under Arizona Public Records Law § 39-121.01(D)(2) (<http://www.azleg.state.az.us/ars/39/00121-01.htm>), you cannot simply black out meetings but instead must provide an index of records or categories of records that have been withheld from your calendar and the reasons the records or categories of records have been withheld.

The response was definitive:

For Advisor Ho, it appears that all the redacted entries are under the category of "personal" pursuant to *Griffis v. Pinal County*, 215 Ariz. 1, 156 P.3d 418 (2007). Except for the following redacted entries which are under the category of attorney-client: November 4, 2013, 3:00-3:30 p.m.; and February 25, 2014, 2:30 to 3:30p.m.

(<https://checksandbalancesproject.files.wordpress.com/2015/09/ho-personal-meetings.jpg>)

Who spends a third of their time at work on personal business? Will she be allowed to do that at APS?

*Scott Peterson is executive director of the Checks and Balances Project, a national watchdog blog that seeks to hold government officials, lobbyists and corporate management accountable to the public. Funding for C&BP comes from pro-clean energy philanthropies and donors.*

FILED UNDER [ARIZONA BLOG](#) TAGGED WITH [AMANDA HO](#), [APS](#), [ARIZONA CORPORATION COMMISSION](#), [ARIZONA PUBLIC SERVICE](#), [COMMISSIONER BOB STUMP](#)

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# Arizona Eagletarian

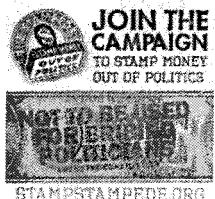


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**STAMPSTAMPEDE.ORG**



## ABOUT THE BLOG

Egalitarianism – A belief in human equality especially with respect to social, political and economic affairs.

The bald eagle was chosen June 20, 1782 as the emblem of the United States of America, because of its long life, great strength and majestic looks.

*The inability of the liberal class to address our reality leaves the disenfranchised open to manipulation by demagogues. ~Chris Hedges*

First they ignore you, then they laugh at you, then they fight you, then you win. -- Mahatma Ghandi

The KEYBOARD is mightier than the sword.

All posts (c) Arizona Eagletarian and Steve Muratore

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arizoneaegletarian (at)  
gmail.com

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**FRIDAY, JUNE 26, 2015**

## AZ Corporation Commission BLINKED!

Until today, the Arizona Corporation Commission, in its ongoing effort to avoid having the light of accountability shined on the dubious conduct of Trash Burner Bob Stump, has continued to resist efforts to demand access to Stump's government-funded cell phone.

Slime-dog millionaire, David Cantelme, outside counsel to the ACC, has, heretofore creatively danced around the clear and emphatic spirit and letter of the law. Last Friday, Checks & Balances Project counsel Dan Barr sent the ACC a final demand letter.

Says C&BP attorney Dan Barr: "It would have been far easier for Commissioner Stump to comply with his legal duties under the Public Records Law had he used his Corporation Commission email account instead of texting on his private phone and then apparently deleting many of those texts soon afterward. Nevertheless, those text messages are still on Commissioner Stump's phone. The **Corporation Commission has two choices and only two choices**. Either it will comply with the Public Records Law and give us access to Commissioner Stump's phone so we can extract those texts that are public records from it or we will get a court to order them to do so."

Of course, hoping to suggest the ACC doesn't have such a weak position on refusing to disclose or cooperate, Cantelme waited until the proverbial eleventh hour to respond. Nevertheless, the language in his response clearly reveals the weakness of the ACC position despite the characteristic ambiguity of expressions and glaring misdirection.

Suffice it to say that your June 19 letter failed to address the fact that the Legislature never intended that all public records would be kept permanently. Rather, in A.R.S. § 41-151.12 (A)(3) it delegated to the State Library Director authority to adopt retention schedules, which she has done.

That, my friends, in the context in which Cantelme used it, is pure bullshit. From a previous blog post here, the State Library Director addressed what Cantelme hopes nobody remembers.

**7. What is the retention for any records that are involved in litigation?** We are not always notified when the litigation ends so this is creating confusion. ***During the course of any public records request, litigation, audit or government investigation, the destruction of any corresponding records needs to be placed on hold.***

Immediately after Cantelme points out what he wants readers to believe is the error of C&P's ways (or at least of Dan Barr's interpretations of AZ Public Records Law), the slime-dog says, in essence, there's no point in us going tit for tat with letters back and forth.

That said, there is no point in us engaging in a continuing "battle of

ACC\_AR0482

#FEELTHEBERN



Bernie Sanders 2016!

## IMPORTANT LINKS

- Loyola Law School
- Loyola Law School in the 2010 cycle
- Loyola Law School in the 2010 cycle -
- Website demystifies
- Arizona Competitive
- Facebook page for Coalition
- Redistrict Arizona
- FIND YOUR ELECTION

[Steve Muratore](#)

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8

BEST OF PHOENIX 2014



Best Left-wing Blog 2014

THE FIX



Best State Based Political Blog  
2011

MARIJUANA POLICY  
PROJECT



End Prohibition, Medicate  
responsibly

letters," which will only waste time and money. Rather, now, it is time to try to resolve this dispute in a practical manner, if we can, short of a lawsuit.

Of course, he doesn't just want to come out and say, "you've backed us into a corner and the only way out for us is to try to suggest a way to comply while still desperately holding on to a modicum of dignity." Because, naturally, neither he nor the Stumpmeister even comes close to having any dignity remaining.

The best he can do is suggest what Barr demanded last week. However, Cantelme appears unwilling to have C&BP counsel present when the ACC forensic expert checks for recoverable text messages. One can only surmise the purpose is Cantelme's hopes and effort to control the process and obscure whatever is found on Stump's phone as much as possible.

The ACC letter says that on Monday (June 29) they will start calling retired judges to see if they can find one willing to oversee the process. Then they'll try to find a forensic expert. The only good thing, as I see it, in the letter is that they indicate Stump's cell phone has been confiscated for safekeeping and Stump issued a new one.

I have to wonder if Stumpy has been instructed to take a refresher course in ethics and public records responsibilities. Ooops, according to the National Conference of State Legislatures, Arizona not only appears to be deficient in statutory framework for keeping public officials on the straight and narrow, but also does not even have an ethics commission.

In Arizona Revised Statutes, Title 41 establishes the framework for how state government is to operate. A search of Title 41 on the word "ethics" only returned ONE reference. A.R.S. § 41-1279.01 requires the Auditor General to be a CPA and subject to ethical standards of the profession.

Title 38, on Public Officers and Employees, however, doesn't have much more than that. § 38-519 says each legislature (each 2-year term, is considered a new legislature, currently the 52nd Legislature is in office and will be until January 2017) gets to write its own ethics rules. Title 40 governs Public Utilities and Carriers. The first ten sections in Title 40 are specifically about the Corporation Commission. Searching for "ethics" in Title 40 returned NO references. Apparently, nothing in statute appears to govern the ethics of Corporation Commissioners.

But I digress.

The Attorney General's Office has an orientation handbook for public officials. The problem with that is whose name is on it: Tom Horne, who was known for his deficient practices when it came to ethics.

The first statement in the handbook IS about state ethics policy. Yet discerning readers may be able to recognize that a reference only to a 1992 session law (a bill that passed and enacted but did not change anything in statutes), in the wake of AZSCAM, may have loopholes big enough to fly a 747 carrying a Space Shuttle through.

It is the public policy of this state that all public officers and employees of this state shall discharge their public duties in full compliance with applicable laws concerning ethical conduct. To ensure that state public officers and employees know the standards of conduct against which their actions will be measured, information shall be provided to state departments, agencies, boards, commissions and councils on compliance with laws on ethics...." 1992 Ariz. Sess. Laws, ch 134, §1.

It sounds intimidating... well, at least to new officials and employees. But obviously, not enough to motivate Trash Burner Bob to conduct himself within reasonable ethical boundaries. A few paragraphs later...

Transgressions, whether intentional or negligent, may have devastating professional and personal consequences and harm the integrity of the State.

They MAY... but then again, they may not? If it really was the case, Trash Burner Bob would probably already be out on his ass hoping for APS to hire him. If it was that such transgression SHALL bring devastating consequences, the AG manual would probably spell them out.

#### BLOGROLL

**Arizona House**: Hale urges Arizona delegation to keep Canyon open longer congressional deleg Rim of Grand Canyon \*STATE CAPITOL, Albert Hale, D-St. 1 1 week ago

**Arizona's Politics WATCH**: Sen. Flak Iran Nuclear Deal & Policy ("Insensitive Arizona Senator Jeff PBS interview with month, and discuss Iran, Donald Trump 5 days ago

**Blog for Arizona**: Lots of comedy at S "COMEDY FOR CEE present Stand Up to Headliner John He Comic Standing's show... 2 hours ago

**Phoenix Justice**: We Now Have Marriage Next? - On June 26 Court of the United marriage equality v Constitution. Native Americans a... 2 months ago

**Politics Uncuffed**: Settling for scraps - over Governor Doug education funding. How marvelous the working tire... 3 months ago

**Random Musings**: It's time for a new v

The fact of the matter is that this evening I have begun to grasp the gross inadequacy of ethics laws governing the conduct of elected state officials.

Let's see if any bold and daring member(s) of the legislature, or local corporate media recognize the deficiency and begin to address it. But I caution against anyone holding their breath until the legislature fixes these deficiencies.

In the meantime, expect at least a few more exchanges in the "battle of letters."

**Scott Peterson**, exec. director of the Checks and Balances Project released this statement today,

Only 11 days ago, the Commission insisted that the law didn't require them to make Bob Stump's text messages public, and anyway, the text messages didn't exist. Now they have a new idea: they choose their own forensic expert, who would be able to select exactly what he or she is instructed to download. A judge they select would supervise, and the Commission would deliver the results.

**That's not enough.** Each side's expert should be allowed to do their own downloads, so there is no question afterward about fairness and that the citizens of Arizona can be reassured that public records have not been hidden from view."

Posted by Steve Muratore at 9:15 PM

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1 Comment

#### Featured Comment



**Nancy L** • 2 months ago

When I worked for Comm'r Paul Newman at the ACC, the attorneys made it clear that whenever I used state-funded communications devices -- whether my ACC email or ACC-issued-and-taxpayer-paid cell phone -- the content was public record.

This is and was reasonable and perfectly clear.

How much are the taxpayers spending on outside counsel to prevent citizens from seeing what elected officials are doing? Comm'r Stump's refusal to cooperate asks far more questions than it answers.

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**Nancy L** • 2 months ago

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When I worked for Comm'r Paul Newman at the ACC, the attorneys made it clear that whenever I used state-funded communications devices -- whether my ACC email or ACC-issued-and-taxpayer-paid cell phone -- the content was public record.

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How much are the taxpayers spending on outside counsel to prevent citizens from seeing what elected officials are doing? Comm'r Stump's refusal to cooperate asks far more questions than it answers.

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5 months ago

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#TBT: Remember! Launched SunLink. Tucson is celebrating SunLink's modernization. Hundreds of Tucsonans are sweltering summer  
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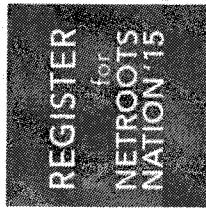
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# Arizona Eagletarian



REGISTER FOR NNI5



SATURDAY, MAY 30, 2015



Is the AZ Corp Comm running scared because of  
Stump's ex parte communications with APS?

You may recall that back in March Checks and Balances Project, a public watchdog organization, filed a public records request to find out what kind of hijinx Bob Stump was up to in his role as Arizona Public Service's government enabler/facilitator on the Arizona Corporation Commission.

Register for NNI5

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Mission: To recommend thoroughly researched, sound regulatory policy and rate recommendations to the commissioners, which are based on a balanced analysis of the benefits and impacts on all stakeholders and are consistent with the public interest.

From the ACC website, the mission of the utilities division,

The ACC prior to the 2012 election had been known as a regulatory agency overseeing the provision of utility services for the citizens and ratepayers of our state. Thereafter, the ACC became known as a wholly-owned subsidiary of ALEC. Since then, we've seen numerous indications the ACC is conducting itself more narrowly in the role of wholly-owned subsidiary of Arizona Public Service.

The Arizona Corporation Commission has jurisdiction over the quality of service and rates charged by public service utilities. By state law, **public service utilities are regulated monopolies** given the opportunity to earn a fair and reasonable return on their investments. What is fair and reasonable in any particular case has been and always will be open to

And from the Administration division webpage:

ACC\_AR0486

human equality especially with respect to social, political and economic affairs.

The bald eagle was chosen June 20, 1782 as the emblem of the United States of America, because of its long life, great strength and majestic looks.

*The inability of the liberal class to address our reality leaves the disenfranchised open to manipulation by demagogues. -Chris Hedges*

First they ignore you, then they laugh at you, then they fight you, then you win. -- Mahatma Ghandi

The KEYBOARD is mightier than the sword.

All posts (c) Arizona Eaglefarian and Steve Muratore

debate in rate hearings before the Commission. Generally, the Commission tries to balance the customers' interest in affordable and reliable utility service with the utility's interest in earning a fair profit.

Those statements from and by the ACC demonstrate the seriousness of charges that Arizona Public Service has conducted itself contrary to the public interest by engaging in the political process with Dark Money, secret deal-making communications and all around bullying if it doesn't succeed in buying what it wants from elected officials.

With that stage set, let's look at what the May 29 Yellow Sheet Report had to say to its primarily plutocratic/oligarchic subscribers about the impending ACC shitstorm.

#### CORP COMM: WE'VE DONE ALL WE CAN DO

The Corp Comm is in no mood to furnish the DC-based Checks and Balances Project with additional information about Stump's text messages. The group has been digging into Stump's email and text communications to prove its point that Arizona's energy commissioners have been lost to "regulatory capture," the idea that regulators act more as consultants\* [apdog is a more appropriate description] of the industries that they oversee than as objective overseers. Attorney David Cantelme, who was recently hired by the Corp Comm to deal with the public records requests, wrote to Checks and Balances Project attorney Dan Barr on Wednesday to relay two main points,

Of course, Arizona Eaglefarian readers may already be familiar with Cantelme. Recall that he and I had a wonderfully testy exchange at one of the first Independent Redistricting Open Hearings in 2011. YS report continued:

First, the Commission has made "extensive efforts" to fully comply with the group's public records requests and it has already "fulfilled its legal and ethical duties in this respect." Second, Cantelme raised questions about whether Checks and Balances Project is using the information it gets from the Corp Comm for a commercial purpose. That's an important distinction, since Checks and Balances Project had gotten documents from the Corp Comm at the non-commercial rate.

Well, isn't THAT special? Those poor, persecuted, honorable public servants. Why is everybody always picking on me?

(The Corp Comm declines to charge for non-commercial records requests. However, for commercial requests, it could charge enough to cover the costs of staff resources spent on filling the requests.) To advance his landscape might have changed as a result of Citizens United. Cantelme said Citizens United resulted in the "efflorescence" [to which I would tell Cantelme that it takes one to know one] of groups that shield the identity of their contributors, and it has also led "commercial interests" to form

## Alternative Energy Alternative energy supply for a balanced energy mix in the U.S.!

○ ○

#### BLOGROLL

##### Arizona House Democrats

Republicans put Kids' School Funding in Last Place - Thanks to years of Republican cuts to the state's K-12 education budget, Arizona just won the race to the bottom. We are now officially last in nation fo...

3 hours ago

##### Arizona's Politics

WATCH, READ: McCain Senate Floor Monologue Today On Obama. Word - Arizona Senator John McCain (R-AZ) took to an empty Senate chamber today to discuss current events, especially President Obama and his lack of a complete str...

33 minutes ago

##### Blog for Arizona

We're going to need a bigger clown car ((Update) - I have been a bit remiss of late

ACC\_AR0487



## Best Left-wing Blog 2014

**THE FIX**  
**The Washington Post**
Best State Based Political Blog  
2011
**MARIJUANA IS SAFER THAN ALCOHOL**

**MARIJUANA POLICY PROJECT**  
 End Prohibition, Medicate responsibly

**Tucson Progressive**  
 End Prohibition, Medicate responsibly

nonprofits in order to conceal their identities while advancing their interests in the public arena. "I would invite your client to alleviate any concern over whether the Project is advancing the commercial interests of its true donors by revealing their full identities," Cantelme wrote.

Isn't THAT special... and OH... so ironic. Remember when Cantelme declared that nobody would ever find out who funded the "UNfair Trust?" Personally, I'd tell Cantelme that he should go first on the disclosures.

The rest of the letter explained the intricate details of what constitutes a public record, [as if C&BP attorney Dan Barr, wouldn't already know] and defended Stump's text exchanges with an APS executive and others. Cantelme said it's appropriate for commissioners to communicate with constituents, and therefore those text messages shouldn't raise any eyebrows or be deemed out of the ordinary.

This statement should only be construed as a dare. As in "I dare you to sue me. Otherwise, you ain't gonna get what you're asking for."

"The Project's website questions whether an inference can be drawn from the number of texts exchanged between Commissioner Stump and certain named individuals. Such an inference cannot be fairly drawn," Cantelme said, adding that it's especially evident after considering that Stump exchanged more text messages with folks on the opposite side of APS and other utilities on net metering. (Stump, for example, sent roughly 900 text messages to former RUCO analyst Lon Huber.)

As if the Checks and Balances Project is the only organization that thinks inferences can be drawn from the disclosure of metadata already provided by the ACC? Further, RUCO, for which Lon Huber was employed during the time in question, is an agency of Arizona government which its director appointed and serving at the pleasure of the governor. Neither Jan Brever nor Seroge McDuey could fairly be described as anything but crony capitalists. So, the YS explanation used to justify the language in Cantelme's letter is faulty, erroneous.

Additionally, recall that it was only days ago that the Arizona Republic stated, Arizona is moving inexorably closer to a real crisis involving the Corporation Commission's ability to provide constitutionally mandated oversight of utilities.

Public confidence in the commissioners' ability to do the job they are elected to do is evaporating.

And it is entirely the fault of a compliant, weak commission that is bending to the will of the organizations it is duty-bound to oversee, notably Arizona Public Service, the state's largest utility company. And 2014 Republican candidate for ACC Vernon Parker, a target of APS Dark Money hit pieces, in an op-ed published by the Republic,

in keeping up with the GOP clown car primary for president. There's just so many of them, they are multiplying like cockroaches.

2 hours ago

**Phoenix Justice**  
 Will This Truly Be The Month of Pride? - June is historically the month celebrated by the LGBT community as "Pride Month". This celebration of the LGBT community goes back to the Stonewall Riots of...

1 week ago

**Politics Uncuffed by Julie Erflie**  
 Settling for scraps - Everyone's in a flutter over Governor Ducey's plan to increase education funding without raising taxes. How marvelous that the Governor, after working tire...

3 days ago

**Random Musings**  
 Short Attention Span Musings - Cleaning out the inbox - It's been a busy couple of weeks (traveling for a nephew's high school graduation) and a few items have piled up in my email inbox" .... The TS Envirozone....

1 day ago

**Rogue Columnist**  
 Architectural disasters - In retrospect, it was foolhardy of me to promise on Facebook that I would write about Phoenix's worst architectural disasters and ... could they be fixed? Th...

5 hours ago

**Runn, Romanism and Rebellion**  
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**BLOG ARCHIVE**

▼ 2015 (59)

► Jun 2015 (2)

What does commission Chair Susan Bitter Smith's response ("Let the people decide who regulates their utility bills," May 22 My Turn) tell us? Dark money spending is democracy in action.

Actually, when a few, wealthy and influential members of the "power" class select your rulers, its oligarchy. When the regulated "power" company selects your leaders, it's just more monopoly or crony capitalism.

What's worse, **Bitter Smith doesn't seem to care that she and the other commissioners can address the cause of this smell of corruption: It's the dung from the \$5 million elephant in the room.** That much dark money, apparently coming from one of the regulated monopoly power companies, was spent electing the people who will set your utility rates.

More from the May 29 Yellow Sheet Report:

**ABOVE AND BEYOND**

Even if the Corp Comm wanted to release the content of Stump's text messages, it cannot because Verizon no longer has them, Executive Director **Jodi Jerich told our reporter this morning**. Stump is using a cellphone account owned by the commission. "We asked Verizon for the content of the text messages, and they said [they] don't have them. They said, 'We don't keep texts for more than a week. We have the text log,'" Jerich said.

I wonder, did the Yellow Sheet reporter even ask Jerich for a copy of the letter they got from Verizon? The blurbs doesn't say. What about a copy of the 2013 Verizon letter to Markey? Does this info from Verizon belie a contempt for Congress? Do you think Verizon would have been so flippant with requests from the NSA?

Verizon also provided the Corp Comm a copy of a letter it sent to US Sen. Edward Markey in 2013 explaining its policy on releasing customer data to law enforcement. In the letter, Verizon said it typically retains text message content for less than a week. Jerich insisted the Corp Comm had been more than responsive to Checks and Balances Project. "We provided the entire text log without redaction, and the law only requires us to produce documents that are in our possession... We went to Verizon and asked them to give us everything that they have, and we turned everything that Verizon gave us over to Checks and Balances Project," she said.

What will Verizon do when presented with a lawful subpoena in either a civil suit or from the Citizens Clean Elections Commission? (That's fodder for another blog post, hopefully very soon)

The bottom line, as I see it, is that the ACC is scared shirtless (or something like that). And it is wasting money at a \_\_\_\_\_ clip (shouldn't it have to disclose how much it is paying Cantelme to try to bullshit the public)?

\* NOTE: the YS definition of regulatory capture minimizes the significance of the concept by using euphemisms to make it seem like "no big deal." To the contrary, Nobel laureate economist George Stigler coined the term to signify,

It is the process by which regulatory agencies eventually come to be dominated by the very industries they were charged with regulating. Regulatory capture happens when a regulatory agency, formed to act in the public's interest, eventually acts in ways that benefit the industry it is supposed to be regulating, rather than the public.

Investopedia goes on to explain,

Public interest agencies that come to be controlled by the industry they were charged with regulating are known as captured agencies. Regulatory capture is an example of **gamekeeper turns poacher**; in other words, the **interests the agency set out to protect are ignored in favor of the regulated industry's interests**.

To my friends at Yellow Sheet Reports, save yourself the effort of trying to intimidate me this time. I believe my criticism of your crony capitalism leanings in the blurbs above are sufficient.

*Today it is a case of the grasshopper pitted against the elephant. But tomorrow the elephant will have its guts ripped out.* Lê Lai, Vietnamese emperor, 15th Century.

Posted by Steve Muratore at 1:03 AM



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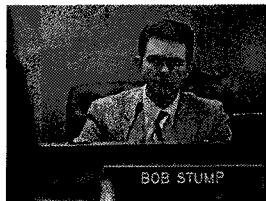
# Arizona GOP runs interference for Bob Stump ... and APS?

LAURIE ROBERTS



Laurie Roberts, The Republic | azcentral.com

9:53 a.m. MST July 23, 2015



(Photo: David Wallace/The Republic)

Clearly, Arizona Public Service must be worried.

Which means that the Arizona Corporation Commission must be worried.

Which means that the Arizona Republican Party is up nights ... really, really worried.

Thus comes the state GOP's campaign to discredit those who are nosing around trying to figure out just how cozy Arizona's utility regulators are with Aizona's largest utility.

This week, the party put out a web ad, dubbing the Washington D.C.-based pro-clean energy Checks and Balances Project "a leftist group pushing their radical agenda."

And a YouTube video about the group's lawyer, entitled "Who is Dan Barr?" (scroll down to view it)

Turns out he's a pal of Osama Bin Laden, loves criminals and Democrats and hates the police.

Who knew?

Still awaiting the Republican Party's attack ads on the Attorney General's Office, which [this week expanded its investigation into connections between the Corporation Commission and APS.](#) ([/story/opinion/op-ed/laurieroberts/2015/07/22/corporation-commission-attorney-general-investigation-aps/30543369/](#))

For those who don't know Barr, he is a longtime Phoenix attorney with one of the city's big law firms, a First Amendment expert who often represents TV stations and such in their efforts to uncover the stuff that government officials would rather you didn't see.

He's also the attorney representing the Checks and Balances Project, which for months has been trying to get a look at Commissioner Bob 'the Mad Texter' Stump's text messages.

The ones he sent during last year's campaign season to an APS executive. And to the head of a dark money group believed to have been secretly funded by APS. And to the two APS-supported commission candidates for whom the dark money group campaigned. And to the candidates' campaign manager.

[Inquiring minds would like to know just how cozy this state regulator is with the utility that he regulates](#) ([/story/laurieroberts/2015/07/08/stump-texts-raise-more-questions/29873025/](#)) – the ones whose profits he helps set. One of five who determine the size of your APS bill.

Inquiring minds would also like to know why none of the five on the all-Republican commission – Stump, Bob Burns, Susan Bitter Smith, Tom Forese, Doug Little – will order APS to open its books so that we can see if it secretly spent more than \$3 million to land Forese and Little seats on the commission. But I digress.

Checks and Balances, with Barr's assistance, is putting the screws to the commission to release those texts, to determine whether Stump was helping to coordinate an APS campaign for Forese and Little. The commission has said it can't hand the texts over because Stump deleted them. And besides, he then threw out his state-issued phone because it quit working. And besides, even if the texts could be retrieved, they wouldn't be public record.

This, according to commission attorney David Cantelme, who presumably has never seen the texts. Because they're gone.

Or are they?

After months of dragging its feet, the commission has finally consented to try to find someone who can retrieve the messages from Stump's new phone but alas, the [Attorney General's Office seized the phone](#) ([/story/laurieroberts/2015/07/21/bob-stump-text-phone-attorney-general-aps/30491883/](#)) before that could happen. This, for its own investigation into whether former Commissioner Gary Pierce was a bit too cozy with APS while he was chairman of the Corporation Commission. [\(Pay not attention to the fact that APS spent \\$425,000 last year to help Attorney General Mark Brnovich elected. It isn't relevant, we are told.\)](#) ([/story/laurieroberts/2015/03/02/brnovich-aps-corporation-commission-investigate/24283837/](#))

.So now we wait.

ACC\_AR0493

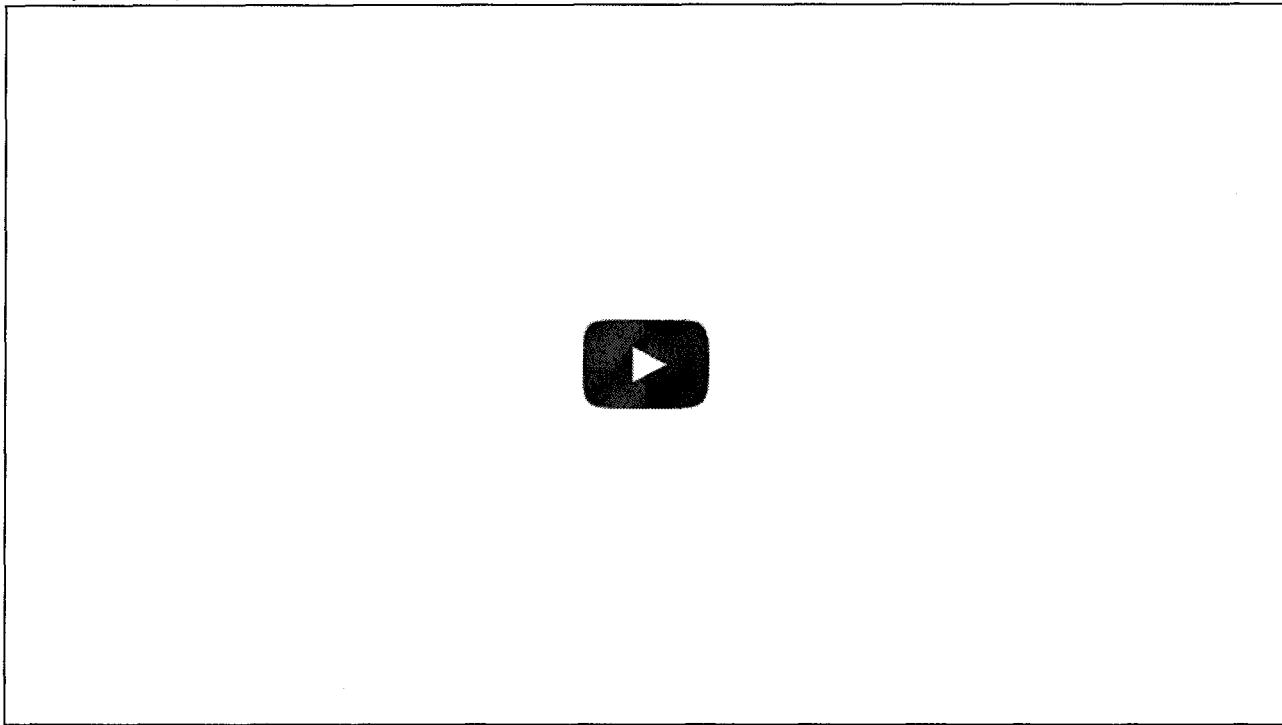
And some of us worry. Clearly.

Cue the Republican Party's video, complete with the inevitable spooky music:

"What kind of person is Dan Barr. His law firm represents Osama Bin Laden's bodyguard. He defended prisoners while opposing Arizona police officers. Barr's so out of touch he even wanted Sen. McCain to apologize to Susan Rice over Benghazi, all while giving thousands of dollars to Democrats. Now Barr's attacking Bob Stump. The Republic said the attack borders on being a bully. Dan Barr, a partisan liberal pretending to be a watchdog."

Or put another way, a bulldog attorney trying to obtain public records to see if the Arizona Corporation Commission is covered in APS pocket lint.

Oh yeah, clearly somebody's worried.



**Laurie Roberts** (/staff/25817/laurie-roberts)

Columnist: Laurie Roberts is a metro columnist for The Republic/azcentral.com. A wife, mother and Missouri grad who loves all things Arizona – even its crazy politics. &nbsp;&nbsp;

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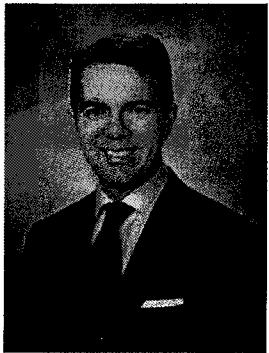
ACC\_AR0494

# Bob Stump takes aim at watchdog (and scores a direct hit)

LAURIE ROBERTS



Laurie Roberts, The Republic | azcentral.com 4:44 p.m. MST July 1, 2015



(Photo: file)

Arizona Corporation Commissioner Bob Stump is complaining about tactics used by a government watchdog group seeking access to his text messages.

Stump -- who was curiously unavailable to talk with me this week about his mad texting tendencies with Arizona Public Service, a dark-money group believed to be funded by APS and a former APS consultant known as the maestro of dark money -- cried foul to [The Republic's \(/story/money/business/2015/06/30/regulator-says-nonprofit-invading-familys-privacy/29542465/\) Ryan Randazzo. \(/story/money/business/2015/06/30/regulator-says-nonprofit-invading-familys-privacy/29542465/\)](#)

This, after the Checks and Balances Project on Tuesday posted online the names and phone numbers of those whom Stump texted most often last year, as well as a log of every phone number to which Stump sent a text message.

[Checks and Balances has for months been trying to get access to those messages](#)

[\(/story/laurieroberts/2015/06/29/corp-com-stump-phone-fight-continues/29480633/\)](#). The group -- which advocates for clean energy policies and is itself largely funded by dark money -- is asking all the right questions about what Stump was doing during the run-up to last year's election to fill two seats on the five-member commission.

The central question: Was Stump acting as a go-between between APS, two APS-favored commission candidates, and a dark money group that is widely believed to have campaigned for those candidates using funds quietly supplied by APS?

If so, that would be a no-no.

Even if not, the sheer number of texts calls into question Stump's seemingly cozy relationship with the utility he's supposed to be regulating.

But publishing every phone number the guy ever texted?

I'm with Stump on this one. That was out of line and it borders on being a bully.

"It's one thing to attack a public figure," Stump told Randazzo. "I expect it. It is quite another to publish the names and numbers of his family members and friends, none of whom signed up for this."

Checks and Balances executive director Scott Peterson told me on Wednesday afternoon that he's willing to remove the names and phone numbers of Stump's family and friends with whom he had strictly personal business.

"We've informed (Commission attorney David) Canteleme that we'll remove any names that are improper but this is a distraction," he said.

Sadly, I fear legislators will likely remember that Checks and Balances used the public records law to obtain those cell phone numbers.

When it comes to public access to government records, nothing good can come from that.

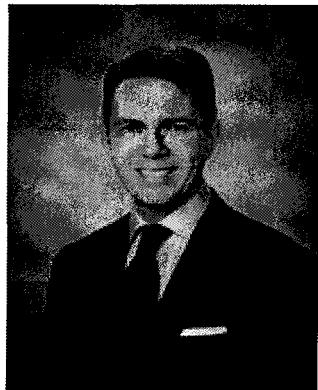


**Laurie Roberts** (/staff/25817/laurie-roberts)

Columnist: Laurie Roberts is a metro columnist for The Republic/azcentral.com. A wife, mother and Missouri grad who loves all things Arizona -- even its crazy politics. &nbsp;&nbsp;

# Bob Stump's Text Messages Support Whistleblower's Allegation that Arizona Corporation Commissioner Knew of Dark Money Scheme

MAY 20, 2015 BY CHECKS AND BALANCES PROJECT  
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[\(https://checksandbalancesproject.files.wordpress.com/2015/05/stump.jpg\)](https://checksandbalancesproject.files.wordpress.com/2015/05/stump.jpg) An analysis of the text message metadata of Bob Stump, former chairman of the Arizona Corporation Commission (ACC), reveals in the weeks leading up to the primary election on August 26, 2014, **Stump exchanged hundreds of texts with a dark money leader, an attorney tied to Arizona Public Service (APS), an APS executive, and the two pro-utility ACC candidates who ultimately won the primary and general elections.** The timing and recipients of Commissioner Stump's text messages may lend support to the claims of whistleblower Antonio Gill that Stump knew of the dark money scheme.

The office of Arizona Attorney General Mark Brnovich is investigating Gill's allegations. But Brnovich has recused himself (<http://www.12news.com/story/brahm-resnik/2015/03/04/12news-arizona-ag-brnovich-whistleblower-investigation/24395679/>) after receiving significant help from APS in his election.

The two winning ACC candidates, Republican Commissioners Tom Forese and Doug Little, ran against two pro-solar Republicans, Vernon Parker and Lucy Mason supported by TUSK ("Tell Utilities Solar Won't be Killed). Parker and Mason expressed their belief before the primary that APS was donating to the Arizona Free Enterprise Club (<http://www.azcentral.com/story/money/business/2014/07/10/candidates-push-aps-involvement-campaign/12499335/>) to support their opponents. The utility has not denied involvement with the campaign.

## Arizona Free Enterprise Club

(<https://checksandbalancesproject.files.wordpress.com/2015/05/join-the-club.jpeg>) New information uncovered by Checks and Balances Project records requests reveal that **Stump has exchanged 100 texts with Scot Mussi, president and sole board member of the Arizona Free Enterprise Club.** His organization was a big spender in electing Little and Forese



(<http://www.azcentral.com/story/news/arizona/politics/2014/08/03/arizona-free-enterprise-money-election-season/13537793/>), and was second only to another dark money group, Save Our Future Now.

Others whom Stump texted with in the weeks before the important primary election were Garry D. Hays, an attorney affiliated with APS's Arizona Solar Deployment Alliance (<http://azcapitoltimes.com/news/tag/arizona-solar-deployment-alliance/>), and Barbara Lockwood, APS's General Manager for Regulatory Policy and Compliance.

NAME	PRIOR TO PRIMARY	TOTAL
Garry D Hays	85 texts (5.1.14-8.30.14)	146
Tom Forese	18 texts (5.6.14-7.26.14)	51
Linda Little/Doug Little	160 texts (5.31.14-8.26.14)	192
Scott Mussi	46 texts (6.28.14-7.26.14)	100
Barbara Lockwood	54 text (7.13.14-9.24.14)	56

(<https://checksandbalancesproject.files.wordpress.com/2015/05/small-chart.jpg>)

As Commissioner Stump received reimbursement for his Verizon cell phone on which he sent and received text messages, if he was organizing funding for Little's and Forese's campaigns, **was he involved in illegal electioneering using public funds?**

## Secrets Uncovered

What is the content of Stump's text messages with Mussi, Hays, Lockwood, and the two commissioners? We hope to find out very soon. According to a Verizon senior customer representative, if the text messages are subpoenaed by an attorney, and a judge agrees, the entire text of the messages will be provided.

**Overall, Stump sent or received 36,762 texts during a 17-month period from roughly July 2013 to March 2015 – the most contentious period of solar debate in Arizona.**

In previous posts, Checks and Balances Project has demonstrated:

- Stump used personal email for public business (<http://checksandbalancesproject.org/2015/05/07/bob-stump-of-arizona-corporation-commission-used-personal-email-for-public-business-during-hottest-period-of-solar-debates/>).
- Stump met regularly with top APS executives (<http://checksandbalancesproject.org/2015/05/05/arizona-captured-regulators-controversy-grows/>) who are registered as lobbyists.
- Stump had a chummy email relationship with APS's Barbara Lockwood (<https://www.linkedin.com/pub/barbara-lockwood/4a/1a8/119>), who even went so far as to warn him about the pro-solar TUSK group's phone bank for the two pro-solar GOP candidates.

During an earlier two-month period – October through November 2013 – when Arizona became the first state (<http://www.utilitydive.com/news/arizona-sets-first-rooftop-solar-fee-in-us/195159/>) to establish a monthly utility fee for residential rooftop solar customers, Stump sent or received 7,832 text messages. That's an average of 70 text messages per day! Who was he texting with during this period? We may know soon.

As part of our Captured Regulators Initiative (<http://checksandbalancesproject.org/2015/02/25/checks-and-balances-project-launches-captured-regulators/>), Checks and Balances Project is scrutinizing the actions of public utility commissioners in several states. Electric utilities around the nation are now attempting to replicate Arizona's historic rooftop solar fee in a wave of attacks on net metering. But does that effort by utilities benefit the overwhelming majority of consumers who want low-cost solar (<http://www.zogbyanalytics.com/news/571-americans-overwhelmingly-support-extending-renewable-energy-incentives-says-national-poll>) or the financial interests of government-supported monopoly utilities?

*Scott Peterson is executive director of the Checks and Balances Project, a national watchdog that seeks to hold government officials, lobbyists and corporate management accountable to the public. Funding for C&BP comes from pro-clean energy philanthropies and donors.*

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## Clean Elections looking into Corp Comm texts

by Evan Wyloge | May 22, 2015 | News, Politics |

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Arizona election regulators have taken note of records showing that Corporation Commissioner Bob Stump was in regular contact with the campaigns of candidates he supported and a "dark money" group that helped get them elected, and they want to see and inspect those records themselves.

The Arizona Citizens Clean Election Commission has asked Checks & Balances Project, a Washington, D.C.-based 501(c)(4) non-profit advocacy organization, for copies of text message logs and communications in order to determine whether a further investigation is warranted.

Coordination between candidate campaigns and independent expenditure groups is illegal. While the communication logs do not include message content, Tom Collins, the executive director of the Clean Elections Commission, said his office wants to see the logs, particularly given the timing of the communications.

According to the text metadata, Stump used a phone paid for by the Corporation Commission to text with Scot Mussi, the executive director of Arizona Free Enterprise Club, a 501(c)(4) nonprofit "dark money" group, while also texting with Republican Corporation Commission candidates Tom Forese and Doug Little, as well as their campaign manager. The communications took place while Mussi's group was in the middle of a roughly \$161,000 ad campaign aimed at helping elect Forese and Little.

The logs detail texts sent to and from Stump between May 2014 and March of this year, and were obtained as part of a sweeping public records request by Checks & Balances Project.

Because Forese and Little used the Clean Elections public financing system, they are subject to more stringent campaign finance oversight and regulation than non-participating candidates.

- On July 23, 2014, Mussi's group spent \$97,000 on mailers for Forese and Little.
- On July 24, 2014, Stump and Mussi traded eight texts, and Stump and Little exchanged 17 text messages.
- On July 25, 2014, Stump exchanged 18 texts with Alan Heywood, the campaign manager for Forese and Little. The two had not texted one another since at least prior to May 1, 2014.
- That evening and the next morning, Stump and Mussi texted again five times. Stump and Forese texted four times.
- On July 28, 2014, Mussi's group spent another \$64,000 on mailers for Forese and Little.
- Mussi and Stump didn't text again until November. By the end of the campaign, Arizona Free Enterprise Club spent approximately \$450,000 to help Forese and Little.
- Stump and Heywood texted each other three times one day in mid-August, but not again until at least after March 11, 2015.

"The Checks & Balances report, and some of the reporting of it, discusses the communication among a set of people that includes an independent expenditure group and two participating candidates," Collins said. "Around this time (of the \$161,000 expenditure), there's a nexus apparently between these three or four people."

Kory Langhofer, an elections attorney with Brownstein Hyatt Farber Schreck, said communications among Stump, Mussi, Forese, Little and their campaign manager could raise questions about coordination that may have run afoul of campaign laws. Proving it, though, is difficult, Langhofer said.

"It has to be really specific. It's not whether some information was passed back and forth, but whether someone can prove, by a preponderance (of the evidence), that an expenditure made by Free Enterprise Club or some other independent expenditure group was affected by information conveyed by the campaign, regardless of who it was passed through," Langhofer said.

Communications would need to be significant to the campaign and the independent expenditure committee, Langhofer explained, and it would have to lead to action by the independent expenditure committee.

"We're starting from the question of, 'Is there something to look at here?'" Collins said. "We would like to see the documentation that these reports are based on, then make a judgment about whether we need to ask anyone else more questions about this."

In the case that Collins decides to probe the issue further, candidates would be asked specific questions about their communications. If the responses warrant further action, Collins could recommend a full investigation into the matter to the five Clean Elections commissioners, who would vote on whether to formally investigate.

Attorney General Mark Brnovich is currently investigating a whistleblower complaint filed with his office in February that alleges Stump and former Corporation Commissioner Gary Pierce facilitated electioneering from inside the commission.

"I don't think it's extraordinary. In fact, it's prudent to contact the source of these reports and ask for the documentation they can provide," Collins said.

Stump has said the text messages are nothing more than normal communication among friends and professional acquaintances. In an email responding to questions about the text logs, Stump said he and Mussi have been friends for years.

"We have had lunch on several occasions this past year, and we have been trying for months to coordinate a double-date to the Phoenix Symphony," Stump said of the texts. "I would never have engaged in any inappropriate discussions regarding Scot's political work."

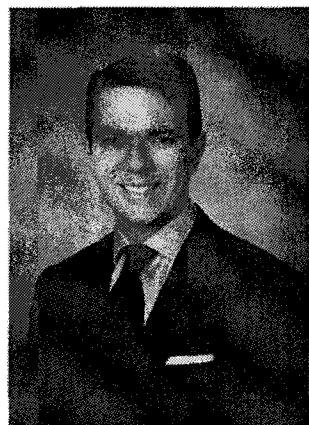
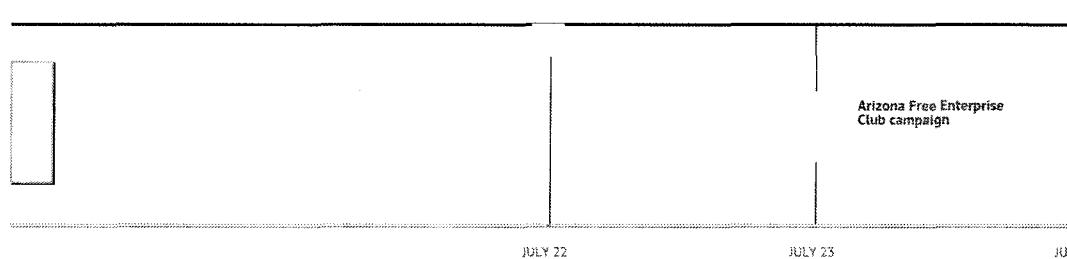


Photo from Arizona Corporation Commission website

## Stump texts with campaign and "dark money" group during spending blitz

Corporation Commissioner Bob Stump - at the time the commission chairman - used a commission-paid phone to exchange texts with Tom Forese and Doug Little, their campaign manager and the executive director of a "dark money" group that was, at the time, spending to help elect the two.

12:00 AM  
Arizona Free  
Enterprise Club  
campaign



# Clean Elections to review utility regulator's texts



Ryan Randazzo, The Republic | azcentral.com

9:45 p.m. MST May 22, 2015

APS, one of Arizona's most powerful corporations, is widely believed to be spending large amounts of money anonymously to influence several races. The company will neither confirm nor deny its spending. But it could face political fallout. 12 News



(Photo: David Wallace/The Republic)

Arizona's election regulators are looking into the text-message dust-up involving a utility regulator who before the 2014 election exchanged hundreds of messages with candidates and a political group who were not supposed to talk with one another.

Bob Stump served as chairman of the Arizona Corporation Commission at the time. Republicans Tom Forese and Doug Little were running for office and benefiting from independent groups advertising on their behalf.

Such advertising is allowed as long as candidates don't coordinate with the campaigns.

An investigation into Stump's text messages found he communicated often with both the candidates and the head of one of the independent political groups supporting them.

**RELATED:** Phone records show close contact between regulator, APS and 'dark money' ([/story/money/business/2015/05/21/phone-records-show-close-contact-regulator-aps-dark-money/27699025/](#))

**ROBERTS:** ACC cozy with APS? Say it isn't so! ([/story/laurieroberts/2015/05/21/aps-bob-stump-text-messages-dark-money/27711891/](#))

Stump also texted often with an official from Arizona Public Service Co., the utility widely believed to have contributed to the political groups supporting Forese and Little.

The two won their elections and are among the five regulators who set APS rates.

APS won't comment on whether it donated to the political groups. Political spending by such groups is referred to as "dark money" because the groups' donors don't have to be disclosed.

Forese and Little ran their campaigns with public money from the Citizens Clean Election Commission, which is looking into the matter because it could indicate violations of campaign rules.

The Clean Elections Commission requested Stump's phone logs from the Checks and Balances Project, a non-profit that first reported (<http://checksandbalancesproject.org/2015/05/20/bob-stumps-text-messages-support-whistleblowers-allegation-that-arizona-corporation-commissioner-knew-of-dark-money-scheme/>) on Stump's texts this week.

"Essentially, there is a nexus among those four people," said Thomas Collins, the Clean Elections Commission's executive director. "As a preliminary matter, I think it is prudent for us to ask the folks who produced this report if they are willing to share with us the source documents of the report they put out."

Collins said the review of the phone records is short of a formal campaign complaint being investigated against Forese and Little, which would require giving them notice and an opportunity to respond to any allegations of wrongdoing.

The Checks and Balances Project is a Washington, D.C.-area clean-energy organization. It is investigating Stump because he served as Corporation Commission chairman when it allowed APS to impose a \$5 average monthly fee on new solar customers in 2013.

Stump said his messages to the candidates and the official at the political group were personal communications between friends.

Stump texted Scot Mussi, president of the Arizona Free Enterprise Club. In June and July 2014, ahead of the Aug. 26 primary election, Stump messaged Mussi 46 times.

Stump also sent about 180 texts to Forese and Little during that time, when Forese and Little would not have been allowed to talk to Mussi about the money he was directing to benefit their campaigns.

"I would never discuss issues that the law would not allow us to discuss, so I would never have engaged in any inappropriate discussions regarding Scot's political work," Stump said earlier this week. "Since I never discussed with Scot his work with any (non-profit), I obviously never discussed it with Doug or Tom."

The Checks and Balances Project requested the contents of those texts, but the Corporation Commission said they can't be produced from cellular provider Verizon Wireless.

"Corporation Commission attorneys were told by Verizon that the content of the texts are available for only five days," commission spokeswoman Rebecca Wilder said Friday.

Verizon on Friday provided the Corporation Commission an October 2013 letter it sent to Sen. Edward Markey, D-Mass., in response to his questions about cellphone records and law enforcement.

Verizon's letter said that in 2012, the company received 12,000 demands for stored text-message content. It added that the company will only release such data to law enforcement with a probable-cause warrant signed by a judge, if the customer consents to the release of the messages or if law enforcement certifies there is an emergency involving potential death or injury.

The company also said text messages are "generally" retained for less than one week. The company declined to comment Friday on whether Stump's records were available.

It's unclear whether the Clean Elections Commission would pursue a complaint without the content of the text messages.

Collins declined to comment on what would prompt his office to advance such an investigation.

Dan Barr, the Checks and Balances Project attorney, said the fact that the Corporation Commission did not maintain the text messages appears to be a violation of state public-record laws.

"Arizona law requires you to maintain public records, and he's been using his texts to carry out public business," Barr said. "They have to retain those records. They are not excused from doing so by what Verizon may or may not do."

He said the Checks and Balances Project will continue to press for the records.

"Here's what happens when people, instead of using official e-mail accounts, conduct government business on private texts and private e-mails," Barr said.

"It is really a self-created problem by Commissioner Stump and others on the commission. If he had been using his official e-mail, this wouldn't be a problem."

This is not the first Clean Elections Commission issue to involve utility regulators in recent years. During their election campaigns, all five sitting commissioners broke the rules for campaigning with public funds.

During their 2014 campaigns, Forese and Little each agreed to pay \$1,000 fines for breaking campaign-finance laws.

They agreed to a settlement that said they misreported spending on campaign signs and paid signatures to get their names on the ballot.

The three Republicans who won election to the Corporation Commission in 2012 returned about \$9,600 each in public money.

That complaint against Stump, Susan Bitter Smith and Bob Burns said the candidates used their primary-election funds for mailers that encouraged people to vote in the general election.

The candidates repaid the money from the \$137,800 in public funds each of them received to spend on the general election.

In each case, Alan Heywood was the campaign manager.

*Reach the reporter at ryan.randazzo@arizonarepublic.com.*

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Home / Business

# Corporation commissioner destroyed text messages, group told



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Bob Stump

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June 19, 2015 7:47 pm • By Howard Fischer Capitol Media Services

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PHOENIX — A watchdog group has been told it can't examine state Corporation Commissioner Bob Stump's text messages because they were deleted and the phone used to send and receive them was destroyed.

The texts in question are believed to be between Stump and political candidates and the head of a "dark money group."

David Cantelme, an attorney hired by the Arizona Corporation Commission, told the group that the agency can't comply because the records "do not exist" — at least not any more. He said

Stump "routinely deleted" messages of state business from his commission-issued phone "once their administrative or reference value ended."

Attorney Daniel Barr, who represents the Checks and Balances Project, which wants to review the messages, said that practice "shows a clear disrespect and disregard for the Public Records Law."

But Barr said what Stump did — or thought he did — doesn't matter, saying technology is available to retrieve deleted information.

Cantelme, however, said the phone Stump was using at the time — up to the 2014 election — is not available, because the commissioner has since opted for a more modern iPhone5.

"His iPhone3 had deteriorated and become damaged and disabled, and he disposed of it as unusable after he began using the iPhone5," Cantelme wrote to Barr. "Thus the iPhone3, first issued to Commissioner Stump in 2010, no longer exists."

Barr, however, said there's still a way to retrieve the information. And on Friday he told the commission to give him access to Stump's iPhone 5 by this coming Friday or face a lawsuit.

"The commission can get these messages," Scott Peterson, executive director of the Checks and Balances Project, said in a prepared statement. "They just don't want anyone to see them."

Jodi Jerich, the commission's executive director, said late Friday she had just seen Barr's demand and will give it "due consideration."

Stump did not return telephone calls seeking comment.

Peterson said he wants the texts to determine if there was any improper activity by Stump to steer "dark money" into last year's Corporation Commission race.

The Arizona Free Enterprise Club spent more than \$154,000 each to get Republicans **Tom Forese** and **Doug Little** nominated over GOP foes who supported solar energy. That dwarfed the amount each got in public financing for the primary.

Arizona law allows outside groups to help elect candidates. And because the Free Enterprise Club is incorporated as a "social welfare" organization, it need not disclose its donors.

But in any case, Arizona law says any effort to influence an election has to be done independent of any candidate.

The commission did surrender text logs it got from Verizon Wireless showing Stump exchanged 100 texts with Scot Mussi, the group's executive director, over the course of a year, with 46 of

[x]

Separately, there were 54 with Barbara Lockwood, an executive at Arizona Public Service. APS has not denied that it spent money to influence the outcome of last year's races for who sits on the board that regulates all investor-owned utilities.

In a letter to Cantelme, Barr said the fact that Stump threw out his first state-issued phone does not end his quest. He said Stump, in transferring contacts from one phone to the next, also moved any "metadata," including texts Stump believes he deleted.

"There are two ways to destroy digital information: a sledgehammer and a blowtorch," Barr said. Anything sort of that, he said, leaves the data out there.

Then there's the underlying question of whether Stump acted improperly in destroying, or trying to destroy, the messages in the first place.

Barr said Arizona law requires officials and agencies to maintain all records "reasonably necessary or appropriate to maintain an accurate knowledge of their official activities and of any of their activities which are supported by monies from this state."

Her said the fact that Stump used text messaging "does not absolve him of his legal duty to preserve, maintain and care for those records."

"All of Commissioner Stump's text messages with representatives of entities regulated by the commission are presumptively public records," Barr wrote to Cantelme.

"The same would be true of his text exchanges with Scot Mussi ... and then-corporation commission candidates Tom Forese and Doug Little during the summer and fall of 2014."

Cantelme, however, said the state's own records-retention policy requires things like correspondence and other records to be kept "only until their administrative or reference value has been served." The same rule, he said, applies to "transitory materials."

"Given the nature of a text message, which ordinarily is a short or abbreviated communication, it is unlikely that one sent to a commissioner would qualify as anything other than general correspondence or transitory materials," Cantelme said.

"At any rate, their 'administrative or reference value' certainly went away months ago," he continued. "That being the case, Commissioner Stump properly deleted such text messages."

The battle over texts is part of a larger dispute between the solar industry and traditional utilities.

Arizona came under scrutiny from the Checks and Balances Project after regulators approved requests by utilities to impose new fees on customers who get some of their power from rooftop solar units. Stump, then chairman of the commission, voted for fees in 2013; the Republicans running against Little and Forese last year were opposed.

Barr said the log of texts between Stump and others during the primary campaign raises questions about whether there was illegal coordination.

"The reason we want to get those texts is to try to answer those questions," he said.

The 2014 election did not end the issue of fees: APS now wants the commission, now including the two new Republicans, to boost the amount it can charge solar customers.

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On Twitter: @azcapmedia

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**Tags** Arizona Corporation Commission, Bob Stump, Checks And Balances Project, Daniel Barr

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# Phone logs connect Corporation Commissioner to campaigns, 'dark money' and utility

By Evan Wyloge

Arizona Corporation Commissioner Bob Stump repeatedly communicated with the executive director of a "dark money" group that spent hundreds of thousands of dollars to help elect the candidates he backed, while also keeping regular contact with those candidates, their campaign manager, and a senior executive of the state's largest utility, Arizona Public Service, according to recently released records.



The links to Stump, who was the Commission chairman at the time, come to light in the form of text message metadata obtained by Checks & Balances Project, a Washington, D.C.-based 501(c)4 non-profit organization that advocates against regulatory capture and on behalf of renewable and sustainable energy policies.



The text message logs come three months after a whistleblower complaint made by a Commission staff member alleged that Stump and former commissioner Gary Pierce facilitated electioneering from inside the commission. The Arizona Attorney General is still investigating those claims.

While the text metadata include the phone number and time and date of each text, they do not contain the text message content. Checks & Balances Project Executive Director Scott Peterson said there's now a strong case for obtaining the content of the texts in order to see if they contain indications of improper activity. Peterson said he and his attorneys are exploring the option of a subpoena to do so.

Stump said the texts demonstrate that he has made himself accessible to stakeholders and constituents, not inappropriate activity. His cell phone is paid for by the commission.

Stump's text metadata show that between May 1, 2014 and the March 11, 2015, he traded 100 text messages with Scot Mussi, executive director of the Arizona Free Enterprise Club. The group spent roughly \$450,000, aimed at helping elect Tom Forese and Doug Little, Republicans whom Stump also publicly supported.

More than three-quarters of all the money spent in the race came from 501(c)4 nonprofit organizations, such as Arizona Free Enterprise Club, which are not required to disclose their donors. And all of the "dark money" spending went toward helping Forese and Little.

During the same timeframe, Stump texted with Little 192 times, with Forese 51 times, and with their campaign manager Alan Heywood 21 times.

He also exchanged 56 texts with Barbara Lockwood, Arizona Public Service general manager of regulatory policy and compliance, while APS had pending business in front of the commission. Stump said in an email that the communications were only ordinary business.

He also said he and Mussi have been friends for nearly 15 years, that the two have had lunch on several occasions over the past year and that the communication between the two is nothing but correspondence between him and a friend.

"I would never have engaged in any inappropriate discussions regarding Scot's political work," Stump wrote.

Mussi did not respond to phone calls and emails for comment.

Heywood said that he doesn't recall what the text message conversations between him and Stump concerned, but said that they wouldn't have been about campaign spending coming from Mussi's group supporting Forese and Little. Heywood said other candidates whose campaigns he managed were the subject of "vicious and ugly attacks" from Arizona Free Enterprise Club.

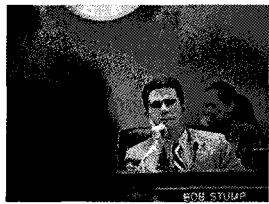
"I don't believe I've ever met Scot Mussi or ever talked to Scot Mussi... I have no idea what Bob was talking to him about or if he was," Heywood said. "I'm not sure what we would have been texting about back on July 25, but it would have had nothing to do with Free Enterprise Club or Scot Mussi."

# Phone records show close contact between regulator, APS and 'dark money'



Ryan Randazzo, The Republic | azcentral.com 9:36 p.m. MST May 22, 2015

APS, one of Arizona's most powerful corporations, is widely believed to be spending large amounts of money anonymously to influence several races. The company will neither confirm nor deny its spending. But it could face political fallout. 12 News



Extensive communications between the state's top utility regulator, Arizona Public Service Co. and a non-profit that spent heavily on campaigns for two new regulators in 2014 have been uncovered by a non-profit clean-energy group.

Debates over solar energy — and a flood of money from non-profit groups into the campaigns for those who sought to regulate utilities — marked the 2014 Arizona Corporation Commission election.

(Photo: David Wallace/The Republic)

During that time, Commission Chairman Bob Stump sent more than 50 private text messages to an APS executive and 46 to a political "dark money" organizer, according to the non-profit investigating the commission.

**MORE:** [Clean Elections to review Bob Stump's texts](#) ([/story/news/arizona/politics/2015/05/23/election-regulators-review-utility-regulators-texts/27830287/](#))

Critics of commission members say that the regulators should not have such close contact with the utilities they oversee, and the utilities should not be participating in political campaigns, which could violate election laws and rules that prevent elected officials from campaigning with public resources.

Stump, who still is in office but no longer serves as chairman, sent 56 texts to Barbara Lockwood, the general manager for regulatory policy at APS from July to September 2014, according to the Washington, D.C.-area Checks and Balances Project, which is largely funded by a non-profit called Renew American Prosperity, which supports sustainability. The primary election was Aug. 26.

**ROBERTS:** [Corporation Commissioner cozy with APS? Say it isn't so!](#) ([/story/laurieroberts/2015/05/21/aps-bob-stump-text-messages-dark-money/27711891/](#))

**RELATED:** [Utility regulator's meeting scrutinized](#) ([/story/money/business/2015/05/02/whistleblower-arizona-utility-regulator-meetings-aps-scrutinized/26803203/](#))

APS is widely believed to have contributed to groups that supported two Republicans in the Corporation Commission race, but utility officials will neither confirm nor deny such contributions.

The commission did not release the content of the text messages, but a representative of Checks and Balances, which has been investigating Stump, says it is continuing to press for those records, if they are available from Verizon.

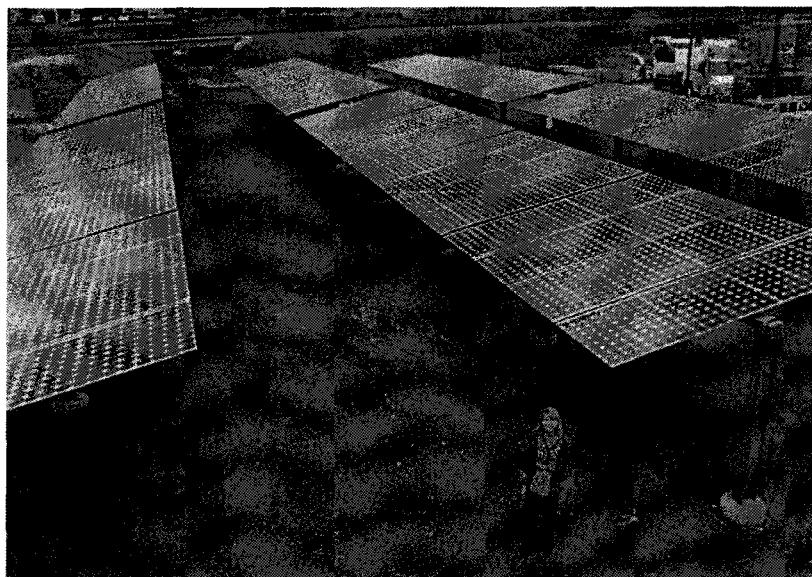
Stump also sent about 180 texts to Republican candidates Tom Forese and Doug Little in the months ahead of the primary. Those two won election.

Forese and Little benefited from more than \$3.2 million in political advertising by independent groups. The money was spent on ads in support of Forese and Little and hit pieces opposing their rivals.

That kind of independent support is legal as long as the candidates don't coordinate with the non-profit groups advertising on their behalf. Forese and Little said they never communicated with such groups, but the phone logs show Stump frequently texted Scot Mussi, president of the Arizona Free Enterprise Club.

The Free Enterprise Club spent about \$154,000 helping Forese and Little in the primary. In June and July, ahead of the primary election, Stump messaged Mussi 46 times, and contacted him 100 times from May 2014 through March of this year, according to Checks and Balances.

"When you look at the text messages, and how they are grouped around the election, and grouped with Stump's communications with Forese, Little and Mussi ... it raises questions," said Scott Peterson, executive director of the Checks and Balances Project.



Barbara Lockwood, general manager of regulatory policy at APS, received more than 50 texts from regulator Bob Stump from July to September 2014. (Photo: Cheryl Evans/The Republic)

Stump said he did not discuss the political campaigns with Mussi, Forese and Little, who he said are all his friends.

"I wasn't aware of Scot's involvement (with Free Enterprise Club) until it hit the papers," he said. "I learned when everyone else did."

Stump said he did not recall discussing elections with Lockwood from APS, either.

"I would note that Checks and Balances, a left-wing, dark-money group, is cherry-picking text logs to paint an absurdly distorted picture," he said.

Stump said he sent 898 texts to a lobbyist at the Residential Utility Consumer Office, and 70 to the lobbyist at the Southwest Energy Efficiency Project, as well as 285 to a solar group.

"It would be ridiculous for me to institute a moratorium on speaking to friends in the solar or political community at large simply because we were in campaign season," he said. "I continued to be in contact with representatives of SolarCity, for example, even though TUSK (a solar advocacy funded by SolarCity) was actively involved in the 2014 campaign for Corporation Commission."

Forese said that throughout the campaign, he would learn what non-profit groups were supporting his campaign the same way most voters did, by reading the messages on the bottom of mailers. He said nobody in the Forese-Little campaign team communicated with the non-profit groups.

"We would talk regularly about the importance of making sure we were always very rigid in our adherence to the rules to not communicate with parties we had found out from the bottom of fliers that they were supporting us," he said.

Forese said Stump, a friend, was usually texting him messages of support, but not information regarding campaign funding.

"What would be discussed with Bob was general campaign strategy and the vast majority of it was encouragement as we got through the race," he said.

Little said he did not know Stump and Mussi were close.

"Bob and I would text about a variety of things during the campaign since he was endorsing us," he said. "We did not discuss any activities by the Free Enterprise Club either before or after the election. ... I met Scot (Mussi) once in January 2014 since he was interested in meeting me after I had declared as a candidate. We had coffee for about 45 minutes and discussed my background and my positions on a number of issues. That was the last time I saw or spoke with Scot until after the general election."

Peterson, of the Checks and Balances Project, said besides the possible breaches of election laws, the relationship between Stump and Lockwood at APS appears "chummy," and not at a professional arm's length.

"The bottom line with all of this is the Arizona Corporation Commission was created to regulate utilities on behalf of the citizens of Arizona, not to further the interests of utilities such as Arizona Public Service," Peterson said. "It looks unseemly. Bob Stump's credibility is at stake. His text messages and e-mails appear to show he is working far too closely with monopoly utilities."

Former Corporation Commissioner Renz Jennings said the frequent texts between Stump and APS and the dark-money campaign were "egregious" but representative of how APS has been exerting influence on elections.

Jennings, who served on the commission from 1985 to 1999, joined several protesters Wednesday at a shareholder meeting for APS' parent company, Pinnacle West Capital Corp. They were advocating for more disclosure from the company regarding its political spending.

He mentioned how APS is thought or known to have engaged in the elections for treasurer, attorney general and other offices.

"Stump has done his reading," Jennings said. "He knows that if you don't make your book with APS, they will come after you. The Republican primary elections are now decided by APS, and it is a Republican state, so they decide the election."

The rooftop-solar industry supported two other Republicans who lost the primary election for the commission, Lucy Mason and Vernon Parker. Mason, a former state representative, has since been hired to provide membership and development consulting services for the Arizona Solar Energy Industries Association.

Stump posted near-daily support for Forese and Little on social media sites during their campaign and had harsh words for the rooftop-solar industry during their swearing-in ceremony at the commission earlier this year.

"We need more light and less heat from the people who appear before us," Stump said. "We need more steak and less sizzle. One way to accomplish that is to put a stake through the heart of Chicken Little."

The "Chicken Little" comment was a reference to solar companies and their advocates who suggest the regulators are harming the industry in Arizona by imposing new fees for solar customers.

The Checks and Balances Project launched its investigation into the state utility regulators because of the solar fees approved in 2013.

The non-profit, which advocates for clean energy, has decided to home in on Stump because he was chairman of the commission when it approved a \$5 average monthly fee increase for APS solar customers.

APS recently asked the commission to consider increasing that fee to an average of \$21 a month.

*Reach the reporter at ryan.randazzo@arizonarepublic.com.*

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# Reader's Tip Further Decreases Commissioner Bob Stump's Credibility

JULY 8, 2015 BY [CHECKS AND BALANCES PROJECT](#)  
([HTTP://CHECKSANDBALANCESPROJECT.ORG/AUTHOR/CHECKSANDBALANCESPROJ](http://checksandbalancesproject.org/author/checksandbalancesproj))  
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(<https://checksandbalancesproject.files.wordpress.com/2015/07/man-texting.jpg>)

Newly uncovered information based on a tip from a reader shows that not only was former Chairman Bob Stump of the Arizona Corporation Commission (ACC) texting with four key players in the dark money electoral scheme prior to the August 26, 2014, primary election, **he was also in contact with Alan Heywood – the campaign manager of pro-utility candidates Tom Forese and Doug Little.**

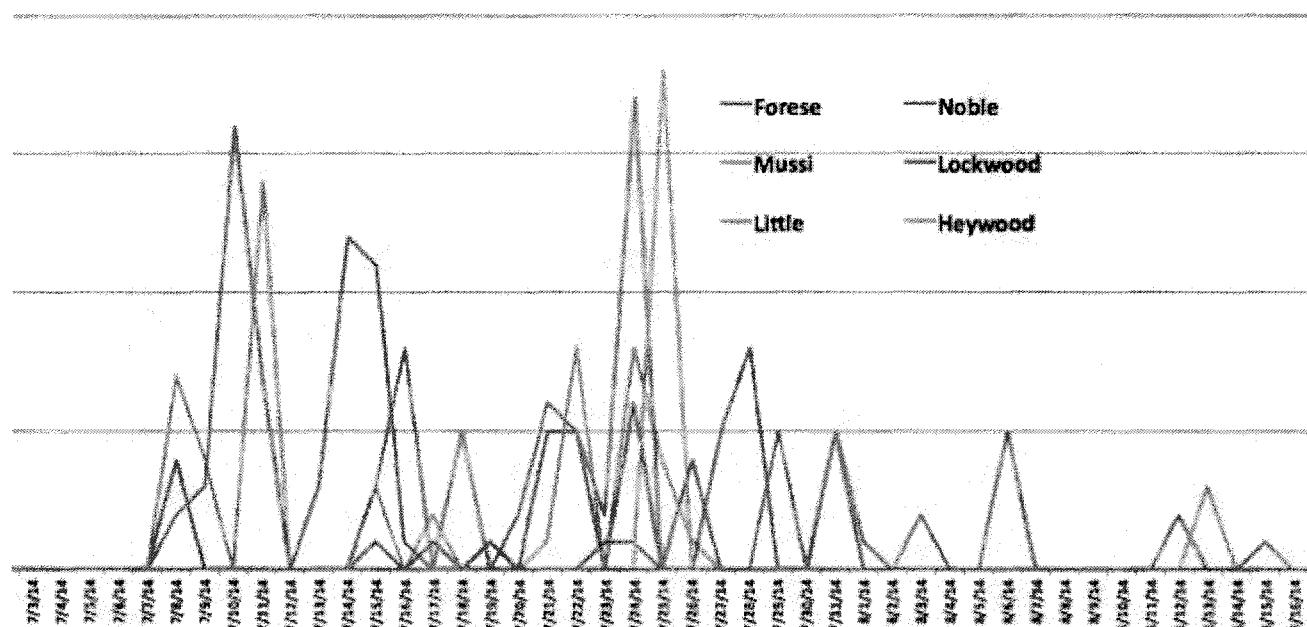
In fact, the day after Stump exchanged a last text message with Sean Noble, who in the past has served as a conduit for the Koch Brothers (<http://www.propublica.org/article/the-dark-money-man-how-sean-noble-moved-the-kochs-cash-into-politics-and-me>) dark money network, Stump exchanged 18 texts in just 24 hours with Heywood.

Then, his texts with the other central players soon stopped. According to Stump's text message log (<http://checksandbalancesproject.org/2015/06/30/text-message-log-provides-new-insights-into-stump-contacts/>), the following day, he texted for the last time with Scot Mussi, president of

the Arizona Free Enterprise Club and candidate (now Commissioner) Forese. Several days later, Stump stopped texting with his Arizona Public Service liaison, Barbara Lockwood, for nearly two months.

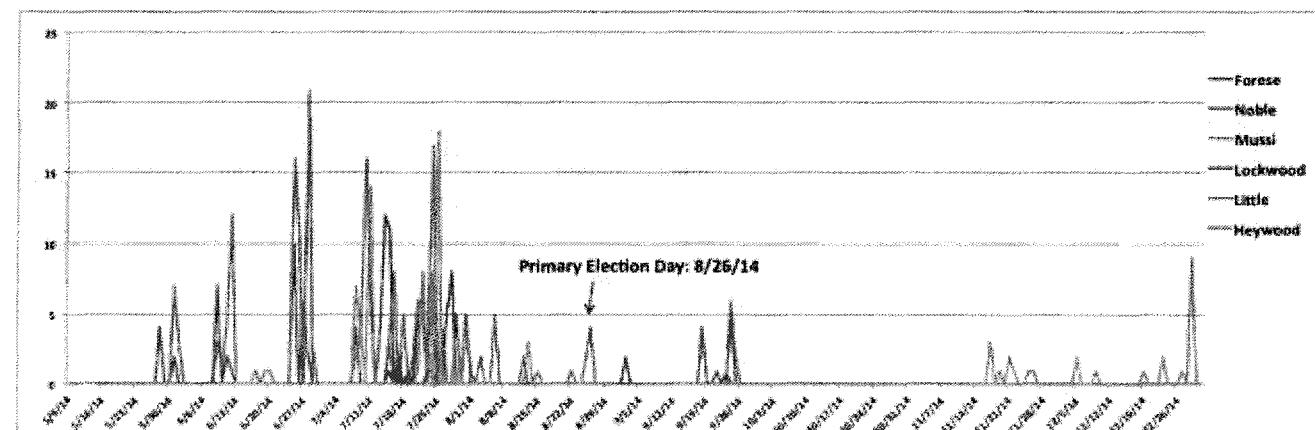
This was one month before the primary – what could be plenty of time to flush money into the campaigns of winning candidates Forese and Little. The ultimate origins of more than 75% of the spending on the ACC race (<http://azcapitoltimes.com/news/2014/11/03/az-corp-comm-spending-75-percent-dark-money/#ixzz3fG5Ay5EY>) that benefited Forese and Little has been a secret. But it should be noted that Noble's largest client last year was Arizona Public Service.

We charted the texting frequency below, and the distribution pattern hardly looks like what you would expect for arranging a social function, unless Stump was planning something like a small wedding with just these six people attending:



(<https://checksandbalancesproject.files.wordpress.com/2015/07/text-graphic-small.jpg>)

(July 7-August 16, 2014)



(<https://checksandbalancesproject.files.wordpress.com/2015/07/text-graphic-large1.jpg>)

ACC\_AR0514

(May 5-December 29, 2014)

Arizona election law prevented candidates Forese, Little, and their campaign manager Heywood from directly coordinating with APS, the Free Enterprise Club, and the Koch network. But it appears that Stump may have been doing it for them – communicating with the dark money electoral funders, APS, the candidates, and, now we know, their campaign manager.

This new information about Heywood deepens suspicions that the former Chairman may well have been at the very center of a dark money electoral scheme to elect pro-APS, anti-solar Republicans. If true, Stump's actions may be a violation of Arizona election law.

### **Criticism of Publishing Text Log**

Our decision to publish Bob Stump's full text log, a public record provided to us by the Commission in response to our March 11 records request, has not been without criticism ([here](http://www.azcentral.com/story/money/business/2015/06/30/regulator-says-nonprofit-invading-familys-privacy/29542465/) (<http://www.azcentral.com/story/money/business/2015/06/30/regulator-says-nonprofit-invading-familys-privacy/29542465/>) and [here](http://www.azcentral.com/story/laurieroberts/2015/07/01/stump-decries-publishing-private-phone-numbers/29570035/) (<http://www.azcentral.com/story/laurieroberts/2015/07/01/stump-decries-publishing-private-phone-numbers/29570035/>)). Commissioner Stump has blamed us for his failure to have the ACC staff redact purely personal contacts – which we didn't seek, didn't want, and have no way to identify – and for his choice to conduct public business via text messages on his cell phone. Our offer to Stump to remove the purely personal contacts stands. ACC outside counsel, David Cantelme, has not sent those personal contacts, as he committed to doing.

All that said, our invitation to C&BP readers to identify others on the list has paid off. And, the results aren't helpful to Commissioner Stump's credibility.

Remember that when the news first broke of [Stump's extensive texts](http://checksandbalancesproject.org/2015/05/20/bob-stumps-text-messages-support-whistleblowers-allegation-that-arizona-corporation-commissioner-knew-of-dark-money-scheme/) (<http://checksandbalancesproject.org/2015/05/20/bob-stumps-text-messages-support-whistleblowers-allegation-that-arizona-corporation-commissioner-knew-of-dark-money-scheme/>), Stump asserted the contacts were of a nature that was either personal or universal, i.e., he texts with everyone. Stump now-famously said:

*"We have been trying for months to coordinate a double-date to the Phoenix Symphony."*

This dismissal line is now considerably harder to make, thanks to sources who provided us with names matching up to a dozen additional numbers on the full logs.

### **Heywood's Phone**

Heywood's cell phone number was wrongly identified in a recent post as belonging to Investment Prime, where he is President and CEO. He is also chairman of the Arizona Chamber of Commerce and Industry. We confirmed through multiple sources that the number is Heywood's personal cell. Another number previously labeled as Investment Prime we now know belongs to former ACC Chair Gary Pierce – a business associate of Heywood.

### **Unnecessary Taxpayer Expenses**

The Commission has subpoena authority to ask Verizon for the content of the text messages. Any one of the five commissioners could do so today, *free of charge*. Instead, Stump and the ACC have:

- Hired a high-priced lawyer, David Cantelme, to obfuscate the right by law of public access to public records for a cost in May alone of \$5,428.
- Contracted a high-profile public relations firm, Marson Media, to represent the ACC after firing its staff spokesperson Rebecca Wilder.
- Hired the mediation firm of Scott, Skelley and Muchmore to “supervise” the download of text messages – assuming they haven’t been tampered with – at the cost of \$475 per hour.
- Secured the Arizona Dept. of Public Safety’s forensic unit to do the cell phone exam.

## Public Accountability

The revelation about Commissioner Stump’s 18 texts with Alan Heywood during same period of a flurry of text activity with Scot Mussi, Tom Forese, Doug Little, Sean Noble and Barbara Lockwood raises obvious questions about Commissioner Stump’s actions that must be answered. Members of the public should demand answers from the four other Corporation Commissioners as to whether they are concerned about Commissioner Stump’s conduct, and if so, what they plan to do about it. All of them have subpoena power to get to the bottom of these questions if they desire to discover the truth.

*Scott Peterson is executive director of the Checks and Balances Project, a national watchdog blog that seeks to hold government officials, lobbyists, and corporate management accountable to the public. Funding for C&BP comes from pro-clean energy philanthropies and donors.*

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# Regulator Bob Stump says nonprofit invading his family's privacy



Ryan Randazzo, The Republic | azcentral.com 6:19 p.m. MST June 30, 2015



Arizona utility regulator Bob Stump said Tuesday that a government-watchdog group was out of bounds when it published the personal phone numbers of his friends and relatives.

Stump is one of the five elected members of the Arizona Corporation Commission. He has been targeted by the Washington, D.C.-area nonprofit, The Checks and Balances Project, because he was commission chairman in 2013 when it voted to approve small fees on solar customers.

(Photo: David Wallace/The Republic)

The Checks and Balances Project obtained Stump's text message logs from 2014, but not the messages themselves, through a public records request. On Tuesday, they published the names of those Stump communicated with most often, as well as their cellphone numbers.

"Not content merely to impugn my integrity, this left-wing, dark money group has now invaded the privacy of my family and friends by publishing the names and numbers of my mother, my aunt, my former girlfriend, several of my closest friends, and everyone I have texted or called in the last year," Stump said Tuesday.

"It is one thing to attack a public figure," he said. "I expect it. It is quite another to publish the names and numbers of his family members and friends, none of whom signed up for this."

**PREVIOUS:** [Utility regulators won't turn over phone in texts case \(/story/money/2015/06/27/arizona-utility-regulators-refuse-phone-texts-case/29381683/\)](#)

**MORE:** [Utility regulators say they can't get texts \(/story/money/2015/05/29/utility-regulators-say-get-texts/28175953/\)](#)

**RELATED:** [Phone records show close contact between regulator, APS and 'dark money' \(/story/money/business/2015/05/21/phone-records-show-close-contact-regulator-aps-dark-money/27699025/\)](#)

Checks and Balances has been fighting with the commission for access to the text messages Stump sent from his cellphones during last year's election season. In November, Tom Forese and Doug Little, two Republican friends of Stump, won election to the commission.

The commission provided logs of his messages but said the text messages were unavailable. The logs show Stump was in contact with the head of a dark-money political group that aided Forese and Little's campaigns, the candidates, and Arizona Public Service Co. executives, among many other contacts.

Forese and Little would not have been allowed to communicate with the dark-money group Arizona Free Enterprise Club that was spending money through independent expenditures to support their campaigns. Without the content of the text messages, it is impossible to determine whether Stump was serving as a conduit for those groups to communicate with the candidates or texting with friends and associates, as he has said.

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Checks and Balances has threatened legal action if the commission does not provide the content of the text messages. The commission has said the messages are not available for the two phones Stump used last year or from Verizon Wireless.

Verizon Wireless has not directly answered whether it could provide the messages if asked by the commission.

In its effort to access the messages, Checks and Balances on Tuesday published the cell numbers Stump to which sent messages and the names of the contacts it could identify.

"We could not identify many numbers," Executive Director Scott Peterson wrote on the Checks and Balances website. "If you recognize any we have not identified, please send us your findings."

**RELATED:** [Checks and Balances website \(http://checksandbalancesproject.org/\)](http://checksandbalancesproject.org/)

Peterson said Tuesday that he published all of Stump's contacts, including personal ones, because the commissioner had accused the group of "cherrypicking" messages to make it appear he was engaged in inappropriate communications.

"Well, here's everything," Peterson said. "None of this would have happened if he had used his official e-mail account."

Stump said his family was worried about being harassed because the numbers were published.

"Even public figures have a right to privacy," Stump said. "My mother certainly does. I will be consulting with an attorney to take potential legal action against Checks and Balances over this invasion of my privacy."

One of Stump's phones, an iPhone3, "no longer exists," according to Corporation Commission attorney David Cantelme. Stump's replacement phone, an iPhone 5, is locked in a commission safe.

Checks and Balances also is evaluating legal action to access Stump's iPhone to try to retrieve deleted text messages.

The commission said Friday it is willing to give the phone to a retired judge and to retain an expert for a forensic examination of the device, but not willing to turn it over to Peterson's group.

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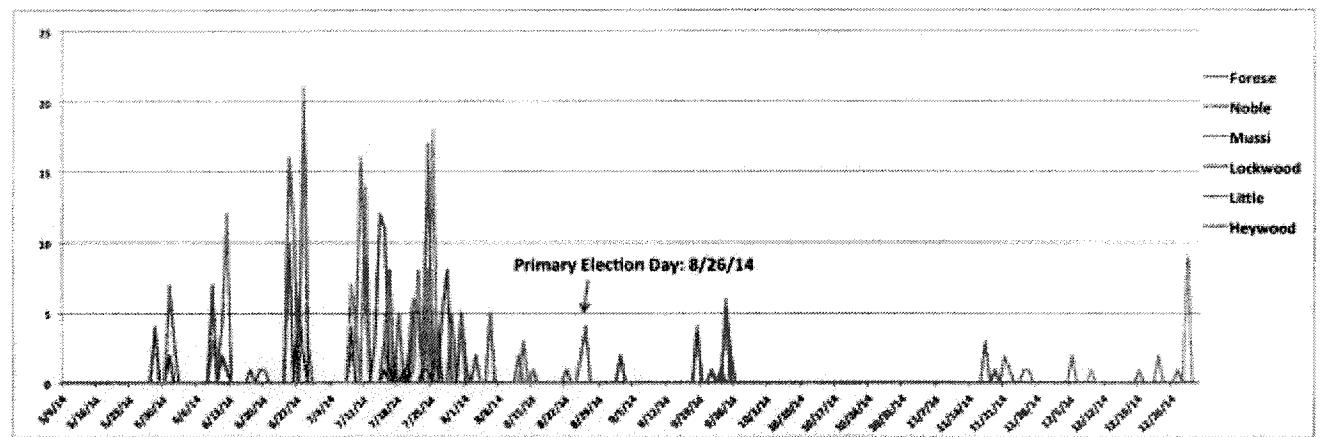
# The Only Way for Stump to Clear His Name: Produce the Text Messages

JULY 10, 2015 BY [CHECKS AND BALANCES PROJECT](#)  
[HTTP://CHECKSANDBALANCESPROJECT.ORG/AUTHOR/CHECKSANDBALANCESPROJECT](http://CHECKSANDBALANCESPROJECT.ORG/AUTHOR/CHECKSANDBALANCESPROJECT)  
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([https://checksandbalancesproject.files.wordpress.com/2015/07/businessman-praying-shutterstock\\_156856601.jpg](https://checksandbalancesproject.files.wordpress.com/2015/07/businessman-praying-shutterstock_156856601.jpg)) Commissioner Bob Stump must be praying that today's examination of his state-owned iPhone 5 produces his text messages.

Checks and Balances Project has presented powerful circumstantial evidence of coordination. The only way that Stump can clear his name is to produce the actual texts that prove he was not coordinating the August 2014 GOP primary election with Arizona Corporation Commission (ACC) candidates Forese and Little, their campaign manager Alan Heywood, dark money electoral groups, and Arizona Public Service.



<https://checksandbalancesproject.files.wordpress.com/2015/07/text-graphic-large1.jpg>

(May 5-December 29, 2014)

The timing of the texts and the fact that he isn't texting some of these "friends" outside the period of high activity before the primary when Noble and Heywood enter the fray makes Stump's explanation extremely dubious. In his recent public statements, he only references his friendship with Scot Mussi of the Arizona Free Enterprise Club. What about the others, Mr. Commissioner?

Stump used a method to communicate that he thought no one would ever discover, especially when he "immediately deleted the messages." But it has backfired on him. The only way that he can convince people that he was not coordinating is to produce the texts that he thought that he has destroyed.

If the ACC does not recover the text messages, Stump is left with is a lame "my dog ate my homework" excuse.

### Friday's Exam

According to the Commission, a retired Superior Court judge and a state police force staff member will gather on Friday at ACC offices to download existing text messages from Commissioner Bob Stump's cell phone. The downloaded results will then be reviewed to determine which messages are public records, and they will then provide the messages to us in response to our records request.

Based on conversations we have had with our technology forensics expert, one of two things is going to happen as a result of this process:

**Scenario 1**, the "non-court scenario": Stump has not been successful in his attempts to destroy the text messages. The messages are successfully downloaded. The outsiders (who, it's worth noting, have been picked by the ACC) are not willing to tolerate gamesmanship in screening the resulting messages. Checks and Balances Project gets the messages and they match the logs that ACC has provided. Arizonans finally get to the bottom of the seemingly damning pattern and timing of messages Stump had with key players in last year's dark money electoral scheme.

**Scenario 2**, the "we have to go to court scenario": Stump has taken steps to destroy the text messages off his SIM card, or they were not transferred from his old iPhone 3...

*"It was literally crumbling in my hands and was not recyclable,"* Stump told the Arizona Republic's Ryan Randazzo. Crumbling? How does that happen?

... and they have not survived the switches he has made from one, taxpayer-reimbursed cell phone to the next. Or, the messages are there, but the ACC puts a heavy screen on what is a "public" record. We get an anemic set of text messages that doesn't come close to matching the text log provided by the Commission previously.

The expensive and thoroughly unnecessary game playing by the ACC results in us having to go to court, and we succeed in convincing a judge to review the download of Stump's text messages. We get them, analyze them, and release the results to the public online. Here as well, Arizonans finally get to the bottom of what Stump said in those text messages.

**Scenario 3**, the "we're left with circumstantial evidence scenario": there's nothing of value found by the exam of Stump's cell phone and Verizon cannot provide us with text message content. Attorney General Brnovich doesn't investigate. No one in the Arizona legislature pursues the matter. Bob Stump and the Commission breathe a sign of relief as he continues to maintain that his mad texting was just to arrange trips to the symphony and the like with friends.

That would lead us to the next chapter of this sorry saga. After all, *text messages aren't the only method of uncovering definitive evidence that Commissioner Stump may be a captured regulator.*



(<https://checksandbalancesproject.files.wordpress.com/2015/07/dice.jpg>) For a growing list of Commission members, staff and contractors, the question now emerging is: Do you want to stake your respective reputation and credibility by defending Bob Stump's extensive (and potentially illegal) involvement with all the key players in last year's dark money electoral scheme?

It might be your dice to roll, but it's still a gamble. The days ahead will be interesting nonetheless.

**P.S. Dear ACC outside counsel David Cantelme:** We are still awaiting the list of Stump's purely personal phone numbers, so we can remove them from the list of Stump's most frequent text message contacts. It's been nearly a week since you said you would deliver them to our attorney. The removal offer stands.

*Scott Peterson is executive director of the Checks and Balances Project, a national watchdog blog that seeks to hold government officials, lobbyists, and corporate management accountable to the public. Funding for C&BP comes from pro-clean energy philanthropies and donors.*

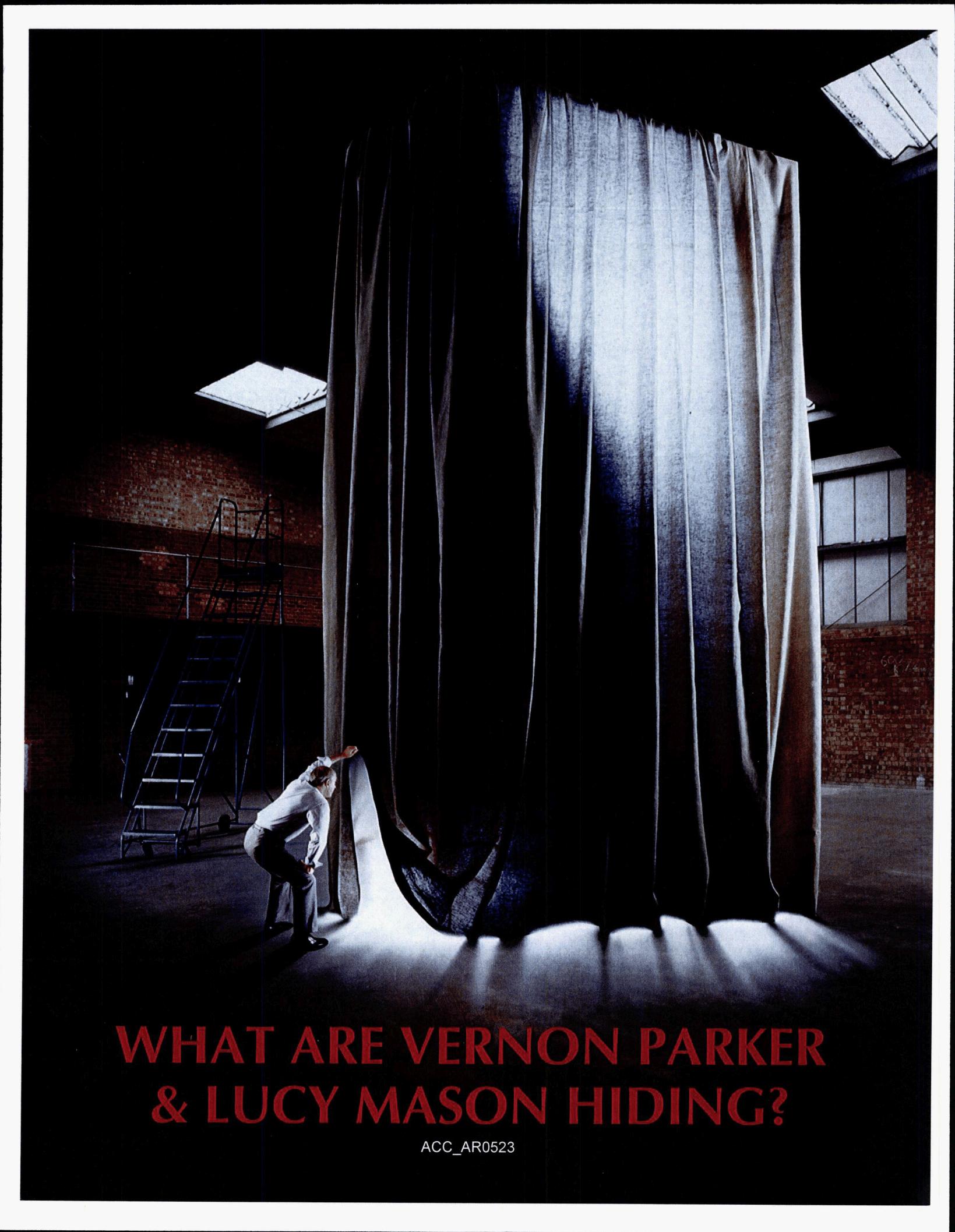
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The Enterprise Theme.

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# Exhibit 20



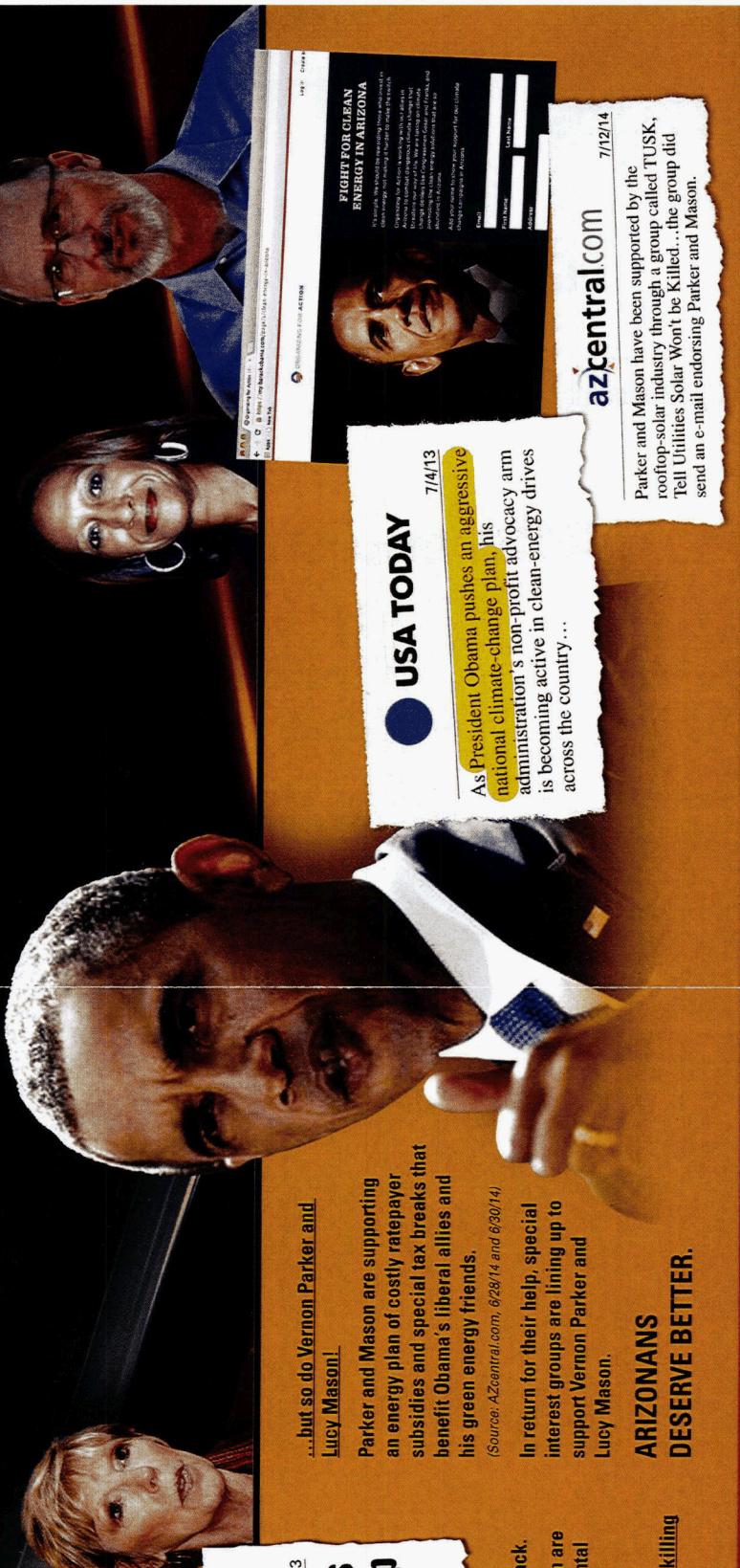
# WHAT ARE VERNON PARKER & LUCY MASON HIDING?

ACC\_AR0523

# VERNON PARKER & LUCY MASON **SUPPORT OBAMA'S**

## ENERGY PLAN...

...JUST LIKE LIBERALS JIM HOLWAY & SANDRA KENNEDY



## TELL VERNON PARKER & LUCY MASON AND JIM HOLWAY & SANDRA KENNEDY: **ARIZONA CAN'T AFFORD OBAMA'S ENERGY PLAN**

Parker and Mason have been supported by the rooftop-solar industry through a group called TUSK, Tell Utilities Solar Won't be Killed...the group did send an e-mail endorsing Parker and Mason.

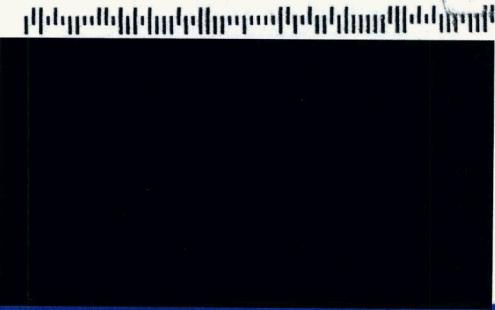
[azcentral.com](http://azcentral.com)

7/12/14

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## TOM FORESE AND DOUG LITTLE **STRONGLY OPPOSE OBAMA'S ENERGY PLAN...**

The Corporation Commission sets the price you pay for gas, water, and electricity.

Tom Forese and Doug Little want to keep your energy bills as low as possible.

That's why Forese and Little are committed to supporting true free market principles and oppose Obama's radical energy agenda.

**Obama's energy plan will cost us jobs and push our energy bills through the roof.**



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*Because Policy Matters*

"Our organization's position on the [Net Metering] program has been clear from the beginning: providing credits to solar customers that is not based on the market costs of the power is an **unfair subsidy** that is being paid for by non-solar ratepayers.

...The **bottom line** is the current Net Metering program in place today is bad policy...

We...look to end the hidden subsidies embedded in the Net Metering program."

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Arizona conservatives and the Arizona Corporation Commission have a chance to stand up the president and his liberal allies by making net metering fair for all Arizonans, not just the ones who can afford costly solar panels. That's what the free market dictates, and what a **true conservative** would support.

**YOU CAN COUNT ON TOM FORESE AND DOUG LITTLE**

ACC\_AR0525

**WHERE DO THEY STAND ON  
OBAMA'S ENERGY AGENDA?**

**VERNON PARKER  
& LUCY MASON**

**TOM FORESE  
& DOUG LITTLE**



# VERNON PARKER & LUCY MASON SUPPORT OBAMA'S ENERGY PLAN

Arizona has a fight on our hands.

The EPA and the Obama administration are pulling out all of the stops to implement their radical environmental agenda right here in Arizona.

**Vernon Parker and Lucy Mason support Obama's energy plan** - which will cost us jobs and push our energy bills through the roof.

In return for their help, Obama's "non-profit" advocacy group is supporting Parker and Mason. They are even helping them raise money!

# TOM FORESE AND DOUG LITTLE STRONGLY OPPOSE OBAMA'S ENERGY PLAN

Tom Forese and Doug Little are committed to taking on Obama's job-killing energy agenda.

They will stand up for Arizona's sensible energy policies and fight Obama's plan.



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Arizona conservatives and the Arizona Corporation Commission have a chance to stand up to the president and his liberal allies by making net metering fair for all Arizonans, not just the ones who can afford costly solar panels. That's what the free market dictates, and what a true conservative would support.

## USA TODAY

7/4/13  
As President Obama pushes an aggressive national climate-change plan, his administration's non-profit advocacy arm is becoming active in clean-energy drives across the country...

The group's energy activism comes as the White House tries to sell a sweeping climate-change plan that circumvents Congress after failing to get lawmakers to pass legislation that curbs the greenhouse gas emissions blamed for global warming. ... Obama is using his executive powers to impose new limits on carbon-dioxide emissions by new and existing power plants.

# TELL VERNON PARKER AND LUCY MASON THAT ARIZONA CAN'T AFFORD OBAMA'S ENERGY PLAN.

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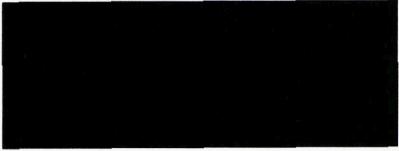


Figure 1. A typical spectrogram of a speech signal showing the periodic nature of the waveform.

# WHO SUPPORTS OBAMA'S ENERGY PLAN?

# Vernon Parker & Lucy Mason



**Vernon Parker and Lucy Mason  
SUPPORT Obama's energy agenda.**

**They are even accepting fundraising help from Obama's very own non-profit group!**

**Who will Parker and Mason look out for - us or Obama?**



# Tom Forese & Doug Little



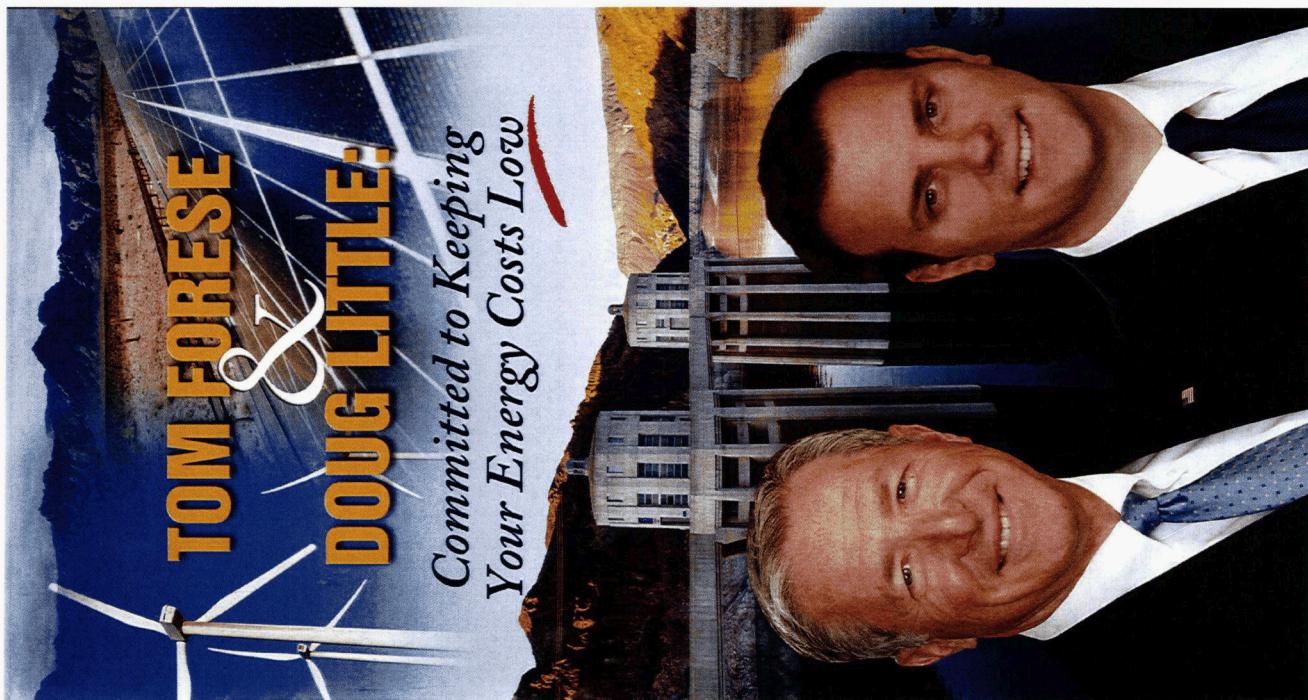
**Tom Forese and Doug Little want to keep your energy bills as low as possible.**

That's why they **STRONGLY**  
**OPPOSE** Obama's energy plan  
for Arizona - which will cost us jobs  
and push our energy bills through  
the roof.

PHOENIX  
**NewTimes**

8/23/13

# Barack Obama's Non-Profit Group Takes Sides in Arizona's Solar-Energy Battle



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*When it comes to stopping  
higher utility rates,*

**FORESE & LITTLE  
ARE THE CLEAR CHOICE**

VOTE Forese-Little for AZ Corporation Commission  
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In the race for Corporation  
Commission, who you vote  
for will directly affect your  
pocketbook.

Tom Forese and Doug Little  
want to keep your energy  
bills as low as possible.

The Corporation Commission  
sets the price you pay for  
gas, water, and electricity.

**What is the Arizona  
Corporation Commission?**





## TOM FORESE AND DOUG LITTLE FOR CORPORATION COMMISSIONER

### The Only Conservative Team

**Y**our vote for Corporation Commission will determine the price you pay for gas, water, and electricity.

There is only one team who you can trust to lower your energy bill: conservatives Tom Forese and Doug Little.

#### Reliable Energy at the Lowest Possible Price

Arizonaans are hurt when energy prices are too high.

- Chairman of the Commerce Committee working to increase economic development and spur job creation
- Executive in business and educational organizations
- Knows what it takes to create jobs, and how important low energy rates are to economic growth

Tom Forese and Doug Little are the team that will stand up for Arizona's sensible energy policies and fight the Obama agenda at the Corporation Commission.

**Tom Forese and Doug Little are conservative, fiscally responsible candidates committed to:**

- ✓ Protecting consumers & ratepayers
- ✓ Affordable & reliable utilities
- ✓ Job creation & economic recovery
- ✓ Stopping Obama's energy plan

Whether you are retired, on a fixed income, have a family with children, or single, your standard of living is reduced when energy costs skyrocket. Just because your utility bill increases, doesn't mean your social security or pay check does.

Tom Forese and Doug Little understand it is wrong for Arizonans to be forced to make difficult choices between prescriptions, air-conditioning, or grocery bills.

As the only conservative candidates, Tom Forese and Doug Little will fight for common sense policies to keep our energy prices as low as possible.

#### About Tom Forese

Conservative record in the Arizona legislature

- Chairman of the Commerce Committee working to increase economic development and spur job creation
- Executive in business and educational organizations
- Knows what it takes to create jobs, and how important low energy rates are to economic growth

#### About Doug Little

- Long and impressive career in the computer software industry
- Vice President, North America Sales for Micro Focus International, a leading software vendor to Fortune 100 companies
- Spent over 15 years working on software and construction management projects for energy production facilities

- A strong consumer advocate working to lower prices through more efficient methods of delivering gas, water and electricity

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VOTE FORESE-LITTLE FOR AZ CORPORATION COMMISSION**

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# TOM FORESE & DOUG LITTLE:

## *Conservatives for Corporation Commission*

The Corporation Commission sets the price you pay for gas, water, and electricity.

Tom Forese and Doug Little are conservatives who will fight to keep your energy bills as low as possible.

That includes taking on Obama's energy agenda for Arizona.

The EPA and the Obama administration are pulling out all of the stops to implement their radical environmental agenda right here in Arizona.

Tom Forese and Doug Little STRONGLY OPPOSE Obama's energy plan.

It will cost Arizona too many lost jobs and push energy prices through the roof.

As the only conservative candidates, you can trust Tom Forese and Doug Little.



ACC\_AR0531

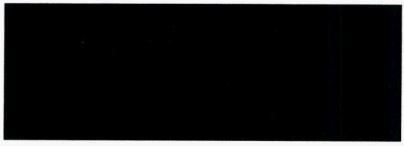
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# TOM FORESE & DOUG LITTLE:

*Fighting to lower YOUR energy bill*

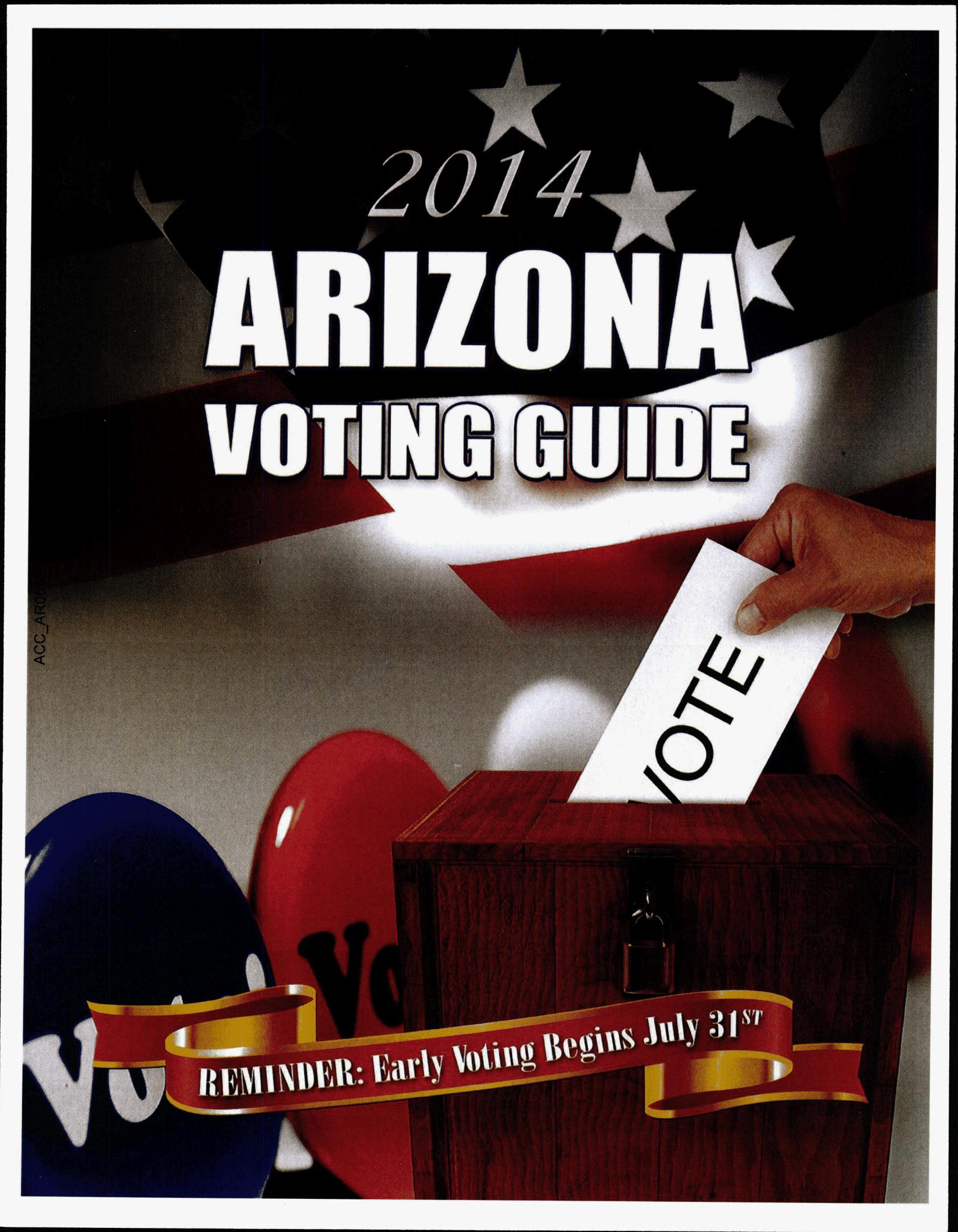
## The Tom Forese and Doug Little Plan

- ✓ Stop Obama's energy agenda
- ✓ Protect consumers & ratepayers
- ✓ Affordable & reliable utilities
- ✓ Job creation & economic recovery

ACC\_AR0532



**REMEMBER: VOTE FOR TWO FOR CORPORATION COMMISSION**



ACC\_AR01

# 2014 ARIZONA VOTING GUIDE

VOTE

REMINDER: Early Voting Begins July 31<sup>ST</sup>

# VERNON PARKER & LUCY MASON

## SUPPORT OBAMA'S JOB-KILLING ENERGY AGENDA

Vernon Parker and Lucy Mason SUPPORT Obama's radical energy agenda.

These so-called conservatives are supporting an energy plan of costly ratepayer subsidies and special tax breaks that will drive our energy bills through the roof. (Source, AZcentral.com, 6/28/14 and 6/30/14)

In return for their help, Obama's special interest allies are lining up to support Vernon Parker and Lucy Mason.

The Arizona Corporation Commission sets the price you pay for gas, water, and electricity.

We simply can't afford Vernon Parker and Lucy Mason.

# TOM FORESE & DOUG LITTLE

## WANT TO LOWER YOUR ENERGY BILL

Tom Forese and Doug Little STRONGLY OPPOSE Obama's energy plan for Arizona.

They are true conservatives who will stand up for free market principles.

Unlike Vernon Parker and Lucy Mason, Forese and Little understand that Obama's liberal environmental agenda will raise our energy bills and result in fewer jobs for Arizonans.

As the only conservative candidates for Corporation Commission, you can count on Tom Forese and Doug Little to keep your energy bills low.

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Arizona conservatives and the Arizona Corporation Commission have a chance to stand up to the president and his liberal allies...



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THE CHOICE IS CLEAR.

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**Early Voting Begins July 31<sup>ST</sup>**

## OFFICIAL BALLOT



### ARIZONA CORPORATION COMMISSION VOTE FOR TWO

ACC\_AR0535



**VERNON PARKER  
& LUCY MASON**

- Support Obama's energy agenda
- Will raise your utility bills
- Fewer jobs for Arizona
- Support subsidies for Obama's green energy allies



**TOM FORESE  
& DOUG LITTLE**

- Oppose Obama's energy agenda
- Will protect consumers and ratepayers
- Will fight for affordable and reliable utilities
- Committed to create jobs and economic growth
- Free market conservatives

**VOTE FOR CONSERVATIVES  
TOM FORESE & DOUG LITTLE**

# Exhibit 21

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# Arizona Corporation Commission 2014 Election FAQ's

1

## WHAT IS THE ARIZONA CORPORATION COMMISSION?

ESTABLISHED BY THE ORIGINAL ARIZONA CONSTITUTION, THE ARIZONA CORPORATION COMMISSION IS THE PUBLIC UTILITIES COMMISSION FOR OUR STATE. IT HAS 5 ELECTED MEMBERS THAT SERVE FOUR-YEAR TERMS.

2

## WHAT DOES THE ARIZONA CORPORATION COMMISSION DO?

THE ARIZONA CORPORATION COMMISSION REGULATES PUBLIC UTILITY COMPANIES, INCORPORATES BUSINESSES, ENFORCES SECURITIES REGULATIONS, AND OVERSEES RAILROAD AND PIPELINE SAFETY.

3

## HOW DOES THIS ELECTION AFFECT ME?

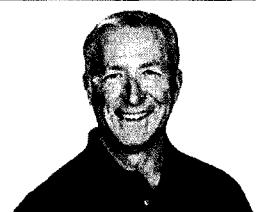
SINCE THE ARIZONA CORPORATION COMMISSION SETS THE PRICES YOU PAY FOR GAS, WATER, AND ELECTRICITY, IT IS IMPORTANT FOR ARIZONA VOTERS TO BE WELL-INFORMED ON THE CANDIDATES BEFORE CASTING THEIR VOTE.

4

## WHO ARE THE CANDIDATES FOR THIS ELECTION?

THERE ARE 6 CANDIDATES FOR 2 OPEN SPOTS: TOM FORESE, JIM HOLWAY, SANDRA KENNEDY, DOUG LITTLE, LUCY MASON, AND VERNON PARKER.

# Arizona Corporation Commission Candidate Overview

CANDIDATES	BIO	ISSUE TOPICS	LEARN MORE
	Current elected state legislator, education software professional	<p>"I believe that at the Corporation Commission we have a tremendous opportunity to improve the economy and put Arizona in the right direction."</p> <small>Source: Arizona Horizon TV Corporation Commission Republican Primary Debate</small>	<a href="http://www.corpcomm2014.com">www.corpcomm2014.com</a>
	Former professor, former state of Arizona employee	<p>"I am a Democrat who has built my professional career by working with all interests in our state to ensure a sustainable economy and a high quality of life."</p> <small>Source: www.holway2014.com</small>	<a href="http://www.holway2014.com">www.holway2014.com</a>
	Former state legislator, former Corporation Commissioner	<p>"When I am elected and returned to the Commission, I will insist that deregulation gets a real and fair hearing."</p> <small>Source: www.sandraforsolar.com</small>	<a href="http://www.sandraforsolar.com">www.sandraforsolar.com</a>
	Former Vice President of sales for energy software company, current small business owner	<p>"In order to make sure that we deliver clean, reliable energy at the lowest possible prices, what we have to have is a balanced energy portfolio."</p> <small>Source: Arizona Horizon TV Corporation Commission Republican Primary Debate</small>	<a href="http://www.corpcomm2014.com">www.corpcomm2014.com</a>
	Technical and architectural illustrator, former state legislator	<p>"There is a big push to try and get us energy independent here in this country. And there are ways to do that. There needs to be a balance."</p> <small>Source: Arizona Horizon TV Corporation Commission Republican Primary Debate</small>	<a href="http://www.lucymasonforacc.org">www.lucymasonforacc.org</a>
	Former Assistant Secretary for Civil Rights at U.S. Dept. of Agriculture, former Paradise Valley Mayor	<p>"The thing I am most proud of is that I was asked by the Speaker of the House to give the rebuttal to the President of the United States of America."</p> <small>Source: Arizona Horizon TV Corporation Commission Republican Primary Debate</small>	<a href="http://www.vernonbparker.com">www.vernonbparker.com</a>

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FOR BOTH

**TOM FORESE & DOUG LITTLE**

**ARIZONA CORPORATION COMMISSION**

# **TOM FORESE & DOUG LITTLE**

***Protecting Arizona Consumers***

## **FORESE & LITTLE ARE COMMITTED TO:**



**PROTECTING ARIZONA'S ENERGY JOBS**



**PROTECTING ARIZONA'S CURRENT AND FUTURE ENERGY SUPPLY**



**PROVIDING SAFE AND RELIABLE ELECTRICITY TO OUR HOMES AND WORKPLACES**

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# A VOTE FOR LUCY MASON & VERNON PARKER IS A VOTE FOR OBAMA'S RADICAL ENERGY POLICIES



Lucy Mason  
has supported  
increased  
energy taxes

HB2074 (2007 - Sponsor Lucy Mason) establishes a tax on electric



Vernon Parker  
has a "lack of  
business integrity"

HB1204 (2007 - Sponsor Vernon Parker) creates a new state utility commission to oversee utility rates. SB0326 (2007 - Sponsor Lucy Mason) requires utility companies to meet minimum standards for energy and water performance.

## The Mason/Parker Agenda

- Supporting tax breaks and giving preferential treatment to special interests
- Continued support for billion dollar out-of-state energy companies that are subsidized with your tax dollars
- Support overreaching regulatory burdens on Arizona citizens and businesses

Randazzo, Ryan, 6/28/04. "Corporation candidates debate solar taxes." AZ Republic. Retrieved from <http://www.azcentral.com>

Randazzo, Ryan, 6/21/04. "Two Corporation Candidates propose solar-report-tax. AZ Republic. Retrieved from <http://www.azcentral.com>

Vernon Parker 2002 Phoenix Arizona Election Questionnaire for Congress. Retrieved from <http://www.accessAZ.com>

HB 2105 (2007 - Sponsor Lucy Mason) requires utility companies to meet minimum standards for energy and water performance.

ACC\_AR0540

# WHAT DO VERNON PARKER, LUCY MASON, AND BARACK OBAMA HAVE IN COMMON?

THEY ARE THE ENVIRONMENTAL TEAM THAT COULD SHUT DOWN ARIZONA POWER PLANTS AND SPEND OUR HARD-EARNED TAX DOLLARS TO SUBSIDIZE OUT-OF-STATE CORPORATIONS



3104 E. Camelback Rd. #1126  
Phoenix, AZ 85016

PRESORTED  
STANDARD  
US POSTAGE  
PAID  
PHOENIX, AZ  
PERMIT NO. 3418



74-381a7

PRINT NAME: *[Redacted]*

PAID FOR BY SAVE OUR FUTURE NOW. NOT AUTHORIZED BY ANY  
CANDIDATE OR ANY CANDIDATE'S CAMPAIGN COMMITTEE

ACC\_AR0541

3104 E. Camelback Rd. #1126  
Phoenix, AZ 85016

ECRLOT C 028

PRESORTED  
STANDARD  
U.S. POSTAGE PAID  
PHOENIX, AZ  
PERMIT NO. 3418

276-163583

**Over Three years ago, the U.S. Small Business Administration stated that this candidate for Arizona Corporation Commission “submitted falsified or misleading documents”<sup>1</sup> and that his company’s conduct “indicated a lack of business integrity”<sup>1</sup>**

<http://archive.sba.gov/aboutsba/shaprograms/oha/allcases/8acases/BDP-326.pdf>

# THAT CANDIDATE IS . . .

ACC\_AR0542



# **VERNON PARKER**

# NOW VERNON WANTS TO BE ELECTED TO THE AGENCY THAT REGULATES HOW MUCH YOU PAY FOR UTILITIES?

# NO WAY!

# Vernon Parker's Business Record Speaks For Itself



## FINAL DECISION

### III. Facts

Petitioner was established on February 6, 2006, by its owner and president, Vernon B. Parker. Administrative Record (AR), Ex. 24 at 379 and 386. On February 17, 2006, Petitioner applied for the 8(a) program. AR, Ex. 24. On June 8, 2006, Petitioner was certified as a participant in the 8(a) program. AR, Ex. 13.

On July 3, 2008, SBA notified Petitioner of its intent to terminate Petitioner from the 8(a) program. AR, Ex. 8. Among the grounds for the proposed termination were:

1.

Submission of false information in the concern's 8(a) program application, regardless of whether correct information would have caused the concern to be denied admission to the program, and regardless of whether correct information was given to SBA in accompanying documents or other means. 13 C.F.R. § 134.303(a)(1);

2.

Conduct by the concern, or any of its principals, indicating a lack of business integrity. Such conduct may be demonstrated by information related to a criminal indictment or guilty plea, a criminal conviction, or a judgment or settlement in a civil case. 13 C.F.R. § 124.303(a)(17); AR, Ex. 8.

Source: archive.sba.gov/aboutsba/sbaprograms/oha/allcases/8acases/BDP-326.pdf

→ Vernon B. Parker

→ Submission of false information

→ a lack of business integrity

## And You Won't Believe This!



Vernon Parker raised and spent over \$625,000<sup>2</sup> between 2013 and 2014 for a Congressional race that never happened.

2: Source: FEC ID No. C00541508, April 15, 2014 Report

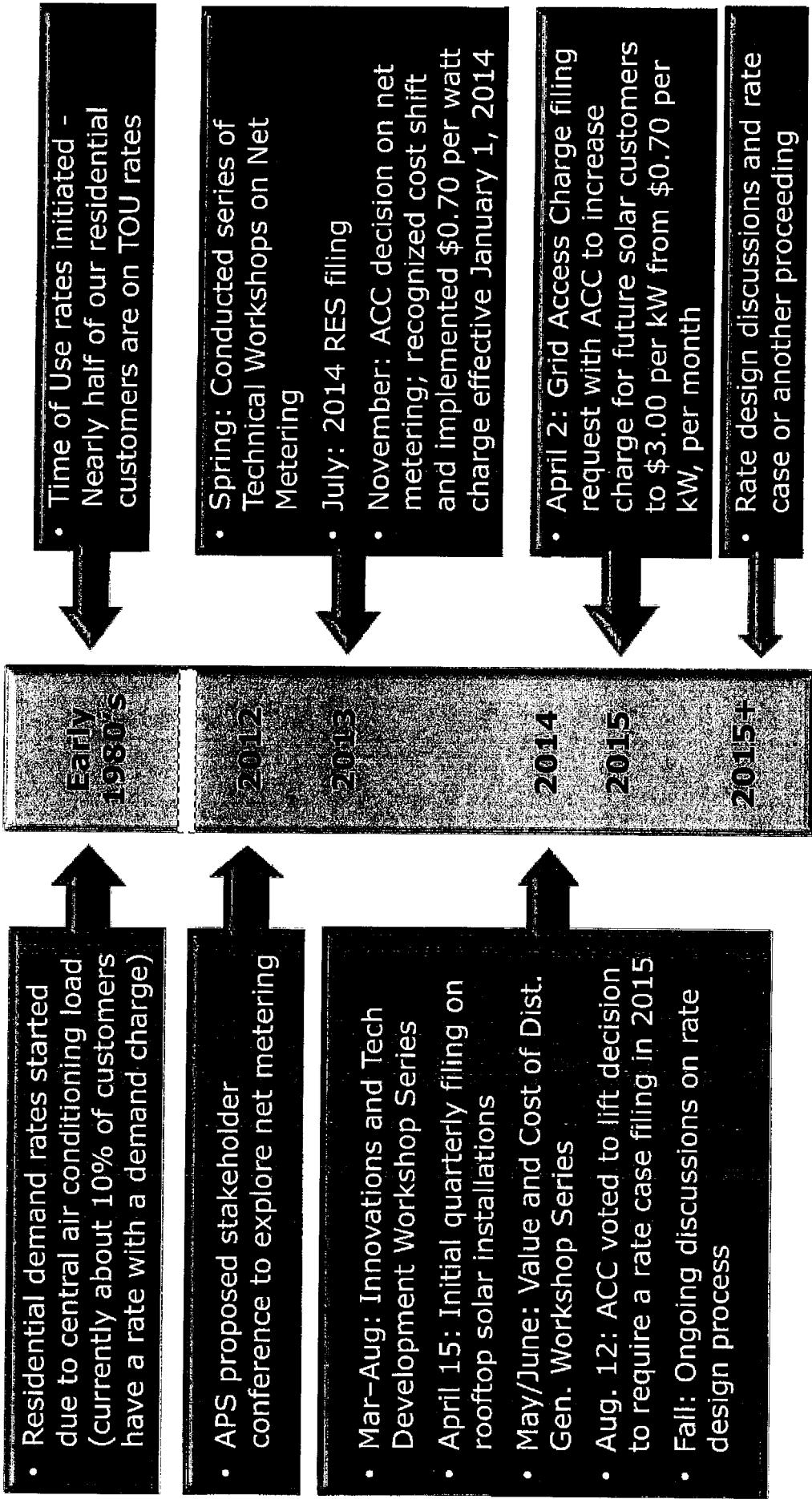
## Where Did the Money Go?

PAID FOR BY SAVE OUR FUTURE Now

NOT AUTHORIZED BY ANY CANDIDATE OR ANY CANDIDATES'S CAMPAIGN COMMITTEE

# **Exhibit 22**

# KEY DATES FOR RATE DESIGN



# Exhibit 23

REMARKS FROM THE  
THIRTIETH ANNUAL MEETING OF SHAREHOLDERS  
WEDNESDAY, MAY 20, 2015

# FOLLOW A LEADER

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PINNACLE WEST CAPITAL CORPORATION



DON BRANDT

CHAIRMAN OF THE BOARD, PRESIDENT AND CHIEF EXECUTIVE OFFICER,  
PINNACLE WEST CAPITAL CORPORATION AND ARIZONA PUBLIC SERVICE COMPANY

*As prepared for delivery*

ACC-LAR054

ACC\_AR0546

THANK YOU ALL FOR BEING HERE TODAY TO LEARN ABOUT  
YOUR COMPANY'S PERFORMANCE IN 2014.

Our value proposition remains compelling, and unchanged: Pinnacle West combines a solid financial foundation with superior operating performance, excellent customer satisfaction and deep community involvement. We serve an area of the country with superior long-term growth potential and a constructive regulatory climate. We are making smart investments to modernize the electricity grid, and staying at the forefront of changes taking place within our industry. In summary, we are performing well today and ready for what's next.

I'll start with our financial performance. We achieved strong earnings, our best-ever credit ratings and a record stock price.

Our stock price, which began 2014 at \$52.92, was \$68.31 on December 31—a 29 percent improvement. Pinnacle West outperformed the S&P 1500 Electric Utility Index and the overall stock market. When our stock price hit an all-time high of \$72 earlier this year, our market capitalization reached \$8 billion.

Our stock price has come down from this record high, but we are not alone. The broad utility sector has declined, due largely to speculation about rising interest rates, which are always a headwind for utility stocks and other dividend-oriented stocks.

For the third straight year, our board of directors increased our dividend, raising it by 4.85 percent to \$2.38 per share. This action demonstrates our continued confidence in our financial health and growth potential.

Arizona's economic forecasts remain positive; the reasons people want to move to our great state have not changed. We continue to anticipate healthy long-term growth for Arizona and, in turn, for APS. We are committed to exercising financial discipline as we manage costs to keep them in line with our sales growth.

Operational performance at APS again ranked among the best in our industry. It is our job to deliver safe, reliable and affordable energy to all our customers. A lot goes in to providing that power every day, and we do it as well as any in our industry. Our safety record and reliability both rank in the top quartile among our peers, and JD Power consistently ranks APS in the top five utilities in the nation for customer satisfaction.

The electricity we provide our customers comes from a diverse mix of high-performing and increasingly clean generation. Over the last two years, we have reduced our carbon emissions by more than four million tons per year. We have cut emissions of

mercury by 61 percent, particulates by 43 percent and nitrogen oxides by 36 percent. Looking forward, we anticipate reducing the carbon intensity of our power generation by 26 percent over the next 10 years.

The heart of our generation fleet, of course, is Palo Verde Nuclear Generating Station, the nation's largest power producer of any kind for 23 years running.

Last year Palo Verde produced a site record 32.3 million megawatt-hours of electricity—something no other power plant in the United States has ever done. Every one of those megawatt-hours was carbon-free.

We are modernizing our coal fleet. We have closed three older, less efficient units at our Four Corners power plant, and we are investing in additional environmental controls on the remaining units. At our Cholla power plant, we plan to shut down one unit by the end of 2016, and stop burning coal at the other units by the mid-2020s.

We are modernizing our natural gas fleet with an upgrade of our Ocotillo power plant. We will replace two 1960s-era generators, with five state-of-the-art turbines that are cleaner, quieter and use less water. Upgrading Ocotillo is a particularly important project because it will provide critical power when needed to back up and support the continued growth of renewable energy in Arizona.

Our growing renewable portfolio reached 1,200 megawatts last year—with 875 MWs coming from solar power. We expect zero emission sources to meet more than 50 percent of our new energy needs through 2029.

Our leadership in solar was recognized again this year by the Solar Electric Power Association. APS earned the number four spot nationally for solar generation, behind three—many times larger—California utilities. We have been a fixture at the top of these lists since the organization began ranking utilities in 2007.

Earlier this year, we announced an innovative pilot program that will allow residential customers, who might not be able to purchase or lease their own rooftop systems, to "go solar." By using advanced inverters, and orienting the panels to get more solar production late in the day when our customers need it most, this initiative will provide valuable research on how to integrate the growth of distributed solar generation in a way that benefits all customers.

Another groundbreaking initiative will provide important research on how to update the century-old utility pricing model to reflect the changing way our customers use electricity.

In collaboration with the Arizona Solar Deployment Alliance, we will recruit 200 rooftop solar customers to switch to a rate that rewards them for reducing electricity use during peak periods. At the same time, these customers will be using advanced technologies to help manage their energy use such as battery storage, load management devices, and advanced thermostats.

The local solar industry will gain insights to enhance the value of their products. We will learn how new technologies and sound rate design can help our customers save money and be smarter energy consumers.

These initiatives are attracting national attention, with one trade publication commenting that they could "change the utility business model."

APS is committed to staying ahead of ever-changing consumer technologies and making sure our system is prepared for what's next. We are proud to lead the way.

Before I leave the subject, I want to address a question I hear frequently: "If everyone agrees that Arizona should be a leader in solar energy, why is the topic so controversial?"

Most solar companies work collaboratively with utilities to serve our shared customers. This includes

international companies investing in Arizona, such as Abengoa, the Spanish company that built the innovative Solana Generating Station in Gila Bend. It includes industry leaders such as First Solar, headquartered down the road in Tempe. And it includes entrepreneurial Arizona small businesses such as American Solar & Roofing, which will be an important part of our rooftop solar pilot program. Together, we recognize that solar is a growing part of America's generation mix, but it can't succeed without a modern electricity grid.

In contrast, a narrow sector of the industry, comprised of California-based rooftop solar leasing companies, rejects collaboration.

An editorial writer for the *Arizona Republic* described it well when he said: "...the industry is conducting political attack campaigns against its perceived opponents, the incumbent utilities, disparaging their character, and trying to damage their reputations."

Why? The writer went on to explain that an important rate decision "...was going to be made by the elected politicians on the Arizona Corporation Commission. If the rooftop solar industry could make APS politically toxic, the commission might protect its subsidy."

In other words, the political and media controversy in Arizona over solar energy is not the byproduct of a legitimate policy disagreement. It is political theater, manufactured to confuse the issue and damage one of Arizona's largest employers.

At this point, I remind our long-time shareholders that our approach during rate cases in 2009 and 2012 was to successfully negotiate compromise agreements with stakeholders for the various interests: large businesses, environmental groups, low income advocates, consumer watchdogs and so on. Our record of constructive issue resolution is clear, and it is long.

In 2014, the solar leasing companies went a step further, supporting two candidates for the Arizona Corporation Commission on an explicitly anti-APS platform. This caused us to reevaluate how to ensure the interests of APS customers, employees, communities and shareholders are represented in the political process.

Whenever we make the decision to support a candidate or cause, we follow the laws regarding campaign contributions and disclosure. Our policy is published on our website for all to see. Today's shareholder proposal advocated for our company to voluntarily disclose more than the law requires.

We respectfully disagree with that point of view. This is not an energy issue—it is a campaign finance issue, for others to debate and decide. Our responsibility is to follow the law with honesty and integrity, and that is what we do.

We will advocate for sound policies that enable a sustainable energy future for Arizona. That means thinking big-picture, and looking long-term.

APS is committed to the long-term success of solar energy, to a modern electricity grid that enables future customer innovations, and to an updated electricity pricing model that is fair for all customers. These are the policy principles for which we advocate.

Our future and Arizona's future have been tied together for more than a century. We are one of the state's oldest and largest home-grown businesses. We are the state's largest taxpayer. We purchase more than \$1 billion of goods and services from Arizona companies. We support vital charitable causes all across our state.

Last year, our employees volunteered 147,000 hours in community service. If we placed a dollar value on their contributions, it would equal \$3.3 million. That is in addition to the \$10 million in APS charitable contributions throughout the year.

It is this commitment that gets APS recognized as a leader that places a high importance on giving back to the communities where we live, work and play.

I'd like to recognize a few dedicated employees who are here with us today.

Last September, I accompanied a group of APS military veterans to Washington, D.C., to accept the Freedom Award for our company. The Freedom Award is the highest honor given by the U.S. Department of Defense to civilian employers for their support of National Guard, Reserve and veteran employees.

We have a great appreciation for our nation's defenders. We value not only their sacrifices during their service in the armed forces, but also the work ethic and experience they bring to the civilian workforce. More than 20 percent of APS's 6,500 men and women are veterans.

Will our military veterans here today please stand? Thank you for being here, and thank you again for your service to our country, our state, and this great company. You can be seated.

Before I close, I'd like to turn the focus to a woman I admire, and am grateful to have known. Earlier this year, we were saddened by the passing of our board member and friend Sue Clark-Johnson. Sue was the personification of the adage "good things come in small packages."

She was a pioneer in the newspaper industry, breaking gender barriers by becoming the first female head of the newspaper division at Gannett, and advocating early on for the newspaper industry's adoption of technology.

I'm pleased to announce that with an endowed investment of \$100,000, APS has become the founding sponsor of the Sue Clark Johnson Professorship in News Innovation at the Walter Cronkite School

of Journalism at ASU. We hope others will join us in helping Sue's forward-thinking example to live on at the Cronkite School.

I appreciate the time you've taken to be with us, and I hope you come away from today's meeting with a sense of confidence in your company's financial strength, operating performance, policy leadership and commitment to Arizona—today and into the future.

Thank you.

ACC\_AR0551

PINNACLE WEST  
CAPITAL CORPORATION

CS#1505027

ACC\_AR0552

# Exhibit 24

August 17, 2014

**Via Hand Delivery & Regular Mail:**

Hon. Thomas C. Horne, Esq.  
Office of the Attorney General  
1275 West Washington Street  
Phoenix, AZ 85007-2926

**In the Matter of Arizona Free Enterprise Club:  
Investigation Regarding Illegal Political Activity**

Dear Attorney General Horne:

We read with interest the announcement that the Arizona Secretary of State's Office ("ASOS") has referred a matter to you regarding the Arizona Free Enterprise Club ("AFEC") on the basis that the ASOS has "reasonable cause" to believe that AFEC is in violation of Arizona campaign finance laws. As you likely know, we have a specific interest in this matter because we have been the subject of scurrilous attacks orchestrated by AFEC. We believe it crucial that the integrity of Arizona elections be preserved and, accordingly, provide you with our initial thoughts on this investigation and the issues that must be addressed.

First and foremost, we note that the response by AFEC to the ASOS does not address the issues as governed by Arizona campaign finance law. AFEC seeks to hide behind provisions of Section 501(c)(4) of the Internal Revenue Code and the regulations promulgated thereunder claiming exemption from Arizona's campaign finance law as an organization promoting "social welfare." Yet the Internal Revenue Code is not "exclusive" or "preempt" Arizona law in application in this matter. The State need not even address whether AFEC is in compliance with federal tax and campaign finance law.<sup>1</sup> Arizona law has concurrent application to AFEC and it is under Arizona law that it appears from AFEC's own admissions to the ASOS that AFEC has crossed the line in its political activity.

Under Arizona Revised Statutes Section 16-901 (19), a "political committee" means

any association or combination of persons that is organized, conducted or combined for the purpose of influencing the result of any election ... that engages *in political activity* in behalf of or against a candidate for election or retention or *in support of or opposition to an initiative, referendum or recall or any other measure or proposition*...except those exempt pursuant to section 16-903, that receives contributions or makes expenditures in connection therewith, notwithstanding that the association or combination of persons may be part of a larger association, combination of persons or sponsoring organization *not primarily* organized, *conducted* or combined for the

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<sup>1</sup> While we are focusing our analysis on Arizona campaign finance law and ignoring for purposes of this letter whether AFEC has violated federal tax and campaign finance laws, we believe there is significant justification for concern that AFEC also is in violation of federal tax and campaign finance laws.

purpose of influencing the result of any election in this state or in any county, city, town or precinct in this state.

(Emphasis added.)

Like federal tax law governing exemption under Section 501(c)(4) for “social welfare” activities, Arizona law as quoted above considers expenses associated with “political activity in behalf of or against a candidate” to be part of the basis of determining whether an organization should be deemed to be subject to the obligations to file as a “political committee” and disclose its donors. Unlike federal tax law as emphasized in the above definition, Arizona law includes in the basis of determining whether an organization is a “political committee,” expenditures “in support of or opposition to an initiative, referendum or recall or any other measure or proposition.”

AFEC has admitted to spending at least \$1,400,000 for “express advocacy” for the purpose of “political activity in behalf of or against a candidate for election.” It also has admitted that such spending is out of a combined expenditure for this election cycle of approximately \$3,400,000. AFEC then argues that, accordingly, it has only expended 37% of its funds on the subject “political activity.”

However, AFEC also has admitted to involvement in several city-focused initiatives and referenda. In its public filings, AFEC already has admitted to spending approximately \$263,250 in the City of Phoenix Pension election, \$140,000 in the City of Glendale tax election, and \$50,000 in the statewide referendum on election law through a campaign titled Stop Voter Fraud. We understand that AFEC likely has also spent additional funds in the Phoenix Pension election, the amount of which should be reported shortly. Further, AFEC also has reported spending \$162,455.24 that we were able to locate so far in legislative races. In addition, we have identified \$9,600 in independent expenditures in the City of Glendale council races.

Arizona law considers the expenditures in the City and statewide elections, both for and against candidates *and* expenditures in connection with ballot matters as “political activity” for purposes of measuring whether an organization must file as a “political committee” and complete all concomitant disclosures. Therefore, even if one only considers the additional “political activity” expenditures in the legislative races, the City of Glendale council races, the expenditures in the Phoenix and Glendale ballot elections and the statewide proposition along with those already admitted as “express advocacy,” AFEC will have spent approximately \$2,031,751.23. That level of spending out of \$3,400,000 in total expenditures in this election cycle on “political activity” amounts to approximately 59.75% of political activity expenditures of total expenditures.

AFEC may claim that its most recent political expenditures have not yet been included in its reported “total” expenditures, given the timing of its letter to the ASOS. If one adds to the total expenditures all expenditures made by AFEC since the date of the letter to the ASOS, amounting to an additional \$349,389.94 (which include an expenditure for Pierce, against Scott Smith, against Hallman, against Hamway, against Landis, for Montenagro, for Mitchell, against Robson, against Worsely, and in a Glendale independent expenditure), then AFEC’s total expenditures are \$3,749,389.94. This larger total expenditure amount would bring the total political activity expenditures to 54.18% of the total expenditures made by AFEC in this election cycle.

Thomas C. Horne, Esq.

August 17, 2014

Page 3

Clearly under Arizona law, AFEC cannot claim that its activities this election cycle are “not primarily...conducted...for the purpose of influencing the result of any election in this state.” Accordingly, AFEC is in violation of Arizona law for failing to file as a “political committee” and provide all the required disclosures of such a committee.

In addition, AFEC attempts to claim that all its administrative expenses should be considered “other” expenses in determining whether it has crossed the spending threshold into “political activity” requiring it to file as a “political committee.” As the “math” demonstrates above, one may not even need to consider this issue to conclude AFEC should file as a “political committee”. However, in the event one wishes to consider this element as well, clearly AFEC has spent a significant amount of its “administrative” time and activity on the very political activity it seeks to shield from public scrutiny and disclosure. At the least, AFEC’s administrative expenses should be ignored entirely in the numerator and the denominator when determining the percentage of expenditures that have been committed toward “political activity” versus other “social welfare” activities. On the other hand, if one were fairly analyzing the issue, one likely should instead conclude that AFEC’s administrative expense would be proportionally allocated to the “political activity” expenditures and the social welfare expenditures when determining the percentage of each.

Finally, we note again that the appropriate address of this matter is crucial to protecting the integrity of Arizona’s elections. We are concerned that the Arizona Attorney General’s Office must refer the matter to another agency for investigation. The website for your reelection campaign demonstrates that you have endorsed a candidate for Arizona Secretary of State and Arizona State Treasurer. Because AFEC has endorsed a candidate in each of these races and undertaken political activity against another candidates in these races, many may suggest that the Attorney General’s Office has a “conflict of interest” in investigating this matter. We respectfully request that this issue of a conflict be addressed immediately so that the investigation into AFEC’s activities is not delayed.

Please let us know if we may be of any further assistance.

Vernon Parker

Lucy Mason

Cc Via Mail & Email:

James Drake  
Arizona Secretary of State  
1700 W. Washington Street, Fl. 7  
Phoenix, AZ 85007-2808

Michael Liburdi, Esq.  
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# Exhibit 25

## Mother Jones

# Here Comes the Son: Barry Goldwater Jr. Fights for Solar Power in Arizona

*A fight over net-metering policy reveals rifts among conservatives.*

By [Kate Sheppard](#) | Thu Jul. 11, 2013 6:00 AM EDT

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The name Barry Goldwater is practically synonymous with conservatism in America. That's even more true in the late politician's home state of Arizona, which he represented for five terms in the US Senate. Now his son, Barry Goldwater Jr., is putting the family name behind an effort to protect solar energy's growing share of the electricity market—a struggle that has pitted him against entrenched utility interests and a right-wing dark-money group.

Goldwater, 74, is the chairman of Tell Utilities Solar Won't Be Killed (or TUSK, for short), a group launched in March to fight the state's largest electric utility, Arizona Public Service, on solar power. APS has been campaigning to get the state utility commission to change regulations dealing with net metering [1], a policy that allows homes and businesses with their own solar power systems to send excess energy they generate back to the grid and make money off of it. Forty-three states and the District of Columbia have a net-metering [2] policy in place.

Arizona has had net metering since 2009 [3], which has helped make it the second-ranked state in the country [4] in installed solar capacity. But APS has called for an overhaul [5] of the state's net-metering policy and plans to unveil its proposal to the regulators on the Arizona Corporation Commission this Friday.

APS argues that under the current arrangement, the 18,000 Arizonans with rooftop solar aren't paying enough to cover the cost of maintaining the grid. Even if a house has a solar system, it still uses the utility's infrastructure. It pulls energy from the grid when the sun is not shining and feeds energy back into the grid when the solar unit is generating more power than the house needs. The utility wants to lower the rate that it pays for solar power produced by these rooftop solar generators, or otherwise recoup the costs. "Our only point is that anybody who uses the grid should pay their fair share of the grid," said APS spokesman Jim McDonald.

Opponents, however, say reducing the incentives for rooftop solar will make it a less appealing investment. They argue that APS is going after net metering because it is worried that solar might start to cut into its profit margins, as fewer homeowners are buying from the grid and more are selling *to* it. McDonald said net metering has "zero impact" on the utility's profit margins right now—but it could down the line. "Eventually would it become a business issue? It probably would," he said.

Enter Goldwater. TUSK's sole concern is protecting net metering, and it has brought together [6] solar industry and other business groups to push back against APS. If APS is successful, said Goldwater, "they may very well kill rooftop solar in Arizona, and that would be a tragedy."

A politician in his own right, Goldwater represented California in the US House of Representatives from 1969 to 1983. (He still lives in California, though he is active in Arizona-based conservative organizations like the Goldwater Institute [7], named after his father.) His support for solar, he said, comes from conservative, free-market principles rooted in "creating choices for the American consumer."

"Choice means competition. Competition drives prices down and the quality up," Goldwater told *Mother Jones*. "The utilities are monopolies. They're not used to competition. That's what rooftop solar represents to them."

TUSK's campaign to date has been creative, to say the least. It includes a web video [8] of a large gorilla beating up a smaller one as a booming voice condemns the utility monopoly for "trying to kill the independent solar industry in Arizona," before Goldwater comes on screen to say that it's "not the American way, it's not the conservative way." Another ad features a song [9] about APS sung to the tune of "Total Eclipse of the Heart." (Chorus: "They don't think consumers are that smart.") The group has also been running ads on the *Drudge Report* and conservative radio [10] in the state.

---

**TUSK's campaign includes a web video of a large gorilla beating up a smaller one as a booming voice condemns the utility monopoly for "trying to kill the independent solar industry in Arizona."**

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The public relations company behind the campaign is Phoenix-based Rose + Moser + Allyn, led by Jason Rose, a well-connected member of the state's Republican establishment. Rose's wife, Jordan, is the founder of Rose Law Group, which represents California-based SolarCity [11], the county's largest installer of rooftop solar [12]. One environmentalist in the state

described Rose, 42, to me as "a hip, young, ultra-right-wing PR guy."

I asked Rose whether he thought the description fit. "I will gladly accept that moniker," he replied. The group hired a Republican polling firm [13] in March to survey likely voters on solar and found that 88 percent of all voters in the state—and 76 percent of Republicans—supported net metering.

"I think solar has just relied on the left for so long, and it hasn't made a strong intellectual effort to the right. And it should," Rose said. "Because it's entirely consistent with that more libertarian, free-market strand of the Republican Party."

Rose thinks that Arizona is the leading edge of a solar renaissance among conservatives. "Arizona might be the key focus group on this, and might be a leading indicator of a future shift in Republican attitudes not just in Arizona, but across the country," he argued.

But his group is getting push-back from APS and its allies—most of which are also conservative. The utility is a major donor to Republican causes in the state, giving \$25,000 to the Republican Victory Fund in the 2012 election, according to the Arizona Department of State records. Republicans have long held the majority in the state Legislature. The two renewable-friendly Democrats on the Corporation Commission, which will ultimately decide whether or not to approve APS's net-metering plan, lost reelection bids last fall, leaving an entirely Republican commission. APS has pretty entrenched supporters in the state.

"APS wields a lot of power," said Tom Mackin, president of the Arizona Wildlife Federation, which isn't involved in the net-metering fight but has worked on renewable energy issues in the state. "They pretty much get what they want."

Last week, the national conservative group 60 Plus Association entered the Arizona fight as well, with a website [14] and web ads [15] decrying "corporate welfare" for solar energy and raising the specter of Solyndra, the solar panel company that went bankrupt in 2011. 60 Plus bills itself as the conservative group representing senior citizens (the anti-AARP, if you will). As a 501(c)(4), the group does not have to disclose [16] its donors. It made big outside expenditures on Republicans [17] in 2012. While 60 Plus has weighed in on a federal renewable energy standard [18] in the past, claiming it would be bad for senior citizens [19], this appears to be the first state issue the group has taken on.

Renewable advocates have accused APS of funding the 60 Plus campaign [20], a charge that APS flatly

denied in an interview with *Mother Jones*. But the group's involvement is perhaps a sign of just how much attention is being paid to the net-metering fight in Arizona. Bryan Miller, president of the advocacy group Alliance for Solar Choice, recently deemed it [20] "the most significant fight for solar in the country."

That's why renewable energy advocates in the state say that having a voice like Goldwater's involved is changing the game. "It really does make a big difference when a group like TUSK comes out and they say directly, 'Look, the utilities are trying to kill solar,'" said Nancy LaPlaca, a Phoenix-based energy consultant.

Goldwater paints the fight to keep net metering as going to the very heart of Republican values. "Conservatives believe in individual freedom, in choice, in competition," he said. "We believe all of those things allow people to live a better life—to be able to choose what they want to do and not have a monopoly, or in the case of government, big government, telling them how to live their life. So it's a very natural place for a conservative to be. I think as time goes by you'll see more and more Republicans vocalize this."

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**Source URL:** <http://www.motherjones.com/environment/2013/07/barry-goldwater-tusk-arizona-solar-net-metering>

**Links:**

- [1] <http://www.seia.org/policy/distributed-solar/net-metering>
- [2] <http://www.greentechmedia.com/articles/read/APS-Responds-to-Sunrun's-CEO-Ed-Fenster-on-Net-Metering>
- [3] [http://www.dsireusa.org/incentives/incentive.cfm?Incentive\\_Code=AZ24R](http://www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=AZ24R)
- [4] <http://www.seia.org/state-solar-policy/Arizona>
- [5] <http://www.azcentral.com/opinions/articles/20130411brandt-make-solar-power-subsidiesbeneficial-all-customers.html>
- [6] <http://dontkillsolar.com/site/>
- [7] <http://goldwaterinstitute.org/board-directors>
- [8] [http://www.youtube.com/watch?v=Q5r6YCPtB\\_M&feature=youtu.be](http://www.youtube.com/watch?v=Q5r6YCPtB_M&feature=youtu.be)
- [9] <http://www.youtube.com/watch?v=6Vv8pWdXuNA&feature=youtu.be>
- [10] <http://www.icontact-archive.com/uQG2BPiu9o2n2AokIg1xPmELhS-dVHHZ?w=3>
- [11] <http://www.solarcity.com/>
- [12] <http://www.greentechmedia.com/articles/read/who-reigns-supreme-in-residential-solar/>
- [13] <http://www.icontact-archive.com/uQG2BPiu9o2n2AokIg1xPjWUq1chdWZZ?w=3>
- [14] <http://azsolarfacts.com/>
- [15] <http://azsolarfacts.com/get-the-facts-video>
- [16] <http://www.factcheck.org/2010/10/60-plus-association/>
- [17] <http://www.opensecrets.org/orgs/summary.php?id=D000046269>
- [18] <http://www.prnewswire.com/news-releases/seniors-urge-congress-to-oppose-federal-renewable-energy-standards-62153962.html>

[19] <http://60plus.org/aw548/>

[20] <http://www.greentechmedia.com/articles/read/New-Attack-on-Solar-in-Arizona>

ORIGINAL

OPEN MEETING AGENDA ITEM

E-01345A-13-0248



0000149190



BOB BURNS  
COMMISSIONER

Direct Line: (602) 542-3682  
Email: RBurns-web@azcc.gov

RECEIVED

711 OCT 30 A 9:49

ARIZONA CORPORATION  
COMMISSION

AZ CORP COMMISSION  
DOCKET CONTROL

October 30, 2013

RE: Net Metering Docket No. E-01345A-13-0248

Dear Commissioners and Interested Stakeholders:

I am troubled by the magnitude and cost of recent public relations campaigns related to the Commission's docket on net metering. I am concerned that ratepayer money might be funding these campaigns—whether through expenditures that the utilities will seek to recover in future rate cases or through person-hours worked by individuals whose salaries are paid by ratepayers. Although the Commission does not regulate solar providers, I am also interested in learning how much money the solar providers have expended on their campaigns related to net metering.

Consequently, I am requesting the following information from Arizona Public Service Company, Tucson Electric Power Company, Unisource Energy, and the Electric Cooperatives. I am also asking solar providers and their related organizations to answer these same questions because the information will be helpful to me in my consideration of these important matters.

Here are the questions:

- 1) *How much money did your company, organization, shareholders, members, and/or parent company spend concerning net metering? Your answers should include funds spent to support lobbying efforts and contributions to organizations that lobby or retain lobbyists to promote supporting views.*
- 2) *Please identify the approximate number of hours your salaried staff spent on the public relations campaign to support your positions.*
- 3) *If you are a regulated utility, will you be seeking to recover in a future rate case (i.e., through operation and administrative costs, etc.) funds expended to promote your views?*

Please provide your responses by November 6, 2013. Your timely responses would be most helpful to me in my future consideration of these matters.

Sincerely,

Robert L. Burns

Arizona Corporation Commission

DOCKETED

OCT 30 2013

DOCKETED BY

OPEN MEETING AGENDA ITE

 **aps** ORIGINAL



0000149813

RECEIVED

2013 NOV - 6 P 4:52

Z CORP COMMISSION  
SOCKET CONTROL

November 6, 2013

Pinnacle West Capital Corp.,  
Law Department  
Mail Station 8695  
PO Box 53999  
Phoenix, Arizona 85072-3999  
Tel 602-250-3616  
Thomas.Loquvarn@pinnaclewest.com

Arizona Corporation Commission  
**DOCKETED**

NOV - 6 2013

DOCKETED BY

nr

Re: October 30, 2013 Letter Concerning Net Metering Public Relations  
Docket No. E-01345A-13-0248

Dear Commissioner Burns:

Arizona Public Service Company submits this response to your October 30, 2013 letter in the above-referenced docket. In your letter, you asked about public relations efforts undertaken by the Company to inform the public about the complicated issues associated with Net Metering (NEM). Before addressing your questions, the following background may provide helpful context.

APS initiated the public discussion about NEM earlier this year with a series of extensive public workshops. These workshops, which included various presentations from the solar industry perspective, focused on facts and policy positions, and exemplified the type of discussion APS sought to have: rational, fact-based exchanges about NEM with any disagreements expressed through dialogue and reasoned debate.

Instead, solar leasing companies adopted a different approach that can best be characterized by recent statements, quoted in SNL Financial, from Jigar Shah, the founder and former CEO of SunEdison: "I love kicking people in the head. And this is going to be amazing with Arizona for us to practice this kicking style to see where it goes." Mr. Shah continued, "[w]e're not going to even acknowledge that [NEM] has any cost to the people. In fact, we're going to say something even more outrageous, which is that we save them [thousands of dollars] for systems that we install."<sup>1</sup>

APS will defend its customers and itself when confronted by such an approach.

<sup>1</sup> "In solar/utility fight, some question us vs. them framing," SNL Financial, Monday, October 28, 2013, filed in this docket on October 30, 2013.

Robert L. Burns  
November 6, 2013  
Page 2 of 3

In its most recent 10Q filed with the Securities and Exchange Commission, Pinnacle West disclosed that through September 30, 2013, it spent nine million dollars related to communication and other costs associated with NEM and deregulation. This disclosure was recently misreported as the amount spent on public relations efforts only, which is not accurate. A portion of the nine million dollars does include NEM public relations expenditures, as referenced below. But it also includes, for instance, fees paid to technical consultants in connection with policy analysis, such as wholesale market structure and design issues in preparation for the deregulation discussion, among others. And it includes APS's general corporate advertisements, such as APS's general "I Stand for Solar" campaign.

With respect to your specific questions, APS responds as follows:

**Question 1: How much money did your company, organization, shareholders, members, and/or parent company spend concerning net metering? Your answers should include funds spent to support lobbying efforts and contributions to organizations that lobby or retain lobbyists to promote supporting views.**

**Response:** In connection with NEM public relations work, Pinnacle West spent approximately 3.7 million dollars.

**Question 2: Please identify the approximate number of hours your salaried staff spent on the public relations campaign to support your positions.**

**Response:** NEM is an ongoing program that is supported on a daily basis as part of routine daily operations. APS incurs costs associated with employees in the call center, billing, metering, public affairs, information technology and others that spend part or even all of their daily activities on work that supports or relates to this program. APS understands your question as only seeking incremental time spent by salaried staff on NEM public relations. With this understanding, APS estimates that over the past six months, the equivalent of four full time employees worked full time (approximately 4,000 hours) on NEM public relations.

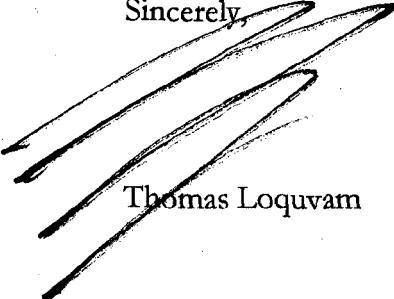
**Question 3: If you are a regulated utility, will you be seeking to recover in a future rate case (i.e., through operation and administrative costs, etc.) funds expended to promote your views?**

**Response:** No.

Robert L. Burns  
November 6, 2013  
Page 3 of 3

I hope that these answers provide you the information you need. APS looks forward to working with you, the other commissioners and stakeholders to implement an NEM policy that is fair to all customers and promotes a sustainable future for solar technology in Arizona.

Sincerely,



Thomas Loquvam

c: Chairman Bob Stump  
Commissioner Gary Pierce  
Commissioner Brenda Burns  
Commissioner Susan Bitter Smith  
Parties of Record

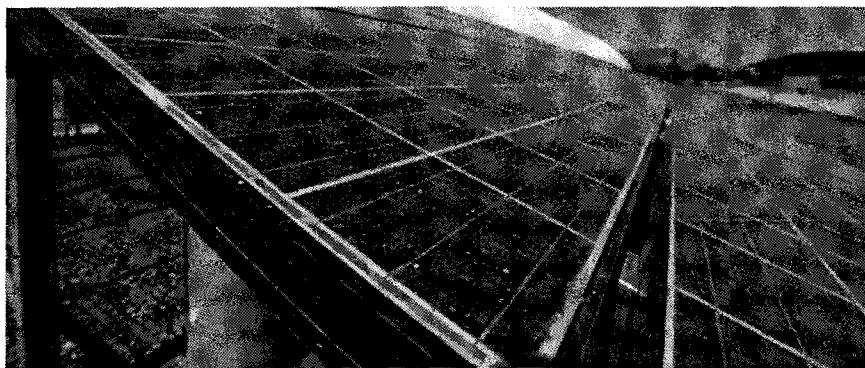
September 14, 2015



**Kate Sheppard** [Become a fan](#)  
[kate.sheppard@huffingtonpost.com](mailto:kate.sheppard@huffingtonpost.com)

## Arizona Solar Policy Fight Heats Up As Utility Admits To Funding Nonprofits' Campaign Ads

Posted: 10/25/2013 6:58 pm EDT | Updated: 10/26/2013 12:11 pm EDT



WASHINGTON -- Arizona's largest utility admitted this week that it had paid a national conservative group to run anti-solar ads, after denying earlier in the year that it was funding the campaign.

The Arizona Public Service has been pushing the state's public utility commission to change a state policy that currently allows homes and businesses with their own solar power systems to sell the excess energy they generate back to the grid. The policy, known as net metering, has been in place in Arizona since 2009, and according to solar advocates in the state, it has helped create a boom in the demand for rooftop solar. APS is trying to change the policy by increasing prices for solar customers, based on the argument that those users aren't paying their fair share for use of the grid and other infrastructure. Solar proponents say the proposed changes to net metering could essentially "kill rooftop solar in Arizona."

The debate over the policy has split along some interesting political lines, with the son of Republican icon Barry Goldwater defending net metering against attacks from a national conservative organization. The 60 Plus Association, which presents itself as a more conservative alternative to the AARP, has been running ads in the state, along with a website, bashing the solar net-metering policy as "corporate welfare."

In July, when this reporter asked APS spokesman Jim McDonald point-blank whether APS was funding the 60 Plus ads, he denied it, saying, "No, we are not."

But this week, the Arizona Republic revealed that APS did in fact contribute to the 60 Plus effort, as well as to ads by free market advocacy group Prosper, and potentially others. "It goes through our consultant," McDonald told The Huffington Post on Friday, "but APS money does ultimately fund 60 Plus and Prosper."

"I know what I told you earlier," McDonald said. "That was my understanding at the time." He said he doesn't know how much APS money went toward those campaigns and dismissed the issue as "a phony controversy fueled by opponents who are eager to distract attention from the real substance from the issue."

"We're in the middle of a bitter political fight," he said in defense of funding the ads. "This is not a battle that we want to fight, but we cannot back down."

APS has maintained that it is not anti-solar, it just wants to change the net metering policy. "We've been painted as anti-solar," McDonald said. "That's just absolutely untrue."

But the ads and website from 60 Plus have been much more openly hostile to solar energy than APS has been in its public statements.

60 Plus is backed by the Koch brothers, and the Arizona Republic confirmed that the work against net metering in Arizona is being coordinated by conservative operative Sean Noble, who has been described as "the wizard behind the screen" in the Kochs' donor network.

Prosper, the other named group that received money for its ads, is led by former Arizona Speaker of the House Kirk Adams (R) and has campaigned against net metering and against the expansion of Medicaid.

On Thursday, two other nonprofits operated by Noble and Adams were fined \$1 million for failing to appropriately disclose political spending in California's elections last year.

The revelations about APS' funding of the anti-solar campaign have sparked further debate. Solar proponents, including the Alliance for Solar Choice and the Arizona Solar Energy Industries Association, are now calling on the state attorney general and utility regulators at the Arizona Corporation Commission to look into whether APS illegally used rate-payer funds as part of those efforts.

"APS knows how popular solar is," said Bryan Miller, president of the Alliance for Solar Choice and vice president of public policy at the solar energy company Sunrun. "Rather than owning up to their attacks, they set up shady organizations and worked behind them, and lied to the public and regulators for months and months. They owe the public an explanation."

McDonald told HuffPost that ratepayer money was not used to pay for the campaigns, but that the funds came from shareholders in APS' parent company, Pinnacle West Capital Corp., which is publicly traded.

The net metering fight has even boiled over into Arizona's electoral politics.

Last week Wil Cardon, a Republican candidate in the 2014 primary race for secretary of state, accused one of his opponents, Justin Pierce -- son of ACC commissioner Gary Pierce -- of soliciting campaign support in exchange for his father's influence on utility regulation. Cardon's campaign identified two individuals on the host committee for a Justin Pierce fundraiser as employees of firms that have done work for APS at one time. But both of those lobbyists told The Huffington Post that they do not currently and have never lobbied on behalf of APS.

In response to the criticism, Pierce announced that his campaign will be publicly funded.

The Huffington Post learned on Friday that APS' chief lobbyist, Jessica Pacheco, reserved a room at the Phoenix Country Club for a campaign event for Justin Pierce on Oct. 16. McDonald said that Pacheco, a club member, booked the room for Pierce because she is friends with Pierce spokesman Alan Heywood and because the campaign could not reserve the room directly.

"Jessica simply provided access to a venue at the request of a friend," McDonald said. "Jessica did not invite anyone from APS. She did not help organize the event." He said that any costs incurred for the event would by law have to be paid for by the campaign.

Reached for comment on Friday evening, Heywood said he was not aware of Pacheco's role in booking a room for that event. "I don't know anything about that," Heywood said. "How you get a room for an event there, I have no idea." Heywood did confirm that he is friends with Pacheco, but was unsure whether she or any other APS staff attended the event because he arrived late. He did confirm that the campaign paid for the event.

The Cardon campaign has also implied in public statements that a company like APS or a political operative like Noble or Adams could make outside expenditures in support of Pierce's campaign. Heywood told HuffPost that it would be illegal for the campaign to "coordinate on anything like that."

"He's not doing that and won't do it," said Heywood.

APS spokesman McDonald also brushed aside the suggestion. "APS is a company that has a reputation for dealing with everybody in a very upfront and open way. We have a reputation in this community that has been built over a hundred years," he said. "We're not going to do anything to jeopardize that reputation."

But the revelations about the previously undisclosed funding to 60 Plus and Prosper aren't helping that reputation. And renewables proponents are growing increasingly worried about where the senior Pierce might come down on the net metering question. They pointed to several recent letters from Commissioner Gary Pierce that they think indicate he might support APS' efforts to change the net metering policy.

In July, Pierce requested a study from commission staff to examine whether the net metering policy should be changed. In an Oct. 17 letter, Pierce requested additional information from all parties after the staff report recommended against APS' proposal and in favor of not changing the net metering policy at this time.

Pierce has denied suggestions that he's taken any position on net metering at this point. "I am still considering all of the arguments, which is why I am actively seeking more input," Pierce said in a written response to questions from HuffPost. "My goal is to get this issue right for all ratepayers, and to have a sound policy that will work for years to come, not only for APS, but for the solar industry as well."

He also accused renewable advocates of "using the Justin Pierce Campaign to intimidate me on this important issue." "All parties are better served by continuing to meet with Commissioners to work out a solution which is fair for all APS customers," he wrote. "My door has always been open to all parties and they know it!"

Forty-three states and the District of Columbia have net metering policies in place, which has helped drive the growth in solar energy in the U.S. in recent years. But there have been attempts in at least four states in the last year to roll back those policies.

The ACC is expected to begin hearings on proposals to revise the net metering policy in November.

MORE: [Elections](#) [Arizona Corporation Commission](#) [Green Energy](#) [Koch Brothers](#) [Net Metering](#) [Utilities](#) [Sean Noble](#) [Arizona 60 Plus Solar](#) [Rooftop Solar Panels](#) [Campaign Finance](#) [Dark Money](#)

## Conversations

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Part of HPMG News

# Exhibit 26



July 24, 2014

Lucy Mason  
301 E Rosser Street  
Prescott, AZ 86301

Vernon Parker  
740 S Mill Avenue, Suite 200  
Tempe, AZ 85281

Dear Ms. Mason and Mr. Parker:

This letter responds to yours dated July 21, 2014 regarding two statements in an Arizona Free Enterprise Club mailer – that you (1) “SUPPORT Obama’s energy agenda” and (2) “are even accepting fundraising help from Obama’s very own non-profit group.” Despite your letter’s legal protestations, neither of these statements is actionable.

First, the statement that your campaigns “SUPPORT Obama’s energy agenda” is certainly supported by the facts. It is well-known that President Obama’s energy agenda includes providing government subsidies to alternative forms of energy production such as solar. A predominant component of both of your campaigns for the Arizona Corporation Commission includes vigorous support for solar energy net metering subsidies and special tax breaks for green energy firms.

Second, the statement that your campaigns “are even accepting fundraising help from Obama’s very own non-profit group” is hardly false. Your campaigns have received substantial fundraising support from “TUSK” (Tell Utilities Solar won’t be Killed) primarily through collecting \$5 qualifying contributions under the Clean Elections Act. It has been widely reported that TUSK has received support from Obama Administration subsidies and TUSK’s agenda has been endorsed by Organizing for Action. *E.g.*, Obama comes to TUSK’s rescue in Arizona solar fight, Western Free Press, <http://www.westernfreepress.com/2013/08/23/obama-comes-to-tusks-rescue-in-arizona-solar-fight/> (August 23, 2013); Barack Obama’s non-profit group takes sides in Arizona’s solar-energy battle, Phoenix New Times, [http://blogs.phoenixnewtimes.com/valleyfever/2013/08/barack\\_obamas\\_non-profit\\_group.php](http://blogs.phoenixnewtimes.com/valleyfever/2013/08/barack_obamas_non-profit_group.php) (August 23, 2013).

Given that your campaign positions clearly align with President Obama’s energy agenda, that TUSK has provided Clean Elections Act fundraising assistance, and that news reports have linked TUSK, Obama Administration subsidies, and Obama’s own non-profit group, it does not appear to me that either statement is materially inaccurate. Nevertheless, I invite you to: (1) provide me with a detailed analysis of how the two statements that you complain of are untrue and (2) provide full disclosure of the support provided to you by TUSK, Organizing for America,



and any other solar company, organization or individual whose interests are aligned with President Obama's energy policy.

Sincerely,

A handwritten signature in black ink, appearing to read "Scot M." followed by a short horizontal line.

Scot Mussi  
Executive Director  
Arizona Free Enterprise Club

# Exhibit 27

# Brownstein Hyatt Farber Schreck

August 3, 2014

Kory A. Langhofer  
Attorney at Law  
602.382.4078 tel  
602.382.4020 fax  
klanghofer@bhfs.com

## VIA E-MAIL

Arizona Secretary of State's Office  
c/o Christina Estes-Werther, State Elections Director  
1700 West Washington Street, 7th Floor  
Phoenix, Arizona 85007

RE: Audit of Save Our Future Now

Ms. Estes-Werther:

I am writing on behalf of Save Our Future Now (the "Organization") in response to your letter of July 23, 2014, concerning the Organization's expenditures during the current election cycle. Specifically, your letter requested "information about the expenditures [the Organization] has made to offset the primary purpose of influencing elections." Although we object to the audit letter for the reasons expressed below, the Organization is willing to provide to your office basic information concerning its expenditures to date in the 2014 election cycle.

### A. The Secretary of State's Office Lacks Authority to Audit the Organization

As a preliminary matter, we would like to express concern about the issuance of audit letters by the Arizona Secretary of State. The audit letter referenced no statutory, constitutional, or other legal authority for the audits and, to our knowledge, the Arizona Secretary of State lacks legal authority to compel the production or disclosure of sensitive internal information by politically active organizations apart from the information required for registration and disclosure under Title 16 of the Arizona Revised Statutes.

Because the recipients of the audit letter are not legally required to disclose the requested information to your office, the Fifth Amendment to the U.S. Constitution, which provides the right to remain silent, prohibits your office from basing any "reasonable cause" finding or referral to the Arizona Attorney General's office on the refusal of an organization to respond to the audit letter or the supposed inadequacy of any such response. See generally *Griffin v. California*, 380 U.S. 609, 615 (1965) (discussing the right to remain silent).

### B. The Organization's Current Expenditures

Notwithstanding our objection to the issuance of the audit letter, the Organization is willing to provide basic information concerning its expenditures to date in the 2014 election cycle. As of the date of this letter, the Organization has spent approximately \$1,471,000. Of that, approximately \$19,000 has been spent on administrative costs such as legal and accounting fees; approximately \$960,000 has been spent on social welfare activities (excluding Arizona ballot measure campaigns, which constitute electioneering activities for purposes of Arizona law but not federal tax law); and approximately \$492,000 to influence candidate or

One East Washington Street, Suite 2400  
Phoenix, AZ 85004  
main 602.382.4040

Arizona Secretary of State  
August 3, 2014  
Page 2

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ballot measure elections in Arizona or elsewhere.<sup>1</sup> Excluding administrative costs, the Organization has spent approximately 66% of its funds on social welfare activities during the 2014 election cycle—which easily satisfies the requirement that the Organization not be “organized, conducted or combined” primarily for the purpose of influencing Arizona elections. See Ariz. Rev. Stat. § 16-901(19).

Although the Organization will likely make additional independent expenditures in the 2014 election cycle, it will at all times ensure that its social welfare expenditures (as defined above) continue to exceed its electioneering expenditures (again, as defined above).

Please do not hesitate to contact me with any questions.

Sincerely,

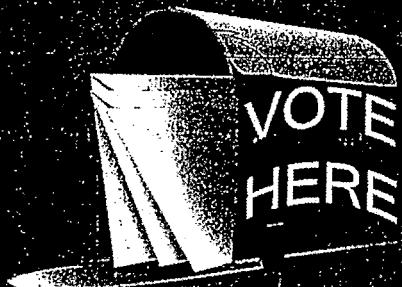
/s/ Kory A. Langhofer  
Kory A. Langhofer

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<sup>1</sup> As you may know, some organizations tend to overreport their social welfare expenditures by wrongly classifying as social welfare certain public communications that “in context can have no reasonable meaning other than to advocate the election or defeat of one or more clearly identified candidates.” See Ariz. Rev. Stat. § 16-901.01(A)(1). The Organization decidedly does not take that approach. Rather, the Organization treats as social welfare only expenditures that, under the guidance of the Internal Revenue Service, could be made by an organization operating under Section 501(c)(3) of the Internal Revenue Code (and therefore do not constitute partisan political campaign intervention) and that do not advance the passage or defeat of an Arizona ballot measure. See generally I.R.S. Rev. Rul. 2007-41 (June 18, 2007). A representative sample of the Organization’s social welfare communications is attached hereto as Exhibit A.

## **Exhibit A**

TURN YOUR MAILBOX  
INTO A BALLOT BOX



BECOME AN EARLY  
VOTER TODAY!

Save Our Future Now  
3104 E. Camelback Rd. #1126  
Phoenix, AZ 85016

PRST STD  
U.S. POSTAGE  
PAID  
PHX, AZ  
PERMIT NO 4559

CONVENIENT  
EASY, SAFE &  
MAIL IS  
VOTING BY

Convenience Ballot Box  
Drop-off location  
67% of voters mail-in  
Convenience Ballot Box  
Drop-off location  
67% of voters mail-in  
Convenience Ballot Box  
Drop-off location  
67% of voters mail-in  
Convenience Ballot Box  
Drop-off location  
67% of voters mail-in

TEAR HERE AND MAIL BACK  
(YOU MAY DROP THIS CARD IN THE MAIL OR USE AN ENVELOPE)

PLACE  
STAMP  
HERE

Save Our Future Now  
VOTE BY MAIL CENTER  
3104 E. Camelback Rd. #1126  
Phoenix, AZ 85016

## MAIL BALLOT REQUEST

FOR THE PRIMARY ELECTION ON AUGUST 26, 2014 AND  
GENERAL ELECTION ON NOVEMBER 4, 2014

PLEASE PUT ME ON THE PERMANENT EARLY VOTER LIST

Last Name \_\_\_\_\_ First Name \_\_\_\_\_ MI. \_\_\_\_\_

Resident Address | Apt # \_\_\_\_\_ City \_\_\_\_\_ ZIP \_\_\_\_\_

DATE OF BIRTH (FOR VERIFICATION) MM/DD/YY

( ) Phone \_\_\_\_\_ Email \_\_\_\_\_

VOTER SIGNATURE REQUIRED BY LAW



## MAIL BALLOT REQUEST (for spouse)

FOR THE PRIMARY ELECTION ON AUGUST 26, 2014 AND  
GENERAL ELECTION ON NOVEMBER 4, 2014

PLEASE PUT ME ON THE PERMANENT EARLY VOTER LIST

Last Name \_\_\_\_\_ First Name \_\_\_\_\_ MI. \_\_\_\_\_

Resident Address | Apt # \_\_\_\_\_ City \_\_\_\_\_ ZIP \_\_\_\_\_

DATE OF BIRTH (FOR VERIFICATION) MM/DD/YY

( ) Phone \_\_\_\_\_ Email \_\_\_\_\_

VOTER SIGNATURE REQUIRED BY LAW



**TEAR HERE AND MAIL BACK**

(YOU MAY DROP THIS CARD IN THE MAIL OR USE AN ENVELOPE)

## BECOME AN EARLY VOTER IN 3 EASY STEPS

STEP 1

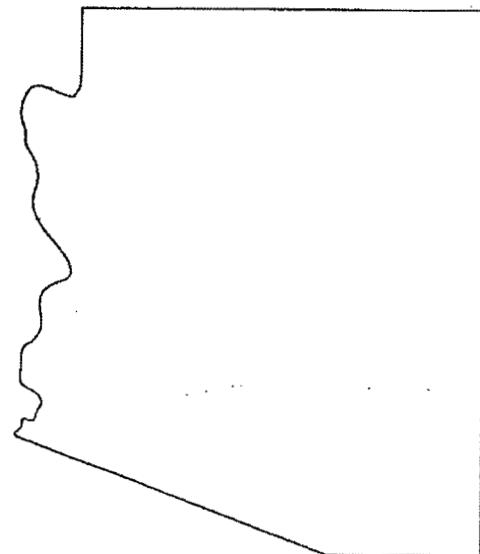
Tear off the application card at the bottom of this page and  
check to make sure your information is correct

STEP 2

Fill in your date of birth (for verification purposes) and  
sign your name on the application

STEP 3

Check the box on the application to become a permanent  
early voter and mail the application back to us



2014 WILL BE A VERY IMPORTANT YEAR FOR THE  
FUTURE OF ARIZONA. MANY IMPORTANT OFFICES  
WILL BE DECIDED BY VOTERS LIKE YOU:

Governor

Secretary of State

Treasurer

Attorney General

Superintendent of Public Instruction

Corporation Commissioner

Paid for by Save Our Future Now. Not Authorized by any candidate or candidate's campaign committee.

**Read, Nancy**

---

**From:** Estes-Werther, Christina  
**Sent:** Sunday, August 03, 2014 4:32 PM  
**To:** Drake, Jim; Read, Nancy; Morales, Yolanda  
**Cc:** Crawford, Kim  
**Subject:** Fwd: Response to SoS Audit Letter -- Save Our Future Now  
**Attachments:** Response to SoS Audit (11485043-1).PDF; ATT00001.htm

---

FYI- Response from the audit from Save Our Future Now. They object to our request but provided some info.

Christina

Sent from my iPhone

Begin forwarded message:

**From:** "Langhofer, Kory A." <[KLanghofer@BHFS.com](mailto:KLanghofer@BHFS.com)>  
**Date:** August 3, 2014, 4:15:12 PM MST  
**To:** "Estes-Werther, Christina" <[cwerther@azsos.gov](mailto:cwerther@azsos.gov)>  
**Cc:** "Bales, Chase A." <[CBales@BHFS.com](mailto:CBales@BHFS.com)>  
**Subject:** Response to SoS Audit Letter -- Save Our Future Now

Christina:

I have attached for the response of Save Our Future Now to the audit letter issued by your office on July 23, 2014. Please do not hesitate to contact us with any questions.

-Kory

---

**Kory A. Langhofer**  
Brownstein Hyatt Farber Schreck, LLP  
One East Washington Street, Floor 24  
Phoenix, Arizona 85004  
Desk: (602) 382-4078  
Cell: (602) 571-4275  
Fax: (602) 382-4020  
[klanghofer@bhfs.com](mailto:klanghofer@bhfs.com)

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## ORDER



Orders	Order / Rev:	36810	KTVK - Phoenix
	Alt Order #:	07298525	Cheryl Blair
	Product Desc:	SAVE OUR FUTURE 8/1	T-WDC
	Estimate:	510	NTL
	Flight Dates:	08/01/14 - 08/06/14	
	Original Date / Rev:	07/31/14 / 07/31/14	
	Order Type:	P-NONPAC	
Agency	Name:	SRCP Media Inc	
	Buying Contact:		Cash
	Billing Contact:		Broadcast
		201 N. Union Street Ste 200	EOM/EOC
		Alexandria, VA 22314	15%
Advertiser	Name:	Save Our Future Now	
	Demographic:	A35+	New Business Thru:
	Product Codes:	Ballot Issue	Order Separation:
	Priority:	04-TR-	Advertiser External ID:
	Revenue Codes:	AGY, POL, POL-ISS	Agency External ID:

Bill Plan					Totals				
Start Date	End Date	# Spots	Gross Amount	Net Amount	Month	# Spots	Gross Amount	Net Amount	Rating
07/28/14	08/06/14	44	\$25,625.00	\$21,781.25	August 2014	44	\$25,625.00	\$21,781.25	0.00
					Totals	44	\$25,625.00	\$21,781.25	0.00

## Account Executives

Account Executive	Sales Office	Sales Region	Start Date / End Date	Order %
Cheryl Blair			Start Of Order - End Of Order	100%

Order Share	Share	Total
KTVK - Phoenix	15%	\$25,625.00
Market	100%	\$170,833.33

Competitive Share	Share	Total
CABLE	0%	\$0.00
KAET	0%	\$0.00
KASW	0%	\$0.00
KAZT	0%	\$0.00
KBCZ	0%	\$0.00
KBPX	0%	\$0.00
KDRX	0%	\$0.00
KMCC	0%	\$0.00
KMOH	0%	\$0.00
KNAZ	0%	\$0.00
KNXV	0%	\$0.00
KPAZ	0%	\$0.00
KPHO	0%	\$0.00
KPNX	0%	\$0.00
KPPX	0%	\$0.00
KSAS	0%	\$0.00
KTFL	0%	\$0.00
KTVW	0%	\$0.00
KUSK	0%	\$0.00
KUTP	0%	\$0.00

OTVK 0% \$0.00  
UNKWN 85% \$145,208.33

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Order / Rev:	36810	Advertiser:	Save Our Future Now
Alt Order #:	07298525	Product Desc:	SAVE OUR FUTURE 8/1
Flight Dates:	08/01/14 - 08/06/14	Estimate:	510

Ln	Ch	Start	End	Inventory Code	Break	Start/End Time	Days	Len	Spots	Rate	Pri	Rtg	Type	Spots	Amount
E 1	KTVK	08/01/14	08/06/14	KTVK News at 5a M-F	CM	5:00 AM-6:00 AM	MTW-F--	:30	2	\$300.00	03-TF	0.00	NM	2	\$600.00
KTVK News at 5a M-F															
<u>Start Date</u>		<u>End Date</u>	<u>Weekdays</u>	<u>Spots/Week</u>		<u>Rate</u>	<u>Rating</u>								
Week: 07/31/14		08/06/14	MTW-F--	2	\$300.00	0.00									
E 2	KTVK	08/01/14	08/06/14	KTVK News at 530p M-RCM		5:30 PM-6:00 PM	MTW-F--	:30	3	\$550.00	03-TF	0.00	NM	3	\$1,650.00
KTVK News at 530p M-F															
<u>Start Date</u>		<u>End Date</u>	<u>Weekdays</u>	<u>Spots/Week</u>		<u>Rate</u>	<u>Rating</u>								
Week: 07/31/14		08/06/14	MTW-F--	3	\$550.00	0.00									
E 3	KTVK	08/01/14	08/06/14	KTVK News at 6p M-F	CM	6:00 PM-6:30 PM	MTW-F--	:30	5	\$550.00	03-TF	0.00	NM	5	\$2,750.00
KTVK News at 6p M-F															
<u>Start Date</u>		<u>End Date</u>	<u>Weekdays</u>	<u>Spots/Week</u>		<u>Rate</u>	<u>Rating</u>								
Week: 07/31/14		08/06/14	MTW-F--	5	\$550.00	0.00									
E 4	KTVK	08/01/14	08/06/14	KTVK News at 6a M-F	CM	6:00 AM-7:00 AM	MTW-F--	:30	5	\$600.00	03-TF	0.00	NM	5	\$3,000.00
KTVK News at 6a M-F															
<u>Start Date</u>		<u>End Date</u>	<u>Weekdays</u>	<u>Spots/Week</u>		<u>Rate</u>	<u>Rating</u>								
Week: 07/31/14		08/06/14	MTW-F--	5	\$600.00	0.00									
E 5	KTVK	08/01/14	08/06/14	M-F 7p-730p	CM	7:00 PM-7:30 PM	MTW-F--	:30	2	\$1,100.00	03-TF	0.00	NM	2	\$2,200.00
M-F 7p-730p															
<u>Start Date</u>		<u>End Date</u>	<u>Weekdays</u>	<u>Spots/Week</u>		<u>Rate</u>	<u>Rating</u>								
Week: 07/31/14		08/06/14	MTW-F--	2	\$1,100.00	0.00									
E 6	KTVK	08/01/14	08/06/14	KTVK News at 7a M-F	CM	7:00 AM-8:00 AM	MTW-F--	:30	5	\$600.00	03-TF	0.00	NM	5	\$3,000.00
KTVK News at 7a M-F															
<u>Start Date</u>		<u>End Date</u>	<u>Weekdays</u>	<u>Spots/Week</u>		<u>Rate</u>	<u>Rating</u>								
Week: 07/31/14		08/06/14	MTW-F--	5	\$600.00	0.00									
E 7	KTVK	08/01/14	08/06/14	M-F 730p-8p	CM	7:30 PM-8:00 PM	MTW-F--	:30	3	\$1,000.00	03-TF	0.00	NM	3	\$3,000.00
M-F 730p-8p															
<u>Start Date</u>		<u>End Date</u>	<u>Weekdays</u>	<u>Spots/Week</u>		<u>Rate</u>	<u>Rating</u>								
Week: 07/31/14		08/06/14	MTW-F--	3	\$1,000.00	0.00									
E 8	KTVK	08/01/14	08/06/14	KTVK News at 8a M-F	CM	8:00 AM-9:00 AM	MTW-F--	:30	5	\$550.00	04-TF	0.00	NM	5	\$2,750.00
KTVK News at 8a M-F															
<u>Start Date</u>		<u>End Date</u>	<u>Weekdays</u>	<u>Spots/Week</u>		<u>Rate</u>	<u>Rating</u>								
Week: 07/31/14		08/06/14	MTW-F--	5	\$550.00	0.00									
E 9	KTVK	08/01/14	08/06/14	M-F 8p-9p	CM	8:00 PM-9:00 PM	MTW-F--	:30	2	\$275.00	04-TF	0.00	NM	2	\$550.00
M-F 8p-9p															
<u>Start Date</u>		<u>End Date</u>	<u>Weekdays</u>	<u>Spots/Week</u>		<u>Rate</u>	<u>Rating</u>								
Week: 07/31/14		08/06/14	MTW-F--	2	\$275.00	0.00									
E 10	KTVK	08/01/14	08/06/14	KTVK News at 9a M-F	CM	9:00 AM-10:00 AM	MMTW-F--	:30	4	\$400.00	03-TF	0.00	NM	4	\$1,600.00
KTVK News at 9a M-F															
<u>Start Date</u>		<u>End Date</u>	<u>Weekdays</u>	<u>Spots/Week</u>		<u>Rate</u>	<u>Rating</u>								
Week: 07/31/14		08/06/14	MTW-F--	4	\$400.00	0.00									
E 11	KTVK	08/01/14	08/06/14	KTVK News at 9p M-F	CM	9:00 PM-10:00 PM	MMTW-F--	:30	5	\$550.00	03-TF	0.00	NM	5	\$2,750.00
KTVK News at 9p M-F															
<u>Start Date</u>		<u>End Date</u>	<u>Weekdays</u>	<u>Spots/Week</u>		<u>Rate</u>	<u>Rating</u>								
Week: 07/31/14		08/06/14	MTW-F--	5	\$550.00	0.00									
E 12	KTVK	08/02/14	08/02/14	KTVK News at 9a Sa	CM	9:00 AM-10:00 AM	-----1-	:30	1	\$475.00	04-TF	0.00	NM	1	\$475.00
KTVK News at 9a Sa															
<u>Start Date</u>		<u>End Date</u>	<u>Weekdays</u>	<u>Spots/Week</u>		<u>Rate</u>	<u>Rating</u>								
Week: 07/28/14		08/03/14	-----1-	1	\$475.00	0.00									
E 13	KTVK	08/03/14	08/03/14	KTVK News at 8a Su	CM	8:00 AM-9:00 AM	-----1	:30	1	\$700.00	03-TF	0.00	NM	1	\$700.00
KTVK News at 8a Su															
<u>Start Date</u>		<u>End Date</u>	<u>Weekdays</u>	<u>Spots/Week</u>		<u>Rate</u>	<u>Rating</u>								
Week: 07/28/14		08/03/14	-----1	1	\$700.00	0.00									
E 14	KTVK	08/03/14	08/03/14	KTVK News at 9a Su	CM	9:00 AM-10:00 AM	-----1	:30	1	\$600.00	03-TF	0.00	NM	1	\$600.00
KTVK News at 9a Su															
<u>Start Date</u>		<u>End Date</u>	<u>Weekdays</u>	<u>Spots/Week</u>		<u>Rate</u>	<u>Rating</u>								
Week: 07/28/14		08/03/14	-----1	1	\$600.00	0.00									

Order / Rev:	36810	Advertiser:	Save Our Future Now
Alt Order #:	07298525	Product Desc:	SAVE OUR FUTURE 8/1
Flight Dates:	08/01/14 - 08/06/14	Estimate:	510

Ln	Ch	Start	End	Inventory Code	Break	Start/End Time	Days	Len	Spots	Rate	Pri	Rtg	Type	Spots	Amount	
														Totals	44	\$25,625.00

\*Tax 1 Note: Sales Tax 0.5%.

**AGREEMENT FORM FOR  
NON-CANDIDATE/ISSUE ADVERTISEMENTS**

Station and Location:	Date:
KTVK	7/31/2014

I, Betsy Vonderheid,

do hereby request station time concerning the following issue:

Save Our Future Now

Broadcast Length	Time of Day, Rotation or Package	Days	Class	Times per Week	Number of Weeks
		7/31-8/6			

This broadcast time will be used by: Save Our Future Now

**THIS PAGE MUST BE COMPLETED FOR PROGRAMMING THAT  
"COMMUNICATES A POLITICAL MATTER OF NATIONAL IMPORTANCE."  
FOR ALL OTHER ISSUE ADS, PLEASE GO TO PAGE 3.**

Programming that "communicates a political matter of national importance" includes (1) references to legally qualified candidates (presidential, vice presidential or congressional); (2) any election to Federal office (e.g., any references to "our next senator," "our person in Washington" or "the President"); and (3) a national legislative issue of public importance (e.g., Affordable Care Act, revising the IRS tax code, federal gun control or any federal legislation).

**Does the programming (in whole or in part) communicate "a message relating to any political matter of national importance?"**

Yes       No

For programming that "communicates a message relating to any political matter of national importance," list the name of the legally qualified candidate(s) the programming refers to, the offices being sought, the date(s) of the election(s) and/or the issue to which the communication refers (if applicable):

[Redacted]

I represent that the payment for the above described broadcast time has been furnished by (name and address):

**Save Our Future Now**

and you are authorized to announce the time as paid for by such person or entity (hereinafter referred to as the "sponsor").

List the chief executive officers or members of the executive committee or the board of directors below (or attach separately):

Treasurer: Joyce Downey

For programming that "communicates a message relating to any political matter of national importance," attach Agreed Upon Schedule (Page 5)

**THIS PAGE MUST BE COMPLETED FOR PROGRAMMING THAT  
DOES NOT "COMMUNICATE A POLITICAL MATTER OF NATIONAL  
IMPORTANCE"**

I represent that the payment for the above described broadcast time has been furnished by (name and address):

[REDACTED]  
Betsy Wonderneld

and you are authorized to announce the time as paid for by such person or entity (hereinafter referred to as the "sponsor").

List the chief executive officers or members of the executive committee or the board of directors below (or attach separately):

[REDACTED]

**TO BE COMPLETED FOR ALL ISSUE ADVERTISEMENTS**

**THIS STATION DOES NOT DISCRIMINATE OR PERMIT DISCRIMINATION ON THE BASIS OF RACE OR ETHNICITY IN THE PLACEMENT OF ADVERTISING.**

The Sponsor agrees to indemnify and hold harmless the station for any damages or liability, including reasonable attorney's fees, that may ensue from the broadcast of the above-requested advertisement(s). For the above-stated broadcast(s), the sponsor also agrees to prepare a script, transcript, or tape, which will be delivered to the station at least \_\_\_\_\_ before the time of the scheduled broadcasts.

**TO BE SIGNED BY ISSUE ADVERTISER (SPONSOR)**

7/31/2014

Date

*Betsy Vandervelde*

703-683-9755

Contact Phone Number

**TO BE SIGNED BY STATION REPRESENTATIVE**

Accepted

Accepted In Part

Rejected

Signature

Printed Name

Title

## ORDER



Orders	Order / Rev:	36877	KTVK - Phoenix
	Alt Order #:	07301919	Cheryl Blair
	Product Desc:	SAVE OUR FUTURE 8/7	T-WDC
	Estimate:	519	Sales Region:
	Flight Dates:	08/07/14 - 08/14/14	NTL
	Original Date / Rev:	08/05/14 / 08/05/14	
	Order Type:	P-PAC	
Agency	Name:	SRCP Media Inc	
	Buying Contact:		Billing Type:
	Billing Contact:		Broadcast
		201 N. Union Street Ste 200	Billing Cycle:
		Alexandria, VA 22314	EOM/EOC
			Agency Commission:
			15%
Advertiser	Name:	Save Our Future Now	
	Demographic:	A35+	New Business Thru:
	Product Codes:	Ballot Issue	Order Separation:
	Priority:	04-TR-	Advertiser External ID:
	Revenue Codes:	AGY, POL, POL-ISS	Agency External ID:

## Bill Plan

Start Date	End Date	# Spots	Gross Amount	Net Amount	Totals	Month	# Spots	Gross Amount	Net Amount	Rating
07/28/14	08/14/14	73	\$38,775.00	\$32,958.75		August 2014	73	\$38,775.00	\$32,958.75	0.00
			+13,150			Totals	73	\$38,775.00	\$32,958.75	0.00

## Account Executives

Account Executive	Sales Office	Sales Region	Start Date / End Date	Order %
Cheryl Blair			Start Of Order - End Of Order	100%

Order Share	Share	Total
KTVK - Phoenix	16%	\$38,775.00
Market	100%	\$242,343.75

Competitive Share	Share	Total
CABLE	0%	\$0.00
KAET	0%	\$0.00
KASW	0%	\$0.00
KAZT	0%	\$0.00
KBCZ	0%	\$0.00
KBPX	0%	\$0.00
KDRX	0%	\$0.00
KMCC	0%	\$0.00
KMOH	0%	\$0.00
KNAZ	0%	\$0.00
KNXV	15%	\$36,351.56
KPAZ	0%	\$0.00
KPHO	23%	\$55,739.06
KPNX	27%	\$65,432.81
KPPX	0%	\$0.00
KSAZ	19%	\$46,045.31
KTFL	0%	\$0.00
KTVW	0%	\$0.00
KUSK	0%	\$0.00
KUTP	0%	\$0.00

OTVK 0% \$0.00  
UNKWN 0% \$0.00

Print Date: 08/05/14 14:56:26 Page 2 of 3

Order / Rev:	36877	Advertiser:	Save Our Future Now
Alt Order #:	07301919	Product Desc:	SAVE OUR FUTURE 8/7
Flight Dates:	08/07/14 - 08/14/14	Estimate:	519

Ln	Ch	Start	End	Inventory Code	Break	Start/End Time	Days	Len	Spots	Rate	Pri	Rtg	Type	Spots	Amount
E 1	KTVK	08/07/14	08/13/14	KTVK News at 5a M-F	CM	5:00 AM-6:00 AM	MTWTF--	:30	5	\$300.00	03-TF	0.00	NM	5	\$1,500.00
KTVK News at 5a M-F															
<u>Start Date</u> <u>End Date</u> <u>Weekdays</u> <u>Spots/Week</u> <u>Rate</u> <u>Rating</u>															
Week: 08/07/14 08/13/14 MTWTF-- 5 \$300.00 0.00															
E 2	KTVK	08/14/14	08/14/14	KTVK News at 5a M-F	CM	5:00 AM-6:00 AM	---1---	:30	1	\$300.00	03-TF	0.00	NM	1	\$300.00
KTVK News at 5a M-F															
<u>Start Date</u> <u>End Date</u> <u>Weekdays</u> <u>Spots/Week</u> <u>Rate</u> <u>Rating</u>															
Week: 08/11/14 08/17/14 ---1--- 1 \$300.00 0.00															
E 3	KTVK	08/07/14	08/13/14	KTVK News at 6a M-F	CM	6:00 AM-7:00 AM	MTWTF--	:30	5	\$600.00	03-TF	0.00	NM	5	\$3,000.00
KTVK News at 6a M-F															
<u>Start Date</u> <u>End Date</u> <u>Weekdays</u> <u>Spots/Week</u> <u>Rate</u> <u>Rating</u>															
Week: 08/07/14 08/13/14 MTWTF-- 5 \$600.00 0.00															
E 4	KTVK	08/14/14	08/14/14	KTVK News at 6a M-F	CM	6:00 AM-7:00 AM	---1---	:30	1	\$600.00	03-TF	0.00	NM	1	\$600.00
KTVK News at 6a M-F															
<u>Start Date</u> <u>End Date</u> <u>Weekdays</u> <u>Spots/Week</u> <u>Rate</u> <u>Rating</u>															
Week: 08/11/14 08/17/14 ---1--- 1 \$600.00 0.00															
E 5	KTVK	08/07/14	08/13/14	KTVK News at 7a M-F	CM	7:00 AM-8:00 AM	MTWTF--	:30	5	\$600.00	03-TF	0.00	NM	5	\$3,000.00
KTVK News at 7a M-F															
<u>Start Date</u> <u>End Date</u> <u>Weekdays</u> <u>Spots/Week</u> <u>Rate</u> <u>Rating</u>															
Week: 08/07/14 08/13/14 MTWTF-- 5 \$600.00 0.00															
E 6	KTVK	08/14/14	08/14/14	KTVK News at 7a M-F	CM	7:00 AM-8:00 AM	---1---	:30	1	\$600.00	03-TF	0.00	NM	1	\$600.00
KTVK News at 7a M-F															
<u>Start Date</u> <u>End Date</u> <u>Weekdays</u> <u>Spots/Week</u> <u>Rate</u> <u>Rating</u>															
Week: 08/11/14 08/17/14 ---1--- 1 \$600.00 0.00															
E 7	KTVK	08/10/14	08/10/14	KTVK News at 7a Su	CM	7:00 AM-8:00 AM	-----2	:30	2	\$350.00	04-TF	0.00	NM	2	\$700.00
KTVK News at 7a Su															
<u>Start Date</u> <u>End Date</u> <u>Weekdays</u> <u>Spots/Week</u> <u>Rate</u> <u>Rating</u>															
Week: 08/04/14 08/10/14 -----2 2 \$350.00 0.00															
E 8	KTVK	08/07/14	08/13/14	KTVK News at 8a M-F	CM	8:00 AM-9:00 AM	MTWTF--	:30	5	\$550.00	04-TF	0.00	NM	5	\$2,750.00
KTVK News at 8a M-F															
<u>Start Date</u> <u>End Date</u> <u>Weekdays</u> <u>Spots/Week</u> <u>Rate</u> <u>Rating</u>															
Week: 08/07/14 08/13/14 MTWTF-- 5 \$550.00 0.00															
E 9	KTVK	08/14/14	08/14/14	KTVK News at 8a M-F	CM	8:00 AM-9:00 AM	---1---	:30	1	\$550.00	04-TF	0.00	NM	1	\$550.00
KTVK News at 8a M-F															
<u>Start Date</u> <u>End Date</u> <u>Weekdays</u> <u>Spots/Week</u> <u>Rate</u> <u>Rating</u>															
Week: 08/11/14 08/17/14 ---1--- 1 \$550.00 0.00															
E 10	KTVK	08/09/14	08/09/14	KTVK News at 8a Sa	CM	8:00 AM-9:00 AM	-----2-	:30	2	\$750.00	03-TF	0.00	NM	2	\$1,500.00
KTVK News at 8a Sa															
<u>Start Date</u> <u>End Date</u> <u>Weekdays</u> <u>Spots/Week</u> <u>Rate</u> <u>Rating</u>															
Week: 08/04/14 08/10/14 -----2- 2 \$750.00 0.00															
E 11	KTVK	08/09/14	08/09/14	KTVK News at 9a Sa	CM	9:00 AM-10:00 AM	-----2-	:30	2	\$475.00	04-TF	0.00	NM	2	\$950.00
KTVK News at 9a Sa															
<u>Start Date</u> <u>End Date</u> <u>Weekdays</u> <u>Spots/Week</u> <u>Rate</u> <u>Rating</u>															
Week: 08/04/14 08/10/14 -----2- 2 \$475.00 0.00															
E 12	KTVK	08/10/14	08/10/14	KTVK News at 9a Su	CM	9:00 AM-10:00 AM	-----2	:30	2	\$600.00	03-TF	0.00	NM	2	\$1,200.00
KTVK News at 9a Su															
<u>Start Date</u> <u>End Date</u> <u>Weekdays</u> <u>Spots/Week</u> <u>Rate</u> <u>Rating</u>															
Week: 08/04/14 08/10/14 -----2 2 \$600.00 0.00															
E 13	KTVK	08/07/14	08/13/14	M-F 11a-12p	CM	11:00 AM-12:00 PM	MTWTF--	:30	3	\$200.00	03-TF	0.00	NM	3	\$600.00
M-F 11a-12p															
<u>Start Date</u> <u>End Date</u> <u>Weekdays</u> <u>Spots/Week</u> <u>Rate</u> <u>Rating</u>															
Week: 08/07/14 08/13/14 MTWTF-- 3 \$200.00 0.00															
E 14	KTVK	08/07/14	08/13/14	M-F 12p-1230p	CM	12:00 PM-12:30 PM	MTWTF--	:30	3	\$175.00	03-TF	0.00	NM	3	\$525.00
M-F 12p-1230p															
<u>Start Date</u> <u>End Date</u> <u>Weekdays</u> <u>Spots/Week</u> <u>Rate</u> <u>Rating</u>															
Week: 08/07/14 08/13/14 MTWTF-- 3 \$175.00 0.00															

Order / Rev: 36877 Advertiser: Save Our Future Now  
 Alt Order #: 07301919 Product Desc: SAVE OUR FUTURE 8/7 KTVK - Phoenix  
 Flight Dates: 08/07/14 - 08/14/14 Estimate: 519

Ln	Ch	Start	End	Inventory Code	Break	Start/End Time	Days	Len	Spots	Rate	Pri	Rtg	Type	Spots	Amount
E 15	KTVK	08/07/14	08/13/14	M-F 4p-430p M-F 4p-430p	CM	4:00 PM-4:30 PM	MTWTF--	:30	2	\$400.00	4-TF	0.00	NM	2	\$800.00
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 08/07/14	08/13/14	MTWTF--		2				\$400.00		0.00			
E 16	KTVK	08/07/14	08/13/14	KTVK News at 5p M-F KTVK News at 5p M-F	CM	5:00 PM-5:30 PM	MTWTF--	:30	5	\$550.00	3-TF	0.00	NM	5	\$2,750.00
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 08/07/14	08/13/14	MTWTF--		5				\$550.00		0.00			
E 17	KTVK	08/14/14	08/14/14	KTVK News at 5p M-F KTVK News at 5p M-F	CM	5:00 PM-5:30 PM	---1---	:30	1	\$550.00	3-TF	0.00	NM	1	\$550.00
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 08/11/14	08/17/14	---1---		1				\$550.00		0.00			
E 18	KTVK	08/09/14	08/09/14	KTVK News at 5p Sa KTVK News at 5p Sa	CM	5:00 PM-5:30 PM	-----1-	:30	1	\$275.00	3-TF	0.00	NM	1	\$275.00
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 08/04/14	08/10/14	-----1-		1				\$275.00		0.00			
E 19	KTVK	08/10/14	08/10/14	KTVK News at 5p Su KTVK News at 5p Su	CM	5:00 PM-5:30 PM	-----1	:30	1	\$250.00	3-TF	0.00	NM	1	\$250.00
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 08/04/14	08/10/14	-----1		1				\$250.00		0.00			
E 20	KTVK	08/07/14	08/13/14	KTVK News at 530p M-FCM KTVK News at 530p M-F	CM	5:30 PM-6:00 PM	MTWTF--	:30	3	\$550.00	3-TF	0.00	NM	3	\$1,650.00
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 08/07/14	08/13/14	MTWTF--		3				\$550.00		0.00			
E 21	KTVK	08/07/14	08/13/14	KTVK News at 6p M-F KTVK News at 6p M-F	CM	6:00 PM-6:30 PM	MTWTF--	:30	5	\$550.00	3-TF	0.00	NM	5	\$2,750.00
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 08/07/14	08/13/14	MTWTF--		5				\$550.00		0.00			
E 22	KTVK	08/07/14	08/13/14	M-F 7p-730p M-F 7p-730p	CM	7:00 PM-7:30 PM	MTWTF--	:30	4	\$1,100.00	3-TF	0.00	NM	4	\$4,400.00
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 08/07/14	08/13/14	MTWTF--		4				\$1,100.00		0.00			
E 23	KTVK	08/07/14	08/13/14	M-F 730p-8p M-F 730p-8p	CM	7:30 PM-8:00 PM	MTWTF--	:30	4	\$1,000.00	3-TF	0.00	NM	4	\$4,000.00
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 08/07/14	08/13/14	MTWTF--		4				\$1,000.00		0.00			
E 24	KTVK	08/07/14	08/13/14	M-F 8p-9p M-F 8p-9p	CM	8:00 PM-9:00 PM	MTWTF--	:30	5	\$275.00	4-TF	0.00	NM	5	\$1,375.00
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 08/07/14	08/13/14	MTWTF--		5				\$275.00		0.00			
E 25	KTVK	08/07/14	08/13/14	KTVK News at 9p M-F KTVK News at 9p M-F	CM	9:00 PM-10:00 PM	MTWTF--	:30	4	\$550.00	3-TF	0.00	NM	4	\$2,200.00
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 08/07/14	08/13/14	MTWTF--		4				\$550.00		0.00			

\*Tax 1 Note: Sales Tax 0.5%.

Totals 73 \$38,775.00

## ORDER



Orders	Order / Rev:	599136	CBS5
	Alt Order #:	07298535	Matt Norten
	Product Desc:	SAVE OUR FUTURE NOW	H-WDC
	Estimate:	510	National
	Flight Dates:	07/31/14 - 08/06/14	
	Original Date / Rev:	08/01/14 / 08/01/14	
	Order Type:	GENERAL	
Agency	Name:	SRCP Media	
	Buying Contact:		Cash
	Billing Contact:		Broadcast
		201 North Union Street	EOM/EOC
		Alexandria, VA 22314	Agency Commission:
Advertiser	Name:	Save Our Future	
	Demographic:	A35+	New Business Thru:
	Product Codes:	Political-Issues	Order Separation:
	Priority:	IMP	Advertiser External ID:
	Revenue Codes:	POL, PLI, FLT	Agency External ID:

Bill Plan					Totals				
Start Date	End Date	# Spots	Gross Amount	Net Amount	Month	# Spots	Gross Amount	Net Amount	Rating
07/28/14	08/06/14	61	\$39,825.00	\$33,851.25	August 2014	61	\$39,825.00	\$33,851.25	0.00
					Totals	61	\$39,825.00	\$33,851.25	0.00

## Account Executives

Account Executive	Sales Office	Sales Region	Start Date / End Date	Order %
Matt Norten			Start Of Order - End Of Order	100%

Order Share	Share	Total
CBS5	23%	\$39,825.00
Market	100%	\$173,152.17

Competitive Share	Share	Total
DPHO	0%	\$0.00
KAET	0%	\$0.00
KASW	0%	\$0.00
KAZT	1%	\$1,731.52
KBCZ	0%	\$0.00
KBPX	0%	\$0.00
KDRX	0%	\$0.00
KMCC	0%	\$0.00
KMOH	0%	\$0.00
KNAZ	0%	\$0.00
KNXV	12%	\$20,778.26
KPAZ	0%	\$0.00
KPNX	23%	\$39,825.00
KPPX	0%	\$0.00
KSAZ	26%	\$45,019.57
KTFL	0%	\$0.00
KTVK	15%	\$25,972.83
KTVW	0%	\$0.00
KUSK	0%	\$0.00
KUTP	0%	\$0.00

Order / Rev: 599136 Advertiser: Save Our Future  
Alt Order #: 07298535 Product Desc: SAVE OUR FUTURE NOW CBS5  
Flight Dates: 07/31/14 - 08/06/14 Estimate: 510

Ln	Ch	Start	End	Inventory Code	Break	Start/End Time	Days	Len	Spots	Rate	Pri	Rtg	Type	Spots	Amount
1	KPHO	07/31/14	08/01/14	M-F Late News CBS 5 NEWS @ 10P	CM	M-F 10p-1035p	-----F--	:30	2	\$1,300.00	IMP	0.00	NM	2	\$2,600.00
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 07/28/14	08/03/14	-----F--		2				\$1,300.00		0.00			
2	KPHO	07/31/14	08/01/14	M-F 11a-12p YOUNG & THE RESTLESS	CM	M-F 1059a-1159a	-----F--	:30	1	\$525.00	IMP	0.00	NM	1	\$525.00
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 07/28/14	08/03/14	-----F--		1				\$525.00		0.00			
3	KPHO	07/31/14	08/01/14	M-F Midday News CBS 5 NEWS @ NOON	CM	M-F 12p-1230p	-----F--	:30	1	\$425.00	IMP	0.00	NM	1	\$425.00
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 07/28/14	08/03/14	-----F--		1				\$425.00		0.00			
4	KPHO	07/31/14	08/01/14	M-F 2-3p LET'S MAKE A DEAL	CM	M-F 2-3p	-----F--	:30	1	\$400.00	IMP	0.00	NM	1	\$400.00
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 07/28/14	08/03/14	-----F--		1				\$400.00		0.00			
5	KPHO	07/31/14	08/01/14	M-F 5PM News CBS 5 NEWS @ 5P	CM	M-F 5p-530p	-----F--	:30	1	\$600.00	IMP	0.00	NM	1	\$600.00
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 07/28/14	08/03/14	-----F--		1				\$600.00		0.00			
6	KPHO	07/31/14	08/01/14	M-F 530p News CBS 5 NEWS @ 530P	CM	M-F 530p News	-----F--	:30	1	\$525.00	IMP	0.00	NM	1	\$525.00
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 07/28/14	08/03/14	-----F--		1				\$525.00		0.00			
7	KPHO	07/31/14	08/01/14	M-F 6a-7a CBS 5 NEWS @ 6A	CM	M-F 6-7a	-----F--	:30	2	\$275.00	IMP	0.00	NM	2	\$550.00
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 07/28/14	08/03/14	-----F--		2				\$275.00		0.00			
8	KPHO	07/31/14	08/01/14	M-F 630PM News CBS 5 NEWS @ 630P	CM	M-F 630PM News	-----F--	:30	1	\$1,000.00	IMP	0.00	NM	1	\$1,000.00
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 07/28/14	08/03/14	-----F--		1				\$1,000.00		0.00			
9	KPHO	07/31/14	08/01/14	M-F 7a-9a CBS This Morning	CM	M-F 7a-9a	-----F--	:30	2	\$450.00	IMP	0.00	NM	2	\$900.00
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 07/28/14	08/03/14	-----F--		2				\$450.00		0.00			
10	KPHO	07/31/14	08/01/14	M-F 9a-10a PRICE IS RIGHT	CM	M-F 9a-10a	-----F--	:30	1	\$650.00	IMP	0.00	NM	1	\$650.00
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 07/28/14	08/03/14	-----F--		1				\$650.00		0.00			
11	KPHO	08/02/14	08/02/14	Sat 5PM News CBS 5 NEWS @ 5P	CM	Sa 5PM News	-----1-	:30	1	\$500.00	IMP	0.00	NM	1	\$500.00
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 07/28/14	08/03/14	-----1-		1				\$500.00		0.00			
12	KPHO	08/02/14	08/02/14	Sat 5a-7a Sat 5a-7a	CM	Sat AM	-----1-	:30	1	\$200.00	IMP	0.00	NM	1	\$200.00
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 07/28/14	08/03/14	-----1-		1				\$200.00		0.00			
13	KPHO	08/03/14	08/03/14	Su Late News Su Late News	CM	Su 10p-1035p	-----1	:30	1	\$800.00	IMP	0.00	NM	1	\$800.00
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 07/28/14	08/03/14	-----1		1				\$800.00		0.00			
14	KPHO	08/05/14	08/05/14	Tue 7p-8p NCIS	CM	Tue 7p-8p	-1-----	:30	1	\$3,000.00	IMP	0.00	NM	1	\$3,000.00
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 08/04/14	08/10/14	-1-----		1				\$3,000.00		0.00			
15	KPHO	08/06/14	08/06/14	Wed 9p-10p Extant	CM	Wed 9p-10p	--1-----	:30	1	\$3,500.00	IMP	0.00	NM	1	\$3,500.00
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			

Order / Rev: 599136 Advertiser: Save Our Future  
Alt Order #: 07298535 Product Desc: SAVE OUR FUTURE NOW CBS5  
Flight Dates: 07/31/14 - 08/06/14 Estimate: 510

Ln	Ch	Start	End	Inventory Code	Break	Start/End Time	Days	Len	Spots	Rate	Pri	Rtg	Type	Spots	Amount
15	KPHO	08/06/14	08/06/14	Wed 9p-10p Extant	CM	Wed 9p-10p	--1----	:30	1	\$3,500.00	IMP	0.00	NM	1	\$3,500.00
		Start Date	End Date	Weekdays		Spots/Week			Rate		Rating				
		Week: 08/04/14	08/10/14	--1----		1	\$3,500.00		0.00						
16	KPHO	08/06/14	08/06/14	M-F Late News CBS 5 NEWS @ 10P	CM	M-F 10p-1035p	MTW----	:30	3	\$1,300.00	IMP	0.00	NM	3	\$3,900.00
		Start Date	End Date	Weekdays		Spots/Week			Rate		Rating				
		Week: 08/04/14	08/10/14	MTW----		3	\$1,300.00		0.00						
17	KPHO	08/06/14	08/06/14	M-F 11a-12p YOUNG & THE RESTLESS	CM	M-F 1059a-1159a	MTW----	:30	4	\$525.00	IMP	0.00	NM	4	\$2,100.00
		Start Date	End Date	Weekdays		Spots/Week			Rate		Rating				
		Week: 08/04/14	08/10/14	MTW----		4	\$525.00		0.00						
18	KPHO	08/06/14	08/06/14	M-F Midday News CBS 5 NEWS @ NOON	CM	M-F 12p-1230p	MTW----	:30	3	\$425.00	IMP	0.00	NM	3	\$1,275.00
		Start Date	End Date	Weekdays		Spots/Week			Rate		Rating				
		Week: 08/04/14	08/10/14	MTW----		3	\$425.00		0.00						
19	KPHO	08/06/14	08/06/14	M-F 2-3p LET'S MAKE A DEAL	CM	M-F 2-3p	MTW----	:30	4	\$400.00	IMP	0.00	NM	4	\$1,600.00
		Start Date	End Date	Weekdays		Spots/Week			Rate		Rating				
		Week: 08/04/14	08/10/14	MTW----		4	\$400.00		0.00						
20	KPHO	08/06/14	08/06/14	M-F 5PM News CBS 5 NEWS @ 5P	CM	M-F 5p-530p	MTW----	:30	3	\$600.00	IMP	0.00	NM	3	\$1,800.00
		Start Date	End Date	Weekdays		Spots/Week			Rate		Rating				
		Week: 08/04/14	08/10/14	MTW----		3	\$600.00		0.00						
21	KPHO	08/06/14	08/06/14	M-F 530p News CBS 5 NEWS @ 530P	CM	M-F 530p News	MTW----	:30	3	\$525.00	IMP	0.00	NM	3	\$1,575.00
		Start Date	End Date	Weekdays		Spots/Week			Rate		Rating				
		Week: 08/04/14	08/10/14	MTW----		3	\$525.00		0.00						
22	KPHO	08/06/14	08/06/14	M-F 6a-7a CBS 5 NEWS @ 6A	CM	M-F 6-7a	MTW----	:30	8	\$275.00	IMP	0.00	NM	8	\$2,200.00
		Start Date	End Date	Weekdays		Spots/Week			Rate		Rating				
		Week: 08/04/14	08/10/14	MTW----		8	\$275.00		0.00						
23	KPHO	08/06/14	08/06/14	M-F 630PM News CBS 5 NEWS @ 630P	CM	M-F 630PM News	MTW----	:30	3	\$1,000.00	IMP	0.00	NM	3	\$3,000.00
		Start Date	End Date	Weekdays		Spots/Week			Rate		Rating				
		Week: 08/04/14	08/10/14	MTW----		3	\$1,000.00		0.00						
24	KPHO	08/06/14	08/06/14	M-F 7a-9a CBS This Morning	CM	M-F 7a-9a	MTW----	:30	8	\$450.00	IMP	0.00	NM	8	\$3,600.00
		Start Date	End Date	Weekdays		Spots/Week			Rate		Rating				
		Week: 08/04/14	08/10/14	MTW----		8	\$450.00		0.00						
25	KPHO	08/06/14	08/06/14	M-F 9a-10a PRICE IS RIGHT	CM	M-F 9a-10a	MTW----	:30	4	\$650.00	IMP	0.00	NM	4	\$2,600.00
		Start Date	End Date	Weekdays		Spots/Week			Rate		Rating				
		Week: 08/04/14	08/10/14	MTW----		4	\$650.00		0.00						

Tax 1 Note: Tax 0.5%.

Totals 61 \$39,825.00

AGREEMENT FORM FOR  
NON-CANDIDATE/ISSUE ADVERTISEMENTS

Station and Location:	Date:
KPHO	7/31/2014

I, Betsy Vonderheid

do hereby request station time concerning the following issue:

Save Our Future Now

Broadcast Length	Time of Day, Rotation or Package	Days	Class	Times per Week	Number of Weeks
		7/31-8/6			

This broadcast time will be used by: Save Our Future Now

**THIS PAGE MUST BE COMPLETED FOR PROGRAMMING THAT  
"COMMUNICATES A POLITICAL MATTER OF NATIONAL IMPORTANCE."  
FOR ALL OTHER ISSUE ADS, PLEASE GO TO PAGE 3.**

Programming that "communicates a political matter of national importance" includes (1) references to legally qualified candidates (presidential, vice presidential or congressional); (2) any election to Federal office (e.g., any references to "our next senator," "our person in Washington" or "the President"); and (3) a national legislative issue of public importance (e.g., Affordable Care Act, revising the IRS tax code, federal gun control or any federal legislation).

**Does the programming (in whole or in part) communicate "a message relating to any political matter of national importance?"**

Yes

No

For programming that "communicates a message relating to any political matter of national importance," list the name of the legally qualified candidate(s) the programming refers to, the offices being sought, the date(s) of the election(s), and/or the issue to which the communication refers (if applicable):

[Redacted]

I represent that the payment for the above described broadcast time has been furnished by (name and address):

Save Our Future Now

and you are authorized to announce the time as paid for by such person or entity (hereinafter referred to as the "sponsor").

List the chief executive officers or members of the executive committee or the board of directors below (or attach separately):

Treasurer: Joyce Downey

For programming that "communicates a message relating to any political matter of national importance," attach Agreed Upon Schedule (Page 5)

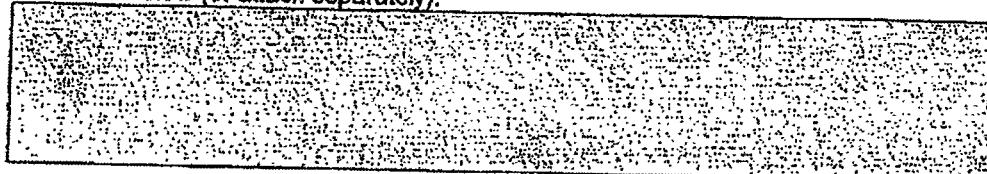
**THIS PAGE MUST BE COMPLETED FOR PROGRAMMING THAT  
DOES NOT "COMMUNICATE A POLITICAL MATTER OF NATIONAL  
IMPORTANCE"**

I represent that the payment for the above described broadcast time has been furnished by (name and address):

Betsy Vondemheld

and you are authorized to announce the time as paid for by such person or entity (hereinafter referred to as the "sponsor").

List the chief executive officers or members of the executive committee or the board of directors below (or attach separately):

A large rectangular area of the document has been completely redacted with a solid black box.

**TO BE COMPLETED FOR ALL ISSUE ADVERTISEMENTS**

**THIS STATION DOES NOT DISCRIMINATE OR PERMIT DISCRIMINATION ON THE BASIS OF RACE OR ETHNICITY IN THE PLACEMENT OF ADVERTISING.**

The Sponsor agrees to indemnify and hold harmless the station for any damages or liability, including reasonable attorney's fees, that may ensue from the broadcast of the above-requested advertisement(s). For the above-stated broadcast(s), the sponsor also agrees to prepare a script, transcript, or tape, which will be delivered to the station at least \_\_\_\_\_ before the time of the scheduled broadcasts.

**TO BE SIGNED BY ISSUE ADVERTISER (SPONSOR)**

7/31/2014

Date

*Betsy Vonderheide*

703-683-9755

Contact Phone Number

**TO BE SIGNED BY STATION REPRESENTATIVE**

Accepted

Accepted in Part

Rejected

*[Signature]*  
Signature

Mitchell NYE

Printed Name

*GSM*

Title

## AGREED UPON SCHEDULE

**For All Issue Advertisements That Communicate a Message Relating to Any Political Matter of National Importance**

Broadcast Length	Time of Day, Rotation or Package	Days	Class	Times per Week	Number of Weeks

**Attach proposed schedule with charges (if available): \$39,825**

## AFTER AIRING OF BROADCASTS:

Attach invoices or Schedule Run Summary to this Form showing:

- (1) actual air time and charges for each spot;
- (2) the date(s), exact time(s) and reason(s) for Make-Good(s), if any; and
- (3) the amount of rebates given (identify exact date, time, class of broadcast and dollar amount for each rebate), if any.

**Note:** Because the FCC requires that the political file contain the actual time the rate for spots "communicating a political matter of national importance" air, that information should be included in the file as soon as possible. If that information is only generated monthly, the file should include the name of a contact person who can provide the times and rates for specific spots aired. The FCC's online political files include a folder for "Terms and Disclosures." NAB suggests that, for stations subject to the online public file rule, the names of contact person(s) be placed in that folder.



PAID POLITICAL  
BROADCAST AVAIL REQUEST

TO:	Mitch Nye	STATION:	KPHO
FROM:	Matt Norten	HRP OFFICE:	Washington DC

REQUEST RECEIVED FROM

DATE: 7/31/14

BUYER:	Cheryl Mulhall
AGENCY:	SRCP Media
ADDRESS:	201 N Union St. Suite 200, Alexandria VA 22314
PHONE #:	703.683.9755
FAX #:	703.683.8826
OTHER:	

AVAILS FOR

COMMITTEE:	Save our Future Now
CPMGN MGR.	Todd Bradford - President
TREASURER:	Joyce Downey
ADDRESS:	3104 E. Camelback Rd. #1126, Phoenix, AZ 85016
PHONE #:	602-451-6958
FAX #:	
OTHER:	

FOR

CANDIDATE:	Issue
OFFICE:	Issue
PARTY:	Republican

DAYPARTS:	All
SCHEDULE DATES:	As ordered
COMMERCIAL LENGTH:	:30
PROGRAMS:	All
PLEASE ADVISE IF THERE ARE RESTRICTIONS ON ANY OF THE ABOVE	

HRP FORM #0141



KSAZ  
511 W. Adams Street  
Phoenix, AZ 85003  
(602) 257-1234

# CONTRACT

Contract / Revision	All Order #
356005 / 1	10141599

Product		
179		
Contract Dates	Estimate #	
08/01/14 - 08/06/14	510	
Advertiser		
Save Our Future Now		
Original Date / Revision		
07/31/14 / 08/01/14		
Billing Cycle	Billing Calendar	Cash/Trade
EOM/EOC	Broadcast	Cash
Station	Account Executive	Sales Office
KSAZ	Chris Johnson	FSS Philad.
Special Handling		
Demographic		
Adults 35+		
IDB#	Advertiser Code	Product Cc
Agency Ref		Advertiser Ref

And:

Stevens Reed Curcio & Potholm  
Attention: Cheryl Mullhall  
201 North Union Street  
Suite 200  
Alexandria, VA 22314

*Line	Ch	Start Date	End Date	Description	Start/End Time	Days	Length	Spots/Week	Rate	Rtn	Type	Spots	Amt.
1	KSAZ	08/01/14	08/06/14	M-F 5a-530a	5a-530a		:30				NM	3	\$1,35
<b>Political Issue</b>													
Start Date    End Date    Weekdays    Spots/Week    Rate    Rating													
Week: 07/28/14    08/03/14    ----F--    1    \$450.00    0.00													
Spot Ch    Date Range    Description    Start/End Time    Weekdays    Length    Rate    Rtg Type													
1 KSAZ 07/28/14-08/03/14 M-F 5a-530a 5a-530a -----F---- :30 \$450.00 0.00 NM													
See MG 11.5,11.6,11.7,11.8,11.9,11.10,11.11,11.12,11.13,11.14,11.15,11.16													
Week: 08/04/14    08/10/14    MTW----    3    \$450.00    0.00													
2	KSAZ	08/01/14	08/06/14	M-F 530a-6a	530a-6a		:30				NM	3	\$1,35
<b>Political Issue</b>													
Start Date    End Date    Weekdays    Spots/Week    Rate    Rating													
Week: 07/28/14    08/03/14    ----F--    1    \$450.00    0.00													
Spot Ch    Date Range    Description    Start/End Time    Weekdays    Length    Rate    Rtg Type													
1 KSAZ 07/28/14-08/03/14 M-F 530a-6a 530a-6a -----F---- :30 \$450.00 0.00 NM													
See MG 11.5,11.6,11.7,11.8,11.9,11.10,11.11,11.12,11.13,11.14,11.15,11.16													
Week: 08/04/14    08/10/14    MTW----    3    \$450.00    0.00													
3	KSAZ	08/01/14	08/06/14	M-F 6a-7a News	6a-7a		:30				NM	4	\$3,20
<b>Political Issue</b>													
Start Date    End Date    Weekdays    Spots/Week    Rate    Rating													
Week: 07/28/14    08/03/14    ----F--    1    \$800.00    0.00													
Spot Ch    Date Range    Description    Start/End Time    Weekdays    Length    Rate    Rtg Type													
1 KSAZ 07/28/14-08/03/14 M-F 6a-7a News 6a-7a -----F---- :30 \$800.00 0.00 NM													
See MG 11.5,11.6,11.7,11.8,11.9,11.10,11.11,11.12,11.13,11.14,11.15,11.16													
Week: 08/04/14    08/10/14    MTW----    4    \$800.00    0.00													
4	KSAZ	08/01/14	08/06/14	M-F 7a-8a News	7a-8a		:30				NM	4	\$3,40
<b>Political Issue</b>													
Start Date    End Date    Weekdays    Spots/Week    Rate    Rating													
Week: 07/28/14    08/03/14    ----F--    1    \$850.00    0.00													
Spot Ch    Date Range    Description    Start/End Time    Weekdays    Length    Rate    Rtg Type													
1 KSAZ 07/28/14-08/03/14 M-F 7a-8a News 7a-8a -----F---- :30 \$850.00 0.00 NM													
See MG 11.5,11.6,11.7,11.8,11.9,11.10,11.11,11.12,11.13,11.14,11.15,11.16													
Week: 08/04/14    08/10/14    MTW----    4    \$850.00    0.00													
5	KSAZ	08/01/14	08/06/14	M-F 8a-9a News	8a-9a		:30				NM	1	\$80
<b>Political Issue</b>													
Start Date    End Date    Weekdays    Spots/Week    Rate    Rating													

( \* Line Transactions: N = New, E = Edited, D = Deleted)

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KSAZ  
511 W. Adams Street  
Phoenix, AZ 85003  
(602) 257-1234

Contract / Revision	Alt Order #	
356005 / 1	10141599	
Contract Dates	Product	Estimate #
08/01/14 - 08/06/14	179	510
Advertiser		Original Date / Revision
Save Our Future Now		07/31/14 / 08/01/14

*Line	Ch	Start Date	End Date	Description	Start/End Time	Days	Length	Spots/Week	Rate	Rtn	Type	Spots	Amc
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>				<u>Spots/Week</u>	<u>Rate</u>	<u>Rating</u>			
Week: 07/28/14		08/03/14		----F--				1	\$850.00	0.00			
	<u>Spot Ch</u>	<u>Date Range</u>		<u>Description</u>	<u>Start/End Time</u>	<u>Weekdays</u>	<u>Length</u>						
1	KSAZ	07/28/14-08/03/14		M-F 8a-9a News	8a-9a	-----F---	:30		\$850.00	0.00	NM		
				See MG 11.5,11.6,11.7,11.8,11.9,11.10,11.11,11.12,11.13,11.14,11.15,11.16									
Week: 08/04/14		08/10/14		MTW----				1	\$850.00	0.00			
6	KSAZ	08/01/14	08/06/14	M-F 9a-10a News	9a-10a		:30				NM	1	\$50.
				Political Issue									
	<u>Start Date</u>	<u>End Date</u>		<u>Weekdays</u>				<u>Spots/Week</u>	<u>Rate</u>	<u>Rating</u>			
Week: 07/28/14		08/03/14		----F--				1	\$500.00	0.00			
	<u>Spot Ch</u>	<u>Date Range</u>		<u>Description</u>	<u>Start/End Time</u>	<u>Weekdays</u>	<u>Length</u>						
1	KSAZ	07/28/14-08/03/14		M-F 9a-10a News	9a-10a	-----F---	:30		\$500.00	0.00	NM		
				See MG 11.5,11.6,11.7,11.8,11.9,11.10,11.11,11.12,11.13,11.14,11.15,11.16									
Week: 08/04/14		08/10/14		MTW----				1	\$500.00	0.00			
7	KSAZ	08/01/14	08/06/14	M-F 12p-1230p Noon News	12p-1230p		:30				NM	3	\$1,20.
				Political Issue									
	<u>Start Date</u>	<u>End Date</u>		<u>Weekdays</u>				<u>Spots/Week</u>	<u>Rate</u>	<u>Rating</u>			
Week: 07/28/14		08/03/14		----F--				1	\$400.00	0.00			
	<u>Spot Ch</u>	<u>Date Range</u>		<u>Description</u>	<u>Start/End Time</u>	<u>Weekdays</u>	<u>Length</u>						
1	KSAZ	07/28/14-08/03/14		M-F 12p-1230p Noon News	12p-1230p	-----F---	:30		\$400.00	0.00	NM		
				See MG 11.5,11.6,11.7,11.8,11.9,11.10,11.11,11.12,11.13,11.14,11.15,11.16									
Week: 08/04/14		08/10/14		MTW----				3	\$400.00	0.00			
8	KSAZ	08/01/14	08/06/14	M-F 5p-530p News	5p-530p		:30				NM	3	\$3,90.
				Political Issue									
	<u>Start Date</u>	<u>End Date</u>		<u>Weekdays</u>				<u>Spots/Week</u>	<u>Rate</u>	<u>Rating</u>			
Week: 07/28/14		08/03/14		----F--				1	\$1,300.00	0.00			
	<u>Spot Ch</u>	<u>Date Range</u>		<u>Description</u>	<u>Start/End Time</u>	<u>Weekdays</u>	<u>Length</u>						
1	KSAZ	07/28/14-08/03/14		M-F 5p-530p News	5p-530p	-----F---	:30		\$1,300.00	0.00	NM		
				See MG 11.5,11.6,11.7,11.8,11.9,11.10,11.11,11.12,11.13,11.14,11.15,11.16									
Week: 08/04/14		08/10/14		MTW----				3	\$1,300.00	0.00			
9	KSAZ	08/01/14	08/06/14	M-F 530p-6p News	530p-6p		:30				NM	3	\$3,90.
				Political Issue									
	<u>Start Date</u>	<u>End Date</u>		<u>Weekdays</u>				<u>Spots/Week</u>	<u>Rate</u>	<u>Rating</u>			
Week: 07/28/14		08/03/14		----F--				1	\$1,300.00	0.00			
	<u>Spot Ch</u>	<u>Date Range</u>		<u>Description</u>	<u>Start/End Time</u>	<u>Weekdays</u>	<u>Length</u>						
1	KSAZ	07/28/14-08/03/14		M-F 530p-6p News	530p-6p	-----F---	:30		\$1,300.00	0.00	NM		
				See MG 11.5,11.6,11.7,11.8,11.9,11.10,11.11,11.12,11.13,11.14,11.15,11.16									
Week: 08/04/14		08/10/14		MTW----				3	\$1,300.00	0.00			
10	KSAZ	08/01/14	08/06/14	M-F 6p-630p News	6p-630p		:30				NM	3	\$3,60.
				Political Issue									
	<u>Start Date</u>	<u>End Date</u>		<u>Weekdays</u>				<u>Spots/Week</u>	<u>Rate</u>	<u>Rating</u>			
Week: 07/28/14		08/03/14		----F--				1	\$1,200.00	0.00			
	<u>Spot Ch</u>	<u>Date Range</u>		<u>Description</u>	<u>Start/End Time</u>	<u>Weekdays</u>	<u>Length</u>						
1	KSAZ	07/28/14-08/03/14		M-F 6p-630p News	6p-630p	-----F---	:30		\$1,200.00	0.00	NM		
				See MG 11.5,11.6,11.7,11.8,11.9,11.10,11.11,11.12,11.13,11.14,11.15,11.16									
Week: 08/04/14		08/10/14		MTW----				3	\$1,200.00	0.00			
11	KSAZ	08/01/14	08/06/14	M-F 9p-10p News	9p-10p		:30				NM	15	\$15,40.
				Political Issue									
	<u>Start Date</u>	<u>End Date</u>		<u>Weekdays</u>				<u>Spots/Week</u>	<u>Rate</u>	<u>Rating</u>			
Week: 07/28/14		08/03/14		----F--				1	\$1,500.00	0.00			

(\* Line Transactions: N = New, E = Edited, D = Deleted)

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**KSAZ**  
**511 W. Adams Street**  
**Phoenix, AZ 85003**  
**(602) 257-1234**

<u>Contract / Revision</u>	<u>All Order #</u>	
356005 / 1	10141599	
<u>Contract Dates</u>	<u>Product</u>	<u>Estimate #</u>
08/01/14 - 08/06/14	179	510
<u>Advertiser</u>	<u>Original Date / Revision</u>	
Save Our Future Now	07/31/14 / 08/01/14	

*Line	Ch	Start Date	End Date	Description	Start/End Time	Spots/Length		Rate	Rtn	Type	Spots	Amc
						Days	Weekdays					
		Start Date	End Date	Weekdays	Spots/Week			Rate	Rating			
	Spot	Ch	Date Range	Description		Start/End Time	Weekdays					
1	KSAZ	07/28/14-08/03/14	M-F 9p-10p News		9p-10p	-----F-----	:30	\$1,500.00	0.00	NM		
			See MG 11.5,11.6,11.7,11.8,11.9,11.10,11.11,11.12,11.13,11.14,11.15,11.16									
5	KSAZ	08/04/14-08/04/14	M-F 9p-10p News		9p-10p	M-----	:30	\$1,500.00	0.00	NM		
(@)	MG for 1.1,3.1,4.1,9.1,12.1,2.1,6.1,8.1,5.1,7.1,10.1,11.1											
6	KSAZ	08/04/14-08/04/14	M-F 9a-10a News		9a-10a	M-----	:30	\$600.00	0.00	NM		
(@)	MG for 1.1,3.1,4.1,9.1,12.1,2.1,6.1,8.1,5.1,7.1,10.1,11.1											
7	KSAZ	08/04/14-08/04/14	M-F 8a-9a News		8a-9a	M-----	:30	\$850.00	0.00	NM		
(@)	MG for 1.1,3.1,4.1,9.1,12.1,2.1,6.1,8.1,5.1,7.1,10.1,11.1											
8	KSAZ	08/04/14-08/04/14	M-F 7a-8a News		7a-8a	M-----	:30	\$850.00	0.00	NM		
(@)	MG for 1.1,3.1,4.1,9.1,12.1,2.1,6.1,8.1,5.1,7.1,10.1,11.1											
9	KSAZ	08/04/14-08/04/14	M-F 6p-630p News		6p-630p	M-----	:30	\$1,200.00	0.00	NM		
(@)	MG for 1.1,3.1,4.1,9.1,12.1,2.1,6.1,8.1,5.1,7.1,10.1,11.1											
10	KSAZ	08/04/14-08/04/14	M-F 6a-7a News		6a-7a	M-----	:30	\$800.00	0.00	NM		
(@)	MG for 1.1,3.1,4.1,9.1,12.1,2.1,6.1,8.1,5.1,7.1,10.1,11.1											
11	KSAZ	08/04/14-08/04/14	M-F 5p-530p News		5p-530p	M-----	:30	\$1,300.00	0.00	NM		
(@)	MG for 1.1,3.1,4.1,9.1,12.1,2.1,6.1,8.1,5.1,7.1,10.1,11.1											
12	KSAZ	08/04/14-08/04/14	M-F 5a-530a		5a-530a	M-----	:30	\$450.00	0.00	NM		
(@)	MG for 1.1,3.1,4.1,9.1,12.1,2.1,6.1,8.1,5.1,7.1,10.1,11.1											
13	KSAZ	08/04/14-08/04/14	M-F 530p-6p News		530p-6p	M-----	:30	\$1,300.00	0.00	NM		
(@)	MG for 1.1,3.1,4.1,9.1,12.1,2.1,6.1,8.1,5.1,7.1,10.1,11.1											
14	KSAZ	08/04/14-08/04/14	M-F 530a-6a		530a-6a	M-----	:30	\$450.00	0.00	NM		
(@)	MG for 1.1,3.1,4.1,9.1,12.1,2.1,6.1,8.1,5.1,7.1,10.1,11.1											
15	KSAZ	08/04/14-08/04/14	M-F 12p-1230p Noon News		12p-1230p	M-----	:30	\$400.00	0.00	NM		
(@)	MG for 1.1,3.1,4.1,9.1,12.1,2.1,6.1,8.1,5.1,7.1,10.1,11.1											
16	KSAZ	08/04/14-08/04/14	M-F 10p-1030p News		10p-1030p	M-----	:30	\$1,300.00	0.00	NM		
(@)	MG for 1.1,3.1,4.1,9.1,12.1,2.1,6.1,8.1,5.1,7.1,10.1,11.1											
Week:	08/04/14	08/10/14	MTW----		3			\$1,500.00	0.00			
12	KSAZ	08/01/14	08/08/14	M-F 10p-1030p News		10p-1030p						
		Political Issue										
	Start Date	End Date	Weekdays	Spots/Week				Rate	Rating			
Week:	07/28/14	08/03/14	----F--	1				\$1,300.00	0.00			
	Spot	Ch	Date Range	Description		Start/End Time	Weekdays					
1	KSAZ	07/28/14-08/03/14	M-F 10p-1030p News		10p-1030p	-----F-----	:30	\$1,300.00	0.00	NM		
			See MG 11.5,11.6,11.7,11.8,11.9,11.10,11.11,11.12,11.13,11.14,11.15,11.16									
Week:	08/04/14	08/10/14	MTW----		3			\$1,300.00	0.00			
13	KSAZ	08/03/14	08/03/14	Su 8a-9a Fox News		8a-9a						
		Political Issue										
	Start Date	End Date	Weekdays	Spots/Week				Rate	Rating			
Week:	07/28/14	08/03/14	-----S	2				\$500.00	0.00			

\*Tax 1 Note: Phoenix City Sales Tax 0.5%.

Time Period	# of Spots	Gross Amount	Net Amount	*Tax 1	Total
07/28/14 -08/06/14	48	\$43,550.00	\$37,017.50	\$185.09	\$37,202.59
<b>Totals</b>	<b>48</b>	<b>\$43,550.00</b>	<b>\$37,017.50</b>	<b>\$185.09</b>	<b>\$37,202.59</b>

**Signature:**

**Date:**

(\* Line Transactions: N = New, E = Edited, D = Deleted)

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## STANDARD CONDITIONS

### 1. BILLING AND PAYMENTS

Station will, from time to time at intervals following broadcasts hereunder, bill Agency on behalf of Advertiser at the address on the face hereof. Agency shall pay Station thereon at the address given on or before the 30<sup>th</sup> day of each month following that in which the broadcast occurred or such other date as may be specified in the invoice. Time is specifically made at the essence in performance of Agency's and Advertiser's payment and other obligations hereunder. Delinquent accounts shall bear interest at the rate of ten percent (10%) per annum. If Station institutes any legal action to collect a delinquent account, then Advertiser agrees to pay Station for all cost thereof.

### 2. LIABILITY FOR PAYMENTS

Agency is acting as agent for a disclosed principal, the Advertiser named on the face hereof; provided, however, notwithstanding that bills are rendered to Agency or anything else contained herein, Advertiser and Agency jointly and severally shall be and remain obligated to pay the amount of all bills until payment in full is received by Station. Payment by Advertiser to Agency shall constitute payment to Station.

### 3. TERMINATION

(a) Unless otherwise specified on the face hereof, either party may terminate this contract, for any reason, upon giving the other party at least 28 days' prior notice; provided, however, if notice given by Agency, termination shall not be effective until after 28 consecutive days of broadcasting hereunder. If Agency so terminates this contract, Agency shall pay Station at the earned rate: all broadcasts pursuant to this contract through the date of termination.  
(b) Station may, upon notice to Agency, terminate this contract at any time: (i) upon material breach by Agency, including, without limitation, Station's failure to receive timely payment on billings; (ii) if Advertiser's or Agency's credit is, in Station's reasonable opinion, impaired. Upon such termination all unpaid, accrued charges hereunder shall immediately become due and payable and Agency shall also pay, as liquidated damages, a sum equal to that which Agency would have been obligated to pay hereunder if, on the date on which Station gives such notice of termination, Agency had given notice of termination pursuant to Paragraph 3(a) hereof effective at the earliest date permitted thereunder.  
(c) Agency may, upon notice to Station, terminate this contract at any time upon material breach by Station. Upon such termination, Station shall pay as liquidated damages, a sum equal to the lesser of the following: (i) the actual, noncancelable out-of-pocket costs necessarily incurred by Agency through date of such termination and that arise directly from the placement of the announcements or programs hereunder; provided, however, that if any part of such announcements or programs have been broadcast, then Station's obligation to reimburse said costs shall be reduced pro rata, or (ii) the total which would be due to Station hereunder if, on the date on which Agency gives notice of termination, Station had given notice of termination pursuant to Paragraph 3(a) or had given notice under Paragraph 3(b) hereof. Except as expressly set forth in the preceding sentence, Station shall not be liable to Agency or Advertiser for any claims, actions, losses, damages, liabilities, costs or expenses of any kind or nature whatsoever.

### 4. OMISSION OF BROADCAST

If, as a result of an act of God (including, but not limited to, delay or cancellation of an event due to weather), force majeure, public emergency, labor dispute or lockout, restriction imposed by law, rule, law, or governmental order, mechanical breakdown or any other similar or dissimilar cause beyond Station's reasonable control, Station fails to exhibit any or all of the announcements or programs to be exhibited hereunder, Station shall not be in breach hereof, but Agency shall be entitled to an adjustment as follows: (i) If no part of a scheduled broadcast is made, a later broadcast shall be made at a reasonably satisfactory substitute date and time in which case Agency shall continue to pay all amounts due hereunder, and if no such time is available the time charges allocable to the omitted broadcast shall be waived; (ii) If a material part, but not all, of a scheduled broadcast is omitted, a later broadcast shall be made at a reasonably satisfactory substitute date and time, and Agency shall continue to pay full charge. The foregoing shall not deprive Agency of benefits of discounts, which it would have earned hereunder if the broadcast had been made in its entirety. In addition, if, for any reason whatsoever, including, without limitation, events that are beyond Station's control or events that are within Station's control, Station fails to broadcast any or all of the announcements or programs to be broadcast hereunder, Station's liability, if any, for such failure shall be limited to the time charges allocable to the omitted broadcast.

### 5. PREEMPTIONS

Station shall have the right to cancel any broadcast or portion thereof covered by this contract in order to broadcast any program or event that, in its sole discretion, it deems to be of public interest or significance. Station will notify Agency of such cancellation as promptly as reasonably possible. If the parties cannot agree upon a satisfactory substitute date and time, the broadcast so preempted shall be deemed cancelled without affecting the rate, discounts or rights provided under this contract, except that Agency will not have to pay Station any charges allocable to the cancelled broadcast.

### 6. FIXED RATE PURCHASES

Notwithstanding the provisions of Paragraphs 4 and 5 above, unless the omitted or preempted announcement was purchased as a single buy or at a fixed (i.e., not a premissible) rate, and it is indicated on the face of this contract, Station may preempt any such announcement at its sole discretion for any reason, and in the event of preemption or omission, Agency shall continue to pay the full charge (no credit or refund will be given), but Agency shall be accorded another announcement or a reasonably satisfactory substitute date and time, at no additional charge therefor.

### 7. RATE PROTECTION

Station reserves the right at any time(s) to change the rates, discounts or charges hereunder to conform to any rate card issued after the date of this contract ("New Rate Card"), provided that such changes will not be effective so as to increase the aggregate sums payable hereunder prior to the end of the rate protection period specified in the published rate card in effect on the date hereof ("Current Rate Card"), and further provided that the rate protection set forth in the Current Rate Card shall apply only if, and to the extent that, commencing no later than 30 days after the effective date of New Rate Card, announcements hereunder are broadcast weekly without interruption or lapse unless caused by Station. Agency shall have the benefit (to be granted in the form of additional broadcast time and not in cash) of any decrease in the aggregate sums payable hereunder beginning as of the effective date of the New Rate Card.

### 8. AGENCY MATERIAL

All announcement materials (and if so specified on the face of this contract all program materials, including talent) shall be furnished by Agency and delivered to Station at Agency's sole cost and expense. Agency shall deliver all materials not less than 48 hours (exclusive of Saturdays, Sundays and holidays) in advance of broadcast. All materials furnished by Agency (i) shall not be contrary to the public interest; (ii) shall conform to the Station's then-existing program and operating policies and quality standards; (iii) are subject to Station's prior approval and continuing to reject or to cause Agency to edit such materials; and (iv) may be broadcast without infringing or otherwise violating the rights of others. Station will not be liable for loss or damage to Agency material or, even if accepted by Station, for communications from others.

Any additional material furnished by Station either at Agency's request or because Station, in its sole discretion, has determined such additional material is necessary, shall be furnished at Agency's expense and shall be in addition to charges set forth on the face hereof. Station's exercise of its right to refuse to broadcast any program or announcement hereunder, or revocation of any prior approval of advertising matter, shall not constitute a breach of this agreement, and Station shall not be liable to Advertiser. If Station shall fail to receive an acceptable announcement and/or program within the time provided for herein, Station may repeat any previously approved announcement and/or programs available to Station, or, if there are none, may telecast by audio the name or other identification or service to be advertised hereunder. If Agency requests within 30 days of the last broadcast hereunder, Station will, at Agency's expense, return Agency material to Agency. If Agency does not so request, Station has the right to dispose of all Agency material any time after 60 days following the last broadcast hereunder.

### 9. INDEMNIFICATION

Agency will indemnify, defend, and hold harmless Station from and against all claims, actions, liabilities, damages, losses, costs and expenses (including reasonable attorneys' fees and disbursements) that arise out of or result from the broadcast, preparation for broadcast or contemplated broadcast of materials furnished by or on behalf of Agency or furnished by Station at Agency's request for use in connection with Agency's announcement or other program materials, and Station will similarly indemnify, defend, and hold harmless Agency and Advertiser with respect to all other materials furnished by Station. The indemnitee shall promptly notify and cooperate with the indemnitor with respect to any claim. The provisions of this Paragraph shall survive the termination or expiration of this contract.

### 10. GENERAL

(a) Station will broadcast the announcements or programs covered by this contract on the dates and at the approximate hourly times provided on the face hereof.  
(b) If this contract is with a recognized advertising agency, a commission not to exceed 15% will be allowed on all time charges unless otherwise provided on the face hereof and provided Station bills are paid when due. If this contract is with a media buying service, all references herein to Agency shall apply to the media buying service. If this contract is made directly with Advertiser, references herein to Agency shall apply to Advertiser except that in such case no commission will be allowed.

(c) Agency shall not assign this contract except to another agency that succeeds to its business of representing Advertiser and provided such other agency assumes in writing all of Agency's obligations hereunder. Advertiser may upon notice to Station change its agency, and only the successor agency shall be entitled to commissions, if any, on billings for broadcasts thereafter.

(d) Notwithstanding any other provision of this Agreement, any specification or order for the telecast or nontelecast of Advertiser's material during a particular portion of the broadcast program segment listed on the face hereof shall be treated as a request only, and Station shall not be obligated to comply with such request.

(e) Any taxes, whether federal, state or local, including sales and use taxes, that may be imposed upon or with respect to, any advertising broadcast pursuant to this Agreement that may be advanced to Station on behalf of Agency shall be billed to Agency in addition to the amount otherwise payable.

(f) Station at its sole discretion, shall determine the nature and extent of Advertiser's exclusive sponsorship, if any, of any program or segment.  
(g) This contract contains the entire understanding between parties, cannot be changed or terminated orally, and shall be construed in accordance with the laws of the State of California, where Station's home office is located. When there is any inconsistency between these standard conditions and a provision of the face hereof, the latter shall govern. Failure of either party to enforce any of the provisions hereof shall not be construed as a general relinquishment or waiver of that or any other provision. All notices hereunder (except for notices under Paragraph 6) shall be in writing given only by mail or fax, addressed to other party at the address on the face hereof, and shall be deemed given on the date of dispatch. In the event of an alleged breach by Station, Advertiser shall not be entitled to recover damages in excess of its out-of-pocket costs; no recovery for anticipated profits or damage to reputation of the Advertiser or its product or services is permitted.

(h) Station does not discriminate in the sale of advertising time, and will accept no advertising that is placed with an intent to discriminate on the basis of race or ethnicity. Agency hereby certifies that it is not buying broadcasting air time under this contract for a discriminatory purpose, including but not limited to decisions not to place advertising on particular stations on the basis of race, ethnicity, national origin, or ancestry.

**AGREEMENT FORM FOR  
NON-CANDIDATE/ISSUE ADVERTISEMENTS**

<b>Station and Location:</b>  KSAZ	<b>Date:</b>  7/31/2014
--	-------------------------------

I, Betsy Vonderheid,  
do hereby request station time concerning the following issue:

Save Our Future Now
---------------------

<b>Broadcast Length</b>	<b>Time-of-Day/ Rotation or Package</b>	<b>Days</b>	<b>Class</b>	<b>Times per Week</b>	<b>Number of Weeks</b>
		7/31-8/6			

This broadcast time will be used by: Save Our Future Now

**THIS PAGE MUST BE COMPLETED FOR PROGRAMMING THAT  
"COMMUNICATES A POLITICAL MATTER OF NATIONAL IMPORTANCE."  
FOR ALL OTHER ISSUE ADS, PLEASE GO TO PAGE 3.**

Programming that "communicates a political matter of national importance" includes (1) references to legally qualified candidates (presidential, vice presidential or congressional); (2) any election to Federal office (e.g., any references to "our next senator", "our person in Washington" or "the President"); and (3) a national legislative issue of public importance (e.g., Affordable Care Act, revising the IRS tax code, federal gun control or any federal legislation).

**Does the programming (in whole or in part) communicate "a message relating to any political matter of national importance?"**

Yes       No

For programming that "communicates a message relating to any political matter of national importance," list the name of the legally qualified candidate(s) the programming refers to, the offices being sought, the date(s) of the election(s) and/or the issue to which the communication refers (if applicable):

I represent that the payment for the above described broadcast time has been furnished by (name and address):

and you are authorized to announce the time as paid for by such person or entity (hereinafter referred to as the "sponsor").

List the chief executive officers or members of the executive committee or the board of directors below (or attach separately):

For programming that "communicates a message relating to any political matter of national importance," attach Agreed Upon Schedule (Page 5)

**THIS PAGE MUST BE COMPLETED FOR PROGRAMMING THAT  
DOES NOT "COMMUNICATE A POLITICAL MATTER OF NATIONAL  
IMPORTANCE"**

I represent that the payment for the above described broadcast time has been furnished by (name and address):

Betsy Vonderheid

and you are authorized to announce the time as paid for by such person or entity (hereinafter referred to as the "sponsor").

List the chief executive officers or members of the executive committee or the board of directors below (or attach separately):

A large rectangular area of the document has been completely redacted with a solid black color, obscuring any potential names or information that might have been listed there.

**TO BE COMPLETED FOR ALL ISSUE ADVERTISEMENTS**

**THIS STATION DOES NOT DISCRIMINATE OR PERMIT DISCRIMINATION ON THE BASIS OF RACE OR ETHNICITY IN THE PLACEMENT OF ADVERTISING.**

The Sponsor agrees to indemnify and hold harmless the station for any damages or liability, including reasonable attorney's fees, that may ensue from the broadcast of the above-requested advertisement(s). For the above-stated broadcast(s), the sponsor also agrees to prepare a script, transcript, or tape, which will be delivered to the station at least \_\_\_\_\_ before the time of the scheduled broadcasts.

**TO BE SIGNED BY ISSUE ADVERTISER (SPONSOR)**

7/31/2014 Betty Vandekieul 703-683-9755  
Date Signature Contact Phone Number

**TO BE SIGNED BY STATION REPRESENTATIVE**

Accepted

Accepted In Part

Rejected

---

Signature

---

Printed Name

---

Title

### AGREED UPON SCHEDULE

For All Issue Advertisements That Communicate a Message Relating to Any Political Matter of National Importance

Broadcast Length	Time of Day/ Rotation or Package	Days	Class	Times per Week	Number of Weeks

Attach proposed schedule with charges (if available): \$43550

### AFTER AIRING OF BROADCASTS:

Attach invoices or Schedule Run Summary to this Form showing:

- (1) actual air time and charges for each spot;
- (2) the date(s), exact time(s) and reason(s) for Make-Good(s), if any; and
- (3) the amount of rebates given (identify exact date, time, class of broadcast and dollar amount for each rebate), if any.

Note: Because the FCC requires that the political file contain the actual time the rate for spots "communicating a political matter of national importance" air, that information should be included in the file as soon as possible. If that information is only generated monthly, the file should include the name of a contact person who can provide the times that and rates for specific spots aired. The FCC's online political files include a folder for "Terms and Disclosures." NAB suggests that, for stations subject to the online public file rule, the names of contact person(s) be placed in that folder.



KSAZ  
511 W. Adams Street  
Phoenix, AZ 85003  
(602) 257-1234

# CONTRACT

Contract / Revision	Alt Order #
356005 /	10141599
<u>Product</u>	
179	
<u>Contract Dates</u>	<u>Estimate #</u>
08/01/14 - 08/06/14	610
<u>Advertiser</u>	<u>Original Date / Revision</u>
Save Our Future Now	07/31/14 / 07/31/14
<u>Billing Cycle</u>	<u>Billing Calendar</u>
EOM/EOC	Broadcast
<u>Station</u>	<u>Account Executive</u>
KSAZ	Chris Johnson
<u>Special Handling</u>	
<u>Demographic</u>	
Adults 35+	
<u>IDB#</u>	<u>Advertiser Code</u>
<u>Agency Ref</u>	<u>Advertiser Ref</u>

And:

Stevens Reed Curcio & Potholm  
Attention: Cheryl Mulhall  
201 North Union Street  
Suite 200  
Alexandria, VA 22314

*Line	Ch	Start Date	End Date	Description	Start/End Time	Days	Length	Spots/Week	Rate	Rin	Type	Spots	Amount
N 1	KSAZ	08/01/14	08/06/14	M-F 5a-530a	5a-530a		:30			NM		4	\$1,800.00
Political Issue													
	<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>	<u>Spots/Week</u>				<u>Rate</u>	<u>Rating</u>				
Week: 07/28/14	08/03/14	----F--		1				\$450.00	0.00				
Week: 08/04/14	08/10/14	MTW----		3				\$450.00	0.00				
N 2	KSAZ	08/01/14	08/06/14	M-F 530a-6a	530a-6a		:30			NM		4	\$1,800.00
Political Issue													
	<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>	<u>Spots/Week</u>				<u>Rate</u>	<u>Rating</u>				
Week: 07/28/14	08/03/14	----F--		1				\$450.00	0.00				
Week: 08/04/14	08/10/14	MTW----		3				\$450.00	0.00				
N 3	KSAZ	08/01/14	08/06/14	M-F 6a-7a News	6a-7a		:30			NM		5	\$4,000.00
Political Issue													
	<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>	<u>Spots/Week</u>				<u>Rate</u>	<u>Rating</u>				
Week: 07/28/14	08/03/14	----F--		1				\$800.00	0.00				
Week: 08/04/14	08/10/14	MTW----		4				\$800.00	0.00				
N 4	KSAZ	08/01/14	08/06/14	M-F 7a-8a News	7a-8a		:30			NM		5	\$4,250.00
Political Issue													
	<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>	<u>Spots/Week</u>				<u>Rate</u>	<u>Rating</u>				
Week: 07/28/14	08/03/14	----F--		1				\$850.00	0.00				
Week: 08/04/14	08/10/14	MTW----		4				\$850.00	0.00				
N 5	KSAZ	08/01/14	08/06/14	M-F 8a-9a News	8a-9a		:30			NM		2	\$1,700.00
Political Issue													
	<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>	<u>Spots/Week</u>				<u>Rate</u>	<u>Rating</u>				
Week: 07/28/14	08/03/14	----F--		1				\$850.00	0.00				
Week: 08/04/14	08/10/14	MTW----		1				\$850.00	0.00				
N 6	KSAZ	08/01/14	08/06/14	M-F 8a-10a News	8a-10a		:30			NM		2	\$1,000.00
Political Issue													
	<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>	<u>Spots/Week</u>				<u>Rate</u>	<u>Rating</u>				
Week: 07/28/14	08/03/14	----F--		1				\$500.00	0.00				
Week: 08/04/14	08/10/14	MTW----		1				\$500.00	0.00				
N 7	KSAZ	08/01/14	08/06/14	M-F 12p-1230p Noon News	12p-1230p		:30			NM		4	\$1,600.00
Political Issue													
	<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>	<u>Spots/Week</u>				<u>Rate</u>	<u>Rating</u>				
Week: 07/28/14	08/03/14	----F--		1				\$400.00	0.00				

(\* Line Transactions: N = New, E = Edited, D = Deleted)

Notwithstanding to whom bills are rendered, advertiser, agency and service, jointly and severally, shall remain obligated to pay to station the amount of any bills rendered by station within the time specified and until payment in full is received by station. Payment by advertiser to agency or to service or payment by agency to service, shall not constitute payment to station. Station will not be bound by conditions, printed or otherwise contracts, insertion orders, copy instructions or any correspondence when such conflict with the above terms and conditions. Two week advance cancellation notice is required unless otherwise specified.



**KSAZ**  
**511 W. Adams Street**  
**Phoenix, AZ 85003**  
**(602) 257-1234**

Contract / Revision 356005 /	All Order # 10141599	
Contract Dates 08/01/14 - 08/06/14	Product 179	Estimate # 510
Advertiser Save Our Future Now	Original Date / Revision 07/31/14 / 07/31/14	

*Line	Ch	Start Date	End Date	Description	Start/End Time	Spots/ Days	Length	Spots/ Week	Rate	Rin	Type	Spots	Amount
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>			<u>Rate</u>		<u>Rating</u>		
Week: 08/04/14		08/10/14		MTW----		3			\$400.00		0.00		
N 8	KSAZ	08/01/14	08/06/14	M-F 5p-530p News	5p-530p		:30					NM	4 \$5,200.00
Political Issue													
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>			<u>Rate</u>		<u>Rating</u>		
Week: 07/28/14		08/03/14		----F--		1			\$1,300.00		0.00		
Week: 08/04/14		08/10/14		MTW----		3			\$1,300.00		0.00		
N 9	KSAZ	08/01/14	08/06/14	M-F 530p-6p News	530p-6p		:30					NM	4 \$5,200.00
Political Issue													
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>			<u>Rate</u>		<u>Rating</u>		
Week: 07/28/14		08/03/14		----F--		1			\$1,300.00		0.00		
Week: 08/04/14		08/10/14		MTW----		3			\$1,300.00		0.00		
N 10	KSAZ	08/01/14	08/06/14	M-F 6p-630p News	6p-630p		:30					NM	4 \$4,800.00
Political Issue													
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>			<u>Rate</u>		<u>Rating</u>		
Week: 07/28/14		08/03/14		----F--		1			\$1,200.00		0.00		
Week: 08/04/14		08/10/14		MTW----		3			\$1,200.00		0.00		
N 11	KSAZ	08/01/14	08/06/14	M-F 8p-10p News	8p-10p		:30					NM	4 \$6,000.00
Political Issue													
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>			<u>Rate</u>		<u>Rating</u>		
Week: 07/28/14		08/03/14		----F--		1			\$1,500.00		0.00		
Week: 08/04/14		08/10/14		MTW----		3			\$1,500.00		0.00		
N 12	KSAZ	08/01/14	08/06/14	M-F 10p-1030p News	10p-1030p		:30					NM	4 \$6,200.00
Political Issue													
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>			<u>Rate</u>		<u>Rating</u>		
Week: 07/28/14		08/03/14		----F--		1			\$1,300.00		0.00		
Week: 08/04/14		08/10/14		MTW----		3			\$1,300.00		0.00		
N 13	KSAZ	08/03/14	08/03/14	Su 8a-8a Fox News	8a-8a		:30					NM	2 \$1,000.00
Political Issue													
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>			<u>Rate</u>		<u>Rating</u>		
Week: 07/28/14		08/03/14		-----S		2			\$500.00		0.00		
												Totals	0.00
													48 \$43,550.00

\*Tax 1 Note: Phoenix City Sales Tax 0.5%.

Time Period	# of Spots	Gross Amount	Net Amount	*Tax 1	Total
07/28/14 - 08/06/14	48	\$43,550.00	\$37,017.50	\$185.09	\$37,202.59
<b>Totals</b>	<b>48</b>	<b>\$43,550.00</b>	<b>\$37,017.50</b>	<b>\$185.09</b>	<b>\$37,202.59</b>

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

(\* Line Transactions: N = New, E = Edited, D = Deleted)

Notwithstanding to whom bills are rendered, advertiser, agency and service, jointly and severally, shall remain obligated to pay to station the amount of any bills rendered by station within the time specified and until payment in full is received by station. Payment by advertiser to agency or to service or payment by agency to service, shall not constitute payment to station. Station will not be bound by conditions, printed or otherwise contracts, insertion orders, copy instructions or any correspondence when such conflict with the above terms and conditions. Two week advance cancellation notice is required unless otherwise specified.

## STANDARD CONDITIONS

### 1. BILLING AND PAYMENTS

Station will, from time to time at intervals following broadcasts hereunder, bill Agency on behalf of Advertiser at the address on the face hereof. Agency shall pay Station thereon at the address on the bill on or before the 30<sup>th</sup> day of each month following that in which the broadcast occurred or such other date as may be specified in the invoice. Time is specifically made at the essence in the performance of Agency's and Advertiser's payment and other obligations hereunder. Delinquent accounts shall bear interest at the rate of ten percent (10%) per annum. If Station institutes any legal action to collect a delinquent account, then Advertiser agrees to pay Station for all cost thereof.

### 2. LIABILITY FOR PAYMENTS

Agency is acting as agent for a disclosed principal, the Advertiser named on the face hereof; provided, however, notwithstanding that bills are rendered to Agency or anything else contained herein, Advertiser and Agency jointly and severally shall be and remain obligated to pay the amount of all bills until payment in full is received by Station. Payment by Advertiser to Agency shall not constitute payment to Station.

### 3. TERMINATION

(a) Unless otherwise specified on the face hereof, either party may terminate this contract, for any reason, upon giving the other party at least 28 days' prior notice; provided, however, if notice is given by Agency, termination shall not be effective until after 28 consecutive days of broadcasting hereunder. If Agency so terminates this contract, Agency shall pay Station at the earned rate for all broadcasts pursuant to this contract through the date of termination.

(b) Station may, upon notice to Agency, terminate this contract at any time: (i) upon material breach by Agency, including, without limitation, Station's failure to receive timely payment on billing; or (ii) if Advertiser's or Agency's credit is, in Station's reasonable opinion, impaired. Upon such termination all unpaid, accrued charges hereunder shall immediately become due and payable and Agency shall also pay, as liquidated damages, a sum equal to that which Agency would have been obligated to pay hereunder if, on the date on which Station gives such notice of termination, Agency had given notice of termination pursuant to Paragraph 3(a) effective at the earliest date permitted thereunder.

(c) Agency may, upon notice to Station, terminate this contract at any time upon material breach by Station. Upon such termination, Station shall pay as liquidated damages, a sum equal to the lesser of the following: (i) the actual, noncancelable out-of-pocket costs necessarily incurred by Agency through date of such termination and that arise directly from the placement of the announcements or programs hereunder; provided, however, that if any part of such announcements or programs have been broadcast, then Station's obligation to reimburse said costs shall be reduced pro rata, or (ii) the total which would be due to Station hereunder if, on the date on which Agency gives notice of termination, Station had given notice of termination pursuant to Paragraph 3(a) or had given notice under Paragraph 3 hereof. Except as expressly set forth in the preceding sentence, Station shall not be liable to Agency or Advertiser for any claims, actions, losses, damages, liabilities, costs or expenses of any kind or nature whatsoever.

### 4. OMISSION OF BROADCAST

If, as a result of an act of God (including, but not limited to, delay or cancellation of an event due to weather), force majeure, public emergency, labor dispute or lockout, restriction imposed by league rule, law, or governmental order, mechanical breakdown or any other similar or dissimilar cause beyond Station's reasonable control, Station fails to exhibit any or all of the announcements or programs to be exhibited hereunder, Station shall not be in breach hereof, but Agency shall be entitled to an adjustment as follows: (i) if no part of a scheduled broadcast is made, a later broadcast shall be made at a reasonably satisfactory substitute date and time in which case Agency shall continue to pay all amounts due hereunder, and if no such time is available the time charges allocable to the omitted broadcast shall be waived; (ii) if a material part, but not all, of a scheduled broadcast is omitted, a later broadcast shall be made at a reasonably satisfactory substitute date and time, and Agency shall continue to pay full charge. The foregoing shall not deprive Agency of benefits of discounts, which it would have earned hereunder if the broadcast had been made in its entirety. In addition, if, for any reason whatsoever, including, without limitation, events that are beyond Station's control or events that are within Station's control, Station fails to broadcast any or all of the announcements or programs to be broadcast hereunder, Station's liability, if any, for such failure shall be limited to the time charges allocable to the omitted broadcast or broadcasts.

### 5. PREEMPTIONS

Station shall have the right to cancel any broadcast or portion thereof covered by this contract in order to broadcast any program or event that, in its sole discretion, it deems to be of public interest or significance. Station will notify Agency of such cancellation as promptly as reasonably possible. If the parties cannot agree upon a satisfactory substitute date and time, the broadcast so preempted shall be deemed cancelled without affecting the rate, discounts or rights provided under this contract, except that Agency will not have to pay Station any charges allocable to the cancelled broadcast.

### 6. FIXED RATE PURCHASES

Notwithstanding the provisions of Paragraphs 4 and 5 above, unless the omitted or preempted announcement was purchased as a single buy or at a fixed (i.e., not a preemptible) rate, and it is so indicated on the face of this contract, Station may preempt any such announcement at its sole discretion for any reason, and in the event of preemption or omission, Agency shall continue to pay the full charge (no credit or refund will be given), but Agency shall be accorded another announcement or a reasonably satisfactory substitute date and time, at no additional charge therefor.

### 7. RATE PROTECTION

Station reserves the right at any time(s) to change the rates, discounts or charges hereunder to conform to any rate card issued after the date of this contract ("New Rate Card"), provided that such change will not be effective so as to increase the aggregate sums payable hereunder prior to the end of the rate protection period specified in the published rate card in effect on the date hereof ("Current Rate Card"), and further provided that the rate protection set forth in the Current Rate Card shall apply only if, and to the extent that, commencing no later than 30 days after the effective date of New Rate Card, announcements hereunder are broadcast weekly without interruption or lapse unless caused by Station. Agency shall have the benefit (to be granted in the form of additional broadcast time and not in cash) of any decrease in the aggregate sums payable hereunder beginning as of the effective date of the New Rate Card.

### 8. AGENCY MATERIAL

All announcement materials (and if so specified on the face of this contract all program materials, including talent) shall be furnished by Agency and delivered to Station at Agency's sole cost and expense. Agency shall deliver all materials not less than 96 hours (exclusive of Saturdays, Sundays and holidays) in advance of broadcast. All materials furnished by Agency (i) shall not be contrary to the public interest; (ii) shall conform to the Station's then-existing program and operating policies and quality standards; (iii) are subject to Station's prior approval and continuing right to reject or to cause Agency to edit such materials; and (iv) may be broadcast without infringing or otherwise violating the rights of others. Station will not be liable for loss or damage to Agency's material or, even if accepted by Station, for communications from others. Any additional material furnished by Station either at Agency's request or because Station, in its sole discretion, has determined such additional material is necessary, shall be furnished at Agency's expense and shall be in addition to charges set forth on the face hereof. Station's exercise of its right to refuse to broadcast any program or announcement hereunder, or revocation of and/or program within the time provided for herein, Station may repeat any previously approved announcement and/or programs available to Station, or, if there are none, may telecast by audio only the name or other identification or service to be advertised hereunder. If Agency requests within 30 days of the last broadcast hereunder, Station will, at Agency's expense, return Agency material to Agency. If Agency does not so request, Station has the right to dispose of all Agency material any time after 60 days following the last broadcast hereunder.

### 9. INDEMNIFICATION

Agency will indemnify, defend, and hold harmless Station from and against all claims, actions, liabilities, damages, losses, costs and expenses (including reasonable attorneys' fees and disbursements) that arise out of or result from the broadcast, preparation for broadcast or contemplated broadcast of materials furnished by or on behalf of Agency or furnished by Station at Agency's request for use in connection with Agency's announcement or other program materials, and Station will similarly indemnify, defend, and hold harmless Agency and Advertiser with respect to all other materials furnished by Station. The indemnitee shall promptly notify and cooperate with the indemnitor with respect to any claim. The provisions of this Paragraph shall survive the termination or expiration of this contract.

### 10. GENERAL

- (a) Station will broadcast the announcements or programs covered by this contract on the dates and at the approximate hourly times provided on the face hereof.
- (b) If this contract is with a recognized advertising agency, a commission not to exceed 15% will be allowed on all time charges unless otherwise provided on the face hereof and provided Station's references herein to Agency shall apply to Advertiser except that in such case no commission will be allowed.
- (c) Agency shall not assign this contract except to another agency that succeeds to its business of representing Advertiser and provided such other agency assumes in writing all of Agency's obligations hereunder. Advertiser may upon notice to Station change its agency, and only the successor agency shall be entitled to commissions, if any, on billings for broadcasts thereafter.
- (d) Notwithstanding any other provision of this Agreement, any specification or order for the telecast or nontelecast of Advertiser's material during a particular portion of the broadcast program or segment listed on the face hereof shall be treated as a request only, and Station shall not be obligated to comply with such request.
- (e) Any taxes, whether federal, state or local, including sales and use taxes, that may be imposed upon or with respect to, any advertising broadcast pursuant to this Agreement that may be advanced to Station on behalf of Agency shall be billed to Agency in addition to the amount otherwise payable.
- (f) This contract contains the entire understanding between parties, cannot be changed or terminated orally, and shall be construed in accordance with the laws of the State of California, where Station's home office is located. When there is any inconsistency between these standard conditions and a provision of the face hereof, the latter shall govern. Failure of either party to enforce any of the provisions hereof shall not be construed as a general relinquishment or waiver of that or any other provision. All notices hereunder (except for notices under Paragraph 6) shall be in writing given only by mail or fax, addressed to other party at the address on the face hereof, and shall be deemed given on the date of dispatch. In the event of an alleged breach by Station, Advertiser shall not be entitled to recover damages in excess of its out-of-pocket costs; no recovery for anticipated profits or damage to reputation of the Advertiser or its product or services shall be permitted.
- (g) Station does not discriminate in the sale of advertising time, and will accept no advertising that is placed with an intent to discriminate on the basis of race or ethnicity. Agency hereby certifies that it is not buying broadcasting air time under this contract for a discriminatory purpose, including but not limited to decisions not to place advertising on particular stations on the basis of race, ethnicity, national origin, or ancestry.

**AGREEMENT FORM FOR  
NON-CANDIDATE/ISSUE ADVERTISEMENTS**

<b>Station and Location:</b>  KSAZ	<b>Date:</b>  7/31/2014
--	-------------------------------

**Betsy Vonderheid**

do hereby request station time concerning the following issue:

Save Our Future Now
---------------------

<b>Broadcast Length</b>	<b>Time of Day, Rotation or Package</b>	<b>Days</b>	<b>Class</b>	<b>Times per Week</b>	<b>Number of Weeks</b>
		7/31-8/6			

This broadcast time will be used by: Save Our Future Now

**THIS PAGE MUST BE COMPLETED FOR PROGRAMMING THAT  
"COMMUNICATES A POLITICAL MATTER OF NATIONAL IMPORTANCE."  
FOR ALL OTHER ISSUE ADS, PLEASE GO TO PAGE 3.**

Programming that "communicates a political matter of national importance" includes (1) references to legally qualified candidates (presidential, vice presidential or congressional); (2) any election to Federal office (e.g., any references to "our next senator", "our person in Washington" or "the President"); and (3) a national legislative issue of public importance (e.g., Affordable Care Act, revising the IRS tax code, federal gun control or any federal legislation).

**Does the programming (in whole or in part) communicate "a message relating to any political matter of national importance?"**

Yes

No

For programming that "communicates a message relating to any political matter of national importance," list the name of the legally qualified candidate(s) the programming refers to, the offices being sought, the date(s) of the election(s) and/or the issue to which the communication refers (if applicable):

--

I represent that the payment for the above described broadcast time has been furnished by (name and address):

Gave Our Future Now
---------------------

and you are authorized to announce the time as paid for by such person or entity (hereinafter referred to as the "sponsor").

List the chief executive officers or members of the executive committee or the board of directors below (or attach separately):

Treasurer: Joyce Downey
-------------------------

For programming that "communicates a message relating to any political matter of national importance," attach Agreed Upon Schedule (Page 5)

**THIS PAGE MUST BE COMPLETED FOR PROGRAMMING THAT  
DOES NOT "COMMUNICATE A POLITICAL MATTER OF NATIONAL  
IMPORTANCE"**

I represent that the payment for the above described broadcast time has been furnished by (name and address):

Betsy Vonderheid

and you are authorized to announce the time as paid for by such person or entity (hereinafter referred to as the "sponsor").

List the chief executive officers or members of the executive committee or the board of directors below (or attach separately):

**TO BE COMPLETED FOR ALL ISSUE ADVERTISEMENTS**

**THIS STATION DOES NOT DISCRIMINATE OR PERMIT DISCRIMINATION ON THE BASIS OF RACE OR ETHNICITY IN THE PLACEMENT OF ADVERTISING.**

The Sponsor agrees to indemnify and hold harmless the station for any damages or liability, including reasonable attorney's fees, that may ensue from the broadcast of the above-requested advertisement(s). For the above-stated broadcast(s), the sponsor also agrees to prepare a script, transcript, or tape, which will be delivered to the station at least \_\_\_\_\_ before the time of the scheduled broadcasts.

**TO BE SIGNED BY ISSUE ADVERTISER (SPONSOR)**

7/31/2014

Date

*Betsy Vonderheid*

703-683-9755

Contact Phone Number

**TO BE SIGNED BY STATION REPRESENTATIVE**

Accepted

Accepted In Part

Rejected

---

Signature

---

Printed Name

---

Title

## AGREED UPON SCHEDULE

**For All Issue Advertisements That Communicate a Message Relating to Any Political Matter of National Importance**

Broadcast Length	Time of Day, Rotation or Package	Days	Class	Times per Week	Number of Weeks

**Attach proposed schedule with charges (if available): \$43550**

## AFTER AIRING OF BROADCASTS:

Attach invoices or Schedule Run Summary to this Form showing:

- (1) actual air time and charges for each spot;
- (2) the date(s), exact time(s) and reason(s) for Make-Good(s), if any; and
- (3) the amount of rebates given (identify exact date, time, class of broadcast and dollar amount for each rebate), if any.

**Note: Because the FCC requires that the political file contain the actual time the rate for spots "communicating a political matter of national importance" air, that information should be included in the file as soon as possible. If that information is only generated monthly, the file should include the name of a contact person who can provide the times that and rates for specific spots aired. The FCC's online political files include a folder for "Terms and Disclosures." NAB suggests that, for stations subject to the online public file rule, the names of contact person(s) be placed in that folder.**

## ORDER



Orders	Order / Rev:	912719	Primary AE:	Jim Quinn
	Alt Order #:	07298520	Sales Office:	T-PHI
	Product Desc:	SAVE OUR FUTURE NOW	Sales Region:	NAT
	Estimate:	510		
	Flight Dates:	07/31/14 - 08/06/14		
	Original Date / Rev:	07/31/14 / 07/31/14		
	Order Type:	Political		
Agency	Name:	Stevens Reed Curcio & Potholm Medi	Billing Type:	Cash
	Buying Contact:		Billing Calendar:	Broadcast
	Billing Contact:	201 North Union Street, Suite 200	Billing Cycle:	EOM/EOC
		Alexandria, VA 22314	Agency Commission:	15%
Advertiser	Name:	Save Our Future Now	New Business Thru:	
	Demographic:	A50+	Order Separation:	00:20:00
	Product Codes:	IS-Issue/Non Ballot	Advertiser External ID:	
	Priority:	P04-GB	Agency External ID:	
	Revenue Codes:	AGY, GEN, (POL) Issue		

## Bill Plan

Start Date	End Date	# Spots	Gross Amount	Net Amount		Totals	Month	# Spots	Gross Amount	Net Amount	Rating
07/28/14	08/06/14	53	\$41,750.00	\$35,487.50			August 2014	53	\$41,750.00	\$35,487.50	0.00
						Totals		53	\$41,750.00	\$35,487.50	0.00

## Account Executives

Account Executive	Sales Office	Sales Region	Start Date / End Date	Order %
Jim Quinn			Start Of Order - End Of Order	100%

Order Share	Share	Total
KPNX	20%	\$41,750.00
Market	100%	\$208,750.00

Competitive Share	Share	Total
CABLE	0%	\$0.00
KAET	0%	\$0.00
KASW	0%	\$0.00
KBCZ	0%	\$0.00
KBPX	0%	\$0.00
KDRX	0%	\$0.00
KMCC	0%	\$0.00
KNAZ	0%	\$0.00
KNXV	0%	\$0.00
KPAZ	0%	\$0.00
KPHO	0%	\$0.00
KPPX	0%	\$0.00
KSAS	0%	\$0.00
KTFL	0%	\$0.00
KTVK	0%	\$0.00
KTVW	0%	\$0.00
KUSK	0%	\$0.00
KUTP	0%	\$0.00
UNKWN	80%	\$167,000.00

Order / Rev: 912719 Advertiser: Save Our Future Now  
 Alt Order #: 07298520 Product Desc: SAVE OUR FUTURE NOW KPNX  
 Flight Dates: 07/31/14 - 08/06/14 Estimate: 510

Ln	Ch	Start	End	Inventory Code	Break	Start/End Time	Days	Len	Spots	Rate	Pri	Rtg	Type	Spots	Amount
1	KPNX	07/31/14	08/06/14	Tonight Show Tonight Show	CM	1035-1135p	MTWTF--	:30	5	\$1,200.00	P04-C	0.00	NM	5	\$6,000.00
<b>TONIGHT SHOW</b>															
2	KPNX	08/01/14	08/06/14	Arizona Midday Arizona Midday	CM	Arizona Midday	MTW-F--	:30	8	\$100.00	P04-C	0.00	NM	8	\$800.00
<b>MID DAY</b>															
3	KPNX	08/01/14	08/06/14	M-F 12-1230p 12 News at Noon	CM	12-1230p	MTW-F--	:30	4	\$250.00	P04-C	0.00	NM	4	\$1,000.00
<b>NOON NEWS</b>															
4	KPNX	08/01/14	08/06/14	M-F 4-5p 12 News EVB	CM	4-5p	MTW-F--	:30	4	\$400.00	P04-C	0.00	NM	4	\$1,600.00
<b>12 NEWS</b>															
5	KPNX	08/01/14	08/06/14	M-F 5-530p M-F 5-530p	CM	5-530p	MTW-F--	:30	4	\$800.00	P04-C	0.00	NM	4	\$3,200.00
<b>12 NEWS</b>															
6	KPNX	08/01/14	08/06/14	M-F 6-630p 12 News 6pm	CM	6-630p	MTW-F--	:30	4	\$1,250.00	P04-C	0.00	NM	4	\$5,000.00
<b>ARIZ NIGHTLY NEWS</b>															
7	KPNX	08/01/14	08/06/14	M-F 6-7a 12 News Today	CM	6-7a	MTW-F--	:30	4	\$550.00	P04-C	0.00	NM	4	\$2,200.00
<b>12 NEWS TODAY 4</b>															
8	KPNX	08/01/14	08/06/14	M-F 630-7p Extra	CM	630-7p	MTW-F--	:30	3	\$1,200.00	P04-C	0.00	NM	3	\$3,600.00
<b>EXTRA</b>															
9	KPNX	08/01/14	08/06/14	M-F Today Show 7-9a	CM	7-9a	MTW-F--	:30	5	\$800.00	P04-C	0.00	NM	5	\$4,000.00
<b>NBC Today Show</b>															
10	KPNX	08/01/14	08/01/14	Fri Prime B DATELINE	CM	8-9p	-----F--	:30	1	\$2,500.00	P04-C	0.00	NM	1	\$2,500.00
<b>DATELINE</b>															
12	KPNX	08/03/14	08/03/14	Today Show Sunday	CM	NBC Sun Today S	-----S	:30	1	\$350.00	P04-C	0.00	NM	1	\$350.00
<b>NBC Today Show (Su)</b>															
13	KPNX	07/31/14	08/06/14	12 News 10pm M-SU	CM	10-1035p	MTWTFSS	:30	6	\$1,700.00	P04-C	0.00	NM	6	\$10,200.00
<b>12 News 10pm M-SU</b>															
12	KPNX	08/04/14	08/06/14	12 News @ 10PM	CM	Arizona Midday	MTW----	:30	1	\$100.00	P04-C	0.00	NM	1	\$100.00
<b>12 News @ 10PM</b>															
N14	KPNX	08/04/14	08/06/14		CM										

Order / Rev: 912719  
 Alt Order #: 07298520  
 Flight Dates: 07/31/14 - 08/06/14

Advertiser: Save Our Future Now  
 Product Desc: SAVE OUR FUTURE NOW  
 Estimate: 510

KPNX

Ln	Ch	Start	End	Inventory Code	Break	Start/End Time	Days	Len	Spots	Rate	Pri	Rtg	Type	Spots	Amount											
Arizona Midday																										
Arizona Midday																										
add																										
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Start Date	End Date	Weekdays	Spots/Week	Rate	Rating																					
Week: 08/04/14	08/10/14	MTW----	1	\$100.00	0.00																					
N15	KPNX	08/04/14	08/06/14	M-F 4-5p 12 News EVB	CM	4-5p	MTW----	:30	1	\$400.00	P04-C	0.00	NM	1	\$400.00											
add																										
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Start Date</th> <th>End Date</th> <th>Weekdays</th> <th>Spots/Week</th> <th>Rate</th> <th>Rating</th> </tr> </thead> <tbody> <tr> <td>Week: 08/04/14</td> <td>08/10/14</td> <td>MTW----</td> <td>1</td> <td>\$400.00</td> <td>0.00</td> </tr> </tbody> </table>															Start Date	End Date	Weekdays	Spots/Week	Rate	Rating	Week: 08/04/14	08/10/14	MTW----	1	\$400.00	0.00
Start Date	End Date	Weekdays	Spots/Week	Rate	Rating																					
Week: 08/04/14	08/10/14	MTW----	1	\$400.00	0.00																					
N16	KPNX	08/04/14	08/06/14	M-F 6-7a 12 News Today	CM	6-7a	MTW----	:30	1	\$550.00	P04-C	0.00	NM	1	\$550.00											
add																										
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Start Date</th> <th>End Date</th> <th>Weekdays</th> <th>Spots/Week</th> <th>Rate</th> <th>Rating</th> </tr> </thead> <tbody> <tr> <td>Week: 08/04/14</td> <td>08/10/14</td> <td>MTW----</td> <td>1</td> <td>\$550.00</td> <td>0.00</td> </tr> </tbody> </table>															Start Date	End Date	Weekdays	Spots/Week	Rate	Rating	Week: 08/04/14	08/10/14	MTW----	1	\$550.00	0.00
Start Date	End Date	Weekdays	Spots/Week	Rate	Rating																					
Week: 08/04/14	08/10/14	MTW----	1	\$550.00	0.00																					
N17	KPNX	08/04/14	08/06/14	M-F 530-6a 12 News Today	CM	530-6a	MTW----	:30	1	\$250.00	P04-C	0.00	NM	1	\$250.00											
add																										
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Start Date	End Date	Weekdays	Spots/Week	Rate	Rating																					
Week: 08/04/14	08/10/14	MTW----	1	\$250.00	0.00																					

\*Tax 1 Note: Tax 0.5%.

Totals 53 \$41,750.00

**AGREEMENT FORM FOR  
NON-CANDIDATE/ISSUE ADVERTISEMENTS**

Station and Location: <i>KWV NPNY</i>	Date: 7/31/2014
--	--------------------

I, **Betsy Vonderheld**,

do hereby request station time concerning the following issue:

Save Our Future Now
---------------------

Broadcast Length	Time of Day, Rotation or Package	Days	Class	Times per Week	Number of Weeks
		7/31-8/6			

This broadcast time will be used by: Save Our Future Now

**THIS PAGE MUST BE COMPLETED FOR PROGRAMMING THAT  
"COMMUNICATES A POLITICAL MATTER OF NATIONAL IMPORTANCE."  
FOR ALL OTHER ISSUE ADS, PLEASE GO TO PAGE 3.**

Programming that "communicates a political matter of national importance" includes (1) references to legally qualified candidates (presidential, vice presidential or congressional); (2) any election to Federal office (e.g., any references to "our next senator," "our person in Washington" or "the President"); and (3) a national legislative issue of public importance (e.g., Affordable Care Act, revising the IRS tax code, federal gun control or any federal legislation).

**Does the programming (in whole or in part) communicate "a message relating to any political matter of national importance?"**

Yes       No

For programming that "communicates a message relating to any political matter of national importance," list the name of the legally qualified candidate(s) the programming refers to, the offices being sought, the date(s) of the election(s) and/or the issue to which the communication refers (if applicable):

[Redacted]

I represent that the payment for the above described broadcast time has been furnished by (name and address):

Save Our Future Now

and you are authorized to announce the time as paid for by such person or entity (hereinafter referred to as the "sponsor").

List the chief executive officers or members of the executive committee or the board of directors below (or attach separately):

Treasurer: Joyce Downey

For programming that "communicates a message relating to any political matter of national importance," attach Agreed Upon Schedule (Page 5)

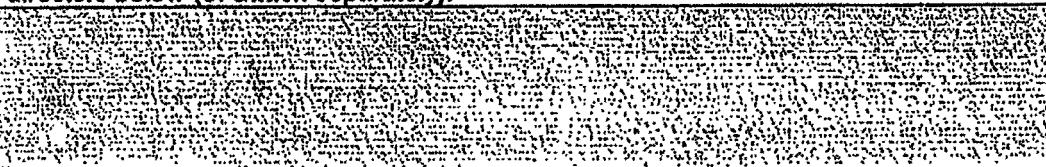
**THIS PAGE MUST BE COMPLETED FOR PROGRAMMING THAT  
DOES NOT "COMMUNICATE A POLITICAL MATTER OF NATIONAL  
IMPORTANCE"**

I represent that the payment for the above described broadcast time has been furnished by (name and address):

**Bethy Vonderheid**

and you are authorized to announce the time as paid for by such person or entity (hereinafter referred to as the "sponsor").

List the chief executive officers or members of the executive committee or the board of directors below (or attach separately):

A large rectangular area of the document has been completely redacted with a solid black color.

**TO BE COMPLETED FOR ALL ISSUE ADVERTISEMENTS**

**THIS STATION DOES NOT DISCRIMINATE OR PERMIT DISCRIMINATION ON THE BASIS OF RACE OR ETHNICITY IN THE PLACEMENT OF ADVERTISING.**

The Sponsor agrees to indemnify and hold harmless the station for any damages or liability, including reasonable attorney's fees, that may ensue from the broadcast of the above-requested advertisement(s). For the above-stated broadcast(s), the sponsor also agrees to prepare a script, transcript, or tape, which will be delivered to the station at least \_\_\_\_\_ before the time of the scheduled broadcasts.

**TO BE SIGNED BY ISSUE ADVERTISER (SPONSOR)**

7/31/2014

Date

*Betsy Vonderhaar*

703-683-9755

Contact Phone Number

**TO BE SIGNED BY STATION REPRESENTATIVE**

Accepted

Accepted in Part

Rejected

Signature

Printed Name

Title

### AGREED UPON SCHEDULE

**For All Issue Advertisements That Communicate a Message Relating to Any Political Matter of National Importance**

Broadcast Length	Time or Day, Rotation or Package	Days	Class	Times per Week	Number of Weeks

Attach proposed schedule with charges (if available): \$42900

### AFTER AIRING OF BROADCASTS:

Attach invoices or Schedule Run Summary to this Form showing:

- (1) actual air time and charges for each spot;
- (2) the date(s), exact time(s) and reason(s) for Make-Good(s), if any; and
- (3) the amount of rebates given (identify exact date, time, class of broadcast and dollar amount for each rebate), if any.

**Note: Because the FCC requires that the political file contain the actual time the rate for spots "communicating a political matter of national importance" air, that information should be included in the file as soon as possible. If that information is only generated monthly, the file should include the name of a contact person who can provide the times that and rates for specific spots aired. The FCC's online political files include a folder for "Terms and Disclosures." NAB suggests that, for stations subject to the online public file rule, the names of contact person(s) be placed in that folder.**

## ORDER



**KNXV-TV  
PHOENIX**

KNXV

Dave Lombardo

EWSDC

NAT

Orders      Order / Rev: 423103  
Alt Order #: \_\_\_\_\_  
Product Desc: Save Our Future Now  
Estimate: 510  
Flight Dates: 08/01/14 - 08/06/14  
Original Date / Rev: 07/31/14 / 07/31/14  
Order Type: GENERAL

Primary AE: \_\_\_\_\_  
Sales Office: \_\_\_\_\_  
Sales Region: \_\_\_\_\_

Agency      Name: SRCP Media  
Buying Contact: \_\_\_\_\_  
Billing Contact: \_\_\_\_\_  
201 N Union Street - Suite 200  
Alexandria, VA 22314

Billing Type: Cash  
Billing Calendar: Broadcast  
Billing Cycle: EOM/EOC  
Agency Commission: 15%

Advertiser      Name: Save Our Future Now  
Demographic: A25-54  
Product Codes: PL Non-Ballot Issue  
Priority: P-2  
Revenue Codes: POL, POL, ISS

New Business Thru: \_\_\_\_\_  
Order Separation: 00:20:00  
Advertiser External ID: \_\_\_\_\_  
Agency External ID: \_\_\_\_\_

Bill Plan					Totals				
Start Date	End Date	# Spots	Gross Amount	Net Amount	Month	# Spots	Gross Amount	Net Amount	Rating
07/28/14	08/06/14	31	\$21,050.00	\$17,892.50	August 2014	31	\$21,050.00	\$17,892.50	0.00
<i>+15750</i>					Totals	31	\$21,050.00	\$17,892.50	0.00

## Account Executives

Account Executive	Sales Office	Sales Region	Start Date / End Date	Order %
Dave Lombardo			Start Of Order - End Of Order	100%

Ln	Ch	Start	End	Inventory Code	Break	Start/End Time	Days	Len	Spots	Rate	Pri	Rtg	Type	Spots	Amount
N 1	KNXV	08/01/14	08/06/14	M-F 6-7am	CM	6am-7am	MTW-F--	:30	5	\$500.00	P-3	0.00	NM	5	\$2,500.00
				M-F 6-7am											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>			<u>Rating</u>						
		Week: 08/01/14	08/07/14	MTW-F--		5			0.00						
N 2	KNXV	08/01/14	08/06/14	M-F 7-9am	CM	7am-9am	MTW-F--	:30	10	\$550.00	P-3	0.00	NM	10	\$5,500.00
				M-F 7-9am											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>			<u>Rating</u>						
		Week: 08/01/14	08/07/14	MTW-F--		10			0.00						
N 3	KNXV	08/01/14	08/06/14	M-F 4pm-430pm	CM	4pm-430pm	MTW-F--	:30	4	\$400.00	P-1	0.00	NM	4	\$1,600.00
				4PM News											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>			<u>Rating</u>						
		Week: 08/01/14	08/07/14	MTW-F--		4			0.00						
N 4	KNXV	08/01/14	08/06/14	M-F 6pm-630pm	CM	6pm-630pm	MTW-F--	:30	4	\$675.00	P-2	0.00	NM	4	\$2,700.00
				M-F 6pm-630pm											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>			<u>Rating</u>						
		Week: 08/01/14	08/07/14	MTW-F--		4			0.00						
N 5	KNXV	08/01/14	08/06/14	M-F 10-1035pm	CM	10pm-1035pm	MTW-F--	:30	5	\$1,500.00	P-2	0.00	NM	5	\$7,500.00
				10pm News											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>			<u>Rating</u>						
		Week: 08/01/14	08/07/14	MTW-F--		5			0.00						
N 6	KNXV	08/02/14	08/02/14	SA 8am-9am News	CM	8am-9am	-----S-	:30	1	\$450.00	P-2	0.00	NM	1	\$450.00
				SA 8am-9am News											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>			<u>Rating</u>						
		Week: 08/01/14	08/07/14	-----S-		1			0.00						

## ORDER



**KNXV-TV  
PHOENIX**

KNXV

Dave Lombardo

EWSDC

NAT

Orders	Order / Rev:	423722	Primary AE:	
	Alt Order #:		Sales Office:	
	Product Desc:	Save Our Future Now	Sales Region:	
	Estimate:	519		
	Flight Dates:	08/07/14 - 08/14/14		
	Original Date / Rev:	08/05/14 / 08/05/14		
	Order Type:	GENERAL		
Agency	Name:	SRCP Media	Billing Type:	Cash
	Buying Contact:		Billing Calendar:	Broadcast
	Billing Contact:	201 N Union Street - Suite 200	Billing Cycle:	EOM/EOC
		Alexandria, VA 22314	Agency Commission:	15%
Advertiser	Name:	Save Our Future Now	New Business Thru:	
	Demographic:	A25-54	Order Separation:	00:20:00
	Product Codes:	PL Non-Ballot Issue	Advertiser External ID:	
	Priority:	P-2	Agency External ID:	
	Revenue Codes:	POL, POL, ISS		

## Bill Plan

Start Date	End Date	# Spots	Totals		Rating		
			Month	# Spots			
07/28/14	08/14/14	71	\$36,800.00	\$31,280.00	0.00		
			Totals	71	\$36,800.00	\$31,280.00	0.00

## Account Executives

Account Executive	Sales Office	Sales Region	Start Date / End Date	Order %
Dave Lombardo			Start Of Order - End Of Order	100%

Ln	Ch	Start	End	Inventory Code	Break	Start/End Time	Days	Len	Spots	Rate	Pri	Rtg	Type	Spots	Amount
N 1	KNXV	08/07/14	08/13/14	M-F 5-6am	CM	5am-6am	MTWTF--	:30	5	\$300.00	P-2	0.00	NM	5	\$1,500.00
				M-F 5-6am											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>			<u>Rate</u>		<u>Rating</u>				
		Week: 08/07/14	08/13/14	MTWTF--		5			\$300.00		0.00				
N 2	KNXV	08/14/14	08/14/14	M-F 5-6am	CM	5am-6am	---T---	:30	1	\$300.00	P-2	0.00	NM	1	\$300.00
				M-F 5-6am											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>			<u>Rate</u>		<u>Rating</u>				
		Week: 08/14/14	08/20/14	---T---		1			\$300.00		0.00				
N 3	KNXV	08/07/14	08/13/14	M-F 6-7am	CM	6am-7am	MTWTF--	:30	5	\$500.00	P-3	0.00	NM	5	\$2,500.00
				M-F 6-7am											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>			<u>Rate</u>		<u>Rating</u>				
		Week: 08/07/14	08/13/14	MTWTF--		5			\$500.00		0.00				
N 4	KNXV	08/14/14	08/14/14	M-F 6-7am	CM	6am-7am	---T---	:30	2	\$500.00	P-3	0.00	NM	2	\$1,000.00
				M-F 6-7am											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>			<u>Rate</u>		<u>Rating</u>				
		Week: 08/14/14	08/20/14	---T---		2			\$500.00		0.00				
N 5	KNXV	08/07/14	08/13/14	M-F 7-9am	CM	7am-9am	MTWTF--	:30	10	\$550.00	P-3	0.00	NM	10	\$5,500.00
				M-F 7-9am											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>			<u>Rate</u>		<u>Rating</u>				
		Week: 08/07/14	08/13/14	MTWTF--		10			\$550.00		0.00				
N 6	KNXV	08/14/14	08/14/14	M-F 7-9am	CM	7am-9am	---T---	:30	2	\$550.00	P-3	0.00	NM	2	\$1,100.00
				M-F 7-9am											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>			<u>Rate</u>		<u>Rating</u>				
		Week: 08/14/14	08/20/14	---T---		2			\$550.00		0.00				

Order / Rev: 423722 Advertiser: Save Our Future Now  
 Alt Order #: Product Desc: Save Our Future Now KNXV  
 Flight Dates: 08/07/14 - 08/14/14 Estimate: 519

Ln	Ch	Start	End	Inventory Code	Break	Start/End Time	Days	Len	Spots	Rate	Pri	Rtg	Type	Spots	Amount
N 7	KNXV	08/09/14	08/09/14	Sa GMA	CM	7am-8am	-----S-	:30	2	\$500.00	P-2	0.00	NM		2 \$1,000.00
				Sa Good Morning America											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 08/07/14	08/13/14	-----S-		2				\$500.00		0.00			
N 8	KNXV	08/10/14	08/10/14	Su GMA	CM	7am-8am	-----S	:30	2	\$400.00	P-2	0.00	NM		2 \$800.00
				Su Good Morning America											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 08/07/14	08/13/14	-----S		2				\$400.00		0.00			
N 9	KNXV	08/09/14	08/09/14	SA 8am-9am News	CM	8am-9am	-----S-	:30	2	\$450.00	P-2	0.00	NM		2 \$900.00
				SA 8am-9am News											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 08/07/14	08/13/14	-----S-		2				\$450.00		0.00			
N 10	KNXV	08/07/14	08/13/14	M-F 10am-11am	CM	10am-11am	MTWTF--	:30	5	\$400.00	P-2	0.00	NM		5 \$2,000.00
				The View											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 08/07/14	08/13/14	MTWTF--		5				\$400.00		0.00			
N 11	KNXV	08/07/14	08/13/14	M-F 11am-12pm	CM	11am-12pm	MTWTF--	:30	5	\$300.00	P-2	0.00	NM		5 \$1,500.00
				ABC15 News at 11AM											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 08/07/14	08/13/14	MTWTF--		5				\$300.00		0.00			
N 12	KNXV	08/07/14	08/13/14	M-F 4pm-430pm	CM	4pm-430pm	MTWTF--	:30	5	\$400.00	P-1	0.00	NM		5 \$2,000.00
				4PM News											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 08/07/14	08/13/14	MTWTF--		5				\$400.00		0.00			
N 13	KNXV	08/14/14	08/14/14	M-F 4pm-430pm	CM	4pm-430pm	---T---	:30	1	\$400.00	P-1	0.00	NM		1 \$400.00
				4PM News											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 08/14/14	08/20/14	---T---		1				\$400.00		0.00			
N 14	KNXV	08/10/14	08/10/14	Su 5pm News	CM	5pm-530pm	-----S	:30	1	\$500.00	P-2	0.00	NM		1 \$500.00
				SU 5pm-530pm News											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 08/07/14	08/13/14	-----S		1				\$500.00		0.00			
N 15	KNXV	08/07/14	08/13/14	M-F 6pm-630pm	CM	6pm-630pm	MTWTF--	:30	5	\$675.00	P-2	0.00	NM		5 \$3,375.00
				M-F 6pm-630pm											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 08/07/14	08/13/14	MTWTF--		5				\$675.00		0.00			
N 16	KNXV	08/14/14	08/14/14	M-F 6pm-630pm	CM	6pm-630pm	---T---	:30	1	\$675.00	P-2	0.00	NM		1 \$675.00
				M-F 6pm-630pm											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 08/14/14	08/20/14	---T---		1				\$675.00		0.00			
N 17	KNXV	08/09/14	08/09/14	SA 4pm-430pm	CM	4P-430PM	-----S-	:30	1	\$300.00	P-3	0.00	NM		1 \$300.00
				SA 4pm-430pm											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 08/07/14	08/13/14	-----S-		1				\$300.00		0.00			
N 18	KNXV	08/07/14	08/13/14	M-F 10-1035pm	CM	10pm-1035pm	MTWTF--	:30	5	\$1,200.00	P-3	0.00	NM		5 \$6,000.00
				10pm News											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 08/07/14	08/13/14	MTWTF--		5				\$1,200.00		0.00			
N 19	KNXV	08/09/14	08/09/14	SA 10-1035pm	CM	10pm-1035pm	-----S-	:30	1	\$800.00	P-3	0.00	NM		1 \$800.00
				10pm News											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 08/07/14	08/13/14	-----S-		1				\$800.00		0.00			
N 20	KNXV	08/10/14	08/10/14	SU 10-1035pm	CM	10pm-1035pm	-----S	:30	1	\$1,000.00	P-3	0.00	NM		1 \$1,000.00
				10pm News											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 08/07/14	08/13/14	-----S		1				\$1,000.00		0.00			
N 21	KNXV	08/07/14	08/13/14	Jimmy Kimmel Live	CM	1035p-1138p	MTWTF--	:30	5	\$450.00	P-3	0.00	NM		5 \$2,250.00
				Jimmy Kimmel											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>				<u>Rate</u>		<u>Rating</u>			
		Week: 08/07/14	08/13/14	-----S		1				\$450.00		0.00			

Order / Rev: 423722 Advertiser: Save Our Future Now  
 Alt Order #: Product Desc: Save Our Future Now KNXV  
 Flight Dates: 08/07/14 - 08/14/14 Estimate: 519

Ln	Ch	Start	End	Inventory Code	Break	Start/End Time	Days	Len	Spots	Rate	Pri	Rtg	Type	Spots	Amount
N21	KNXV	08/07/14	08/13/14	Jimmy Kimmel Live	CM	1035p-1138p	MTWTF--	:30	5	\$450.00	P-3	0.00	NM	5	\$2,250.00
				Jimmy Kimmel											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>			<u>Rate</u>		<u>Rating</u>				
		Week: 08/07/14	08/13/14	MTWTF--		5			\$450.00		0.00				
N22	KNXV	08/09/14	08/09/14	SA 1030am-11am	CM	1030am-11am	-----S-	:30	1	\$200.00	P-3	0.00	NM	1	\$200.00
				SA 1030am-11am											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>			<u>Rate</u>		<u>Rating</u>				
		Week: 08/07/14	08/13/14	-----S-		1			\$200.00		0.00				
N23	KNXV	08/07/14	08/13/14	Nightline	CM	1138p-1206a	MTWTF--	:30	3	\$400.00	P-2	0.00	NM	3	\$1,200.00
				Nightline											
		<u>Start Date</u>	<u>End Date</u>	<u>Weekdays</u>		<u>Spots/Week</u>			<u>Rate</u>		<u>Rating</u>				
		Week: 08/07/14	08/13/14	MTWTF--		3			\$400.00		0.00				

\*Tax 1 Note: Tax 0.5%.

Totals 71 \$36,800.00

# Exhibit 28

COMMISSIONERS  
SUSAN BITTER SMITH - Chairman  
BOB STUMP  
BOB BURNS  
DOUG LITTLE  
TOM FORESE



0000166100

ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

**DOCKETED**

SEP 11 2015

DOCKETED BY

September 11, 2015

RECEIVED

2015 SEP 11 P 3:40

AZ CORP COMMISSION  
DOCKET CONTROL

RE: Docket No. AU-00000A-15-0309

**ORIGINAL**

Dear Commissioners and Interested Parties:

In his statement at the Commission's September 8, 2015 Staff Meeting, Commissioner Burns expressed his desire to subpoena the financial records of Arizona Public Service to determine if they engaged in political spending in support of Corporation Commission candidates in the 2014 election.

It is not clear to me what purpose such a subpoena would serve.

There is nothing to indicate there was any violation of the law or Commission Rules. There is certainly nothing that would indicate such spending was included in rates. In fact, it would be impossible for any expenditure from that time frame to be included in rates because there has not been a rate case filed since that time.

Costs associated with political activities, including contributions to 501(c)(3)s are not recoverable in rates. During the course of a rate case an audit is performed that ensures (among other things) that no such expenditures are recovered through rates.

In my letter submitted to this docket on September 8, 2015, I explained why I believe the idea of a "voluntary" ban on campaign activities by entities that do business before the Commission is both unconstitutional and impractical. An attempt to subpoena such records will have similar constitutional and practical problems.

From a practical perspective, an examination of APS' activities during the campaign will not give us a complete picture. Many entities other than APS may have participated in the 2014 elections.

There are several entities that have substantial business interests in the decisions of this Commission that are not public service corporations and are not subject to the Commission's regulation.

To subpoena APS and leave all of these other entities unexamined would be inherently unfair and would lead to an incomplete picture of what actually was going on in the 2014 elections.

From a constitutional perspective, free speech and anonymous speech are intertwined. Anonymous speech has an important place in our political discourse. In fact, the Supreme Court has repeatedly ruled that the First Amendment protects the right to anonymous speech.

One of the most frequently quoted cases is *McIntyre v. Ohio Elections Commission* (1995). In that case, the decision, in relevant part reads: "Anonymity is a shield from the tyranny of the majority....It thus exemplifies the purpose behind the Bill of Rights and of the First Amendment in particular: to protect unpopular individuals from retaliation...at the hand of an intolerant society."

A second frequently referenced case is *Buckley v. Valeo* (1976) where the Court ruled that mandatory disclosure rules invariably chill the freedom of association and by implication, freedom of speech.

Under most state and federal laws, the identity of donors making contributions directly to a candidate must be reported. That is the case in Arizona. However, in 48 states, including Arizona, non-profits and other "independent expenditure committees" are not required to disclose their donors.

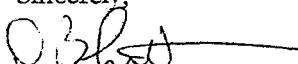
If Arizonans want to change that, the proper venue is in the Arizona Legislature, not the Arizona Corporation Commission.

I believe the subpoena contemplated by Commissioner Burns would put the Commission on very thin legal and constitutional ice. But the practical benefit of the subpoena would be minimal. Assuming the subpoena was not successfully challenged, it would only reveal information about one of many entities that potentially participated in the 2014 elections.

Rather than skate out onto the thin ice of campaign finance investigations with inherent First Amendment issues, I believe this Commission should stick to its core missions: regulating utility rates, regulating securities dealers, and enabling efficient registration of corporations.

Over the next few years almost every large utility in the state will be before us with rate cases and the multiple small utilities we regulate will continue to require our attention as well. Our attention should be there, not on pursuing a questionable subpoena that would have little practical value.

Sincerely,



Doug Little  
Commissioner  
Arizona Corporation Commission

Docketed September 11, 2015

Mailed September 11, 2016 to the Service List in Docket No. AU-00000A-15-0309

**COMMISSIONERS**  
SUSAN BITTER SMITH - Chairman  
BOB STUMP  
BOB BURNS  
DOUG LITTLE  
TOM FORESE



0000166063

DOUG LITTLE  
Commissioner



RECEIVED

2015 SEP -8 A 9:30

September 8, 2015

ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission *AZ CORP COMMISSION*  
**DOCKETED** *DOCKET CONTROL*

RE: Docket No. AU-00000A-15-0309

SEP 08 2015

DOCKETED BY

ORIGINAL

Dear Colleagues:

Based on the submission of a proposed Commission policy on candidate contributions by Commissioner Burns and Chairman Bitter Smith, I felt it important to make clear my views on that proposal by submitting this letter to the official docket.

The genesis of this conversation appears to be the frequent, unrelenting and unsupported allegations by the news media and other organizations that certain regulated entities inappropriately expended monies in the last election cycle using independent expenditure committees.

I'd like to begin my discussion of this matter by quoting the First Amendment to the United States Constitution. It states: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances."

The right to engage in free speech, with particular emphasis on political speech, and the right of free association<sup>1</sup> are two of this nation's most important founding principles. In the First Amendment, the framers recognized that freedom of speech not only serves to protect the rights of the individual, but also serves to protect our society as a whole. They also categorically rejected the notion that government gets to decide *who is allowed to speak and who is not*.

The Supreme Court has upheld this interpretation of the First Amendment many times. Justice Powell summarized these sentiments succinctly when he stated, "the inherent worth of speech in terms of its capacity for informing the public does not depend on the identity of its source, whether corporation, association, union or individual."<sup>2</sup> Justice Marshall's statement that, "Above all else, the First Amendment means that government has no power to restrict expression because of its message, its ideas, its subject matter, or its content"<sup>3</sup> is also highly relevant here. Any attempt to control who speaks or what is said runs counter to the First Amendment.

<sup>1</sup> The text of the First Amendment does not specifically mention the right to association. However, the United States Supreme Court held in NAACP v. Alabama that the freedom of association is an essential part of the freedom of speech because, in many cases, people can engage in effective speech only when they join with others.

<sup>2</sup> First National Bank of Boston v. Bellotti (1978)

<sup>3</sup> Police Department of City of Chicago v. Mosley (1972)

In the 2010 Citizens United case the Supreme Court addressed several issues relating to the First Amendment and political speech and found that restrictions on organizations' (including corporations) involvement in political advocacy are a clear violation of the First Amendment. The Court also recognized that organizations are associations of individuals and those individuals do not lose their right to free expression just because they choose to associate with other individuals. The Citizen's United decision affirms the freedom to discuss public issues and debate the qualifications of candidates during campaigns for public office. The Court clearly stated that the First Amendment protects political speech and by inference, spending money to engage in political speech.

I believe this is one of the core rights guaranteed by the First Amendment.

Moreover, political speech about candidates prior to an election is also a core Constitutional value. To attempt to prohibit people or organizations from spending money to engage in political speech is the same as prohibiting them from speaking.

In my personal view, more political speech, whether it comes from corporations, unions, associations, self-appointed "watch dog" groups or individuals is a good thing because the ability to engage in robust discussion about the qualifications of candidates in an election is a good thing.

It is also worth noting that corporations do not speak in one voice. In recalling my own recent campaign, there were many corporations, organizations and associations that held widely divergent views regarding who were the best qualified candidates for the office of Corporation Commissioner.

The Court also rejected the claim that independent expenditures by corporations or organizations cause corruption by their advocacy. In its decision the Court stated "The fact that speakers may have influence or access to elected officials does not mean those officials are corrupt." More importantly, "The fact that a corporation, or any other speaker is willing to spend money to try and persuade voters presupposes that the people have the ultimate influence over elected officials." (emphasis added) In other words, "The First Amendment confirms the freedom to think for ourselves."

Citizens United allows all corporations and organizations free speech, small or large, non-profit or for profit. They are free to present their views in the marketplace of free expression.

Some will argue that these competing messages serve to confuse the voter or attempt to unfairly influence the voters. In my view, we need to respect the voter's ability to discern the truth of the various arguments and filter out the misrepresentations, distortions and outright lies that may be presented.

I also find it ironic that many in our local media, including members of the Arizona Republic editorial board, are perfectly content to argue to deprive Arizona corporations of their First Amendment rights as well as deprive the voters of all available information on candidates. One would think that the press, one of the primary beneficiaries of the First Amendment, would be more vigorously defending the First Amendment rights of all others. That does not seem to be the case here.

The point that my two colleagues and the news media seem to be missing is this: political discourse in a constitutional republic like the United States can be raucous, messy and sometimes very contentious.

Elections provide an open forum for the discussion and examination of issues and debate on the qualifications of candidates for public office. Voters have the right to know about every piece of information

that might be relevant to their decision making process. And individuals, associations, unions and corporations have the right to inform the voters by independent issue or candidate advocacy.

In addition to these fundamental constitutional issues, there are real legal and practical issues with the proposed policy. The Arizona Corporation Commission simply does not have the legal jurisdiction to enforce the voluntary compliance sought in the proposal.

Given the breadth of organizations that would be effected by the proposed policy, the Commission would have no practical means of knowing whether compliance was universal. I believe the proposed policy would have the practical effect of silencing the political speech of some, while allowing full-throated dialogue by others.

As a result of carefully considering the arguments above, I have reached several conclusions:

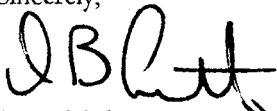
1. Campaign advocacy is fully permitted under the guarantees provided by the First Amendment and fully affirmed by the Supreme Court in the Citizens United case.
2. Any company, association, union or organization is entitled to engage in political speech, including independent advocacy for candidates and issues.
3. As written, the proposed policy would have the effect of violating the constitutional rights of any entity appearing before the Commission. This would include regulated entities, un-regulated entities, interveners, issue advocacy groups and virtually anyone else that would be a part of the regulatory process.
4. Any adoption of a policy by the Corporation Commission regarding campaign spending by any entity, whether they are regulated or not, is not a proper action by this Commission and if adopted would have a chilling effect on free speech by those entities and by direct implication would violate their First Amendment rights.
5. The proposed policy is legally and practically unenforceable.

It is for the reasons stated above that I cannot and will not support the proposal offered by Commissioner Burns and Chairman Bitter-Smith.

I believe that supporting such a proposal would be a violation of my oath of office in which I swore to protect and defend the Constitutions of the United States and of the State of Arizona.

Respectfully submitted this 8<sup>th</sup> day of September 2015.

Sincerely,



Doug Little  
Commissioner  
Arizona Corporation Commission

cc: See Service List

# Exhibit 29

**ORIGINAL**

COMMISSIONERS  
 SUSAN BITTER SMITH – Chairman  
 BOB STUMP  
 TOM FORESE  
 DOUG LITTLE  
 BOB BURNS

Arizona Corporation Commission



0000166057

**ARIZONA CORPORATION COMMISSION**

**DOCKETED**

SEP 04 2015

Direct Line: (602) 542-3933  
 Fax: (602) 542-5560  
 E-mail: tforese@azcc.gov

**RECEIVED**

2015 SEP -4 P 4:19

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September 4, 2015

AZ CORP COMMISSION  
DOCKET CONTROL

Re: Docket No. AU-00000A-15-0309

Dear Commissioners and Interested Parties:

In response to Chairman Susan Bitter-Smith and Commissioner Bob Burns' letter docketed August 27, 2015, I summarize my concerns with requiring public service corporations to "refrain from making campaign contributions in support of or in opposition to Corporation Commission candidates" and suggesting that the Commission will "consider whether and to what extent an audit of any public service corporation would be warranted" along with "request[s] for financial information."

Because of infrastructural challenges, public service corporations have been the only companies to provide service in specific areas, resulting in monopolies. The Arizona Constitution recognized the nature of the utility business and defined the scope of power the Arizona Corporation Commission would have over public service corporations as the power to assure "just and reasonable rates." This would provide a check in the absence of competition. Although this creates a powerful relationship between the two entities, we must understand the limits of this office and not buy into a false sense of omnipotence. Commissioners attempting to influence campaigns in their official capacity through this relationship would exceed the bounds of their constitutional mandate over public service corporations.

Adopting such a policy would also have severe implications to civil liberties. Public service corporations have a First Amendment right to support the candidates of their choice as a matter of free speech. Any attempt by this Commission to limit or restrain the rights of public service corporations to engage in political speech could well run afoul of the First Amendment of the U.S. Constitution pursuant to the Supreme Court's decisions in *Pacific Gas & Electric Co. v. Public Utilities Com.*, 475 U.S. 1, 14 (1986) ("Appellant does not, of course, have the right to be free from vigorous debate. But it does have the right to be free from government restrictions that abridge its own rights in order to 'enhance the relative voice' of its opponents.") and *Citizens United v. FEC*, 558 U.S. 310, 340 (2010) ("Speech restrictions based on the identity of the speaker are all too often simply a means to control content.").

Commissioners at the Corporation Commission took an oath to uphold the Constitution and should respect this right of autonomy and freedom of speech and debate. Upholding the foundational laws of the land should not be brushed aside or viewed as unfortunate and unsatisfactory technical compliance. The Constitution should be revered as the bedrock of our society, not a pebble in one's shoe. Any actions that we take to restrict or limit the ability of public service corporations to engage in speech, especially core political speech, are subject to immediate and likely successful attacks in federal court. Such an action would be costly for the State to defend, time consuming for the Commission, and would likely be unsuccessful given the U.S. Supreme Court's clear perspective on the question of the First Amendment's application to speech by corporate entities.

Further, *any* coordination between the source of an independent expenditure and the respective candidate is unlawful. A candidate impacted by an independent expenditure (whether it be beneficial or detrimental) should stay entirely away from any attempts to influence the expenditure regardless of their reasons. It is unquestioned that a sitting Commissioner is flatly prohibited from coordinating with those making independent expenditures to influence that Commissioner's election. Thus, directing those involved to do the inverse is equally as alarming.

In the spirit of transparency and defending public interest, the Commission may also want to consider the broader ramifications to the other interests and influences that come before it. Checks and Balances, a Florida based 501(c)(4) social welfare organization, advocates for rooftop solar through a combination of tactics supporting or opposing regulators and regulations around the country. Clearly, their interests extend beyond transparency and public interest. As the Commission considers supporting transparency, the public would also deserve to know the financial involvement of these actors as well. However, the Commission's authority would not extend to the communications of organizations who are not under the purview of the Commission. Opponents of the action would not be subject to similar disclosures because they are not public service corporations. This would leave the public with incomplete information as a result of a government mandate.

The Supreme Court has never permitted a campaign finance regulatory system that favors certain speakers over others and treats candidates for the same office differently. See *Davis v. FEC*, 554 U.S. 724 (2008) ("We have never upheld the constitutionality of a law that imposes different contribution limits for candidates who are competing against each other, and [] this scheme impermissibly burdens [Davis's] First Amendment right."). If the State of Arizona chooses to enact a statutory scheme that requires greater public disclosure of issue advocacy activities it may endeavor to do so but such an action is wholly within the jurisdiction of the legislature (subject to limits imposed by the State and Federal Constitutions). The Commission's enabling legislation simply does not empower or authorize the Commission to take such an action.

This issue, a significant moment to change the course of governance for the better, ends paradoxically. If independent spending from company x is shown for regulator y in support of an action, the informed public will look to how the regulator votes and perhaps assume the independent spending culminated in said vote. The reality is that issues handled at the Commission have a level of complexity that allow for many potential outcomes in each individual case. This complexity requires one who means to uphold the duty of their office and to carefully study the issues in order to find solutions that make sense. This should only be done in the interest of the people of Arizona.

Sincerely,



Tom Forese  
Commissioner

# Exhibit 30

# YELLOW SHEET REPORT

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## WHODUNNIT?

Yesterday's move by the Public Integrity Alliance calling on Bitter Smith to choose between her Corp Comm seat and her private sector consulting was met with skepticism by some, given the opaqueness of the money that has swirled around the commission's elections. One railbird speculated that the biggest beneficiaries of increased attention on Bitter Smith are Forese and Little. "It's clearly to get the heat off them. [PIA] are funded by [Sean] Noble people and APS - the people who love Forese and Little," the source said. Last year, PIA (then known as the Arizona Public Integrity Alliance) was accused by both Tom Horne and Shooter of being a front group for Noble's firm DC London (YS, 2/11/14) because that firm was running the campaigns of the only two candidates it attacked in advance of the 2014 election. But one campaign consultant with ties to APS said it takes "a big tinfoil hat" to believe APS is behind PIA. "I think if it was Save Our Future Now, that would be one thing, but PIA seems to be fairly independent. I don't know where they get their money. I haven't even heard a whisper about it," the consultant said, adding that the betting money is on PIA's strategy being "a steady destruction of Susan" similar to what happened with Horne. APS spokesman Jim McDonald flatly denied any connection between the utility and the Public Integrity Alliance, which called on Bitter Smith yesterday to resign from her jobs outside the Corp Comm. "We have no involvement with them," McDonald said.

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