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OPEN MEETING AGENDA ITEM

DATE: 11/09/2016

ORIGINAL

RECEIVED

Chairman Susan Bitter Smith
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

2015 NOV 10 P 12:37

AZ CORP COMMISSION
DOCKET CONTROL

RE: APS AG-1 Program Extension

Dear Chairman Bitter Smith:

Costco Wholesale is a preeminent membership retailer in the State of Arizona. Costco Wholesale employs, companywide, more than 205,000 employees, generating \$113.67B in sales with more than 81.3 million members. Costco Wholesale operates 17 of its retail stores and 1 distribution center in the State of Arizona.

Wholesale and retail competition in power markets is working; specifically it is working to provide lower costs and better service to rate payers.

Costco understands that the settling parties have proposed to extend the AG-1 rate schedule beyond the June 2016 expiration date, until the next APS rate case is concluded. Costco Wholesale supports the extension.

AG-1 is a step in the right direction for the large commercial and industrial customers of APS. AG-1 allows large electricity customers the potential opportunity to shop directly for their energy needs while at the same time ensuring that APS remains the load serving entity.

The concept of AG-1 is supported by Commissioner Forese when he wrote on October 4th, "transforming Arizona into the business capital of the Southwest requires state leaders to develop innovative and business friendly programs that will reduce costs", AG-1 is one tool that achieves a more business friendly environment.

Arizona does not stand alone in allowing business consumers to manage their electricity costs via direct access to wholesale electricity markets, so do the following states: California, Connecticut, Delaware, District of Columbia, Illinois, Maine, Maryland, Massachusetts, Michigan, Montana, Nevada, New Hampshire, New Jersey, New York, Ohio, Oregon, Pennsylvania, Rhode Island, and Texas.

Costco Wholesale urges you, for the benefit of the Arizona economy, to accept the settlement as originally proposed by APS and the Joint Movants.

Sincerely,

Shay Reed
Energy Buyer
Costco Wholesale
sreed@costco.com
425-313-6935

Arizona Corporation Commission
DOCKETED

NOV 10 2015

DOCKETED BY

Cc:

Commissioner Tom Forese Commissioner Bob Burns
Commissioner Doug Little Commissioner Bob Stump