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RECEIVED ARIZONA CORPORATION
COMMISSION

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November 30, 2015

AZ CORP COMMISSION
DOCKET CONTROL

RE: Docket No. AU-00000A-15-0309, In the Matter of a Generic Docket Regarding the Campaign Contribution Practices of Public Service Corporations and Other Entities that Appear Before the Commission

Dear Mr. Brandt:

In your recent letter, you state that it is both "unusual" and "unprecedented" for us to request information about APS's expenditures for political speech. I find these statements unwarranted, given the attention that these issues have generated over the past months. At the present time, the public appears to look upon the Commission with suspicion and mistrust because of your alleged campaign contributions. This current state of affairs is not in the Commission's best interests, nor is it in your best interests.

I recognize that both APS and Pinnacle West have a First Amendment right to participate in elections, and it is not my intention to interfere with the exercise of those rights. Intuitively, I understand that you have an interest in supporting candidates who may agree with your views. However, in my opinion, your support for any particular candidate should be open and transparent. Your unwillingness to disclose this information leads to a variety of unfortunate perceptions.

There has been discussion about the scope of the Commission's authority to require the disclosure of this information, especially as relates to Pinnacle West. While I contend that article XV, section 4 provides the Commission with the express authority to subpoena such information from both APS and Pinnacle West, I am—for the moment—content to focus my inquiry upon APS. Specifically, I would like to find out if APS has spent ratepayer money to support or oppose the election of Arizona Corporation Commission candidates. I would like to ensure that only APS's profits are being used for political speech.

Simply put, dollars that APS has received from ratepayers in order to recover the costs of providing utility service should not be used for political speech. Unfortunately, I have thus far seen no evidence that such funds are *not* being spent on political speech. Under the circumstances, transparency requires a full reporting of any campaign contributions expended by APS in the past election cycle. Therefore, I am asking APS to provide my office with a full report of all spending related in any way to the 2014 election cycle—including but not limited to direct contributions and indirect contributions to third-party organizations—within thirty days of the date of this letter. The report should be docketed and should include a description of the source of any such funds, *i.e.*, whether the funds originate from APS's profits or from money intended to cover APS's costs of providing service.

The Commission is APS's regulator, and as a duly elected commissioner, I look forward to APS's full compliance with my request.

Sincerely,

Robert L. Burns
Commissioner

Arizona Corporation Commission

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