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AZ CORP COMMISSION  
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**DONALD E. BRANDT**  
Chairman, President and  
Chief Executive Officer

Mail Station 9042  
P.O. Box 53999  
Phoenix, AZ 85072

December 29, 2015

Commissioner Bob Burns  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Dear Commissioner Burns:

I write in response to your letter of November 30, 2015. In your letter, you note that dollars “received from ratepayers in order to recover the costs of providing utility service should not be used for political speech.” APS agrees with that principle, and consistent with standard utility practice and Commission-established guidance, any political contribution made by a public service corporation should not be treated as an operating expense recoverable in rates.

If APS were to make a political contribution, these expenses would be paid for out of the money that the Commission has authorized as a return on shareholder capital—a return that must be offered so that investors are willing to invest money in Arizona’s infrastructure.

You state in your letter “I would like to ensure that only APS’s profits are being used for political speech.” APS does not recover from customers the cost of any political contributions. Compelled disclosure about political contributions that APS or its affiliates may have made out of shareholder profits would go beyond what is required of all corporations under Arizona campaign finance law, and would impinge on APS’s First Amendment rights.

I hope this answers your question.

Sincerely,

Arizona Corporation Commission  
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