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Memorandum
From the office of
Commissioner Bob Burns
Arizona Corporation Commission
1200 W. WASHINGTON
PHOENIX, ARIZONA
(602) 542-3682

TO: Docket Control
DATE: February 12, 2016
FROM: Commissioner Bob Burns' Office
SUBJECT: AU-00000A-15-0309

Attached is a letter my office received today in the mail from the Arizona Attorney General's Office.

Arizona Corporation Commission
DOCKETED

FEB 12 2016

DOCKETED BY *JK*



MARK BRNOVICH
ATTORNEY GENERAL

OFFICE OF THE ARIZONA ATTORNEY GENERAL
SOLICITOR GENERAL'S OFFICE

John R. Lopez IV
SOLICITOR GENERAL
DIRECT PHONE NO.
602-542-8986
JOHN.LOPEZ@AZAG.GOV

February 10, 2016

Robert L. Burns
Commissioner
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007-2927

Re: *Opinion Request R16-002*

Dear Commissioner Burns:

I write to acknowledge that this office has received your request for an opinion concerning whether:

1. A.R.S § 40-241 gives an individual Commissioner the power to gather information related to a public service corporation and its affiliates' political contributions, lobbying and charitable contributions in order to ensure that all funds expended are consistent with the Commission's authority to set just and reasonable rates? In other words, does the statute give an individual Commissioner the power to look at this information because it is or may be reasonably necessary information for effective ratemaking and to protect the public interest?
2. A.R.S § 40-241 permits an individual Commissioner to investigate the degree to which a public service corporation and its affiliates are intertwined in terms of organization, operation and structure in order to ensure the security and financial health of the affiliates in order to protect consumers from overreaching and abuse by public service corporations and their affiliates such that an affiliate's operations do not hinder the operations of the public service corporation? Specifically, does the statute permit an individual Commissioner to inspect a public service corporation's and/or its affiliates' accounts, books, papers and documents in order to conduct such a review?
3. Article XV of the Arizona Constitution gives the Commission and/or an individual Commissioner the power to require a public service corporation to report information about itself or about its parent, subsidiary, and other affiliated corporations relevant to

Robert L. Burns
Commissioner
Arizona Corporation Commission
February 10, 2016
Page 2

the Commission's authority under Article XV, particularly in light of *Arizona Corporation Commission v. State of Arizona ex rel. Grant Woods*, 171 Ariz. 286, 830 P.2d 807 (1992); *Arizona Public Service Company v. Arizona Corporation Commission*, 157 Ariz. 532, 760 P.2d 532 (1988), and Article 8 of the Arizona Administrative Code (Affiliated Interest Rules)?

We hope to respond to your request within the next several weeks. In the meantime, please contact me if you have follow-up questions about your request.

Sincerely,



John R. Lopez IV
Solicitor General

JRL/smp
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