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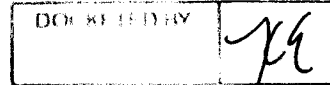
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February 28, 2016

Arizona Corporation Commission AZ CORP COMMISSION  
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FEB 29 2016

Chairman Doug Little  
Commissioners  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, AZ 85007



Re: UNS Electric Rate Case, Docket # E-04204A-15-0142

Dear Chairman Little and Members of the Arizona Corporation Commission:

Please accept these comments on behalf of members and supporters of Sierra Club. Sierra Club has a significant interest in utility rates and how those rates affect our members, clean energy such as solar and energy efficiency, and whether or not those rates continue to overly subsidize the burning of fossil fuels.

Sierra Club's mission is "to explore, enjoy, and protect the wild places of the earth; to practice and promote the responsible use of the earth's ecosystems and resources; and to educate and enlist humanity to protect and restore the quality of the natural and human environments." Sierra Club has more than 2.4 million members and supporters nationwide, including more than 35,000 members and supporters of the Grand Canyon Chapter. Sierra Club has members in Kingman, Lake Havasu City, Nogales, and other communities served by UNS Electric, plus our members throughout the state will be affected by what happens with this rate case.

Sierra Club is quite concerned about the direction this rate case is taking and the fact that UNS Electric proposed major changes to the rate structure, including a mandatory demand charge for all of its residential customers. If approved, this will be the first time such a mandatory fee will be assessed against all residential customers and could mean that we will see it in the other rate cases. Arizona Public Service (APS) Company has already indicated its plans to impose such a fee.

We ask that the Commission reject the utility and staff proposals to force mandatory demand charges on all residential customers. If approved, this structure will mean residential customers have fewer options relative to their electric bills and will have less control over those bills. Currently, customers have options and can choose a rate design that better fits their needs. Mandatory demand charges limit that. Further, these charges will disparately affect customers who use less energy, many of whom will be low-income customers.



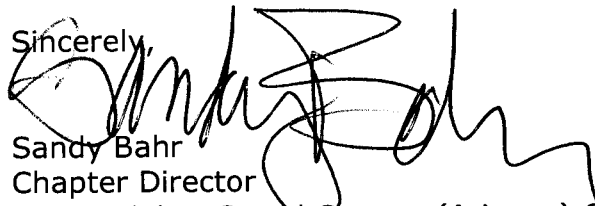
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Sierra Club generally objects to higher fixed charges on customer bills as they limit the ability of customers to maximize savings from energy efficiency and disparately affect low-income and fixed-income customers. It is important for UNS Electric customers to be able to maximize utility bill savings from energy efficiency. Higher fixed charges in utility bills limit that ability. With the energy portion of utility bills, customers are able to take action to reduce or mitigate the cost. They cannot do that with increased fixed charges. By increasing this fixed cost, it means the customer has less control, overall, of his or her bill, thus reducing the customer price signal to conserve and to take advantage of energy efficiency opportunities. Please reject the proposed hike in monthly mandatory fees from \$10 to \$15 or \$20.

We also ask that the Commission end the attacks on rooftop solar. Arizona should be a leader in solar installations and solar electric generation; instead we are at risk of following Nevada in killing the rooftop solar industry in our state. Please oppose the new solar fees and penalties proposed by UNS Electric. Making rooftop solar less affordable harms working class families who want to install solar. It also hurts our economy by driving solar jobs elsewhere.

As is evidenced by the attention that Arizona Public Service (APS) is giving the UNS Electric rate case, it is important not just for the customers of UNS Electric, but for APS and Tucson Electric Power (TEP) ratepayers who are likely to see similar mandatory and increased fees if this rate case proceeds as UNS Electric and staff have proposed. Please do not take Arizona backwards relative to our energy future and instead approve rates that are fair, allow for customer flexibility, and encourage the use of clean energy, including solar, and energy conservation through energy efficiency measures.

Thank you for considering our comments.

Sincerely,  
  
Sandy Bahr  
Chapter Director  
Sierra Club - Grand Canyon (Arizona) Chapter