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Memorandum

2016 MAR 11 PM 2 42

From the office of
Chairman Doug Little
Arizona Corporation Commission
1200 W. WASHINGTON
PHOENIX, ARIZONA
(602) 542-0745

TO: Docket Control

DATE: March 11, 2016

FROM: Chairman Doug Little's Office

SUBJECT: UNS Electric, Inc.: E-04204A-15-0142

Chairman Little's office has received the attached email referencing the above docket number, from Karin Uhlich, Vice Mayor, City of Tucson, Ward III City Council. The email can be viewed in Docket Control or on the website, via the eDocket link.

Arizona Corporation Commission
DOCKETED

MAR 11 2016

DOCKETED BY *KL*

March 10, 2016



CITY OF
TUCSON

KARIN UHLICH
COUNCIL MEMBER

Chairperson Doug Little
c/o Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007-2996

RE: E-04204A-15-0142

Dear Chairperson Little,

UNS Energy, parent company of Tucson Electric Power, is seeking AZ Corporation Commission approval to double the mandatory fixed charges applied to residential customer's bills. Further, they are suggesting a new mandatory 'demand charge' on residential customers. No Commission in the country has approved such an approach, which is confusing to users and costly to those least able to absorb higher expenses. The energy being provided by TEP is a basic necessity for all, including those who live on low and fixed incomes. I therefore ask that you give the many concerns being raised your most serious consideration.

As our Mayor and Council serve as the Board of Directors of the region's primary water utility, we understand well the variables that factor into a fair and adequate rate structure. I would argue that a new \$120 annual fixed rate increase is regressive and harms those least able to pay. Those customers who already struggle to make ends meet are not in a position to absorb these new charges. The fixed charges are also essentially divorced from the objectives of conservation and energy efficiency. In addition, demand charges represent a grave departure from how residential customers have been billed for decades. Demand charges are based on periods of maximum peak demand in a given month. The vast majority of ratepayers do not know how much energy each of their appliances use, will not be able to track their demand patterns, and will ultimately be left with more volatile electric fees.

I urge you to review this application taking these serious implications into account. While I do recognize the challenge of crafting a sustainable rate structure, I would urge alternatives to be developed and analyzed to achieve a more equitable proposal and application.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Karin Uhlich".

Karin Uhlich, Vice Mayor
City of Tucson, Ward III City Council