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

Arizona Corporation Commission  
**DOCKETED**

MAR 30 2016

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TO: Docket Control  
DATE: March 30, 2016  
FROM: Chairman Doug Little's Office  
SUBJECT: Docket No. E-04204A-15-0142

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Chairman Little's office received the attached letter opposing the UNS case with the above Docket Number. This letter can be viewed either in Docket, or on the website via the eDocket link.

March 27, 2016

Doug Little  
Arizona Corporation Commission  
Commissioners Wing  
1200 West Washington  
Phoenix, AZ 85007-2996

Re: Docket Number E-04204A-15-0142.

Dear Mr. Little:

My husband and I are residents of an active Retirement Community in Goodyear named PebbleCreek. We are one of many of our neighbors who have invested thousands of dollars on solar for our home. Since that time, it seems that every opportunity that A.P.S. has to raise our rates, impose new taxes, etc. they attempt to take away the benefit of solar. I understand that they do not like that we are producing our own power rather than us buying the power that they produce. But they make enough on charging us to transmit the power from our panels to them and back again.

It is our understanding that Arizona Electric Utilities including A.P.S. are again planning proposals to the A.C.C. that will stop new residential solar installations and significantly increase rates for all ratepayers. Here is a summary of my current understanding of APS' proposal.

- All residential rate payers with or without solar will have Demand Charges added to their bill.
- Demand charges will be based on peak demand, which occurs between 5 and 8 p.m.
- APS has said the mandated Demand Charges will be similar to the existing optional "Rate Schedule ECT-2 Residential Service" available on the website.
- Demand Charges will result in significant electric bill increases for rate payers. SRP has adopted similar Demand Charges for solar customers and promised that rates would increase about \$50 per month. SRP customers are actually experiencing more than \$50 increases in winter months and expect \$150 increases in summer. We don't know the exact APS proposal but has been described as similar to SRP and believe it will be requested for all residential ratepayers.

We have also become aware that some small electric utilities are petitioning the A.C.C. for Demand Charges before A.P.S. submits their request. It appears that A.P.S.' strategy is to allow the A.C.C. to rule on small utilities before submitting their proposal. If the A.C.C. approves demand charges for small utilities, A.P.S. will ask for similar treatment.

The first small utility that we are aware of to petition the A.C.C. is UNS Electric. We are opposed to UNS Electric's proposed increase in it's basic service charge from \$10 per month to \$20 per month. This is a huge increase in the basic service charge and it will limit the ability of Arizonans to go solar and to engage in energy efficiency.

- The Commission should reject the UNS Electric basic service charge because it would instantly become one of the largest basic charges in the country, and would make Arizona less competitive.
- Please reject UNS Electric's proposal to adopt demand charges. Demand charges are unfair, confusing, and make it impossible for the average Arizonan to go solar.
- The Commission shouldn't adopt demand charges that unfairly seek to punish solar users, and that fail to recognize the value that solar provides to the overall grid.
- UNS Electric should go back to the drawing board and consult its customers before making proposals like the ones it has put forward in this rate case. The utility has failed to prove to the Commission that the basic service charge and demand charges won't unduly discriminate against solar customers, and hasn't yet shown that these charges will accomplish what the company says they will accomplish.
- We urge the A.C.C. to protect the people they represent against unfair charges and taxes like the ones being proposed in this rate case, and to push back against charges that will clearly limit Arizonans' energy choices, and kill jobs in our recovering economy.

The net effect of Demand Charges for APS will be to totally kill new rooftop solar and to increase their income and earnings. APS has 3 million customers and only 1%, about 35,000, has solar. Here is data from APS [Pinnacle West] financial filings for 2015.

- 2015 Net Earnings: \$437 Million
- 2015 Dividends Paid to Shareholders: \$295 Million
- 2015 Compensation of APS Chairman and CEO: \$3.12 Salary plus 87,000 shares of stock. At current share price of \$72.98 those shares are worth \$6.4 million.

For a regulated monopoly with very little risk and virtually guaranteed income, APS is financially healthy and does not need a huge increase in rates.

We strongly urge you to reject UNS Electric's current rate increase and demand charge request and also to consider our above points when A.P.S. asks for the same.

Sincerely,



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