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**ORIGINAL**

OPEN MEETING AGENDA ITEM

**Memorandum**

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

RECEIVED  
AZ CORP COMMISSION  
DOCKET CONTROL  
2016 AUG 8 PM 3 23

TO: Docket Control  
DATE: August 8, 2016  
FROM: Chairman Doug Little's Office  
SUBJECT: UNS E -04204A-15-0142

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Chairman Little's office received 1 letter and 5 emails referencing, and in opposition of, the above docket number. The letter and emails can be viewed via the Docket link on the website, or in Docket.

Arizona Corporation Commission  
**DOCKETED**

AUG 08 2016

DOCKETED BY *ML*

Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007

August 4, 2016

Honorable Commissioners Little, Stump, Burns, Forese, and Tobin:

Subject: Docket Number E-04204A-15-0142 UNS Electric, Inc. Rate Case

My name is John Morgan; I am the Director of Utilities for Cantex. My business address is 301 Commerce Street, Suite 2700, Fort Worth, TX 76102. Cantex owns and operates a PVC conduit extrusion plant and distribution center at 4045 Bonanza Drive, Kingman, AZ 86401.

Cantex is a leading national manufacturer of nonmetallic electrical conduit, fittings, accessories, utility and communications duct, directional boring conduit, and residential switch and outlet boxes. We operate eight manufacturing and three distribution centers strategically located to provide fast, efficient delivery to our distributors. The Kingman, AZ plant is crucial to serving the Arizona, Nevada, and California markets.

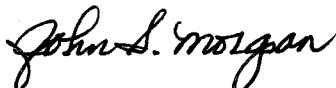
The Kingman facility feature some of the most modern production equipment and advanced process technology found anywhere in the industry. All of this allows Cantex to product high quality products at a cost effective price point. We are part of a competitive industry that demands superior customer service, high quality at competitive prices. As in most manufacturing environments, power is a large component of our cost of goods sold.

The purpose of my letter is to urge the Arizona Corporation Commission minimize any increase of revenue from the large industrial customers. Cantex applauded UNS Electric's attempt to move each class of service toward rates that would be more reflective of cost of service. We understand that today the LPS class of service heavily subsidizes the other classes. We urge that UNS Electric be allowed to get to parity as soon as possible. To do that any increase in revenue from the LPS class must be minimal or zero.

Additionally Cantex understands that in the Recommended Opinion and Order filed in this docket, the commission is being asked to change the way that demand is being calculated to the detriment of all in the LPS class of service except Nucor – and that Nucor would be the sole beneficiary. First of all, the recommendation seems confusing and difficult to know how to apply if you are not using a TOU rate. Secondly, it seems unfair and capricious to suddenly make a change that hurts all but one customer. It would feel like the commission is picking a "favorite". Cantex is requesting that the demand calculation stays the same for traditional LPS customers.

Unanticipated spikes in our power bill will have a negative impact on our business. As a key manufacturer in Kingman's industrial park, there will be negative trickle down effects to the local economy and community. Therefore, the Commission should reject these unexpected changes, retain the current method of calculating demand, and minimize any increase to the LPS class of customers.

Sincerely yours,



John S. Morgan, CEM  
Director of Utilities  
Cantex, Inc.  
817-215-7040 (office)  
940-452-1963 (cell)  
[jmorgan@cantexinc.com](mailto:jmorgan@cantexinc.com)

**Andrea Gaston**

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**From:** Steve Waechter <steve.waechter@zeroerrors.net>  
**Sent:** Monday, August 08, 2016 9:42 AM  
**To:** RBurns-Web; Stump-Web; Little-Web; Forese-Web; Tobin-Web  
**Cc:** Utilities Div - Mailbox  
**Subject:** Unisource Rate Application with Demand and Time of Use billing.

*E-04209A-15-0142*

Dear Arizona Corporation Commission.

I am writing you to oppose the Unisource rate increase with Demand and Time of Use billing.

Nothing in their rate design is appropriate or warranted.

They are making plenty of money selling us power at sky high rates right now, and we do not want them to get Demand or Time of Use approved by the commission.

We do vote, and fortunately the commission is elected in Arizona.

Steven Waechter  
2939 S Jamaica Blvd  
Lake Havasu City, Arizona

## Andrea Gaston

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**From:** John Barber <jbarber325@aol.com>  
**Sent:** Sunday, August 07, 2016 6:37 PM  
**To:** Little-Web  
**Subject:** Unisource Hearings E-04204-15-0142

Dear Chairman Little,

I live in Prescott, and have a solar PV array on my roof, with a net metering arrangement with APS. I wish to take this opportunity to urge you to take two actions as a member of the Arizona Corporation commission:

1)Vote to deny all utilities (specifically Unisource) permission to impose demand charges on residential users. Demand charges will impose significant hardships to low and fixed income rate-payers who often don't have the ability to schedule their power demands to meet the demand charge schedule.

2) Deny changes to the roof-top solar net metering rules that will decrease the consumer incentives to install roof-top solar.

Seemingly all of the electric utilities in Arizona are seeking approval to impose demand charges on residential consumers. Their reasoning is that they have to purchase power during high demand periods, which increases their costs. At the same time, these same utilities are doing everything in their power to discourage homeowners from installing, at no capital cost to the utility or the ir customers, solar generating capacity that will produce power at the very time that the utilities are charging high demand charges.

There is a fundamental conflict in the requests of the utilities. They want to impose high charges at the highest load time of the day, and, at the same time, decrease the incentive of homeowners to install power generating capacity.

The utilities are proposing to pay for power delivered to the grid at a wholesale rate (APS proposes 3cents/kwhr), a change from their current method of running a balance through the year and paying for the unused balance at the end of the year. Their proposal is not a fair system since much of the power delivered is at the peak load period and the utility charges higher rates for the power sold to other customers.

Combined, these two lines of requests from the utilities, demand charges and reducing payment and increasing charges to roof-top solar installations are designed to discourage the installation of distributed generating capacity by residential customers. The goal of the utilities is to recover and maintain their state-supported monopoly in generating electricity.

This is in direct conflict with the stated goal of Arizona to become the solar capital of the US, and of the United States to become energy independent.

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Looking at this issue from a broader perspective, the utilities' billing model is in conflict with the type of billing required to encourage distributed generating (roof-top solar, wind, and such-like). As you know, their billing models include the cost of the distributing system in the power charge. This means that customers on net-metering arrangements such as mine are probably not paying our "fair share" of maintenance costs for the grid and distribution system. The solution to this problem is not to discourage homeowners from installing roof-top solar, but to reform the billing model to separate power generating and supply from system maintenance.

I strongly suggest that the Arizona Corporation Commission use its influence to urge the electric utilities in Arizona to revise their billing models to more accurately reflect the difference between power cost and distribution systems.

Thanks for your consideration  
John Barber  
Prescott

## Andrea Gaston

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**From:** Jan Kaplan <JanKaplan@cox.net>  
**Sent:** Sunday, August 07, 2016 6:07 PM  
**To:** Little-Web; RBurns-Web; Forese-Web; Tobin-Web; Stump-Web  
**Cc:** Helen Walker  
**Subject:** Our opinion as solar owners - please read before the UNSE vote

E-04204A -15-0142

Dear Commisioners:

We are solar owners since 2010. Without the solar rebate at that time, we would not have been able to invest in solar. As it was, our personal out of pocket was ~ \$20K. Although we have an environmental desire to use this renewable resource, we would not have done it had we not had a reasonable payback period (about 6-7 years).

We closely follow the solar energy/ ACC commentary. We had previously input to Susan Bitter Smith, who we were pleased actually responded to us.

As solar users, we do not wish non-solar users to be subsidizing us. But we would like a recognition that we thought ahead to our retirement, to where we would like to live (sunbelt), to being frugal, to contribute to saving our environment by minimizing our carbon imprint. We spent \$20K in order to do that. Will you pay us back that \$20K, if you elect to not recognize our positive impact on the environment?

We suggest the following:

- Why not charge ALL households a reasonable fixed payment, that pays for the infrastructure of maintaining a power plant. We understand that until there are enough solar users to PRECLUDE building or expanding a power plant, there's a huge fixed cost. Charge us all that (even) fixed cost.
- The remainder of our bill would be based on actual utilization of energy.
- Our household produces much more energy than we need in the day. We have changed our habits to running our major appliances during the DAY, when we are producing our own energy, with more minimal use at night. We understand that APS purchases additional power at wholesale rates, and we are OK (and think it's fair) that they would pay private household solar owners at wholesale (rather than retail) rates for their overage production. At some point in time when a battery is developed that can cost effectively, efficiently store the energy we make—we will be delighted.
- The "demand rate" is unfair. We really try to minimize our consumption. Living in the sunbelt, however, means we have occasional guests. When they come, we use more electricity. So if we economize all month, yet for the one weekend (2 days/ month) we have guests that we "spike", you would charge us a higher rate for the whole month? That does not seem fair.

We're imagining by your public positions that you do not have solar on your homes. If you choose to penalize solar owners, please send us a check for \$20K. We'll understand then. We never quite see in your commentary that you've acknowledged what we solar owner have put in through our own financing.

We personally believe in conservation and using the amazing energy of the sun to save our planet. Please don't kill the industry.

*Sincerely, Jan Kaplan and Helen Walker*

*Jan Kaplan & Helen Walker*  
[jankaplan@cox.net](mailto:jankaplan@cox.net)  
[helqawalk@cox.net](mailto:helqawalk@cox.net)

H - 623-516-2624  
5533 W. Camino Vivaz  
Glendale, AZ 85310-3623

## Andrea Gaston

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**From:** Benjamin Duguay <benjammin.duguay@gmail.com>  
**Sent:** Sunday, August 07, 2016 6:54 AM  
**To:** Little-Web  
**Cc:** Tobin-Web; Forese-Web; Stump-Web; RBurns-Web  
**Subject:** NO to UNS' proposal *E-04204A-15-042*

Gentleman,

I've been reading about the opposition of Unisource's proposed electric utility changes and wanted to throw my hat in the ring as a concerned Arizona resident and proponent for the progression of energy production and consumption.

Arizona is one of the most well-equipped states to push forward the power and influence of the solar energy industry, so naturally its residents deserve the right to choose how they wish to generate the electricity they use. The problem that UNS is presenting with these demand charges and getting rid of net metering is preposterous and proves their short-sightedness. It's long past time that they make an effort to change their business models to keep up with the changing competitive landscape as well as giving their customers what they want: freedom of choice, lower electricity bills, and cleaner renewable sources of energy. Instead, their proposal suggests that they are digging in their heels to protect their monopoly on the market and bottom line by punishing the very people who are keeping them in business- their customers.

Please do the right thing and vote against UNS' proposed changes on August 9th. I believe you all understand that allowing these changes would effectively destroy the solar energy market in Arizona just as it did in Nevada last year. Do not let our great state become an international disappointment by shunning the environmental advantages we were blessed with; instead, use this as an opportunity to stand up to UNS and say yes to a better, cleaner, more stable future.

Sincerely,  
Ben Duguay

**Andrea Gaston**

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**From:** Mary Renfro <maryjoyrenfro@gmail.com>  
**Sent:** Monday, August 01, 2016 11:31 AM  
**To:** Little-Web  
**Subject:** I oppose UNS's proposal, regarding Docket# E-04204A-15-0142

Dear Chairman Little,

I am concerned that Arizona utilities will build unnecessary facilities then impose punitive charges on residential users rather than encourage and reward conservation measures to reduce the need for new facilities.

Sincerely,

Mary Renfro

1700 Carmelita Dr  
Sierra Vista, AZ 85635

5105040126