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OPEN MEETING AGENDA ITEM

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August 9, 2016

Arizona Corporation Commission
DOCKETED

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

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AZ CORP COMMISSION
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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 previously commented on this rate case. We have 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 40,000 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 supports the Recommended Opinion and Order (ROO) provisions that reject mandatory demand charges for residential customers in this rate case. If these mandatory charges were approved, it would mean residential customers have fewer options relative to their electric bills and 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 disparately affect customers who use less energy, many of whom will be low-income customers.

Sierra Club also supports the ROO relative to rooftop solar and asks that the Commission further defer decisions relative to net energy metering and any other significant changes until after the Value of Solar docket has concluded. UNS Electric has not made a clear and compelling case for changing the net energy metering provisions, so the Commission should keep the current provisions intact, consistent with the existing net energy metering rules. 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



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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.

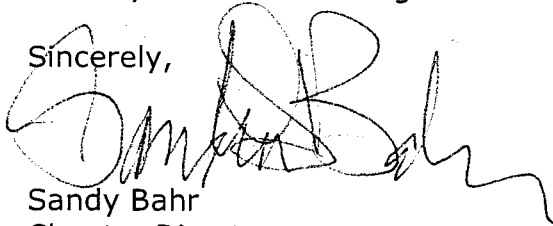
Sierra Club generally objects to higher fixed charges on customer bills as they limit the ability of customers to maximize savings from energy efficiency and disparately affect low-income and fixed-income customers. It is important for UNS Electric customers be able to maximize utility bill savings from 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 \$13.

We support the SWEEP comments regarding basic service charges and proposed revisions on the Hearing Division Proposed Amendment #4, and encourage the Commission to do so as well. We agree that UNS Electric has not justified this 30 percent increase in the basic service charge and that increasing these charges can discourage energy efficiency and have a disparate negative impact on low- and limited-income people.

Finally, as is evidenced by the attention that Arizona Public Service (APS) is giving the UNS Electric rate case, the Commission decision here is not just significant for the customers of UNS Electric, but also for APS and Tucson Electric Power (TEP) ratepayers who are seeing similar mandatory and increased fees in those rate cases. 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,

A handwritten signature in black ink, appearing to read 'Sandy Bahr', written over a circular stamp or seal.

Sandy Bahr
Chapter Director
Sierra Club – Grand Canyon (Arizona) Chapter