

ORIGINAL



COMMISSIONERS
TOM FORESE – Chairman
BOB BURNS
DOUG LITTLE
ANDY TOBIN
BOYD DUNN



ARIZONA CORPORATION COMMISSION

RECEIVED
AZ CORP COM
DOCKET
BOB BURNS
Commissioner

2017 FEB 16 AM 9 57

February 15, 2017

RE: Rulemaking Proceeding on the Development of Transparency and Disclosure Rules, Docket No. RU-0000A-17-0035

Dear Responsible Party:

Last week I initiated a proceeding to develop transparency and disclosure (“T&D”) rules governing financial expenditures of regulated monopolies and intervenors who appear before the Commission. These rules will help Arizona citizens protect against undue influence over Commissioners and Commission business. I have attached my letter regarding this matter. The Executive Summary and attachments referenced in the letter are available on eDocket: <http://edocket.azcc.gov/> under Docket No. RU-0000A-17-0035. If you would like to see who has been added to the service list, please click on the “Service List” tab.

As outlined in the attached letter, the purpose of this docket is to study and rectify problems regarding financial contributions from regulated monopolies and other stakeholders who appear before the ACC that may directly or indirectly benefit an ACC candidate, a sitting Commissioner or ACC Staff.

In addition to the topics outlined in my Executive Summary please send comments, if applicable, on the following topics:

- What are your Company’s/Association’s policies and practices regarding political contributions—specifically, making campaign contributions to candidates or elected officials, including Corporation Commission candidates, either directly or indirectly through independent expenditures, including contributions made to 501(c)(4) organizations?
- What are your Company’s/Association’s policies and practices regarding charitable contributions, including contributions made to 501(c)(3) organizations?
- What are your Company’s/Association’s policies and practices regarding contributions to support civic events?
- What are your Company’s/Association’s policies and practices regarding lobbying expenditures?
- What are your Company’s/Association’s policies and practices regarding marketing/advertising expenditures?
- What are your Company’s/Association’s policies and practices regarding notifying the Corporation Commission or any other governmental body of your relationship(s) with any lobbyist or marketing representative that may appear on behalf of a different entity in support of a matter of interest to your Company or Association?

I would appreciate receiving your comments on the issues raised in the Executive Summary and above by March 3, 2017. On March 17, 2017, we will host a workshop to gather input on and discuss the development of T&D rules at 10:00 a.m. in Hearing Room #2 at the Arizona Corporation Commission (1200 W. Washington Street Phoenix, AZ 85007). I invite you to participate in this workshop and look forward to your participation in this very important matter.

Sincerely,

Robert L. Burns
Commissioner

Arizona Corporation Commission

DOCKETED

FEB 16 2017

DOCKETED BY

COMMISSIONERS
TOM FORESE – Chairman
BOB BURNS
DOUG LITTLE
ANDY TOBIN
BOYD DUNN



BOB BURNS
Commissioner

ARIZONA CORPORATION COMMISSION

February 7, 2017

Dear Commissioners, Stakeholders and Parties:

Consistent with the detailed justification and objectives outlined in the memorandum attached to this letter, I have opened this docket aimed at studying and rectifying problems regarding financial contributions from regulated monopolies or other stakeholders who may appear before the Arizona Corporation Commission ("ACC") that may directly or indirectly benefit an ACC candidate, a sitting commissioner or key ACC staff. Obviously, such contributions can lead to undue influence over ACC personnel, and thereby undermine the objectivity and independence of our fourth branch of government that our state constitution and citizens so wisely demand. In the worst cases, such contributions can lead to "regulatory capture" in which ACC commissioners act as biased proxies for the regulated monopolies or other stakeholders who are financially backing them. These dangers warrant immediate, in-depth study and solutions created through robust new transparency and disclosure ("T&D") rules. A principal objective of this docket, then, is to develop robust new T&D rules governing regulated monopolies and intervenors, as well as effective new T&D rules governing ACC commissioner candidates, sitting commissioners, their personal staff and other key ACC staff members.

The comprehensive statement of the problem attached to this letter will guide the investigation required of current T&D issues threatening the independence and objectivity that is constitutionally demanded of the ACC and its elected commissioners. The investigation and study required under this docket will include submissions by the Commissioners, ACC staff, regulated monopolies, intervenors, members of the Arizona public, and other stakeholders regarding the variety of circumstances for possible undue financial influence outlined in the attached memorandum. I invite submissions to this docket on these important topics and will also be inviting submissions to this docket via a letter filed in Docket No. E-01345A-16-0036.

The investigation under this docket will also include obtaining responses to subpoenas I previously served on Arizona Public Service Co. and Pinnacle West Capital Corporation in Docket No. E-01345A-16-0036. Those subpoenas are being duplicately filed in this docket, and the information obtained from them will be used as part of the investigation and rule development undertaken in this proceeding.

The process to be followed in this docket shall be as follows:

February 10, 2017: This letter and all accompanying materials shall be posted for public review on my individual web page accessible through:

<http://www.azcc.gov/commissioners/RBurns/default.html>.

I invite public comment, evidence and testimony regarding the T&D topics discussed in the Executive Summary by March 3, 2017. Please file your comments in this docket or email them to: RBurns-web@azcc.gov and I will file them in this docket your behalf.

March 3, 2017: Deadline for submissions of initial comments, evidence and testimony by regulated monopolies, intervenors and other stakeholders.

March 17, 2017: First workshop to gather input on and discuss the development of T&D rules at 10:00 a.m. in Hearing Room #2 at the Arizona Corporation Commission (1200 W. Washington Street Phoenix, AZ 85007).

March 24, 2017: Deadline for full compliance by Arizona Public Service Co. and Pinnacle West with the document production requirements of the subpoenas I previously issued to them.

Please look for additional information requests, workshop dates and times to be announced in this docket.

Sincerely yours,



Robert L. Burns
Commissioner