

OPEN MEETING AGENDA ITEM



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ORIGINAL
RESIDENTIAL UTILITY CONSUMER OFFICE

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Douglas A. Ducey
Governor

David P. Tenney
Director

June 12, 2017

Arizona Corporation Commission

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AZ CORP COMMISSION
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Tom Forese, Chairman
Bob Burns, Commissioner
Doug Little, Commissioner
Andy Tobin, Commissioner
Boyd Dunn, Commissioner

Re: Docket ACC-00000B-17-0062

Dear Commissioners:

The Residential Utility Consumer Office (RUCO) would like to take the opportunity to offer a few comments regarding items 26 and 27 (Rate Review of Johnson utilities and review of the policy of income tax recovery on pass-through entities) scheduled to be heard in the upcoming Open Meeting.

First and foremost, RUCO supports the Commission's consideration of these issues in light of the indictment recently brought in U.S. District Court. Like the Commission, RUCO understands that the indictment is just an allegation at this time. However, and to the point, RUCO supports and appreciates the Commission's willingness and desire to be proactive and reconsider these issues for the purpose of assuring that if there is a basis to the allegations the affected ratepayers will not be further harmed and the Commission is not hampered in its potential remedies.

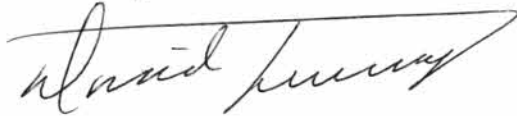
RUCO further supports Commissioner Tobin's request to those Companies affected by the policy to set up reserve funds outlined in Commissioner Tobin's letter of June 5, 2017. As the effective date of Commissioner Tobin's proposal applies to funds collected July 1, 2017, there is no issue of retroactive ratemaking as AIC claims in its letter of June 7, 2017. In fact, RUCO suspects that the proposal was made this way to assure that there would not be a valid retroactive ratemaking argument.

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RUCO was a strong advocate in its position on this policy in Johnson and other cases at the time these matters were before the Commission. RUCO still maintains a strong interest in these matters and supports the Commission's desire to take another look at its policy. RUCO certainly supports and appreciates the Commission's further desire to be proactive in its actions to protect ratepayers considering recent events.

RUCO looks forward to working with the Commission and other stakeholders to find a fair and just solution for ratepayers.

Sincerely,

A handwritten signature in black ink, appearing to read "David Tenney". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

David Tenney
Director

cc: Docket Control