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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

TOM FORESE, CHAIRMAN
BOB BURNS
BOYD DUNN
DOUG LITTLE
ANDY TOBIN

Arizona Corporation Commission

DOCKETED

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IN THE MATTER OF THE
APPLICATION OF ARIZONA PUBLIC
SERVICE COMPANY FOR A HEARING
TO DETERMINE THE FAIR VALUE OF
THE UTILITY PROPERTY OF THE
COMPANY FOR RATEMAKING
PURPOSES, TO FIX A JUST AND
REASONABLE RATE OF RETURN
THEREON, TO APPROVE RATE
SCHEDULES DESIGNED TO DEVELOP
SUCH RETURN.

DOCKET # E-01345A-16-0036

**INTERVENOR WARREN
WOODWARD'S RESPONSE TO
COMMISSIONER BURNS'
QUESTIONS**

IN THE MATTER OF FUEL AND
PURCHASED POWER PROCUREMENT
AUDITS FOR ARIZONA PUBLIC
SERVICE COMPANY

DOCKET # E-01345A-16-0123

Warren Woodward, Intervenor in the above proceeding, hereby responds to questions posed in these dockets by Arizona Corporation Commission ("ACC")

commissioner Robert Burns.

Commissioner Burns:

See Exhibit A for the answer to your question about APS's advertising budget. Note that it increased over 33% in just one year. Note also it does not include charitable donations which are another form of advertising (and influence peddling). Why a regulated monopoly service business has to advertise, *is allowed to advertise*, leaves many people puzzled.

You asked questions about “education” on the new rates for which APS might get approval. Those were actually the wrong questions to ask. The right question would be why APS needs to make any changes to rates at all – which I can answer. Any change APS wants is not about “modernizing rates” or helping customers to “gain more control over their energy use” or to “have more opportunities to save money.” Any change APS wants is so APS can make more money. It's that simple. APS is not seeking to change rates to help anyone but APS. That should be obvious since the result of APS's proposed rate design changes is an overall increase in rates, not a decrease.

You asked about the proposed May 1, 2018 deadline that involves denying rate choice to new customers. See my debunking of that dreadful proposal at section III.E UNJUST & UNREASONABLE RESIDENTIAL RATE AVAILABILITY IN THE SETTLEMENT AGREEMENT at page 50 of my Testimony in Opposition to the Settlement (filed April 3 here: <http://docket.images.azcc.gov/0000178628.pdf>). This

proposal needs to be roundly rejected, not educated about. Traumatizing customers for a forced 90 days in a social engineering experiment, even if reimbursed as you suggest, is sick. It is wrong. And yes, some customers really will be traumatized by the bills they will rack up. Again, read my testimony. The published studies I cite show who is at risk here. They are the more vulnerable in our society, the ones who can least afford being experimented upon by the rich elitists who are promoting this crazy scheme. Besides, are you still trusting APS? Do you really trust APS to reimburse any customers the correct amount? I don't. Additionally, many customers need money now, today, not reimbursed at some time in the future. They can't afford this experiment. They don't have a cushion of cash such that they can wait for reimbursement months later. If you'd ever been poor you'd know that. You'd know what living day to day and hand to mouth is like. You'd come out against this destructive coercion in its entirety and not attempt to tinker around it with "education" or "reimbursements."

You asked some questions about APS's rate base. See section III.D THE SETTLEMENT AGREEMENT PERPETUATES A BOONDOGGLE at page 38 of my Testimony in Opposition to the Settlement. I have told you for years that APS's "smart" grid is a boondoggle. Now I have proved it using APS's own numbers. You really need to read this section. Over \$28M is spent per year to "save" \$4.75M per year. We are being scammed.

You asked RUCO some questions. I take RUCO apart in my rebuttal testimony,

filed today. Read section **III.B RUCO's sophistries, spin and outright falsehoods** in my rebuttal testimony. RUCO is a dishonest agency that does not represent residential ratepayers – *at all*. That's not an empty accusation. I use RUCO's own words to prove my points. RUCO has thrown residential ratepayers under the bus in this rate case. I would not trust RUCO to answer your questions truthfully – *at all*.

You asked EFCA some questions. Based on the blatant falsehoods I found while reading EFCA's testimony, I would not trust them any more than RUCO. See section **III.F EFCA's sophistries, spin and outright falsehoods** at page 25 of my rebuttal testimony filed today.

RESPECTFULLY SUBMITTED this 17th day of April, 2017.

By



Warren Woodward
200 Sierra Road
Sedona, Arizona 86336

Original and 13 copies of the foregoing hand delivered on this 17th day of April, 2017 to: Arizona Corporation Commission, Docket Control, 1200 W. Washington St., Phoenix, Arizona 85007

Copies of the foregoing mailed/e-mailed this 17th day of April, 2017 to: **Docket Service List**

EXHIBIT A

ARIZONA PUBLIC SERVICE COMPANY
PRE-FILED SET OF DATA REQUESTS
REGARDING THE APPLICATION TO APPROVE RATE SCHEDULES
DESIGNED TO DEVELOP A JUST AND REASONABLE RATE OF RETURN
DOCKET NO. E-01345A-16-0036

JUNE 1, 2016

Witness: Elizabeth Blankenship

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Pre-filed 1.38:

Advertising Expense. For each of the advertising expense amounts in the test year, please provide an itemization of the amount by advertising campaign/advertisement and please provide copies of the campaign/advertisements.

Response: The table below shows a summary of Adjusted Test Year advertising

expenses charged to FERC account 930.1 "General Advertising Expenses." Please see the pro forma submitted to remove out of period and miscellaneous items for more information on what was excluded from the Test Year. Attachment APSRC00603 includes the campaign materials.

Business

Unit Account Description Amount

APSCO 9301000 Hispanic Marketing Events	\$18,216.68
APSCO 9301000 Hispanic Marketing Research	\$11,250.00
APSCO 9301000 Literature Printing	\$13,007.62
APSCO 9301000 Literature Production	\$47,248.13
APSCO 9301000 Advertising Media	\$755,739.58
APSCO 9301000 Advertising Production	\$376,211.07
APSCO 9301000 Advertising Retainer	\$658,765.64
APSCO 9301000 Bill Com Copywriting	\$2,550.00
APSCO 9301000 Hispanic Marketing Retainer	\$120,000.00
APSCO 9301000 General Advertising Payroll Costs	\$510,053.02
<i>Total Adjusted Test Year</i>	<i>\$2,513,041.74</i>

INTERVENOR WARREN WOODWARD'S
SECOND SET OF DATA REQUESTS TO
ARIZONA PUBLIC SERVICE COMPANY REGARDING
THE APPLICATION TO APPROVE RATE SCHEDULES DESIGNED TO
DEVELOP A JUST AND REASONABLE RATE OF RETURN
DOCKET NO. E-01345A-16-0036

DECEMBER 5, 2016

Witness: Elizabeth Blankenship

Page 1 of 1

Woodward 2.33:

Who pays for APS's \$3,351,177 2016 advertising budget,
ratepayer or shareholders?

Response:

The \$3,351,177 is the 2016 advertising budget. The test year
for this rate case is 2015 and actual advertising costs incurred
in the Test Year, not 2016 budgeted costs are included in APS's
rate request. Thus, the 2016 advertising budget is irrelevant to
determining customer rates. Advertising costs are paid for
using funds collected from APS customers.

Please see APS's response to Pre-filed 1.38 for advertising costs
included in the adjusted 2015 test year.