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E-01345A-16-0036

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Investigator: Trish Meeter

Phone: <<< REDACTED >>>

Opinion Date: 5/8/2017

Opinion Number: 2017 - 140496

Priority: Respond within 5 business days

Opinion Codes: Rate Case Items - Opposed

Closed Date: 5/8/2017 9:28 AM

First Name: Dave

Last Name: Humphrey

Account Name: Dave Humphries

Address: <<< REDACTED >>>

City:

State: AZ

Zip Code: 86303

Home: <<< REDACTED >>>

Company: Arizona Public Service Company

Division: Electric

Nature Of Opinion

Docket Number: E-01345A-16-0036

David Humphrey

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Arizona Corporation Commission

Attn. Mary Mee

Re. Comments submittal on Docket E16-0036, APS Rate Case

Ms. Mee,

I fully support the switch to the proposed type of rate, which is a time of use rate with a peak period. I personally will benefit because of a new "extra small" rate category. I will benefit because I have made my home very energy efficient, with the help of a few APS rebates, and we conserve energy all year. So, whatever you do, please retain the Extra Small rate schedule.

I also support a separate demand charge, per se, because it more closely mirrors the true cost of service and can be readily ascertained per customer. However, the lumping of class groups into a single class is unfair and outdated. By that I mean this state is very non-homogenous, especially regarding load and energy impacts based on climate. The whole northern half of Arizona has far less impact to the peak demand and the energy use, than does the southern half.

I oppose the increase in the energy generation rate and further submit that the whole APS residential rate should be much lower than it is now. You have allowed APS to recover all sorts of costs and at the same time charging an outrageous per KWH energy use rate.

Somehow over the past several decades, APS residential rates have gone through the roof, and the ACC allowed it to happen. I think you can mark the start of the massive increase to the formation of Pinnacle West Capital, of which APS is the main subsidiary. It was difficult enough for the ACC to stay atop of the company's rates when it was a stand-alone company. Now you have to make sure funds are not sliding back and forth between Pinnacle West and APS. In my opinion, there was no benefit for the citizens of Arizona by allowing the arrangement, and a lot of potential bad. I submit that the ACC should separate APS from

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Pinnacle West. It will save ACC a lot of trouble and protect the State's citizens/APS customers from potential error, misrepresentation, or fraud.

In addition, with the current EPA rolling back all sorts of restrictions on APS, I believe you should roll back any increases and add-ons that were effected as a result of the EPA restrictions. This would include environmental and cost-related considerations.

Please allow me to submit my following comments in the form of bullets, which I find easier to arrange my thoughts and comments about the proposed rate before the ACC.

At the heart of my comments are the comparisons of the current APS rate to the residential electric rates by in Colorado. I want to draw the Commissioners' attention to the comparison of the two electric companies because PSCO

Similarities between APS and Public Service of Colorado (PSCO, subsidiary of Xcel Energy)

- similar size, population, and electric transmission/distribution system
- similar generation mix: coal, nuclear, oil and natural gas, and small amount of Federally-supplied hydro-electricity
- PSCO, like APS, is largest State utility, serving many rural areas and the bulk of the core population areas
- Both states have a north-south transmission backbone the entire length of the state, parallel to the main interstate highway, and a major cross-branch along and East-West interstate, with
- power plants feeding into the backbone and major branch.
- Both serve very large industries (mines) and factories, down to thousands of residential neighborhoods
- APS and PSCO are both subsidiaries of a holding company
- both have a lot of interstate power wheeling agreements

Differences between APS and PSCO

- The PSCO electric residential rate is about half of that of APS.
- PSCO (under Xcel) has done a massive customer base research project on a few entire cities including all the classes of service (in Colorado, the city is Boulder, CO)
  - o the multi-year study included minute-by-minute details of power use from substations all the way down to end use customers.
  - o research included seeing how their electric grid is affected (loads, capacity, power routes) with an eye on developing more accurate rate schedules to more nearly match the power loads on the grid. Such information would improve the company's planning and support its rate applications with the Colorado PUC
  - o their research was extensive into the impact of customer energy rebate programs, including solar, wind, and energy efficiency. PSCO has a very extensive rebate program, developed in response to a state referendum requiring all its electric and gas utilities to develop and participate customer energy rebates. Such information enabled PSCO to more accurately sculpt rebates for its customers, and to know the positive and negative impacts on its grid and its power sources (including purchased power).
- PSCO owns substantial wind power. I believe APS is similar, but not as extensive, with solar power plants, a key difference being that PSCO customers can and do buy wind-generation credits as part of their total billed usage.

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- PSCO has a much more extensive energy rebate program, with cost built into the bill, than does APS.
- Even with all these added features of a mothballed nuclear plant burdening the company, its large rebate program and extensive renewable power, the PSCO residential total bill is about half of what the APS bill is right now.

**GENERAL COMMENTS**

1. For ratepayers in the northern half of Arizona, our load shape and energy profile actually helps APS even out its electric use. We should actually be given a rate credit for that reason. We use a lot more electricity in the Winter than does southern Arizona, which helps APS even out its energy profile. We also shift more of our demand away from the system peak range of about 4-5 pm.
2. The ACC has allowed APS to inundate each of us with little charges added to our bill, jacking up our average per KWH bill. Per customer it is things like
  - a. \$30 per year rent on the APS meter attached to our house,
  - b. \$21/year for APS to read our meters even though it has long been an automated process.
  - c. subsidizing the wealthy \$50 per year, helping to pay for their solar power and efficiency projects. APS says by the time the new rate is approved, we will have paid over \$1 billion. I find it is utterly atrocious for the less well off to be subsidizing the better off.
  - d. Billing charge =\$2/month for "calculating and delivering" the bill. It looks like you are giving APS money for doing nothing. This is another ancient charge that is ridiculous today. Bills are automatically compute, folded, put in an envelope, and gathered for out-mail, all with almost no human activity. Why are you still letting APS charge us \$2 for that? Bulk mailing is likely about \$0.20. But even that should be part of the customer account charge, not billed separately.