



SIERRA CLUB

OPEN MEETING AGENDA ITEM

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August 14, 2017

ORIGINAL

Arizona Corporation Commission

DOCKETED

AUG 14 2017

DOCKETED BY

Chairman Tom Forese
Commissioners Bob Burns, Boyd Dunn, Doug Little, and Andy Tobin
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

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Re: APS Rate Case Docket No. E-01345A-16-0036, E-0B45A-16-0123

Dear Chairman Forese and Commissioners:

I am submitting written public comments on the proposed Arizona Public Service (APS) Company rate increase (E-01345A-16-0036) on behalf of the Sierra Club's Grand Canyon (Arizona) Chapter and our more than 55,000 members and supporters in Arizona, many of whom are APS customers.

The 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." The Sierra Club and our members have a significant interest in this proposed rate increase as it affects our members, as well as the direction of APS relative to clean energy, including energy efficiency. We are submitting separate comments on the APS 2017 Demand Side Management plan as well as we have significant concerns that this large monopoly utility is seeking to take Arizona backwards relative to energy efficiency.

First of all, APS has not justified the need for this rate increase. The APS parent company, Pinnacle West Capital Corporation reported "... consolidated net income attributable to common shareholders of \$167.4 million, or \$1.49 per diluted share of common stock, for the quarter ended June 30, 2017. This result compares with earnings of \$121.3 million, or \$1.08 per share, in the same 2016 period." At a time when its parent company has excessive profits, is this proposed rate increase just and reasonable? We do not think so.

Second, we are very concerned about the disturbing trend among utilities to excessively increase the basic service charge. In this rate case, the charge would increase from \$8.67 to \$15 per month for most residential customers, a large and excessive increase. Increases in the basic service charge leave customers with no effective way for customers to reduce it. It is

there whether they turn out the lights, turn up the temperature on their thermostats, or a myriad of other ways people reduce their energy consumption. It is large and unwarranted.

Third, APS wants to take \$15 million in funding from energy efficiency programs for customers to make its rate increase look smaller in the first year of the increase. This is misleading to APS customers and also could put at risk important energy efficiency programs that have helped to save customers money, make their homes and businesses more comfortable, and to help keep rates lower over the long haul by delaying and reducing the need for additional generation. Keeping and expanding energy efficiency programs is more important than ever if the Arizona Corporation Commission decides to approve this rate increase. As the Commission knows all too well, energy efficiency is the cheapest and cleanest energy resource and should be an increasing component of every utility's portfolio.

Finally, Sierra Club strongly supports Time-of-Use (TOU) rates, but these rates do not work for everyone and should not be the automatic default for customers or at a minimum, people should be allowed to change to a rate structure that works for them within a short time period rather than having to wait 90 days. Those who are sick or elderly could be put at risk as they seek to reduce electricity use during these time periods. As you know, excessive heat harms and even kills people as we see every summer in the Phoenix area. We should not be forcing TOU on those who cannot accommodate it. We also think the five-hour on-peak period for the TOU is excessive and a more manageable and customer-friendly three-hour on-peak window should be implemented. It is also more consistent with the actual peak.

As a side note, we know the Commission has made decisions about rooftop-solar and that there is a settlement in this case, but we encourage you to continue to seek ways to encourage, rather than discourage rooftop solar installations, and to make rooftop more affordable to more people as well as to ensure that those who generate electricity to the grid receive a fair return on that generation.

Thank you for considering our comments and for giving this proposed rate increase the scrutiny it warrants. We encourage you to adopt a more consumer-friendly, clean-energy friendly, order.

Sincerely,

A handwritten signature in black ink, appearing to read "Sandy Bahr". The signature is fluid and cursive, with the first name "Sandy" being more prominent and the last name "Bahr" following in a similar style.

Sandy Bahr

Chapter Director

Sierra Club – Grand Canyon Chapter

