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Investigator: Mary Mee Phone: <<< REDACTED >>> Opinion Date: 2/7/2018
Opinion Number: 2018 - 148166 Priority: Respond within 5 business days
Opinion Codes: Rate Case Items - In Favor Closed Date: 2/7/2018 4:35 PM

First Name: Sheldon Last Name: Heckman Account Name: Sheldon Heckman
Address:
City: State: Zip Code:
Email: <<< REDACTED >>>

Company: Arizona Public Service Company Division: Electric

Nature Of Opinion

Docket Number: E-01345A-18-0002

Docket Position: For

All attachments are in 148168

In Support of Docket No. E-01345A-18-0002 - Request for a Rehearing

Back in December 2017 I contacted APS about the rate increase that went into effect in August 2017 and the fact that my current rate plan, time adv 9pm – 9am, had been frozen and I would have to select a new plan by May 1, 2018 or APS would select one for me. I have been on this plan ever since I moved to Arizona back in 2005. So I started doing some research on the new plans. From APS' own website, under my account, I was able to print off the attached "APS Best Option for you" and "Comparison Current Plan to 4 New Plans". As you can see from the attachments, the plan most similar to my current plan would be the "saver choice" and my best option plan would be the "saver choice max". The attached comparison sheets show the "saver choice" plan would be an 18.26% increase over my current plan and the "saver choice max" would be 11.70%. These are APS' calculations ... not mine. This is not the 4.5% or about \$6.00 per month APS stated in their August 15, 2017 new and press release (see attached APS News and Press Release Archive August 15, 2017). I would like to know who the "typical monthly residential bill" customer is and how APS calculated this percentage and amount. I was told "it's a percentage of a percentage of a percentage". What the heck does that mean?

I decided to do my own calculation (see attached APS Rate Comparison 02-02-18 Unbundled) based upon my historical usage from my Nov 2016 – Oct 2017 APS bills. I downloaded my hourly usage by week for 52 weeks in order to get my by hour daily usage and applied the new 3pm – 8pm On-Peak usage for each day. I had many emails back and forth with APS to make sure my calculations, for each of the 4 plans available to me, were calculated correctly. As you can see these are what my bill percentage increases would have been if I was on the 4 plans from Nov 2016 – Dec 2017:

- Premier Choice Large 45.62%
- Saver Choice 28.10%
- Saver Choice Plus 21.21%
- Saver Choice Max 15.20%

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I would have been paying 15.20% more than I was under the "time adv 9pm – 9am" plan. The saver choice max plan is the plan APS suggested I go too. Well ... there is a catch to this plan that most customers won't realize until after the fact and once you have picked a plan you have to stay with it for a year. The catch is

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there is what is called a "Demand Charge" for On-Peak usage. What this "Demand Charge" does is it looks at the highest amount of kW's used during any On-Peak hour of time during the month. So say you mostly use 2 kW's maximum per hour during the On-Peak time 99.9% of the time but on one day during the month you happen to use 7 kW's in an hour. You multiply this 7 (instead of the 2) or whatever the highest amount is for the month times \$17.438 or \$122.07 in the summer and \$12.239 or \$85.67 during the winter and this amount is added to your monthly bill. Also, the average customer has no idea how many kW's their appliances use and having the On-Peak till 8pm is really going to impact those families with small children as they can't put off cooking, bathing & entertainment until after 8pm.

I have also attached a spreadsheet showing the Math Equation to determine how much the "Typical Monthly Resident Bill" would be if it was increased by 4.5% or \$6.00 per month. As you can see from the equation the "Typical Monthly Residential Bill" would be \$133.33 before the increase and \$139.33 after it. I will assume the \$133.33 is a monthly average for a year. My monthly average bill (remember I have not selected a new plan yet) from Nov 2016 to Oct 2017 was \$148.13 (see attached APS Rate Comparison 02-02-18 Unbundled) which is only \$14.80 higher than the "Typical Monthly Residential Bill) of \$133.33 ... yet me going on my least costly new plan, the "saver choice max", my average monthly bill would have gone to \$170.64 which is \$22.51 or 15.20% increase. Again I say APS' computation just doesn't make any sense to me.

Lastly, please realize that any of other charges on APS bill that are calculated off of a dollar amount, such as sales taxes, will also increase our bill.

Thank you for time and understanding.

Sheldon R. Heckman

| Investigation | | | |
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| Date: | Analyst: | Submitted By: | Type: |
| 2/7/2018 | Mary Mee | Telephone | Investigation |
| Comments noted for the record and docketed. CLOSED | | | |
