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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

TOM FORESE, CHAIR
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ANDY TOBIN

DOCKETED

FEB 26 2018

DOCKETED BY

(Jane Rodda, Hearing Officer)

IN THE MATTER OF THE FORMAL COMPLAINT
AGAINST ARIZONA PUBLIC SERVICE
COMPANY FILED BY STACEY CHAMPION AND
OTHER ARIZONA PUBLIC SERVICE COMPANY
CUSTOMERS.

DOCKET NO. E-01345A-18-0002

RICHARD GAYER's

DECLARATION ON

DECEPTION BY APS

RE:

TRANSITION RATES

Richard Gayer, a party to this Docket, hereby submits his Declaration regarding APS's deception as to the Transition Rates approved by Commission in APS Docket 16-0036. (See Decision 76295 at page 22 line 14, Finding-Determination 334 at page 103, Settlement Agreement in the Decision at paragraph(s) 1.5(b) and 4.1(a) for references to the 4.54 percent average bill impact for residential customers.)

On August 19, 2017, the Commission's Decision No 76295 approved, *inter alia*, rates to be charged to E-12 (Standard Rate) customers during a transition period until the new rates were fully in effect, estimated at May 1, 2018. These rates, which were published by APS as Revision 25, effective August 19, 2017, and marked "FROZEN", are shown below:

Bundled Charges in Revision 25 (Transition)

Basic Service Charge \$0.330 per day

Energy Charges

Winter

All kWh \$0.10851

Summer

First 400 kWh \$0.11161 per kWh

Next 400 kWh \$0.15920 per kWh

Next 2200 kWh \$0.18627 per kWh

Over 3000 kWh \$0.19863 per kWh

1 At the February 23, 2018 conference between APS attorneys, Gayer, and Adam Stafford
2 representing Stacey Champion, APS attorney Thomas Loquvam stated that these rates were
3 calculated by multiplying the existing rates by 1.0454 to produce an increase of 4.54 percent
4 during the Transition period.

5 The existing rates for E-12 customers which, were previously published by APS and
6 marked as Revision 24, effective on July 1, 2012., are shown below:

7 E-12 Charges in Revision 24 (Old)

8 Basic Service Charge: \$ 0.285 per day

9 Energy Charge:

10 Winter

\$0.09417 per kWh

11 Summer

\$0.09687 per kWh for the first 400 kWh, plus

\$0.13817 per kWh for the next 400 kWh, plus

\$0.16167 per kWh for the next 2200 kWh, plus

\$0.17257 per kWh for all additional kWh

12
13 Based on the foregoing E-12 rates, Gayer compared the E-12 rates in Revision 25 with
14 those in Revision 24. He simply computed the ratio of each Transition rate to each comparable
15 existing rate, subtracted one, and multiplied by 100 to obtain a percentage.

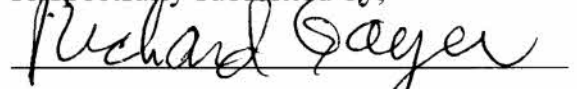
16 For example, compare the Summer rates for the second tier of usage between 401 kWh
17 and 800 kWh. The ratio of 0.15920 to 0.13817 is 1.1522; subtracting one and multiplying by
18 100 yields 15.22 percent. These increases are over three times the stated 4.54 percent.

19 Comparing the Winter rate reveals an increase of 15.22 percent. Next, compare the Basic
20 Service Charges. The ratio of 0.330 to 0.285 is 1.1579 and the increase is even higher at 15.79
21 percent. Finally, comparing each of the remaining Summer rates demonstrates increases of
22 between 15.10 percent and 15.22 percent. These increases are over three times the 4.54 percent
23 that Loquvam claimed APS used.

1 Therefore, each APS E-12 residential customer, and probably all other APS residential
2 customers, may be entitled to “reparations” under Arizona Revised Statutes section 40-248 in
3 the amounts of the foregoing overcharges that resulted from the excessive Transition rates.

4
5 Dated: 24 February 2018

Respectfully submitted by,



RICHARD GAYER, Party
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11 **CERTIFICATE OF SERVICE BY ELECTRONIC MAIL**

12 On 24 February 2018, I served copies of this document via electronic mail on everyone
13 on the Service List in this case **AND** on everyone on the Service List in APS Docket 16-0036
14 (Rate Case).

15
16 Dated: 25 February 2018


RICHARD GAYER