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BEFORE THE ARIZONA CORPORATION COMMISSION

2018 SEP 17 A 10:18

Arizona Corporation Commission

COMMISSIONERS

DOCKETED

TOM FORESE, CHAIR  
BOYD DUNN  
JUSTIN OLSON  
BOB BURNS  
ANDY TOBIN

SEP 17 2018

DOCKETED BY  
WJ

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

(Jane Rodda, Hearing Officer)

DOCKET NO. E-01345A-18-0002

**RICHARD GAYER'S**

WITNESS SUMMARY

Richard Gayer, a party to this case, hereby submits his Witness Summary.

I will first affirm my Prepared Direct and Rebuttal Testimony, except for one set of corrections to my Rebuttal Testimony at page 1:26-27 ("except possibly for May, June and July 2018, when there were significant decreases (to less than 1.5 cents per kilowatt-hour)") and consistent language at page 2:21-22 and page 3:27-28. I will also affirm my Declaration of Deception by APS on the Transition Rates (correct multiplier for E-12 was about 15.5%, not the 4.54% claimed by APS).

I will then testify that the so-called "adjustor sweep" is the misleading creation of APS; it does not exist and has never existed. This is shown by the attached Table 4 of "Adjustors for 'Sweep' Analysis", using actual amounts from my APS bills for 2017 and 2018.

First, note that the Transition rates were first applied in my bill dated September 14, 2017, after Decision 76295 was issued on August 19, 2017. It covered three (or four) days in August under the old (2012) E-12 rate and the remaining 27 (or 26) days under the E-12 Transition rate.

1 The "Totals" line in Table 4 shows essentially constant charges for all of 2017 except for  
2 a temporary decrease in September and October. Calling this decrease a "sweep" is deceptive,  
3 since the total adjustor rate returned to its original amount in about a month. APS gave with one  
4 hand and took back with the other.

5 APS's witnesses actually support the *lack* of a sweep by using words like "concurrent"  
6 and "concurrently" in their Rebuttal testimony, revealing that adjustor rates were manipulated  
7 outside of the Rate Case (16-0036) in other proceedings. See Miessner's at 9:5 (Adobe 35),  
8 10:13 (Adobe 36) and 13:9 (Adobe 39); see also Faruqui's at 4:19-20 (Adobe 51), 6:6 and 6:18-  
9 19 (Adobe) 53. I and other participants in the Rate Case were unaware of those proceedings.

10 My first bill under the New R-Basic rate (Premier Choice) is dated March 15, 2018. But  
11 there is no evidence of the slightest reduction in adjustor rates until July, when the REAC  
12 component of the Environmental Benefits Surcharge was reduced, effective on July 1, 2018.  
13 (See Decision 76711 dated June 26, 2018 in APS Docket 17-0224.)

14 I will also testify that both the Transition rates and the New rates are not just and  
15 reasonable, relying, *inter alia*, on Table 2 in APS16018 (page 2) and APS's Responses to my  
16 Data Requests, Set Four.

17 I will also testify in response to any testimony or other evidence that is presented at the  
18 Hearing (set for September 25, 2018) before I am called to testify.

19  
20 Dated: 14 September 2018

Respectfully submitted by,

Richard Gayer  
RICHARD GAYER, Party  
526 West Wilshire Drive  
Phoenix, AZ 85003  
602-229-8954 (rgayer@cox.net)

21  
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23  
24  
25 **CERTIFICATE OF SERVICE BY ELECTRONIC MAIL**

26 On 14 September 2018, I served copies of this document via electronic mail on every  
27 person and entity and/or their attorneys on the Service List.

28 Richard Gayer

**Table 4 -- Richard Gayer's ADJUSTORS For "SWEEP" ANALYSIS -- ACTUAL BILLS, 2017 & 2018 -- APS Service**

ADJUSTOR Cents/kWh (kWh)	Jan '17 426	Feb '17 350	Mar '17 306	April '17 301	May '17 542	June '17 873	July '17 1497	Aug '17 1230	Sep '17 1179	Oct '17 549	Nov '17 375	Dec '17 305	Jan '18 377	Feb '18 300	Mar '18 298	Apr '18 323	May '18 524	June '18 816	July '18 1356	Aug '18 1294
Environment Benefits Surcharge	1.06	1.12	1.12	1.12	0.87	0.61	0.43	0.49	0.47	0.88	1.17	1.17	1.17	1.17	1.16	1.17	0.91	0.62	0.32	0.33
Fed. Trans Cost Adjustment	0.71	0.71	0.72	0.71	0.71	0.90	0.90	0.90	0.40	0.33	0.32	0.33	0.33	0.33	0.33	0.33	0.33	0.26	0.26	0.26
Power Supply Adjustment	0.17	-0.13	-0.13	-0.14	-0.13	-0.14	-0.13	-0.13	0.03	0.05	0.06	0.06	0.06	0.45	0.46	0.46	0.45	0.46	0.46	0.46
LFCR Adjustor	0.23	0.24	0.24	0.32	0.32	0.34	0.36	0.36	0.31	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Fed EIS, Sys Benefits, and 4 Corners	0.20	0.21	0.21	0.21	0.22	0.23	0.26	0.25	0.03							0.01 EIS	0.01 EIS	0.01 EIS	0.01 EIS	0.01 EIS
TOTALS Cents/kWh	2.37	2.15	2.16	2.22	1.99	1.94	1.82	1.87	1.24	1.56	1.85	1.86	1.86	2.25	2.25	2.27	2.00	1.65	1.35	1.35

September & October 2017 -- One month temporary decrease

July & August 2018 -- REAC (p/o Environmental Benefits Surcharges) decrease from Decision 76711 in APS 17-0224, effective July 1, 2018

APS Dockets 2016 -- 2018 Regarding Adjustors: Rate Case (16-0036); 16-0176 (Demand Side Management); 16-0238 (Renewable Energy); 17-0224 (Renewable Energy); 18-0003 (Tax Expense); 18-0105 (Demand Side Management); 18-0226 (Renewable Energy). Other adjustors may be changed by APS without Commission involvement.