October 3, 2018

Docket Control
Arizona Corporation Commission
1200 W Washington St.
Phoenix, AZ 85007

Re: In the matter of the formal complaint against Arizona Public Service Company filed by Stacey Champion and other Arizona Public Service Company customers (E-01345A-18-0002)

Commissioners and Interested Parties,

I have listened to public comment, opening statements, and witness testimony in this case. I have also reviewed the docketed consumer comments. Many stakeholders admonished APS for failing to provide adequate service, communication, and education to customers following its rate increase. While the central issues must be dealt in the recommended opinion and order, I see no reason why the important issue of customer education cannot be looked at immediately. Customers cannot take charge of their energy consumption or control their costs if they don’t have the necessary information from APS. If the stakeholders are correct, APS’s failure to effectively communicate and educate customers presents a serious problem that the Commission should correct as soon as possible.

APS knew customer outreach was critical because the changes to the rate plans and time-of-use were complex. In its opening statement, the Company admits setting rates “is a process not well understood by many and certainly not well understood by some of our residential customers.”1 APS went a step further stating that “even if some of our customers don’t understand what a bill impact meant in this case, or what occurred in the rate case with adjustor transfers, that is not evidence that the rates approved by this Commission were not reasonable.” Id. This suggests that adequately informing its

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1 APS Opening Statement, In the matter of the formal complaint against Arizona Public Service Company filed by Stacey Champion and other Arizona Public Service Company customers (E-01345A-18-0002), Hr’g Trans. __: __, at approximately 1hr. 39min (Sept. 25, 2018).
customers was not a priority. In my opinion, this conclusion doesn’t align with the Commission’s intent.

I noted in August 2017 that APS needed to make certain that changes wouldn’t be a surprise to customers. I stressed the importance of adequate notice so customers who may not watch the news or even know a rate case is pending, don’t suddenly find themselves on a new plan with a new time-of-use. The Commission adopted my amendment requiring APS to implement a Customer Education and Outreach Program. The amendment required APS to provide adequate notice to existing customers of their rate options and bill impacts so each customer could make an informed decision. The Commission further ordered APS to set aside $5,000,000 to use in these customer education efforts.

I am concerned that APS did not adequately implement the approved Outreach Program per the Commission’s order. It was my expectation that all customer communications would be straightforward and present the information in a way that was not misleading and motivated people to act prior to the deadline. If the Company has failed to meet this expectation, I believe the Commission needs to correct the problem.

I would like some additional information from the utility to assist me in evaluating whether the customer outreach was adequate. I request that APS explain when and how customers were transitioned to new rate plans. I also request that APS address in the docket how it spent the $5,000,000. Finally, I request that APS provide a detailed account of its customer communication and education efforts regarding the new rate plans and time-of-use changes from August 2017 to date.

Sincerely,

Commissioner Boyd Dunn
On this 3rd day of October, 2018, the foregoing document was filed with Docket Control as a Correspondence From Commissioner, and copies of the foregoing were mailed on behalf of Boyd Dunn, Commissioner - A.C.C. to the following who have not consented to email service. On this date or as soon as possible thereafter, the Commission's eDocket program will automatically email a link to the foregoing to the following who have consented to email service.

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E-01345A-18-0002

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