



ARIZONA CORPORATION COMMISSION

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Commission Streamlines Ratemaking Process for Utility Co-ops

PHOENIX, AZ—The Corporation Commission today passed a new rule that will streamline the ratemaking process for Arizona’s electric and natural gas cooperatives. The new rule, Rule 107 which amends Arizona Administrative Code Title 14 Chapter 2, will ensure less complicated rate case filings with a shorter review time for each filing. This new streamlined process will reduce regulatory costs for the cooperatives, savings they can pass on to their customers.

The new rule will benefit eligible cooperative utilities by reducing their legal and consulting costs. Rate applications will be simpler, and the processing timeframes will be shorter. Rule 107 includes clear, specific, and thorough eligibility and filing requirements for natural gas and electric cooperatives, which gives Commission staff the ability to more efficiently review and analyze eligible cooperatives’ rate applications.

Through this new rate case process, cooperatives could see a potential savings of 50 to 80 percent in the cost of pursuing a rate case, which is a direct savings to member/customers, and proceedings before the Commission could be completed in approximately six months rather than the current thirteen months.

The rules will now be sent to the Arizona Secretary of State’s office for publication.

“This historic decision is the product of years of hard work. I commend the parties for ensuring greater transparency and efficiency for co-cooperatives, and for saving ratepayer dollars,” said **Chairman Bob Stump**.

“We are very excited about the progress made by streamlining these rules. We are always looking for ways to improve the regulatory process,” said **Commissioner Brenda Burns**. “Any rule changes that save both time and money are a victory for everyone involved. Arizona ratepayers are better off by the efforts that culminated in today’s vote. I want to applaud Gary Pierce for initiating this process when he was chairman.”

“These new cooperative rules will reduce legal costs, reduce rate delays, and provide greater local control for the member customers of each company,” said **Commissioner Gary Pierce**. “This is a great win for rural Arizona.”

“This decision is a great victory for ratepayers as it will provide more efficiency and lower operational costs which will mean lower rates for rural co-op customers,” said **Commissioner Bitter Smith**.

“These rules will create a significant savings, a savings that the co-ops can pass on to the ratepayers,” said **Commissioner Bob Burns**.

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