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April 10, 2014

Mr. Edward Fenster
595 Market Street, 29th floor
San Francisco, CA 94105

Re: Value and Cost of Distributed Generation Docket No. E-00000J-14-0023

Dear Mr. Fenster:

It has come to my attention that the Public Policy Manager for Sunrun and a member of the Alliance for Solar Choice, Kim Sanders, has been "reaching out" in a manner that reflects poorly on your company and has the potential to affect adversely millions of ratepayers in APS territory – the constituents we are charged to protect.

In an e-mail dated April 8, 2014, to analyst Rajeev Lalwani (see attached), Ms. Sanders attempts to damage investor confidence in APS, undermine its capacity to borrow at reasonable rates, and damage the company's shareholders, many of whom are Arizonans on fixed incomes and retirees.

I am certain you will agree that Sunrun's efforts to influence the judgment of Wall Street analysts is unprofessional and inappropriate, and you will strive to keep your employees on a shorter leash.

I will continue discussing Arizona's regulatory climate with analysts in an effort to mitigate the damage inflicted by too many in the solar advocacy community who behave like proverbial bulls in China shops.

The rancor must end if solar is to thrive in Arizona. Attempts to "disrupt the utility monopoly model," as one solar activist put it, should not entail damaging Arizona ratepayers. Such behavior inflicts more harm to solar in Arizona than any "dark money" campaign could ever do.

Arizona ratepayers' pocketbooks are at stake, and my patience with such antics has worn thin.

I look forward to your response to my letter.

Sincerely yours,

Bob Stump
Chairman
Arizona Corporation Commission

cc: Rajeev Lalwani

Beth L. Soliere

From: Bob Stump
Sent: Thursday, April 10, 2014 2:32 PM
To: Beth L. Soliere

From: Kim Sanders [mailto:ksanders@sunrun.com]
Sent: Tuesday, April 08, 2014 1:41 PM
To: Lalwani, Rajeev (Research)
Subject: Pinnacle West Downgrade

Hi Rajeev,

I'm reaching out as an employee of Sunrun, and as a member of the solar advocacy organization The Alliance for Solar Choice, both of which have been heavily involved in solar issues with Arizona Public Service.

As an analyst that covers Pinnacle West, I thought you might be interested in the attached perspective from Bank of America that downgrades Pinnacle West. In the wake of Arizona Public Service's attacks on rooftop solar, according to Bank of America, this downgrade "reflects our subjective assessment of the regulatory climate and relationships between Pinnacle West and key stakeholders." This emphasizes the reality that APS is destroying its relationships with regulators over the rooftop solar debate in Arizona. Additionally, I wanted to share a bit more info that indicates this is just the tip of the iceberg.

APS employees lobbied to implement property taxes on solar systems in Arizona (reported here). APS continues to deny these claims, contradicting a state Senator and the Governor's office. This no doubt contributes to the strained relationships APS has with other stakeholders, as mentioned in the Bank of America memo. It was also reported that APS CEO Don Brandt personally lobbied for the tax increases (here).

I'm happy to help answer any additional questions you might have on APS' attacks on rooftop solar in Arizona.

Best,

KIM SANDERS | Public Policy Manager
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