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BOB STUMP



BOB STUMP
Commissioner

ARIZONA CORPORATION COMMISSION

April 23, 2009

RE: Extension policy – 1,000 foot free-line extension, Docket No. E-01345A-08-0172

Dear Parties to the Docket:

Upon reviewing a letter from the La Paz County Supervisors dated April 20, 2009, regarding the APS extension policy, I am writing to obtain more information about re-instating the 1,000 foot free-line extension. Therefore, it would be helpful for my future full consideration of these matters if the parties would address the re-instatement of the 1,000 foot free-line extension in filings in this docket during the course of the APS rate case.

I believe that an analysis of how this policy may have affected growth in a time of economic crisis would be illuminating. Information regarding any cost-analyses would also be helpful in determining what, if any, affect the 1,000 foot free-line extension has had on consumer rates. Legislators, county officials, and homeowners have commented that this policy has had a serious adverse affect on rural communities, in particular.

In an effort to clarify the nature and effects of this policy, I would ask the parties to provide more information in the docket on the following:

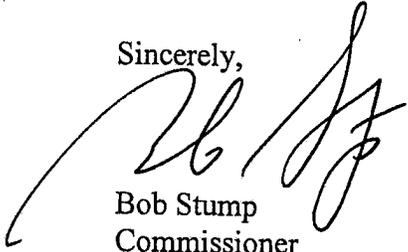
1. What cost would consumers incur if the Commission were to re-instate the 1,000 foot free-line extension?
2. Should there be a cap on the amount a utility can charge the development for the extension?
3. If a utility were to put in a line extension, is there is a benefit to all users in that extension area, including the utility and its customers?
4. If a developer were to put in the extension, would the developer be subsidizing all development which occurs later?
5. What policies, if any, could be put into place to re-pay the initial developer for the 1,000 foot free-line extension?
6. What is the average cost to a developer to put in the line extension?
7. What is the average cost to an individual homeowner to put in the line extension?

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In order to have a full record in this case, I would also ask the parties to gather data on the effects of this policy from the homebuilding industry and rural counties, and include this information in the filings in the docket.

Thank you in advance for helping the Commission gain a better understanding of this policy.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bob Stump', written over a white background.

Bob Stump
Commissioner

cc: Chairman Kristin Mayes
Commissioner Gary Pierce
Commissioner Paul Newman
Commissioner Sandra Kennedy
Ernest Johnson
Janice Alward
Lyn Farmer
Mike Kearns
Rebecca Wilder