

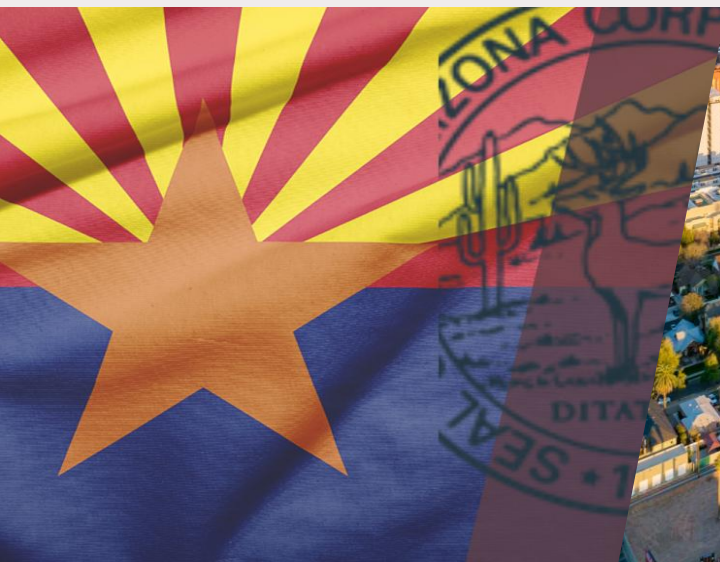


Powering Arizona Forward

*ARIZONA
CORPORATION
COMMISSION*



*ANNUAL REPORT
FISCAL YEAR
2025-2026*



Arizona Corporation Commission



THE FIVE COMMISSIONERS ELECTED TO THE CORPORATION COMMISSION OVERSEE EXECUTIVE, LEGISLATIVE, AND JUDICIAL PROCEEDINGS ON BEHALF OF ARIZONANS WHEN IT COMES TO THEIR WATER, ELECTRICITY, TELECOMMUNICATIONS, AND NATURAL GAS RESOURCES, AS WELL AS THE REGULATION OF SECURITIES, PIPELINE, AND RAILROAD SAFETY.

Nick Myers, Chair
Rachel Walden, Vice Chair
Kevin Thompson, Commissioner
Lea Márquez Peterson, Commissioner
René Lopez, Commissioner

Douglas R. Clark
Executive Director

Thomas Van Flein, Office of General Counsel

Tanya Gibson, Corporations Division

Jane Rodda, Hearing and Docket Division

Chris Watson, Safety Division

Mark Dinell, Securities Division

Briton Baxter, Utilities Division

Ranelle Paladino, Utilities Division

Ed Block, Information Technology Division

Kim Battista, Administrative Services Division



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MISSION

The Arizona Corporation Commission's mission is to exercise exclusive state regulatory authority over public service corporations (public utilities) in the public interest; to grant corporate and LLC status and maintain public records; to ensure the integrity of the securities marketplace; and to foster the safe operation of railroads and gas pipelines in Arizona.

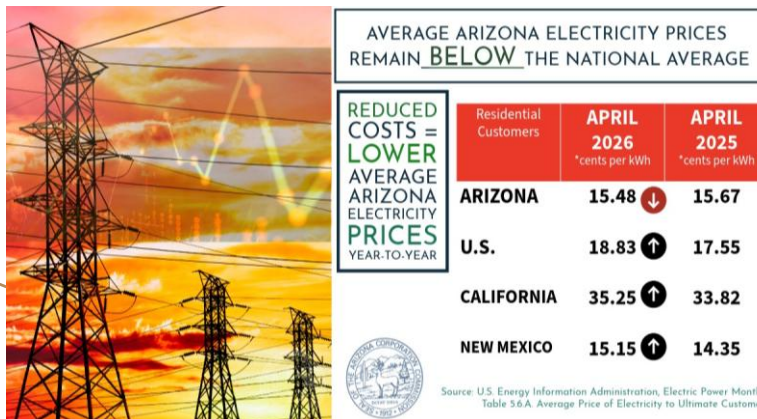
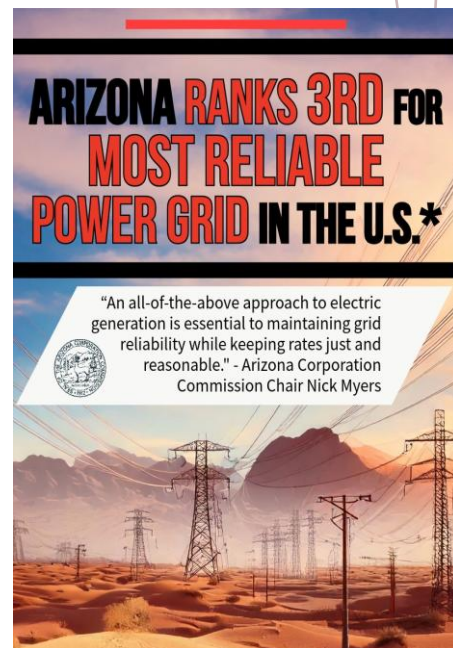


MESSAGE FROM CHAIRMAN NICK MYERS

Over the past year, the Commission has continued strengthening Arizona's grid, championing regulatory stability and efficiency, and eliminating subsidies and cost shifts. We have been committed to a principle of "growth pays for growth." Economic development and job creation are critical to our state, but the cost of serving large energy users (e.g., data centers and industrial customers) should be borne by the cost causer and not by others.

Arizona ratepayers can be assured the Commission has prioritized both affordability and the readiness of the state's electricity, water, wastewater, and natural gas infrastructure to meet the growing demand. The average price of electricity for residential, commercial, and industrial customers in Arizona remains below the national average, and from April 2025 to April 2026 saw a price decrease per kWh for each of these sectors while the U.S. saw an overall increase over that same time.* Through multiple workshops this past year, the Commission has explored the development of natural gas infrastructure and storage, as well as the possibility of additional nuclear generation resources in our state.

In early 2026, the Commission launched Arizona Business Center (ABC), a new online business filing portal with enhanced fraud protection, real-time tracking, automation, and instant verification, to the benefit of business owners, entrepreneurs, and nonprofits. The Commission has also inspected thousands of miles of railroads and pipelines, held securities fraudsters accountable and returned millions of dollars to fraud victims and worked with regulated water and wastewater utilities to ensure they provide safe and reliable service to their customers. Although not as flashy as nuclear power *(continued)*



*Source: U.S. Energy Information Administration, Table 5.6.A. Average Price of Electricity to Ultimate Customers by End-Use Sector, by State, April 2026 and 2025 (Cents per Kilowatthour),

MYERS' MESSAGE cont.

or data centers, the Commission has also taken significant steps to modernize its rules to the benefit of ratepayers and taxpayers alike. We continued the repeal of outdated energy efficiency and renewable energy mandates that have unnecessarily driven up rate for years and have taken steps to update our pipeline safety, telecom, investment management, and our water and wastewater utility rules.

This past year's achievements were made possible by our dedicated staff and by my fellow commissioners' commitment to ensuring safe, reliable, and affordable utility services for Arizona families, businesses, and communities. I look forward to building on these significant achievements in the coming year.



ABOUT CHAIRMAN MYERS

The chairman was elected to the Commission in 2022, bringing a background in software engineering, entrepreneurship, and regulatory advocacy following a dispute with a utility company. Upon taking office, Myers' first official act was to open a docket to modernize Arizona's rate-making process, spearheading the Commission's adoption of a Formula Rate Plan Policy in 2024. He has opened formal inquiries into expanding both natural gas infrastructure and nuclear energy generation in Arizona. He has prioritized regulatory stability, the elimination of subsidies, utility wildfire mitigation, and the challenge of data centers and large industrial. Myers serves as Chairman of the Markets+ State

Committee, ensuring state interests are embedded in Southwest Power Pool's Markets+, a real-time and day-ahead regional energy market expected to go live in 2027. Chair Myers also serves as a member of the Committees on Gas and Critical Infrastructure at the National Association of Regulatory Utility Commissioners (NARUC) and is a member of the Federal-State Current Issues Collaborative with FERC and NARUC, representing the West.



VICE CHAIR RACHEL WALDEN

Vice Chair Rachel Walden is dedicated to serving the people of Arizona. She champions free-market principles while protecting the safety and financial wellbeing of Arizona's citizens. Her priorities include ensuring access to reliable, affordable water and power, improving pipeline and railroad infrastructure safety, and supporting penalties and restitution for securities fraud.

Rachel was elected to the Commission in November 2024 with over 1.5 million votes – more than any other state-level candidate in a contested race in Arizona history. Her strong statewide showing reflects broad public support for her priorities and her deep understanding of what matters to Arizona.

Through her Commission votes and amendments to rate cases and other proposed orders from staff, Vice Chair Walden has delivered on her campaign promises to eliminate “Green New Deal” subsidies and keep rates affordable. One recent amendment she sponsored and got passed effectively reduced new utility rates by removing Board of Directors’ fees from ratepayer responsibility. Another amendment she pushed through stopped an income-based rate plan that would have created new subsidies and resulted in a cost shift to other ratepayers. She also co-sponsored a change to prevent overspending of surcharge funds and required the prioritization of energy-efficiency programs for low- and fixed-income families. Most notably, she led the adoption of an

innovative Virtual Power Plant pilot– reflecting her “all of the above” approach to energy generation, incorporating innovation while protecting ratepayers from cost shifts seen in similar programs elsewhere in other states.

Vice Chair Walden serves on the Water Committee for NARUC, giving Arizona a voice in national water policy discussions and helping ensure the state's unique challenges are well represented. Before joining the Commission, Rachel's career was in finance and she was securities licensed. She currently serves on the Mesa Public Schools Governing Board. A lifelong Arizonan, Rachel has a strong connection to our State and a deep commitment to Arizonans. She brings a passion for public service and a wealth of experience in financial regulation, policy development, and community advocacy. She is honored to serve on the Arizona Corporation Commission.



COMMISSIONER LEA MÁRQUEZ PETERSON



Lea Márquez Peterson currently serves on the Arizona Corporation Commission and is a past Chairwoman. During her tenure, she has fought hard for affordable utility rates and has focused on ensuring energy reliability. She was appointed by the Governor in 2019 and later won election to a four year term in 2020 and another four year term in 2024. Lea is the first Hispanic woman to serve in a statewide seat in the history of Arizona and is the only Commissioner based outside the Phoenix area.

Lea has established a reputation on the Commission as a knowledgeable commissioner who is known for her fairness to consumers and utilities. She has focused on ensuring that Arizona has a reliable energy grid at the most affordable rates. She is concerned with any vote at the Commission that will impact the ratepayer- especially those who are vulnerable and who may be facing financial challenges.

Lea received her undergraduate degrees in Marketing and Entrepreneurship from the University of Arizona and her Master's in Business Administration from Pepperdine University.

Lea previously owned a chain of gas stations and convenience stores in the Tucson area putting many people to work. Additionally, she served nearly ten years as the President of the Tucson Hispanic Chamber – one of the largest chambers in the state.

In her role as Commissioner, Lea serves on the national board and Investment Committee of the National Association of Regulatory Utility

Commissioners (NARUC), chairs the organization's education and research efforts, and co-chairs a national advanced nuclear taskforce. She also serves on the advisory board of EPRI, a global energy think tank. Additionally, she holds leadership positions as Vice President of the Western Conference of Public Service Commissioners (WCPSC) and Chair of the Western Interconnection Regional Advisory Body (WIRAB), which works on regional interconnection in the West.

Lea has been recognized as the 2022 U.S Hispanic Chamber Business Woman of the Year, the 2021 Most Influential Woman in Arizona Business by AZ Big Media, a 2025 Woman Achiever in Arizona, and a member of Arizona's Power 50 by the Arizona Capitol Times, among several other awards. Additionally, Lea serves on the Advisory board for Carondelet Health network which operates hospitals in Southern Arizona and serves on the Arizona Judicial Council. She lives in Tucson with her husband and 2 children.



COMMISSIONER KEVIN THOMPSON

Commissioner Kevin Thompson was elected by his peers to serve as Chair of the Commission in 2025. He has more than 30 years of combined utility, regulatory, and public service experience. He previously served as a twice-elected Mesa City Councilman and is a United States Air Force combat veteran, serving in Operation Desert Storm.

As a Commissioner, Kevin's priorities focus on maintaining a resilient and reliable grid for Arizona. During his time as Chairman of the Commission in 2025, he focused on bringing strong leadership and meaningful change during his tenure. He has curbed the cost shifts associated with mandates and subsidies by eliminating millions from Demand Side Management programs and leading the efforts to repeal costly and outdated Renewable Energy Standards and Tariffs (REST) mandates and the Demand Side Management/Energy Efficiency (DSM/EE) mandates. Kevin continues to fight Green New Deal and California-style energy policies from creeping into Arizona; instead focusing on maintaining Arizona's reputation as a land of opportunity with affordable and reliable systems that are safe and sustainable.

To further protect residential and small business customers, Kevin opened a docket on large load users and data centers to ensure new growth continues to pay for new growth and not shift costs onto other customers. With the ever-changing landscape and incoming large development that will impact the grid, Kevin is proactive in exploring improvements to the regulatory system and increasing safeguards for customers.



Kevin represents Arizona as a member of the Western Energy Imbalance Market (WEIM) Body of State Regulators (BOSR), advocating for our unique state. In 2025, he was appointed to the National Association of Regulatory Utility Commissioners (NARUC) Board of Directors. He also serves on the NARUC Committee on Electricity, where he works with other Regulators to advance national policies that promote reliability and affordability through collaboration with Federal agencies.

Kevin holds a Bachelor of Science in Mechanical Engineering from the University of Nevada, Las Vegas. He is the recipient of multiple awards and recognitions, including the United Food Bank Service Award, recognition as the Manufacturing Champion of the Year by the Arizona Manufacturers Council, and was awarded the Mesa Veteran Appreciation Award, to name a few. Kevin and his wife, Donna, have been married for over 37 years and have two children.



COMMISSIONER RENÉ LOPEZ

Commissioner René Lopez began his first term on the Arizona Corporation Commission in January 2025. Before serving as a commissioner, he previously served on the Chandler City Council from 2015-2023 and was appointed as Vice Mayor twice during his terms.

René has lived and worked in Chandler for more than 19 years. He is a third generation Arizona native, graduating from the University of Arizona with a BS in Nuclear Engineering and minor in Direct Energy Conversion. Commissioner Lopez also is a third generation U.S. Navy Veteran serving as a Naval Officer aboard submarines honorably separating in 2000 as a Lieutenant.

René has an extensive 25-year career in Project Management working in Telecommunications, Energy, and Information Technology. He understands the importance of finding the balance of delivering energy and water to Arizona residents while managing the costs associated with maintenance and new infrastructure. His focus is finding stability and cost effectiveness for Arizona's current and future needs. René believes in transparency and open communication.

As of May 2026, the Nuclear Energy Institute recognized Commissioner Lopez as one of the first Nuclear State Champions for his leadership in advancing nuclear power generation in Arizona.

In 2017, René co-founded CeCe's Hope Center. CeCe's Hope Center improves the lives and futures of victims of human trafficking and sexual exploitation by bridging the gap of services and support.



Commissioner Lopez currently serves on the following Committees:

- Vice Chair of the National Association of Regulatory Utility Commissioners (NARUC) Subcommittee on Nuclear Energy
- Committee Member of the NARUC National Council on Electric Policy (NCEP) Executive Committee
- Member of Governor Katie Hobbs Arizona Energy Promise Taskforce Nuclear Working Group
- Chair of the City of Chandler Charter Subcommittee

René and his wife Jessica of 30 years have two children: Brianna, a Ph.d Candidate at John's Hopkins and Andrew, graduating from University of Arizona in 2024 with a BS in Criminal Justice and now a U.S. Naval Officer serving in San Diego, CA.





MESSAGE FROM EXECUTIVE DIRECTOR DOUGLAS CLARK



The Arizona Corporation Commission (ACC) continued to advance its constitutional mission of serving Arizonans by ensuring reliable utility services, safeguarding investors, maintaining the safety of railroad and pipeline infrastructure, and providing efficient business services. As Arizona's population continues to grow and the state's economic footprint keeps expanding, the Commission has remained focused on modernizing our operations, strengthening regulatory oversight, and delivering excellent and responsive public service.

One significant milestone during the past fiscal year was the overhaul of the Commission's business filing portal. The ACC's Corporations Division completed the development and implementation of Arizona Business Center, a brand new, next-generation online filing platform that streamlines business filings, enhances customer experience, and introduces additional safeguards against fraudulent business filings. This multi-million-dollar investment significantly upgrades the Commission's digital infrastructure and improves online services for Arizona's business community. Along with the technology upgrade, the Commission also adopted several new policies designed to deter unauthorized business filings and better protect Arizona business owners from identity theft and fraud.

Investor protection remained a priority through the work of the Securities Division. The Commission continues to investigate and enforce violations of Arizona Securities laws, taking action against fraudsters that use Artificial Intelligence, cryptocurrency, and new schemes against unsuspecting investors. The Commission returned more than \$10 million to victims through restitution fees and forwarded nearly \$37 million in fees and penalties to Arizona's General Fund. These efforts help preserve confidence in Arizona's capital markets while protecting residents from financial exploitation.

The Commission remained committed to public safety through its meticulous oversight of railroad crossings and pipeline safety programs implemented by the Safety Division. Our teams have increased the number of on-site inspections of railroad crossings, tracks, and natural gas equipment contributing to the safe operation of critical transportation (continued)



EXECUTIVE DIRECTOR'S MESSAGE CONTINUED

and infrastructure throughout Arizona. Notably, the Safety Division has also achieved financial stability, announcing it no longer needs the assistance of taxpayer dollars, saving nearly \$800,000 from Arizona's General Fund.

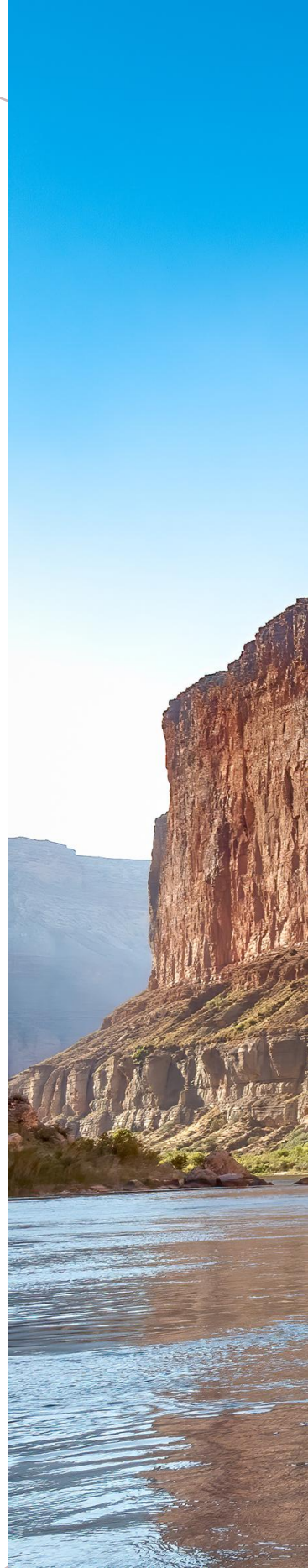
The Commission's Utilities Division, Hearing Division, and Office of General Counsel have been extremely productive, processing and adjudicating back-to-back utility rate cases as regulated companies urgently expand services and infrastructure to accommodate ongoing increases in Arizona's population and utility load growth. The Commission is working through extraordinarily high caseloads. The Utilities Division vetted major infrastructure investments for dozens of electric, water, and wastewater utilities through transparent public proceedings, and maintained conservative oversight to ensure that regulated utilities met their obligations to customers while implementing prudent financial decisions to protect ratepayers from unnecessary expenses. The Hearing Division administered nearly two dozen Class A and Class B rate cases last fiscal year – more than twice the number of cases for an average year.

The Commission's actions in FY 2025/26 have enabled the interconnection of nearly 8,000 MW of new electricity generation, to include the future construction of natural gas, solar, battery energy storage, and wind facilities. Arizona's proven reputation for grid stability, reliable electricity, and reasonable prices are major draws for new manufacturing and industrial customers. Arizona's average electricity prices remained well below the national average in every quarter of the last fiscal year. Electric utilities are working to double the grid's capacity over the next decade; it took about 100 years to accomplish the electric grid we have right now.

Transparency, accountability, and public engagement remain central to the Commission's work. Through Open Meetings, public hearings, stakeholder participation, and accessible online resources, the Commission encouraged

meaningful public involvement in its decision-making processes. More Arizonans are participating in public comment meetings and Hearings now more than ever, reflecting the Commission's priority to be transparent and accessible to the public, and empowering communities. The ACC remains steadfast in powering Arizona forward.

Douglas Clark
Executive Director of the Arizona Corporation
Commission



A YEAR OF UNPRECEDENTED RATE CASES

During Fiscal Year 2026, the Commission completed 25 Class A and Class B (large, investor-owned utilities) rate cases – the greatest number of such rate cases the Commission has taken on in a yearlong span. Each rate case is a thorough, fact-based, and public review process that takes between 12 – 24 months from start to completion before a final vote is taken by the Commissioners. An array of Staff from three of the ACC’s five Divisions – Utilities, Hearing, & Office of the General Counsel (OGC) – work on each case. The meticulous process allows the Commission and the public to conduct a broad assessment of the utilities’ infrastructure and accounting. Two of three largest electric utilities in the state, Arizona Public Service Company (APS) and Tucson Electric Power Company (TEP) were among the high-profile cases.

	APS	TEP
Intervenors/Parties	35	24
Public Comment Sessions	5	5
Hearing Days	31	14
Witnesses	55	43
Exhibits Admitted	315	156
Data Requests	3,420 +	1,989

16

Number of
Class A Cases
Pending/Completed

7

Number of
Class B Cases
Pending/Completed

6 months

Average Time for
Staff to Prepare
a Class A/B case
for Hearing

5–20

Number of
questions Included
in a Staff Data
Request to
Utilities



*COMPLEX & COMPREHENSIVE:
IT TAKES A TEAM OF 25+ STAFF
MEMBERS AND CONSULTANTS TO
LITIGATE A CLASS A RATE CASE*

RATE CASE FILED

UTILITIES staff have 30 days to determine if the rate case application meets sufficiency requirements; attorneys with the OGC also review the application.

HEARING IS SET

The HEARING division assigns an Administrative Law Judge (ALJ) to the case, who then establishes a hearing schedule, procedural requirements, and other deadlines.

INTERVENORS & DISCOVERY

The ALJ grants intervenor status to parties; UTILITIES staff begins the discovery process by submitting questions & data requests to the utility; the utility provides answers & data

PUBLIC COMMENT

The ALJ holds five public comment sessions; throughout the entire rate case, written public comments are filed to the docket. The ALJ reads all public comments.

EVIDENTIARY HEARING

All parties, including OGC, file exhibits & direct testimony, providing evidence on rate design. At the HEARING, parties present evidence, recommendations, & question witnesses.

CLOSING BRIEFS

All parties file Closing Briefs, which detail the party's positions on each issue and proposed resolutions. Combined, all the briefs can total several thousand pages, which the ALJ reads.

RESPONSIVE BRIEFS

The utility, and all parties, provide responses to issues brought up in the Closing Briefs. This marks the close of the evidentiary record. The ALJ must review and consider all pieces of information.

RECOMMENDED ORDER

The ALJ issues a Recommended Opinion & Order (ROO), which resolves contested issues, proposes rate changes, and suggests approval or denial of other programs requested by the utility, for example, a formula rate plan.

THE COMMISSION VOTES

The Commission will hear public comment, discuss, make changes, and vote on a final decision during an Open Meeting. The vote will set new rates and determine the status of the utility's requested programs.





THE OFFICE OF GENERAL COUNSEL



Role: Functions as the primary in-house law firm for the Commission, individual Commissioners, and various Divisions (excluding the Securities Division)



Responsibilities: Acts as lead counsel, advisor, and advocate in complex legal matters



Core Focus Areas: Electric, Water, and Wastewater regulation; Telecommunications and Line-Siting; Railroad and Pipeline safety; Corporations and administrative matters.

16 Active Cases Before the Courts

**U.S. Court of
Appeals: 1**

**Arizona Supreme
Court: 3**

**Arizona Court of
Appeals: 8**

**Maricopa County
Superior Court: 4**

Operations at Scale: A Year by the Numbers

479

Decisions
Dispositioned

455

Appearances at
ACC Hearings

367

Dockets
Opened/Handled

55

ACC Division
Assists

54

Public Records
Requests Processed

5

Mediated
Complaints



OGC TRAINING AND ACHIEVEMENTS

Expanding Expertise and National Reach



National Policy Leadership

- Engaged in elite continuous education at the NARUC Summer Policy Summit (Boston), NARUC Annual Meeting (Seattle), NARUC Winter Policy Summit, and NARUC Rate School (San Diego).

Industry Deep-Dives

- Contributed to specialized forums including the NAWC 2025 Water Summit (Aventura, FL) and the APPA Academy Legal and Regulatory Conference (San Diego).

Arizona Infrastructure Focus

- Demonstrated local commitment at the 33rd Annual Arizona Water Law Conference (Scottsdale), Grand Canyon State Electric Coop Summer Meeting (Flagstaff), and critical on-site evaluations including the TEP Springerville Generating Station tour.

Industry Leadership: Hosting NCRA 2026



The Standard of Excellence

Committed to serving as the steadfast counsel, advisor, and advocate for the Arizona Corporation Commission and the people of Arizona.



CORPORATIONS DIVISION

GROWING ARIZONA'S ECONOMY

The Corporations Division administers the statutorily required filings of all foreign and domestic LLCs and Corporations in Arizona, issues certifications of records, responds to public records requests, and accepts service of process for corporations. Beyond its statutory mandate, the Corporations Division is committed to continuous process improvement, modernization, and enhancing the customer experience.

Metric	Last Year	This Year	Count	YoY
Active LLCs	1,425,247	1,559,145	+133,898	+9.4%
New LLC Formations	121,223	146,691	+25,468	+21.0%
Active Corporations	141,834	129,323	-12,511	-8.8%
Total Filings Received	578,882	517,993	-60,889	-10.5%

The Corporations Division achieved a highly successful year, marked by strong business activity, streamlined workflows, and faster, more efficient processing times that directly contributed to improved outcomes across all major metrics. Arizona businesses continue to thrive, and the Division's commitment to accessibility and modernization played a key role in that success.

In Fiscal Year 2026, Arizona saw a 21% increase in new LLC formations over the previous year - evidence of continued entrepreneurial momentum statewide. As a result, the total number of active LLCs reached about 1.56 million, a 9.4% year-over-year increase.

These numbers are due, in part, to the Division's significant progress in simplifying and optimizing filing processes. Enhanced online workflows, improved form clarity, and more intuitive guidance reduced filing errors



and dramatically improved first-pass acceptance. Most importantly, optimal processing times ensured faster turnaround, helping customers complete filings quickly and with greater confidence. These operational improvements also contributed to a reduction in repeat submissions, which helped balance overall workload even with high customer demand.

The Corporations Division remains dedicated to serving Arizona businesses with modernized tools, clear guidance, and a streamlined filing experience that supports the state's growing economic landscape.

FIGHTING FRAUD WITH FOUR NEW POLICIES

The ACC has recently implemented four new additional policies to continue to deter fraud and help protect business owners from unauthorized filings.



Policy 1: Requiring two forms of ID when filing on behalf of a business.



Policy 2: Signing Authority Form - allows LLC owners to designate who can sign on behalf of their business.

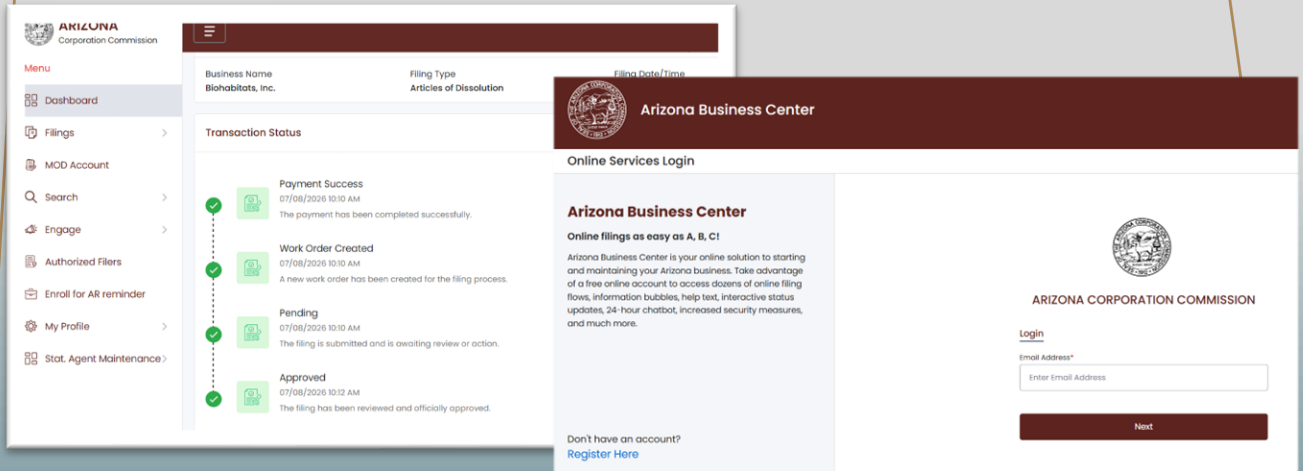


Policy 3: LLC Attestation of Existence - requires LLCs to periodically attest to their continued existence and activity.



Policy 4: The public can file Annual Reports and Certificates of Disclosure using their own forms, provided they meet statutory requirements.

ARIZONA BUSINESS CENTER



The Corporations Division successfully launched the Arizona Business Center (ABC), a modern, customer-focused website designed to make doing business in Arizona easier, faster, and more accessible. ABC delivers a streamlined experience for business owners and professionals by providing intuitive workflows, clearer guidance, and improved access to essential filing tools.

ABC Goes Live!

With ABC, customers now benefit from:
Streamlined and simplified workflows that reduce processing time and minimize filing errors.

- Real-time File Tracker that lets customers see exactly where their filing is in the review process. This feature provides clear, real-time visibility into when a filing is received, queued, examined, and approved—giving customers greater transparency throughout the filing lifecycle.
- Free, accessible online copy requests, allowing users to retrieve documents quickly without additional fees or delays.



- User-friendly processes for complex filings, including mergers, conversions, and domestications, among others.
- A modern and secure filing platform built with updated technology to protect customer data and ensure reliable, high-quality service.

ABC represents a major advancement in the Division's modernization efforts—offering the public a more efficient, secure, and transparent way to conduct business filings. It establishes the Corporations Division as a leader in business filing portals and supports Arizona's growing business community with tools built for speed, clarity, and convenience.



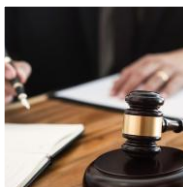
The Hearing and Docket Division's Administrative Law Judges (ALJs) preside over a variety of legal proceedings that determine Decisions affecting utilities, securities, railroad, and pipeline matters. The proceedings are quasi-judicial, and include Hearings, Arbitrations, Rulemaking and Public Comment meetings. The Commission's Docket Control Center, is central to the adjudication process, it is where all filings are created and maintained for public access, and through which all Decisions are issued.

HEARING & DOCKET DIVISION



Conducted 56 Hearings,
encompassing a total of
101 days

24 Public Comment
Meetings



Prepared 88
Recommended
Opinion & Orders

Docket processed
9,559 filings



Issued 500
Decisions



SAFETY DIVISION

OFFICE OF RAILROAD SAFETY

The overall number of safety inspections have increased year-to-year, while the number of accidents and violations have decreased in the same period

	Fiscal Year 2025-26	Fiscal Year 2024-25
Derailments and accidents at crossings	↓ 33	47
Grade crossing accidents	↓ 21	35
Violations: non-compliance of federal regulations	↓ 7	27
At-Grade Crossing Inspections	↑ 941	300
Bridge Inspections	↑ 425	213
Public/Roadway Crossings for Upgrades	↑ 11	8



ACC's Office of Pipeline Safety (AZOPS) Passes Annual Federal Safety Evaluation Test



AZOPS Damage Prevention Enforcement Program receives "adequate" rating from PHMSA. Evaluation outcomes are limited to either adequate or inadequate.

AZOPS: OFFICE OF PIPELINE SAFETY

AZOPS Staff in conjunction with our Federal partners, the Pipeline and Hazardous Materials Safety Administration (PHMSA), perform pipeline inspections and pipeline construction activities.

INCREASED NUMBER OF SAFETY INSPECTIONS:

AZOPS completed **1,257** inspections on the 33 intrastate and interstate and transmission natural gas, liquefied petroleum gas, liquefied natural gas, renewable natural gas and hazardous liquid pipelines with a combined total of **51,000 miles** of pipeline and **1,475,054 services**.

DECREASE IN NUMBER OF AZ 811 INVESTIGATIONS: AZOPS' Damage Prevention Program investigated **872 AZ 811 claims**.



SECURITIES DIVISION

PROTECTING ARIZONA CONSUMERS & INVESTORS

The Securities Division strives to preserve the integrity of the financial marketplace through investigative actions as well as the registration and oversight of securities, securities dealers and salespersons, and investment advisers and their representatives; and to enhance legitimate capital formation and deter financial fraud.

Enforcement

- Total amount of *restitution* ordered to be paid to investors
- Total amount of *penalties* ordered from Respondents
- Total amount collected by Securities Division for the benefit of Arizona

Fiscal Year 2025-26 Fiscal Year 2024-25

↑ \$10 million \$6 million

\$1.4 million \$1.6 million

↑ \$36.7 million \$35 million

- Hosted the 2025 North American Securities Administration Association Fall Annual Meeting in Scottsdale, bringing together securities regulators & leaders from across the financial services industry
- Stopped 23 financial schemes with cease-and-desist orders
- Processed more than 280,000 active securities salesman and investment adviser representative renewals, and more than 52,000 new applications



UTILITIES DIVISION

The mission of the Utilities Division is to recommend thoroughly researched, sound regulatory policy and rate recommendations to the Commissioners, which are based on a balanced analysis of the benefits and impacts on all stakeholders and are consistent with the public interest.

485 Regulated Utilities

15 Electric	200 Water/ Wastewater	265 Tele- communications	5 Natural Gas
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33 Certificate of
Convenience &
Necessity

59 Financing
and Rate Cases

253
Pending
Cases

22 Rulemaking and
Generic

139 All Others

The Utility Division's Consumer
Services Team Helped Resolve
7,220 Complaints
in FY2026



SPECIAL OPEN MEETINGS & WORKSHOPS

During Fiscal Year 2026, the Commission took a deep dive into several of the top issues facing Arizona and the nation - when it comes to the future of energy generation, how we pay for the kind of reliable energy we want and need, and who pays for the costs of building new energy infrastructure. These workshops brought Commissioners, Staff, subject matter experts, elected officials, public stakeholders, federal, state and local agencies together to discuss prominent issues that affect Arizonans and their quality of life. The Commissioners and Staff hosted eight special open meetings or workshops on the following topics: Natural Gas Infrastructure & Storage, Advancing Nuclear Power Generation in Arizona, Large Load Users Development in Arizona Workshop, Wildfire Mitigation, Winter Preparedness, Summer Preparedness, and Biennial Transmission Assessment and Planning.

ACC WORKSHOP
Natural Gas Infrastructure and Storage
Tuesday, August 26, 2025
9:00 AM
1200 W. Washington St., Phoenix
<http://www.azcc.gov/live>

To view docket:
<https://edocket.azcc.gov/>
Docket No. 16-0000025-0026

ADVANCING NUCLEAR POWER IN ARIZONA WORKSHOP #2B
THURSDAY, JUNE 25, 2026
9:00 A.M.
1200 W. Washington St., Phoenix
watch live at

Purpose: This workshop will focus on water resources, construction and supply chain, workforce development and community outreach and engagement.

NUCLEAR ENERGY NEXUS:
ACC WORKSHOP REVEALS MUTUAL SUPPORT FOR ADVANCING NUCLEAR GENERATION IN ARIZONA

Large Load Users Development in Arizona Workshop

Wildfire Mitigation Special Meeting and Town Hall

"Sustained progress in wildfire mitigation in Arizona will depend not only on ongoing collaboration among all stakeholders, but also on the availability and use of new technologies that can help prevent, detect, and mitigate wildfires."
Chair Nick Myers

- ✓ Thursday, April 16, 2026
- ✓ 5:00 pm - 8:00 pm
- ✓ Arizona Corporation Commission
1200 W. Washington Street,
Phoenix (Hearing Room 1)

For more info, email myers-web@azcc.gov

2026 Summer Preparedness Workshop
Date: Tuesday, April 14, 2026
Time: 9:00 a.m.
Location: 1200 W. Washington St., Phoenix
Phone Number: 1-877-309-3457
Passcode: 801972877##
Watch the workshop online at:
<http://www.azcc.gov/live>

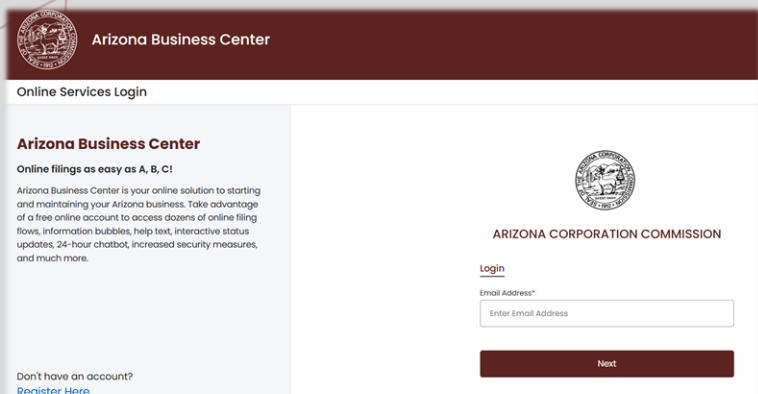
Date: Thursday, April 16, 2026
Time: 9:00 a.m.
Location: 1200 W. Washington St., Phoenix, AZ
Phone Number: 1 (877) 309-3457
Passcode: 801972877##
Watch live at
<https://azcc.gov/live>

LARGE LOAD USERS DEVELOPMENT WORKSHOP 2026
Opening Remarks/Overview (Commissioners)
View Chair Rachel Wolfelt



ACC 14TH BIENNIAL TRANSMISSION ASSESSMENT WORKSHOP I
Thursday, July 16, 2026
9:00 a.m.
Hearing Room One
1200 W. Washington St.
Phoenix, AZ

INFORMATION TECHNOLOGY DIVISION



IT designs, develops, integrates, implements, and maintains appropriate Technologies and Media services to provide reliable, accurate, public online services and information access. Further, to optimize the ACC Division employees' ability to complete their various workloads efficiently and timely.

Development highlights:

- Launched the new business filing portal, Arizona Business Center (ABC) on January 12, 2026, replacing the eCorp platform.

Systems and Support highlights:

- Completed first phases in physically relocating agency data center systems into Phoenix Iron Mountain facility on March 7, 2026. The Project will save at least \$400K in Power and HVAC maintenance updates.

Media Services highlights:

- New Voting Visualization platform successfully went live in March 2026.
- Created a Podcast studio to modernize and enhance communications.



ADMINISTRATIVE SERVICES DIVISION

The Commission is a revenue generating agency and contributes more to the state's general fund than it receives. In Fiscal year 2026, the Administrative Services Division received and processed approximately
\$ 76,446,150
in revenue to the State Treasurer.



After 23 years of dedicated service to the State of Arizona, ACC Deputy Director of Administrative Services, Kim Battista, has retired.

Kim's commitment, leadership, and years of service have made a lasting impact on the Corporation Commission and the many employees, divisions, and teams she has

supported throughout her career. Her dedication to public service, operational excellence, and the people around her has been truly appreciated and will not be forgotten.

Over the years, Kim has been a valued leader, mentor, and trusted colleague. She has shared her knowledge, supported countless initiatives, and helped guide the organization through many changes. Her professionalism, kindness, and willingness to help others have made her an important part of the ACC family.



The Administrative Services Division provides the fiscal and administrative services to support all divisions of the Commission. The division's director also serves as the Deputy Executive Director, performing the duties of the Executive Director during the incumbent's temporary absences.

The Administrative Services Division processes funds received by all Commission Divisions. These include fees paid to the Corporations Division for corporate filings, Securities Division for securities dealer and salesperson or agent registrations, and Utilities Division for Utility Company assessments.



APPENDIX

Commission Revenue by Source	Actuals 2024-25	Actuals 2025-26	Estimated 2026-27
Corporation Filing Fees, Service Charges, Publications and Reproductions - General Fund	\$ 11,712,352	\$ 12,128,780	\$ 11,850,000
Miscellaneous Receipts and Credit Card Processing Fees** - General Fund	\$ (340,830)	\$ (204,083)	\$ -
Other Fines, Forfeitures & Penalties - General Fund	\$ 4,164,786	\$ 1,351,422	\$ 1,350,000
Security and Broker Fees - General Fund	\$ 1,556,105	\$ 1,817,750	\$ 1,650,000
Utility & RUCO Assessments*	\$ 22,478,443	\$ 10,928,790	\$ 30,000,000
Securities Regulatory & Enforcement Fund	\$ 27,826,633	\$ 29,132,644	\$ 28,500,000
Securities Investment Management Fund	\$ 3,447,151	\$ 3,554,655	\$ 3,500,000
Office of Economic Opportunity Operations Fund	\$ 2,068,177	\$ 2,217,064	\$ 2,100,000
Public Access Fund	\$ 9,821,815	\$ 11,754,061	\$ 10,500,000
Arts Trust Fund	\$ 1,257,045	\$ 1,439,740	\$ 1,400,000
Federal Grant	\$ 1,968,446	\$ 2,325,327	\$ 2,000,000
TOTAL	\$ 85,960,123	\$ 76,446,150	\$ 92,850,000

*Utility and RUCO Assessment: The assessment is sent to the utilities June 15th. Revenues post between June and September, straddling fiscal years. This explains why revenues seem high in one year and lower in another.

**Agency switched to a managed services platform for credit card processing in Q4 of FY2025/26. No credit card fees will be assessed to the agency moving forward.