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ARIZONA CORPORATION COMMISSION

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July 2, 2008

Mr. Don Brandt
President and CEO
Arizona Public Service
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Phoenix, AZ 85004

Mr. James Pignatelli
President and CEO
Tucson Electric Power
P.O. Box 711
Tucson, AZ 85702

Mr. Jeffrey Shaw
CEO
Southwest Gas Corporation
P.O. Box 98512
Las Vegas, NV 89193

Mr. Richard Silverman
CEO
Salt River Project
P. O. Box 52025 PAB 236
Phoenix, AZ 85072-2025

Re: **Recent increase in the number of utility shutoffs and steps utilities could take to prevent disconnections; possible new reporting requirement.**

Dear Sirs:

As you know, recent media reports have highlighted a record number of customer shutoffs by utilities nationwide. According to a June 28 story in the Arizona Republic, utility disconnections in Arizona have increased by nearly 40 percent from last year.¹ This concerns me greatly as high levels of shutoffs could have serious health and safety implications for those consumers who go without electricity at the height of the summer.

¹ Salt River Project informed the Arizona Republic that its shut-off rate has climbed 64 percent this year over last.

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In light of these accounts, I would like to request that Arizona's major electric and natural gas utilities provide an accounting of their current yearly shutoffs as compared to the past two years. Further, I ask that your company detail what programs it has in place to help customers avoid shutoff of their utilities. Specifically, I am interested in what outreach efforts are being made to ensure that customers are aware of these programs, as well as any other funding that could help them afford their electric and natural gas bills during these difficult economic times.

Additionally, please tell the Commission whether your company has considered altering its policy regarding when, and under what circumstances, it disconnects customers who have fallen behind on payment of their utility bills. As you know, disconnecting a customer from his or her utility service should be done only as a last resort, as it leaves the customers without much needed electric and natural gas service, and it imposes additional costs on the utilities, which must expend resources to conduct the shutoffs, and are left without any revenue at all from the customers who are disconnected. Please detail your current shutoff policy.

Finally, it has come to my attention that the Commission currently does not require the state's utilities to report information regarding shutoffs. I would like to know whether you believe there are any legitimate reasons not to institute a requirement, either through rate cases or a rulemaking, that the utilities provide this information either on an annual or semi-annual basis to the Commission.

Thank you for your attention to this matter.

Sincerely,



Kris Mayes
Commissioner

Cc: Chairman Mike Gleason
Commissioner William A. Mundell
Commissioner Jeff Hatch-Miller
Commissioner Gary Pierce
Brian McNeil
Ernest Johnson
Rebecca Wilder