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## ARIZONA CORPORATION COMMISSION

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### Commission Restores Line Extension Policy for Tucson Electric Power

Phoenix, AZ—The Arizona Corporation Commission today reinstated a historical policy to allow up to 500 free feet to extend electrical lines to homes and businesses in Tucson Electric Power's (TEP) service territory.

"Today is a great day for Southern Arizona," said **Chairman Gary Pierce**. "I opposed the removal of TEP's free footage allowance precisely because of the negative impacts to the economy that have developed since its removal in 2008. Reinstating TEP's free footage policy is the fair and just thing to do for the residents Southern Arizona."

During TEP's last rate case, approved in 2008, the Arizona Corporation Commission ordered TEP to remove the 500 free footage allowance that had been in place in previous years. Since the 2008 decision, however, many Southern Arizona residents and organizations expressed concern that the change in policy has had a negative impact on their ability to build a home on their land and that the effects of the change had a detrimental impact on the economy of the Tucson metropolitan area.

The reinstated policy will not affect customers' rates in the near term, and, according to TEP officials, any projected impact to consumers included in the company's next rate request would be minimal.

"I supported this line extension policy with the caveat that TEP disclose and monitor all costs, and TEP and the Home Builders agree to increase energy efficiency and renewable energy in new homes," said **Commissioner Paul Newman**. "I firmly believe that growth needs to pay for itself, but the low cost -- at least in the slow growth years -- leads me to support this. I want to keep a close eye, however, on the free footage costs cited by RUCO; and I do not want this to reduce TEP's commitment to solar as I believe that we have a moral imperative to invest in clean energy."

Last year, the Commission held a workshop to hear from stakeholders and to discuss the line extension policy and the hardships it was placing on customers and property owners throughout the state. Commissioners also held a public comment meeting in Tucson to hear directly from customers and property owners in Pima County who have been impacted by the previous change in policy.

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