

**COMMISSIONERS**  
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ANDY TOBIN  
BOYD DUNN



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COMMISSION**

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**Chairman Tom Forese Calling for Discussion on Regulation of Electric Cooperatives**

(Phoenix) Arizona Corporation Commission Chairman Tom Forese is calling for discussion on how similar electric utilities in Arizona are regulated differently.

In a letter, the Chairman points out that the Cooperatives have elected boards that make critical decisions yet still have to come before the Commission. That is inconsistent with Salt River Project which also has an elected board but is not required to come before the Commission for the majority of their business. The Chairman wants to address this inconsistency and consider ways to bring parity to the regulation of similar entities.

The Chairman's full letter is attached.

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Dear Commissioners, Parties and Stakeholders:

A point of argument often used in political discussion is that the government closest to the people governs best.

A related topic being considered at the Commission is whether utilities with their own elected governing board still need to be regulated by the Commission.

The Utility Cooperatives designed during the New Deal by the Franklin D. Roosevelt Administration were created to bring power to rural areas (including rural Arizona) in instances where traditional utility models may not have been viable to serve such areas. The Cooperatives have elected boards that make critical decisions on behalf of their members. However, the Cooperatives still have to come before the Commission for final approval on much of their business.

In contrast other entities such as the Salt River Project, who similarly have an elected board, are not required to come before the Commission except in very limited circumstances.

There is an obvious incongruence in our treatment of the two models. In fairness to the rate payers of each type of utility mentioned, Arizona should consider standardizing its approach.

A handwritten signature in cursive script that reads "Tom Forese".

Tom Forese  
Chairman