



**COMMISSIONERS**  
DOUG LITTLE Chairman  
BOB STUMP  
BOB BURNS  
TOM FORESE  
ANDY TOBIN

## ARIZONA CORPORATION COMMISSION

JODI JERICH  
Executive Director

August 29, 2016

The Honorable Doug Ducey  
Governor of the State of Arizona  
1700 West Washington Street  
Phoenix, AZ 85007

Dear Governor Ducey,

We are pleased to submit our FY 2018 Budget Request for the Arizona Corporation Commission. FY 2018 finds us firmly committed to continuing our efforts to fulfill the duties entrusted to us in the Arizona Constitution.

The Commission's FY2018 budget proposal continues our FY2017 budget and adds an additional \$446,600.00 for mission critical projects specified below.

1. Two Additional ACC Railroad Safety Inspectors - \$196,600 (GF).

The Railroad Section of the ACC Safety Division is requesting funding to hire two additional railroad safety inspectors – one (1) Track Inspector and one (1) Crossing Inspector. These positions are critical for Arizonans' safety. The Railroad Safety Section currently has a staff of six (6) Inspectors. Each Inspector is Federal Railroad Administration ("FRA") Certified in a safety discipline. Therefore, in Arizona, there is one (1) track inspector for over 3,000 miles of rail and one (1) crossing inspector for the hundreds of crossings in Arizona. On April 21, 2016, the FRA released a list of crossings with 10 or more incidents in the last decade, and five (5) of the fifteen (15) crossings listed were located in Arizona. These additional safety inspectors will allow the Commission to perform its duties to ensure safe railroads in Arizona. The additional funding will be used to cover salary, ERE, fleet vehicles, and travel to conduct safety inspections. The Railroad Safety Section is the only Section (or Division) at the ACC funded by General Fund monies.

2. Pay Parity for ACC Securities Investigators - \$250,000 (OF).

The Securities Division is requesting funding to achieve salary parity for its Securities Division Chief Investigator and staff investigator positions. Their work leads to Orders requiring wrongdoers to pay restitution to victims and penalties to the State of Arizona. Over the last five fiscal years, the Division has lost 12 investigators, including nine since January 2014, a total employee turnover rate of 126%. The difference between starting salary for the ACC positions and those at the Attorney General's office is \$21,000.00. The ACC's employees are not only AZPOST (AZ Police Officer Standards and Training Board) certified police officers, they are highly trained in white collar investigations. With the investment we make to train these individuals, they become highly desirable to other Arizona law enforcement agencies. The increase in salaries are expected to cost \$250,000.00 (Salary plus ERE) from the Securities Regulatory and Enforcement Fund.

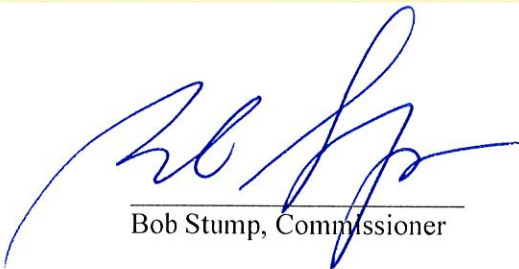
The Honorable Doug Ducey  
August 29, 2016  
Page Two

We appreciate your support of our constitutional mission and that of our Divisions, and we look forward to working with you and your staff. Our Executive Director and the ACC staff are happy to assist you and your staff with any questions or information on our budget or operations. In addition, please feel free to call upon any of us to address questions or concerns you may have in regard to the attached.

Sincerely,



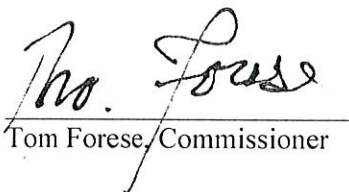
Doug Little, Chairman



Bob Stump, Commissioner



Robert Burns, Commissioner



Tom Forese, Commissioner



Andy Tobin, Commissioner




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[Railroad Safety](#)
[Rail Network Development](#)
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[FRA eLibrary](#)
[FRA Home](#) // [FRA eLibrary](#) // [Press Releases](#) // 2016 // April // FRA Releases List of Railroad Crossings with Most Incidents over Last Decade

## PRESS RELEASES

### FRA Releases List of Railroad Crossings with Most Incidents over Last Decade

21  
APR  
2016

PRESS RELEASE NUMBER: FRA 12-16

CONTACT: FRA Public Affairs

PHONE: 202-493-6024

SUBJECT: Highway-Rail Grade Crossings

KEYWORDS: Railroad, crossing, safety, highway-rail, grade, funding

ABSTRACT: As the next step in its ongoing efforts to increase safety at railroad crossings, the U.S. Department of Transportation's Federal Railroad Administration (FRA) today released a list of railroad crossings in the United States where multiple incidents have occurred in recent years.



U.S. Department of Transportation  
Office of Public Affairs,  
Washington D.C.  
[www.dot.gov/pressroom](http://www.dot.gov/pressroom)

*Part of continued, increased focus on reducing fatalities at railroad crossings*

*Administrator urges increased cooperation, highlights funding opportunities, offers FRA expertise*

WASHINGTON — As the next step in its ongoing efforts to increase safety at railroad crossings, the U.S. Department of Transportation's Federal Railroad Administration (FRA) today released a list of railroad crossings in the United States where multiple incidents have occurred in recent years. The list includes 15 crossings where 10 or more incidents have occurred during the last decade.

The list follows FRA Administrator Sarah E. Feinberg's recent letter to state DOT secretaries. The letter urged increased cooperation to improve safety at crossings and provided a detailed round up of federal [financial resources](#) and FRA expertise available to states.

"Knowing where repeat injuries and fatalities occur helps states focus their time and resources on areas where they can have an impact," said U.S. Transportation Secretary Anthony Foxx. "Preventing incidents and fatalities at railroad crossings is one of the Department's top priorities, and I urge states to work with FRA to achieve this life-saving goal."

FRA tracks safety data at the nation's more than 200,000 railroad crossings. FRA data show there are 15 crossings across the United States where at least 10 incidents occurred over the last decade. While fatalities have not occurred at all 15 crossings, the potential for injuries and loss of life could be significant due to repeated incidents. The list of crossings is below.

Many of the 15 crossings are at busy, multiple lane intersections in neighborhoods with significant truck traffic or have tracks crossings roadways on a diagonal. Many crossings close to a traffic intersection also have their warning systems interconnected to traffic lights. If sequenced and working correctly, these interconnected systems can help prevent vehicles from stopping over railroad tracks where there is limited roadway between the tracks and the nearby intersection. In February, [FRA reissued a safety advisory and sent a letter that called on states to partner with railroads](#) to verify that these interconnected systems account for current highway traffic patterns. Fifty percent of the crossings FRA released today have interconnected systems.

"I urge our state partners to join FRA in taking additional actions to improve crossing safety. I know that, together, we can do more to save lives," Administrator Sarah E. Feinberg wrote to states in a letter. "FRA is ready and willing to help our partners in any way we can."

Last year, FRA launched a new, comprehensive campaign to reverse the uptick in fatalities at railroad crossings. The campaign includes [partnering with tech companies](#) to use FRA data that pinpoints the country's approximately 200,000 railroad crossings and add crossing alerts to map applications. [FRA has also worked with local law enforcement to increase enforcement around railroad crossings](#). In 2015, 244 individuals died at railroad crossings, down from 264 in 2014.

In March, FRA launched a redesigned website to serve as a one-stop shop to help drivers, pedestrians, and law enforcement stay safe around railroad crossings. The launch follows the agency's award of [nearly \\$10 million](#) in grants for nine projects in eight states to upgrade and increase the safety of railroad crossings along energy routes.

#### Crossings with 10 or more incidents during the last decade

*Click on the crossing ID for a Google Street View of the crossing.*

Crossing ID	CITY	STATE	TOTAL INCIDENTS	TOTAL FATALITIES	TOTAL INJURIES
<a href="#">025617C</a>	Phoenix	Arizona	24	0	2
<a href="#">025425K</a>	Phoenix	Arizona	21	0	4
<a href="#">025422P</a>	Glendale	Arizona	19	0	3
<a href="#">330578C</a>	Ashdown	Arkansas	16	4	4
<a href="#">025430G</a>	Phoenix	Arizona	15	0	4
<a href="#">263164S</a>	Elmwood Park	New Jersey	14	1	4
<a href="#">879204S</a>	Muncie	Indiana	14	0	3
<a href="#">303227G</a>	Baton Rouge	Louisiana	13	0	0
<a href="#">351290D</a>	Evergreen	Alabama	13	5	1
<a href="#">340137G</a>	Pascagoula	Mississippi	12	0	7
<a href="#">524223P</a>	Cleveland	Ohio	12	0	1
<a href="#">025590V</a>	Glendale	Arizona	10	0	1
<a href="#">637698V</a>	Waycross	Georgia	10	0	1
<a href="#">663401E</a>	Memphis	Tennessee	10	2	4
<a href="#">755627X</a>	Houston	Texas	12	0	5

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COMMISSIONERS  
DOUG LITTLE – Chairman  
BOB STUMP  
BOB BURNS  
TOM FORESE  
ANDY TOBIN



ANDY TOBIN  
Commissioner

## ARIZONA CORPORATION COMMISSION

August 31, 2016

Mr. Doug Little, Chairman  
Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, AZ 85007

Dear Chairman Little,

Thank you for allowing me the opportunity to respectfully communicate about the FY 2018 budget proposal, which I ultimately voted to support at Monday's Staff Meeting.

Matthew Neubert, the director of the Corporation Commission's Securities Division, made his concerns very clear in his funding request and also in subsequent conversations regarding the Division's "pay parity" issue. I voted in favor of this request because I, too, share your view about how vitally important this Division is in protecting Arizonans.

Earlier this year, I proposed to hire two new staff in our Railroad Safety Division. With only one Commission staffer responsible for more than 3,000 miles of rail that cross our state, it became obvious that we needed to more appropriately allocate resources and address current and long-term railroad safety needs. I appreciated your support of those efforts, yet I am still uncertain about the future of this sparsely-staffed Division. Do we need more staff? Are the salaries we offer adequate to ensure successful succession planning when our veteran employees pursue retirement?

Simply put, I am troubled by the overall pay scale at the Commission. There may be problems from other Divisions, besides Securities and Railroad Safety, in attracting and retaining top talent. Both private companies we regulate, and other public organizations as well, may offer salaries that make us less competitive.


These disparities have real consequences. A recent request from Utilities Staff to delay the pending EPCOR rate case (*see attached*) because of staffing difficulties offers some insight into other staffing issues. Without any market studies made available to conclude on a basis of data and fact, this issue remains under review for me.

A more in-depth study of industry salaries in comparison to our own is necessary, especially in light of the Securities Division's requested increase. This evaluation is unmistakably linked to the Commission's August 11, 2016 directive to the Executive Director to compile our priorities into a "Scope of Work," for the purpose of improving the Commission's service to the public.

I am currently pursuing ADOA certifications to access the Commission's online budget to fully study our operations. This review may reveal other areas that invite discussion, particularly when we finally determine our collective priorities in a Scope of Work.

In the meantime, I am supportive of your position and hope to improve on these issues and others in this budget process to make the FY 2018 budget more attuned to the Commissioners' issues and priorities.

Sincerely,



Andy Tobin  
Commissioner

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Attachment





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ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION

**COMMISSIONERS**

Arizona Corporation Commission

DOCKETED

AUG 24 2016

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AZ CORP COMMISSION  
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DOUG LITTLE – Chairman  
BOB STUMP  
BOB BURNS  
TOM FORESE  
ANDY TOBIN

DOCKETED BY

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IN THE MATTER OF THE APPLICATION OF  
EPCOR WATER ARIZONA, INC., AN  
ARIZONA CORPORATION, FOR A  
DETERMINATION OF THE CURRENT FAIR  
VALUE OF ITS UTILITY PLANT AND  
PROPERTY AND FOR INCREASES/  
DECREASES IN THE RATES AND  
CHARGES BASED THEREON FOR UTILITY  
SERVICE BY ITS AGUA FRIA, ANTHEM,  
MOHAVE, SUN CITY AND SUN CITY WEST  
WASTEWATER DISTRICTS AND FOR  
CONSIDERATION OF CONSOLIDATION  
AND DE-CONSOLIDATION PROPOSALS.

DOCKET NO. WS-01303A-16-0145

**STAFF'S REQUEST FOR  
A MODIFICATION OF THE  
PROCEDURAL ORDER**

The Utilities Division ("Staff") of the Arizona Corporation Commission ("Commission") hereby files this request for an extension of time for all procedural deadlines, continue the hearing, and for extension of the time clock.

In June 2016, the Staff engineer assigned to this docket entered into discussions with EPCOR for employment. Staff, concerned about the inherent conflict in using the Staff engineer's work product, elected to start its engineering evaluation anew and assign a new Staff engineer. Because of the work load of the newly assigned engineer, Staff will need additional time. Below are the current procedural deadlines and Staff's proposed deadlines:

	Current Date	Proposed Date
Staff and Intervenor Direct Testimony	November 16, 2016	December 14, 2017
Staff and Intervenor Rate Design	November 23, 2016	December 21, 2017
Company Rebuttal	December 16, 2016	January 13, 2017
Staff and Intervenor Surrebuttal	January 6, 2017	January 25, 2017
Company Rejoinder	January 16, 2017	February 3, 2017
Pre-hearing Conference	January 19, 2017	February 7, 2016
Hearing	January 23, 2017	February 13, 2017

1 Staff has contacted all parties in this docket who have opted into email service. The following  
2 parties have no opposition to Staff's proposal: RUCO, Stephen L. Fribley, Francis A. Noe on behalf  
3 of the Cross River Homeowners Association, Corte Bella Country Club, City of Phoenix, Sun City  
4 West Property Owners and Residents Association, Sun City Homeowners Association, and Anthem  
5 Community Council.

6 Staff respectfully requests that a procedural order be issued granting Staff's requested  
7 modifications.

8 RESPECTFULLY SUBMITTED this 24<sup>th</sup> day of August, 2016.

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10 

11 Robin R. Mitchell, Attorney  
12 Maureen A. Scott, Senior Staff Counsel  
13 Legal Division  
14 Arizona Corporation Commission  
15 1200 West Washington Street  
16 Phoenix, Arizona 85007  
17 (602) 542-3402

18  
19 **CERTIFICATION OF SERVICE**

20 On this 24<sup>th</sup> day of August, 2016, the foregoing document was filed with Docket Control as a  
21 Utilities Division Request for an Extension of Time and copies of the foregoing were mailed on  
22 behalf of the Utilities Division to the following who have not consented to email service. On this  
23 date or as soon as possible thereafter, the Commission's eDocket program will automatically email a  
24 link to the foregoing to the following who have consented to email service.

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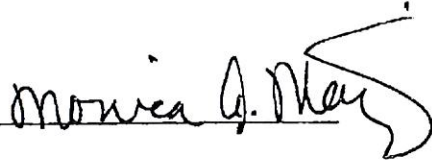
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