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Arizona Corporation Commission

June 28, 2019

DOCKETED

Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

JUN 28 2019

DOCKETED BY

Re: Investigation and Comprehensive Review of the Commission's Disconnection Rules and the Disconnection Policies of Public Service Corporations. Docket No. E-00000A-19-0128.

Chairman Burns and Fellow Commissioners:

On June 13, 2019, Commissioner Justin Olson directed Commission Staff to investigate and report on the events leading up to, and following, the disconnection of Stephanie Pullman's power. On June 14, 2019, I supported Commissioner Olson in this request and asked for additional information into the events surrounding the death of Ms. Pullman and the resulting actions of the Commission and APS.

On June 25, 2019, the Arizona Corporation Commission Staff released the initial findings of its resulting investigation. While Staff notes that this report reflects only a preliminary investigation, the findings offer insight and context to a complex situation. Unfortunately, this report may also leave the public with a host of additional questions regarding how the investigation was administered, what the investigation uncovered, and what additional questions could have been asked to provide further clarity. For instance:

- In my letter dated June 14, 2019 I asked that, "To maintain the utmost independence and integrity of this investigation...any internal Commission Staff who worked on the 2016 APS rate case be separated from the decision-making process and not be involved in (the) fact-finding portion of the investigation." The reason for this separation was that I felt a claim could be made that a rate increase from the last APS rate case could've led to Ms. Pullman's inability to pay her bills, as well as higher levels of disconnections in general. Therefore, having members of Staff who were a party to that rate case performing an investigation into this incident could be seen as a conflict of interest. This claim has now been made by the media. On June 26, 2019 Laurie Roberts of the Arizona Republic points out that APS disconnects totaled over 110,000 in 2018, the first full-year after the recent APS rate case, a 50 percent jump over the recent 5-year average. Accordingly, regarding the administration of the investigation, I have questions like, "Who oversaw the investigation process generally and who had final decision-making rights on substantive and stylistic content of the report? Which members of staff conducted the fact-finding portion of the investigation? Who was interviewed and what questions were asked during the interview process? What phone recordings, voicemails, email records, or other internal or external correspondence were requested for review as part of the fact-finding portion of the investigation? What steps were taken to identify and mitigate any potential conflicts of interest in this investigation?" This kind of information would be useful in promoting transparency, assuring the public that the methodology of the investigation was sound, and that conflicts of interest were avoided.

- Why was the power disconnected on September 7, 2018 when a door hanger notification was allegedly delivered only two days prior? This would not have given Ms. Pullman enough time to mail in a payment even if she responded immediately. When a door hanger was placed in August, APS accepted payment six days after notification without disconnecting power. The inconsistency of action should be evaluated.
- When the door hanger notification was delivered on September 5, a partial payment was also received the same day. That payment was made, according to APS, by a 'third-party'. Is there any more specificity we can have on this? Was the payment made online, by a family member, a third-party agency, or an in-store payment? Is there any evidence to suggest the payment was made in response to receiving the door hanger, or was the same-day payment merely coincidental?
- The general public would be unaware that there can be multiple classifications for their interactions with Consumer Services. Was there ever an effort made to educate Ms. Smith on the nature of these classifications and her options to file an informal or formal complaint and how this would impact the handling of her case?
- Once the determination was made to classify this case as an inquiry instead of a complaint, were any other staff members notified of Ms. Pullman's death, or was Ms. Meeter the only person at the Arizona Corporation Commission to hear of this? If other staff were notified, was there ever consideration that Commissioners may also want to be notified?
- No explanation was given as to why Ms. Smith specifically requested the rules related to disconnection of service. Did it seem odd that a caller would request such specific information? Is the request for these rules a common occurrence?
- Have there ever been any other instances where either the Corporation Commission Staff or APS were aware that a customer has been subjected to a hospitalization, injury, medical device failure, or other related incident due to a utility disconnection?
- In regard to the recent APS rate case, were Ms. Pullman's 2018 bills higher or lower than those of recent years?
- A.A.C. R14-2-211(E)(4) states that "Service may only be disconnected in conjunction with a personal visit to the premises by an authorized representative of the utility." Is a third-party door hanger contractor an 'authorized entity'? Does a 'personal visit' mean an attempted contact at the premises, or does an actual contact and interaction have to take place to satisfy the requirement? Has the Commission ever considered resolving these questions?
- The investigation concluded that "APS's currently approved Service Schedule 1 7.3 deviates from A.A.C. R14-2-211(E)(4) as it does not require a personal visit." This contradiction was approved by the Commission prior to 2011. What takes precedent, the A.A.C. requirement or the company's Service Schedule? Why has this discrepancy never been addressed? Does this contradiction apply to policies for company's besides APS?



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- It seems this tragedy may have been avoidable had a third-party designee been contacted. How does the utility communicate the potential for a customer to add a third-party contact to an account? Are certain demographics, such as elderly, disabled, handicapped, or those with medical conditions, targeted with this information more frequently than others?

This list represents just a few of the questions I have that arise from this report. As I considered these new questions in association with the original information I sought in my letters from June 14 and 18, 2019, it became clear that this report is only a starting point for truly understanding this situation, how we got here, and how we can help prevent something like this from ever happening again.

I believe that moving forward, a full investigation will provide the transparency and independence necessary to properly inform both the public and the Commission. Such an investigation should do more than just outline a timeline of events. It should critically examine current rules, policies, practices, and procedures to identify areas of improvement to ensure that public health and safety are protected in the future. I would expect that a properly executed full investigation will tell us not only what happened in this case, but would offer a substantial list of reforms and modifications that this Commission can consider to improve and clarify internal operations and rules moving forward.

A preliminary investigation of staff, by staff, with a limited scope - like the one released - does not go far enough to provide satisfactory answers and prevent potential conflicts of interest. **Instead, I am asking Chairman Burns to place on the Open Meeting agenda for July 10 and 11, 2019, an item to discuss, consider, and vote on having an outside agency or third-party contractor conduct a full-scale investigation into this matter and the associated rules, policies, and procedures of the Commission.**

As the body responsible for regulating utilities with a monopoly, we are the only protection for captive ratepayers. They do not have the ability to "opt out" of service and take their business from one utility to another. For too long, the integrity and transparency of this commission has been questioned and discounted by the public. This is understandable, especially when it is the media, rather than our own Staff, who have uncovered and informed the Commission of these issues and have been the catalyst for Commissioners considering meaningful change. This is simply unacceptable, and we must work to change the culture here and restore public trust. Initiating a full investigation into the circumstances surrounding Ms. Pullmans death, as they relate to the Commission, would be a strong first step in the right direction.

I look forward to hearing from my fellow Commissioners and addressing the issues that have arisen from this case.

Sincerely,

Lea Márquez Peterson
Commissioner