Agency 5-Year Plan

Issue 1 Handling the increasing number of utility cases being filed with the Arizona Corporation Commission.

Description: Over the past year the number of rate applications has increased substantially for several reasons. First, Energy and Water Efficiency programs have been initiated by regulated companies at the direction of the Arizona Corporation Commission, with the objective of reducing energy consumption and water usage. Second, with the economic problems that the country has experienced during the past several years customer counts have reduced which also has reduced company revenues, creating a necessity to apply for increases in rates. Third, from RUCO's perspective the makeup of the current Commission appears to be more responsive to the utilities requests.

Solutions:

Try to settle more cases early on in the regulatory process by interacting more with utilities and Commission Staff. Strategically choose which cases and issues to litigate fully.

Issue 2 Understanding and analyzing the complexity of new issues contained in rate case filings.

Description: The regulatory environment is in a constant mode of change. Due to the reasons stated above, new issues are constantly arising and RUCO is in a position to respond to the utilities' concerns and protect residential ratepayers.

Solutions:

Contact other states commissions, consumer advocacy groups and publications to see how they have handled any common new issues. Replace vacancies with individuals that have backgrounds and experience in areas where we have little or no expertise. Examples to meet this objective would be the current explosion of solar deployment and how it affects the average residential ratepayer. RUCO hired an expert in the solar filed. We are becoming active in the National Association of State Regulatory Consumer Advocates ("NASUCA") and we are sending a representative to their annual meeting.

Issue 3 Planning ahead so that we are prepared for the ever changing regulatory horizon.

Description: In today's changing world it is critical that RUCO obtain and retain qualified personnel to get the job done. The regulatory area is highly specialized and obtaining and retaining competent and knowledgeable personnel is challenging. It is imperative that we keep these individuals, provide proper training, reward individuals accordingly and provide a good work environment.

Solutions:

Ensure that staff has the proper mix of disciplines to meet these changing times. This is an ongoing process and we have nearly completed this exercise by making changes to our key personnel and hiring more consultants with specific areas of expertise. Provide the proper internal and external training and equipment so that our staff is prepared efficiently to deal with the changing regulatory environment.

Issue 4 Ensuring that we are providing the best possible advocacy for the residential ratepayer that we represent.

Description: RUCO's charter and primary objective is to guard and protect the residential ratepayer.

Solutions:

Execute solutions defined in Issues 1, 2 and 3 above.

Resource Assumptions

	FY2016 Estimate	FY2017 Estimate	FY2018 Estimate
Full-Time Equivalent Positions	11.0	11.0	11.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	1,334.4	1,334.4	1,334.4
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0