



NAVAJO COUNTY

Board of Supervisors

• Sylvia Allen •

"Proudly Serving, Continuously Improving"

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Are We Really Doing This Again?

"Arizona needs to pull the plug on deregulation." - Sylvia Allen

Editor:

When I read that the Arizona Corporation Commission was again considering electric "deregulation," I was shocked (no pun intended). Wasn't one failed run on this bad policy enough to convince us all that we should be grateful that we have a system that provides reliable energy to our homes, schools and businesses? Wasn't the public burdened with enough additional cost the last time, when the Commission's false start toward this bad idea ran up tens of millions in wasted dollars before they mercifully pulled the plug?

Are we intent on driving Arizona through the same failed experiment as California, where the people ended up with higher electric bills and frequent energy shortages? Have we forgotten how California suffered as "rolling blackouts" left huge areas without service because of the greed and manipulation of organizations like Enron?

Now there are reports that the Federal Energy Regulatory Commission (FERC) has outlined the basics of an investigation against JPMorgan, saying JPMorgan used improper trades in 2010 and 2011 to sell power at above-market prices in deregulated states. The notice against JPMorgan was released two weeks after FERC announced a \$453 million fine against another electricity trader, Barclays Bank, over its practices in California and other Western states.

First, those that do not learn from history are doomed to repeat it, and I don't believe Arizonans need or want a dozen marketing-driven companies pounding their phones and mailboxes trying to sell them the same electrons that they are already getting. Arizona is facing many challenges concerning the future of energy in our state, and my number one concern is for our citizens and businesses to keep utility cost from increasing.

Second, I am very afraid of putting Arizona under the preview of FERC, and totally weakening the Arizona Corporation Commission, which keeps regulation under state control. Why would we want to give that up?

Arizonans need reliable electrical service at reasonable and stable costs. A phony "deregulation" scheme is not for Arizona's electricity consumers. It is simply a Wall Street-style manipulation of the system, designed to let someone make money without adding any value.

The only thing I think deregulation will deliver is more expense, less service, less reliability and a burden on the consumers who are trying to make it day by day. Let's focus on policies that are going to serve all of Arizona and not a select few.