

Let me begin by thanking you -- Congressmen Franks Gosar, Salmon and Schweikert -- for hosting this inquiry today. I know I speak for everyone when I say we admire you for "standing fast in hard places," for having the courage of your convictions in the service of the public good.

Speaking as chairman of the Arizona Corporation Commission, I would note that our constitutional duties as Arizona's so-called fourth branch of government entail striking a balance between the financial interests of ratepayers and the financial viability of Arizona's investor-owned utilities.

We strive to keep the public interest at heart -- to procure energy sources for Arizona that are affordable, abundant and reliable.

But our mission has grown more difficult. As state regulators whose job is to put the interests of Arizona ratepayers and

Arizona utilities first, we would contend that the federal government is putting Arizonans' interests last.

We have been participants in what seems, at times, to be a theater of the absurd, in which unnecessary costs are imposed for imaginary gains, fantastical goals are set for political ends, and respect for the principles of federalism are all but non-existent.

Take SRP's recent compromise with the EPA regarding the Navajo Generating Station. SRP probably played the hand it was dealt as best it could by delaying the inevitable -- the installation of expensive emission control technology whose expense is not commensurate with its benefits. Rate increases imposed by this technology will be delayed for a decade. But for Arizona to be forced to play this bad hand is itself entirely unacceptable. Arizonans' pocketbooks will suffer for imperceptible visibility improvements at the Grand Canyon.

The fact that an outcome was achieved that is deleterious to Arizona's long-term interests is illustrative of the EPA's intransigence, and all four of you should be commended for shedding light on the agency's blithe disregard for the principles of federalism -- and common sense.

In July 2012, the Republican majority on the Commission formally objected to the EPA regarding its Federal Implementation Plan to address the Best Available Retrofit Technology provisions of the Regional Haze Rule for the Cholla, Coronado, and Apache generating stations. We did so because the Federal Plan overruled the State Implementation Plan, interfered with Arizona's ability to make decisions regarding its own resources, and increased costs to Arizona consumers without providing any perceptible visibility improvement. In March of 2013, the Commission filed an amicus brief in support of the entities taking issue with EPA's

proposed rules affecting the Apache, Cholla and Coronado generating stations. As I put it, at the time, "The commission will not stand by idly as the federal government puts our state's economy at risk." This is the first time in our history that the Commission weighed in with stakeholders to the EPA.

It goes without saying that our objections are not being heeded.

But is this any surprise? It is illuminating to note EPA Chief Gina McCarthy's declaration that "we have to make the people of the United States embrace the challenge of climate." The President, in Ms. McCarthy's words, "said that it is time to act. And he said he wasn't going to wait for Congress."

Nor, clearly, is this Administration going to wait for the states. Certainly not Arizona.

Ms. McCarthy added, with no hint of irony, that the President "is going to force the issue by taking action that's common

sense...that has worked out very well for local communities all across the U.S."

Many of these "local communities" "forced" to take action beg to differ. Thankfully, Arizona is not alone in pushing back and attempting, with local communities across America, to achieve the best practical outcomes in the face of EPA's crusades.

Edmund Burke is, to my mind, a useful source of guidance in the ways of governance. Burke teaches us that "a disposition to preserve, and an ability to improve, taken together" is the standard of statesmanship.

Arizonans want to preserve our natural inheritance, which is the land we love. We wish to improve our act, environmentally speaking, when such preservation is put at risk. But to preserve and improve requires the unflagging effort and wisdom of Arizonans who are not under the heel of distant Washington regulators -- Arizonans free to pursue what is in the public

interest in consort with a federal government that recognizes its proper place in the elegant system instituted by our Founders.

As we move forward to preserve and improve, we will, I am sure, be mindful of the motto of Arizona's great seal, which reads, "God enriches." Fittingly, our seal memorializes Arizona's reservoirs and dams, the harnessing of its mighty natural resources, its irrigated fields of citrus and cotton, its cattle and its miners and its mills. We all know that Arizonans are responsible stewards of Arizona's resources, which enrich us in countless ways. Hope springs eternal that the EPA, under a different Administration, will recognize this, as well, and grant Arizona the independence, trust and respect it deserves. Thank you again for having me today.