

Strained by Rising Electric Bills in Arizona

Consumer Reports reached out to Arizona Public Service and Tucson Electric Power customers in Arizona and asked them to share their experience with spiking electric bills with the Arizona Corporation Commission. CR urges commissioners to listen to the voices of residents who are straining to make ends meet when they make their final decision whether to approve these rate increase requests.

Being a senior citizen with limited income, it would mean making some budget changes. Like deciding what medications, we can do without. My hubby has had a stroke and A/C is a necessity not a choice. APS doesn't need more money, they need a better budget.

-Pamela B., from Cottonwood, AZ

In order to save on electric bills, I use the saver program with APS. This means I try not to use my air conditioner between 4-7 PM. In order to accomplish this, my house runs between 80-83 degrees in this time period. I have over the required amount of insulation in the walls and roof. I installed attic fans to reduce the heat in the attic. I have done everything I can do to keep from using electricity so as not to use electricity during the peak hours when electricity costs substantially more. My husband and I are retired in our 70's and on a fixed income. Pinnacle West, APS's parent company profits last year were \$600 million. That is up from the previous year.

-CiCi G., from Camp Verde, AZ

My last bill was \$284.03. Our current income is slightly over \$1,000 a month and our rent is \$1,050 a month--do the math. Due to our low income, we received an energy support discount of \$165 for that same month and we still had to use our credit card to pay the remaining \$143.02. If it is extremely difficult for us to pay our electricity bill in our current situation, imagine how impossible it will be if our rates are further increased. As it is, we are forced to seek monthly food assistance from our community food bank because our means are gravely limited. I don't know what excuses the APS company is using to justify more rate increases but this...this is inhumane.

-Esmeralda P., from Yuma, AZ

I would describe myself as an environmentally and economically minded person. I have invested in personal solar water heating, solar power generation, high efficiency heat pump air conditioning, induction cooking appliances, additional wall and ceiling insulation, and smart home features to minimize power usage. Yet I continue to see my power bills increase primarily due to corporate greed to satisfy shareholders with very little respect to their power users. Sure they come up with fluffy reasons why rates go up, yet it all boils down to making money. Every company deserves making a profit, but when I see the year-end results where profit is bursting at the seams, it grates me considerably. The corporation committee that's responsible for managing rates all have their pocketbooks lined with the utilities' profits and not appropriately representing their constituents.

-Ed E., from Phoenix, AZ

I'm blessed in that I can afford my utilities despite rising rates and rate structures. My bills are averaged over the year so I do not have spikes in the summer. I also use a time of use plan. During peak hours from 4PM to 7PM, my thermostat adjusts higher and I do not ruin any unnecessary appliances. To lower my demand charge which is a rate multiplier calculated in peak hours, I try not running any appliances at the same time but that's a challenge. My bill denotes the peak demand usage and that's always at dinner time. I feel like most are not informed about how their electric bill is calculated. My heart goes out to those who are impacted by rising rates. In Arizona, we can't live without AC which typically consumes most electricity for any household. We desperately need solar and energy efficient appliance incentives and data centers that generate their own power.

- Brian B., from Scottsdale, AZ

My husband and I bought our dream home in 2018. The home had so many conveniences, Soft Water, Reverse Osmosis water to drink, a Jacuzzi, heated pool, and a host of other little things. The main thing that really sold us was it had Solar! We had only been in Arizona for 4 years and experienced the cost of an all electric heating and cooling system. We were just thrilled.

The way it was set up was we would use the solar during the sunlight hours and any leftover would be sold back to APS. It didn't have battery storage so we had no choice. The first year we were ecstatic. The summer electric bill was about \$100 for a 4 bedroom house. During the winter, we had natural gas for hot water and heating so we actually were getting a credit each month instead of having to pay. That lasted about 4 years. My husband and I retired early so we're on a fixed income. Getting the low summer bill and the credit in the winter, it was a savings of between 300-400/month. That's a lot.

Right around 2022, my husband asked me if I was leaving lights on, etc because the electric bill had been rising. I did nothing out of the ordinary. I took a look at the solar generation and it was

the same. Then I went on the APS website to see if we used more electricity. We have been very consistent but I noticed the rate had gone up.

It seems to be steadily going up since. We just got a bill for \$226. That's an increase of approximately \$126 since 2022, which has more than doubled. APS had sent something about incorporating "greener energy" a while ago. Why has the bill gone up then?

In closing, that dream house has become less dreamy with the electricity going up, natural gas going up, and the cost of food has become outrageous! I definitely buy less at the grocery store because we just can't afford it anymore. We cut out eating out. We've cut any unnecessary expenses. I'm pretty flustered over the entire situation.

-Kathy L., from Glendale, AZ

In the summer I live in a place where the utilities are non-profit. Why can't AZ communities have publicly owned utilities?

-Barbara B., from Tucson, AZ

Every time the electric company sends messages on ways to cut electric use...I implement the suggestion. From removing light bulbs from over the bathroom sink; to turning up the AC to 82 degrees! I use the most energy efficient light bulbs. I never leave a fan running if I am not in that room. I place blame on overpaid company executives, Data Centers and inefficient use of electric grids. Politicians, both state and local, do not seem to care. I write, I sign petitions, but rarely, if ever do I receive a response.

-Robert G., from Superstition Mtn, AZ

No one can afford the high electric rates. We can't afford to use our modern appliances such as air conditioning because of the outrageous costs, so we just suffer. Corporate greed never stops. Corporations do not care about the consumers, but only on their money profits.

-Oscar C., from Flagstaff, AZ

Arizona PUBLIC Service? Who does it really serve? Arizona residents deserve better from APS and the controlling commissioners!

-Joan R., from Sedona, AZ

I'm writing as an APS customer who is deeply concerned about the company's proposed rate increase. While I don't have a dramatic personal story, I do have a perspective that I believe is important for the Arizona Corporation Commission to hear: the proposed increase is economically unjustifiable for everyday ratepayers, especially given APS's executive compensation and the broader financial pressures facing households.

Executive Compensation vs. Ratepayer Reality:

APS/Pinnacle West's 2025 executive compensation totals between \$19.8 million and \$21.4 million, with the CEO earning \$8.4 million alone. In a year when APS is requesting yet another rate increase and its third in four years and this level of executive pay is difficult to reconcile with the financial strain placed on customers.

Consumer Reports' own reporting, and public testimony at the May 2026 hearings show that ratepayers are already struggling. APS's proposed 14% increase would cost the average customer about \$240 more per year.

Economic Context: Households are already under pressure across the country. Families are facing rising costs in nearly every category:

- Food prices have risen significantly over the past several years, with grocery inflation outpacing wage growth.*
- Housing costs and rent and mortgages all remain elevated, with affordability at its worst levels in decades.*
- Gasoline and transportation costs continue to fluctuate at high levels.*
- Wages, meanwhile, have not kept pace with inflation for many workers, resulting in a real decline in purchasing power.*

This means that a utility rate increase and especially one of this magnitude is not occurring in a vacuum. It is happening at a time when households have already absorbed multiple years of cost increases without equivalent income growth.

APS's justification doesn't address the core issue. APS argues that the rate increase is necessary due to rising equipment costs (transformers up 90% over five years) and infrastructure investments.

I don't dispute that utilities face real cost pressures. But APS's own filings show that they are asking for annual formula rate increases, meaning ratepayers could face hikes every year.

They are simultaneously paying multi-million dollar executive salaries, even as they claim financial strain.

They are requesting increases during a nationwide cost of living crisis, when many customers cannot absorb higher bills.

For many Arizonans - especially seniors like myself, low income households, and those living in extreme heat, electricity is not optional. It is a life sustaining necessity. When APS raises rates, customers cannot simply shop around. They must pay whatever APS charges.

A rate increase under these conditions, paired with executive compensation exceeding \$20 million, feels fundamentally out of step with the economic reality of the people APS serves.

I urge Consumer Reports to strongly oppose APS's proposed rate increase and to highlight the disconnect between APS's executive compensation and the financial hardship facing ratepayers. Even without a dramatic personal story, the economic facts alone demonstrate why this increase is unreasonable.

Thank you for advocating for Arizona consumers. My story is simple: I'm a customer who is paying attention and APS's request does not align with the financial reality of the people it serves.

-Richard F., from Sedona, AZ

IMHO, after a careful read of documents, APS's last 3 rate hikes as well as the upcoming increase also include hikes in every "fee", making the actual hikes close to 20% +. The "green plan" is smoke & mirrors, IMHO, and only current, highly connected folks benefit. Read the fine print on the proposals. In my humble opinion, " FOLLOW THE MONEY".

-Gail T., from Sun City, AZ

We are forced to keep our thermostat between 78 and 80 in the summer not the 72-74 we would like. The APS rate hike will impact us even more in the future. No telling where weâ€™ll have to set the range. No thanks to APS.

-Mitch M., from Peoria, AZ

We bought our house in April of 2017 and had solar panels installed in May 2017. A small local company did an excellent job, unfortunately they have been bought out several times. We were fortunate that we could pay a little over \$9000 for a 12-panel system rather than leasing. In December of 2019 we added 2 panels for a cost of \$1500. We have never paid more than the monthly service fee of \$25 for connection to the grid which went up to about \$27 approximately 18 months ago. We get a small rebate from Tucson Electric Power (TEP) each fall as TEP pays

around 2 cents per kilowatt hour for the excess we send to the grid during the year. We are under net metering, which is the way all residential solar homes should be. Unfortunately, the Arizona Corporation Commission (ACC) approved a change in the way residents are billed if they have solar, which is to TEP's advantage. This despite TEP paying nothing for the installed generating capacity of the solar home, pays no rent on the roof space and pays a pittance for the excess power that the homeowner sends to TEP. Our system has paid for itself in just over 9 years. What a blessing for solar power. Our concern is that TEP will try to quietly change our agreement in the future, especially when we have to replace our panels due to age.

-Donald R., from Tuscon, AZ

DURING THE HOT MONTHS OF THE YEAR (JUNE-SEPTEMBER) ABOUT 7% OF MY MONTHLY INCOME IS SPENT ON ELECTRICITY. EVEN USING A PROGRAMMABLE THERMOSTAT AND BEING ON APS' LOWEST PRICING PACKAGE, JUST KEEPING THE HOUSE AT A LIVABLE TEMPERATURE IS VERY COSTLY. A 14% PRICE HIKE IS EXORBITANT AND UNJUSTIFIABLE. THAT INCREASE WOULD EASILY INCREASE MY MONTHLY BILL BY \$40 OR MORE! I CERTAINLY DON'T GET THAT KIND OF COST OF LIVING INCREASE IN MY SOCIAL SECURITY CHECK! JUST SAY NO!!!

-Bruce W., from Surprise, AZ

I am a 78 year old veteran who had a laryngectomy in 2012. I have a choice laid down on me for the hike in electric. Either run my humidifiers and air purifier and stay empty of anxiety from the ability to utilise these medically needed machines that run electrically or pay a rate hike from some greedy, non caring slobs who don't give a thought about who keeps them in business. So, if TEP and/or APS hike the rates I may end up in the VA emergency with thanks from a greedy rate hike. I don't know how you big businesses can even begin to forgive yourselves for the pain you cause through your greed.

-William L., from Green Valley, AZ

Not too long ago (maybe 3 years), our illustrious state senator (Mark Kelly) was on television and announced how much Arizonans would save on electricity by putting in acres of the solar panels just outside of town. Our APS bills increased substantially after that. I can only assume it was to pay for the purchase and installation of the panels, but the bills never came back down. Now that the panels are installed, APS wants another rate increase. I can only surmise for the maintenance of the panels and improvements needed to supply the multiple data centers going up around the area. Since APS is showing record profits why aren't they using some of their own money that they already collected for operations and maintenance. If the rate increases were tied to the cost of living increase, I could understand because every working person wants

a raise. The cost of living I am referring to is the same calculation that is used when the Federal Government calculates the cost of living for those on Social Security. The Arizona Corporation Commission should do what they were elected for and not give into every rate increase requested. If you ever watched the rate increase requests, they usually go something like this: APS will ask for a 24% increase, they will negotiate a little and settle for a 12% increase, which is what APS wanted all along. Then the commission takes a bow because they got a lower rate for Arizona. It's all a big corporate scam year after year. You can see who fattens the commissions pocket book.

-Ronald F., from Sun City, AZ

Got solar, but then the provider, one of the biggest and oldest, went bankrupt and there is no one to provide service. Also, the utility gives just a token payment for excess power I export, and there are a dizzying number of different rates, depending on time of day and time of year.

-A. John M., from Chandler AZ

I've been a resident of Arizona (Mariopa) for over 50 years. During that time I've experienced the growing issues of this great state. It has always been a home place that was economically comfortable to live. I felt like it would be a place for myself and my children to live. I've an established home and have only felt the economic challenges as the years have passed. But my four children, raised, educated and wanting an Arizona life have not been able to comfortably establish themselves in Arizona. All four live in different state. Now as a single retired man, I too am facing price increases that have me looking outside Arizona for a place where I can comfortably afford to live. It seems a shame that after contributing so much to the growth and social structure of Arizona I am being forced, by people I've helped put in place, to move.

As a previous writer stated: "I urge Consumer Reports to strongly oppose APS's proposed rate increase and to highlight the disconnect between APS's executive compensation and the financial hardship facing ratepayers. The economic facts alone demonstrate why this increase is unreasonable.

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-Lloyd G., from Guadalupe, AZ
