Yet Another Giant APS Electricity Rate Hike? Really?

Arizona Public Service (APS), the state's largest electric utility, is asking the Arizona Corporation Commission (the five-member body that oversees monopoly utility rates) for a whopping 14% rate increase this year.

If you're one of APS's more than 1.4 million customers, you deserve to know a few things about their request that aren't getting enough attention.

APS is a monopoly utility. If you live in its service territory, you don't have any choice of which utility to get your power from—it's the only one allowed to operate there.

The company knows this about its customers, which makes it especially important for the elected members of the Commission to scrutinize APS' rate increase requests to make sure they're really necessary. In recent years, they haven't been doing that.

Let's dig into some details. The Commission already rubber stamped an 8% rate increase that took effect in 2024. Now APS already wants another 14% rate increase?

And it's not just rate increases that the Corporation Commission has been generous to APS with.

APS is already allowed a generous 9.55% return on equity — the return regulators allow the company to earn for its shareholders on the equity in its utility system.

Now APS wants the Commission to bump that up to 10.7%, on top of the 14% rate increase!

There's compelling evidence that nothing close to a 14% increase is necessary to provide reliable service. Pinnacle West, APS' parent company, had more than $616 million in net income in 2025.

CEO Ted Geisler received about $8.1 million in compensation that year. Former CEO Jeff Guldner received about $2.8 million. All that ultimately comes out of customers' pockets.

Thankfully, Attorney General Kris Mayes has our back. She filed expert testimony showing that APS could maintain reliable service and a strong credit rating with an increase of about 3%—a far cry from the 14% we're now told is needed.

The timing matters too. The Corporation Commission expects to decide this case by the end of December—after the November election but before newly elected Commissioners take office. In other words, the current Commission will decide whether APS gets its latest increase.

APS wants more than just higher rates and a higher return for shareholders. They've also been walking back their earlier clean-energy commitments.
In 2020, APS committed to providing 100% clean, carbon-free electricity by 2050.

It also set interim goals for 2030 and said it would end coal-fired generation by 2031. That would have set APS on a path to providing cleaner, more affordable energy for decades to come.

APS has since walked back those commitments and joined other Arizona utilities in backing a major new methane gas pipeline project to bring gas from West Texas to Arizona. When utilities make long-term investments in fossil fuel pipelines, supply contracts and power plants, they lock customers into those costs—and the resulting air pollution—for years to come.

The Corporation Commission is expected to vote on the request after the November 3 general election. Take time before then to tell the commissioners you're not a piggy bank for companies that are already comfortably profitable.

You can find their contact information at www.azcc.gov.

And remember to research your vote for the Corporation Commission carefully this fall.

Your family budget is on the ballot!