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ARIZONA CORPORATION COMMISSION

Gary Pierce Commissioner

Direct Line (602) 542-3933 Fax: (602) 542-0765

May 18, 2010

VIA FACSIMILE & US MAIL

Mayor Antonio R. Villaraigosa Office of the Mayor 200 North Spring St., Room 303 Los Angeles, CA 90012

Re: Los Angeles' boycott of Arizona

Dear Mayor Villaraigosa:

I was dismayed to learn that the Los Angeles City Council voted to boycott Arizona and Arizona-based companies—a vote you strongly supported—to show opposition to SB 1070 (Support our Law Enforcement and Safe Neighborhoods Act).

You explained your support for the boycott as follows: "While we recognize that as neighbors, we share resources and ties with the State of Arizona that may be difficult to sever, our goal is <u>not to hurt the local economy of Los Angeles</u>, but to <u>impact the economy of Arizona</u>. Our intent is to use our dollars—or the withholding of our dollars—to send a message." (emphasis added)

I received your message; please receive mine. As a state-wide elected member of the Arizona Corporation Commission overseeing Arizona's electric and water utilities, I too am keenly aware of the "resources and ties" we share with the City of Los Angeles. In fact, approximately twenty-five percent of the electricity consumed in Los Angeles is generated by power plants in Arizona.

If an economic boycott is truly what you desire, I will be happy to encourage Arizona utilities to renegotiate your power agreements so Los Angeles no longer receives any power from Arizona-based generation. I am confident that Arizona's utilities would be happy to take those electrons off your hands. If, however, you find that the City Council lacks the strength of its convictions to turn off the lights in Los Angeles and boycott Arizona power, please reconsider the wisdom of attempting to harm Arizona's economy.

People of goodwill can disagree over the merits of SB 1070. A state-wide economic boycott of Arizona is not a message sent in goodwill.

Sincerely.

Zommissioner Gary Pierce

cc: Councilmember Ed P. Reyes

Councilmember Paul Krekorian

Councilmember Dennis P. Zine

Councilmember Tom LaBonge

Councilmember Paul Koretz

Councilmember Tony Cardenas

Councilmember Richard Alarcon

Councilmember Bernard C. Parks

Councilmember Jan Perry

Councilmember Herb J. Wesson

Councilmember Bill Rosendahl

Councilmember Greig Smith

Councilmember Eric Garcetti

Councilmember Jose Huizar

Councilmember Janice Hahn

Governor Jan Brewer

Senator John McCain

Senator Jon Kyl

Congresswoman Ann Kirkpatrick

Congressman Trent Franks

Congressman John Shadegg

Congressman Ed Pastor

Congressman Harry Mitchell

Congressman Jeff Flake

Congressman Raul Grijalva

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Commissioner Kristin Mayes

Commissioner Paul Newman

Commissioner Sandra Kennedy

Commissioner Bob Stump

Don Brandt, President and CEO of Pinnacle West and Arizona Public Service Company

David Rousseau, President of Salt River Project

Richard Silverman, General Manager of Salt River Project

Paul Bonavia, President and CEO of Unisource Energy