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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

- MARC SPITZER, Chairman
- WILLIAM A. MUNDELL
- JEFF HATCH-MILLER
- MIKE GLEASON
- KRISTIN K. MAYES

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AZ CORP COMMISSION DOCUMENT CONTROL

Arizona Corporation Commission

DOCKETED

APR - 6 2004

DOCKETED BY	<i>[Signature]</i>
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Docket No. E-01345A-03-0437

IN THE MATTER OF THE APPLICATION OF ARIZONA PUBLIC SERVICE COMPANY FOR A HEARING TO DETERMINE THE FAIR VALUE OF THE UTILITY PROPERTY OF THE COMPANY FOR RATEMAKING PURPOSES, TO FIX A JUST AND REASONABLE RATE OF RETURN TEHREON, TO APROVE RATE SCHEDULES DESIGNED TO DEVELOP SUCH RETURN, AND FOR APPROVAL OF PURCHASED POWER CONTRACT.

STAFF'S MOTION TO AMEND PROCEDURAL SCHEDULE

Arizona Corporation Commission Staff ("Staff") hereby requests an extension of time in which to file its surrebuttal testimony in this matter. This request is necessary due to both the size and substance of APS' rebuttal case, which was filed on March 30, 2004. Under the present procedural schedule, Staff has approximately one month in which to prepare its response to this testimony. This is not enough time to review and analyze APS' recent filing, which presents new material and is more akin to a supplement to its direct case than rebuttal. Accordingly, Staff asks the Commission to extend the surrebuttal due date by four weeks, from April 30, 2004 to May 28, 2004.

I. REQUEST FOR EXTENSION.

Staff believes that the procedural schedule in this case, like most Commission procedural schedules, assumes that the pre-filed testimony will narrow the issues as the case progresses, thereby focusing the issues and potentially shortening the hearing. This purpose is apparent from the timing of the filing deadlines, which are spaced more closely as the case progresses. Unfortunately, the "issue narrowing" potential of pre-filed testimony has yet to be realized in this proceeding. APS' rebuttal case is approximately 791 pages long and consists of the testimony of twenty-two witnesses. See Exhibit A. APS' rebuttal testimony is more than twice the size of its direct testimony, which is

1 approximately 341 pages long and consists of eleven witnesses. See Exhibit B. The sheer volume of  
2 APS' rebuttal filing supports Staff's request for an extension.

3 In addition to the size of the filing, the content also supports an extension. APS rebuttal case  
4 presents twelve witnesses who were not included in its direct case. For example, APS has offered  
5 two additional witnesses on cost of capital; one of these witnesses presents an entirely new study in  
6 support of APS' requested cost of equity. In order to adequately respond to this new material, Staff  
7 will need to conduct discovery and analyze the responses. These tasks cannot be accomplished in  
8 four weeks.

9 The new issues raised by APS are not limited to cost of capital. APS has also presented new  
10 material related to projected gas prices, the proposed adjuster mechanism, the PWEC assets, the  
11 writeoff, the steam generator replacement, and the bark beetle infestation. In each of these examples,  
12 APS has provided new information that Staff has not seen before. In these circumstances, the  
13 existing schedule will not provide enough time to adequately analyze the information and develop  
14 testimony.

15 Finally, Staff believes that an extension of time is actually in APS' best interest. APS has  
16 characterized Staff's direct case as outrageous and extreme, and while Staff does not agree with those  
17 characterizations, Staff is certainly willing to thoroughly analyze and review APS' rebuttal case to  
18 determine if any of Staff's original positions should be changed. Given the size and content of APS'  
19 rebuttal case, this kind of consideration and review cannot be accomplished under the existing  
20 schedule. The Commission will also benefit from an extension because it will allow Staff and all the  
21 parties to create a more complete record.

## 22 **II. MISCELLANEOUS ISSUES.**

23 Staff also requests that the Commission extend the cut-off date for discovery. Currently, the  
24 last day to serve discovery is April 2, 2004. This date was set in an earlier procedural order, which  
25 established April 7, 2004 as the first day for the hearing. Although the original procedural schedule  
26 has been changed several times, it appears that the cut-off date for discovery has not been updated to  
27 correspond to these changes. Accordingly, Staff requests that the Commission amend this date to  
28 correspond to whatever procedural schedule emerges after this motion.

1 Staff also requests that the Commission change the response time for discovery from ten days  
2 to five days. This adjustment will permit Staff to complete discovery on APS' rebuttal testimony in  
3 time to develop its surrebuttal testimony.

4 Finally, Staff requests expedited consideration of this motion.

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6 RESPECTFULLY SUBMITTED this 6th day of April, 2004.

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10   
11 Christopher C. Kempley, Chief Counsel  
12 Janet Wagner, Attorney  
13 Arizona Corporation Commission  
14 1200 West Washington  
15 Phoenix, Arizona 85007  
16 (602) 542-3402

17  
18 Original and 13 copies of the foregoing  
19 filed this 6th day of April, 2004, with:

20 Docket Control  
21 Arizona Corporation Commission  
22 1200 West Washington  
23 Phoenix, AZ 85007

24 Copy of the foregoing mailed this  
25 6th day of April, 2004, to:  
26  
27  
28

1 Thomas L. Mumaw  
2 Karilee S. Ramaley  
3 Pinnacle West Capital Corporation  
4 P. O. Box 53999, MS 8695  
5 Phoenix, AZ 85072-3999  
6  
7 Jeffrey B. Guldner  
8 Faraq Sanei  
9 Snell & Wilmer  
10 One Arizona Center  
11 400 East Van Buren  
12 Phoenix, AZ 85004-0001  
13 Attorneys for Arizona Public Service  
14  
15 Jana VanNess  
16 Manager, Regulatory Compliance  
17 Arizona Public Service  
18 Mail Station 9905  
19 P. O. Box 53999  
20 Phoenix, AZ 85072  
21  
22 Jay L. Shapiro  
23 Patrick J. Black  
24 Fennemore Craig, P.C.  
25 3003 N. Central, Suite 2600  
26 Phoenix, AZ 85012  
27 Attorneys for Panda Gila River  
28  
29 Raymond S. Heyman  
30 Michael W. Patten  
31 Roshka Heyman & DeWulf  
32 One Arizona Center  
33 400 E. Van Buren, Suite 800  
34 Phoenix, AZ 85004  
35 Attorneys for UniSource Energy Services  
36  
37 Deborah R. Scott  
38 Unisource Energy Services  
39 One South Church Street, Suite 200  
40 Tucson, Arizona 85702  
41  
42 Lawrence V. Robertson, Jr.  
43 Munger Chadwick, P.L.C.  
44 National Bank Plaza  
45 333 North Wilmot, Suite 300  
46 Tucson, AZ 85711  
47 Attorneys for Southwestern Power Group II,  
48 Bowie Power Station and Mesquite Power

Walter W. Meek, President  
Arizona Utility Investors Association  
2100 N. Central, Suite 210  
Phoenix, AZ 85004

Scott S. Wakefield  
Chief Counsel  
RUCO  
1110 W. Washington, Suite 220  
Phoenix, AZ 85007

C. Webb Crockett  
Fennemore Craig, P.C.  
3003 N. Central, Suite 2600  
Phoenix, AZ 85012  
Attorneys for AECC and Phelps Dodge

Theodore E. Roberts  
Sempra Energy Resources  
101 Ash Street, HQ 12-B  
San Diego, CA 92101-3017

Greg Patterson  
Arizona Competitive Power Alliance  
5432 East Avalon  
Phoenix, AZ 85018

Major Allen G. Erickson  
AFCES A/ULT  
139 Barnes Drive, Suite 1  
Tyndall AFB, Florida 32403-5319  
Attorney for FEA

Michael L. Kurtz  
Boehm, Kurtz & Lowry  
36 E. Seventh Street, Suite 2110  
Cincinnati, OH 45202  
Attorneys for Kroger Company

Bill Murphy  
Murphy Consulting  
2422 E. Palo Verde Drive  
Phoenix, AZ 85016  
Consultant for Arizona Cogeneration Assn.

Robert W. Geake  
Arizona Water Company  
P. O. Box 29006  
Phoenix, AZ 85038-9006

1 Michael A. Curtis  
William P. Sullivan  
2 Larry Udall  
Martinez & Curtis, P.C.  
3 2712 North Seventh Street  
Phoenix, AZ 85006  
4 Attorneys for Town of Wickenburg

5  
6 Timothy M. Hogan  
Arizona Center for Law in the Public Interest  
202 E. McDowell Road, Suite 153  
7 Phoenix, AZ 85004  
Attorneys for Western Resource Advocates  
8 And Southwest Energy Efficiency Project

9 S. David Childers  
Low & Childers, P.C.  
10 2999 North 44<sup>th</sup> Street, Suite 250  
Phoenix, AZ 85018

11 Cynthia Zwick  
12 Executive Director  
Arizona Community Action Association  
13 2627 North Third Street, Suite 2  
Phoenix, AZ 85004

14 Coralette Hannon  
15 AARP Department of State Affairs  
6705 Reedy Creek Road  
16 Charlotte, NC 28215

17 Rebecca C. Salisbury  
18 56<sup>th</sup> Fighter Wing JA  
7383 N. Litchfield Road  
Luke AFB, AZ 85309-1540  
19 Attorney for Federal Executive Agencies

20 Eric C. Guidry  
Western Resource Advocates  
21 2260 Baseline Road, Suite 200  
Boulder, CO 80302

22  
23 Jeff Schlegel  
SWEEP Arizona Representative  
1167 West Samalayuca Drive  
24 Tucson, AZ 85704-3224

25 Jay I. Moyes  
Moyes Storey, Ltd.  
26 3003 N. Central Avenue, #1250  
Phoenix, AZ 85012  
27 Attorneys for PPL Sundance and PPL  
28 Southwest Generation Holdings

Andrew W. Bettwy  
Bridget A. Branigan  
Southwest Gs Corporation  
5241 Spring Mountain Road  
Las Vegas, NV 89150

J. William Moore  
Attorney at Law  
1144 East Jefferson  
Phoenix, AZ 85034

David Berry  
Western Resource Advocates  
P. O. Box 1064  
Scottsdale, AZ 85252-1064

Daniel W. Douglass  
Law Offices of Daniel W. Douglass, APC  
6303 Owensmouth Avenue, 10<sup>th</sup> Floor  
Woodland Hills, CA 91367-2262

James M. Van Nostrand  
Stoel Rives, LLP  
900 SW Fifth Avenue, Suite 2600  
Portland, OR 97204

Jon Poston  
AARP Electric Rate Project  
6733 East Dale Lane  
Cave Creek, AZ 85331

Katherine McDowell  
Stoel Rives, LLP  
900 SW Fifth Avenue, Suite 2600  
Portland, OR 97204

George M. Galloway  
Arizona Competitive Power Alliance  
900 SW Fifth Avenue, Suite 2600  
Portland, OR 97204

Nicholas J. Enoch  
Lubin & Enoch, P.C.  
349 North Fourth Avenue  
Phoenix, AZ 85003  
Attorneys for IBEW Locals 387, 640 and 769

1  
2  
3  
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6  
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24  
25  
26  
27  
28

Jesse A. Dillon  
PPL Services Corporation  
Two North Ninth Street  
Allentown, PA 18101

Paul R. Michaud  
Michaud Law Firm, P.L.C.  
23 Crimson Heights Road  
Portland, CT 06480  
Dome Valley Energy Partners

Marvin S. Cohen  
Sacks Tierney, P.A.  
4250 N. Drinkwater Blvd., 4<sup>th</sup> Floor  
Scottsdale, AZ 85251-3693  
Attorneys for Contellation NewEnergy, Inc.  
And Strategic Energy, LLC

*Nancy Roe*

# EXHIBIT A

## APS Rebuttal Testimony

WITNESS	TESTIMONY PAGES	EXHIBIT PAGES	TOTAL PAGES
Davis	35	74	109
Wheeler	85	9	94
Brandt	51	0	51
Robinson	61	32	93
Froggatt	12	3	15
Bhatti	58	81	139
Fox	35	5	40
Propper	24	0	24
Rumolo	32	58	90
Rockenberger	30	11	41
Ewen	36	22	58
Hines	37	7	44
Hieronymous	59	1	60
Olson	30	0	30
Gordon	11	11	22
Wiedmayer	41	32	73
Fetter	32	3	35
La Guardia	19	153	172
White	22	18	40
Maguire	35	0	35
Devlin	25	10	35
Zepp	21	10	31
<b>TOTALS</b>	<b>791</b>	<b>540</b>	<b>1331</b>

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# EXHIBIT B

## APS Direct Testimony

WITNESS	TESTIMONY PAGES	EXHIBIT PAGES	TOTAL PAGES
Wheeler	5	3	8
Robinson	51	37	88
Frogatt	12	2	14
Rockenberger	23	387	410
Olson	27	11	38
Bhatti	74	12	86
Hieronymous	65	9	74
Landon	27	18	45
Propper	37	5	42
Rumolo	16	125	141
Gordon	20	16	36
<b>TOTALS</b>	<b>357</b>	<b>625</b>	<b>982</b>