



NEW APPLICATION



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JUN 11 12 31 PM '01

June 8, 2001

DOCUMENT CONTROL

E-01345A-01-0469

Deborah R. Scott, Director
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 W. Washington
Phoenix, Arizona 85007

RE: REVISIONS TO ARIZONA PUBLIC SERVICE COMPANY SCHEDULE NO. 5

Dear Ms. Scott:

Attached please find a revised Schedule 5 dealing with Electric Curtailment. These revisions are being filed in conjunction with the submission to Staff of a revised APS Curtailment Plan. As you are no doubt aware, prior Commission orders and existing Commission regulations require that APS maintain such a Plan of Curtailment with the Commission and to revise and update it as appropriate.

The existing Schedule 5, like the existing Curtailment Plan, was the product of the oil embargoes and natural gas shortages of the 1970's. It needed to be modernized to reflect that system outages are now more likely to occur due to transmission failures or inadequate purchased power supplies than from fuel shortages. It also needed to reflect the changing needs of our customers and advances in communications, such as the evolution of "911" service and the use of the internet, faxes, and wireless communications to disseminate public information. Finally, over the years, the procedures outlined in existing Schedule 5 no longer reflected those in the Curtailment Plan on file with the Commission – a situation fraught with the potential for confusion on the part of customers, regulators, APS employees and the public at large.

With the advent of the summer season, it is imperative that APS have a modernized and practical Curtailment Plan in place. The revisions to Schedule 5 are an important element of this process, and APS would ask that the Commission waive the thirty-day notice period and approve the proposed Schedule 5 revisions as quickly as possible. Alternatively, APS would ask that the revisions be allowed to go into effect by operation of law after thirty days, with any subsequently agreed-upon changes to Schedule 5 added thereafter by means of a separate filing.

Please call me directly if you or your Staff have any questions. Thank you in advance for your assistance in this matter.

Sincerely,

Jana Van Ness
Manager
State Regulations

Attachment

JVN/srm

Cc: Patrick Williams,
Manager, Compliance & Enforcement
Docket Control (Original, plus 10 copies)

SCHEDULE #5

GUIDELINES FOR ELECTRIC CURTAILMENT

1. Company shall have no liability or obligation for any claims arising out of the procedures for curtailment or interruption of electric service effected by it in accordance with such guidelines or such supplemental, amendatory or implementary guidelines or regulations as may hereafter be established by the Company and as provided by law.
2. Company shall endeavor to notify any electric customer(s) who might be classified as having either essential or critical loads. In the event that any customer of Company is dissatisfied by the classification of Customer by Company, or with the amount of such customer's load (if any) classified by the Company as critical or essential, the Customer may bring the matter to either the Company or the Commission and request a determination in regard thereto. However, until such redetermination is made by the Commission or the Company, customer's original classification for purposes of electric curtailment under this Schedule shall be unaffected.
3. DEFINITIONS
 - 3.1 Essential Loads – Loads necessary to serve facilities used to protect the health and safety of the public such as, hospitals, 911 Centers, national defense installations, sewage facilities and domestic water facilities.
 - 3.2 Critical Loads – That portion of the electric load of nonresidential customers, which in the event of 100 percent curtailment of service, would cause excessive damage to equipment or material being processed, or where such interruption would create grave hazards to employees or the public.
 - 3.3 Major Use Customers/Others (With Notice) – Those customers having relatively large loads (over 1000 KW) or a substantial number of employees or other special circumstances that make it appropriate to schedule blackouts or curtailments different from typical customers. Customers who qualify as Major Use/Others With Notice can take 100 percent curtailment when sufficient notice is provided. These loads will be interrupted after the required notification period.
 - 3.4 Others (With or Without Notice) – All customers not meeting the above definitions. These customers will be interrupted (with or without notice) if voluntary curtailment measures are not sufficient to alleviate the situation.
4. GUIDELINES TO BE APPLICABLE IN EVENT OF INTERRUPTION OR CURTAILMENT OF ELECTRIC SERVICE BY COMPANY TO ITS CUSTOMERS DUE TO POWER SUPPLY INTERRUPTIONS, FUEL SHORTAGE OR TRANSMISSION EMERGENCY PURSUANT TO CORPORATION COMMISSION RULE R14-2-208, PROVISION OF SERVICE, PARAGRAPH E.
 - 4.1 Operating Procedures Prior to Customer Load Curtailment
 - 4.1.1 The following items shall be pursued concurrently.
 - 4.1.1.1 Reschedule maintenance of transmission components and generating units, where practical.
 - 4.1.1.2 Utilize spinning reserve.
 - 4.1.1.3 Discontinue all non-firm wholesale sales during any period of involuntary curtailment or when an involuntary curtailment is anticipated.
 - 4.1.1.4 Do not enter into any new wholesale sales during any period of involuntary curtailment or when an involuntary curtailment is anticipated.
 - 4.1.1.5 Start all standby units.
 - 4.1.1.6 Contact other utilities and/or agencies for emergency assistance.
 - 4.1.1.7 Invoke emergency and short-term contractual schedules with other utilities and/or agencies.
 - 4.1.1.8 Reduce system voltage, where practical.
 - 4.1.1.9 Reduce non-essential Company uses such as flood lighting, sign lighting, display lighting, office lighting, electric cooling and heating, etc., where practical.
 - 4.1.1.10 Provide information through the media or other appropriate medians to the public which will contain instructions on how customers can assist Company in case of an emergency power outage.
 - 4.2 Voluntary Customer Load Curtailment
 - 4.2.1 Public Appeal
 - 4.2.1.1 An advisory message procedure will be used when Company has advance indications that it will not be able to meet future peak loads. These messages will request voluntary load reduction during specific hours on specific days.

4.2.1.2 An emergency bulletin procedure will be used for instant notification to the public in the event there is no advance indication of a power shortage. These bulletins will request the immediate voluntary cooperation of all customers in reducing electric loads.

4.2.1.2.1 These bulletins will request all customers to reduce the use of all electrically operated equipment and devices, where possible.

4.2.1.2.2 Company will have a prepared statement to read which will give current information on the Power Supply Interruption, Fuels Shortage or Transmission Emergency.

4.3 Contractually Interruptible Load

4.3.1 Company shall invoke contractual interruption provisions to the extent appropriate.

4.3.2 Company shall interrupt non-firm wholesale customer(s) as appropriate.

4.4 Involuntary Customer Load Curtailment

4.4.1 If the load reduction realized from application of the voluntary curtailment procedures is not sufficient to alleviate the power shortage, Company will reduce voltage if and to the extent practical and in accordance with normal applicable electric utility operation standards.

4.4.2 If further load reduction is required, load will be reduced as follows:

4.4.2.1 Circuits not classified with "Major Use/Others With Notice, Critical or Essential" customers will be interrupted on a rotating basis. The frequency and duration of such interruptions will be dependent upon the magnitude and nature of the power shortage. The frequency and duration of such interruptions shall also consider the circumstances of Major Use Customers.

4.4.2.2 Accurate records will be kept to insure that these circuits are rotated in an equitable and technically feasible manner.

4.4.2.3 Circuits classified as "Major Use/Others" will be interrupted upon the giving of appropriate notice.

4.4.2.4 Customers on circuits which serve critical loads, will be required to curtail the non-critical portion of their loads. Thereafter, circuits which serve critical loads will be identified and will not be interrupted unless an area must be dropped to maintain stability of the electric system. However, loads otherwise classifiable as critical may be curtailed if they possess back-up generation sufficient to meet their entire load requirement. If a customer having a critical load refuses or fails to curtail his electric consumption down to the critical load, he shall thereupon not be considered to have a critical load for purposes of this Schedule.

4.4.2.5 Circuits which serve essential loads will be identified and will not be interrupted unless an area must be dropped to maintain stability of the electric system. However, loads otherwise classifiable as essential may be curtailed if they possess back-up generation sufficient to meet their entire load requirement.

4.5 Sudden Shortages of Power

In the event that time does not allow for the implementation of the Electric Curtailment Guidelines, Company may resort to its emergency operations procedures, with or without notice.

4.6 Automatic Load Shedding

In the event that there is a major electrical disturbance threatening the interconnected Southwest system with blackout conditions, emergency devices such as under frequency load shedding, transfer tripping, etc., will be utilized to maintain the optimum system stability.

5. ELECTRIC CURTAILMENT OF FIRM WHOLESALE CUSTOMERS

5.1 The term "firm wholesale customer" shall be defined as those APS customers who purchase, on a firm basis, electricity from the Company for purposes of resale.

5.2 In any given instance where a curtailment of these wholesale power deliveries is involved, and subject to any required approvals of the Federal Energy Regulatory Commission or contractual provisions to the contrary, Company shall notify its firm wholesale customers, requesting that they curtail electric service to their retail customers during the period that Company's system is affected by power shortages. In the event that Company is unable to obtain the cooperation of a firm wholesale customer, it may seek an order from appropriate governmental authority requiring the firm wholesale customer to accept a reduction of electricity deliveries proportionate to the curtailment being effected on Company's system.

6. ELECTRIC LOAD AND CURTAILMENT PLAN

A detailed electric load and curtailment plan shall be kept on file with the Arizona Corporation Commission. This plan shall contain specific procedures for implementation of the above, along with the name(s) and telephone number(s) of the appropriate Company personnel to contact in the event implementation of the plan becomes necessary. This plan shall be updated at least annually, and it or amendments thereto shall become effective upon submission to the Arizona Corporation Commission.