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BEFORE THE ARIZONA CORPORATION COMMISSION

DOCKETED

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2 CARL J. KUNASEK
Chairman
3 JIM IRVIN
Commissioner
4 WILLIAM A. MUNDELL
Commissioner

MAR - 6 2000

DOCKETED BY 

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6 TUCSON ELECTRIC POWER COMPANY)
APPLICATION FOR APPROVAL OF ITS)
7 PROPOSED DIRECT ACCESS SERVICE FEES)
AND ITS PROPOSED AMENDMENTS TO ITS)
8 RULES AND REGULATIONS)

DOCKET NO. E-01933A-99-0729
DECISION NO. 62340
ORDER

9 Open Meeting
March 1 and 2, 2000
10 Phoenix, Arizona

11 BY THE COMMISSION:

12 FINDINGS OF FACT

- 13 1. Tucson Electric Power Company (TEP) is certificated to provide electric service as a
- 14 public service corporation in the State of Arizona.
- 15 2. On September 29, 1999, the Commission issued Decision No. 61969 adopting certain
- 16 revisions to the Retail Electric Competition Rules.
- 17 3. On November 30, 1999, the Commission issued Decision No. 62103 approving TEP's
- 18 Settlement Agreement related to Stranded Cost and Unbundled Distribution Tariffs.
- 19 4. On December 17, 1999, TEP filed a proposed new Direct Access Services Fee tariff and
- 20 proposed amendments to its Rules and Regulations pursuant to A.R.S. §40-365 and Commission rules
- 21 R14-2-212.f and R14-2-1601, *et seq.* The proposed tariff and amended Rules and Regulations are
- 22 necessary to accommodate electric competition (direct access service).
- 23 5. Prior to this filing, TEP submitted a draft copy of the tariff to Staff. Staff, in turn,
- 24 distributed the information to interested ESPs for review and comment.
- 25 6. Comments were submitted by New Energy and APS Energy Services subsequent to
- 26 TEP's December 17, 1999 filing.
- 27 7. Staff has had several electronic communications with TEP personnel to discuss these
- 28 parties' comments and those of Staff.

1 8. On January 25, 2000, the Commission approved Staff's proposed order to suspend this
2 matter up through and including February 18, 2000.

3 9. On January 24, 2000, February 8, 2000, and on March 1, 2000, TEP filed supplemental
4 information and additional amendments to its Rules and Regulations to reflect resolution of many of
5 New Energy, APS Energy Services and Commission Staff concerns.

6 10. On February 15, 2000, the Commission approved Staff's proposed order to suspend this
7 matter up through and including March 18, 2000

8 11. TEP's amended Rules and Regulations propose increases in fees unrelated to new direct
9 access services in the following Articles:

10 a) Article 3, Sections D.1 and D.2 (page 22),

11 b) Article 15.G.1 (page 71).

12 12. Staff finds that the increases of fees outlined in Findings of Fact No. 11 are inappropriate
13 because they are not direct access service fees and the increases do not accompany a rate review.
14 Therefore, Staff recommends that the proposed increases of fees outlined in Findings of Fact No. 11
15 be denied.

16 13. TEP's amended Rules and Regulations proposes new fees and language unrelated to new
17 direct access services in the following Articles:

18 a) Article 15.F.1 (page 71),

19 b) Article 15.H.1 (page 72), and

20 c) Article 15.K.1 (page 74).

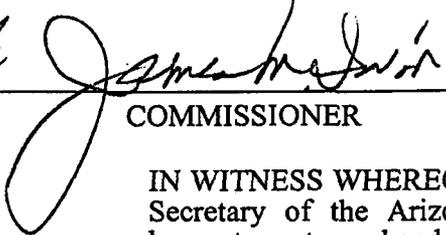
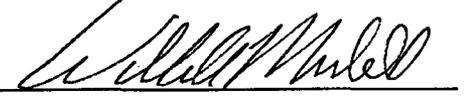
21 14. Staff finds that the addition of new fees and language outlined in Findings of Fact
22 No. 13 is inappropriate given that they are not direct access service fees and the increase do not
23 accompany a rate review. Therefore, Staff recommends that the proposed language and fees outlined
24 in Findings of Fact No. 13 be denied and the language stricken.

25 15. Staff finds that, except as outlined in Findings of Fact Nos. 11 and 13, all other direct
26 access fees and language proposed in TEP's filing as amended by TEP on February 8, 2000, and
27 March 1, 2000, are proper, prudent, and necessary to establish services and fees for direct access
28 customers in TEP's service territory and therefore, are in the public interest.

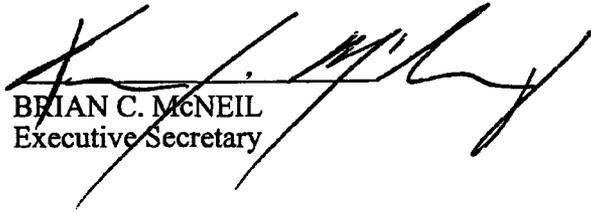
1 IT IS FURTHER ORDERED that TEP and affected stakeholders may request reconsideration
2 of its Direct Access Service Fees tariff in accordance with Findings of Fact No. 17.

3 IT IS FURTHER ORDERED that this Decision shall become effective immediately.
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5 **BY ORDER OF THE ARIZONA CORPORATION COMMISSION**

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7 CHAIRMAN  COMMISSIONER  COMMISSIONER

8 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive
9 Secretary of the Arizona Corporation Commission, have
10 hereunto, set my hand and caused the official seal of this
11 Commission to be affixed at the Capitol, in the City of Phoenix,
12 this 14th day of March, 2000.

13 
14 BRIAN C. McNEIL
15 Executive Secretary

16 DISSENT: _____

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