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BEFORE THE ARIZONA CORPORATION COMMISSION

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WILLIAM A. MUNDELL
CHAIRMAN
JIM IRVIN
COMMISSIONER
MARC SPITZER
COMMISSIONER

DOCKETED

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AZ CORP COMMISSION
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IN THE MATTER OF THE GENERIC
PROCEEDING CONCERNING ELECTRIC
RESTRUCTURING ISSUES.

DOCKET NO. E-00000A-02-0051

IN THE MATTER OF ARIZONA PUBLIC
SERVICE COMPANY'S REQUEST FOR A
VARIANCE OF CERTAIN REQUIREMENTS OF
A.A.C. R14-2-1606.

DOCKET NO. E-01345A-01-0822

IN THE MATTER OF THE GENERIC
PROCEEDING CONCERNING THE ARIZONA
INDEPENDENT SCHEDULING
ADMINISTRATOR.

DOCKET NO. E-00000A-01-0630

IN THE MATTER OF TUCSON ELECTRIC
POWER COMPANY'S APPLICATION FOR A
VARIANCE OF CERTAIN ELECTRIC
COMPETITION RULES COMPLIANCE DATES.

DOCKET NO. E-01933A-02-0069

**SECOND PROCEDURAL ORDER ON
TRACK B ISSUES**

BY THE COMMISSION:

On June 20, 2002, a Procedural Order was issued in these matters setting initial procedural deadlines in this matter. The June 20, 2002 Procedural Order adopted the proposal of the Commission's Utilities Division Staff ("Staff") to hold workshops on July 24 and 25, 2002, and for Staff to work toward the preparation of a Staff Report on Track B issues. The Procedural Order stated that the balance of the procedural schedule was dependent upon the Commission's Decision on the Track A issues, upon any consensus reached by the parties during the workshops or otherwise, and upon the need for a hearing.

On September 16, 2002, Staff filed a Request for Procedural Order ("Request") asking that a Procedural Order be issued setting a hearing date for the Track B issues. The Request stated that Staff hosted two separate two-day workshops in July and August to discuss the details of developing

1 a competitive solicitation process, and that Staff believes it will be helpful to have an additional two-
2 day workshop to allow the parties to further comment upon the process. The Request further
3 indicated that although consensus may be reached on many issues, that a hearing will likely be
4 necessary to address any remaining contested issues. Staff has scheduled a third workshop be held on
5 September 26 and 27, 2002, and in the Request, proposed that the third workshop be the final
6 workshop prior to a hearing. Staff further proposed the filing of a Staff Report on October 25, 2002;
7 pre-filed testimony of the other parties on November 8, 2002; responsive testimony from Staff on
8 November 15, 2002; and a hearing to commence on November 20, 2002.

9 On September 18, 2002, APS filed a response to the Request expressing its support for the
10 Request. APS stated that although the workshops are helpful in narrowing the issues, it agrees with
11 Staff's conclusion that the likelihood of total consensus among such a diverse group (consumer
12 representatives, incumbent utilities, merchant generators of varying types, distributed generation
13 advocates, solar energy proponents, etc.) is small. APS asserted that Staff's proposed schedule,
14 although ambitious, represents the best chance of meeting the Commission's direction in Decision
15 No. 65154 (September 10, 2002) and should therefore be adopted.

16 APS further requested that any Procedural Order issued in response to Staff's Request direct
17 that all parties provide to each party of record two copies of any work papers associated with their
18 report/testimony concurrent with the filing of such report/testimony in order to speed discovery and
19 lend support to the tight schedule proposed in the Request.

20 On September 20, 2002, Panda Gila River, L.P. ("PGR") filed a response stating that it
21 supports Staff's Request for a procedural order, particularly its request for an evidentiary hearing.
22 PGR did not object to any specific dates in Staff's Request, and did not propose an alternative
23 schedule. However, PGR requested that a scheduling/procedural conference be convened so that all
24 parties may comment on dates to be included in any procedural order and on the issues to be
25 addressed at any hearing. PGR further suggested that an additional procedural conference be held
26 after the contemplated Staff Report is released.

27 Based on the filings, we believe that a hearing will very likely be necessary to allow the
28 parties to present testimony in support of their positions on any issues upon which consensus is not

1 reached in the workshop process, and that such a hearing should be scheduled as soon as practicable.
2 In its Request, Staff has proposed a reasonable procedural schedule for such a hearing that would
3 allow compliance with the Commission's direction, in Decision No. 65154, that the parties continue
4 their efforts in Track B to develop a competitive solicitation process that can begin by March 1, 2003.
5 While alternative procedural schedules may be equally reasonable, we note that the timeframe for a
6 Decision in this matter provides very little flexibility in the scheduling of this proceeding.

7 A scheduling conference should be held following completion of the third workshop on Track
8 B issues in order to allow the parties an opportunity to comment on the procedural schedule that will
9 govern the balance of the Track B proceedings. Prior to the scheduling conference, the parties should
10 file, for Commission consideration, proposed procedural schedules and a list of the substantive issues
11 they believe remain to be addressed at hearing.

12 IT IS THEREFORE ORDERED that all parties shall file, by **noon on October 1, 2002**, a
13 statement listing the specific issues that they believe remain to be addressed at hearing.

14 IT IS FURTHER ORDERED that the parties shall also file, by **noon on October 1, 2002**,
15 their proposed procedural schedules for the conduct, following the third workshop to be held on
16 September 26 and 27, 2002, of the balance of the Track B proceedings.

17 IT IS FURTHER ORDERED that the parties shall endeavor to cause copies of the above-
18 ordered filings to be served upon the other parties to this proceeding by **noon on October 1, 2002**.

19 IT IS FURTHER ORDERED that a procedural conference shall be held on **October 2, 2002**
20 **at 8:30 a.m.** at the Commission's offices in Phoenix, Arizona, to discuss the procedural schedule that
21 will govern the conduct of the balance of the Track B proceedings. Due to scheduling constraints at
22 the Commission, the procedural conference will conclude no later than 9:25 a.m.

23 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive
24 any portion of this Procedural Order by subsequent Procedural Order.

25 DATED this 24th day of September, 2002.

26
27 
28 TEENA WOLFE
ADMINISTRATIVE LAW JUDGE

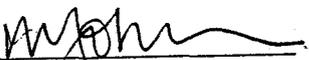
1 Copies of the foregoing mailed/delivered
2 this 24th day of September, 2002 to:

3 Service list for E-00000A-02-0051
4 (If you need a copy of the service list, please
5 e-mail mjohnson@cc.state.az.us.)

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11 Ernest G. Johnson, Director
12 Utilities Division
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14 1200 West Washington Street
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By: 
Molly Johnson
Secretary to Teena Wolfe