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BEFORE THE ARIZONA CORPORATION COMMISSION

2002 JUN 17 P 4: 02

1 WILLIAM A. MUNDELL
2 CHAIRMAN
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Arizona Corporation Commission

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JUN 17 2002

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7 IN THE MATTER OF THE GENERIC
8 PROCEEDINGS CONCERNING ELECTRIC
9 RESTRUCTURING ISSUES.

Docket No. E-00000A-02-0051

9 IN THE MATTER OF ARIZONA PUBLIC
10 SERVICE COMPANY'S REQUEST FOR
11 VARIANCE OF CERTAIN REQUIREMENTS
12 OF A.A.C. 4-14-2-1606

Docket No. E-01345A-01-0822

11 IN THE MATTER OF THE GENERIC
12 PROCEEDINGS CONCERNING THE
13 ARIZONA INDEPENDENT SCHEDULING
14 ADMINISTRATOR

Docket No. E-00000A-01-0630

13 IN THE MATTER OF TUCSON ELECTRIC
14 COMPANY'S APPLICATION FOR A
15 VARIANCE OF CERTAIN ELECTRIC POWER
16 COMPETITION RULES COMPLIANCE
17 DATES

Docket No. E-01933A-98-0471

16 ISSUES IN THE MATTER OF TUCSON
17 ELECTRIC POWER COMPANY'S
18 APPLICATION FOR A VARIANCE OF
19 CERTAIN ELECTRIC COMPETITION RULES
20 COMPLIANCE DATES

Docket No. E01933A-02-0069

**TESTIMONY SUMMARY OF AES
NEWENERGY, INC. AND STRATEGIC
ENERGY, LLC**

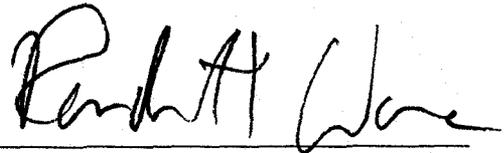
20 AES New Energy, Inc. ("AES NE") and Strategic Energy, LLC ("Strategic") offer the
21 following summary of the testimony of William Monsen in the above-captioned proceeding:

22 The Commission should reject TEP's proposal to deny customer choice to all of Arizona's
23 residential customers and to C&I customers with load requirements less than 3 MW. If the
24 Commission were to approve such an anti-competitive proposal, the end result for retail
25 competition in Arizona would be the same as if the Commission acted to repeal the Retail Electric
26 Competition Rules adopted in September 1999 -- it would be the death knell to retail competition
27 in Arizona. TEP's anti-competitive proposal, if adopted by the Commission, would deny all but a

1 handful of TEP's largest customers (>3 MW) the opportunity to choose a competitive provider.
2 This means that all of TEP's residential customers and nearly all of its non-residential customers
3 with less than 3 MW demand, such as grocery stores, schools and government buildings, office
4 buildings, and retail businesses such as fast food restaurants, gas stations, drug stores, bank
5 branches, cafes, mini-marts, and dry cleaners, to list a few, will be denied the ability to assess the
6 benefits of competition and choose for themselves. TEP's proposal is a poorly disguised attempt
7 to derail retail competition before it has been given a fair opportunity to get off the ground. The
8 Commission must do everything in its power to ensure the establishment of a healthy retail market
9 to allow all Arizona consumers to realize the benefits of electricity industry restructuring and to
10 protect themselves against incumbent retail market power. Providing all customers with the
11 freedom to choose their own electricity service provider is the very first step that must be taken
12 down the road towards creating a healthy retail market.

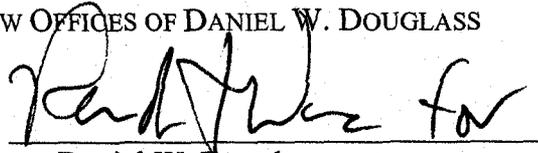
13 RESPECTFULLY SUBMITTED this 17th day of June 2002.

14 JONES, SKELTON & HOCHULI, P.L.C.

15
16 By 

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19 LAW OFFICES OF DANIEL W. DOUGLASS

20
21 By 

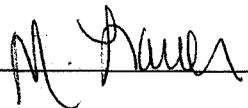
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26 Attorneys for AES NewEnergy, Inc. and
27 Strategic Energy L.L.C.

1 **ORIGINAL and 10 COPIES** filed
June 17, 2002, with:
2 ARIZONA CORPORATION COMMISSION
400 West Congress
3 Tucson, AZ 85701-1347

4 **COPIES** mailed and sent via electronic mail without a copy of the service list
on June 17, 2002 to:

5
6 All the Parties in ACC Docket No.
E-00000A-02-0051

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