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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**

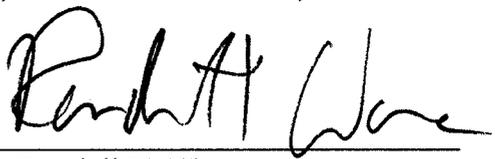
20 AES New Energy, Inc. ("AES NE") and Strategic Energy, LLC ("Strategic") offer the  
21 following summary of the testimony of William Monsen in the above-captioned proceeding:

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

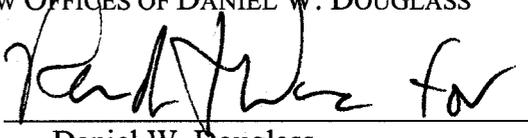
1 handful of TEP's largest customers (>3 MW) the opportunity to choose a competitive provider.  
2 This means that all of TEP's residential customers and nearly all of its non-residential customers  
3 with less than 3 MW demand, such as grocery stores, schools and government buildings, office  
4 buildings, 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 17<sup>th</sup> day of June 2002.

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

15  
16 By   
17 Randall H. Warner  
18 2901 North Central Avenue, Suite 800  
19 Phoenix, Arizona 85012

20 LAW OFFICES OF DANIEL W. DOUGLASS

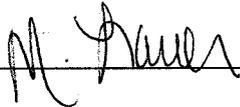
21 By   
22 Daniel W. Douglass  
23 Gregory S.G. Klatt  
24 Law Offices of Daniel W. Douglass  
25 5959 Topanga Canyon Blvd. Suite 244  
26 Woodland Hills, California 91367  
27 Telephone (818) 596-2201  
Facsimile (818) 346-6502

Attorneys for AES NewEnergy, Inc. and  
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  
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5  
6 All the Parties in ACC Docket No.  
E-00000A-02-0051

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