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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF THE GENERIC)
PROCEEDINGS 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-1933A-02-0069

IN THE MATTER OF THE APPLICATION)
OF TUCSON ELECTRIC POWER)
COMPANY FOR APPROVAL OF ITS)
STRANDED COST RECOVERY)

NOTICE OF FILING SUMMARY
OF TESTIMONY/STAFF REPORT

Staff hereby provides notice of filing Summary of Testimony/Staff Report in this docket.
An original and twenty-one copies are submitted of the Summary of Testimony of Ray T.
Williamson submitted as Staff Report for the Generic Proceeding Concerning the Arizona
Independent Scheduling Administrator, dated May 30, 2003.

RESPECTFULLY SUBMITTED this 9th day of September 2003.

Arizona Corporation Commission

DOCKETED

SEP 09 2003

DOCKETED BY

Jason D. Gellman, Attorney
Arizona Corporation Commission
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AN ORIGINAL and fifteen (15)
copies were filed this 9th day
of September, 2003 with:

1 Docket Control
2 1200 West Washington Street
3 Phoenix, Arizona 85007

4 Copy of the foregoing emailed to
5 all parties of record this 9th day
6 of September, 2003.

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8 Angela L. Bennett secretary to Jason D. Gellman

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SUMMARY
STAFF TESTIMONY/STAFF REPORT
RAY T. WILLIAMSON
ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR PROCEEDING
DOCKET NO. E-00000A-02-0051, ET AL
(E-00000A-01-0630)

In the Track B Decision (Decision No. 65743, issued on March 14, 2003), the Commission required that Staff update its November 2001 AISA Staff Report, consider the Commission's recent decisions and make recommendations in the generic AISA docket.

Prior to answering the question about the need for the AISA, Staff believes that a much more fundamental question needs to be asked and answered. That question is:

Does the Commission want to have retail electric competition available to customers in Arizona over the next two to five years?

Staff believes that there are numerous options that the Commission could consider in relation to the continuation or closure of the AISA. The following four options could be considered by the Commission:

- Option 1: End the retail electric competition effort in Arizona, close down the AISA and return to a traditional regulated monopoly structure.
- Option 2: Retain the existing Retail Electric Competition Rules and close down the AISA.
- Option 3: Retain the existing Retail Electric Competition Rules and downsize AISA.
- Option 4: Combine the consideration of the AISA with the Commission requirement in the Track A Decision that Staff open a rulemaking to review the Retail Electric Competition Rules. The downsized AISA would remain in place while the review is undertaken.

Staff recommends that the Commission select Option 4 as the best alternative.