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MEMORANDUM

TO: COMMISSIONER IRVIN

RECEIVED
AZ CORP COMMISSION

COPY: COMMISSIONER JENNINGS
CHRIS KEMPLEY

Arizona Corporation Commission

DOCKETED

JAN 29 1 57 PM '97

FROM: CHAIRMAN KUNASEK *CK*

JAN 29 1997

DOCUMENT CONTROL

DATE: JANUARY 29, 1997

DOCKETED BY *[Signature]*

RE: REQUEST TO RECONSIDER ELECTRIC COMPETITION RULES
(U-0000-94-165 - DECISION #59943)

Commissioner Irvin:

I am in receipt of your letter in which you expressed your wishes regarding treatment of the pending applications for rehearing of the electric restructuring rules.

I am extremely sympathetic to your situation; these rules having been enacted shortly before you assumed office. And, I am wholly sympathetic to your well-stated concerns for the residential customer.

The rules do constitute the first step in pursuit of a path of aggressively restructuring the electric industry in Arizona to introduce the benefits of competition for all electric power customers in the state. Given the significance and timing of the enactment of the rules, I fully understand and support your desire to obtain additional information before expressing a final opinion on their propriety.

While I was not fully satisfied with all aspects of the rules at the time the Commission considered them, as you know I voted in favor of their adoption, albeit with reservations. I am not in support of the pending applications for rehearing at this time.

Nevertheless, I would encourage you to utilize the many resources at your disposal in order to develop a more complete understanding of the factual background of the rules and to crystallize your view of the positions of the various parties in response to the rules. I can assure you that many of the parties submitting comments in the proceeding would happily avail themselves of the opportunity to provide you with information, either in private meetings or in a public presentation. In addition, there is an extensive file available here at the Commission detailing the proceedings from which the rules emerged. If my staff or I can assist you in any way to coordinate the various players who could provide you with a well-rounded perspective of the issue, I would happily do so.

No one anticipates the completion of the restructuring process without additional rulemaking and/or amendments to the existing rules. After you have concluded your review, if you conclude that a meeting to discuss revisiting the rules is in order, I am naturally inclined to accede to your wish.