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BEFORE THE ARIZONA CORPORATION COMMISSION
~~Arizona Corporation Commission~~

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ARIZONA CORPORATION COMMISSION

JIM IRVIN
COMMISSIONER- CHAIRMAN
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COMMISSIONER
CARL J. KUNASEK
COMMISSIONER

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IN THE MATTER OF THE COMPETITION IN)
THE PROVISION OF ELECTRIC SERVICES)
THROUGHOUT THE STATE OF ARIZONA.)

DOCKET NO. U-0000-94-165

**FIRST AMENDED
PROCEDURAL ORDER**

BY THE COMMISSION:

The Arizona Corporation Commission ("Commission") issued Decision No. 59943, dated December 26, 1996, which approved new rules, A.A.C. R14-2-1601 through R14-2-1616 ("Rules" or "Electric Competition Rules"). On August 29, 1997, the Commission issued Decision No. 60351, in which the Hearing Division was directed "to produce procedural orders in order to establish hearings, evidentiary or otherwise, regarding of any aspect of electric competition that is necessary and appropriate."

Our December 1, 1997 Procedural Order set an evidentiary hearing commencing on February 9, 1998 on issues related to stranded costs. A procedural conference was held on December 9, 1997 to discuss procedural matters. As a result, our December 1, 1997 Procedural Order was modified as follows:

IT IS THEREFORE ORDERED that the following were participants in the December 9, 1997 Procedural Conference and are designated as parties¹ in this proceeding:

- Arizona Electric Power Cooperative
- Arizona Community Action Association
- Ft. Huachuca
- State of Arizona, Attorney General's Office
- Safford, Wickenburg Irrigation & Electric District
- Salt River Project Agricultural Improvement and Power District
- Irrigation and Electrical District of Arizona
- PG&E Energy Services
- Arizona Utility Investors Association
- Morenci Water & Electric., Ajo Improvement Co.
- Residential Utility Consumer Office

¹ This is a modification to our December 1, 1997 Procedural Order.

1 Citizens Utilities Company
City of Tucson
2 Arizona Public Service Company
Tucson Electric Power Company
3 Cyprus Climax Metals Co.
Electric Competition Coalition.
4 Arizonans for Electric Choice and Competition
Enron Corporation
5 Asarco Incorporated
Staff of the Arizona Corporation Commission
6
7 Goldwater Institute, Land and Water Fund, Mohave Electric Cooperative, Inc., Navopache Electric
Cooperative, Inc., and the Arizona Consumers Counsel²

8 IT IS FURTHER ORDERED that all others desiring to participate in this proceeding shall file
9 a request to intervene³ no later than December 22, 1997 with copies mailed/delivered to the previously
10 listed parties.

11 IT IS FURTHER ORDERED that Issue No. 3 as set forth in our December 1, 1997 Procedural
12 Order includes the following sub-issues:

- 13 • The recommended calculation methodology and assumptions made including any
14 determination of the market clearing price.
- 15 • The implications of the Statement of Financial Accounting Standards No. 71 resulting
16 from the recommended stranded cost calculation and recovery methodology.

17 IT IS FURTHER ORDERED that direct testimony and associated exhibits to be presented at the
18 proceeding on behalf of the "Affected Utilities" as defined in A.A.C. R14-2-1601 and by Salt River
19 Project Agricultural Improvement and Power District ("SRP"), shall be filed on or before 12:00 p.m. on
20 January 9, 1998.⁴

21 IT IS FURTHER ORDERED that all other parties shall file direct testimony and exhibits, and
22 rebuttal to any testimony and exhibits already filed, on or before 4:00 p.m. on January 16, 1998.

23
24 ² Although these entities did not appear at the procedural conference, they subsequently
requested to be added.

25
26 ³ It is not necessary to file a request to intervene if someone desires to make a public
comment at the beginning of the hearing on February 9, 1998. However, public comments will be
27 limited to five minutes per individual.

28 ⁴ Because of the time constraints, parties may want to make arrangements with the
"Affected Utilities" and SRP for some type of expedited delivery.

1 IT IS FURTHER ORDERED that a procedural conference shall be held on January 20, 1998 at
2 1:30 p.m., at the Commission's offices in Phoenix, Arizona to discuss any settlement issues and other
3 procedural issues.

4 IT IS FURTHER ORDERED that the "Affected Utilities" and SRP shall file rebuttal testimony
5 and associated exhibits on or before 4:00 p.m. on February 2, 1998.

6 IT IS FURTHER ORDERED that all other parties shall file rebuttal testimony and associated
7 exhibits to each other's testimony and exhibits, if any, on or before 4:00 p.m. on February 2, 1998.

8 IT IS FURTHER ORDERED that a procedural conference shall be held on February 5, 1998 at
9 1:30 p.m., at the Commission's offices in Phoenix, Arizona to discuss the scheduling of witnesses and
10 the conduct of the hearing.

11 IT IS FURTHER ORDERED that the parties shall prepare a brief, written summary of the pre-
12 filed testimony of each of their witnesses and shall file each summary with their pre-filed testimony.

13 IT IS FURTHER ORDERED that any objections to any testimony or exhibits which have been
14 pre-filed as of January 16, 1998, shall be made at or before the procedural conference scheduled for
15 January 20, 1998, and any objections to subsequent testimony or exhibits which have been pre-filed as
16 of February 5, 1998 shall be made at the February 5, 1998 procedural conference.

17 IT IS FURTHER ORDERED that all testimony shall include a Table of Contents which lists the
18 issues discussed.

19 IT IS FURTHER ORDERED that the following hearing guidelines discussed and not objected
20 to at the December 9, 1997 procedural conference are adopted:

- 21 a) All pre-filed testimony must be in question and answer format;
22 b) There will be no opening statements;
23 c) There will be no closing statements;
24 d) If permitted, initial briefs will be filed within ten days of the close of the hearing and
25 reply briefs being filed five days later; and
26 e) For cross-examination purposes, all parties should make a reasonable effort to align
27 themselves with similar parties with an attorney.

28 IT IS FURTHER ORDERED that issues discussed in the direct testimony should be arranged by

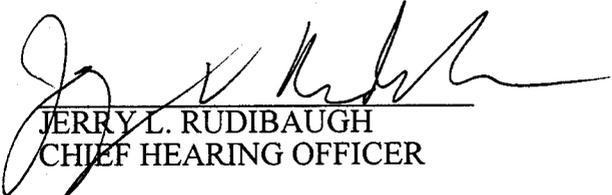
1 order of importance to that party.

2 IT IS FURTHER ORDERED that any recommended changes to the Electric Competition Rules
3 should include the necessary proposed language.

4 IT IS FURTHER ORDERED that where proposals have already been discussed as part of the
5 workshop process regarding the issues of this proceeding, the parties should rank those proposals in terms
6 of their desirability, and indicate the reason.

7 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive any
8 portion of this Procedural Order either by subsequent Procedural Order or by ruling at the hearing.

9 DATED this 17th day of December, 1997.

11
12
13 
14 JERRY L. RUDIBAUGH
CHIEF HEARING OFFICER

15 Copies of the foregoing mailed/delivered
16 this 17th day of December, 1997 to:

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