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BEFORE THE ARIZONA CORPORATION COMMISSION
Arizona Corporation Commission

MIKE GLEASON, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

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AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
TUCSON ELECTRIC POWER COMPANY FOR
THE ESTABLISHMENT OF JUST AND
REASONABLE RATES AND CHARGES
DESIGNED TO REALIZE A REASONABLE
RATE OF RETURN ON THE FAIR VALUE OF
ITS OPERATIONS THROUGHOUT THE STATE
OF ARIZONA.

DOCKET NO. E-01933A-07-0402

IN THE MATTER OF THE FILING BY TUCSON
ELECTRIC POWER COMPANY TO AMEND
DECISION NO. 62103.

DOCKET NO. E-01933A-05-0650

PROCEDURAL ORDER

BY THE COMMISSION:

On June 6, 2008, the Utilities Division of the Arizona Corporation Commission ("Commission") ("Staff") filed a Request for Procedural Order in this matter. Specifically, Staff requested that the Commission issue a procedural order in this matter that would give notice to the parties to Decision Nos. 65207¹ (September 2, 2002) and 69873² (August 28, 2007) of the upcoming proceedings in this matter. Staff stated it was bringing this motion to specifically address and foreclose any contentions that may be raised in connection with ARS § 40-252 and to address any potential due process claims by Asarco and Sierrita by providing notice and opportunity to participate in the upcoming hearing on the Settlement Agreement that has been filed in this matter.

On June 10, 2008, Asarco filed a Limited Appearance for Purpose of Responding in Opposition to Staff's Request for Procedural Order, and Request for Oral Argument. Asarco states that Staff's request and the underlying purpose thereof, are predicated upon a fallacious factual

¹ Decision No. 65207 concerns an electric power supply agreement between Tucson Electric Power ("TEP") and Phelps Dodge Sierrita ("Sierrita") (Docket No. E-01933A-02-0477).

² Decision No. 69873 concerns an electric power supply contract between TEP and Asarco LLC and Silver Bell Mining (collectively "Asarco") (Docket No. E-01933A-06-0801).

1 assumption that rates proposed in the May 29, 2008 Settlement Agreement filed in the above-
2 captioned matter applies to all TEP customers. Asarco argues that in Decision No. 69873 the
3 Commission approved rates for Asarco that would apply for the period from January 1, 2007 through
4 December 31, 2011. Asarco asserts that the notice and procedural order requested by Staff are both
5 inappropriate and unnecessary as to Asarco. Asarco requests oral argument on Staff's Request for
6 Procedural Order.

7 Staff's Request, and Asarco's Response thereto, raise important questions of due process
8 related to the impending hearing on the Settlement Agreement filed in the above-captioned matter.
9 Resolution of the issues will be assisted by a Procedural Conference. Given that the hearing is set to
10 commence on July 9, 2008, such Procedural Conference is being set expeditiously.

11 IT IS THEREFORE ORDERED that a **Procedural Conference** shall be held on **June 20,**
12 **2008, at 10:00 a.m.,** or as soon thereafter as is practical, at the Commission's Tucson offices, **Room**
13 **222,** 400 West Congress Street, Tucson, Arizona 85701 for the purpose of oral argument on Staff's
14 request.

15 IT IS FURTHER ORDERED that parties may appear telephonically at the June 20, 2008
16 Procedural Conference. **The telephonic conference number is (602) 542-9002.**

17 IT IS FURTHER ORDERED that Staff and any interested parties shall file any comments or
18 responses to Staff's Request or Asarco's Response by June 19, 2008, although failure to file any
19 comments/responses will not preclude any party from raising its concerns or comments at the
20 Procedural Conference.

21 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
22 Communications) continues to apply to this proceeding and shall remain in effect until the
23 Commission's Decision in this matter is final and non-appealable.

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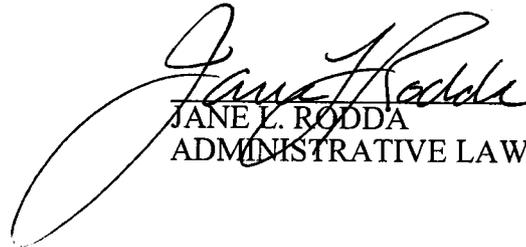
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1 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive
2 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

3 DATED this 13th day of June, 2008.

4
5 
6 JANE L. RODDA
ADMINISTRATIVE LAW JUDGE

7 Copies of the foregoing mailed
8 this 13th day of June, 2008 to:

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24 No. E-0199A-06-0801

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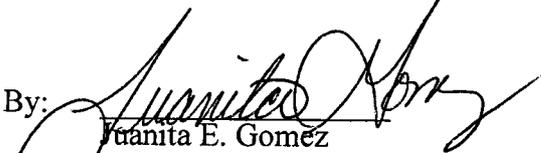
* On record as representing the same parties in
Docket No. E-01933A-07-0402 et al. and
Docket No E-01933A-06-0801

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