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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

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AZ CORP COMMISSION
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Arizona Corporation Commission
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IN THE MATTER OF THE CONSIDERATION,
PURSUANT TO A.R.S. § 40-252, TO MODIFY
DECISION NO. 67744 RELATING TO THE
SELF-BUILD OPTION.

DOCKET NO. E-01345A-07-0420

**REQUEST FOR CLARIFICATION AND
EXCEPTIONS TO RECOMMENDED
OPINION AND ORDER**

The Utilities Division of the Arizona Corporation Commission ("Staff") respectfully submits the following request for clarification and exceptions to the Recommended Opinion and Order ("ROO") issued by Chief Administrative Law Judge Lyn Farmer.

Despite the concerns stated below, Staff is generally supportive of the ROO regarding the recommendation not to modify Decision No. 67744 regarding the self-build option for Arizona Public Service Company ("APS"). While the ROO does not mandate strict adherence to processing procedures set forth therein (see ROO at 15:1-2), Staff has concerns with certain aspects of the procedures. While Staff would endeavor to comply, given Staff's limited resources as well as the limited experience of processing a self-build application, Staff has concerns about establishing the procedure in this docket and about with the time frames set forth.

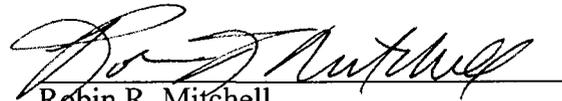
Staff is concerned that by establishing the proposed procedure in this order and in this docket, the procedure may become "lost" should there be new Staff members, who may have no knowledge of this proceeding. If such a procedure is adopted, Staff would recommend that APS be required to notify Staff of its filing and the adopted procedure.

The ROO states that "upon the filing of such an application, Staff should have 30 days to file a recommendation for processing the application, including Staff's recommended timeframe." (ROO at 11:12-14). Staff is generally concerned with the establishment of any timeframes for the self-build application process. As Staff witness Barbara Keene testified, there is no way of knowing how much time would be needed without considering the specifics of each application. (Keene Rebuttal Test.,

1 Ex S-2 at 2). Further, Staff is concerned that 30 days is not an adequate amount of time to conduct a
2 thorough review of the APS application in order to make an informed recommendation. It is likely
3 that upon review of an application, Staff would require more information, and the 30 days may be
4 insufficient to allow for the exchange of information that may be critical to the formation of Staff's
5 recommendation. Should Staff find that a hearing is unnecessary, it is unclear as to whether the 30-
6 day requirement for Staff to file a recommendation for the processing of the application also requires
7 the simultaneous filing of a Staff Report and Recommended Order for Commission decision. While
8 Staff would endeavor to comply with the processing procedure, there is doubt that even 60 days
9 would not be adequate.

10 Staff would restate its preference that there be no timetable for self-build proceedings. Staff
11 would propose to process an application for self-build filed by APS as it processes any other
12 application.

13 RESPECTFULLY SUBMITTED this 21st day of August, 2008.

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