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DOCKETED BY:

May 12, 2000

Ms. Deborah R. Scott  
Director  
Utilities Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

Re: *AEPCO, Duncan and Graham's response to your letter of May 9, 2000 requesting comments on clarifying revisions to the Retail Electric Competition Rules; Docket No. RE-00000C-00-0275*

Dear Ms. Scott:

On behalf of AEPCO, Duncan and Graham (the "Cooperatives"), the purpose of this letter is to respond to certain of Staff's Rule revision suggestions and to offer certain clarifying amendments as well. Because your letter requested minor rule revisions, we are limiting these comments to technical as opposed to more major policy suggestions.

Comments on Staff's Suggested Revisions

- 1612.K.9. For safety, liability, reliability and proficiency reasons, the Cooperatives suggest this provision be re-written as follows: "Maintenance and servicing of the meter, Current Transformers and Potential Transformers may be performed by the Affected Utility, Utility Distribution Company and the Electric Service Provider for secondary voltage services under 600 volts, but only by the Affected Utility or Utility Distribution Company for distribution primary voltage services."
- 1612.K.10. For the same reasons, revise this provision as follows: "Distribution primary voltage Current Transformers and Potential Transformers may be owned by the Affected Utility or Utility Distribution Company only."
- 1612.K.12. The Cooperatives recommend use of a modified NERC holiday schedule which would take into account holidays which fall on weekends - the holiday is Monday if it occurs on Sunday and Friday if it occurs on Saturday.

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- 1613.A.7, 1613.G and 1615.B.2. The Cooperatives reserve their comments on these issues because the notations as to "evaluate" and "possible revision" do not currently afford sufficient guidance to comment.

Additional Technical Suggestions

The definition of noncompetitive services in R14-2-1601.29 includes transmission. Yet, in several Rules provisions, transmission is included in competitive service classifications and excluded from noncompetitive services. To correct this inconsistency, the Cooperatives suggest the following:

- 1606.C.2.a. Delete "iv. Transmission Services;" and renumber remaining items.
- 1606.C.2.b. Add "ii. Transmission services;" and renumber remaining items.
- 1612.N.1. Delete "c. Transmission and Ancillary Services;" and re-letter remaining items.
- 1612.N.2. Add "b. Transmission Services;" and re-letter remaining item.

The Cooperatives, of course, reserve their right to offer additional comments on specific Rule related amendments as well as suggestions on policy positions. Should you or any other Staff member have questions, please contact me.

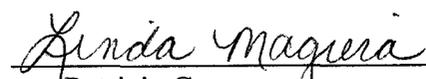
Very truly yours,

**GALLAGHER & KENNEDY, P.A.**



By:  
Michael M. Grant

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cc: Patricia Cooper

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cc: Patricia Cooper  
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