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TO: THE COMMISSION

FROM: Executive Secretary

DATE: November 24, 1998

RE: U S WEST Communications, Inc. (T-01051B-97-0024)
 Navajo Communications Company (T-02115-97-0041)
 Citizens Utilities Company (Mohave County) (T-01032-97-0042)
 Citizens Communications of the White Mountains (T-03213-97-0043)
 Applications to revise network services tariffs (Public Access Line Service)
 Arizona Public Service Company (E-01345A-97-0773)
 Filing of Unbundled Tariffs pursuant to A.A.C. R14-2-1601 et seq.
 Arizona Public Service Company (E-01345A-98-0473)
 Application for Approval of its Plan for Stranded Cost Recovery
 Tucson Electric Power Company (E-01933A-97-0772)
 Filing of Unbundled Tariffs pursuant to A.A.C. R14-2-1601 et seq.
 Tucson Electric Power Company (E-01933A-98-0471)
 Application for Approval of its Plan for Stranded Cost Recovery
 In the Matter of Competition in the Provision of Electric Service(RE-00000C-94-165)

On November 16, 1998, a Procedural Order was issued relating to the consolidated matters in Docket Nos. T-01051B-97-0024, T-02115-97-0041, T-01032-97-0042 and T-03213A-97-0043, the Public Access Line matters. That Procedural Order established a series of procedural dates culminating in a hearing on November 30, 1998, for the purpose of considering the Settlement Agreement submitted in these matters.

Thereafter, on November 23, 1998, as a result of their inability to meet the requisite deadlines, Utilities Division Staff ("Staff") submitted a Motion to Continue the procedural dates established by the referenced procedural order. In order to provide a full opportunity for responses to discovery and a full and fair consideration of the proposed settlement, it is appropriate that the procedural dates established by the November 16, 1998 Procedural Order be continued for two weeks.

U S WEST submitted a Response to Staff's Motion to Continue on November 24, 1998. Due to the unavailability of U S WEST's witness, an additional one week delay will provide additional time for review of the testimony submitted by Staff and APA. Upon review and consideration, it is the Executive Secretary's recommendation that all procedural dates should be delayed for three weeks and the hearing should commence on December 21, 1998.

On November 5, 1998, Staff filed a Request for Procedural Order to govern the Settlement Agreements between Staff and Tucson Electric Power Company ("TEP") and Staff and Arizona Public Service Company ("APS") regarding outstanding issues in docket numbers E-01933A-98-0471, E-01933A-97-0772, E-01345A-98-0473, E-01345A-97-0773 and RE-00000C-94-165. On November 13, 1998, a Procedural Order was issued establishing filing dates for intervenors as well as Staff, TEP and APS. On November 17, 1998, Staff filed a Request for Reconsideration and Modification of Procedural Order. On November 18, 19 and 20, Responses and/or Objections to Staff's Request for Reconsideration were submitted by the Attorney General's Office, Arizona Electric Power cooperative, the Residential Utility Consumer Office and Arizonans for Electric Choice and Competition.

Thereafter, on November 24, 1998, a Procedural Order was issued, finding that, other than the proposal to shorten the time frames for Staff, TEP and APS to file responsive testimony, the remaining proposals in Staff's Request for Reconsideration and Modification should be denied. That Procedural Order directed that a hearing commence on December 7, 1998. Upon review and consideration, it is the Executive Secretary's recommendation that the procedural schedule as requested in Staff's Request for Reconsideration and Modification of Procedural Order be approved.

Finally, Docket No. RE-00000C-94-165 encompasses the Commission's pending adoption of rules for the transition to retail electric competition in Arizona. On August 10, 1998, in Decision No. 61071, the Commission adopted certain modifications to A.A.C. R14-2-1601 et seq., on an emergency basis. Subsequent to the adoption of the emergency rule amendments, the Commission began proceedings to adopt the emergency rule changes on a permanent basis. On October 2, 1998, the Staff of the Commission filed its reply to the written comments submitted by other parties related to the specific changes to the rules, including certain specific recommendations for rule changes.

In addition, on November 24, 1998, Staff submitted additional comments, resulting from comments raised at public comment sessions held by the Commission and issues that arose during the course of pending CC&N proceedings. Staff's additional comments included additional recommendations, with specific language suggested for rule modification, as well as language to reflect the Secretary of State's request for format conformance with that office's standards. Upon review and consideration, the Executive Secretary recommends that the Commission mandate a recommended order approving final rules for adoption be issued by December 4, 1998.


Jack Rose
Executive Secretary