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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

1999 JUN 25 P 4: 40

CARL J. KUNASEK  
Chairman

DOCKETED

AZ CORP COMMISSION  
DOCUMENT CONTROL

JIM IRVIN  
Commissioner

JUN 25 1999

WILLIAM A. MUNDELL  
Commissioner

DOCKETED BY SS

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- IN THE MATTER OF THE APPLICATION OF ) DOCKET NO. E-01933A-98-0471
- TUCSON ELECTRIC POWER COMPANY FOR )
- APPROVAL OF ITS STRANDED COST )
- RECOVERY AND FOR RELATED APPROVALS, )
- AUTHORIZATIONS AND WAIVERS. )
- IN THE MATTER OF THE FILING OF TUCSON ) DOCKET NO. E-01933A-97-0772
- ELECTRIC POWER COMPANY OF )
- UNBUNDLED TARIFFS PURSUANT TO A.A.C. )
- R14-2-1602 et seq. )
- IN THE MATTER OF THE COMPETITION IN ) DOCKET NO. RE-00000-94-0165
- THE PROVISION OF ELECTRIC SERVICES )
- THROUGHOUT THE STATE OF ARIZONA. )

APPLICATION OF ENRON CORP AND  
ENRON ENERGY SERVICES, INC.  
FOR LEAVE TO INTERVENE

Pursuant to A.A.C. R14-3-105, ENRON CORP ("ENRON") and ENRON Energy Services, Inc. ("EESI") hereby submit this Application For Leave to Intervene ("Application") in the above-captioned proceedings. In support of their Application, ENRON and EESI submit the following:

I.

IDENTITY AND NATURE OF ENRON AND EESI'S  
INTEREST IN THE SUBJECT PROCEEDINGS

ENRON is a Delaware corporation with diverse interests and holdings in the energy industry, both domestically and internationally. EESI is a wholly owned subsidiary of ENRON Energy Services Operations, Inc. and an indirect subsidiary of ENRON. Within the ENRON corporate

1 structure, EESI is the entity responsible for developing and pursuing retail electric and natural gas  
2 marketing opportunities, and providing an array of services and products for energy-consuming  
3 customers.

4 In connection with the introduction of retail electric competition in the State of Arizona,  
5 EESI has filed an application with the Commission requesting that it be certificated as an Electric  
6 Service Provider to provide certain competitive electric services therein described. That application  
7 has been assigned Docket No. E-03690A-99-020, and a public hearing thereon is scheduled to  
8 commence on June 24, 1999 at the Commission's Phoenix offices. In addition, ENRON has actively  
9 participated in many of the rulemaking and other proceedings the Commission has instituted in  
10 connection with retail electric competition.  
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13 By reason of the foregoing, ENRON and EESI are directly and substantially affected by any  
14 Commission action(s) and approval(s) which govern or determine the terms and conditions under  
15 which competition in electric generation and other competitive services is to be introduced in the  
16 State of Arizona. The June 9, 1999 Settlement Agreement filed by Tucson Electric Power Company  
17 ("TEP"), by its very terms, contemplates and requires such action(s) and approval(s) by the  
18 Commission.  
19

20 For example, Commission approval of the proposed Settlement Agreement would establish  
21 a stranded cost recovery methodology and plan for TEP, and unbundled distribution tariffs for both  
22 Standard Offer customers and those who choose Competitive Retail Access. Each of these matters  
23 has a direct and significant bearing upon the competitive conditions that will exist for prospective  
24 new entrants in TEP's currently certificated electric service areas. Similarly, TEP and the other  
25 signatory parties' request for waiver of certain Commission rules and regulations, and approval of  
26 a code of conduct governing transactions between TEP and its competitive affiliates may affect the  
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ability of new entrants to effectively compete.

As a consequence, ENRON and EESI are directly and substantially affected by any proceedings the Commission may conduct, and any action(s) and approval(s) it may undertake or issue, in the above-captioned proceedings with reference to the June 9, 1999 Settlement Agreement and the June 9, 1999 Notice of Filing and Application For Approval.

II.

ENRON'S AND EESI'S INTERVENTION AND PARTICIPATION  
WILL NOT UNDULY BROADEN THE ISSUES

The issues and matters which ENRON and EESI desire to address are presented by the provisions of the Settlement Agreement itself. ENRON and EESI believe that their intervention and participation will not unduly broaden those issues which the Commission will be required to resolve incident to a determination as to whether the Settlement Agreement should be approved, modified or rejected.

III.

NO OTHER PARTY OR PARTICIPANT HAS INTERESTS OR  
POSITIONS SUBSTANTIALLY SIMILAR TO ENRON OR EESI

In a competitive market environment, no two competitors have substantially similar interests or positions. This is particularly true when that market environment is still in an embryonic stage, as is the situation in Arizona at present. Moreover, none of the signatory parties to the Settlement Agreement have interests and positions substantially similar to ENRON or EESI within the context of the Settlement Agreement itself. TEP's interest(s) and positions(s) are those of a competitor to ENRON and EESI. The Residential Utility Consumer Office and the Arizona Community Action Association represent predominantly a residential consumer perspective. Arizonans For Electric Choice and Competitive represents predominantly an industrial and commercial consumer

1 perspective. Only ENRON and EESI are in a posture to speak for or adequately represent their  
2 particular interest(s) and position(s).

3 WHEREFORE, ENRON and EESI (i) believe they have clearly satisfied the prerequisites  
4 governing intervention specified in A.A.C. R14-3-105, and (ii) hereby request that they be allowed  
5 to intervene and fully participate in any and all proceedings conducted in the above-captioned  
6 dockets in connection with the June 9, 1999 Settlement Agreement and the June 9, 1999 Notice of  
7 Filing and Application for Approval.  
8

9 DATED this 24<sup>th</sup> day of June, 1999.

10 Respectfully submitted,

11 ENRON CORP, and  
12 ENRON ENERGY SERVICES, INC.

13 By Lawrence V. Robertson, Jr.

14 Lawrence V. Robertson, Jr.  
15 MUNGER CHADWICK, P.L.C.  
16 National Bank Plaza  
17 333 North Wilmot, Suite 300  
18 Tucson, Arizona 85711  
19 Their attorneys

20 Original and ten copies of the foregoing  
21 mailed this 24<sup>th</sup> day of June, 1999, to:

22 Docket Control  
23 ARIZONA CORPORATION COMMISSION  
24 1200 West Washington Street  
25 Phoenix, Arizona 85007

26 Paloma Duarte

1 Copy of the foregoing mailed  
2 this 24<sup>th</sup> day of June, 1999, to:

3 Carl J. Kunasek, Chairman  
4 Jim Irvin, Commissioner  
5 William A. Mundell, Commissioner  
6 ARIZONA CORPORATION COMMISSION  
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