



0000113538

ORIGINAL

RECEIVED

BEFORE THE ARIZONA CORPORATION COMMISSION

2003 DEC 22 P 12 23

MARC SPITZER, Chairman  
WILLIAM A. MUNDELL, Commissioner  
JEFF HATCH-MILLER, Commissioner  
MIKE GLEASON, Commissioner  
KRISTIN K. MAYES, Commissioner

AZ CORP COMMISSION  
DOCUMENT CONTROL

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

IN THE MATTER OF COMPETITION  
IN THE PROVISION OF ELECTRIC  
SERVICES THROUGHOUT THE  
STATE OF ARIZONA.

DOCKET NO. RE-00000C-94-0165

IN THE MATTER OF THE STRANDED  
COST FILING AND REQUEST FOR A  
WAIVER OF CERTAIN PORTIONS OF  
THE RULES FILED BY TRICO  
ELECTRIC COOPERATIVE, INC.

DOCKET NO. E-01461A-98-0466

*E-01750A-98-0467*

IN THE MATTER OF THE STRANDED  
COST FILING AND REQUEST FOR A  
WAIVER OF CERTAIN PORTIONS OF  
THE RULES FILED BY MOHAVE  
ELECTRIC COOPERATIVE, INC.

DOCKET NO. E-01787A-98-0465

IN THE MATTER OF THE STRANDED  
COST FILING AND REQUEST FOR A  
WAIVER OF CERTAIN PORTIONS OF  
THE RULES FILED BY GRAHAM  
COUNTY ELECTRIC COOPERATIVE,  
INC.

DOCKET NO. E-01749A-98-0468

IN THE MATTER OF THE STRANDED  
COST FILING AND REQUEST FOR A  
WAIVER OF CERTAIN PORTIONS OF  
THE RULES FILED BY DUNCAN  
VALLEY ELECTRIC COOPERATIVE,  
INC.

DOCKET NO. E-01703A-98-0469

IN THE MATTER OF THE STRANDED  
COST FILING AND REQUEST FOR A  
WAIVER OF CERTAIN PORTIONS OF  
THE RULES FILED BY SULPHUR  
SPRINGS VALLEY ELECTRIC  
COOPERATIVE, INC.

DOCKET NO. E- 01575A-98-0472

APPLICATION OF PHELPS DODGE  
MINING COMPANY, SUCCESSOR IN  
INTEREST TO CYPRUS CLIMAX  
METALS COMPANY, ASARCO  
INCORPORATED, AND ARIZONANS  
FOR ELECTRIC CHOICE AND  
COMPETITION FOR THE  
SCHEDULING OF A HEARING TO  
DETERMINE THE STRANDED COST

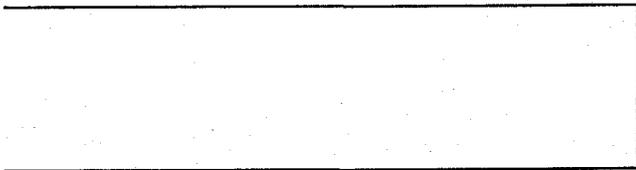
Arizona Corporation Commission

DOCKETED

DEC 22 2003

DOCKETED BY *OKT*

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26



**OF THE DISTRIBUTION  
COOPERATIVES AND TO OPEN THE  
DISTRIBUTION COOPERATIVES'  
SERVICE TERRITORIES TO  
COMPETITION**

Phelps Dodge Mining Company, Successor in Interest to Cyprus Climax Metals Company, ASARCO Incorporated, and Arizonans for Electric Choice and Competition (collectively "AECC"), hereby requests the Arizona Corporation Commission ("Commission") to schedule a hearing for purposes of determining the Stranded Cost, if any, to be collected by Trico Electric Cooperative, Inc., Duncan Valley Electric Cooperative, Inc., Graham County Electric Cooperative, Inc., Sulphur Springs Valley Electric Cooperative, Inc., and Mohave Electric Cooperative, Inc., (collectively "Distribution Cooperatives") and to open such Distribution Cooperatives' service territories to competition. In support of its Application, AECC states as follows:

1. A.A.C. R14-2-1607.D. provides, in relevant part, that, "An Affected Utility shall request Commission approval, \* \* \* of distribution charges or other means of recovering unmitigated Stranded Cost."
2. The Distribution Cooperatives have all filed applications with the Commission requesting Stranded Cost recovery.
3. The Distribution Cooperatives also filed requests for waivers of certain Commission Rules. The Distribution Cooperatives requested a waiver of the application of A.A.C. 14-2-1607.D. to allow time to determine their Stranded Cost, if any, and their obligation to supplement the Arizona Electric Power Cooperative, Inc. ("AEPCO") recovery of Stranded Cost allowed by the Commission. The Distribution Cooperatives contended they did not have sufficient information to quantify any Stranded Cost. They asserted that they could not determine their Stranded Cost until after AEPCO filed, and the Commission approved, AEPCO's

1 mechanism and charges for recovery of its Stranded Cost.

2 4. On November 16, 1999, the Administrative Law Judge consolidated the  
3 hearings for the Distribution Cooperatives' requests for Stranded Cost recovery and  
4 set a new hearing date.

5 5. Trico Electric Cooperative, Inc., and Mohave Electric Cooperative, Inc.,  
6 subsequently filed various motions to continue hearing dates, on the basis that the  
7 Distribution Cooperatives could not develop a Stranded Cost recovery plan until  
8 after AEPCO's Stranded Cost proceeding was completed. On January 21, 2000,  
9 the Administrative Law Judge again continued the hearing, to be rescheduled at a  
10 date following the resolution of AEPCO's Stranded Cost and Unbundled Tariff.

11 6. The hearing to determine AEPCO's Stranded Cost was held on February 28  
12 and 29, 2000, and an Order was issued by the Commission on July 27, 2000,  
13 approving AEPCO's Stranded Cost and the methodology for collecting the cost.

14 7. Since the issuance of the Commission's Order, no hearing has been  
15 scheduled to determine the Stranded Cost, if any, of the Distribution Cooperatives.  
16 There is no just nor reasonable reason for not scheduling the hearing to determine  
17 those costs in accordance with the Commission's Electric Competition Rules and  
18 the various Commission Orders that have been issued in connection with the Rules.

19 8. Because the Commission has not yet held a hearing on the Distribution  
20 Cooperatives' applications for Stranded Cost recovery, the customers of the  
21 Distribution Cooperatives are not eligible for competitive electric services. See  
22 A.C.C. R14-2-1602A.

23 Therefore, AECC requests that the Commission schedule a hearing and issue any  
24 required Procedural Order as soon as possible in order to determine the Stranded Cost, if  
25 any, of the Distribution Cooperatives, and to include in the Commission's order,

26

1 following such hearing, the date the Distribution Cooperatives' customers will be able to  
2 obtain competitive electric services.

3 RESPECTFULLY SUBMITTED this 19<sup>th</sup> day of December, 2003.

4 FENNEMORE CRAIG

5  
6 By   
7 C. Webb Crockett  
8 Attorneys for Phelps Dodge Mining Company,  
9 Successor in Interest to Cyprus Climax Metals  
10 Company; ASARCO Incorporated;  
11 Cyprus Climax Metals Company; and  
12 Arizonans for Electric Choice and Competition

11 **ORIGINAL and 23 COPIES**  
12 of the foregoing **hand-delivered**  
13 this 19<sup>th</sup> day of December, 2003, to:

13 Arizona Corporation Commission  
14 Docket Control  
15 1200 West Washington Street  
16 Phoenix, Arizona 85007

16 **COPY** of the foregoing  
17 **hand-delivered** this 19<sup>th</sup> day  
18 of December, 2003, to:

18 MARC SPITZER, Chairman  
19 Arizona Corporation Commission  
20 1200 West Washington  
21 Phoenix, Arizona 85007

21 WILLIAM A. MUNDELL, Commissioner  
22 Arizona Corporation Commission  
23 1200 West Washington  
24 Phoenix, Arizona 85007

23 JEFF HATCH-MILLER, Commissioner  
24 Arizona Corporation Commission  
25 1200 West Washington  
26 Phoenix, Arizona 85007

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

MIKE GLEASON, Commissioner  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

KRISTIN K. MAYES, Commissioner  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

Jane L. Rodda  
Administrative Law Judge  
Hearing Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

Ernest Johnson, Director of Utilities  
Utilities Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

Janet Wagner, Attorney  
Legal Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

**COPY** of the foregoing  
**mailed** this *10/14* day of December, 2003, to:

Russell E. Jones, Esq.  
Waterfall Economidis Caldwell  
Hanshaw & Villamana PC  
Suite 800  
5210 East Williams Circle  
Tucson, Arizona 85711-7497  
**Attorneys for Trico Electric Cooperative, Inc.**

Christopher Hitchcock, Esq.  
Law Offices of Christopher Hitchcock PLC  
Post Office Box 87  
Bisbee, Arizona 85603-0087  
**Attorneys for Sulphur Springs Valley Electric Cooperative, Inc.**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

Paul R. Michaud, Esq.  
Martinez & Curtis  
2712 North 7<sup>th</sup> Street  
Phoenix, Arizona 85006-1003  
**Attorneys for Mohave Electric Cooperative, Inc.**

Michael M. Grant, Esq.  
Gallagher & Kennedy PA  
2575 East Camelback Rd.  
Phoenix, Arizona 85016-9225  
**Attorneys for Arizona Electric Power Cooperative, Inc.;**  
**Duncan Valley Electric Cooperative, Inc.; and**  
**Graham County Electric Cooperative, Inc.**

Jeffrey B. Guldner  
Snell & Wilmer  
One Arizona Center  
400 East Van Buren  
Phoenix, Arizona 85004-2202  
**Attorneys for Arizona Public Service Co.**

Brown & Bain PA  
2901 North Central Avenue  
Phoenix, Arizona 85001-0400  
**Attorneys for Illinova**

Douglas C. Nelson  
Douglas C. Nelson PC  
7000 North 16<sup>th</sup> Street  
Phoenix, Arizona 85020-5547  
**Attorneys for Commonwealth**

ACAA  
2627 North 3<sup>rd</sup> Street  
Suite Two  
Phoenix, Arizona 85004

By:   
1489497.1/23040.041