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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

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Nov 10 10 39 AM '98

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JIM IRVIN
COMMISSIONER-CHAIRMAN
RENZ D. JENNINGS
COMMISSIONER
CARL J. KUNASEK
COMMISSIONER

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DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION
OF ARIZONA PUBLIC SERVICE COMPANY
FOR APPROVAL OF ITS STRANDED COST
RECOVERY.

DOCKET NO. E-01345A-98-0473

IN THE MATTER OF THE FILING OF
ARIZONA PUBLIC SERVICIE COMPANY OF
UNBUNDLED TARIFFS PURSUANT TO
A.A.C. R14-2-1601 et seq.

DOCKET NO. E-01345A-97-0773

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

DOCKET NO. RE-00000C-94-165

**CALPINE'S COMMENTS TO
STAFF'S REQUEST
FOR PROCEDURAL ORDER**

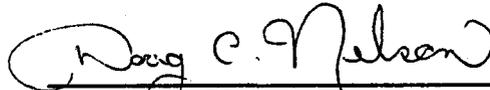
The Commission's Staff proposes an expedited evidentiary hearing within ten days and with virtually no opportunity for analysis of the proposed settlement agreement. Before any competitor may evaluate the consequences on the Arizona electric market, it must have sufficient time and data in which to complete its investigation. Adequate time for discovery is also required. Meaningful comments, such as on the financial and economic impacts on consumers and competitors, can not be made within this short time frame. Furthermore, an economic analysis of this proposed agreement, particularly as to its consequences on consumers and competitors, should be prepared by Commission Staff and distributed to all intervenors before the discovery period expires.

The evidentiary hearing should be continued until such time as (a) Staff files an economic analysis of the proposed settlement agreement on consumers and competitors, (b) all appropriate discovery has been completed, (c) a prehearing conference has been held, and (d) all parties and their experts may have a reasonable opportunity to assess the consequences and present their

1 informed comments and prepare for direct and cross-examination. The commencement of
2 competition on January 1, 1999 does not have to be delayed, nor does this proposed agreement
3 need to be approved prior to the commencement of electric competition. Arizona Public Service
4 Company and Tucson Electric Power Company should not be granted special competitive
5 advantages by withholding their unbundled rates and in turn be rewarded by discouraging others
6 from competing in the Arizona market by imposing a high and anticompetitive Competitive
7 Transition Charge and by giving competitors virtually no opportunity to assess the consequences
8 of this agreement on their marketing opportunities.

9 DATED this 10th day of November, 1998.

10 DOUGLAS C. NELSON, P.C.

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13 Douglas C. Nelson, Esq.
14 7000 North 16th Street, #120-307
15 Phoenix, Arizona 85020
16 Attorney on behalf of Calpine Power Services

17 ORIGINAL and ten copies of the foregoing
18 were filed this 10th day of November, 1998 with:

19 Docket Control Division
20 Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

21 COPIES of the foregoing were *hand-delivered*
22 this 10th day of November, 1998 to:

23 Jerry L. Rudibaugh, Chief Hearing Officer
24 Arizona Corporation Commission
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Phoenix, Arizona 85007

1 Paul Bullis, Chief Counsel
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2 Arizona Corporation Commission
1200 West Washington Street
3 Phoenix, Arizona 85007

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6 Phoenix, Arizona 85007

7
8 **COPIES** of the foregoing were *mailed*
this 10th day of November, 1998 to:

9 Service List for Docket No. RE-00000C-94-165

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By Venus Breen

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