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May 22, 1998

DOCKET NO. RE-000000C-94

Arizona Corporation Commission

DOCKETED

MAY 26 1998

Mr. Ray T. Williamson
Acting Director - Utilities Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

DOCKETED BY *Jmb*

RE: PG&E Energy Services Corporation's ("Energy Services") Application For a Certificate of Convenience and Necessity ("CC&N") As An Electric Service Provider ("ESP")

Dear Mr. Williamson:

Contemporaneous with the submittal of this letter, Energy Services is submitting its written comments and suggestions on the Arizona Corporation Commission Staff's May 19, 1998 draft Statement of Position on Retail Electric Competition ("Position Statement") issues. This letter is written from Energy Services' perspective as a prospective ESP, and is intended as a supplement to its remarks on the Position Statement.

While the Position Statement refers to the interests and activities of ESPs it does not discuss when the Staff envisions the certification of ESPs will be addressed within the next seven (7) months. Needless to say, in order for there to be competition as of January 1, 1999, there needs to be competitors in the form of one or more ESP's.

As you are aware, Energy Services has filed an Application for a CC&N pursuant to A.A.C. R14-2-1603, requesting that it be certificated as an ESP on a state-wide basis. That Application consisted of thirteen (13) pages and eight (8) appendicies, and copies of the same were served on each Affected Utility in the State of Arizona, as prescribed by R14-2-1603(C).

Energy Services is desirous of its Application being set for hearing and considered as soon as possible. In that regard, the company is prepared to do anything which may be appropriate in furtherance of that objective, including consolidation for hearing purposes of its Application

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with the A.R.S. 40-252 hearings required under Judge Campbell's ruling in Tucson Electric Power Company v. Arizona Corporation Commission. To our knowledge, Energy Services' Application for certification as an ESP is the only one filed thus far, so it might be an appropriate means by which to satisfy the A.R.S. 40-252 hearing requirement. Trying to consolidate hearings on several applications by prospective ESPs with the requisite A.R.S. 40-252 hearings might well prove to be an unduly cumbersome and prolonged process.

In connection with the foregoing, Energy Services is prepared to answer any questions the Staff may have relating to its review of Energy Services' application, and to provide such additional information as may be appropriate.

Thank you for your consideration of this request.

Sincerely,



Lawrence V. Robertson, Jr.

LVR:djb

cc: Docket Control
Paul Bullis