



0000121147

EXCEPTION

RECEIVED
CORP COMMISSION

BEFORE THE ARIZONA CORPORATION COMMISSION

DOCKETED

MAY 29 10 33 AM '98

1
2
3
4
5

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

MAY 29 1998

DOCUMENT CONTROL

DOCKETED BY *[Signature]*

6
7

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

DOCKET NO. RE-00000C-94-0165

8

9

**ATTORNEY GENERAL'S EXCEPTIONS
TO PROPOSED OPINION AND ORDER**

10

11

Pursuant to the relevant Procedural Orders, the Attorney General hereby submits the following exceptions and objections to the proposed Opinion and Order issued May 6, 1998 in the above-captioned matter.

12

13

14

15

1. The Proposed Opinion and Order fails to Consider Stranded Costs' Effect on Competition

16

17

18

19

20

21

22

The Proposed Opinion and Order acknowledges that the Commission has already determined that a transition to "competitive" generation will result in "lower prices, better service, more choices and increased competition." Proposed Opinion and Order (hereafter "Opinion") at p. 5, l. 1-5. While the Commission Restructuring Rules (hereafter "Commission's Rules") may need a clearer vision of what competition must look like, (Fessler, 2/10/98, p. 453, l. 20-25, p. 448, l. 19-20), they at least commit to competition. The Opinion recommends a full retreat to an unworkable regulatory regime.

23

24

25

26

Stranded costs unquestionably distort the marketplace (Goldwater Institute direct testimony, p. 12, l. 2-3) and have the direct impact of causing higher prices. Stranded costs are barriers to entry. Yet the Opinion nowhere even considers whether its stranded cost determinations aid or interfere with competition. Worse, the Opinion ignores the significant impediments to competition that will occur if it is adopted. The Opinion, by redefining stranded costs as "lost revenues", and by inventing a

1
2 “failing firm” rescue mechanism, not only abrogates the definitions already adopted in the
3 Commission’s Rules, but also imposes new regulatory barriers to competition. The Opinion cannot
4 be adopted by the Commission if it is to be true to the letter and the spirit of the Commission’s Rules.

5 As the Attorney General has urged in these proceedings, if the Commission wishes to advance
6 competition, one of its most significant roles is to de-regulate, by removing regulation and
7 administrative process where only the discipline of the marketplace is required. (Goldwater Institute
8 direct testimony, p. 12, l. 2-3.) To do this, the Opinion should have considered and determined, both
9 in findings of fact and conclusions of law, whether each stranded cost valuation and payment proposal
10 imposed barriers to competitive entry or impediments to technological advance, before determining
11 the appropriate mechanism. The Commission’s implementation of the Opinion could be successfully
12 challenged as unlawful or unreasonable because the Opinion is not based on substantial evidence and,
13 in fact, completely disregards much of the evidence presented at the month-long stranded costs
14 evidentiary hearing. *Litchfield Park Service Co. v. Arizona Corp. Comm’n*, 178 Ariz. 431, 434, 874
15 P.2d 988, 991 (App. 1994).

16 The principal problem with the Order is that it neglects to ask the first question - whether
17 stranded costs should be paid at all, in light of the competitive and technological circumstances of
18 today.¹ The Opinion presumes that some stranded costs must be paid, and supports this presumption
19 by redefining stranded costs in total disregard for the Commission’s Rules, which define stranded
20 costs as:

21 ...the verifiable net difference between:

- 22 a. The value of all the prudent jurisdictional assets and
23 obligations necessary to furnish electricity (such as generating
24 plants, purchased power contracts, fuel contracts, and

25 ¹ The Order does use the words “if any” once following the words “how much”. (Opinion,
26 p. 6, l. 18.) The “if any” then disappears from the discussion and does not appear in the findings
and conclusions.

1 regulatory assets), acquired or entered into prior to the adoption
2 of this Article, under traditional regulation of Affected
3 Utilities; and

4 b. The market value of those assets and obligations directly
5 attributable to the introduction of competition under this
6 Article.

7 A.A.C. R14-2-1601. The Opinion, however, redefines stranded costs as the “difference between
8 market based prices and the cost of regulated power.” (Opinion, finding 8, p. 21, l. 3-4.) Thus, the
9 Opinion is wholly circular, with the conclusion that lost revenues are a permissible methodology for
10 stranded cost calculation following from the premise that stranded costs are lost revenues.

11 The Attorney General, competitors, consumer groups and other interested parties amassed
12 clear and substantial evidence that the lost revenues methodology impedes the move to competition.
13 Not only does the Opinion wholly fail to address the weight of this evidence, it completely disregards
14 whether its recommendations help or hurt the move to competition.

15 **2. The Opinion Awards More than Return of Lost Equity and Creates an**
16 **Unlawful Transfer of Wealth to Affected Utilities.**

17 The Opinion’s redefinition of stranded costs as the equal of lost revenue, measured by
18 generation price less market price, not only contravenes the policy but contradicts the evidence on the
19 justification for the award of stranded costs of any amount. The great weight of the evidence, indeed
20 virtually all of the evidence on this point, is that the only justification for stranded costs is a loss of
21 owner/investor equity caused by competition.

22 As the Attorney General stated in his post-hearing brief, shareholders are the real “owners”
23 of the investor owned utilities, (Meek, 2/27/98, p. 4251, Block, 2/25/98, p. 3551, l. 21-25, p. 3552,
24 l. 1-8; Davis, 2/26/28, p. 3827, l. 14-15) and with or without a “regulatory compact” theory ², the only

25 ² There is little support for regulatory compact theory in law or in economics. In any event,
26 an economic loss from competition, even where it reduces investors’ expected return, and even if
it is allegedly unfair competition by the government, is not a constitutional “taking.” *Laidlaw
Waste Systems, Inc. v. City of Phoenix*, 168 Ariz. 563, 565-67, 815 P.2d 932, 934-36 (App. 1991).
A reasonable opportunity to recover the value of property “taken” by government is, in the

1 rational justification for stranded cost recovery is the view that the owner/shareholders have lost the
2 equity they enjoyed or the opportunity to recoup high returns if things go well because the regulators
3 have changed the entire utility environment by moving to competition. (Block, 2/25/98, p. 3551, l. 21-
4 25, p. 3552, l. 1-23; Goldwater Institute direct testimony, p. 9, l. 4-11.). Awarding stranded costs
5 based on management decisions or market events, however, is not justified. APS' own expert testified
6 that the utilities' owners are entitled only to a "reasonable opportunity" to recover "100 percent of
7 those shareholder funds that they have invested in plant and equipment that may be strandable owing
8 to the Commission's decision to introduce competition in Arizona" (Fessler, 2/10/98, p. 458, l. 19-21).
9 Mr. Fessler also said that recovery itself "was never a 100% guaranteed result" (*Id.*, p.459, l. 9-10).
10 TEP's expert conclusively stated that any future gains, profits and losses (other than continuing
11 Commission mandates) are no part of the stranded costs equation. (Gordon direct testimony, 1/9/98,
12 p. 12, l. 9-12.) The Commission cannot on this record lawfully award any amount of stranded costs
13 beyond that which repairs lost equity, and even then, it can only award stranded costs if the loss is
14 caused by the move to competition and not by mismanagement.

15 The Opinion ignores the great weight of evidence, the definition of stranded costs set forth in
16 the Commission's Rules, and wholly accepts APS' and TEP's argument and claim that revenue
17 protection equals equity protection until the "market imbalance" is over in 2006. (Davis direct
18 testimony, 1/9/98, p. 10, l. 10-20.) Moreover, the Opinion goes even further by ignoring the question
19 of whether there has been a loss of equity at all in its redefinition of stranded costs as lost revenues.

20 The Opinion thus accepts a measure of stranded costs that necessarily rewards management
21 for inefficient costs, preserves a future competitive position or market share and protects future equity
22 positions from the effects of competitive market prices. The Opinion clearly overcompensates
23

24 _____
25 constitutional sense, only an "adequate process for obtaining compensation", not a fixed amount of
26 money. The "adequate process can be, as it is in this docket, a process provided by a State.
Williamson County Regional Planning Comm'n v. Hamilton Bank of Johnson City, 473 U.S. 172,
194-95 (1985).

1 shareholders to the detriment of ratepayers and taxpayers. The Opinion's recommendation to
2 guarantee a revenue stream is not supported by substantial evidence in this record and adopting the
3 Opinion would therefore be an abuse of the Commission's discretion. See, *Pima County v. Pima*
4 *County Merit System Comm'n*, 189 Ariz. 566, 944 P. 2d 508, (App. 1997); *Havasu Heights Ranch and*
5 *Development Corp. v. Desert Valley Wood Products, Inc.*, 167 Ariz. 383, 807 P. 2d 1119 (App.
6 1990).

7 By adopting this Opinion, the Commission would engage in an unlawful transfer of wealth and
8 would essentially impose a tax on individual consumers and business customers. By abandoning the
9 record and redefining the entire premise for stranded costs out of existence, the proposed Opinion uses
10 faulty reasoning that has a predetermined outcome--providing insurance against competition. This
11 is not the result the Commission's Rules either envision or permit.

12 **3. The Opinion Abdicates the Responsibility to Promote Competition and**
13 **Protect Consumers**

14 The Opinion offers the Affected Utilities lost revenues choices which concede that the primary
15 objective of stranded costs is to protect the self-interest of the AUs, whether or not that self-interest
16 is good for consumers or good for competition. Net loss revenue, even as modified, protects the
17 inefficient high-cost provider from the "discipline of the marketplace." No witnesses, other than
18 current or former AU employees or their paid experts, testified that net loss revenue, without a true
19 incentive for management to change by becoming lean and competitive, is in the interest of
20 consumers, competitors, business users or competition as such.

21 The Opinion offers these options without first determining whether the option will enhance
22 competition or hinder it and without putting into effect free-market incentives that, once in play, will
23 move management to decide what to do in a competitive environment rather than a protected one. If
24 any proposal or aspect thereof slows the process down, calls for additional regulation, or transfers the
25 risk of future competition away from the Affected Utilities and their competitors to ratepayers, the
26 Commission must reject it. (See Gordon, direct testimony, 2/10/98, p 4, l. 2-27.)

1 The reduction of net loss revenue guarantees does not create these incentives nor does it
2 recognize their importance. The market offers the proper incentives. (Gordon, 2/10/98, p. 737, l 3-14;
3 Rosenberg, 2/18/98, p.2225-2230). The Opinion assumes “growth” will make up the difference so
4 that the AU choosing net loss revenue does not, in its internal projections and decisions, have to act
5 like real revenue changes are expected. In the lost revenues and “failing firm” options the Opinion
6 recommends, the “incentives” to economize are management bonuses (Davis, 2/26/98 tr. p. 3763, l.
7 19-25) along with the guaranteed shareholder rates of return, whether or not any IOU gets its real
8 generation costs any closer to the wholesale or retail market price of power. Economists who testified
9 recognized that it is the “genius” (Fessler, 2/10/98, p. 453, l. 20-25, p. 448, l. 19-20) or “discipline of
10 the market”, which monopolies especially lack, that will produce the consumer benefit, (Goldwater
11 Institute direct testimony, 1/9/98, p. 11, l. 25-26; see also Rosenberg, 2/18/98, tr. p. 2331; Gordon
12 direct testimony, 1/9/98, p. 15, l. 12-16) and not the promise that in competition the monopoly
13 utilities will “make up” what they would have gotten under regulation through growth burdens on
14 consumers and barriers to entry.

15 **4. There is No Evidence to Support the “Financial Integrity Option”**

16 A fact of free markets is that firms sometimes fail. While the Commission may be obliged to
17 keep certain essential or must-run plants operating, there is no basis to keep a failing *generation* utility
18 alive and profitable by revenue guaranties. This “option”, which forces consumers and business
19 customers to pay off the debts of bad management, is wholly inconsistent with the Commission’s
20 Rules and with the move to competition.

21 The Opinion rightly notes that divestiture is an appropriate option. Thus, if an Affected Utility
22 is failing, it should sell its generation assets to a company who is better able to profit from the assets
23 now, during the current window of divestiture-opportunity, (Breen, direct testimony, 1/9/98, p. 14,
24 l. 80-14) and recoup what it can. The Commission can protect the *distribution* assets of the failing
25 firm through continued regulation.
26

1 It is unheard of in competitive marketplaces to protect failing firms from future competition
2 (as compared to paying back investor losses). The rescue of a firm that cannot compete successfully
3 is simply not within the power or responsibility of the Commission. To adopt an Opinion containing
4 this option would be a clear abuse of discretion.

5 **Conclusion**

6 The Opinion recommends lost revenues in two of its three options. Using this methodology
7 would over-compensate the Affected Utilities, drive the retail price of power higher, preserve existing
8 market power even for inefficient firms, delay technological advances and generate artificial cash
9 flows to subsidize retail prices for incumbents thereby thwarting the delivery of truly cheaper power
10 from efficient providers to the Arizona retail market. These consequences, supported by the record
11 but ignored by the Opinion, are contrary to the Commission's Rules.

12 For the foregoing reasons, the Attorney General urges the Commission to reject the proposed
13 Opinion and Order, direct that it be revised to eliminate lost revenues and "failing firm" stranded cost
14 valuation methodologies and that it consider the impacts of stranded cost awards on competition.

15 RESPECTFULLY SUBMITTED this 29th day of May, 1998.

16
17 GRANT WOODS
18 Attorney General

19
20 By: 
21 SUZANNE M. DALLIMORE
22 Antitrust Unit Chief
23 NANCY M. BONNELL
24 Assistant Attorney General
25 Antitrust Unit, Civil Division
26

AN ORIGINAL AND TEN COPIES

of the foregoing filed
this 29th day of May, 1998 with:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

COPIES of the foregoing hand-delivered
this 29th day of May, 1998 to:

Jerry Rudibaugh, Chief Hearing Officer
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

Paul Bullis, Chief Counsel
Legal Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

David Motycka, Acting, Assistant Director
Utilities Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

Ray T. Williamson
Acting Director, Utilities Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

COPIES of the foregoing mailed
this 29th day of May, 1998 to:

Arizona Public Service Company
ATTN: Barbara A. Klemstine
P.O. Box 53999, M.S. 9909
Phoenix, AZ 85072-3999

Residential Utility Consumer Office
ATTN: Greg Patterson
2828 N. Central Ave., Suite 1200
Phoenix, AZ 85004

Craig A. Marks
CITIZENS UTILITIES COMPANY
2901 N. Central Avenue, Suite 1660
Phoenix, AZ 85012

Bradley Carroll
TUCSON ELECTRIC POWER CO.
P.O. BOX 711
Tucson, AZ 85702

Douglas C. Nelson
DOUGLAS C. NELSON, P.C.
7000 N. 16th Street, Suite 120-307
Phoenix, AZ 85020
Attorneys for Electric Competition Coalition, ENRON Corp.,
and ENRON Energy Services

C. Webb Crockett
FENNEMORE CRAIG, P.C.
3003 North Central Avenue, Suite 2600
Phoenix, AZ 85012-2913
Attorneys for ASARCO, Inc., Cyprus Climax Metals Co.,
AAEC and Arizonans For Electric Choice & Competition

Michael M. Grant
GALLAGHER & KENNEDY
2600 N. Central Avenue
Phoenix, AZ 85004
Attorneys for AEPCO, Graham County Electric Cooperative,
Duncan Valley Electric Cooperative

Lex J. Smith and Michael Pattern
BROWN & BAIN, P.C.
2901 N. Central Avenue
Phoenix, AZ 85001-0400
Attorneys for Morenci Water & Electric, Ajo Improvement & Phelps Dodge Corp.

Sam DeFraw
Department of Navy
Naval Facilities Engineering Command
Navy Rate Intervention
901 M. Street SE, Bldg. 212
Washington, DC. 20374

Lawrence V. Robertson Jr.
MUNGER CHADWICK, PLC
333 North Wilmot, Suite 300
Tucson, AZ 85711-2634
Attorneys for PG&E Energy and Arizona School Boards Assn.

Phyllis Rowe
ARIZONA CONSUMERS COUNCIL
6841 N. 15th Place
Phoenix, AZ 85014

Betty Pruitt
ARIZONA COMMUNITY ACTION ASSOCIATION
202 E. McDowell, #255
Phoenix, AZ 85004

Michael A. Curtis
MARTINEZ & CURTIS, P.C.
2712 North 7th Street
Phoenix, AZ 85006-1003
Attorneys for Arizona Municipal Power Users' Association

Walter W. Meek, President
ARIZONA UTILITY INVESTORS ASSOCIATION
2100 N. Central Avenue, Suite 210
Phoenix, AZ 85004

Rick Gilliam
LAND AND WATER FUND OF THE ROCKIES
2260 Baseline Road, Suite 200
Boulder, CO. 80302

Charles R. Huggins
ARIZONA STATE AFL-CIO
5818 N. 7th Street, Suite 200
Phoenix, AZ 85014-8511

David C. Kennedy
LAW OFFICES OF DAVID C. KENNEDY
100 W. Clarendon Avenue, Suite 200
Phoenix, AZ 85012-3525

Karen Glennon
19037 N. 44th Avenue
Glendale, AZ 85308

Norman J. Furuta
DEPARTMENT OF THE NAVY
900 Commodore Drive, Bldg. 107
P.O. Box 272 (Attn: Code 90C)
San Bruno, CA. 94066-0720
Attorneys for Secretary Of Defense

Thomas C. Horne
Michael S. Dulberg
HORNE, KAPLAN & BISTROW, P.C.
40 N. Central Avenue, Suite 2800
Phoenix, AZ 85004

Barbara S. Bush
COALITION FOR RESPONSIBLE ENERGY EDUCATION
315 West Riviera Drive
Tempe, AZ 85252

Debra Jackson
Andrew Bettwy
Southwest Gas Corporation
5241 Spring Mountain Rd.
Las Vegas, NV 89102

Rick Lavis
ARIZONA COTTON GROWERS ASSOCIATION
4139 East Broadway Road
Phoenix, AZ 85040

Steve Brittle
DON'T WASTE ARIZONA, INC.
6205 South 12th Street
Phoenix, AZ 85040

AJO IMPROVEMENT COMPANY
P.O. Drawer 9
Ajo, AZ 85321

COLUMBUS ELECTRIC COOPERATIVE, INC.
P.O. BOX 631
Deming, NM. 88031

CONTINENTAL DIVIDE ELECTRIC COOPERATIVE
P.O. BOX 1087
Grants, NM. 87020

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION
CR Box 95
Beryl, Utah 84714

GARKANE POWER ASSOCIATION, INC.
P.O. BOX 790
Richfield, Utah 84701

MOHAVE ELECTRIC COOPERATIVE, INC.
P.O. BOX 1045
Bullhead City, AZ 86430

MORENCI WATER AND ELECTRIC COMPANY
P.O. BOX 68
Morenci, AZ 85540

ARIZONA DEPT. OF COMMERCE
ENERGY OFFICE
3800 North Central Avenue, 12th floor
Phoenix, AZ 85012

Choi Lee
PHELPS DODGE CORP.
2600 N. Central Avenue
Phoenix, AZ 85004-3014

Creden Huber
SULPHUR SPRINGS VALLEY
ELECTRIC COOPERATIVE
P.O. BOX 820
Willcox, AZ 85644

Mick McElrath
CYPRUS CLIMAX METALS CO.
P.O. Box 22015
Tempe, AZ 85285-2015

A.B. Baardson
NORDIC POWER
4281 N. Summerset
Tucson, AZ 85715

Michael Rowley
c/o CALPINE POWER SERVICES
50 West San Fernando, Suite 550
San Jose, CA. 95113

Dan Neidlinger
3020 N. 17th Drive
Phoenix, AZ 85015

Jessica Youle
Jane D. Alfano
SALT RIVER PROJECT
P.O. Box 52025 - PAB 300
Phoenix, AZ 85072-2025

Patricia Cooper
Arizona Electric Power Cooperative
P.O. Box 670
Benson, AZ 85602-0670

Clifford Cauthen
GRAHAM COUNTY ELECTRIC CO-OP
P.O. Drawer B
Pima, AZ 85543

Marv Athey
TRICO ELECTRIC COOPERATIVE
P.O. Box 35970
Tucson, AZ 85740

Joe Eichelberger
MAGMA COPPER COMPANY
P.O. BOX 37
Superior, AZ 85273

Wayne Retzlaff
NAVOPACHE ELECTRIC CO-OP INC.
P.O. BOX 308
Lakeside, AZ 85929

Steve Kean
ENRON
P.O. BOX 1188
Houston, TX. 77251-1188

Jack Shilling
DUNCAN VALLEY ELECTRIC COOPERATIVE
P.O. BOX 440
Duncan, AZ 85534

Nancy Russell
ARIZONA ASSOCIATION OF INDUSTRIES
2025 N. 3rd Street, Suite 175
Phoenix, AZ 85004

Barry Huddleston
DESTEC ENERGY
P.O. Box 4411
Houston, TX. 77210-4411

Steve Montgomery
JOHNSON CONTROLS
2032 West 4th Street
Tempe, AZ 85281

Terry Ross
CENTER FOR ENERGY AND ECONOMIC DEVELOPMENT
P.O. Box 288
Franktown, CO. 80116

George Allen
Michelle Ahlmer
ARIZONA RETAILERS ASSOCIATION
137 E. University Drive
Mesa, AZ 85201

K.R. Saline
K.R. SALINE & ASSOCIATES
Consulting Engineers
160 N. Pasadena, #101
Mesa, AZ 85201-6764

Louis A. Stahl
STREICH LANG
2 North Central Avenue
Phoenix, AZ 85004

Douglas Mitchell
SAN DIEGO GAS AND ELECTRIC CO.
P.O. BOX 1831
San Diego, CA. 92112

Sheryl Johnson
TEXAS-NEW MEXICO POWER CO.
4100 International Plaza
Forth Worth, TX. 76109

Ellen Corkhill
AARP
5606 North 17th Street
Phoenix, AZ 85016

Andrew Gregorich
BHP COPPER
P.O. BOX M
San Manuel, AZ 85631-0460

Larry McGraw
USDA-RUS
6266 Weeping Willow
Rio Rancho, NM. 87124

Jim Driscoll
ARIZONA CITIZEN ACTION
2430 S. Mill, Suite 237
Tempe, AZ 85282

William Baker
ELECTRICAL DISTRICT NO. 6
P.O. BOX 16450
Phoenix, AZ 85011

John Jay List
General Counsel
NATIONAL RURAL UTILITIES
COOPERATIVE FINANCE CORP.
2201 Cooperative Way
Herndon, VA 21071

Wallace Tillman, Chief Counsel
NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION
4301 Wilson Blvd.
Arlington, VA 22203-1860

Robert Julian
PPG
1500 Merrell Lane
Belgrade, MT 59714

Robert S. Lynch
340 E. Palm Lane, Suite 140
Phoenix, AZ 85004-4529
Attorneys for Arizona Transmission Dependent Utility Group
Irrigation and Electric District of Arizona

Douglas A. Oglesby
Vantus Energy Corporation
353 Sacramento Street, Suite 1900
San Francisco, CA 94111

Michael Block
Goldwater Institute
Bank One Center
201 North Central
Concourse Level
Phoenix, AZ 85004

Stan Barnes
Copper State Consulting Group
100 W. Washington Street, Suite 1415
Phoenix, AZ 85003

Carl Robert Aron
Executive Vice President and COO
Itron, Inc.
2818 N. Sullivan Road
Spokane, WA 99216

Tom Broderick
PG & E
6900 East Camelback Rd. #700
Scottsdale, AZ 85251

Albert Sterman
ARIZONA CONSUMERS COUNCIL
2849 East 8th Street
Tucson, AZ 85716

Vinnie Hunt
CITY OF TUCSON
Department of Operations
4004 S. Park Avenue, Bldg. #2
Tucson, AZ 85714

Steven M. Wheeler and Thomas M. Mumaw
SNELL & WILMER
One Arizona Center
400 E. Van Buren Street
Phoenix, AZ 85004-0001
Attorneys for APS

Larry K. Udall
Arizona Municipal Power User's Assoc.
2712 N. 7th Street
Phoenix, AZ 85006-1090

William Sullivan
MARTINEZ & CURTIS, P.C.
2716 N. 7th Street
Phoenix, AZ 85006
Attorneys for Mohave Electric Cooperative and Navopache Electric Coop.

Elizabeth S. Firkins
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, L.U. #1116
750 S. Tucson Blvd.
Tucson, AZ 85716-5698

Jeff Woner
K.R. Saline & Associates
160 N. Pasadena, #101
Mesa, AZ 85201

Roderick G. McDougall
City Attorney
Attn: Jesse Sears, Assistant Chief Counsel
200 W. Washington St., Suite 1300
Phoenix, AZ 85003-1611

Carl Debelstein
2211 E. Edna Ave.
Phoenix, AZ 85002

Barry, Hetzer, Stickle & Schutzman
Court Reporters
2627 N. Third Street, Suite 3
Phoenix, AZ 85004-1103

William J. Murphy
200 W. Washington St., Suite 1400
Phoenix, AZ 85003-1611

Thomas W. Pickrell, Esq.
Arizona School Board Association, Inc.
2100 North Central Avenue
Phoenix, AZ 85004

Russell E. Jones
O'CONNOR, CAVANAGH, MOLLOY, JONES
33 N. Stone Ave., Suite 2100
P.O. Box 2268
Tucson, AZ 85702
Attorneys for Trico Electric Cooperative, Inc.

Christopher Hitchcock
HITCHCOCK, HICKS & CONLOGUE
Copper Queen Plaza
P.O. Box 87
Bisbee, AZ 85603-0087
Attorneys for Sulphur Springs Valley and Electric Cooperative Inc.

Myron L. Scott
1628 E. Southern Avenue, No. 9-328
Tempe, AZ 85252-2179
Attorneys for Arizona for a Better Environment

Barbara R. Goldberg
Fredda J. Bisman
OFFICE OF THE CITY ATTORNEY
3939 Civic Center Blvd.
Scottsdale, AZ 85251

Peter Glaser
DOHERTY, RUMBLE & BUTLER, PA
1401 New York Ave., N.W., Suite 1100
Washington, D.C. 20005

Michael B. Day
Goodin, McBride, Squeri, Schlotz & Ritchie
505 Sansome Street, Suite 900
San Francisco, CA 94111

Suzanne M. Dallimore
Antitrust Unit Chief
Arizona Attorney General's Office
1275 West Washington Street
Phoenix, AZ 85007

Bradford A. Borman
PacifiCorp
One Utah Center, Suite 800
201 South Main Street
Salt Lake City, UT 84140

James C. Paine
Stoel Rives, LLP
Standard Insurance Center
900 SW Fifth Avenue, Suite 2300
Portland, OR 97204-1268
Attorneys for PacifiCorp

Dr. Mark Cooper
Citizens Research
504 Highgate Terrace
Silver Spring, MD 20904

Barbara Sherman, Chairman Watchdog Committee
120 E. McKellips Road
Tempe, AZ 85281-1118

Dated this 29th day of May, 1998

By 
Norma Hernández