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July 2, 1998

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AZ OCRF COMMISSION

CELLNET
DATA SERVICES, INC.

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Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007-1347

Re: R14-2-1601 et al.

RE-000000-94-0165

Dear Sir or Madam,

Enclosed for filing are the original and 10 copies of CellNet Data Systems' comments on the Commission's proposed Retail Electric Competition Rules. We appreciate the opportunity to comment on the future of the electric industry in Arizona. Please feel free to contact me with any questions.

Sincerely,

Chris S. King
Vice President of Regulatory Affairs

Arizona Corporation Commission
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Comments
CellNet Data Systems, Inc.
Proposed Rules
July 2, 1998

CELLNET
DATA SERVICES

1. *Page 1, item 7:* insert after “used:” “in conjunction with an electric meter”
2. *Page 1, item 11:* replace “computer program” with “set” and delete “metering”
3. *Page 2, item 19:* define “Meter Reading Service” as “all functions provided by a Meter Reading Service Provider.”
4. *Page 2:* add a definition of “Meter Service Provider” as “an entity that calibrates, tests, installs, maintains, and operates meters and associated devices.”
5. *Page 2, item 20:* define “Meter Service” as “all functions provided by a Meter Service Provider.”
6. *Page 4, item B.4.:* add after “electricity,” “if appropriate,” [providing electricity would not be one of the services provided by an MRSP or MSP obtaining a CC&N]
7. *Page 4, item F.4.:* the last clause should read, “if the applicant will be providing electricity and is not its own scheduling coordinator.” [same reason as last item]
8. *Page 4, item G.1.:* add “if appropriate” after “comply” [same reason]
9. *Page 10, item H.2.:* add “including fully-allocated administrative and general and overhead expenses.” [this change is critical if the ACC wants the market to function. In MA, RI, and CA, the unbundled generation rate is equal to or less than the wholesale market price for power and includes none of the utility’s overhead expenses. It is nearly impossible (in CA few customers have switched, in MA and RI virtually none) for ESPs to offer discounts if the unbundled generation rate does not include such overheads, because ESPs have to recover *all* of their costs when selling power, not just the wholesale acquisition cost of the power. Also, without allocating these costs to unbundled rates, the utilities have, in other states, asked to allocate nearly all overheads to distribution rates, which all customers are then forced to pay as part of the utility’s monopoly on distribution service.]
10. *Page 10, item I:* The first sentence should be deleted, or “adequate supporting documentation” must be defined. Since ESPs are not required to offer cost-based rates, what is the purpose of such documentation? In a competitive market, such documentation should not be necessary.
11. *Page 19, item A (at the bottom):* add at the end of the sentence: “and tariffs for these services shall not be required by the Commission.”
12. *Page 22, item 7:* delete “or 100,000 kWh annually” and add a second sentence that says: “If peak load data are not available, the 20 kW criterion can be determined to be met if the customer’s usage exceeded 8,250 kWh in any month within the last twelve consecutive months.” [this makes this item consistent with the language on page 6 regarding 40 kW customers]
13. *Page 22, item 8:* same as previous item (12)

14. *Page 24, item A:* insert after “following items:” “, as applicable,” [many of these items do not apply to an MSP or MRSP]
15. *Page 27, item B:* add at the end of the first sentence: “as defined in R14-2-1605, except that an Affected Utility may provide generation service as part of its Standard Offer service.” [the reference to R14-2-1605 is important to clarify the meaning of “competitive service”]
16. *Page 31, item B:* in line 3, at the end of the first complete sentence, please add: “except as provided below.”
17. *Page 34, item F.1.g.:* please add: “including any charges associated with changing to a different electric service provider upon termination of service, such as meter removal or other fees.”
18. *Page 36, item 3.d.:* change to read as follows: “When the MRSP is unable to obtain a read due to a customer-site equipment failure.”
19. *Page 43:* please add new item 4 as follows: “An incoming customer has the right to take service immediately from an Electric Service Provider, without first taking service from an Affected Utility, subject to R14-2-1604.” [this has been an issue in other states]