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BEFORE THE ARIZONA CORPORATION COMMISSION

JIM IRVIN
Commissioner - Chairman
RENZ D. JENNINGS
Commissioner
CARL J. KUNASEK
Commissioner

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

DOCKET No. RE-00000-C-94-165

Arizona Corporation Commission
DOCKETED

AUG 04 1998

DOCKETED BY *Handwritten signature*

**PROPOSED AMENDMENT TO STAFF RECOMMENDATIONS
SUBMITTED BY ASARCO INCORPORATED,
CYPRUS CLIMAX METALS COMPANY,
ARIZONANS FOR ELECTRIC CHOICE AND COMPETITION,
MORENCI WATER AND ELECTRIC COMPANY, AJO IMPROVEMENT COMPANY
AND PHELPS DODGE CORPORATION**

August 4, 1998

Submitted by:
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Attorneys for ASARCO Incorporated, Cyprus
Climax Metals Company, and AECC

BROWN & BAIN, P.A.
Attorneys for Morenci Water and Electric
Company, Ajo Improvement Company and
Phelps Dodge Corporation

1 ASARCO, Incorporated, Cyprus Climax Metals Company, Arizonans for Electric Choice
2 and Competition, Ajo Improvement Company, Morenci Water and Electric Company, Phelps
3 Dodge Corporation (collectively referred to herein as "AECC"), hereby request that the attached
4 proposed amendment be made to Staff's recommendations relating to Rule R-14-2-1604, pp. 31-32.
5 This amendment is essential in order to enable customers with special contracts which expire
6 between the period January 1, 1999, and January 1, 2001, to participate in the competitive market.
7 The Retail Electric Competition Rules presently preclude customers with special contracts from
8 participating in the competitive market.

9 Under Staff's Initial Proposed Amendment to the Rules, customers with demand loads of 1
10 MW or greater were eligible for competitive electric service commencing January 1, 1999. Any
11 special contract customer would therefore be able to participate in the competitive market upon the
12 expiration of the special contract. As the Rule is presently proposed to be amended, customers with
13 demand loads of 1 MW or greater are limited to 20% of the Affected Utilities' 1995 system peak
14 demand, on a first come, first served basis. Customers with special contracts expiring during the
15 two-year phase-in period would be precluded from participating in the competitive market. AECC
16 requests that the Proposed Amendment to Staff's Recommendations (attached as Exhibit A) be
17 adopted by the Commission..

18 RESPECTFULLY SUBMITTED this 4th day of August, 1998.

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7 of the foregoing hand-delivered
8 this 4th day of August, 1998, to:

9 Arizona Corporation Commission
10 Docket Control
11 1200 West Washington Street
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13 TWO COPIES OF THE FOREGOING
14 hand-delivered this 4th day
15 of August, 1998 to:

16 Jerry Rudibaugh, Chief Hearing Officer
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21 COPY OF THE FOREGOING
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By 

1 **PROPOSED AMENDMENT TO STAFF'S RECOMMENDATIONS**

2 **R14-2-1604. Competitive Phases**

3 A. Each Affected Utility shall make available at least 20% of its 1995 system retail peak
4 demand for competitive generation supply ~~on a first come, first served basis~~ as further
5 described in this rule.

6 1. All Affected Utility customers with non-coincident peak demand load of 1 MW or
7 greater will be eligible for competitive electric services no later than January 1,
8 1999. Customers meeting this requirement shall be eligible for competitive
9 services on a first come, first served basis until 20% of the Affected Utility's 1995
10 system peak demand is served by competition, except as provided in R14-2-
11 1604(A)(3).

12 2. Affected Utility customers with single premise non-coincident peak load demands
13 of 40 kW or greater aggregated into a combined load of 1 MW or greater will be
14 eligible for competitive electric services no later than January 1, 1999. Self-
15 aggregation is also allowed pursuant to the minimum and combined load demands
16 set forth in this rule. If peak load data are not available, the 40 kW criterion can
17 be determined to be met if the customer's usage exceeded 16,500 kWh in any
18 month within the last 12 consecutive months. From January 1, 1999, through
19 December 31, 2000, aggregation of new competitive customers will be allowed on
20 a first come, first served basis until such time as 20% of the Affected Utility's
21 1995 system peak demand is served by competitors. At that point all additional
22 aggregated customers must wait until January 1, 2001 to obtain competitive
23 service.

24 3. Effective January 1, 1999, all load served by Affected Utilities under special
25 contracts will be eligible for competitive electric services upon expiration of the
26 special contract.

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3.4. Affected Utilities shall notify customers eligible under this subsection of the terms of the subsection no later than October 31, 1998.