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BEFORE THE ARIZONA CORPORATION COMMISSION

JAMES M. IRVIN
Chairman-Commissioner

RENZ D. JENNINGS
Commissioner

CARL K. KUNASEK
Commissioner

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Arizona Corporation Commission

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IN THE MATTER OF COMPETITION IN THE) DOCKET NO. RE-00000-94-0165
PROVISION OF ELECTRIC SERVICES)
THROUGHOUT THE STATE OF ARIZONA)

COMENTS TO DECISION NO. 61071

August 10, 1998

By Barbara Sherman and Al Sterman

The following represents the comments of the Arizona Consumers Council to Decision No. 61071 Docketed August 10, 1998:

The Council wishes to thank the Staff of the Commission as well as each of the Commissioners for their patience and understanding throughout this long and arduous process. Members of the Arizona Consumers Council along with RUCO and the Arizona Community Action Association have attended to every meeting and/or hearing conducted by the Commission and/or staff. This draft did not incorporate all that we wished; we are hopeful that as we progress over the next two years many of our concerns, still outstanding, will be addressed.

The Arizona Consumers Council wishes to state categorically that we support competition in the electric utility industry. The question has always been how to implement competition so that all parties obtain the benefits of competition through lower rates and more products and services. The rules as docketed may have the result of leaving residential, small business, rural and other vulnerable consumers at a marked disadvantage in the competitive market and consequently unable to find or contract for competitive energy. Nor will they be able

to adequately evaluate among the mired proposals that may be in the market.

The definition of competition does not appear in the document. We have all assumed that once competition is declared open by the Commission, there will immediately emerge literally dozens upon dozens of energy suppliers, meter reading companies, billing and collection agencies and ancillary service providers. What does define competition? Is it more than one provider of a product or service? Will it be measured by percent of load taken by one or more providers? Will it be the number of customers taking service from an entity other than their embedded utility. A utility making a portion of its available energy does not in itself constitute competition. The rules do not state what methodology the Commission will use to make this determination or what the Commission will do if real competition does not occur?

R14-2-204 . A. 5. Deposits should not be required if the disconnect was a result of the failure by another entity to deliver payment in a timely manner.

R14-2-204. The utility should give to the customer all the information up front so that the customer will know in advance what the tariffs, deposits, conditions, etc. of doing business will be. All of the above material except the 12 months prior use must be available when service is requested.

R14-2-209. F. Add to or add G. Meters shall be tested for accuracy prior to the beginning of service, installation of a new meter or change of service unless the accuracy of the meter has been determined within the previous 12 months. If this is not practical the utility, service provider, meter reading organization or authorized representative must certify the accuracy of the meter within 60 days.

R14-2-210. A. Add: Payment schedules and amounts should be adjusted if the cycle unduly affects the bill.

B. i. Does the meter reader of bill and collection entity have a responsibility ? Their name and number should also be listed if applicable?

C. 4. Add after remittance OR IF POSTMARKED 3 DAYS PRIOR TO PAYMENT DATE

D. 3. This should apply both ways. If the United States mail is used the same conditions should apply. A properly mailed payment should be treated the same as a properly mailed bill.

E. 1. The meter should be tested for accuracy prior to installation or within 12 months if new or renewed service is requested on that meter at no charge to the customer. Charges should be on subsequent tests.

1. a. Line 5. The customer (may) shall or will allow

CUSTOMERS SHOULD BE NOTIFIED OF AVAILABLE PROGRAMS TO HELP DEFRAY UTILITY BILLS AT THE INITIATION OF SERVICE.

R14-2-211 Termination of Service. Termination should not be permitted by the Utility Distribution Company for any reason other than non-payment of the distribution company's bill. Further customers slated for termination of service should be told of all available programs.

R14-2-1605. B. Without a CN&N or other registration requirements, how does the Commission control anti-competitive action or other questionable activities of these providers.

R14-2-1606 The discussion by the staff that they do not expect rates to rise for standard offer customers does not constitute a strong enough statement. The Council still insists on a Rate Cap, not a rate freeze. Under C.3. Should state that if the cost of providing service goes down rates will automatically follow. At the very least, rates should be downwardly flexible as described in R14-2-1605. H. 3.

R14-2-1618. While the Disclosure of Information, Label and Tracking of very good efforts, there seems to be a gap in how, when and where

the customer will be receiving the information. Additionally, will this information be used as a marketing tool or for educational purposes?

The last item that we will mention is that of consumer education. Education as opposed to marketing. The comments of the education committee have not been incorporated into these rules. The rules do not include an educational component as such. If the Commission goes into competition without having an ongoing and effective education component in place, the Commission will not be serving the people of the state of Arizona. Good consumer education will determine if competition works and consumers benefit. Without education were are into the market of, "LET THE BUYER BEWARE".

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By Al Sterman