



0000121357

RECEIVED
AZ CORP COMMISSION

JAN 29 1 36 PM '99

DOCUMENT CONTROL

1 Kenneth C. Sundlof, Jr. 004430
2 **Jennings Strouss & Salmon, PLC**
3 One Renaissance Square
4 Two North Central Avenue
5 Sixteenth Floor
6 Phoenix, Arizona 85004
7 Attorneys for New West Energy

8 **BEFORE THE ARIZONA CORPORATION COMMISSION**

9 JIM IRVIN
10 COMMISSIONER-CHAIRMAN
11 CARL KUNASEK
12 COMMISSIONER
13 TONY WEST
14 COMMISSIONER

Arizona Corporation Commission

DOCKETED

JAN 29 1999

DOCKETED BY

11 IN THE MATTER OF THE COMPETITION) Docket No. RE 00000C-94-0165
12 FOR PROVISION OF ELECTRIC SERVICE)
13 THROUGHOUT THE STATE OF ARIZONA) **COMMENTS OF NEW WEST ENERGY**
14)

15 New West Energy, by and through its undersigned counsel, pursuant to the procedural order
16 dated January 26, 1999, submits the following comments on the current Electric Competition
17 Rules.

18 **Comments of New West Energy**

19 *In these comments, suggested changes to the text of the Rules are indicated in **bold**. Additional*
20 *language is added to the text in **bold** without any further notation. Deleted language is shown in*
21 *bold and with ~~strikethrough~~. Provisions to which NWE has no suggested changes to the language*
22 *are not reproduced.*

23 **R14-2-1601. Definitions**

24 Suggested Change to subsection (16):

25 (16) "Electric Service Provider Service Acquisition Agreement" or "Service
Acquisition Agreement" means a ~~contract between an Electric Service Provider and~~

1 a Utility Distribution Company to deliver power to retail end users or between an
2 Electric Service Provider and a Scheduling Coordinator to schedule transmission
3 service-standardized, Commission-approved agreement between an Affected
4 Utility and an Electric Service Provider. An ESP Service Agreement shall be
5 an "off-the-shelf" agreement specific to each Affected Utility or UDC. It shall
6 set forth the terms and conditions of competitive services to be provided by the
7 Electric Service Provider in the service territory of the Affected Utility or the
8 Utility Distribution Company. At a minimum, the agreement shall include
9 provisions related to Electronic Data Interchange, Meter Reading Service,
10 Metering Service, and compliance with the Scheduling Coordinator.

11 Comment

12 The Rules currently establish an unwieldy certification process to which a potential ESP will
13 be subjected if it desires to begin competing in Arizona, and to which it will be subjected again each
14 time it desires to expand its business operations in the state. This process will deter many potential
15 ESPs from competing in Arizona. Consequently, the process will unfairly distort the Arizona
16 market by creating a favorable environment for established competitors.

17 Based on its experience in California, New West believes that limited governmental
18 involvement in market entry is sufficient. Standardized, Commission-approved agreements
19 between ESPs and Affected Utilities or UDCs is the most efficient mechanism for controlling the
20 technical and financial viability of competitors.

21 **R14-2-1602. Filing of Tariff by Affected Utility**

22 *No comments.*

23 **R14-2-1603. Certificates of Convenience and Necessity.**

24 Suggested Change to subsection (A):
25

1 (A) Any Electric Service Provider intending to supply services described in R14-
2 2-1605 or R14-2-1606, other than services subject to federal jurisdiction, shall obtain
3 a **statewide** Certificate of Convenience and Necessity from the Commission
4 pursuant to this Article; however. A Certificate is not required to offer information
5 services, billing and collection services, ~~or self-aggregation~~.

6 Comment

7 The certification process should be unintrusive and should preclude any possibility that the
8 Commission could overreach its constitutional and statutory authority. Accordingly, as developed
9 more fully in later comments, the Rules should establish clearly defined standards for acceptance or
10 denial of a certificate. The informational requirements must be minimal and must assure that the
11 Affected Utilities do not receive any competitive advantage created by the application process.
12 Finally, once an ESP obtains a certificate, it must then enter into an ESP Service Agreement with an
13 Affected Utility or a UDC before it can begin actual competition in the service area of such
14 Affected Utility or UDC. The ESP Service Agreements, not the CC&N applications, should
15 establish and guarantee the technical ability of an ESP to compete.

16 In the last line of this subsection NEW suggests striking the language to reflect NEW's
17 position that the commission does not intend to require any aggregators to obtain CC&N,s

18 Suggested Change to subsection (B):

19 B) Any company desiring such a Certificate of Convenience and Necessity shall
20 file with the Docket Control Center the required number of copies of an application.

21 In support of the request for a Certificate of Convenience and Necessity, the
22 following information must be provided:

- 23 1. A description of the electric services which the applicant intends to offer;
- 24 2. The proper name and correct address of the applicant, and
 - 25 a. The full name of the owner if a sole proprietorship,

- 1 b. The full name of each partner if a partnership,
- 2 c. A full list of officers and directors if a corporation, or
- 3 d. A full list of the members if a limited liability corporation
- 4 3. A tariff for each service to be provided that states the ~~maximum rate~~
- 5 **and** terms and conditions that will apply to the provision of the service.
- 6 ~~4. A description of the applicant's technical ability to obtain and~~
- 7 ~~deliver electricity if appropriate and provide any other proposed~~
- 8 ~~services;~~
- 9 ~~5. Documentation of the financial capability of the applicant to~~
- 10 ~~provide the proposed services, including the most recent income~~
- 11 ~~statement and balance sheet, the most recent projected income~~
- 12 ~~statement, and other pertinent financial information. Audited~~
- 13 ~~information shall be provided if available;~~
- 14 ~~6. A description of the form of ownership (for example,~~
- 15 ~~partnership, corporation);~~
- 16 ~~7. Such other information as the Commission or Staff may request.~~

17 Comment

18 The public safety does not require the intrusive and burdensome approach to certification

19 that the Rules currently require.

20 The CC&N application should be analogous to a license application. The Commission

21 needs only such information as is necessary for it to contact the ESP, to monitor competition in

22 Arizona, and to fulfill its constitutional mandates relative to rate-setting. Any further requirements

23 are anti-competitive because they cause needless delay and expense to potential competitors. Such

24 delay and expense deter potential ESPs from competing, and consequently, benefit the Affected

25 Utilities and distort the market.

1 Moreover, it is fundamentally anti-competitive to require disclosure of any information that
2 could become available to Affected Utilities, giving the Affected Utilities a competitive advantage
3 over a new market entrant.

4 In subparagraph (3), strike the requirement to file maximum rates. R14-2-1612(A) states
5 that market rates are deemed to be just and reasonable. Accordingly, the requirement to file
6 maximum rates serves no purpose. If the market drives a rate above an ESP's filed maximum, the
7 Commission would have no authority to impose any consequences for selling at the market rate
8 because the market rate would be, by definition, just and reasonable. The maximum rate
9 requirement is merely a remnant of regulation. In a competitive market, customers are free to
10 negotiate rate caps. Consequences for exceeding a rate cap can be established contractually. The
11 requirement to file maximum rates, therefore, is toothless, inconsistent with standard business
12 practices, and ignores that the market can both cause and control instances where an ESP's rate
13 might temporarily surpass its filed maximum rate.

14 In the event that the Commission retains some or all of the requirements of this subsection,
15 however, the requirements as currently drafted are vague and provide excessive danger of arbitrary
16 decision-making. Such terms as "technical capability", "financial capability", and "other
17 information" must be clearly and specifically defined in order to provide potential ESPs with
18 predictable and understandable criteria for market entry in Arizona. Moreover, the Commission
19 should clarify that any maximum rates that must be filed with the Commission shall be deemed
20 approved when the Commission grants a CC&N.

21 Suggested change to subsection (E):

22 ~~E. At the time of filing for a Certificate of Convenience and Necessity, each~~
23 ~~applicant shall notify the Affected Utilities, Utility Distribution Companies or an~~
24 ~~electric utility not subject to the jurisdiction of the Arizona Corporation~~
25 ~~Commission in whose service territories it wishes to offer service of the~~

1 application by serving notification of the application on the Affected Utilities,
2 Utility Distribution Companies or an electric utility not subject to the jurisdiction
3 of the Arizona Corporation Commission. Prior to Commission action, each
4 applicant shall provide written notice to the Commission that it has provided
5 notification to each of the respective Affected Utilities, Utility Distribution
6 Companies or an electric utility not subject to the jurisdiction of the Arizona
7 Corporation Commission.

8 Comment to subsection (E):

9 This provision is the antithesis of open market competition and must be stricken in its
10 entirety if competition in Arizona is going to succeed. There is no justification for requiring a
11 potential market entrant to serve information on a future competitor, which information can be used
12 by the competitor to prepare its competitive strategy, including rate variations and incentives, before
13 the new entrant has obtained the necessary legal authority to compete. This provision protects the
14 Affected Utilities' market shares and invites unfair business practices.

15 Suggested change to subsection (F):

16 ~~F. The Commission may issue a Certificate of Convenience and Necessity that is~~
17 ~~effective for a specified period of time if the applicant has limited or no~~
18 ~~experience in providing the retail electric service that is being requested. An~~
19 ~~applicant receiving such approval shall have the responsibility to apply for~~
20 ~~appropriate extensions.~~

21 Comment to subsection (F):

22 This provision is a remnant of the regulatory regime and should be entirely stricken. The
23 provision would add a further bureaucratic obstacle to market entry by some ESPs and would deter
24 some such entrants from competing in Arizona. Necessary security provisions can be efficiently
25 achieved through ESP Service Agreements without government intervention.

1 Suggested Change to subsection (G):

2 (G) The Commission may deny certification to any applicant who:

3 1. Does not provide the information required by this Article;

4 ~~2. Does not possess adequate technical or financial~~
5 ~~capabilities to provide the proposed services;~~

6 ~~4. Fails to provide a performance bond, if required;~~

7 ~~5. Fails to demonstrate that its certification will serve in the~~
8 ~~public interest.~~

9 Comment

10 *Item 2* should be stricken because the technical and financial capabilities of an ESP can be
11 controlled through the ESP Service Agreements.

12 *Item 4* The performance bond should not be a precondition to certification. This concept is
13 developed in the comment to R14-2-1603(I).

14 *Item 5* is not necessary. The Electric Power Competition Act provides that "[i]t is the public
15 policy of this state that a competitive market shall exist in the sale of electric generation service."
16 (A.R.S. § 40-202(B).) Therefore, an ESP's participation in the competitive market is now in the
17 public interest by legislative fiat. Accordingly, the ESP should not be required to make such a
18 demonstration to the Commission.

19 Suggested Changes to subsection (I):

20 (I) Every Electric Service Provider obtaining a Certificate of Convenience and
21 Necessity under this Article shall obtain certification subject to the following
22 conditions:

23 1. The Electric Service Provider shall comply with all Commission
24 rules, orders, and other requirements relevant to the provision of electric
25 service ~~and relevant to resource planning;~~

1 Comment

2 Resource planning is an undefined term that does not provide adequate notice of the
3 requirements for remaining certificated in Arizona. The Commission does not have authority to
4 control any out-of-state resource planning by any ESP. However, the market should and will
5 control resource planning.

6 Suggested change to subparagraph (I)(2):

7 ~~1. The Electric Service Provider shall comply with all Commission rules,~~
8 ~~orders, and other requirements relevant to the provision of electric service~~
9 ~~and relevant to resource planning;~~

10 Comment to subparagraph (I)(2):

11 This subparagraph should be stricken. The provision grants the Commission sweeping but
12 undefined authority that fails to adequately inform potential ESPs of the requirements to remain
13 certificated in Arizona. It requires disclosure of information that could cause competitive harm to
14 an ESP. Any disclosure of accounts and records is a remnant of regulation that is not only
15 unnecessary in a competitive market but harmful to competition.

16 Suggested Change to subparagraph (I)(3):

17 ~~3. The Electric Service Provider shall file with the Director, Utilities Division~~
18 ~~all financial and other reports that the Commission may require and in a~~
19 ~~form and at such times as the Commission may designate;~~

20 Comment to subparagraph (I)(3):

21 Same comment as for subsection (I)(2) above.

22 Suggested Change to subparagraph (I)(4):

23 4. The Electric Service Provider shall maintain on file with the Commission all
24 current tariffs ~~and any service standards that the Commission shall require;~~
25

1 Comment

2 "Service standards" is an undefined term that does not provide adequate notice of the
3 requirements for remaining certificated in Arizona.

4 Suggested change to subparagraph (I)(6):

5 ~~6. The Electric Service Provider shall obtain all necessary permits and~~
6 ~~licenses including relevant tax licenses.~~

7 Comment to subparagraph (I)(6):

8 This subparagraph should be stricken. The Commission has no authority to police state-law
9 permit and license requirements.

10 Suggested change to subparagraph (J):

11 ~~J. In appropriate circumstances, the Commission may require, as a precondition to~~
12 ~~certification, the procurement of a performance bond sufficient to cover any~~
13 ~~advances or deposits the applicant may collect from its customers, or order that~~
14 ~~such advances or deposits be held in escrow or trust.~~

15 Comment to subsection (J):

16 This subsection should be stricken. A performance bond or escrow requirement should not
17 be a precondition to certification because, before the ESP commences to do business in the state, the
18 amount of the bond or to be held in escrow can only be based on estimations. An ESP should be
19 required to post a performance bond or to hold funds in escrow that are sufficient to cover advances
20 or deposits from its customers, but this requirement should initiate after certification and should
21 reflect the actual amount of deposits.

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

23 Suggested Change to subsection (A):

24 (A) 2. During 1999 and 2000, an Affected Utility's customers with single
25 premise non-coincident peak load demands of 40 kW or greater aggregated into a

1 combined load of 1 MW or greater within the Affected Utility's service territory
2 will be eligible for competitive electric services. Self-aggregation is also allowed
3 pursuant to the minimum and combined load demands set forth in this rule. If
4 peak load data are not available, the 40 kW criterion shall be determined to be met
5 if the customer's usage exceeded 16,500 kWh in any month within the last 12
6 consecutive months. ~~From January 1, 1999, through December 31, 2000,~~
7 ~~aggregation of new competitive customers will be allowed until such time as~~
8 ~~20% of the Affected Utility's 1995 system peak demand is served by~~
9 ~~competitors. At that point all additional aggregated customers must wait until~~
10 ~~January 1, 2001, to obtain competitive service.~~

11 Comment

12 Generally, subsection (A) provides inadequate information concerning the mechanics of
13 customer selection. For example, it is not clear how an Affected Utility will determine when it can
14 aggregate loads. Further, the word "customer" is undefined. The rule should clarify whether a
15 "customer" refers to a single meter or to an entity with more than one meter. Moreover, the rule
16 should clarify that, if a single site is over 1 MW, all lesser sites for the same entity also become
17 eligible for competition.

18 With respect to the current draft of subsection (A), until December 31, 2000, if the total of
19 eligible customers under subsection (A)(1), plus the eligible customers under (A)(2), reaches 20%
20 of the Affected Utility's 1995 system peak demand, then no further aggregation is possible until
21 January 1, 2001. Additional customers, however, can become eligible for competition under
22 subsection (A)(1). This provision distorts the market because it favors large ESPs that can provide
23 incentives for aggregation at the earliest possible date. Moreover, it unnecessarily penalizes small
24 customers who might not be prepared to aggregate in the early phases of competition. Therefore,
25 the last two sentences of the subsection should be stricken, and the rule should provide that

1 aggregation is available to combined loads of more than 1 MW beginning at the commencement of
2 competition.

3 Comment on subsection (B):

4 This subsection should be entirely revised. The current draft of the provision fails to
5 provide a viable opportunity to serve residential customers. The practical effect of the provision
6 will be to remove all incentive for ESPs to pursue contracts with residential customers. The
7 experience in California has demonstrated that ESPs are discouraged from competing for residential
8 customers unless they believe they have an opportunity to serve more than 30,000 customers. The
9 proposed limitations on residential choice in Arizona will make the residential market unattractive
10 to potential ESPs.

11 Comment on subsection (C):

12 A mandatory rate reduction will have an anti-competitive effect unless it is applied to all
13 customers. Any mandated rate reduction should specify that the reduction must occur in the
14 Competition Transition Charge, the transmission rate, or the distribution rate. Finally, information
15 concerning the amount of a rate reduction and the timing of the same must be made available before
16 competition begins in order to allow customers an opportunity to understand their choices in a
17 competitive market.

18 Suggested change to subsection (G):

19 ~~G. A Load Serving Entity may, beginning January 1, 1999, engage in buy-~~
20 ~~throughs with individual or aggregated consumers. Any buy through contract~~
21 ~~shall ensure that the consumer pays all non-bypassable charges that would~~
22 ~~otherwise apply. Any contract for a buy through effective prior to January 1, 1999~~
23 ~~must be approved by the Commission.~~

1 Comment on subsection (G):

2 This subsection should be stricken. The provision as currently drafted allows a UDC to
3 bypass the affiliate rules and gain an unfair competitive advantage. An out-of-state ESP could also
4 use this provision to compete in Arizona without fulfilling the certification or ESP Service
5 Agreement requirements.

6 **R14-2-1605. Competitive Services.**

7 Comment:

8 NWE reiterates its comment to R14-2-1603(A) concerning self-aggregation.

9 **R14-2-1606. Services Required to Be Made Available by Affected Utilities.**

10 Comment to subsection (A):

11 The Standard Offer tariff is essentially anti-competitive and should be phased out six
12 months after competition begins.

13 Comment to subsection (B):

14 Notwithstanding subsection (A), this provision implies that the Standard Offer will continue
15 after January 1, 2001. Does the Commission intend that Standard Offer will transfer to UDCs from
16 Affected Utilities after January 1, 2001? If so, does subsection (B) apply only to Standard Offers
17 that have not been discontinued under subsection (A)?

18 **R14-2-1607. Recovery of Stranded Costs of Affected Utilities.**

19 No Comment:

20 **R14-2-1608. System Benefits Charges.**

21 Comment:

22 This definition of "System Benefits" contained in R14-2-1601(29) is vague and fails to
23 specify who will determine what specific costs qualify as System Benefits. Accordingly, this
24 section fails to provide adequate notice of the criteria for calculating System Benefits Charges.

1 **R14-2-1609. Solar Portfolio Standard.**

2 *Comment:*

3 This section should be stricken in its entirety. Its anti-competitive effects will create a
4 deterrence to competition that would jeopardize retail electric competition in Arizona.

5 The section's most fundamental flaw is that it assumes all ESPs are generators. In fact, ESPs
6 that are not generators cannot easily comply with this provision. Such ESPs may purchase power
7 from commingled sources. They will have no reliable mechanism for determining the origin of
8 their purchased power. Therefore, they cannot determine how they could, even theoretically,
9 comply with the solar portfolio requirements. Moreover, they could not enter into long-term
10 contracts because they could not predict the cost, or the availability, of eligible power.

11 Especially in the context of a newly deregulated market, where predictability is difficult, this
12 provision will deter potential power marketers and other non-generating ESPs from competing in
13 Arizona. The result will be a market distorted by a lack of viable competitors.

14 **R14-2-1610. Transmission and Distribution Access.**

15 *No comments.*

16 **R14-2-1611. Reciprocity.**

17 *Comment:*

18 This section should be stricken in its entirety. A system of statewide CC&Ns and
19 standardized, Commission-approved ESP Service Agreements renders these burdensome and
20 unwieldy reciprocity provisions completely unnecessary.

21 **R14-2-1612. Rates.**

22 *Comment to subsection (B):*

23 NWE reiterates its comment to R14-2-1603 with respect to the requirement to file maximum
24 rates. In addition, this provision does not establish any time limitations for the Commission to
25 approve such rates. Delay has an anti-competitive effect that should be avoided. If the Commission

1 requires maximum rates to be filed, such rates should be deemed approved unless the Commission
2 disallows them within an established period of time. The rule should also set the criteria for
3 Commission review and approval of such rates.

4 Suggested change to subsection (C):

5 ~~C. Prior to the date indicated in R14-2-1604(D), competitively negotiated~~
6 ~~contracts governed by this Article customized to individual customers which~~
7 ~~comply with approved tariffs do not require further Commission approval.~~
8 ~~However, all such contracts whose term is 1 year or more and for service of 1~~
9 ~~MW or more must be filed with the Director, Utilities Division as soon as~~
10 ~~practicable. If a contract does not comply with the provisions of this Article and~~
11 ~~the Affected Utility's or Electric Service Provider's approved tariffs, it shall not~~
12 ~~become effective without a Commission order. Such contracts shall be kept~~
13 ~~confidential by the Commission.~~

14 Comment to subsection (C):

15 This provision should be stricken in its entirety. Any requirement to approve customer
16 agreements of any kind is fundamentally anti-competitive and a remnant of the regulatory regime
17 that Arizona is now abandoning. If review is required, the rules should establish strict time
18 limitations for such review, and contracts should be presumptively valid unless disapproved within
19 the established time period and under clear criteria.

20 **R14-2-1613. Service Quality, Consumer Protection, Safety, and Billing Requirements.**

21 Comment to subsection (E):

22 This section should be redrafted to clarify that compliance with applicable reliability
23 standards is the responsibility of the scheduling coordinator, the ISO or the ISA, and notification of
24 scheduled outages is the responsibility of the UDC. This section should not apply to other ESPs.

25 Comment to subsections (G) and (H):

1 These provisions should apply only to UDCs.

2 Suggested change to subsection (K)(4):

3 4. All competitive metered and billing data shall be translated into consistent,
4 statewide Electronic Data Interchange (EDI) formats based on **UIG standards in**
5 **effect at least 60 days before the onset of competition** ~~standards approved~~
6 ~~by the Utility Industry Group (UIG) that can be used by the Affected Utility or the~~
7 ~~Utility Distribution Company and the Electric Service Provider.~~

8 Comment to subsection (K):

9 The provisions of this subsection are overly technical. Rules of this nature may need to be
10 adjusted after competition begins to accommodate for the realities of competition. The
11 Commission's rule-making procedures would preclude the possibility of implementing changes to
12 these rules in a timely fashion. Accordingly, these rules should be promulgated by ongoing
13 working groups.

14 If the rules are included, the current draft contains numerous terms that are not defined and
15 therefore do not provide adequate notice of their requirements.

16 Suggested change to subparagraph (K)(2):

17 (2) Any person or entity relying on metering information provided by **an**
18 **another** Electric Service Provider may request a meter test according to the tariff on
19 file **and approved with by** the Commission. However, if the meter is found to be in
20 error **by more than 3% in excess of Commission-approved standards**, no meter
21 testing fee will be charged.

22 Comment

23 The Commission should not approve tariffs for meter testing. Rather than establishing a set
24 percentage of error, the rule should refer to a Commission-approved standard. This will enable
25 changes to the standard without amending the rule.

1 Suggested Change and Comment to Subparagraph (K)(4):

2 The UIG should be required to complete its standards at least 60 days before the onset of
3 competition. In the event that the standards are not completed in a timely fashion, the rule should
4 establish interim standards. In the penultimate line, "can" should be changed to "shall".

5 Comment to Subparagraph (K)(10)-(15):

6 As stated above, these subparagraphs are overly technical for the rules.

7 Suggested change to subparagraph N:

8 ~~N. Electric Service Providers shall provide notification and informational~~
9 ~~materials to consumers about competition and consumer choices, such as a~~
10 ~~standardized description of services, as ordered by the Commission.~~

11 Comment to subsection (N):

12 This provision should be stricken in its entirety. The Electric Power Competition Act
13 requires substantial statewide consumer outreach and education. Further informational programs by
14 ESPs is unnecessary. With respect to the description of services by an ESP, sufficient advertising
15 and marketing limitations already exist in the law and need not be replicated by the Commission.

16 Comment to subsection (O):

17 If an ESP is mandated to provide the listed information on their billing statements, then
18 Affected Utilities and UDCs should be mandated to provide such information that is in their control
19 to the ESP in order to permit the ESP to meet its requirements.

20 **R14-2-1614. Reporting Requirements.**

21 Comment:

22 This entire section should be stricken. The reporting requirements are regulatory in nature
23 with no pro-competitive justification for them. On the contrary, they will harm consumers by
24 raising costs, as ESPs are forced to hire employees whose sole purpose is to fulfill these reporting
25 requirements.

1 **R14-2-1615. Administrative Requirements.**

2 Comment to subsection (A):

3 NWE reiterates that there should be no requirement to file maximum rates. In addition, if
4 such a filing is required, the filed rate should be presumed valid unless the Commission disapproves
5 it within an established period of time and under clear and defined criteria. Subsections A, B and C
6 should be stricken.

7 Comment to subsection (B):

8 NWE reiterates that there should be no requirement to file contracts.

9 Comment to subsection (C):

10 The simplification of the Rules that NWE is proposing herein obviates the need for any
11 exemptions or variations. Pro-competitive rules do not require exemptions.

12 **R14-2-1616. Separation of Monopoly and Competitive Assets.**

13 *No comments*

14 **R14-2-1617. Affiliate Transactions.**

15 *No comments.*

16 **R14-2-1618. Information Disclosure Label.**

17 Comment:

18 This section should stricken in its entirety. It is burdensome, onerous, misleading, unlikely
19 to assist customers in making a reasoned choice of electricity suppliers, anti-competitive, and overly
20 regulatory.

21 **R14-2-210. Billing and Collection.**

22 Comment:

23 In general, these provision are overly technical and should not be included in the Rules.
24 Despite their technicality, however, the section fails to clarify a significant issue: who has the right
25 to bill a customer?

1 Comment to subparagraph (A)(2):

2 The terms "utility" and "customer" are not defined.

3 Comment to subparagraphs (A)(3)-(6):

4 As stated above, the rules for estimated meter reading should be developed by the working
5 group and should not be included in these rules.

6 Comment to subsections (C)-(I):

7 These provisions should be stricken in their entirety. They do not apply to ESPs, and to the
8 extent they apply to UDCs, they should be covered by the UDC's tariffs.

9
10 RESPECTFULLY SUBMITTED this 29th day of January, 1999.

11 JENNINGS, STROUSS & SALMON, P.L.C.

12
13
14 By



Kenneth C. Sundlof, Jr.
Two North Central Avenue
Sixteenth Floor
Phoenix, Arizona 85004

15
16
17 Copies mailed to the mailing list
18 attached to the January 27, 1999
19 Procedural Order
20
21
22
23
24
25