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Tucson Electric Power Company
AZ CORP COMMISSION

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MAY 13 4 04 PM '99

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May 13, 1999

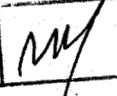
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Mr. Ray Williamson, Acting Director
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission
DOCKETED
MAY 13 1999

Re: Docket No. RE-00000C-94-00165

DOCKETED BY 

Dear Mr. Williamson:

Pursuant to the Chief Hearing Officer's Procedural Order dated May 7, 1999, Tucson Electric Power Company ("TEP" or "Company") hereby submits the following comments on whether any additional issues need to be addressed in workshops prior to the start of retail electric competition in Arizona.

In its April 28, 1999 Memorandum to RUCO and the Attorney General, as well as at the May 6, 1999 Procedural Conference, TEP outlined four primary areas where it believed that additional workshops were necessary. Those areas were: i) market structure; ii) unbundled tariffs; iii) establishment of ISA/ISO; and operational, reliability and direct access protocols. Subsequent to the Procedural Conference, the Company has had internal discussions, as well as discussions with Staff and other parties, and has determined that additional workshops are not necessary. TEP now believes that its remaining issues can be addressed in the context of the filings that it will be making in conjunction with the existing proceedings that have been scheduled, through informal discussions with Staff and other parties and through meetings that have already been and will be scheduled on some of these issues. TEP believes that this approach will be a better utilization of Company, intervenor and Staff resources during the next few months as all parties prepare for the rulemaking and stranded cost/unbundled tariff proceedings.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Bradley S. Carroll
Counsel, Regulatory Affairs

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