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BEFORE THE ARIZONA CORPORATION COMMISSION

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Commissioner

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MAY 14 1999

DOCKETED BY

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

DOCKET NO. RE-00000C-94-0165

**COMMENTS OF THE LAND AND WATER FUND OF THE ROCKIES
AND THE GRAND CANYON TRUST REGARDING THE PROPOSED RULES
GOVERNING ELECTRIC SUPPLY COMPETITION**

Pursuant to the Commission's Procedural Order dated April 21, 1999, the Land and Water Fund of the Rockies (LAW Fund) and The Grand Canyon Trust (the Trust) hereby submit their comments in the above captioned matter.

SUMMARY

The LAW Fund and the Trust generally support the Rules governing electricity supply competition in Arizona, however there are several important elements that require minor modification in order to provide more equitable benefits to smaller customers. These include information disclosure and aggregation. In addition, we have several comments with respect to the solar or environmental portfolio standard.

Shopping for electricity will be a new experience for consumers. Experience with pilot programs in other states showed a high level of consumer confusion as inconsistent competing offers and the intangible nature of the commodity made it nearly impossible for customers to determine the sources of their power or to verify whether sellers' claims were true. Without a common language that provides an accurate, objective basis for comparing claims of competitive suppliers, customers will find it difficult, or in many cases impossible, to compare the price, fuel

and emissions characteristics of potential electricity purchases. The Commission greatly limited the requirement to provide comparable information to consumers by its modifications to R14-2-1618B, on the sole basis that load-serving entities do not always know the characteristics of its own resource portfolio. Because of the importance of this issue, particularly to small customers, the Commission should either reinstate the requirement to provide to provide fuel and resource mix, and emission characteristics, or hold hearings on the limited issue of determining sources of generation.

The Commission's proposed exclusion of aggregation from the Rules denies residential, small commercial, and small government customers the ability to organize themselves into a larger purchasing entity. Any consumer should be able to aggregate its load with others without the qualification that it meet minimum load requirements. To enhance market opportunities for all electricity consumers, the development of aggregation activities should be encouraged by the Rules to the fullest extent possible.

Finally, the Solar Portfolio Standard has been segregated into a separate docket for consideration. While we believe that it was eliminated from the rules without sufficient record evidence, we appreciate the opportunity to bring such evidence to the Commission that will provide the basis for a cost-effective standard that provides economic development benefits to Arizonans.

DISCLOSURE REQUIREMENTS

Uniform information disclosure is important from a customer education viewpoint. All parties agree that education of customers who have choices for electricity suppliers is an extremely important element. In restructuring the electric industry in California, some \$80 million was spent on educating consumers, with very mixed results. This Commission established a separate working group to address this matter. While broad-based efforts to educate consumers are important, much of the real consumer education will come through the marketing efforts of electric service providers. Therefore, it is equally important to assure that customers faced with promotional material from a variety of suppliers have adequate, relevant, and uniform information upon which to make a decision.

In a competitive environment, customers can have a significant impact on resource planning as they choose the resources that meet their personal needs. In a regulated environment, electricity consumers have no choice of supplier and the regulatory body is expected to look after societal concerns through IRP processes, and so forth. By allowing customers to choose their electricity supplier, oversight is now in the hands of the consumers. Customers must have more detailed information than currently available in order to choose wisely among competing suppliers.

Standardized, consumer-friendly labeling and disclosure is required in many sectors of the retail economy such as food, automobiles and consumer credit to correct informational imbalances between seller and buyers and to provide a uniform basis for comparison of material terms. A uniform disclosure mechanism that includes resource and fuel mix, and emission characteristics for retail electricity sales will give customers an accurate, objective basis for comparing claims of competitive suppliers.

In addition, a disclosure policy covering price, fuel mix and emissions will also protect suppliers from unfair trade practice claims by setting clear rules of the road. It protects against customers having difficulty comparing prices and a backlash aimed at environmentally-benign resources by helping to insure that customers get what they want and pay for. Depending on the level of customer demand, it can result in cleaner resources and less pollution.

Some ESPs have argued that they cannot be sure of the source characteristics of "system purchases." This concern resulted in the parenthetical within 1617B that reads "to the extent reasonably known." This issue is being addressed by the regional Consumer Information Disclosure Project, initiated by the Committee on Regional Power Cooperation and the Western Conference of Public Service Commissioners, and assisted by the National Council on Competition and the Electric Industry. The result will be a model disclosure rule that provides a common starting point for state consideration in restructuring proceedings. Among other things, the model rule provides guidance for a consistent method of reporting the mix of resources when the source is a "system purchase." This document is nearing final form and attached as Appendix A.

By choosing to not require disclosure of the resource portfolio composition, fuel mix, and emissions characteristics, electricity consumers in Arizona will be under-informed about their choices, and at a disadvantage in comparison to those in other western states. We urge the Commission to modify Section R14-2-1617B to require the provision of important resource, fuel mix, and emission characteristics by removing the phrase "upon request." Further, the Commission must establish a policy for disclosure of fuel mix and emission characteristics of "system purchases." We suggest a workshop to flesh out the details surrounding "system purchases" consistent with the model rule.

AGGREGATION

A key element of restructuring the electric utility industry is to provide opportunities for all consumers to participate effectively in the competitive supply market. Large electricity consumers, such as industrial operations, often have employees whose responsibility is to manage energy use. Smaller commercial and residential customers typically do not have the sophistication, information, or interest to capture the best supply portfolio for their needs. In order for the competitive market to work effectively for all consumers, it's critical that all possible opportunities for acquiring supply be available. One very promising way for consumers to pool resources and buying power is through the use of aggregation techniques. Aggregation allows organizations such as municipals, cooperatives, churches, and so on to work together using their combined electricity needs to enhance their buying power in the marketplace.

The Commission's proposed exclusion of aggregation from the Rules denies residential, small commercial, and small government customers the ability to organize themselves into a larger purchasing entity. Any consumer should be able to aggregate its load with others without the qualification that it meet minimum load requirements. To enhance market opportunities for all electricity consumers, the development of aggregation activities should be encouraged by the Rules to the fullest extent possible. We urge the Commission to allow the widest possible range of aggregation activities.

SOLAR PORTFOLIO STANDARD

As a result of the December 1996 Retail Electric Competition Rules, the Commission established various working groups including the Unbundled Services and Standard Offer Service Working Group which, in turn, created the Solar Portfolio Standard Subcommittee to examine issues surrounding implementation of the Solar Portfolio Standard. This subcommittee included representatives of the many diverse factions that have been active participants in the overarching restructuring proceeding. Most of the subcommittee recommendations were incorporated into revisions that, along with a revision introduced by Commissioner Kunasek, were approved by the Commission on August 10 and December 11, 1998.

Despite this history and while recognizing that solar generation has the potential to offer great public benefits, the current Commission eliminated the Solar Portfolio Standard in early 1999 stating that it's extremely expensive and contrary to the spirit of the Rules. There is precious little evidence in the record regarding the cost of solar electricity. Indeed, we believe that the cost of the Solar Portfolio Standard would have been minimal.

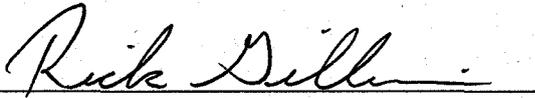
The Commission has however opened a new docket to address the development of a renewable portfolio standard as a portion of the retail electric competition rules. We appreciate the Commission's willingness to leave the door open to take formal evidence on the issues surrounding development and implementation of a portfolio standard that provides benefits both economically and environmentally for Arizona. We believe the new proceeding will result in restoration of a cost-effective solar or renewable portfolio standard to the Rules.

RECOMMENDATION

Consistent with the above comments, we urge the Commission to strengthen the disclosure requirements by requiring disclosure of the resource portfolio composition, fuel mix, and emissions characteristics. We also urge the Commission to provide the broadest possible aggregation opportunities for the Citizens of Arizona, to allow smaller, less powerful customers access to the competitive market during Phase 1.

Finally, while we believe the solar portfolio standard should be reinstated in its current form, we will participate in Docket No. E-00000A-99-0205 and provide record evidence to support the benefits and cost-effectiveness of a portfolio standard that promotes solar electric and other renewable resources.

Respectfully submitted this 14th day of May, 1999.

A handwritten signature in cursive script, reading "Rick Gilliam", is written over a horizontal line.

Rick Gilliam, Senior Technical Advisor
Land and Water Fund of the Rockies

**WESTERN INTERCONNECTION
VERSION 2.5
MODEL RULE ON CONSUMER DISCLOSURE
IN CONNECTION WITH
ELECTRICITY SALES**

Preamble

This Model Rule is the product of a regional Consumer Information Disclosure Project effort initiated by the Committee on Regional Electric Power Cooperation (CREPC) and the Western Conference of Public Service Commissioners and assisted by the National Council on Competition and The Electric Industry. The Model Rule is a source document for States considering consumer disclosure in connection with electricity sales. The Model Rule benefited from a large body of consumer and other research conducted by the National Council and substantial input from a wide range of stakeholders in the Western region that have focused on these issues.

The purpose of the regional disclosure project and the resulting Model Rule is to promote as much consistency among the Western States as possible. All stakeholders participating agree that regional uniformity is in the public interest. Experience in other markets demonstrates that customers can make more informed choices more quickly when presented with consistent formats and standard definitions for comparison of product offerings. Accordingly, this model rule includes provisions covering price, price variability, fuel source, and environmental impacts. Even though some states may choose not to address all four categories of disclosure for all classes of customers, the rule presents a common starting point for state consideration under a common format.

The Model Rule uses generation data assembled across the Western Interconnection pursuant to the Memorandum of Understanding on Electricity Generation Reporting Procedures within the Western Interconnection, dated _____

1. PURPOSE AND SCOPE:

- 1.1. **Purpose.** The purpose of this Rule is to ensure that customers purchasing electrical energy receive basic information as to the price, source of supply and environmental impact of the energy sold in a simple form that facilitates consumer understanding and comparison of electricity service offerings.
- 1.2. **Scope.** This Rule applies to any person who sells or offers for sale electric energy to end-use customers.

2. **DEFINITIONS:**

- 2.1. **“Biomass”** means an electric power source derived from combustible residues or gasses from logging, forest products manufacturing, agricultural and orchard crops, black pulping liquor, waste products from livestock and poultry operations and food processing, urban wood waste, municipal liquid waste treatment operations, and landfill gas.
- 2.2. **“Coal”** means a power source from burning coal or coal wastes.
- 2.3. **“Claim”** or **“Claims-Based-Sale”** means a claim made to consumers by a retail supplier for the purpose of marketing any electricity product that identifies any of a retail supplier’s electricity sources as different from net system power or a claim that a sale is based on or related to one or more specific purchases or power supplies and that contains either:
- 2.3.1. a reference to the type of fuel used to generate the electricity product offered for sale by the retail supplier, other than disclosure of net system power; or
- 2.3.2. a reference, directly or indirectly, to use of a renewable resource to generate, in part or in whole, the electricity product offered for sale by the retail supplier, other than disclosure of net system power; or
- 2.3.3. a statement that either a specific attribute of the electricity product or of its use creates or is associated with an environmental effect.
- 2.4. **“Commission”** means the _____ Commission of the State of _____.
- 2.5. **“Disclosure”** means disclosure to the end-use consumer in accordance with these rules.
- 2.6. **“Disclosure Label”** means the prescribed format for disclosure of information under this Rule to residential and small commercial consumers
- 2.7. **“Electricity Product”** means the electrical energy produced by a generating facility that a retail seller offers to sell or sells to consumers in this State under terms and conditions specific to an offer or to a tariff. It does not include the provision of electric services on-site at the retail customer’s premises.

- 2.8. **“Fuel Mix”** means the actual or imputable sources of electricity sold at retail, expressed in terms of percentage contributions by the various fuels or technologies (such as coal or solar) used to generate electricity. The total fuel mix included in each disclosure shall total one hundred percent (100%).
- 2.9. **“Geothermal”** means an electric power source derived from thermal energy naturally produced within the earth.
- 2.10. **“Hydro”** means a power source created when water flows from a higher elevation to a lower elevation and such flow is converted to electrical energy in one or more generators at a single facility.
- 2.11. **“Low-Impact Hydro”** means those hydroelectric generation sources that meet requirements for low environmental impact established by the [designate agency standards adopted].
- 2.12. **“Natural Gas”** means a power source from burning natural gas, ethane or propane.
- 2.13. **“Net System Power”** means the sum of all power generation within the State, or other region or sub-regional power pool of the Western Systems Coordinating Council as determined by the Commission less all Specific Purchases from generation facilities in that State or region. Net System Power is assigned the average residual Fuel Source and Environmental Impact characteristics of all generation within the specified State or region, less all Specific Purchases, as determined in accordance with the Memorandum of Understanding On Electricity Generation Reporting Procedures Within The Western Interconnection executed by and between the regulatory agencies of states located within the geographic boundaries of the Western Systems Coordinating Council.
- 2.14. **“Nuclear”** means a power source from nuclear fission or fusion.
- 2.15. **“Other”** means a power source other than a Renewable, Coal, Hydro, Natural Gas, or Nuclear source. Each type of Other should be specifically listed if it constitutes more than one and one-half percent of total sources.
- 2.16. **“Promotional Materials”** means any paper, electronic, or other media distributed to consumers that contain words pertaining to a specific electricity product being advertised, offered or contracted for and that are distributed to consumers, including advertisements and notices in general circulation media.

- 2.17. **“Retail Supplier”** or **“Retail Seller”** means an entity that offers an electricity product for sale to retail consumers in the State.
- 2.18. **“Renewable”** means a technology other than a conventional power source, that uses Biomass, Geothermal, Low Impact Hydroelectric, Solar, Ocean waves or tides, or Wind as the source of electrical generation.
- 2.19. **“Residential Customer”** means an electric power customer meeting the rate class or other criteria established by the Commission for such customers, or in the absence of which, any customer purchasing electric power for use in a single residence.
- 2.20. **“Small Commercial Customer”** means an electric power customer meeting the rate classes or other criteria established by the Commission for such customers.
- 2.21. **“Solar”** means an electric power source that is derived from radiation from the sun that is directly or indirectly converted to electrical energy.
- 2.22. **“Specific Purchase”** means a transaction claimed by a retail supplier to document the source of supply, consisting of the purchase of a stated quantity of electricity, directly or indirectly, from a specified generation facility; or purchase of the right to trace a stated quantity of electricity to generation of an equal amount by a specified generation facility.
- 2.23. **“Wind”** means an electric power source created by movement of air that is converted to electrical energy.

3. **PRODUCT SPECIFIC DISCLOSURE.**

- 3.1. In connection with any sale or offer for sale of any electricity product, the retail supplier shall provide the following information to the customer:
- 3.1.1. **[PRICE AND CONTRACT OPTION]** the price of electricity as required by Section 4;
- 3.1.2. **[SUPPLY MIX OPTION]** generation source by fuel type as required by Section 5;
- 3.1.3. **[ENVIROMENTAL IMPACTS OPTION]** environmental impacts for the electricity product offered for sale, as required by Section 6.
- 3.2. Each retail supplier shall disclose the information required in this section to electricity customers as follows:

3.2.1. Disclosure to residential and small commercial customers shall be provided in the form of a Disclosure Label in the format reflected in Appendix A, which shall be provided to the customer at the time of an offer for sale and along with the terms of service. Thereafter the Disclosure shall be provided no less often than semi-annually [or other period approved by the Commission].

3.2.2. Product specific advertising appearing in newspapers and magazines shall include the condensed label shown in appendix B for:

3.2.2.1. Newspaper ads $\frac{1}{4}$ page or larger and full-page magazine ads unless the majority of consumers in the affected area have already received direct mail on the products.

3.2.2.2. Any product specific ad that includes a coupon or other similar portion used by a consumer to accept an offer.

3.2.3. Product specific advertising appearing in newspapers and magazines shall include the the 800 number box shown in App. B for:

3.2.3.1. Newspaper ads $\frac{1}{4}$ page or larger and full-page magazine ads that were subject to the exception contained in section 3.2.2.1.

3.2.3.2. Newspaper ads smaller than $\frac{1}{4}$ page or magazine ads less than full a page.

3.3 Disclosure of the information required in Sections 3.1.2 and 3.1.3 to large commercial, industrial and other customers not included within the definition of Residential or Small Commercial customers shall be provided to the customer at the time of sale and no less often than annually thereafter. For purposes of this rule sales to aggregated accounts of small commercial customers collectively using 50 thousand kilowatt-hours or more of electricity each month of the year shall be treated as sales to large commercial and industrial customers under this section

4. **PRICE AND CONTRACT DISCLOSURE OPTIONS**

4.1. **Applicability.** Disclosure for residential and small commercial customers shall include electricity price and contract information in accordance with this Section 4.

4.2. **Average Monthly Bill.** The price of the electricity product without reflecting any adjustments for nonrecurring cash or non-cash inducements shall be disclosed as the average monthly bill amount the customer will pay for electricity at the following specified usage levels:

4.2.1. **Residential.** The monthly bill amount for residential consumers shall be shown for usage levels of 250, 500, 1000 and 2000 kilowatt-hours per month.

4.2.2. **Small Commercial.** The monthly bill amount for small commercial consumers shall be shown for usage levels of 1,000, 10,000 and 30,000 kilowatt-hours per month, and shall be determined using demand charges for peak demands of 8, 40, and 100 kW, respectively, associated with each level (consistent with EEI, Typical Bills publication). Other usage levels based on representative percentages of a particular class size may be substituted for the levels specified above with Commission approval.

4.3. **Cost Components.**

[Option A]

The monthly bill amount included in the Disclosure Label shall reflect the commodity supply cost of electricity only, excluding the costs of transmission, distribution, and other product charges separate from commodity supply. (Note: This option is the primary option for states with or planning to implement retail choice at the commodity level, subject to multiple regional distribution monopolies, each with its own distribution charges).

[Option B]

The monthly bill amount included in the Disclosure Label shall reflect the total cost of electricity supplied to the customer meter, including the costs of transmission distribution and other product charges included in the cost of supply delivered to the meter. (Note: This option is primarily available for states planning to implement choice at the distribution level, or with only one predominant distribution monopoly).

4.4. **Time of Use And Seasonal Specified Pricing.** The Disclosure Label for electricity products priced on a time of use or seasonal pricing basis with prices specified at the time of enrollment shall include the average monthly bill amount based on a single generic load profile for each customer class as determined by the commission. The price portion of the label shall also contain the following statement:

“Your monthly bill will vary depending on when you use electricity. Prices range from __ cents per kilowatt hour to __ cents per kilowatt hour. See your Terms of Service for details on actual prices and time periods.”

4.5. Spot Market Or Other Variable Prices. Retail Suppliers offering electricity on a spot market or other variable price basis, shall disclose prices on the following basis:

4.5.1. Average monthly bill amounts based on spot or other variable prices shall reflect the price calculated over the most recent calendar year based on a single, generic load profile for each customer class, as approved by the Commission.

4.5.2. The following shall be printed below the average bill portion of the label:

“Your actual bill will depend on future market conditions and could be substantially higher or lower than the average bill amounts reflected based on historical market conditions. Your bill amount is not [is] capped if prices rise. See your Terms of Service for exact pricing and historic price information.”

4.6. Combination Services Including Electricity Retail suppliers offering electric supply and delivery in combination with any other unrelated product or service, such as natural gas, telecommunications, internet service or other non-utility service, may display the charge for electricity either as:

4.6.1. The average price for which the customer can purchase unbundled electricity from the retail supplier, provided the supplier offers electricity on an unbundled basis, or

4.6.2. The average price assuming the entire price of the combination service is attributable to electricity. If this option is selected the label may include a statement in the same font as subheadings that identifies what is included in the average price.

4.7. Contract Provisions. The “Contract” Portion of the label shall state as follows:

- 4.7.1. The duration of the contract
- 4.7.2. Whether the prices are fixed or variable

4.8. Terms of Service.

4.8.1. Each seller shall prepare a statement entitled "Terms of Service" containing the information specified in this rule. The Terms of Service statement shall be provided to each residential and small commercial customer together with any other contract information and documents.

- (A) Actual pricing structure or rate design according to which the Customer will be billed, including an explanation of price variability and price level adjustments that can cause the price to vary;
- (B) Length and kind of contract;
- (C) Due date of bills and consequences of late payment;
- (D) Conditions under which a credit agency is contacted;
- (E) Deposit requirements and interest on deposits;
- (F) Limits on warranty and damages;
- (G) Any and all charges, fees, and penalties;
- (H) Information on consumer rights pertaining to estimated bills, third-party billing, deferred payments, and rescission.
- (I) A toll-free number for service questions;
- (J) Low-income rate eligibility;
- (K) Applicable provisions of state utility laws;
- (L) Method whereby Customer will be notified of changes to items in the terms of service; and
- (M) An explanation of environmental impacts as described in Appendix C (optional).

5. FUEL MIX DISCLOSURE OPTION.

5.1. **Applicability.** Disclosure shall specify the fuel mix of the electricity product sold in accordance with this Section 5.

5.2. Each retail supplier shall disclose to consumers the Fuel Mix of each electricity product offered as follows:

5.2.1. A retail supplier that makes a Claim of Specific Purchases or makes a Claims Based Sale shall:

5.2.1.1. Disclose the projected Fuel Mix for the electricity product for the current calendar year; and

5.2.1.2. [Option] Include for comparison the Fuel Mix for net system power based on the previous calendar year.

5.2.2. A retail supplier that supplies electricity without any Claims of Specific Purchases and makes sales that are not Claims Based Sales shall:

5.2.2.1. Disclose the Fuel Mix for the electricity product as the Fuel Mix for net system power based on the previous calendar year, and include a subheading below the fuel mix disclosure stating:

“The electricity sold under this label is supplied from whatever electricity supply is available. The fuel mix shown above is based on the supply available over a recent twelve-month period.

5.3. The disclosure shall include the following information about the Fuel Mix of the electricity product:

5.3.1. Fuel mix information shall be provided as percentages of the total product supply for the electricity product using the following fuel type categories in the following order:

5.3.1.1. Renewable

5.3.1.2. Coal

5.3.1.3. Hydro (non low-impact)

5.3.1.4. Natural gas

5.3.1.5. Nuclear

5.3.1.6. Other (specify for types over 1.5%)

5.3.2. The retail supplier may include the following sub-categories within the Renewable category, provided however, that the retail supplier is not required to display the Fuel Mix percentages for these sub-categories:

5.3.2.1. Biomass

5.3.2.2. Geothermal

- 5.3.2.3. Low-Impact Hydro
- 5.3.2.4. Solar
- 5.3.2.5. Wind

5.4. The percentage of each fuel type category or sub-category that is specified shall be calculated based on weighted contribution in kilowatt hours supplied from that fuel mix category over the relevant period. The sum of the categories shall total one hundred percent.

6. ENVIRONMENTAL IMPACT DISCLOSURE OPTION.

6.1. **Applicability** Disclosure shall include disclosure of the environmental impacts of the electricity product sold in accordance with this section 6.

6.2. **Bar Chart Disclosure** Each retail supplier shall disclose in the form of a bar chart, as shown in Appendix A, the environmental impacts from generation of the electricity product sold, as compared to the respective levels (regional average levels) of such impacts from all electricity generation in the region encompassed by net system supply. As shown in Appendix A, the bar chart shall reflect separate horizontal bars for each of the following environmental impacts:

- 6.2.1. carbon dioxide
- 6.2.2. sulfur dioxide
- 6.2.3. nitrogen oxides
- 6.2.4. spent nuclear fuel
- 6.2.5. hydro impact

6.3. **Bar Chart Computations** The bar chart graph shall contain a vertical line across the bar chart, which represents the regional average level of each impact from all electricity generation in the region encompassed by net system supply. For each impact the horizontal bar shall measure the greater or lesser percentage of that impact from the electricity product sold as compared to the regional average level represented by the vertical line. For each impact, the percentage of impact from the specified electricity product as compared to the regional average shall be computed using the following rate measurements:

- 6.3.1. carbon dioxide, measured in lbs/kwh of CO² emissions;
- 6.3.2. sulfur dioxide, measured in lbs/kwh of SO² emissions;
- 6.3.3. nitrogen oxides, measured in lbs/kwh of NO_x emissions
- 6.3.4. spent nuclear fuel, measured in mg/kwh of spent fuel
- 6.3.5. hydro impact, as percentage of non low-impact hydro in the fuel mix.

- 6.4. **Claims Based Sales** A retail supplier that makes a Claim of Specific Purchases or makes a Claims Based Sale shall compute the impacts based on the annual emission factors for the most recent calendar year applied to the expected production level for each source of supply included in the electricity product.
- 6.5. **Sales From Net System Supply** A retail supplier that supplies some or all of electricity without any Claims of Specific Purchases and makes sales that are not Claims Based Sales shall include for that portion of supply the environmental impacts for net system power based on the previous calendar year, and include a subheading below the disclosure stating:
- “__ percent of the electricity sold under this label is supplied from whatever electricity supply is available. The environmental impact levels shown above are based on the supply available over a recent twelve-month period.
- 6.6. **Explanation of Environmental Impacts** A retail supplier shall include in the Terms of Service an explanation of environmental impacts in the form presented in Appendix C;

7. **ENFORCEMENT, RECORD KEEPING, AND WAIVERS.**

- 7.1. Reconciliation reports. No later than March 31st each supplier shall file with the Commission an annual reconciliation report. The report shall compare the fuel mix and emissions of all of the seller's purchases or generation with the fuel mix and emissions of all of the seller's products and sales.
- 7.2. Allowed deviations. In the event the percentage of any fuel type or environmental impacts relating to any product sold during the calendar year for any electricity product varies by more than plus or minus five percentage points from the actual percentage of that fuel type or emission delivered as shown by year end records,
- 7.2.1. The retail provider shall report the variation to the Commission.
- 7.2.2. The retail provider shall provide notice of the discrepancy to all customers purchasing such electricity product the previous year together with the statement that the customer may terminate and switch to another supplier with no charges or penalties from the retail provider.

7.2.3. Nothing in this rule limits any other remedies available to any party including the Commission.

7.3. **Specific Requirements and Waivers** Any person may file a petition with the Commission for permission to vary from the specific requirements of this rule. The petition shall specify the provisions of the rule to be waived and shall describe how the petitioner proposes to fulfill the intent of this rule. The petitioner shall include consumer research or other evidence showing the effectiveness of the proposed variation.

8. **GENERATION OPERATING DATA:** Every electric supplier owning or operating generation facilities shall keep and report such operating data about its generation of electricity as is necessary to comply with this rule and as may be specified by order of the Commission from time to time.

9. **FORMAT.** Prices, sources of power supply and environmental impact shall appear together in a format no larger than one page and shall be clearly legible. Suppliers of electricity products to residential and small commercial customers shall use the Disclosure Label format attached to these rules as Appendix A. Retail sellers shall use the disclosure labels shown in Appendix B for product specific ads appearing in newspapers and magazines of the sizes listed.

APPENDIX A

ELECTRICITY FACTS															
<p>AVERAGE BILL Average monthly bills for varying levels of use. Bills do not include regulated charges for delivery or other services.</p>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: left;">Avg. Monthly Use</td> <td style="text-align: center;">250 kWh</td> <td style="text-align: center;">500 kWh</td> <td style="text-align: center;">1000 kWh</td> <td style="text-align: center;">2000 kWh</td> </tr> <tr> <td style="text-align: left;">Avg. Generation Bill*</td> <td style="text-align: center;">\$25.00</td> <td style="text-align: center;">\$50.00</td> <td style="text-align: center;">\$100.00</td> <td style="text-align: center;">\$200.00</td> </tr> </table> <p>Your actual bill will depend on future market conditions and prices and could be substantially higher or lower. The average bills shown above are based on average use over the past year. See your Terms of Service for exact pricing and historic price information.</p>	Avg. Monthly Use	250 kWh	500 kWh	1000 kWh	2000 kWh	Avg. Generation Bill*	\$25.00	\$50.00	\$100.00	\$200.00				
Avg. Monthly Use	250 kWh	500 kWh	1000 kWh	2000 kWh											
Avg. Generation Bill*	\$25.00	\$50.00	\$100.00	\$200.00											
<p>CONTRACT See your contract Terms of Service for more information</p>	<table style="width: 100%;"> <tr> <td style="width: 50%;">Minimum length: 2 years</td> <td style="width: 50%;">Price Changes: Variable prices based on market conditions</td> </tr> </table>	Minimum length: 2 years	Price Changes: Variable prices based on market conditions												
Minimum length: 2 years	Price Changes: Variable prices based on market conditions														
<p>SUPPLY MIX The electricity to supply this product this year will be obtained from these sources.</p>	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr><td>Renewable</td><td style="text-align: right;">5%</td></tr> <tr><td>Coal</td><td style="text-align: right;">65%</td></tr> <tr><td>Hydro (non low-impact)</td><td style="text-align: right;">10%</td></tr> <tr><td>Natural Gas</td><td style="text-align: right;">5%</td></tr> <tr><td>Nuclear</td><td style="text-align: right;">10%</td></tr> <tr><td>Other</td><td style="text-align: right;">5%</td></tr> <tr><td>Total</td><td style="text-align: right;">100%</td></tr> </table>	Renewable	5%	Coal	65%	Hydro (non low-impact)	10%	Natural Gas	5%	Nuclear	10%	Other	5%	Total	100%
Renewable	5%														
Coal	65%														
Hydro (non low-impact)	10%														
Natural Gas	5%														
Nuclear	10%														
Other	5%														
Total	100%														
<p>Environment Spent nuclear fuel, nitrogen oxides (NOx), sulfur dioxide (SO₂), carbon dioxide (CO₂), and hydro impacts relative to regional average.</p>	<table style="width: 100%;"> <tr> <td style="width: 30%; vertical-align: top;"> <ul style="list-style-type: none"> Spent Nuclear Fuel Nitrogen Oxides Sulfur Dioxide Carbon Dioxide Hydro Impacts </td> <td style="width: 70%; text-align: center;"> </td> </tr> </table>	<ul style="list-style-type: none"> Spent Nuclear Fuel Nitrogen Oxides Sulfur Dioxide Carbon Dioxide Hydro Impacts 													
<ul style="list-style-type: none"> Spent Nuclear Fuel Nitrogen Oxides Sulfur Dioxide Carbon Dioxide Hydro Impacts 															

APPENDIX B

For ads using the condensed label prescribed in Section 3.2.2:

ELECTRICITY FACTS

Source of Power		Coal	Large Hydro	Natural Gas	Nuclear	Biomass	Geothermal	Small Hydro	Solar	Wind	
Option 1	10	0	40	0	10	40	0	0	0	0	
Option 2	0	20	0	0	0	50	0	0	0	30	
Option 3	0	30	20	0	0	50	0	0	0	0	
Average Generation Price based on monthly usage* Price does not include charge for delivery service		Option 1			250 kWh			500kwh			1000 kWh
		Option 2									
		Option 3									

“Ads that cover areas in which the price differs (e.g. some parts of Pennsylvania) should replace the second line of the average monthly bill portion of the label with “Call 800 000 0000 for important average bill information for your area””

For ads using the 800 number box prescribed in Section 3.2.3, use one of the following, or substantially similar disclosure:

ELECTRICITY FACTS: FOR IMPORTANT STANDARDIZED INFORMATION ABOUT THIS PRODUCT, IT'S FULL PRICE TERMS AND ENVIRONMENTAL IMPACTS CALL 1 800 000 0000

Electricity facts: For important standardized inform about this product's price, fuel source, and air poll levels please contact 888-000-0000

Appendix C

Information on Environmental Impacts.

The Terms of Service shall include the following description of the emissions impacts.

Information on Environmental Impacts. For more information call [Utility]: 1-800-000-0000
Carbon Dioxide (CO₂) - Carbon dioxide is a major contributor to global climate change, which may cause droughts and floods, raise sea level, and threaten forests, crops, and fish and wildlife habitat. Coal and oil, and to a lesser extent natural gas, are the principal sources of CO ₂ from power generation.
Sulfur Dioxide (SO₂) - Major health effects associated with SO ₂ include asthma, respiratory illness and aggravation of cardiovascular disease. SO ₂ leads to the formation of acid rain, which increases acidity of lakes and streams, damage to plants and accelerated decay of buildings and other structures. Coal is the principal source of SO ₂ from power generation.
Nitrogen Oxides (NO_x) - Nitrogen oxides contribute to acid rain and ground-level ozone (smog), and may cause respiratory illness in children. NO _x also adds excess nutrients to lakes and coastal waters which are destructive to fish and other animal life. Coal, and to a lesser extent natural gas and biomass, are the principal sources of NO _x from power generation.
Spent Nuclear Fuel contains the most radioactive and long-lived waste formed during operation of nuclear power plants. Spent fuel is currently stored at nuclear power reactor sites. The U.S. has no permanent disposal site for radioactive waste.
Hydro Impacts - Some hydropower dams contribute to the decline of salmon and other fish and wildlife populations.

BEFORE THE ARIZONA CORPORATION COMMISSION

JIM IRVIN

Commissioner-Chairman

TONY WEST

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-00000C-94-0165

CERTIFICATE OF SERVICE

I hereby certify that the original and ten (10) copies of the COMMENTS OF THE LAND AND WATER FUND OF THE ROCKIES AND THE GRAND CANYON TRUST REGARDING THE PROPOSED RULES GOVERNING ELECTRIC SUPPLY COMPETITION were FedExed to Docket Control, Arizona Corporation Commission, 1200 West Washington Street, Phoenix, Arizona 85007, on the 13th day of May, 1999, and a true and correct copy was sent by U.S. mail, first-class and postage prepaid, to each of the following:

Donald R. Allen
John P. Coyle
Duncan & Allen
1575 Eye St. NW #300
Washington DC 20005

Steve Brittle
Don't Waste Arizona, Inc.
6205 S. 12th St.
Phoenix, Arizona 85040

Clara Peterson
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Phoenix, Arizona 85016

James P. Barlett
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Barbara S. Bush
Coalition for Responsible Energy Education
315 West Riviera Drive
Tempe, Arizona 85252

Continental Divide Electric Cooperative
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Tempe, Arizona 85282

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Tucson, Arizona 85716-5698

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Marana AZ 85652-0987

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Martinez & Curtis, P.C.
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California Energy Markets Newsletter
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San Diego CA 92104

Ward Camp
Thaser Advance Metering Services
Alvarado Square, Mail Stop SIM9
Albuquerque NM 87158

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