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# EXCEPTION

## BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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SEP 17 1999

**CARL J. KUNASEK**

Chairman

**JIM IRVIN**

Commissioner

**WILLIAM A. MUNDELL**

Commissioner

DOCKETED BY

IN THE MATTER OF THE COMPETITION IN	)	DOCKET NO. RE-00000C-94-0165
THE PROVISION OF ELECTRIC SERVICES	)	
THROUGHOUT THE STATE OF ARIZONA.	)	<b>NEV SOUTHWEST, L.L.C.'S</b>
	)	<b>NOTICE OF FILING AMENDMENT</b>
	)	<b>TO PROPOSED COMPETITIVE</b>
	)	<b>RULES</b>

NEV Southwest, L.L.C. ("NEV"), through undersigned counsel gives notice that it is submitting a proposed amendment to the proposed Rules on Retail Electric Competition. NEV Amendment No. 1 is attached hereto as Exhibit 1.

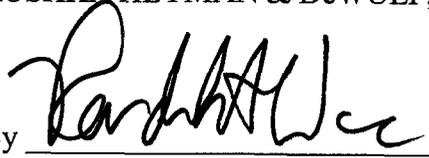
NEV has provided extensive comments on proposed A.C.C. R14-2-1606, which has been changed several times through various drafts of the Rules. NEV's primary concern is that UDCs will lock customers out of the competitive market by offering special deals with long-term obligations to stay with the utility. These deals are often financed by other standard-offer customers. They even come in the form of standard tariffs. For example, currently utilities can give away distribution equipment or forgive costs in return for a long-term contract to remain on a standard-offer tariff, or a utility can deny a customer from participating in a time-of-use tariff unless it signs a multiple-year contract.

NEV believes that these practices are anti-competitive and that long-term contracts should typically not be needed for standard-offer customers. If there are exceptions for public policy

1 reasons, then the Commission should scrutinize them on a case-by-case basis. A.C.C. R14-2-1606  
2 still permits the utilities to offer time-of-use, interruptible, or anti-cogeneration tariffs.

3 RESPECTFULLY SUBMITTED this 17<sup>th</sup> day of September, 1999.  
4

5 ROSHKA HEYMAN & DeWULF, PLC

6  
7 By 

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12 Attorneys for NEV Southwest, L.L.C.  
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1 **Original and ten copies of the foregoing**  
2 **filed this 19<sup>th</sup> of September, 1999, with:**

3 Docket Control  
4 ARIZONA CORPORATION COMMISSION  
5 1200 West Washington Street  
6 Phoenix, Arizona 85007

7 **Copies of the foregoing hand-delivered**  
8 **this 19<sup>th</sup> day of September, 1999, to:**

9 Jerry L. Rudibaugh, Chief Hearing Officer  
10 ARIZONA CORPORATION COMMISSION  
11 1200 West Washington Street  
12 Phoenix, Arizona 85007

13 Paul Bullis, Chief Counsel  
14 Legal Division  
15 ARIZONA CORPORATION COMMISSION  
16 1200 West Washington Street  
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18 Ray Williamson, Acting Director  
19 Utilities Division  
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23 **Copies of the foregoing sent via U.S. Mail**  
24 **this 19<sup>th</sup> day of September 1999, to:**

25 The Distribution List for Docket No. RE-00000C-94-0165

26   
27 \_\_\_\_\_  
28 nev/pl/amendcompetitionrules.

# **EXHIBIT 1**

Docket No. RE-00000C-94-0165

NEV SOUTHWEST AMENDMENT 1:

Amend R14-2-1606, subsection C.6 by adding the following sentence at the end:

All contracts, with terms greater than one year, including  
standard tariffs, must be approved by the Commission.