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BEFORE THE ARIZONA CORPORATION COMMISSION

CARL J. KUNASEK
Chairman
JIM IRVIN
Commissioner
WILLIAM A. MUNDELL
Commissioner

Arizona Corporation Commission

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

**APPLICATION OF TUCSON ELECTRIC POWER COMPANY
FOR WAIVER OF CERTAIN REQUIREMENTS OF A.A.C. R14-2-1609**

Pursuant to A.A.C. R14-2-1614(C), Tucson Electric Power Company ("TEP" or "Company") hereby requests a waiver from those provisions of A.A.C. R14-2-1609 ("Rule 1609") that impose upon TEP and other Affected Utilities the responsibility for ensuring that an Arizona Independent Scheduling Administrator ("AISA") take certain specified actions by certain specified dates or that require the Company to submit an AISA "implementation plan" beyond that already submitted by Affected Utilities in October of 1998 and 1999. In addition to subsections D and E of Rule 1609, TEP also requests a waiver of Subsection (1) to the extent that the Commission interprets such provision as imposing a requirement that the AISA have "must-run" protocols in place by December 31, 1999, or any other date. For the reasons discussed herein, TEP cannot comply with the above requirements because it cannot compel AISA's compliance therewith. Consequently, a waiver of such requirements is both necessary and in the public interest.

GRANTING THE REQUESTED WAIVERS IS IN THE PUBLIC INTEREST

During the Special Open Meeting of December 13, 1999, TEP and other Affected Utilities explained their efforts to form, finance, and implement an AISA. Given the governing structure of the AISA, wherein the transmission-owning Affected Utilities have but 2 of 11 votes on the Board of Directors (and constitute just 4 of 69 AISA members), it has simply been impossible for TEP or any other Affected Utility to unilaterally compel the AISA to comply with the actions and time lines prescribed in Rule 1609.

1 As Arizona Public Service Company ("APS") has noted in its filing for a similar waiver, the
2 operation of an AISA is not critical to beginning retail access. APS and TEP, the only two Affected
3 Utilities subject to FERC's Open Access Transmission Tariff ("OATT") requirements, have
4 submitted retail OATTs to FERC. The Company's OATT filing is currently pending before the
5 FERC and a copy of that filing has been provided to Commission Staff. TEP echoes APS's
6 confidence that final AISA protocols can be implemented by the end of the first quarter of 2000,
7 assuming that the protocols are not actively opposed by certain AISA members.

8 In its Application, TEP has not requested an extension of time (to comply) in lieu of an
9 outright waiver of Rule 1609(D), (E), and (I) because the Company has no ability to assure full
10 AISA compliance with Rule 1609 even within the period granted by such an extension. In the
11 meantime, TEP will continue to work together with all participants for full implementation of the
12 AISA protocols and, eventually, an Independent Regional Transmission Scheduling Organization.
13 Therefore, the Company asks the Commission to act expeditiously to approve this Application and to
14 grant the requested waivers of those portions of Rule 1609 discussed above.

15 RESPECTFULLY SUBMITTED this 3rd day of January, 2000.

16
17 TUCSON ELECTRIC POWER COMPANY

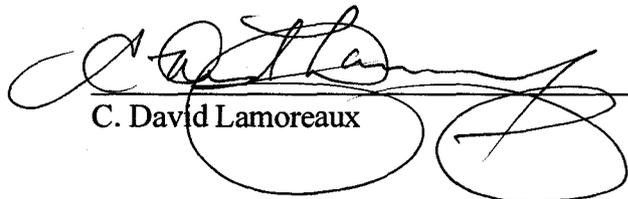
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CERTIFICATE OF SERVICE

The original and ten (10) copies of the foregoing document were filed with the Arizona Corporation Commission on this 3rd day of January, 2000, and service was completed by mailing, e-mailing or hand-delivering a copy of the foregoing document this 3rd day of January, 2000, to all parties of record herein.


C. David Lamoreaux

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