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MEMORANDUM

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Arizona Corporation Commission
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MAY 26 2000

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TO: Patrick J. Black
Special Assistant to Commissioner Irvin

THRU: Deborah R. Scott
Director
Utilities Division

FROM: Sheryl Hubbard *[Signature]*
Chief, Accounting & Rates
Utilities Division

DOCKET NO. RE-000000-94-0165

DATE: May 26, 2000

RE: ARIZONA PUBLIC SERVICE COMPANY'S OPEN ACCESS
TRANSMISSION TARIFF

ISSUE:

Patrick Black requested further information from Staff regarding whether Arizona Public Service Company ("APS") complied with the sentences contained on Page 11, lines 22-24 in Decision No. 61973, dated October 6, 1999, which states:

However, we find the ENRON breakdown into a Part 1 versus Parts 2 and 3 will further help educate customers as to choice. We will direct APS to further revise its Bill to have a Part 1 as set forth by the ENRON breakdown. We believe Parts 2 and 3 can be combined for simplicity.

These sentences ordered APS to make revisions to its Attachment AP-1R (Attachment 1 consisting of one page) which was APS' proposed example of an informational unbundling of its bills in its Settlement Agreement. The Commission ordered APS' AP-1R to be revised in accordance with an ENRON-proposed informational unbundling Parts 1 through 3 contained in the Statement of ENRON Corp. on Hearing Officer Exhibit filed on August 10, 1999. (Attachment 2 consisting of five pages.)

ANSWER:

APS complied with the Commission's directive in the October 6, 1999 Decision No. 61973 to revise its informational unbundling of its bills in a filing made on October 7, 1999. (Attachment 3 consisting of three pages.)

Staff reviewed and approved this October 7, 1999 filing prior to the date it was filed. (The Commission approved the proposed order adopting the APS Settlement Agreement with modifications at the Open Meeting held on September 23, 1999, with the Decision becoming effective October 6, 1999.)

DISCUSSION:

In the filing it made on October 7, 1999, APS listed the separate services (e.g. Generation, Transmission and Ancillary Services, etc.) in a format consistent with ENRON's proposed informational unbundled bill Parts 1 through 3. ENRON's Parts 2 and 3 have been combined in compliance with Decision No. 61973 at Page 11, lines 22-24. The only exceptions to ENRON's proposal were that APS included Transmission and Ancillary Services in Part 1, rather than in Part 2 as found in the ENRON proposal, due to the fact that Generation and Transmission and Ancillary services will all be billed by the Electric Service Provider and consequently should appear together with Generation on the APS informational unbundled bill.

In addition, ENRON's proposal included three separate categories of Ancillary Services in its informational unbundled bill, Generation-Related in Part 1, Transmission-Related in Part 2 and Distribution-Related in Part 3. APS and Staff agreed to include all Ancillary Services with Transmission Services as one line of Part 1 of the informational unbundled bill. APS did not divide ancillary services into the three separate categories because customers are not able to buy these ancillary services separately from APS or any Electric Service Provider ("ESP"). In order to avoid the misconception that customers could buy these services separately, APS did not include a breakdown of Ancillary Services into Generation-Related, Transmission-Related and Distribution-Related in its October 7, 1999 filing. All of APS' Ancillary Services and rates for such services are identified in APS' Open Access Transmission Tariff ("OATT") filed with FERC and are available for review by ESPs who would be purchasing these services. Neither ENRON or any other party filed objections to APS' October 7, 1999 filing of its informational unbundled bill to comply with the Commission's Decision No 61973.

If additional clarification is needed, please feel free to contact me.

SLH:DRS:lh

cc: Chairman Carl J. Kunasek
Commissioner William A. Mundell
Parties of Record
Docket Control and 10 copies

ARIZONA PUBLIC SERVICE COMPANY

Informational Unbundling for Standard Offer
Proposed Standard Offer Bill

Sample Summer Bill on Rate E-12 at the Proposed 7/1/99 Rate Level
1.5% Overall Residential Class Decrease (1.60% decrease in energy charges from 9/1/90 Rate Level)

The following information is proposed to be shown on the customer's monthly bill:

Page 1, Standard Offer Bill Calculation:

Your total energy usage this month is:	991 kWh
Basic Service Charge	\$ 7.50
Charge for kWh used	100.09
Regulatory Assessment	0.20
Sales Tax	7.06
TOTAL	\$ 114.85

Page 2, Informational Unbundling:

Your total energy usage for this month is: 991 kWh
You Standard Offer Bill is (see page 1): \$ 114.85

If you choose to receive competitive services from an Electric Service Provider, your APS bill on Rate DA-R1 for delivery service would include:

Metering Service:	\$ 1.30
Meter Reading Service:	0.30
Billing Service:	0.30
Distribution Service:	49.30
System Benefits:	1.14
Competitive Transition Charge:	9.22
Regulatory Assessment:	0.12
Sales Tax:	4.04

Total Charges for APS Delivery Service Only: \$ 65.72

Transmission and Ancillary Services billed to your Electric Service Provider: \$ 5.09
Generation Services: \$ 44.04

Shopping Credit to purchase competitively supplied Generation and Transmission Service, including any applicable taxes and regulatory assessments \$ 49.13 or 4.96 ¢/kWh

BEFORE THE ARIZONA CORPORATION COMMISSION

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

1999 AUG 10 A 11:49

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IN THE MATTER OF THE APPLICATION OF ARIZONA PUBLIC SERVICE COMPANY FOR APPROVAL OF ITS PLAN FOR STRANDED COST RECOVERY	} } } } }	Docket No. E-01345A-98-0473
IN THE MATTER OF THE FILING OF ARIZONA PUBLIC SERVICE COMPANY OF UNBUNDLED TARIFFS PURSUANT TO A.C.C R14-1-1601 <i>ET SEQ.</i>	} } } }	Docket No. E-01345A-97-0773
IN THE MATTER OF COMPETITION IN THE PROVISION OF ELECTRIC SERVICES THROUGHOUT THE STATE OF ARIZONA	} } } }	Docket No. RE-00000C-94-0165

**STATEMENT OF ENRON CORP.
ON HEARING OFFICER EXHIBIT**

At the hearing held in the above-captioned matter on July 21, 1999, Hearing Officer Rudibaugh provided the parties with a copy of Hearing Examiner Exhibit 1, which lists APS Standard Offer Service Charges, APS Noncompetitive Charges, and Regulatory Charges and Taxes. Parties were instructed to assume APS's cost allocation methodology and to comment on whether the breakdown of charges in the Exhibit were correct for both short and long term purposes. Enron concurs with the breakdown of charges contained in the Hearing Examiner's Exhibit.

Enron continues to advocate unbundling of both Standard Offer and Direct Access bills. This informational unbundling is critical to retail choice as it allows

consumers to compare prices intelligently. Under the billing proposals APS has put forward, the Direct Access portion of the informational unbundling contains more than twice the number of line items that the Standard Offer service contains, which is surprisingly counter-intuitive since APS provides more services for the Standard Offer customers. This loading up of items on the competitive side and simplification of services on the Standard Offer side would frighten off even the most avid shopper.

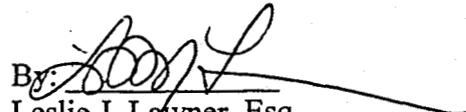
The bottom line is simply this: to the extent APS provides the same services for both Standard Offer and Direct Access customers, those services and their applicable rates should appear on the bill in the same format. To allow APS to portray Standard Offer service in a different, and more simplistic way, gives Standard Offer service a competitive advantage. Under the August 3rd draft circulated by APS, there is no easy way to even compare total bills, which is what the consumer in the end must be able to do in order to make the best choice.

Attached to this filing is a sample bill which Enron believes accomplishes the job of educating consumers in a meaningful way and we would request that the Hearing Examiner adopt this format as the unbundled bill format for APS.

Dated: August 9, 1999

Respectfully submitted,

ENRON CORP.

By: 
Leslie J. Lawner, Esq.
Director, Government Affairs
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THE ORIGINAL AND 18 COPIES OF THE FOREGOING DOCUMENT WERE SENT BY
OVERNIGHT MAIL ON AUGUST 9, 1999 TO

Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, Arizona 85007

A COPY OF THE FOREGOING DOCUMENT WAS SENT BY FIRST CLASS MAIL ON AUGUST 9TH,
1999 TO:

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Phoenix, AZ 85007

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PHASER Advanced Metering Services
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Albuquerque, NM 87102

By 
Leslie J. Lawner,
Director, Government Affairs
Enron Corp.

ARIZONA PUBLIC SERVICE COMPANY
Standard Offer Bill With Informational Unbundling

Customer: xxx
Service Address: xxx
Account Number: xxx

Meter Reading Date: xxx
Rates effective: 7/1/99
Rate Schedule: E-12

Your total kilowatt-hour usage is 991
Your total bill is \$116.67 or 11.77 cents per kilowatt-hour

Your total bill of \$116.67 is for the following services:

PART 1

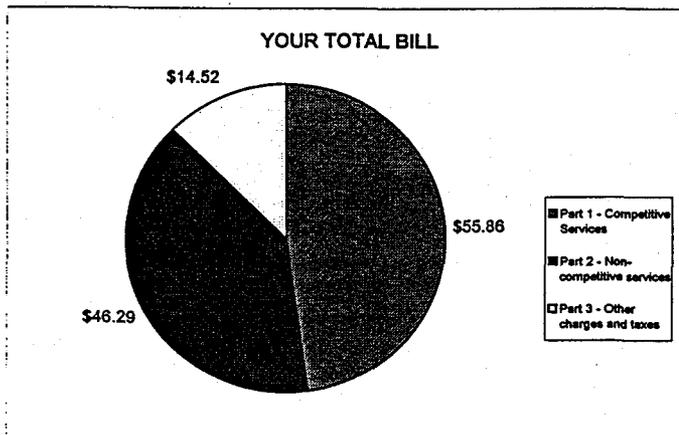
Generation	x		
Ancillary Services associated with Generation	x		
Metering	x		
Meter Reading	x		
Billing	x		
<i>These services are provided by APS as a Standard Offer, but are also available from competitive energy service providers.</i>			
Total for competitive services		\$55.86	or 5.64 cents per kilowatt-hour

PART 2

Distribution Service and related Ancillary Services	x		
Transmission and related Ancillary Services	x		
<i>These services are provided by APS regardless of your choice of energy service provider.</i>			
Total for non-competitive services		\$46.29	or 4.67 cents per kilowatt-hour

PART 3

System Benefits Charges		\$1.14	
Competition Transition Charges		\$9.22	
Regulatory Assessment		\$0.12	
Sales Tax		\$4.04	
<i>These charges apply regardless of your choice of energy service provider.</i>			
Total for other charges and taxes		\$14.52	or 1.47 cents per kilowatt-hour



See page 2 for a better understanding of each of the services and charges referred to above



Barbara A. Klemstine
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Regulatory Affairs

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October 7, 1999

Deborah Scott
Director, Utilities
Arizona Corporation Commission
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Phoenix, Arizona 85007

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1999 OCT -7 P 4: 38
AZ CORP COMMISSION
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RE: APS Settlement Proceeding
ACC Docket Nos. E-01345A-98-0473, E-01345A-97-0773, RE-00000C-94-0165
Compliance Unbundled Standard Offer Bill

Dear Ms. Scott:

Pursuant to the Opinion and Order, Decision No. 61973 (page 11) for above referenced Dockets, please find an example of the Arizona Public Service Company's Unbundled Standard Offer Bill. The specific example is for residential rate E-12. This was developed after consultation with the Commission Staff.

Please call me at (602)250-2031 if you have any questions.

Sincerely,

Barbara A. Klemstine
Manager
Regulatory Affairs

Attachment

Cc: Docket Control (Original plus 18 copies)
John Wallace



JOHN H. SMITH

Your Account Number
011233455

Billing Date
June 30, 1999

Post Office Box 2907
Phoenix, AZ 85062-2907

We appreciate your business. Thank you!

Please see the following page for
important information on competitive
choice.

THIS MONTH'S ELECTRIC BILLING INFORMATION

Service Address
12345 Center Street

You are on the STANDARD RATE

Your Meter Number C01122

Your meter is read in cycle 07

On Jun 30 your total kWh read was	06116
On Jun 1 your total kWh read was	05125
Your total kWh usage is	991

Basic Service Charge	\$	7.50
Charge for kWh used		100.09
Regulatory Assessment		0.20
Sales Tax		7.06
SUBTOTAL	\$	114.85

Billing Summary

Account balance as of 06/01/1999	\$	120.66
Payment 06/15/1999		(120.66)
Total Current Month Billing		114.85
Current Account Balance		114.85

TOTAL AMOUNT DUE \$ 114.85

If you have questions please call (602) 371-7171. Para servicio en espanol llame al (602) 371-6861.

Total Billing Amount Due Upon Presentation

Please return lower portion with payment. When paying in person, bring entire bill.



Billing Date
June 30, 1999

Account Number
011233455

John H. Smith
12345 Center St
Phoenix, Arizona 85000

Enter Amount Enclosed

Enter S.H.A.R.E. Amount

TOTAL CURRENT BILLING
PAST DUE AFTER
7/15/99

If contributing to S.H.A.R.E.
please enter amount in S.H.A.R.E.
box and add to your total

TOTAL AMOUNT DUE

\$ 114.85



Post Office Box 2907
Phoenix, AZ 85062-2907

THIS IS NOT A BILL

Competitive Service Information

This information is provided in accordance with regulations of the Arizona Corporation Commission

This month's kWh: 991
This month's full service bill: \$ 114.85 or 11.59 ¢/kWh

COMPETITIVE SERVICES

The following services may be provided by a competitive supplier of your choice. To determine if you can save money, compare APS charges for these services to the charges quoted by other suppliers of these services.

	<u>APS Charges</u>	
Generation of Electricity	\$ 44.51	
Transmission and Ancillary Services	5.09	
Subtotal (including sales taxes)	\$ 49.60	or 5.01 ¢/kWh
Meter	4.00	
Meter Reading	1.69	
Billing	1.33	
This month's total to compare to other suppliers	\$ 56.62	or 5.71 ¢/kWh

APS DELIVERY SERVICE (Regulated)

APS will continue to provide the following delivery services at regulated rates. Your APS bill for delivery service this month would be:

Basic Service Charge	\$ 2.98	
Distribution Delivery	41.21	
System Benefits	1.14	
Competitive Transition Charge	9.22	
Regulatory Assessment	0.10	
Sales Tax	3.58	
Total for APS Delivery Services	\$ 58.23	or 5.88 ¢/kWh
Total of Competitive and Delivery Services	\$ 114.85	or 11.59 ¢/kWh

The current list of authorized suppliers for competitive services can be obtained from the Arizona Corporation Commission Web Site at www.cc.state.az.us or at 602-542-4251 or 1-800-222-7000. You can also call APS at 602-371-7171 or 1-800-253-9405.



Billing Date: June 30, 1999
Account Number: 011234455
Service Address: 12345 Center St