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STATE OF ARIZONA

OFFICE OF THE ATTORNEY GENERAL

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January 4, 1999

DOCUMENT CONTROL

**VIA HAND-DELIVERY**

Mr. Jerry Rudibaugh  
Chief Hearing Officer  
Arizona Corporation Commission  
1100 West Washington  
Phoenix, Arizona  
85007

Arizona Corporation Commission

**DOCKETED**

JAN 04 1999

DOCKETED BY

Re: Proposed Procedure for Resolution of Certain Pending Electric Industry Restructuring Issues, Docket No. RE-00000C-94-0165 and related Dockets

Dear Mr. Rudibaugh:

Attached is a joint letter from the Attorney General and RUCO suggesting a procedural schedule for resolution of the remaining issues in electric industry restructuring. This is to advise you that the City of Tucson, Arizona Community Action Association have advised this office that they support the procedural schedule set forth here as to points 1. and 3. through 7. As to point 2., this point was added this afternoon and represents the proposal of the Attorney General and RUCO. Other parties have not had a chance to review this aspect of the procedural proposal.

Thank you for your consideration of these matters.

Very truly yours,

SUZANNE M. DALLIMORE  
Antitrust Unit Chief  
Antitrust Unit, Civil Division  
Telephone (602) 542-7713

cc: Docket Control  
Parties of Record



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January 4, 1999

**VIA FACSIMILE AND HAND-DELIVERY**

Mr. Jerry Rudibaugh  
Chief Hearing Officer  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

Re: Proposed Procedure for Resolution of Certain Pending Electric Industry  
Restructuring Issues, Docket No. RE-00000C-94-0165 and related Dockets

Dear Mr. Rudibaugh:

The principal stakeholders in the above-referenced proceeding have been meeting regularly in an effort to identify outstanding issues and to discuss settlement and resolution of the difficult stranded costs and unbundled tariff issues remaining in the Commission's electric competition proceedings. We are confident significant progress can be made outside the limits of formal adjudicative proceedings, but recognize that those proceedings must move forward as rapidly as possible to advance competition. Among our efforts has been an attempt to devise a procedural schedule that will move the process through the Commission rationally but will allow time for settlement discussions to progress.

The Attorney General and RUCO have agreed that the following schedule does just that. This schedule was presented to the stakeholders present at a December 30, 1998 meeting. While not everyone agreed to every date, we believe many others may agree that a procedure like that proposed below is a sensible way to move forward. I am informed that you may be working on a procedural order currently, and we felt that it would be appropriate for you to have our input at this juncture.

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**Attorney General and RUCO Proposed Procedural schedule for  
Electric Competition issues**

**1. Procedural Order**

Accelerated hearing on proposed  
procedural order:                    On or before January 15, 1999.

Procedural Order issued:        On or before January 22, 1999.

**2. Interim Unbundled Tariffs**

Accelerated hearing on interim  
unbundled tariffs:                    On or before January 29, 1999.

Recommended order on  
interim unbundled tariffs:        On or before February 17, 1999.

Final Order on interim  
unbundled tariffs:                    On or before February 26, 1999.

**3. Identification of Remaining Issues**

List of Issues <sup>1</sup>:                    On or before January 15, 1999

**4. Consolidated hearings on each Affected Utility's stranded cost and unbundled tariffs filings**

Company files testimony:	APS	February 22
	AEPCO	March 15
	TEP	April 5
	Citizens	April 26

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<sup>1</sup> Each party files a list of issues, other than stranded costs, unbundled tariffs and ESP CC&Ns which need resolution, and the forum in which such resolution should take place, (e.g. Commission, FERC, ISA, Superior Court, etc.).

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Intervenor / Staff testimony:	APS	March 8
	AEPCO	March 29
	TEP	April 19
	Citizens	May 10
Company rebuttal testimony:	APS	March 22
	AEPCO	April 12
	TEP	May 3
	Citizens	May 24
Hearings:	APS	April 5
	AEPCO	April 26
	TEP	May 17
	Citizens	June 7
Simultaneous closing briefs:	APS	April 23
	AEPCO	May 14
	TEP	June 4
	Citizens	June 25
Recommended Order:	As soon as possible, sometime in July, 1999.	
Final Order:	As soon as possible, sometime in late July or early August, 1999.	

## 5. Competition Rules Amendments <sup>2</sup>

Motions for reconsideration of Rules'  
petition for rehearing denial: January 5, 1999

Procedural Order on Rules issues: January 30, 1999

Re-open Comment Period: Until February 15, 1999.

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<sup>2</sup> The Competition Rules would be in effect during the other proceedings, subject to amendment.

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Recommended Order  
based on Fall 1998 comments  
and additional comments of  
February, 1999:

March, 1999.

Final Order:

August, 1999, (same date as final order on stranded costs  
and unbundled tariffs).

## 6. Effective Date of Unbundled Tariffs

All unbundled tariffs would be given the same effective date for all companies, date of final order on unbundled tariffs.

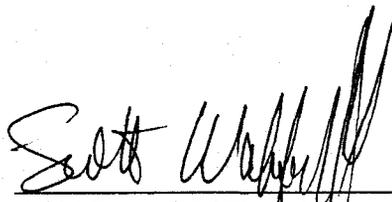
## 7. Settlement

Order directing parties and stakeholders  
to continue settlement efforts  
until March 15, 1999:

January 22, 1999 (date of procedural order).

The Attorney General and RUCO believe that this proposal represents a means to advance competition while affording the interested parties and stakeholders appropriate due process. Thank you in advance for your consideration.

Very truly yours,

  
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SCOTT WAKEFIELD  
Chief Counsel  
Residential Utility Consumer Office  
Telephone (602) 279-5659, ext. 349

  
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SUZANNE M. DALLIMORE  
Antitrust Unit Chief  
Antitrust Unit, Civil Division  
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cc: Docket Control  
Parties of Record