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BEFORE THE ARIZONA CORPORATION COMMISSION
AZ CORP COMMISSION

JAN 29 4 04 PM '99

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

Docket No. RE-00000C-94-0165
Arizona Corporation Commission

DOCKETED

JAN 29 1999

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RUCO's ADDITIONAL COMMENTS ON RULES

Pursuant to the Arizona Corporation Commission's ("Commission") January 26, 1999 Procedural Order, the Residential Utility Consumer Office ("RUCO") files its proposed changes to the Electric Competition Rules and Electric Utility Rules. The Commission in Decision No. 61272 adopted many of the modifications RUCO proposed in its September 18, 1998 filing. For the reader's convenience, therefore, the following Comments and proposed amendments restate all of RUCO's remaining proposed changes to the Rules, as they exist as of Decision No. 61272. Attached as Exhibit A are the actual textual modifications which RUCO proposes.

R14-2-210 Billing and Collection

Paragraph C.1 requires that all bills be due no later than 15 days after they are rendered. RUCO proposes that the Rule provide that bills be due no sooner than 15 days after they are rendered.

The first sentence of paragraph E.1 is largely duplicative of language that is included at R14-2-209.F. RUCO proposes omitting the duplicative language in this section, and retaining the language of R14-2-209.F. R14-2-209 creates the obligation to test a meter. This section

1 should merely set forth the procedure to correct a billing error revealed by a meter tested
2 pursuant to R14-2-209.

3 **R14-21601 Definitions**

4 RUCO proposes modifying the definition of "Competitive Transition Charge" to conform
5 to changes proposed in R14-2-1607.D and F.

6 The definition of "consumer information" used in this section is inconsistent with the use
7 of the term "consumer information" in R14-2-1618. Here, consumer information is defined as
8 being "impartial information...about competition and competitive and noncompetitive services
9 and is distinct from advertising and marketing." The definition suggests that "consumer
10 information" is general information about which services are competitive and which will remain
11 noncompetitive, and information about the transition to competition. However, the term is used
12 in R14-2-1618.B to describe information about the specific offering being made to a consumer.
13 The term originally proposed for this definition was "consumer education", which is more
14 descriptive of what the definition actually includes. The required disclosures of R14-2-1618.B
15 are no replacement for educating the public about the nature of the changes in the electric
16 industry. The Commission should change the term "consumer information" in this definition to
17 "consumer education." In addition, the Commission should add a provision to R14-2-1615
18 requiring the Director of the Utilities Division to implement a consumer education program prior
19 to October 1, 1999. The Customer Education Working Group, established by the Utilities
20 Division, has already recommended a framework for a consumer education program. The
21 Director should continue to work with the Customer Education Working Group in developing
22 the program.

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1 RUCO proposes omitting the definitions of "Net Metering" or "Net Billing" and "Solar
2 Electric Fund" to conform to the proposed omission of Rule R14-2-1609.

3 RUCO proposes modifying the definition of "System Benefits" in R14-2-1601.40, to
4 conform to its proposed modifications to Section R14-2-1608. See discussion in Section
5 R14-2-1608 below.

6 **R14-2-1604 Competitive Phases**

7 Currently, the Rules provide that only 1¼ percent of residential customers will be
8 allowed access to competitive electric services each quarter during the two-year phase-in
9 period. The Rules do not provide any definite benefits for those residential customers who are
10 denied access to competitive services during the phase-in period. Therefore, RUCO proposes
11 that the residential phase-in program currently provided for be significantly expanded in size.
12 In addition, RUCO proposes new dates for filing residential phase-in plans to conform to the
13 expected effected date of the Commission's amendments to the Rules.

14 In section C, RUCO proposes that the language require Affected Utilities to request a
15 rate decrease for standard offer customers, rather than merely allow Affected Utilities to
16 suggest mechanisms providing benefits to standard offer customers.

17 **R14-2-1606 Services Required to be Made Available**

18 RUCO proposes modifications to Section C.1 to require that both Standard Offer and
19 competitive bills reflect the same billing elements, and that the same service be priced the
20 same whether offered as part of a bundled service, or as an unbundled service. Changes in
21 R14-2-1613.O and P are also necessary.

1 **R14-2-1607 Recovery of Stranded Cost of Affected Utilities**

2 RUCO has consistently advocated that standard offer rates be unbundled, and that all
3 customers' bills reflect a charge for the recovery of stranded costs. Proposed changes to
4 Sections D and F would require such treatment.

5 **R14-2-1608 System Benefits Charges**

6 System Benefits Charges should not include nuclear fuel disposal and nuclear plant
7 decommissioning programs. Those programs relate to generation, and therefore should be
8 included in generation costs, and, if necessary, stranded costs. In addition, the terms "market
9 transformation" and "long-term public benefit research and development" programs are vague.
10 Neither term is defined in the Rules. RUCO objects to the inclusion of programs in the
11 Stranded Benefits Charge that are not identifiable.

12 RUCO also objects to the solar hot water heater rebate program. All consumers should
13 not be required to fund programs that underwrite some consumers' switching to certain types
14 of technology. *The market should provide for these types of technologies.*

15 **R14-2-1609 Solar Portfolio Standard**

16 RUCO objects to the Rules requiring utilities to generate certain portions of their load
17 with solar resources. It is inappropriate to require consumers to finance the Solar Portfolio
18 requirement. Voluntary solar programs, such as that currently offered by Arizona Public
19 Service, is a more appropriate way to finance development of solar resources.

20 **R14-2-1613 Service Quality, Consumer Protections, Safety and Billing Requirements**

21 In its October 2, 1998 Reply Comments, Staff agreed with RUCO's proposed changes
22 to clarify slamming and remove slang language. One remaining use of the term "slammed"
23 remains in Section C, however. RUCO proposes deleting it.

24

1 RUCO proposes additional language in section K.7 to conform it to Rule R14-2-
2 1604.B.3. To avoid any confusion about whether a customer's right to use load profiling is
3 different after the residential phase-in period than during the phase-in period, the Rules should
4 read the same in this section and in R14-2-1604.

5 RUCO proposes that ancillary services not required by FERC be included in distribution
6 service. Ancillary services included in the distribution utilities' FERC transmission tariffs should
7 be included in transmission rates. This would simplify customer bills by making "Ancillary
8 Services" unnecessary as a separate billing element. The deletion of "Ancillary Services" is
9 reflected in Section O.2.

10 **R14-2-1615 Administrative Requirements**

11 See discussion under R14-2-1601, definition of Consumer Information.

12 **R14-2-1616 Separation of Monopoly and Competitive Services**

13 RUCO proposes the deletion of Section D to conform to the proposed deletion of the
14 Solar Portfolio requirement.

15 **R14-2-1617 Electric Affiliate Transaction Rules**

16 RUCO proposes additional language in Section A.2 prohibit a person with access to
17 non-public utility information from providing guidance to or working for an affiliate. A person
18 with such access could provide guidance to an affiliate that could give the affiliate an unfair
19 advantage. For example, a utility employee privy to bids could provide useful advice to an
20 affiliate about how to bid, without actually revealing the amounts of the competing bids.

21 RUCO proposes modifications to Section A.7.a. When an item sold to an affiliate is
22 used in the provision of a competitive service, the rule as currently written could result in
23 increased stranded costs. For example, if an Affected Utility auctions its generation assets or
24

1 purchased power contracts for Standard Offer customers, the Rules could prevent affiliates
2 from bidding if the market value of the assets is less than their fully allocated cost. The
3 exclusion of affiliates from the bidding could result in a lower sales price, resulting in increased
4 stranded costs. RUCO proposes language that would allow transactions for competitive
5 services between affiliates at market prices approved by the Commission.

6 RUCO also proposes certain grammatical changes.

7 **R14-2-1618 Disclosure of Information**

8 The Rules currently require all "Load Serving Entities" to provide a disclosure label to
9 most customers. As written, Affected Utilities and Utility Distribution Companies (which are
10 both included in "Load Serving Entities") providing Standard Offer service would also be
11 required to provide the disclosure label. However, Aggregators, who are by definition not Load
12 Serving Entities, would not be required to provide the label. RUCO proposes alternative
13 language to clarify that all providers of competitive generation are required to disclose the
14 information, but that Standard Offer providers are not.

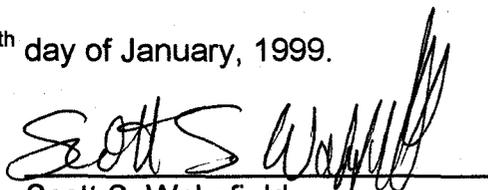
15 In addition, RUCO urges caution in establishing mandatory disclosure requirements. If
16 consumers are overwhelmed with information about their generation choices, they may be
17 deterred from entering the competitive market. Of course, essential pricing data should be
18 provided to customers. However, data such as fuel mix and emission characteristics, which
19 may be important to pockets of consumers, should not be required disclosures to all
20 consumers. RUCO therefore proposes striking sections B.5 through B.7.

21 RESPECTFULLY SUBMITTED this 29th day of January, 1999.

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**RUCO's Proposed Modifications to Retail Electric
Competition Rules and Electric Utilities Rules
after Decision No. 61272**

R-14-2-210 Billing and Collection

- C.1. All bills for utility services ~~are~~ shall be due and payable no later less than 15 days from the date of the bill. Any payment not received ~~within this time frame by the due date~~ shall be considered delinquent and could incur a late payment charge.
- E.1. ~~The utility or Meter Reading Service Provider shall test a meter upon customer or the customer's Electric Service Provider, Utility Distribution Company (as defined in A.A.C. R14-2-1601) or billing entity request and each utility or billing entity shall be authorized to charge the customer, for such meter test according to the tariff on file approved by the Commission. However, if the meter is found to be in error by more than 3%, no meter testing fee may be charged to the customer. If the a tested meter is found to be more than 3% in error, either fast or slow, the correction of previous bills will~~ shall be made under the following terms allowing the utility to recover or refund the difference:
- a. If the date of the meter error can be definitely fixed, the utility or billing entity shall adjust the customer's billings back to that date. If the customer has been underbilled, the utility or billing entity ~~will~~ shall allow the customer to repay this difference over an equal length of time that the underbillings occurred. The customer may ~~will~~ shall be allowed to pay the backbill without late payment penalties, unless there is evidence of meter tampering or energy diversion.
 - b. If it is determined that the customer has been overbilled and there is no evidence of meter tampering or energy diversion, the utility or billing entity ~~will~~ shall make prompt refunds ~~in~~ of the difference between the original billing and the corrected billing within the next billing cycle.

R14-2-1601 Definitions

5. "Competition Transition Charge" (CTC) is a means of recovery of Stranded Costs ~~from the customers of competitive services.~~
8. ~~"Consumer Information"~~ "Consumer Education" is impartial information provided to consumers about competition or competitive and noncompetitive services and is distinct from advertising and marketing.

28. ~~"Net Metering" or "Net Billing" is a method by which customers can use electricity from customer-sited solar electric generators to offset electricity purchased from an Electric Service Provider. The customer only pays for the "Net" electricity purchased.~~
37. ~~"Solar Electric Fund" is the funding mechanism established by this Article through which deficiency payments are collected and solar energy projects are funded in accordance with this Article.~~
40. "System Benefits" means Commission-approved utility low-income, demand side management, market transformation, environmental, and renewables, long term public benefit research and development, and nuclear power plant decommissioning programs.

R14-2-1604 Competitive Phases

- B. ~~As part of the minimum 20% of 1995 system peak demand set forth in R14-2-1604(A), each~~ Each Affected Utility shall reserve a residential phase-in program with the following components:
1. A minimum of ~~11 1/4%~~ ten percent of residential customers as of ~~January 1, 1999~~ October 1, 1999 ~~will~~ shall have access to competitive electric services on ~~January 1, 1999~~ October 1, 1999. The number of customers eligible for the residential phase-in program shall increase by an additional ~~11 1/4%~~ five percent every quarter ~~six months~~ until January 1, 2004 October 1, 2001.
- C. Each Affected Utility shall file ~~a report~~ an application by ~~September 15, 1998~~ November 1, 1999, detailing ~~possible mechanisms to provide benefits, such as rate reductions of 3% - 5%, to all Standard Offer customers.~~ to decrease standard offer rates by at least three to five percent.

R14-2-1606 Services to be Made Available

- C.1. By the date indicated in R14-2-1602 October 1, 1999, each Affected Utility may shall file proposed tariffs to provide Standard Offer Bundled Service and such rates shall not become effective until approved by the Commission. ~~If no such tariffs are filed, rates and services in existence as of the date in R14-2-1602 shall constitute the Standard Offer.~~ Standard Offer Bundled Service tariffs shall include the same billing cost elements as the Affected Utility's Unbundled Service tariffs. When the same service is provided under an Affected Utility's Standard Offer tariffs and

Unbundled Service tariffs to the same class of customers, the service shall be priced the same under both tariffs.

R14-2-1607 Recovery of Stranded Cost of Affected Utilities

- D. ~~An Affected Utility shall request Commission approval, on or before August 21, 1998, of distribution charges or other means of recovering unmitigated Stranded Cost from customers who reduce or terminate service from the Affected Utility as a direct result of competition governed by this Article, or who obtain lower rates from the Affected Utility as a direct result of the competition governed by this Article. Unmitigated Stranded Costs eligible for recovery shall be recovered both from customers who reduce or terminate generation service from the Affected Utility as a direct result of competition governed by this Article by taking generation service from alternative suppliers, as well as from customers who stay with the Standard Offer service, through a non-bypassable, nondiscriminatory competitively neutral wires charge.~~
- F. ~~A Competitive Transition Charge (CTC) may be assessed only on customer purchases made in the competitive market using the provisions of this Article shall be assessed on all customers continuing to use the distribution system based on the amount of generation purchased from any supplier. Any reduction in electricity purchases from an Affected Utility resulting from self-generation, demand side management, or other demand reduction attributable to any cause other than retail access provisions of this Article shall not be used to calculate or recover any Stranded Cost from a consumer.~~

R14-2-1608 System Benefits Charges

- A. ~~By the date indicated in R14-2-1602, each Affected Utility or Utility Distribution Company shall file for Commission review non-bypassable rates or related mechanisms to recover the applicable pro-rata costs of System Benefits from all consumers located in the Affected Utility's or Utility Distribution Companies' Company's service area who participate in the competitive market. Affected Utilities or Utility Distribution Companies shall file for review of the Systems Benefits Charge every 3 years. The amount collected annually through the System Benefits charge shall be sufficient to fund the Affected Utilities' or Utility Distribution Companies' Commission-approved low income, demand side management, market transformation, environmental, and renewables, long-term public benefit research and development and nuclear fuel disposal and nuclear power plant decommissioning programs in effect from time to time. Now, the Commission will approve a solar water heater rebate program: \$200,000~~

~~to be allocated proportionally among the state's Utility Distribution Companies in 1999, \$400,000 in 2000, \$600,000 in 2001, \$800,000 in 2002, and \$1 million in 2003; the rebate will not be more than \$500 per system for Commission staff approved solar water heaters. After 2003, future Commissions may review this program for efficacy.~~

~~R14-2-1609. Solar Portfolio Standard~~

~~A. Starting on January 1, 1999, any Electric Service Provider selling electricity or aggregating customers for the purpose of selling electricity under the provisions of this Article must derive at least .2% of the total retail energy sold competitively from new solar energy resources, whether that solar energy is purchased or generated by the seller. Solar resources include photovoltaic resources and solar thermal resources that generate electricity. New solar resources are those installed on or after January 1, 1997.~~

~~B. Starting January 1 of each year from 2000 through 2003, the solar resource requirement shall increase by .2% with the result that starting January 1, 2003, any Electric Service Provider selling electricity or aggregating customers for the purpose of selling electricity under the provisions of this Article must derive at least 1.0% of the total retail energy sold competitively from new solar energy resources. The 1.0% requirement shall be in effect from January 1, 2003 through December 31, 2012.~~

~~C. The solar portfolio requirement shall only apply to competitive retail electricity in the years 1999 and 2000 and shall apply to all retail electricity in the years 2001 and thereafter.~~

~~D. Electric Service Providers shall be eligible for a number of extra credit multipliers that may be used to meet the solar portfolio standard requirements:~~

~~1. Early Installation Extra Credit Multiplier: For new solar electric systems installed and operating prior to December 31, 2003, Electric Service Providers would qualify for multiple extra credits for kWh produced for 5 years following operational start-up of the solar electric system. The 5-year extra credit would vary depending upon the year in which the system started up, as follows:~~

YEAR	EXTRA CREDIT MULTIPLIER
1997	.5
1998	.5
1999	.5
2000	.4
2001	.3

2002 _____ .2
2003 _____ .1

The Early Installation Extra Credit Multiplier would end in 2003.

2. ~~Solar Economic Development Extra Credit Multipliers: There are 2 equal parts to this multiplier, an in-state installation credit and an in-state content multiplier.~~
 - a. ~~In-State Power Plant Installation Extra Credit Multiplier: Solar electric power plants installed in Arizona shall receive a .5 extra credit multiplier.~~
 - b. ~~In-State Manufacturing and Installation Content Extra Credit Multiplier: Solar electric power plants shall receive up to a .5 extra credit multiplier related to the manufacturing and installation content that comes from Arizona. The percentage of Arizona content of the total installed plant cost shall be multiplied by .5 to determine the appropriate extra credit multiplier. So, for instance, if a solar installation included 80% Arizona content, the resulting extra credit multiplier would be .4 (which is .8 X .5).~~
3. ~~Distributed Solar Electric Generator and Solar Incentive Program Extra Credit Multiplier: Any distributed solar electric generator that meets more than 1 of the eligibility conditions will be limited to only one .5 extra credit multiplier from this subsection. Appropriate meters will be attached to each solar electric generator and read at least once annually to verify solar performance.~~
 - a. ~~Solar electric generators installed at or on the customer premises in Arizona. Eligible customer premises locations will include both grid-connected and remote, non-grid-connected locations. In order for Electric Service Providers to claim an extra credit multiplier, the Electric Service Provider must have contributed at least 10% of the total installed cost or have financed at least 80% of the total installed cost.~~
 - b. ~~Solar electric generators located in Arizona that are included in any Electric Service Provider's Green Pricing program.~~
 - c. ~~Solar electric generators located in Arizona that are included in any Electric Service Provider's Net Metering or Net Billing program.~~
 - d. ~~Solar electric generators located in Arizona that are included in any Electric Service Provider's solar leasing program.~~
 - e. ~~All Green Pricing, Net Metering, Net Billing, and Solar Leasing programs must have been reviewed and approved by the Director, Utilities Division in order for the Electric Service Provider to accrue extra credit multipliers from this subsection.~~
4. ~~All multipliers are additive, allowing a maximum combined extra credit multiplier of 2.0 in years 1997-2003, for equipment installed and manufactured in Arizona and either installed at customer premises or participating in approved solar incentive programs. So,~~

~~if an Electric Service Provider qualifies for a 2.0 extra credit multiplier and it produces 1 solar kWh, the Electric Service Provider would get credit for 3 solar kWh (1 produced plus 2 extra credit).~~

- ~~E. Electric Service Providers selling electricity under the provisions of this Article shall provide reports on sales and solar power as required in this Article, clearly demonstrating the output of solar resources, the installation date of solar resources, and the transmission of energy from those solar resources to Arizona consumers. The Commission may conduct necessary monitoring to ensure the accuracy of these data.~~
- ~~F. If an Electric Service Provider selling electricity under the provisions of this article fails to meet the requirement in R14-2-1609(A) or (B) in any year, the Commission shall impose a penalty on that Electric Service Provider that the Electric Service Provider pay an amount equal to 30¢ per kWh to the Solar Electric Fund for deficiencies in the provision of solar electricity. This Solar Electric Fund will be established and utilized to purchase solar electric generators or solar electricity in the following calendar year for the use by public entities in Arizona such as schools, cities, counties, or state agencies. Title to any equipment purchased by the Solar Electric Fund will be transferred to the public entity. In addition, if the provision of solar energy is consistently deficient, the Commission may void an Electric Service Provider's contracts negotiated under this Article.~~
- ~~1. The Director, Utilities Division shall establish a Solar Electric Fund in 1999 to receive deficiency payments and finance solar electricity projects.~~
 - ~~2. The Director, Utilities Division shall select an independent administrator for the selection of projects to be financed by the Solar Electric Fund. A portion of the Solar Electric Fund shall be used for administration of the Fund and a designated portion of the Fund will be set aside for ongoing operation and maintenance of projects financed by the Fund.~~
- ~~G. Photovoltaic or solar thermal electric resources that are located on the consumer's premises shall count toward the solar portfolio standard applicable to the current Electric Service Provider serving that consumer.~~
- ~~H. Any solar electric generators installed by an Affected Utility to meet the solar portfolio standard shall be counted toward meeting renewable resource goals for Affected Utilities established in Decision No. 58643.~~
- ~~I. Any Electric Service Provider or independent solar electric generator that produces or purchases any solar kWh in excess of its annual portfolio requirements may save or bank those excess solar kWh for use or sale in future years. Any eligible solar kWh produced subject to this rule may be sold or traded to any Electric Service Provider that is subject to this rule.~~

~~Appropriate documentation, subject to Commission review, shall be given to the purchasing entity and shall be referenced in the reports of the Electric Service Provider that is using the purchased kWh to meet its portfolio requirements.~~

- ~~J. Solar portfolio standard requirements shall be calculated on an annual basis, based upon electricity sold during the calendar year.~~
- ~~K. An Electric Service Provider shall be entitled to receive a partial credit against the solar portfolio requirement if the Electric Service Provider or its affiliate owns or makes a significant investment in any solar electric manufacturing plant that is located in Arizona. The credit will be equal to the amount of the nameplate capacity of the solar electric generators produced in Arizona and sold in a calendar year times 2,190 hours (approximating a 25% capacity factor).~~
- ~~1. The credit against the portfolio requirement shall be limited to the following percentages of the total portfolio requirement:
1999 ——— Maximum of 50 % of the portfolio requirement
2000 ——— Maximum of 50 % of the portfolio requirement
2001 ——— Maximum of 25 % of the portfolio requirement
2002 ——— Maximum of 25 % of the portfolio requirement
2003 and on Maximum of 20 % of the portfolio requirement~~
 - ~~2. No extra credit multipliers will be allowed for this credit. In order to avoid double-counting of the same equipment, solar electric generators that are used by other Electric Service Providers to meet their Arizona solar portfolio requirements will not be allowable for credits under this Section for the manufacturer/Electric Service Provider to meet its portfolio requirements.~~
- ~~L. The Director, Utilities Division shall develop appropriate safety, durability, reliability, and performance standards necessary for solar generating equipment to qualify for the solar portfolio standard. Standards requirements will apply only to facilities constructed or acquired after the standards are publicly issued.~~

R14-2-1613 Service Quality, Consumer Protections, Safety and Billing Requirements

- ~~C. No consumer shall be deemed to have changed providers of any service authorized in this Article (including changes from supply by the Affected Utility to another provider) without written authorization by the consumer for service from the new provider. If a consumer is switched (or slammed) to a different ("new") provider without such written authorization, the new provider shall cause service by the previous provider to be resumed and the new provider shall bear all costs associated with switching the~~

consumer back to the previous provider. A written authorization that is obtained by deceit or deceptive practices shall not be deemed a valid written authorization. Providers shall submit reports within 30 days of the end of each calendar quarter to the Commission itemizing the direct complaints filed by customers who have had their Electric Service Providers changed without their authorization. Violations of the Commission's rules concerning unauthorized changes of providers may result in penalties, or suspension or revocation of the provider's certificate.

- K.7. Competitive customers with hourly loads of 20kW (or 100,000 kWh annually) or less will be permitted to use Load Profiling to satisfy the requirements of hourly consumption data: however, they may choose other metering options offered by their Electric Service Provider consistent with the Commission's rules on metering.
- O. ~~Unbundled~~ Billing Elements. All customer bills after January 1, 1999 will list, at a minimum, the following billing cost elements:
1. Electricity Costs:
 - a. Generation,
 - b. Competition Transition Charge, and
 - c. Fuel or purchased power adjustor, if applicable
 2. Delivery costs:
 - a. Distribution services, and
 - b. Transmission services, and
 - c. ~~Ancillary services~~
 3. Other Costs:
 - a. Metering Service,
 - b. Meter Reading Service,
 - c. Billing and collection, and
 - d. System Benefits charge

Insert new paragraph P

- P. Within a given customer class, the bundled and unbundled bills shall include the same billing cost elements.

R14-2-1615 Administrative Requirements

Insert new paragraph E:

- E. Prior to October 1, 1999, the Director, Utilities Division shall implement a Consumer Education program as approved by the Commission.

R14-2-1616 Separation of Monopoly and Competitive Services

- D. ~~To meet the solar portfolio requirement in R14-2-1609, the Utility Distribution Company may purchase, install, and operate the solar electric systems or contract with an affiliate to meet the solar portfolio requirement.~~

R14-2-1617 Electric Affiliate Transaction Rules

A. Separation

An Affected Utility or Utility Distribution Company and its affiliates shall operate as separate corporate entities. Books and records shall be kept separate, in accordance with applicable Uniform System of Accounts (USOA) and Generally Accepted Accounting Procedures Principles (GAAP). The books and records of any Electric Service Provider that is an affiliate of an Affected Utility or Utility Distribution Company shall be open for examination by the Commission and its staff consistent with the provisions set forth in A.A.C. R14-2-1614. All proprietary information shall remain confidential.

- A.2. An Affected Utility or Utility Distribution Company, its parent holding company, or a separate affiliate created solely for the purpose of corporate support functions, may share with its affiliates joint corporate oversight, governance, support systems and personnel. However, no person privy to a utility's non-public information shall serve an affiliate in any capacity or provide any guidance based on non-public information. Any shared support shall be priced, reported and conducted in accordance with all applicable Commission pricing and reporting requirements. An Affected Utility or Utility Distribution Company shall not use shared corporate support functions as a means to transfer confidential information, allow preferential treatment, or create significant opportunities for cross-subsidization of its affiliates, and shall provide mechanisms and safeguards against such activity in its compliance plan.
- A.4. An Affected Utility or Utility Distribution Company shall not offer or provide to its affiliates advertising space in any ~~customer~~ written communication to customers unless it provides access to all other unaffiliated service providers on the same terms and conditions.
- A.7.a Goods and services provided by an Affected Utility or Utility Distribution Company to an affiliate shall be transferred at the price and under the terms and conditions specified in its tariff. If the goods or service to be transferred is a non-tariffed item, the transfer price shall be the higher of fully allocated cost or the market price, except that if a good or service

transferred is being divested because it is used to provide a competitive service under this Article, it may be transferred at a Commission-approved market value even if its fully-allocated cost is higher. Transfers from an affiliate to its affiliated Utility Distribution Company shall be priced at the lower of fully allocated cost or fair market value, except that if the item transferred is to be used in providing a competitively-traded service to Standard Offer customers, it may be transferred at a Commission-approved market price even if its fully-allocated cost is lower.

B. Access to Information

~~As a general rule, an~~ An Affected Utility, Utility Distribution Company or Electric Service Provider shall provide customer information to its affiliates and nonaffiliates on a non-discriminatory basis, provided prior affirmative customer written consent is obtained. Any non-customer specific non-public information shall be made contemporaneously available by an Affected Utility, Utility Distribution Company or Electric Service Provider to its affiliates and all other service providers on the same terms and conditions.

R14-2-1618 Disclosure of Information

~~A. There are efforts under the auspices of the Western Conference of Public Service Commissioners to develop a tracking mechanism as to the source of electrons. To facilitate customer choice, the Commission intends to participate in developing this tracking mechanism and a side-by-side comparison for retail customers on price, price variability, fuel mix, and emissions of electricity offered for sale in Arizona and the West. Until this is accomplished, R14-2-1618 is a placeholder.~~

~~B. Each Load-Serving Entity~~ provider of services described in Rule R14-2-1605.A shall prepare a consumer information label that sets forth the following information for customers with a demand of less than 1 MW:

1. Price to be charged for generation services,
2. Price variability information,
3. Customer service information,
- ~~4. Composition of resource portfolio,~~
- ~~5. Fuel mix characteristics of the resource portfolio,~~
- ~~6. Emissions characteristics of the resource portfolio,~~
7. Time period to which the reported information applies.