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Arizona Corporation Commission

DOCKETED

JAN 29 1999

BEFORE THE ARIZONA CORPORATION COMMISSION
JIM IRVING
COMMISSIONER-CHAIRMAN
CARL J. KUNASEK
COMMISSIONER
TONY WEST
COMMISSIONER

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AZ CORP COMMISSION

JAN 29 2 36 PM '99

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DOCUMENT CONTROL

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

The Arizona Consumers Council wishes to note that the time frame in which the parties are required to respond is insufficient, especially given the complexity of the issues. Indeed, the comprehensive rules were only available Monday, January 25th, and then only on the web.

Because of the shortness of time, our proposals for rule changes and some notes regarding the rules are annotated to the rules as printed from the web site, 1/26/99. The quickness of the turn around allowed us no other functional alternative. If there are any questions regarding our proposals, please contact Barbara Sherman, 602-47-3194. Again, the shortness of time prevented long explanations. Generally, our proposals to the rules are for consumer information and consumer protection.

The Arizona Consumers Council reiterates its continued support of the restructuring process, provided that the rules, when implemented: 1) bring benefits to all consumers equitably; 2) insure that costs be paid by those who caused them, that residential, small business, rural and other vulnerable consumers will not be assessed stranded and other costs disproportionately, and that all classes of consumers, utilities and their shareholders must bear the burdens of competition; 3) insure environmental and social policies will continue and expand; 4) insure continued reliability, safety and accountability of the industry; and 5) keep consumers and consumer organizations involved on an ongoing basis.

We have several serious concerns. First and foremost is the critical need for education of consumers regarding electric restructuring and its potential impacts. The consumer label is good but it is far from sufficient. There needs to be an overarching, comprehensive, unbiased consumer education program put into place immediately. It needs sufficient

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funding to insure that all consumers in the State of Arizona have access to quality information so they can make independent and informed choices in this new era of competition.

It is a serious concern of ours that consumers be protected from unscrupulous brokers and other middle men. Other states have experienced significant problems in this area. These rules do not appear to provide adequate protection.

The Commission must continue to collect adequate information so that it can monitor competition contracts and assess that charges to residential and other small customers are equitable. Captive customers must not bear the burdens and costs while large customers obtain huge discounts. If the latter is the outcome of competition, then it must be revisited so that all can share in the benefits, especially lower costs.

The Arizona Consumers Council is unalterably opposed to securitization.

We need to finalize the process and procedures to establish an Independent System Operator (ISO). An ISO is imperative if the market is to work.

R14-2-1618 Disclosure of Information contains good language that could be incorporated into a new section in R14-2-204 regarding information for consumers and also into the billing section, R14-2-210.

Please, see the specific proposals for rules changes enclosed.

Thank you for the opportunity to revisit the rules.

DATED this 29th of January, 1999.

 for

Barbara Sherman and Albert Sterman
for the Arizona Consumers Council

41. "Single family dwelling". A house, an apartment, a mobile home permanently affixed to a lot, or any other permanent residential unit which is used as a permanent home.
42. "Tariffs". The documents filed with the Commission which list the services and products offered by the utility and which set forth the terms and conditions and a schedule of the rates and charges, for those services and products.
43. "Temporary service". Service to premises or enterprises which are temporary in character, or where it is known in advance that the service will be of limited duration. Service which, in the opinion of the utility, is for operations of a speculative character is also considered temporary service.
44. "Third-party notification". A notice sent to an individual or a public entity willing to receive notification of the pending discontinuance of service of a customer of record in order to make arrangements on behalf of said customer satisfactory to the utility.
45. "Utility". The public service corporation providing electric service to the public in compliance with state law.
46. "Weather especially dangerous to health". That period of time commencing with the scheduled termination date when the local weather forecast, as predicted by the National Oceanographic and Administration Service, indicates that the temperature will not exceed 32 degrees Fahrenheit or will exceed 100 degrees Fahrenheit for the next day's forecast. The Commission may determine that other weather conditions are especially dangerous to health as the need arises.

R14-2-202. Certificate of Convenience and Necessity for electric utilities; filing requirements on certain new plants

A. Application for new Certificate of Convenience and Necessity

- f. Indication of whether premises have been supplied with utility service previously.
 - g. Purpose for which service is to be used.
 - h. Indication of whether applicant is owner or tenant of or agent for the premises.
 - i. Information concerning the energy and demand requirements of the customer.
 - j. Type and kind of life-support equipment, if any, used by the customer.
2. A utility may require a new applicant for service to appear at the utility's designated place of business to produce proof of identity and sign the utility's application form.
 3. Where service is requested by two or more individuals the utility shall have the right to collect the full amount owed to the utility from any one of the applicants.

see new B. **B. Deposits**

1. A utility shall not require a deposit from a new applicant for residential service if the applicant is able to meet any of the following requirements:
 - a. The applicant has had service of a comparable nature with the utility within the past 2 years and was not delinquent in payment more than twice during the last 12 consecutive months or disconnected for nonpayment.
 - b. The applicant can produce a letter regarding credit or verification from an electric utility where service of a comparable nature was last received which states applicant had a timely payment history at time of service discontinuance.
 - c. In lieu of a deposit, a new applicant may provide a Letter of Guarantee from a governmental or non-profit entity or a surety bond as security for the utility.
2. The utility shall issue a nonnegotiable receipt to the applicant for the deposit. The

see new B.  **B.**
Information for new applicants see p. 9A

Proposal: New section B

B

Information for new applicants

Information provided new applicants shall, at the minimum, consist of the following information:

(taken from R14-2-1618, F., numbers 1 - 13)

electric service provider

Each ~~Load-Serving Entity~~ shall prepare a statement of its terms of service that sets forth the following information:

1. Actual pricing structure or rate design according to which the customer with a load of less than 1 MW will be billed, including an explanation of price variability and price level adjustments that may cause the price to vary;
2. Length and description of the applicable contract and provisions and conditions for early termination by either party;
3. Due date of bills and consequences of late payment;
4. Conditions under which a credit agency is contacted;
5. Deposit requirements and interest on deposits;
6. Limits on warranties and damages;
7. All charges, fees, and penalties;
8. Information on consumer rights pertaining to estimated bills, 3rd party billing, deferred payments, recission of supplier switches within 3 days of receipt of confirmation;
9. A toll-free telephone number for service complaints;
10. Low income rate eligibility;
11. Provisions for default service;
12. Applicable provisions of state utility laws; and
13. Method whereby customers will be notified of changes to the terms of service.

4. Service establishments with an Electric Service Provider will be scheduled for the next regular meter read date if the direct access service request is processed 15 calendar days prior to that date and appropriate metering equipment is in place. If a direct access service request is made in less than 15 days prior to the next regular read date, service will be established at the next regular meter read date thereafter. The utility may offer after-hours or earlier service for a fee. This section shall not apply to the establishment of new service, but is limited to a change of providers of existing electric service.

E. Temporary service

1. Applicants for temporary service may be required to pay the utility, in advance of service establishment, the estimated cost of installing and removing the facilities necessary for furnishing the desired service.
2. Where the duration of service is to be less than one month, the applicant may also be required to advance a sum of money equal to the estimated bill for service.
3. Where the duration of service is to exceed one month, the applicant may also be required to meet the deposit requirements of the utility.
4. If at any time during the term of the agreement for services the character of a temporary customer's operations changes so that in the opinion of the utility the customer is classified as permanent, the terms of the utility's line extension rules shall apply.

R14-2-204. Minimum customer information requirements

A. Information for residential customers

1. A utility shall make available upon customer request ~~not later than 60 days from the date of request~~ a concise summary of the rate schedule applied for by such customer. The summary shall include the following:
 - a. The monthly minimum or customer charge, identifying the amount of the charge and the specific amount of usage included in the minimum charge,

where applicable.

- b. Rate blocks, where applicable.
- c. Any adjustment factor and method of calculation.
2. The utility shall to the extent practical identify its tariff that is most advantageous to the customer and notify the customer of such prior to service commencement.
3. In addition, a utility shall make available upon customer request, ~~not later than 60 days from date of service commencement,~~ a concise summary of the utility's tariffs or the Commission's rules and regulations concerning:
 - a. Deposits
 - b. Termination of service
 - c. Billing and collection
 - d. Complaint handling.
4. Each utility upon request of a customer shall transmit a written statement of actual consumption by such customer for each billing period during the prior 12 months unless such data is not reasonably ascertainable.
5. Each utility shall inform all ~~new~~ customers of their right to obtain the information specified above.

B. Information required due to changes in tariffs

1. Each utility shall transmit to affected customers a concise summary of any change in the utility's tariffs affecting those customers.
2. This information shall be transmitted to the affected customer ~~within 60 days of~~ ^{prior to} the effective date of the change. _^

R14-2-205. Master metering

A. Mobile home parks -- new construction/expansion

1. A utility shall refuse service to all new construction and/or expansion of existing permanent residential mobile home parks unless the construction and/or expansion is individually metered by the utility. Line extensions and service

C. Line extension requirements

1. Each line extension tariff shall include the following provisions:

- a. A maximum footage and/or equipment allowance to be provided by the utility at no charge. The maximum footage and/or equipment allowance may be differentiated by customer class.
- b. An economic feasibility analysis for those extensions which exceed the maximum footage and/or equipment allowance. Such economic feasibility analysis shall consider the incremental revenues and costs associated with the line extension. In those instances where the requested line extension does not meet the economic feasibility criteria established by the utility, the utility may require the customer to provide funds to the utility, which will make the line extension economically feasible. The methodology employed by the utility in determining economic feasibility shall be applied uniformly and consistently to each applicant requiring a line extension.
- c. The timing and methodology by which the utility will refund any advances in aid of construction as additional customers are served off the line extension. The customer ^{will receive} ~~may request~~ ^{and refund} an annual survey ~~to determine~~ if additional customers have been connected to and are using service from the extension. In no case shall the amount of the refund exceed the amount originally advanced.
- d. All advances in aid of construction shall be noninterest bearing.
- e. If after ^{ten} ~~five~~ years from the utility's receipt of the advance, the advance has not been totally refunded, the advance shall be considered a contribution in aid of construction and shall no longer be refundable.

D. Residential subdivision development and permanent mobile home parks

responsible for loss of or damage to utility property on the customer's premises arising from neglect, carelessness, or misuse and shall reimburse the utility for the cost of necessary repairs or replacements.

4. Each customer shall be responsible for payment for any equipment damage and/or estimated unmetered usage resulting from unauthorized breaking of seals, interfering, tampering or bypassing the utility meter.

5. Each customer shall be responsible for notifying the utility of any equipment failure identified in the utility's equipment.

C. Continuity of service

~~Customers will not be charged for faulty equipment.~~

1. Each utility shall make reasonable efforts to supply a satisfactory and continuous level of service. However, no utility shall be responsible for any damage or claim of damage attributable to any interruption or discontinuation of service resulting from:

a. Any cause against which the utility could not have reasonably foreseen or made provision for, i.e., force majeure.

b. Intentional service interruptions to make repairs or perform routine maintenance.

c. Curtailment.

D. Service interruptions

1. Each utility shall make reasonable efforts to reestablish service within the shortest possible time when service interruptions occur.

2. Each utility shall make reasonable provisions to meet emergencies resulting from failure of service, and each utility shall issue instructions to its employees covering procedures to be followed in the event of emergency in order to prevent or mitigate interruption or impairment of service.

3. In the event of a national emergency or local disaster resulting in disruption of normal service, the utility may, in the public interest, interrupt service to other

case of aggregation of competitive services as described in A.A.C. R14-2-1601.

2. Each bill for residential service will contain the following minimum information:
 - a. The beginning and ending meter readings of the billing period, the dates thereof, and the number of days in the billing period;
 - b. The date when the bill will be considered due and the date when it will be delinquent, if not the same;
 - c. Billing usage, demand, basic monthly service charge and total amount due;
 - d. Rate schedule number or service offer;
 - e. Customer's name and service account number;
 - f. Any previous balance;
 - g. Fuel adjustment cost, where applicable;
 - h. License, occupation, gross receipts, franchise and sales taxes;
 - i. The address and telephone numbers of the Electric Service Provider, and the Utility Distribution Company designating where the customer may initiate an inquiry or complaint concerning the bill or services rendered;
 - j. The Arizona Corporation Commission address and toll free telephone numbers;
 - k. Other unbundled rates and charges.

Note: This information serves educational purposes even if a residential customer is not participating in the competitive market.

C. Billing terms

1. All bills for utility services are due and payable no later than 15 days from the date of the bill. Any payment not received within this time-frame shall be considered delinquent and could incur a late payment charge.
2. For purposes of this rule, the date a bill is rendered may be evidenced by:
 - a. The postmark date;
 - b. The mailing date;
 - c. The billing date shown on the bill (however, the billing date shall not differ from the postmark or mailing date by more than 2 days);
 - d. The transmission date for electronic bills.
3. All delinquent bills shall be subject to the provisions of the utility's termination procedures.
4. All payments shall be made at or mailed to the office of the utility or to the utility's authorized payment agency or the office of the billing entity. The date on which the utility actually receives the customer's remittance is considered the payment date. Payment may also be evidenced by a; b; c. check

D. Applicable tariffs, ~~prepayment, failure to receive,~~ commencement date, taxes

1. Each customer shall be billed under the applicable tariff indicated in the customer's application for service.
2. Each utility or billing entity shall make provisions for advance payment of utility services.
3. Failure to receive bills or notices which have been properly placed in the United States mail shall not prevent such bills from becoming delinquent nor relieve the customer of his obligations therein.
4. Charges for electric service commence when the service is actually installed and connection made, whether used or not. A minimum 1-month billing period is established on the date the service is installed (excluding landlord/utility special

services.

39. "Stranded Cost" includes:

- a. The verifiable net difference between:
 - i. The value of all the prudent jurisdictional assets and obligations necessary to furnish electricity (such as generating plants, purchased power contracts, fuel contracts, and regulatory assets), acquired or entered into prior to December 26, 1996, under traditional regulation of Affected Utilities; and
 - ii. The market value of those assets and obligations directly attributable to the introduction of competition under this Article;
- b. Reasonable costs necessarily incurred by an Affected Utility to effectuate divestiture of its generation assets;
- c. Reasonable employee severance and retraining costs necessitated by electric competition, where not otherwise provided.

40. "System Benefits" means Commission-approved utility low income, demand side management, market transformation, environmental, renewables, long-term public benefit research and development, ~~and nuclear fuel disposal and nuclear power plant decommissioning programs.~~

41. "Transmission Primary Voltage" is voltage above 25 kV as it relates to metering transformers.

42. "Transmission Service" refers to the transmission of electricity to retail electric customers or to electric distribution facilities and that is so classified by the Federal Energy Regulatory Commission or, to the extent permitted by law, so classified by the Arizona Corporation Commission.

43. "Unbundled Service" means electric service elements provided and priced separately, including, but not limited to, such service elements as generation, transmission, distribution, metering, meter reading, billing and collection and

under this Article shall obtain certification subject to the following conditions:

1. The Electric Service Provider shall comply with all Commission rules, orders, and other requirements relevant to the provision of electric service and relevant to resource planning;
2. The Electric Service Provider shall maintain accounts and records as required by the Commission;
3. The Electric Service Provider shall file with the Director, Utilities Division all financial and other reports that the Commission may require and in a form and at such times as the Commission may designate;
4. The Electric Service Provider shall maintain on file with the Commission all current tariffs and any service standards that the Commission shall require;
5. The Electric Service Provider shall cooperate with any Commission investigation of customer complaints;
6. The Electric Service Provider shall obtain all necessary permits and licenses including relevant tax licenses.
7. The Electric Service Provider shall comply with all disclosure requirements pursuant to R14-2-1618;
8. Failure to comply with any of the above conditions may result in rescission of the Electric Service Provider's Certificate of Convenience and Necessity.

J. In appropriate circumstances, the Commission may require, as a precondition to certification, the procurement of a performance bond sufficient to cover any advances or deposits the applicant may collect from its customers, or order that such advances or deposits be held in escrow or trust.

R14-2-1604. Competitive Phases

Note: Dates should be consistent with those of SRP in so far as possible.

A. Each Affected Utility shall make available at least 20% of its 1995 system retail peak demand for competitive generation supply on a first-come, first-served basis as further described in this rule. First-come, first-served for the purpose of this rule, shall be

2001, Standard Offer service shall be provided by Utility Distribution Companies who shall also act as Providers of Last Resort.

B. After January 1, 2001, power purchased by a Utility Distribution Company to serve Standard Offer customers, except purchases made through spot markets, shall be acquired through competitive bid. Any resulting contract in excess of 12 months shall contain provisions allowing the Utility Distribution Company to ratchet down its power purchases. A Utility Distribution Company may request that the Commission modify any provision of this subsection for good cause.

C. Standard Offer Tariffs

1. By the date indicated in R14-2-1602, each Affected Utility may 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.

2. Affected Utilities may file proposed revisions to such rates. It is the expectation of the Commission that the rates for Standard Offer service will not increase, relative to existing rates, as a result of allowing competition. Any rate increase proposed by an Affected Utility for Standard Offer service must be fully justified through a rate case proceeding.

3. Such rates shall reflect the costs of providing the service.

4. Consumers receiving Standard Offer service are eligible for potential future rate reductions authorized by the Commission, such as reductions authorized in Decision No. 59601.

D. ^(A) By the date indicated in R14-2-1602, each Affected Utility shall file Unbundled Service tariffs to provide the services listed below to the extent allowed by these rules to all eligible purchasers on a nondiscriminatory basis. Other entities seeking to provide any of these services must also file tariffs consistent with these rules:

^(A) Standard Offer tariffs may not subsidize costs of competitive customers and/or other classes of customers

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1. Distribution Service;
 2. Metering and Meter Reading Services;
 3. Billing and collection services;
 4. Open access transmission service (as approved by the Federal Energy Regulatory Commission, if applicable);
 5. Ancillary services in accordance with Federal Energy Regulatory Commission Order 888 (III FERC Stats. & Regs. paragraph 31,036, 1996) incorporated herein by reference;
 6. Information services such as provision of customer information to other Electric Service Providers;
 7. Other ancillary services necessary for safe and reliable system operation.
- E. To manage its risks, an Affected Utility or Electric Service Provider may include in its tariffs deposit requirements and advance payment requirements for Unbundled Services.
- F. The Affected Utilities must provide transmission and ancillary services according to the following guidelines:
1. Services must be provided consistent with applicable tariffs filed with the Federal Energy Regulatory Commission.
 2. Unless otherwise required by federal regulation, Affected Utilities must accept power and energy delivered to their transmission systems by others and offer transmission and related services comparable to services they provide to themselves.
- G. Customer Data
1. Upon written authorization by the customer, a Load-Serving Entity shall release in a timely and useful manner that customer's demand and energy data for the most recent 12-month period to a customer-specified Electric Service Provider, *if such provider has met all State of AZ and AZ Corporation Comm. requirements.*
 2. The Electric Service Provider requesting such customer data shall provide an accurate account number for the customer.

documentation for its proposed rates for System Benefits.

- C. An Affected Utility or Utility Distribution Company shall recover the costs of System Benefits only upon hearing and approval by the Commission of the recovery charge and mechanism. The Commission may combine its review of System Benefits charges with its review of filings pursuant to R14-2-1606.

R14-2-1609. Solar Portfolio Standard *Note: We support solar for environmental and national defense reasons.*

- 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

for the recovery of such costs shall be filed with the Federal Energy Regulatory Commission and the Commission. In the event that the Federal Energy Regulatory Commission does not permit recovery of prudently incurred Independent Scheduling Administrator costs within 90 days of the date of making an application with the Federal Energy Regulatory Commission, the Commission may authorize Affected Utilities to recover such costs through a distribution surcharge.

G. The Commission supports the use of "Scheduling Coordinators" to provide aggregation of customers' schedules to the Independent Scheduling Administrator and the respective Control Area Operators simultaneously until the implementation of a regional Independent System Operator, at which time the schedules will be submitted to the Independent System Operator. The primary duties of Scheduling Coordinators are to:

1. Forecast their customers' load requirements;
2. Submit balanced schedules (that is, schedules for which total generation is equal to total load of the Scheduling Coordinator's customers plus appropriate transmission losses) and North American Electric Reliability Council/Western Systems Coordinating Council tags; ? jargon?
3. Arrange for the acquisition of the necessary transmission and ancillary services;
4. Respond to contingencies and curtailments as directed by the Control Area Operators, Independent Scheduling Administrator or Independent System Operator;
5. Actively participate in the schedule checkout process and the settlement processes of the Control Area Operators, Independent Scheduling Administrator or Independent System Operator.

H. The Affected Utilities shall provide services from the Must-Run Generating Units to Standard Offer retail customers and competitive retail customers on a comparable, non-discriminatory basis at regulated prices. The Affected Utilities shall specify the obligations of the Must-Run Generating Units in appropriate sales contracts prior to any

Provider's approved tariffs, it shall not become effective without a Commission order.
Such contracts shall be kept confidential by the Commission.

- D. Contracts entered into on or after the date indicated in R14-2-1604(D) which comply with approved tariffs need not be filed with the Director, Utilities Division. If a contract does not comply with the provisions of this Article and the Affected Utility's or the Electric Service Provider's approved tariffs it shall not become effective without a Commission order.
- E. An Electric Service Provider holding a Certificate pursuant to this Article may price its competitive services, as defined in R14-2-1605, at or below the maximum rates specified in its filed tariff, provided that the price is not less than the marginal cost of providing the service. ? What about operating and fixed costs?
- F. Requests for changes in maximum rates or changes in terms and conditions of previously approved tariffs may be filed. Such changes become effective only upon Commission approval.

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

- A. Except as indicated elsewhere in this Article, R14-2-201 through R14-2-212, inclusive, are adopted in this Article by reference. However, where the term "utility" is used in R14-2-201 through R14-2-212, the term "utility" shall pertain to Electric Service Providers providing the services described in each paragraph of R14-2-201 through R14-2-212. R14-2-203(E) and R14-2-212(H) shall pertain only to Utility Distribution Companies.
- B. The following shall not apply to this Article:
1. R14-2-202 in its entirety,
 2. R14-2-206 in its entirety,
 3. R14-2-207 in its entirety,
 4. R14-2-212 (F)(1),
 5. R14-2-213,

6. R14-2-208(E) and (F).

- 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.
- D. A customer with an annual load of 100,000 kWh or less may rescind its authorization to change providers of any service authorized in this Article within 3 business days, without penalty, by providing written notice to the provider.
- E. Each Electric Service Provider providing service governed by this Article shall be responsible for meeting applicable reliability standards and shall work cooperatively with other companies with whom it has interconnections, directly or indirectly, to ensure safe, reliable electric service. Utility Distribution Companies shall make reasonable efforts to notify customers of scheduled outages, and also provide notification to the Commission.
- F. Each Electric Service Provider shall provide at least 45 days notice to all of its affected consumers of its intent to cease providing generation, transmission, distribution, or ancillary services necessitating that the consumer obtain service from another supplier of generation, transmission, distribution, or ancillary services. *At the same time each Electric Service Provider shall provide customers with information about shopping for electricity.*

safety regularly, and shall make recommendations to the Commission regarding improvements to reliability or safety.

- M. Electric Service Providers shall comply with applicable reliability standards and practices established by the Western Systems Coordinating Council and the North American Electric Reliability Council or successor organizations.
- N. Electric Service Providers shall provide notification and informational materials to consumers about competition and consumer choices, such as a standardized description of services, as ordered by the Commission.
- 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,
 - 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
- P. The operating procedures approved by the Director, Utilities Division will be used for Direct Access Service Requests as well as other billing and collection transactions.

Note: This information is educational for customers who are not in the competitive market.

R14-2-1614. Reporting Requirements

- A. Reports covering the following items, as applicable, shall be submitted to the Director,

does this rule preclude an Affected Utility or Utility Distribution Company from billing its own customers for distribution service, or from providing billing services to Electric Service Providers in conjunction with its own billing or from providing meters for Load Profiled residential customers. Nor does this rule require an Affected Utility or Utility Distribution Company to separate such assets or services utilized in these circumstances. Affected Utilities and Utility Distribution Companies shall provide, if requested by an Electric Service Provider or customer, metering, meter reading, billing, and collection services within their service territories at tariffed rates to customers that do not have access to these services during the years 1999 and 2000, subject to the following limitations. The Affected Utilities and Utility Distribution Companies shall be allowed to continue to provide metering and meter reading services to competitive customers within their service territories at tariffed rates until such time as 2 or more competitive Electric Service Providers are offering such services to a particular customer class. When 2 competitive Electric Service Providers are providing such services to a particular customer class, the Affected Utilities and Utility Distribution Companies will no longer be allowed to offer the service to new competitive customers in that customer class, but may continue to offer the service through December 31, 2000, to the existing competitive customers signed up prior to the commencement of service by the 2 competitive Electric Service Providers.

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- C. An Electric Distribution Cooperative is not subject to the provisions of R14-2-1616 except if it offers competitive electric services outside of the service territory it had as of the effective date of these rules.
- 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. Affiliate Transactions

- A. Separation

guidelines:

1. Any list of Electric Service Providers provided by an Affected Utility or Utility Distribution Company to its customers which includes or identifies the Affected Utility's or Utility Distribution Company's competitive electric affiliates must include or identify non-affiliated entities included on the list of those Electric Service Providers authorized by the Commission to provide service within the Affected Utility's or Utility Distribution Company's certificated area. The Commission shall maintain an updated list of such Electric Service Providers and make that list available to Affected Utilities or Utility Distribution Companies at no cost. This dated list will also be available to the public upon request.
2. An Affected Utility or Utility Distribution Company may provide non-public supplier information and data, which it has received from unaffiliated suppliers, to its affiliates or nonaffiliated entities only if the Affected Utility or Utility Distribution Company receives prior authorization from the supplier.
3. Except as otherwise provided in these rules, an Affected Utility or Utility Distribution Company shall not offer or provide customers advice, which includes promoting, marketing or selling, about its affiliates or other service providers.
4. An Affected Utility or Utility Distribution Company shall maintain contemporaneous records documenting all tariffed and nontariffed transactions with its affiliates, including but not limited to, all waivers of tariff or contract provisions and all discounts. These records shall be maintained for a period of 3 years, or longer if required by this Commission or another governmental agency.

- a. Providing leads to its affiliates;
- b. Soliciting business on behalf of affiliates;
- c. Acquiring information on behalf of, or provide information to, its affiliates;
- d. Sharing market analysis reports or any non-publicly available reports, including but not limited to market, forecast, planning or strategic reports, with its affiliates.

E. e. Steering customers to affiliates for services
Compliance Plans

No later than December 31, 1998, each Affected Utility or Utility Distribution Company shall file a compliance plan demonstrating the procedures and mechanisms implemented to ensure that activity prohibited by these rules will not take place. The compliance plan shall be submitted to the Director, Utilities Division and shall be in effect until a determination is made regarding its compliance under these rules. The compliance plan shall thereafter be submitted annually to reflect any material changes. An Affected Utility or Utility Distribution Company shall have a performance audit prepared by an independent auditor in the 1st quarter after the end of each calendar year to examine compliance with the rules set forth herein, starting no later than the calendar year 1999, and every year thereafter until December 31, 2002. Such audits shall be filed with the Director, Utilities Division. After December 31, 2002 the Director, Utilities Division may request a Utility Distribution Company to conduct such an audit.

F. Waivers

- 1. Any affected entity may petition the Commission for a waiver by filing a verified application for waiver setting forth with specificity the circumstances whereby the public interest justifies a waiver from all or part of the provisions of this rule.
- 2. The Commission may grant such application upon a finding that a waiver is in the public interest.

Copies of the foregoing is delivered
this 29th day of January, 1999 to:

Docket Control
ARIZONA CORPORATION COMMISSION
1200 West Washington
Phoenix, Arizona 85007

and subsequently mailed to the service list.