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ADMITTED TO PRACTICE IN:
ARIZONA, COLORADO, MONTANA,
NEVADA, TEXAS, WYOMING,
DISTRICT OF COLUMBIA

July 13, 2011

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Arizona Corporation Commission
DOCKETED

JUL 13 2011

DOCKETED BY	
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Re: Arizona Competitive Power Alliance
Docket No. E-01345A-10-0474

To Whom It May Concern:

Enclosed for filing in the above-referenced proceeding are the original and thirteen (13) copies of a Summary of Direct Testimony of Arizona Competitive Power Alliance ("Alliance") witness Greg Patterson on behalf of the Alliance.

Thank you for your assistance. Please advise me if you have any questions.

Sincerely,

Lawrence V. Robertson, Jr.

1 LAWRENCE V. ROBERTSON, JR.
2 Attorney At Law
3 P.O. Box 1448
4 Tubac, Arizona 85646
5 (520) 398-0411
6 Attorney for Applicant

7
8 **BEFORE THE ARIZONA CORPORATION COMMISSION**

9 **IN THE MATTER OF THE**
10 **APPLICATION OF ARIZONA PUBLIC**
11 **SERVICE COMPANY FOR**
12 **AUTHORIZATION FOR THE**
13 **PURCHASE OF GENERATING ASSETS**
14 **FROM SOUTHERN CALIFORNIA**
15 **EDISON AND FOR AN ACCOUNTING**
16 **ORDER.**

DOCKET NO. E-01345A-10-0474

NOTICE OF FILING
TESTIMONY SUMMARY

17
18 **ARIZONA PUBLIC SERVICE COMPANY**

19 **DOCKET NO. E-01345A-10-0474**

20
21 **TESTIMONY SUMMARY OF:**
22 **GREG PATTERSON**

23
24
25 **ON BEHALF OF:**
THE ARIZONA COMPETITIVE POWER ALLIANCE

1 On November 22, 2010, Arizona Public Service Company (“APS”) filed an Application
2 with the Arizona Corporation Commission (“Commission”) requesting authorization to purchase
3 Southern California Edison’s (“SCE”) portion of Four Corners Generating Units 4 and 5 to meet a
4 perceived need for its system.
5

6 Mr. Patterson’s testimony on behalf of the Arizona Power Alliance (“Alliance”) will
7 support the Alliance’s position that it would be premature in this docket to reach a conclusion
8 on the merits of APS’ proposal without first determining, through a transparent and market-
9 based procurement process, what other alternatives might exist, which process could consider
10 APS’ proposal as well as alternatives submitted by RFP participants. Mr. Patterson will
11 testify that the Commission should not accept APS’ composite analysis in this docket as a
12 “proxy” for an RFP that APS never issued for the specific generation resource it now is
13 requesting authorization to acquire. Mr. Patterson will also testify that both (i) the Moratorium
14 agreed to by APS, as adopted by the Commission in Decision No. 69400, and (ii) the Best
15 Practices for Procurement, as adopted by the Commission in Decision No. 70032, require more of
16 a showing by APS than the “proxy” for a generation resource-specific RFP that APS has
17 presented in this proceeding.
18
19

20 Further, Mr. Patterson’s testimony will support the Alliance’s position that APS has not as
21 yet presented any probative evidence or information as to what alternative(s) the wholesale
22 competitive market could provide in response to an RFP associated with the generation capacity
23 equivalent (or approximately equivalent) to that generation capacity which APS is proposing to
24 acquire by purchasing SCE’s ownership interest in Four Corners Units 4 and 5. Mr. Patterson
25 will not contend that APS’ particular proposal in its Application is not in fact the most
26

1 appropriate resource replacement alternative, rather (i) the information needed to make an
2 informed determination of that nature has not been presented thus far, and (ii) this proceeding
3 cannot be transformed into and RFP which would demonstrate what alternatives might in fact be
4 available from the competitive wholesale electric market as of this juncture.

5 Next, Mr. Patterson will testify that if the Commission does in fact require APS to
6 conduct a transparent and market based procurement process utilizing an RFP, SCE should be the
7 entity proposing the acquisition of SCE's ownership interest in Four Corners Units 4 and 5, not
8 APS.
9

10 Finally, Mr. Patterson's testimony will support the Alliance's position that there is no
11 direct relationship between APS's request for approval SCE's ownership interest in Four Corners
12 Units 4 and 5 and APS' intent to retire Units 1, 2 and 3. Those two (2) facets of APS'
13 Application involve separate sets of questions and issues, which can and should be resolved
14 by the Commission independent of one another.
15

16 In conclusion, Mr. Patterson's testimony will support the Alliance's recommendation that
17 the Commission should issue an appropriate order directing APS to conduct an RFP, consistent
18 with the requirements of the Moratorium and the Commission's Best Practices for Procurement,
19 which is expressly designed to solicit proposals from the competitive wholesale electric market
20 for one (1) or more generation resource alternatives which could be objectively and transparently
21 evaluated vis-a-vis the acquisition of SCE's ownership interest in Four Corners Units 4 and 5
22 proposed by APS. As such, the Commission could deny APS' Application or, alternatively, it
23 could enter an order suspending further activity in this proceeding, pending (i) APS' conduct of
24 such an RFP, and (ii) APS' report on the result(s) of that RFP.
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1 Dated this 13th day of July, 2011.

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Respectfully submitted,

Lawrence V. Robertson, Jr.

Lawrence V. Robertson, Jr.
Attorney for Southwestern Power
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Original and thirteen (13) copies of the
foregoing mailed this 11th day of April 2011 to:

Docket Control Division
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1200 West Washington Street
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A copy of the same served by e-mail or first
Class mail this same date to:

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7
8 All parties of record.

9 Gina Ball

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