

OPEN MEETING ITEM



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MEMORANDUM

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AZ CORP COMMISSION

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TO: THE COMMISSION

FROM: Utilities Division

DATE: January 2, 1998

RE: IN THE MATTER OF THE APPLICATION OF SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC. - FILING FOR AN EXTENSION OF TIME IN WHICH TO FILE ITS UNBUNDLED SERVICE TARIFFS (DOCKET NO. E-01575A-97-0706)

IN THE MATTER OF THE APPLICATION OF SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC. - FILING FOR AN EXTENSION OF THE TIME IN WHICH TO FILE ITS RATE FOR RECOUPMENT OF SYSTEMS BENEFITS CHARGES (DOCKET NO. E-01575A-97-0759)

On December 12, 1997, Sulphur Springs Valley Electric Cooperative, Inc. (SSVEC) submitted a request for extension of time in which to file its unbundled tariffs as required by A.A.C. R14-2-1606 C. On December 29, 1997, SSVEC submitted a request for an extension of the time in which to file its rate for recoupment of systems benefits charges.

Staff has reviewed the requests for extension. Affected utilities have known since December 26, 1996, that the subject filings were due at the end of 1997. There are twelve affected utilities which include Arizona's investor-owned utilities as well as Arizona's electric cooperatives. The Retail Electric Competition Rules, A.A.C., R14-2-1601 et seq., contemplate the need for a substantial amount of time to evaluate and conduct proceedings on a variety of filings of affected utilities prior to the start of retail electric competition on January 1, 1999. The need for adequate time is the reason why the rules require a December 31, 1997, filing date.

Because all affected utilities will be filing unbundled tariffs, customer selection plans, system benefits charge calculations, stranded cost calculations, and possibly standard offer tariffs, it is imperative that all affected utilities are strictly held to filing schedules.

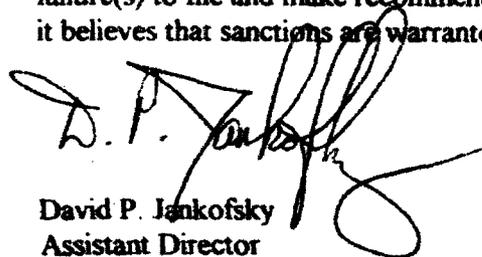
Failure to allow adequate time for proper evaluation, adequate public notice, and a reasonable review process could have an impact on the start of retail electric competition in Arizona. Requiring prompt filing of required items would allow Staff, as well as other intervenors, adequate time for thoughtful and prudent review and processing of all filings. If the Arizona Corporation Commission (Commission) were to grant the waivers as requested by one-half of the twelve affected utilities, the result would require the Commission to delay review of certain retail electric competition filings until later in 1998, precipitating scheduling difficulties.

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Staff recommends that the waiver request be denied and that the applicant be ordered to provide the required filings immediately. Further, Staff recommends that if the filings are not made by January 30, 1998, that the Commission direct Staff to evaluate the circumstances behind the failure(s) to file and make recommendations for specific sanctions to be imposed on the applicant if it believes that sanctions are warranted.



David P. Jankofsky  
Assistant Director  
Utilities Division

DPI:BG:clw/CCK

ORIGINATOR: Robert Gray