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COMMISSIONERS

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BEFORE THE ARIZONA CORPORATION COMMISSION

14 IN THE MATTER OF THE
15 COMMISSION'S INQUIRY INTO
16 RETAIL ELECTRIC COMPETITION

DOCKET NO. E-00000W-13-0135

**THE ARIZONA TRANSMISSION
DEPENDENT UTILITY GROUP AND THE
IRRIGATION & ELECTRICAL
DISTRICTS' ASSOCIATION OF
ARIZONA COMMENTS ON RETAIL
COMPETITION**

18 The Arizona Transmission Dependent Utility Group and the Irrigation and Electrical Districts'
19 Association of Arizona herewith provide our initial response to the Memorandum of May 23, 2013
20 soliciting views on a wide range of questions about retail competition.
21

22 First, we wish to compliment the Commission and its staff for the extensive thought process that
23 went into crafting the 18 questions in the Memorandum. It is obvious that a great deal of work went into
24 producing this list. What the questions themselves demonstrate is the complexity of the subject and the
25 significant role that assumptions play in the ability to respond to these questions.

1 For instance, question #1 concerning whether all classes of customers can benefit from reduced
2 rates of retail electric competition is not a question that can be answered without knowing the underlying
3 assumptions of how retail competition would be designed and implemented. The question assumes that
4 competition will produce reduced rates. The more fundamental question is whether this result can be
5 achieved at all when comparing results in other states that have installed some form of retail
6 competition, either in specific sectors or across the board.

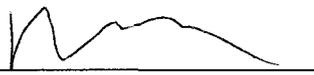
7
8 Question #3 asks us to respond to customer class parameters, dubbed "equally" or "equitably".
9 What do those terms mean? Are we talking percentages of electric rate reduction? Dollar reductions?
10 Does "equitably" imply that some rate tilt of reductions is to be favored?

11 What we gleaned from these questions is that, however thoroughly they've already been vetted
12 by the Commission and its staff, these questions in turn raise other questions that make responding at
13 least difficult if not impossible.

14
15 Our second comment is that we believe these questions should be discussed separately as to their
16 meaning and assumptions. The complete responses carry with them the responders' necessary
17 assumptions that may not be uniform and are most likely not to be. For instance, incumbent utilities
18 serving retail will most likely be the provider of last resort because they control the distribution system.
19 We are not aware of any physical arrangements in Arizona that, at this time, would allow or make
20 economic sense to vary from that result. Frank discussion with the industry and with the transmission
21 and distribution system operators that serve Arizonans would probably give you this result and most
22 assuredly would produce more reliable data than surveying interested parties about this issue.
23
24
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2 Docket Control
3 Arizona Corporation Commission
4 1200 West Washington Street
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5 By: 
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