

Corrected MINUTES
Process Standardization Working Group Meeting

Thursday January 15, 2004 , 9:00 a.m. – 2:30 p.m.

GCSECA,

120 North 44th Street, Suite 100 Phoenix, AZ

Topic	Lead	Anticipated Outcome
1 Welcome, Introductions, Sign-In, and Approval of Minutes	Tony Gillooly	<p>Mr. Gillooly welcomed participants to the full group session of the Process Standardization Working Group meeting. A sign-in sheet was circulated and participants introduced themselves.</p> <p>The minutes from the July 2003 meeting were approved after a short discussion about how long it might take utilities that have shelved/mothballed their DA computer systems to bring the systems back to operating status. While automated processes have been abandoned, companies indicated manual processes could be used until demand warrants resurrection of the automated systems.</p>
2 CD of PSWG documents	Tony Gillooly	<p>Tony Gillooly had copies of CDs containing the latest and/or approved documents created by the PSWG. Please contact your company representative to locate your copy or contact Tony if an additional copy is required.</p>
3 Update from Staff	ACC Staff	<p>Erinn Andreasen of the Commission staff briefed participants on Electric happenings at the ACC.</p> <ul style="list-style-type: none"> * The Final Track B workshop was held where Staff listened to participants thoughts on how the first competitive bid was handled. * ECAG (Electric Competition Advisory Group) held its first meeting December 19th, 2003 and discussed issues related to electric competition. Check out the ACC website for participant comments. Staff is looking for direction from participants and the Commission to move forward with future meetings and work on issues raised by participants. The Advisory group was established to review issues related to wholesale and retail electric competition. The first direction of ECAG was to review electric competition rules. * Environmental portfolio standards --Staff has been directed to look at the rules and schedule a meeting in February-March of this year. * Demand Side Management & Environmental Risk Management meetings are continuing. A Progress Report is expected to be out in March 2004, with the possibility of a hearing scheduled to discuss the progress report findings. * Filed under the stranded cost order, AECC, Phelps Dodge, ASARCO requested Cooperative territories open to competition.

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| 4 | Update from all participants | Tony Gillooly | <p>Participants provided information on the status of deregulated activity in their service territories. SRP and APS have had no activity in the state, APSES has seen no Arizona activity. TEP has not had any activity in its territory, but with the acquisition of Citizens, now UniSource Energy Services (UES), a competition plan was filed November 3rd and is waiting for Commission approval.</p> <p>The Cooperatives have not seen any activity, other than the request by AECC (organization of numerous parties, Motorola, Intel, school districts and other parties), ASARCO, and Phelps Dodge to open the five member cooperatives of AEPCO. It is unclear what is motivating the parties to request the Commission to open the territories to competition. Phelps Dodge may have a mining load near Safford, in Graham county in 2008, which may be one reason for the request. The request before the Commission does not include <u>Navopache Cooperative because their territory is already open, nor all of the small border cooperatives they are not required to open their territories.</u></p> <p>Constellation New Energy: Stands ready to serve the market, when an opportunity develops to serve customer at lower cost, they will pursue customers in Arizona.</p> <p>Strategic Energy: Looking to serve Arizona customers, especially when CTC is removed from APS rates. The company is obtaining a CCN to operate in Arizona.</p> |
| 5 | Update on competition in other jurisdictions | Tony Gillooly | Participants did not discuss this agenda item. |
| 6 | Estimation Procedure for Non-IDR metering | Tony Gillooly | <p>Tony Gillooly handed out a non-interval Data Estimation chart comparing all the utilities methods to estimate.</p> <p>The group discussed the possibility of creating a state standard for estimating non-IDR consumption. The participants agreed that processes are sufficiently different that it does not benefit customers to expend effort and money to standardize. Participants discussed examples of estimated bills. (See Discussion below).</p> <p>APS will draft language, on behalf of PSWG participants, for an explanatory letter and potentially waiver to indicate why standardization is not needed, better define conditions resulting in an estimated bill, and request the Commission accept previous and current estimating procedures. The draft should be e-mailed to the PSWG list by approximately January 23rd, 2004 with comments due back to APS by approximately January 30th, 2004.</p> <p>See Additional meeting discussion below.</p> |
| 7 | New Issues | Tony Gillooly | No new issues were added to the Master Issue list. |
| 8 | Meeting Evaluation | Tony Gillooly | The group provided feedback. |
| 9 | Set Next Agenda and future meeting locations. | Tony Gillooly | The next meeting will be held on February 12, 2004 at 10 am at the Grand Canyon State Electrical Cooperative Association (GCSECA) facilities. |

Deleted: the Navopache cooperative which has an exclusive competitive provider, nor any of the smaller border cooperatives

10 Adjourn Meeting

Tony The meeting was adjourned.
Gillooly

Further Discussion regarding Agenda Item #6 – Estimating Procedure for Non-IDR meters

APS (Tom Mumaw) gave some background as to why non-IDR meter estimating is done and the reason for the estimating some bills. There are times when the meter cannot be read, due to access, weather, or other reasons. APS has recently been sued by one of their customers for estimating bills. This lawsuit has brought forth issues and inconsistencies with the Commission's rules pertaining to billing estimates in both the R14-2-200 and 1600 series of rules. APS proposes that the Commission accept previous estimating procedures and current estimating procedures until changes are required. Also in the request, APS proposes that future estimating procedure/methodology changes should be adopted similar to a tariff filing, effective in 30 days of filing.

There still may be a need to develop an estimating standard for an independent MRSP reading for load profiled DA customers.

The group proposes to:

- 1) Better define an estimated bill
- 2) Statement as to why the utilities should not standardize
- 3) Waiver to why each company should be able continue estimating as they have done, and is okay to continue estimating until such time utilities are told to change their estimating procedures. The Commission Staff recommended enumerating the reasons why a standard is unfeasible, and attach the estimating procedures (or reference to a previously submitted procedure) from each company signing the waiver.

Situations of bills potentially labeled as estimated included:

Example 1: A read occurs at time period 1 while the following time period is estimated, and the third read an actual read. Therefore, two months could be considered estimated. Participants agree that the first month would result in a bill calculated from an estimated read, and could be considered an estimated bill. No parties considered the 2nd time period to result in an estimated bill.

Example 2: Where in the middle of the billing period, the rate changes. Both the beginning and the end reads are actual reads.

Participants agreed that the bill is a pro-rated bill based on number of days in each billing rate, not an estimated bill because the bill is based on actual reads.

Example 3: A bill is rendered before or after the meter read date. (Due to customers who self-read a meter too early or late, or the billing entity must bill in order to remain in compliance with the maximum number of days for billing, per state rules)

APS tags it as estimated. Trico considers it an adjusted bill, not estimated. TEP would not consider it estimated; perhaps pro-rated is a better term. Parties do not consider this an estimated bill.

Situation 4: Meter slow (or fast) by a percentage

APS does not consider this an estimated bill. TEP, SRP, and TRICO consider an estimated bill. Other cooperatives did not have a position. All participants agreed this is a situation where the bill will be handled manually.

Situation 5: Tariff calls for estimation of usage (eg – street lights)

All participants consider a bill rendered in this situation to be an actual bill, not an estimated bill.

Situation 6 – ACC Rule calls for Estimation (eg load profiling)

Mapping the hourly interval data – should not be a concern, because billed on actual usage. The estimate would be allocated the monthly usage to the hour—this is a wholesale concern, not customer billing concern. This situation does not result in an estimated bill.

Situation 7 – All other situations

-Situations where, agreed upon with customers, where percentages may be applied to account for losses (ie meter is located on the high side of a transformer, but customer gets power on the low side of the transformer) at the point of delivery, temporary service, cable faults, and flats. This list was not intended to be all-inclusive and is still subject to extenuating circumstances that may or may not result in a bill marked as estimated.

Attendees at the January 15, 2004 PSWG Meeting:

Name	Company	e-mail
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