

**Appendix A**

**TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS**

**AND ASSOCIATIONS; SECURITIES REGULATION**

**CHAPTER 2. CORPORATION COMMISSION – FIXED UTILITIES**

**ARTICLE 2. ELECTRIC UTILITIES**

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- R14-2-1603. Certificates of Convenience and Necessity - Modified
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- R14-2-1605. Competitive Services - Modified
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- R14-2-1609. Transmission and Distribution Access - Modified
- R14-2-1610. In-state Reciprocity – No Change
- R14-2-1611. Rates - Modified
- R14-2-1612. Service Quality, Consumer Protection, Safety, and Billing Requirements - modified
- R14-2-1613. Reporting Requirements - Modified
- R14-2-1614. Administrative Requirements – No Change
- R14-2-1615. Separation of Monopoly and Competitive Services - Modified
- R14-2-1616. Code of Conduct - Modified
- R14-2-1617. Disclosure of Information - Modified

**ARTICLE 2. ELECTRIC UTILITIES**

- R14-2-201. Definitions** - No change
- R14-2-202. Certificate of Convenience and Necessity for electric utilities; filing requirements on certain new plants** – No change
- R14-2-203. Establishment of service**
- A. No change.
  - B. No change.
  - C. No change.
  - D. Service establishments, re-establishments or reconnection charge
    - 1. Each utility may make a charge as approved by the Commission for the establishment, reestablishment, or reconnection of utility services, including transfers between Electric Service Providers.
    - 2. Should service be established during a period other than regular working hours at the customer's request, the customer may be required to pay an after-hour charge for the service connection. Where the utility scheduling will not permit service establishment on the same day requested, the customer can elect to pay the after-hour charge for establishment that day or his service will be established on the next available normal working day.
    - 3. For the purpose of this rule, the definition of service establishments are where the customer's facilities are ready and acceptable to the utility and the utility needs only to install a meter, read a meter, or turn the service on.
    - 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 provided ~~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. No change.

**R14-2-204. Minimum customer information requirements – No change**

**R14-2-205. Master metering – No change**

**R14-2-206. Service Lines and Establishments – No Change**

**R14-2-207. Line Extensions – No Change**

**R14-2-208. Provision of Service – No Change**

**R14-2-209 Meter Reading**

A. No change.

B. No change.

C. Meter rereads

1. Each utility or Meter Reading Service Provider shall at the request of a customer, or the customer's Electric Service Provider, Utility Distribution Company (as defined in A.A.C. R14-2-1602) or billing entity reread that customer's meter within 10 working days after such a request.
2. Any reread may be charged to the customer, or the customer's Electric Service Provider, Utility Distribution Company (as defined in A.A.C. R14-2-1601) or billing entity making the request at a rate on file and approved by the Commission, provided that the original reading was not in error.
3. When a reading is found to be in error, the reread shall be at no charge to the customer, or the customer's Electric Service Provider, Utility Distribution Company (as defined in A.A.C. R14-2-1601) or billing entity.

D. No change.

E. No change.

F. No change.

**R14-2-210. Billing and collection – No change**

- R14-2-211      **Termination of Service** – No change
- R14-2-212.    **Administrative and hearing requirements** – No change
- R14-2-213      **Conservation** – No change

**ARTICLE 16. RETAIL ELECTRIC COMPETITION**

**R14-2-1601.    Definitions**

In this Article, unless the context otherwise requires:

1.      "Affected Utilities" means the following public service corporations providing electric service:  
  
            Tucson Electric Power Company, Arizona Public Service Company, Citizens Utilities Company, Arizona Electric Power Cooperative, Trico Electric Cooperative, Duncan Valley Electric Cooperative, Graham County Electric Cooperative, Mohave Electric Cooperative, Sulphur Springs Valley Electric Cooperative, Navopache Electric Cooperative, Ajo Improvement Company, and Morenci Water and Electric Company.
2.      "Aggregator" means an Electric Service Provider that, as part of its business, combines retail electric customers into a purchasing group.
3.      "Aggregation means the combination and consolidation of loads of multiple customers.
4.      "Ancillary Services" means those services designated as ancillary services in Federal Energy Regulatory Commission Order 888, including the services necessary to support the transmission of electricity from resource to load while maintaining reliable operation of the transmission system in accordance with good utility practice.
- ~~5.~~ 3.      "Bundled Service" means electric service provided as a package to the consumer including all generation, transmission, distribution, ancillary and other services necessary to deliver and measure useful electric energy and power to consumers.
- ~~6.~~ 4.      "Competition Transition Charge" (CTC) is a means of recovering Stranded Costs.
- ~~7.~~ 5.      "Competitive Services" means all aspects of retail electric service except those services

specifically defined as “Noncompetitive Services” pursuant to R14-2-1601(27) or noncompetitive services as defined by the Federal Energy Regulatory Commission.

- ~~8.6.~~ “Control Area Operator” is the operator of an electric system or systems, bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other such systems and contributing to frequency regulation of the interconnection.
- ~~9.7.~~ “Consumer Education” is the provision of impartial information to consumers about competition or Competitive and Noncompetitive Services and is distinct from advertising and marketing.
- ~~10.8.~~ “Current Transformer” (CT) is an electrical device used in conjunction with an electric meter to provide a measurement of energy consumption for metering purposes.
- ~~11.9.~~ “Direct Access Service Request” (DASR) means a form that contains all necessary billing and metering information to allow customers to switch electric service providers. This form must be submitted to the Utility Distribution Company by the customer’s Electric Service Provider.
- ~~12.40.~~ “Delinquent Accounts” means customer accounts with outstanding past due payment obligations that remain unpaid after the due date.
- ~~13.44.~~ “Distribution Primary Voltage” is voltage as defined under the Affected Utility’s Federal Energy Regulatory Commission (FERC) Open Access Transmission Tariff, except for Meter Service Providers, for which Distribution Primary Voltage is voltage at or above 600 volts (600V) through and including 25 kilovolts (25 kV).
- ~~14.42.~~ “Distribution Service” means the delivery of electricity to a retail consumer through wires, transformers, and other devices that are not classified as transmission services subject to the jurisdiction of the Federal Energy Regulatory Commission; Distribution Service excludes Metering Services, Meter Reading Services, and billing and collection services, as those terms are used herein.
- ~~15.43.~~ “Electronic Data Interchange” (EDI) is the computer-to-computer electronic exchange of business

documents using standard formats which are recognized both nationally and internationally.

- 16.44. “Electric Service Provider” (ESP) means a company supplying, marketing, or brokering at retail any Competitive Services pursuant to a Certificate of Convenience and Necessity.
- 17.45. “Electric Service Provider Service Acquisition Agreement” or “Service Acquisition Agreement” means a contract between an Electric Service Provider and a Utility Distribution Company to deliver power to retail end users or between an Electric Service Provider and a Scheduling Coordinator to schedule transmission service.
- 18.46. “Generation” means the production of electric power or contract rights to the receipt of wholesale electric power.
- 19.47. “Green Pricing” means a program offered by an Electric Service Provider where customers elect to pay a rate premium for electricity generated by renewable resources.
- 20.48. “Independent Scheduling Administrator” (ISA) is an entity, independent of transmission owning organizations, intended to facilitate nondiscriminatory retail direct access using the transmission system in Arizona.
- 21.49. “Independent System Operator” (ISO) is an independent organization whose objective is to provide nondiscriminatory and open transmission access to the interconnected transmission grid under its jurisdiction, in accordance with the Federal Energy Regulatory Commission principles of independent system operation.
- 22.20. “Load Profiling” is a process of estimating a customer’s hourly energy consumption based on measurements of similar customers.
- 23.24. “Load-Serving Entity” means an Electric Service Provider, Affected Utility or Utility Distribution Company, excluding a Meter Service Provider, and Meter Reading Service Provider.
- 24.22. “Meter Reading Service” means all functions related to the collection and storage of consumption data.
- 25.23. “Meter Reading Service Provider” (MRSP) means an entity providing Meter Reading Service, as

that term is defined herein and that reads meters, performs validation, editing, and estimation on raw meter data to create billing-ready meter data; translates billing-ready data to an approved format; posts this data to a server for retrieval by billing agents; manages the server; exchanges data with market participants; and stores meter data for problem resolution.

- 26.24. “Meter Service Provider” (MSP) means an entity providing Metering Service, as that term is defined herein.
- 27.25. “Metering and Metering Service” means all functions related to measuring electricity consumption.
- 28.26. “Must-Run Generating Units” are those local generating units that are required to run to maintain distribution system reliability and to meet load requirements in times of congestion on certain portions of the interconnected transmission grid.
- 29.27. “Noncompetitive Services” means Distribution Service, Standard Offer Service, transmission and any ancillary services deemed to be non-competitive by the Federal Energy Regulatory Commission, Must-Run Generating Units services, provision of customer demand and energy data by an Affected Utility or Utility Distribution Company to Electric Service Providers, and those aspects of Metering Service set forth in R14-2-1612(K).
- 30.28. “OASIS” is Open Access Same-Time Information System, which is an electronic bulletin board where transmission-related information is posted for all interested parties to access via the Internet to enable parties to engage in transmission transactions.
- 31.29. “Operating Reserve” means the generation capability above firm system demand used to provide for regulation, load forecasting error, equipment forced and scheduled outages, and local area protection to provide system reliability.
- 32.30. “Potential Transformer” (PT) is an electrical device used to step down primary voltages to 120V for metering purposes.
- 33.34. “Provider of Last Resort” means a provider of Standard Offer Service to customers within the

provider's certificated area whose annual usage is 100,000 kWh or less and who are not buying competitive services.

34. "Public Power Entity" incorporates by reference the definition set forth in A.R.S. ' 30-801.16.

35.~~32.~~ "Retail Electric Customer" means the person or entity in whose name service is rendered.

36.~~33.~~ "Scheduling Coordinator" means an entity that provides schedules for power transactions over transmission or distribution systems to the party responsible for the operation and control of the transmission grid, such as a Control Area Operator, Arizona Independent Scheduling Administrator or Independent System Operator.

37. "Self-Aggregation" is the action of a retail electric customer or group of customers who combine their own metered loads into a single purchase block.

38.~~34.~~ "Standard Offer Service" means Bundled Service offered by the Affected Utility or Utility Distribution Company to all consumers in the Affected Utility's or Utility Distribution Company's service territory at regulated rates including metering, meter reading, billing and collection services, demand side management services including but not limited to time-of-use, and ~~other~~ consumer information services. All components of Standard Offer Service shall be deemed noncompetitive as long as those components are provided in a bundled transaction pursuant to R14-2-1606(A).

39.~~35.~~ "Stranded Cost" includes:

- a. The verifiable net difference between:
  - i. The net original cost 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; and
- d. Other transition and restructuring costs as approved by the Commission as part of the Affected Utility's Stranded Cost determination pursuant to R14-2-1607.

~~40.36.~~ "System Benefits" means Commission-approved utility low income, demand side management, Consumer Education, environmental, renewables, long-term public benefit research and development and nuclear fuel disposal and nuclear power plant decommissioning programs, and other programs that may be approved by the Commission from time to time.

~~41.37.~~ "Transmission Primary Voltage" is voltage above 25 kV as it relates to metering transformers.

~~42.38.~~ "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.

~~43.39.~~ "Unbundled Service" means electric service elements provided and priced separately, including, but not limited to, such service elements as generation, transmission, distribution, Must Run Generation, metering, meter reading, billing and collection and ancillary services. Unbundled Service may be sold to consumers or to other Electric Service Providers.

~~44.40.~~ "Utility Distribution Company" (UDC) means the electric utility entity regulated by the Commission that operates, constructs and maintains the distribution system for the delivery of power to the end user point of delivery on the distribution system.

~~45.44.~~ "Utility Industry Group" (UIG) refers to a utility industry association that establishes national standards for data formats.

~~46.42.~~ "Universal Node Identifier" is a unique, permanent, identification number assigned to each service

delivery point.

**R14-2-1602.** Commencement of Competition - No change

**R14-2-1603.** Certificates of Convenience and Necessity

- A.** Any Electric Service Provider intending to supply Competitive Services shall obtain a Certificate of Convenience and Necessity from the Commission pursuant to this Article. An Affected Utility need not apply for a Certificate of Convenience and Necessity to continue to provide electric service in its service area during the transition period set forth in R14-2-1604. A Utility Distribution Company providing Standard Offer Service, or services authorized in R14-2-1615, after January 1, 2001, need not apply for a Certificate of Convenience and Necessity. All other Affected Utility affiliates created in compliance with R14-2-1615(A) shall be required to apply for appropriate Certificates of Convenience and Necessity.
- B.** Any company desiring such a Certificate of Convenience and Necessity shall file with the Docket Control Center the required number of copies of an application. In support of the request for a Certificate of Convenience and Necessity, the following information must be provided:
1. A description of the electric services which the applicant intends to offer;
  2. The proper name and correct address of the applicant, and
    - a. The full name of the owner if a sole proprietorship,
    - b. The full name of each partner if a partnership,
    - c. A full list of officers and directors if a corporation, or
    - d. A full list of the members if a limited liability corporation;
  3. A tariff for each service to be provided that states the maximum rate and terms and conditions that will apply to the provision of the service;
  4. A description of the applicant's technical ability to obtain and deliver electricity if appropriate and to provide any other proposed services;
  5. Documentation of the financial capability of the applicant to provide the proposed services, including the most recent income statement and balance sheet, the most recent projected income

statement, and other pertinent financial information. Audited information shall be provided if available;

6. A description of the form of ownership (for example, partnership, corporation);
7. For an applicant which is an affiliate of an Affected Utility, a statement of whether the Affected Utility has complied with the requirements of R14-2-1616, including the Commission Decision approving the Code of Conduct, where applicable; and An explanation of how the applicant intends to comply with the requirements of R14-2-1616, or a request for waiver or modification thereof with an accompanying justification for any such requested waiver or modification.
8. Such other information as the Commission or the staff may request.

- C. No change.
- D. No change.
- E. No change.
- F. No change.
- G. No change.
- H. No change.
- I. No change.
- J. No change.
- K. No change.

**R14-2-1604. Competitive Phases**

- A. At the date established pursuant to R14-2-1602(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 determined for non-residential customers by the date and time of an Electric Service Provider's filing of a Direct Access Service Request with the Affected Utility or Utility Distribution Company. The effective date of the Direct Access Service Request must be within 60 days of the filing date of the Direct Access Service Request.

Residential customer selection will be determined under approved residential phase-in programs as specified in R14-2-1604.B.4.

1. All Affected Utility customers with single premise non-coincident peak demand load of 1 MW or greater will be eligible for competitive electric services upon the commencement of competition. Customers meeting this requirement shall be eligible for competitive services until at least 20% of the Affected Utility's 1995 system peak demand is served by competition.
2. Any class of customer may aggregate into a minimum combined load of 1 MW or greater within an Affected Utility's service territory and be eligible for competitive electric services. From the commencement of competition pursuant to R14-2-1602 through December 31, 2000, aggregation of new competitive customers will be allowed until such time as at least 20% of the Affected Utility's 1995 peak demand is served by competitors.
3. Affected Utilities shall notify customers eligible under this subsection of the terms of the subsection no later than 60 days prior to the start of competition within its service territory.
4. Effective January 1, 2001, all Affected Utility customers irrespective of size will be eligible for Aggregation and Self-Aggregation. Aggregation and Self-Aggregation customers purchasing their electricity and related services at any time after the effective date of these rules must do so from a certificated Electric Service Provider as provided for in these rules.

**B.** As part of the minimum 20% of 1995 system peak demand set forth in R14-2-1604(A), each Affected Utility shall reserve a residential phase-in program that provides an increasing minimum percentage of residential customers with access to competitive electric services according to the following schedule:

1.	January 1, 1999	1 ¼%
	April 1, 1999	2 ½ %
	July 1, 1999	3 ¾ %
	October 1, 1999	5%
	January 1, 2000	6 ¼%

April 1, 2000	7 ½%
July 1, 2000	8 ¾%
October 1, 2000	10%

2. Access to the residential phase-in program will be on a first-come, first-served basis. The Affected Utility shall create and maintain a waiting list to manage the residential phase-in program, which list shall promptly be made available to any certificated Load-Serving Electric Service Provider upon request.
3. Residential customers participating in the residential phase-in program shall be permitted to use load profiling to satisfy the requirements for hourly consumption data; however, they may choose other metering options offered by their Electric Service Provider consistent with the Commission's rules on Metering.
4. If not already done, each Affected Utility shall file a residential phase-in program proposal to the Commission for approval by Director, Utilities Division by September 15, 1999. Interested parties will have until September 30, 1999, to comment on any proposal. At a minimum, the residential phase-in program proposal will include specifics concerning the Affected Utility's proposed:
  - a. Process for customer notification of residential phase-in program;
  - b. Selection and tracking mechanism for customers based on first-come, first-served method;
  - c. Customer notification process and other education and information services to be offered;
  - d. Load Profiling methodology and actual load profiles, if available; and
  - e. Method for calculation of reserved load.
5. After the commencement of competition pursuant to R15-2-1602, each Affected Utility shall file quarterly residential phase-in program reports within 45 days of the end of each quarter. The 1<sup>st</sup> such report shall be due within 45 days of the 1<sup>st</sup> quarter ending after the start of the phase-in of

competition for that Affected Utility. The final report due under this rule shall be due within 45 days of the quarter ending December 31, 2002. As a minimum, these quarterly reports shall include:

- a. The number of customers and the load currently enrolled in residential phase-in program by Energy Service Provider;
- b. The number of customers currently on the waiting list;
- c. A description and examples of all customer education programs and other information services including the goals of the education program and a discussion of the effectiveness of the programs; and
- d. An overview of comments and survey results from participating residential customers.

6. Aggregation or Self-Aggregation of residential customers is allowed subject to the limitations of the phase-in percentages in this rule.

- C. No change.
- D. No change.
- E. No change.
- F. No Change

**R14-2-1605. Competitive Services**

Except as provided in R14-2-1615(C), Competitive Services shall require a Certificate of Convenience and Necessity and a tariff as described in R14-2-1603. A properly certificated Electric Service Provider may offer Competitive Services under bilateral or multilateral contracts with retail consumers.

**R14-2-1606. Services Required To Be Made Available**

- A. No change.
- B. After January 1, 2001, power purchased by an investor owned Utility Distribution Company for Standard Offer Service shall be acquired from the competitive market through prudent, arm's-length transactions, and with at least fifty percent through a competitive bid process. ~~to provide Standard Offer Service shall be~~

~~acquired through the open market.~~

C. Standard Offer Tariffs

1. By July 1, 1999, or pursuant to Commission Order, whichever occurs first, each Affected Utility shall file proposed tariffs to provide Standard Offer Service. Such rates shall not become effective until approved by the Commission. Any rate increase proposed by an Affected Utility or Utility Distribution Company for Standard Offer Service must be fully justified through a rate case proceeding.

2. Standard Offer Service tariffs shall include the following elements, each of which shall be clearly unbundled and identified in the filed tariffs:

a. Competitive Services ~~Electricity:~~

- (1) Generation, which shall include all transaction costs and line losses;
- (2) Competition Transition Charge, which shall include recovery of generation related regulatory assets;
- (3) Generation-related billing and collection; ~~Must-Run Generating Units~~
- (4) Transmission Services;
- (5) Metering Services;
- (6) Meter Reading Services; and
- (7) Optional Ancillary Services, which shall include spinning reserve service, supplemental reserve, regulation and frequency response service, and energy imbalance service.

b. Non-Competitive Services; ~~Delivery~~

- (1) Distribution services;
- (2) Required Ancillary services, which shall include scheduling, system control and dispatch service, and reactive supply and voltage control from generation sources service; ~~Transmission services~~

(3) ~~Must-Run Generating Units; Ancillary services~~

(4) ~~System Benefit Charges; and~~

(5) ~~Distribution-related billing and collection.~~

~~c. Other:~~

(1) ~~Metering Service~~

(2) ~~Meter Reading Service~~

(3) ~~Billing and collection~~

~~d. System Benefits~~

~~The Competition Transition Charge shall be included in the Standard Offer Service tariffs for the purpose of clearly showing that portion of Standard Offer Service charges being collected to pay Stranded Cost.~~

3. Affected Utilities and Utility Distribution Companies may file proposed revisions to such rates. Any rate increase proposed by an Affected Utility or Utility Distribution Company for Standard Offer Service must be fully justified through a rate case proceeding, which may be expedited at the discretion of the Utilities Division Director.
4. Such rates shall reflect the costs of providing the service.
5. Consumers receiving Standard Offer Service are eligible for potential future rate reductions as authorized by the Commission.
6. After January 2, 2001, tariffs for Standard Offer Service shall not include any special discounts or contracts with terms, or any tariff which prevents the customer from accessing a competitive option, other than time-of-use rates, interruptible rates or self-generation deferral rates.

**D.** By the effective date of these rules July 1, 1999, or pursuant to Commission Order, whichever occurs first, each Affected Utility or Utility Distribution Company shall file an Unbundled Service tariff which shall include a Noncompetitive Services tariff. The Unbundled Service tariff shall calculate the items listed in R14-2-1602(C)(2)(b) on the same basis as those items are calculated in the Standard Offer Service tariff.

- E. No change.
- F. No change.
- G. No change.
- H. No change.
- I. No change.

**R14-2-1607. Recovery of Stranded Cost of Affected Utilities – No Change**

**R14-2-1608. System Benefits Charges – No Change**

**R14-2-1609. Transmission and Distribution Access**

- A. No change.
- B. Utility Distribution Companies shall retain the obligation to assure that adequate transmission import capability is available to meet the load requirements of all distribution customers within their service areas.  
Utility Distribution Companies shall retain the obligation to assure that adequate distribution system capacity is available to meet the load requirements of all distribution customers within their service areas.
- C. No change.
- D. No change.
- E. The Affected Utilities that own or operate Arizona transmission facilities shall file a proposed Arizona Independent Scheduling Administrator implementation plan with the Commission within 30 days of the Commission’s adoption of final rules herein. The implementation plan shall address Arizona Independent Scheduling Administrator governance, incorporation, financing and staffing; the acquisition of physical facilities and staff by the Arizona Independent Scheduling Administrator; the schedule for the phased development of Arizona Independent Scheduling Administrator functionality and proposed transition to a regional ISO or Regional Transmission Organization; contingency plans to ensure that critical functionality is in place no later than 3 months following adoption of final rules herein by the Commission; and any other significant issues related to the timely and successful implementation of the Arizona Independent Scheduling Administrator.

- F. No change.
- G. No change.
- H. No change.
- I. No change.
- J. No change.

**R14-2-1610. In-state Reciprocity – No change.**

**R14-2-1611. Rates**

- A. No change.
- B. No change.
- C. Prior to January 1, 2001, competitively negotiated contracts governed by this Article customized to individual customers which comply with approved tariffs do not require further Commission approval. However, all such contracts whose term is 1 year or more and for service of 1 MW or more must be filed with the Director, Utilities Division as soon as practicable. If a contract does not comply with the provisions of the Load Serving Entity's approved tariffs, it shall not become effective without a Commission order. The provisions ~~terms~~ of such contracts shall be kept confidential by the Commission.
- D. No change.
- E. No change.
- F. No change.

**R14-2-1612. Service Quality, Consumer Protection, Safety, and Billing Requirements**

- A. No change.
- B. No change.
- C. No consumer shall be deemed to have changed providers of any service authorized in this Article (including changes from the Affected Utility to another provider) without written authorization by the consumer for service from the new provider. If a consumer is switched 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 new provider who switches a customer without written authorization shall also refund to the retail electricity customer the entire amount of the customer's electricity charges attributable to the electric generation service from the new provider for 3 months, or the period of the unauthorized service, whichever is more. A Utility Distribution Company may request the Commission's Consumer Services Section ~~has the right~~ to review or audit written authorizations to assure a customer switch was properly authorized. A written authorization that is obtained by deceit or deceptive practices shall not be deemed a valid written authorization. Electric Service 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. The following requirements and restrictions shall apply to the written authorization form requesting electric service from the new provider:

1. The authorization shall not contain any inducements;
2. The authorization shall be in legible print with clear and plain language confirming the rates, terms, conditions and nature of the service to be provided;
3. The authorization shall not state or suggest that the customer must take action to retain the customer's current electricity supplier;
4. The authorization shall be in the same language as any promotional or inducement materials provided to the retail electric customer; and
5. No box or container may be used to collect entries for sweepstakes or a contest that, at the same time, is used to collect authorization by a retail electric customer to change their electricity supplier or to subscribe to other services.

**D.** No change.

**E.** No change.

- F. No change.
- G. No change.
- H. No change.
- I. Electric Service Providers shall give at least 5 days notice to their customer ~~and to the appropriate Utility Distribution Company~~ of scheduled return to Standard Offer Service, ~~but that return of that customer to the Standard Offer Service would be at the next regular billing cycle if appropriate metering equipment is in place, and the request is processed 15 calendar days prior to the next regular read date.~~ Electric Service Providers shall provide 15 calendar days notice prior to the next scheduled meter read date to the appropriate Utility Distribution Company regarding the intent to terminate a service agreement. Return of that customer to Standard Offer Service will be at the next regular billing cycle if appropriate metering equipment is in place and the request is provided 15 calendar days prior to the next regular meter read date. Responsibility for charges incurred between the notice and the next scheduled read date shall rest with the Electric Service Provider.
- J. No change.
- K. Additional Provisions for Metering and Meter Reading Services
  1. When authorized by the consumer, an Electric Service Provider who provides metering or meter reading services pertaining to a particular consumer shall provide appropriate meter reading data via standardized EDI formats to all applicable Electric Service Providers serving that same consumer. ~~An Electric Service Provider who provides metering or meter reading services pertaining to a particular consumer shall provide access using EDI formats to meter reading data to other Electric Service Providers serving that same consumer when authorized by the consumer.~~
  2. Any person or entity relying on metering information provided by ~~an~~ another Electric Service Provider may request a meter test according to the tariff on file and approved by the Commission. However, if the meter is found to be in error by more than 3%, no meter testing fee will be charged.

3. Each competitive point of delivery customer shall be assigned a Universal Node Identifier ~~for each service delivery point~~ by the Affected Utility or the Utility Distribution Company whose distribution system serves the customer.
4. Unless the Commission grants a specific waiver, all competitive metered and billing data shall be translated into consistent, statewide Electronic Data Interchange (EDI) formats based on standards approved by the Utility Industry Group (UIG) that shall ~~can~~ be used by the Affected Utility or the Utility Distribution Company and the Electric Service Provider.
5. Unless the Commission grants a specific waiver, an Electronic Data Interchange Format shall be used for all data exchange transactions from the Meter Reading Service Provider to the Electric Service Provider, Utility Distribution Company, and Schedule Coordinator. This data will be transferred via the Internet using a secure sockets layer or other secure electronic media.
6. Minimum metering requirements for competitive customers over 20 kW, or 100,000 kWh annually, should consist of hourly consumption measurement meters or meter systems. Predictable loads will be permitted to use load profiles to satisfy the requirements for hourly consumption data. The Load-Serving Entity developing the load profile shall determine if a load is predictable. ~~The Affected Utility or Electric Service Provider will make the determination if a load is predictable.~~
7. Competitive customers with hourly loads of 20 kW (or 100,000 kWh annually) or less, will be permitted to use Load Profiling to satisfy the requirements for hourly consumption data, however, they may choose other metering options offered by their Electric Service Provider consistent with the Commission rules on Metering.
8. Metering equipment ownership will be limited to the Affected Utility, Utility Distribution Company, and the Electric Service Provider or their representative, or the customer, who must obtain the metering equipment through the Affected Utility, Utility Distribution Company or an Electric Service Provider.

9. Maintenance and servicing of the metering equipment will be limited to the Affected Utility, Utility Distribution Company and the Electric Service Provider or their representative.
  10. Distribution primary voltage Current Transformers and Potential Transformers may be owned by the Affected Utility, Utility Distribution Company or the Electric Service Provider or their representative.
  11. Transmission primary voltage Current Transformers and Potential Transformers may be owned by the Affected Utility or Utility Distribution Company only.
  12. North American Electric Reliability Council recognized holidays will be used in calculating “working days” for meter data timeliness requirements.
  13. By May 1, 1999, the Director, Utilities Division shall approve operating procedures be used by the Utility Distribution Companies and the Meter Service Providers for performing work on primary metered customers.
  14. By May 1, 1999, the Director, Utilities Division shall approve operating procedures be used by the Meter Reading Service Provider for validating, editing, and estimating metering data.
  15. By May 1, 1999, the Director, Utilities Division shall approve performance metering specifications and standards to be used by all entities performing metering.
- L.** No change.
- M.** No change.
- N.** Billing Elements. After the commencement of competition within a service territory pursuant to R14-2-1602, all customer bills, including bills for Standard Offer Service customers within that service territory, will list, at a minimum, the following billing cost elements:
1. Competitive Services Electricity Costs:
    - a. Generation, which shall include generation-related billing and collection;
    - b. Competition Transition Charge, and
    - c. Transmission and Ancillary Services ~~Fuel or purchased power adjustor, if applicable~~;

- d. Metering Services; and
- e. Meter Reading Services.
- 2. Non-Competitive Services Delivery costs:
  - a. Distribution services, including distribution-related billing and collection, required Ancillary Services and Must-Run Generating Units; and
  - b. System Benefit Charges. Transmission services;
- 3. Regulatory assessments; and Other Costs:
  - a. ~~\_\_\_\_\_ Metering Service,~~
  - b. ~~\_\_\_\_\_ Meter Reading Service,~~
  - c. ~~\_\_\_\_\_ Billing and collection, and~~
  - d. ~~\_\_\_\_\_ System Benefits charge.~~
- 4. Applicable taxes.

O. No change.

**R14-2-1613. Reporting Requirements**

A. Reports covering the following items, as applicable, shall be submitted to the Director, Utilities Division by Affected Utilities or Utility Distribution Companies and all Electric Service Providers granted a Certificate of Convenience and Necessity pursuant to this Article. These reports shall include the following information pertaining to Competitive Service offerings, Unbundled Services, and Standard Offer services in Arizona:

- 1. Type of services offered;
- 2. kW and kWh sales to consumers, disaggregated by customer class (for example, residential, commercial, industrial);
- 3. Revenues from sales by customer class (for example, residential, commercial, industrial);
- 4. Number of retail customers disaggregated as follows: residential, commercial under 40 kW, commercial 41 to 999 kW, commercial 1000 kW or more, industrial less than 1000 kW, industrial

- 1000 kW or more, agricultural (if not included in commercial), and other;
5. Retail kWh sales and revenues disaggregated by term of the contract (less than 1 year, 1 to 4 years, longer than 4 years), and by type of service (for example, firm, interruptible, other);
  6. Amount of ~~and~~ revenues from each type of Competitive Service, and, if applicable, each type of Noncompetitive Service provided;
  7. Value of all assets used to serve Arizona customers and accumulated depreciation;
  8. Tabulation of Arizona electric generation plants owned by the Electric Service Provider broken down by generation technology, fuel type, and generation capacity;
  9. The number of customers aggregated and the amount of aggregated load;
  10. Other data requested by staff or the Commission;

**B.A.** Reporting Schedule

1. For the period through December 31, 2003, semi-annual reports shall be due on April 15 (covering the previous period of July through December) and October 15 (covering the previous period of January through June). The 1st such report shall cover the period January 1 through June 30, 1999.
2. For the period after December 31, 2003, annual reports shall be due on April 15 (covering the previous period of January through December). The 1st such report shall cover the period January 1 through December 31, 2004.

**C.** No change.

**D.** No change.

**E.** No change.

**F.** No change.

**G.** No change.

**R14-2-1614. Administrative Requirements** – No change

**R14-2-1615. Separation of Monopoly and Competitive Services**

- A. No change.
- B. Beginning January 1, 2001, an Affected Utility or Utility Distribution Company shall not provide Competitive Services, as defined in R14-2-1601.
1. This Section does not 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 Meter Services and Meter Reading Services ~~meters~~ for Load Profiled residential customers. Nor does this Section preclude an Affected Utility or Utility Distribution Company from providing billing and collections, Metering and Meter Reading Service as part of the Standard Offer Service tariff to Standard Offer Service customers.
  2. This Section does not preclude an Affected Utility or Utility Distribution Company from owning distribution and transmission primary voltage Current Transformers and Potential Transformers.
- C. An Electric Distribution Cooperative is not subject to the provisions of R14-2-1615 unless it offers competitive electric services outside of its distribution service territory, ~~the service territory it had as of the effective date of these rules.~~ ~~A Generation Cooperative shall be subject to the same limitations to which its member Distribution Cooperatives are subject.~~

**R14-2-1616. Code of Conduct**

- A. No later than 90 days after adoption of these Rules, each Affected Utility which plans to offer Noncompetitive Services and which plans to offer Competitive Services through its competitive electric affiliate shall propose a Code ~~code~~ of Conduct ~~conduct~~ to prevent anti-competitive activities. Each Affected Utility that is an electric cooperative, that plans to offer Noncompetitive Services, and that is a member of any electric cooperative that plans to offer Competitive Services shall also submit a Code of Conduct to prevent anti-competitive activities. All ~~The~~ Codes of Conduct shall be subject to Commission approval after a hearing.
- B. The Code of Conduct shall address the following subjects:

1. Appropriate procedures to prevent cross subsidization between the Utility Distribution Company and any competitive affiliates, including but not limited to the maintenance of separate books, records and accounts;
2. Appropriate procedures to ensure that the Utility Distribution Company's competitive affiliate does not have access to confidential utility information that is not also available to other market participants;
3. Appropriate guidelines to limit the joint employment of personnel by both a Utility Distribution Company and its competitive affiliate;
4. Appropriate guidelines to govern the use of the Utility Distribution Company's name or logo by the Utility Distribution Company's competitive affiliate;
5. Appropriate procedures to ensure that the Utility Distribution Company does not give its competitive affiliate any preferential treatment such that other market participants are unfairly disadvantaged or discriminated against;
6. Appropriate policies to eliminate joint advertising, joint marketing, or joint sales by a Utility Distribution Company and its competitive affiliate;
7. Appropriate procedures to govern transactions between a Utility Distribution Company and its competitive affiliate; and
8. Appropriate policies to prevent the Utility Distribution Company and its competitive affiliate from representing that customers will receive better service as a result of the affiliation.
9. Complaints concerning violations of the Code of Conduct shall be processed under the procedures established in R14-2-212.

**R14-2-1617. Disclosure of Information**

- A. Each Load-Serving Entity providing either generation service or Standard Offer Service shall prepare a consumer information label that sets forth the following information:
  1. Price to be charged for generation services,

2. Price variability information,
  3. Customer service information,
  4. Time period to which the reported information applies.
- B.** Each Load-Serving Entity providing either generation service or Standard Offer Service shall provide, upon request, the following information (to the extent reasonably known):
1. Composition of resource portfolio,
  2. Fuel mix characteristics of the resource portfolio,
  3. Emissions characteristics of the resource portfolio.
- C.** No change.
- D.** Each Load-Serving Entity shall include the information disclosure label in a prominent position in all written marketing materials, specifically targeted ~~target~~ to Arizona. When a Load-Serving Entity advertises in non-print media, or in written materials not specifically targeted ~~target~~ to Arizona, the marketing materials shall indicate that the Load-Serving Entity shall provide the consumer information label to the public upon request.
- E.** No change.
- F.** No change.
- G.** No change.
- H.** No change.
- I.** No change.