

# Regulatory Update

# APS Regulatory Plan

- **APS filed request with Arizona Corporation Commission in October 2001**
  - **Variance from competitive bidding requirements**
  - **Approval of purchase power agreement**
- **Generation assets to be transferred to Pinnacle West Energy by end of 2002**

# Arizona Corporation Commission

- Generic docket on electric competition rules opened February 2002
- Staff report - areas for consideration
  - Market power and monitoring
  - Competitive bid process
  - Asset transfer
  - Transmission
  - Adjustor mechanisms
  - Shopping credits

# Arizona Corporation Commission

- APS hearing stayed pending generic proceedings
- Generic proceedings
  - “Track A” issues - asset transfer, market and affiliate issues
  - “Track B” issues - competitive bidding
- Generic procedural schedule
  - “Track A” issues
    - Hearing to begin June 17<sup>th</sup>
    - Target decision in August
  - “Track B” issues

# FERC Activity

California/  
Northwest  
Market Issues

Gas  
Pipeline  
Contracts

Nevada  
Contract  
Issues

Market  
Manipulation  
Investigation

ENRON  
"Smoking Gun"