

BEFORE THE ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE IMPLEMENTATION OF )  
ACT 1556 OF 1999, OTHERWISE KNOWN AS THE) DOCKET NO. 99-117-A  
"ELECTRIC CONSUMER CHOICE ACT OF 1999" )

SECOND REPORT AND  
PROPOSED ACT 1556 TIMELINE

Comes now the Executive Director ("Director") of the General Staff of the Arkansas Public Service Commission ("Staff") and for the Second Report and Proposed Act 1556 Timeline ("Second Report") pursuant to Order No. 1 states:

1. Order No. 1, entered by the Commission on May 11, 1999, directed the Director to initiate and coordinate an informal collaborative process for the purpose of developing and filing: 1) a proposed Act 1556 timeline reflecting all tasks that must be accomplished by the Commission and appropriate dates for the initiation and conclusion of each detailed task, and 2) the identification of all formal docketed proceedings which should be initiated by the Commission in 1999, identified by docket style, docket designation, and purpose and scope, along with a procedural schedule for each docket.

2. On June 10, 1999, the Director submitted a First Report and Proposed Act 1556 Timeline ("First Report") to the Commission. In the First Report, the Director anticipated that the First Report would need to be modified and updated in the future to add more

detail on the timeline and the tasks that the Commission must accomplish.

3. Accordingly, the Director hereby submits this Second Report. Attached hereto are the following documents which supplement the Second Report:

- (a) Attachment 1: Chart showing tasks to be accomplished by the Commission, including docket style, docket designation, statutory reference, statutory requirements, schedule, and purpose and scope;
- (b) Attachment 2: Timeline showing Act 1556 activities; and
- (c) Attachment 3: Procedural schedules for company-specific unbundling dockets.

4. The First Report identified five distinct tracks of activities (rulemakings, consumer education, rate and unbundling filings, stranded cost determinations, and market power analyses) which included numerous activities and called for various types of dockets (rulemakings, generic proceedings to establish filing requirements and other guidelines, and proceedings specific to a particular utility or utilities). This Second Report updates both the activities and the anticipated schedules for those activities and notes the reasons for the revisions.

5. The revisions to the five tracks of activities identified by Staff are as follows:

TRACK I: RULEMAKINGS.

Staff originally proposed that six different rulemaking proceedings be established to develop the rules required by Act 1556. Staff is now recommending that there be seven proceedings because of a regrouping of the various rulemakings. Previously, one docket included distribution rules, reliability standards, and consumer protection requirements, and another docket included rules for ESPs and aggregators, electronic data exchange, and interconnection. The rules for ESPs and aggregators are now combined with the distribution rules, reliability standards, and consumer protection requirements because of the overlap of subject matter, and the title changed to Electricity Provider Rules. Electronic data exchange and interconnection are now both assigned separate dockets.

These seven rulemaking proceedings are identified on the rulemaking track shown in Attachment 1. The seven proceedings and the changes since the First Report are as follows:

(1)<sup>1</sup> Affiliate rules and regulations for functionally separated business activities and standards of conduct -

The procedural schedule is revised pursuant to Order No.

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<sup>1</sup> These numbers and letters correspond to numbers and letters on Attachment 1.

8. The suggested order date is revised.<sup>2</sup>

(2) Licensing requirements for energy service providers ("ESPs") and aggregators - The suggested order date is revised.<sup>2</sup>

(3) Electricity Provider Rules - The scope of the docket is expanded to include rules for ESPs as well as distribution companies because a significant relationship between many issues for distribution companies and ESPs was identified as work started on rules development. Joining the two tasks provides efficiencies in developing the rules simultaneously. The title and docket style are revised to reflect the expanded scope. The procedural schedule is also revised because of the complexity and volume of the issues. The suggested order date is revised.<sup>2</sup>

(4) Rules for Interconnection to Transmission and Distribution Facilities - The subject is split from the previously recommended docket because the interconnection rules do not have any relationship with the electronic data exchange rules with which they were previously

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<sup>2</sup> The time for the suggested order date (six weeks after hearing) is made uniform for all rulemakings and generic dockets. Given the interdependence of the proceedings and the need to maintain the logical sequence of the proceedings, this timing provides the best possible opportunity to meet the statutory deadline for retail open access.

coupled, nor are they needed to support the development of these other rules. A new procedural schedule allows development of other rules dockets before starting development of interconnection rules. The suggested order date is revised.<sup>2</sup>

(5) Rules for Electronic Data Exchange - The subject is split from the previously recommended docket for the reasons stated above. The procedural schedule is condensed somewhat to provide market participants the maximum time to develop, implement, and test the necessary data processing systems to facilitate retail open access, while allowing sufficient time to analyze the large volume of information that will be provided.<sup>3</sup> The suggested order date is revised.<sup>2</sup>

(6) Revision of the Commission's existing rules - The procedural schedule is revised so as to follow all other

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<sup>3</sup> It may be possible to segregate and prioritize issues in the docket to provide certain decisions in an earlier time frame than the proposed procedural schedules indicates. For example, it may be possible to adopt the specific data transfer methods and the proposed transaction sets and data dictionaries on a faster time frame. This may provide parties with the ability to develop the proprietary systems necessary to accommodate those requirements. The Commission may also be able to identify the minimum requirements that those systems must include. The earlier such decisions can be made, the more time market participants will have available to develop the necessary information systems to accommodate the electronic data exchange necessary to support retail open access.

rulemakings (except #7 below). The suggested order date is revised.<sup>2</sup>

(7) Compilation of the electric service rules - The procedural schedule is revised so as to follow all other rulemakings. The suggested order date is revised.<sup>2</sup>

TRACK II: CONSUMER EDUCATION.

The docket style and designation and the purpose and scope are revised to reflect a rulemaking instead of a generic docket, if needed. A statutory reference is added. The procedural schedule is deleted because the need for the docket is still unclear.

TRACK III: RATE AND UNBUNDLING FILINGS.

(1) Functional Unbundling of Rates and Tariffs

(A) Reference to Order No. 8 which adopted generic guidelines.

(B) Currently approved procedural schedules are referenced for the company-specific dockets pursuant to the scheduling orders in each docket and attached as Attachment 3. Companies may be required to file additional unbundled tariffs consistent with findings on competitive services and standard service package (Track III, Items 3 and 4).

(C) The statutory reference and requirements are

revised. The proposed Affiliate Rules are referenced because of the proposed requirement for filing by companies of their functional unbundling plans.

(D) No changes.

(2) Recovery of Transition Costs

(A) Reference to Order No. 6, which adopted guidelines.

(B) Pursuant to Order No. 6, initial company filings will be made between 1/1/01 and 4/30/01.

(C) Pursuant to Order No. 6, filings for annual review will be throughout the recovery period.

(3) Competitive Services (Title changed from Customer Services).

(A) A generic proceeding has been added to address whether any customer services should be declared competitive, before any functional unbundling guidelines or reporting requirements are developed. The schedule proposes that the Commission identify, in its order opening the docket, the issues to be addressed. The proposed schedule allows for a Commission order before companies have to file

market power studies and Standard Service Packages, because of the impact on those filings.

(B) The scope is expanded to include functional unbundling guidelines as well as reporting requirements. The procedural schedule is revised to follow the generic determination made in the preceding docket (see (A) above). The suggested order date is revised.<sup>2</sup>

(C) Individual company schedules should be consistent with the generic guidelines and schedule.

(4) Requirements for Standard Service Package

(A) The statutory reference and requirements are revised. The schedule is revised to allow incorporation of Commission findings in the Competitive Services docket, to allow incorporation of Standard Service Package findings into the proposals on Market Power, and to allow time for the companies to design and file (and for the Staff to review and the Commission to approve) a standard offer service to accommodate an open enrollment period of six (6) months before retail open

access.

- (B) Individual company schedules should be consistent with the generic guidelines and schedule.

TRACK IV: STRANDED COST DETERMINATIONS.

The docket style and designation now reflect one docket, since Entergy Arkansas, Inc. (EAI) was the only company to file a notice of intent to seek recovery of stranded costs. The statutory reference and requirements are clarified throughout. The schedule notes EAI's actual filing date of the notice and references Staff's Recommendation on Scheduling filed January 24, 2000, which recommends that the Commission enter an order declaring that EAI's application for approval of proposed methods for valuation of stranded costs shall be filed after EAI's market power study, filed in compliance with the guidelines approved by the Commission, is evaluated and any appropriate mitigation measures implemented.

TRACK V: MARKET POWER ANALYSES.

- (A) Further detail has been added to the procedural schedule for the generic proceeding.
- (B) A range of schedules for company-specific filings has been added. This schedule is needed to allow time for mitigation, if necessary, before retail open access, and to allow incorporation into

Entergy Arkansas' stranded cost determination.

9. Because of the dynamic nature and large number of these proceedings, along with a timetable which extends over a multi-year period, the Director may revise this report as necessary to reflect the most accurate information possible.

WHEREFORE, the Executive Director of the General Staff submits this Second Report and Proposed Act 1556 Timetable pursuant to Order No. 1.

Respectfully submitted,

Sandra L. Hochstetter  
Executive Director  
General Staff of the Arkansas  
Public Service Commission

By: \_\_\_\_\_

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CERTIFICATE OF SERVICE

I, Valerie F. Boyce, hereby certify that a copy of the foregoing Second Report of the Executive Director has been served on all jurisdictional electric utilities, AEEC, the AG, and other interested parties by forwarding the same by electronic mail, facsimile, or first class mail this 3rd day of February, 2000.

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Valerie F. Boyce