

ORIGINAL INTERVENTION



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BEFORE THE ARIZONA CORPORATION COMMISSION

AZ CORP COMMISSION
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Arizona Corporation Commission

COMMISSIONERS

MARC SPITZER, CHAIRMAN
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
MIKE GLEASON
KRISTIN K. MAYES

DOCKETED

MAY 25 2004

DOCKETED BY	<i>CAF</i>
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IN THE MATTER OF THE
REORGANIZATION OF UNISOURCE
ENERGY CORPORATION

) DOCKET NO. E-04230A-03-0933

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**APPLICATION TO
INTERVENE**

The individuals and entities whose names appear on Exhibit A attached hereto and incorporated herein by this reference are residents of Mohave County, Arizona or own land in Mohave County, Arizona ("Applicant Group" or "Applicants") hereby apply to the Arizona Corporation Commission ("Commission") for an Order granting them leave to intervene in the above-captioned proceeding pursuant to A.A.C. R14-3-105 and in support of their application state:

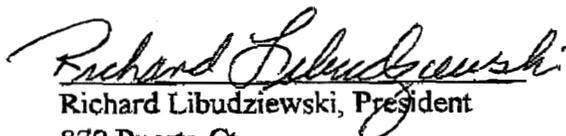
1. The members of the Punta de Vista Homeowners Association own land within the certificated area of UniSource and therefore are entitled to receive utility service from UniSource. However there is a lack of UniSource electric facilities in the area of the property near Bullhead City in Mohave County owned by Applicants. The lack of electric system facilities creates electric service reliability problems. The failure to address these problems will harm the public, of which Applicants are members; additionally, there is no local UniSource office to provide communications or service to the area owned by Applicant; and the main office is in Kingman and consequently there are no UniSource personnel living in the area owned by Applicants to provide service; and finally, there is a concern that the financial capability of UniSource as reorganized will be insufficient to deliver safe, reliable and affordable service to the Applicant Group.

2. The members of the Punto de Vista Homeowners Association will be directly and substantially affected by a Decision or Order of the Commission in the above-captioned matter; therefore, it is necessary and proper that the members of the Punto de Vista Homeowners Association intervene in the proceeding.

3. Enclosed is the Punto de Vista Property Owners Association Motion to Intervene in Reorganization of UniSource letter explaining in more detail our position.

4. Also, enclosed is a copy of the original petition letter sent to the Arizona Corporation Commission, UniSource Energy and Mohave Electric.

RESPECTFULLY SUBMITTED, this 25 day of MAY, 2004.



Richard Libudziewski, President
879 Puerta Ct
Bullhead City, AZ 86429
(928) 754-3264



Mary Wall, Vice President
4218 Mercer Rd.
Bullhead City, AZ 86429
(928) 754-1142



Marc Goldstone, Director
4090 Yucca Rd.
Bullhead City, AZ 86429
(928) 754-8305

**Original and thirteen (13) copies of
the foregoing filed this 25 day of MAY, 2004 with:**

Miss Nancy Cole
Docket Control Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

**Copies of the foregoing hand-delivered and/or mailed
this 25 day of MAY, 2004 to:**

Jane L. Rodda, Administrative Law Judge
ARIZONA CORPORATION COMMISSION
400 West Congress Street
Suite 218
Tucson, Arizona 85701-1352

Raymond S. Heyman
Roshka Heyman & Dewulf
One Arizona Center
400 East Van Buren Street, Suite 800
Phoenix, Arizona 85004

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Residential Utility Consumer Office
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Kingman, Arizona 86402-7000

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2100 N. Central Avenue, Suite 210
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3351 N. Riverbend Circle East
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Post Office Box 1267
Tubac, Arizona 85646

Christopher Kempley, Chief Counsel
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1200 West Washington Street
Phoenix, AZ 85007

Ernest G. Johnson, Director
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, AZ 85007

Punto de Vista Property Owners Association

DATE: May 25, 2004

Miss Nancy Cole
Arizona Corporation Commission -- Docket Administrator
1200 W. Washington Street
Phoenix, AZ 85007

Re: Motion to Intervene in Reorganization of UniSource Docket # E-04230A-03-0933

The members of the Punto de Vista Tract in Bullhead City receive electric utility service from UniSource Energy Corporation, and will be directly and substantially affected by a decision of the Commission in the subject reorganization. It is necessary therefore, that the Punto de Vista Property Owners Association intervene in the proceeding.

The Punto de Vista Property Owners Association (PDVPOA) again petitions UniSource Energy to negotiate a sale of its electric utility to Mohave Electric Cooperative. In October of 2003 our petition for sale was declined by UniSource.

Punto de Vista is the only developed one mile section of Bullhead City not serviced by Mohave Electric Cooperative (MEC). We have spoken to Mohave Electric Corp. and they are in favor of negotiating with UniSource to acquire Punto de Vista's electric energy franchise.

For the following reasons the PDVPOA requests the sale to MEC:

- A) The Punto de Vista section of Bullhead City would be best serviced by one utility company located in Bullhead City. Currently, since UniSource has no electrical system facility in Bullhead City, service must come from Kingman 35 miles away. This assures lengthy delays and increased response time to electric service outages creating electric service reliability problems that can become critical given the number of seniors in our tract. This is especially of concern during the monsoon season when temperatures routinely exceed 115 degrees. Also, there is no local UniSource office in Bullhead City to provide service or communication to the area.
- B) UniSource Energy electric service is more expensive than MEC. UniSource Energy was directed by the Arizona Corporation Commission to renegotiate their contract with Pinnacle West for wholesale power, and any savings was to be passed on to customers at a 90% to the ratepayer 10% to UniSource split.

This has not occurred as of yet, and the PDVPOA doubts whether UniSource (or Saguaro) will soon pursue a contract renegotiation. MEC has not raised rates in over a decade and in fact, according to a company official, plans to return monies to their ratepayers this year.

- C) Numerous short power interruptions have occurred that although falling below the reporting limits still require resetting of all clocks and entertainment equipment. Also, longer power interruptions interfere with home based business operations in Punto de Vista where there are several.
- D) Power to our community is provided via the Warm Spring Substation from Hydro power generated at Davis Dam. There is no Grid interconnection and manual changeover to an alternate power source from Kingman is required which takes more than an hour to facilitate. At the very least this should be automated for immediate power transfer.
- E) However, during summer monsoons this power if fed from Kingman is vulnerable to lightning as it passes through the Black Mountains which have particularly severe storms on a frequent basis. This is not a suitable nor reliable secondary source of power. MEC has Grid interconnectivity power and delivery to provide a more reliable energy source.
- F) UniSource Energy is planning to adopt a totally unreasonable renewables policy. This policy fails to include all renewable sources, the most practical for our community beside solar being wind generation. This while UniSource would use the buy down program funded by ecologically minded consumers who voluntarily pay higher rates/kilo-watt rather than installing their own solar generation infrastructure. This renewable energy policy in our opinion has the sole purpose of maintaining UniSource's monopoly on power generation and distribution.

Any renewable policy should:

- 1) Include all sources of energy, not just solar.
- 2) Only require one utility meter which is bi-directional providing the most accurate measurement of 'NET Power Consumption' as it overcomes inaccuracies inherent in the two meter approach. It is an accounting problem solely for the renewable buy down program which prompts the second meter edict. All meter reading should be performed by the Utility.

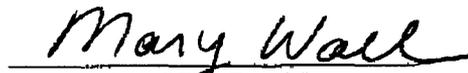
In conclusion, the residents of Punto de Vista want electric energy that is more reliable and less expensive. We believe that MEC will provide that. The Punto de Vista Property Owners Association is also concerned that Saguaro Utility Group LP (UniSource reorganized) may reduce service/maintenance, or increase rates in an attempt to recoup the cost of purchasing UniSource at a premium over book value.

We therefore request that UniSource negotiate a sale with MEC for the electric power franchise serving the Punto de Vista community. We further request the Arizona Corporation Commission make any Saguaro/UniSource buyout, merger or reorganization contingent on the sale to MEC of the power franchise serving the Punto de Vista community.

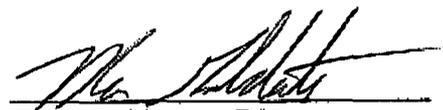
Sincerely,



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Phoenix, AZ 85007

Mr. Ernest Johnson, Director
Arizona Corporation Commission -- Utilities Division
1200 W. Washington Street
Phoenix, AZ 85007

PUNTO DE VISTA PROPERTY OWNERS ASSOCIATION

MARY WALL
R. LIBUDZIEWSKI
CO PRESIDENTS
P.O. BOX 2076
BULLHEAD CITY, AZ. 86430

(928) 754-3264
hslibos@citlink.net

October 29, 2003

MR. JAMES S. PIGNATELLI
PRESIDENT AND CEO
UNISOURCE ENERGY
P.O. BOX 711
TUCSON, AZ. 85702

Encl. (3): Punto de Vista POA petition.

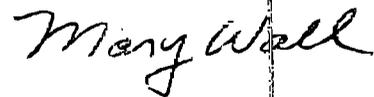
Dear Mr. Pignatelli

The Punto de Vista Property Owners Assn. voted unanimously on Oct. 11, 2003 to petition Unisource Energy to sell its electric utility interest in Punto de Vista to Mohave Electric Cooperative.

Enclosed petition, signed by a quorum of voting member homeowners, provides further details and rationale for the request.

Please give serious consideration to our petition.

Sincerely,



CC:
AZ. Corporation Commissioners (5)
Mohave Electric Cooperative

10/10/03

Mr. James S. Pignatelli
President and Chief Executive Officer
Unisource Energy
P.O. Box 711
Tucson, Arizona 85702

Dear Mr. Pignatelli:

We the undersigned Punto de Vista residents and electrical consumers, west of the Black Mountains in Mohave County, (better known as the Bullhead City and Mohave Valley area), request that you consider the possible sale of your territory west of the Black Mountains, to Mohave Electric. Currently the Punto de Vista development is the only section of the City of Bullhead that isn't serviced by Mohave Electric.

We have contacted Mohave Electric and they would be willing to discuss any possible sale or transfer of property, subject to the Arizona Corporation Commission's approval. By a copy of this letter to each Commissioner, we are asking for their assistance in the evaluation in any possible sale or transfer of service territory. We would also ask the Commission to facilitate discussions between Unisource Energy and Mohave Electric Cooperative, or at least be advised of their progress.

This area would best be served by one utility. Because of our location, service from Unisource must come from the Kingman area which leaves us with service reliability problems. Due to the number of retired and elderly people in our tract, and the extreme temperatures common to this area in the summer months, response times to electrical outages are very critical.

We the undersigned consumers of Unisource Energy request the Punto de Vista section of Bullhead City be serviced by Mohave Electric Cooperative, and the Arizona Corp. Commission facilitate discussions between the two companies.

<u>Richard T. Sheet</u>	<u>John Allen</u>	<u>Del Cross</u>
<u>Joseph C. Calca</u>	<u>Robert Webb</u>	<u>Margie Baker</u>
<u>Tom Lockwell</u>	<u>Tom Baker</u>	<u>Robert Baker</u>
<u>Inez Calca</u>	<u>Mary Wall</u>	<u>Vicky Goldstone</u>
<u>Samuel L. Prichard</u>	<u>Marlene Baker</u>	<u>Mar Goldstone</u>
<u>Walter M. Louie</u>	<u>Carole Baker</u>	<u>Susan Baker</u>
<u>Ed L. Smith</u>	<u>Judy McCabe</u>	<u>Marilyn Bristow</u>
<u>Louise T. Oberde</u>	<u>Bob McCabe</u>	<u>Carol Peterson</u>

ENCL: (1)

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President and Chief Executive Officer
Unisource Energy
P.O. Box 711
Tucson, Arizona 85702

10/10/03

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<u>Andrea Akers</u>	<u>Santa Blackburn</u>	<u>Ernest Ricks</u>
<u>Richard Riedman</u>	<u>Tom Meyer</u>	<u>DeAnn Bay</u>
<u>Lee Peterson</u>	<u>Daily Aragon</u>	<u>Phil Witt</u>
<u>Paul V. Sheet</u>	<u>Robert J. [unclear]</u>	<u>Mathew Carter</u>
<u>Altonne Pyle</u>	<u>Ronald Pyle</u>	<u>William W. [unclear]</u>
<u>Laura Kufus</u>	<u>D.W. Bristow</u>	<u>Verna Cross</u>
<u>Bob Carroll</u>	<u>Dany Conlay</u>	<u>Michelle [unclear]</u>
<u>James [unclear]</u>	<u>Mary Child</u>	<u>Wanda H. Stubble</u>

ENCL: (2)