



BEFORE THE ARIZONA CORPORATION COMMISSION

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1
2 MARC SPITZER
Chairman
3 WILLIAM A. MUNDELL
Commissioner
4 JEFF HATCH-MILLER
Commissioner
5 MIKE GLEASON
Commissioner
6 KRISTIN K. MAYES
Commissioner
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Arizona Corporation Commission

DOCKETED

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8 IN THE MATTER OF THE APPLICATION)
9 OF DUNCAN VALLEY ELECTRIC)
10 COOPERATIVE, INC., GRAHAM COUNTY)
11 ELECTRIC COOPERATIVE, INC.,)
12 SULPHUR SPRINGS VALLEY ELECTRIC)
13 COOPERATIVE, INC., AND TRICO)
14 ELECTRIC COOPERATIVE, INC. FOR)
15 APPROVAL OF ENVIRONMENTAL)
16 PORTFOLIO STANDARD VOLUNTARY)
17 CONTRIBUTION TARIFFS)

DOCKET NOS. E-01703A-04-0698
E-01749A-04-0698
E-01575A-04-0698
E-01461A-04-0698

DECISION NO. 67411
ORDER

16 Open Meeting
17 October 26 and 27, 2004
18 Phoenix, Arizona

18 BY THE COMMISSION:

19 FINDINGS OF FACT

20 1. On February 8, 2001, the Arizona Corporation Commission ("Commission")
21 entered Decision No. 63364, which adopted the Environmental Portfolio Standard ("EPS") Rules,
22 A.A.C. R14-2-1618. Five parties to the docket filed applications for rehearing and reconsideration
23 of the decision.

24 2. On March 29, 2001, the Commission entered Decision No. 63486, which modified
25 the EPS Rules and which included exemptions to the rules in response to some of the applications
26 for rehearing and reconsideration.

27 3. On August 10, 2004, the Commission entered Decision No. 67176, which approved
28 the EPS Plan of Arizona Electric Power Cooperative, Inc ("AEPSCO"). Included in that plan is a

1 provision for AEPCO's member distribution cooperatives to solicit contributions from retail
2 members that will be used to install renewable generation in Arizona. This portion of the AEPCO
3 EPS Plan is known as the "SunWatts Contribution Program."

4 4. On September 27, 2004, Grand Canyon State Electric Cooperative Association, Inc.
5 ("GCSECA") filed an application on behalf of Duncan Valley Electric Cooperative, Inc., Graham
6 County Electric Cooperative, Inc., Sulphur Springs Valley Electric Cooperative, Inc, and Trico
7 Electric Cooperative, Inc. ("the Cooperatives") requesting Commission approval of Voluntary EPS
8 Contribution Tariffs. Attached to the application were identical tariffs for each of the four
9 distribution cooperatives.

10 5. Currently, under EPS rules and through tariffs approved in 2001, the
11 member/consumers of the Cooperatives pay monthly EPS surcharges that finance the
12 Cooperatives' EPS efforts. The new Voluntary EPS Contribution Tariffs will allow the
13 member/consumers to contribute additional amounts, if they desire to do so, that will be used by
14 AEPCO and the Cooperatives to meet EPS requirements. Those amounts of voluntary
15 contribution will range from \$2.00 to \$10.00 per month.

16 6. Staff has reviewed the four tariffs that were submitted. The tariffs are clearly
17 written and achieve the purpose for which they were designed.

18 7. Staff finds that the subject tariffs offer member/consumers an opportunity to
19 volunteer to assist the Cooperatives in meeting their Environmental Portfolio Standard
20 requirements. This will allow the volunteers to "go above and beyond" the support of other
21 member/consumers in broadening the generation mix of the Cooperatives.

22 8. Staff has analyzed this application in terms of whether there were fair value
23 implications. Compared to the Cooperatives' total revenue, any impact from these programs
24 would be de minimus, and any impact on the Cooperatives' fair value rate base and rate of return
25 would also be de minimus.

26 9. Staff finds that approval of the tariffs is in the public interest and recommends
27 approval by the Commission.

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CONCLUSIONS OF LAW

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1. Duncan Valley Electric Cooperative, Inc., Graham County Electric Cooperative, Inc., Sulphur Springs Valley Electric Cooperative, Inc, and Trico Electric Cooperative, Inc. are Arizona public service corporations within the meaning of Article XV, Section 2, of the Arizona Constitution.

2. The Commission has jurisdiction over Duncan Valley Electric Cooperative, Inc., Graham County Electric Cooperative, Inc., Sulphur Springs Valley Electric Cooperative, Inc, and Trico Electric Cooperative, Inc. and over the subject matter of this application.

3. The Commission, having reviewed the application and Staff's Memorandum dated October 4, 2004, concludes that it is in the public interest to approve the four Voluntary EPS Contribution Tariffs.

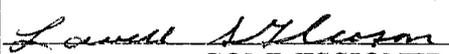
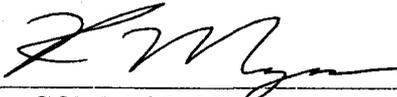
ORDER

IT IS THEREFORE ORDERED that applicants' request for approval of the four Voluntary Environmental Portfolio Standard Contribution Program Tariffs included in this application is approved.

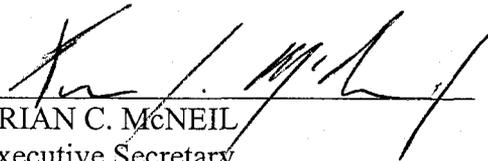
IT IS FURTHER ORDERED that this decision shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

		
CHAIRMAN	COMMISSIONER	COMMISSIONER

	
COMMISSIONER	COMMISSIONER

IN WITNESS WHEREOF, I BRIAN C. McNEIL, Executive Secretary of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 2 day of November, 2004.


 BRIAN C. McNEIL
 Executive Secretary

DISSENT: _____

DISSENT: _____

EGJ:RTW:lhm\JMA

1 SERVICE LIST FOR: Duncan Valley Electric Cooperative, Inc., et al.
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