

NEW APPLICATION  
ORIGINAL



0000013014

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

**BEFORE THE ARIZONA CORPORATION COMMISSION**

Arizona Corporation Commission

**DOCKETED**

NOV 15 2004

DOCKETED BY *CM*

AZ CORP COMMISSION  
DOCUMENT CONTROL

2004 NOV 15 PM 4:23

RECEIVED

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

**IN THE MATTER OF THE  
APPLICATION OF UNS ELECTRIC, INC.,  
FOR AN ORDER APPROVING A  
TRANSFER OF A PORTION OF A  
CERTIFICATE OF CONVENIENCE  
AND NECESSITY.**

) **DOCKET NO.** E-04204A-04-0824  
) E-01750A-04-0824  
) **APPLICATION**  
) [Expedited Hearing Requested]

Pursuant to A.R.S. section 40-281 *et seq.*, UNS Electric, Inc., (“UNS Electric” or “Company”) hereby files this Application seeking to have territory (“Subject Territory”) that was originally a part of Citizens Utilities Company’s<sup>1</sup> (“Citizens”) certificated service territory to revert to UNS Electric, the entity that stepped into Citizens shoes upon acquisition in August 2003. Mohave Electric Cooperative, Inc (“MEC”) currently holds the CC&N for the Subject Territory, as result of a limited agreement between MEC and Citizens. Currently, there is a customer in the Subject Territory that has requested electric service from UNS Electric, because UNS Electric has the facilities to provide service without significant installation expense to the customer. Because this customer has been without electric service for a number of months, UNS Electric is requesting expedited treatment of this Application. UNS Electric asserts that the proposed transfer is in the best

<sup>1</sup> The original CC&N for the territory in question was issued to Citizens. Citizens subsequently changed its name to “Citizens Communications Company.” The CC&N territory that is the subject of this application belonged to the Mohave Electric Division of Citizens Communications Company.

1 interest of the public, particularly those customers in Mohave County. The following facts support  
2 this application.  
3

4 BACKGROUND

5 1. UNS Electric is a public service corporation providing electric service to customers  
6 within a specifically designated service area in portions of Mohave County and Santa Cruz County,  
7 Arizona, pursuant to a CC&N that was transferred to the Company in 2003.<sup>2</sup> This was a result of the  
8 acquisition of Citizens' properties by UniSource Energy Corporation's ("UniSource"). UniSource  
9 formed two new subsidiaries, UNS Electric and UNS, Gas Inc., and the CC&N from the Citizens'  
10 electric properties was transferred to UNS Electric.  
11

12 2. The portion of MEC's certificated area for which UNS Electric is seeking a transfer  
13 was a part of Citizens' CC&N territory prior to 1994. A map depicting the Subject Territory is  
14 attached as Exhibit A. In October 1994, the Commission approved the transfer of this portion of  
15 Citizens' CC&N to MEC, so that MEC could legally provide electric service to North Star Steel  
16 Company ("North Star"). Decision No. 58798, which includes the legal description as an exhibit, is  
17 attached as Exhibit B.  
18

19 3. North Star was a steel manufacturing plant located in Mohave County on a 1,040 acre  
20 site, which was in the middle of Citizens' CC&N territory. At that time, the area where North Star's  
21 site was located had no electric customers. North Star had been unable to reach an agreement with  
22 Citizens regarding electric service to the plant site and had approached MEC with a request for  
23  
24

25 \_\_\_\_\_  
26 <sup>2</sup> In Decision No. 66028, the Commission approved UniSource's acquisition of Citizens' Arizona gas and electric properties and the transfer of the CC&N.

1 service. MEC and North Star reached an agreement, and requested that Citizens transfer that part of  
2 its CC&N related to the Subject Territory so that MEC could provide electric service to the North  
3 Star site.

4  
5 4. Citizens consented to the transfer, subject to several conditions. The purpose of the  
6 transfer was for the single purpose of allowing MEC to provide electric service to a specific  
7 customer, North Star, and Citizens conditioned its approval of the transfer of the CC&N based on  
8 that fact. The conditions relevant to this application include:

9 a. MEC was limited to serving only North Star within the plant site and was  
10 prohibited from extending service to any other customer located beyond the boundaries of the plant  
11 site.  
12

13 b. If MEC no longer served North Star, the right to service the Subject Territory  
14 would revert back to Citizens.

15 A copy of the documents that reflects the agreement between Citizens and MEC  
16 (“Transfer Agreement Documents”) are attached as Exhibit C.<sup>3</sup>  
17

18 5. Circumstances at the North Star plant site have changed and the reversion of the CC&N  
19 to UNS Electric is warranted. The North Star plant has been closed since early 2003 and therefore  
20 has not been receiving electric service from MEC. As set forth in the Transfer Agreement  
21 Documents, because MEC no longer serves North Star, the right to serve the Subject Territory will  
22 revert back to Citizens upon Commission approval.  
23

24  
25 \_\_\_\_\_  
26 <sup>3</sup> As a result of the acquisition of the Citizens’ properties, UNS Electric would step into the shoes of Citizens in regard to this Transfer Agreement.

1           6.     In May 2004, UNS Electric received a request from Central Trucking Inc. (“CTI”) to  
2 provide electric service to CTI, which is located within the Subject Territory. That written request is  
3 attached as Exhibit D. To the best of UNS Electric’s knowledge and understanding, CTI has  
4 previously sought electric service from MEC. However, MEC had informed CTI that it would cost  
5 CTI approximately \$600,000 to construct the necessary facilities to serve the trucking company.  
6

7           7.     In an attempt to provide CTI electric service as quickly as possible, UNS Electric has  
8 executed an Electric Service Authorization Agreement (“Authorization Agreement”).<sup>4</sup> The  
9 Authorization Agreement would allow the Company to provide electric service to CTI in the Subject  
10 Territory, provided that MEC also executes the Authorization Agreement and the Commission  
11 approves it. The Authorization Agreement is attached as Exhibit E. To date, MEC has not signed  
12 the Authorization Agreement, and has indicated that it does not intend to do so. Without MEC’s  
13 authorization or the Commission’s approval to transfer the Subject Territory to UNS Electric, the  
14 Company cannot legally provide electric service to CTI.  
15

16           8.     UNS Electric has the necessary facilities in place, and is ready and able to provide  
17 electric service once the Commission has approved that this CC&N territory be transferred back to  
18 the Company.  
19

20           THEREFORE, UNS Electric respectfully requests that the Commission:

21           1.           Order that the portion of MEC’s CC&N applicable to the Subject Territory be  
22 transferred to UNS Electric;  
23

24  
25 <sup>4</sup> Typically, such an agreement is called a “borderline agreement.” However, in these circumstances, the Subject  
26 Territory is not on the border of UNS Electric’s CC&N territory, but rather, in the middle of the territory – much like  
an island. Therefore, the title “Electric Service Authorization Agreement” more precisely describes this situation.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

2. Take judicial notice of previous dockets where the CC&N was originally transferred from Citizens to MEC (Docket Nos. E-1032-94-293 and U-1750-94-293); and

3. Hear and determine this matter on an expedited basis so the customer requesting electric service may be served.

Respectfully Submitted on this 12<sup>th</sup> day of November, 2004.



Deborah R. Scott  
Michelle Livengood  
Attorneys for UNS Electric, Inc.  
P.O. Box 711, Mail Stop UE201  
Tucson, Arizona 85702

Original and 13 copies of the foregoing mailed this 12th day of November, 2004, to:

Docket Control  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Copy of the foregoing mailed this 12th day of November, 2004, to:

Legal Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

1 Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
2 Phoenix, Arizona 85007

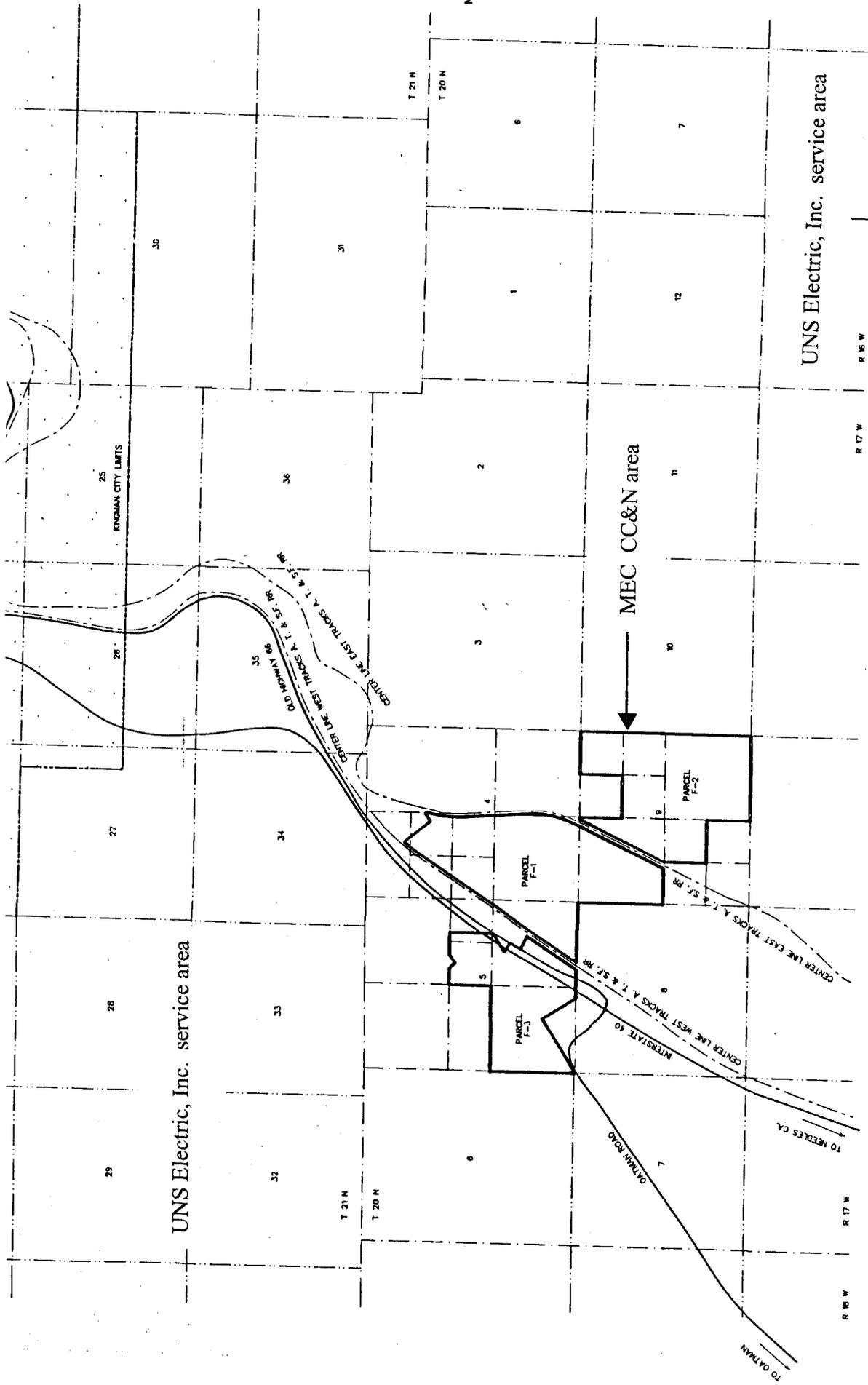
3 Mohave Electric Cooperative  
1999 Arena Drive  
4 Bullhead City, AZ 86442

5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

# Exhibit A



NOT TO SCALE

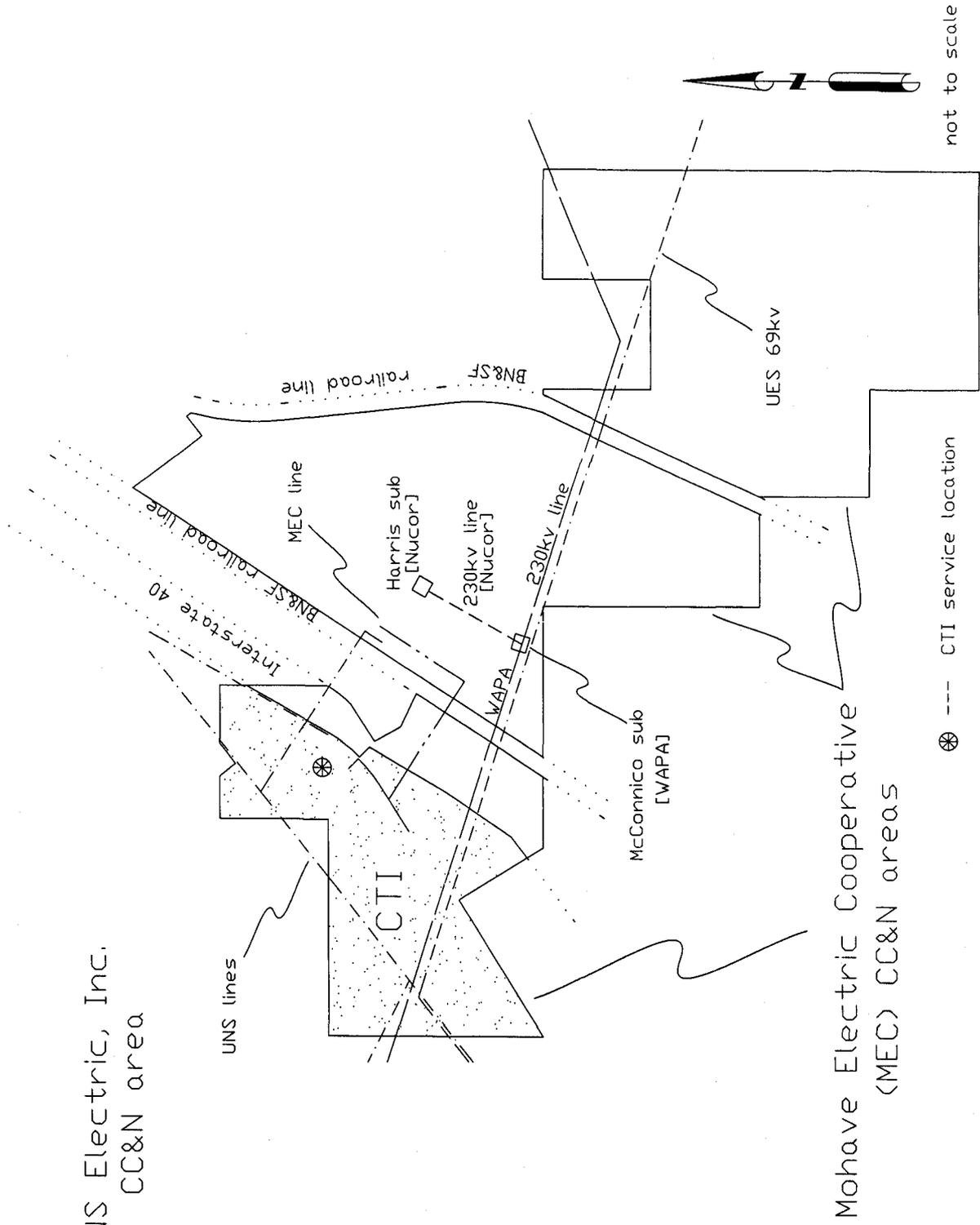


VICINITY MAP  
T20N R17W



UNS ELECTRIC, INC.

UNS Electric, Inc.  
CC&N area



Mohave Electric Cooperative  
(MEC) CC&N areas

⊗ --- CTI service location

not to scale

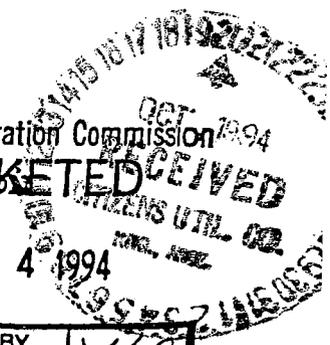
# Exhibit B

CUS 12

*File*

Arizona Corporation Commission  
**DOCKETED**

OCT 14 1994



DOCKETED BY *KL*

BEFORE THE ARIZONA CORPORATION COMMISSION

MARCIA WEEKS  
CHAIRMAN  
RENZ D. JENNINGS  
COMMISSIONER  
DALE H. MORGAN  
COMMISSIONER

IN THE MATTER OF THE TRANSFER OF A )  
PORTION OF CITIZENS UTILITIES )  
COMPANY'S CERTIFICATE OF )  
CONVENIENCE AND NECESSITY TO )  
MOHAVE ELECTRIC COOPERATIVE, INC. )

DOCKET NO. E-1032-94-293  
DOCKET NO. U-1750-94-293  
DECISION NO. 58798

OPINION AND ORDER

DATE OF HEARING: September 16, 1994  
PLACE OF HEARING: Phoenix, Arizona  
PRESIDING OFFICER: Lyn Farmer  
APPEARANCES: Mr. Raymond S. Heyman, O'CONNOR, CAVANAGH, ANDERSON, WESTOVER, KILLINGSWORTH & BESHEARS, on behalf of Mohave Electric Cooperative, Inc.; and  
Ms. Beth Ann Burns, Senior Counsel - Arizona, on behalf of Citizens Utilities Company; and  
Mr. Michael Grant, JOHNSTON, MAYNARD, GRANT & PARKER, on behalf of Arizona Electric Power Cooperative; and  
Mr. Phillip L. Chabot, Jr., and Ms. Sandra E. Rizzo, BRICKFIELD, BURCHETTE & RITTS, P.C., and Mr. Patrick J. Paul, GALLAGHER & KENNEDY, on behalf of North Star Steel Company; and  
Ms. Janice Alward and Mr. Bradford A. Borman, Attorneys, Legal Division, on behalf of the Utilities Division of the Arizona Corporation Commission.

**BY THE COMMISSION:**

On August 23, 1994, Mohave Electric Cooperative, Inc. ("Mohave Electric") filed with the Arizona Corporation Commission ("Commission") an Application to Transfer a Certain Portion of the Certificate of Convenience and Necessity of Citizens Utilities Company

1 ("Citizens") to provide electric utility service to Mohave Electric.  
 2 By Procedural Order issued August 29, 1994, the hearing on the  
 3 above-captioned matter was set for September 16, 1994. On September  
 4 7, 1994, Citizens filed its Motion to Intervene, Motion for  
 5 Continuance, and Motion for Correction of Docket Number. On September  
 6 9, 1994, Arizona Electric Cooperative, Inc. ("AEPCO") filed its Motion  
 7 to Intervene, and Mohave Electric filed its Response to Citizens'  
 8 Motions. On September 12, 1994, Citizens filed its Reply and North  
 9 Star Steel Company ("North Star") filed its Motion to Intervene. On  
 10 September 13, 1994, the Commission's Utilities Division Staff  
 11 ("Staff") filed its Staff Report in this matter. Staff recommended  
 12 approval of the application following a hearing. By Procedural Order  
 13 issued September 14, 1994, Citizens was granted intervention.  
 14 Intervention was granted to AEPCO and North Star at the commencement  
 15 of the hearing.

16 The hearing was held as scheduled and no members of the public  
 17 were present to make public comment. No objections concerning the  
 18 application were received by the Commission or by Mohave Electric.  
 19 Mr. Robert Broz testified on behalf of Mohave Electric, and Mr.  
 20 Patrick Williams testified on behalf of Staff. The matter was taken  
 21 under advisement pending submission to the Commission of a Recommended  
 22 Opinion and Order by the Presiding Officer.

23 \* \* \* \* \*

24 Having considered the entire record herein and being fully  
 25 advised in the premises, the Commission finds, concludes, and orders  
 26 that:

27 . . .  
 28 . . .

FINDINGS OF FACT

1  
2 1. Mohave Electric is an Arizona nonprofit electric cooperative  
3 providing electric utility service to the public in portions of Mohave  
4 County, Arizona, pursuant to authority granted by the Commission.

5 2. Citizens is a Delaware corporation engaged in the business  
6 of providing electric utility service to the public in portions of  
7 Mohave County, Arizona, pursuant to authority granted by the  
8 Commission.

9 3. North Star Steel Company, a corporation organized and  
10 operating pursuant to the laws of Minnesota, intends to build a mini-  
11 mill steel recycling facility on approximately 1,047 acres of land  
12 near Kingman, in Mohave County, Arizona ("plant site").

13 4. The North Star plant site is located within Citizens'  
14 certificated service area, but no electric service is currently  
15 provided to any customer within the plant site.

16 5. In approximately 1991, North Star approached Citizens  
17 requesting electric service for the proposed plant, but was unable to  
18 reach agreement regarding the provision of electric service.

19 6. In approximately April 1994, North Star approached Mohave  
20 Electric and requested Mohave Electric arrange to provide electric  
21 service to the plant.

22 7. Mohave Electric and North Star obtained consent from  
23 Citizens for Mohave Electric to serve the electric load to the plant  
24 site, subject to six conditions.<sup>1</sup>

25 8. On August 23, 1994, Mohave Electric filed its Application to  
26  
27

28 <sup>1</sup> See Exhibit A-1, May 3, 1994 letter attached to the  
Application.

1 Transfer a Portion of a Certificate of Convenience and Necessity  
2 ("Application").

3 9. On September 1, 1994, Mohave Electric provided notice of the  
4 Application and hearing, and the hearing was held as scheduled on  
5 September 16, 1994.

6 10. Staff filed a Staff Report on September 13, 1994,  
7 recommending approval of the Application subject to the following  
8 conditions: that Citizens agree to the transfer; and that the  
9 Commission approve the Non-Firm Electric Service Agreement Among  
10 Mohave Electric Cooperative, Inc., Arizona Electric Power Cooperative,  
11 Inc., and North Star Steel Company ("Agreement").

12 11. Service to the plant site will be provided by wheeling the  
13 power over the Western Area Power Administration's ("Western") 230 kV  
14 transmission system to Western's McConnico switching station, through  
15 facilities owned by AEPCO and by Mohave Electric, to the Harris  
16 substation which will be owned by North Star.

17 12. According to the Staff Report, when the plant is fully  
18 operational, 250 people will be employed, with an annual payroll of  
19 approximately \$11 million.

20 13. Staff found that Mohave Electric is capable of serving the  
21 plant site; that the transfer will facilitate construction of the  
22 manufacturing plant; and that the regional economy should benefit by  
23 the presence of the manufacturing plant.

24 14. Staff found that approval of the Application to be in the  
25 public interest.

26 15. On September 15, 1994, the Agreement was filed with the  
27 Commission<sup>2</sup>, and was approved in Decision No. \_\_\_\_\_ (October \_\_, 1994).

28

<sup>2</sup> See Docket Nos. U-1750-94-323 and U-1773-94-323.

CONCLUSIONS OF LAW

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

1. Mohave Electric and Citizens are public service corporation within the meaning of Article 15 of the Arizona Constitution and A.R.S. Sections 40-281 et seq.

2. The Commission has jurisdiction over Mohave Electric and Citizens and over the subject matter of the Application.

3. There is a need for electric utility service at the North Star plant site.

4. Mohave Electric is a fit and proper entity to receive the Certificate for this plant site.

5. Approval of the Application is in the public interest.

6. The Application should be granted.

ORDER

IT IS THEREFORE ORDERED that the Application of Mohave Electric Cooperative, Inc., is hereby approved and the portion of Citizens Utilities Company's Certificate of Convenience and Necessity as described in the attached Exhibit A, is hereby transferred to Mohave Electric Cooperative, Inc.

IT IS FURTHER ORDERED that notwithstanding any agreement among any parties to this proceeding, the portion of Citizens Utilities Company's Certificate of Convenience and Necessity described in the attached Exhibit A, which is being transferred hereby to Mohave Electric Cooperative, Inc., shall not revert to Citizens Utilities Company under any circumstances without prior Commission approval.

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

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

*[Signature]*  
CHAIRMAN

*[Signature]*  
COMMISSIONER

*[Signature]*  
COMMISSIONER

IN WITNESS WHEREOF, I, JAMES MATTHEWS, Executive Secretary of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 14 day of October, 1994.

*[Signature]*  
JAMES MATTHEWS  
EXECUTIVE SECRETARY

DISSENT \_\_\_\_\_  
LF

1 SERVICE LIST FOR: CITIZENS UTILITIES COMPANY and  
2 MOHAVE ELECTRIC COOPERATIVE, INC.

3 DOCKET NOS.: E-1032-94-293 and U-1750-94-293

4 Raymond S. Heyman  
5 O'CONNOR, CAVANAGH, ANDERSON,  
6 WESTOVER, KILLINGSWORTH & BESHEARS  
One East Camelback Road, Suite 1100  
Phoenix, Arizona 85012-1656

7 Beth Ann Burns  
8 Senior Counsel - Arizona  
9 CITIZENS UTILITIES COMPANY  
2901 North Central Avenue  
Suite 1660  
Phoenix, Arizona 85012

10 Michael M. Grant  
11 JOHNSTON, MAYNARD, GRANT & PARKER  
12 3200 North Central Ave., Suite 2300  
Phoenix, AZ 85012

13 Charles A. Bischoff, Esq.  
14 GALLAGHER & KENNEDY  
2600 North Central Avenue  
Phoenix, Arizona 85004-3020  
15 Attorney for North Star Steel Company

16 Philip L. Chabot  
17 Sandra E. Rizzo  
BRICKFIELD, BURCHETTE & RITTS, P.C.  
1025 Thomas Jefferson Street, NW  
18 Suite 800 - West Tower  
Washington, DC 20007  
19 Attorney for North Star Steel Company

20 Paul A. Bullis, Chief Counsel  
21 Janis Alward, Staff Attorney  
Bradford A. Borman, Staff Attorney  
Legal Division  
22 ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
23 Phoenix, Arizona 85007

24 Gary Yaquinto, Director  
Utilities Division  
25 ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
26 Phoenix, Arizona 85007

27

28

## EXHIBIT A

## LEGAL DESCRIPTION "F-1"

A parcel of land located in the West Half and the West Half of the East Half of Section 4, the Southeast Quarter and Government Lot 9 of Section 5, and the Northwest Quarter of Section 9 all in Township 20 North, Range 17 West of the Gila and Salt River Meridian, Mohave County, Arizona and said parcel of land being more particularly described as follows;

BEGINNING at the Southeast Corner of said Section 5, and running thence, North  $89^{\circ}47'47''$  West, along the South Line of said Section 5, a distance of 1847.73 feet to a point lying Southeasterly 100.00 feet at a right angle to the centerline of the existing West bound main track of the Atchison, Topeka and Santa Fe Railway Company;

Thence, North  $32^{\circ}54'09''$  East, along a line being Southeasterly 100.00 feet and parallel to the centerline of said West bound main track, a distance of 3395.41 feet to a point common to the East Line of said Section 5 and the west Line of said Section 4;

Thence, continuing North  $32^{\circ}54'09''$  East, along the line being Southeasterly 100.00 feet and parallel with the centerline of said West bound main track, 2582.07 feet to a point of curvature of a curve to the right having a radius of 5629.65 feet;

Thence, Northeasterly, 569.02 feet, along the arc of said curve through a central angle of  $05^{\circ}47'28.5''$  to a point on the Southwesterly Boundary of the Unawep Patented Mineral Claim as delineated by U.S. Mineral Survey 2750;

Thence, South  $38^{\circ}12'00''$  East, along the Southwesterly Boundary of said Unawep Mineral Claim, 1064.18 feet to the Southeasterly Corner thereof;

Thence, North  $51^{\circ}48'33''$  East, along the Southeasterly Boundary of said Unawep Mineral Claim, 300.02 feet to a point being the Northwesterly Corner of the Cadillac Patented Mineral Claim as delineated by U.S. Mineral Survey 2750;

LEGAL DESCRIPTION "F-1"  
PAGE TWO OF TWO

Thence, South  $37^{\circ}59'27''$  East, along the Southwesterly Boundary of said Cadillac Mineral Claim, 66.55 feet to a point being Northwesterly 100.00 feet at a right angle to the centerline of the East bound main track of the Atchison, Topeka and Santa Fe Railway Company;

Thence, South  $11^{\circ}44'40''$  West, along a line being Westerly 100.00 feet and parallel to the centerline of said East bound main track, a distance of 307.09 feet to a point of curvature of a curve to the left having a radius of 2964.93 feet;

Thence, Southwesterly 831.27, along the arc of last said curve through a central angle of  $16^{\circ}03'50''$  to the point of tangency of said curve;

Thence, South  $04^{\circ}19'10''$  East, along a line being Westerly 100.00 feet and parallel to the centerline of said East bound main track, 2081.46 feet to a point of curvature of a curve to the right having a radius of 2764.93 feet;

Thence, Southwesterly 1420.64, along the arc of last said curve through a central angle of  $29^{\circ}26'20''$  to the point of tangency of said curve;

Thence, South  $25^{\circ}07'10''$  West, along a line being Westerly 100.00 feet and parallel to the centerline of said East bound main track, 215.18 feet to a point being common to the South Line of said Section 4 and the North Line of said Section 9;

Thence, South  $25^{\circ}07'10''$  West, along a line being Westerly 100.00 feet and parallel to the centerline of said East bound main track, 2917.39 feet to a point on the South Boundary of the Northwest Quarter of said Section 9;

Thence, South  $89^{\circ}58'03''$  West, along said South Boundary, 1113.28 feet to the West One-quarter (W1/4) Section Corner of said Section 9;

Thence, North  $00^{\circ}14'02''$  West, along the West Line of said Section 9, a distance of 2638.64 feet to the POINT OF BEGINNING.

The parcel of land herein described containing 433.54 acres, more or less.

## LEGAL DESCRIPTION "F-2"

A parcel of land located in Section 9, Township 20 North, Range 17 West of the Gila and Salt River Meridian, Mohave County, Arizona and said parcel of land being more particularly described as follows:

BEGINNING at the Northeast Corner of said Section 9, and running thence, South  $00^{\circ}02'37''$  East, along the East Line of said Section 9, a distance of 2641.22 feet to the East One-quarter (E1/4) Section Corner of said Section;

Thence, South  $00^{\circ}04'12''$  East, along the East Line of said Section, 2641.10 feet to the Southeast Corner of said Section;

Thence, South  $89^{\circ}53'24''$  West, along the South Line of said Section, 2641.36 feet to the South One-quarter (S1/4) Section Corner of said Section;

Thence, North  $00^{\circ}14'58''$  West, along the North-South Centerline of said Section 9, a distance of 1322.35 feet to the Southeast Corner of the NE1/4 SW1/4 of said Section;

Thence, North  $89^{\circ}58'42''$  West, along the South Boundary of said NE1/4 SW1/4, a distance of 1322.60 feet to the Southwest Corner of said NE1/4 SW1/4;

Thence, North  $00^{\circ}15'34''$  West, along the West Boundary of said NE1/4 SW1/4, a distance of 1296.96 feet to point being 100.00 feet Southeasterly at a right angle to the Centerline of the East bound main track of the Atchison, Topeka and Santa Fe Railway Company;

Thence, North  $25^{\circ}07'10''$  East, along a line being 100.00 feet Southeasterly and parallel to the Centerline of the East bound main track of said Atchison, Topeka and Santa Fe Railway Company, a distance of 2944.27 feet to a point on the North line of said Section 9;

Thence, North  $89^{\circ}54'55''$  East, along said North Line, 61.36 feet to the Northwest corner of the NW1/4 NE1/4 of said Section 9;

## LEGAL DESCRIPTION "F-3"

A parcel of land located in Government Lots 9 and 10, and the South Half of Section 5, Township 20 North, Range 17 West of the Gila and Salt River Meridian, Mohave County, Arizona and said parcel of land being more particularly described as follows:

Commencing at the Southeast Corner of said Section 5, and running thence, North 89°47'47" West, along the South Line of said Section 5, a distance of 2085.39 feet to a point lying Northwesterly 100.00 feet at a right angle to the Centerline of the West bound main track of the Atchison, Topeka and Santa Fe Railway Company, and said point being the true POINT OF BEGINNING:

Thence, North 89°47'47" West, along the South Line of said Section 5, a distance of 545.56 feet to the South One-quarter (S1/4) Section Corner of said Section 5;

Thence, North 89°56'47" West, along the South Line of said Section 5, a distance of 318.28 feet to a point being the Easterly most corner to that parcel as described in Book 2176, Pages 737-742, Mohave County Official Records;

Thence, North 32°04'52" West, along the Easterly Boundary of said parcel being described in said Book 2176, Pages 737-742, a distance of 1222.85 feet to a point;

Thence, South 57°55'08" West, along the Northwesterly Boundary of said parcel being described in said Book 2176, Pages 737-742, a distance of 1946.45 feet to a point on the South Line of said Section 5;

Thence, North 89°56'47" West, along said South Line, 21.34 feet to the Southwest Corner of said Section 5;

Thence, North 00°09'33" West, along the West Line of said Section 5, a distance of 2641.78 feet to the West One-quarter (W1/4) Section Corner of said Section 5;

Thence, South 89°59'48" East, along the East-West Centerline of said Section 5, a distance of 2640.17 feet to the Center One-quarter (Ctr. 1/4) Section Corner of said Section 5;

LEGAL DESCRIPTION "F-3"  
PAGE TWO OF THREE

Thence, North  $00^{\circ}06'59''$  West, along the West Line of said Government Lot 10, a distance of 1320.93 feet to the Northwest Corner of said Government Lot 10:

Thence, South  $89^{\circ}59'35''$  East, along the North Line of said Government Lot 10, a distance of 514.46 feet to a point on the Southwesterly Boundary of that parcel of land as described in Book 797, Pages 491-495, Official Records:

Thence, South  $32^{\circ}18'23''$  East, along said Southwesterly Boundary, 248.90 feet to the Southerly most corner of said parcel:

Thence, North  $51^{\circ}32'32''$  East, along the Southeasterly Boundary of said parcel being described in Book 797, Pages 491-495, a distance of 313.95 feet to the North Line of said Government Lot 10:

Thence, South  $89^{\circ}59'35''$  East, along said North Line, 402.15 to a point being common the Northeast Corner of said Government Lot 10 and the Northwest Corner of said Government Lot 9:

Thence, North  $89^{\circ}59'23''$  East, along the North Line of said Government Lot 9, a distance of 310.12 feet to a point:

Thence, South  $00^{\circ}06'53''$  East, 1322.26 feet to a point being the Northerly most point of that parcel being described in Book 56, Page 417 of Deeds, Mohave County Records, and said point being on a curve concave to the Northwest, the radius point of which bears North  $50^{\circ}02'29''$  West, 530.00 feet:

Thence, Southwesterly 163.46 feet along the arc of said curve being the Northwesterly Boundary of said parcel as described in said Book 56, Page 417 of Deeds to the point of tangency of said curve:

Thence, South  $57^{\circ}37'46''$  West, along last said Northwesterly Boundary, 528.87 to the Westerly most corner of said parcel as described in said Book 56, Page 417 of Deeds:

LEGAL DESCRIPTION "F-3"  
PAGE THREE OF THREE

Thence, South 57°05'44" East, along the Southwesterly Boundary thereof, 330.69 feet to a point on the Southeasterly Boundary of a perpetual easement for Interstate 40 granted to the State of Arizona by the Atchison, Topeka and Santa Fe Railway Company and described in Book 36, Pages 91-94 of Deeds;

Thence, South 29°45'37" West, along said Southeasterly Easement Boundary, 371.20 feet to a point;

Thence, South 64°11'14" East, 451.41 feet to a point being 100.00 feet Northwesterly at a right angle from the Centerline of the West bound main track of the Atchison, Topeka and Santa Fe Railway Company;

Thence, South 32°54'09" West, along a line being Northwesterly 100.00 feet and parallel to the Centerline of the said West bound main track, a distance of 1852.73 feet to the true POINT OF BEGINNING.

The parcel of land herein described containing 251.21 acres, more or less.

# Exhibit C

O'CONNOR CAVANAGH

The Law Offices of  
O'Connor, Cavanagh, Anderson, Westover, Killingsworth & Beshears  
A Professional Association

RECEIVED  
AUG 17 1994  
PHOENIX ADM. OFFICE

Reply to Phoenix Office  
RAYMOND S. HEYMAN  
(602) 263-2698  
File No. 27180-0100

August 16, 1994

Ms. Beth Ann Burns  
CITIZENS UTILITIES  
Phoenix Administrative Office  
2901 North Central Avenue, Suite 1660  
Phoenix, Arizona 85012-2736

Re: Mohave Electric Cooperative, Inc.

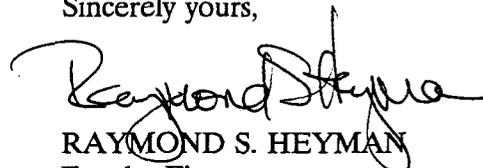
Dear Beth Ann:

Enclosed please find a fully executed copy of the letter from James P. Avery to Robert E. Broz dated May 3, 1994.

I should point out that Mohave Electric interprets Citizens' condition that "MEC shall serve all electric requirements of NSS at the NSS Site and shall provide all such service to NSS at the retail rates and charges approved by the Arizona Corporation Commission" to include special contract rates approved by the Commission.

If you have any questions regarding this, please do not hesitate to contact me.

Sincerely yours,

  
RAYMOND S. HEYMAN  
For the Firm

RSH:lfe

Enclosure

cc: Robert E. Broz (w/o enclosure)

MEC\BURNS816.LTR



Administrative Offices  
High Ridge Park, Stamford, CT 06905  
(203) 329-8800

May 3, 1994

Robert E. Broz  
Executive Vice President/General Manager  
Mohave Electric Cooperative  
P.O. Box 1045  
Bullhead City, AZ 86430



Dear Mr. Broz:

In response to your request dated April 28, 1994, Citizens Utilities Company ("Citizens") hereby consents to Mohave Electric Cooperative, Inc. ("MEC") serving the retail electric load of North Star Steel ("NSS") at 1,040-acre site optioned by NSS in Sections 4, 5, and 9, Township 20 North, Range 17 West, Mohave County, Arizona ("NSS" Site").

This consent is given subject to the following conditions:

- 1) MEC shall serve all of the electric requirements of NSS at the NSS Site and shall provide all such service to NSS at the retail rates and charges approved by the Arizona Corporation Commission ("Commission");
- 2) The boundaries of the NSS Site to be served by MEC shall be determined by the legal description for the 1,040 acres under option, or any portion thereof, purchased, leased, or otherwise acquired by NSS.
- 3) MEC shall serve only NSS within the NSS Site and shall not extend service to any other customer located beyond the boundaries of the NSS Site nor serve contiguous loads;
- 4) The contracts submitted to the Commission for approval shall provide that service to NSS will comply with the design criteria previously provided by Citizens to NSS, and any system upgrades required to comply with such criteria will be provided without expense to Citizens or MEC;
- 5) All required approvals by the State of Arizona for MEC to serve the NSS Site must be obtained, including, but not limited to, approval by the Commission. Citizens will cooperate in obtaining such approval from the Commission; and

**CITIZENS UTILITIES**

Robert E. Broz

Page 2

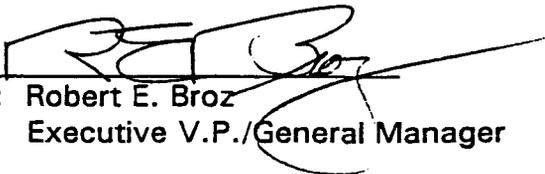
May 4, 1994

- 6) If NSS does not construct its plant at the NSS Site or if service to the site is not initiated by MEC or is thereafter abandoned by MEC, the right to serve the NSS Site shall revert back to Citizens.

By your signature, MEC accepts the obligation to provide retail service to the NSS Site subject to the conditions set forth above. MEC also agrees that the consent is not transferable or assignable to any other entity without the express written consent of Citizens. MEC further agrees that in consideration for Citizens' consent, MEC shall pay to Citizens the sum of \$1.00, plus any reasonable out-of-pocket expenses incurred by Citizens in obtaining Commission approval of the transfer to MEC of that portion of Citizens' Certificate of Convenience and Necessity applicable to the NSS Site.

MOHAVE ELECTRIC COOPERATIVE

CITIZENS UTILITIES COMPANY

  
By: Robert E. Broz  
Executive V.P./General Manager

  
By: James P. Avery  
Vice President, Electric

cc: B. Burns - CUC  
T. Ferry - CUC  
T. Carlson - WAPA  
G. Yaquinto - ACC

9436

OCT 4 - 1994

*file*  
*NSS/MEC*  
*Agreement*



Phoenix Administrative Office  
2901 North Central Avenue, Suite 1650  
Phoenix, Arizona 85012-2736  
(602) 274-1653 - Fax (602) 265-3415

September 30, 1994

Carmen Madrid  
Docketing Division  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007

Dear Ms. Madrid:

Please file as a late-filed exhibit in Docket Nos. E-1032-94-293 and U-1750-94-293 the enclosed Letter Agreement, dated September 22, 1994, as fully executed by Mohave Electric Cooperative, Inc., Arizona Electric Power Cooperative, Inc., and Citizens Utilities Company.

Thank you for your attention to this matter.

Very truly yours,

Beth Ann Burns  
Senior Counsel - Arizona

cc: Lyn Farmer  
All parties of record



SEP 28 1994  
Phoenix Administrative Office  
2901 North Central Avenue, Suite 1660  
Phoenix, Arizona 85012-2736  
(602) 274-1653 · Fax (602) 265-3415

September 22, 1994

Robert E. Broz  
Executive Vice President & General Manager  
Mohave Electric Cooperative, Inc.

and

Donald Kimball  
Executive Vice President & General Manager  
Arizona Electric Power Cooperative, Inc.

Dear Sirs:

By letter dated May 3, 1994, Citizens Utilities Company ("Citizens") entered into a Letter Agreement ("Letter Agreement") with Mohave Electric Cooperative, Inc., ("MEC"), wherein Citizens consented, subject to certain stated conditions, to MEC serving the retail electric load of North Star Steel Company ("North Star" or "NSS") at a 1,040-acre site optioned by NSS in Sections 4, 5, and 9, Township 20 North, Range 17 West, Mohave County, Arizona ("NSS Site"). MEC accepted the obligation to provide retail service to the NSS Site subject to the enumerated conditions.

Citizens has reviewed the contracts reached between MEC, Arizona Electric Power Cooperative, Inc., ("AEPSCO"), the United States Department of Energy Western Area Power Administration ("Western"), and North Star for the provision of electric utility service to the NSS Site. Those contracts are the Non-Firm Electric Service Agreement ("Non-Firm"), the Construction and Interconnection Contract ("C&I"), and the Consolidated Arrangements ("Contract").

As a result of that review, Citizens, AEPSCO, and MEC hereby clarify that the referenced provisions of those contracts are intended to mean, and should be interpreted, as follows:

Neither Non-Firm, Paragraph 5.6.2 nor Consolidated, Paragraph 5.4 contemplate or permit retail wheeling under the contract. If North Star unilaterally terminates the Non-Firm contract pursuant to Paragraph 5.6.2: the CC&N transferred by Citizens to MEC, and all rights incident thereto, will automatically revert to Citizens pursuant to the Letter Agreement, subject to any approval necessary by the Commission; and retail wheeling will begin no earlier than one second after reversion of the CC&N legally vests in Citizens.

MEC/AEPCO/Citizens  
September 22, 1994  
Page 2

Non-Firm, Paragraph 10.4 provides that North Star's requirements will not be met under the contract if agreement on a resource schedule cannot be reached. That provision does not allow North Star to obtain electric service from another source. If North Star and MEC cannot agree on a resource schedule, North Star's load will be reduced to the level agreed upon or service to the NSS Site will be interrupted by MEC/AEPCO until agreement on a resource schedule is reached.

Consolidated, Paragraph 2.8 and C&I, Paragraph 2.7 refer to serving other loads that may be developed in Mohave County. These paragraphs refer to Western and do not confer on MEC any greater rights than those set forth in Condition (3) of the Letter Agreement.

Non-Firm, Paragraph 12 and Consolidated, Paragraph 19 requires North Star to maintain unity or a leading power factor. Western's customers are required to maintain a power factor below 95 percent leading. AEPCO will interrupt North Star if the power factor varies beyond the limits of unity and 95 percent leading.

Consolidated, Paragraph 17.2.1 would implement automatic underfrequency load-shedding for North Star at a level to be designated at 59 Hertz or below. Consolidated, Paragraph 17.2.2 provides for Western dispatcher initiated load-shedding via supervisory control command. North Star will be included in the first block in the underfrequency load reduction program developed by the South West Off-Frequency Group in compliance with WSCC criteria.

Non-Firm, Paragraph 26.1 would permit assignment of the contract under stated terms and conditions. MEC and AEPCO agree that the contracts are not transferable or assignable to any other entity without the express written consent of Citizens, which shall not be unreasonably withheld, pursuant to the Letter Agreement.

C&I, Paragraph 7 provides for a shoo-fly to meet the electrical requirements of the North Star load. Any temporary connection to Western will be connected at the source side of a 230 kV circuit breaker. The breaker will provide for isolation of the Harris Substation in the event any problem occurs.

Further, Citizens and MEC hereby supplement the Letter Agreement to include the following provisions, to which AEPCO concurs:

The consent of Citizens granted in the Letter Agreement for the transfer of a portion of its service territory, and the conditions for that consent, shall remain in effect in perpetuity and do not terminate upon approval of the transfer by the Commission. If

MEC/AEPCO/Citizens  
September 22, 1994  
Page 3

any material violation of those conditions by MEC or AEPCO occurs, Citizens may abrogate its consent and the CC&N transferred by Citizens to MEC may revert to Citizens, subject to any approval necessary by the Commission, with all rights incident thereto.

The consent of Citizens is also conditioned upon approval by the Rural Electrification Administration of the contracts and a determination by Western, based upon the results of its studies, that service to the NSS Site is technically feasible and would not have an adverse impact on the regional electric system.

Under Condition (4) of the Letter Agreement, the contracts provide that service to NSS will comply with the design criteria previously provided by Citizens to NSS, and any system upgrades required to comply with such criteria will be provided without expense to Citizens or MEC. If the conditions in providing electric service to North Star exceed the IEEE standards referenced in the contracts, MEC/AEPCO will interrupt service to North Star and the interruption shall continue until conditions comply with the standards.

In the event that the Non-Firm contract is terminated by any party for any reason, MEC and AEPCO shall provide notification of the termination to Citizens. Notification shall be provided to the following persons, or any other person designated in writing by Citizens:

James P. Avery  
Vice President - Energy Division  
Citizens Utilities Company  
1233 West Bank Expressway  
Harvey, Louisiana 70059

and

Beth Ann Burns  
Senior Counsel - Arizona  
Citizens Utilities Company  
2901 N. Central Ave., Suite 1660  
Phoenix, Arizona 85012

In the event that the Commission's approval of the transfer is granted under terms or conditions that materially deviate from or conflict with provisions of the Letter

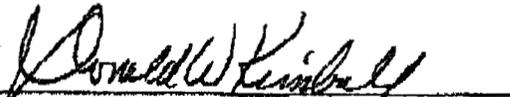
MEC/AEPCO/Citizens  
September 22, 1994  
Page 4

Agreement, as supplemented herein, Citizens may withdraw its consent to the transfer of a portion of its service territory to MEC.

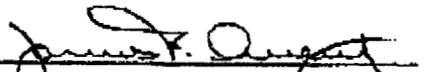
MOHAVE ELECTRIC COOPERATIVE,  
INC.

ARIZONA ELECTRIC POWER  
COOPERATIVE, INC.

  
Robert E. Broz  
Executive V. P. & General Manager

  
Donald Kimball  
Executive V. P. & General Manager

CITIZENS UTILITIES COMPANY

  
James P. Avery  
Vice President - Energy Division

# Exhibit D

*no address*

**UNISOURCE ENERGY SERVICES - KINGMAN ELECTRIC**

Business & Engineering Offices: PO Box 3099, Kingman, AZ 86402; 2498 Airway Avenue, Kingman, AZ 86401  
Tel (928) 881-4100; Fax (928) 681-8960

**COMMERCIAL NEW CONSTRUCTION APPLICATION**

**PERSONAL INFORMATION**

Business Name	Central Trucking, INC	C/O
Responsible Party or Owner	Keith Roberts	
Home Phone (812)	587-5166	Work Phone (812) 526-9737
Message Phone (812)	526-9737	
Mailing Address	11930 N. HARTMAN Dr. Edinburgh IN 46124	
Social Security No	315-38-2181	

**BUSINESS INFORMATION**

Partnership   
 Corporation   
 Sole Owner   
 Other:

Tax ID No: 35-1457807    Type of Business: TRUCKING

**SERVICE LOCATION INFORMATION**

Service Location: \_\_\_\_\_ City: KINGMAN

Legal Description: Lot \_\_\_\_\_ Block \_\_\_\_\_ Tract \_\_\_\_\_ Subdivision \_\_\_\_\_

Township \_\_\_\_\_ Range \_\_\_\_\_ Section \_\_\_\_\_

Parcel No (Example: 310-06-025)

AMPS:     100     200     Other:

If structure is a mobile home, date it will be moved into:

Type of Service:     Permanent     Temporary Construction     Non-Permanent (RV)

Overhead     Underground

**NOTE:** The commercial temporary construction fee will be determined by the engineering department. Other rules and fees may apply according to the Rules and Regulations approved by the Arizona Corporation Commission. Ask your customer service representative for a copy of the "Electric Service Installation Requirements" booklet. All services must meet E.U.S.E.R.C. standards.

Builder	Phone ( )
Electrician	Phone ( )

**NOTE:** UniSource requires the Applicant to complete this Application and submit a plot plan. UniSource may also require Applicant to produce proof of identity. The Applicant is responsible for notifying UniSource when service pole and service entrance are installed and ready for service (city, county and/or state inspections may be required prior to connection). A security deposit is required, and the amount will be determined prior to service.

Signature	Date Requested
<i>Keith Roberts</i>	5/10/04

Guest ID #	Premise #	Account #	S/O #
------------	-----------	-----------	-------

# Exhibit E

2498 Airway Avenue  
Kingman, Arizona 86401-3657  
928.681.4100



November 8, 2004

Mr. Thomas Longtin  
Manager of Operations & Engineering  
Mohave Electric Cooperative  
1999 Arena Drive  
Bullhead City, AZ 86442

Re: CTI Request for Service

Dear Tom:

I appreciated the opportunity to meet with you on November 4<sup>th</sup> to discuss the request for electric service that both our companies have received from Central Trucking, Inc. (CTI). As you know, CTI is in critical need of electricity to conduct its business, and the quickest way to provide service would be for Mohave Electric and UNS Electric to enter into an agreement that would permit UNS Electric to provide electric service.

UNS Electric has the facilities in the area, and is ready, willing and able to move forward in the provision of service to CTI. To that point, enclosed you will find an Electric Authorization Agreement that has been executed by UNS Electric. Upon execution by MEC, our attorney is ready to file it for approval at the Arizona Corporation Commission. Therefore, please execute the agreement, and return it to me as soon as possible, so that we can meet the electric needs of CTI.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas J. Ferry".

Thomas J. Ferry  
Vice President & General Manager

Enclosure: Electric Authorization Agreement

cc: Janie Woller, ACC  
Geneva Davis, CTI  
Keith Roberts, CTI

**ELECTRIC SERVICE AUTHORIZATION AGREEMENT**

**Between**

**MOHAVE ELECTRIC COOPERATIVE, INC.**

**And**

**UNS ELECTRIC, INC.**

THIS ELECTRIC SERVICE AUTHORIZATION AGREEMENT ("Agreement") is entered into by UNS ELECTRIC, INC. (UNS Electric), an Arizona corporation, and MOHAVE ELECTRIC COOPERATIVE, INC. (MEC), an Arizona corporation.

**RECITALS:**

1. The real property described in the attached Exhibit A (the "Subject Area") is within the area of MEC's Certificate of Convenience and Necessity, which was issued by the Arizona Corporation Commission (Commission);
2. Central Trucking Inc. (CTI) has requested that electric service be provided to the Subject Area;
3. A customer located in the Subject Area must actually receive power through UNS Electric's existing facilities because MEC does not have a means of transmitting power to the Subject Area;
4. MEC hereby gives Written Authorization whereby UNS Electric may provide electric service to CTI the Subject Area; and
5. It is in CTI's best interest for MEC to permit UNS Electric to provide electric service to CTI's real property and UNS Electric is willing to provide electric service to the CTI.

**THEREFORE, the Parties agree as follows:**

6. UNS Electric is hereby authorized by MEC to enter the Subject Area, certificated to MEC, and construct and maintain electric service lines and facilities necessary to serve CTI.
7. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors in interest and assigns, whether arising voluntarily or by operation of law.
8. This Agreement shall become effective when approved by the Commission.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

UNS ELECTRIC, INC.  
an Arizona corporation

Signature: *[Handwritten Signature]*

Title: *VP & General Manager*

Date: *11/9/04*

MOHAVE ELECTRIC COOPERATIVE, INC.  
an Arizona corporation

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_