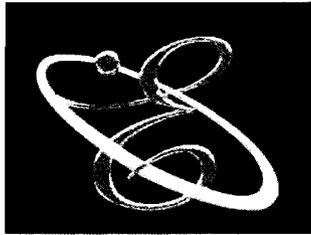


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ENERGY OUTFITTERS, LLC

January 14, 2005

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

Arizona Corporation Commission

DOCKETED

JAN 14 2005

DOCKETED BY	
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AZ CORP COMMISSION
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Re: In the Matter of the Application of Trico Electric Cooperative, Inc., for Approval of an Extension of their Certificate of Convenience and Necessity to Areas of Pinal County, Arizona, Docket No. E-01461A-04-0393

Dear Sirs:

Enclosed for filing on behalf of the San Carlos Irrigation Project ("SCIP") is a statement of position regarding some items in the "Notice of Filing Responses to Insufficiency Letter" from Trico Electric Cooperative, Inc. ("Trico") to the Commission concerning the above referenced Docket. This docket concerns the requested approval to extend the Trico Certificate of Convenience and Necessity ("CC&N") to allow it to serve the Willow Springs Ranch South Village an area currently served by SCIP.

To recount some important points, as noted in SCIP's June 16, 2004 letter to you regarding this matter and a previous filing to this docket by SCIP on September 24, 2004,

- SCIP has been serving other customers in the area for many years.
- SCIP has provided a proposal for electric service for this area to the developer and stands ready, willing and able to provide electrical service to the Willow Springs

development. SCIP has existing facilities nearby that would be able to serve the electrical needs of the new development both short term and long term, in addition to SCIP's existing and expanding electric customers in the area.

- SCIP can more readily construct and extend any required facilities to meet the development's immediate needs as existing SCIP 12.47kV lines are within 5 miles of the South Village property at three points. Additionally, SCIP has substations and both 12.47 and 69kV lines in the area, Trico does not.
- In combination with the lower rates it can offer the end-users, SCIP believes its proposal represents a more reliable approach to serving the Willow Springs Ranch South Village.

In Trico's response to the Commission's request for information in the aforementioned notice, SCIP believes that item 2, which stated "Please identify all (emphasis added) other electric providers with facilities in equal distance of the proposed extension area as the Applicant.", was not properly addressed. Trico's Exhibit A did not adequately represent SCIP's presence in the area. In fact, SCIP has facilities that nearly encircle the proposed area, as indicated in the attached map.

SCIP has demonstrated that it has been providing electric service to this area prior to the interest expressed by Trico in expanding its CC&N. Additionally, SCIP has incurred a higher cost per revenue dollar to extend/maintain lines to this sparsely populated area in order to provide this service for decades. Trico now seeks to harvest a revenue prize from this same area with this proposed CC&N change.

Although SCIP is not required to possess a CC&N for this area (that would formally define it as SCIP's 'service territory'), it is clear that SCIP has been providing service to these rural areas throughout the proposed extension area for a considerable time. SCIP does not believe it would be in the public good to allow this expansion of Trico's service area into the area already being served by SCIP.

SCIP's plan is to provide additional lines and substations to support this development in a phased implementation. The new area will be surrounded by 12 SCIP substations when the plan is fully implemented. SCIP has a Service Center in Oracle, which is approximately 17.5 miles from the development that provides for construction,

maintenance, new service extension design, and also serves as a customer service pay station. The additional facilities that SCIP would add to its system to support Willow Springs Ranch South Village would also benefit existing customers by improving reliability with the added redundancy.

SCIP believes that allowing Trico to expand its CC&N to this area will negatively affect SCIP's existing and future customers. SCIP continues to invest significant funds in transmission, sub transmission and distribution facilities in southern Pinal County and objects to Trico's expansion plans into the Willow Springs area. The Commission should reject Trico's application and direct Trico to inform developers and potential customers that electric service in areas outside of the existing Certificate of Convenience and Necessity is provided by others.

Thank you for your attention to this matter.

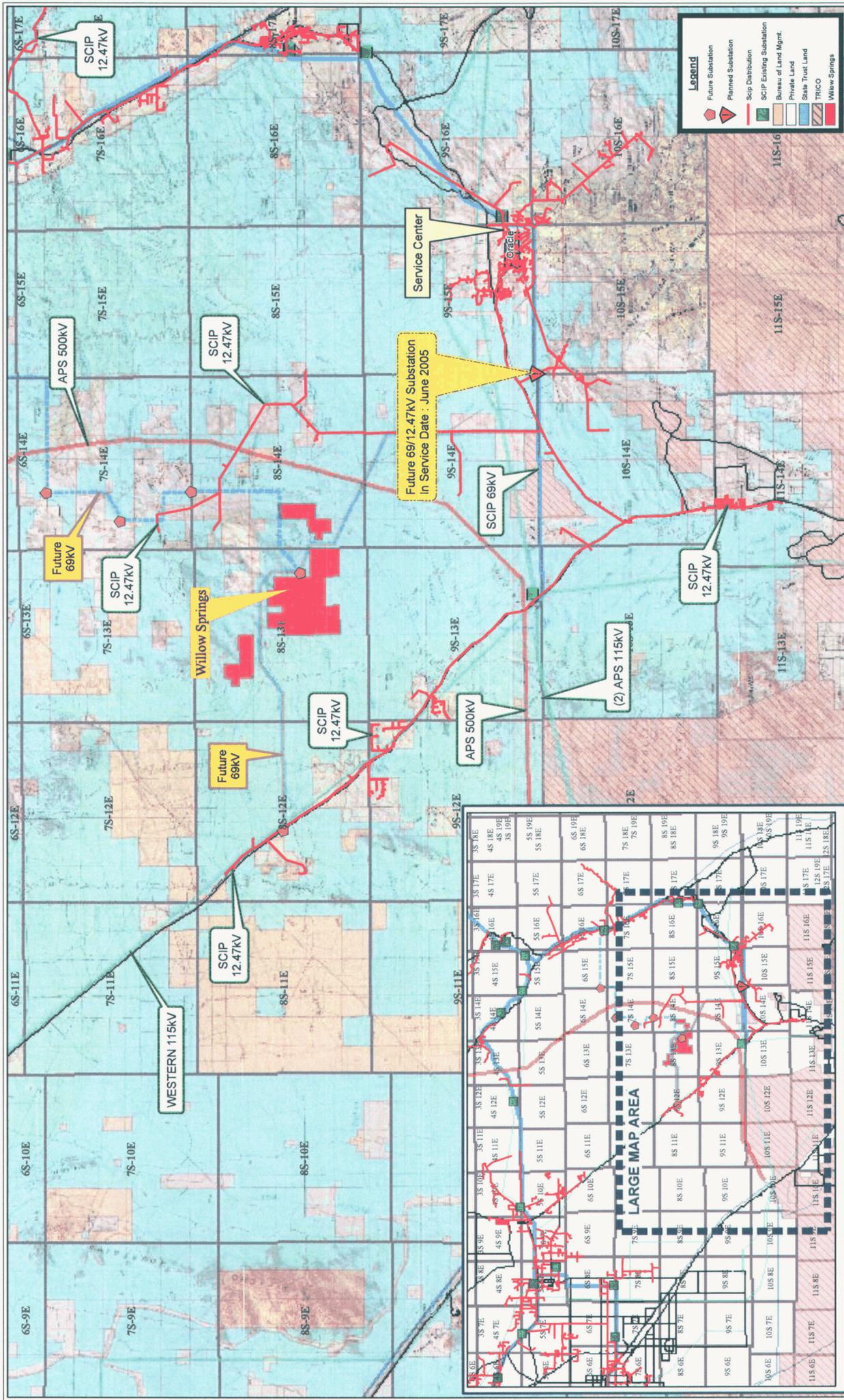
Sincerely,

A handwritten signature in black ink, appearing to read "Dennis L. Delaney", is written over a horizontal line.

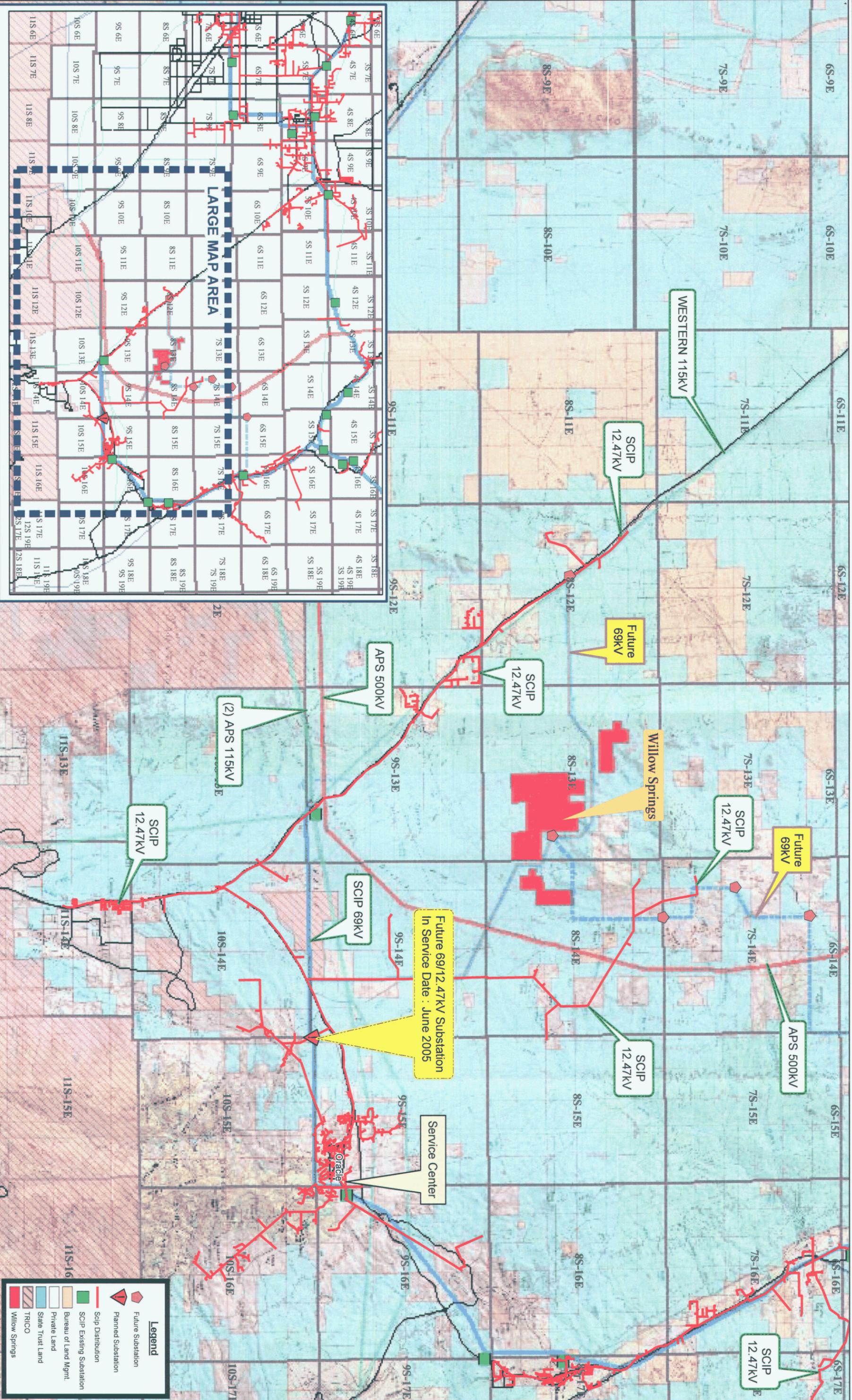
Dennis L. Delaney, P.E.
K.R. Saline & Associates, PLC

Enclosure

Cc: Robert Carolin



SCIP's EXISTING ORACLE AREA 12.47KV SYSTEM & PROPOSED CONCEPTUAL ELECTRIC SERVICE PLAN FOR WILLOW SPRINGS



DISCLAIMER
 K.R. Salwick Associates, P.L.C.
 Do not warrant the accuracy
 or location of the facilities shown
 Willow Springs/Maps/Scips System/Rev 1.mxd
 Print Date: 12/21/04

SCIP's EXISTING ORACLE AREA 12.47KV SYSTEM &
 PROPOSED CONCEPTUAL ELECTRIC SERVICE PLAN FOR WILLOW SPRINGS