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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

DOCKETED

JUN 15 2005

DOCKETED BY

AZ CORP COMMISSION
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2005 JUN 15 P 4: 45

RECEIVED

IN THE MATTER OF THE COMPLAINT OF
MOHAVE ELECTRIC COOPERATIVE, INC.
AGAINST UNISOURCE ENERGY
CORPORATION.

DOCKET NO. E-01750A-04-0798
E-04204A-04-0798
E-04230A-04-0798

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
DOCKET NO. E-01750A-04-0824

STIPULATION AND PROPOSED
RESOLUTION BY MOHAVE
ELECTRIC COOPERATIVE, INC.
AND
UNS ELECTRIC, INC.

Mohave Electric Cooperative, Inc. ("Mohave") and UNS Electric, Inc. ("UNS"), by and through their attorneys undersigned, in an effort to avoid the time and expense of a contested hearing and possible litigation, and without waiving any claims they may otherwise have, respectfully jointly stipulate and submit this proposed resolution of the above-captioned dockets.

WHEREAS, on or about August 23, 1994, following receipt of the May 3,

("AEPCO") and North Star Steel ("NSS"), Mohave filed an application for the transfer of a portion of Citizens' CC&N involving a 1,040-acre site near Kingman, Arizona in Sections 4, 5, and 9, Township 20 North, Range 17 West, Mohave County, Arizona (the "NSS Site") where North Star Steel wanted to build a mini-mill steel recycling facility;

WHEREAS, the Commission approved Mohave's application by Decision No. 58798, dated October 14, 1994, and transferred the portion of Citizens' CC&N as described in Exhibit A to Decision No. 58798 to Mohave.

WHEREAS, a plant was constructed on the NSS Site and Mohave met its electric needs through contractual arrangements with AEPCO and the plant owner;

WHEREAS, prior to 2005, Mohave had constructed a distribution system on the NSS Site and secured power from Citizens to serve the electrical needs of all customers, other than the plant, on the NSS Site (i.e., contractors involved with constructing the NSS plant and a trucking operation established on the site);

WHEREAS, in 2004, Central Trucking, Inc. ("CTI") indicated it had a prospective need for electric service on the NSS Site;

WHEREAS, disputes have arisen between Mohave and UNS as to the provision of electric service to CTI and the NSS Site and those disputes have resulted in a the filing of the above captioned Complaint and Application;

WHEREAS, the Commission entered an Emergency Order for Provision of Electric Service (Decision No. 67535) ordering UNS to provide CTI service pending the resolution of these matters; and

WHEREAS, Mohave and UNS believe it is in the public interest to resolve the outstanding disputes as set forth in this Stipulation.

NOW THEREFORE, Mohave and UNS respectfully request that the Commission enter a Decision and Order in the above-captioned matters:

1. Transferring to UNS Electric, contingent upon UNS Electric's payment to Mohave of \$48,070.00¹ for Mohave installed facilities ("Mohave Facilities"),² that portion of Mohave's CC&N granted pursuant to Decision No. 58798, excepting the portion thereof depicted by Exhibit A³ attached hereto (the "Plant Site");
2. Approving the transfer of the Mohave Facilities to UNS;
3. Transferring, without the need of further order of the Commission, the Plant Site, the earlier of:
 - a. December 31, 2010; or
 - b. On the date specified by Mohave in a written notification to UNS Electric and the Director of Utilities that the customer's electric needs no longer can be met by the existing MEC contractual arrangements; such written notification to be provided not less than six calendar months prior to the date specified in the written notice.

1 The \$48,070.00 is composed of the \$67,400 in facilities set forth in Exhibit B depreciated on a straight-line basis with a twenty-five (25) year remaining life using a thirty-five (35) year life span.

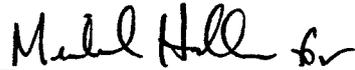
2 All Mohave Facilities are being transferred "As is", and Mohave shall assign or quit claim all easements and rights-of-way to the extent they contain the Mohave Facilities; provided, however, that the transfer of the Mohave Facilities and related easements and rights-of-way shall not take place and UNS shall have no obligation to pay for the Mohave Facilities unless and until any and all necessary approvals, assignments, and/or releases are received from the Rural Utilities Service (RUS) and any other lienholder in relation to the Mohave Facilities.

3 The parties will provide a legal description for the Plant Site prior to the hearing.

4. Dismissing with prejudice all issues raised in Mohave's Complaint and UNS' Application as they relate to the provision of electric service to the NSS Site. Such dismissal shall have no precedential effect whatsoever beyond the NSS Site.

DATED this 15th day of June 2005.

CURTIS, GOODWIN, SULLIVAN,
UDALL & SCHWAB, P.L.C.



Michael A. Curtis
William P. Sullivan
2712 North Seventh Street
Phoenix, Arizona 85006
Attorneys for Mohave Electric
Cooperative, Inc.

LEWIS & ROCA, L.L.P.



Thomas H. Campbell
40 N. Central
Phoenix, Arizona 85004
Attorneys for UNS Electric, Inc.

PROOF OF AND CERTIFICATE OF MAILING

I hereby certify that on this 15th day of June, 2005, I caused the foregoing document to be served on the Arizona Corporation Commission by delivering the original and twenty-one (21) copies of the above to:

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

**With copies of the foregoing hand delivered/mailed
this 15th day of June, 2005 to:**

Jason Gellman, Esq.
Legal Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

Ernest Johnson
Director, Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

Terrence G. O'Hara
Vice President Western Division
Central Trucking Inc.
P.O. Box 6355
Kingman, AZ. 86401

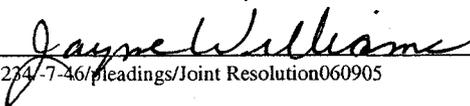
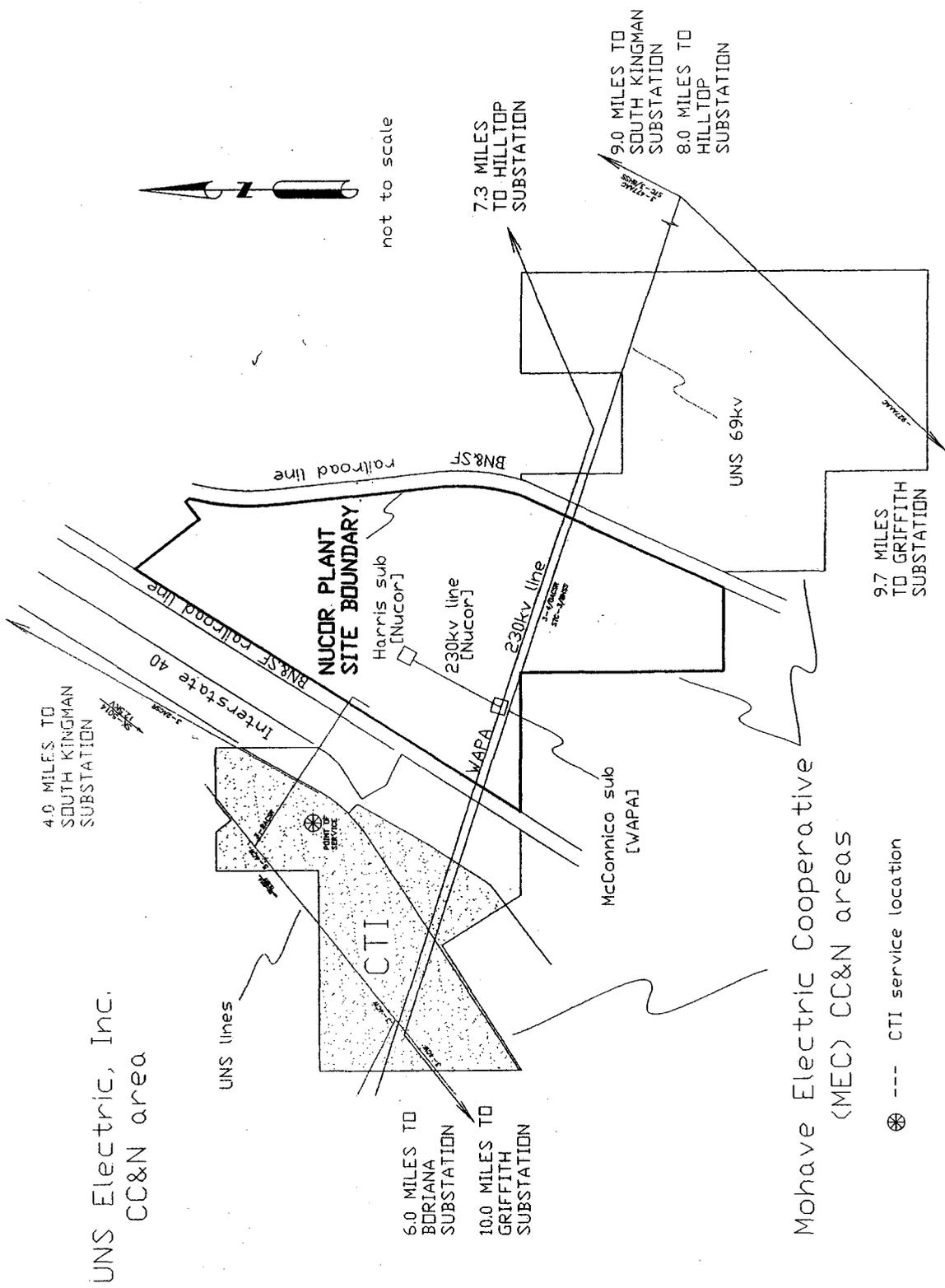

1274-7-46/pleadings/Joint Resolution060905

EXHIBIT A



not to scale



UNS Electric, Inc.
CC&N area

Mohave Electric Cooperative
(MEC) CC&N areas

⊗ --- CTI service location

GENERAL NOTE: ALL DISTANCES FROM CC&N BOUNDARY

| | | | | | | | | | |
|-------------|--|---------------|--|------------------|--|----------|--|----------|--|
| PROJECT NO. | | PROJECT NAME | | CITY/TOWN/STATE | | COUNTY | | DISTRICT | |
| | | NUCLEAR PLANT | | KINGMAN, ARIZONA | | MOHAVE | | KINGMAN | |
| DATE | | BY | | CHECKED | | APPROVED | | REVISION | |
| | | | | | | | | | |
| SCALE | | SHEET NO. | | TOTAL SHEETS | | DRAWN BY | | DATE | |
| | | | | | | | | | |
| PROJECT NO. | | PROJECT NAME | | CITY/TOWN/STATE | | COUNTY | | DISTRICT | |
| | | NUCLEAR PLANT | | KINGMAN, ARIZONA | | MOHAVE | | KINGMAN | |
| DATE | | BY | | CHECKED | | APPROVED | | REVISION | |
| | | | | | | | | | |
| SCALE | | SHEET NO. | | TOTAL SHEETS | | DRAWN BY | | DATE | |
| | | | | | | | | | |

EXHIBIT B



electric cooperative
A Touchstone Energy® Cooperative

P.O. Box 1045, Bullhead City, AZ 86430

ELECTRIC FACILITIES OFFERED TO UNS

LABOR:

| | | |
|-----------------|----|---------------|
| 778.5 MEC HOURS | | 35,405.73 |
| TRAFFIC CONTROL | | <u>156.00</u> |
| | \$ | 35,561.73 |

MATERIAL:

| | | |
|--------------------------------|--------|----------|
| TRAFFIC CONTROL SIGNS & EQUIP. | | 141.12 |
| 1500 KVA PADMOUNT TRANSFORMER | 1 | 8,642.50 |
| LEAD HEAD ADAPTER | 1 | 4.09 |
| LARGE PLATE ANCHORS | 15 | 355.48 |
| RISER ARRESTORS | 3 | 233.25 |
| ELBOW ARRESTORS | 3 | 378.54 |
| GUY ATTACHMENTS | 11 | 21.62 |
| POLE EYE PLATE ATTACHMENTS | 13 | 130.07 |
| CARRIAGE BOLTS | 8 | 2.41 |
| UPSET BOLTS | 2 | 5.80 |
| EYE BOLTS | 35 | 108.23 |
| MACHINE BOLTS | 106 | 300.62 |
| CROSS-ARM 28 INCH BRACES | 8 | 18.60 |
| HORIZ. POST INSULATOR BRACKETS | 15 | 129.42 |
| J-10 3 INCH CLEVIS | 5 | 15.46 |
| PRIMARY 1/0 CABLE | 410' | 793.57 |
| DEAD END STRAIGHT CLAMPS | 60 | 558.57 |
| TRUNION CLAMPS | 16 | 87.04 |
| THIMBLE, A-3, CLEVIS | 21 | 86.78 |
| LINE, PREFORM, DEADENDS | 23 | 46.11 |
| SERVICE PREFORM DEADENDS | 4 | 3.15 |
| GUY GRIP PREFORM DEADENDS | 48 | 81.78 |
| SECONDARY K-11 CLEVIS | 3 | 3.91 |
| ANCHOR SHACKLE | 1 | 3.22 |
| ACSR 1/0 ALUMINUM | 4584' | 777.66 |
| ACSR 4/0 ALUMINUM | 13751' | 4,283.92 |
| SOFT DRAWN BARE #6 COPPER | 106' | 19.47 |
| SOFT DRAWN BARE #8 COPPER | 8' | 0.98 |
| STRANDED BARE #4 COPPER | 102' | 27.82 |
| STRANDED BARE 1/0 COPPER | 20' | 12.33 |
| TRIPLEX 1/0 CONDUCTOR | 132' | 82.74 |
| INSULATED #4 COPPER | 40' | 13.67 |
| H-TAP, ALUMINUM, CONNECTORS | 137 | 102.70 |

MOHAVE ELECTRIC CO-OP. TEL 928-763-3315

May 20 05

16:07 No.002 P.03

ELECTRIC FACILITIES OFFERED TO UNS

| | | |
|-------------------------------|-------|--------------|
| SERVICE ENTRANCE CONNECTORS | 15 | 10.93 |
| TRANSFORMER TANK GR CONNECTOR | 1 | 2.67 |
| HOT LINE CLAMP CONNECTORS | 9 | 56.25 |
| STIRRUP CONNECTORS | 9 | 96.18 |
| LUG CONNECTORS | 10 | 47.26 |
| STEEL CROSSARMS | 13 | 959.69 |
| DISTRIBUTION 8'-10' CROSSARMS | 4 | 136.81 |
| LOAD BREAK CUTOUPS | 3 | 394.36 |
| GROUND SLEEVE | 1 | 248.36 |
| POLE GAIN | 1 | 4.55 |
| MARKER GUYS | 12 | 136.06 |
| BIRD GUARD COVERS | 2 | 9.71 |
| PIN TYPE INSULATORS | 9 | 86.69 |
| HORIZ. 25KV INSULATORS | 15 | 561.52 |
| POST 25KV INSULATORS | 13 | 231.74 |
| SPOOL 2 & 3 INCH INSULATORS | 10 | 10.90 |
| DEAD END RUBBER INSULATORS | 60 | 1,194.73 |
| EXTENSION, FIBERGLASS, LINKS | 13 | 206.07 |
| EYE NUTS | 10 | 13.31 |
| CROSS ARM CLAMP TYPE PINS | 3 | 25.01 |
| RIDGE PINS | 5 | 25.13 |
| POLE BUTT GROUND PLATES | 10 | 25.25 |
| 25 FOOT POLE | 1 | 184.12 |
| 40 FOOT POLES | 2 | 678.94 |
| 45 FOOT POLES | 8 | 3,559.29 |
| 50 FOOT POLES | 4 | 2,278.38 |
| 55 FOOT POLES | 2 | 1,494.22 |
| ANCHOR 3/4"x8' RODS | 12 | 458.27 |
| GROUND RODS | 6 | 40.49 |
| LAG SCREWS | 6 | 2.18 |
| CABLE RISER 5' SHIELD | 3 | 67.08 |
| PRIMARY CABLE TERMINATORS | 3 | 566.38 |
| POWER CABLE 200 AMP ELBOWS | 3 | 115.28 |
| TRANSFORMER INSERT BUSHINGS | 6 | 272.79 |
| CABLE SUPPORT GRIPS | 3 | 50.20 |
| WRAP LOCK TIES | 8 | 38.72 |
| NEUTRAL TIES | 7 | 14.59 |
| GUY STRAND WIRE | 1537' | 254.20 |
| SERVICE MAST WIRE HOLDER | 1 | 3.89 |
| | | \$ 32,032.83 |

MOHAVE ELECTRIC CO-OP. TEL. 928-763-3315

May 25 05

16:08 No.002 P.04

ELECTRIC FACILITIES OFFERED TO UNS**SALVAGED MATERIAL:**

| | | |
|-----------------------------|-------|------------|
| UPSET BOLT | (1) | (2.63) |
| EYE BOLTS | (2) | (5.06) |
| MACHINE BOLTS | (5) | (11.18) |
| J-10 3 INCH CLEVIS | (2) | (5.83) |
| SECONDARY K-11 CLEVIS | (1) | (0.95) |
| TRIPLEX 1/0 CONDUCTOR | (165) | (99.83) |
| HOT LINE CLAMP CONNECTORS | (2) | (11.18) |
| STIRRUP CONNECTORS | (2) | (28.79) |
| SPOOL 2 & 3 INCH INSULATORS | (4) | (5.19) |
| 25 FOOT POLE | (1) | (122.41) |
| SERVICE MAST WIRE HOLDER | (1) | (3.51) |
| | | (\$296.56) |

TOTAL WORK ORDER COST:**\$ 67,298.00**