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

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July 22, 2005

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Ms. Colleen A. Ryan, Docket Administrator  
Docket Control  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007-2927

AZ CORP COMMISSION  
DOCUMENT CONTROL

Re: Docket No. E-01750A-04-0929

Dear Commissions and Officers of the Arizona Corporation Commission:

Enclosed are an original copy and thirteen (13) additional copies of Mohave's letter response to the letter inquiry from Mr. Roger Chantel.

Regards,

Stephen McArthur  
Comptroller

Enclosures: One (1) original copy and thirteen (13) additional copies of Mohave's response letter to Mr. Chantel.

Sent Today, July 22, 2005, to:  
Docket Control

Copy mailed July 22, 2005, to:  
Mr. Roger Chantel  
10001 E. Highway 66  
Kingman, Arizona 86401

Copy mailed July 22, 2005, to:  
Curtis, Goodwin, Sullivan & Schwab, P. L. C.  
2712 North 7<sup>th</sup> Street  
Phoenix, Arizona 85006-1090





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

July 22, 2005

Mr. Roger Chantel  
10001 E. Hwy 66  
Kingman, Arizona 86401

Re: Information Request

Dear Mr. Chantel:

In your letter of July 5, 2005, you requested information about Mohave's tariff regarding minimum requirements necessary to qualify for line credit for a line extension. Mohave's Service Rules and Regulations, as approved by the Arizona Corporation Commission, do address such situations. Specifically, under Section 106, Line Extensions, subsection H, Special Conditions, paragraph 4, the Rules read as follows:

"When in the Cooperative's opinion the permanent nature of the customer's requirement for electric service is doubtful, the customer shall be required to enter into a contract with the Cooperative and shall advance the entire cost of construction, including the transformers and associated structures. The contract shall include provisions for refund upon proof of permanency to the satisfaction of the Cooperative."

Clearly, the rule states that the opinion of the Cooperative about permanency is all that is required. Several years ago, Mohave determined that we should have a written set of standards to follow regarding what would be considered permanent service. With assistance from Commission Staff, Mohave developed this set of specific standards, of which you have been advised on several occasions. These standards, which have been in place for several years and which apply to all consumers, including you, Mr. Chantel, are listed in John William's letter to you dated February 2, 2005, as follows:

"To qualify for the line credit, the following minimum permanent improvements need to be in place for each electric service:

1. An electric meter pole;
2. A septic tank or sewer hook-up;
3. A 400 square feet minimum building foundation with footings, or a 400 square foot minimum mobile or manufactured home set up permanently off of it's axles (fifth wheels and travel trailers do not qualify)."

Knowing how you like to spin the facts to fit the situation, Mr. Chantel, you will no doubt make some claim now about Mohave making up its own rules regarding this issue. Any reasonable person would recognize this for what it is, and that is the development of a very reasonable standard for clarification, even though no such standard or clarification is required. Be clear in understanding that all that is required according to the Service Rules and Regulations is that the

LETTER – Chantel (continued)

July 22, 2005

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Cooperative form an opinion regarding permanency.

Even though I know you have previously been given a copy of the Service Rules and Regulations regarding line extensions, and we have discussed these rules in numerous meetings, if you would like to come by the office to review those rules again, let us know. If you would like another copy, you should contact the Commission with that request.

I noted to you during our meeting on June 6, that we have a concern that you will end up paying for all of the line extension costs, with no line extension credit, which should be unnecessary if in fact you and your friend do plan to build and live on these properties, as you have indicated is your intention. If you want the benefit of the line extension credit, the minimum improvements to the two lots are required. Without the improvements, then Mohave's opinion is that you do not intend to have permanent service, and we then must protect the rest of the ratepayers by not allowing the line credits. If you still insist on proceeded without the improvements, you will be required to pay for the full cost of the line extension prior to construction, and, as noted in the line extension agreement mailed to you, you would then have one year during which to complete the improvements in order to receive the benefit of the line extension credit.



Stephen McArthur  
Comptroller

cc: Arizona Corporation Commission  
Curtis, Goodwin, Sullivan & Schwab, P. L. C.  
Files