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OPEN MEETING ITEM

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MEMORANDUM

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Arizona Corporation Commission

2001 MAY -2 A 8:00

DOCKETED

TO: THE COMMISSION

FROM: Utilities Division

MAY 02 2001

AZ CORP COMMISSION
DOCUMENT CONTROL

DATE: April 30, 2001

DOCKETED BY	<i>sd</i>
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RE: IN THE MATTER OF THE JOINT APPLICATION OF TUCSON ELECTRIC POWER COMPANY, AN ARIZONA CORPORATION, AND TRICO COOPERATIVE, INC., AN ARIZONA CORPORATION, FOR AN ORDER APPROVING A BORDERLINE AGREEMENT (DOCKET NOS. E-01461A-01-0319 AND E-01933A-01-0319) ✓

On April 16, 2001, Trico Electric Power Cooperative ("Trico") and Tucson Electric Power Company ("TEP") filed a joint application that would allow Trico to serve property owned by Ms. Patricia Kuvik ("Kuvik") which is located within the certificated area of TEP. Both TEP and Trico are engaged in providing electric service within portions of Pima County, Arizona, pursuant to the authority granted by the Arizona Corporation Commission.

The Kuvik property is located within TEP's certificated area; however, Trico's facilities exist 190 feet west of the Kuvik property. On April 6, 2001, Trico and TEP entered into a Borderline Agreement whereby TEP has authorized Trico to serve the Kuvik property by an extension of Trico's facilities. TEP's nearest existing facilities are located approximately 1,400 feet from the property. Per TEP's service tariff, the property owner would incur approximately \$8,900 in costs to extend the TEP facilities to serve the property. In contrast, Trico's existing facilities are well within the 600-foot distance allowance per Trico's service tariff, as such Kuvik would be able to obtain service from Trico under standard service charges. Under the terms of the contract, TEP has reserved the right to provide service to the Kuvik property when TEP determines that it is economical to do so. In the event TEP elects to provide service, TEP will compensate Trico for any Trico facilities used to provide such service.

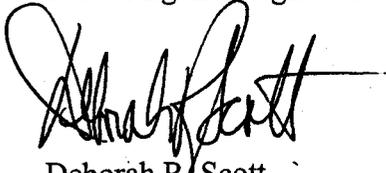
On March 30, 2001, in Decision No. 63512, the Commission authorized a TEP-Trico Borderline Service Agreement for a similarly situated property. This agreement is for similar parties, for the same reasons, with the same effect. Staff believes that the borderline agreement is in the public interest as it will allow the property owner to obtain service at a lower cost, provide Trico with additional revenue, and provide TEP with the opportunity to serve the customer once the company has installed adjacent facilities.

THE COMMISSION

April 30, 2001

Page 2

Staff believes the proposed borderline agreement is in the public interest and recommends approval. Staff further recommends that TEP notify the Utilities Division prior to exercising their right to serve the property.

A handwritten signature in black ink, appearing to read "Deborah R. Scott", with a long horizontal line extending to the right.

Deborah R. Scott

Director

Utilities Division

DRS:JEF:lm\RJM

Originator: James Fisher

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 WILLIAM A. MUNDELL
Chairman
3 JIM IRVIN
Commissioner
4 MARC SPITZER
Commissioner
5

6 IN THE MATTER OF THE JOINT APPLICATION)
OF TUCSON ELECTRIC POWER COMPANY,)
7 AN ARIZONA CORPORATION, AND TRICO)
ELECTRIC COOPERATIVE, INC., AN ARIZONA)
8 CORPORATION, FOR AN ORDER APPROVING)
A BORDERLINE AGREEMENT)

DOCKET NOS. E-01461A-01-0319
E-01933A-01-0319

DECISION NO. _____

ORDER

9
10 Open Meeting
11 Phoenix, Arizona

12 BY THE COMMISSION:

13 FINDINGS OF FACT

14 1. On April 16, 2001, Trico Electric Power Cooperative ("Trico") and Tucson Electric
15 Power Company ("TEP") filed a joint application that would allow Trico to serve property owned by
16 Ms. Patricia Kuvik ("Kuvik") which is located within the certificated area of TEP.

17 2. Both TEP and Trico are engaged in providing electric service within portions of Pima
18 County, Arizona, pursuant to the authority granted by the Arizona Corporation Commission.

19 3. The Kuvik property is located within TEP's certificated area. However, Trico's facilities
20 exist less than 600 feet from the western boundary of the Kuvik property.

21 4. On April 6, 2001, Trico and TEP entered into a Borderline Agreement whereby TEP has
22 authorized Trico to serve the Kuvik property by an extension of Trico's facilities.

23 5. TEP's nearest existing facilities are located approximately 1,400 feet from the property.
24 Per TEP's service tariff the property owner would incur approximately \$8,950 in costs to extend the
25 TEP facilities to serve the property.

26 6. In contrast, Trico's existing facilities are well within the 600-foot distance allowance per
27 Trico's service tariff, as such Kuvik would be able to obtain service from Trico under standard service
28 charges.

1 SERVICE LIST FOR: Tucson Electric Power Company and Trico Cooperative, Inc.
2 DOCKET NOS. E-01461A-01-0202 and E-01933A-01-0202

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9 Manager of Technical Service
10 5100 West Ina Road
11 Post Office Box 35970
12 Tucson, Arizona 85740

13 Ms. Deborah R. Scott
14 Director, Utilities Division
15 Arizona Corporation Commission
16 1200 West Washington
17 Phoenix, Arizona 85007

18 Mr. Christopher C. Kempley
19 Chief Counsel
20 Arizona Corporation Commission
21 1200 West Washington
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