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BEFORE THE ARIZONA CORPORATION COMMISSION Commission

DOCKETED

OCT 04 2001

WILLIAM A. MUNDELL
Chairman
JIM IRVIN
Commissioner
MARC SPITZER
Commissioner

DOCKETED BY	<i>ms</i>
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IN THE MATTER OF TUCSON)
ELECTRIC POWER COMPANY AND)
NAVOPACHE ELECTRIC)
COOPERATIVE, INC. - JOINT)
APPLICATION FOR APPROVAL OF AN)
ELECTRIC SERVICE AUTHORIZATION)
AGREEMENT BETWEEN TUCSON)
ELECTRIC POWER COMPANY AND)
NAVOPACHE ELECR TIC)
COOPERATIVE, INC., AND ELECTRIC)
SERVICE AGREEMENT BETWEEN)
NAVOPACHE ELECTRIC)
COOPERATIVE, INC., AND RELIANT)
PROCESSING, LTD)

DOCKET NOS. E-01933A-01-0702
E-01787A-01-0702

DECISION NO. 64082

ORDER

Open Meeting
October 2 and 3, 2001
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Tucson Electric Power Company ("TEP") and Navopache Electric Cooperative, Inc. ("Navopache") are certified to provide electric service as a public service corporation in the State of Arizona.

2. On September 7, 2001, TEP and Navopache jointly filed confidentially with Staff an Electric Service Authorization Agreement ("ESAA") between TEP and Navopache and an Electric Service Agreement ("ESA") between Navopache and Reliant Processing, LTD ("Reliant") for Commission approval.

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Decision No. 64082

1 3. TEP and Navopache have entered into these Agreements in order to provide electric
2 service to Reliant. Reliant would install its mining facilities on the property adjacent to the
3 Springerville Generating Station Site, which is owned by TEP but located in Navopache's electric
4 service territory.

5 4. Staff recommends approval of the proposed ESAA and ESA because Reliant has a
6 viable alternative to buying power from Navopache. In addition, the revenue to be received from
7 Reliant would cover Navopache's marginal cost to serve Reliant.

8 5. Staff further recommends that the Commission specify in its Order that approval of
9 the Agreements at this time does not guarantee any future rate making treatment of the
10 Agreements with TEP or Navopache.

11 CONCLUSIONS OF LAW

12 1. TEP and Navopache are Arizona public service corporations within the meaning of
13 Article XV, Section 2, of the Arizona Constitution.

14 2. The Commission has jurisdiction over TEP and Navopache and over the subject
15 matter of the application.

16 3. Approval of the proposed tariff does not constitute a rate increase as contemplated by
17 A.R.S. Section 40-250.

18 4. The Commission, having reviewed the application and Staff's Memorandum dated
19 September 19, 2001, concludes that it is in the public interest to approve the tariff.

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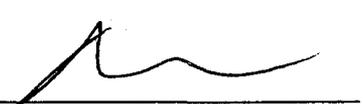
ORDER

IT IS THEREFORE ORDERED that the proposed tariff be and hereby is approved.

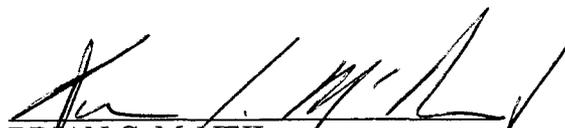
IT IS FURTHER ORDERED that approval of the agreement at this time does not guarantee any future rate making treatment of the agreements with TEP or Navopache.

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

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

		
CHAIRMAN	COMMISSIONER	COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Secretary of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 4th day of October, 2001.


 BRIAN C. McNEIL
 Executive Secretary

DISSENT: _____

SMO:EAA:rdp/

1 SERVICE LIST FOR: Tucson Electric Power Company and Navopache Electric Cooperative, Inc.
DOCKET NOS. E-01933A-01-0702 and E-01787A-01-0702.

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