



EXHIBIT  
S-1  
admitted

LEGAL

MEMORANDUM

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2001 JUN 12 A 11: 05

AZ CORP COMMISSION  
DOCUMENT CONTROL

TO: Docket Control  
Arizona Corporation Commission

FROM: Deborah R. Scott  
Director  
Utilities Division *Barbara W. Jackson*

Date: June 6, 2001

RE: TUCSON ELECTRIC POWER COMPANY AND TRICO COOPERATIVE, INC., JOINT APPLICATION FOR ORDERS APPROVING THE EXCHANGE OF PORTIONS OF CERTIFICATES OF CONVIENIENCE AND NECESSITY (CC&N) IN PIMA COUNTY AND OPERATING RIGHTS AND THE TRANSFER OF RELATED PORTIONS OF CC&N'S (DOCKET NOS. E-01461A-01-0202 and E-01933A-01-0202)

Attached is the Staff Report for the above referenced application. Staff is recommending approval of the application following a hearing.

Originator: Jim Fisher

Attachment: Original and Eleven Copies

RECEIVED

JUN 12 2001

LEGAL DIV.  
ARIZ. CORPORATION COMMISSION

STAFF REPORT  
UTILITIES DIVISION  
ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE JOINT APPLICATION OF TUCSON ELECTRIC POWER COMPANY, AN ARIZONA CORPORATION, AND TRICO COOPERATIVE, INC., AN ARIZONA CORPORATION, FOR ORDERS APPROVING THE EXCHANGE OF PORTIONS OF CERTIFICATES OF CONVIENIENCE AND NECESSITY (CC&N) IN PIMA COUNTY AND OPERATING RIGHTS AND THE TRANSFER OF RELATED PORTIONS OF CC&N'S.

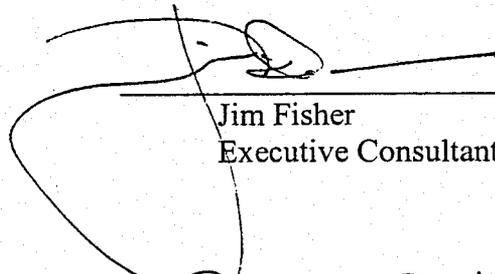
DOCKET NOS. E-01461A-01-0202  
AND E-01933A-01-0202

JUNE 2001

## STAFF ACKNOWLEDGEMENT

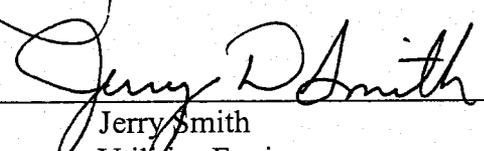
The Staff members designated below contributed elements of this Staff Report.

Contributing Staff:



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Jim Fisher  
Executive Consultant II



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Jerry Smith  
Utilities Engineer

Trico Cooperative, Inc. and  
Tucson Electric Power Company, Inc.  
Docket Nos. E-01461A-01-0202 and E-01933A-01-0202

On March 6, 2001, Trico Electric Power Cooperative (Trico), and Tucson Electric Power Company (TEP) filed a joint application to transfer portions of their service territories that would allow TEP to serve Rancho Sahuarita, a planned development south of Tucson, and Trico to serve an area adjacent to the Town of Sahuarita.

On April 6, 2001 the joint applicants provided Staff additional information supporting the application. 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.

Currently, Rancho Sahuarita is bisected by the service territory boundaries of both TEP and Trico. Trico proposes to transfer their portion of the service territory bounding Rancho Sahuarita to TEP. Trico would receive a separate portion of TEP's current service territory that is presently projected to become a separate development by the same developer.

Both service territory transfers are designed to mitigate the cost of service by the utility and to the end-user. Cost of service to a development is greatly influenced by the need to install additional transmission and distribution facilities to serve the new customers. The proposed transfer properties are designed to decrease the amount of additional facilities both TEP and Trico would be required to install to serve customers in the respective developments.

By granting the proposed territory transfers electric service can be extended to the respective developments from adjacent facilities, eliminating the need for both TEP and Trico to extend additional services, lowering the cost of service to all parties. TEP has estimated the transfer will reduce the cost to serve the development by an estimated \$380,000. The proposed transfer will also benefit system reliability by allowing a loop feed, nearer the serving substation.

In return for Trico transferring territory in Rancho Sahuarita, Trico will receive an adjoining territory on the west side of Interstate 19. Trico presently has an overhead 3-phase 24.9 KV line across the interstate that can serve the area. The area is being developed by the Rancho Sahuarita developer, as a commercial center for the Town of Sahuarita, with additional residences.

Trico has transmission and distribution lines in close proximity to the proposed transfer area, so that the same estimated cost of service savings will be obtained for Trico and its customers. Trico will also obtain enhanced system reliability for the transferred territories by the closer proximity of the Sahuarita Substation, and the ability to implement a loop feed.

Trico Cooperative, Inc. and  
Tucson Electric Power Company, Inc.  
Docket Nos. E-01461A-01-0202 and E-01933A-01-0202

Staff believes the proposed transfer agreement is in the public interest because it enables the utilities to provide reliable service at lower costs to the consumer. On August 31, 1994, by Decision No. 58746, and on April 22, 1992, in Decision No. 57810, the Commission authorized TEP and Trico to transfer portions of their then existing service territories affecting similar situated properties as the subject application.

Staff recommends the Commission approve the TEP-Trico Joint Application.

EXHIBIT "A"

PORTION OF TRICO'S SERVICE AREA TO BECOME TEP'S

Those portions of Sections 1, 11, and 12, Township 17 South, Range 13 East, Gila and Salt River Base and Meridian, Pima County, Arizona, described as follows:

BEGINNING at a point on the north-south midsection line of said Section 12, said point bears North 00 degrees 23 minutes 45 seconds West, a distance of 1179.73 feet from the center of said Section 12;

Thence North along the north-south midsection line of said Section 12 to the South one quarter corner of said Section 1;

Thence North along the north-south midsection line of said Section 1 to the North one quarter corner of said Section 1;

Thence South 89 degrees 06 minutes 18 seconds West along the North line of said Section 1, a distance of 1323.11 feet;

Thence leaving said North line South 00 degrees 53 minutes 53 seconds East, a distance of 5252.90 feet to a point on the north line of said Section 12;

Thence South 89 degrees 49 minutes 00 seconds West along the north line of said Section 12, a distance of 1317.34 feet to the Northeast corner of said Section 11

Thence South 89 degrees 06 minutes 59 seconds West along the north line of said Section 11, a distance of 2647.83 feet to the North one quarter corner of said Section 11;

Thence South 89 degrees 06 minutes 38 seconds West along the north line of said Section 11, a distance of 723.75 feet to the Easterly right-of-way of Interstate 19;

Thence South 07 degrees 06 minutes 50 seconds East along said Easterly right-of-way, a distance of 3292.51 feet;

Thence leaving said right-of-way, North 74 degrees 49 minutes 29 seconds East, a distance of 860.91 feet;

Thence North 74 degrees 18 minutes 22 seconds East, a distance of 90.94 feet;

Thence North 73 degrees 47 minutes 16 seconds East, a distance of 1579.63 feet to a point of curve;

Thence along said curve to the left, having a central angle of 10 degrees 08 minutes 48 seconds, a radius of 1200.00 feet, an arc length of 212.51 feet and whose long chord bears North 68 degrees 42 minutes 51 seconds East, distance of 212.24 feet to a point of tangent;

Thence North 63 degrees 38 minutes 27 seconds East, a distance of 420.01 feet to a point of curve;

Thence along said curve to the right, having a central angle of 29 degrees 35 minutes 44 seconds, a radius of 900.00 feet, an arc length of 464.89 feet and whose long chord bears South 78 degrees 26 minutes 19 seconds West, a distance of 459.74 feet to a point of tangent;

Thence South 86 degrees 45 minutes 48 seconds East, a distance of 484.95 feet to a point of curve;

Thence along said curve to the left, having a central angle of 33 degrees 50 minutes 31 seconds, a radius of 500.00 feet, an arc length of 295.33 feet and whose long chord bears North 76 degrees 18 minutes 56 seconds East, a distance of 291.05 feet to a point of tangent;

Thence North 59 degrees 23 minutes 40 seconds East, a distance of 1605.24 feet to the POINT OF BEGINNING.

EXHIBIT "B"

PORTION OF TEP'S SERVICE AREA TO BECOME TRICO'S

Those portions of Sections 13, 14, and 23, Township 17 South, Range 13 East, Gila and Salt River Base and Meridian, Pima County, Arizona, described as follows:

BEGINNING at the Northwest corner of said Section 14;

Thence South 00 degrees 46 minutes 28 seconds East along the West line of said Section 14, a distance of 2636.46 feet to the West one quarter corner of said Section 14;

Thence East along the east-west midsection line of said Section 14 to a point 1320.00 feet west of the East one quarter corner of said Section 14;

Thence South and parallel with the East line of Sections 14 and 23 to the East sixteenth corner on the south line of said Section 23;

Thence Easterly along the South line of said Section 23, North 89 degrees 40 minutes 50 seconds East, to the Southeast corner of said Section 23;

Thence North 00 degrees 46 minutes 36 seconds West along the East line of said Section 23, a distance of 2678.45 feet;

Thence North 00 degrees 46 minutes 13 seconds East along said East line, 38.79 feet;

Thence leaving said East line, North 45 degrees 46 minutes 13 seconds West, a distance of 286.21 feet;

Thence North 00 degrees 35 minutes 20 seconds East, a distance of 2239.16 feet to the Southerly right-of-way line of El Toro Road as recorded in Book 2611 of Road Maps at pages 286 and 289 records of the Pima County Recorder, Pima County, Arizona;

Thence South 89 degrees 05 minutes 28 seconds West along said southerly right-of-way, 85.15 feet;

Thence leaving said Southerly right-of-way, North 00 degrees 29 minutes 13 seconds West, 200.43 feet to a point on the Northerly right-of-way of said El Toro Road, said point bears South 89 degrees 05 minutes 28 seconds West, 264.43 feet from the Southeast corner of said Section 14;

Thence continue North 00 degrees 29 minutes 13 seconds West, 658.97 feet.

Thence North 89 degrees 05 minutes 54 seconds East, 264.42 feet to a point on the East line of said Section 14, said point bears North 00 degrees 29 minutes 13 seconds West, 658.94 feet from the Southeast corner of said Section 14;

Thence North 00 degrees 29 minutes 13 seconds West along the East line of said Section 14, a distance of 1976.82 feet to the East one quarter corner of said Section 14;

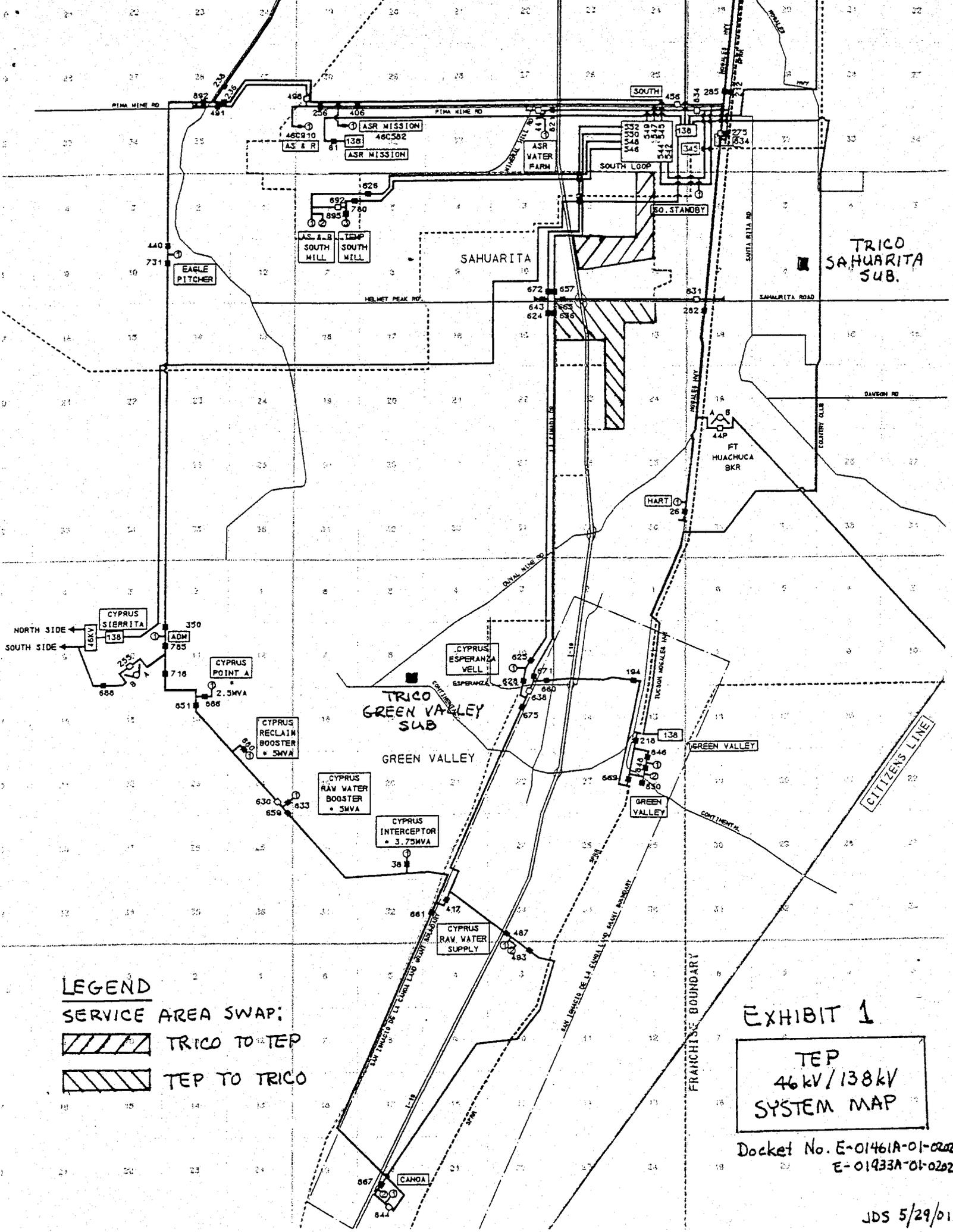
Thence North 00 degrees 28 minutes 56 seconds West along said East line, 1317.69 feet;

Thence South 89 degrees 35 minutes 29 seconds East, 1138.68 feet;

Thence North 03 degrees 17 minutes 49 seconds West, 611.31 feet;

Thence North 06 degrees 20 minutes 15 seconds East, 715.44 feet to a point on the North line of Section 13;

Thence West along the North lines of Sections 13 and 14 to the Northwest corner of said Section 14, to the POINT OF BEGINNING.



**LEGEND**

- SERVICE AREA SWAP:
- TRICO TO TEP
  - TEP TO TRICO

**EXHIBIT 1**

TEP  
 46 kV/138 kV  
 SYSTEM MAP

Docket No. E-01461A-01-0202  
 E-01433A-01-0202

JDS 5/29/01

TEP-1  
admitted

SOUTH  
LOOP  
SUB

TRICO ELECTRIC COMPANY  
TO  
TUCSON ELECTRIC POWER COMPANY

TUCSON ELECTRIC POWER COMPANY  
TO  
TRICO ELECTRIC COMPANY

LEGEND

-  EXISTING OH DISTRIBUTION LINE
-  UG FEEDER LINES
-  OH TRANSMISSION LINE



PROPOSED  
CERTIFICATED AREAS

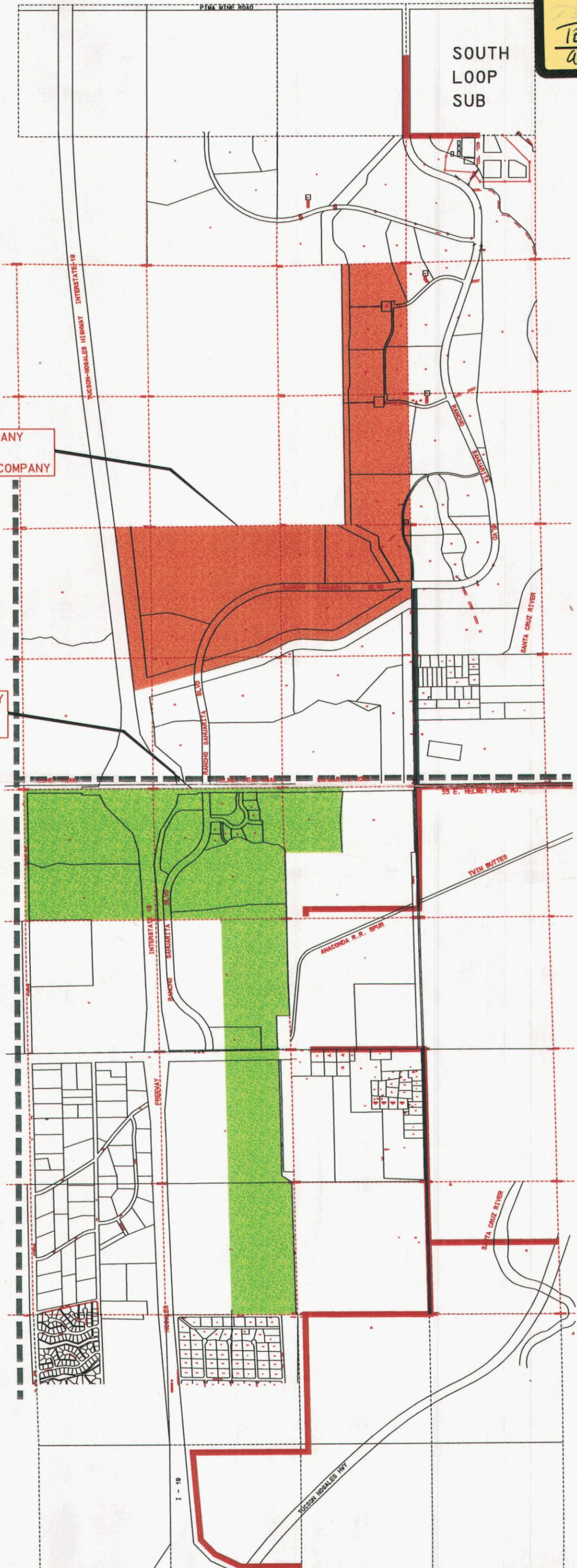


EXHIBIT  
TEA 2  
admitted

AFFIDAVIT

I, Susan Lance, declare that the following statements are true:

1. I am a Paralegal in the Legal Department of Tucson Electric Power Company and have personal knowledge to certify said documents.
2. In compliance with the Procedural Order dated June 22, 2001, Docket No. E-01461A-01-0202, et al., attached are true and complete copies of the following documents:
  - a. The List of Property Owners or Customers who were mailed, via First-Class U.S. Mail, a letter dated July 26, 2001 stating "The enclosed Public Notice is being sent to you as an owner of real property within the subject areas to which the notice pertains."
  - b. The Public Notice attached as an enclosure to said letter.

FURTHER AFFIANT SAYETH NAUGHT.

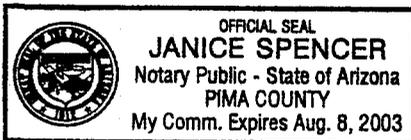
*Susan Lance*  
\_\_\_\_\_  
Susan Lance

STATE OF ARIZONA     )  
                                  ) ss.  
COUNTY OF PIMA     )

SUBSCRIBED AND SWORN TO before me this 26th day of July, 2001, by Susan Lance.

*Janice Spencer*  
\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:



LIST OF PROPERTY OWNERS OR CUSTOMERS

D.R. Horton Inc.  
Attn: Lou Turner  
5255 E. Williams Circle, Suite 1030  
Tucson, AZ 85711

Fidelity National Title  
Attn: Marty Hill  
7750 E. Broadway, Suite A-200  
Tucson, AZ 85710

First American Title Insurance Co.  
1880 E. River Road, Suite 220  
Tucson, AZ 85718

Insight Investment Co.  
Attn: Mike Jones  
3561 East Sunrise Drive  
Tucson, AZ 85718

KB Home, Tucson, Inc.  
Attn: Art Flag  
5780 North Swan Road  
Tucson, AZ 85718

KE&G Homes Inc.  
2700 E. Fry Boulevard, Suite A7  
Sierra Vista, AZ 85635

Lawyers Title of Arizona  
P.O. Box 12646  
Tucson, AZ 85732-2646

Monterey Homes Construction, Inc.  
Attn: Jeff Grobstein  
4742 North Oracle Road, Suite 111  
Tucson, AZ 85705

Pulte Home Corporation  
Tucson Division  
Attn: Steve Atchison  
7493 N. Oracle Road, Suite 115  
Tucson, AZ 85704

Rancho Resort LLC  
Attn: Fidelity National Title  
7750 E. Broadway, Suite A-200  
Tucson, AZ 85710

Rancho Sahuarita I, LLC  
Attn: Sharpe & Associates, Inc.  
Robert M. Sharp  
6339 East Speedway, Suite 102  
Tucson, AZ 85710

Rancho Sahuarita LLC  
4780 N. Rocky Crest Place  
Tucson, AZ 85715

Rancho Sahuarita Village Program  
Association, Inc.  
Attn: Sharpe & Associates, Inc.  
Robert M. Sharp  
6339 East Speedway, Suite 102  
Tucson, AZ 85710

Rancho Sahuarita Water Co. LLC  
Attn: Sharpe & Associates, Inc.  
Robert M. Sharp  
6339 East Speedway, Suite 102  
Tucson, AZ 85710

Rancho Sahuarita Water Co. LLC and  
Title Guaranty Agency of AZ Trust  
4780 N. Rocky Crest Place  
Tucson, AZ 85715

Richmond American Homes of  
Arizona, Inc.  
Attn: Ron Owsley  
7493 N. Oracle Road, Suite 207  
Tucson, AZ 85704

Sharpe & Associates  
Attn: Robert M. Sharp  
6339 East Speedway, Suite 102  
Tucson, AZ 85710

The Kemmerly Company  
Attn: Chris Kemmerly  
2850 North Swan Road, Suite 100  
Tucson, AZ 85712

Town of Sahuarita  
P.O. Box 879  
Sahuarita, AZ 85629

White Hawke at Sahuarita LLC  
P.O. Box 15145  
Scottsdale, AZ 85267

STATE OF ARIZONA )  
:SS.  
COUNTY OF PIMA )

**EXHIBIT**  
*TEP-3*  
*Admitted*

**AFFIDAVIT OF PUBLICATION**

*TEP-3*

KAREN BRIGHAM  
being first  
duly sworn, deposes and says that (he) (she) is the **Legal Advertising Manager**  
of **THE DAILY TERRITORIAL**, a daily newspaper printed and published in the  
County of Pima, State of Arizona, and of general circulation in the City of Tuc-  
son,  
County of Pima, State of Arizona and elsewhere, and the hereto attached

**CERTIFICATES OF  
CONVENIENCE AND  
NECESSITY  
PUBLIC NOTICE**

was printed and published correctly in the regular and entire issue of said **THE**  
**DAILY TERRITORIAL** for <sup>4</sup> issues; that was first made  
on the <sup>9th</sup> **JULY** <sup>01</sup>  
day of <sup>20</sup>  
<sup>12th</sup>  
and the last publication thereof was made on the <sup>01</sup> day of  
**JULY** <sup>20</sup>; that said publication

was made on each of the following dates, to-wit:

- 07/09/01
- 07/10/01
- 07/11/01
- 07/12/01

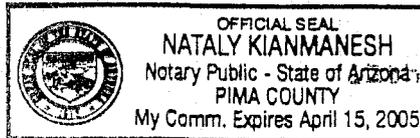
Request of

TUCSON ELECTRIC POWER

**The Daily Territorial**

By *Karen Brigham*  
Subscribed and sworn to before me this \_\_\_\_\_ day of

20  
01



**JULY**

*Nataly Kianmanesh*  
Notary Public in and for the County of Pima, State of Arizona

My Commission Expires: *4/15/2005*

**PUBLIC NOTICE OF HEARING ON  
JOINT APPLICATION BY TUCSON  
ELECTRIC POWER COMPANY AND  
TRICO ELECTRIC COOPERATIVE,  
INC. FOR APPROVAL TO TRANSFER  
PORTIONS OF THEIR CERTIFICATES  
OF CONVENIENCE AND NECESSITY**

On March 6, 2001, Tucson Electric Power Company ("TEP") and Trico Electric Cooperative, Inc. ("Trico") filed a joint application for approval to transfer portions of their Certificates of Convenience and Necessity ("Certificate") to provide electric power in Pima County, Arizona. If the application is granted, TEP would be the exclusive distribution company for electric power for a portion of Trico's existing service territory and Trico would become the exclusive distributor of electricity for a portion of TEP's current service territory near Sahuarita, in Pima County, Arizona.

The joint application is available for inspection during regular business hours at the offices of the Commission in Phoenix, at 1200 West Washington Street, Phoenix, Arizona or in Tucson at 400 West Congress Street, Suite 218, and at TEP's office located at 4350 East Irvington Road, Tucson Arizona 85714 and Trico's office located at 5100 West Pima Road, Tucson, Arizona 85704.

The Commission will hold a hearing on this matter on August 21, 2001 at 10:00 a.m., or as soon thereafter as is practical, at the Commission's offices, Room 222, 400 West Congress Street, Tucson, Arizona. As a property owner or customer you may have the right to intervene in the proceeding. If you do not want to intervene, you may appear at the hearing and make a statement on your own behalf. Intervention shall be permitted to any person entitled by law to intervene and having a direct and substantial interest in the matter. Persons desiring to intervene must file a written notice to intervene with the Commission, which motion should be sent to the Applicants or their counsel and to all parties of record, and which, at the minimum, shall contain the following:

The name, address, and telephone number of the proposed intervenor and of any party upon whom service of documents is to be made if different than the intervenor.

A short statement of the proposed intervenors interest in the proceeding (e.g., a customer of the Applicants, a shareholder or member of the Applicants, etc.).

A statement certifying that a copy of the motion to intervene has been mailed to the Company or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before August 10, 2001 by 2 noon. The granting of intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. However failure to intervene will not preclude any customer from appearing at the hearing and making a statement on such customer's own behalf. However, you will not receive any further notice of the proceeding unless requested by you.

If you have any questions or concerns about this application or have any objections to its approval, or wish to make a statement in support of it, you may write the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000 or appear at the hearing and make comment.

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting Kelly Hood, ADA Coordinator, voice

phone number 602/542-3931, e-mail shood@cc.state.az.us. Requests should be made as early as possible to allow time to arrange the accommodation.

Pub: The Daily Territorial  
July 9, 10, 11, 12, 2001  
Req: Tucson Electric Power  
prtransfer kb