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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES

Arizona Corporation Commission

DOCKETED

MAR 23 2006

DOCKETED BY	CM
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IN THE MATTER OF:

ROGER CHANTEL

Complainant,

vs.

MOHAVE ELECTRIC COOPERATIVE,

Respondent.

DOCKET NO. E-01750A-04-0929

Decision No. 68592

ORDER

Open Meeting
March 15 and 16, 2006
Phoenix, Arizona

BY THE COMMISSION:

Having considered the entire record herein and being fully advised in the premises, the Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

FINDINGS OF FACT

A. PROCEDURAL HISTORY

1. On December 27, 2004, a letter from Roger Chantel ("Complainant") was filed with the Arizona Corporation Commission ("Commission") as a formal complaint against Mohave Electric Cooperative, Inc. ("Complaint"). The Complaint alleges that Mohave Electric Cooperative, Inc. ("Mohave" or "Respondent") is denying Complainant electric service in association with a line extension request. A copy of the Complaint and its attachments is attached hereto for reference as Exhibit A.

2. On January 24, 2005, Mohave filed a response to the Complaint, requesting that the Commission deny the Complaint.

3. By Procedural Order issued February 8, 2005, a pre-hearing conference was set for

1 February 22, 2005 for the purpose of discussing the procedures to govern this matter.

2 4. The Pre-Hearing Conference was held as scheduled. Complainant Mr. Roger Chantel
3 appeared on his own behalf, and Mr. Stephen McArthur, Mohave's Comptroller, appeared on behalf
4 of Respondent Mohave. At the Pre-Hearing Conference, Complainant stated that the process for
5 obtaining his line extension had begun. Complainant stated that he had received a letter from
6 Respondent dated February 2, 2005, that in response he had sent Respondent a letter dated February
7 14, 2005, and that Complainant was in communication with Respondent regarding Complainant's
8 requested line extension agreement. Mr. McArthur stated that on January 25, 2005, Respondent had
9 sent one of its field engineers to the site where Complainant has requested service in order to review
10 the project. Mr. McArthur stated that the content of the February 2, 2005 letter from Respondent to
11 Complainant was based on the meeting between the field engineer and Complainant; that his office
12 was in receipt of the February 14, 2005 letter from Complainant; and that Respondent's engineering
13 department was working on a response to the letter, which response would be sent out that day or the
14 next. Mr. McArthur stated that Mohave is very consciously trying to treat Complainant as it would
15 any other consumer, and does not intend to ignore Complainant's line extension request.

16 5. At the conclusion of the February 22, 2005 Pre-Hearing Conference, the parties were
17 ordered to file a status report by March 22, 2005, outlining the parties' progress on the line extension
18 request.

19 6. The February 14, 2005 letter from Complainant to Respondent was docketed February
20 22, 2005. Respondent's March 3, 2005 letter in response was docketed on March 9, 2005.

21 7. On March 22, 2005, Respondent docketed a copy of a letter mailed to Complainant in
22 response to a March 10, 2005 letter from Complainant to Respondent. On March 28, 2005,
23 Respondent docketed a correction to its March 22, 2005 filing.

24 8. On March 22, 2005, Complainant docketed a letter to the Commission. The letter
25 included specific language that Complainant wishes Respondent to include in a line extension
26 agreement for service to Complainant's property. In the letter to the Commission, Complainant
27 stated that "[i]f MEC comes up with some kind of reasoning for not providing a line extension
28 contract with [Complainant's desired wording], one would have to interpret this as a denial of

1 service.”

2 9. On April 8, 2005, Respondent docketed a copy of an April 1, 2005 letter to
3 Complainant.

4 10. On April 19, 2005, Respondent docketed a copy of a response letter and construction
5 agreement mailed to Complainant in response to an April 8, 2005 letter that Respondent received
6 from Complainant. Respondent's filing also included a copy of the April 8, 2005 letter.

7 11. On June 6, 2005, Complainant docketed a letter to the Commission dated May 31,
8 2005, requesting a hearing.

9 12. By Procedural Order issued June 10, 2005, a hearing was set on the Complaint.
10 Because Complainant's June 6, 2005 filing indicated that it included “a separate letter that will not be
11 sent to MEC [Mohave]” the Procedural Order directed Complainant to provide to Respondent a full
12 and complete copy of the filing docketed on June 6, 2005. Pursuant A.R.S. § 40-243, the Procedural
13 Order directed Respondent to either retain counsel to represent it in this proceeding, or to provide
14 specific authorization, in the form of a resolution of Mohave's Board of Directors, for a corporate
15 officer to represent it. The Procedural Order also set a schedule for the filing of Pre-Hearing Briefs,
16 including Response Briefs, on the legal effect of Decision No. 67089¹ on this proceeding. The
17 Procedural Order required that the Briefs include legal arguments in support of the positions taken.
18 The Procedural Order also urged Complainant and Respondent to continue to work toward a
19 reasonable solution to the dispute.

20 13. On July 6, 2005, Respondent filed a copy of its notes from a June 23, 2005 meeting
21 with Complainant.

22 14. On July 7, 2005, Respondent filed a Notice of Appearance by Legal Counsel.

23 15. On July 19, 2005, Complainant filed a Motion to Remove the Presiding
24 Administrative Judge, claiming that the presiding Administrative Law Judge had shown favoritism
25 toward Respondent in the prior proceeding involving the same parties (Docket No. E-01750-03-0373)

26
27 ¹ On June 29, 2004, the Commission issued Decision No. 67089 on a complaint filed against Mohave by Roger and
28 Darlene Chantel, also regarding a line extension agreement dispute. Decision No. 67089 found that Mohave's Service
Rules and Regulations, as approved by Tariff Approval No. 52951 and Decision No. 58886, are lawful, in compliance
with A.A.C. R14-2-207.A.1, and apply to all line extension requests made to Mohave.

1 through various rulings and in the Recommended Opinion and Order issued in that prior docket,
2 which was ultimately adopted by the Commission as Decision No. 67089.

3 16. A Pre-Hearing Brief was attached to the Motion to Remove the Presiding
4 Administrative Judge. The Pre-Hearing Brief did not address the legal effect of Decision No. 67089
5 on this proceeding, as was directed by the June 10, 2005 Procedural Order. Instead, Complainant's
6 Pre-Hearing Brief made additional allegations. Complainant argues in his Pre-Hearing Brief that
7 "[t]he legal issue of this complaint is that the second contract [provided to Complainant by
8 Respondent] is for the same service connect poles, it covers the same distance and has exactly the
9 same purpose as the contract that Complainant signed." Complainant states his belief that "[t]he
10 second contract seems to have been created by MEC's managing Staff in an effort to collect
11 additional funds for the same line extension." Complainant also argues that A.A.C. R14-2-107
12 requires electric utility tariffs to specifically define the conditions governing line extensions,² and
13 states that Respondent's tariffs do not include the conditions indicated in a February 2, 2005 letter
14 from Respondent to Complainant for Complainant to qualify for line extension credit.³ Complainant
15 asserts that "MEC's management created these words and placed them in a staking technician's
16 training outline and then used them as specific conditions and requirements for customers to acquire
17 electric service." Complainant further argues that Respondent "imposed these conditions and
18 requirements without A.C.C.'s approval under R14-2-207 A and B nor written approved resolutions
19 by the elected board members of MEC." Complainant also argues that "The conditions found in
20 R14-2-207(A) are specifically defined conditions that are required to be docketed by MEC."

21 17. On July 22, 2005, Respondent filed its Pre-Hearing Brief Regarding Legal Effect of
22 Decision No. 67089 and Request for Leave to File Motion for Summary Judgment and to Vacate
23 Hearing. In its Pre-Hearing Brief, Respondent moved for the dismissal of the Complaint on the
24 ground that Complainant is collaterally estopped from raising the same issues raised in the
25

26 ² A.A.C. R14-2-207.A.1 provides: "Each utility shall file, in Docket Control, for Commission approval, a line extension
tariff which incorporates the provisions of this rule and specifically defines the conditions governing line extensions."

27 ³ Respondent's February 2, 2005 letter to Complainant is attached hereto for reference as Exhibit D. Also attached, as
28 Exhibit F, is a letter from Respondent dated July 22, 2005. Complainant docketed copies of these letters as Exhibits to
Complainant's Response to Respondent's Request for Summary Judgment.

1 proceeding leading to Decision No. 67089, and requested that the hearing be vacated. Respondent
2 states that the matter of whether Respondent has complied with applicable Commission rules and
3 regulations and Mohave's own applicable rules and procedures for line extension agreements has
4 already been litigated between the same parties and resolved in Respondent's favor in Decision No.
5 67089. Respondent's filing also included a response to the allegations included in the Complaint, an
6 affidavit signed by Stephen McArthur, Comptroller for Mohave, and several attachments labeled
7 Exhibit A through Exhibit P.

8 18. On July 27, 2005, Respondent docketed a letter it wrote to Complainant in response to
9 a letter inquiry from Complainant.

10 19. On August 8, 2005, Respondent filed a Response to Complainant's Motion to Remove
11 ALJ.

12 20. On August 10, 2005, Complainant filed its Response to Respondent's Pre-Hearing
13 Brief. Therein, Complainant asserted that he has not had a full and fair opportunity to litigate the
14 issues in this case; responded to several of the Exhibits Respondent attached to its Pre-Hearing Brief;
15 and requested that the hearing not be vacated.

16 21. On August 11, 2005, Respondent filed its Response to Complainant's Pre-Hearing
17 Brief. In its Response, Respondent noted that Complainant's Pre-Hearing Brief fails to address the
18 legal effect and impact of Decision No. 67089 on the Complaint, but that it instead addresses what
19 Complainant believes are issues for hearing. The Response also addresses those issues.

20 22. On August 15, 2005, after reviewing the record in Docket No. E-01750-03-0373 and
21 finding no evidence that the presiding Administrative Law Judge has any personal bias against
22 Complainant, the Assistant Chief Administrative Law Judge issued a Procedural Order denying
23 Complainant's Motion to Remove the Presiding Administrative Judge.⁴

24 23. On August 17, 2005, a Procedural Order was issued granting Respondent's Request
25 for Leave to File Motion for Summary Judgment. The Procedural Order set a procedural schedule for
26 Respondent to file the motion and for Complainant to file its response. The Procedural Order
27

28 ⁴ The August 15, 2005 Procedural Order stated that the fact that the ALJ or the Commission may have disagreed with Complainant's interpretation of the evidence in the prior proceeding is not proof of bias or prejudice.

1 continued the August 30, 2005 hearing date pending resolution of the motion.

2 24. On September 9, 2005, Respondent filed its Motion for Summary Judgment on
3 Complainant's Complaint ("Motion for Summary Judgment"). The Motion for Summary Judgment
4 was accompanied by Respondent's Statement of Facts in Support of its Motion for Summary
5 Judgment and exhibits. A copy of Respondent's Statement of Facts is attached hereto and
6 incorporated herein by reference as Exhibit B. Respondent's Motion for Summary Judgment
7 requests summary judgment on the issues of whether Respondent has complied with its Commission-
8 approved rules, regulations and procedures in its dealings with Complainant, and whether
9 Complainant is precluded under the doctrines of *res judicata* (claim preclusion) and collateral
10 estoppel (issue preclusion) from bringing the Complaint, which Respondent believes alleges the same
11 duties and breaches thereof as the complaint filed by Complainant in 2002 which resulted in
12 Commission Decision No. 67089. The Motion for Summary Judgment includes Respondent's legal
13 analysis, and also includes an additional response to the allegations in the Complaint.

14 25. On September 30, 2005, Complainant filed Complainant's Response to Respondent's
15 Request for Summary Judgment ("Response to Motion for Summary Judgment"), which was
16 accompanied by Complainant's Statement of Facts and exhibits. A copy of Complainant's Statement
17 of Facts is attached hereto and incorporated herein by reference as Exhibit C. Complainant's
18 Response to Motion for Summary Judgment also included Complainant's response to Respondent's
19 statements concerning Complainant's profession and character, including an explanation of why he
20 signs his correspondence "Union Carpenter/Visionary."⁵ Complainant states that he believes that
21 because Decision No. 67089 found that Respondent failed to include an estimated start date and
22 completion date in the line extension contract that was the subject of that proceeding, that the
23

24 ⁵ Complainant states:

25 "Respondents have made wild accusations as to what the Complainant's profession is. In most of the
26 Complainant's correspondence, Union Carpenter/Visionary is placed after Complainant's name. This
27 is done because Complainant is a card carrying Union Carpenter. Visionary is placed after
28 Complainant's name because Complainant has prayed, fasted, studied for the past thirty years and
requested the higher being (God) to give insight by taking off the natural blinders that have been
placed over most of our eyes. Complainant has asked to see where we will be after we die. Many
earthly experts call it 'Visionary thought process'. Some of the studies were about our system's legal
industry and how the actions of the legal industry will affect the longevity of the divine protection that
we receive from a power far greater than our own."

1 Commission may find a violation of other rules and regulations in this proceeding.

2 26. On October 14, 2005, Respondent filed a Reply to Complainant's Response to Motion
3 for Summary Judgment.

4 27. On November 7, 2005, a letter from Complainant to Commissioner Gleason was filed
5 in this docket. The letter complains that "no effort has been made by the employees of the Arizona
6 Corporation Commission to resolve this simple conflict," states that "it looks like there is some
7 corruption surrounding this decision," and states that Complainant has "informed the Arizona Bar
8 Association about some of its members practicing black law." The letter did not provide a definition
9 for the term "black law" but stated that as time permits, Complainant will be addressing the issue
10 with state lawmakers, who have the responsibility, according to Complainant, to "create new laws on
11 jurisdictions and strict punishments on bar members that practice black law."

12 28. On November 9, 2005, a Procedural Order was issued setting a Pre-Hearing
13 Conference to take place on December 1, 2005, for the purpose of taking Oral Argument on the
14 issues raised in Respondent's Motion for Summary Judgment, Complainant's Response to Motion for
15 Summary Judgment, and Respondent's Reply.

16 29. On November 22, 2005, Complainant made two filings: a Motion to Dismiss Pre-
17 Hearing for Oral Argument on Motion for Summary Judgment, and a Motion for Procedural Order.

18 30. By Procedural Order of November 23, 2005, a Telephonic Procedural Conference was
19 scheduled for December 1, 2005, for discussion of Complainant's November 22, 2005 filings, and the
20 Oral Argument scheduled for that date was continued. Complainant appeared telephonically on his
21 own behalf and Respondent telephonically appeared through counsel. The issues raised and their
22 resolution is addressed below.

23 31. On December 6, 2005, Respondent docketed Mohave's Supplemental Legal Authority
24 in Support of its Motion for Summary Judgment.

25 32. On December 12, 2005, Complainant docketed a letter requesting that any decision in
26 this matter be postponed until after December 20, 2005. Attached to the letter was a copy of a
27 proposal of settlement.

28 33. On December 15, 2005, a letter dated December 10, 2005 from Complainant to the

1 Commission's chairman was docketed. The letter referenced a separate dispute Complainant has
2 with Respondent and also referenced the proposal of settlement attached to Complainant's December
3 12, 2005 filing. The December 15, 2005 letter states that "[i]f we cannot put together a settlement I
4 will be consulting with the spiritual realm and asking for assistance in formulating strategies on how
5 to solve these issues."

6 34. On January 25, 2006, Complainant filed a Response to Mohave's Supplemental Legal
7 Authority in Support of its Motion for Summary Judgment.

8 **B. SUMMARY OF COMPLAINANT'S ALLEGATIONS AND REQUESTED RELIEF**

9 35. Complainant has made the following allegations in this proceeding:

- 10 a. Complainant claims that Respondent is denying Complainant electric
11 service in association with a line extension request (Complaint filed
12 on December 27, 2004).
- 13 b. Complainant claims that Respondent mailed Complainant two
14 construction contracts for the same project (Complainant's Pre-
15 Hearing Brief attached to Complainant's July 19, 2005 Motion to
16 Remove the Presiding Administrative Judge).
- 17 c. Complainant claims that Respondent's tariffs do not include the
18 conditions indicated in a February 2, 2005 letter from Respondent to
19 Complainant (a copy of which is attached hereto as Exhibit D) for
20 Complainant to qualify for line extension credit. Complainant asserts
21 that "MEC's management created these words and placed them in a
22 staking technician's training outline and then used them as specific
23 conditions and requirements for customers to acquire electric
24 service." Complainant makes the legal argument that "Respondent
25 imposed these conditions and requirements without A.C.C.'s approval
26 under R14-2-207 A and B nor written approved resolutions by the
27 elected board members of MEC." Complainant also makes the legal
28 argument that "The conditions found in R14-2-207(A) are specifically
defined conditions that are required to be docketed by MEC."
(Complainant's Pre-Hearing Brief attached to Complainant's July 19,
2005 Motion to Remove the Presiding Administrative Judge).

36. Complainant has requested relief as follows:

- a. Complainant has requested that Respondent be required to provide a
certified copy of a Mohave Board of Directors' resolution approving
permanency guidelines it uses for line credit qualification
(Complainant's September 30, 2005, Response to Motion for
Summary Judgment).

- 1 b. Complainant has requested that if Respondent fails to provide the
2 resolution Complainant requests, that a "default judgment" be filed
3 against Respondent and that Respondent be fined \$10,000 per day
4 until Complainant receives electric service (Complainant's September
5 30, 2005, Response to Motion for Summary Judgment).
- 6 c. Complainant has requested that Respondent issue Complainant an
7 approved certified copy of tariffs outlining the "special conditions"
8 Complainant alleges Respondent is requiring Complainant to perform
9 (Complainant's November 22, 2005 Motion for Procedural Order).
- 10 d. Complainant has requested that if Respondent fails to supply
11 Complainant with an approved certified copy of the tariffs
12 Complainant requests be "issued," that Respondent be fined \$10,000
13 (Complainant's November 22, 2005 Motion for Procedural Order).

14 **C. PRELIMINARY PROCEDURAL ISSUES: COMPLAINANT'S MOTION TO DISMISS
15 PRE-HEARING FOR ORAL ARGUMENT ON MOTION FOR SUMMARY JUDGMENT,
16 AND COMPLAINANT'S MOTION FOR PROCEDURAL ORDER**

17 37. Following Complainant's November 22, 2005 filing of his Motion to Dismiss Pre-
18 Hearing for Oral Argument on Motion for Summary Judgment and Motion for Procedural Order, a
19 Procedural Order was issued on November 23, 2005, continuing the Oral Argument that had been set
20 for December 1, 2005. The Procedural Order set a Telephonic Procedural Conference to take place
21 on December 1, 2005, for the purpose of ascertaining and confirming Complainant's understanding
22 of the purpose of the scheduled Oral Argument, and of the potential procedural ramifications of not
23 holding an Oral Argument, as requested by Complainant; for the purpose of ascertaining and
24 confirming Complainant's intent with regard to that request; for the purpose of allowing Respondent
25 to respond to the Motion to Dismiss Pre-Hearing for Oral Argument on Motion for Summary
26 Judgment; for the purpose of allowing Respondent to respond to the Motion for Procedural Order;
27 and to allow Complainant an opportunity to reply to Respondent's response.

28 38. The Telephonic Procedural Conference was held as scheduled on December 1, 2005,
29 for the purpose of discussing the two motions filed by Complainant on November 22, 2005.
30 Complainant appeared telephonically on his own behalf and Respondent appeared telephonically
31 through counsel.

32 39. The first of Complainant's motions discussed at the December 1, 2005 Telephonic

1 Procedural Conference was the November 22, 2005 Motion to Dismiss Pre-Hearing for Oral
2 Argument on Motion for Summary Judgment, in which Complainant "requests that this Hearing
3 Officer/Administrative Law Judge dismiss this Pre-Hearing for Oral Argument and move forward
4 with the briefs and motions that have been submitted." Complainant's November 22, 2005 Motion
5 stated that "[a]ll parties have been afforded equal opportunity to address the laws at hand" and "[t]he
6 right for each side to present their case has been given to each party." During the Telephonic
7 Procedural Conference, Complainant was informed that the purpose of the scheduled Oral Argument
8 was to provide both Complainant and Respondent with an opportunity to clarify and explain
9 pleadings filed in this matter relating to the Motion for Summary Judgment (Transcript of December
10 1, 2005 Telephonic Procedural Conference ("Tr.") at 4). Complainant indicated that he understood
11 that it might be to his benefit to participate in Oral Argument on the Motion for Summary Judgment
12 (Tr. at 5, 7-9). Complainant stated that "the whole summary judgment concept is a Fourteenth
13 Amendment issue on due process" (Tr. at 9) and clearly stated that he did not want to have Oral
14 Argument on the Motion for Summary Judgment (*Id.*). Following those statements by Complainant,
15 Respondent withdrew its request for Oral Argument (Tr. at 11). Complainant's statements at the
16 December 1, 2005 Telephonic Procedural Conference demonstrate that Complainant understands the
17 additional due process that Oral Argument would afford him in supporting and clarifying his
18 pleadings in response to Respondent's Motion for Summary Judgment, and that his Motion
19 requesting that he be allowed to forego the opportunity to take advantage of the additional due
20 process afforded by Oral Argument is a willing and knowing request. Based on the foregoing,
21 Complainant's November 22, 2005 Motion to Dismiss Pre-Hearing for Oral Argument on Motion for
22 Summary Judgment will be granted.

23 40. Complainant's November 22, 2005 Motion for Procedural Order was also discussed
24 at the December 1, 2005 Telephonic Procedural Conference. In this motion, Complainant states as
25 follows:

26 "The solution to this complaint lies with the employees of the Arizona
27 Corporation Commission and their willingness to request MEC to comply
28 with the rules and regulations on file. Complainant urges the employees
 and the Administrative Law Judge to support the issuance of a Procedural
 Order requiring MEC to issue the Complainant an approved certified copy

1 of the tariffs outlining the special conditions that MEC is requiring
2 complainant to perform. If MEC fails to supply Complainant with an
3 approved certified copy of the tariffs, that they are imposing on the
4 Complainant, within ten days from said order, it should be recommended
5 that the Commission place a \$10,000 fine on MEC until Complainant
6 receives electric service to the property located on El Norte Road in
7 Mohave County, Arizona. This fine is necessary and is the only way that
8 MEC will morally and ethically respond and comply with Arizona
9 Corporation Commission rules and regulations.”

6 At the Telephonic Procedural Conference, Complainant stated that Respondent has not provided him
7 with the tariff he described in the motion; that the issuance of the requested procedural order would
8 “clarify the whole case;” and that he has already addressed the subject matter of this motion in
9 previously filed pleadings in this docket. This Decision addresses the issue raised in the Complaint
10 and the associated relief requested by Complainant, and the requested procedural order is not
11 necessary. The November 22, 2005 Motion for Procedural Order will therefore be denied.
12

13
14 41. Complainant’s January 25, 2005 filing also renews Complainant’s request for the
15 issuance of a procedural order as requested in Complainant’s November 22, 2005 Motion for
16 Procedural Order, stating as follows:

17 “It is general knowledge that these proceedings are at a cross road and the
18 Complainant prays that they will move forward into positive law by
19 granting the Motion to Issue a Procedural Order. The Complainant hopes
20 that these proceedings will not move into the area of black law by granting
21 a summary judgment. It should be noted that the Complainant has no
22 intentions to cause harm or destruction to any individual or authority that
23 supports positive law. If an individual or authority chooses to use
24 elements, concepts and ideals developed by the dark forces, it should be
25 noted that the individuals and authorities make their own choices to follow
26 or practice black law and their choices are governed by laws of creation
27 (known sometimes as ‘Newton’s Law’) which states that they may
28 experience consequences of the choices they have made. Please note that
the consequences they may experience have not been created by the
Complainant or his relationship as a visionary with powers of the light
force.”

26 Complainant’s statements quoted above do not constitute valid legal argument, and provide no basis
27 for the issuance of the requested orders, or for denial of Respondent’s Motion for Summary
28 Judgment. Use of threatening language regarding harm or destruction in an attempt to influence a

1 legal process or outcome has no place in any legal proceeding, including this one, and Complainant is
2 admonished to refrain from using such language in future filings with the Commission.

3 **D. RESPONDENT'S MOTION FOR SUMMARY JUDGMENT AND COMPLAINANT'S**
4 **RESPONSE**

5 **I. Parties' Filings**

6 42. Respondent's Statement of Facts, filed on September 9, 2005, is attached hereto as
7 Exhibit B and incorporated herein by reference.

8 43. Complainant's Statement of Facts, filed on October 3, 2005, is attached hereto as
9 Exhibit C and is incorporated herein by reference.

10 44. Respondent's Motion for Summary Judgment requests summary judgment on the
11 issues of whether Respondent has complied with its Commission-approved rules, regulations and
12 procedures in its dealings with Complainant, and whether Complainant is precluded under the
13 doctrines of *res judicata* (claim preclusion) and collateral estoppel (issue preclusion) from bringing
14 the Complaint, which Respondent believes alleges the same duties and breaches thereof as the
15 complaint filed by Complainant in 2002 which resulted in Commission Decision No. 67089.
16 Respondent argues that for the prior complaint and this Complaint, Complainant alleges that
17 Respondent has failed to enter into a line extension agreement for electric service to investment
18 properties in rural locations in Mohave County, Arizona.

19 45. Complainant's Response to Respondent's Request for Summary Judgment states that
20 Complainant Roger Chantel was not a line extension applicant in Docket No. E-01750A-03-0375, in
21 which Decision No. 67089 was issued, but that the applicants for a line extension in that case were
22 Rebecca Grady, Darlene Chantel, and Leon Banta. Complainant argues that because the names on
23 that particular line extension application are not the same as those on the line extension application
24 that is the subject of this proceeding, the parties to the prior proceeding and this proceeding are not
25 the same, and that the difference in parties precludes summary judgment in this case. Complainant
26 fails to address, however, the fact that while his name did not appear on that particular line extension
27 application, Roger Chantel was a complainant in the 2002 complaint against Respondent that resulted
28 in Commission Decision No. 67089 (Decision No. 67089, Findings of Fact No. 2), and that he is also

1 the Complainant in this Complaint against the same Respondent. Neither did Complainant address
2 the fact that the prior complaint involved not only the October, 2002 Grady/Chantel/Banta line
3 extension request, but that it also concerned a July, 2002 request by Roger Chantel for a line
4 extension from Mohave (Decision No. 67089, Findings of Fact No. 21). Complainant was clearly a
5 party to Decision No. 67089. The difference in names on line extension agreements as described by
6 Complainant does not preclude summary judgment in this case.

7 46. Complainant's Response to Respondent's Request for Summary Judgment cites to
8 Commission Rule A.A.C. R14-3-109.C, which provides as follows:

9 C. Dismissal of proceeding. The Commission may dismiss the application or
10 complaint with or without prejudice or may recess said hearing for a further
11 period to be set by the Commission. A single Commissioner or a Hearing
12 Officer may adjourn or recess a hearing at any time to submit a
recommendation to the Commission to dismiss the proceeding, or may recess
said hearing for a further period to be set by the Commission.

13 Complainant argues that "[t]his rule was set forth in order to give a hearing officer the right to
14 dismiss a case brought before the Commission." Complainant's interpretation is erroneous. The
15 cited procedural rule does not, in fact, hand over to a Hearing Officer the Commission's authority to
16 dismiss a complaint or render any final decision on a contested matter. Such authority rests with the
17 Commission alone. Complainant also argues, based on the same procedural rule, that the August 17,
18 2005 Procedural Order granting Respondent's request for Leave to File Motion for Summary
19 Judgment exceeded the jurisdiction of the Administrative Law Judge.⁶ The August 17, 2005
20 Procedural Order did not make a substantive ruling on Respondent's request for summary judgment.
21 Instead, it took the procedural step of granting Respondent leave to file a motion requesting summary
22 judgment. We find that for the reasons set forth in the August 17, 2005 Procedural Order, the
23 Procedural Order properly granted Respondent's request to file a motion requesting summary
24 judgment.

25 47. In Complainant's Response to Motion for Summary Judgment, Complainant also
26 argues as follows:

27 _____
28 ⁶ Complainant did not make this assertion in his response to Respondent's July 22, 2005 request for leave to file a motion
for summary judgment. Complainant instead raised the issue for the first time in his September 30, 2005 pleading.

1 “The solution to this complaint is for the Administrative Law Judge to deny the
 2 motion for Summary Judgment and issue a procedural order requesting a certified
 3 copy of the resolution showing that MEC’s Board of Directors have approved the
 4 special conditions that MEC’s management are requiring members to perform before
 5 they will install electric service. . . . If Michael A. Curtis and Larry K. Udall
 6 [attorneys for Respondent] and MEC fail to provide a resolution showing that MEC’s
 7 Board of Directors have approved that these special conditions can be opposed on
 8 members of MEC and provide a certified copy of these tariffs that were approved by
 9 the Commissioner, the Administrative Law Judge should file a default judgment
 10 against MEC and issue a \$10,000.00 fine per day until Complainant receives electric
 11 service.”

8 Complainant’s “solution” to his Complaint demonstrates a misunderstanding on Complainant’s part
 9 regarding the fact that authority resides with the Commission, and not with an Administrative Law
 10 Judge, to make the final decision on complaints filed with the Commission, based on record
 11 evidence and legal analysis.⁷ Such decision-making authority includes authority to grant or deny a
 12 motion for summary judgment and whether to impose fines. While Complainant’s suggested
 13 “solution” to this Complaint is therefore not possible, we will consider it herein as a request by
 14 Complainant that this Decision deny Respondent’s Motion for Summary Judgment, include the
 15 requested orders, and impose the requested fine.

17
 18 48. On December 7, 2005, Respondent filed Supplemental Legal Authority in Support of
 19 its Motion for Summary Judgment. Respondent included in its filing a copy of the Arizona Supreme
 20 Court’s recent opinion in the matter of *Maricopa-Stanfield Irrigation & Drainage District v. Smith*,
 21 CV-04-00385-SA (“*Maricopa-Stanfield*”). Respondent argues that *Maricopa-Stanfield* supports
 22 Respondent’s arguments that the established doctrine of *res judicata*, or claim preclusion, is
 23 enforceable in Arizona. Respondent argues that claim preclusion applies to this Complaint because
 24 Complainant has already had his day in court to present evidence as to whether Mohave follows its
 25 Commission-approved policies, procedures, and tariffs; that the issue of compliance was central to
 26 Complainant’s prior case; and that Complainant was the primary party in the prior case. Respondent

27
 28 ⁷ An Administrative Law Judge issues a Recommended Order which the Commission may adopt, modify or reject at an
 Open Meeting of the Commission.

1 further argues that there is no reason, and therefore no compelling reason under the *Maricopa-*
2 *Stanfield* test, to allow Complainant to relitigate previously resolved issues in such a short period of
3 time.

4 49. On January 25, 2005, Complainant filed its Response to Mohave's Supplemental
5 Legal Authority in Support of its Motion for Summary Judgment. Therein, Complainant states that
6 Respondent rejected Complainant's settlement offer.

7 50. Complainant argues in its Response to Mohave's Supplemental Legal Authority in
8 Support of its Motion for Summary Judgment that "[t]here has not been any compiling evidence
9 submitted to this Hearing Officer that (1) the issue was litigated to a conclusion in a prior action, (2)
10 the issue of fact or law was necessary to the prior judgment." Complainant argues that "[i]f these
11 conditions have not been met in their entirety, then there are no legal grounds for a summary
12 judgment."

13 II. Standard of Review

14 51. Respondent's Motion for Summary Judgment argues that the standard adopted in
15 Arizona for Rule 56 motions was set forth in *Orme School v. Reeves*, as follows:

16 "We hold, therefore, that although the trial judge must evaluate the evidence to some
17 extent in ruling on a motion for summary judgment, the trial judge is to apply the
18 same standards as used for a directed verdict. Either motion should be granted if the
19 facts produced in support of the claim or defense have so little probative value, given
20 the quantum of evidence required, that reasonable people could not agree with the
21 conclusion advanced by the proponent of the claim or defense. Thus, assuming
22 discovery is complete, the judge should grant summary judgment if, on the state of
23 the record, he would have to grant a motion for directed verdict at the trial."

24 *Orme School*, 166 Ariz. 301, 309, 802 P.2d 1000 (Ariz. 1991).

25 52. Complainant presented no argument against the standard of review to be applied to
26 Respondent's Motion for Summary Judgment.

27 53. The *Orme School* standard of review is appropriate in this case. In applying the
28 standard of review, "[t]he evidence of the non-movant is to be believed, and all justifiable inferences
are to be drawn in his favor." *Orme School* at 309-310. Therefore, if the facts Complainant has
produced in support of the Complaint and requested relief are assumed to be true, but have so little

1 probative value, given the quantum of evidence required, that reasonable people could not agree that
2 Respondent is denying Complainant electric service, then Respondent's Motion for Summary
3 Judgment in Respondent's favor should be granted, and the Complaint should be dismissed. It must
4 be noted that, for purposes of considering Respondent's Motion, while Complainant's factual
5 allegations may be considered to be true, Complainant's legal arguments are not necessarily accorded
6 the same deference.

7 **III. Analysis**

8 54. Complainant claims that he is being denied electric service.

9 55. A.A.C. R14-2-207(A)(1) requires electric utilities to file with the Commission a line
10 extension tariff that incorporates the provisions of A.A.C. R14-2-207, and that specifically defines
11 the conditions governing line extensions.

12 56. On March 3, 1982, Mohave filed with the Commission tariff pages entitled Service
13 Rules and Regulations. On April 12, 1982, the Commission issued Tariff Approval No. 52951. The
14 Tariff Approval states that the Commission, having reviewed the Service Rules and Regulations,
15 concluded that the tariff is reasonable, fair and equitable and in compliance with Commission orders
16 and is therefore in the public interest. Effective April 1, 1982, Tariff Approval No. 52951 approved
17 the tariff pages filed on March 3, 1982.

18 57. On October 19, 1994, Mohave filed an application requesting approval of a tariff that
19 would allow it to charge permanent customers for installation of a portion of the underground
20 backbone plant in subdivisions that have been abandoned by the developer. On December 5, 1994,
21 the Commission issued Decision No. 58886. Decision No. 58886 concluded that it was in the public
22 interest to approve the October 19, 1994 application with amendments as set forth in Findings of Fact
23 No. 14 of the Decision, and ordered Mohave to file revised tariffs consistent with the Decision within
24 fifteen days.

25 58. Mohave's Service Rules and Regulations consist of the line extension tariff pages the
26 Commission approved in Tariff Approval No. 52951 and Decision No. 58886.

27 59. Section 106, Line Extensions, subsection H, Special Conditions, paragraph 4 of
28 Mohave's Rules, as approved by the Commission, provides:

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

7 60. Complainant docketed, as an attachment to his March 22, 2005 letter to the
8 Commission and also as an attachment to his Pre-Hearing Brief, a copy of a letter addressed to him
9 dated February 2, 2005 from Respondent. The letter is in regard to Complainant’s request for a line
10 extension to his Music Mountain Ranches property. A copy of that letter is attached hereto as Exhibit
11 D. In the letter, Respondent’s employee explained to Complainant the means by which Respondent
12 makes a determination, as required by its tariffs, whether a customer is a permanent customer or a
13 temporary customer.

14 61. In a letter dated March 21, 2005, Respondent mailed Complainant a letter explaining
15 that, because Complainant had not responded to Respondent’s request for a decision from
16 Complainant whether he wished to proceed with construction of the line extension prior to
17 establishing permanent improvements to his Music Mountain Ranches property to qualify for line
18 credits, Respondent had prepared the necessary line extension agreements to extend electric service
19 to Complainant’s Music Mountain Ranches property for non-qualifying electric service instead.
20 Respondent’s letter included those two line extension agreements for Complainant to sign and return
21 with the necessary payments. A copy of the letter dated March 21, 2005 and its attachments, which
22 was included in Respondent’s Statement of Facts as Exhibit N, is attached hereto as Exhibit E.

23 62. Complainant docketed, as an attachment to his Pre-Hearing Brief, a copy of a letter
24 addressed to him dated July 22, 2005 from Respondent. This letter is also in regard to Complainant’s
25 request for a line extension to Music Mountain Ranches property. A copy of the letter is attached
26 hereto as Exhibit F. In this letter, an employee of Respondent again explained to Complainant the
27 means by which Respondent makes a determination, as required by its tariffs, whether a customer is a
28

1 permanent customer or a temporary customer.⁸

2 63. Decision No. 67089 found that Mohave's Service Rules and Regulations, as approved
3 by Tariff Approval No. 52951 and Decision No. 58886, are lawful, in compliance with A.A.C. R14-
4 2-207.A.1, and apply to all line extension requests made to Mohave.

5 64. Respondent is not required to have a tariff on file delineating specific requirements for
6 the determination of whether a potential customer's requirement for electric service is of a temporary
7 or permanent nature.

8 65. Respondent's failure to include specific wording and terms requested by Complainant
9 in a line extension agreement does not equate to a denial of electric service, as Complainant has
10 argued.

11 66. While Respondent has made repeated efforts to create a line extension agreement to
12 complete delivery of power to Complainant's Music Mountain Ranches property, Complainant has
13 not completed the requisite steps necessary to allow Respondent to extend electric service to
14 Complainant's property.

15 **E. CONCLUSION**

16 67. We assume that the factual assertions of Complainant are true.

17 68. There is no disagreement of fact in this case.

18 69. Based on our review of the facts and the applicable law, including the *Orme School*
19 test, we determine that Respondent is not denying Complainant electric service.

20 _____
21 ⁸The issue of Respondent's determination of the permanent nature of a customer's line extension needs was raised in the
22 prior complaint. Complainant's Pre-Hearing Brief in this case cites to page 372 of the transcript of the hearing in Docket
23 No. E-01750A-03-0373, in which Decision No. 67089 was issued, where Complainant questioned Respondent's witness
24 regarding an exhibit admitted in that proceeding as Exhibit MEC-14. Exhibit MEC-14 consists of a copy of a training
25 outline Respondent uses, and which includes the following:

26 "c. Do the necessary improvements exist to qualify the service as permanent?
(Sufficient improvements must exist prior to the granting of a line credit and release of the project for
27 construction).

28 d. Is the service a qualifying load?

Commercial service:

What is the anticipated load?

Are any permanent improvements in place?

Residential Service:

Septic Tank exists?

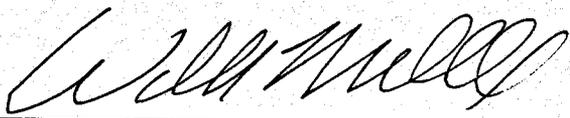
Slab or mobile home exists?

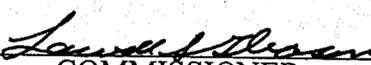
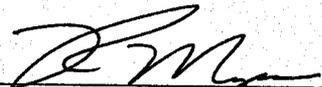
Meter Pole existing?"

1 IT IS FURTHER ORDERED that Complainant's request that Mohave Electric Cooperative,
2 Inc. be fined for failure to file a tariff or certified copy of a Mohave Board of Directors' resolution
3 approving permanency guidelines for line credit qualification is hereby denied.

4 IT IS FURTHER ORDERED that the Complaint is hereby dismissed, and accordingly, the
5 previously scheduled hearing on the Complaint is hereby vacated.

6 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

7
8  CHAIRMAN  COMMISSIONER

9
10  COMMISSIONER  COMMISSIONER  COMMISSIONER

11
12
13 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive
14 Director of the Arizona Corporation Commission, have
15 hereunto set my hand and caused the official seal of the
16 Commission to be affixed at the Capitol, in the City of Phoenix,
17 this 23rd day of March, 2006.

18 
19 BRIAN C. McNEIL
20 EXECUTIVE DIRECTOR

21 DISSENT _____

22 DISSENT _____

23 TW:mj

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SERVICE LIST FOR:

ROGER CHANTEL vs. MOHAVE ELECTRIC
COOPERATIVE, INC.

DOCKET NO.:

E-01750A-04-0929

Roger Chantel
10001 East Hwy. 66
Kingman, AZ 86401

**VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED
AND FIRST CLASS MAIL**

Michael A. Curtis
Larry K. Udall
CURTIS, GOODWIN, SULLIVAN, UDALL & SCHWAB, PLC
2712 North 7th Street
Phoenix, AZ 85006-1090

**VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED
AND FIRST CLASS MAIL**

Stephen McArthur, Comptroller
Mohave Electric Cooperative
P.O. Box 1045
Bullhead City, AZ 86430

**VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED
AND FIRST CLASS MAIL**

FORMAL COMPLAINT

EXHIBIT NO. E-01750A-04-0929

HEARING

December 20, 2004

Roger Chantel
10001 E. Hwy. 66
Kingman, AZ 86401

RECEIVED

2004 DEC 27 P 2:47

AZ CORP COMMISSION
DOCUMENT CONTROL

Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

Ref: 2002-21038

RECEIVED

DEC 22 2004

ARIZONA CORPORATION COMMISSION
HEARING DIVISION

RECEIVED

DEC 29 2004

ARIZONA CORPORATION COMMISSION
HEARING DIVISION

E-01750A-04-0929

Dear Commissioners;

I filed a complaint with the Arizona Corporation Commission in 2002, Ref. No. 21038 against Mohave Electric Cooperative (MEC). The main focus of this complaint was on their refusal to provide service in accordance to established laws and over-charging the customers in this out lying area, as well as discriminating by class, race or economical class as to whom they choose to supply electric power to.

I filed for a line extension under the ACC R14-2-207 and MEC's line extension rules, which grants the customer 625 feet of free footage. I have enclosed a copy of the letter that was sent back to me denying James Rodgers and myself electric service, along with the documents that I supplied to MEC requesting line extension.

You will find a number of areas in this letter that directly and indirectly point out that we are being denied electrical service.

1. The letter states that they are returning all of the documents I sent in our line extension request. If you will note, they sent the originals back to me. This indicates to Mr. Rodgers and me that they have no intention in proceeding with this line extension.
2. This letter claims that the forms authorized by Mr. Rodgers and myself are unacceptable. This is a direct indication that MEC does not intend to supply electrical power to this area under ACC R14-2-207.
3. If they had intentions of supplying power, they would have outlined point by point what was not acceptable in the forms that were supplied to them.
4. Another indication that they do not intend to supply power is that they voided the check that was enclosed for payment on extra wire needed to make this line extension safe for the general public.
5. The proper procedure for line extension was established at the Arizona Corporation Commission hearing inside of case 2002-21038.

6. In general, MEC's costumers have one address to communicate with representatives and that includes the Board of Directors of MEC. MEC's inner staff distributes the mail to the departments. Mr. Rodgers and I are both customers of MEC and all of the information is on file in their computers. If MEC intended to supply power, they would have referred this request to their Customer Service for any additional information needed to apply for a separate meter or separate billing.

I am requesting the Arizona Corporation Commission to address this issue with MEC and have them contact me by January 7, 2005 with a start date and completion date. If MEC refuses to supply this area with electrical power or the Arizona Corporation Commission fails to respond to this issue by January 7, 2005, I will be forced to refer to all of the issues that exist in case 2002-21038 to the federal agencies and the federal political bodies.

To rule out any possibilities that this might have been an error on MEC's part, I am resubmitting this line extension request by registered mail with a return receipt.

Respectfully submitted,



Roger Chantel

Copies sent to:

Mohave Electric Cooperative
District Number 1 Board Members
Lyn Borah
John Elkins
John Nelson
P.O. Box 1045
Bullhead City, AZ 86430

Teena Wolfe, Administrative Law Judge
ARIZONA COPORATION COMMISSION
1200 West Washington Street
Phoenix, AZ 85007

Susan G. Trautmann
Mohave Electric Cooperative
1999 Arena Drive
Bullhead City, Arizona 86442

Christopher Kempley, Chief Counsel
Legal Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix AZ 85007

Ernest G. Johnson, Director
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix AZ 85007

ARIZONA REPORTING SERVICE, INC
2627 N. Third Street
Phoenix, AZ 85004-1003



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

December 6, 2004

Roger Chantel
P.O. Box 4281
Kingman, AZ 86402

Re: Return of Documents mailed to Mohave December 1, 2004

Dear Mr. Chantel:

Enclosed please find all of the documents you mailed to Mohave on December 1, 2004. The documents include your original cover letter, two original agreement forms authored and executed by you and James Rodgers, the unmarked map, two copies of your Warranty Deeds, and your personal check (which I have voided) in the amount of \$8.40.

The agreement forms authored by you are unacceptable, and I am unsure as to why an \$8.40 check was included.

The proper procedure to request electric service from Mohave Electric is for you (and Mr. Rodgers if he is applying for a separate meter) to contact our Customer Service Office at (928) 763-1100 to apply. Once your application is processed, Engineering will receive a copy of your request and contact you.

If you have any questions please call me at (928) 758-0580.

Sincerely,

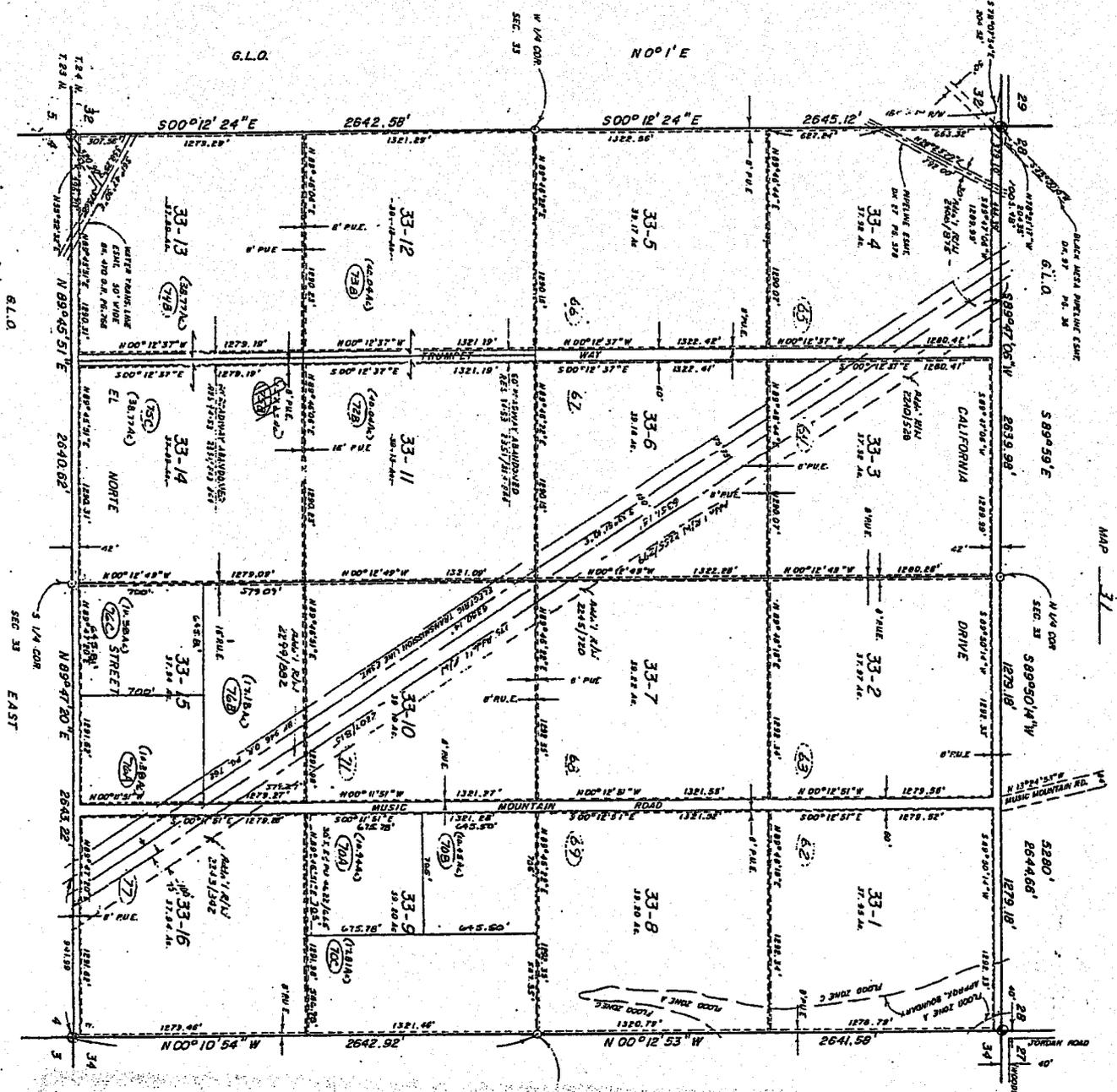
Mohave Electric Cooperative, Inc.

John H. Williams
Line Extension Supervisor

Encl: Voided Check (1)
 Agreement by Chantel (2)
 Map (1)
 Warrantee Deed copies (2)
 Cover letter (1)

BOOK 313
MAP 31

24N, 14W, 33



SEC. 9, 17, 19, 21, 29, 33, T. 24 N., R. 14 W.
AS REC. IN BOOK 5 OF PARCEL PLAT PAGES 45-45F
REC. JAN. 2, 1991
BOOK 313
MAP 31
FEE NR 91-46

CHAN-LAN TRUST
P.O. BOX 4281
KINGMAN, AZ 86402

2377

91-547/1221

DATE 12-2-04

PAY TO THE ORDER OF Mohave Electric Cooperative, Inc. \$ 8.40

MOHAVE STATE BANK
3737 STOCKTON HILL ROAD
KINGMAN, ARIZONA 86401

DOLLARS

FOR

Elizabeth D. Chandel

11221054721237711605010102711

DESIGNER CHECKS • DREAMSCAPES

MAP 61
6 OF 6
Code 0500

68592

Work Order No. _____

AGREEMENT FOR CONSTRUCTION ELECTRIC FACILITIES
WITH IN A SUBDIVISION CALL MUICE MOUNTAIN RANCHS

THIS AGREEMENT, made and entered into in duplicate on this 2nd day of Dec, 2004 by and between MOHAVE ELECTRIC COOPERATIVE, INC., an Arizona Cooperation, party of the first part, (hereinafter referred to as "Mohave") and

CHAN-LAN TRUST AND JAMES RODGERS
Individual parties of the second part (hereinafter referred to as the "Customers").

WITNESSETH:

WHEREAS, Mohave is a corporation that has been granted rights by the Arizona Corporation Commission to sell and distribute electrical energy in portions of Mohave, Yavapai, and Coconino Counties, Arizona and

WHEREAS, the Customers are requesting jointly that their property be served by the existing electrical system in the area in accordance to tariffs on file with the Arizona Corporation Commission.

WHEREAS, it is desired by the parties hereto to enter into an agreement whereby Mohave will construct and operate such a system to service said area.

To construct 1250 feet of overhead electric single phase line to provide electric service to portions of Parcel 33-16 of Music Mountain Ranches found in Book 5 of Parcel Plats, Page 45-45F at Fee No. 91-46, recorded 1-2-1991 Mohave County Recorders.. This project is located in a portion of T24N, R14W Section 33 See attachments for line extension locations and property discretions.

NOW THEREFORE, for and in consideration of mutual covenants and agreements hereinafter set forth, it is agreed as followed:

Mohave agrees to construct or cause to be constructed and to maintain and operate an electric system in the above described area in accordance with existing specifications, tariffs on file with Arizona Corporation Commission and estimates upon the following terms and conditions:

SECTION I. TERMS OF CONSTRUCTION

1. Notice of date construction will start shall be sent to customer within 30 days from customers signing of this contract.

68592

- 2. Said line extension shall be completed within 90 days of customers signing of said contract.
- 3. Customers agree to pay \$8.40 for the extra wire need to place the power pole out of the wash which may cause electrical power loses and additional expenses to the members.
- 4. Customers agree to pay any additional costs that are filed as a tariff and are on file with the Arizona Corporation Commission.

SECTION II. OTHER CONDITIONS

- 1. Mohave may choose to extend this line extension agreement beyond the agreed amount of distance for environmental, safe and sensible placement of power poles and for the general good of the Cooperative.
- 2. Mohave agrees not to shorten said line extension, and if Mohave chooses to shorten said line extension they will file supporting documents with the Arizona Corporation Commission.
- 3. Customers agree to grant any rights-of-way or easements requested by Mohave at no cost to Mohave. These will be furnished in a manner and form approved by Mohave, and must be satisfactory to Mohave.

SECTION III. EXECUTION OF AGREEMENT

IN WITNESS HEREOF, the parties hereto have caused this agreement to be executed by their duly authorized officers all on the day and year after written above.

By Chan-Lan Trust
CUSTOMER
Roger Chantell Trust

By _____
MOHAVE ELECTRIC COOPERATIVE. INC.

By Ann E. Lopez
CUSTOMER

By Darlene Chantel
ATTEST:

By _____
ATTEST:

DATE 12-2-04

DATE _____

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BEFORE THE ARIZONA CORPORATION COMMISSION

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

ROGER CHANTEL,)	DOCKET NO. E-01750A-
)	04-0929
Complainant,)	
)	RESPONDENT'S
vs.)	STATEMENT OF FACTS
)	IN SUPPORT OF ITS
MOHAVE ELECTRIC COOPERATIVE,)	MOTION FOR
INC.)	SUMMARY JUDGMENT
)	
Respondent.)	
)	

Respondent Mohave Electric Cooperative, Inc., by and through counsel undersigned, hereby submits its Statement of Facts in support of its Motion for Summary Judgment. The Statement of Facts is referred to hereafter as "SOF". Mohave Electric Cooperative, Inc., is referred to hereafter as "Mohave", Complainant is referred to hereafter as either Complainant or Mr. Chantel, and Arizona Corporation Commission is referred to hereafter as "Commission".

1. In its Post-Hearing Brief filed under the Docket No. E-01750A-03-0373 for Chantel's last Complaint, Mohave outlined with great specificity how it complied with all statutory and administrative rules governing its conduct with prospective customers. See Exhibit A.

2. In its Decision No. 67089 (Exhibit B), The Commission made, *inter alia*, the following findings and conclusions:

1 "31. On March 3, 1982, Mohave filed with the Commission tariff pages entitled
 2 Service Rules and Regulations. On April 12, 1982, the Commission issued Tariff
 3 Approval No. 52951, a copy of which is attached here as Exhibit A and
 4 incorporated herein by reference. The Tariff Approval states that the
 5 Commission, having reviewed the Service Rules and Regulations, concluded that
 6 the tariff is reasonable, fair and equitable and in compliance with Commission
 orders and is therefore in the public interest. Effective April 1, 1982, Tariff
 Approval No. 52951 approved the tariff pages filed on March 3, 1982, which
 included the Sections and Subsections as listed on Exhibit A.

7 ***

8 103. Complainants did not demonstrate that Mohave does not intend to comply
 9 with the Rules and Regulations on file with the Commission.

10 ***

11 111. It is in the public interest that service be extended to developing areas in
 12 an orderly fashion, and Mohave's Rules as approved by the Commission in
 Decision Nos. 52951 and 58886 ensure that the costs of extensions of service are
 borne in as fair a manner as possible.

13 112. Mohave did not violate its Rule 106-C(1) by not giving 625 feet of free
 14 footage to the Grady/Chantel/Banta Lots.

15 CONCLUSIONS OF LAW

16 ***

17 3. Mohave's Service Rules and Regulations, as approved by Tariff Approval
 18 No. 52951 and Decision No. 58886, are lawful, in compliance with A.A.C. R14-
 19 2-2-7(A)(1), and apply to all line extension requests made to Mohave.

20 3. On June 29, 2004, Mohave forwarded a line extension agreement amended
 21 to conform to the requirements of Decision Number 67089, pursuant to Commission order. The
 22 real estate to which Mr. Chantel seeks electric service is a parcel in the Music Mountain Ranches
 23 subdivision, not the Sunny Highland Estates of the prior proceeding. See Exhibit C.

24 4. Mohave received from Mr. Chantel two non-conforming, redrafted line
 25
 26

1 extension forms (unacceptable to Mohave), other miscellaneous documents, and a check for
2 \$8.40 to cover Mr. Chantel's estimated cost for the line extension, on December 2, 2004. See
3 Exhibit D.

4
5 5. On December 6, 2004, Mohave returned to Mr. Chantel the documents he
6 submitted on December 2, 2004, with an explanation that the non-conforming, redrafted line
7 extension agreement forms he submitted were unacceptable. Additionally, Mohave provided Mr.
8 Chantel with instructions and procedures to follow when requesting electric service. See Exhibit
9 E.

10
11 6. On approximately December 16, 2004, Mr. Chantel resubmitted his non-
12 conforming, redrafted line extension agreement form, apparently identical to what he had
13 submitted earlier in the month. See Exhibit F.

14
15 7. Again, Mohave returned the entire package of non-conforming documents
16 to Mr. Chantel on December 22, 2004, and explained in writing that customers drafted line
17 extension agreements are not in conformance with Mohave's requirements and are unacceptable
18 and customers calculations of the costs for the line extension (\$8.40) must be in conformance
19 with Mohave requirements. Once again, Mohave explained the procedure for customers to
20 follow when requesting service. See Exhibit G.

21
22 8. On approximately January 5, 2005, Mr. Chantel submitted line extension
23 forms similar to what Mohave provided in the summer of 2004. Mr. Chantel's form contained
24 one or more of the unacceptable modifications. See Exhibit H.

25
26 9. On January 12, 2005, Mohave returned to Mr. Chantel his most recently

1 submitted non-complying forms and the check of \$8.40 because, as with the earlier submissions,
2 the redrafted form was unacceptable and he had not followed the established practices for
3 requesting electric service. See Exhibit I.

4
5 10. Mohave, after moving ahead and beginning the processing of Chantel's
6 request, advised Mr. Chantel in writing on February 2, 2005, that since he had not installed the
7 normally required minimum permanent improvements required to qualify for the line extension
8 line credits being requested, the amount of line credit requested could not be granted until the
9 normally- required, minimum permanent improvements were in place. Mohave further requested
10 Mr. Chantel to inform Mohave as to the course of action he would take regarding the installation
11 of normally- required, minimum improvements. Mohave enclosed the appropriate contract form
12 for the requested electric service. See Exhibit J.

13
14 11. On February 14, 2005, Mr. Chantel inquired in writing concerning the
15 normally-required system modification fee and requested information concerning his request for
16 electric service made in December 2004. See Exhibit K.

17
18 12. Mohave on March 3, 2005, repeated to Mr. Chantel through
19 correspondence what had been presented in earlier correspondence about the normally-required
20 system modification fee and standard line credit footage and the need for him to provide
21 information on what course of action Complainant intended to take so that proper computations
22 could be made. See Exhibit L.

23
24 13. In a March 10, 2005 correspondence, Mr. Chantel states he is concerned
25 he has not received a line extension agreement for the project. See Exhibit M.

26

1 14. On March 21, 2005, Mohave responds to Mr. Chantel's correspondence
2 dated March 10, 2005, and reviews what Mohave has previously requested from Mr. Chantel.
3 Mohave encloses two standard Agreements for Constructing Electric Facilities for Complainant's
4 execution. See Exhibit N.

5 15. In correspondence dated March 28, 2005 Mr. Chantel criticized Mohave's
6 Commission-approved contracts which Mohave prepared for the Mr. Chantel's circumstances.
7 He executed and sent one of the two an agreements and a check for \$409.83 for estimated cost of
8 system modification but failed to execute the second form of agreement and failed to forward
9 \$9,104.38 as and for the necessary 1,287-foot line extension. See Exhibit O.

10 16. Mohave responded on April 1, 2005 to Mr. Chantel's March 28, 2005
11 correspondence and explained the deficiencies of said correspondence and the absence of the
12 executed standard agreement and Mr. Chantel's failure to submit \$9,104.38. See Exhibit N.

13 17. On April 8, 2005, Mr. Chantel forwarded another letter but again failed to
14 include the standard form of construction agreement previously forwarded and failed to submit
15 the normally computed funds (by check) for the estimated costs. See Exhibit Q.

16 18. Mohave responded to Chantel's April 8, 2005 correspondence on April 15,
17 2005 and advised Mr. Chantel that he has not returned the Agreement and had not forwarded
18 funds (\$9,104.38) for the construction contribution. Mohave forwarded again the Agreement
19 sent on March 21, 2005. See Exhibit R.

20 19. On or about June 23, 2005, Mohave's Comptroller and Operations
21 Manager met with Mr. Chantel to attempt to resolve issues relating to his request for a line
22

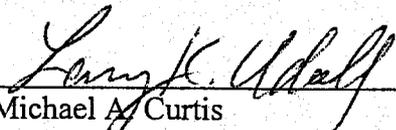
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extension agreement. Mr. Chantel made it clear in the meeting that he sought nothing less than a free line extension. See Exhibit S.

Dated this 9th day of September, 2005.

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


Michael A. Curtis
Larry K. Udall
2712 North 7th Street
Phoenix, Arizona 85006-1090
Attorneys for the Respondent Mohave

**Original and fifteen (15) copies of
the foregoing filed this 9th day of September, 2005 with:**

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

**Copies of the foregoing hand-delivered and/or mailed
this 9th day of September, 2005 to:**

Teena Wolfe, Administrative Law Judge
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

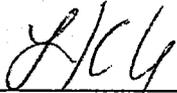
Christopher Kempley, Chief Counsel
Legal Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

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Tim Sabo, 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

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



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ARIZONA CORPORATION COMMISSION

ROGER CHANTEL,

Complainant,

vs.

MOHAVE ELECTRIC COOPERATIVE,
INC., Represented By Michael A.
Curtis and Larry K. Udall,
Respondent

Case No.: DOCKET No. E-01750A-04-0929

STATEMENT OF FACTS

The following are Statements of Fact that support this case and the dismissal of the motion for Summary Judgment.

Fact of Statements:

1. Michael A. Curtis and Larry K. Udall have submitted numerous exhibits that there is a need for electrical service in this area. Michael A. Curtis and Larry K. Udall have failed to submit any type of plan that proves Mohave Electric Cooperative's (MEC) willingness to provide electric service to this area.

1 2. Michael A. Curtis and Larry K. Udall claims that the
2 Commission has approved the wording in MEC's "open ended
3 contracts". The fact is that the Commission, in Docket No.
4 E-01750A-03-0373 Page 41, ORDERED MEC to amend the line
5 extension agreement for its Work Order #2002-551 to comply
6 with R14-2-207 B(1)(h) and MEC's rules and regulations 106
7 A (3)(h) in the Respondent's Exhibit K. Work Order #2005-
8 112 does not comply to the above rules.

9 3. In Complainant's Exhibits 1 and 3, it clearly shows that
10 MEC is placing special conditions on its customers before
11 MEC will install electric service. Michael A. Curtis and
12 Larry K. Udall have failed to provide an approved copy of
13 these new tariffs.

14 4. In Docket NO: E-01750A-03-0375 Exhibit 5, the applicants
15 are Rebecca Grady, Darlene Chantel and Leon Banta. In
16 Respondent's Pre-hearing Brief Exhibit F, the applicants
17 are James Rogers and Chan-Lan Trust. The applications
18 clearly indicate the parties are not the same.

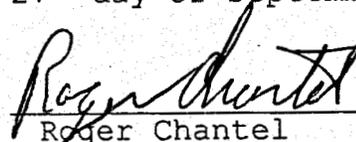
19 5. Arizona Corporation Commission employees, such as hearing
20 officers (Administrative Law Judges) have limited
21 jurisdiction.

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23 The following has been respectfully submitted for the viewing
24 and determination of Complainant's right to receive electric
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service under the Arizona Corporation Commission's
jurisdiction.

Dated this 27th day of September,
2005



Roger Chantel
Union
Carpenter/Visionary

EXHIBIT 3



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

February 2, 2005

Roger Chantel
Chan-Lan Trust
10001 E. Highway 66
Kingman, AZ 86401-4184

VIA Certified Mail

Re: Electric Services, Parcel 33-16, Music Mountain Ranches

Dear Mr. Chantel:

I have reviewed your project with Jerry Hardy (who met with you on your property on January 25, 2005) of our staff. The preliminary estimated cost of constructing approximately 1,287 feet of overhead electric power line (less 1,250 feet of line credit for two qualifying, permanent electric services not located within a subdivision) would be approximately \$300.00; a system modification fee of approximately \$400.00 is also required.

Mr. Hardy mentioned that you are not planning to install the septic tanks or building foundations until approximately 6 months after you execute and fund contracts with Mohave for the line extension. Mohave requires that the minimum permanent improvements exist on the property to qualify for the line extension credit prior to the commencement of electric line construction.

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 hookup.
3. A 400 square foot minimum building foundation with footings, or a 400 square foot minimum mobile or manufactured home set up permanently off of it's axles (fifth wheel's and travel trailers do not qualify).

If you want Mohave to proceed with line construction prior to your installation of the minimum required improvements, your electric line extension would be considered a non-qualifying electric service. Under the terms of our non-qualifying contract, 100% of the estimated cost of construction would be due prior to the commencement of line construction, and the customer has one year to construct the minimum improvements to qualify as a permanent, qualifying service. The total preliminary estimated cost of the

system modification and 1,287 feet of electric line (without the line credits) would be approximately \$8,600.00; that amount would be due prior to the commencement of line construction.

As you can surmise, it would be advantageous for you to plan the installation of the minimum permanent improvements required to qualify for the line extension credits prior to the commencement of electric line construction.

Please let me know how you would like to proceed; upon your request, Mohave will send you the appropriate contract.

Sincerely,

Mohave Electric Cooperative, Inc.



John H. Williams
Line Extension Supervisor

Cc: Steve McArthur
Arizona Corporation Commission

EXHIBIT N



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

Roger Chantel
Chan-Lan Trust
P.O. Box 4281
Kingman, AZ 86401

March 21, 2005

Re: Cost Estimate for Electric Service
Music Mountain Ranches, Parcel 33-16

Dear Mr. Chantel:

I received your March 10, 2005 letter. Your letter indicates that you are concerned that Mohave has not sent you a line extension agreement for your project.

In several of my previous letters to you (mailed February 2, 2005 and March 3, 2005), I explained that you have not installed the minimum permanent improvements required to qualify for the line credits you are requesting; line credit footage cannot be granted until the minimum permanent improvements to qualify for the credit are in place. In both letters I requested that you inform Mohave as to the course of action you would like to take in reference to the minimum improvements required to qualify for the line extension credit. To date, you have not informed me of your plans.

Your March 10, 2005 letter indicates that you want Mohave to provide you with a line extension agreement. Since you have not responded to my multiple requests for your decision in regards to proceeding with construction prior to establishing permanent improvements to qualify for the line credit(s) on your property, I have completed line extension agreements for a non-qualifying electric service.

Enclosed please find actual cost contracts necessary to provide electric service to the above-referenced location.

The total estimated cost of the system modification portion (Work Order 2005-111) of this line extension project is \$409,33. This is the amount due for construction to proceed. This estimate is for the following work: For the system modification necessary to construct 1,287 feet of overhead electric single phase line to provide 120/240 Volt electric service to Parcel 33-15, Music Mountain Ranches.

The total estimated cost of this footage line extension project (Work Order 2005-112) is \$9,104.38. This is the amount due for construction to proceed. This estimate is for the following work: To construct 1,287 feet of overhead electric single phase line to provide 120/240 Volt electric service to two non-qualifying electric services located at Music Mountain Ranches, Parcel 33-16.

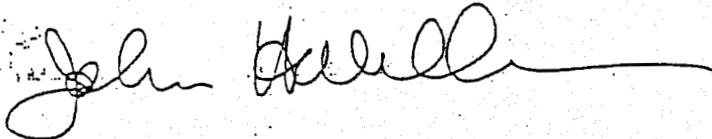
Mohave is a non-profit electric cooperative. This figure represents the estimated costs for labor and materials only. Final billing will be based on an actual cost aid to construction contract in accordance with Mohave's approved Line Extension Rules and Regulations on file with the Arizona Corporation Commission. This estimate is valid for sixty (60) days.

Upon receipt of the two original agreement forms (the original forms must be signed by the authorized party and attested by a witness), payment in the applicable amount, receipt of any needed rights-of-way, this job will be released for scheduling of construction.

If you have any questions or need more information please call me at (928) 758-0580.

Sincerely yours,

Mohave Electric Cooperative, Inc.



John H. Williams
Line Extension Supervisor

Enclosures: Agreements (2 sets of 2)

cc: File
Steve McArthur
Arizona Corporation Commission

Work Order #2005-111

Form LEN1
Page 1 of 3AGREEMENT FOR CONSTRUCTING ELECTRIC FACILITIES

THIS AGREEMENT, made and entered into in duplicate on this _____ day of _____, 20__ by and between MOHAVE ELECTRIC COOPERATIVE, INC., an Arizona Corporation, party of the first part, (hereinafter referred to as "Mohave") and

Roger Chantal

a corporation, partnership, or individual, party of the second part (hereinafter referred to as the "Consumer").

WITNESSETH:

Whereas, Mohave is a corporation engaged in the sale and distribution of electrical energy in portions of Mohave, Yavapai, and Coconino Counties, Arizona; and

Whereas, the Consumer is subdividing and developing a portion of that area and it is to be served with electricity by virtue of an electric system; and

Whereas, it is desired by the parties hereto to enter into an agreement whereby Mohave will construct and operate such a system to service said area:

To construct system modification in order to supply overhead single phase 120/240 volt to 10030 N Music Mountain Road. Project is located in a portion of T24N, R14W, Section 33.

NOW THEREFORE, for and in consideration of mutual covenants and agreements hereinafter set forth, it is agreed as follows:

Mohave agrees to construct or cause to be constructed and to maintain and operate an electric system in the above-described area in accordance with existing specifications and estimates upon the following terms and conditions:

SECTION I. TERMS OF CONSTRUCTION

1. This estimated construction cost is valid for 60 (sixty) calendar days from March 21, 2005. The full estimated cost of construction must be paid, this agreement must be executed, and Mohave's construction must be started within that 60 (sixty) days, or this agreement may be declared null and void at the option of Mohave.
2. The Consumer will advance Mohave the full estimated cost of construction, \$ 409.83, in accordance with Mohave's construction practices.

Work Order #2005-111

Form LEN1
Page 2 of 3

At the time construction is finished, Mohave will:

a. Return to the Consumer any advance in excess of actual construction cost,

or

b. Bill the Consumer that amount which is in excess of the estimated construction cost.

3. If an underground electric line extension is requested, then the Consumer will provide all necessary conduit, trenching, backfill, vaults, and three phase transformer pads as required by Mohave without cost to Mohave. All primary and secondary conduits are to be inspected by Mohave prior to backfill, and shall be 3" Schedule 40 electrical grade PVC conduit(s).

SECTION II. REFUNDING

1. Upon completion of construction, the estimated cost on this agreement will be adjusted to reflect the actual cost of construction.

2. This is a non-refundable aid-to-construction as defined by Mohave's Service Rules and Regulations.

SECTION III. OTHER CONDITIONS

1. This estimate is based on information supplied to Mohave by the Consumer. Should the plans, specifications, and/or details supplied to Mohave change, Mohave has the option of rendering this agreement null and void, or requiring the Consumer to make the necessary corrections at his expense.

2. All easements or rights-of-way and surveying required by Mohave will be furnished to Mohave without cost. These will be furnished in a manner and form approved by Mohave, and must be satisfactory to Mohave.

3. When an underground line extension is requested, then a detailed, referenced as-built plan of the conduit system shall be provided to Mohave upon completion of the conduit installation.

4. All construction will become the property of Mohave and will be owned, operated and maintained by Mohave, except the individual Consumer's wiring, disconnect breakers or switches and facilities on the Consumer's premises.

Work Order #2005-111

Form LEN1
Page 3 of 3

SECTION IV. EXECUTION OF AGREEMENT

The parties hereto have caused this agreement to be executed by their duly authorized officers all on the day and year written below.

Consumer Signatures

By _____
Consumer Signature

By _____
Consumer Printed Name

By _____
Attestor Signature

By _____
Attestor Printed Name

Date _____

Cooperative Signatures

By _____
Mohave Electric Cooperative, Inc.

By _____
Attestor

Date _____

Underground Overhead

Revised 11/01

Work Order # 2005-112Form NQF1
Page 1 of 4AGREEMENT FOR CONSTRUCTING ELECTRIC FACILITIES

THIS AGREEMENT, made and entered into in duplicate on this _____ day of _____, 20____ by and between MOHAVE ELECTRIC COOPERATIVE, INC., an Arizona Corporation, party of the first part, (hereinafter referred to as "Mohave") and

Roger Chantal, Chan-Lan Trust

a corporation, partnership or individual, party of the second part (hereinafter referred to as the "Developer").

WITNESSETH:

WHEREAS, Mohave is a corporation engaged in the sale and distribution of electrical energy in portions of Mohave, Yavapai, and Coconino Counties, Arizona and

WHEREAS, the Developer is developing a portion of that area, and it is to be served with electricity by virtue of an electric system; and

WHEREAS, it is desired by the parties hereto to enter into an agreement where by Mohave will construct and operate such a system to service said area:

To construct 1,287 feet of overhead electric single phase line to provide 120/240 Volt electric service to two non-qualifying electric services located at Music Mountain Ranches, Parcel 33-16. This project is located in a portion of T24N, R14W, Section 33.

Now therefore, for and in consideration of mutual covenants and agreements hereinafter set forth, it is agreed as follows:

Mohave agrees to construct or cause to be constructed and to maintain and operate an electric system in the above-described area in accordance with existing specifications and estimates upon the following conditions:

SECTION I. TERMS OF CONSTRUCTION

1. This estimated construction cost is valid for 60 (sixty) calendar days from March 21, 2005. The full estimated cost of construction must be paid, this agreement must be executed, and Mohave's construction must be started within that 60 (sixty) days, or this agreement may be declared null and void at the option of Mohave.

Work Order # 2005-112Form NQF1
Page 2 of 4

2. The Developer will advance to Mohave a partially refundable non-qualifying facilities charge in the amount of \$533.00.
3. The Developer will advance to Mohave the full estimated cost of construction, \$8,571.38 as a non-refundable contribution in accordance with Mohave's construction practices.

At the time construction is finished, Mohave will:

a. Return to the Developer any contribution in excess of actual construction cost,

or

b. Bill the Developer that amount which is in excess of the estimated construction cost.

4. The total amount currently due from the Developer is \$9,104.38, which includes any credits for funds deposited to date. Upon payment of this amount, the project will be released for right-of-way acquisition and construction.

5. If an underground electric line is requested, the Developer will provide all conduit, trenching, backfill, vaults and three phase transformer pads as required by Mohave without cost to Mohave. All primary and secondary conduits are to be inspected by Mohave prior to backfill, and shall be 3" Schedule 40 electrical grade PVC conduit(s).

SECTION II. REFUNDING

1. Mohave will return to the Developer a portion of the non-qualifying facilities charge if a permanent electrical consumer as defined by Mohave attaches to the electric system that was installed for this agreement within (1) one year from the date of completion of construction and/or service availability upon the following terms and conditions:

- a. The connection must be a permanent member/consumer as defined by Mohave.
- b. The connection must be made to the electric system described in the guide specifications and estimate with no further capital investments required by Mohave.
- c. The Developer will furnish Mohave with the name and address of the permanent, qualifying electrical consumer.

Work Order # 2005-112Form NQF1
Page 3 of 4

d. The amount of the non-qualifying facilities charge that is eligible for refunding is \$371.10.

e. The term of this agreement is one (1) year from date of completion of construction and/or service availability. Any portion of the non-qualifying facilities charge remaining unrefunded at the end of the one (1) year term will revert to Mohave as a direct contribution in aid of construction.

2. Mohave will return to the Developer the actual cost of construction for the amount of the line extension credit that would have normally been applied under the following terms and conditions:

a. If, after one (1) year from the Cooperative's receipt of the advance required for the estimated cost of the new line to be constructed, sufficient permanent improvements have not been installed on the property to qualify this installation as a permanent service, the adjusted advance shall be considered a contribution in aid of construction and shall no longer be refundable.

b. If, in the opinion of an authorized representative of the Cooperative, sufficient permanent improvements have been installed on the property to qualify as a permanent service, the amount of the line extension credit that would have normally been applied will be refunded to the customer.

SECTION III. OTHER CONDITIONS

1. This estimate is based on information supplied to Mohave by the Developer. Should the plans, specifications, and/or details supplied to Mohave change, Mohave has the option of rendering this contract null and void, or requiring the Developer to make necessary corrections at his expense.

2. All easements, rights-of-way and surveying required by Mohave will be furnished to Mohave without cost. These will be furnished in a manner and form approved by Mohave, and must be satisfactory to Mohave.

3. When an underground line extension is requested, a detailed, referenced as-built plan of the conduit system shall be provided to Mohave upon completion of the conduit installation.

4. All construction will become the property of Mohave and will be owned, operated and maintained by Mohave, except individual consumer's wiring, disconnect breakers or switches and facilities on the consumer's premises.

Work Order # 2005-112

Form NQF1
Page 4 of 4

SECTION IV. EXECUTION OF AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their duly authorized officers all on the day and year written above.

Consumer Signatures

By _____
Consumer Signature

By _____
Consumer Printed Name

By _____
Attestor Signature

By _____
Attestor Printed Name

Date _____

Cooperative Signatures

By _____
Mohave Electric Cooperative, Inc.

By _____
Attestor

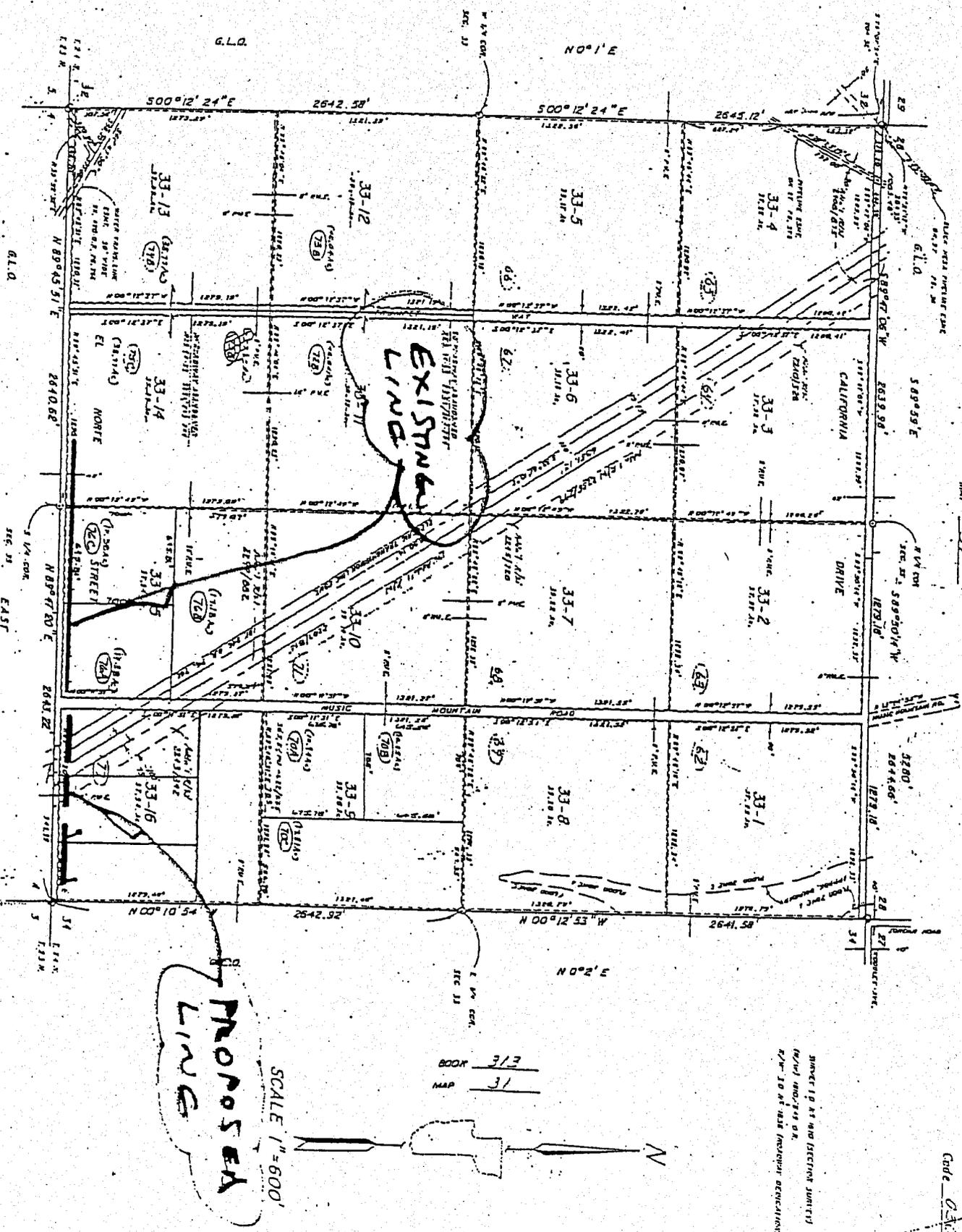
Date _____

Revised 11/01

Underground Overhead

BOOK 313
MAP 31

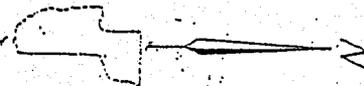
PAN, 14W, 33



EXISTING LINES

PROPOSED LINES

SCALE 1" = 600'



BOOK 313
MAP 31

SHEET 10 OF 10 (SECTION NUMBER)
N/A/1 1007/11 04
N/A/1 30 N/A/1 1007/11 04

A.S. REC. IN BOOK 5 OF PARCEL PLAT PAGES 45-45F
REC. JAN. 2, 1991
BOOK 313
FEE N/A 50-46

MAP 11
BOOK 313
MAP 11

MOHAVE COUNTY



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)."

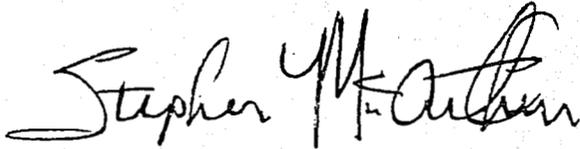
Knowing how you like to spin the facts to fit the situation, Mr. Chantel, you will no doubt make some claim now about Mohave making up its own rules regarding this issue. Any reasonable person would recognize this for what it is, and that is the development of a very reasonable standard for clarification, 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
Page 2 of 2

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