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ARIZONA CORPORATION COMMISSION

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2003 SEP 12 P 3: 35

September 10, 2003

AZ CORP COMMISSION
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Jack G. Crask
Customer Service Manager, Willcox
Sulphur Springs Valley Electric Cooperative, Inc.
P.O. Box 820
Willcox, Arizona 85644-0820

E-01575A-03-0465

Dear Mr. Crask:

Decision No. 66177 (August 13, 2003) required Sulphur Springs Valley Electric Cooperative, Inc. (Sulphur Springs) to notify all customers currently on the experimental time-of-use rates of the changes approved by the decision. Sulphur Springs was to submit, within 15 days of the decision, proposed notice language to the Utilities Division Director for review and approval. On August 25, 2003, we received your draft language of the letter to be sent to time-of-use customers. We received revised versions of the letter on August 28, 2003, and September 9, 2003. (A copy of the September 9, 2003, letter is attached.)

This letter constitutes approval of the language of the letter received from you on September 9, 2003. The proposed language is consistent with Decision No. 66177.

If you have any questions, please call Barbara Keene at (602) 542-0853 or me at (602) 542-0745.

Sincerely,

A handwritten signature in black ink, appearing to read "EGJ".

Ernest G. Johnson
Director
Utilities Division

Arizona Corporation Commission
DOCKETED

SEP 12 2003

DOCKETED BY

Handwritten initials in black ink, possibly "AK".

EGJ:bek

August 19, 2003

Time-of-Use Customers

Re: Rate Schedules RT, GT & PT

Dear Time-of-Use Customer:

SSVEC has had Experimental Time-of-Use rates in place since September of 1995 for residential, general service and large power/irrigation. In March of 2002 we revised the Time-of-Use Schedules to better reflect our actual peak times and adjusted the rates. In June of 2002 the Arizona Corporation Commission (ACC), upon request from SSVEC, froze the Time-of-Use Schedules due to the fact that SSVEC discovered a mistake in the calculation of the revised tariffs. On August 12, 2003 the ACC reviewed and approved new revisions of the SSVEC Time-of-Use Schedules. The Schedules shall remain as experimental and the maximum capacity to be served under the Time-of-Use Schedules will be limited to a total of 5MW.

Under the current RT Tariff (Residential), the customer charge is \$9.75 per month. **On-peak** energy is charged at \$0.14050 per kWh and **off-peak** energy is charged at \$.06548 per kWh.

Under the revised Schedule RT of August 12, 2003 the customer charge will be \$11.40 per month. **On-peak** energy will be charged at \$0.14050 per kWh and all **off-peak** energy will be charged at \$0.07319 per kWh.

The summer on-peak hours will remain the same -- 2:00 p.m. through 7:00 p.m. Monday through Saturday. The winter on-peak hours are 6:30 a.m. through 10:00 a.m. and 6:00 p.m. through 9:30 p.m. Monday through Friday. All other hours and holidays are off-peak.

The RT Schedule is beneficial to those who can adjust approximately 75% of their energy consumption to the off-peak hours compared to the standard R (Residential) Schedule.

Time-of-Use Customer

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Annual kWh	% of kWh off-peak	Annual Bill on Schedule R	Annual bill on Current RT	Annual Bill on Revised RT
12,000	70%	\$1,210	\$1,125	\$1,209
12,000	75%	\$1,210	\$1,080	\$1,169
12,000	80%	\$1,210	\$1,035	\$1,129
9,000	70%	\$941	\$873	\$941
9,000	75%	\$941	\$839	\$911
9,000	80%	\$941	\$805	\$881

The GT Schedule (General Service & Small Commercial Power under 50 kVA) is offered as an optional schedule for small commercial and water pumping. Under the current frozen Schedule the monthly service availability charge is \$14.25 for the first 10 kVA of installed transformer capacity plus \$1.50 for each additional kVA of capacity installed. **On-peak** capacity is charged at \$13.37 per kW and all energy is charged at \$0.05968 per kWh.

Under the revised GT Schedule the rate consists of a service availability charge of \$12.57 per month for the first 10 kVA of installed transformer capacity plus \$1.50 per kVA for each additional kVA of capacity installed. The **on-peak** capacity charge per kW is \$17.00 and all energy is charged at \$0.06739 per kWh.

The on-peak and off-peak hours are the same as on Schedule RT.

Under the frozen PT Schedule (General Power/Irrigation Service 50 kVA or greater) there is a monthly service availability charge of \$45.30 per month, an **on-peak** capacity charge of \$13.37 per kVA, and an **off-peak** capacity charge of \$4.09 per kVA. The minimum billing kVA is the greater of 50 kVA, 60% of the installed substation capacity or the contract capacity. All energy is charged at \$0.02698 per kWh.

The revised PT Schedule monthly service availability charge is \$43.84, with an **on-peak** capacity charge of \$17.00 per kVA, and an **off-peak** capacity charge of \$4.09 per kVA. The minimum billing capacity is the greater of the maximum monthly metered kVA metered for the billing period, 50 kVA, 80% of the highest maximum monthly kVA metered capacity established during the previous 11 months, 60% of the installed substation capacity or the contract capacity. All energy is charged at \$0.03469 per kWh.

The on-peak and off-peak hours are the same as the RT and GT Schedules.

The RT, GT and PT Schedules are optional and experimental schedules that are offered by SSVEC as an alternative rate for those customers that feel that they can modify or

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adjust their usage patterns to fit the peak/off-peak hours. The Time-of-Use Schedules are offered by written application with the understanding that if the schedule does not meet the customer's needs or that the customer cannot move enough usage to the off-peak hours to make the rate a benefit they can, by request, return to a standard corresponding rate schedule.

The new Time-of-Use Schedules, for your record, will be mailed as soon as they are printed.

Sincerely,

Jack G. Crask
Customer Service Manager, Willcox
1-800-422-9288, ext. 5515
fax 520-384-5223