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AZ CORP COMMISSION
DOCUMENT CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION)
OF THE ARIZONA ELECTRIC DIVISION)
OF CITIZENS COMMUNICATIONS)
COMPANY TO CHANGE THE CURRENT)
PURCHASED POWER AND FUEL)
ADJUSTMENT CLAUSE RATE, TO)
ESTABLISH A NEW PURCHASED POWER)
AND FUEL ADJUSTMENT CLAUSE BANK,)
AND TO REQUEST APPROVED)
GUIDELINES FOR THE RECOVERY OF)
COSTS INCURRED IN CONNECTION)
WITH ENERGY RISK MANAGEMENT)
INITIATIVES.)

DOCKET NO. E-01032C-00-0751

SANTA CRUZ COUNTY'S
OPPOSITION TO SETTLEMENT
AGREEMENT

DOCKET NO. G-01032A-02-0598

IN THE MATTER OF THE APPLICATION)
OF CITIZENS COMMUNICATIONS)
COMPANY, ARIZONA GAS DIVISION,)
FOR A HEARING TO DETERMINE THE)
FAIR VALUE OF ITS PROPERTIES FOR)
RATEMAKING PURPOSES, TO FIX A)
JUST AND REASONABLE RATE OF)
RETURN THEREON, AND TO APPROVE)
RATE SCHEDULES DESIGNED TO)
PROVIDE SUCH RATE OF RETURN.)

DOCKET NO. E-01933A-02-0914
DOCKET NO. E-01032C-02-0914
DOCKET NO. G-01032A-02-0914

IN THE MATTER OF THE JOINT)
APPLICATION OF CITIZENS)
COMMUNICATIONS COMPANY AND)
UNISOURCE ENERGY CORPORATION FOR)
THE APPROVAL OF THE SALE OF)
CERTAIN ELECTRIC UTILITY AND GAS)
UTILITY ASSETS IN ARIZONA, THE)
TRANSFER OF CERTAIN CERTIFICATES)
OF CONVENIENCE AND NECESSITY)
FROM CITIZENS COMMUNICATIONS)
COMPANY TO UNISOURCE ENERGY)
CORPORATION, THE APPROVAL OF THE)
FINANCING FOR THE TRANSACTIONS)
AND OTHER RELATED MATTERS.)

Arizona Corporation Commission
DOCKETED

APR 28 2003

DOCKETED BY [Signature]

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Intervenor, Santa Cruz County opposes parts of the Settlement Agreement filed on April 1, 2003, in this matter for the following reasons:

1. The allocation of forty percent (40%) of savings in a renegotiated power contract to Unisource is unacceptable. Any savings should be applied to the ratepayers who are being asked to bear the burden of the increased power cost of the "New Contract";

2. The rate hikes in both the electric and gas cases which are in the 21% range are a financial hardship in a County which routinely experiences unemployment rates in excess of 20% and a significant percentage of customers who are at or near poverty level income or among the working poor;

3. Increased gas rates that resulted from very questionable decisions on the part of Citizens Communications Company related to the "Build Out" program should not be passed on to consumers;

4. Increased electric rates resulting from the "New Contract" which was the result of a manipulated energy market and Citizens decisions related to abandoning the "Old Contract" should not be imposed upon consumers.

Santa Cruz County reserves its right to make additional objections to the proposed Settlement Agreement after the hearings are held in this matter. Santa Cruz County joins with ACC Staff and RUCO in approving that portion of the Settlement Agreement which eliminates the request for approximately \$135 million in unrecovered power costs.

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RESPECTFULLY submitted this 24 day of April, 2003.

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The original and thirteen copies of the foregoing were filed by certified mail this 25th day of April, 2003, to:

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Copies of the foregoing mailed this 25th day of April, 2003, to:

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