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BEFORE THE ARIZONA CORPORATION COMMISSION

JEFF HATCH-MILLER
Chairman
KRISTIN K. MAYES
Commissioner
WILLIAM MUNDELL
Commissioner
MIKE GLEASON
Commissioner
BARRY WONG
Commissioner

Arizona Corporation Commission

DOCKETED

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IN THE MATTER OF THE APPLICATION
OF TRICO ELECTRIC COOPERATIVE, INC.
FOR AN EXTENSION OF ITS
CERTIFICATES OF CONVENIENCE AND
NECESSITY IN AREAS OF PINAL
COUNTY, ARIZONA

Docket No. E01461A-04-0393

**APPLICANT'S OBJECTIONS TO
STAFF REPORT**

The Arizona Corporation Commission Staff has filed a Staff Report in connection with the above proceeding dated December 20, 2006. The Procedural Order which was issued in this proceeding by the Administrative Law Judge on October 24, 2006, provides in part that if Trico Electric Cooperative, Inc. ("Trico"), as the Applicant, has any objection or response to the Staff Report, it shall be made in writing and filed on or before January 3, 2007.

Trico accepts the Staff Report with one exception. Trico's Application requested that the area of its existing certificates of convenience and necessity ("CC&Ns") issued to it by the Commission be extended to designated areas ("Requested Area") which include the development known as the Willow Springs South Village ("South Village") and the land between the south

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1 boundary of the South Village and Trico's existing certificated area ("Objected Area"), all of
2 which is owned by the State of Arizona and administered by the Arizona State Land Department
3 ("ASLD").

4 When Trico constructs its electric lines to serve the South Village, it will then be in a
5 position to render service from such lines in the Objected Area. There is a present need for electric
6 service to the Requested Area, which is limited to the South Village. However, in most, if not all,
7 applications for electric CC&Ns by a public service corporation, the requested area contains
8 portions for which there is not an immediate need for service. Admittedly, the Objected Area is
9 large. Nevertheless, by reason of the development of the South Village, it can be expected to
10 require electric service over a relatively long period of time.

11 The Staff Report states that the San Carlos Irrigation Project ("SCIP") provides some
12 services in the Objected Area apparently to lessees of the ASLD and that the customers of SCIP
13 have indicated that they do not desire to change their electric provider to Trico. The Commission
14 has no jurisdiction over SCIP. Accordingly, it can neither prohibit SCIP from taking any action nor
15 can it grant to SCIP any benefits. By granting to Trico a certificate to the Objected Area it will be
16 possible for future customers in the Objected Area to have a choice as to whether they wish to
17 have service from SCIP or from Trico. The Commission can take judicial notice of the fact that
18 customarily several months expire from the time that an electric public service corporation applies
19 for an extension of its certificated area before the Commission can hold the hearing and grant or
20 deny such certificate. Accordingly, by deleting the Objected Area, the customers will no longer
21 have such choice unless they are in a position to wait several months before electricity is required.

22 Trico suggests that it is not appropriate to certificate public service corporations in areas
23 divided by a substantial distances and that it is in the public interest to have a continuity of the
24 certificated area.

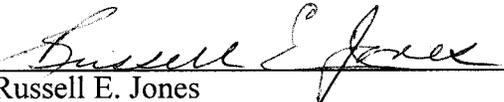
25 No electric public service corporation has objected to Trico's Application.

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1 For the foregoing reasons, Trico objects only to that portion of the Staff Report
2 recommending to the Commission that the Objected Area be deleted.

3 RESPECTFULLY SUBMITTED this 2nd day of January, 2007.

4 WATERFALL ECONOMIDIS CALDWELL
5 HANSHAW & VILLAMANA, P.C.

6 By 
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9 Original and 13 copies transmitted for filing
10 this 2nd day of January, 2007, with:

11 Docket Control
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15 Copy of the foregoing mailed this 2nd
16 day of January, 2007, to:

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