

ORIGINAL NEW APPLICATION



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BEFORE THE ARIZONA CORPORATION COMMISSION

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Commissioner

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Commissioner

Arizona Corporation Commission
DOCKETED

DEC 28 2006

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E-01933A-06-0806
E-01575A-06-0806

IN THE MATTER OF THE JOINT)
APPLICATION OF TUCSON ELECTRIC)
POWER COMPANY AND SULPHUR)
SPRINGS VALLEY ELECTRIC)
COOPERATIVE, INC. FOR AN ORDER)
APPROVING A BORDERLINE)
AGREEMENT)

Docket No. E-01933A-06-_____

Docket No. E-01575A-06-_____

TUCSON ELECTRIC POWER COMPANY, an Arizona corporation ("TEP"), and
SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC., an Arizona corporation
("SSVEC"), Joint Applicants herein, seek Arizona Corporation Commission ("Commission")
approval of a borderline agreement. The following information supports this Joint Application:

I.

This Joint Application involves the provision of electrical service to Fort Huachuca, an
installation owned by the United States government. Fort Huachuca is located in Cochise County,
Arizona.

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II.

TEP is a public service corporation engaged in the generation, transmission and distribution of electricity. TEP's authority to serve Fort Huachuca is set forth in Commission Decision No. 13571, issued January 27, 1942.

III.

SSVEC is a cooperative public service corporation engaged in the distribution of electricity for the purpose of serving its customers located within specifically designated service areas in portions of Pima, Cochise, Graham and Santa Cruz Counties in Arizona, which have been certified and approved by the Commission ("SSVEC's Service Area").

IV.

Fort Huachuca has requested service to three wastewater lift stations. The three wastewater lift stations are located on Fort Huachuca property near Huachuca City. The nearest distribution lines to these wastewater lift stations belong to SSVEC. SSVEC's existing facilities are within 300 feet of the lift stations. The estimated cost to serve from the SSVEC distribution system is \$48,000. For TEP to serve Fort Huachuca, construction of approximately four miles of three phase 13.8KV primary distribution lines and installation of three transformer banks would be required. The cost for TEP to serve the same three lift stations is estimated at \$1,127,400. Accordingly, it is in the best interest of Fort Huachuca that SSVEC serve its property.

V.

TEP and SSVEC have entered into an agreement (the "Borderline Agreement"), attached as Exhibit A, that SSVEC may provide electric service to Fort Huachuca lift stations. TEP and SSVEC request that the Borderline Agreement be approved by the Commission.

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VI.

TEP and SSVEC believe that approval of the Borderline Agreement will be consistent with and promote the public interest, will be in the best interest of Fort Huachuca and will enable the Fort to be more efficiently and economically provided electric service.

VII.

Notice of this Joint Application will be sent to Fort Huachuca.

VIII.

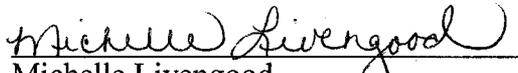
The corporate officers and financial statements of TEP and SSVEC are the same as presently on file with the Commission.

IX.

TEP and SSVEC request that this matter be determined expeditiously.

WHEREFORE, the Joint Applicants respectfully request the Commission to issue its order approving the Borderline Agreement.

RESPECTFULLY SUBMITTED this 28th day of December, 2006.

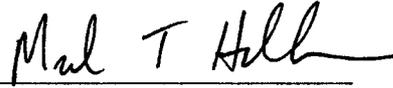

Michelle Livengood
Legal Department
Tucson Electric Power Company
One S. Church Avenue
P.O. Box 711
Tucson, Arizona 85702-0711

AND

ROSHKA DEWULF & PATTEN
Michael W. Patten
400 E. Van Buren Street
Suite 800
Phoenix, Arizona 85004

Attorneys for Tucson Electric Power Company

1 LEWIS AND ROCA LLP

2 

3 Thomas H. Campbell
4 Michael T. Hallam
5 40 N. Central Avenue
6 Suite 1900
7 Phoenix, Arizona 85004

8 AND

9 Christopher Hitchcock
10 Law Offices of Christopher Hitchcock, P.L.C.
11 Copper Queen Plaza
12 P.O. Box AT
13 Bisbee, Arizona 85603-0115

14 Attorneys for Sulphur Springs Valley Electric
15 Cooperative Inc.

16 Original and fifteen (15) copies
17 hand delivered this 28th day of
18 ~~December~~ 2006 to:

19 Docket Control Division
20 Arizona Corporation Commission
21 1200 West Washington
22 Phoenix, Arizona 85007

23 Copy of the foregoing
24 mailed this 28th day of
25 ~~December~~ 2006 to:

26 William Stern
US Army Garrison
Directorate of Public Works Building 2242
3040 Butler Rd
Ft. Huachuca, AZ 85613-7010

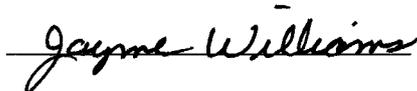


EXHIBIT A

1
2 ELECTRIC SERVICE AUTHORIZATION AGREEMENT

3
4 THIS ELECTRIC SERVICE AUTHORIZATION AGREEMENT (this "Agreement") is
5 entered into this 28th day of November, 2006, by and between TUCSON ELECTRIC
6 POWER COMPANY ("TEP"), an Arizona corporation, and SULPHUR SPRINGS VALLEY
7 ELECTRIC COOPERATIVE, INC. ("SSVEC"), an Arizona corporation.

8
9 **RECITALS:**

10 1. The authority of TEP to serve within the boundary of Fort Huachuca is set forth in
11 Arizona Corporation Commission Decision No. 13571.

12 2. Fort Huachuca has requested that electric service be provided to three wastewater
13 lift stations at locations shown on Exhibit A ("Subject Area").

14 3. TEP hereby provides written authorization that SSVEC may provide electric
15 service to the Fort Huachuca wastewater lift stations not to exceed a maximum demand of 200kW
16 per station in the Subject Area.

17 4. It is beneficial to Fort Huachuca for TEP to permit SSVEC to provide electric
18 service to Fort Huachuca because of the proximity of existing SSVEC facilities.

19 5. TEP reserves the right to provide electric service to any of the three wastewater lift
20 stations in the future should Fort Huachuca extend its electrical facilities adjacent to one or more
21 of the wastewater lift stations in the Subject Area.

22
23 **THEREFORE** the Parties agree as follows:

24 6. SSVEC is hereby authorized by TEP to enter the Subject Area and construct and
25 maintain electric service lines and facilities necessary to serve Fort Huachuca.
26

1 7. This Agreement shall be binding upon and inure to the benefit of the parties hereto
2 and their respective successors in interest and assigns, whether arising voluntarily or by operation
3 of law.

4 8. This Agreement shall become effective when approved by the Commission.

5
6 TUCSON ELECTRIC POWER

SULPHUR SPRINGS VALLEY ELECTRIC COOP

7 By *Paul Stth*

By *Geoff W. Kube*

8 Title *SR V.P. ad General Counsel*

Title *CEO*

9 Date *12/7/06*

Date *11/28/04*

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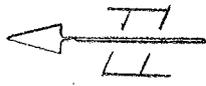
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25

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EXHIBIT A

E RAILROAD DR



SITE #1

NEW LINE
APPROX 1100'

10633

E LANHAMS BLUE RD

HUNT TR

10632

EXT. 3 PH X

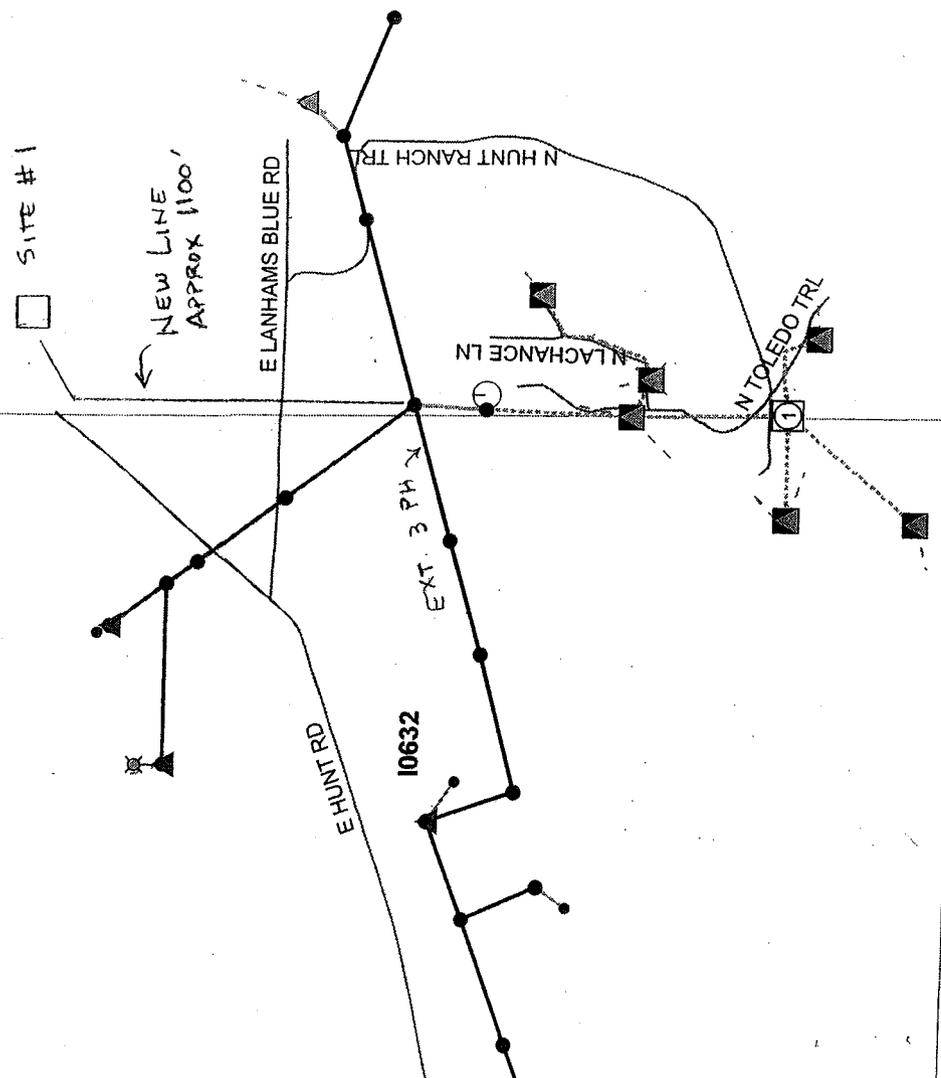
N HUNT RANCH TR

N LACHANCE LN

N TOLEDO TR

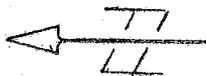
MAP LEGEND

- OVERHEAD POLE LINE
- △ POLE-MOUNTED TRANSFORMER
- ◻ PAD-MOUNTED TRANSFORMER
- ⊙ SWITCH CABINET
- ⊕ SINGLE-PHASE RISER
- ⊖ THREE-PHASE RISER
- ⊗ STREET LIGHT
- SECONDARY CABLE



J0604

J0603

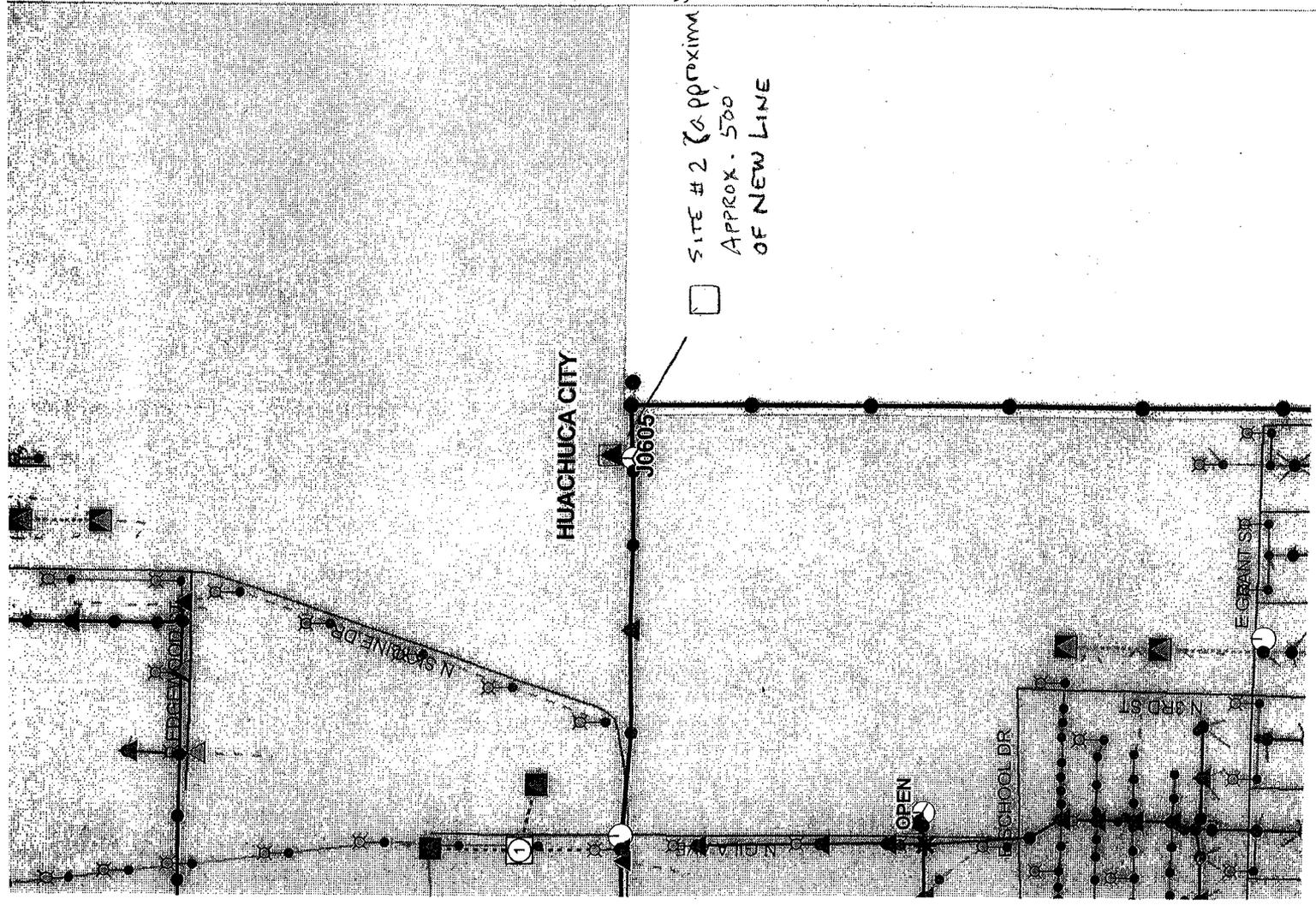


J0604

SIERRA VISTA
SITE # 2 (approximate location)
APPROX. 500'
OF NEW LINE

HUACHUCA CITY

J0605



MAP LEGEND

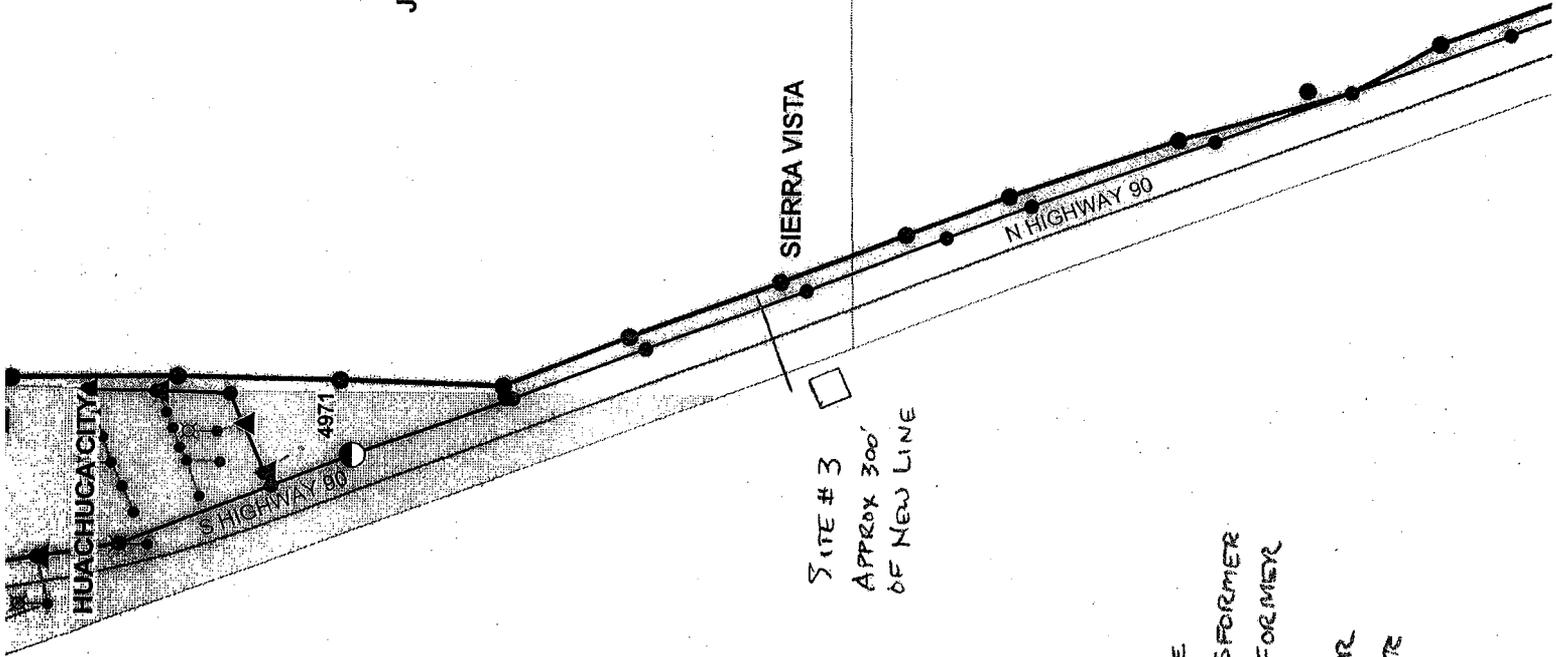
- OVERHEAD POLE LINE
- △ POLE-MOUNTED TRANSFORMER
- ◻ PAD-MOUNTED TRANSFORMER
- SWITCH CABINET
- SINGLE-PHASE RISER
- ⊗ THREE-PHASE RISER
- ⊗ STREET LIGHT
- SECONDARY CABLE

J0609

J0616

J0608

J0617



SITE # 3
 APPROX 300'
 OF NEW LINE

MAP LEGEND

- OVERHEAD POLE LINE
- △ POLE-MOUNTED TRANSFORMER
- ▽ PAD-MOUNTED TRANSFORMER
- ⊙ SWITCH CABINET
- SINGLE-PHASE RISER
- ⊕ THREE-PHASE RISER
- ⊗ STREET LIGHT
- SECONDARY CABLE