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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

- JEFF HATCH-MILLER, CHAIRMAN
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- KRISTIN K. MAYES
- GARY PIERCE

**IN THE MATTER OF THE COMPLAINT  
OF BUREAU OF INDIAN AFFAIRS,  
UNITED STATES OF AMERICA,  
AGAINST MOHAVE ELECTRIC  
COOPERATIVE, INC. AS TO SERVICES  
TO THE HAVASUPAI AND HUALAPAI  
INDIAN RESERVATIONS.**

DOCKET NO. E-01750A-05-0579

**NOTICE OF FILING**

Mohave Electric Cooperative, Inc. ("MEC"), by and through its attorneys  
hereby gives notice that it has filed this date the attached:

1. Copy of Affidavit of Stephen McArthur discussing MEC's response to the Bureau of Indian Affairs (BIA) report of an outage of the period from October 6 - 7, 2006; and
2. Copy of a letter dated November 14, 2006 from Representatives Trent Franks, Ed Pastor and Raul Grijalva to Honorable Dick Kempthorne, Secretary of the U.S. Department of Interior requesting information relating to the BIA's provision of utility service to the Havasupai and Hualapai Reservations.

Arizona Corporation Commission

**DOCKETED**

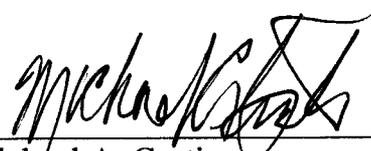
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DATED this 5<sup>th</sup> day of February, 2007.

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

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PROOF OF AND CERTIFICATE OF MAILING

I hereby certify that on this 5th day of February, 2007, I caused the foregoing document to be served on the Arizona Corporation Commission by delivering the original and thirteen (13) copies of the above to:

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

Copies of the foregoing hand delivered/mailed this 5th day of February, 2007 to:

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1234-7-19-1 BIA\Pleadings\Notice of Filing.doc

1 BEFORE THE ARIZONA CORPORATION COMMISSION

2 COMMISSIONERS

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4 WILLIAM A. MUNDELL  
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7 BARRY WONG

8 IN THE MATTER OF THE COMPLAINT  
9 OF BUREAU OF INDIAN AFFAIRS,  
10 UNITED STATES OF AMERICA,  
11 AGAINST MOHAVE ELECTRIC  
12 COOPERATIVE, INC. AS TO SERVICES  
13 TO THE HAVASUPAI AND HUALAPAI  
14 INDIAN RESERVATIONS.

DOCKET NO. E-01750A-05-0579

**AFFIDAVIT OF MOHAVE ELECTRIC  
COOPERATIVE, INC. RE: OCTOBER  
9, 2006 OUTAGE**

13 Affiant, Mohave Electric Cooperative, Inc. ("MEC" or "Mohave"), upon the oath of  
14 Stephen McArthur, its Comptroller, upon information and belief deposes and says as to the sequence  
15 of events related to the October 9, 2006 outage on the BIA 70-mile line as, as follows:

16 1. On Monday, October 9, 2006 at 4:00 p.m., Bob Motes ("Bob"), MEC  
17 Operations Supervisor, received a call from Clint Walker ("Walker"), Truxton Agent of the BIA, who  
18 stated that they had two (2) phases off on their service in the Canyon.

19 2. Bob suggested to Walker that if two (2) phases were off the problem was likely  
20 with their substation in the Canyon. Walker indicated BIA had checked the substation in the Canyon;  
21 there were no fuses blown in their canyon substation; and BIA wanted Mohave to come out and  
22 determine if the problem was on the 70-mile line.

23 3. Walker was informed that Mohave was short-handed. Of 15 linemen employed  
24 by Mohave, only ten were available due to attendance at a hotline school and vacations, leaving only  
25 skeleton crews in both Kingman and Bullhead.

1           4.       Despite being short handed, Bob sent a man to check the recloser at the Nelson  
2 substation. The lineman traveled approximately 60 miles from Kingman to the Nelson substation.  
3 At approximately 6:30 p.m. the lineman reported to Bob that the recloser was in the closed position  
4 and all three (3) phases were energized. This meant there were no problems on the Mohave system  
5 up to and through the Nelson substation and that nothing had occurred on the 70-mile line to trip the  
6 recloser at the Nelson substation.

7           5.       Bob was instructed, and is believed to have immediately conveyed the  
8 information to Walker, and to advise that Mohave did not have sufficient crew available to inspect the  
9 70-mile line and conduct repair. Walker was advised to call another utility for assistance. Bob  
10 reports that when Walker was asked whether Mohave should open the recloser at Nelson, which  
11 would cut off all energy along the 70-mile line, Walker told Bob to just shut it off and that Walker  
12 would call another utility.

13           7.       Mohave was next informed of the status of the situation on Tuesday, October  
14 10, 2006 at 1:00 PM when MEC Dispatch received a call from Walker requesting to speak to Bob  
15 Motes. Bob reports that Walker indicated UniSource had found the problem, no poles were down,  
16 but some wires were wrapped up. Walker again asked if Mohave could come and fix the line.

17           8.       Since normal practice and procedure in such a situation would call for the  
18 personnel locating this type of problem to fix it immediately, Bob found Mr. Walker's request  
19 surprising and unusual. Walker was advised that Mohave remained short handed and unavailable to  
20 make repairs to the 70-mile line.

21           9.       At 7:30 p.m. that evening, Walker called Bob and said the wrapped wires  
22 problem had been fixed and MEC could re-energize the 70-mile line. Walker also is reported to have  
23 stated that "this would all be resolved and would not be a problem anymore after next week."  
24  
25



**Congress of the United States**  
**Washington, DC 20515**

November 14, 2006

The Honorable Dick Kempthorne  
U.S. Department of Interior  
1849 C Street, N.W.  
Washington, D.C. 20240

Re: BIA Duty to Deliver Electricity to the Havasupai Indians in the Grand Canyon in the State of Arizona

Dear Mr. Secretary:

During the summer of 2006 there were structural failures to the retail electric system of the Bureau of Indian Affairs that delivers electricity to the Havasupai Indians in the bottom of the Grand Canyon. The Havasupai live in a remote area in the bottom of the Canyon to preserve their historic way of life and traditions. The disruption of this electricity caused an emergency that threatened the life, health and welfare of the Indians and disclosed that the electric system had not been adequately maintained, failed to provide for emergency generators in the bottom of the Canyon, and failed to provide stores of emergency supplies to meet the needs of the Havasupai in the event of a catastrophic failure of its electrical system such as that which occurred.

Will you please instruct the BIA and have your Department answer the following questions concerning the BIA activities in operating a retail electric system and delivering retail electricity to the Havasupai and their neighbors, the Hualapai:

1. Please state the amount of annual funding since 1965 that has been sought by the BIA and has been placed in the budget submitted to Congress for the rehabilitation, repair, overhead and maintenance of the BIA retail electric system delivering electricity to the Havasupai and also the Hualapai.
2. Please provide copies of any studies or plans that have been developed by the BIA, the Department of Interior or any other federal agency or department since 1965 to provide reliable electric service to the Havasupai and Hualapai Nations. Please state which of these plans were implemented, the extent of their implementation and reasons behind selecting the particular plan and implementation thereof.
3. Please state what present plans are in place or are being considered to enhance the reliability of electric service to the Havasupai and Hualapai Nations in the future, the cost and the anticipated source of funding. Please state the expense of the repairs made to the electric system from the Long Mesa Substation into the Canyon during 2006 (prior to the summer outage and after the summer outage). Please provide the estimated expense of completely rehabilitating the retail electric system within the Canyon and the basis of the estimate.

4. Please state the number of emergency generators that the BIA has provided at the Long Mesa Substation on the edge of the Canyon and the number placed in the bottom of the Grand Canyon to meet the needs when a catastrophic failure occurs such as the electric system failure during the summer of 2006. If none are currently in place, please describe when generators were last available at the Long Mesa substation to provide back-up electrical service, why they were removed and abandoned and if there are any plans to secure them for future emergencies. Please also state the estimated expense of a new generator at Long Mesa Substation fully interconnected and adequate to meet the needs of the Havasupai in the event of an emergency such as that recently experienced when there was a failure of the 70-mile transmission line? What is the basis of the estimate?
5. Please identify the program or the plan, if any, the BIA had in place in the summer of 2006 to respond to a prolonged electrical outage on the Havasupai Reservation and to protect the Indians dependent thereon (e.g., diabetics, the elderly and those with illnesses or other infirmities). Describe how the plan was implemented this last summer, or if no plan existed, the basis and nature of the BIA's response to the prolonged summer outage. Describe the emergency funding relied upon to meet the needs created by the summer emergency.
6. If no program or plan was in place in the summer of 2006 to respond to a prolonged electrical outage, what steps has the BIA, the Department of Interior, or other governmental agency or department to develop such a program or plan for future emergencies.
7. Please state whether the policy decision has been made to take steps to divest or abandon the BIA's interest in the electric system and utility responsibility on and to the Hualapai and Havasupai Nations. If so, when was the decision made and what steps have been and are being taken to implement the policy? If no such policy decision has been made, is one being considered now, or has it been considered in the past?
8. Does the BIA or the Department of Interior believe that Mohave Electric Cooperative, (a member owned, non-profit Arizona electric distribution entity) intentionally assumed the responsibility for the delivery of electricity to any portion the Hualapai and Havasupai Nations or to bear the costs of maintaining and repairing the 70-mile line that enables the BIA to secure central station generation for the Hualapai and Havasupai Nations. If so, please provide copies of the documents, including internal documents and memoranda that demonstrate such intent.
9. Has the BIA or the Department of Interior made a policy decision beginning with BIA support of the San Carlos Irrigation Project Electric Divestiture in the late 1980's to try to compel Mohave Electric Cooperative to assume, unintentionally or against its will, a general utility responsibility for the delivery of electricity to any portion the Hualapai and Havasupai Nations or to bear the costs of maintaining and repairing the 70-mile line that enables the BIA to secure central station generation for the Hualapai and Havasupai Nations. If so, please provide the rationale for supporting such policy, including copies of all documents, correspondence, memoranda that discuss the policy.
10. Please state whether the Hualapai and Havasupai Nations would have more reliable electric service in the summer of 2006 and today if the BIA had accepted ownership of (at no expense) and only the subsequent responsibility to operate, maintain, repair and replace the 70-mile line that enables the BIA to secure central station generation for the Hualapai and Havasupai Nations when the line was tendered by Mohave Electric Cooperative in 2003.

11. Please state the reasons why the BIA did not and will not assume ownership of the 70-mile line that enables the BIA to secure central station generation for the Hualapai and Havasupai Nations.
12. Please state whether the BIA is willing to reimburse APS, UniSource, Mohave Electric and/or the Western Area Power Administration for the expense of the overhead, maintenance and repair of the 70-mile line that enables the BIA to secure central station generation for the Hualapai and Havasupai Nations.
13. Please state whether there is an express provision in the BIA budget requests submitted to OMB or in the Administration's budget concerning provision of funding for overhead, maintenance and repair of the 70-mile line and the Havasupai electric system and if not, why not. Please provide the estimated expense of annual maintenance of the 70-mile line and the basis of the estimate?
14. Please acknowledge that the setting of rates for the delivery of electric service by the BIA to the Havasupai, the Hualapai, and the San Carlos Irrigation Project is a matter vested within the discretion of the Agency.

Your prompt response to the above inquiries would be greatly appreciated so that efforts can be made to avoid a repetition of the catastrophe which occurred in the bottom of the Grand Canyon in the Supai Village this past summer. Thank you in advance for your willingness to investigate this important matter.

Most sincerely,

Went Planks

Ed Pastor

Rain M. Fjalar

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