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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS  
MIKE GLEASON, CHAIRMAN  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE

2007 MAR 29 P 3:40

AZ CORP COMMISSION  
DOCUMENT CONTROL

IN THE MATTER OF THE COMPLAINT OF  
MOHAVE ELECTRIC COOPERATIVE, INC.  
AGAINST UNISOURCE ENERGY  
CORPORATION.

DOCKET NO. E-01750A-04-0798  
DOCKET NO. E-04204A-04-0798  
DOCKET NO. E-04230A-04-0798

IN THE MATTER OF THE APPLICATION  
OF UNS ELECTRIC, INC. FOR AN ORDER  
APPROVING A TRANSFER OF A PORTION  
OF A CERTIFICATE OF CONVENIENCE  
AND NECESSITY.

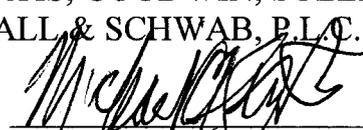
DOCKET NO. E-01750A-04-0824  
DOCKET NO. E-04204A-04-0824

**NOTICE OF FILING  
CORRESPONDENCE**

Notice is given that Mohave Electric Cooperative, Inc. ("MEC") has this date  
filed correspondence to Ernest Johnson regarding the transfer of the Nucor Plant Site to UNS  
Electric, Inc. A copy of the letter is attached to this Notice.

DATED this 29 day of March, 2007.

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

By: 

Michael A. Curtis  
William P. Sullivan  
501 East Thomas Road  
Phoenix, Arizona 85012-3205  
Attorneys for Mohave Electric  
Cooperative, Inc.

Arizona Corporation Commission  
**DOCKETED**  
MAR 29 2007

DOCKETED BY nr

06

1 PROOF OF AND CERTIFICATE OF MAILING

2 I hereby certify that on this 21<sup>st</sup> day of March, 2007, I caused the foregoing

3 document to be served on the Arizona Corporation Commission by delivering the original and  
4 twenty-one (21) copies of the above to:

5  
6 Docket Control Division  
7 Arizona Corporation Commission  
8 1200 West Washington Street  
9 Phoenix, Arizona 85007

10 Copies of the foregoing hand delivered/mailed  
11 this 21<sup>st</sup> day of March, 2007 to:

12 Lyn A. Farmer, Esq.  
13 Chief Administrative Law Judge, Hearing Division  
14 Arizona Corporation Commission  
15 1200 West Washington Street  
16 Phoenix, Arizona 85007

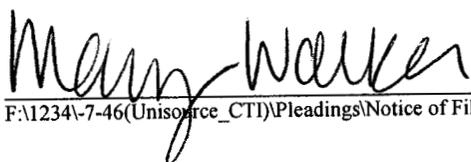
17 Christopher Kempley, Esq.  
18 Chief Counsel, Legal Division  
19 Arizona Corporation Commission  
20 1200 West Washington Street  
21 Phoenix, Arizona 85007

22 Ernest Johnson  
23 Director, Utilities Division  
24 Arizona Corporation Commission  
25 1200 West Washington Street  
Phoenix, Arizona 85007

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Kingman, AZ 86401

1 Thomas H. Campbell, Esq.  
Lewis & Roca LLP  
2 40 N. Central Ave.  
Phoenix, AZ 85004-4429  
3 Attorneys for UNS Electric, Inc.

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6

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P.O. Box 1045, Bullhead City, AZ 86430

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March 29, 2007

Mr. Ernest Johnson  
Director, Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007

**RE: Transfer of Nucor Plant Site to UNS Electric, Inc.**

Dear Mr. Johnson:

Mohave Electric Cooperative, Inc. ("Mohave") has been informed by Nucor Corporation ("Nucor") that Nucor intends to pursue a potential expansion of operations at its facility near Kingman, in Mohave County. Nucor has also informed Mohave that if this expansion in operations occurs, the facility will require an amount of electricity that exceeds the maximum provided for under the terms of the current contract between Mohave and Nucor. The Nucor plant site, as defined in Commission Decision No. 68178, Exhibit B, is within Mohave's service territory according to a Certificate of Convenience and Necessity granted on October 14, 1994 in Decision No. 58798, and Mohave currently serves Nucor with up to two megawatts of non-firm electric energy under an agreement approved by the Commission on July 25, 2003.

In an Opinion and Order issued September 30, 2005 (Decision No. 68178), the Arizona Corporation Commission adopted a stipulation between Mohave Electric Cooperative, Inc. ("Mohave") and UNS Electric, Inc. ("UNS") to resolve a dispute related to service territory in Mohave County. Pursuant to the stipulation, the Nucor plant site remained within the service territory of Mohave, but would be transferred to UNS without the need of a further Commission Order at the earlier of two events:

- (1) December 31, 2010; or
- (2) On a date specified by Mohave in a written notification to UNS and the Commission's Director of Utilities "that the customer's electric needs no longer can be met by the existing Mohave contractual arrangements." The written notice is to be provided not less than 6 months before the termination date.

Pursuant to the written notification requirement of Decision No. 68178, Mohave hereby submits written notice to UNS and the Commission's Director of Utilities that Mohave cannot serve the potential expansion of Nucor's operations at the Kingman facility under the existing contractual arrangements. Mohave therefore transfers the service territory that includes Nucor's plant site to UNS, effective on the date that Nucor requires in excess of two megawatts of power and that UNS is prepared to provide, and Nucor is able to receive, service to the Nucor facility, but in any event no sooner than 6 months from the date of this written notice.



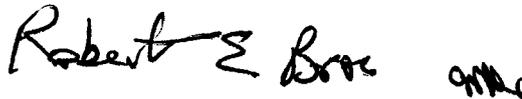
Mr. Ernest Johnson  
March 29, 2007  
Page 2

In order to ensure that there is no interruption in service caused by the transfer of the service territory, Mohave will continue to serve Nucor according to the existing terms of its existing contract until such date as UNS is ready and able to serve Nucor's electric service needs and Nucor requires in excess of two megawatts of power.

Please contact me if you have any questions.

Sincerely,

MOHAVE ELECTRIC COOPERATIVE, INC.

Handwritten signature of Robert E. Broz in black ink, including a small mark to the right of the signature.

Robert E. Broz, Chief Executive Officer

cc: Unisource Electric, Inc.  
Mr. A. Jay Bowcutt, Vice President, Nucor Corporation  
Mr. Peter J. Mattheis, Counsel to Nucor Corporation