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BEFORE THE ARIZONA CORPORATION COMMISSION

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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
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PROOF OF AND CERTIFICATE OF MAILING

I hereby certify that on this 21st day of March, 2007, I caused the foregoing

document to be served on the Arizona Corporation Commission by delivering the original and
twenty-one (21) 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 21st day of March, 2007 to:

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

Christopher Kempley, Esq.
Chief Counsel, Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

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

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Mary Walker

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

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
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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.

A handwritten signature in black ink that reads "Robert E. Broz". To the right of the signature, there are some initials that appear to be "RMB".

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

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