

ORIGINAL



GALLAGHER & KENNEDY

P.A.

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AZ CORP COMMISSION
DOCKET CONTROL

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06

June 15, 2007

HAND DELIVERED

Docket Control
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

Re: *Letters to Members; Graham County Electric Cooperative, Inc. ("Graham")
Application to Transfer Certain Assets to Thatcher; Docket
No. E-01749A-07-0237*

Dear Sir/Madam:

Attached are the letters which Graham mailed to its members and Thatcher mailed to its citizens concerning the ballot measure authorizing the Town to acquire certain assets from Graham. These letters are referenced at the bottom of page 1 of the Staff Report dated May 30, 2007. Your assistance is appreciated.

Very truly yours,

GALLAGHER & KENNEDY, P.A.

By: Michael M. Grant

MMG/plp
10430-12/1575691
Attachments

cc (w/attachments): Administrative Law Judge Jane Rodda
Steve Lines

Original and 13 copies filed with Docket
Control this 15th day of June, 2007.

Arizona Corporation Commission
DOCKETED
JUN 15 2007

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GRAHAM COUNTY ELECTRIC COOPERATIVE, INC.
GRAHAM COUNTY UTILITIES, INC.
P.O. Drawer B
Pima, Arizona 85543

*Serving The Beautiful Gila Valley
In Southeastern Arizona*

*Telephone (928) 485-2451
Fax (928) 485-9491*

September 6, 2006

Graham County Electric Cooperative Consumers

Dear Member,

There is an initiative on the upcoming primary election ballot that, if passed, would allow Town of Thatcher to acquire Cooperative Electric Service Territory located within Thatcher City Limits.

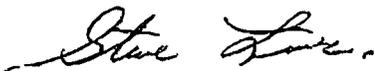
If the initiative passes, Town of Thatcher will become the power provider for the acquired territory. Those residents living within the area north of Highway 70 between Reay Lane and 20th Avenue would be immediately affected. Should the initiative pass the action would have a future impact on other areas served by the Co-op that have been annexed by Town of Thatcher and "Notice to Purchase" already given to the Co-op.

As noted in the informational letter sent by Town of Thatcher to residents, an agreement has existed since the early 1970's between Thatcher and Graham County Electric Co-op allowing Thatcher to purchase service territory after giving the Co-op a five-year notice, revenue amounting to five times the annual revenue of the meters in the affected areas and then voter approval is required.

Having served our consumers in the area since 1946 as a non-profit organization owned by the members we serve and governed by a board of directors elected by constituents from their individual districts, we value each and every consumer-owner. If the initiative fails to pass, we would be happy to continue serving our consumers with good, reliable service at the lowest possible rates and would honor your support for us to continue doing so.

If passed, we stand ready to honor our agreement with the Town of Thatcher for the sale of our service area to Thatcher.

Sincerely,



Steve Lines
General Manager
Graham County Electric Co-op

A Touchstone Energy® Cooperative 

TOWN OF
THATCHER
HOME OF EASTERN ARIZONA COLLEGE

TOWN COUNCIL TOWN OF THATCHER

PO BOX 670 - 3700 W. MAIN STREET - (928)428-2290 - FAX (928)428-7061 - TDD (800)367-8838

TOWN COUNCIL

Robert Rivera, Mayor
Douglas Hoopes, Vice Mayor
Donald Innes
William Mulleneaux

Charles Morris
Kenneth Larson
Eric Merriman

Terry Hinton, Town Manager/Clerk

8/29/2006

Citizens of Thatcher

Dear Citizen:

In this years election you have been asked to consider a ballot measure that would allow the Town of Thatcher to purchase a portion of the Graham County Electric Coop's electric system that is within our Town Limits. These areas are mainly agricultural land with a small number of businesses and residences.

The effect of this purchase on customers in the area will be negligible. The electric rate for the customers in the areas purchased will go down slightly. Thatcher's electric rates are slightly less than the COOP's.

Some of the revenue collected from the new area will be used to pay for the system; the remainder will be transferred to the town's general fund to pay for services such as Police, Fire, Streets, etc.

The process being followed is the result of a contract with the Graham County Electric COOP that has been in effect since the early 1970's. The town has exercised this portion of the contract in the past and it has worked out very well for us, the citizens of Thatcher. I would encourage you to look closely at this issue. If you would like to know exactly where these areas are or have any questions concerning this issue please contact us at the Thatcher Town Hall, located at 3700 W. Main Street, Thatcher or call us at 428-2290.

Sincerely



Bob Rivera
Mayor