

ORIGINAL

OPEN MEETING



0000078608

MEMORANDUM

2007 NOV 14 P 12: 10

Arizona Corporation Commission
DOCKETED

TO: THE COMMISSION

AZ CORP COMMISSION
DOCUMENT CONTROL

FROM: Utilities Division

NOV 14 2007

DATE: November 14, 2007

DOCKETED BY 

RE: IN THE MATTER OF THE JOINT APPLICATION OF TRICO ELECTRIC COOPERATIVE, INC., AN ARIZONA NON PROFIT CORPORATION, AND TUCSON ELECTRIC POWER, AN ARIZONA CORPORATION, FOR AN ORDER APPROVING A BORDERLINE AGREEMENT (DOCKET NOS. E-01461A-07-0058 AND E-01933A-07-0058)

On January 24, 2007, Trico Electric Cooperative, Inc. ("Trico") and Tucson Electric Power Company ("TEP") filed a joint application for approval of a Borderline Agreement for Trico to provide electric service to certain real property located in Pima County within the certificated service territory of TEP. TEP and Trico entered into the Borderline Agreement authorizing Trico to enter the subject area, certificated to TEP, and to construct and maintain electric service lines and facilities necessary to serve the subject property until such time that TEP notifies Trico of its intention to provide service to the subject property.

TEP is engaged in providing customers with electric service within its designated service territory in portions of Pima and Cochise Counties, Arizona. Trico is engaged in providing customers with electric service within its designated service territory in portions of Pima, Pinal, and Santa Cruz Counties, Arizona.

The subject property is located near South Wilmont Road in Pima County and is owned by Cingular Wireless II LLC ("Cingular"). Cingular is planning to build a Cell Tower on the subject property. The Cell Tower has not yet been constructed, and a completion date for the construction is unknown at this time. The applicant states there are no existing line extensions or other agreements pertaining to electric service to the area in which the Cingular Cell Tower is proposed to be located, nor are there any facilities, easements or right-of-way to be transferred in the event the Agreement is approved.

The property is located within TEP's certificated service territory; however, the nearest available TEP lines are more than 2.5 miles away from Cingular's proposed site. Line extension costs for TEP to bring overhead lines to the perimeter of the property have been roughly estimated by the company to be about \$66,000.00. Trico currently has lines adjacent to the Cingular property. The utilities feel that it is in the best interest of the property owner and the companies for Trico to serve the subject property until such time as TEP determines that it is economically feasible for it to provide electric service to the property.

THE COMMISSION

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The Borderline Agreement outlines a mechanism for TEP to re-enter the subject property at a later point in time to serve the customers located on the property, with proper written notice to Trico, should it decide to do so. Conditions contained in the Borderline Agreement would govern Trico's sale and TEP's purchase of all of Trico's electric lines and facilities which are compatible with TEP's electric system and which can be utilized by TEP at original cost, depreciated at the rate of 3.32 percent per year. Prior to the sale of any electric system lines or facilities necessary and useful in delivering electric service to its customers, Trico will be required per A.R.S. 40-285 to first obtain Commission approval. However, at this time, Trico anticipates that the only item that will be needed at the site is to change a wooden pole to a metal pole.

The estimated monthly projected kWh usage is 25 kWh or less.

Staff believes that the Borderline Agreement entered into by Trico and TEP is a reasonable solution to allow extension of electric service to the subject property at a cost which is not prohibitively expensive. Therefore, Staff recommends the Commission approve the Borderline Agreement between Trico and TEP for service to Cingular.



Ernest G. Johnson
Director
Utilities Division

EGJ:MXD:lhm\KT

ORIGINATOR: Melvin de la Cruz

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BEFORE THE ARIZONA CORPORATION COMMISSION

MIKE GLEASON
Chairman
WILLIAM A. MUNDELL
Commissioner
JEFF-HATCH-MILLER
Commissioner
KRISTIN K. MAYES
Commissioner
GARY PIERCE
Commissioner

IN THE MATTER OF THE APPLICATION)
OF TRICO ELECTRIC COOPERATIVE,)
INC., AN ARIZONA NON-PROFIT)
CORPORATION, AND TUCSON)
ELECTRIC POWER, AN ARIZONA)
CORPORATION, FOR AN ORDER)
APPROVING A BORDERLINE)
AGREEMENT)

DOCKET NOS. E-01461A-07-0058
E-01933A-07-0058

DECISION NO. _____
ORDER

Open Meeting
November 27 and 28, 2007
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Trico Electric Cooperative, Inc. ("Trico") and Tucson Electric Power Company ("TEP") are engaged in providing electric service within portions of Arizona, pursuant to authority granted by the Arizona Corporation Commission ("Commission" or "ACC").
2. On January 27, 2007, Trico and TEP filed for Commission approval, a joint application for a Borderline Agreement for Trico to provide electric service to certain real property located in Pima County within the certificated service territory of TEP. Trico and TEP entered into the Borderline Agreement authorizing Trico to enter the subject area, certificated to TEP, and to construct and maintain electric service lines and facilities necessary to serve the subject property until such time that TEP notifies Trico of its intention to provide service to the subject property.
3. TEP is engaged in providing customers with electric service within its designated service territory in portions of Pima and Cochise Counties, Arizona. Trico is engaged in providing

1 customers with electric service within its designated service territory in portions of Pima, Pinal,
2 and Santa Cruz Counties, Arizona.

3 4. The subject property is located near South Wilmont Road in Pima County and is
4 owned by Cingular Wireless II LLC ("Cingular"). Cingular is planning to build a Cell Tower on
5 the subject property. The Cell Tower has not yet been constructed, and a completion date for the
6 construction is unknown at this time. The applicant states that there are no existing line extensions
7 or other agreements pertaining to electric service to the area in which the Cingular Cell Tower is
8 proposed to be located, nor are there any facilities, easements or right-of-way to be transferred in
9 the event the Agreement is approved.

10 5. The property is located within TEP's certificated service territory; however, the
11 nearest available TEP lines are more than 2.5 miles away from Cingular's proposed site. Line
12 extension costs for TEP to bring overhead lines to the perimeter of the property have been roughly
13 estimated by the company to be about \$66,000.00. Trico currently has lines adjacent to the
14 Cingular property. The utilities feel that it is in the best interest of the property owner and the
15 companies for Trico to serve the subject property until such time as TEP determines that it is
16 economically feasible for it to provide electric service to the property.

17 6. The Borderline Agreement outlines a mechanism for TEP to re-enter the subject
18 property at a later point in time to serve the customers located on the property, with proper written
19 notice to Trico, should it decide to do so. Conditions contained in the Borderline Agreement would
20 govern Trico's sale and TEP's purchase of all of Trico's electric lines and facilities which are
21 compatible with TEP's electric system and which can be utilized by TEP at original cost,
22 depreciated at the rate of 3.32 percent per year. Prior to the sale of any electric system lines or
23 facilities necessary and useful in delivering electric service to its customers, Trico will be required
24 per A.R.S. 40-285 to first obtain Commission approval. However, at this time, Trico anticipates
25 that the only item that will be needed at the site is to change a wooden pole to a metal pole

26 7. The estimated monthly projected kWh usage is 25 kWh or less.

27 8. Staff believes that the Borderline Agreement entered into by Trico and TEP is a
28 reasonable solution to allow extension of electric service to the subject property at a cost which is
not prohibitively expensive.

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ORDER

IT IS THEREFORE ORDERED that the proposed Borderline Agreement between Trico and TEP for service to Cingular is hereby approved as discussed herein.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I DEAN S. MILLER, Interim Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____, 2007.

DEAN S. MILLER
Interim Executive Director

DISSENT: _____

DISSENT: _____

EGJ:MXD:lhk\KT

1 SERVICE LIST FOR: Trico Electric Cooperative, Inc. and Tucson Electric Power Company
2 DOCKET NOS. E-01461A-07-0058 AND E-01933A-07-0058

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