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BEFORE THE ARIZONA CORPORATION

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MIKE GLEASON, Chairman
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KRISTIN K. MAYES
GARY PIERCE

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IN THE MATTER OF THE
APPLICATION OF SULPHUR
SPRINGS VALLEY ELECTRIC
COOPERATIVE, INC. FOR
APPROVAL OF ITS RENEWABLE
ENERGY STANDARD AND TARIFF
PLAN AND RELATED TARIFF

Docket No. E-01575A-07-0310

**COMMENTS OF SULPHUR
SPRINGS VALLEY ELCTRIC
COOPERATIVE, INC. TO STAFF
REPORT AND PROPOSED ORDER**

On December 4, 2007, the Utilities Division ("Staff") of the Arizona Corporation Commission ("Commission") filed its Staff Report and a Proposed Order in the above-referenced matter. Sulphur Springs Valley Electric Cooperative, Inc. ("SSVEC" or "Cooperative"), through counsel undersigned, hereby submits the following comments on the Staff Report and the Proposed Order.

Although SSVEC generally supports the Staff Report and the Proposed Order, it has one comment regarding a Staff recommendation with respect to the proposed *SunWatts Residential and Small Business Loan Program* ("Loan Program"). The Loan Program, as proposed in SSVEC's REST Plan, provides customers the opportunity to obtain a five-year loan to assist in the purchase an installation of renewable energy systems. In its Staff Report, Staff indicated that it was concerned that having the option for only a five-year loan might induce only a small number of customers to purchase and install renewable energy systems and that other customers may require a longer term of loan. Staff recommended that a range of loan options from five to ten years may attract more customers to the renewable programs. This recommendation was also set forth in Finding of Fact Nos. 54 and 84 of the Proposed Order.

Snell & Wilmer

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1 SSVEC has considered the recommendation and believes that providing multiple
2 loan options would complicate the Loan Program and would make it more difficult for the
3 Cooperative to administer. It could also result in increasing the administration costs of the
4 Program. However, SSVEC understands Staff's concern about making the Loan Program
5 attractive to more customers by not limiting the Loan Program to a single five-year loan.
6 SSVEC, therefore, proposes the following change to the Loan Program which it believes
7 addresses the concerns of both Staff and the Cooperative:

- 8 a) Loans in amounts up to \$10,000 will be repayable over five years; and
- 9 b) Loans in amounts of \$10,001 or more will be repayable over ten years.

10 SSVEC has discussed this with Staff and Staff has indicated that it supports this
11 change to the Loan Program in lieu of its recommendation. Accordingly, SSVEC
12 suggests that Finding of Fact No. 54 of the Proposed Order be amended as follows:

13 Line 21 to line 25, DELETE:

14 A range of loan options, from five- up to ten-year loans may be
15 the key to attracting more customers to the renewable program.
16 Staff recommends that SSVEC offer different loan packages:
17 a minimum five-year loan, up to a maximum ten-year loan.
18 Staff believes that by allowing the customers these options will
greatly increase the potential for customers to see participation
as a worthwhile financial investment.

19 Line 21, REPLACE with:

20 More than one loan option may be the key to attracting more
21 customers to the renewable program. However, it is important
22 that the program not be complicated and easy for SSVEC to
23 administer. SSVEC has since agreed that the loan program
shall provide for two options:

- 24 a) Loans in amounts up to \$10,000 will be repayable over five
years; and
- 25 b) Loans in amounts of 10,001 or more will be repayable over
10 years.

26 Staff believes that by allowing the customers these options will
27 greatly increase the potential for customers to see participation
28 as a worthwhile financial investment.

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SSVEC further suggests that Finding of Fact No. 84 of the Proposed Order be amended as follows:

Line 6, DELETE:

different loan packages: a minimum 5-year loan, up to a maximum 10-year loan.

Line 6, REPLACE with:

the following loans: a) loans in amounts up to \$10,000 will be repayable over five years; and b) loans in amounts of 10,001 or more will be repayable over ten years.

RESPECTFULLY SUBMITTED this 10th day of December, 2007.

SNELL & WILMER L.L.P.

By



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ORIGINAL and 13 copies filed this 10th day of December, 2007, with:

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