



BEFORE THE ARIZONA CORPORATION COMMISSION

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MIKE GLEASON
Chairman

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WILLIAM A. MUNDELL
Commissioner

ARIZONA CORPORATION COMMISSION
DOCKETING OFFICE

JEFF HATCH-MILLER
Commissioner

KRISTIN K. MAYES
Commissioner

GARY PIERCE
Commissioner

In the Matter of the Joint Application of
Tucson Electric Power Company and Sulphur
Springs Valley Electric Cooperative, Inc. for
an Order Approving a Borderline Agreement

) Docket No. E-01933A-06-0806
) E-01575A-06-0806

**NOTICE OF COMPLIANCE
FILING**

In compliance with Decision No. 70107, attached is a First Amendment to the
Borderline Agreement between Tucson Electric Power Company and Sulphur Springs
Valley Electric Cooperative, Inc. As ordered in Decision No. 70107, the First Amendment
adds a stipulation to the Agreement confirming that "Tucson Electric Power Company will
not purchase any infrastructure from Sulphur Springs Valley Electric Cooperative, Inc."

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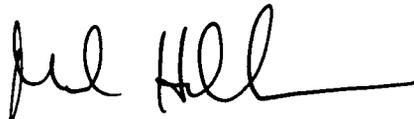
Arizona Corporation Commission
DOCKETED

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DOCKETED BY NR

1 Dated this 31st day of January, 2008.

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10 AND

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25 AND

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Attorneys for Tucson Electric Power Company

1 ORIGINAL and fifteen (15) copies
2 of the foregoing filed this 31st day
of January, 2008, with:

3 The Arizona Corporation Commission
4 Utilities Division – Docket Control
5 1200 W. Washington Street
6 Phoenix, Arizona 85007

7 COPY of the foregoing hand-delivered
8 this 31st day of January, 2008, to:

9 Jane Rodda
10 Administrative Law Judge
11 Hearing Division
12 Arizona Corporation Commission
13 1200 W. Washington Street
14 Phoenix, Arizona 85007

15 Mr. Christopher C. Kempley
16 Chief Counsel
17 Legal Division
18 Arizona Corporation Commission
19 1200 W. Washington Street
20 Phoenix, Arizona 85007

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

26 Mr. Brian K. Bozzo
Manager, Compliance and Enforcement
Arizona Corporation Commission
1200 W. Washington Street
Utilities Division
Phoenix, AZ 85008

Copy of the foregoing
mailed this 31st day of
January, 2008 to:

William Stern
US Army Garrison
Directorate of Public Works Building 2242
3040 Butler Rd
Ft. Huachuca, AZ 85613-7010



FIRST AMENDMENT TO ELECTRIC SERVICE AUTHORIZATION AGREEMENT

This FIRST AMENDMENT TO ELECTRIC SERVICE AUTHORIZATION AGREEMENT (this "First Amendment") is entered into this 18th day of January, 2008, by and between TUCSON ELECTRIC POWER COMPANY ("TEP"), an Arizona corporation, and SUPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC. ("SSVEC"), an Arizona corporation.

RECITALS

A. TEP and SSVEC have entered into an Electric Service Authorization Agreement dated November 28, 2006 (the "Agreement"). All capitalized terms used herein but not defined shall have the meaning given to such terms in the Agreement.

B. Pursuant to Decision No. 70107 (the "Decision"), the Arizona Corporation Commission ordered TEP and SSVEC to amend the Agreement within sixty days of the effective date of the Decision "to stipulate that Tucson Electric Power Company will not purchase any infrastructure from Sulphur Springs Valley Electric Cooperative, Inc."

C. TEP and SSVEC desire to amend the Agreement in the manner and to the extent set forth in this First Amendment and as required by the Decision.

NOW, THEREFORE, in consideration of the recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, TEP and SSVEC agree as follows:

AMENDMENTS

1. The parties agree that Section 5 of the Agreement is amended by adding the following as a second sentence:

The parties acknowledge and agree that, because TEP is not responsible for distribution of electricity on the Fort, TEP will not have any need in the future to purchase any of the infrastructure that is constructed to serve the wastewater lift stations that are the subject of this Agreement.

MISCELLANEOUS

2. Effect. Except as otherwise set forth in this First Amendment, the Agreement shall remain in full force and effect as originally set forth.

3. Counterparts. This First Amendment may be executed in counterparts, all of which when taken together shall be one and the same document.

4. Entire Agreement: This First Amendment constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior understandings with respect thereto.

TUCSON ELECTRIC POWER

By Randy Stutz
Title Sec. V.P. & General Counsel
Date July 14, 2008

SULPHUR SPRINGS VALLEY ELECTRIC

COOPERATIVE

By Creden W. Huber
Title CHIEF EXECUTIVE OFFICER
Date 11/18/08