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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

Arizona Corporation Commission

DOCKETED

AUG - 6 2008

DOCKETED BY *mn*

IN THE MATTER OF THE JOINT
APPLICATION OF TUCSON ELECTRIC
POWER COMPANY AND TRICO
ELECTRIC COOPERATIVE, INC. FOR
APPROVAL OF A BORDERLINE
AGREEMENT TO PROVIDE SERVICE TO
THE SIGNAL LIGHT AT THE
INTERSECTION OF INTERSTATE 10 AND
TANGERINE ROAD

DOCKET NOS. E-01461A-08-0130
E-01933A-08-0130

DECISION NO. 70448

ORDER

Open Meeting
July 29 and 30, 2008
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Tucson Electric Power Company ("TEP") is engaged in providing electricity service within portions of Arizona, pursuant to authority granted by the Arizona Corporation Commission ("Commission").

2. Trico Electric Cooperative, Inc. ("Trico") is engaged in providing electricity service within portions of Arizona, pursuant to authority granted by the Commission.

3. On March 5, 2008, Trico and TEP filed for Commission approval of a borderline agreement allowing Trico to provide service to traffic signal lights at the Interstate 10 interchange with Tangerine Road in Marana, Arizona.

4. The Town of Marana made an application for service for the proposed traffic signal light and the location of the site is within TEP's certificated service territory.

1 5. However, the location in question is within 40 feet of Trico facilities, while TEP's
2 closest facilities are over 650 feet away and would require TEP to cross Interstate 10 to provide
3 service.

4 6. For Trico, the total cost of extending service to this location would be \$622, with no
5 cost paid by the Town of Marana. If TEP were to extend service to this location, the total cost
6 would be approximately \$25,000, with the Town of Marana's costs estimated at around \$13,000.

7 7. TEP and Trico entered into a borderline agreement, dated February 28, 2008,
8 containing a number of provisions for providing service to the traffic signal light. Such provisions
9 include TEP authorizing Trico to provide electric service, and terms under which TEP may begin
10 serving the location if it chooses to do so at some point in the future.

11 8. On June 11, 2008, the Town of Marana sent a letter to Trico, expressing its desire
12 for Trico to serve the location in question.

13 9. If Trico provides service to the location, it would be under Trico's General Service
14 Schedule GS-1. If TEP were to provide service to the location, it would be under TEP's Pricing
15 Plan PS-41, Traffic Signal and Street Lighting Service. The rates under these respective rate
16 schedules as of June 23, 2008, are shown in the table below.

	TEP Rates – GS-1	Trico Rates – PS-41
Customer Charge	None	\$15.00 per month
Per kWh Charge	\$0.067861 per kWh	\$0.10538 per kWh
Adjustor Rate	None	\$0.02 per kWh

21
22 10. TEP's rates at this time are significantly lower than Trico's rates. Trico has
23 indicated to Staff that it expects monthly usage at the site of approximately 2,500 kWh per month.

24 11. Staff spoke to a representative of the Town of Marana on June 23, 2008, regarding
25 the rate differential. The Town of Marana representative indicated to Staff that it understood that
26 there was a rate differential, but that avoiding the up-front cost involved in taking service from
27 TEP was more important, and thus the Town of Marana preferred taking service from Trico.

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IT IS FURTHER ORDERED that Tucson Electric Power Company notify the Utilities Division prior to exercising its right to provide service to the location in question.

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

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION


CHAIRMAN

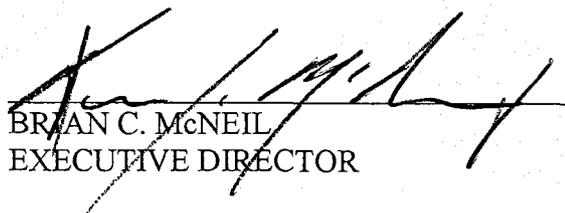
COMMISSIONER


COMMISSIONER


COMMISSIONER


COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, 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 6th day of August, 2008.


BRIAN C. McNEIL
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

EGJ:RGG:lhmkOT

1 SERVICE LIST FOR: Tucson Electric Power Company
Trico Electric Cooperative, Inc.
2 DOCKET NOS. E-01461A-08-0130 and E-01933A-08-0130

3
4 Mr. Charles Emerson
Manager of Technical Service
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7 Mr. David Couture
8 Director, Regulatory Affairs
4350 East Irvington Road
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10
11 Mr. Ernest G. Johnson
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14 Ms. Janice M. Alward
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