



**Grand Canyon State Electric  
Cooperative Association, Inc.**

Your Touchstone Energy® Cooperatives 

**ORIGINAL**



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DEC 5 11:01

ARIZONA CORPORATION COMMISSION  
PHOENIX, ARIZONA

December 5, 2008

Commissioner Gary Pierce  
Arizona Corporation Commission  
1200 W. Washington  
Phoenix, AZ 85007

Re: Sulphur Springs Valley Electric Cooperative, Inc.'s REST Plan for the Calendar  
Year 2009, ("2009 REST Plan") Docket No. E-01575A-07-0310

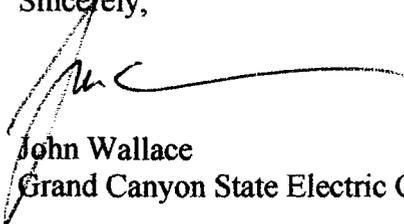
Commissioner Pierce:

Pursuant to your letter dated November 14, 2008, Sulphur Springs Valley Electric  
Cooperative, Inc. ("SSVEC") has attached the information you have requested.

The questions in your November 14 letter are framed based upon the total renewable  
energy requirements stated in Rule 1804.B and the residential and non-residential  
distributed energy requirements in Rule 1805. However, as you know, the electrical  
Cooperatives instead are subject to the provisions of Rule 1814 which calls for the annual  
submissions of plans which, when approved by the Commission, "shall substitute for the  
requirements of R14-2-1804 and R14-2-1805."

Notwithstanding that difference between SSVEC and other affected utilities, we believe  
you do want estimated cost information from the cooperatives on their renewable costs to  
date. Attached are the estimated SSVEC REST Plan costs for 2008.

Sincerely,



John Wallace  
Grand Canyon State Electric Cooperative Association

Arizona Corporation Commission

**DOCKETED**

DEC - 5 2008

Enclosure

DOCKETED BY 

**Hand Delivered** to the following  
on this 5th day of December,  
2008:

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

**Original** and thirteen (13) copies  
filed this 5th day of December,  
2008 with:

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

Response to Questions

1) What are the SSVEC yearly kWh sales?

Estimated 2008 kWh sales (191,622 kW annual peak) 858,699,600 kWh

Estimated renewable production (270 kW ) 399,569 kWh

Estimate based on end of month data for October 2008

2) What are the SSVEC projected renewable energy costs?

SSVEC's costs are projected to be \$814,521 not including the repayment of the Clean Renewable Energy Bonds (CREBs) for the PV for Schools project.

The PV for School project is funded by CREBs and repaid over 15 years from the REST surcharge. This project consists of 24kW solar systems installed on each of the 41 school campus' SSVEC serves. SSVEC owns the systems and gives the output (worth approximately \$500.00 per month) to the schools to offset their energy costs. The monthly repayment cost for the Bonds is \$ 60,000.00.

3) What are the SSVEC projected energy costs per kWh?

Resource Cost Estimates						
Resource	Rebate / Watt	System Size	Rebate	Expected Operational life	kWh produced over life	SSVEC's Cost per kWh in \$
PV	\$4	1,000	\$4,000	20	43,800	\$0.09
Wind	\$4	1,000	\$4,000	20	43,800	\$0.09
Solar Water Heaters	Not included in the 2008 program. Our proposed 2009 program adds this to the program with the projected cost to be in the \$0.03 range					

Assumptions:

PV systems have a rebate of \$4.00 per watt with a 20 year life and each 1000 watts of panels produce 2,190 kWh per year. Price does not include homeowners cost above the rebate.

Wind Resources have a rebate of \$4.00 per watt with a 20 year life and an assumed load factor of 25%. Price does not include homeowner costs above the rebate.

kWh costs are based on the rebate amounts of these resources which are 50% or less of the consumers system cost.