

ORIGINAL



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MEMORANDUM

TO: Docket Control

FROM: Ernest G. Johnson
Director
Utilities Division

Date: March 18, 2009

RE: STAFF REPORT FOR THE APPLICATION OF GARKANE ENERGY COOPERATIVE, INC. TO EXPAND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY TO INCLUDE COLORADO CITY, ARIZONA (DOCKET NO. E-01891A-08-0598)

Attached is the Staff Report for the extension of Garkane Energy Cooperative, Inc.'s Certificate of Convenience and Necessity to include Colorado City, Arizona. Staff recommends approval.

EGJ:VW:kdh

Originator: Vicki Wallace

Arizona Corporation Commission
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Docket No. E-01891A-08-0598

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**STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION**

**GARKANE ENERGY COOPERATIVE, INC.
E-01891A-08-0598**

**APPLICATION OF GARKANE ENERGY COOPERATIVE, INC. TO
EXPAND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY
TO INCLUDE COLORADO CITY, ARIZONA**

MARCH 18, 2009

STAFF ACKNOWLEDGMENT

The Staff Report for Garkane Energy Cooperative, Inc., Docket No. E-01891A-08-0598, was prepared by the Staff members shown below:



Vicki Wallace
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Prem Bahl
Utilities Engineer



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EXECUTIVE SUMMARY
GARKANE ENERGY COOPERATIVE, INC.
E-01891A-08-0598

On December 12, 2008, Garkane Electric Cooperative, Inc. ("Garkane" or "Cooperative") filed an application with the Arizona Corporation Commission ("Commission" or "ACC") to expand its Certificate of Convenience and Necessity ("CC&N") to include Colorado City, Arizona, in Mohave County.

Prior to May of 1994, Garkane provided electric service to the residents of Colorado City as well as to the neighboring town of Hildale, Utah ("the Twin Cities"). In 1993, however, municipal utilities were formed by the Twin Cities. At their request, Garkane entered into agreements with Hildale and Colorado City to sell its distribution facilities to the Twin Cities. In Decision No. 58571 issued March 16, 1994, the Commission approved the transfer of the Garkane assets to Colorado City as well as the cancellation of the relevant portion of the Cooperative's CC&N relating to service to Colorado City.

The Twin Cities began to default on bond payments, and about two years ago, Garkane was approached by the Trustee for the Twin Cities bondholders, Wells Fargo, about purchasing the Twin Cities' systems and resuming electricity service to the area. In November of 1998, the parties signed a Memorandum of Understanding for the sale, and the bondholders specified a closing date of June 30, 2009.

Garkane has made wholesale power arrangements with its power supplier, Deseret Power Electric Cooperative, and transmission arrangements with Rocky Mountain Power for the purchase as well as the transmission of the energy necessary to supply Colorado City.

Staff's analysis indicates that Colorado City customers using an average of 500 kWh per month will experience an approximate \$15.31 reduction in their current electric bills, from \$81.00 to \$65.69.

CONCLUSIONS AND RECOMMENDATIONS

- Garkane has the financial, technical, and managerial experience to own and operate an electric utility.
- Once the acquisition is completed, Colorado City customers will become members of the Cooperative and have the same rights and privileges as current members.
- Garkane has entered into a Memorandum of Understanding ("MOU") with Colorado City and all pertinent parties to purchase the system and resume service, and a purchase agreement will be finalized once all necessary approvals are received pursuant to the MOU.

- Garkane has been approved by the National Rural Utilities Cooperative Finance Corporation for loan funds in excess of the \$3,000,000 amount needed to close this acquisition.
- Garkane has established that it is in the public interest to approve this expansion of territory to include Colorado City.
- Staff recommends that Garkane's expansion of its territory to once again include Colorado City be approved with the following conditions.
 1. Garkane will be required to file documentation of the finalized purchase agreement with the Commission in this docket upon closing the transaction.
 2. Garkane will be required to charge its current Commission-approved rates and charges, including the requested FAC, to the requested extension area until further order of the Commission.
- Garkane has sufficient resources to serve the additional load of Colorado City;
- Sufficient transmission capacity exists to deliver power to Colorado City;
- Garkane will have sufficient work for the existing two part-time maintenance crew members to make them permanent as they would be able to additionally serve a significant number of existing Arizona customers in close proximity to Colorado City;
- The ability to serve the composite load of Arizona customers and that of Twin Cities would result in operational efficiencies and improved reliability in providing quicker response to customer outages, as the maintenance staff would not have come from the present Garkane area office located at Kanab, Utah, which is one hour away from the Twin Cities;
- After 2011, when the 69 kV Toquerville to Cliff Wilson transmission line is upgraded, Garkane will divert the Deseret generation, now coming from Glen Canyon, approximately 100 miles away, to Toquerville, which is only 28 miles away. This will result in significant savings on system losses.

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INTRODUCTION

On December 12, 2008, Garkane Electric Cooperative, Inc. ("Garkane" or "Cooperative") filed an application with the Arizona Corporation Commission ("Commission or "ACC") to expand its Certificate of Convenience and Necessity ("CC&N") to include Colorado City, Arizona, in Mohave County.

On January 27, February 5, February 10, and February 27, 2009, Staff issued data requests to the Company, and responses were subsequently received.

On February 6, 2009, Staff issued its Sufficiency Letter to Garkane. A Procedural Order was issued on February 10, 2009, setting a hearing for April 3, 2009.

BACKGROUND

Garkane is a rural non-profit electric cooperative headquartered in Loa, Utah. The Cooperative serves approximately 11,600 total customers. About 700 of those customers are in Arizona and are situated primarily north of the Grand Canyon in the vicinity of Fredonia and Colorado City, Arizona. Garkane is in good standing with the Commission's Corporations Division and was certified to provide water utility services in Arizona via Decision No. 38392 issued February 3, 1966. Garkane's existing rates were established in Decision No. 61105 issued August 20, 1998. Staff's legal description and engineering map of the service area is attached as Exhibit 1.

Prior to May of 1994, Garkane provided electric service to the residents of Colorado City as well as to the neighboring town of Hildale, Utah ("the Twin Cities"). In 1993, however, municipal utilities were formed by the Twin Cities. Bonds were also authorized to finance the acquisition of the Cooperative's utility assets as well as to construct additional facilities. At their request, Garkane entered into agreements with Hildale and Colorado City to sell its distribution facilities to the Twin Cities.

In Decision No. 58571 issued March 16, 1994, the Commission approved the transfer of the Garkane assets to Colorado City as well as the cancellation of the relevant portion of the Cooperative's CC&N relating to service to Colorado City. The transaction closed in April of 1994. Garkane ceased service to Colorado City at that time. The Hildale transaction was subject to the jurisdiction of the Utah Public Service Commission ("Utah Commission") and thus required no action by the ACC.

Approximately two years ago, Garkane was approached by the Trustee for the Twin Cities bondholders concerning whether the Cooperative would be interested in purchasing the Twin Cities' systems and resuming electricity service to the area. Garkane indicated that things did not go well after the acquisition by the Twin Cities, partly as a result of the Twin Cities' reliance on natural gas fired generation; and Colorado City and Hildale began to default on their bond payments in 2000 and on their interest payments in 2005. The Trustee was considering

either a receiver to run the system or a purchaser. After negotiations between the parties, Garkane entered into a Memorandum of Understanding ("MOU") to purchase the Twin Cities' utility assets, including the assets which serve Colorado City.

THE MEMORANDUM OF UNDERSTANDING

As indicated above, a MOU was entered into between the Twin Cities Power Authority ("TCP"); the City of Hildale, UT, a Utah Municipal Corporation ("Hildale"); Colorado City, AZ, an Arizona Municipal Corporation ("Colorado City"); Wells Fargo Bank, and Bondholders N.A., as Trustee for the holders of certain Revenue Bonds issued in 1995 and 1997 and Garkane in November of 2008, specifying a closing date of no later than June 30, 2009. According to the Cooperative, closing of the transaction is contingent upon, among other things such as acquisition of the Hildale System, and the receipt of the Commission's approval to expand Garkane's CC&N to once again provide electric service to the approximately 700 additional customers in Colorado City.

The Hildale transaction is under the jurisdiction of the Utah Commission. Under Utah Commission Rule R746-401, Garkane is only required to report the transaction to the Utah Commission. Because the transaction involved less than five percent of Garkane's gross utility plant, no approval from the Utah Commission is required. Garkane must submit the report to the Utah Commission at least 30 days prior to the closing. That report will be made before the end of March 2009.

The MOU is attached as Exhibit 2. The MOU sets forth the terms and conditions of the proposed sale of the electrical transmission, substation, and distribution system assets currently belonging to TCP, Hildale, Colorado City and/or Wells Fargo (collectively, "Sellers") to Garkane. The Town Council of Colorado City has approved the MOU for the sale and will also approve final sales documents. The main provisions of the MOU are as follows:

1. Garkane will purchase the entire existing electrical transmission, substation, and distribution system(s) ("System Assets") of Sellers together with certain materials and supplies pertaining to such system(s) together with the right and duty to provide electrical service to the residents and businesses of Hildale and Colorado City.
2. The purchase price for the System Assets will be \$3,000,000 and will be payable in cash at the time of closing. Closing of the transaction will be no later than June 30, 2009.
3. The Sellers will warrant title to the System Assets free and clear of all liens and encumbrances. Title to the distribution system facilities (including easements) will be conveyed via Quitclaim Deed, and Seller will be responsible for clearing any and all liens and encumbrances.

4. Sellers will continue to operate the System Assets until closing, and Garkane will not assume any obligation or liabilities to any entity associated with the delivery of electricity to Sellers prior to closing of the transaction.
5. Sellers will transfer to Garkane all deposits held on account of electric customers and provide all pertinent information associated with these accounts. Sellers will also make available to Garkane all electrical customer information necessary for the Cooperative to set up billing accounts, etc. Garkane was advised there were no outstanding/pending main line extensions.
6. Garkane must enter into a suitable purchased power contract amendment for delivery of necessary power and energy not to exceed \$930,000 per year.
7. Garkane will establish an office for receipt of payment and customer service in Hildale or Colorado City for a minimum period of three years after the closing.
8. The entire MOU is contingent upon releases from Colorado City, Hildale and the Bondholders (or the Trustee) from any and all current and future debts and liabilities for the transfer of Twin Cities distribution system to Garkane.
9. Once the acquisition is completed, Colorado City customers will become members of the Cooperative and have the same rights and privileges as current members.

WHOLESALE POWER AND TRANSMISSION ARRANGEMENTS

The Cooperative has made wholesale power arrangements with its power supplier, Deseret Power Electric Cooperative ("Deseret") and transmission arrangements with Rocky Mountain Power for the purchase as well as the transmission of the energy necessary to supply Colorado City.

ENGINEERING ANALYSIS

Within its existing CC&N, Garkane is presently serving approximately 700 customers in Arizona with a total load of approximately 4 MW. Of these, approximately 600 customers are in the vicinity of Colorado City (within a 15-minute drive). The Colorado City load is approximately 5 MW. Therefore, the total system load of the Cooperative will be about 9 MW if it acquires ACC approval to provide service to Colorado City. Garkane's provision of service in the area should be more efficient and cost effective if the Application is approved.

Currently, Twin Cities takes power delivery from Utah Associated Municipal Power Systems ("UAMPS") at Hurricane City's Cliff Wilson Substation over a 23-mile long 69 kV line. According to information received from the Cooperative, Rocky Mountain Power ("RMP") would install one disconnect switch outside of the Cliff Wilson Substation between the RMP 69 kV line and the Twin Cities 69 kV line and utilize the existing 69 kV line to provide service to

Twin Cities. Power will be received from the Deseret¹ via the Rocky Mountain Power system delivered through the 69 kV Toquerville Substation, which is approximately 5 miles from the Cliff Wilson Substation.

Garkane is presently serving all its Arizona customers, including the 600 customers in the Colorado City area, from Glen Canyon over approximately 100 miles of line consisting of 30 miles of 138 kV, 30 miles of 69 kV, 30 miles of 34.5 kV and 10 miles of 12.5 kV lines. RMP plans to upgrade the 69 kV line between the Toquerville Substation and Cliff Wilson substation in 2011. At that time, the upgraded line will be able to carry additional power needed to serve all of Garkane's Arizona customers in the Colorado City area. This arrangement will offer the Cooperative significant savings in reduced system losses, because the power flow distance would decrease from approximately 100 miles to 28 miles.

A one-line diagram showing Garkane's electric system serving Arizona customers and the proposed Twin Cities area is attached as Exhibit 1.

Currently, because of depressed economic conditions and inadequate amount of work, there are only two part-time maintenance crew members serving the customers of Twin Cities. Maintenance crew staff that responds to the Arizona customers in the Colorado City area comes from Garkane's office in Kanab, Utah. They travel for about one hour to reach these customers. If the Application is approved, the Cooperative will have sufficient customers in the Colorado City area to dedicate full time positions and reduce repair time and improve quality of service to customers.

GARKANE'S FINANCIAL ABILITY TO SERVE THE AREA

Garkane indicated that it has already been approved by the National Rural Utilities Cooperative Finance Corporation for loan funds in excess of the \$3,000,000 amount needed to close this acquisition. The Cooperative also asserted that it is a financially sound cooperative with current margins and equity total assets level of approximately 36 percent.

RATES

Garkane indicated that it will use its current Commission-approved tariffs and regulations to provide service to the residents of Colorado City. Garkane estimated that the rates it will charge in Colorado City will be approximately five percent lower than current rates now in effect. The wholesale power supply and transmission arrangements are specifically for the Twin Cities and are approximately \$900,000 higher per year than the wholesale power costs for the balance of the Cooperative's customers in Arizona and Utah. In order to recover the additional costs to serve the Colorado City Area, Garkane has included, as part of its wholesale power cost adjustment mechanism, an acquisition fuel adjustment charge ("FAC"), calculated by customer

¹ Deseret Power Cooperative is a generation cooperative in Utah. Garkane would receive additional power delivery from Deseret for Colorado City under the existing wholesale power contract if the Application is approved.

class. According to Garkane, the FAC is fixed based on the additional cost to serve the Colorado City area. The FAC will be in addition to the monthly customer charge and energy charges.

Staff's analysis indicates that a residential customer using 500 kWh per month is currently paying approximately \$81.00 per month. With Garkane's current Commission-approved rates inclusive of the FAC charge, a residential customer with the same usage as above will pay approximately \$65.69 per month which is \$15.31 less a month for electricity. For a more detailed review of Staff's rate analysis, see the Telecommunications and Energy Section which is attached as Exhibit 4.

PUBLIC INTEREST

Garkane indicates that the expansion of Garkane's CC&N to reauthorize service to Colorado City is in the public interest for the following reasons:

It will bring stability to the ownership and operation of the electric system which has been in default to its bondholders and subject to sale or receivership for several years.

Colorado City residents will see an immediate decrease in their rates and bills.

Garkane's operation of the system will also provide rate stability for Colorado City customers. Since 1993, the average retail power cost has doubled from \$0.06/kWh to \$0.12/kWh because of the municipal system's much higher power costs and debt load.

There will be some operational efficiencies associated with the acquisition of the Twin Cities operation which will benefit of all of Garkane's members.

In response to Staff's inquiry as to what operational efficiencies would ensue, Garkane indicated that one of the efficiencies had to do with maintenance/repair personnel being located more closely to Garkane's current service territory. Of the approximately 700 customers that Garkane serves in Arizona, over 500 of them are located within a 15-minute drive of Colorado City. Those customers are currently served with line crews out of the Kanab Office which is approximately 45 minutes to one hour away. These same line crews normally travel to the area around Colorado City two or three times a day. With the acquisition, Garkane will acquire two journeyman linemen and an office/warehouse building. By having them service both the Twin Cities area and the Arizona Garkane customers in the surrounding area, this will reduce the travel time and expense of Garkane crews to Arizona customers as well as improving response time to the area.

Additionally, Garkane indicated that under the MOU, in 2011 Garkane will be able to move the existing Garkane Arizona loads in the area onto the new delivery point. This change in delivery point feed will reduce the current loading on the Fredonia Sub transformer by approximately twenty (20 percent), which is currently near its top rating. The Cooperative

believed this would save customers money by eliminating or, at least, postponing the need to replace this transformer with a larger size.

FRANCHISE

At the general election on November 4, 2008, Colorado City voters overwhelmingly approved (578 yes; 33 no) the issuance of a franchise to Garkane to allow its operations within the City limits. A copy of the franchise ordinance is attached as Exhibit 5

CUSTOMER NOTICE

Customers were noticed of Garkane's expansion of territory to include Colorado City and Hildale via first-class mail on February 23, 2009, as evidenced by the attached certification of mailing and notice (Exhibit 6). There were no oppositions filed to the expansion as of the time of the filing of this Staff Report.

COMPLIANCE

Arizona Corporation Commission

The Utilities Division's Compliance Section indicates there are no delinquencies for Garkane Electric Cooperative, Inc.

CONCLUSIONS AND RECOMMENDATIONS

- Garkane has the financial, technical, and managerial experience to own and operate an electric utility.
- Once the acquisition is completed, Colorado City customers will become members of the cooperative and have the same rights and privileges as current members.
- Garkane has entered into a Memorandum of Understanding with Colorado City and all pertinent parties to purchase the system and resume service, and a purchase agreement will be finalized once all necessary approvals are received pursuant to the MOU.
- Garkane has been approved by the National Rural Utilities Cooperative Finance Corporation for loan funds in excess of the \$3,000,000 amount needed to close this acquisition.
- Garkane has established that it is in the public interest to approve this expansion of territory to include Colorado City.
- Staff recommends that Garkane's expansion of its territory to once again include Colorado City be approved with the following conditions.

1. Garkane will be required to file documentation of the finalized purchase agreement with the Commission in this docket upon closing the transaction.
 2. Garkane will be required to charge its current Commission-approved rates and charges, including the FAC, to the requested extension area until further order of the Commission.
- Garkane has sufficient resources to serve the additional load of Colorado City;
 - Sufficient transmission capacity exists to deliver power to Colorado City;
 - Garkane will have sufficient work for the existing two part-time maintenance crew members to make them permanent as they would be able to additionally serve a significant number of existing Arizona customers in close proximity to Colorado City;
 - The ability to serve the composite load of Arizona customers and that of Twin Cities would result in operational efficiencies and improved reliability in providing quicker response to customer outages, as the maintenance staff would not have come from the present Garkane area office located at Kanab, Utah, which is one hour away from the Twin Cities;
 - After 2011, when the 69 kV Toquerville to Cliff Wilson transmission line is upgraded, Garkane will divert the Deseret generation, now coming from Glen Canyon, approximately 100 miles away, to Toquerville, which is only 28 miles away. This will result in significant savings on system losses.

MEMORANDUM

TO: Vicki Wallace
Chief, Consumer Services & Special Projects
Utilities Division

FROM: Barb Wells 
Information Technology Specialist
Utilities Division

THRU: Del Smith 
Engineering Supervisor
Utilities Division

DATE: January 12, 2009

RE: **GARKANE ENERGY COOPERATIVE, INC. (DOCKET NO. E-01891A-08-0598)**

The area requested by Garkane for an extension has been plotted with no complications using the legal description provided with the application (a copy of which is attached).

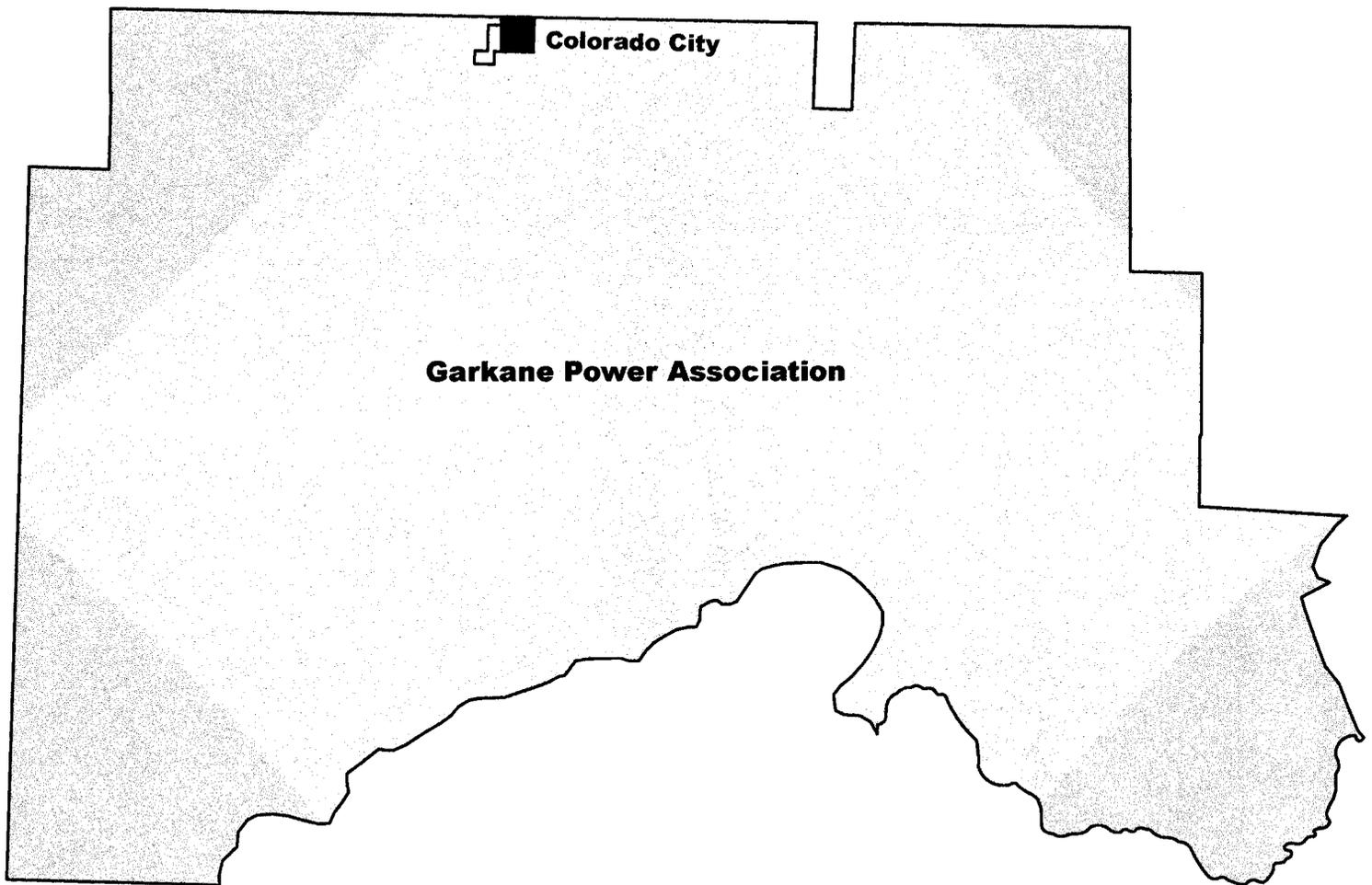
Also attached is a copy of the map for your files.

:bsw

Attachments

cc: Mr. Michael Grant
Ms. Deb Person (Hand Carried)
Mr. Prem Bahl

Garkane Energy Cooperative, Inc.
Docket No. E-01891A-08-0598
Application for Extension



**Legal Description of the Metes and Bounds
Colorado City, Mohave County, Arizona**

Beginning at a point in Range 6 West Township 42 North; the Northwest Corner of Sec 31 on the Utah/Arizona State Line; thence East along the Arizona State Line, Sec 31, 32, 33, to the North Quarter Corner of Sec 33; thence South to the South Quarter Corner of Sec 33, Range 6 West, Township 42 North, which also is the North Quarter Corner of Sec 4, Township 41 North, Range 6 West; thence South along the Quarter Line of Sec 4 & 9 to the South Quarter Corner of Sec 9; thence West along the South Boundary of Sec 9, 8 and 7 to the Southwest Corner of Sec 7 Township 41 North, Range 6 West; thence North along the West Boundary of Sec 7, and Sec 6, Township 41 North, Range 6 West and continuing North along the West Boundary of Sec 31, Township 42 North, Range 6 West to the point of beginning.

EXHIBIT "B"

MEMORANDUM of UNDERSTANDING**Between**

Twin Cities Power Authority ("TCP"); the City of Hildale, UT, a Utah Municipal Corporation ("Hildale"); Colorado City, AZ, an Arizona Municipal Corporation ("Colorado City"); Wells Fargo Bank, and Bondholders N.A., as Trustee for the holders of certain Revenue Bonds issued in 1995 and 1997 ("Wells Fargo"),

and

Garkane Energy Cooperative, Inc. ("Garkane")_

This Memorandum of Understanding is intended to set forth the terms and conditions of the proposed sale of the electrical transmission, substation, and distribution system assets currently belonging to TCP, Hildale, Colorado City and/or Wells Fargo (collectively, "Sellers") to Garkane.

It is intended that the entire existing electrical transmission, substation, and distribution system(s) of Sellers together with certain materials and supplies pertaining to such system(s) on hand be sold, as an operating unit, to Garkane together with the right and duty to provide electrical service to the residents and businesses of Hildale, Utah and Colorado City, Arizona.

In contemplation of that sale upon meeting the statutory requirements for the sale or disposition of Municipal Utility Assets it is agreed that:

1. Garkane will purchase the electric transmission, substation, and distribution system assets (the "System") of Sellers on the closing date, consisting of the following items:
 - a. All transmission line facilities (including all easements) from the interconnect point at the Clifton Wilson Substation in Hurricane to the Twin Cities Substation. The Sellers will be responsible for the complete termination of Section 4.3 of the agreement entitled "Right-Of-Way and Pole Agreement Between Hildale, Utah and the City of Hurricane".

- b. All substation and switch yard facilities including all land the stations utilize located near 770 North 1400 West Hildale UT, including the underlying property interests, with the exception of the generator stepup transformers and the associated lowside wiring from the transformer to the generator building located inside the substation yard.
 - i. The stick built control "building" located inside the metal generator building and the metal generator building will remain in place and will be included as part of this transaction.
 - ii. The generator equipment located in and on the generator building and site shall be removed by the Sellers within 12 months of closing. The Sellers will be responsible for cleaning up and debris removal, including any and all hazardous materials, from the building and site. Sellers will be responsible to safeguard and minimize damage to the building and site during equipment removal.
 - iii. The existing 24 and 48 volt DC systems necessary for the operation of the controls and relays associated with the substation shall be included as part of this transaction. Said DC systems shall remain in operation at all times through the removal of the generator equipment.
 - iv. The existing substation metering and protective equipment shall remain in place and in operation at all times during the removal of the generator equipment.
- c. All electrical distribution system facilities (including all easements).
- d. Sellers will assist Garkane in converting the existing obsolete L&G Prepaid Metering System to a replacement system which can be supported by the manufacturer.
- e. Storage yard, including all lands the yard utilizes, with storage vans, materials, supplies, and spares located within the yard.
- f. All meters and metering supplies in stock.
- g. One service truck used by electric department employees with associated tools and materials, less individual personal hand tools.
- h. Sellers shall provide acceptable Title Insurance to Garkane covering all transmission line easements, and all substation, switching station, and storage yard real property. Garkane will be responsible to pay upon

closing, one half of the cost of the Title Insurance as an addition to the amount provided in paragraph 2 with the remainder the responsibility of Seller

2. These assets to be sold are herein referred to as the "System Assets". The Sellers will warrant title to the System Assets free and clear of all liens and encumbrances. Sellers will provide to Garkane acceptable Title Insurance as indicated in the preceding paragraphs, otherwise, the System Assets are being sold and purchased in their "AS IS" condition. No other assets or liabilities of Sellers are being purchased except as specifically enumerated below.
3. Title to the distribution system facilities (including easements) purchased by the Sellers from Garkane in or about 1995 will be conveyed by Quitclaim Deed in the same manner as when purchased from Garkane. Seller will be responsible for clearing any and all liens and encumbrances that may have been placed upon the facilities during the time the Sellers held the facilities.
4. The purchase price for the System Assets is Three Million Dollars (\$3,000,000) (the "Purchase Price"). The Purchase Price will be payable in cash at the closing. All parties to this transaction will take all reasonable steps to timely obtain any and all necessary authorizations and approvals required to proceed with the sale, including any and all required approvals of the Sellers' respective electorates. Moreover, the parties shall make all reasonable efforts to close the transaction by or before December 31, 2008, but in no event later than June 30, 2009.
5. Sellers will continue to operate the System Assets until the closing and will generally maintain the System Assets in the condition in which it presently exists. Except as provided below in this Section 5, Sellers may dispose of assets of the System Assets and may acquire other assets during that period of operation, all in the ordinary course of business. There shall be no adjustment in the Purchase Price for any such dispositions or acquisitions. During that period of operation, Sellers shall not dispose of or acquire assets having an aggregate value in excess of \$5,000.00 without the written consent of Garkane, the granting of which consent may require an adjustment in the Purchase Price.
6. Garkane will not assume any obligation or liabilities to UAMPS or other entities associated with the delivery of electricity to Sellers prior to the closing of this transaction. Rather, Sellers shall be solely responsible for the satisfaction, termination, cancellation, and/or disposition of all such agreements and obligations except as otherwise specifically indicated in this Memorandum.

7. Sellers shall be responsible for the termination and complete satisfaction of the "Hildale Interconnect Agreement Among Utah Associated Municipal Power Systems, The City of Hurricane, Utah, and the City of Hildale, Utah.
8. Sellers shall transfer to Garkane all deposits held on account of electric customers. Sellers shall provide to Garkane an itemized list of all such amounts, the account they are held for, the date such deposit was received by TCP and the terms and conditions of refunds. Sellers shall transfer to Garkane all Contributions in Aid Of Construction. TCP shall provide to Garkane an itemized list of all such amounts, the account they are held for, the date such deposit was received by TCP, terms and conditions of refunds, copies of all contracts or documents pertaining to the amount, and the amount of accrued interest if any.
9. Sellers shall make available to Garkane electrical customer information, necessary for Garkane to set up billing accounts, in a readily useable electronic format (i.e. an excel spreadsheet at least 90 days prior to the anticipated closing date with weekly updates of changes to account data. Sellers will, prior to the closing date, provide copies of all drawings, maps (including base maps), diagrams and other similar documents relating to the System. Drawings and maps shall be provided in electronic AutoCAD 2000 format. Garkane will keep all information received from Sellers under this section confidential and, in the event that the sale and purchase does not close, will return to Sellers or destroy all documents and other information received.
10. Customer meters will be read jointly by TCP and Garkane on or about the closing date. TCP will send final billings to the customers and will be entitled to all customer payments for service provided prior to the closing. Sellers will be responsible for any power purchases for usage prior to the closing date (meter reading date) regardless of the billing date. TCP and Garkane shall jointly coordinate this meter reading/closing date with their appropriate power suppliers so as to facilitate a seamless change in suppliers.
11. At closing, Garkane will establish which of TCP's outstanding electrical accounts receivable are not older than 90 days. Forty-five (45) days after closing, Garkane shall purchase such of those same receivables that as of that date remain unpaid, at a discounted rate of 50%. This amount will also be reduced by any outstanding balances of prepaid meter accounts. This purchase amount will be paid directly to Sellers, in addition to the Purchase Price.
12. Garkane will be responsible to timely obtain all governmental and lender approvals necessary to consummate the purchase of the System Assets and

- the provision of electricity to the residents and businesses of Hildale and Colorado City.
13. Sellers will be responsible to timely obtain all governmental and lender approvals necessary to consummate the sale of the System Assets.
 14. Sellers will be responsible for timely compliance with all applicable rules and statutes regarding sale or disposition of Municipal Utility Assets. Sellers will proceed with promptness to get the issue placed on the next General Election or at a special election called for that purpose of the sale of Twin Cities Electrical Transmission, Substation, and Distribution System.
 15. Bondholder's legal counsel will assist Garkane in securing required approvals from Utah and Arizona Governmental Agencies.
 16. Garkane and/or DGT must obtain a TSO delivery from Rocky Mountain Power at Hurricane, Hildale, or a mutually agreeable point in between.
 17. Garkane and DGT must enter into a suitable purchased power contract amendment for delivery of necessary power and energy at the delivery point under RSA energy and capacity charges with a Facilities Charge not to exceed \$930,000 per year. In the event that the final negotiated rate from DGT exceeds RSA or a facilities charge in excess of \$930,000 per year the Purchase Price in Section 3 shall be reduced by the net present value of the difference in projected power cost over the 25 year window discounted at 7.5%.
 18. Sellers will deem that granting a franchise to Garkane in the former TCP service area is beneficial, and will pass a resolution(s) to that effect. Sellers shall submit the question of granting the franchise to the qualified electors at the earliest practicable date. The franchise agreement between Colorado City and Garkane will have a minimum term of 25 years, and shall include acceptable provisions for renewal. The franchise agreement between Hildale City and Garkane will have a minimum term of 30 years. Garkane will be subject to assessment by Hildale and/or Colorado City of such franchise fees and other charges as the respective city councils may impose from time to time in accordance with the provisions of applicable law. Garkane has the right to pass such fees through to the retail customers as a tax.
 19. Garkane will establish an office for receipt of payment and customer service in Hildale or Colorado City for a minimum period of three years after the closing. After the initial period the continuation of the office will be at the sole discretion of Garkane's Board.
 20. All customers of Garkane in the former TCP service area may be charged rates equivalent to the existing TCP rates with a structure similar to the existing

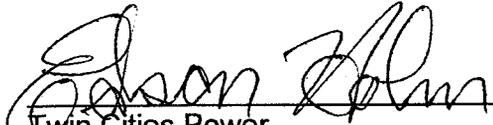
Garkane Rates. Future rate changes will be in proportion to rate changes to other Garkane customers. Garkane reserves the right to allocate costs and expenses to the TCP service area separate from other Garkane service areas provided that those costs or expenses are directly attributable to costs or expenses incurred in the TCP area. The rates and regulations for Colorado City, Arizona customers must be approved by the Arizona Corporation Commission substantially as presented and such approval must be satisfactory to Garkane in its sole and absolute discretion. The rates and regulations for Hildale, Utah customers must be approved by the Utah Public Service Commission substantially as presented and such approval must be satisfactory to Garkane in its sole and absolute discretion.

21. The customers acquired as part of this transaction by Garkane shall become members of Garkane with all the rights and privileges of others members and subject to the same rules and regulations of similar Garkane customers except as herein provided.
22. Garkane will undertake a realignment of the Garkane Board districts during a normal and regular District Election process, in order to properly and adequately represent, at the discretion of Garkane's Board using prudent business judgment, the interests of the additional approximately 1000 new customers from TCP.
23. Garkane will extend offers of employment to the two existing TCP Journeyman Linemen.
24. This entire Memorandum of Understanding is contingent upon releases from Colorado City, Hildale and the Bondholders (or the Trustee) from any and all current and future debts and liabilities for the transfer of Twin Cities distribution system to Garkane.
25. Arizona Rev. Stat. Ann. 38-511 applies to this contract as if fully set forth herewith, which allows cancellation of this contract, within three years after its execution if any person significantly involved in initiating, negotiating, securing, drafting, or creating the contract on behalf of the state, its political subdivisions or any of the departments or agencies of either is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or consultant to any other party of the contract with respect to the subject matter of the contract. The Parties will provide to Garkane notarized, sworn affidavits from each person significantly involved in initiating, negotiating, securing, drafting, or creating the contract on behalf of the state, its political subdivisions or any of the departments or agencies stating that they and their actions are in full compliance with Arizona Rev. Stat. Ann. 38-511.

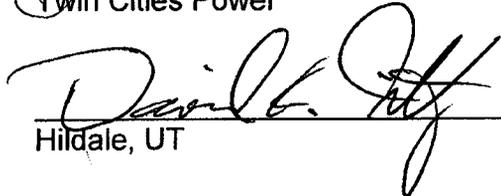
26. Upon execution of this Memorandum of Understanding by all parties, the parties will enter into negotiations for the development, approval and execution of:
- a. A Purchase and Sale Agreement for the System Assets between Garkane and Sellers; and
 - b. A Settlement Agreement and Release between Wells Fargo (on behalf of the bondholders), Hildale and Colorado City with respect to amounts owed
 - i. By Hildale to the bondholders on account of the outstanding revenue bonds issued in 1995 and 1997; and
 - ii. By Colorado City to Hildale and/or the bondholders under a certain Power Sales Contract dated December 15, 1995.
27. Without limiting the generality of the foregoing, the parties acknowledge and agree that all obligations of the Sellers contemplated here under are contingent on:
- a. The full, complete, and permanent release and discharge of the Sellers from any and all debts, liabilities, obligations or claims of any kind or nature whatsoever by or through any of the parties to this Memorandum;
 - b. The irrevocable commitment by Garkane to provide electric service to the residents and businesses of Colorado City and Hildale subject to Garkane obtaining all necessary approvals in satisfactory form to Garkane and
 - c. Approval of this Memorandum and all subsequent agreements pertaining to the subject matter hereof by the Colorado City Town Council, Hildale City Council, Wells Fargo Bank as Trustee for Bondholders, and Garkane Energy Board of Directors.
28. Final Closing of this Purchase/Sale Transaction will be contingent upon approval of the final documents and transaction by and/or receipt of necessary approvals from:
1. Garkane Board of Directors
 2. Twin Cities Board of Directors
 3. Hildale, UT. Town Council
 4. Colorado City, AZ Town Council
 5. Wells Fargo Bank as Trustees for Bondholders
 6. Affirmative vote of Hildale and Colorado City residents
 7. Utah Public Service Commission
 8. Arizona Corporation Commission

9. Rural Utilities Service (RUS)
 10. National Rural Utilities Cooperative Finance Corporation (CFC)
 11. DGT Board of Directors (Purchase Power Contract Only)
 12. Federal Energy Regulatory Commission (FERC)
29. Sellers acknowledge that Garkane must receive various regulatory approvals from the Arizona Corporation Commission ("ACC") as a precedent to and in order to close the Purchase/Sale Transaction as well as to commence providing electric service to Colorado City, Arizona. These regulatory approvals include, but are not limited to, expansion of Garkane's service territory to include areas sufficient and necessary to provide electric service to Colorado City as well as the rates, tariffs and rules and regulations under which Garkane is willing to provide electric service (the "Necessary Regulatory Approvals"). Should the ACC refuse to issue the Necessary Regulatory Approvals or if it attaches to any of the Necessary Regulatory Approvals modifications, terms or conditions which are unacceptable in Garkane's sole and absolute discretion, then Garkane may cancel the Purchase/Sale Transaction upon written notice to the other parties.

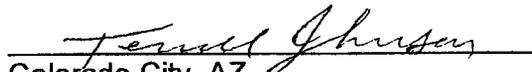
These terms and conditions are acceptable as a basis to negotiate the specific transaction hereby contemplated.


Twin Cities Power

10-03-08
Date


Hildale, UT

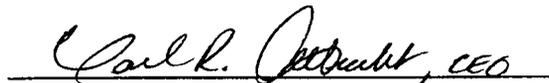
10-3-08
Date


Colorado City, AZ

11-3-08
Date


Wells Fargo Bank

11-19-8
Date


Garkane Energy Cooperative, Inc.

11/12/08
Date

EXHIBIT B

**Legal Description of the Metes and Bounds
Colorado City, Mohave County, Arizona**

Beginning at a point in Range 6 West Township 42 North; the Northwest Corner of Sec 31 on the Utah/Arizona State Line; thence East along the Arizona State Line, Sec 31, 32, 33, to the North Quarter Corner of Sec 33; thence South to the South Quarter Corner of Sec 33, Range 6 West, Township 42 North, which also is the North Quarter Corner of Sec 4, Township 41 North, Range 6 West; thence South along the Quarter Line of Sec 4 & 9 to the South Quarter Corner of Sec 9; thence West along the South Boundary of Sec 9, 8 and 7 to the Southwest Corner of Sec 7 Township 41 North, Range 6 West; thence North along the West Boundary of Sec 7, and Sec 6, Township 41 North, Range 6 West and continuing North along the West Boundary of Sec 31, Township 42 North, Range 6 West to the point of beginning.

EXHIBIT "B"

MEMORANDUM

To: Vicky Wallace
Chief, Consumer Services and Special Projects
Utilities Division

From: Prem Bahl *Prem*
Electric Utilities Engineer
Utilities Division

Date: March 13, 2009

Subject: Garkane Energy Cooperative, Inc. – Application to extend their Certificate of Convenience and Necessity to include Colorado City, Arizona (Docket No. E-01891A-08-0598)

INTRODUCTION

On December 15, 2008, Garkane Energy Cooperative, Inc. (“Garkane” or Cooperative”) filed an application (“Application”) with the Arizona Corporation Commission (“ACC” or “Commission”), seeking authorization for expanding its Certificate of Convenience and Necessity (“CC&N”) to provide electric service to Colorado City (in Arizona). The Cooperative will also serve Hildale (in Utah¹). These two cities are called the “Twin Cities.” This filing only concerns service to Colorado City.

Within its existing CC&N, Garkane is presently serving approximately 700 customers in Arizona with a total load of approximately 4 MW. Of these, approximately 600 customers are in the vicinity of Colorado City (within a 15-minute drive). The Colorado City load is approximately 5 MW. Therefore, the total system load of the Cooperative will be about 9 MW if it acquires ACC approval to provide service to Colorado City. Garkane’s provision of service in the area should be more efficient and cost effective if the Application is approved.

DESCRIPTION OF FACILITIES AND PROPOSED SERVICE TO COLORADO CITY

Currently, Twin Cities takes power delivery from Utah Associated Municipal Power Systems (“UAMPS”) at Hurricane City’s Cliff Wilson Substation over a 23-mile long 69 kV line. According to information received from the Cooperative, Rocky Mountain Power (“RMP”) would install one disconnect switch outside of the Cliff Wilson Substation between the RMP 69 kV line and the Twin Cities 69 kV line and utilize the existing 69 kV line to provide service to Twin Cities. Power will be received from the Deseret Power Cooperative² (“Deseret”) via the

¹ Notification of Hildale acquisition has been made to the Utah PUC pursuant to its rules.

² Deseret Power Cooperative is a generation cooperative in Utah. Garkane would receive additional power delivery from Deseret for Colorado City under the existing wholesale power contract if the Application is approved.

Rocky Mountain Power system delivered through the 69 kV Toquerville Substation, which is approximately 5 miles from the Cliff Wilson Substation.

Garkane is presently serving all its Arizona customers, including the 600 customers in the Colorado City area, from Glen Canyon over approximately 100 miles of line consisting of 30 miles of 138 kV, 30 miles of 69 kV, 30 miles of 34.5 kV and 10 miles of 12.5 kV lines. RMP plans to upgrade the 69 kV line between the Toquerville Substation and Cliff Wilson substation in 2011. At that time, the upgraded line will be able to carry additional power needed to serve all of Garkane's Arizona customers in the Colorado City area. This arrangement will offer the Cooperative significant savings in reduced system losses, because the power flow distance would decrease from approximately 100 miles to 28 miles.

A one-line diagram showing Garkane's electric system serving Arizona customers and the proposed Twin Cities area is attached as Exhibit 1.

Currently, because of depressed economic conditions and inadequate amount of work, there are only two part-time maintenance crew members serving the customers of Twin Cities. Maintenance crew staff that responds to the Arizona customers in the Colorado City area comes from Garkane's office at Kanab in Utah. They travel for about one hour to reach these customers. If the Application is approved, the Cooperative will have sufficient customers in the Colorado City area to dedicate full time positions and reduce repair time and improve quality of service to customers.

STAFF'S ANALYSIS, CONCLUSIONS AND RECOMMENDATION

Staff has reviewed the Application, and, based on the information received from the Cooperative by way of data responses and verbal discussions with Mr. Mike Avant, Staff concludes as follows:

- Garkane has sufficient resources to serve the additional load of Colorado City;
- Sufficient transmission capacity exists to deliver power to Colorado City;
- Garkane will have sufficient work for the existing two part-time maintenance crew members to make them permanent as they would be able to additionally serve a significant number of existing Arizona customers in close proximity to Colorado City;
- The ability to serve the composite load of Arizona customers and that of Twin Cities would result in operational efficiencies and improved reliability in providing quicker response to customer outages, as the maintenance staff would not have come from the present Garkane area office located at Kanab, Utah, which is one hour away from the Twin Cities.

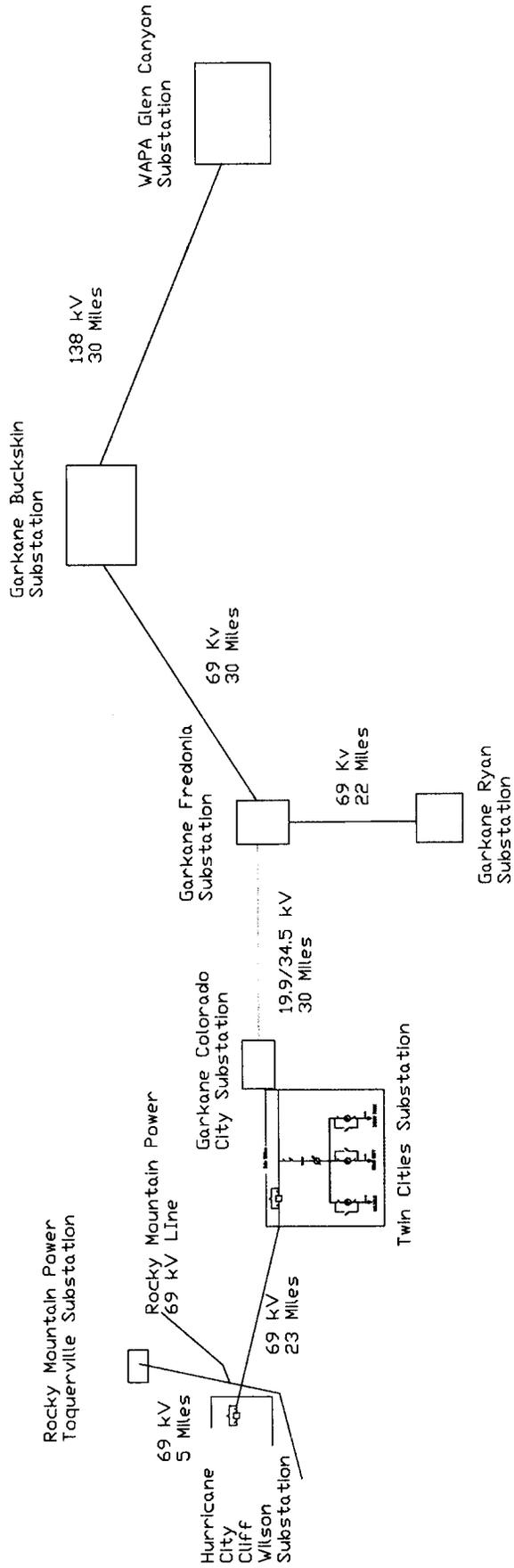
After 2011, when the 69 kV Toquerville to Cliff Wilson transmission line is upgraded, Garkane will divert the Deseret generation, now coming from Glen Canyon, approximately 100

miles away, to Toquerville, which is only 28 miles away. This will result in significant savings in reduced system losses.

Based on the above analysis, Staff concludes that, from a technical, reliability and economic stand-point, the Cooperative's proposal to expand its CC&N to serve Colorado City is reasonable and appropriate. Staff, therefore, recommends that Commission approve this Application,

EXHIBIT 1

Twin Cities currently takes delivery from UAMPS at the Hurricane City Cliff Wilson Substation. Under Garkane Twin Cities would take delivery from Rocky Mountain Power just outside of the Cliff Wilson Substation



Garkane Energy / Twin Cities One Line

MEMORANDUM

TO: Vicki Wallace
Chief of Consumer Services - Utilities Division

FROM: Candrea Allen 
Public Utilities Analyst – Utilities Division

DATE: March 11, 2009

RE: GARKANE ENERGY COOPERATIVE, INC. APPLICATION FOR APPROVAL
TO EXTEND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY
(DOCKET NO. E-01891A-08-0598)

Introduction

On December 12, 2008, Garkane Energy Cooperative, Inc. (“Garkane” or “Applicant” or “Company”) filed an application with the Arizona Corporation Commission (“Commission”) to extend its Certificate of Convenience and Necessity (“CC&N”) to provide electric service to the Colorado City area, Arizona. Garkane provides service to approximately 11,600 customers. According to the application, there are approximately 700 customers located primarily in the Colorado City area.

The application indicates that in 1993, Colorado City, Arizona and Hildale, Utah (the “Twin Cities”), created municipal utilities. Garkane entered into agreements with the Twin Cities to sell its facilities to the Twin Cities. In Decision No. 58571 the Commission approved the transfer of Garkane’s assets and cancellation of the applicable portion of its CC&N relevant to service in the Colorado City area. Garkane ceased providing electric service to the Colorado City area in April 1994.

According to the application, contingent on Commission approval, Garkane has entered into a Memorandum of Understanding (“MOU”) with Trustee for the Twin Cities’ bondholders to purchase the Twin Cities’ utility assets, including those that currently serve the Colorado City area. The MOU requires closing of the transaction no later than June 30, 2009.

Staff Analysis

According to the application, Garkane indicated that it will provide service to the customers in the Colorado City area according to the rates and charges contained in its current Commission-approved tariffs.

In response to Staff's data request, Garkane indicated that the following rates are currently being charged by the Twin Cities:

Customer Class	Monthly Customer Charge	kWh charge	kW Charge
Residential (prepaid and non-prepaid accounts)	\$20.00	\$0.122 per kWh	n/a
Small Commercial <30 kW	\$20.00	\$0.0826 per kWh	\$5.00 per kW
Government/Utility/Schools <30 kW	\$20.00	\$0.0826 per kWh	\$5.00 per kW
Large Commercial >30 kW	\$20.00	\$0.060 per kWh	\$12.00 per kW
Large Government/Utility/Schools > 30kW	\$20.00	\$0.060 per kWh	\$12.00 per kW
Small Industrial/Retail	\$20.00	\$0.122 per kWh	n/a

Garkane's Commission-approved tariffs include the following rates that the Company currently charges its other customers:

Customer Class	Monthly Customer Charge	kWh Charge	kW Charge	Annual Base Charge
Residential	\$12.50	\$0.06907 per kWh	n/a	n/a
Irrigation	n/a	\$0.05723 per kWh	\$5.31 per kW	\$75.00 single phase
				\$125.00 three phase
Commercial/Industrial/Public bldgs/Authorities	\$12.50	\$0.05845 per kWh	\$6.37 per kW	n/a
Customers with demand of >50 kW	\$20.00	\$0.06115 per kWh	\$6.37 per kW	n/a

Garkane also has a wholesale power cost adjustment mechanism, but the adjustor rate is currently set at zero.

Garkane entered into wholesale power cost arrangements with Deseret Power Electric Cooperative for electricity to be served to the Colorado City area. The cost of these arrangements is approximately \$900,000 more expensive each year than the wholesale power costs attributable to Garkane's other customers in Arizona. In order to recover the additional costs to serve the Colorado City area, Garkane has included, as part of its wholesale power cost

adjustment mechanism, a Fuel Acquisition Adjustment Charge (“FAC”), calculated by customer class. According to Garkane, the FAC is fixed based on the additional costs to serve the Colorado City area. The FAC will be in addition to the monthly customer charge and energy charge. In addition, the Twin Cities has residential customers with prepaid electric accounts. However, Garkane was unable to acquire the system to provide service to the customers with prepaid accounts. Therefore, Garkane will incorporate the Twin Cities prepaid account holders into its residential customer category. The FAC for the Twin Cities customers with prepaid accounts will be \$0.037412 per kWh. The following FAC will be applied to only the customers in the Colorado City area:

Customer Class	FAC Rate
Residential	\$0.037317 per kWh
Residential (Twin Cities prepaid accounts)	\$0.037412 per kWh
Small Commercial	\$0.006177 per kWh
Large Commercial	\$0.015035 per kWh
Small and Large Public Buildings	\$0.003956 per kWh
Small Industrial and Retail	\$0.020568 per kWh

As an example, under the current Twin Cities rates, a residential (prepaid or non-prepaid) customer using 500 kWh per month is paying approximately \$81.00 per month. With Garkane’s current Commission-approved rates, a residential (non-prepaid) customer using 500 kWh per month will pay approximately \$65.69 per month. A residential (prepaid) customer using 500 kWh per month will pay approximately \$65.74 per month. The following tables compare the monthly bills a customer could expect to see from the Twin Cities and the monthly bill a customer can expect to see from Garkane’s current Commission-approved rates that will be charged to the customers in the Colorado City area:

Customer Class*	Total Monthly Bill Twin Cities	Total Monthly Bill Garkane**	Difference
Residential (500 kWh)	\$81.00	\$65.69	-\$15.31
Residential Prepaid Accounts (500 kWh)	\$81.00	\$65.74	-\$15.26
Small Commercial (23 kW and 5,000 kWh)	\$548.69	\$483.03	-\$65.66
Large Commercial (37 kW and 10,000 kWh)	\$1,063.26	\$1,017.14	-\$46.12
Small Public Buildings (16 kW and 5,000 kWh)	\$512.30	\$425.55	-\$86.75
Large Public Buildings (32 kW and 10,000 kWh)	\$1,000.63	\$873.11	-\$127.52
Small Industrial and Retail (16 kW and 5,000 kWh)	\$630.00	\$529.61	-\$100.39

*Assuming the kW demand and kWh usage.

**Includes the FAC

Garkane's charges include the FAC. For each customer class, Garkane's current rates are lower than the rates charged by the Twin Cities.

Recommendations

Based on Garkane's experience as an electric utility, Staff believes that Garkane is fit and proper to provide service to the requested extension area. Staff recommends the approval of Garkane's application to extend its CC&N as discussed herein. Staff recommends that Garkane charge its current Commission-approved rates and charges including the FAC, to the requested extension area, until further ordered by the Commission. Staff further recommends that Garkane's application be approved to serve only the requested extension area.

TOWN OF COLORADO CITY, ARIZONA

ORDINANCE NO. 2008-04

AN ORDINANCE GRANTING AN ELECTRIC UTILITY FRANCHISE TO GARKANE ENERGY COOPERATIVE, INC.

AN ORDINANCE GRANTING GARKANE ENERGY COOPERATIVE, INC, A UTAH CORPORATION, THE RIGHT, PRIVILEGE AND FRANCHISE TO CONSTRUCT, MAINTAIN. AND OPERATE UPON, OVER, ALONG, ACROSS AND UNDER THE STREETS, AVENUES, ALLEYS, HIGHWAYS, BRIDGES AND OTHER PUBLIC RIGHTS-OF-WAY IN THE TOWN OF COLORADO CITY, ARIZONA, ITS ELECTRIC DISTRIBUTION AND TRANSMISSION SYSTEM AND NECESSARY APPURTENANCES FOR THE PURPOSE OF SUPPLYING ELECTRICAL POWER TO THE TOWN, ITS SUCCESSORS, THE INHABITANTS THEREOF, AND INDIVIDUALS AND ENTITIES WITHIN THE LIMITS THEREOF; PRESCRIBING CERTAIN RIGHTS, DUTIES, TERMS AND CONDITIONS; PROVIDING FOR THE SUBMISSION HEREOF TO THE ELECTORS FOR THEIR APPROVAL; AND DECLARING AN EMERGENCY.

WHEREAS, Garkane Energy Cooperative, Inc., a Utah corporation, (the "Company") has offered to purchase from The Town of Colorado City (the "Town"), and the Town has agreed to sell to the Company, all of the Town's electric distribution utility system (the "Sale"); and

WHEREAS, as a condition of the Sale, the Company desires to receive from the Town a contractual franchise to operate an electric distribution and transmission system within the corporate limits of the Town, as such limits may be modified through annexation from time to time; and

WHEREAS, the Town Council of Colorado City, Arizona desires to grant to the Company such a franchise on terms and conditions set forth in this ordinance;

THEREFORE, be it ordained by the Mayor and Council of the Town of Colorado City, Arizona, as follows:

1. Repealing and Replacing. This ordinance repeals and replaces conflicting ordinances.
2. Grant of Franchise. There is hereby granted by the Town to the Company and its successors and assigns the right and privilege to do the following:
 - a. Construct, erect, maintain, relocate, upgrade and operate its electric distribution and transmission system, as defined herein, upon, over, along, across, above and under the present and future public rights-of-ways (herein called "Franchise Area").
 - i. The electric distribution and transmission system includes all poles, wires, cables, underground conduits, manholes and other electric fixtures necessary or proper for the construction, maintenance and operation of the system.
 - ii. The present and future rights-of-way include, but are not limited to, streets, alleys, highways, bridges and other public ways now laid out or dedicated, and all extensions, additions, improvements or upgrades thereof within the limits of the Town, and any part thereof, either as now located and as may be hereafter or

extended within the present or any future limits of the Town. The Town also grants to the Company a license to use all rights-of-way and easements owned by the Town across private property.

- b. Use of the Town's public rights-of-way to supply, distribute and furnish electrical power and energy, associated services to Town, its successors, the inhabitants thereof, and all individuals and entities either within or beyond the limits thereof, for all purposes.
- c. Provide such additional services, perform or make such additional improvements, and construct such additional facilities as may from time to time be required by applicable federal, state, or local law with respect to any activities of the Company or which may be necessary to provide service to existing or future customers within the Franchise Area related to its electric distribution and transmission system.

3. Non-Exclusive Franchise

- a. This Franchise is a non-exclusive franchise to the extent that the Company has been granted a certificate by the Arizona Corporation Commission to service any part or all of the Franchise Area and for so long as such certificate remains in full force and effect. Given the non-exclusive nature of this Franchise, nothing contained herein shall be construed to prevent the City from granting other like or similar grants or privileges to any other person, firm or corporation.
- b. The Town shall not directly or indirectly, during the term of the Franchise, undertake in any manner to sell, supply, distribute or furnish electric power and energy for retail or end-use consumption to any Person located within the Franchise Area, except as required by federal or state statute; provided that the Town shall not exercise any option it may have under such statutes in a way that would have the effect of nullifying its commitment under this provision, if it can reasonably avoid doing so in a manner consistent with its obligations to its citizens.

4. Compliance With Applicable Laws and Ordinances

- a. The Company shall, at all times during the term of this Franchise, be subject to and shall comply with all lawful exercise of the police power by the Town, such lawful regulation of general and non-discriminatory application as the Town shall from time to time by resolution or ordinance provide, and all rules and regulations of any other governing authority having jurisdiction.
- b. The Company shall, at all times during the term of this Franchise, furnish and supply electric power and energy to residents of the Town within the Franchise Area in such a manner as shall be reasonably calculated to satisfy any legal obligation of the Town to provide for such utility service within the corporate limits of the Town.

In particular, the Company represents and warrants that it shall use its best efforts to upgrade and maintain its electric distribution system in the Franchise Area as necessary to provide retail electric service to its members located within the Franchise Area that is similar in quality and reliability to the service that other members of the Company receive. Taxes and fees imposed on the Company by the Town or other jurisdictions shall not be included in such service rate comparison.

5. Compliance with Town Practice

- a. The Company shall perform all construction under this Franchise in accordance with the National Electrical Safety Code, Rural Electrification Administration design and construction standards, and Service Rules and Regulations as approved by the Arizona Corporation Commission (collectively the "Rules and Regulations"). The Town will not enact or apply any requirements that conflict with the Rules and Regulations. The Town shall promptly reimburse the Company for all costs, both direct and indirect, associated with complying with any Town-imposed special standards or requirements in excess of the Rules and Regulations. Without limitation, the Company shall comply with requirements of the Town regarding street cuts. Such construction shall be completed within a reasonable time.
- b. Before the Company makes any installations in the public rights-of-way, the Company shall apply for and obtain from the Town such permit or permits as are required by the Town for work in the public rights-of-way, and submit for approval a map showing the location of such proposed installations to the Town. The Town shall issue such permit or permits to the Company on such conditions as are reasonable and necessary to ensure compliance with the terms and conditions of this Franchise. The Town shall issue such permits within seven (7) calendar days of their submittal and shall not unreasonably deny the issuance of such permits.
- c. The Town shall provide to the Company, at least ninety (90) days before the end of each calendar year, maps showing the location(s) and projected load data for all new or upgraded service requirements within the Town's planning area reasonably anticipated within the next calendar year. The Company will use such information to prepare an annually-updated proposed capital plan and foreseeable future corridor plans for all improvements in the Town's planning area.
- d. If the Town undertakes, either directly or through a contractor, any construction project adjacent to the Company's electric distribution and transmission system operated pursuant to this Franchise, the Town shall notify the Company of such construction project during the design phase of the project. The Town will coordinate its construction schedule with the Company. The Company will take steps as are reasonably necessary to maintain safe conditions throughout the construction project, including, but not limited to the temporary removal or barricading of the Company's system or equipment, the location of which may create an unsafe condition in view of the equipment to be utilized or the methods of construction to be followed by the Contractor, at the Town's cost.

6. Construction and Relocation of Company's Facilities

- a. All electric distribution and transmission system facilities installed or constructed pursuant to this Franchise shall be located and erected as to (i) minimize the interference with the proper use of streets, roads, alleys, parks and other public ways and places and (ii) cause minimum interference with the rights or reasonable convenience of property owners who adjoin any of the said streets, roads, alleys, parks or other public ways and places in the Town. The location of all electric distribution and transmission facilities in place upon the Effective Date are deemed to be approved by the Town.

- b. All electric distribution and transmission system structures, lines and equipment erected by the Company within the Town shall be erected and placed in accordance with applicable safety codes and regulations.
- c. The Town shall have the right to inspect all phases of construction or installation work performed, subject to the provisions of this Franchise, to ensure compliance with governing ordinances. The Company shall correct any construction or installation found by the Town not to be in compliance with this Franchise or other applicable safety codes and regulations. Nothing herein shall create any obligation of the Town to the Company or any third party, or give rise to a claim for failure to supervise or inspect or to a claim for improper inspection, supervision direction.
- d. The Company shall not install, construct, maintain or use its electric distribution and transmission system in a manner that damages or interferes with any existing facilities of another utility located in the public right-of-way.
- e. The Company shall keep accurate installation records of the location of all electric distribution and transmission system facilities in the public rights-of-way and furnish them to the Town upon request. Upon completion of new or relocation construction of underground facilities in the public rights-of-way, the Company shall provide the Town with corrected drawings showing the actual location of the underground facilities in those cases where the actual location differs from the proposed location. The Company shall maintain installation records pursuant to Arizona Revised Statutes Section 40-360.30.
- f. All underground abandoned lines shall continue to remain the property of the Company, unless the Company specifically acknowledges otherwise to the Town Engineer and such is accepted by the Town.
- g. Except as otherwise provided herein, the Company shall bear the entire cost of relocating its electric distribution and transmission system facilities located on public rights-of-way, the relocation of which is necessary for the Town's carrying out of its governmental functions. The Town shall bear the entire cost of relocation of the Company's electric distribution and transmission system facilities located on private or public rights-of-way if such relocation is necessary for the Town to carry out its governmental functions and the Town had previously approved the location of the subject facilities. All functions of the Town that are not specifically determined by law to be proprietary are governmental. Governmental functions include, but are not limited to, the following:
 - i. Any and all improvements to the Town streets, alleys, avenues and Town property;
 - ii. Establishing and maintaining domestic gas, water systems, sanitary sewers, storm drains, water, and related facilities;
 - iii. Establishing and maintaining municipal parks, parking lots (or parking spaces), parkways, pedestrian malls, or grass, shrubs, trees and other vegetation for the purpose of landscaping any street or public property;
 - iv. Providing fire protection and other public safety functions; and
 - v. Collection and/or disposal of garbage and recyclable materials.

- h. The Town reserves its prior superior right to use the public rights-of-way and Town property, including the surface areas, for all public purposes, funded with public funds. When the Town uses its prior superior right to the public rights-of-way or other Town property, the Company shall move its property that is located in the public rights-of-way, or on other Town property, at its own cost, to such location as the Town directs. The Town shall bear the entire cost of relocation of the Company's electric distribution and transmission system facilities located on private or public rights-of-way if the Town previously approved such location(s).
 - i. Where the Town has a prior superior right to use the public rights-of-way, or where Town facilities occupy public rights-of-way under authority of a Town permit, license or franchise, the Company shall bear the entire cost of relocating any of the Company's electric distribution and transmission system facilities that are already located in the public rights-of-way. The Town shall bear the entire cost of relocation of the Company's electric distribution and transmission system facilities located on private or public rights-of-way if the Town previously approved the location(s). The Town and the Company agree that the Town is not a party to disputes among permittees using the public rights-of-way.
 - j. If the Town participates in the cost of relocating the Company's electric distribution and transmission system facilities for any reason, the cost to the Town shall be limited to those costs and expenditures reasonably incurred for relocating such facilities in accordance with the Rules and Regulations. Costs to the Town for relocation of the Company's electric distribution and transmission system facilities shall not include any upgrade or improvement of the Company's electric distribution and transmission system as it existed prior to relocation unless so agreed upon by the Town. Prior to payment by the Town, the Company shall provide an itemization of such costs and expenditures.
 - k. The Town will not exercise its right to require the Company's electric distribution and transmission system to be relocated in an unreasonable or arbitrary manner, or to avoid its obligations under this Franchise.
7. Restoration of Rights-of-Way.
- a. If, in the installation, use or maintenance of its electrical distribution or transmission system the Company damages or disturbs the surface or subsurface of any public road or adjoining public property or the public improvement located thereon, therein, or thereunder, the Company shall promptly, at its own expense and in a manner acceptable to the Town, restore the surface or subsurface of the public road or public property, or repair or replace the public improvement thereon, therein, or thereunder, in as good a condition as before such damage or disturbance, or as may be required by construction standards established by the Town issued permit, and shall maintain the restoration in an approved condition for a period of two (2) years.
 - b. Except due to circumstances beyond the Company's control, if such restoration, repair or replacement cannot be completed within a reasonable time or pursuant to the Town issued permit or fails to meet the Town's duly adopted standards, as may be amended from time to time, the Town may, after prior notice to the Company, perform the necessary restoration, repair or replacement either through its own forces or through a hired contractor, and the Company agrees to reimburse the Town for the expense it incurred in performing the necessary restoration, repair or replacement within thirty (30) days after

receipt of an invoice from the Town. The Town shall give ninety (90) days notice to the Company before amending any of the Town's adopted standards that could be applicable to the Company.

8. Indemnification

- a. The Town shall be neither liable nor responsible for any accident or damage that may occur in the construction, operation or maintenance by the Company of its electric distribution and transmission system. The acceptance of this Franchise shall be deemed an agreement on the part of the Company to indemnify the Town and hold it harmless against any and all liability, loss, cost, damage and expense (including, without limitation, attorneys' fees) which may accrue to the Town by reason of the negligence, fault or misconduct of the Company, its agents or employees, or violation of any applicable environmental regulations or standards, in the construction, operation, maintenance or removal and disposal of the Company's electric distribution and transmission system under this Franchise, including the maintenance of barricades and traffic control devices in construction and maintenance areas.
- b. The Company shall defend, indemnify, and save the Town harmless from any expenses and losses incurred as a result of injury or damage to third persons occasioned by the exercise of this Franchise by the Company, provided, however, that such claims, expenses and losses are not the result of any willfully or grossly negligent acts of the Town.
- c. The Company shall have and maintain throughout the term of this Franchise liability insurance and/or a program of self-retention or general assets to adequately insure and/or protect the legal liability of the Company with reference to the installation, operation and maintenance of the electric distribution and transmission system, together with all the necessary and desirable appurtenances authorized herein to occupy the public rights-of-way. Such insurance, self-retention or general asset program will provide protection for bodily injury and property damage including contractual liability and legal liability for damages arising from explosion, collapse and underground incidents.
- d. The Company shall file with the Town documentation of such liability insurance, self-retention or general asset program within sixty (60) days following the effective date of this Franchise and thereafter on an annual basis.

9. Franchise Fee

- a. The Company shall pay to the Town in consideration of the grant of this Franchise a sum equal to two percent (2%) of its gross revenues derived from the sale at retail by it of electricity for residential, commercial and industrial purposes/customers, within the present or any future corporate limits of the Town as shown by the Company's billing records. Such payments are to be due and payable monthly and postmarked on or before the last calendar day of the month following the month in which the franchise fee accrues.
- b. In the event the payment is received later than the fifteenth (15th) calendar day of the second month following the month in which the franchise fee accrues, interest of one point five percent (1.5%) monthly shall accrue on the entire amount due. The interest and penalty may be waived by the Town if the failure to postmark by the due date was the result of a

casualty that renders the Company unable to compute or estimate the liability from the business records.

- c. For the purpose of verifying amounts payable hereunder, the books and records of the Company shall be subject to inspection or audit by duly authorized officers or representatives of the Town at reasonable times.
 - d. All such fees and charges levied by the Town upon the receipts or operations of the Company may be passed through to the Company's customers who receive electrical service within the Franchise Area.
10. Additional Fees and Taxes. Notwithstanding any provision contained herein to the contrary, the Company shall pay any lawful taxes, fees, charges or assessments adopted by the Town from time to time during the term of this Franchise, including without limitation any transaction privilege tax, use tax or property tax levied and collected by or on behalf of the Town pursuant to the Town or State Tax Code, on the delivered value of electric power and energy sold by the Company to members and customers within the Franchise Area. The Company may include any such taxes, fees charges and assessments in its rates or bills to the customers in the Franchise Area.
11. Records and Reports. During the term of the Franchise, the Town shall have access at all reasonable hours to all of the Company's accounting, financial, and statistical records relating to the properties and the operation of the Company within the Franchise Area. The Company shall provide to the Town within one hundred eighty (180) days after the end of each year an annual summary report, which summary report shall be certified by the duly elected President or Chief Financial Officer of the Company, showing the gross revenues received by the Company and expenses from its operations during the prior year.
12. Town Reserves Certain Powers and Rights. The Town expressly reserves unto itself, subject to the limitations of the Constitution and laws of Arizona, certain powers which may be necessary or convenient for the conduct of its municipal affairs, and for the health, safety, and general welfare of its inhabitants, including, among other things, the right to pass and enforce ordinances to allow proper and adequate extensions of the service of the grant hereby made, and to protect the public from danger or inconvenience in the operation of any work or business authorized by the grant of this Franchise, and the further right to make and enforce all such regulations as shall be reasonably necessary to allow adequate, sufficient and proper service extensions and accommodations for the people and insure their comfort and convenience.
13. Dispute Resolution. This Franchise Agreement shall be governed by and construed in accordance with the laws of the State of Arizona. Any dispute, controversy, claim or cause of action arising out of or related to this Franchise Agreement may, but in no event need, be settled by submission, with the written consent of both parties, to binding arbitration in accordance with the rules of the American Arbitration Association and the Arizona Uniform Arbitration Act, Arizona Revised Statutes Section 12-1501, et.seq., and judgment upon any award rendered by the arbitrator(s) shall be entered in the Superior Court of Mohave County, Arizona. The venue for any such dispute shall be Mohave County, Arizona. Both parties consent in advance to such venue and jurisdiction and waive any right that Mohave County is an inconvenient forum based upon lack of venue. Neither party shall be entitled to recover from

the other party any of its attorneys' fees, costs or expert witness fees incurred in such dispute, controversy, claim or cause of action, but each party shall bear its own attorneys' fees, whether the same is resolved through arbitration, litigation in a court or otherwise.

14. Notices. Any notice required or permitted to be given hereunder shall be in writing, unless otherwise expressly permitted or required, and shall be deemed given (i) upon hand delivery to the person then holding the office shown on the attention line of the address below, or, if such office is vacant or no longer exists, to the person holding a comparable office, or (ii) on the third (3rd) business day following its deposit with the United States Postal Service, first class and certified or registered mail, return receipt requested, postage prepaid, and addresses as follows:

The Town: Town Manager
Town of Colorado City
P.O. Box 70
25 South Central Street
Colorado City, Arizona 86021

The Company: General Manager/CEO
Garkane Energy Cooperative, Inc.
120 West 300 South
Box 465
Loa, Utah 84747

15. Approval of Electors. This Franchise Agreement/Ordinance is subject to the approval of the electors of the Town. The Town shall be responsible for all of the costs the Town incurs in drafting and approval of the Franchise, including conducting the franchise election.

16. Effective Date and Term

- a. This Franchise shall take effect when the Company executes this ordinance in the space below and delivers the executed ordinance to the Town Clerk, and after its approval by the majority of the qualified electors residing within the corporate limits of the Town and voting thereon at a special municipal election to be held in the Town for that purpose and upon the final closing of the Company's acquisition of the Twin Cities System and the transfer of system operations to the Company (the "Effective Date").
- b. The Franchise shall continue in force and effect for a term of twenty-five (25) years after the Effective Date, unless sooner terminated as provided herein.
- c. In the event the Company fails to comply with any of the provisions of this Franchise and that failure continues for a period of ninety (90) days after written notice by the Town to the Company, all rights of the Company under this Franchise may be terminated by the Town upon written notice of termination, and the term of the Franchise shall thereupon cease.

17. Assignment or Transfer. This Franchise and the rights hereunder are non-transferable and non-assignable, except as such assignment or transfer is approved by the Town in writing. The right, privilege and franchise hereby granted may not be leased, assigned, transferred or otherwise alienated in whole or in part by the Company, its successors and assigns, without the prior

consent of either the Town or (if applicable) the Arizona Corporation Commission. Such prior consent from the Town will not be unreasonably withheld.

18. Procedure after Termination or Revocation

- a. Upon the revocation of this Franchise, or at the end of the term of this Franchise, all rights, duties, and obligations or undertakings of the Company under this Franchise shall terminate. The Town shall have the right to determine whether the Company may continue to maintain its electric distribution and transmission system within the Franchise Area pending the decision of the Town as to the future maintenance and operation of the Company's electric distribution and transmission system.
- b. Absent a written agreement between the Town and the Company, the Town shall be deemed to have directed removal of the electric distribution and transmission system from the entire Franchise Area within one (1) year after the end of the term of the Franchise.
- c. The Town shall reasonably cooperate with and not interfere in the Company's right to remove its property, plant and equipment. Nothing in this paragraph shall be deemed or decreed to be a consent by the Company to the Town's use of the Company's poles, wires and other facilities to provide electrical service to citizens of the Town.

19. Conflict of Interest. This Franchise Agreement may be terminated in accordance with Arizona Revised Statutes Section 38-511 without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating this Franchise Agreement on behalf of the Town is, at any time while the Franchise Agreement or any extension of the Franchise Agreement is in effect, an employee of any other party to the Franchise Agreement with respect to the subject matter of the Franchise Agreement. The parties hereto believe no such circumstance exists.

20. Conflicting Ordinances. The Company agrees, insofar as the applicable provisions of the Town Code existing on the Effective Date are legally enforceable and constitute valid requirements, to comply therewith in all respects and to that end said provisions of the Town code are hereby made a part of this Franchise as though fully set forth herein.

21. Headings. Headings used in the Franchise Agreement are for convenience only and shall not be used in construing terms.

22. Independent Provisions. If any section, paragraph, clause, phrase or provision of this Franchise Agreement shall be adjudged invalid or unconstitutional, the same shall not affect the validity of this Franchise Agreement as a whole or any part of the provisions hereof other than the part so adjudged to be invalid or unconstitutional.

23. Emergency Clause

- a. Whereas, it is necessary for the preservation of the peace, health and safety of the Town of Colorado City, Arizona, an emergency is declared to exist.
- b. This Ordinance, subject to the approval of the electors of the Town, shall be effective immediately (i) after its passage by the affirmative vote of three-fourths of the Town Council members, (ii) after the Company executes this ordinance in the space below and delivers

the executed ordinance to the Town Clerk, and (iii) upon the final closing of the Company's acquisition of the Twin Cities System and transfer of system operations to the Company.

We, the Undersigned, have executed this document contingent upon the results of the Town of Colorado City Special Election on November 4, 2008, on the dates below written.

PASSED the _____ day of _____, 2008

CERTIFIED AND ACCEPTED:

MAYOR, TOWN OF COLORADO CITY

ATTEST:

TOWN CLERK

APPROVED AS TO FORM:

TOWN ATTORNEY

ACCEPTED:
GARKANE ENERGY COOPERATIVE, INC.

By: _____

Title: _____

ATTEST:

SECRETARY

Date accepted: _____, 2008

Certification of Mailing In Docket No. E-01891A-08-0598

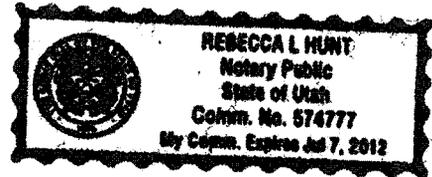
I, Mike Avant, am the Engineering Manager of Garkane Energy Cooperative, Inc. ("Garkane"). I certify that on the 23rd day of February, 2009, I deposited in the first-class U.S. Mail, postage pre-paid, the attached Notice concerning the Application of Garkane addressed to each property owner in the Colorado City requested extension area based upon records provided to Garkane by Colorado City and also addressed to each signatory of the Memorandum of Understanding.

MAVANT

[Signature]

Notary

State of UT
County of Kane
On this 24 day of Feb, 2008, Ira Mike Avant
personally appeared before me,
 who is personally known to me,
 whose identity I verified on the basis of UT Driver's License
_____, whose identity I verified on the basis of affirmation of _____
a credible witness,
to be the signer of the foregoing document, and he/she/it was/are present by the signed to _____
My Commission Expires 7/7/12



**IN THE MATTER OF THE APPLICATION OF GARKANE
ENERGY COOPERATIVE, INC. FOR APPROVAL TO EXTEND
ITS CERTIFICATE OF CONVENIENCE AND NECESSITY TO
INCLUDE COLORADO CITY, ARIZONA
(Docket No. E-01891A-08-0598)**

Summary

On December 12, 2008, Garkane Energy Cooperative, Inc. ("Garkane") filed with the Arizona Corporation Commission ("Commission") an application to extend its Certificate of Convenience and Necessity ("CC&N") to provide electric service to Colorado City, Arizona. According to its application, Garkane has entered into a Memorandum of Understanding to purchase the utility assets of Colorado City, Arizona, and Hildale, Utah ("the Twin Cities") and provide electric service to the residents of the Twin Cities, including approximately 700 customers in Colorado City. Garkane has stated that it will provide electric service to Colorado City residents using its current Commission-approved tariffs and regulations and will use the tariffs' wholesale power cost adjustment provision to adjust Colorado City's tariff rates because there is a higher annual wholesale power cost to serve the Twin Cities than exists for the remainder of Garkane's service area in Arizona and Utah.

The Commission's Utilities Division Staff ("Staff") is in the process of analyzing the application and has not yet made any recommendations in this matter. The Commission will determine whether to grant the application based on the evidence of record in this matter. The Commission is not bound by the proposals made by Garkane, Staff, or any intervenors.

How You Can View or Obtain a Copy of the Application and Other Documents

Copies of the application and the other documents filed in this matter are available at Garkane's offices **1802 South Highway 89A, Kanab, Utah 84741**; at the Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona, for public inspection during regular business hours; and on the Internet via the Commission's website (www.azcc.gov) using the e-Docket function.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a **hearing** in this matter beginning on **April 3, 2009**, at **9:30 a.m.**, in Room 100 at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona. Public comments will be taken on the first day of the hearing. Written public comments may be submitted by mailing a letter referencing Docket No. E-01891A-08-0598 to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by e-mail. For a form to use and instructions on how to e-mail comments to the Commission, go to http://www.azcc.gov/divisions/utilities/forms/public_comment.pdf. If you require assistance, you may contact the Consumer Services Section at 1-800-222-7000 or 602-542-4251.

About Intervention

Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. If you desire to intervene, you must file a written motion to intervene with the Commission no later than **March 25, 2009**. You must send a copy of the motion to intervene to Garkane or its counsel and to all parties of record. Your motion to intervene must contain the following:

1. Your name, address, and telephone number and the name, address, and telephone number of any party upon whom service of documents is to be made, if not yourself;
2. A short statement of your interest in the proceeding (e.g., a resident of Colorado City, etc.); and
3. A statement certifying that you have mailed a copy of the motion to intervene to Garkane or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before **March 25, 2009**. If representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme Court, intervention will be conditioned upon the intervenor's obtaining counsel to represent the intervenor. For information about requesting intervention, visit the Commission's website at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>. The granting of intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any interested person or entity from appearing at the hearing and providing public comment on the application or from filing written comments in the docket for the case.

ADA/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter and request this document in an alternative format by contacting the ADA Coordinator, Shaylin A. Bernal, at sabernal@azcc.gov, voice phone number (602) 542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.