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ARIZONA CORPORATION COMMISSION
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May 4, 2009



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Docket Control
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

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Re: Sulphur Springs Valley Electric Cooperative, Inc.'s Comments Regarding Arizona Electric Power Cooperative, Inc.'s Request to Extend the Filing Date for its 2009 Rate Case (Docket Nos. E-01773A-04-0528 and E-04100A-04-0527, Decision No. 68071)

To Whom It May Concern:

Sulphur Springs Valley Electric Cooperative, Inc. ("SSVEC") has reviewed Arizona Electric Power Cooperative, Inc.'s ("AEPSCO") April 13, 2009, *Request to Extend the Filing Date of its 2009 Rate Case to No Later than October 1, 2009* (the "AEPSCO Request") and Staff's April 27, 2009, *Memorandum* in response thereto. SSVEC has also reviewed AEPSCO's May 4, 2009, *Revised Proposal in Relation to the Filing Date for its 2009 Rate Case Filing* ("Revised Proposal"). SSVEC, through counsel undersigned, hereby submits the following comments for consideration by the Arizona Corporation Commission.

As indicated in AEPSCO's Request, SSVEC is a Class A member of AEPSCO. SSVEC and Mohave Electric Cooperative, Inc., account for more than 60 percent of AEPSCO's load, with SSVEC accounting for more than one half of that 60 percent. Accordingly, SSVEC will be significantly impacted by AEPSCO's next rate case filing.

SSVEC agrees that this rate case will "pose[s] new and unique cost allocation challenges" in light of this new load and membership composition. Accordingly, the AEPSCO members have been meeting in an attempt to resolve revenue, cost, and rate allocation issues that will be integral aspects of AEPSCO's rate application. Therefore, to the extent that AEPSCO members can reach consensus on one or more of these issues in advance of AEPSCO's rate filing,

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it will help to narrow the issues in dispute for the rate case and result in a more streamlined and productive process.

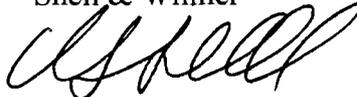
In light of the above, SSVEC does not oppose AEPCO's Request to delay its rate case filing by an additional 60 to 90 days. SSVEC does not agree with Staff's concern that such a delay will result in a "stale" test year in light of the fact that the only reason AEPCO is filing its rate application at this time is due to the requirement set forth in AEPCO's last rate case decision requiring the rate filing once SSVEC became a partial requirements member ("PRM"). One of the purposes of the test year in the instant case is for AEPCO to have at least a full calendar year of SSVEC being a PRM before the filing. Moreover, an update of the test year to June 30, 2009, will not provide AEPCO sufficient time to prepare and file a rate application by October 1. Therefore, under these unique circumstances, SSVEC believes the use of a 2008 test year would still be appropriate as long as the delay is no more than 90 days.

In its Revised Proposal, AEPCO addressed Staff's "stale" test year concerns by proposing a test year ending March 31, 2009, with an October 1, 2009, filing date for its rate application. SSVEC believes this to be a reasonable compromise of the competing concerns, and SSVEC also supports the Revised Proposal.

Although SSVEC is willing to support either the initial AEPCO Request or AEPCO's Revised Proposal, SSVEC opposes any delay of the rate case application beyond October 1, 2009. Therefore, SSVEC would object to Staff's recommendation that AEPCO could file its rate application on March 31, 2010, using a December 31, 2009, test year.

Very truly yours,

Snell & Wilmer



Bradley S. Carroll

BSC/dcp

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