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BEFORE THE ARIZONA CORPORATION COMMISSION

KRISTIN K. MAYES  
Chairman

Arizona Corporation Commission

GARY PIERCE  
Commissioner

DOCKETED

PAUL NEWMAN  
Commissioner

MAY - 5 2009

SANDRA D. KENNEDY  
Commissioner

DOCKETED BY	ne
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BOB STUMP  
Commissioner

IN THE MATTER OF THE JOINT  
APPLICATION OF TRICO ELECTRIC  
COOPERATIVE, INC. AND TUCSON  
ELECTRIC POWER COMPANY FOR AN  
ORDER APPROVING A BORDERLINE  
AGREEMENT

DOCKET NOS. E-01461A-09-0019  
E-01933A-09-0019

DECISION NO. 70978

ORDER

Open Meeting  
April 28 and 29, 2009  
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Trico Electric Cooperative, Inc. ("Trico") and Tucson Electric Power Company ("TEP") are engaged in providing electric service within portions of Arizona, pursuant to authority granted by the Arizona Corporation Commission ("Commission" or "ACC").

2. On January 21, 2009, Trico and TEP filed a Joint Application and Borderline Agreement ("Joint Application") for Trico to provide electric service to Pima County's Camino De Oeste and Ajo Highway ("State Route 86") intersection traffic signal lights and intersection lighting.

3. Pima County has made application (the "County"), for electric service for State Route 86 intersection to Trico and TEP. On January 21, 2009, Trico and TEP filed a Joint Application and Borderline Agreement ("Joint Application") for Trico to provide electric service to Pima County's Camino De Oeste and Ajo Highway (State Route 86) intersection traffic signal lights and intersection lighting. According to the Joint Application submitted by Trico and TEP,

1 the estimated cost to establish the requested service will cost the customer \$17, 852.51 if served  
 2 by TEP because the necessary line extension is more than 1,000 feet. However, Trico's nearest  
 3 facilities are less than 600 feet from State Route 86 intersection so the area will receive the service  
 4 with no charge for the line extension.

5 4. In Section IV of the Joint Application and Borderline Agreement, filed January 21,  
 6 2009, TEP reserves the right to provide electric service to State Route 86 intersection when TEP  
 7 determines that it is economically feasible to do so. If TEP chooses to exercise the right to serve  
 8 the State Route 86, TEP will compensate Trico for any Trico facilities used by TEP in order to  
 9 provide service.

10 **The following chart represents a rate comparison for service received by TEP and Trico.**

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

15 5. On March 11, 2009, Staff spoke with Mr. Don Pittenger, a representative for Pima  
 16 County, informing him of the rate differences between Trico and TEP applicable tariff on a  
 17 monthly basis. Even with the higher Trico energy charge it will take Pima County over eight years  
 18 to expend the additional \$17,852.51 it would cost to have State Route 86 served by TEP. Staff has  
 19 been assured that Pima County would prefer to avoid the \$17,852.51 upfront cost and pay the  
 20 higher monthly rate to receive service from Trico.

21 6. Staff believes that the Borderline Agreement between Trico and TEP is a  
 22 reasonable solution to allow extension of electric service to the State Route 86 intersection and is  
 23 in the public interest. Therefore, Staff recommends the Commission approve the Borderline  
 24 Agreement between Trico and TEP.

#### CONCLUSIONS OF LAW

26 1. Trico and TEP are Arizona public service corporations within the meaning of  
 27 Article XV, Section 2, of the Arizona Constitution.

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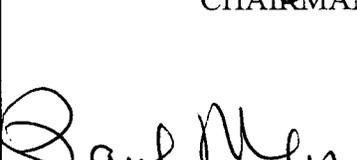
1 IT IS FURTHER ORDERED that approval of the Borderline Agreement at this time does  
2 not guarantee any future ratemaking treatment of the Borderline Agreement between Trico Electric  
3 Cooperative, Inc. and Tucson Electric Power Company.

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

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6 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

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8 CHAIRMAN

  
COMMISSIONER

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11 COMMISSIONER

  
COMMISSIONER

  
COMMISSIONER

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13 IN WITNESS WHEREOF, I, MICHAEL P. KEARNS, Interim  
14 Executive Director of the Arizona Corporation Commission,  
15 have hereunto, set my hand and caused the official seal of this  
16 Commission to be affixed at the Capitol, in the City of Phoenix,  
17 this 5TH day of MAY, 2009.

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19 MICHAEL P. KEARNS  
20 INTERIM EXECUTIVE DIRECTOR

21 DISSENT: \_\_\_\_\_

22 DISSENT: \_\_\_\_\_

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1 SERVICE LIST FOR: TRICO ELECTRIC COOPERATIVE, INC. AND TUCSON ELECTRIC  
POWER COMPANY  
2 DOCKET NOS. E-01461A-09-0019 AND E-01933A-09-0019

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