

Dear Chairman Mayes and ACC Commissioners,



0000098475

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

ORIGINAL

May 22, 2009

Re: SSVEC rate case, docket # E-01575A-08-0328

I would like to address a point testified to by SSVEC staff at the hearing in Tucson April 22 in Tucson Arizona.

Jack Blair testified that SSVEC Cooperators very much look forward to sharing the profits with SSVEC and think the "Patronage Capital" is a very necessary part of their program.

I have asked everyone I see in the SSVEC area, and each time I ask the question, the answer is "no it is not important". "I have never received a check". I haven't received a check in 10 years and then it was only for \$2.50" or "I think SSVEC likes the fund, because they send checks to dead people who don't cash them or they are so small people throw them away, and they get to have a cash fund that keeps growing"

The annual report for SSVEC 2007 Patronage Capital Beginning Balance was \$43,617,083. (ATTACHED)

I do believe the SSVEC Cooperators would much rather have lower electric bills than continue to contribute to this Patronage Capital fund.

Thank you very much.

Gail Getzwiller
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Meeting the **CHALLENGE**



2008 Annual Report
Sulphur Springs Valley Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 

STATEMENT OF INCOME AND PATRONAGE CAPITAL

Years Ended June 30.

	<u>2008</u>	<u>2007</u>	Increase (Decrease)
OPERATING REVENUES			
Residential	\$43,703,106	\$41,438,393	\$2,264,713
Irrigation	14,545,467	10,992,547	3,552,920
Commercial and Industrial	33,215,629	30,805,165	2,410,464
Public Buildings and Other Authorities	4,395,643	2,915,219	1,480,424
Power Cost Adjustments	1,860,413	(176,949)	2,037,362
Rent from Electric Property	880,106	514,796	365,310
Other Operating Revenues	<u>901,680</u>	<u>741,243</u>	<u>160,437</u>
Total Operating Revenues	<u>\$99,502,044</u>	<u>\$87,230,414</u>	<u>\$12,271,630</u>
OPERATING EXPENSES			
Purchased Power	\$63,192,101	\$54,337,168	\$8,854,933
Transmission	316,195	173,915	142,280
Distribution – Operation	8,288,980	8,236,856	52,124
Distribution – Maintenance	2,445,527	2,449,845	(4,318)
Consumer Accounts	2,886,551	2,756,080	130,471
Customer Service and Information	706,045	649,513	56,532
Sales Expenses	564,923	553,096	11,827
Administrative and General	3,719,348	3,341,882	377,466
Depreciation and Amortization	7,514,978	6,709,189	805,789
Taxes	1,014,000	926,564	87,436
Other Interest	401,766	303,874	97,892
Other Deductions	<u>178,518</u>	<u>174,306</u>	<u>4,212</u>
Total Operating Expenses	<u>\$91,228,932</u>	<u>\$80,612,288</u>	<u>\$10,616,644</u>
OPERATING MARGINS			
Before Fixed Charges	\$8,273,112	\$6,618,126	\$1,654,986
FIXED CHARGES			
Interest on Long-Term Debt	<u>6,008,787</u>	<u>5,188,780</u>	<u>820,007</u>
OPERATING MARGINS – After Fixed Charges	\$2,264,325	\$1,429,346	\$834,979
Capital Credits	<u>3,118,697</u>	<u>405,203</u>	<u>2,713,494</u>
NET OPERATING MARGINS	<u>\$5,383,022</u>	<u>\$1,834,549</u>	<u>\$3,548,473</u>
NON-OPERATING MARGINS			
Interest Income and Dividend Income	\$106,058	\$120,778	\$(14,720)
Other Non-operating Margin (Loss)	166,529	(233,244)	399,773
	<u>\$272,587</u>	<u>\$(112,466)</u>	<u>\$385,053</u>
NET MARGINS	\$5,655,609	\$1,722,083	<u>\$3,933,526</u> <i>LOSS</i>
OTHER COMPREHENSIVE INCOME (LOSS)			
Adjustment for initial application of FASB Statement Number 158	(157,400)	—	
COMPREHENSIVE INCOME	\$5,498,209	\$1,722,083	
Add. Adjustment for initial application of FASB Statement Number 158	157,400		
PATRONAGE CAPITAL – Beginning of Year	45,883,749	43,617,316	
RECLASS AMOUNTS FROM NON OPERATING		838,702	
PATRONAGE CAPITAL RETIRED	(264,319)	(294,352)	
PATRONAGE CAPITAL – End of Year	<u>\$51,275,039</u>	<u>\$45,883,749</u>	