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BEFORE THE ARIZONA CORPORATION COMMISSION

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KRISTIN K. MAYES  
Chairman  
GARY PIERCE  
Commissioner  
PAUL NEWMAN  
Commissioner  
SANDRA D. KENNEDY  
Commissioner  
BOB STUMP  
Commissioner

Arizona Corporation Commission  
**DOCKETED**  
AUG 06 2009

DOCKETED BY ne

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

DOCKET NOS. E-01461A-09-0312  
E-01933A-09-0312  
DECISION NO. 71227  
ORDER

Open Meeting  
July 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 June 12, 2009, Trico and TEP filed a Joint Application and Borderline Agreement ("Joint Application") for TEP to provide electric service to a residential customer, Mr. James Davis ("Davis property"). Both Trico and TEP are engaged in providing electric service within portions of Pima County, Arizona, pursuant to authority granted by the Commission.

3. The Davis property is located within Trico's certified territory. According to Trico, the estimated cost to establish the requested single-phase service to the Davis property by Trico is approximately \$25,000. The nearest Trico facilities are more than 1,970 feet from the Davis

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1 property and less than 500 feet from the nearest TEP facilities. Therefore, TEP can serve at no  
2 cost for the connection of the primary service. TEP can also provide a second service at an  
3 approximate cost of \$112.00.

4 5. In Section IV of the Joint Application and Borderline Agreement, filed June 12,  
5 2009, Trico reserves the right to provide electric service the Davis property when Trico determines  
6 that it is economically feasible to do so. If Trico chooses to exercise the right to serve the Davis  
7 property, Trico will compensate TEP for any TEP facilities used by Trico in order to provide  
8 service.

9 6. The Joint Application and Borderline Agreement included copies of both Trico's  
10 and TEP's applicable tariff pages. According to the tariff pages submitted, the customer would  
11 also benefit from the lower single-phase residential rates provided by TEP.

12 7. Staff believes that the Borderline Agreement between Trico and TEP is a  
13 reasonable solution to allow extension of electric service to the Davis property and is in the public  
14 interest.

15 8. Staff recommends the Commission approve the Borderline Agreement between  
16 Trico and TEP.

17 9. Staff recommends that TEP be required to notify the Commission prior to  
18 exercising its right to provide service to the Davis property.

19 10. Staff further recommends that the Commission specify in its Order that approval of  
20 the Borderline Agreement at this time does not guarantee any future ratemaking treatment of the  
21 Borderline Agreement between Trico and TEP.

#### 22 CONCLUSIONS OF LAW

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

25 2. The Commission has jurisdiction over Trico and TEP and over the subject matter of  
26 the Application.

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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 IIT 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

12 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,  
13 Executive Director of the Arizona Corporation Commission,  
14 have hereunto, set my hand and caused the official seal of this  
15 Commission to be affixed at the Capitol, in the City of Phoenix,  
16 this 6<sup>TH</sup> day of AUGUST, 2009.

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18 ERNEST G. JOHNSON  
19 EXECUTIVE DIRECTOR

20 DISSENT: \_\_\_\_\_

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

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1 SERVICE LIST FOR: Trico Electric Cooperative, Inc. and Tucson Electric Power Company  
2 DOCKET NOS. E-01461A-09-0312 and E-01933A-09-0312

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4 Right of Way Coordinator  
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15 Director, Utilities Division  
16 Arizona Corporation Commission  
17 1200 West Washington Street  
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