



**ARIZONA CORPORATION COMMISSION**  
**UTILITY COMPLAINT FORM**

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19, 2009 hearing. It makes me wonder again exactly what it is that has this company so committed to the 69kV line, its proposed route, its reasons therefore, and its refusal to publicly explain its choice with supporting documentation.

It is my sincerest hope that the reconsideration hearing process will get to bottom of the issues and allow all concerned to move forward with a full understanding as to why SSVEC wants to spend the millions it proposes to spend at ratepayer expense. At the moment, the only thing I see is SSVEC continuing to pay money to engage in a fight to secure its position of not having to answer to its cooperative members. The ACC should not allow that sort of conduct by a regulated utility to continue to the detriment of its ratepayers—who are, after all, the company owners. The ACC should use the reconsideration motion hearing process for exactly that purpose.

Thank you for your consideration.

Leslie F. Kramer

SSVEC member

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\*\*\*\*\*Sierra Vista Herald the week of October 11, 2009\*\*\*\*\*

Published on The Sierra Vista Herald (<http://www.svherald.com>)

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Regulators to reconsider utility line case

By Dana Cole

Herald/Review

SIERRA VISTA – During a staff meeting Tuesday, the Arizona Corporation Commission voted to reconsider a case involving, among other things, construction of a power line that had been submitted to the panel by Sulphur Springs Valley Electric Cooperative.

The utility filed a "motion of reconsideration" to the commission outlining several issues, the key one being a controversial 69kV line. The proposed subtransmission power line would extend from Whetstone, across the Babocomari Ranch into the Sonoita area. The utility's decision to file a motion of reconsideration is the result of the commission's Sept. 8 ruling that prohibits the utility from constructing the power line after commissioners heard from members of the public who opposed it.

"This appeared as an agenda item on yesterday's (Tuesday's) staff meeting," said Rebecca Wilder, public information officer for the corporation commission. "This is actually a rehearing of SSVEC's rate case, of which the kV line is tied in."

As part of the rehearing, Wilder explained that an administrative law judge will prepare a procedural order and will schedule a procedural conference between the utility and the commission, along with any other parties that wish to be intervenors.

"The cooperative will be required to notify customers of all issues regarding this hearing, for those who may want to attend or serve as an intervenor," Wilder added.

At the heart of the controversy

The subtransmission line, which was scheduled to be constructed in the fall of 2009, came under attack by

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some members of the public because of its proposed route, following easements within the San Ignacio del Babocomari Land Grant and the Sonoita Hills subdivision.

The Babocomari Land Grant encompasses the Babocomari Ranch, a grassland area rich in biodiversity. Opponents of the power line fear it will create a serious environmental impact to the area, to include the Appleton-Whittell Research Ranch, which borders the Babocomari. Several members of the public attended the Corporation Commission hearing Sept. 8 and voiced objections about the line, citing a litany of concerns regarding its proposed route and potential impact to the area. In addition, opponents requested that the utility conduct a third-party feasibility study to investigate alternative energy options.

The cooperative, however, argues the power line is necessary to improve service reliability in the Whetstone, Rain Valley, Sonoita, Elgin, Canelo and Patagonia service areas.

After listening to the arguments, commissioners voted to prohibit the utility from moving forward with the project – dubbed the Sonoita Reliability Project – until the cooperative had conducted an independent, third-party feasibility study.

On Sept. 18, the utility submitted an application to the commission requesting that a moratorium be initiated on new or expanded service connections to the affected communities, citing that existing lines are already working at capacity and the new line is necessary to ensure reliable service.

When asked if the utility plans to move ahead with the moratorium request, Jack Blair, who is the cooperative's chief member services officer noted, "we can't continue to accept applications for future services when we know the existing line and substation cannot handle it."

Blair added that the commission's vote to stop the line's construction came as a surprise to the utility, "especially in view of the fact that they were already on record as stating that they did not have jurisdiction on lines of this size. Their staff engineer agreed with us, as well as the administrative law judge who heard the case," Blair said. *Utility reacts to the decision*

"We're pleased about the commission's unanimous decision (with the exception of commissioner Gary Pierce, who did not attend the meeting) to rehear our case because this will allow us to present a lot of facts and figures that we weren't able to present at our rate hearing on Sept. 8," Blair said.

After commissioners heard a long list of objections at the Sept. 8 hearing, there was not sufficient time for the utility to present its side, Blair said. Commissioners were on a time crunch that day, and had to leave Tucson for Nogales for another meeting.

"After the opponents spoke, we did not have an opportunity to refute the numerous distorted facts, unfounded rumors, half truths, blasphemy, doctored information and outright lies presented by the opponents without one single solitary shred of evidence or fact to back them up," Blair said. "The rehearing will give us an opportunity to present our side of this issue and clear up some of the misinformation that was presented that day."

Despite the commission's decision to rehear the utility's case, the cooperative plans to continue working on the independent third-party study.

Blair says that the cooperative believes the study will demonstrate that SSVEC has chosen the best, most cost efficient manner for solving the electrical infrastructure issues faced by members in the affected areas.

"The other options, all of which we have previously investigated and considered, will be much more expensive or not solve the problem."

\*End of Complaint\*

**Utilities' Response:**

**ARIZONA CORPORATION COMMISSION  
UTILITY COMPLAINT FORM**

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**Investigator's Comments and Disposition:**

10/23/09

I responded with the following email:

RE: Sulphur Springs Valley Electric Cooperative, Inc. ("SSVEC")

Dear Ms. Kramer:

Your email dated October 18, 2009 regarding the Sulphur Springs Valley Electric Cooperative, Inc. (SSVEC) application sent to the Arizona Corporation Commission ("Commission") office will be placed on file with the Docket Control Center to be made part of the record. The Commission will take your comments into consideration before a decision is rendered in the SSVEC application.

The concerns raised in letters received from customers will assist the Commission in the investigation and review of the rate application. The Commission's independent analysis of the utility and its rate request attempts to balance the interest of the utility and its customers. Commission Staff is very sensitive to the burden that high utility rates can place on the consumer, and though constitutionally required to allow a fair return to the utility, does everything within its authority to protect the consumer.

Commission staff appreciates your comments and the interest taken on the proposed rate increase. If you should have any questions relating to this issue, please call me toll free at (

Thank you,

Richard Martinez  
Public Utilities Consumer Analyst II  
Arizona Corporation Commission  
Utilities Division

\*\*\*\*\*  
Copied both Sheila Stoeller and Connie Walczak.  
\*\*\*\*\*

10/23-I emailed this OPINION to Richard Weiss @ ACC Phoenix Office to have this docketed towards Sulphur Springs Valley Electric Cooperative, Inc. (Docket No. E-01575A-08-0328)- FILE CLOSED.

\*End of Comments\*

**Date Completed: 10/23/2009**

**Opinion No. 2009 - 82587**

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**ARIZONA CORPORATION COMMISSION  
UTILITY COMPLAINT FORM**

**Investigator:** Richard Martinez**Phone:****Fax:** (**Priority:** Respond Within Five Days**Opinion No.** 2009 - 82647**Date:** 10/26/2009**Complaint Description:** 08E Rate Cases Items - In Favor  
N/A Not Applicable**First:****Last:****Complaint By:** Susan

Scott

**Account Name:** Susan Scott**Home:** (**Street:** email address**Work:****City:** Sierra Vista**CBR:****State:** AZ Zip: 85635**is:** E-Mail**Utility Company:** Sulphur Springs Valley Electric Cooperative, Inc.**Division:** Electric**Contact Name:** Lainie Keltner**Contact Phone:****Nature of Complaint:**

(Docket No. E01575A-08-0328 &amp; E-01574A-09-0429)

From: S SCOTT [mailto.

Sent: Tuesday, October 20, 2009 5:36 AM

To: Mayes-WebEmail; Newman-Web; Kennedy-Web; Stump-Web; Pierce-Web

Subject: ACC Docket Numbers E-01575A-08-0528 and E-01575A-09-0429

Commission Chairwoman Mayes and Commissioners Newman, Pierce, Kennedy and Stump

Subject: Continuing Problems at SSVEC

Re: ACC Docket Numbers E-01575A-08-0328 and E-01575A-09-0429

It was very disturbing to read the Sierra Vista Herald article announcing that the Arizona Corporation Commission has agreed to reconsider SSVEC's rate case. While the rehearing is unsettling for ratepayers in the Sonoita, Elgin, Canelo and Patagonia areas who so strongly believe in the third-party, independent feasibility study, what was most disturbing were the comments the article quoted from SSVEC's chief spokesperson, Jack Blair.

What in the world is going on at SSVEC and with Jack Blair in particular that he would state that our comments to the Commission were . . . distorted facts, unfounded rumors, half truths, blasphemy, doctored information and outright lies. . ."? Does SSVEC management not understand that as an electric coop, its members own this company? Having spent 25 years in the Human Resources field and retired as Director of Human Resources at Levi Strauss & Co., if I had a subordinate make such unsubstantiated statements about its owners, he would have been removed from his position and possibly terminated.

And now we are hearing about SSVEC depleting their REST funds; that there are hundreds of people in line to get rebates for renewable energy installations who may never get their rebates. In addition, it appears that

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SSVEC spent well above market rate to install solar panels on schools in Cochise and Santa Cruz Counties and that some of those systems are still not working months after installation.

I even understand that Mr. Blair has proposed not completely meeting the Commission's REST goals for SSVEC in an ongoing SSVEC REST case. Maybe Mr. Blair should realize that REST funds come from ratepayers and are to be used for cost-effective projects, not as his private "slush" fund. In fact, the SSVEC REST and DSM spending programs appear to be ripe for a prudent investigation.

Does this utility really deserve a rate increase after all these dubious actions? I do not think so.

At a minimum, I believe that the rehearing on the rate case is premature. Community members are diligently working on alternatives to the 69kV line. We believe our efforts will prove that there are viable alternatives to SSVEC's proposed line. I urge you to hold SSVEC to your original schedule on the feasibility study with public participation through June 2010 and for the Commission to make any decisions after it is completed. The communities of Sonoita, Elgin, Canelo and Patagonia are depending on you to allow this process to continue.

Susan Scott

SSVEC Member  
\*End of Complaint\*

### Utilities' Response:

### Investigator's Comments and Disposition:

10/26

I called customer and acknowledged receipt of her email regarding her Opinion supporting the feasibility study that the Arizona Corporation Commission has ordered SSVEC to conduct. I also asked customer if she was also asking questions that she needed answered and customer said no. Customer stated that these were just "rhetorical" questions as she just wants her Opinion noted for the record that she supports this feasibility study and the REST funds that is currently before the Commissioners.

I told customer that her Opinions would be docketed so that the Commissioners would have an opportunity to reach her concerns.

FILE CLOSED.

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10-26-Copied to both Sheila Stoeller and Connie Walczak.

\*\*\*\*\*

I emailed this OPINION to Richard Weiss @ ACC Phoenix Office to have this docketed towards Sulphur Springs Valley Electric Cooperative, Inc. (Docket No. E-01575A-08-0328 & E01575A-09-0429) - FILE CLOSED.

\*End of Comments\*

Date Completed: 10/26/2009

Opinion No. 2009 - 82647

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HOURS of outages per year as justification. Those opposed ask for SSVEC to actually substantiate its position and believe that alternatives to coal based energy may relieve the need for a 69kV line. An independent feasibility study is a logical way to resolve this difference of opinion and give guidance to the ACC.

In conclusion, the fact of the matter is that there is a rate case over which the ACC clearly has jurisdiction. That an issue arose as part of that case over which the ACC arguably may not have had separate jurisdiction does not preclude it from being considered as part of the rate case and SSVEC's delivery of services to its customers, who also happen to be its owners. SSVEC brought the rate case, now they have to live with it.

Indeed, if anything, the Commission should take this opportunity to fine tune its order regarding the independent feasibility study to insure that it will truly be independent.

Thank you for your time and consideration.

/Leslie F. Kramer/

Leslie F. Kramer

Sonoita, AZ

\*End of Complaint\*

**Utilities' Response:**

**Investigator's Comments and Disposition:**

10/27/09

I responded with the following email:

RE: Sulphur Springs Valley Electric Cooperative, Inc. ("SSVEC")

Dear Ms. Kramer:

Your email dated October 11, 2009 regarding the Sulphur Springs Valley Electric Cooperative, Inc. (SSVEC) application sent to the Arizona Corporation Commission ("Commission") office will be placed on file with the Docket Control Center to be made part of the record. The Commission will take your comments into consideration before a decision is rendered in the SSVEC application.

The concerns raised in letters received from customers will assist the Commission in the investigation and review of the rate application. The Commission's independent analysis of the utility and its rate request attempts to balance the interest of the utility and its customers. Commission Staff is very sensitive to the burden that high utility rates can place on the consumer, and though constitutionally required to allow a fair return to the utility, does everything within its authority to protect the consumer.

Commission staff appreciates your comments and the interest taken on the proposed application. If you should have any questions relating to this issue, please call me toll free at (

Thank you,

Richard Martinez

**ARIZONA CORPORATION COMMISSION**  
**UTILITY COMPLAINT FORM**

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Public Utilities Consumer Analyst II  
Arizona Corporation Commission  
Utilities Division

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10/27-Copied both Sheila Stoeller and Connie Walczak.

\*\*\*\*\*

10/27-I emailed this OPINION to Richard Weiss @ ACC Phoenix Office to have this docketed towards Sulphur Springs Valley Electric Cooperative, Inc. (Docket No. E-01575A-08-0328)- FILE CLOSED.

\*End of Comments\*

**Date Completed: 10/27/2009**

**Opinion No. 2009 - 82674**

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E-01575A-08-0328

ARIZONA CORPORATION COMMISSION  
UTILITY COMPLAINT FORM

**Investigator:** Richard Martinez

**Phone:** ---

**Fax:** ---

**Priority:** Respond Within Five Days

**Opinion No. 2009 - 82682**

**Date:** 10/27/2009

**Complaint Description:** 08A Rate Case Items - Opposed  
N/A Not Applicable

**Complaint By:** **Carolyn Shafer**

**Account Name:** Carolyn Shafer

**Home:**

**Street:**

**Work:**

**City:** Patagonia

**CBR:** (

**State:** AZ Zip:

**is:** E-Mail

**Utility Company:** Sulphur Springs Valley Electric Cooperative, Inc.

**Division:** Electric

**Contact Name:**

**Contact Phone:** (

**Nature of Complaint:**

(Docket No. E-01575A-08-0328)

CAROLYN SHAFER

October 12, 2009

Dan Barrera, President, Board of Directors  
Sulphur Springs Valley Electric Cooperative

On Friday, October 9, 2009 I received your September 28 letter responding to my previous written and verbal requests to make a presentation to the SSVEC Board of Directors.

First, I would like to clarify that the request is to present an overview to the Board members about local sustainability not "sustainable energy" as stated in your letter. Shifting from fossil fuel to renewable energy sources is one of ten critical areas typically addressed in local sustainability discussions.

As I have stated before to the SSVEC Board members, my college degree is in Business Management and I have management experience in the legal industry as well as co-owner/operator of a power line construction company. I have also served on organizational Boards. I understand the evolving role of Board members as well as the need to make sound business decisions and I understand the utility industry.

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Since November 2008, I have been in service to my community as the facilitator of monthly dialogues about local sustainability. The final meeting in the "Caring for Planet Earth Begins at Home" series is later this month.

It appears to me that your request for "... a hard copy of the presentation and an executive summary of any projects that have developed or resulted from your presentation. . . ." and "... the results of those projects. . ." is driven by a misunderstanding that this presentation is about a specific renewable energy alternative.

Local sustainability is a grassroots movement that is occurring everywhere. This is not something unique to the Mountain Empire and one SSVEC Board Member's District. In my opinion, it is important for individual Board members at any organization to assure themselves that they are receiving information relative to their responsibilities from a number of sources rather than relying solely on management's opinion about the industry.

This is an opportunity to receive an overview of local sustainability (including energy).

The presentation will take no more than 30 minutes. And, I believe, it provides the potential for a transformative shift in understanding what is the local sustainability movement and its impact on the utility industry in general and the profound opportunity available to SSVEC to better serve its members with environmentally efficient and cost effective reliable electricity.

I hope you will agree and schedule this presentation for your November 2009 or January 2010 meeting.

Thank you.

Carolyn Shafer  
Facilitator, E Santa Cruz Local Sustainability  
B.A., Business Management  
Former Power Line Contractor  
cc: Creden Huber, SSVEC CEO  
Jack Blair, SSVEC Chief Member Services Officer  
Arizona Corporation Commission

Attachment to Dan Barrera Only:

Presentation Slide Print Out = NOTE: the presentation will be modified after the final meeting at the end of October to reflect most current information

cc: Creden Huber, SSVEC CeO  
Jack Blair, SSVEC Chief Member Services Officer  
Arizona Corporation Commission

Attachment to Dan Barrera Only:

Presentation Slide Print Out = the presentation will be modified after the final meeting at the end of October to reflect most current information

\*End of Complaint\*

**Utilities' Response:**

**Investigator's Comments and Disposition:**

**ARIZONA CORPORATION COMMISSION**  
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10/27-

I called customer to acknowledge receipt of her Opinion as customer would like her Opinion filed under Docket No. E-01575A-08-0328. Customer was thankful for calling her to let her know that her letter was received. I told customer that her Opinion would be docketed so that the Commissioners would have an opportunity to read her concerns prior to rendering their decision. FILE CLOSED.

\*\*\*\*\*

10/27-Copied both Sheila Stoeller and Connie Walczak.

\*\*\*\*\*

10/27-I emailed this OPINION to Richard Weiss @ ACC Phoenix Office to have this docketed towards Sulphur Springs Valley Electric Cooperative, Inc. (Docket No. E-01575A-08-0328)- FILE CLOSED.

\*End of Comments\*

**Date Completed: 10/27/2009**

**Opinion No. 2009 - 82682**

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E-01575A-08-0328

ARIZONA CORPORATION COMMISSION  
UTILITY COMPLAINT FORM

Investigator: Richard Martinez

Phone: -----

Fax:

Priority: Respond Within Five Days

Opinion No. 2009 - 82678

Date: 10/27/2009

Complaint Description: 08A Rate Case Items - Opposed  
N/A Not Applicable

Complaint By: First: Linda Last: Kennedy

Account Name: Linda Kennedy

Home:

Street:

Work:

City: Elgin

CBR:

State: AZ Zip: --

is:

Utility Company: Sulphur Springs Valley Electric Cooperative, Inc.

Division: Electric

Contact Name:

Contact Phone: --

Nature of Complaint:

\*\*\*\*\*REFERRED FROM CHAIRMAN MAYES' OFFICE\*\*\*\*\*

(Docket No. E-01575A-08-0328)

Dear Chairperson Mayes and Commissioners Newman, Kennedy, Stump, and Pierce:

I would again like to voice my support for your decision to require Sulphur Springs Valley Electric Cooperative to commission a feasibility study to evaluate all viable options to supply clean, affordable energy to the Sonoita/Patagonia/Elgin community.

At a cost of over \$13 million, SSVEC members will be paying for the proposed line for years. It's common sense that decisions of this magnitude be made using the most unbiased, careful consideration of all the facts. Thank you for insisting that this important step be taken.

Just a quick update on the impacts to our community after your decision; actions have been impressive and rapid. Wind and solar systems are being designed and installed. Educational programs are being developed. Information is being updated and exchanged on conservation actions, energy efficiency and renewable energy options.

Your decision lent great support to what we envisioned for our community - to be a leader in locally generated renewable energy.

Respectfully,

Linda Kennedy

**ARIZONA CORPORATION COMMISSION**  
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Linda Kennedy, Ph.D., Director  
Appleton-Whittell Research Ranch  
National Audubon Society

\*End of Complaint\*

**Utilities' Response:**

**Investigator's Comments and Disposition:**

10/27/09

I responded with the following email:

RE: Sulphur Springs Valley Electric Cooperative, Inc. ("SSVEC")

Dear Ms. Kennedy:

Your email dated October 12, 2009 regarding the Sulphur Springs Valley Electric Cooperative, Inc. (SSVEC) application sent to the Arizona Corporation Commission ("Commission") office will be placed on file with the Docket Control Center to be made part of the record. The Commission will take your comments into consideration before a decision is rendered in the SSVEC application.

The concerns raised in letters received from customers will assist the Commission in the investigation and review of the rate application. The Commission's independent analysis of the utility and its rate request attempts to balance the interest of the utility and its customers. Commission Staff is very sensitive to the burden that high utility rates can place on the consumer, and though constitutionally required to allow a fair return to the utility, does everything within its authority to protect the consumer.

Commission staff appreciates your comments and the interest taken on the proposed application. If you should have any questions relating to this issue, please call me toll free at \_\_\_\_\_

Thank you,

Richard Martinez  
Public Utilities Consumer Analyst II  
Arizona Corporation Commission  
Utilities Division

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10/27-Copied both Sheila Stoeller and Connie Walczak.

\*\*\*\*\*

10/27-I emailed this OPINION to Richard Weiss @ ACC Phoenix Office to have this docketed towards Sulphur Springs Valley Electric Cooperative, Inc. (Docket No. E-01575A-08-0328)- FILE CLOSED.

\*End of Comments\*

**Date Completed: 10/27/2009**

**Opinion No. 2009 - 82678**

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