

E-01575A-08-0328



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ORIGINAL

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

OCT 28 2009

Investigator: Richard Martinez

Phone: (

Fax:

Priority: Respond Within Five Days

DOCKETED BY [Signature]

Opinion No. 2009 - 82577

Date: 10/22/2009

Complaint Description: 08E Rate Cases Items - In Favor
N/A Not Applicable

Complaint By: **First:** David **Last:** Butler

Account Name: David Butler

Home: (000)

Street: email address

Work:

City: Sierra Vista

CBR:

State: AZ **Zip:** 85635

is: E-Mail

AZ CORP COMMISSION
DOCKET CONTROL
2009 OCT 28 PD 4:05
-RECEIVED

Utility Company: Sulphur Springs Valley Electric Cooperative, Inc.

Division: Electric

Contact Name: Lainie Keltner

Contact Phone: (

Nature of Complaint:

David Butler, Optimal Building Systems, LLC

E-01575A-08-0328

With due respect, I believe the Commission made an error by adopting Newman Amendment 1, requiring an independent study and further public comment on the construction of a 69kV transmission line for Santa Cruz County ("Sonoita Reliability Project"). I will make three points to support my position:

1. I believe SSVEC went beyond what would be considered reasonable as it considered various options for the 69kV line project, in terms of listening to and engaging the affected community. I believe those who would suggest otherwise simply didn't like the resulting decision made by the company.
2. I believe the Commission has overstepped its legal jurisdiction in folding the 69kV line issue into the rate case. I reviewed the transcript of the January 14, 2009 Special Open Meeting at which time the Commissioners discussed a legal basis for the inclusion. As I understand it, the legal argument is based on the line's impact on reliability as well as its potential impact on ratepayers through higher power costs.

The fact is, nothing about SSVEC's proposed design would negatively impact reliability, nor was any evidence presented suggesting a lower cost option was available. So even at face value, the legal basis for jurisdiction seems questionable. Moreover, by adopting Newman Amendment 1, the Commission has, in effect, served to *degrade* reliability for Santa Cruz County customers by postponing any resolution to this issue for at least another year, and has *added* cost to the project, perhaps significantly.

In reality, arguments advanced by those seeking to block line construction were overwhelmingly centered on its potential environmental impact. In the January 14 jurisdiction discussion, no legal basis was established for the Commission to address the environmental impact of a 69kV line. Furthermore, the motivation for Newman Amendment 1, as evidenced by Commissioner Newman's comments during the August 17 hearing, was to find

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an alternative solution based on renewable energy, rather than seeking to maximize reliability or minimize cost to ratepayers. This likewise would appear to exceed any jurisdictional cover established in the January 14 meeting.

3. Those promoting an alternative solution based on renewable energy are either uninformed or are using renewable energy as a smokescreen. Do not misunderstand my point. I'm a strong advocate for renewable energy. In fact, I'm in the design phase for a 100% solar (net-zero) community in Cochise County. However, grid-tied solar capacity cannot solve a line capacity problem when the area in question is served by a single radial line. Every time the line experiences a fault, all interconnected solar capacity would have to instantly disconnect from the grid, whether it be privately owned solar panels on customer rooftops or a central "solar farm". And while local solar capacity might occasionally mitigate over-capacity faults, SSVEC indicated in its testimony that the Santa Cruz area peaks in the winter, and ACC Staff confirmed that most of the outages occur during wintertime peaks. Winter peaks typically occur in the early morning hours, well before solar production enters the equation. Those familiar with transmission systems design could speak to these issues more succinctly.

In closing, I urge the Commissioners to reconsider Newman Amendment 1 and direct SSVEC to proceed with construction of the 69kV line with all due haste.

David Butler
Optimal Building Systems
Sierra Vista, Arizona
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

I replied to the customer with the following email:

October 22, 2009

RE: Sulphur Springs Valley Electric Cooperative, Inc.
Docket No. E-01575A-08-0328

Dear Mr. Butler:

This is to acknowledge receipt of your email dated October 22, 2009. Your Opinion will be placed on file with the Docket Control Center of the Arizona Corporation Commission, and made a part of the record in this application. The Commissioners will consider your comments before a decision is rendered in the Company's application.

Staff appreciates your comments and the interest taken on the application.
If you should have any questions relating to this issue, please call me at 1
I thank you for your time.

Sincerely,

Richard Martinez
Public Utilities Consumer Analyst II
Utilities Division

FILE CLOSED.

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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: 10/22/2009

Opinion No. 2009 - 82577

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Richard Martinez

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2009 - 82664

Date: 10/27/2009

Complaint Description: 08E Rate Cases Items - In Favor
N/A Not Applicable

First:

Last:

Complaint By:

Jim

Davis

Account Name:

Designated Broker - Wildhorse Realty

Home: (000) 000-0000

Street:

email address

Work:

City:

Sonoita

CBR:

State:

AZ Zip: 85637

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)

From: Jim Davis [mailto:
Sent: Thursday, October 15, 2009 2:56 PM
To: Mayes-WebEmail
Subject: The Silent Voices Regarding the SSVEC Power Issue

Dear Commissioner Mayes:

We are co-owners of Wildhorse Realty here in Sonoita and have been local residents for over 25 years. We were saddened to hear that you voted against the proposed power line upgrade. It may appear that there is nothing but opposition for the power line; in actuality, you voted against the private property rights of over 1,500 area landowners who reside all over the world. They are the silent voices as they were not in attendance nor have they had the opportunity to write letters since they are not aware of the situation. In our 16 years of being in the real estate business in this valley we have represented over 800 sellers and buyers of vacant land parcels. Many of these are planning to build in the near future and all plan on having electrical service available when they decide to build. Here are some facts that should be considered when the Corporation Commission re-votes on this issue:

1. We have sold a number of parcels of land that are going to go into wine grape vineyards and wineries in the next year or two. As you know, Elgin is considered the Wine Capital of Arizona. They must rely upon

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electricity for the pumping of the water as no existing alternate energy system will pump the volume of water necessary for their drip systems. Without power they will be forced to use generators. Years ago many of the vineyards used diesel generators and have now switched to electric pumps due to the pressure of neighbors that could not stand the noise or the smell of the diesel fumes.

2. There are over 450 developed lots in the Sonoita/Elgin/Patagonia V7 service area with power lines to the lot lines, but no service yet. In addition to these there are a large number of lots not in subdivisions that currently have power lines to the lot line, but no service. If the moratorium is approved it could be years before anyone could build on these lots and if the power upgrade is permanently denied they may never have electrical service.

3. Currently there are two developments working on their Public Reports; these are 36-acre or larger lot sizes. At this time there are approximately 50 lots planned in these two developments. It is my understanding that there will not be power available for these two developments if the moratorium and delay of upgrade occurs.

4. The United States Department of Homeland Security (Border Patrol) has expressed interest in purchasing 50 acres in the Sonoita/Elgin area for a 250-bed detainee holding facility. They will require a cafeteria, exercise area, and security lighting. There is no way that the current power situation can provide enough power for this facility.

I applaud the 40 or so vocal opponents to the power upgrade as they are well-prepared and well-advised; however we know personally many of these opponents and assure you that the primary reason they are so vocal is that the current proposed route runs through existing easements near their properties. Unfortunately this "not in my backyard" mentality is a hard one because 40 or so property owners would be affected but many thousands will benefit from the line.

We are all, including SSVEC, in favor of alternate energy assists; however going all-alternate is not feasible or practical. Mortgage money for all-solar houses is virtually non-existent and there are no proven systems that will work 100% without electrical backup.

In conclusion, we hope that you will consider the wishes and personal property rights of "the silent voices" of the Sonoita/Elgin/Patagonia Valley property owners.

Best regards,

Jim Davis, Designated Broker, Wildhorse Realty

Karen Howard, Associate Broker, Wildhorse Realty

End of Complaint

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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 Mr. Davis:

Your email dated October 15, 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

I thank you for your time.

Sincerely,

Richard Martinez
Public Utilities Consumer Analyst II
Arizona Corporation Commission

10-27-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) - FILE CLOSED.

End of Comments

Date Completed: 10/27/2009

Opinion No. 2009 - 82664
