

E-01575A-08-0328

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ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Arizona Corporation Commission

DOCKETED

Investigator: Richard Martinez

Phone:

Fax:

NOV - 6 2009

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) 000-0000

Street: email address

Work:

City: Sierra Vista

CBR:

State: AZ **Zip:** 85635

is: E-Mail

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Utility Company: Sulphur Springs Valley Electric Cooperative, Inc.

Division: Electric

Contact Name: Lainie Keltner

Contact Phone: (520) 515-3440

Nature of Complaint:

David Butler, Optimal Building Systems, LLC

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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
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

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