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**RECEIVED**

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November 23, 2009

AZ CORP COMMISSION  
DOCKET CONTROL

**Subject: STATUS REPORT**

**New information for the Moratorium Requested by SSVEC for the Sonoita, Elgin, Patagonia, Rain Valley and Whetstone Areas**

**Re: Docket # E-01575A-09-0453**

Chairman Mayes and Commissioners  
Arizona Corporation Commission  
Docket Control  
1200 West Washington Street  
Phoenix, Arizona 85007-2927

Arizona Corporation Commission  
**DOCKETED**

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DOCKETED BY

Dear Chairman Mayes and Commissioners:

I understand that Sulfur Springs Valley Electric Co-operative ("SSVEC") wishes to proceed without a hearing in regard to the moratorium. I believe they have not provided accurate or sufficient evidence to support the need for such a moratorium for the communities of Sonoita, Elgin, Canelo, Rain Valley and Patagonia.

SSVEC, in a response to Ms. Horsmann's letter (dated 10/27/09), stated that they had 264 new power hook-up commitments which included 222 for the town of Patagonia. However the town of Patagonia currently shows only 17 open building permits. This includes 6 from past years that have not been closed. In 2008 the town had a total of 38 permits closed out. Also, most hook-ups are for such things as new electrical boxes, swimming pools, walls, etc., and very few residences. Is SSVEC including the large developments with electric to lot lines that are currently in bankruptcy in this figure? At a previous SSVEC Board meeting the Board had a very brief discussion about how surprised they were that people were still building and requesting new service, and in this same conversation a board member added that there are also many meters being closed out.

SSVEC also seems to be exaggerating the number of households in this area. Many residences have 2 or 3 meters, since most homes have their own wells and out buildings with separate meter. Extrapolation of one meter per household is an exaggeration in this area; at best it would be 2 to 3 meters per household. Meters are neither people nor residences.

Forecasts for Bureau of Census areas for 2009 (based on data from December 2006) are:

Elgin CDP	458
Patagonia town	954 (the census figures for Patagonia have been 1,000 plus/minus 50 for past 3 decades)
Sonoita CDP	1,117
total	2,529 people and $2488/2.3 = 1,100$ residences where 2.3 is used in Santa Cruz County as occupants per residence

My other concern is with the issue of peak load. SSVEC has told our community that if we have a cold winter we could be without power or heat. SSVEC feels that a moratorium is the only solution. This is not so, a rented generator ("peaker plant") could meet these needs when we approach the maximum load. There is natural gas service in Patagonia and possibly even in Sonoita. But, SSVEC has not yet proven that peak

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load is even an issue. Our usage is showing a downward trend with the recession and the increase in renewable energy systems. I have asked for more information on this issue in my discovery request.

On November 2, 2009, I mailed Data Request Set One to SSVEC to obtain fundamental information from SSVEC about issues raised in their application and to better understand the need for a moratorium. I asked for a reply within 10 business days.

SSVEC has failed to respond with any answers to Data Request Set One, which was received by all parties on November 4, 2009. While I received their objections to some of the questions on November 20, I still have not received any answers to the other questions in my discovery request. My Data Request Set was for what I considered relevant data. Some of the questions that I asked were questions that should have been carefully studied by SSVEC prior to asking for a moratorium. How could they be "overly burdensome" if SSVEC gathered and analyzed this information previously to determine if a moratorium was needed? If SSVEC does not have answers to some of these questions, then maybe they did not do a adequate job of studying the "problem" before they requested a moratorium. Or is this a legal move to pressure the Commission and ACC into ruling in their favor in the re-hearing (different docket) case?

Obviously, the company's response appears to be uncooperative and by not even suggesting that we discuss these issues at the forthcoming Procedural Conference, is why this party is filing this letter at such a late date. This response to my data request needs to be considered in depth during the Procedural Conference on November 24 by the Administrative Law Judge in Tucson. Frankly, I'm embarrassed at my electric cooperative's lack of cooperation on this important matter.

Since SSVEC has not been forthcoming with any answers to my Data Set One request, I would like to ask for more time to continue with discovery. Please allow discovery to continue until these issues have been resolved, as a minimum, through December 22, 2009. I anticipate additional data requests may be necessary after I receive reasonable responses from SSVEC.

While I would like to see this issue resolved quickly, SSVEC has delayed this from happening with their refusal to cooperate with their cooperative member/owner. I would like to request that my previously suggested dates be moved to reflect the delay SSVEC has caused and request new dates. Thereafter, it does appear possible that pre-filed testimony could be filed by January 4, 2010, rebuttals filed by January 11, 2010, and an evidentiary hearing could be scheduled a week or so later. These dates need to be discussed during the Procedural Conference and after reasonable data are received from the company.

It is imperative that the right decision is made since many businesses and co-operative members will be negatively affected if this moratorium goes into effect.

Sincerely,



Sue Downing

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