



From: Save the Scenic Sonoita Grasslands [sonoitagrasslands@gmail.com]
Sent: Monday, November 30, 2009 1:39 PM
To: Mayes-WebEmail; Newman-Web; Pierce-Web; Kennedy-Web; Stump-Web
Subject: Remarks concerning SSVEC Moratorium Request and Procedural Conference
Attachments: ACC ltr 11 25 09.docx; X SSVEC graphs V7 usage.doc

Arizona Corporation Commission
Comments Concerning the SSVEC Moratorium

Arizona Corporation Commission
DOCKETED

DEC - 1 2009

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

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AZ CORP COMMISSION
DOCKET CONTROL

November 27th, 2009

Dear Honorable Chairman Mayes and Commissioners,

Thank you for taking the time to read my letter.

I attended the Procedural Conference in Tucson Arizona for the SSVEC Moratorium Request. I have several comments about this Procedural Conference.

#1) I attended this conference with the understanding it was to discuss the SSVEC refusal to answer Ms. Downing's "Data Requests" for the Moratorium Case. The conference did not address any of these issues, but solely focused on the SSVEC request to have a Moratorium without a hearing.

#2) This focus seemed to be putting the cart before the horse, as some of the data requested by Ms. Downing could shed light on the emergency need for a moratorium.

#3) It was brought up that the data from SSVEC is the data needed for this decision, however the way the data is presented and what data has been presented to ACC staff is of concern.

#4) To have any moratorium will be detrimental to the community, as it is, the moratorium hearing seems to be put on the fast track - so why the focus on putting a moratorium in place without any hearing. SSVEC is stalling and wasting time with legal maneuvers instead of answering the Data Request set or at least those parts that are agreed upon by the Judge and the parties involved..... MORE ANSWERS ARE NEEDED!

#5) The ACC Staff appears to be overloaded with work and this case does not appear to be at the top of their priority list. They suggested a moratorium, even if it was just for the duration of the Hearing. This seems to me to be a drastic measure, as this kind of decision affects the community economically and at this time would be a hardship as many trades are suffering. SSVEC has not demonstrated an emergency situation and the data request should be answered with a hearing before the judge.

There is a problem when SSVEC submits data to the ACC staff and there is no evidence or confirmation of how this affects the immediate demand and circumstances of this area. SSVEC submitted graphs that would combine data from 5 and 10 year time frames. ACC staff should be reviewing current data that is not skewed by historical graphs before recommending a moratorium without a hearing, because of the hardship it would have on the community and it's local businesses.

This community has been referred to as the opposition by SSVEC and now they want to declare a moratorium - further trying to divide the community and hurt it economically.

Creden Huber, at a local leadership luncheon hosted by SSVEC, told the group that the Feasibility study for the 69kV issue would cost all rate payers \$450,000. Here the company is trying to insight the rest of the SSVEC service territory against us.

When in fact the study was awarded to Navigant Consulting and the price for the study is actually \$169,200.

I urge you and the Administrative Law Judge not to allow the requested new hook up moratorium to proceed without a hearing and allow all data and actions of SSVEC to be transparent for the most responsible decision in this matter.

Attached is a copy of Sue Downing's comments to the ACC Administrative Law Judge about the moratorium procedural conference concerning a moratorium, for the Sonoita, Elgin, Patagonia area without a hearing. Also, attached is the graph that was obtained from SSVEC through a request that had to be routed through the ACC for response. This graph shows the most recent data concerning the demand for electricity in the area and there is **no proof** that an emergency situation is eminent.

My point is that SSVEC has been known to stretch the truth and proceed with plans without regard to the welfare of this community - in my opinion a hearing on this matter is necessary and Sue Downing has been agreeable to speeding the time frame up. SSVEC has delayed answering her questions (including the questions that they agreed to answer), is delaying the process, as well as trying to circumvent the process to serve it's own purposes and influence the outcome of the larger Re-Hearing Case before the ACC.

Respectfully submitted,

gail getzwiller
PO Box 815
Sonoita, AZ 85637
520-455-5020

Sue Downing
HC 1 Box 197
Elgin, Arizona 85611

November 25, 2009

Subject: Comments Concerning Procedural Conference
Re: Docket Control # E-01575A-09-0453

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

Dear Chairman Mayes and Commissioners:

The request made by Sulphur Springs Valley Electric Cooperative (SSVEC) for an emergency moratorium at the November 24, 2009 Procedural Conference concerns me greatly, as it would have a detrimental effect on my community and appears to be based on unproven information. As an intervenor in this case I have attempted to make the following points in an effort to educate and assist the extremely busy and hard working public servants of the ACC.

If the 69kV line was not put on hold, would SSVEC have thought it necessary to impose a moratorium? Why is it "urgent" and an "emergency" this winter if the 69 kV would not have been finished until late 2010?

Data presented to ACC has been manipulated to demonstrate their points. The graph distributed by SSVEC to the ACC has data from multiple years overlaid on one graph making it appear as if we come close to peak often. As we all know data can be manipulated to show just about anything. A more accurate graph is one that Ms. Gail Getzwiller was able to obtain from SSVEC, through the efforts of ACC, titled *Maximum Kilowatts vs. Half-Hour Intervals over 12-Month Period*. This data is more current, it spans May 2008 through May 2009 and is attached for your review. It demonstrates that peak was not reached during this recent one year period.

Peak was not exceeded last year and less likely this year due to an increase in renewable energy, and a decrease in demand due to the recession and an increase in electric rates. As an intervenor, I have tried to obtain discovery from SSVEC, however they have fought releasing important facts that must be considered in making a decision on the moratorium. It would be wise for the ACC to request recent data (May 2009 to present) much like the above mentioned graph to analyze how close to peak the V-7 feeder has come. A comparison of usage today compared to last year at the same time would be helpful. This would better reflect recent changes that have occurred in the last few months. These

changes include renewable energy projects completed this Fall by SSVEC at our local schools, a decrease in electric usage due to the economy and the recent 8.2% rate increase approved by ACC for electric.

Hook-up data deviates substantially from building permits on file. Active building permits are a much better measure to predict demand. Ms. Jeanne Horsemann of Sonoita requested information through the ACC in an attempt to better understand the moratorium issue, Complaint #2009 -82699. Mr. Huber, SSVEC CEO stated that there were 222 hook-up commitments in Patagonia. There are only 11 building permits in Patagonia open at this time. A summary of the building permits is attached. For the years 2003-2008 Patagonia has closed between 30-38 permits each year. I'm guessing that SSVEC is including a couple of hundred electric commitments from the bankrupt 3 Canyons development. I am also enclosing V-7 New Services Added 2004-2008, which reflects a downward trend in new service. Does SSVEC know how many homes are vacant due to foreclosures? A 5% foreclosure rate would also reduce demand accordingly, equivalent to 350 kW.

A Peaker Generation Plant can be rented for a few months to get my community through the winter while we await the results of the Feasibility Study ordered by ACC. Natural gas is available in Patagonia and other options for fuel also exist. A tie-in to the SSVEC SCADA data link could activate the generator when our load reaches a set point, maybe 6.5 or 6.7MV. If a mobile unit is rented for emergencies, air quality permits may not apply. This is a fast, affordable, temporary solution without a moratorium. A win-win situation.

What has SSVEC done to encourage conservation or Renewable Energy in the interim? Nothing, the DSM programs are very deficient, and SSVEC has made no effort to encourage conservation for coop members on the V-7. The REST funds are totally depleted and net metering has not been implemented.

Data request review desired. We didn't go through SSVEC's comments, most of which I had satisfactory responses. Maybe we need to have a procedural conference just to go over those they won't respond to. If we could discuss some of these before the ALJ, I feel; we can reach agreement so that the information can be provided. The present situation needs resolution.

Less energy usage nationwide. Nationally, the Department of Energy's Energy Information Agency (EIA), an independent analysis group, has determined that 3.3% less electricity is being used nation-wide this year compared to last. Based on this statistic, this is over 250 kW less for the V-7 feeder, easily ample for the 11 or so new residences at 77 kW (11 x 7 kW/home).

Would using the newly bought equipment for the Sonoita substation at the current substation (Huachuca) alleviate the problems SSVEC has? The day after the ACC made a decision to stop work on the proposed 69kV line the V-7 feeder suffered a fuse malfunction and the fuse did not open completely as it should have. Mr. Orosco reported during the August 2009 Board of Director's meeting that SSVEC knew about the problem within minutes, however the community went through 2-3 hours of brownout/blackout conditions. Mr. Orosco stated that the equipment in the Huachuca Substation that feeds the V-7 is very old. Does SSVEC not want a hearing, as there may be discovery of fact that might be damaging to their case?

Interim, temporary or just a moratorium is all the same to a community where businesses are hurting, and the housing and building markets are suffering. This is a huge decision for my community. *What if* the decision was made to have a moratorium and it was not necessary. *What if* further damage was

done by this decision, jobs lost, homes lost, businesses lost? *What if* it was not the right decision and my community suffered because of it?

In order to make the right decision we must analyze raw data, not manipulated graphs, seek interim solutions and try to make the best decision for the community.

Sincerely,

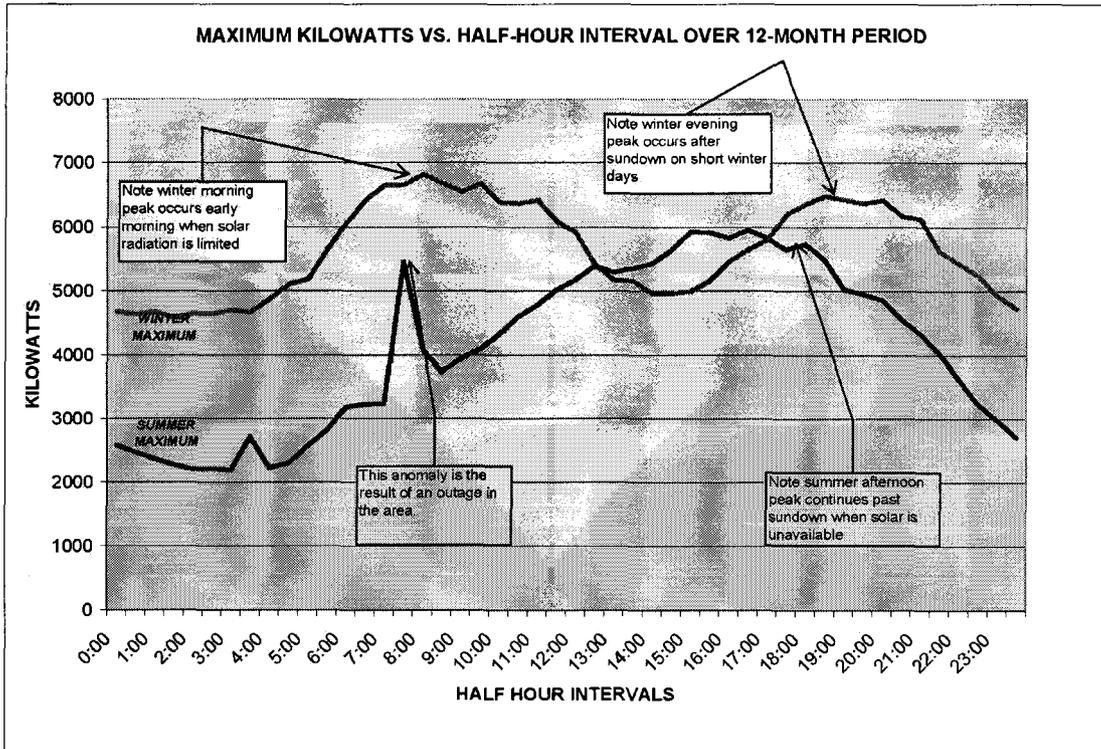
Sue Downing

Enclosure: Maximum Kilowatts vs. Half-Hour Intervals over 12-Month Period
Complaint #2009 -82699
Town of Patagonia Building Permit Report
V-7 New Services Added 2004-2008

Cc: Docket Control (original and 13 copies)
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007-2927

Snell and Wilmer (1 copy)
Bradley S. Carroll, Esq.
One Arizona Center
400 East Van Buren Street
Phoenix, Arizona 85004-2202

In response to Ms. Getzwiller's first request for *The "demand curve" for peak demands, that show Mega Watts used verses time of day*, SSVEC submits the graph below. The data represent peak summer demand (shown in red) and peak winter demand (in green) recorded during each 30-minute period recorded between May 1, 2008 and May 1, 2009.



In response to Ms. Getzwiller's second request *What were the demand curves for Sonoita, Elgin and Patagonia, for one years time (any 12 month period will do)*, SSVEC submits the following graph. The data reflect peak demand recorded on a two-minute interval from May 1, 2008 and May 1, 2009.

