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2009 NOV 27 A 9 56

AZ CORP COMMISSION  
DOCKET CONTROL

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

Arizona Corporation Commission  
**DOCKETED**  
NOV 27 2009

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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 in 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).

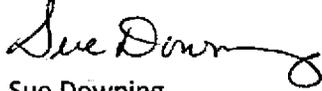
**Would using the newly bought equipment for the Sonoita substation at the current substation (Huachuca) alleviate the problems SSVEC has?** The day after the ACC made a decision to stop work on the proposed 69kV line the V-7 feeder suffered a fuse malfunction and the fuse did not open completely as 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,



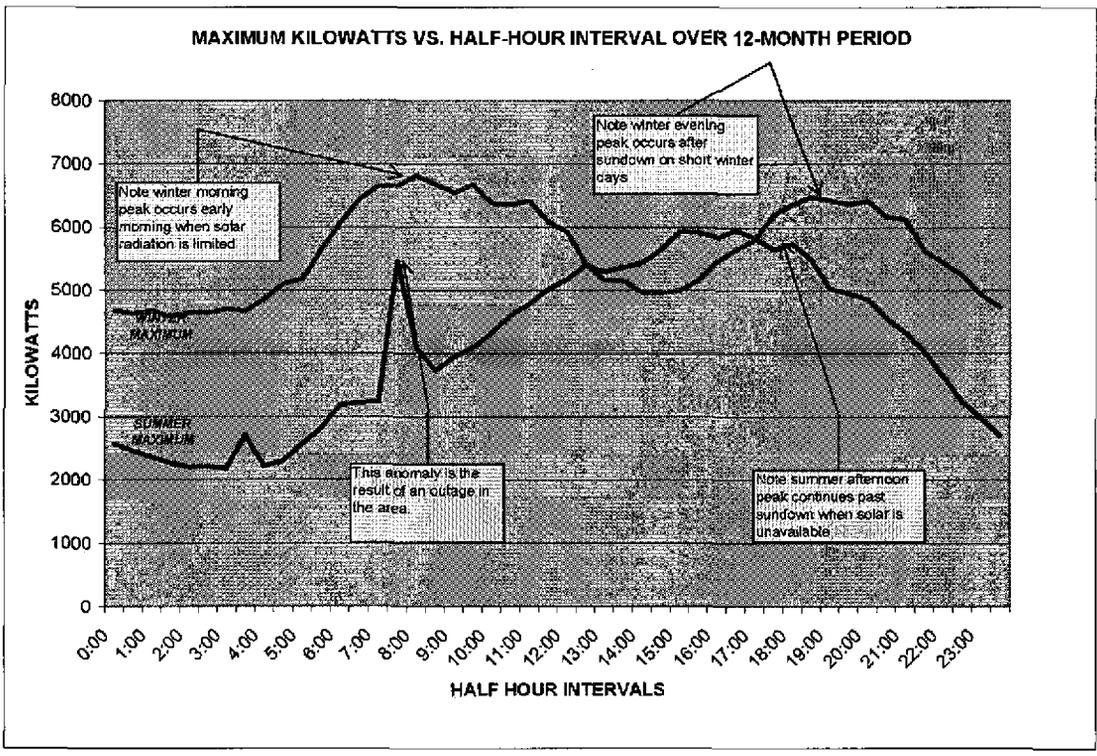
Sue Downing

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.



ARIZONA CORPORATION COMMISSION  
UTILITY COMPLAINT FORM

**Priority: Respond Within Five Days**

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**Complaint No. 2009 - 82699** **Date: 10/27/2009**  
First: 19ZComplaint Description: Other Not  
N/A Applicable Last: **Investigator: Richard**  
Complaint By: **Jeanne** **Horsmann** **Martinez Phone: (520) 628-**

Street: Jeanne Horsmann Home: (520) 455-5137  
PO Box 334 Work:  
City: Sonoita CBR: bugle2@earthlink.com  
State: AZ Zip: 85637 is: E-Mail

6555 Fax: (520) 628-6559

Utility Company: Sulphur Springs Valley Electric Cooperative, Inc. Division: Electric Contact  
Name: Lainie Keltner Contact Phone: (520) 515-3440

Nature of Complaint:

From: Jeanne & Rob Horsmann [mailto:bugle2@earthlink.net] Sent: Thursday, October 22, 2009 1:20 PM To:  
Stump-Web; Pierce-Web; Mayes-WebEmail; Newman-Web; Kennedy-Web Subject: RE: E-01575A-09-0453 SSVEC  
Moratorium

Dear Chairman Mayes and Commissioners:

SSVEC has stated that the growth in the Sonoita, Elgin and Patagonia areas are causing the V-7 feeder to max out. What they have neglected to mention is that the Whetstone area is also on the V-7 feeder and that the growth in this area far outstrips the growth in our area.

The current plan is to cut the V-7 feeder (approximately 23 miles long from the Huachuca substation in Whetstone to the Sonoita substation) before Elgin and use it to service the Whetstone and Rain Valley areas. The new 69 kV line will service the Sonoita, Elgin and Patagonia areas. From the Kartchner substation in Sierra Vista to the substation in Sonoita, this new 69 kV line will be approximately 30 miles long (7 miles longer than the current V-7 feeder) and be very hard to maintain.

2. How many hook-up commitments has SSVEC made in Sonoita, in Elgin, in Patagonia, and in Whetstone?

<u>LOCATION</u>	<u>SERVICES</u>
Sonoita	24
Patagonia	222
Elgin	9
Canelo	2
Rain Valley	4
Whetstone	3

## TOWN OF PATAGONIA BUILDING PERMIT REPORT

SEPTEMBER 2009

<b>NEW PERMITS</b>	<b>TYPE</b>			
P23-09/Town of Patagonia	Library Addition			
P24-09/R. Misiowski	Electric Tag			
<b>PERMIT APP/NO.</b>	<b>OPEN</b>	<b>EXPIRED</b>	<b>CLOSED</b>	<b>C/O ISSUED</b>
P1-09/H. Sparks			X	
P2-09/Charlie Montoy			X	
P3-09/Ted Piper	X			
P4-09/M. Hendricks			X	
P5-09/Nick Laguna			X	
P6-09/Phil Skiver			X	
P7-09/Fco Santos			X	
P8-09/C. Matrecito	X			
P9-09/GardenAptImpr			X	
P10-09/G. Sanchez			X	
P11-09/M. Young			X	
P12-09/R. Klosterman			X	
P13-09/Pat Fire Dept	X			
P14-09/Town of Patagonia			X	
P15-09/C&I Van Nest			X	
P16-09/R. Hutchins	X			
P17-09/Daniel Valenzuela			X	
P18-09/R. Misiowski			X	
P19-09/O. Borge	X			
P20-09/Maria Mingura	X			
P21-09/J. Pendleton	X			
P22-09/R. Misiowski	X			
P5-08/Will Stack	X			
P10-08/O' Connor	X			
P13-08/D. King	X			
<b>PERMITS</b>	<b>OPEN</b>	<b>EXPIRED</b>	<b>CLOSED</b>	<b>C/O ISSUED</b>
2008 PERMITS	3		38	5
2007 PERMITS	1		36	5
2006 PERMITS	1		30	4
2003 PERMITS	P.U.H.S.		31	5

EXHIBIT 6

V7 New Services Added 2004 - 2008

