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IN THE MATTER OF THE APPLICATION OF)
SULPHUR SPRINGS VALLEY ELECTRIC)
COOPERATIVE, INC. FOR APPROVAL OF NET)
METERING TARIFFS AND THE)
ADMINISTRATION OF THE REST PROGRAM)

DOCKET NO. E-0157A-09-0429

**SULPHUR SPRINGS VALLEY
ELECTRIC COOPERATIVE, INC'S
RESPONSE TO APPLICATIONS
FOR REHEARING**

On January 6, 2010, the Arizona Corporation Commission ("Commission") issued Decision No. 71458 ("Decision") relating to the approval of Sulphur Springs Valley Electric Cooperative, Inc.'s ("SSVEC" or "Cooperative") 2010 REST Implementation Plan in the above-captioned matter. On January 13, 2010, and January 14, 2010, pursuant to A.R.S. §40-253, Applications for Rehearing and Reconsideration ("Application" or collectively "Applications") were filed by James F. Rowley, III and Robby Richards (CEO and President of Copernicus Energy, Inc.), respectively. SSVEC hereby files this Response to the Applications and requests that such Applications be denied.

Application of James F. Rowley

The primary concern raised by Mr. Rowley relates to the cost for the debt service for the Cooperative's highly successful Solar for Schools Project ("Project"). This Project was bid almost 4 years ago for a commercial setting which is more expensive than today's residential costs that Mr. Rowley has inappropriately used as a basis of comparison. This Project was expressly reviewed and approved by the Commission in 1997 as part of SSVEC's 2008 REST Implementation Plan. Additionally, the Commission approved a companion financing application for Clean Renewable Energy Bonds in Decision No. 70097 (December 21, 2007) to finance the

1 Project. When this Project was conceived and approved, the REST budget could provide for this
2 debt service and meet the requests for rebates. It was only in the 4th quarter of 2009 that the
3 requests for rebates exceeded our most optimistic projections on participation. SSVEC supports
4 the Commissioners decision to limit the increase in the REST funding given the current state of
5 the economy and our recent rate case. SSVEC does not know why Mr. Rowley included the Blue
6 Stake response from Qwest in his filing as it is not relevant to his Application.

7 Application of Robby Richards

8 Mr. Robbie Richards makes several statements that are not grounded in fact. In his
9 Application, Mr. Richards states that he “has submitted several megawatts of photovoltaic solar
10 system applications for a rebate.” Mr. Richard did submit seven projects for customers (105kW
11 total) and four (4) 1MW projects in the name of Copernicus Energy. SSVEC accepted the seven
12 projects for customers (who are on the current reservation list), but did not accept the four 1MW
13 projects due to incomplete paperwork and drawings submitted by Copernicus Energy. The
14 Cooperative had also advised Mr. Richards that due to the size of the systems (1MW each), and
15 because his projects would not offset any existing loads, his projects would be considered as an
16 Independent Power Provider project and would have to be compensated for this project using a
17 Purchase Power Agreement (“PPA”) which is not eligible for the \$4.00 per watt rebate. Mr.
18 Richards has not approached SSVEC with a PPA agreement and the 4MW of capacity are not
19 included in the SunWatts rebates waiting list. PPA’s are in the operating budget, as opposed to
20 the rebate section of the budget.

21 Mr. Richards also asserts in his Application that his customers are being denied
22 participation in the 2009 plan. SSVEC did request that Mr. Richard resubmit the stamped
23 engineering drawings that meet the requirements of the State of Arizona. He was further
24 informed that the lack of appropriate drawings may delay the inspection of the completed
25 projects. Mr. Richards had submitted drawings where the address block had been “whited out”
26 and a new customer and address had been written in by hand. Hand written changes are not

1 allowed on stamped drawings and in a follow up call to the engineer (the PE) who stamped the
2 original drawing, SSVEC was advised that these changes were not made with the PE's knowledge
3 or permission. This missing paper work did not exclude Mr. Richard's customers and the
4 Cooperative has confirmed that each of the customers set forth in the attachment to the
5 Application are in fact on the reservation list for the 2009 rebate. Mr. Richards has not as yet
6 filed replacement drawings and SSVEC has not been requested by Mr. Richards to inspect any of
7 these projects.

8 Mr. Richards further requested that the Cooperative post the reservation list on its website.
9 This was also a request of the Commissioners and SSVEC is in the process of implementing this
10 request. In the meantime, any customer can simply call the Cooperative and ask where they are
11 on the current list.

12 Finally, Mr. Richards, state that the waiting list is "patently unfair". SSVEC disagrees.
13 Commission Staff and the Commission has reviewed SSVEC's procedures relating to the wait list
14 and the Cooperative allocating Commission-approved funds to the waitlist as such funds become
15 available consistent with such procedures.

16 Neither Application raises sufficient grounds for the Commission to reconsider or rehear
17 the matters pertaining to SSVEC's 2010 REST Implementation Plan. Accordingly, SSVEC
18 requests that the Applications be denied.

19 RESPECTFULLY SUBMITTED this 21st day of January 2010.

20
21 By: David K. Bane by BSE
22 David K. Bane, Key Account Manager
23 Sulphur Springs Valley Electric Cooperative, Inc.
24 311 E. Wilcox
25 Sierra Vista, Arizona 85635
26

1 ORIGINAL and 13 copies of the foregoing
2 filed this 21st day of January, 2010, with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington Street
6 Phoenix, Arizona 85007

7 COPIES of the foregoing hand-delivered
8 this 21st day of January, 2010, to:

9 Steve Olea, Director
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11 ARIZONA CORPORATION COMMISSION
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13 Phoenix, Arizona 85007

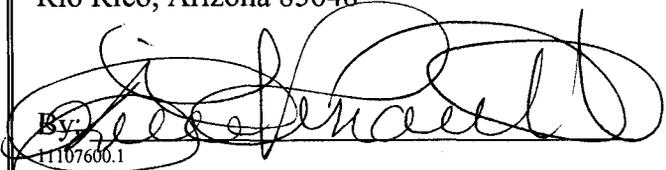
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19 Lyn Farmer
20 Chief Administrative Law Judge
21 ARIZONA CORPORATION COMMISSION
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24 COPIES of the foregoing mailed
25 this 21st day of January, 2010, to:

26 James F. Rowley, III
HC 1 Box 259
Elgin, Arizona 85611-9712

Robby Richards
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Rio Rico, Arizona 85648

By: 
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