



Hofacket & Kretek, LLC



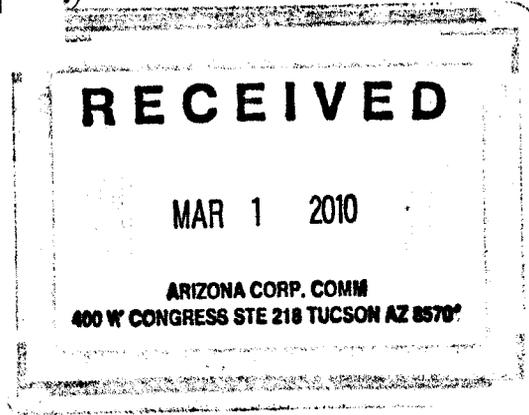
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February 5, 2010

AZ CORP COMMISSION
DOCKET CONTROL

ORIGINAL



The Honorable Jane Rodda,
Hearing Division
Arizona Corporation Commission
400 W. Congress
Tucson, AZ 85701-1347

Re: Docket No. E-1851A-09-⁻⁰³⁰⁵~~0395~~
In re: Columbus Electric Cooperative, Inc.

Dear Judge Rodda:

Please find enclosed the following documents for Columbus Electric Cooperative, Inc.:

1. The Line and Service Extensions Policy on approved by the ACC, marked as Exhibit A-2;
2. The Heat Pump Rebate information sheet and Application, marked as Exhibit A-3;
3. The Electric Motor Rebate information sheet and Application, marked as Exhibit A-4; and
4. The Appliance Rebate information sheet and Application, marked as Exhibit A-5.

Please let me know if you need any additional information. Thank you for your attention to this matter.

Regards,

HOFACKET & KRETEK, LLC

By:
Charles C. Kretek

Arizona Corporation Commission
DOCKETED

MAR - 2 2010



Enclosures
cc: Client,
Aeysha Vorha, Esq.

LINE AND SERVICE EXTENSIONS

ORIGINAL

The following rules and regulations will apply whenever an extension of Columbus Electric Cooperative's electric distribution system is required in order that a consumer or group of consumers may receive electric service.

I. SERVICE TO RESIDENTIAL AND NONRESIDENTIAL APPLICANTS

A. Construction of service without charge to the applicant:

- (1) In instances where the investment is not more than five (5) times the estimated annual revenue - less fuel and purchased power cost - the facilities shall be constructed at no charge to the applicant.
- (2) Estimates of KWH usage shall be made by Cooperative personnel from information obtained from the customer.
- (3) The estimate of annual usage shall be based on the estimate of KWH usage as determined in (2), applied to the appropriate rate schedule. The cost of fuel and purchased power shall be determined by reference to the cost per KWH sold in the last rate filing of the Cooperative.

B. Construction of Services with charge to the applicant:

- (1) In instances where Line Extensions require an investment in excess of five (5) times the estimated annual revenue - less cost of power as described above - the applicant(s) shall be required to pay to the Cooperative an Advance in Aid of Construction equal to the amount required for construction in excess of the investment supported by revenue, plus an amount for operations, maintenance, and general administrative expense equal to five percent (5%) per year for one year of the amount not supported by revenue. Such advance shall be computed in accordance with the formula set forth in I.,B (4).
- (2) When service is requested from an extension from which an Advance in Aid of Construction as described in (1) has been made, the applicant for such service shall be required to assume a pro rata share of the original investment which gave rise to the Advance in Aid of Construction. The amount assumed shall be the fraction which the cost attributable to additional customers bears to the cost of the original construction. A refund will be made to the original party paying such advance, provided the additional connection is made within five (5) years from the date of the original agreement. The original applicant shall be entitled to a reduction in the remaining balance of his/her original contract, corresponding to the fraction of investment assumed by additional customers as defined above.

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COLUMBUS ELECTRIC COOPERATIVE, INC.

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LINE AND SERVICE EXTENSIONS

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- (3) Costs included in estimates:
The total cost of material, labor, and overhead for the new facilities and cost of changing facilities shall be included when the investment is computed - excluding meters and transformers.
- (4) The formula used to determine the amount, if any, of payment for line extension shall be as follows:
- | | |
|---|-------|
| (a) Estimated annual KWH | _____ |
| (b) Estimated annual revenues | _____ |
| (c) Estimated power cost | _____ |
| (d) Annual revenue less power cost | _____ |
| (e) Investment justified (annual revenue less power cost x 5) | _____ |
| (f) Estimated total investment | _____ |
| (g) Investment not supported by revenue | _____ |
| (h) Estimated of O and M costs (5% of investment not supported by revenue). | _____ |
| (i) Advance payment required. | _____ |
- (5) The cost of the line extension as set forth in I,B (4) must be agreed upon and paid by the applicant within sixty (60) days after the Cooperative has provided a quotation of cost. This amount is to be paid in full prior to the commencement of construction.
- (6) The Cooperative may require all consumers requesting new construction to execute a contract which guarantees the estimated annual revenues as provided in the construction formula. This contract shall be for a period of five (5) years commencing with the initial date on which service is received by the consumer.
- (7) Any unrefunded advance shall become a Contribution in Aid of Construction and shall become the property of the Cooperative.

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COLUMBUS ELECTRIC COOPERATIVE, INC.

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LINE AND SERVICE EXTENSIONS

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(8) In the event of a request for a line extension to a remote location where there are no reasonable signs of permanency, the Cooperative will require the consumer to make an advance payment equal to the total investment as a nonrefundable Contribution in Aid of Construction. Should the consumer drill a well and/or spend a reasonable amount of money improving said property to justifiably establish permanency, extension of facilities to serve said consumer shall be governed by the formula as set forth in I,B (4).

(9) All requests for line extension by permanent, seasonal, or temporary customers shall be administered according to the rules and regulations prescribed by the Arizona Corporation Commission.

II. ELECTRIC FACILITIES FOR SUBDIVISIONS AND LAND DEVELOPMENTS

A. When extensions of facilities are built to furnish service to a qualified subdivision or development project, the subdivider/developer shall be required to pay as an Advance in Aid of Construction an amount equal to the total cost of the facilities.

In order to qualify for said service, the developer must furnish to the Cooperative a copy of the plat map of such subdivision or development which has been approved by the county, township, or other authoritative body having jurisdiction over such subdivision or development.

B. The Advance in Aid of Construction required shall be refunded or become the property of the Cooperative as outlined below:

(1) Refunds will be made annually and an amount equal to 20% of the billing (excluding sales, gross receipts, and other applicable taxes) from the consumers located in the subdivision/development, for a period not to exceed five (5) years from the date of the original installation.

(2) The total amount to be refunded shall not exceed the original Advance in Aid of Construction originally paid by the subdivider/developer. No interest shall be allowed on the Advance in Aid of Construction.

(3) Any amount not refunded after the expiration of the five (5) year period defined above shall become the property of the Cooperative.

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COLUMBUS ELECTRIC COOPERATIVE, INC.

ORIGINAL

LINE AND SERVICE EXTENSIONS

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III. UNDERGROUND FACILITIES:

- A. All trenching, conduit and backfill will be provided by the applicant, at no cost to the Cooperative, in accordance with Cooperative's specifications, and installed under Cooperative's supervision.
- B. When an applicant requests underground facilities where overhead facilities are existing, the applicant shall pay the cost of removal of the overhead facilities, less salvage value of material removed, plus the cost of the underground facilities. No refund shall be made on such Contribution in Aid of Construction.
- C. In instances where the applicant requests the use of underground facilities where overhead facilities would normally be used, the applicant shall pay the difference in the cost of underground and overhead construction, notwithstanding the formula which is normally used for the computation of supported investment.

IV. RIGHTS-OF-WAY:

In all instances where the extension of facilities is requested, Rights-Of-Way, Easements, etc., as approved by the Cooperative, shall be clearly shown on all plats of land including land divided for resale, subdivision plats, plot plans, etc., prior to the time they are recorded, and the Cooperative shall be furnished a copy of such instrument.

Applicants for electric service under these rules and regulations will assist in procuring the necessary Right-Of-Way.

V. RESPONSIBILITY OF COOPERATIVE

- A. The Cooperative shall make every reasonable effort to complete construction of a line extension within sixty (60) days after the consumer signs the Cooperative's line extension agreement and has paid the required Advance in Aid of Construction, and after the Cooperative has acquired all applicable permits, rights-of-way, material and labor necessary for the line extension, and the Cooperative has completed all other applicable contractual obligations. Cooperative shall exercise due diligence and good faith in its efforts to obtain such permits, rights-of-way, materials, labor and contractual compliance. However, the Cooperative shall not be required to complete construction of the line extension within this time frame where force majeure conditions exist.

APPROVED FOR FILING
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EFFECTIVE DEC. 20, 1989

ELECTRIC SPACE HEATING¹

GENERAL INFORMATION

- No other Tri-State energy efficiency credit or special rate/discount shall apply.
- Applies only to permanent heating installations that are purchased by, or leased to, the consumer.
- Minimum qualifying load for ETS, and central heat pump installations is 1 kW, and for terminal unit heat pumps is 12,000 BTU/hr. rated capacity.
- Heat pump and ETS credits apply to new and replacement installations.
- A one-time additional payment is available for heat pumps equipped for duty cycling or load control off a Member signal and for those three tons and over meeting or exceeding Energy Star ratings.
- An Energy Efficiency Credit Application/Certification is required.
- Tri-State recommends that Members perform walk-through energy audits on homes where electricity is the primary heating system.
- Members are to participate by making payments for resistance and thermal storage installations only. See the PAYMENTS section for details.
- Tri-State strongly recommends that Members avoid promoting installation of central electric resistive furnaces.

EFFICIENCY STANDARDS

- Efficiency standards are applicable to all heating types.
- Heat Pumps shall meet minimum Federal efficiency levels for the base incentive. For units of 3 tons and over an additional incentive is offered for Energy Star listed equipment. Types of heat pumps qualified for the base incentive include:
 - Central – Air Source
 - Central – Ground Water Source
 - Central – Ground Source Closed-Loop
 - Central – Water Source
- Energy Star Rating – The following Energy Star rating criteria shall be used by Members to qualify for an additional efficiency incentive. A complete list of qualified equipment is available at www.energystar.gov (Products -> heating and cooling -> heat pumps).

| | |
|-------------------------------------|---|
| Central – Air Source Split Systems | Equal or higher than 8.2 HSPF/ 14.5 SEER/ and 12 EER for split systems Equal or higher than 8.0 HSPF/ 14 SEER/ and 11 EER for single package equipment |
| Central – Ground Water Source | Equal or higher than 3.6 COP and 16.2 EER |
| Central – Ground Source Closed-Loop | Equal or higher than 3.3 COP and 14.1 EER |
| Central – Water Source | No Energy Star rating at this time |

¹ 2009 effective changes include the removal of controlled resistance heating (baseboard).

January 30, 2009

PAYMENTS

- Controlled Off-Peak
 - \$16/kW for ETS units controlled by timers or master control system + \$4/kW Member payment
 - \$12/kW for thermal slab units controlled by timers or master control system + \$4/kW Member payment

- Electric Heat Pumps
 - \$125/ton for central air source with electric resistance back up
 - \$100/unit additional incentive for central air source with integrated controlled ETS back up
 - \$150/ton for central air source with non-electric back up
 - \$150/ton for central ground or water source
 - \$ 85/unit for terminal units
 - \$150 per UNIT additional for Energy Star rating (minimum 3 ton size)
 - \$50 per unit additional for load control by the utility.
 - Note: Members are encouraged but not required to contribute \$50/ton for central units
 - Note: There is no separate payment for electric resistive heat back up

Columbus Electric Cooperative, Inc.

P.O. BOX 631 • 900 NORTH GOLD • DEMING, NEW MEXICO 88031 • 575-546-8838

Dear Member:

Columbus Electric Cooperative, Inc. (CEC), in conjunction with its power supplier, Tri-State G&T, is currently offering energy efficiency credits for installation of heat pumps and split system air conditioners. Criteria for determining qualifications and payments are outlined on the attached ENERGY EFFICIENCY CREDITS FACT SHEETS.

In order to process an application for an energy efficiency credit, the consumer must provide the following information for **EACH** heat pump or split system air conditioner:

A. **Date Equipment Installed** _____

B. **Consumer Name** _____

C. **Social Security/Tax ID#** _____

D. **Consumer Address** _____
Street City, State, Zip

E. **Account Number** _____

F. **Copy of Invoice**

G. **Equipment Information (Check one)**

_____ New Load Replacing: _____ Natural Gas _____ Propane _____ Other

H. **System Type (Circle one):**

_____ Ground Source – Closed Loop COP Required _____

_____ Ground Source – Water Source COP Required _____

Terminal Unit

Air Source System _____ Yes _____ No

Air Source System Type _____

HSPF _____

Energy Star 3 tons or more? _____ Yes _____ No

Backup (required only if Air Source selected above)

Electric Resistance _____

Non-Electric _____

Manufacturer _____

Model _____

Seer (Cooling): _____

EER: _____

Size (total tons) _____

Or BTU/hr _____

- Check if customer agrees to release the carbon credits for this energy efficiency spending to Columbus Electric and Tri-State Generation and Transmission.

Member Signature

Date

If you have any questions please contact Chris Martinez, Marketing Manager, at (505)546-8838 or 1-800-950-2667.

CEC USE ONLY

Consumer Account Name: _____

Service Location: _____

Date Connected: _____

**COLUMBUS ELECTRIC COOPERATIVE, INC.
ENERGY EFFICIENCY CREDITS FACT SHEET**

ELECTRIC MOTORS

GENERAL INFORMATION

- Any Columbus Electric Cooperative Member may choose to participate.
- Credits are available to all end-use customer classes.
- No other energy efficiency credit or special rate/discount shall apply.
- Credit must be requested within 180 days of installation
- Applies to the installation of a new motor with a minimum of 10 horsepower, which is to operate at a minimum of 15% load factor or for a minimum of 3 months each year. Motors less than 10 horsepower qualify if the aggregate for a single application, which requires all motors to operate, is at least 10 horsepower.
- Columbus Electric will negotiate any EEC payment for any motor of a horsepower not included in the attached NEMA and special purpose motor standards. Information to be submitted includes: customer name, address, and SSN or Tax ID; size (hp), brand, manufacturer's stated efficiency, serial number, application, annual months in service, monthly load factor, and replacement or new load.
- An invoice or bill of sale is required unless the motor is taken from customer's stock.
- Motors taken from customer's stock qualify as follows:
 - if the invoice is less than six months old, motor qualifies for the appropriate efficiency payment.
 - if there is no invoice, or the invoice is greater than six months old, motor qualifies for the lowest efficiency payments.
- An Energy Efficiency Credit Application/Certification is required, including the Member manager and customer signatures when submitting a paper copy of the report. The customer's social security number of taxpayer ID number must be included if the payment IS NOT to a person, or the installation IS NOT in a dwelling unit.

EFFICIENCY STANDARDS

- Efficiency ratings for general purpose motors conform to NEMA Publication MG1, revised in 2003. The minimum standards for premium efficiency electric motors are printed in Tables 12-12 and 12-13. The minimum standards for premium efficiency special purpose motors, i.e. vertical hollow shaft and submersible, are printed in the Special Purpose Motor Table. All tables are attached.

PAYMENTS

- NEMA and Special Purpose Premium Efficiency motor
 - \$14/hp Rebate for motors up through 200 hp
 - \$10/hp Rebate for motors from 201 to 500 hp
 - Negotiated for motors above 500 hp based in part on the value to Columbus Electric and available customer alternatives.
- Wiring Assistance
 - \$1.50/hp if the motor replaces a fossil-fueled engine, or is a new installation

Table 12-12

MINIMUM STANDARDS FOR GENERAL PURPOSE PREMIUM EFFICIENCY MOTORS
Rated 600 Volts Or Less⁵

| HP | OPEN MOTORS | | |
|-----|--------------------|--------------------|--------------------|
| | 3600 RPM | 1800 RPM | 1200 RPM |
| | 2 POLE | 4 POLE | 6 POLE |
| | Nominal Efficiency | Nominal Efficiency | Nominal Efficiency |
| 1 | 77.0 | 85.5 | 82.5 |
| 1.5 | 84.0 | 86.5 | 86.5 |
| 2 | 85.5 | 86.5 | 87.5 |
| 3 | 85.5 | 89.5 | 88.5 |
| 5 | 86.5 | 89.5 | 89.5 |
| 7.5 | 88.5 | 91.0 | 90.2 |
| 10 | 89.5 | 91.7 | 91.7 |
| 15 | 90.2 | 93.0 | 91.7 |
| 20 | 91.0 | 93.0 | 92.4 |
| 25 | 91.7 | 93.6 | 93.0 |
| 30 | 91.7 | 94.1 | 93.6 |
| 40 | 92.4 | 94.1 | 94.1 |
| 50 | 93.0 | 94.5 | 94.1 |
| 60 | 93.6 | 95.0 | 94.5 |
| 75 | 93.6 | 95.0 | 94.5 |
| 100 | 93.6 | 95.4 | 95.0 |
| 125 | 94.1 | 95.8 | 95.0 |
| 150 | 94.1 | 95.8 | 95.4 |
| 200 | 95.0 | 95.8 | 95.4 |
| 250 | 95.0 | 95.8 | 95.4 |
| 300 | 95.4 | 95.8 | 95.4 |
| 350 | 95.4 | 95.8 | 95.4 |
| 400 | 95.8 | 95.8 | 95.8 |
| 450 | 95.8 | 96.2 | 96.2 |
| 500 | 95.8 | 96.2 | 96.2 |

| HP | ENCLOSED MOTORS | | |
|-----|--------------------|--------------------|--------------------|
| | 2 POLE | 4 POLE | 6 POLE |
| | Nominal Efficiency | Nominal Efficiency | Nominal Efficiency |
| 1 | 77.0 | 85.5 | 82.5 |
| 1.5 | 84.0 | 86.5 | 87.5 |
| 2 | 85.5 | 86.5 | 88.5 |
| 3 | 86.5 | 89.5 | 89.5 |
| 5 | 88.5 | 89.5 | 89.5 |
| 7.5 | 89.5 | 91.7 | 91.0 |
| 10 | 90.2 | 91.7 | 91.0 |
| 15 | 91.0 | 92.4 | 91.7 |
| 20 | 91.0 | 93.0 | 91.7 |
| 25 | 91.7 | 93.6 | 93.0 |
| 30 | 91.7 | 93.6 | 93.0 |
| 40 | 92.4 | 94.1 | 94.1 |
| 50 | 93.0 | 94.5 | 94.1 |
| 60 | 93.6 | 95.0 | 94.5 |
| 75 | 93.6 | 95.4 | 94.5 |
| 100 | 94.1 | 95.4 | 95.0 |
| 125 | 95.0 | 95.4 | 95.0 |
| 150 | 95.0 | 95.8 | 95.8 |
| 200 | 95.4 | 96.2 | 95.8 |
| 250 | 95.8 | 96.2 | 95.8 |
| 300 | 95.8 | 96.2 | 95.8 |
| 350 | 95.8 | 96.2 | 95.8 |
| 400 | 95.8 | 96.2 | 95.8 |
| 450 | 95.8 | 96.2 | 95.8 |
| 500 | 95.8 | 96.2 | 95.8 |

⁵ For motors rated over 600 volts and up through 500 hp please contact Tri-State for required premium efficiency levels.

SPECIAL PURPOSE MOTOR TABLE
MINIMUM STANDARDS FOR PREMIUM EFFICIENCY
Example: Vertical Hollow Shaft Motors

| HP | 1800 RPM % Nominal Efficiency |
|-----------|--|
| 10 | 88.5 |
| 15 | 91.0 |
| 20 | 91.0 |
| 25 | 91.7 |
| 30 | 92.4 |
| 40 | 93.0 |
| 50 | 93.0 |
| 60 | 93.6 |
| 75 | 94.1 |
| 100 | 94.1 |
| 125 | 94.5 |
| 150 | 95.0 |
| 200 | 95.0 |
| 250 | 95.4 |
| 300 | 95.4 |
| 350 | 96.2 |
| 400 | 96.2 |
| 450 | 96.2 |

Columbus Electric Cooperative, Inc.

P.O. BOX 631 • 900 NORTH GOLD • DEMING, NEW MEXICO 88031 • 575-546-8838

Dear Member:

Columbus Electric Cooperative, Inc. (CEC), in conjunction with its power supplier, Tri-State G&T, is currently offering energy efficiency credits for installation of electric motors. Criteria for determining qualifications and payments are outlined on the attached ENERGY EFFICIENCY CREDITS FACT SHEET – ELECTRIC MOTORS.

In order to process an application for an energy efficiency credit, the consumer must provide the following information for **EACH** motor:

- A. Consumer Name: _____
- B. Consumer Address: _____
- C. Consumer SS# or Taxpayer ID No. _____
- D. Consumer Account # _____
- E. Rated HPWR: _____
- F. Attach copy of invoice
- G. Provide documentation of NEMA efficiency if applicable.

CREDITS ARE NOT TRANSFERABLE.

- Check if the member has agreed to release the carbon credits for this energy efficiency spending to Columbus Electric Cooperative and Tri-State Generation & Transmission.

Member Signature

Date

If you have any questions please contact Chris Martinez, Marketing Manager, at (505)546-8838 or 1-800-950-2667.

CEC USE ONLY

Consumer Account Name: _____

Service Location: _____

Date Connected: _____

**COLUMBUS ELECTRIC COOPERATIVE, INC.
ENERGY EFFICIENCY CREDITS FACT SHEET**

ENERGY STAR APPLIANCES

GENERAL INFORMATION

- No other Columbus Electric energy efficiency credit or special rate/discount shall apply.
- Applies only to equipment that is purchased by the consumer.
- An Energy Efficiency Credit Application/Certification is required.

EFFICIENCY STANDARDS

- Energy Star Rating – Equipment shall be listed as Energy Star rated. A complete list of qualified equipment is available at www.energystar.gov, specifically http://www.energystar.gov/index.cfm?fuseaction=refrig.display_products_excel for refrigerators.

PAYMENTS

- Full size Energy Star rated refrigerators and freezers
- \$40/unit
- Energy Star rated clothes washers
- \$40/unit
- Energy Star dishwashers
- \$30/unit

Columbus Electric Cooperative, Inc.

P.O. BOX 631 • 900 NORTH GOLD • DEMING, NEW MEXICO 88031 • 575-546-8838

Dear Member:

Columbus Electric Cooperative, Inc. (CEC), in conjunction with its power supplier, Tri-State G&T, is currently offering a \$40 per unit rebate on new installations of Energy Star rated refrigerators, freezers and clothes washers and a \$30 per unit rebate on new installations of Energy Star rated dishwashers.

In order to process an application for a rebate, the consumer must provide the following information for **EACH** new appliance installation:

- A. Consumer Name: _____ Acct. # _____
- B. Consumer Address: _____
- C. Consumer SS# or Taxpayer ID No. _____
- D. Attach copy of invoice/receipt and documentation of Energy Star rating.
- E. Make _____ Model _____
- F. For refrigerator and/or freezer rebates, answer the following:
Replacement of working refrigerator? _____ Yes _____ No
Replacement of working freezer? _____ Yes _____ No
- G. Certification
I certify that the above referenced appliance was installed on _____ at:
(Date)

_____ Physical Address
which is on the Columbus Electric system and corresponds with my account # _____

- Check if customer agrees to release the carbon credits for this energy efficiency spending to Columbus Electric and Tri-State Generation and Transmission.

Member Signature

Date

If you have any questions please contact Chris Martinez, Marketing Manager, at (505)546-8838 or 1-800-950-2667.

CEC USE ONLY

Consumer Account Name: _____

Service Location: _____

Date Installed: _____