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BEFORE THE ARIZONA CORPORATION C

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COMMISSIONERS

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RECEIVED

2010 MAR -3 A 11: 48

AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
SULPHUR SPRINGS VALLEY ELECTRIC
COOPERATIVE, INC. FOR A HEARING TO
DETERMINE THE FAIR VALUE OF ITS
PROPERTY FOR RATEMAKING PURPOSES,
TO FIX A JUST AND REASONABLE
RETURN THEREON, TO APPROVE RATES
DESIGNED TO DEVELOP SUCH RETURN
AND FOR RELATED APPROVALS.

DOCKET NO. E-01575A-08-0328

IN THE MATTER OF THE APPLICATION OF
SULPHUR SPRINGS VALLEY ELECTRIC
COOPERATIVE, INC. FOR AN ORDER
INSTITUTING A MORATORIUM ON THE
NEW CONNECTIONS TO THE V-7 FEEDER
LINE SERVING THE AREAS OF
WHETSTONE, RAIN VALLEY, ELGIN,
CANELO, SONOITA, AND PATAGONIA,
ARIZONA.

DOCKET NO. E-01575A-09-0453

Arizona Corporation Commission

DOCKETED

MAR - 3 2010

DOCKETED BY

STAFF RESPONSE TO PROCEDURAL ORDER DATED FEBRUARY 26, 2010

A procedural order was issued, dated February 26, 2010, directing Arizona Corporation Commission ("Commission") Utilities Division Staff ("Staff") to file recommendations regarding compliance with certain requirements established in Decision No. 71274 (September 8, 2009). The requirements in question directed Sulphur Springs Valley Electric Cooperative, Inc. ("SSVEC") to hold public forums in areas to be served by a planned 69kV line.

IT IS FURTHER ORDERED that Sulphur Springs Valley Electric Cooperative, Inc. as a matter of compliance, shall docket by October 30, 2009, a report setting forth the manner and dates its [sic] shall conduct public forums in the communities served by the planned 69 kV line and associated upgrades. This report shall also discuss the topics to be addressed at the public forums and the topics shall include, but not be limited to, addressing how renewable energy generation (in particular distributed generation) could be incorporated into the generation plans to serve the area covered by the planned 69 kV line and associated upgrades.

1 Additionally, SSVEC was required to docket a feasibility study prepared by an independent third
2 party that considered alternatives that might mitigate need for SSVEC to construct the proposed 69
3 kV line. In compliance with the decision, the feasibility report was docketed on December 31, 2009.
4 The decision further required that the feasibility report be made available for discussion during the
5 public forums to be conducted by SSVEC and that a report and minutes from the public forums be
6 docketed by July 30, 2010.

7 By procedural order dated January 29, 2010, SSVEC was further required to file a report
8 providing additional details regarding the public forums including the times, locations, and the efforts
9 SSVEC employed to advertise public forums and to make the feasibility report available for review
10 and copying. On February 10, 2010, SSVEC docketed its Notice of Filing Public Forum Report
11 explaining the arrangements SSVEC had made to comply with the public forum requirements of
12 Decision No. 71274. The report indicated scheduled public forum meetings would be held on March
13 9 and March 11 in the evening in Patagonia and Elgin, respectively; and three additional meetings at
14 the chambers of commerce in Wilcox on March 2 at 12:00 p.m., Sierra Vista on March 25 at 8:00
15 a.m., and Benson on March 25 at 12:00 p.m. SSVEC made an additional filing on February 12, 2010
16 relating to obtaining an independent moderator to conduct the public forums.

17 As was related in the quoted portion from Decision No. 71274 above, SSVEC was directed to
18 hold public forums “in the communities served by the planned 69 kV line and associated upgrades.”
19 Staff has considered whether the areas of Wilcox, Sierra Vista, and Benson might be considered part
20 of the area served by the 69 kV line. Without specific information provided by SSVEC explaining
21 how the line impacts reliability of service in Wilcox, Sierra Vista, or Benson, Staff is unable to
22 conclusively determine that these areas are served by the 69 kV line. However, Staff does not believe
23 that SSVEC’s plan to hold additional meetings in these areas, assuming that they are not served by
24 the line, violates the requirements of the decision. Staff’s interpretation of the quoted ordering
25 paragraph is that SSVEC is at minimum required to hold public forums within the area served but is
26 not prohibited from holding additional meetings in other areas that are affected by the proposed line.
27 As SSVEC members throughout the service territory will share in the cost of the line or any
28

1 alternative that is selected, these additional locations are reasonably considered to be within the
2 affected area. Staff believes that the proposed meeting schedules in the Wilcox, Sierra Vista, and
3 Benson areas could be improved by adjusting the times into the evening so that more members would
4 be available to participate.

5 With respect to compliance with the feasibility report requirements set out in the decision,
6 SSVEC has explained that it has made the feasibility report available on its website and noted that the
7 report has also been docketed and is therefore available electronically from the Commission's
8 edocket. SSVEC also indicated that it would make hard copies of the feasibility report available at its
9 regional offices at least two weeks prior to the public forums. Staff believes that these measures
10 adequately comply with the requirements that it make the feasibility report available for discussion in
11 the public forums.

12 For the above explained reasons, Staff believes that SSVEC's report on the planned conduct
13 of the public forums complies with the related requirements expressed in Decision No. 71274.

14 RESPECTFULLY SUBMITTED this 3rd day of March, 2010.

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26 **Original and thirteen (13) copies**
27 **of the foregoing were filed this**
28 **3rd day of March, 2010 with:**

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