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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

2010 MAR 24 A 9:39

KRISTIN K. MAYES--Chairman  
GARY PIERCE  
PAUL NEWMAN  
SANDRA D. KENNEDY  
BOB STUMP

AZ CORP COMMISSION Arizona Corporation Commission  
DOCKET CONTROL DOCKETED

MAR 24 2010

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.

DOCKETED BY *mn*

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 NEW CONNECTIONS TO THE V-7 FEEDER LINE SERVING THE WHETSTONE, RAIN VALLEY, ELGIN, CANELO, SONOITA, AND PATAGONIA, ARIZONA AREAS.

DOCKET NO. E-01575A-09-0453

**NOTICE OF FILING PUBLIC FORUM REPORT FOR AFFECTED AREAS PURSUANT TO DECISION NO. 71274**

On September 8, 2009, the Arizona Corporation Commission issued Decision No. 71274 ("Decision") in the above-captioned matter which provides the following:

*We believe a feasibility study prepared on behalf of the Cooperative by an independent third party is necessary for further analysis and consideration of the issues presented, prior to proceeding with construction of the project. Therefore, we will require the Cooperative to docket a feasibility study on the project and possible alternatives and hold public forums in the impacted communities. The public forums shall include an opportunity for community members' discussion on the feasibility study, including alternatives prior to construction of the project. At the conclusion of the public forums the Cooperative shall docket a report and minutes of the public forums.<sup>1</sup>*

<sup>1</sup> Decision at page 39, lines 12-19.

Snell & Wilmer  
LLP  
LAW OFFICES  
One Arizona Center, 400 E. Van Buren  
Phoenix, Arizona 85004-2202  
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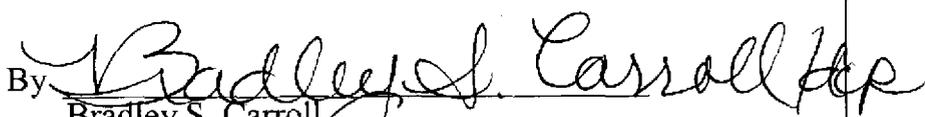
*IT IS FURTHER ORDERED that Sulphur Springs Valley Electric Cooperative, Inc. as a matter of compliance shall docket by October 30, 2009, a report setting forth the manner and dates it shall conduct public forums in the communities served by the planned 69kV line and associated upgrades. The report shall discuss the topics to be addressed at the public forums and topics shall include, but not 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.*

*IT IS FURTHER ORDERED that by July 30, 2010, Sulphur Springs Valley Electric Cooperative, Inc., as a matter of compliance, shall docket a report discussing the outcome of the public forums and also discussing how it plans to incorporate reasonable and effective renewable energy proposals resulting from the public forums.<sup>2</sup>*

In compliance with the Decision, having previously submitted its October 30, 2009, report, and after now completing the public forums in the "impacted communities" ("Affected Areas") earlier than July 30, 2010, Sulphur Springs Valley Electric Cooperative, Inc., through counsel undersigned, hereby submits its Public Forum Report for the Affected Areas consistent with the Decision.

RESPECTFULLY SUBMITTED this 24th day of March, 2010.

SNELL & WILMER L.L.P.

By   
Bradley S. Carroll  
One Arizona Center  
400 East Van Buren  
Phoenix, Arizona 85004-2202  
Attorneys for Sulphur Springs Valley  
Electric Cooperative, Inc.

<sup>2</sup> Decision at page 48, lines 5-15.

1 ORIGINAL and 14 copies filed this  
24th day of March, 2010, with:

2 Docket Control  
3 ARIZONA CORPORATION COMMISSION  
1200 West Washington  
4 Phoenix, Arizona 85007

5 COPIES of the foregoing hand-delivered  
this 24th day of March, 2010, to:

6 Steve Olea, Director  
7 Utilities Division  
8 ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007

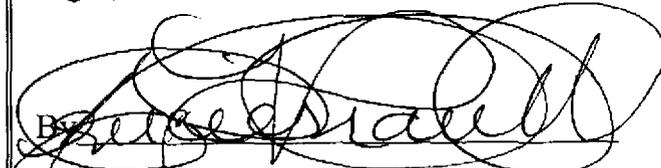
9 Wesley C. Van Cleve, Attorney  
10 Legal Division  
11 ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007

12 Jane L. Rodda, Administrative Law Judge  
13 Hearing Division  
14 ARIZONA CORPORATION COMMISSION  
400 West Congress  
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17 Sonoita, AZ 85637

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# Sulphur Springs Valley Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 

**Docket No. E-01575A-08-0328**  
**Compliance with Decision No. 71274**  
**Sonoita Reliability Project**  
**Public Forum Report for Affected Areas**  
**March 24, 2010**

In compliance with Arizona Corporation Commission Decision (“Commission”) No. 71274 dated September 8, 2009 (“Decision”), Sulphur Springs Valley Electric Cooperative, Inc. (“SSVEC” or “Cooperative”) submits its Public Forum Report for the Public Forums held “in the communities served by the planned 69kV line and associated upgrades” (“Affected Areas”) in the Cooperative’s service territory.

## **BACKGROUND**

The Commission’s Decision sets forth the following:

*We believe a feasibility study prepared on behalf of the Cooperative by an independent third party is necessary for further analysis and consideration of the issues presented, prior to proceeding with construction of the project. Therefore, we will require the Cooperative to docket a feasibility study on the project and possible alternatives and hold public forums in the impacted communities. The public forums shall include an opportunity for community members’ discussion on the feasibility study, including alternatives prior to construction of the project. At the conclusion of the public forums the Cooperative shall docket a report and minutes of the public forums.<sup>1</sup>*

*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 it shall conduct public forums in the communities served by the planned 69kV line and associated upgrades. The report shall discuss the topics to be addressed at the public forums and topics shall include, but not 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.*

*IT IS FURTHER ORDERED that by July 30, 2010, Sulphur Springs Valley Electric Cooperative, Inc., as a matter of compliance, shall docket a report discussing the outcome of the public forums and also discussing*

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<sup>1</sup> Decision at page 39, lines 12-19.

*how it plans to incorporate reasonable and effective renewable energy proposals resulting from the public forums.*<sup>2</sup>

Per the Decision, on October 30, 2009, SSVEC filed its compliance report that set forth the manner and anticipated timeframes of when the public forums were to be held in the Affected Areas (and elsewhere), as well as the topics that would be discussed to include, but not 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. A copy of the October 30, 2009, compliance report is attached as Exhibit A. SSVEC received no comments on the compliance report from the Commission or any member of the public. Accordingly, the Cooperative proceeded to schedule public forums consistent with its compliance report and the Decision.

On January 14, 2010, Susan Scott filed comments that resulted in the Administrative Law Judge ("ALJ") issuing a Procedural Order on January 29, 2010. Following the ALJ's review of Ms. Scott's suggestions, the only additional requirements that were set forth in the Procedural Order was for the Cooperative to file a more detailed compliance report by February 10, 2010, to include: (i) a schedule of times and locations of the public forums, (ii) the Cooperative's plan to advertise the times and locations of the public forums, and (iii) how the Cooperative was going to make the Independent Feasibility Study available to interested members. Additionally, the Procedural Order required "SSVEC [to] engage an independent moderator to conduct the public forums in order to assist in the open and impartial exchange of ideas."<sup>3</sup>

On February 10, 2010, in compliance with the ALJ's Procedural Order, SSVEC filed a second compliance report ("Second Report"), which is attached as Exhibit B. Consistent with the Procedural Order and the Decision, the report included information: (i) outlining where and when the public forums would be held in the Affected Areas (consistent with the requirements of the Decision), (ii) where and when additional public forums would be held for various Chambers of Commerce in other parts of the Cooperative's service territory (not required by the Decision, but certainly not prohibited), (iii) regarding the proposed agenda to include topics related to bringing renewable generation (including distributed generation) to the Affected Areas (also consistent with the requirements of the Decision), (iv) regarding how SSVEC planned to notify its members and the public of the public forums, (v) the locations where the Independent Feasibility Study would be available for inspection and review, and (vi) that there would be an Independent Moderator conducting the meetings. At the time SSVEC filed the Second Report on February 10, 2010, SSVEC had not yet been able to confirm who would be the Independent Moderator. However, the next day, SSVEC confirmed that Ms. Judith Gignac would be available to be the Independent Moderator for the two primary public forums to be held within the Affected Areas on March 9 and March 11, 2010. On February 12, 2010, SSVEC filed a Supplement to the Second Report advising the Commission and the Parties that Ms. Gignac would be the Independent Moderator and attached to the filing Ms. Gignac's resume. A copy of Ms. Gignac's resume is also attached to this Report as Exhibit C.

On February 17, 2010, the Intervenors docketed various objections to the Second Report regarding SSVEC's plans to conduct the Public Forums per the requirements of the Decision, including objections to Ms. Gignac as the Independent Moderator and SSVEC's plans to voluntarily conduct public forum-type meetings outside the Affected Areas. On March 3, 2010,

<sup>2</sup> Decision at page 48, lines 5-15.

<sup>3</sup> Procedural Order dated January 29, 2010, at page 6, lines 14-16; lines 24-25.

Staff, at the request of the ALJ<sup>4</sup>, filed a response concluding that “SSVEC’s [Second] [R]eport on the planned conduct of the public forums complies with the related requirements expressed in Decision No. 71274.”<sup>5</sup> By Procedural Order dated March 8, 2010, the ALJ found that “SSVEC’s plans for the public forums should be permitted as proposed.”<sup>6</sup>

### **THE PUBLIC FORUMS FOR THE AFFECTED AREAS – GENERAL**

SSVEC noticed the March 9 and 11, 2010, Public Forums to be held in the Affected Areas two weeks prior to the meeting dates with a formal announcement that was contained in conjunction with a direct mailing to all SSVEC members, as well as on SSVEC’s website.<sup>7</sup> SSVEC also advertised the Public Forums in the following newspapers:

- Nogales Bulletin, Regional newspaper in the Affected Areas
- Patagonia Regional Times, Regional newspaper in the Affected Areas
- Sierra Vista Herald, Regional newspaper in the greater Sierra Vista area

SSVEC made the Independent Feasibility Study available for inspection and review at the following locations:

- SSVEC Regional Office, 281 McKeown Avenue, Patagonia, AZ
- SSVEC Regional Office, 311 E Wilcox Dr, Sierra Vista, AZ
- SSVEC Regional Office, 350 N Haskell Ave, Willcox, AZ
- SSVEC Regional Office, 285 W Fifth Street, Benson, AZ
- SSVEC Regional Office, 4179 W Thistle Lane, Elfrida, AZ
- Patagonia Public Library, 342 Duquesne Avenue, Patagonia, AZ
- Sonoita Community Library, 3147 Highway 83, Sonoita, AZ

The Agenda for the Public Forums incorporated the following agenda topics:

- Introduction of Independent Moderator and Presenters

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<sup>4</sup> Procedural Order dated February 26, 2010, “Staff should file its recommendations concerning compliance with the directive in Decision No. 71274 concerning public forums by March 4, 2010”, at page 2, lines 5-7.

<sup>5</sup> Staff Response dated March 3, 2010, at page 3 lines 12-13.

<sup>6</sup> Procedural Order dated March 8, 2010, at page 3, lines 1-2. Additionally, the ALJ ordered SSVEC to have copies of the rate case transcripts made available at public libraries within the Affected Areas, which SSVEC promptly complied.

<sup>7</sup> Although not required by the Decision, SSVEC chose to voluntarily conduct various informal Public Forums outside the Affected Areas. The Cooperative felt that SSVEC’s entire membership had a right to have information as to where and why the Cooperative’s money is being expended and why their electric rates may increase as a result. Moreover, these additional meetings were not designed to be the large-scale meetings that SSVEC held in the Affected Areas to comply with the Decision. They are (and will be) shorter informational meetings held at Chambers of Commerce offices consistent with other Chambers of Commerce presentations that SSVEC *routinely* makes each year to Chamber members. Moreover, neither Staff nor the ALJ believed this to be inappropriate. See Staff March 3, 2010, Response, and Procedural Orders dated January 29, 2010, and March 8, 2010.

- Overview of the Commission Proceedings
- Review of the Sonoita Reliability Project
- Presentation of the Independent Feasibility Study
- Renewable Energy Generation Plans for the Affected Areas including:
  - \$6 Million 750 kW solar array at proposed Sonoita substation
  - \$1.1 Million American Recovery and Reinvestment Act “Smart Grid”
  - Current and future Demand Side Management programs
- Overview of the SSVEC Member Opinion Poll

All attendees at the Public Forums were asked to sign in and fill out speaker slips if they wished to speak at the Public Forums. A copy of the sign-in sheets for each Public Forum is attached as Exhibits D-1 and D-2. SSVEC also had copies of the Independent Feasibility Study and the Independent Poll on hand in case any attendee needed to review the documents.<sup>8</sup> The Independent Moderator, Ms. Gignac, opened each Public Forum as set forth in Exhibit E.<sup>9</sup> She then introduced each of the presenters. Those presenters are the following individuals who presented on the following topics:

- Overview of the Arizona Corporation Commission Proceedings and Overview of Independent Public Opinion Poll - Jack Blair, CMSO
- Sonoita Reliability Project Review – Deborah White, SR/WA
- Independent Third Party Study / TRC’s Role (I3P Firm Selection) - Rick Goodwin, P.E. BSEE Team Lead
- Independent Third Party Feasibility Study Report - Pat Scharff, P.E. BSEE, MSEE Principal Engineer and Tom Engels, Ph.D., Sr. Environmental Scientist
- Renewable Energy and “Smart Grid” Plans for the Affected Areas – Ron Orozco, P.E., CEM

As the entity which prepared the Independent Feasibility Request for Proposal and Statement of Work, and maintained all coordination between Navigant, SSVEC, and the Community, SSVEC determined that TRC would be a neutral representative to present the Independent Feasibility Study and to provide clarification of any questions regarding the subject matter and/or conclusions contained within the Study. Resumes for the TRC presenters are attached as Exhibit F.

A power point presentation was projected on a large screen and each presenter provided detailed and comprehensive information regarding each slide. A copy of the presentation is attached as Exhibit G.<sup>10</sup> Following the formal presentation, the Independent Moderator opened the meeting to members of the public for questions, comments, or any information that they wanted to present. At the conclusion of each Public Forum, Ms. Gignac thanked everyone for their attendance and participation.

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<sup>8</sup> Attendees were also advised that copies of the Independent Feasibility and Independent Poll were available on the SSVEC and Commission websites, in SSVEC regional offices, and in local public libraries.

<sup>9</sup> Ms. Gignac’s opening statement was taken from her March 12, 2010, letter to the ALJ that was docketed and attached as Exhibit K below.

<sup>10</sup> SSVEC has also posted the presentation on its website.

**MARCH 9, 2010, PUBLIC FORUM - PATAGONIA HIGH SCHOOL, PATAGONIA AZ - 6:00PM**

At the Public Forum held in Patagonia, there were a total of 53 attendees who signed in. Of those attendees, 37 were SSVEC members not otherwise affiliated with the Cooperative. There were a total of nine (9) speakers following the formal presentation. Five (5) of those speakers spoke in favor of SSVEC proceeding with construction of the Sonoita Reliability Project including the construction of the 69 kV line and substation; one (1) member spoke in opposition to the 69 kV line; one (1) member had a specific question regarding the Independent Feasibility Study; and two (2) members that had general statements or comments. In order to accurately represent the comments/questions in the Discussions following the formal presentation portion of the Public Forum, SSVEC audio taped the public participation portion of the Public Forum. Rather than attempt to summarize the questions, comments, and/or discussion between members of the public and the panel as minutes, SSVEC transcribed the audio tape and has attached the transcription as Exhibit H.

**MARCH 11, 2010, PUBLIC FORUM - ELGIN ELEMENTARY SCHOOL, SONOITA AZ - 6:00PM**

At the Public Forum held in Sonoita, there were a total of 70 attendees who signed in. Of those attendees, 60 were SSVEC members not otherwise affiliated with the Cooperative. There were a total of eighteen (18) speakers following the formal presentation. Four (4) of those speakers spoke in favor of SSVEC proceeding with construction of the Sonoita Reliability Project including the construction of the 69 kV line and substation; seven (7) member spoke in opposition to the 69 kV line; two (2) members had a specific question regarding the Independent Feasibility Study; and five (5) members had general statements or comments. As the Cooperative did in Patagonia, in order to accurately represent the comments/questions in the Discussions following the formal presentation portion of the Public Forum, SSVEC audio taped the public participation portion of the Public Forum. Rather than attempt to summarize the questions, comments, and/or discussion between members of the public and the panel as minutes, SSVEC transcribed the audio tape and has attached the transcription as Exhibit I. Additionally, one of the speakers, Mr. David V. MacCollum, P.E., CSP, handed out to everyone in the room a letter titled "SSVEC Meeting in Elgin, March 11, 2009," which is attached as Exhibit J.

**CONCLUSION**

SSVEC believes that it has fully complied with the spirit and intent of the requirements of the Decision with respect to conducting the Public Forums in the Affected Areas. Although there will inevitably be comments filed in the docket suggesting that the Public Forums which were held in the Affected Areas did not comply with the Decision, on March 12, 2010, a letter from the Independent Moderator of the Public Forums was sent to the ALJ, and filed in the docket, where Ms. Gignac provided her views regarding the Public Forums. A copy of that letter is attached Exhibit K.

Although SSVEC presented its plans to bring renewable generation, including distributed generation application, to the Affected Areas, there were no viable renewable energy proposals or ideas brought forth at the Public Forums by any of the attendees of which SSVEC could incorporate into the generation plans to serve the area covered by the planned 69 kV line and associated upgrades that would negate the necessity of building the 69 kV line.

SSVEC believes it has fully complied with the Commission's requirements to file the Independent Feasibility Study, conduct the Public Forums, and to file this Report, which chronicles the Public Forums. Accordingly, SSVEC is seeking the Commission's authorization pursuant to the Decision to immediately commence construction of the referenced 69 kV line in order to alleviate the existing and increasing reliability and capacity problems in the Affected Areas.

# Exhibit A

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602.382.6070 (Fax)  
www.swlaw.com

Bradley S. Carroll  
602.382.6578  
bcarroll@swlaw.com

October 30, 2009

DENVER  
LAS VEGAS  
ORANGE COUNTY  
PHOENIX  
SALT LAKE CITY  
TUCSON

**HAND DELIVERED**

Docket Control  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007

**Re: Compliance with Decision No. 71274 Regarding Public Forum Report ("Report")  
Sulphur Springs Valley Electric Cooperative, Inc. ("SSVEC")  
Docket No. E-01575A-08-0328**

Dear Sir/Madam:

Pursuant to Arizona Corporation Commission Decision No. 71274, dated September 8, 2009 ("Decision"), SSVEC, through counsel undersigned, hereby files in compliance with the first ordering paragraph on page 48 of the Decision, the enclosed Report regarding the public forums SSVEC intends to conduct in the communities served by the planned 69 kV line and associated upgrades.

If you have any questions, please do not hesitate to contact me.

Sincerely,



Bradley S. Carroll

BSC/dcp

Enclosure

cc: Brian Bozzo, Compliance Manager (hand delivered)  
Docket – original and 13 copies  
Jack Blair, SSVEC (via email)



# Sulphur Springs Valley Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 

**Docket No. E-01575A-08-0328**

**Decision No. 71274**

**Sonoita Reliability Project**

**Public Forum Report**

In compliance with the Arizona Corporation Commission Decision No. 71274 ("Decision"), Sulphur Springs Valley Electric Cooperative, Inc ("SSVEC") submits the following schedule of Public Forums "in the communities served by the planned 69kV line and associated upgrades", and in communities throughout SSVEC's service territory which will be or have been impacted by the results of the Decision.

Topics which shall be addressed at the Public Forums will focus on solutions identified in the Independent Third Party Feasibility Study required by the Decision, to be docketed December 31, 2009, along with associated short-term and long-term costs, time effectiveness, environmental factors, health and safety considerations, and legal and regulatory requirements.

Included as discussion in the Public Forums, is how renewable energy generation could be incorporated into the generation plans to serve the area covered by the planned 69kV line and associated upgrades, and other areas in SSVEC's service territory.

Public Forums will begin the week of February 1, 2010, and shall continue through March 28, 2010. The official dates shall be based upon a determination of the availability of locations and commitment of meeting facilities.

Public Forums shall be held at the following locations/organizations:

Sonoita/Elgin:

- Elgin School
- Sonoita Chamber of Commerce
- Sonoita Community Crossroads Forum

Sonoita/Patagonia Association of Realtors

Town of Patagonia  
Patagonia Chamber of Commerce

City of Sierra Vista  
Sierra Vista Chamber of Commerce

City of Benson  
Benson Chamber of Commerce

City of Willcox  
Willcox Chamber of Commerce

# Exhibit B

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**BEFORE THE ARIZONA CORPORATION COMMISSION**

COMMISSIONERS

KRISTIN K. MAYES—Chairman  
GARY PIERCE  
PAUL NEWMAN  
SANDRA D. KENNEDY  
BOB STUMP

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 NEW CONNECTIONS TO THE V-7  
FEEDER LINE SERVING THE  
WHETSTONE, RAIN VALLEY, ELGIN,  
CANELO, SONOITA, AND PATAGONIA,  
ARIZONA AREAS.

DOCKET NO. E-01575A-09-0453

**NOTICE OF FILING PUBLIC  
FORUM REPORT**

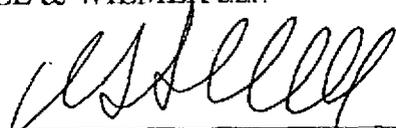
Pursuant to the January 29, 2010, Procedural Order in the above-captioned matters,  
Sulphur Springs Valley Electric Cooperative, Inc. hereby submits its public forum report.

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RESPECTFULLY SUBMITTED this 10th day of February, 2010.

SNELL & WILMER LLP.

By



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Attorneys for Sulphur Springs Valley  
Electric Cooperative, Inc.

ORIGINAL and 14 copies filed this  
10th day of February, 2010, with:

Docket Control  
ARIZONA CORPORATION COMMISSION  
1200 West Washington  
Phoenix, Arizona 85007

COPIES of the foregoing hand-delivered  
this 10th day of February, 2010, to:

Steve Olea, Director  
Utilities Division  
ARIZONA CORPORATION COMMISSION  
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Phoenix, Arizona 85007

Wesley C. Van Cleve, Attorney  
Legal Division  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007

COPY of the foregoing mailed/e-mailed  
this 10th day of February, 2010, to:

Jane L. Rodda, Administrative Law Judge  
Hearing Division  
ARIZONA CORPORATION COMMISSION  
400 West Congress  
Tucson, AZ 85701-1347

**Snell & Wilmer**

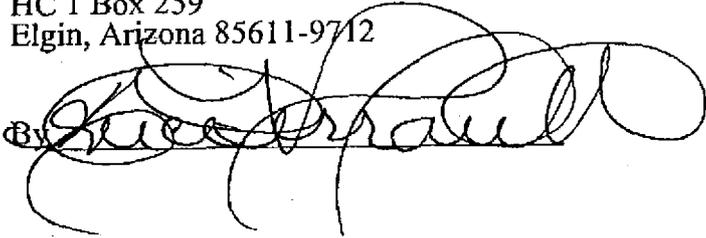
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By 



# Sulphur Springs Valley Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 

**Docket Nos. E-01575A-08-0328 and E-01575A-09-0453  
Decision No. 71274 and Procedural Order January 29, 2010  
Sonoita Reliability Project ("SRP")  
Public Forum Report  
February 10, 2010**

In compliance with the Arizona Corporation Commission Decision ("Commission") No. 71274 ("Decision") and the Procedural Order dated January 29, 2010, Sulphur Springs Valley Electric Cooperative, Inc. ("SSVEC") submits the following schedule of Public Forums to be held "in the communities served by the planned 69kV line and associated upgrades," and in communities throughout SSVEC's service territory.

SSVEC has scheduled Public Forums in the areas directly impacted by the SRP ("Affected Areas") on the following dates and at the following locations:

March 9, 2010	Patagonia High School, 200 Naugle Ave, Patagonia AZ	6:00pm
March 11, 2010	Elgin Elementary School, 23 Elgin Rd, Sonoita AZ	6:00pm

*Meetings with various local organizations in the Affected Areas may also be scheduled.*

SSVEC has scheduled presentations to Local Chambers of Commerce on the following dates and at the following locations:

March 2, 2010	Willcox Chamber of Commerce, Willcox, AZ	12:00pm
March 25, 2010	Sierra Vista Chamber of Commerce, Sierra Vista, AZ	8:00am
March 25, 2010	Benson Chamber of Commerce, Benson, AZ	12:00pm

*Further meetings with various local organizations may also be scheduled.*

SSVEC will advertise the Public Forums in the following newspapers:

- Nogales Bulletin, Regional newspaper in the Affected Areas
- Patagonia Regional Times, Regional newspaper in the Affected Areas
- Sierra Vista Herald, Regional newspaper in the greater Sierra Vista area

SSVEC will mail its members a formal announcement letter to include the Public Forum dates, times, meeting locations, agenda, and locations where the Independent Feasibility Study will be made available for inspection and review, and post the announcements on its website and in its regional offices.

SSVEC intends to make the Independent Feasibility Study available for inspection and review at the following locations:

- SSVEC Regional Office, 281 McKeown Avenue, Patagonia, AZ
- SSVEC Regional Office, 311 E. Wilcox Dr, Sierra Vista, AZ
- SSVEC Regional Office, 350 N. Haskell Ave, Willcox, AZ
- SSVEC Regional Office, 285 W. Fifth Street, Benson, AZ
- SSVEC Regional Office, 4179 W. Thistle Lane, Elfrida, AZ
- Patagonia Public Library, 342 Duquesne Avenue, Patagonia, AZ
- Sonoita Community Library, 3147 Highway 83, Sonoita, AZ

SSVEC intends to advertise the Public Forums and make available a hard copy of the Independent Feasibility Study at least two weeks prior to first meeting date. The Independent Feasibility Study has been, and will continue to be, available on SSVEC's website. It is also available on the Commission's E-Docket.

SSVEC will engage an independent moderator to conduct the Public Forums in the Affected Areas and to assist in the open and impartial exchange of ideas.

Topics which shall be addressed at the Public Forums will focus on solutions identified in the Independent Feasibility Study. Included in the discussion at the Public Forums, is how renewable energy generation could be incorporated into the generation plans to serve the area covered by the planned 69kV line and associated upgrades and other areas in SSVEC's service territory.

The Agenda for the Public Forums is as follows:

- Introduction of Moderator and Presenters
- Review of the Sonoita Reliability Project
- Overview of the Proceedings before the Arizona Corporation Commission
- Presentation of the Independent Feasibility Study
- Renewable Energy Generation Plans for the Area to include:
  - \$6 Million 750kW Solar Array at proposed Sonoita Substation
  - \$1.2 Million American Recovery and Reinvestment Act 'Smart Grid'

- Demand Side Management possibilities
- Open Discussions between SSVEC and members of the public regarding solutions identified in the Independent Feasibility Study and how renewable energy generation could be incorporated into the generation plans to serve the Affected Areas covered by the planned 69kV Line and associated upgrades.

SSVEC intends to prepare a record of the Public Forums which, if practical, will be posted on its website and will be utilized in the preparation of the compliance report SSVEC will file as required by the Decision.

# Exhibit C

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**BEFORE THE ARIZONA CORPORATION COMMISSION**

**COMMISSIONERS**

KRISTIN K. MAYES—Chairman  
GARY PIERCE  
PAUL NEWMAN  
SANDRA D. KENNEDY  
BOB STUMP

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 NEW CONNECTIONS TO THE V-7  
FEEDER LINE SERVING THE  
WHETSTONE, RAIN VALLEY, ELGIN,  
CANELO, SONOITA, AND PATAGONIA,  
ARIZONA AREAS.

DOCKET NO. E-01575A-09-0453

**NOTICE OF FILING  
SUPPLEMENTAL  
INFORMATION REGARDING  
INDEPENDENT MODERATOR  
FOR PUBLIC FORUM REPORT**

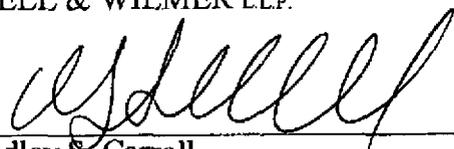
Pursuant to the January 29, 2010, Procedural Order in the above-captioned consolidated matters, Sulphur Springs Valley Electric Cooperative, Inc. (“SSVEC”) filed on February 10, 2010, its Public Forum Report (“Report”). The Report states that “SSVEC will engage an independent moderator to conduct the Public Forums in the Affected Areas and to assist in the open and impartial exchange of ideas.” Since the filing of the Report, SSVEC has confirmed, as the independent moderator to conduct the Public Forums in the Affected Areas, Ms. Judith A. Gignac. Ms. Gignac’s biographical information is attached hereto and should be considered as a supplement to the Report.

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RESPECTFULLY SUBMITTED this 12th day of February, 2010.

SNELL & WILMER L.L.P.

By   
Bradley S. Carroll  
One Arizona Center  
400 East Van Buren  
Phoenix, Arizona 85004-2202  
Attorneys for Sulphur Springs Valley  
Electric Cooperative, Inc.

ORIGINAL and 14 copies filed this  
12th day of February, 2010, with:

Docket Control  
ARIZONA CORPORATION COMMISSION  
1200 West Washington  
Phoenix, Arizona 85007

COPIES of the foregoing hand-delivered  
this 12th day of February, 2010, to:

Steve Olea, Director  
Utilities Division  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007

Wesley C. Van Cleve, Attorney  
Legal Division  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007

COPY of the foregoing mailed/e-mailed  
this 12th day of February, 2010, to:

Jane L. Rodda, Administrative Law Judge  
Hearing Division  
ARIZONA CORPORATION COMMISSION  
400 West Congress  
Tucson, AZ 85701-1347



## **Judith A. Gignac**

Ms. Gignac, recently retired as General Manager of Bella Vista Ranches Limited Partnership in Sierra Vista having been with the company since 1988. After serving 17 years as Vice President and General Manager of Bella Vista Water Company she retired from that position in 2004. She was appointed to an eight-year term on the Arizona Board of Regents in 1994, and served as its President during 1998-1999 and nine years on the State Board of Directors for AZ Community Colleges. She has served on the board of University Medical Center in Tucson since 1997 and currently is the Board Chair. She is a member of the Upper San Pedro Partnership and past chair of the Executive Committee. She has been a long-time member of Arizona Town Hall, served on the Board and as Chair in 2001-2003. Ms. Gignac served for twelve years on the Cochise County Board of Supervisors (1977-1988). She received an Honorary Doctor of Letters from the University of Arizona, December 2004 and a Lifetime Achievement Award from the Sierra Vista Chamber of Commerce in 2007.

She has held positions on numerous boards and committees including the Greater Sierra Vista United Way, the Sierra Vista Citizens' Advisory Committee, Sierra Vista Chamber of Commerce and is an honorary director of University South Foundation. Other positions consist of serving as a member of the statewide Riparian Area Advisory Committee, co-chair of the Water Issues Group for the Sierra Vista area, and director of the Water Utilities Association of Arizona.

She has been honored by the Commission on the Status of Women Vision Award (2000) and the University of Arizona Commission's Vision Award (2002), Fort Huachuca 50 DeConcini Award (1995), named as Sierra Vista Chamber of Commerce Citizen of the Year (1994), Republican Woman of the Year (1988), DAR Medal of Honor, Toastmasters International Leadership & Communications Award, Who's Who in the West, Who's Who of American Women, and Who's Who in Politics. The Rotary Club of Sierra Vista honored her in October 2005 with their first Certificate of Professional Excellence.

# **Exhibit D-1**

# Visitors' Register

69kV Line Public Forum Patagonia

DATE	NAME	FIRM	ADDRESS		TO SEE	
3/9/10	Vic Plumb	SSVEC	STREET		TIME IN	TIME OUT
			CITY	STATE		
}	ANSELMO TORRES	" "	STREET		TIME IN	TIME OUT
			CITY	STATE		
}	Kelly SHANNON	SSVEC	STREET		TIME IN	TIME OUT
			CITY	STATE		
}	Andrea Shannon	SSVEC	STREET		TIME IN	TIME OUT
			CITY	STATE		
}	RON OROZCO	SSVEC.	STREET		TIME IN	TIME OUT
			CITY	STATE		
}	MIKE RUDKIN	SEVISTA	STREET		TIME IN	TIME OUT
			CITY	STATE		
}	Eileen Brien	SSVEC	STREET		TIME IN	TIME OUT
			CITY	STATE		
}	GARY SOLIERE	SONOLTA	STREET		TIME IN	TIME OUT
			CITY	STATE		
}	Marcus Hansen	SSVEC	STREET		TIME IN	TIME OUT
			CITY	STATE		
}	Judy Gignac	Moderator	STREET		TIME IN	TIME OUT
			CITY	STATE		
}	PETE SWIATEK	SSVEC	STREET		TIME IN	TIME OUT
			CITY	STATE		
}	PAT ENGLISH	SSVEC	STREET		TIME IN	TIME OUT
			CITY	STATE		
}	SUSAN SCOTT	SONOLTA	STREET		TIME IN	TIME OUT
			CITY	STATE		
}	gail getzwillen	SONOLTA	STREET		TIME IN	TIME OUT
			CITY	STATE		
}	Jim Rowley	Elgin	STREET		TIME IN	TIME OUT
			CITY	STATE		

# Visitors' Register

DATE	NAME	FIRM	ADDRESS	TO SEE
3/9/10	MICHAEL O'HALLORAN	PATAGONIA	STREET CITY STATE	TIME IN TIME OUT
	Joseph O'Halloran	Patagonia	STREET CITY STATE	TIME IN TIME OUT
	ROBERT KIRWAN	PATAGONIA	STREET W BULLITT CITY NOGALLES STATE IUT C	TIME IN TIME OUT
	POD PEARSON	PATAGONIA	STREET CITY STATE	TIME IN TIME OUT
	James Song	PATAGONIA	STREET CITY STATE	TIME IN TIME OUT
	Gene Manning	SSUEC	STREET CITY Sierra Vista STATE AZ	TIME IN TIME OUT
	F. Song	PATAGONIA	STREET 492 N 3 <sup>RD</sup> AVE CITY Patagonia STATE AZ	TIME IN TIME OUT
	Ricardo Garcia	SSUEC	STREET 93975 R. Vermont Rd CITY Hereford STATE AZ	TIME IN TIME OUT
	Jim Pendleton	Patagonia	STREET CITY STATE	TIME IN TIME OUT
	Arnold A. Hendry	Benson	STREET 800 W. 4 <sup>TH</sup> ST. CITY Benson STATE AZ	TIME IN TIME OUT
	Don Baner	Benson	STREET 1050 S Greenwood CITY Benson STATE AZ	TIME IN TIME OUT
	GENE WHERLOCK	S.V.	STREET CITY STATE	TIME IN TIME OUT
	FLOYD GREGORY	S.V.	STREET CITY STATE	TIME IN TIME OUT
	WAYNE PORTER	PEARC	STREET CITY STATE	TIME IN TIME OUT
	HERBERT LOUIE LAND		STREET CITY BENSON STATE AZ	TIME IN TIME OUT

# Visitors' Register

DATE	NAME	FIRM	ADDRESS		TO SEE	
3/9/ 110	Crosson Horsan	SSVEC	STREET			
			CITY	STATE	TIME IN	TIME OUT
	Lana Cole	Whetstone SV Herald	STREET			
			CITY	STATE	TIME IN	TIME OUT
	Cornie Dekker	Whetstone	STREET			
			CITY	STATE	TIME IN	TIME OUT
	Ron Simms	Sonoma	STREET			
			CITY	STATE	TIME IN	TIME OUT
	Hildegard Simms	Sonoma	STREET			
			CITY	STATE	TIME IN	TIME OUT
	Kathy Tschl	CFC	STREET			
			CITY	STATE	TIME IN	TIME OUT
	LINDA KENNEDY	ELGIN	STREET			
			CITY	STATE	TIME IN	TIME OUT
	Bob Bernal	SSVEC	STREET			
			CITY	STATE	TIME IN	TIME OUT
	Womle Mc Laughlin	Sonoma	STREET			
			CITY	STATE	TIME IN	TIME OUT
	Carl Bowden	Patagonia	STREET			
			CITY	STATE	TIME IN	TIME OUT
	EMMETT McLaughlin	Lombard	STREET			
			CITY	STATE	TIME IN	TIME OUT
	Nauley McGay	Patagonia	STREET			
			CITY	STATE	TIME IN	TIME OUT
	Ralph Schmitt	Patagonia	STREET			
			CITY	STATE	TIME IN	TIME OUT
	R. Latta	Sonoma	STREET			
			CITY	STATE	TIME IN	TIME OUT
	Anne Swan	Patagonia	STREET			
			CITY	STATE	TIME IN	TIME OUT



# **Exhibit D-2**

# Visitors' Register

## 69kV Line Public Forum Sonoita

DATE	NAME	FIRM FROM	ADDRESS	TO SEE
3/11/10	Anselmo Zamora	SSVEC	STREET	
			CITY STATE TIME IN TIME OUT	
}	Vic Platt	SSVEC	STREET	
			CITY STATE TIME IN TIME OUT	
}	David Wilson	SSVEC	STREET	
			CITY STATE TIME IN TIME OUT	
}	Pete Swiatek	SSVEC	STREET	
			CITY STATE TIME IN TIME OUT	
}	David D. McCollu	Sierra Vista	STREET	
			CITY STATE TIME IN TIME OUT	
}	LEE SIMS	Sonoita	STREET	
			CITY STATE TIME IN TIME OUT	
}	Josephine Lockman	Sonoita	STREET	
			CITY STATE TIME IN TIME OUT	
}	Phyllis Martin Ted Masters	Sonoita "	STREET	
			CITY STATE TIME IN TIME OUT	
}	Julianne	EQUIN	STREET	
			CITY STATE TIME IN TIME OUT	
}	Gene Manning	SSVEC	STREET	
			CITY STATE TIME IN TIME OUT	
}	Thomas Klinkel	Sonoita	STREET	
			CITY STATE TIME IN TIME OUT	
}	Lindsay Kirch	Sonoita	STREET	
			CITY STATE TIME IN TIME OUT	
}	LINDA KENNEDY	ELGIN	STREET	
			CITY STATE TIME IN TIME OUT	
}	gail getzwiller	Sonoita	STREET	
			CITY STATE TIME IN TIME OUT	
}	Dan Kin Dren	Sierra Vista	STREET	
			CITY STATE TIME IN TIME OUT	

# Visitors' Register

DATE	NAME	CITY FROM	ADDRESS	TO SEE	
3/11/10	LINDA BOZARTH	ELGIN	STREET	TIME IN	TIME OUT
	ALAIN CHUZE		CITY STATE		
}	PAT BASINGER	Elgin	STREET	TIME IN	TIME OUT
			CITY STATE		
}	Jane Woods	Elgin	STREET	TIME IN	TIME OUT
			CITY STATE		
}	Frederick B. Wilkes	Sierin Vista	STREET	TIME IN	TIME OUT
			CITY STATE		
}	Stu & Elaine Misener	Elgin	STREET	TIME IN	TIME OUT
			CITY STATE		
}	BOB OWANS	Elgin	STREET	TIME IN	TIME OUT
			CITY STATE		
}	SANDRA S. WOLF	SONOITA	STREET	TIME IN	TIME OUT
			CITY STATE		
}	LOU KUBER	Sonoita	STREET	TIME IN	TIME OUT
			CITY STATE		
}	Catherine Bevan	Sonoita	STREET	TIME IN	TIME OUT
			CITY STATE		
}	John V. Bevan	Sonoita	STREET	TIME IN	TIME OUT
			CITY STATE		
}	CONSTANCE WICKS	SONOITA	STREET	TIME IN	TIME OUT
			CITY STATE		
}	JOHN FINK	ELGIN	STREET	TIME IN	TIME OUT
			CITY STATE		
}	J. Dale Mires	Sonoita	STREET	TIME IN	TIME OUT
			CITY STATE		
}	Anne Gibson	Elgin	STREET	TIME IN	TIME OUT
			CITY STATE		
}	Janet Brsmann	SONOITA	STREET	TIME IN	TIME OUT
			CITY STATE		

# Visitors' Register

DATE	NAME	FIRM FROM	ADDRESS	TO SEE
2/11/10	Rob Horstmann	Sonoma, Ca	STREET	
			CITY	
3/11/10	Markus	Elgin	STREET	
			CITY	
3/11/10	Hadi & Helen Gallaway	St. David	STREET	
			CITY	
3/11	Kest. & Kramer	Sonoma	STREET	
			CITY	
3/11	Ricardo Garcia	Hereford	STREET	
			CITY	
3/4	Semi-Grossman	Patagonia	STREET	
			CITY	
2/9	Roanna Kayajian	Sonoma	STREET	
			CITY	
2/11	Rebecca Lata	Sonoma	STREET	
			CITY	
3/11	Walter Lata	"	STREET	
			CITY	
			STREET	
			CITY	
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			CITY	
			STREET	
			CITY	

# Visitors' Register

## 69kV Line Public Forum Sonoita

DATE	NAME	FIRM	ADDRESS	TO SEE	
3/11/10	Laura Smk	From Sonoita	STREET CITY STATE	TIME IN	TIME OUT
	JOHN BOASEY	SONOITA	STREET CITY STATE	TIME IN	TIME OUT
	Cecil O'Call	SSVEC	STREET CITY STATE	TIME IN	TIME OUT
	Wayne Porter	PEYRC	STREET CITY STATE	TIME IN	TIME OUT
	Tom & Nancy CALHOUN	SONOITA	STREET CITY STATE	TIME IN	TIME OUT
	CROSON HIGSON	SSVEC SONOMA VASTA	STREET CITY STATE	TIME IN	TIME OUT
	Midge Cole	Sonoita	STREET CITY STATE	TIME IN	TIME OUT
	GEOFFREY OLDFATHER	BRENSOLD ARIZONA	STREET CITY STATE	TIME IN	TIME OUT
	EVELYN KARL	Sonoita	STREET CITY STATE	TIME IN	TIME OUT
	WACT. KARL	SONOITA	STREET CITY STATE	TIME IN	TIME OUT
	Leo Swatlooki	"	STREET CITY STATE	TIME IN	TIME OUT
	Kimmy Swatlooki	"	STREET CITY STATE	TIME IN	TIME OUT
	Cecil Efrig	Sonoita	STREET CITY STATE	TIME IN	TIME OUT
	Walter [unclear]	"	STREET CITY STATE	TIME IN	TIME OUT
	Jim Rowley	Elsin	STREET CITY STATE	TIME IN	TIME OUT

# Visitors' Register

DATE	NAME	FIRM	ADDRESS	TO SEE
	Francis Garcia	From 58 Broncho Trail Sonoma	STREET CITY STATE	TIME IN TIME OUT
	Charles Kentner	307 WILSON LOOP RD ELGIN, AZ	STREET CITY STATE	TIME IN TIME OUT
	Kathleen James	POB 98 Paragonia 85624	STREET CITY STATE	TIME IN TIME OUT
	Gary Retherford	"	STREET CITY STATE	TIME IN TIME OUT
	Heidi Kolodziej	HCI Box 13 ELGIN AZ	STREET CITY STATE	TIME IN TIME OUT
	Jay Smith	3 ROUNDUP CT 85611	STREET CITY STATE	TIME IN TIME OUT
	Walter Kaufman	3 ROUNDUP CT 85611	STREET CITY STATE	TIME IN TIME OUT
	STUART MOYLE	SONOMA	STREET CITY STATE	TIME IN TIME OUT
	A. E. MOSS	ELGIN	STREET CITY STATE	TIME IN TIME OUT
	Ray R. Moss	ELGIN	STREET CITY STATE	TIME IN TIME OUT
	ARRIENNE MAYOR	PARAGONIA	STREET CITY STATE	TIME IN TIME OUT
	Dorothy Sturgis	SONOMA	STREET CITY STATE	TIME IN TIME OUT
	Theresa Puyeat MURRIETH	SONOMA	STREET CITY STATE	TIME IN TIME OUT
	Ruban MURRIETH	SONOMA	STREET CITY STATE	TIME IN TIME OUT
			STREET CITY STATE	TIME IN TIME OUT

# Exhibit E

**PUBLIC MEETING COMMENTS  
PATAGONIA AND ELGIN  
MARCH 9 AND 11, 2010  
Opening Comments**

Good Evening and welcome to what is the first/second of two public forums. These forums are being conducted per the requirements of the Arizona Corporation Commission regarding Sulphur Springs Valley Electric Cooperative's plans to construct a new substation and 69 kV sub transmission power line. The line and substation will serve the Sonoita/Patagonia/Elgin Areas. They are part of what has been called the Sonoita Reliability Project.

My name is Judy Gignac and I have been asked to moderate this public forum. First, let me tell you a little about myself:

- 40 year resident of the area
- 12 years as member of Cochise County Board of Supervisors
- 8 years on the Arizona Board of Regents and served as President
- 30+ years as a member of Arizona Town Hall and served as Chair for two years presiding over several 150-200 person plenary sessions.
- 22 years as Vice President and General Manager of Bella Vista Water Company (retired in 2004) and General Manager of Bella Vista Ranches (retired in 2009).

As I am sure most of you know, last year, Sulphur Springs had a case pending before the Commission. Various members of the public expressed their concerns to the Commission. These concerns included the need for the proposed 69 kV line; the proposed routing of the proposed line; the level of information that the Cooperative had provided to its members regarding the Project; whether other routes had been adequately explored; and whether renewable generation, including the use of distributed generation application, could either supplant or delay the necessity of building the line. Various members of the public asked the Commission to order Sulphur Springs to delay its planned construction of the proposed line until such time as an Independent Feasibility Study could be conducted. This study was meant to verify the Cooperative's conclusions regarding the need and routing of the proposed line. Ultimately, the Commission ordered Sulphur Springs to have an Independent Feasibility Study conducted and file the results of the Study with the Commission by December 31, 2009. This has been accomplished as ordered. The Commission also ordered the following and I will read these two paragraphs directly from Commission Decision No. 71274:

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 it shall conduct public forums in the communities served by the planned 69kV line and associated upgrades. The report shall discuss the topics to be addressed at the public forums and topics shall include, but not 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.

IT IS FURTHER ORDERED that by July 30, 2010, Sulphur Springs Valley Electric Cooperative, Inc., as a matter of compliance, shall docket a report discussing the outcome of the public forums and also discussing how it plans to incorporate reasonable and effective renewable energy proposals resulting from the public forums.

This is why we are here tonight.

The Commission subsequently ordered these public forums be conducted by an independent moderator which is my role. Although like most of you I am a Cooperative member, I am not otherwise affiliated in any way with Sulphur Springs, nor do I reside within what has been termed "the Affected Areas" to be impacted by the Project. I have formed no opinion whatsoever about this Project and my role here is to simply make certain that this public forum is conducted in an orderly and efficient manner to facilitate the free exchange of information between all concerned.

Now let me introduce you to the following individuals who have prepared presentations on various aspects of the issues that are the subject of this public forum.

Jack Blair, SSVEC, Chief Member Services Officer, Overview of ACC Proceedings (first) and Public Opinion Poll (last)  
Deborah White SR/WA-NAC, SSVEC, Real Property/GIS Manager, Sonoita Reliability Project review,  
Rick F. Goodwin P.E., TRC Solutions, Project Manager, Independent Feasibility Study  
Patrick K. Scharff P.E., TRC Solutions, Principal Engineer, Independent Feasibility Study  
Thomas M. Engels Ph.D., TRC Solutions, Senior Scientist, Independent Feasibility Study  
Ron Orozco P.E., SSVEC, Engineering Manager, Renewable Energy Generation Plans

After all of these individuals have given their presentations, I will open up the forum to comments and questions from the audience. For those who wish to speak request slips were offered when you came into the forum. Hopefully you took one and filled it out. If you have not turned in your slip into Roxanne (raise you hand, Roxanne) or if you didn't pick up a slip and wish to speak, please raise your hand and the slips will be picked up or handed out as needed. I will call a couple of names at a time so that we always have a few people waiting to speak. When you come up to microphone, I ask that you present your question and/or comments to the appropriate member of the panel. Please try and speak as clearly as you can as this public forum is being recorded both in audio and video form. You may want to consider passing if your question has already been asked and answered. Please know that in order to ensure there is a free exchange of ideas and that all interested parties understand each other, members of the panel may ask you a question as well.

With the housekeeping out of the way and since we have a lot to cover tonight, I will ask our first presenter to begin.

# Exhibit F

## **RICK GOODWIN, P.E.**

### **EDUCATION**

B.S., *Electrical Engineering*, Rose-Hulman Institute of Technology, 1980  
Technical Translation Certification in German, Rose-Hulman Institute of Technology, 1980

### **PROFESSIONAL REGISTRATIONS**

Professional Engineer, Arizona, (#27010)  
Professional Engineer, California, (#E18202)  
Professional Engineer, Colorado, (#41008)  
Professional Engineer, Nevada, (#19822)  
Professional Engineer, New Mexico, (#18003)  
Professional Engineer, Oklahoma, (#23951)  
Professional Engineer, Utah, (#6658287-2202)

### **AREAS OF EXPERTISE**

Mr. Rick Goodwin, PE has project management and technical experience in the following general areas:

- Engineering Management
- Project Management
- Expert Testimony
- Distribution Design
- Distribution Facility Survey
- Distribution Layout Development
- Geographic Information Systems (GIS)
- Reliability Studies
- Switching Studies
- Distributed Generation Assessments
- Distribution Planning Studies
- Operational Studies

### **REPRESENTATIVE EXPERIENCE**

Mr. Goodwin has over 25 years of experience in distribution engineering, system planning and Geographic Information Systems (GIS). Over twenty years of his experience has been working directly with electrical utilities and five years working for a software company that developed GIS based electric utility applications including outage management, engineering design and cost estimating tools. Mr. Goodwin's experience includes senior engineering and management level responsibility in distribution engineering, distribution sub-transmission and substation planning, project management, transmission and substation siting justification and testimony, underground residential subdivision design and management/implementation and cost benefit analysis of GIS systems and business process. He currently specializes in Area Studies, Construction Work Plans, Long Range Plans, Sectionalizing/Coordination

Studies, Subdivision Design, Power Requirements Studies and GIS Consulting. He serves as Manager, New Mexico Operations - Power Delivery.

**Pacific Gas & Electric Company – Expert Witness – San Francisco, CA  
(Project Role: 2007-2009)**

Provided distribution planning and engineering project review and Expert Witness deposition testimony on behalf of PG&E in a case involving wage and hour dispute in the matter of Conley, John, et al. v. PG&E, (Law Manager No. 000123) United States District Court for the District of California. January 2009. Case settled February 2009.

**Anza Electric Cooperative, Inc., Construction Work Plan - Anza CA (Project Role: 2007-2008)**

Prepared four year work plan that included four year load forecast by feeder and substation, performed voltage and capacity analysis for normal and emergency operations for the 34.5 kV and 12.47 kV systems, identified location and timing for new capital additions including a new 34.5/12.47 kV substation, single phase to three phase conversions, additional VAR support, voltage regulator installations and economically justified reconductor projects

**Springer Electric Cooperative Inc., Construction Work Plan - Springer NM (Project Role: 2007)** Prepared four year work plan that included four year load forecast by feeder and substation, performed voltage and capacity analysis for normal and emergency operations for the 69 kV and 12.47 kV systems, identified location and timing for new capital additions including substation capacity increases, single phase to three phase conversion projects, new feeder additions, additional VAR support, voltage regulator installations and economically justified reconductor projects.

**Central New Mexico Electric Cooperative Inc., Construction Work Plan - Moriarty NM (Project Role: 2006-2007)**

Prepared a four year work plan that included four year load forecast by feeder and substation, performed voltage and capacity analysis for normal and emergency operations for the 115 kV, 69 kV, 24.9 kV and 12.47 kV systems, identified location and timing for new capital additions including two substation capacity increases, new 115 kV transmission line, single phase to three phase conversion projects, new feeder additions, additional VAR support, voltage regulator installations and economically justified reconductor projects

**Gila River Indian Community Utility Authority, Long Range Plan- Chandler, AZ (Project Role: 2005-2007)**

Prepared twenty-five year load projections and evaluated the necessary interconnections, transmission, substation and distribution systems needed to support the estimated load growth. He identified new 230 kV points of power

interchanges, new substation locations, new transmission and distribution routes as well as existing electrical facilities to verify compliance with NESC.

**Sierra Electric Cooperative, Inc., Power Requirements & Feeder Study- Truth or Consequences, NM (Project Role: 2005-2006)**

Performed a power requirements study for the addition of a 1200 home golf course community and water treatment facility. He calculated feeder cable size based upon economic loading criteria and developed feeder configuration recommendations to serve the new project including voltage conversion and addition of capacitors. The study also recommended fuse sizes for large spot loads, reviewed automatic transfer switch specifications for irrigation pumps and motor starting analysis calculations. Mr. Goodwin calculated fault currents to coordinate switchgear fusing with upstream electronic reclosers and substation reclosers.

**Kit Carson Electric Cooperative, Inc., Construction Work Plan- Taos, NM (Project Role: 2005-2006)**

Prepared a four year work plan that included four year load forecast by feeder and substation, performed voltage and capacity analysis for normal and emergency operations for the 69 kV, 24.9 kV, 12.47 kV systems, identified location and timing for new capital additions including a new 115/24.9 kV substation, 12.47 to 24.9 kV voltage conversion projects, additional VAR support and economically justified reconductor projects.

**City of Truth or Consequences, Short Range Plan- Truth or Consequences, NM (Project Role: 2006)**

Worked with City staff to develop short term and long term estimate of load growth. He evaluated upgrade of existing substation vs. building new substation. Identified need and location for new substation and recommended new 115/12.47 kV substation, capacitor additions, new feeder ties and reconductor projects based upon reliability, system voltage profiles, losses and engineering economics.

**Columbus Electric Cooperative, Inc., URD Design- Deming, NM (Project Role: 2006)**

Prepared load analysis, economic cable loading, cable pulling, voltage drop, flicker, fault current, staking sheets and cost estimates for URD system design.

**Telvent Miner & Miner, Strategic Account Manager, Marketing and Sales, Ft. Collins, CO**

Mr. Goodwin was responsible for developing new software and services sales opportunities to strategic energy utilities as well as managing existing account activities within the western U.S. and Canada. He also presented and demonstrated Geographic Information Systems (GIS) based software solutions and benefits to energy utilities including Outage Management, Design and Engineering, Field Solutions and Asset Management. His responsibilities

included gathering design, engineering, operational and customer service requirements for GIS based software enhancements to add more business value for customers. Mr. Goodwin assisted and educated organizations in how to improve their enterprise business operations with GIS based technology and associated applications and negotiate software and service contracts for new and existing utility clients.

**XCEL Energy, Manager Energy Services Support, Denver CO**

Mr. Goodwin managed the company and contractor support, process changes, application development and maintenance for the GIS, Construction Activity Tracking System and the Estimating System used for the design and planning of the gas and electric distribution systems. He prepared cost-benefit analysis of existing and proposed GIS applications. He identified future savings opportunities of \$1,500,000 annually using GIS technology and new applications. He operated section within a 15% O&M budget reduction by closely coordinating and prioritizing GIS system maintenance work performed by IBM Global Services. Mr. Goodwin was selected to participate on the Northern States Power and New Century Energies merger team to evaluate and recommend a common Geographical Information System platform.

**Tucson Electric Power Company, Project Manager, Distribution Engineering, Tucson, AZ**

Mr. Goodwin was responsible for managing the design of a \$4,000,000 capacitor project to add 450 MVAR of capacitance to the distribution system. He completed the design, purchase and installation of four times the normal annual MVAR additions in one-half the time during Phase One of the project. He met project milestones by closely coordinating and communicating requirements with manufacturers, vendors, engineers, designers and construction personnel. Managed a \$9,000,000 transmission line project to design and construct a 138 kV transmission line through one of the most environmentally and politically sensitive areas of Tucson. He successfully prepared and presented the project overview, justification and requirements to senior management, governmental agencies and residents and obtained project support and initiated and coordinated line design alternatives to reduce costs by \$300,000.

**Tucson Electric Power Company, Assistant Project Manager, Future Focus Team, Tucson, AZ**

Mr. Goodwin participated in the fast-track technical implementation of a \$12,000,000 Work Management, and AM/FM/GIS project. He supervised a 20m member team consisting of business area representatives, programmers, systems analysts, database administrators and network specialists. Mr. Goodwin proposed and received approval for electrical connectivity model estimated to save \$1,100,000 annually. He also conducted executive education sessions with the CEO, Senior Vice-Presidents and Vice-Presidents to ensure ongoing project support and understanding.

**Tucson Electric Power Company, Supervisor, Distribution Developing and New Service, Tucson, AZ**

Mr. Goodwin supervised 35 designers, engineers and customer contract coordinators. He directed electric distribution system design to connect new customers and produced \$200,000 annual labor savings by implementing GIS technology. Mr. Goodwin proposed changes to the company's rules and regulations that positioned it to be more competitive. He received approval of the changes from the Arizona Corporation Commission.

**Tucson Electric Power Company, Supervisor, Distribution Planning, Tucson, AZ**

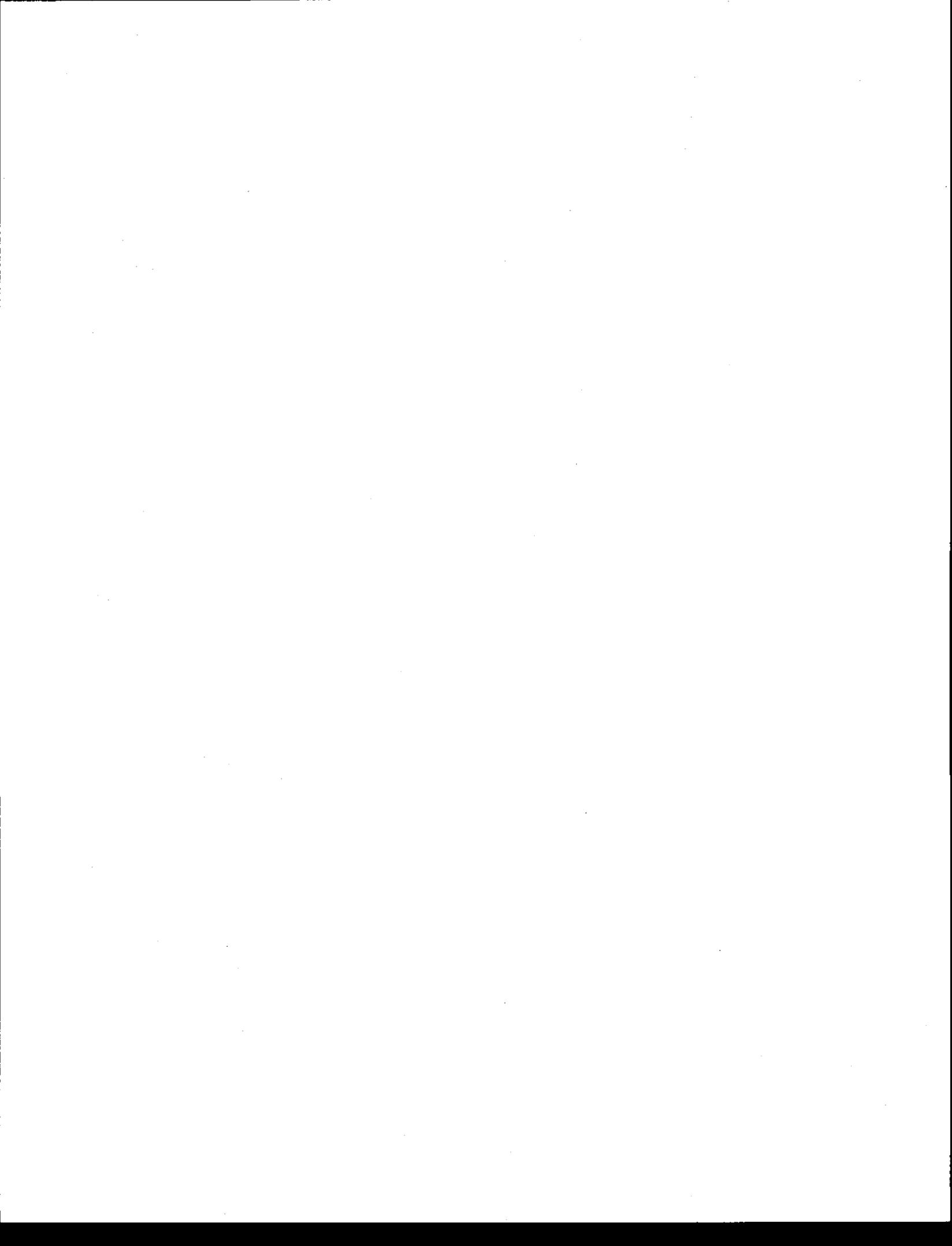
Mr. Goodwin managed the justification and preparation of the Ten-Year Capital Plan for sub-transmission, distribution and substation additions. He annually prepared and presented the \$50,000,000 Transmission & Distribution budget to Senior Management. Developed and presented alternatives to the purchase of a mobile substation transformer saving the company \$1,000,000. Prepared and presented justification and testimony for a new 138 kV transmission line and substation before the State Power Plant and Transmission Line Siting Committee. He received approval from the Siting Committee and the community to construct the 138 kV line. He also introduced changes to the standard method of substation expansion. He was successful in influencing others to implement the changes that delayed capital expenditures.

**SPECIALIZED TRAINING**

- Distribution Planning - ABB
- Protective Relay Course – McGraw Edison
- Power Quality – Harmonic Mitigation
- Project Management – PMI Institute
- Milsoft WindMil & LightTable

**PROFESSIONAL AFFILIATIONS**

- Member, Institute of Electrical & Electronics Engineers (IEEE)



## **PATRICK K. SCHARFF, P.E.**

### **AREAS OF EXPERTISE**

Technical and management experience in the following general areas:

- Planning Studies
- Project Management
- Engineering Management
- Generator Interconnection Requirements
- Power Flow Studies
- Operational Studies
- Reliability Studies
- Protective Device Coordination Studies
- Switching Studies
- Distribution Planning Studies
- Integration of Advanced Technologies into Utility Operations
- Smart Grid Technology Applications
- Distributed Generation Assessments
- Demand-side Management Program Development
- Net metering
- Renewable Energy Programs
- Marketing and Program Development
- Customer Service
- Expert Testimony

### **REPRESENTATIVE EXPERIENCE**

Principal Electrical Engineer with over 30 years of engineering and management experience with investor-owned electric utilities. Extensive hands-on and leadership experience in:

- Power system planning, operations and engineering including conceptual design and budgeting for substation, transmission line and distribution line additions and modifications, construction project coordination, project scheduling and contract management.
- Development and implementation of energy efficiency and load management programs, the integration of distributed generation, smart grid and other advanced technologies into utility system operations and the preparation of business cases supporting deployment of distribution automation technologies including advanced metering.

### **TRC Solutions – Principal Electrical Engineer – Albuquerque, NM**

Principal Electrical Engineer providing planning assistance and power system analysis support to municipal, RUS co-operative and investor owned utilities.

**Long Range Area Studies – Public Service Company of New Mexico, Albuquerque, NM**

Detailed land use and load forecast studies using linear and Gompertz forecasting techniques to identify substation, transmission and distribution line requirements for 5,000 acre and larger areas zoned for high-density development.

**Small Generator Interconnection Request – Jemez Mountains Electric Cooperative – Española, NM** Feasibility and facilities studies for 3.5MW solar PV interconnection request.

**Small Generator Interconnection Request – Emcore – Albuquerque, NM**

One-line diagram and design for interconnecting 12MW solar PV system to Public Service Company of New Mexico 12.47kV distribution system. Prepared the SGIR form for submittal to the local utility.

**Large Generator Interconnection Project Due Diligence – GA Solar USA – San Francisco, CA** Technical due diligence for the acquisition of 300MW renewable energy project by GA-Solar USA. Revised large generator interconnection and transmission service requests to change technology from wind and solar thermal to solar PV.

**Small Generator Interconnection Request – enXco – Escondido, CA**

Identified candidate 12.47kV and 115kV circuits and potential sites for interconnecting solar PV systems ranging in size from 1MW to 5MW. Assisted with preparing FERC Small Generator Interconnection requests for submittal to the local utility.

**Construction Work Plan - Jemez Mountains Electric Cooperative – Española, NM**

Detailed system planning and performance analysis study to determine and document Jemez Mountains Electric Cooperative's 4-year construction needs. The CWP addresses system performance for existing and projected loads during normal and contingency operations.

**Integrated Resource Plan – City of Gallup – Gallup, NM**

Analysis of energy supply resource options and energy conservation and load management alternatives to meet the City of Gallup's projected 5-year electrical load needs.

**Short Range Plan – City of Gallup – Gallup, NM**

Detailed system planning study and system performance analysis to determine and document Gallup's 4-year construction needs based an analysis of system performance for existing and projected loads during normal and contingency operations.

**System Protective Device Coordination Study – City of Gallup – Gallup, NM**  
Detailed system sectionalizing study and protective device performance analysis to determine and document the capabilities of Gallup's electric system protective devices and identify operational and capital improvement required by Gallup and Gallup's power supplier to meet safety and reliability criteria.

**Long Range Plan – City of Gallup – Gallup, NM**  
Detailed system planning study and performance analysis to forecast and document Gallup's 10-year construction needs based an analysis of system performance for existing and projected loads during normal and contingency operations.

**Public Service Company of New Mexico – Manager of Distribution Planning & Distributed Resource Programs – Albuquerque, NM**

Responsible for the evaluation and deployment of smart grid, distribution automation and other advanced technologies to meet PNM's existing and future business and operational needs, including advanced metering, distributed generation, energy storage, renewable energy and micro grids.

- developed, implemented and managed PNM's processes for interconnecting distributed generation
- wrote the language for New Mexico's net metering rule that was subsequently adopted by the NMPRC as New Mexico's net metering rule
- architect for revised New Mexico rules for interconnecting distributed generation
- developed and deployed PNM's production based solar incentive program, the first of its kind in the US
- designer of PNM's 25kW solar sunflower demonstration PV system
- prepared business cases to support advanced technology deployments
- provided expert witness testimony in support of cost recovery for technology trials and deployments

**Public Service Company of New Mexico – Manager of Distribution Planning & Distributed Resource Programs – Albuquerque, NM**

Statewide responsibility for planning and budgeting expansions of, and improvements to, PNM's 12.47kV, 46kV and local 115kV systems which included 74 substations, 500+ distribution feeders, 8,600 miles of 12.5kV and 5kV distribution lines and 1,200 miles of 115kV and 46kV transmission lines. Key participant in the development of New Mexico's net metering rules and the development of IEEE Standard 1547 for the interconnection of distributed generation.

**Tucson Electric Power Company – Manager, Conservation and Load Management – Tucson, AZ**

Developed TEP's department for energy efficiency, DSM and load management programs. Implemented TEP's energy efficiency and load management programs including marketing programs, and program monitoring and evaluation processes.

Prepared of the DSM portions of TEP's Integrated Resource Plan and provided of expert witness testimony in support of lost revenue recovery.

**Tucson Electric Power Company – Manager, Distribution Services – Tucson, AZ**  
Responsible for providing distribution system services statewide for TEP including, distribution system planning and engineering; designs, estimates and work orders for all non-substation additions, modifications to the distribution system including new service extensions; construction scheduling and coordination, public improvement project coordination, property and right-of-way acquisition, line extension and special contract preparation and administration and capital and O&M budget development and management.

**Tucson Electric Power Company – Superintendent, Transmission and Distribution Control – Tucson, AZ**  
Responsible for the statewide operation, control and dispatch of TEP's 345kV, 138kV, 46kV and 13.8kV systems. Responsibilities also included supervision of for TEP's Trouble Response crews.

**Virginia Electric Power Company – Northern Division Planning Engineer – Alexandria, Virginia**  
Planning Engineer responsible for planning the orderly expansion and improvement of VEPCO's 34.5kV and 12.47kV distribution systems in five Northern Division operating districts.

**Central Intelligence Agency – Office of Scientific Intelligence – McLean, Virginia**  
Intelligence analyst specializing in advanced weapon system technologies and remote sensing.

#### **EDUCATION**

M.S., Electrical Engineering, Electric Utility Management, New Mexico State University  
B.S., Electrical Engineering, New Mexico State University

#### **PROFFESIONAL REGISTRATIONS**

Professional Engineer, Arizona (19742)  
Professional Engineer, New Mexico (13428)

#### **PROFESSIONAL AFFILIATIONS**

- Life Member, IEEE



## **Thomas M. Engels, Ph.D.**

### **EDUCATION**

Ph.D. Biological Sciences, University of Texas, Austin, 1995

B.A. Liberal Arts (English), University of Texas, Austin, 1987

### **AREAS OF EXPERTISE**

Mr. Thomas M. Engels, Ph.D. has project management and technical experience in the following general areas:

- Environmental Impact Assessment (CEQA, NEPA, & CPUC)
- Clean Water Act Permitting
- Endangered Species Act Compliance
- Feasibility Studies
- Environmental Constraints Analyses
- Agency Negotiation

### **REPRESENTATIVE EXPERIENCE**

Mr. Engels has over 18 years of experience in environmental consulting specializing in utility, infrastructure, and water resources planning, regional natural resources management planning, California Environmental Quality Act (CEQA), National Environmental Policy Act (NEPA) compliance and impact analysis, Clean Water Act, and Endangered Species Act compliance, environmental documentation, and project management. Mr. Engels has managed projects and provided environmental regulatory compliance, environmental impact assessment, integrated natural resources management planning, habitat conservation planning, and feasibility studies. Mr. Engels has also taught numerous courses on CEQA, NEPA, Endangered Species Act, and Clean Water Act compliance for clients and the University of California System.

#### **Proponent's Environmental Assessment (PEA) and Environmental Permitting Support, Windsor Substation Project – Pacific Gas & Electric Company, Windsor, CA**

Mr. Engels is managing the preparation of a Proponent's Environmental Assessment and environmental permit applications for the PG&E Windsor Substation Project in Windsor, California. The purpose of the project is to relieve the electric system deficiency projected to occur in Windsor, Sonoma County, and to ensure safe and reliable electric service to existing and approved development. Key issues include impacts to visual resources, air quality, biological resources, and hydrological resources.

#### **PEA and Environmental Permitting Support, Crazy Horse Switching Station – Pacific Gas & Electric Company, Monterey County, CA**

Mr. Engels is managing the preparation of a PEA and environmental permit applications for the PG&E Crazy Horse Switching Station Project in Monterey

County, California. Mr. Engels is also assisting PG&E in complying with federal and state endangered species acts requirements for the project, including a Section 7 Consultation and a 2081 Incidental Take Permit. The purpose of the project is to improve transmission system reliability for nearby communities. In addition to the PEA and environmental permit applications, TRC prepared a Feasibility Study and Alternatives Analysis for the proposed project. Key issues include impacts to wetlands, endangered species habitat, visual resources, and air quality.

#### **Holdover Permits Review – Pacific Gas & Electric Company**

Mr. Engels is serving as principal-in-charge for a process initiated in 2004 to resolve all of PG&E's federal permits that are in arrears. He is overseeing a project team that is updating databases and preparing permit applications and is working with major permitting agencies to implement a strategy and process to meet PG&E's commitment from the bankruptcy process to resolve all permits in holdover status.

#### **Battle Creek Salmon and Steelhead Restoration Project, Pacific Gas & Electric Company – U.S. Bureau of Reclamation, CA**

Mr. Engels managed preparation of environmental compliance documents, including a public review draft and final EIS/Environmental Impact Report (EIR) assessing project-related effects on environmental resources. Also assisted in drafting an Action Specific Implementation Plan and addendum to describe project-related effects and conservation measures on special-status fish and terrestrial species, including Natural Community Conservation Plan (NCCP) habitat communities (Endangered Species Act, California Endangered Species Act, and NCCP Act compliance); a Clean Water Act Section 401 Water Quality Certification permit application; a Letter of Permission and Section 404(b)(1) Alternatives Analysis for a Clean Water Act Section 404 permit application; and a California Department of Fish and Game Section 1602 streambed alteration agreement.

Mr. Engels also assisted the federal and state lead agencies in addressing project-related concerns expressed by local landowners. The project involved an unprecedented cooperative effort among federal, state, and local agencies, including Reclamation (federal lead agency), the California State Water Board (state lead agency), U.S. Fish and Wildlife Service, NOAA Fisheries, California Department of Fish and Game, Pacific Gas & Electric, and the Federal Energy Regulatory Commission.

#### **Lower Colorado River Basin Shortage Guidelines PH2B – U.S. Bureau of Reclamation, California, Arizona, and Nevada**

Mr. Engels assisted in the management and preparation of an Environmental Impact Statement (EIS) for the Lower Colorado River Basin Shortage Guidelines

for the U.S. Bureau of Reclamation. The project established shortage allocation guidelines for the Colorado River lower basin states in the event the U.S. Secretary of Interior declares a shortage and included provisions allowing water users to “bank” water within Lake Mead. The Project Team was responsible for preparing the cultural resources, recreation, transportation, socioeconomics, and land use assessments and participated in preparing the biological resources and electric power resource assessments.

**Pit 7 EIS – TransAlta Centralia Mining, LLC, Lewis County, WA**

Mr. Engels managed the preparation of a NEPA/State Environmental Policy Act (SEPA) EIS and Habitat Mitigation Plan for the completion of an existing coal mine operation in Centralia, Washington. Key issues included impacts associated with re-routing a stream, loss of wetlands and other waters of the U.S., and project impacts to cultural resources, transportation, endangered species, and surface and ground water quality.

**Lenihan Dam Outlet Modification Project – Santa Clara Valley Water District, CA**

Managed preparation of CEQA compliance and permitting components for the Santa Clara Valley Water District’s (SCVWD) outlet modification of Lenihan Dam, Santa Clara County, CA. Key issues included wetlands and other waters of the U.S., endangered, threatened, and rare plant and animal species, surface and ground water quality, cultural resources, recreation, and noise. Managed preparation of compliance documents as required under Clean Water Act, Endangered Species Act, National Historic Preservation Act, and Section 1602 (Streambed Alteration Agreement with California Dept. of Fish and Game).

**EIR/EIS for San Luis Reservoir Low Point Improvement – Santa Clara Valley Water District, CA, and U.S. Bureau of Reclamation**

Mr. Engels managed the environmental compliance and permitting support components of the Santa Clara Valley Water District (SCVWD) San Luis Reservoir Low Point Improvement project. Mr. Engels also assisted with development and screening of conceptual project alternatives. The purpose of the Low Point Improvement project was to develop an integrative strategy to ensure maintenance of a high quality, reliable, and cost-effective water supply for SCVWD and other contractors of the U.S. Bureau of Reclamation San Felipe Division.

Key technical issues to be addressed in the EIR/EIS process included *geotechnical and seismic safety concerns*; potential impacts of build alternatives on special-status species; fisheries; wetland, riparian, and upland habitats; and agricultural and recreational land uses. Impacts related to growth inducement and statewide water uses were pivotal.

**NEPA/CEQA Compliance for the Habitat Mitigation Program for Runway Expansion Program – San Francisco International Airport, CA**

Mr. Engels managed the habitat mitigation site selection and planning program for the proposed runway expansion. The primary purpose of the project was to develop a habitat mitigation plan that offsets environmental impacts of constructing additional runways into the San Francisco Bay. Mr. Engels oversaw the development of mitigation site selection criteria, application of these criteria on lands throughout the San Francisco Bay, conducting of *natural resources* surveys at high-ranking sites, selection of mitigation alternatives, development of conceptual and detailed mitigation design plans for the preferred alternative, and assessment of potential environmental effects of implementing the plans.

**Lower Guadalupe River Flood Protection Project Environmental Impact Report (EIR) – SCVWD, CA**

Mr. Engels prepared an EIR for a flood protection project that encompasses 6.5 miles of the lower Guadalupe River between Interstate 880 and the Union Pacific Railroad bridge in the Cities of San Jose and Santa Clara. The purpose of the project was to restore the flood conveyance capacity of the existing channel and provide additional capacity to convey floodflows of approximately 481 cubic meters per second (17,000 cubic feet per second) during a design flood event.

**Feasibility Study Proposed Modification of Dam Operations – Stanford University, Searsville Lake, CA**

Mr. Engels managed an environmental regulatory review of proposed lowering of the Searsville Dam in Santa Clara County. The review addressed potential regulatory triggers associated with the proposed project on both the state and federal levels. The review also included a summary of each state and federal agency's jurisdiction and regulatory requirements, a review of permits that may be required before implementing the project, and the approximate time required to obtain those permits.

**Alternative Screening and Environmental Review of Proposed Water Pumping and Diversion Project – National Aeronautics and Space Administration (NASA), CA**

Mr. Engels screened a variety of potential water pumping and diversion activities in the South San Francisco Bay, including pumping 15,000 gallons per minute into Stevens Creek. He also conducted an environmental effects assessment of the alternatives to identify the preferred alternative.

**Monterey Pine Forest Management Plan – Cambria, CA**

Managed the development of a forest management plan to protect and restore the forest ecosystem. The plan contains detailed prescriptive measures pertaining to vegetation management, wildlife management, disease and pest control, reforestation, fire management, erosion control, aesthetics, and public

safety. The plan also includes an implementation strategy and a public education program.

**Quail Hollow Quarry Habitat Conservation Plan Implementation – Granite Rock Company, Santa Cruz, CA**

Mr. Engels prepared a work plan to help implement an approved habitat conservation plan at the Quail Hollow Quarry. The work plan outlined all of the steps that were involved to prepare a long-term management and maintenance plan for the rare habitats and four listed species covered by the permit.

**Aluminum Company of America (ALCOA) – Texas (Environmental Management Consultant)**

Mr. Engels served as full-time environmental management consultant to ALCOA for large-scale surface mining and reclamation activities in Texas. Coordinated all environmental permitting activities and assisted ALCOA maintain full compliance with NEPA, the Clean Water Act, Endangered Species Act, Comprehensive Environmental Response, Compensation, and Liability Act/Superfund Amendments and Reauthorization Act, and National Historic Preservation Act. Coordinated surface and groundwater management programs and managed all projects associated with stream re-routings, reclamation, biological resources, land use, cultural resources, and prime farmland. He also served as primary liaison and negotiator with federal and state regulatory agencies.

# Exhibit G

# Sonoita Reliability Project

## PUBLIC FORUMS

March 9 & 11, 2010



Sulphur Springs Valley Electric Cooperative, Inc.  
A Division of Southwestern Electric Company, Inc.

# AGENDA

Introductions

Overview of the ACC Proceedings

Sonoita Reliability Project Review

Presentation of the Independent Feasibility Study  
Renewable Energy Generation Plans for Affected  
Areas

Independent Public Opinion Poll

Discussion



Sulphur Springs Valley Electric Cooperative, Inc.  
A Not-for-Profit Corporation

# INTRODUCTIONS

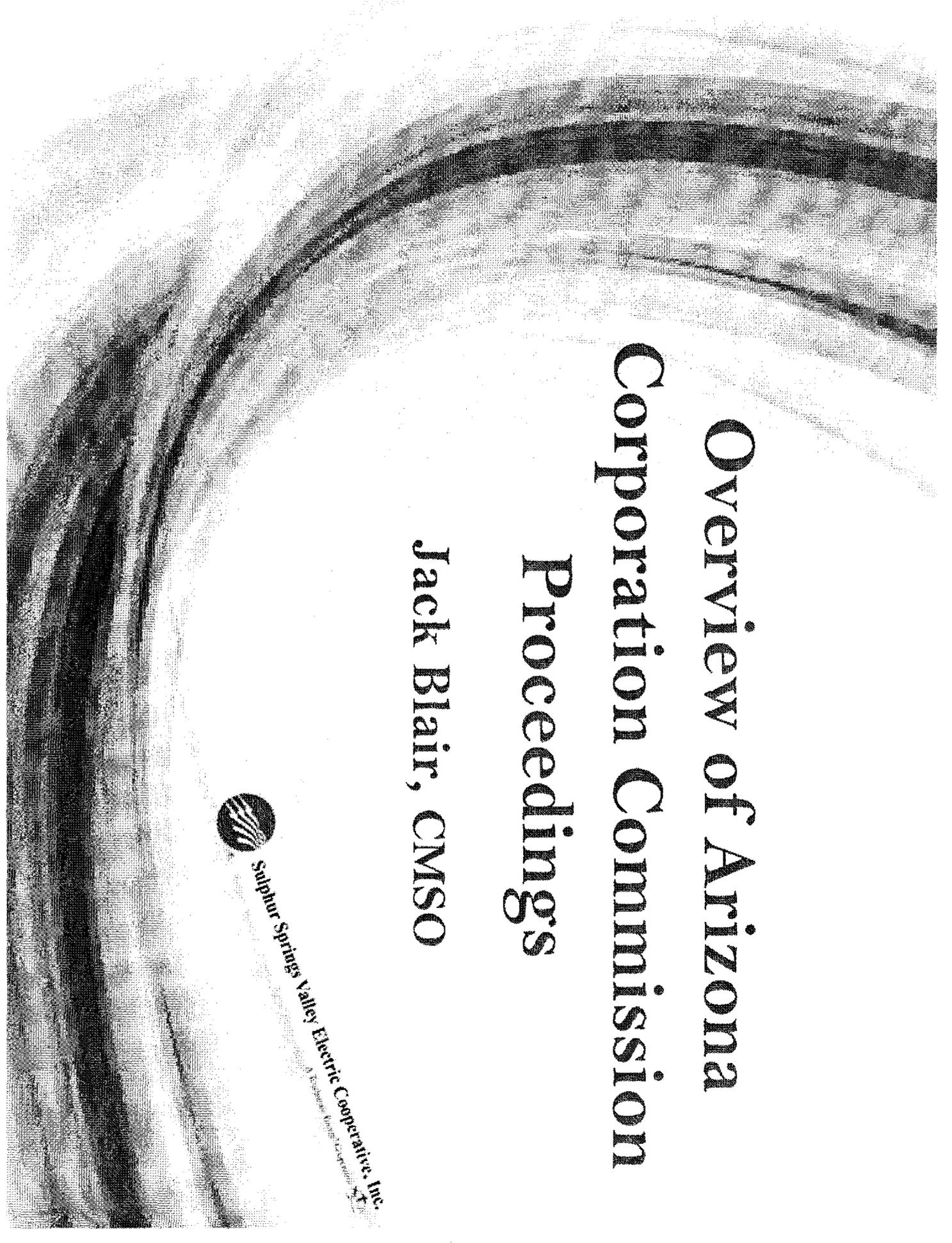
- **Sulphur Springs Valley Electric Coop**
  - Jack Blair, Chief Member Services Officer
  - Ron Orozco P.E., Engineering Manager
  - Deborah White SR/WA, Real Property/GIS Manager
- **TRC**
  - Rick F. Goodwin, P.E., Project Manager
  - Patrick K. Scharff, P.E., Principal Engineer
  - Thomas M. Engels, Ph.D., Senior Scientist



Sulphur Springs Valley Electric Cooperative, Inc.

A Tennessee Power Cooperative





# Overview of Arizona Corporation Commission Proceedings

Jack Blair, CMSO



Sulphur Springs Valley Electric Cooperative, Inc.  
A Division of Sulphur Springs Valley Electric Cooperative, Inc.

# ACC / SSVVEC RATE CASE

- SSVVEC Filed Rate Case June 2008
- Opponents to 69kV Line raised concerns in the Rate Case
  - February 2009 Sierra Vista Public Comment Session
  - April 2009 Administrative Law Hearing
  - August 2009 Open Meeting & Rate Case Decision
    - Independent Feasibility Study Ordered
    - Public Forums Ordered
  - September 2009 Moratorium Application
  - September 2009 Motion for Reconsideration
- Independent Feasibility Study filed December 31, 2009
- January 2010 40-252 Application to Amend Rate Case Decision
  - February 2010 ACC Orders Hearing on Application to Amend
  - March 24/25 2010 Administrative Hearing



Sulphur Springs Valley Electric Cooperative, Inc.

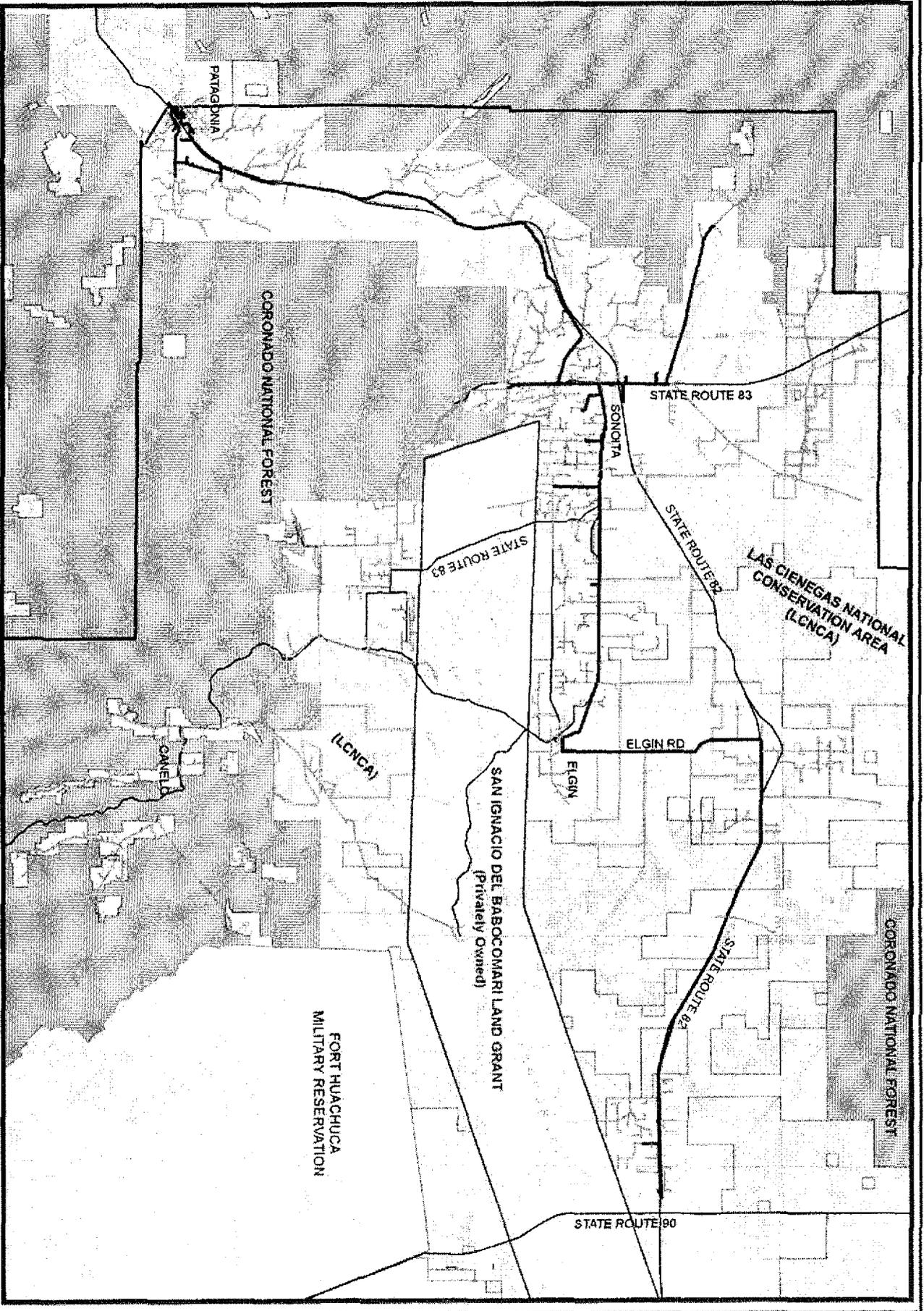
A Southern Bell Energy Services Company

# Sonoita Reliability Project Review

Deborah White, SR/WA

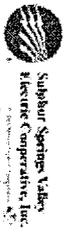


Sulphur Springs Valley Electric Cooperative, Inc.  
1000 West 10th Street, Sulphur Springs, TX 75488  
940.283.4400



- Existing V7 Feeder**
- Substation
  - Sonota Substation
  - SDB Boundary
  - LCNCA Boundary
  - SSSVEC Service Area
- BLM**
- Forest
  - Land in State Parks
  - Military
  - State Parks
- Other**
- Power
  - Silver Trail
  - VADRA

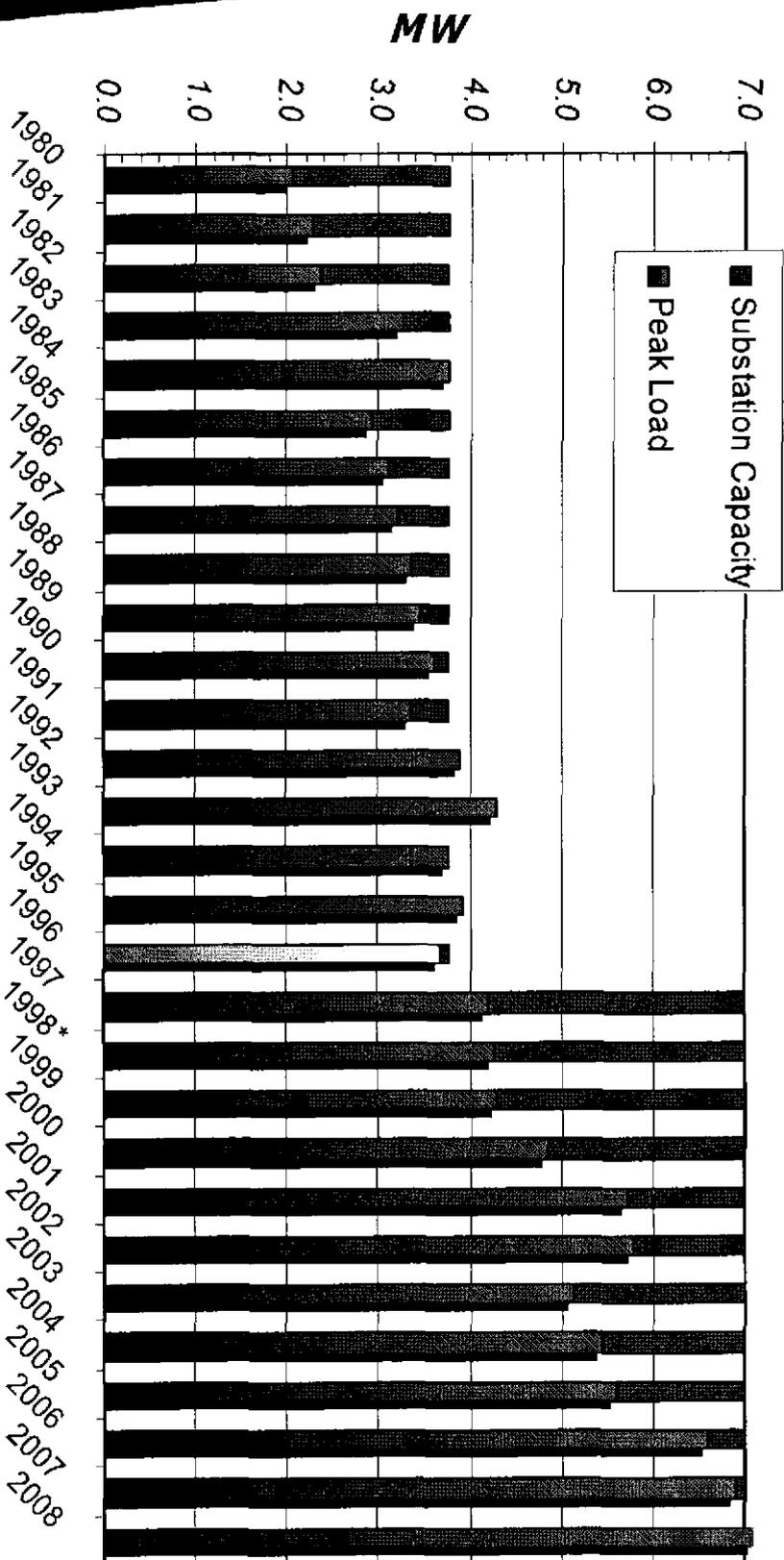
**SONOTA RELIABILITY PROJECT**



Subpar Santa Valero  
Electric Cooperative, Inc.  
April 17, 2003

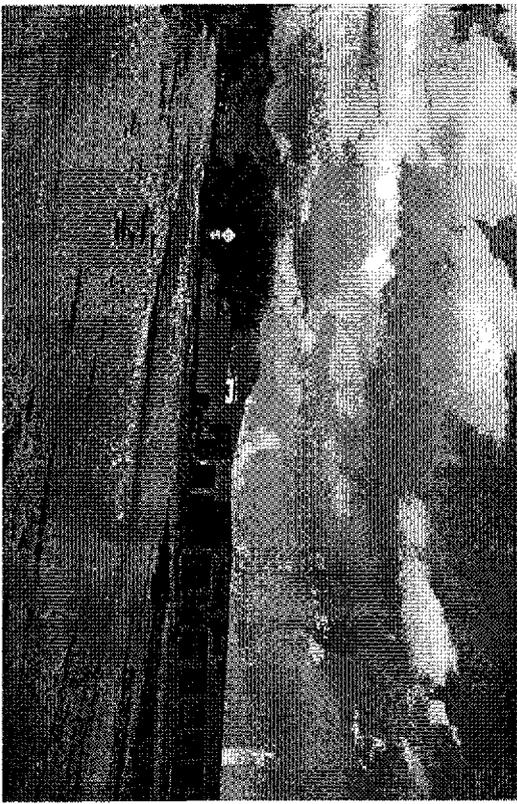
# Increasing Load vs. Capacity

## Huachuca Substation at Capacity

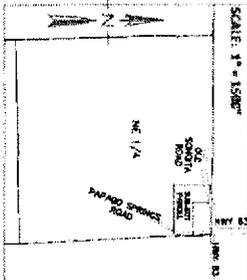
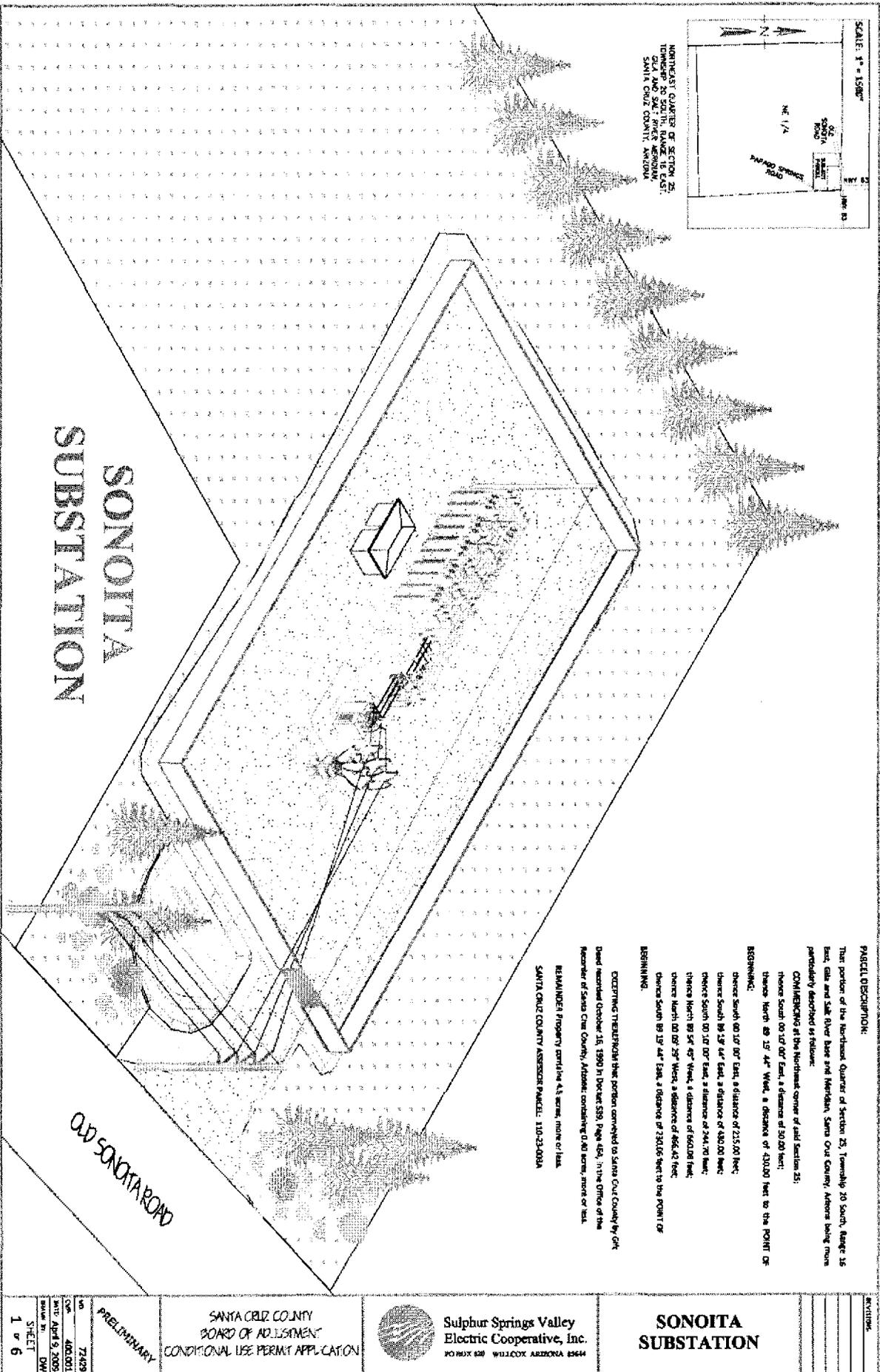


# Existing Substation Property





# New Substation Property



NORTHEAST QUARTER OF SECTION 25,  
TOWNSHIP 20 SOUTH, RANGE 16 EAST,  
COUNTY AND STATE MAPS, ARIZONA  
SANTA CRUZ COUNTY, ARIZONA

**SONOTTA  
SUBSTATION**

OLD SONOTTA ROAD

**PARTIAL DESCRIPTION:**

That portion of the Northeast Quarter of Section 25, Township 20 South, Range 16 East, and Salt River Basin and Meridian, Santa Cruz County, Arizona being more particularly described as follows:

COMMENCE at the Northeast corner of said Section 25;

thence South 00 17 00" East, a distance of 30.00 feet;

thence North 89 19 44" West, a distance of 430.00 feet to the POINT OF BEGINNING;

thence South 00 17 00" East, a distance of 215.00 feet;

thence South 89 19 44" East, a distance of 430.00 feet;

thence South 00 17 00" East, a distance of 341.70 feet;

thence North 89 54 49" West, a distance of 660.00 feet;

thence North 00 09 29" West, a distance of 866.42 feet;

thence South 89 19 44" East, a distance of 230.00 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM that portion conveyed to Santa Cruz County by GFT Deed recorded October 16, 1990 in Doc# 589, Page 424, in the Office of the Recorder of Santa Cruz County, Arizona; containing 0.40 acres, more or less.

REMAINDER Property contains 4.3 acres, more or less.

SANTA CRUZ COUNTY ASSessor PARCEL: 110-23-003A

EXHIBIT

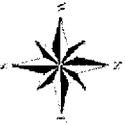
**SONOTTA  
SUBSTATION**



Sulphur Springs Valley  
Electric Cooperative, Inc.  
PO BOX 88 WILCOX ARIZONA 85649

SANTA CRUZ COUNTY  
BOARD OF ADJUSTMENT  
CONDITIONAL USE PERMIT APPLICATION

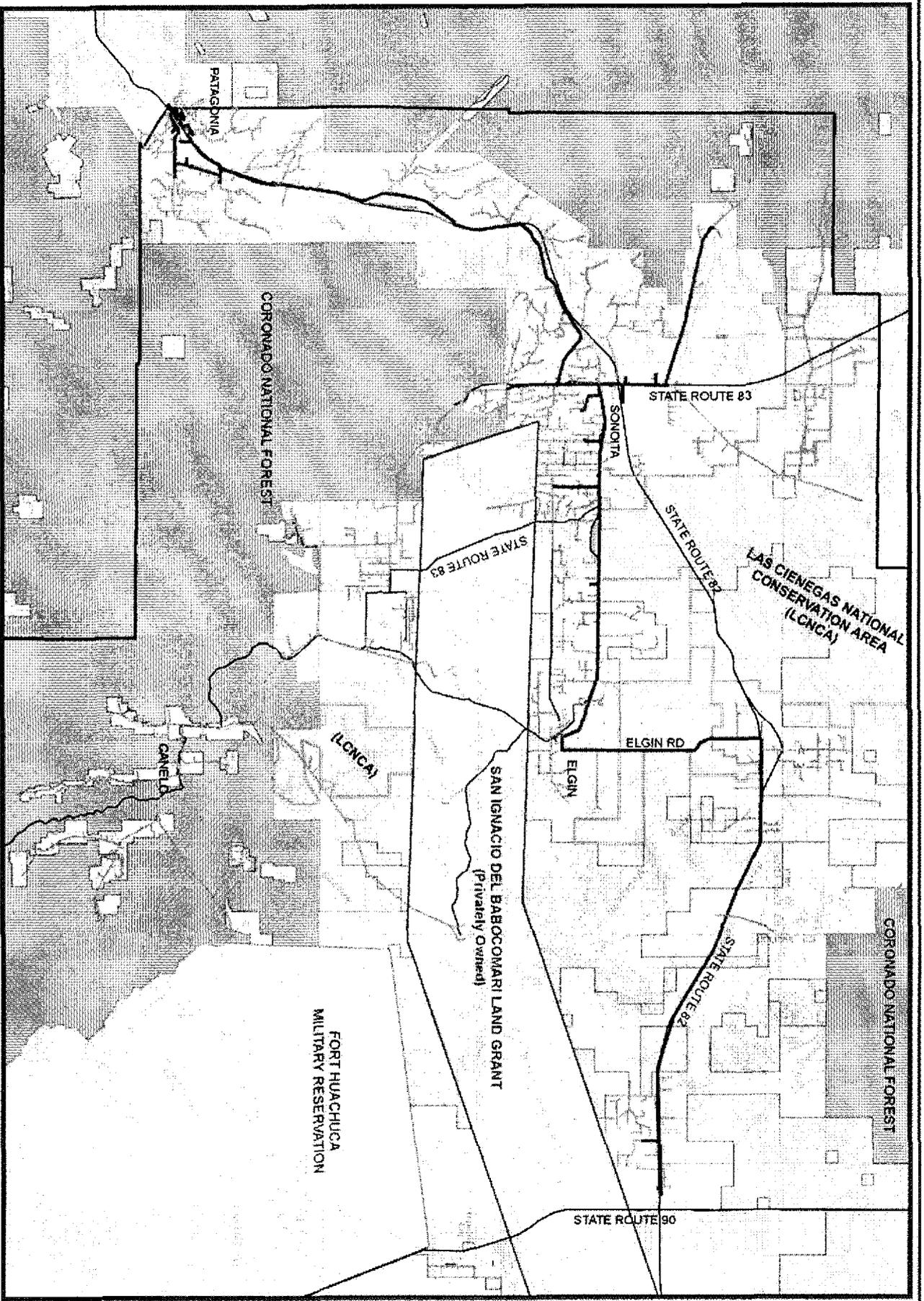
PRELIMINARY  
NO 77429  
DATE APRIL 9, 2005  
DRAWN BY DW  
SHEET 1 of 6



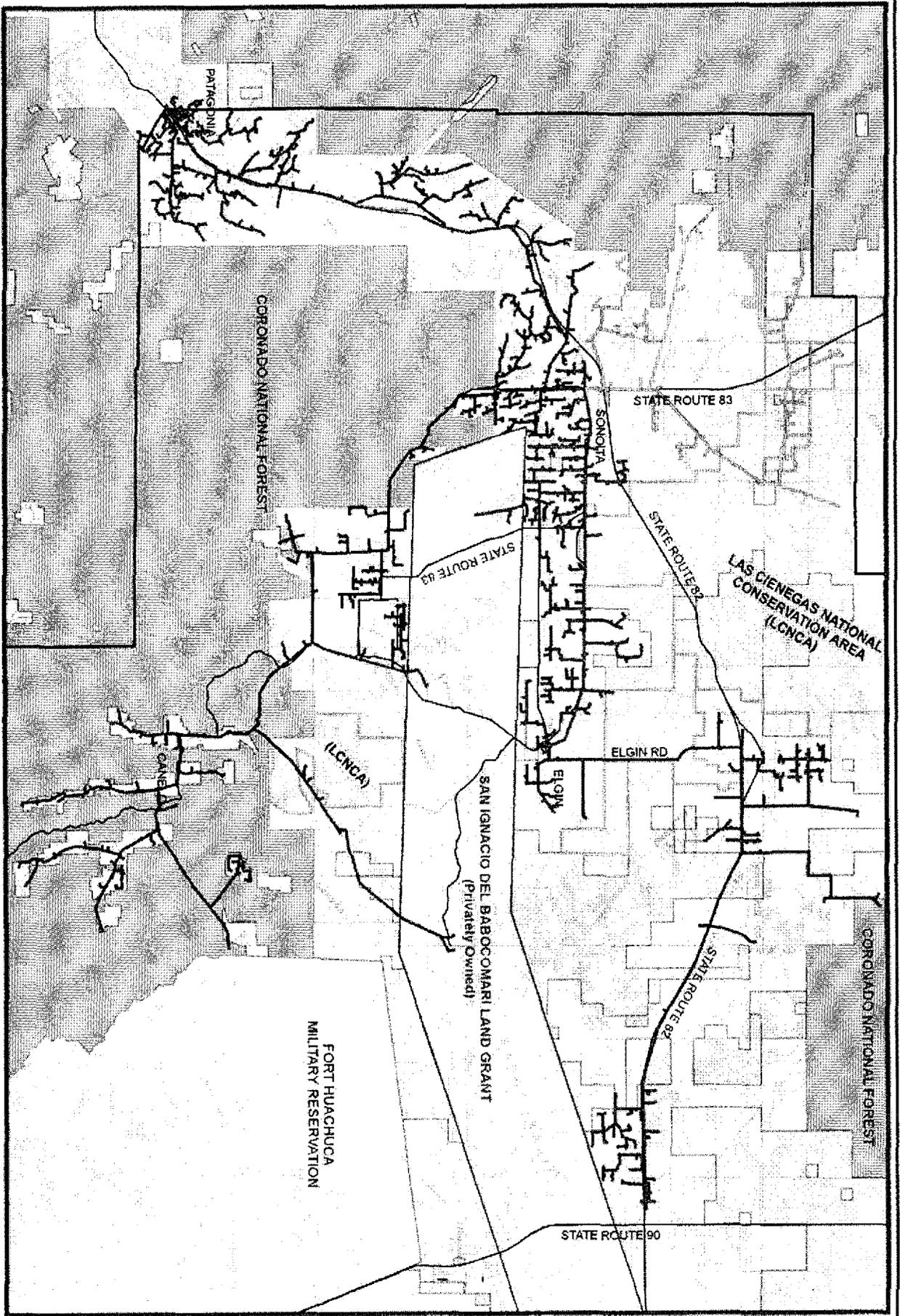
Existing V7 Feeder

- Botswana Station
- Sonora Station
- SIOB boundary
- LCNCA boundary
- SVEE Service Area
- BIA
- Forest
- Local or State Parks
- Military
- NPS Parks
- Other
- Private
- State Road
- Water

SONOITA RELIABILITY PROJECT

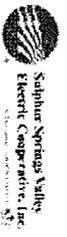


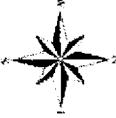
Sabalero Springs Valley  
Electric Cooperative, Inc.  
1910 20th Street, Suite 100  
Sonoyta, Sonora, Mexico



- Feeder 1
- Feeder 2
- Feeder 3
- Feeder 4
- Feeder 5
- Feeder 6
- Feeder 7
- Backhaul Substation
- Substation
- SECB Boundary
- LCNCA Boundary
- SEVERC Service Area
- BLM
- State of California
- State of California Parks
- Military Reservation
- Other
- Private Land
- Public Land
- Water

**SONOMA RELIABILITY PROJECT**





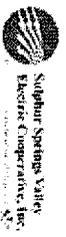
Final Corridor

Exchange Easement  
Service Easement

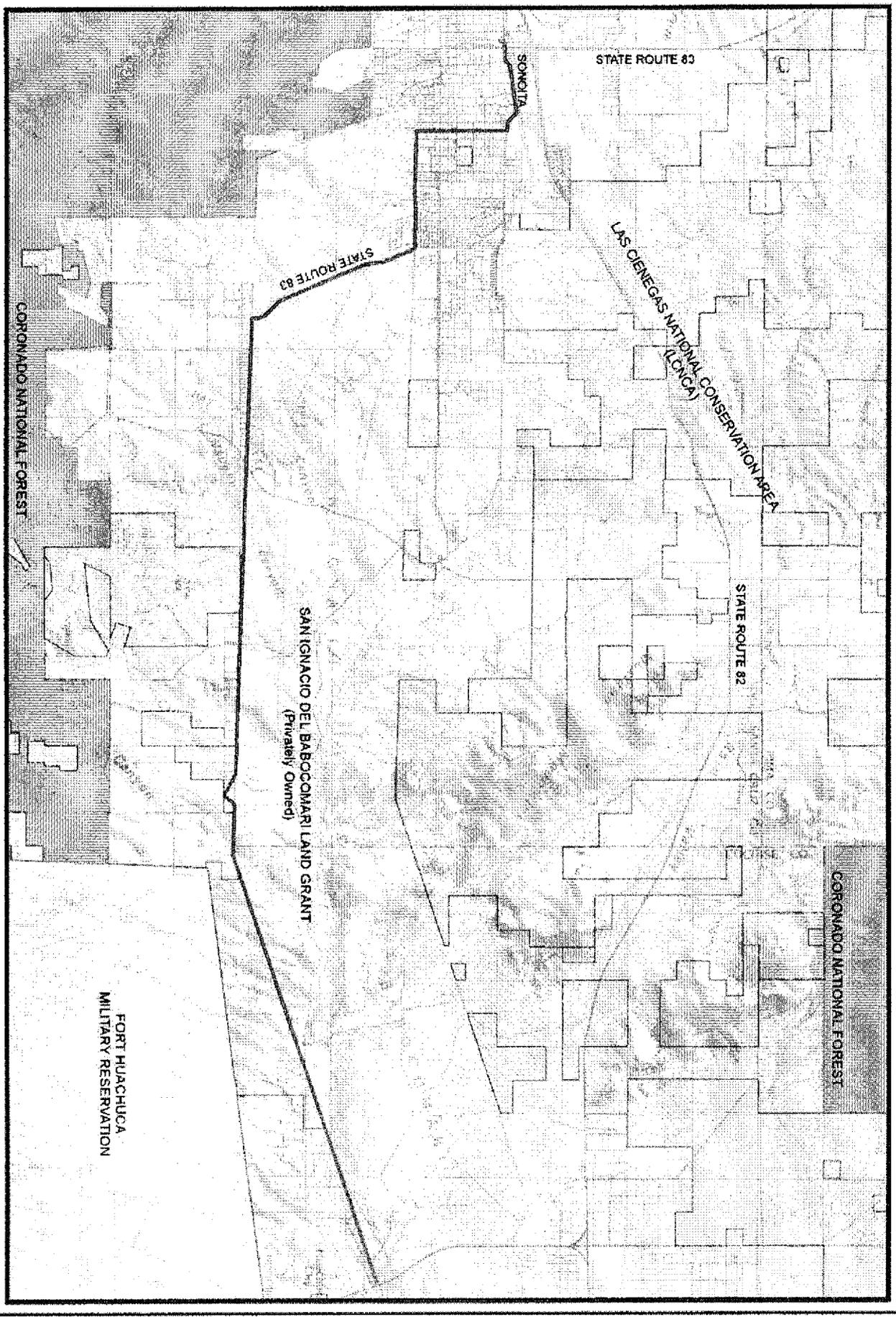
ELM  
Forest  
Local or State Parks  
Military  
Wild Park

2000 Acres  
Private  
State Trust  
Vista

69kV Sub-Transmission Final Corridor  
SONOITA RELIABILITY PROJECT



Superior Springs Valley  
Electric Cooperative, Inc.  
1900 N. 10th Street  
Sonoma, CA 94960



CORONADO NATIONAL FOREST

SAN IGNACIO DEL BABOCOMARI LAND GRANT  
(Privately Owned)

FORT HUACHUCA  
MILITARY RESERVATION

STATE ROUTE 83

STATE ROUTE 83

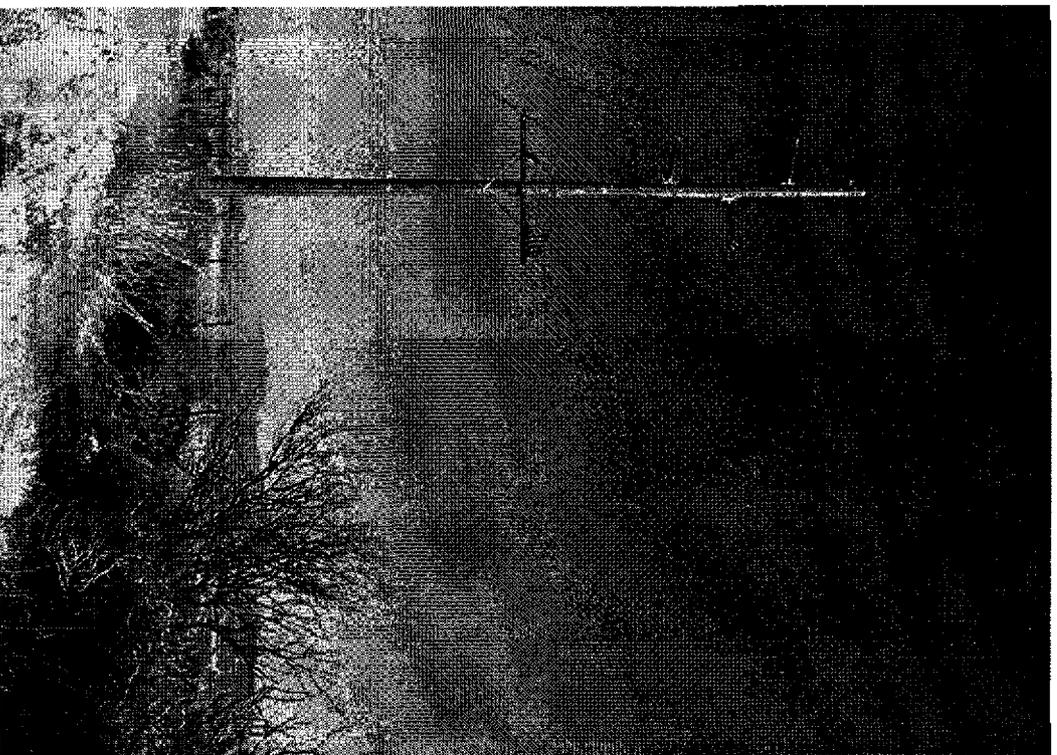
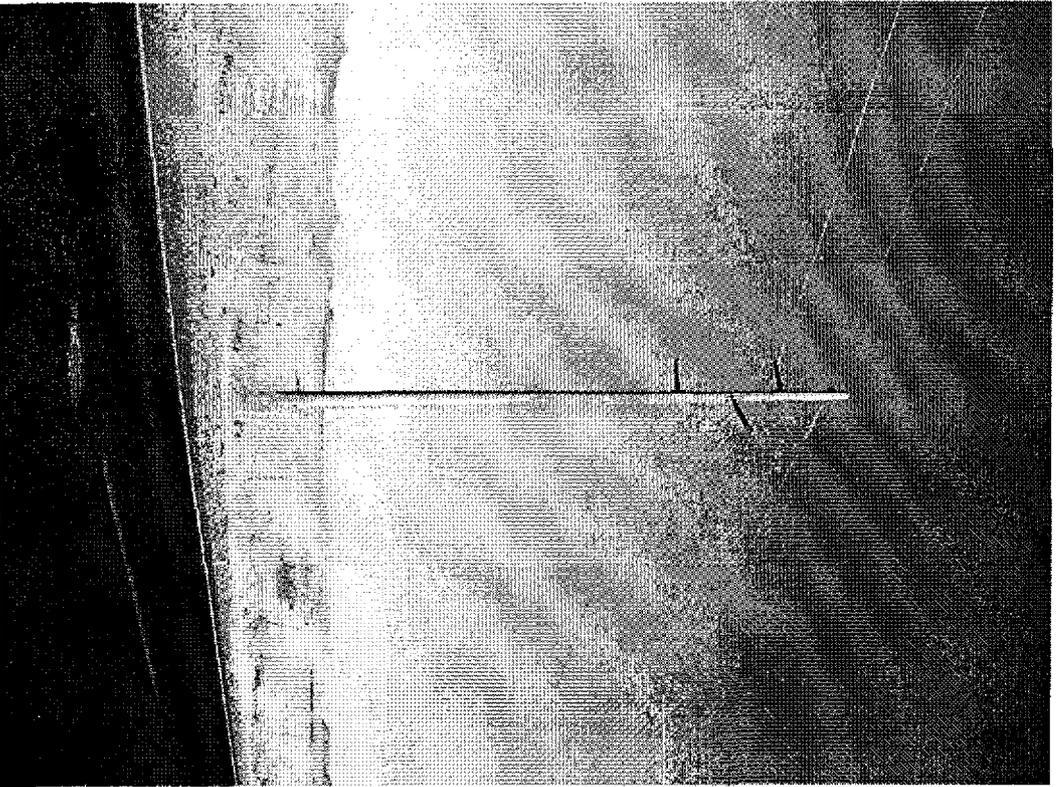
LAS CIENEGAS NATIONAL CONSERVATION AREA  
(LCNCA)

STATE ROUTE 82

CORONADO NATIONAL FOREST

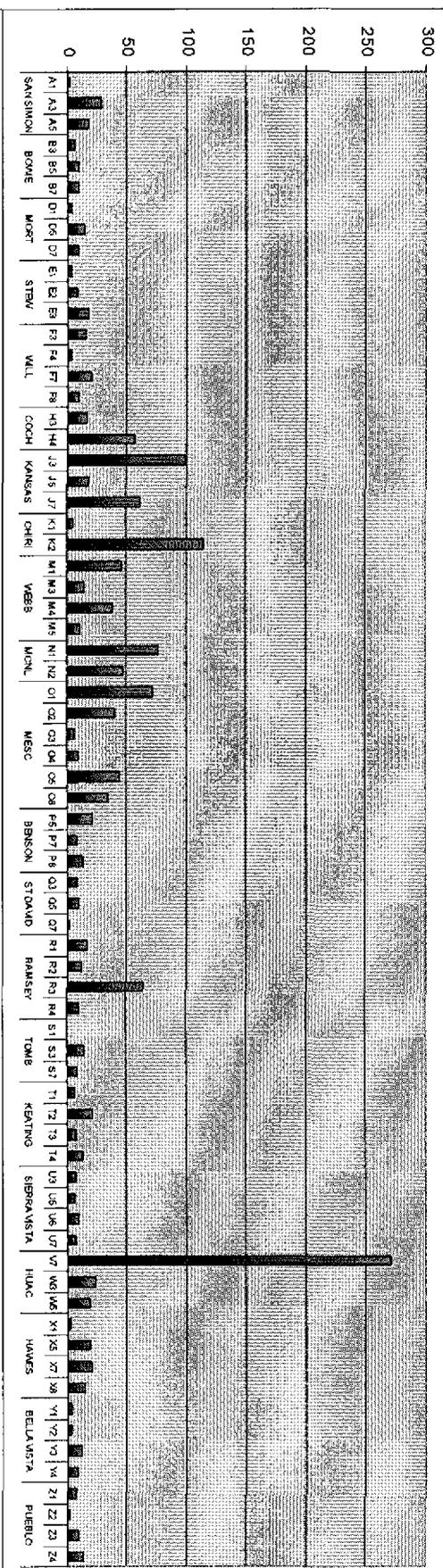
SONOITA

# Selected Pole Configuration

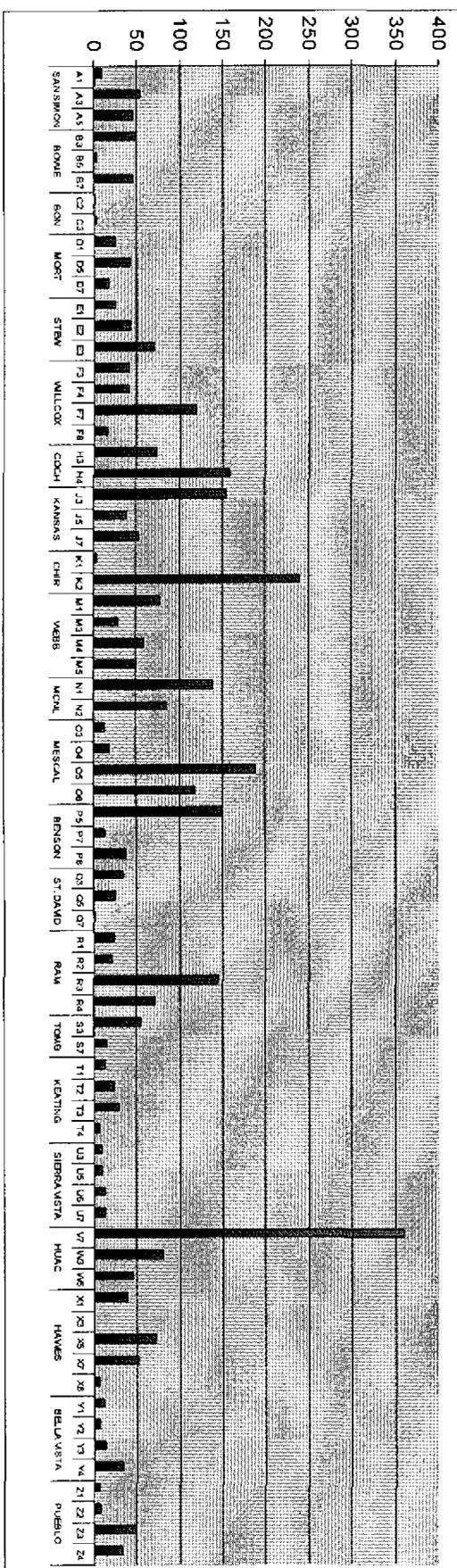


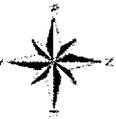
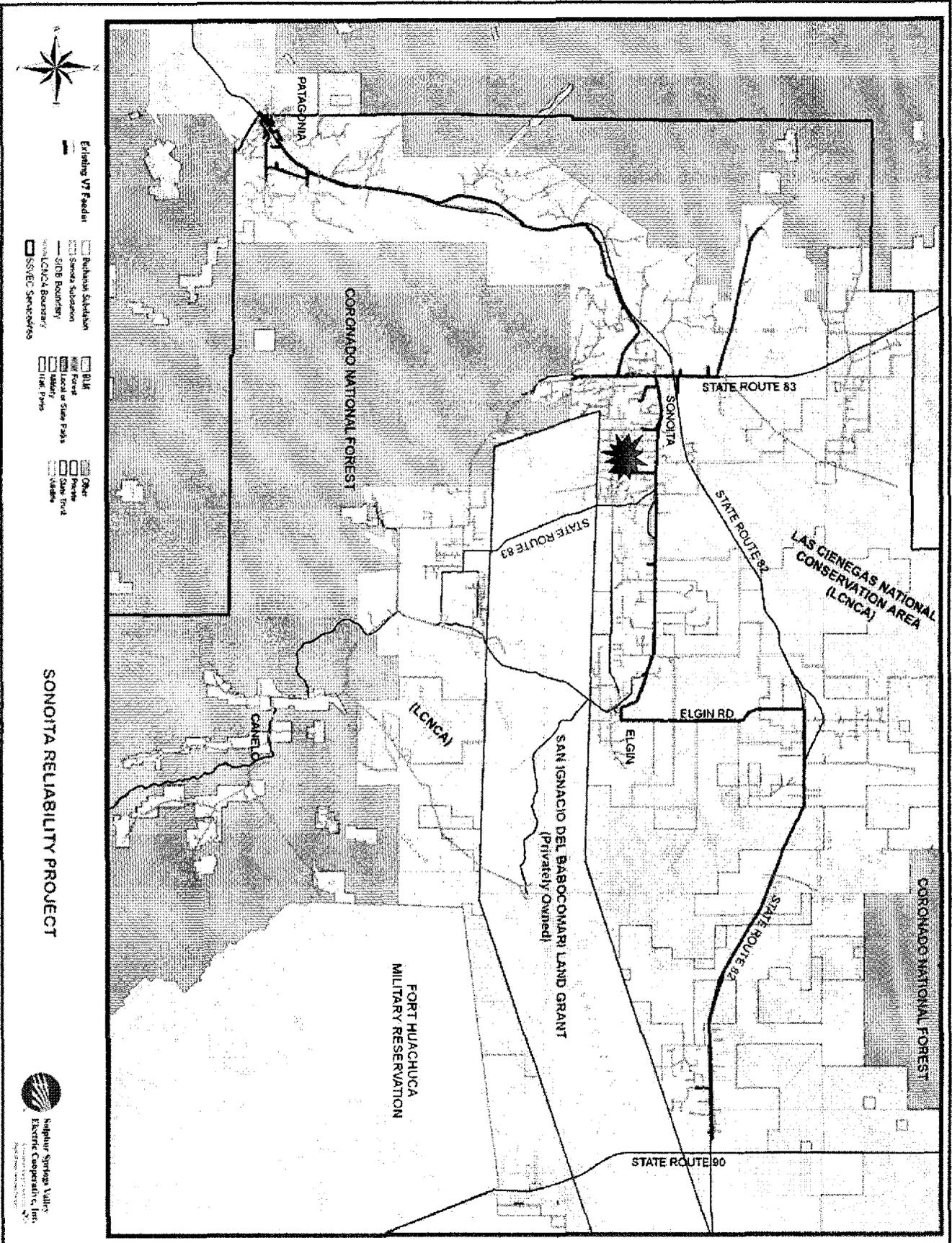
# V-7 Feeder Outages and Length in Miles as Compared to all SSVEC feeders

1999 - 2008 Average Annual Hours Out: SSVEC System



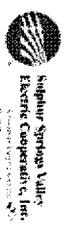
Total Miles

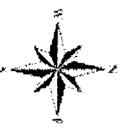




- Existing V7 Feed in**
- Substation
  - Service Substation
  - Site Boundary
  - LCNCA Boundary
  - SSVEP Service Area
- BLM**
- BLM Forest
  - BLM Forest or State Parks
  - BLM
- Other**
- Private
  - State Trust
  - State

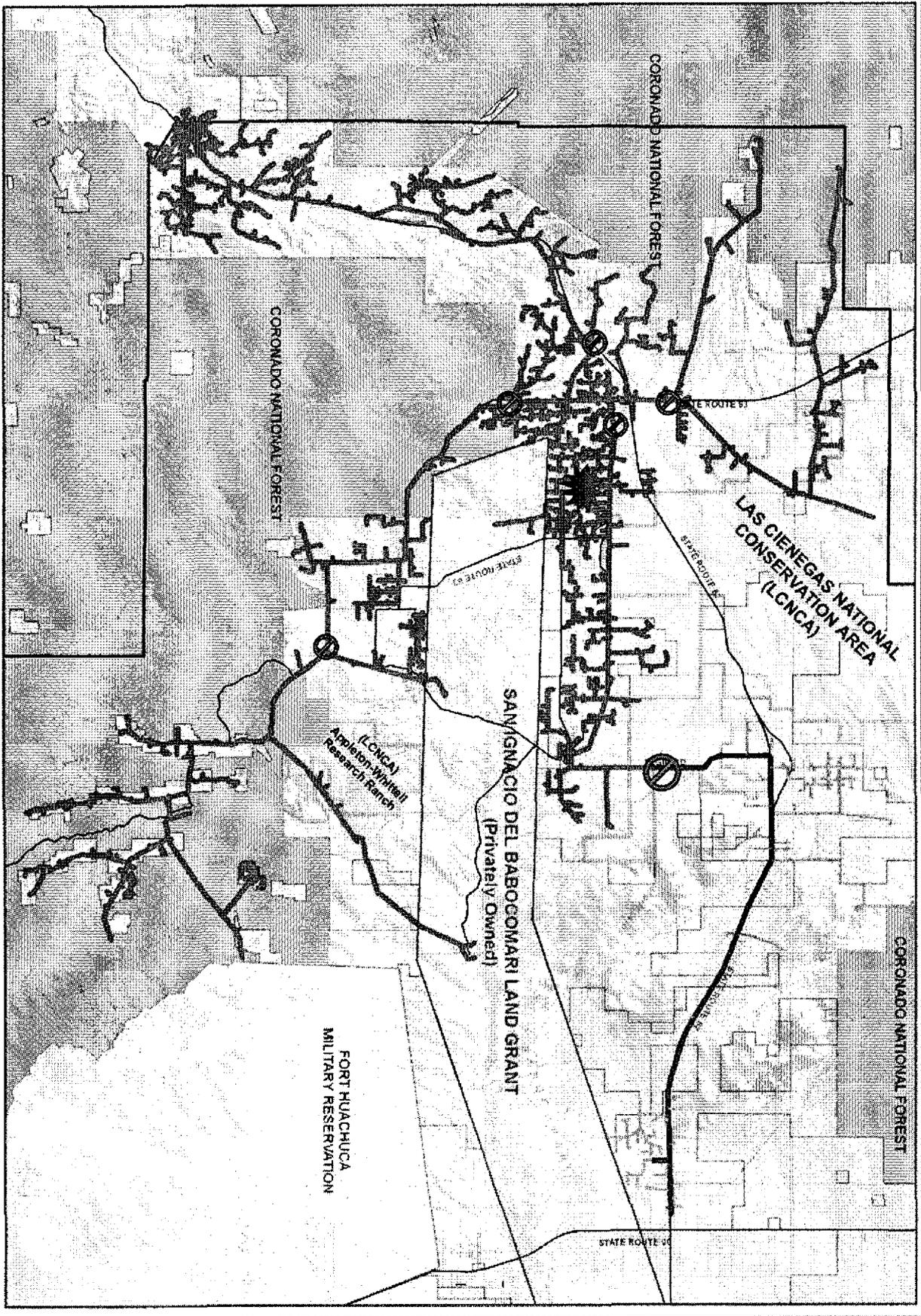
**SONOYTA RELIABILITY PROJECT**

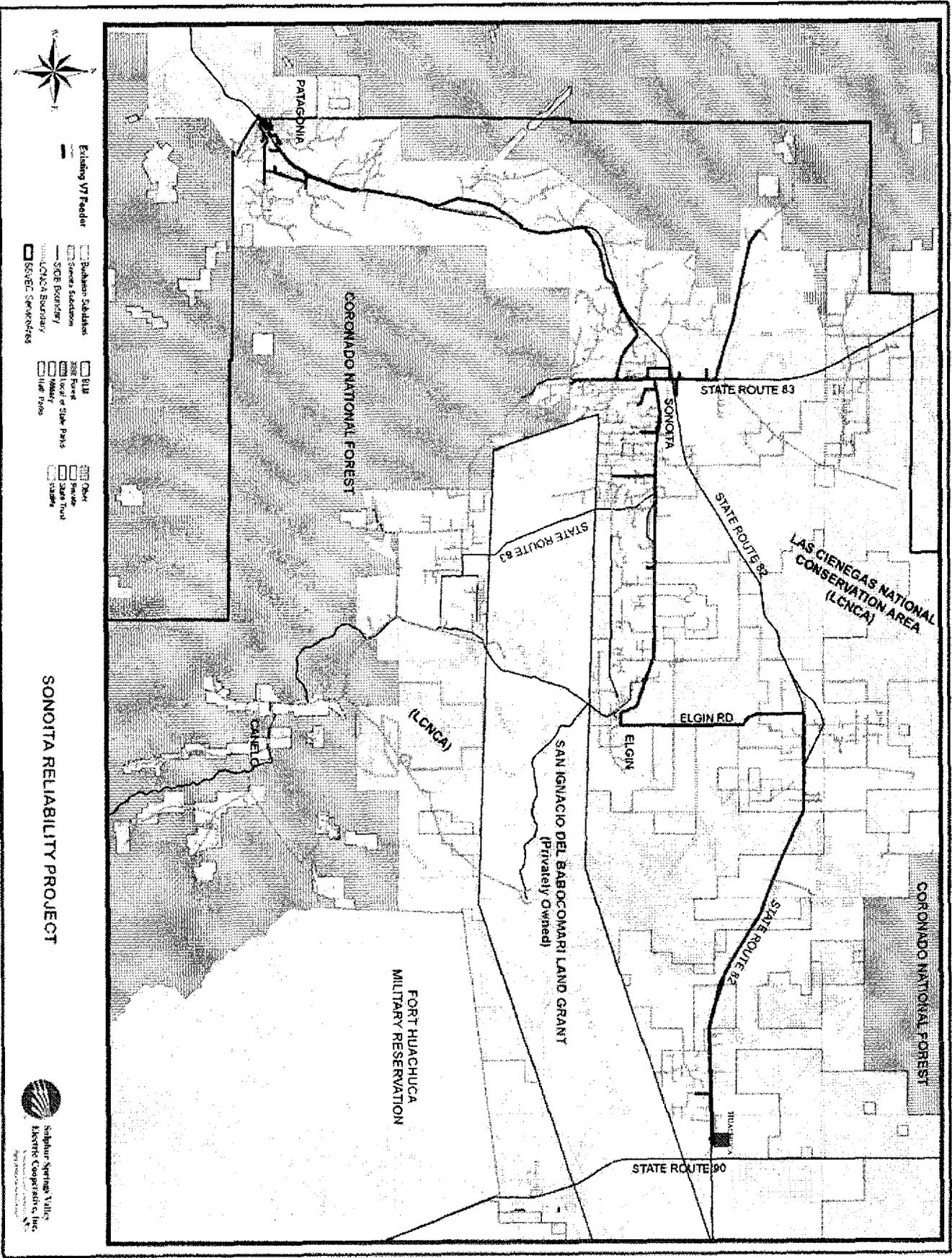




- Existing V7 Feeder**
- 1. Feeder
  - 2. Splice
- SONOITA**
- Suburban Cleared
  - Service Station
  - SS/VEC Services Area
  - LCNCA Boundaries
- ELM**
- 7.5% Other
  - 8.0% Other
  - 9.0% Other
  - 10.0% Other
  - 11.0% Other
  - 12.0% Other
  - 13.0% Other
  - 14.0% Other
  - 15.0% Other
  - 16.0% Other
  - 17.0% Other
  - 18.0% Other
  - 19.0% Other
  - 20.0% Other
  - 21.0% Other
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  - 49.0% Other
  - 50.0% Other

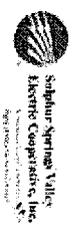
**SONOITA RELIABILITY PROJECT**

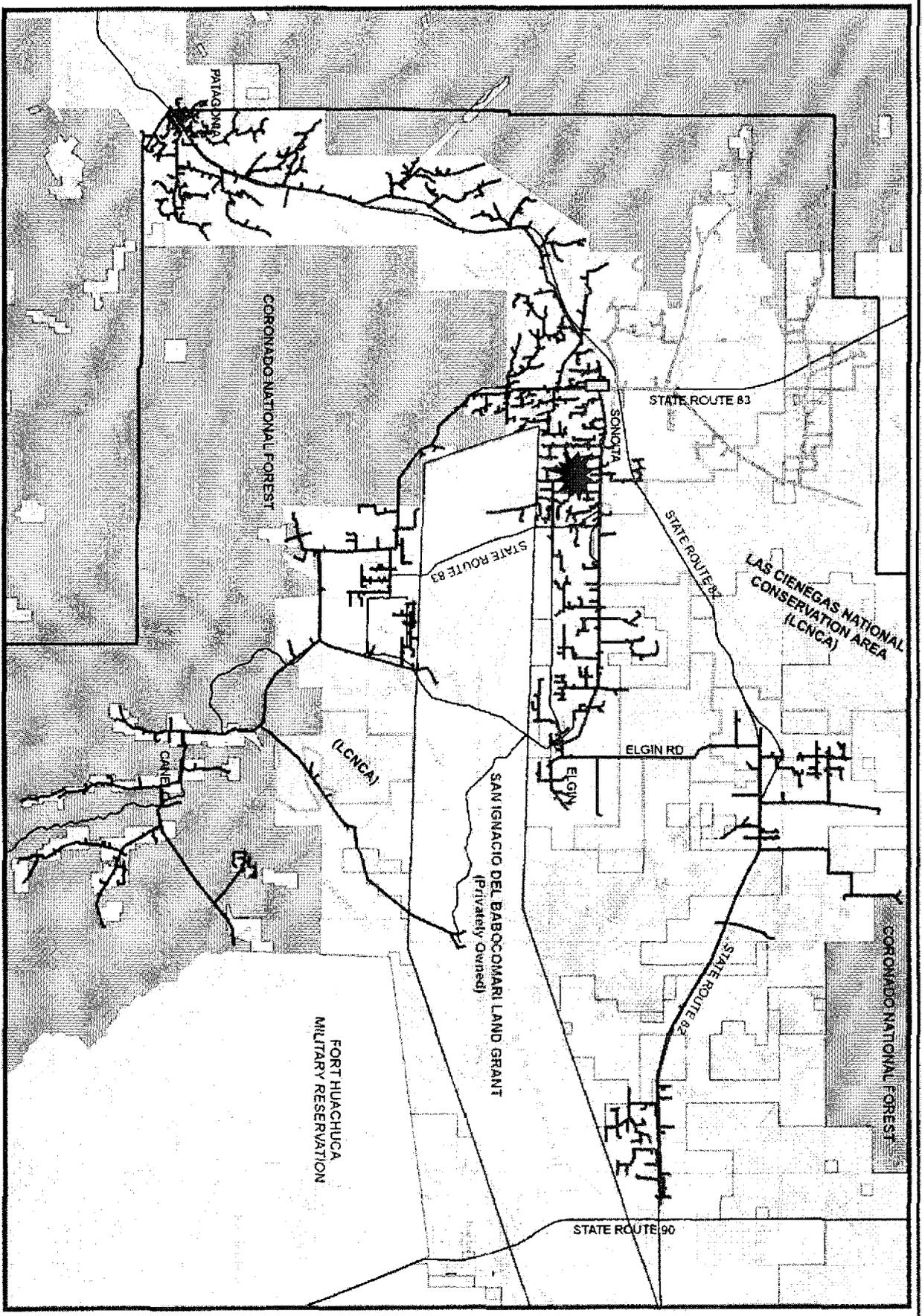




- Existing V7 Feeder**
- Subarea Subdivides
  - Service Station
  - SCEA Boundary
  - LCNCA Boundary
  - SVEEC Service Area
  - BIA
  - 3000 Feet or State Parks
  - Military
  - 1000 Feet
  - DMV
  - Private
  - State Trust
  - School

**SONOMA RELIABILITY PROJECT**





- Feeders 1
- Feeders 2
- Feeders 3
- Feeders 4
- Feeders 7
- Station 60000000
- Station Substation
- SIDE Boundary
- LCNCA Boundary
- SSVEC ServiceArea
- State
- State Forest
- Local or Utah Park
- Military
- NHP Park
- Other
- Private
- State Trust
- Native

**SONOMA RELIABILITY PROJECT**



Salinas Springs Valley  
Electric Cooperative, Inc.  
1997, 2000, 2001, 2002



## Community Information

SSVEC has kept the Community informed and it will continue regarding plans for the Sonoita Reliability Project. SSVEC has been disseminating information to the entire service area in order to keep all members informed as to the status of the Project.

- March 4, 2008: Meeting with Community group to discuss Project concerns
- March 4, 2008: Letter to community regarding reliability concerns in area
- July 7, 2008: Letter inviting community to attend Sonoita Reliability Project Presentation
- July 22, 2008: Community Presentation in Elgin
- August 6, 2008: Letter inviting Sonoita neighborhood to discuss route options
- August 8, 2008: Letter to community providing synopsis of July 22<sup>nd</sup> Presentation.
- August 13, 2008: Neighborhood Meeting for Sonoita residents
- September 12, 2008: Meeting with "Community Committee" to "facilitate discussions between the cooperative and the community"
- September 22, 2008: Letter to community providing detailed information regarding the Sonoita Reliability Project need, history, options, alternatives, myths & rumors.
- December 1, 2008: Letter to community regarding a final decision for routing of the 69kV sub-transmission line
- January 17, 2009: Sonoita Hills Neighborhood Meeting for to offer underground conversion of existing distribution lines in order to reduce height and number of 69kV poles on route through neighborhood
- April 2009: Letter to membership detailing Sonoita Reliability Project

Numerous telephone conversations, email, personal meetings, and small group meetings during this period.

# Independent 3<sup>rd</sup> Party Study

## TRC's Role



Sulphur Springs Valley Electric Cooperative, Inc.  
A Member of the JCP&L Group

# TRC's Role

- TRC Engaged by SSVVEC to
  - Ensure Independence of Third Party Review
    - Identify Qualified Firms for the Review
    - Prepare Scope of Work for the Review
    - Prepare RFP Solicitation
    - Manage RFP Process
    - Provide a Buffer Between I3P and SSVVEC
  - Review I3P Report for Compliance With Scope of Work



Sulphur Springs Valley Electric Cooperative, Inc.

A Tennessee Electric Cooperative, Inc.

# TBC

- **Engineering & Environmental Consulting and Construction Management Firm**
  - 2,300 professional, technical & administrative staff
  - 73 offices nationwide
  - Leading provider of technical, financial, risk management and construction services.



Sulphur Springs Valley Electric Cooperative, Inc.

Aiken, South Carolina 29801

# TRC

- **Project Team**
  - **Rick Goodwin, P.E. BSEE Team Lead**
    - Manager of Power Delivery for Albuquerque and San Francisco Offices
    - 30 years electric utility experience in engineering planning
    - Registered Professional Engineer in AZ, CA, CO, NM, NV, OK, UT
  - **Tom Engels, Ph.D., Sr. Environmental Scientist**
    - Manager of TRC San Francisco Bay area Natural & Cultural Resources services offices
    - Ph.D., Biological Sciences
    - 18 years environmental experience in impact assessment, compliance
  - **Pat Scharff, P.E. BSEE, MSSE Principal Engineer**
    - 31 years electric utility industry experience in Electric distribution and transmission system planning, operations and engineering
    - Deployment of renewable and smart grid technologies.
    - Registered Professional Engineer in AZ and NM.



Sulphur Springs Valley Electric Cooperative, Inc.

A Member of the Electric Cooperatives of America

# I3P Selection

- RFP Submitted to 14 Firms On 10/13/09
  - Solicitation Limited to Pre-Qualified Firms
    - Nationally Recognized
    - Staffing Capabilities to Meet Study Requirements
    - Known Comprehensive Experience in Fields of Study
    - Ability to Respond in Timely Manner
  - Solicitation Included 3 Firms of Unknown Capability Recommended by 3SEG
  - Responses Due at TRC on 10/27/09
  - RFP was awarded after SSVEC met with ACC Staff on 10/28/09 regarding selection of I3P



Sulphur Springs Valley Electric Cooperative, Inc.

1 Fairview Park, Commerce, AL 36006

# I3P Firm Selection (continued)

## Navigant Recommended for Award

- Experience in:
  - Planning and Reliability Studies
  - Distributed Generation
  - Energy Storage
  - Demand Response
  - Photovoltaics
- Cost



Sulphur Springs Valley Electric Cooperative, Inc.

A Forth Worth Based, Texas Based, UT

# Independent 3<sup>rd</sup> Party Feasibility Study



Sulphur Springs Valley Electric Cooperative, Inc.  
A member of the Southeastern Electric System, Inc.

# I3P Study Report

- I3P Report Filed With ACC on 12/31/09
- Report Available On
  - ACC Website
  - SSVEC Website
- Hard Copies Available For Viewing at
  - SSVEC Offices
  - Patagonia Public Library
  - Sonoita Community Library



Sulphur Springs Valley Electric Cooperative, Inc.

A Rural Electric Cooperative, Inc. STV

# I3P Study Report

- Report Evaluated Alternatives Based On
  - Technical Performance
  - Environmental
  - Economic
- Alternatives
  - Distributed Generation
  - Photovoltaics
  - Demand Side Management
  - Energy Storage
  - Line Construction



Sulphur Springs Valley Electric Cooperative, Inc.

A Tenth Branch Electric Company

# I&P Study Report

## Supply Alternatives

Category	Alternative Description
<b>Distribution</b>	
D1: Reinforce Existing System	Optimize capacity and performance of existing system via load balancing voltage regulation, power factor correction
D2: Reconstruct 25kV Line (410 to 795 ACSR)	Rephase about 25 miles of conductor along SR 82 and Elgin Road from Elwood substation to Saxton
D3: Install New 25kV Feeder from Huxhena, SpH V-7	Construct 25 miles of double circuit 25kV distribution along SR 82 and Elgin Road from Huxhena substation to Saxton
D4: Create 1e to 1e Foreign Source (13.8kV)	Extend 1e Source 13.8kV line to Hagonia; install 13.8/24.9kV step up transformer and transfer about 1.5MW of load
D5: Distribution Static Var Compensation	Install distribution class SVC at a location to be determined to improve voltage stability and power quality
<b>Transmission</b>	
T1: New 69kV Line & Saxonia Substation on Ranch ROW	Original 69kV proposal Tap 69kV 55VLE transmission line south of Whetstone; construction about 25 miles of new 69kV along southern border along SR 82 and Elgin Rd from Huxhena to Saxonia
T2: New 69kV Line & Saxonia Substation on SR 82 ROW	Construct 25 miles of double circuit 69kV transmission & 25kV distribution along SR 82 and Elgin Rd from Huxhena to Saxonia
T3: Tap 120 or 115kV Transmission Lines	Install new 120/69kV substation where 120kV line crosses Ranch border and a new 69/25kV sub in Saxonia; construct 15 miles of 69kV on southern border
T4: Tap 40kV Transmission Supply	Tap 11E 40kV line and construct new 40/25kV substation along Road 82 east of Saxonia
T5: Underground Transmission Cable	Consider constructing underground transmission cable for T1 through T3 alternatives
<b>Demand Side Management</b>	
DS1: Targeted DSM	Aggressively pursue energy efficiency and load management alternatives for residential, commercial and industrial customers served by the V-7 feeder
DS2: Electric Storage Heating	Aggressively pursue conversion of existing electric space heating for residential and commercial customers served by the V-7 feeder
DS3: Incentive Rate Option	Adapt time-of-use pricing to incentivize customers to reduce or shift peak demand usage to off peak hours
DS4: Space Heating Fuel Switching	Develop program to convert existing electric space heating systems for residential and commercial customer to alternate fuels
DS5: Combination of above Renewables & DG	Combinations of Alternatives DS1 through DS4
R1: Solar Photovoltaic	Promote programs to install PV on rooftops and ground-tied systems for customers served by V-7; includes large utility-owned PV
R2: Concentrated Solar Power (CSP)	Develop single or distributed CSP systems on suitable sites near the V-7 primary lines; includes ground-based and distributed CSP
R3: Wind Generation	Develop utility-owned or third-party wind farm on suitable sites near the V-7 primary lines
R4: Energy Storage	Develop utility-owned or third party energy storage systems; most likely at Saxonia substation site
R5: Distributed Generation	Install utility-owned diesel or natural gas DG; most likely at Saxonia substation site



Sulphur Springs Valley Electric Cooperative, Inc.

1100 Highway 200, Elgin, VA 22627

VA

# I3P Study Report

## Comparison of Feasible Supply Alternatives

Description of Solution	Solution Cost	Length of Time Needed to Implement the Solution	Length of Time Option Provides a Solution	Advantages of Proposed Solution	Disadvantages of Proposed Solution
<b>Option T1:</b> Construct New 69 kVolt (kV) Line & Sonola substation along the San Ignacio Del Babocomari Ranch, and new 69/25kV substation at Sonola site	\$14 Million	Approximately 12 - 18 months for design, equipment procurement and construction	30 years (or longer)	<ul style="list-style-type: none"> <li>Provides highest level of firm capacity over 20 years</li> <li>Provides greatest improvement for voltage and reliability performance</li> <li>Lowest losses of all solutions</li> </ul>	<ul style="list-style-type: none"> <li>High construction costs compared to other options</li> <li>New sections of line on some sections of ROW's are visible to customers</li> </ul>
<b>Option T2:</b> Construct New 69kV Line & Sonola Substation, Tap 69kV SSV&C transmission line at Sonola Substation; construct about 25 miles of new 69/25kV double circuit line along Route 82 and Eigen Road	\$19 million	Approximately 16 - 24 months for design, equipment procurement and construction	30 years (or longer)	<ul style="list-style-type: none"> <li>Provides highest level of firm capacity over 20 years</li> <li>Provides greatest improvement for voltage and reliability performance</li> <li>Lowest losses of all solutions</li> </ul>	<ul style="list-style-type: none"> <li>Highest construction costs compared to other options</li> <li>Need to obtain numerous new &amp; costly consents</li> <li>All sections of line on ROW's are visible to customers</li> </ul>
<b>Option D52:</b> Convert electric space heating for residential and commercial customers. Customers would be offered incentives to replace existing space heating systems with new storage units.	\$2.2 million	Approximately 12 - 18 months for appliance survey, program development and marketing, and initial customer sign-up	Unknown until appliance survey is completed and customer participation level is determined	<ul style="list-style-type: none"> <li>Lowest cost of all solutions</li> <li>Potentially avoids new construction for many years</li> </ul>	<ul style="list-style-type: none"> <li>Number of eligible heating customers unknown</li> <li>Customer willingness to participate is uncertain</li> <li>Performance and reliability will continue to degrade to if customer participation is low</li> </ul>
<b>Option D54:</b> Convert electric space heating for residential and commercial customers to use alternate fuels. Customers would be offered incentives to replace existing space heating systems with propane or kerosene units.	\$2.1 million	Approximately 12 - 18 months for appliance survey, program development and marketing, and initial customer sign-up	Unknown until appliance survey is completed and customer participation level is determined	<ul style="list-style-type: none"> <li>Lowest cost of all solutions</li> <li>Potentially avoids new construction for many years</li> </ul>	<ul style="list-style-type: none"> <li>Number of eligible heating customers unknown</li> <li>Customer willingness to participate is uncertain</li> <li>Performance and reliability will continue to degrade to if customer participation is low</li> </ul>
<b>Option R5:</b> Install 2-100MW or 4-50MW diesel generating units at the Sonola substation site. Interconnect to 24.5kV distribution lines. Includes fuel storage and handling systems, oil retention facility, screening and noise abatement.	\$5.8 million	Approximately 6 - 12 months depending on length of air quality permitting process	Up to 20 years, provided generation is allowed to operate up to 2000 hours in year 20	<ul style="list-style-type: none"> <li>Low capital or base cost</li> <li>Sonola site available to accommodate generation</li> <li>Potentially avoids new line construction for many years</li> </ul>	<ul style="list-style-type: none"> <li>Uncertainty of air quality or other permit requirements</li> <li>Less reliable firm capacity than transmission options</li> <li>Does not materially improve feeder reliability and voltage</li> </ul>



Sulphur Springs Valley Electric Cooperative, Inc.

A Member Since 1907

# I3P Study Report

Option	Environmental Considerations
<b>T1</b> 69kV/Sonoita substation along San Ignacio Del Babocomari Land Grant ROW	<ul style="list-style-type: none"><li>• Relatively minor biological and cultural impacts with cost-effective mitigation available</li><li>• Major sections of line are not visible to the public</li><li>• Sections of line on ROWs that are visible to customers (and where lines presently do not exist)</li></ul>
<b>T2</b> 69kV/Sonoita substation along Route 82	<ul style="list-style-type: none"><li>• Relatively minor biological and cultural impacts with cost-effective mitigation available</li><li>• All sections of line on ROWs that are visible to customers</li></ul>
<b>DS2</b> Conversion of existing electric space heating w/new storage units	
<b>DS4</b> Conversion of existing electric space heating to modular propane or kerosene systems	<ul style="list-style-type: none"><li>• Burning propane or kerosene will create local fossil fuel emissions</li></ul>
<b>R5</b> 2-1000kW or 4-500kW diesel gen units	<ul style="list-style-type: none"><li>• Uncertainty of air quality (or other state/local) permit requirements</li><li>• Creates local fossil fuel emissions &amp; noise</li><li>• Minor changes to visual setting</li></ul>



Sulphur Springs Valley Electric Cooperative, Inc.

477 Lakeside Tower • Sulphur, CT

## I3P Study Report Conclusions

- "...SSVEC should take immediate action to address current performance issues and capacity limits, including carefully assessing the impact of customer requests for new or expanded service on V-7 feeder performance capacity."
- "The preferred alternative based on feeder performance and firm capacity requirements is the construction of the new 69kV line along the Ranch where SSVEC has easement rights."



Sulphur Springs Valley Electric Cooperative, Inc.

A T. Lawrence Eaves, President

ST

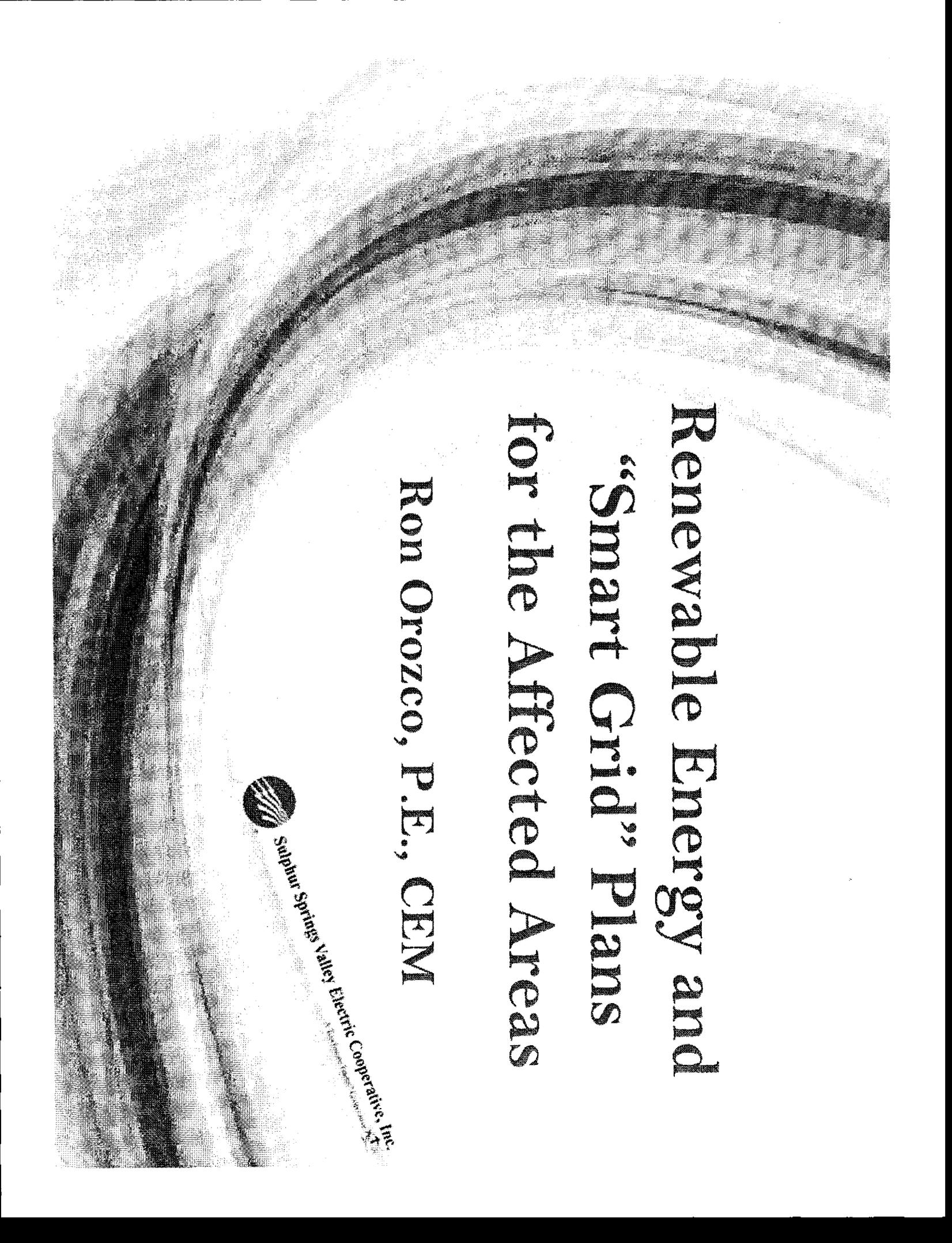
## **I3P Study Report Conclusions (continued)**

- The preferred 69kV route "...has the least visual constraints due to its relatively lower exposure to residential and roadway views."
- "Most renewable energy options, including wind and solar photovoltaic did not provide sufficient coincident peak load reduction to be feasible - ..."



**Sulphur Springs Valley Electric Cooperative, Inc.**

A Public Service Company of New Hampshire



**Renewable Energy and  
“Smart Grid” Plans  
for the Affected Areas**

**Ron Orozco, P.E., CEM**



**Sulphur Springs Valley Electric Cooperative, Inc.**  
1250 S. Highway 101, Sulphur, LA 70588  
601-885-2222

# Renewable Energy Programs

- **Clean Renewable Energy Bonds (CREBs)**
  - \$6M, low-interest loan for 750 kW at new Sonoita Substation
  - Received Allocation on October 23, 2009, Facility must be fully constructed and operational within a 3-year period
- **SunWatts**
  - Funded by ACC-approved collection mechanism from all members
  - Funds member-owned renewable energy systems
  - Recently a very popular program



Sulphur Springs Valley Electric Cooperative, Inc.

A Southern Energy Group Company



# Renewable Energy Programs

(cont'd)

## Net Metering

- Recently approved by ACC
- Now available to SSVEC members
- Allows credit for renewable energy generated
- Any excess generation beyond member usage, up to 125% of member load, will be paid back to member at avoided cost – currently \$.0491.

All a part of SSVEC's 2010 ACC Approved REST Plan (Renewable Energy Standard Tariff)



Sulphur Springs Valley Electric Cooperative, Inc.

A Member Since 1934

# American Reinvestment and Recovery

Act – ARRA

“SMART GRID”

- Final negotiations for \$15M cost-share grant from ARRA – the Stimulus Package
  - 50/50 cost share
  - 3 years to complete
  - Strict reporting and accounting standards
- \$1.1M allocated for Sonoita Reliability Project



Sulphur Springs Valley Electric Cooperative, Inc.

A Division of SVEC Cooperative, x10

# Current Demand Side Management

## “DSM”

- Free home and business energy savings audits
- Energy savings tips advertising (including education on energy)
- Zero interest loans for Energy Efficiency for residential and business
- Time of Use rates
- Interruptable rates for irrigators



Sulphur Springs Valley Electric Cooperative, Inc.

A MEMBER-SHARED CORPORATION

570

# Future Demand Side Management

## “DSM”

- Data analysis including member surveys
- Improved Energy Efficiency program
- Automated Metering Infrastructure (AMI)
  - Two-way communication – to/from SSVEC/member
  - To SSVEC – energy usage in detail
  - From SSVEC – pricing signals, other



Sulphur Springs Valley Electric Cooperative, Inc.

A Tennessee Energy Cooperative



# Demand Side Management

## “DSM” – cont’d

- Improved Direct load control – irrigation, large commercial, residential
- Home Energy Display (HED)
- Improved Time-of-use rates
- Improved Member education
- DSM program, through ‘Smart Grid’ under development at this time



Sulphur Springs Valley Electric Cooperative, Inc.

A Equal Opportunity Employer

# Demand Side Management “DSM” – cont’d

- DSM program, through ‘Smart Grid’ under development at this time



Sulphur Springs Valley Electric Cooperative, Inc.

A Sulphur Springs Electric Cooperative, Inc. Member

# Overview of Independent Public Opinion Poll

Jack Blair, CMISO



Sulphur Springs Valley Electric Cooperative, Inc.  
11000 Highway 60, Sulphur Springs, TX 75481

# **PUBLIC OPINION POLL**

**January 18 – 20, 2010**

**600 Members**



**Sulphur Springs Valley Electric Cooperative, Inc.**  
A Sulphur Springs Valley Electric Cooperative, Inc. Member

# RBI Strategies and Research/Severson & Associates

## CLIENT LIST INCLUDES:

Senator George McGovern

Senator Tom Daschle

Limits on Open Pit Mining

National Wildlife Action Funds

Colorado Conservation Voters

AFL – CIO

Leadership Conference on Civil Rights

Fund for Animals

Sierra Club



Sulphur Springs Valley Electric Cooperative, Inc.

A Tennessean Member of the National Rural Electric Cooperative Association



# Total

## SSVEC

## V-7

### Question

SSVEC satisfaction	88%	75%
SSVEC dissatisfaction	7%	15%
High knowledge of V-7 line	48%	95%
Low knowledge of V-7 line	52%	5%
Based on current knowledge, should SSVEC build line?	Yes 63% No 8% Undecided 24%	70% 18% 11%



Sulphur Springs Valley Electric Cooperative, Inc.

A Tennessee Power Cooperative

# Basic Performance of SSVEC

Issue	Total		V7	
	Good/Excellent	Fair/Poor	Good/Excellent	Fair/Poor
Blinks	78	5	46	24
Power Restoration	77	5	65	15
Member Communications	67	12	73	16
Good Environmental Stewards	57	7	51	18
Minimizing Long Outages	80	4	58	15



Sulphur Springs Valley Electric Cooperative, Inc.

A Southern Power Corporation

# 4 Questions on Pro/Con



Sulphur Springs Valley Electric Cooperative, Inc.

A 1988 National Energy Foundation



# Revote at End

Total

SSVVC

V-7

Build Line

83%

72%

Don't Build Line

8%

22%



Sulphur Springs Valley Electric Cooperative, Inc.  
A 100% Member-Owned Enterprise



# Discussion



Sulphur Springs Valley Electric Cooperative, Inc.  
A Division of Georgia Electric Company, Inc.  
Columbus, Georgia

# Exhibit H

Sulphur Springs Valley Electric Cooperative  
Public Forum Held at Patagonia High School  
Transcription of Question and Answer Session  
March 9, 2010

- Moderator Emmett from Sonoita?
- Mr. McLaughlin Good evening. I'm Emmett McLaughlin. I'm a resident of Sonoita. I've actually been a member of Sulphur Springs since the mid-80s when I had a place over in Cochise County as well. And I would compliment you, since that time, on the communication and support, the backup, the elections and all of the things that relate to the support of the member organization.
- I'm here because I'm concerned about having safe and secure electricity for my house. We've been living in Sonoita since 1992 in a house we built. The dishwasher has never worked. And the question that I have, what's it gonna take to get the dishwasher working? And all along, we've heard about the, the line that's going to be put in, but it never seems to be put in.
- And what I've read about the actions of the Corporation Commission, I'm dismayed; I'm distressed. I understand that at the meeting in August in Sierra Vista Mrs. Mayes, the Chairman, said that actually, they do not, as a Corporation Commission, have jurisdiction in this question – that you have to have a 100 or 110 kilowatts, kilovolts, to actually become under their purview. Then I heard that in February of this year that, in fact, the Corporation Commission, the attorney up in Tucson, made the same decision.
- And I'm just someone that's concerned about – you saw the graph and the problems that we're having in our area. I want safe, secure electricity to my house. And what's it gonna take?
- This is a wonderful exercise, and we get a chance to meet with our neighbors, and hear what Sulphur Springs is doing. Is there anyone from the Corporation Commission here? You know? This is an exercise they're putting us through, but I ask you, do they have jurisdiction on this, or is this an exercise that – they grab Sulphur Springs, that was asking for a rate increase, and say, well, this is an exercise in civic responsibility, of learning how we all have to be conscious of our proper use of energy.
- But I'm just one guy that says – my dishwasher isn't working. It hasn't worked for 18 years. And it's going to get worse. And what does, how does this satisfy me?
- Moderator Is there someone on our panel who can respond to those questions?
- Moderator We're trying to figure that out.
- Audience [laughter]
- & Audience I can tell you why every time there's a big power outage, that's [inaudible].
- Moderator Hold on, we might have an answer.
- Jack Blair The ACC regulates us. They told us to do this study. We did the study, and we're complying with what our reg-, with what the regulators have told us to

do.

I believe the end result is going to be that the Commission has a formal hearing in March, I believe it is, in which they'll make a determination.

Deborah White And in response to some of the questions further -- your dishwasher not working. SSVEC has *[inaudible]* -- I don't understand that. You know, we did our analysis. We do look -- the reason why your dishwasher is most likely not working is because of the voltage problems that we have. You turn it on, it sags a line down, or, you know, it trips a breaker, or something like that.

So that is what some of the problems are --

& Audience *[inaudible]*

Deborah White So there you go. And so those are voltage problems, and those are power quality problems. And that is why it is, especially if you are in the Patagonia area, you're at the very long end of this line, and by the time it's down here, the voltage is having issues.

Our studies have come back and shown that the substations in the presentation will reduce a lot of those problems. Especially it's going to get you a lot closer to the power source.

As well as SSVEC's study, Navigant's study came back and corroborated that exact same issue, that we do have voltage problems out there. This will fix that. So we're hoping that when this decision is made, it will come back towards, to where we can get this substation in and you can run your dishwasher.

& Audience Thank you.

Moderator Linda Kennedy? Is Linda still with us?

Ms. Kennedy Here.

Moderator Ah, the Sun Watts Linda!

Ms. Kennedy Sun Watts Linda? Oh ho, yes! Am I limited to one question?

Moderator Well, let's -- I'll put them both on the list.

Ms. Kennedy Okay, I'll try and keep it. Would it be possible to scroll back to your presentation to one of the first graphs that Deborah White showed? Please?

Moderator Do you want to do that, Deb?

Deborah White Do you recall what it said at the top?

Ms. Kennedy Uh, I think it was peak -- the peak loads.

Deborah White Sorry, guys. Here we go. There you go! All right. Is that it?

Ms. Kennedy Uh-huh *[affirmative]*. Yes, load versus capacity. And I see there on the graph that the substation capacity, the peak load has reached. According to the graph, the substation capacity or even exceeded it, in one instance.

How -- and thank you, Deborah, for stepping up, because I think this is probably --

& Audience We're having trouble hearing you in the back.

Jack Blair Is that mike on?

Moderator It is on. Bring it closer to your mouth.

Ms. Kennedy Okay. Is that better?

Audience/Panel [*dissents*]

Jack Blair Is the red light on?

Moderator Yes.

Ms. Kennedy Now better? Okay. I'll try and hold, hold real still.

Okay, we have the – the graphic shows the peak load is right up there at the top. But according to the feasibility study, it looks like our 10-year average on outages per customer were only three hours per year? And the outages by cause were mostly due to lightning, birds, unknown, other animals, wind, UG fault, and that overload – which I guess would be this, correct? That would be overload? – happens in a very small percentage, or a very small number, and that the outages by customers affected – again, the 10-year average from the feasibility study – in most cases, the outages were suffered by 1-5 customers. So why are we not showing those graphs? And how would the new line address those issues, Deborah?

Deborah White Okay. So there's several questions there. And you started out with the capacity issue. So, and talking about outage – I think your main focus of your questions is about outages. Right? And you have one particular portion in the outages, which is an overload.

And in the outage data, what are showing is – overload conditions can be many different things. It can be – it's not typically showing capacity here. It's – an outage is caused by a fault. And that fault would be an overload at a location where it has overloaded a device or it's overload – and typically it's a protection device, or sometimes a transformer, something. It's not so much a substation transformer.

So it can be related to this, but a lot of times it would depend on the circumstances for that particular fault of what it overloaded. How, you know, what the cause was. Okay. So when you're talking about outages in relation to birds, wind, lightning, natural occurrences – hey, yes, there is a lot of outages, especially in this area, because there is so much exposure. This line is 360 miles long. It's still going to have outages created by lightning or birds or natural occurrences. However, when you take the substation, and you're going to split up this 360-mile long feeder into four separate ones, it's going to shorten the exposure area, okay? So when an outage occurs, instead of wiping out everybody down the line by one bird, then it's going to only wipe out a little bit of an area, depending on where the protection devices are at.

So there may still be – there's going to be natural causes. That's what most outages are on our entire system, okay? Not only in this area but in other areas. Farming areas have high outages of birds as well. So in response to that question, those are still going to occur. What happens is, is it just reduces the amount of people who are going to be affected by those outages.

Individual outages? There's still going to be individual outages. Again, it reduces the amount of exposure on those particular outages, because when you have a large outage – and that's where the problems are, occur on this – this feeder has more large outages than any of the other feeders, most of the other feeders on our system – to where it's the full feeder, okay? And when

you break that down again, it reduces the amount.

Now, the one fact that you're talking about – and let me move it forward here. Because I, uh – this has been a subject of quite a bit of conversation here – is this particular outage, correct? This graph about the outages? And you're talking about three hours. And then, in the study --

Ms. Kennedy That's what [inaudible] the study.

Deborah White Okay. So the study says that there are three hours per customer per year in this area, okay? It's a different – it's a type of analysis that is used. And when you're looking, when any type of utility company or any company looks at different types of a subject, they look at different ways to analyze it, okay? Four different answers.

This particular graph here shows 270 hours of outage time. This means annual hours out. Over this 10-year average, we have about 270 hours – that's total hours out -- on this feeder. And it's in comparison to all of our other feeders. When Navigant was looking at this study, No. 1, they weren't looking at all of our other feeders; they were just looking at this particular feeder. And they used indexes which are done a little bit different for a little different type of analysis. And that analysis is by customer, not by feeder, okay? So it says that yes, this whole area averages about three hours out per year per customer. That means every single customer on this feeder, every year, has about three hours out.

This graph says this feeder total, overall, has about 270 hours out a year. Does that make sense? Does that answer your question?

Ms. Kennedy That starts to address the question, and --

Moderator? Turn it off.

Ms. Kennedy I would like to --

Jack Blair [inaudible] off, on.

Ms. Kennedy How's that? Can you hear me? No?

Moderator Speak a little louder, that's all.

Ms. Kennedy Okay. Can you hear me?

Moderator No, into the mike.

Ms. Kennedy Okay, can you hear now? All right.

That addresses some of the reporting issues, and I do appreciate that, but it still doesn't address the fact that according to the feasibility study, our area experiences on average one major – one, one outage per year that affects everyone. Will that change? Will we have fewer than one outage per year with this \$14 million project?

Deborah White Well, I think that the outage rate is, is flexible, okay. So this year, actually, in December of 2009, and in the last three, three or four months, we had three major outages where it was one year. Okay? So when they were looking at that, they were looking at over an average period of time. And over an average period of time, it is about one major outage a year.

Typically, when you do have a substation, and there's only one feeder serving this whole area – when you have a substation with four feeders, rarely do we have an entire substation go down. In Sierra Vista, if we have

an outage in that area and we have one whole substation go down, that is a significant outage and it is a rare occurrence.

So, and your answer is, when the substation comes in, it is a very rare occurrence to have a major substation, total substation outage; yes.

Moderator? Well, I have several, so why don't I put you back on the file and [inaudible] call you at the end of the meeting. Okay, thanks, Linda.

Herbert Loveland, who came all the way from Benson. I think the button's on.

Mr. Loveland Is it working?

Moderator Yep.

Mr. Loveland Okay. First thing I want to say, that electricity is life. Everybody, they talked about their needs for their appliances and everything else. But that ain't what you need electricity for. Electricity sustains life. Your power lines, your poles – everything wears out, just like your car does. You need a new car? If you can afford it, you go buy one, because you have to have it. But the main thing you need electricity for, and nobody has brought up at all, is the electrical devices for medical. Any medical device has to have electricity. And every person in this room, tomorrow, they might need an electrical device, a medical device. And we all have to have it. Anybody that, because you don't like the esthetics of a power pole, think about life – that you need that medical tomorrow. Everybody in here can have the same thing. I do. And that's what I have to say.

Moderator Thank you, Herbert. Ernest Hendricks? He is also from Benson.

Mr. Hendricks My name is Ernest Hendricks, as you've heard, and I live in Benson --

Moderator Put it right up to your mouth.

Mr. Hendricks -- and have for the last 16 years. During which time I've had a very close relationship with SSVEC in both the customer service, as a purchaser of electrical power for our small mobile home business. During this time we have had no serious problems with SSVEC at all, I'm proud to say. Now that may not be true with everybody, but we have had no major problems whatsoever. We recently had a mild problem we felt was going to be a major problem, but within an hour SSVEC had us back in service. So I have nothing but high praise for SSVEC.

As you well know, a cooperative is owned by the purchasers of power. We all own SSVEC. So, what we are most interested in, in our area, is that the Patagonia, this area get the power and the energy that we need, but that it be purchased and provided at a minimal cost to the rest of the subscribers. We don't mind paying some little part of your bill, but let's keep it to a minimum. Thank you very much.

Moderator Thank you, Ernest.

Jim Henderson? Did I say that right? From Patagonia. Is Jim here? I'm sorry – Crenderson.

Mr. Pendleton Pendleton?

Moderator Pendleton. Yes, Pendleton. Excuse me. I can't read, apparently!

Mr. Pendleton Well, I wasn't going to say anything, but -- you, you told me that --

Moderator I know, I just kept nagging; didn't I?

Mr. Pendleton I'm Jim Pendleton from Patagonia. And the thing that perked my interest was the shared energy thing, and I'd like to have an engineer come out to my place, my facility on Harshaw Road. And I'm in a 4,000-square-foot building up there. And I'd like to know how, what the load, or weight, is on these photocells, photoelectric cells, and I could probably generate some electricity, cut my power bill down.

Moderator? I bet they'd – I bet they'd come out and do that for you. Somebody will contact you, Mr. Pendleton.

Mr. Pendleton Thank you.

Moderator Irma Sang, who remembers the icehouse electricity. [inaudible] we're being told about it.

Ms. Sang My name is Irma Sang, and my husband and I own the Patagonia Market. And we are here in support of Sulphur Springs. We're here in support of Sulphur Springs. We have had issues that when the power goes down, we have to shut our business down. And we have put in thousands of dollars, you know, trying to upgrade our lines and our computers – we have had some computers burned up because of the brownouts and the power surges. And so we're here in support.

And the other thing is that Sulphur Springs has put that moratorium on, and my husband owns a construction business. So that would, you know, impact that.

I need to hear from my coach here!

Moderator Right. Did she miss something that she shouldn't supposed to say?

Mr. Sang No, I other than the fact that we're supporting Sulphur Springs.

Ms. Sang And we also put a -- we have a petition at the store for people that came in that lived in the area to sign it, and there was quite a few signatures. Probably maybe 150, 200 people that are definitely for this project to continue. Thank you.

Moderator Gary Soliere. [spelling?]

Deborah White While Gary is coming up, I do want to address her comment in regards to the moratorium. SSVEC did file an application to the Corporation Commission for a new hook-up moratorium. It has not been approved. SSVEC is still accepting applications for service. We do hook-up new services under the same line extension service policies that we have done through the years. And it is an approved policy through the Corporation Commission, and that, at this time, is pending – the moratorium is. If this particular case needs to go forward, that may be re-addressed. But at this point in time, it is, it's still pending against the Commission and is not in effect.

Moderator Thank you. Yes, sir. Gary?

Mr. Soliere I would like to just tell a little story. And my last comment, I will direct to Mr. Blair.

In 1996, Karen and I purchased our property in Sonoita. But before we purchased our property, we noticed that there was a potential for having a future substation, the Buchanan Substation. And I called Sulphur Springs, and they said, yes, there might be. Karen and I still purchased our home,

which is on the corner of Mustang Trail and Highway 83.

In 2002, our home was being built by a local builder, and I got with Sherry Basinger. I didn't want any telephone poles at my home. I didn't want any lines brought up to my home. And so Karen and I had our electric buried. Sulphur Springs put in a midspan pole for us on Highway 83, and our power is buried to our home.

One of our neighbors started a petition against Sulphur Springs, about the line coming in and the substation. And since I knew about the substation, and there might be a possibility, I would not sign his petition. And he asked me, well, I've got 40 other people; what makes you any different? I think what was different with me is, what I told him, I have integrity. The substation was probably going to be built, and I knew that.

Mr Blair, this is directed to you. I support Sulphur Springs. Bring that line in. We need the power.

Audience [clapping]

Moderator Michael O'Halloran. The Irish [inaudible], or something like that.

Mr. O'Halloran Well, first thing, we are going to have the St. Patrick's Day dinner at the senior center, so I expect to see you all there, if the lights are on! But who knows?

I think the point I'd like to make is that this is a community, and we have children growing up that hopefully will find jobs in this area. And the only way we're going to have jobs for our children in these areas is if we have reliable power. If we don't have reliable power, I don't see those jobs coming in that are needed to keep our kids here, which is the problem which we have in Patagonia. We're not all retired. There are people with families who need to make sure that this area grows sensibly. Thank you.

Moderator Thank you, Mr. O'Halloran.

Audience [clapping]

Moderator Linda Kennedy, did you have another question you wanted to ask?

Ms. Kennedy I just have [inaudible]

Moderator Oh, okay. Well --

Ms. Kennedy Other than that [inaudible]

Moderator Okay, great. Okay. I'm down to one last. Gail, have you decided you want to speak?

Ms. Getzwiller I do have a question.

Moderator And then if anybody has come up with a question since, give a slip to Roxanne and we have time for you. Gail Getzwiller from Sonoita.

Ms. Getzwiller Thank you very much. I just had a couple of questions. This doesn't work very good, does it?

Jack Blair was talking about the poll that was done, and 600 people were called by company. And of the 600 people that were called, can you tell us how many of those people were from the V-7 feeder area? And you were talking about how the numbers were, so impressed this company, because they, they thought that the responses were extraordinary. Does this mean they have done a number of cooperative surveys, and how many have they

done?

& SSVEC (not Deb) Well, do you want me to answer the question before you make a whole list of them?

Ms. Getzwiller No, he – I just have one of them, I think he's got those.

And then, when Deborah White was – Maybe I can talk better without the microphone?

Moderator No, try – try again.

Ms. Getzwiller Okay. Deborah White had made a statement about the three hours per customer outage and how this wasn't really something that mattered, though it was something in the feasibility study that your 270 hours was more important because it was over the year. And in the study, it actually said that three hours of customer outage a year for the past decade was – that this area's performance was better than the appropriate national average. So it was not a terrible showing for a feeder of this length and size.

Deborah White Okay, I'll respond a little bit to your ques-, to your statement in regards to – the three hours per customer is different than the 270 hours. It's a different type of analysis. One is not more important than the other. It is – depending on what type of information that you are looking for in order.

The information that we are showing here is a comparison of this particular feeder amongst all of our other feeders. What is this total system look like? Where is a, where is a problem that jumps out at you? When I look at all these feeders, I see a problem that jumps right out at me, pretty easily. Okay? The three hours per customer is a different type of analysis, and it is – indeed, it's a very important analysis, just as this one, and it's a tool that we also use inside the house for different options, okay?

What it does is, it takes this particular feeder that we see in amongst all these other ones, and we take it and we say, wait a minute – we need to do additional analysis on here. What exactly does this mean? This is 270 hours out. We say, okay, we're going to break it down, and we're going to say, well, how many is every single customer? How many hours are they seeing out of this 270 hours? And it does come out that, yes, they are seeing three hours, and this is over this 10-year average, okay? Per customer, per year. So there's not a, there's not a "this answer is right and that answer is wrong". It's just different types of analysis on what it means.

Gail Getzwiller But the three hours per customer is not, not a bad show. According to the feasibility study, it is a, not inappropriate. And it's, it's more than appropriate for the national standard.

Deborah White It's actually, it is – what they say is that it is not surprising or inappropriate for a feeder of this length. When you have something that has this much exposure, 360 miles – which is an unusual length for most feeders – it's a very rural area. And to have three hours per customer per year is not an inappropriate number to have for something of this type of situation. And whether it is totally appropriate in, as far as the numbers are concerned and in comparison to the national average or averages of other cooperatives, is also something that we have to look from our customers. Is this appropriate for our customers to have three hours per year every year of outage time as well?

Moderator Hang on a minute. Let's get the answers from Jack to the first two questions,

and then I'll get back to you.

Jack Blair

To answer the question on the survey, what we did was, we took all of our residential members – 32,000 of them. We sent them to Severson & Associates, who then sent them to RBI. They went through two random selection processes. And out of the 600, what we did was, the 600 was evenly divided – excuse me, 500 were evenly divided amongst all of our service territories. But to get a statistically valid number in Sonoita, Elgin, Patagonia, Rain Valley, the people off the V-7 feeder – we oversampled by 100 people.

Oh, and Mr. Severson, in addition – yes, he has done work for cooperatives before. Utilities, political candidates, different causes. And I think in the information that is on our website, it lists all the clients that he has worked for, as well as RBI.

Moderator

Thank you. Michael? Uh, you need to come up to the microphone. Yep, sorry.

Michael  
O'Halloran

As long as I've lived here, I can't think of a year that I didn't have more than three hours outage, so I don't know what the statistics [*inaudible*].

Audience

[*laughing*]

Moderator

Okay, well, you have had an opportunity – I hope that all of you have provided the input that you wanted to provide. We thank you very much for coming this evening. And watch that weather out there. I have no idea what it's doing right now. It's been blowing.

Thank you again.

END OF RECORDING

# Exhibit I

**Sulphur Springs Valley Electric Cooperative**  
**Public Forum Held at Elgin Schools**  
**Transcription of Question and Answer Session**  
**March 11, 2010**

Moderator – I think it's, I think it's on. I hope it's on.  
Judy Gignac

Jack Blair Testing.

Moderator – It's on.  
Judy Gignac

David McCullum *[Inaudible]* too often so I won't have to go through the whole talk so I can shorten it. Did you pass the notes out, Mr. Blair, that I gave you and those that want can use it?

And I'm an engineer. I've lived in this area since 1963. I'm not on the payroll of Sulphur Springs. I've been a loyal member of the co-op for all these years. I'm concerned about seeing that the line is built. As an engineer, there's two areas that I'm concerned about. Generally speaking an engineer designs something. And to design something like an electric utility you look at two factors: power generation and power distribution. For power distribution, which Sulphur Springs is all about, requires you abide by the national electric safety code. What you do on your own property from the meter on is governed by the national electric code, which is published by the fire protection group.

Now one of the things that I've observed is that you have to prove to the public and get money. You have to have licensed professional engineers, which Sulphur Springs has, and then combine well with that area. So when they design a distribution system, it has to meet with the national safety code. And it's not an easy task. That code is thick and requires detailed analysis to make sure that you comply and hold paramount the safety of the people that use it and the environment. And that summarizes what I have. And so if those that are interested, they can read that. I was not aware of the wonderful things that you're doing or the recent grants you got. Thank you.

Audience *[applause]*

Moderator – Thank you. Let's call the next person to be ready. Lee Simms and then  
Judy Gignac Thomas Klinkel.

Lee?

Lee Simms I've been a member of Sulphur Springs Valley and *[inaudible]* for 49 years and a resident of Sonoita for 43 years. I am a retired professional engineer. I have really little to add to the presentation; just a few points.

I was very dismayed when I heard all the invective hurled against the co-op last year. And I would like to point out a few things that they have done or

are doing. And they provide scholarships for 20 students every year. They fund the welcome and youth tour and a science fair, and a few years ago, they gave two \$5,000 grants to CC, which is the organization [inaudible]. And with respect to Navigant, I found out they were a \$750,000,000 organization with offices in 40 cities, and they are on the Forbes 200 Best Small Companies list, and they own it all. One other thing that I bring tonight is that they have photovoltaic systems in 41 schools [inaudible]26 and they -- these photovoltaic systems provide almost a megawatt of power.

And one of the things, and the reliability of the lines, the outage that we had on December 8<sup>th</sup> was caused by an overload. The transformers spiked at 7000 kilowatts, and it hit over 8000 kilowatts that morning at 6:30, and my house was plunged into total darkness. The only flashlight was three rooms away, and I became completely disoriented.

Moderator --  
Judy Gignac

Thank you, Lee.

Thomas? And Gail Getzwiller?

Thomas Klinkel

Thank you. A comment first, then I have question for Jack Blair and a question for Ronald Orozco, if I could.

I've lived here in the Sonoita area now for several years. And I grew up and lived for a number of years early on in South Dakota, which is a -- I saw a couple of clients up on that list. But South Dakota is well known for having lots and lots of rural electric cooperatives. And the fact that there wouldn't been a lot of electricity in some of the farm areas of the upper Midwest if it hadn't been for the rural electric cooperatives. So I know something about rural electric proprieties before I came to Sonoita.

But I have to say, this is the worst service I've ever seen. I would certainly be in the dissatisfied group if I had been one of the people polled, but having familiarity with the rural electrics, there's no question about the need for something to be done. Because even with the tornados and the ice and the snow that I grew up with (and glad I have nothing to do with now) in South Dakota, they have better service than what we're getting in Sonoita, and so I want better service. I want the substation. Routing is a different issue, but I want that substation, and I want the things that you're talking about doing because they are overdue.

Now, a couple of questions for Ron. I just put in a solar PV system here on your program last fall and it seems to be operating pretty well. It's 4.8 kilowatt system. But in the last couple of months, there have been surges, which according to the contractor who put it up, because it shuts down my system. And these are surges that are exceeding the ANSI specifications or it wouldn't be shutting down the system. There are limits within it. And of course, in the first place, now that I got the net meter up, I'm losing all of that because I have to go out -- I don't know if the system is off unless I go out there.

But I want to know from your standpoint whether you admit if SSVEC is in

fact doing surges, whether you intend to or not, that are exceeding the ANSI standards, and therefore cutting down on systems like mine that are trying to generate this renewable power. And if you do admit it, what are you going to do about it, and is this part of the surge issue that the substation can correct?

So, could we address that, and then I'll direct a different one to Jack.

Moderator –  
Judy Gignac

Absolutely. Please, Ron, go up to the mike.

Ron Orozco

Thank you for the question. Am I correct – you live at the end or in a underground subdivision?

Thomas Klinkel

Well, not underground, except when I hear planes [*inaudible*].

Audience

[*laughter*]

Ron Orozco

No, no! I mean, is the power served to your house underground?

Thomas Klinkel

Yes.

Ron Orozco

Okay.

Thomas Klinkel

It is from 83. I'm north and west.

Ron Orozco

And I believe you're a mile or two, several miles from where it goes from overhead to underground. Is that correct?

Thomas Klinkel

Yes.

Ron Orozco

Okay. I think I know where you're at.

Thomas Klinkel

We're at the end of the December 23<sup>rd</sup> "turn it back on" line.

Ron Orozco

Okay, yeah.

Audience

[*laughter*]

Ron Orozco

All right. Well, there's an interesting phenomena called, I believe it's called capacity of rise. What happens is when there is a long underground feeder like, like in your neighborhood, without a lot of load on it – okay -- the underground cable is actually being energized. And it was designed for all of the homes that one thought were going to be built in your particular area, and those loads haven't developed. Consequently, because there isn't a lot of current flowing on that underground line, believe it or not, that causes a voltage increase. It actually increases the voltage on that line because there isn't enough usage to offset this reactive power that you get from the underground cable. Now that's a big long excuse to say that your particular problem will be solved once more houses are added to that load.

Thomas Klinkel

I don't want any more houses!

Audience

[*laughter*]

Thomas Klinkel

But – so, it's not part of the issue with the outages and things that the substation would have an effect on, or would it?

Ron Orozco The substation and, and can't remember how far you are from Sonoita here.

Thomas Klinkel Well as the crow fly's or as the line-

Ron Orozco As the line meanders.

Thomas Klinkel From where the new substation would be, I would guess probably not any more than six miles.

Ron Orozco Okay.

Thomas Klinkel Somewhere between four and six miles.

Ron Orozco Yeah we can, we can sit down and look at it. We actually have some computer models that could actually tell us exactly what the voltage profile would be. But the other thing I want to mention, and I think it was maybe your solar installer who gave me a call two days --

Thomas Klinkel A couple of days ago.

Ron Orozco Two days ago and said, hey we've got a problem over here.

Thomas Klinkel Yes, yes it was.

Ron Orozco He told me he measured 126 volts Grade A voltage, and I believe one of the engineers mentioned the National Electrical Safety Code and the Rural Electric Cooper-, Rural Electric Field REA. The guidelines are that we are obligated to serve you with Grade A voltage. Grade A voltage is 120 volts plus six or minus six. So we have a six, or actually a 12 volt range on each side, six volts on each side of 120 volts that we can serve you at. So the voltage that was reported was 126, which is admittedly right on the top part of the allowable Grade A voltage, but it is still within Grade A voltage. But I believe my technician agreed to come out and do some measurements and see if there wasn't something else maybe with the capa-, with the transformer or something else we can do to help you.

Thomas Klinkel I would love to sit down with you and do it. So this is not part of the, this is not something then -- we can sit down and do that. But it's not part, it sounds like it's not part of what the substation would help to correct. Is that a fair conclusion?

Ron Orozco I'd like to take this offline because I think I might have some details that nobody else wants to hear.

Thomas Klinkel Okay, that's fine.

Ron Orozco Appreciate the question.

Thomas Klinkel You and I can do that, Ron.

To Jack, if I could -- my understanding -- and you have mentioned the administrative law judge hearing taking place. What I have heard and what I am asking you is whether it's correct is that the ALJ ruled that the, that the Arizona Corporation Commission has no legal jurisdiction over the 69 kV lines. Is that correct?

Jack Blair I believe that that's correct.

Thomas Klinkel Then what are we doing here? If they have no legal jurisdiction, what are they doing?

Jack Blair The Corporation Commission voted to have us do an independent feasibility study and we're obligated to work under their rules. They ordered us to do it.

Thomas Klinkel Wait a minute, wait a minute. There's a court decision that says they don't have power to say it.

Jack Blair The administrative law judge works for the Arizona Corporation Commission.

Thomas Klinkel Okay.

Jack Blair So they ruled --

Thomas Klinkel Is that on appeal?

Jack Blair Yes, and, and that, we actually -- if you recall early up there, we said that right after they made the decision, we put in a motion for reconsideration, which, I might add, that the Commissioners granted unanimously. And then after the study was done, we moved for a 252, which means we can move ahead on, on, and ask them to amend their decision and let us move ahead on the line immediately, since the feasibility study found that this was the best option. And that is what's going to be held on March 24<sup>th</sup> and 25<sup>th</sup>.

Thomas Klinkel I understand that. But what is the status, then, of the ruling that the ACC does not have legal power to, to decide whether or not you can locate a 69 kV line and substation in Sonoita?

Jack Blair That, that will be determined on March 24<sup>th</sup> and 25<sup>th</sup>.

Thomas Klinkel By the ACC?

Jack Blair Well by the ad -- well, the administrative law judge, and then it will be the hearing at the ACC after that.

Thomas Klinkel Right, and then --

Jack Blair Too much more and then I'm way in over my league.

Thomas Klinkel All right, one other -- okay, one other question then for you. Because after I got back in the fall and found out that this process was going on, which prior to that my understanding was the substation was going through, I emailed the ACC, and it's unfortunate some of the, them aren't here to answer this directly. I said what the heck is going on, and they said we didn't, we never ordered SSVEC to stop anything. Now I've kept that email. Is that true or is it a lie? Because I've got the email.

Jack Blair I, I can, I was there, and we were ordered to immediately cease construction, cancel purchase orders. And I can tell you there's still scars on our CEO's posterior.

Thomas Klinkel Well I kept that email. And I intend to make it public if anybody wants to

know whether or not the ACC is lying to the public or not about what it's even doing. And I'm not very happy about that, as a citizen who inquires of the ACC just what their authority is and what their decisions are, and then to be told, fortunately in writing, that they never ordered you to stop anything.

Moderator – Thank you, Thomas. Thank you, Ron.  
Judy Gignac

Audience [applause]

Moderator – Gail Getzwiller, and then the next person will be Jane Woods.  
Judy Gignac

Gail Getzweiller That was quite an exchange. I was actually out [inaudible] and the ALJ, I do believe, did not say, did not order the ACC to say – I don't know what [inaudible]. The ALJ said that the ACC didn't have jurisdiction over 69 kV line [inaudible] and, and ACC – and SSVEC has attorneys here. I don't know how much how you're being paid here to come from Phoenix, for, work for Snell & Wilmer. But you could probably explain it better than I can.

Moderator – Is that your question, Gail? You want -- ?  
Judy Gignac

Gail Getzweiller No, I just thought – and needs to be corrected, and so does Jack Blair. That's not something that should be on public record in this hearing.

One thing I would like to say, Judy, is I appreciate your introduction, saying that there was statements by citizens that were made; that maybe there's a better alternative for an answer for future power in our area. And I take exception to every time Jack Blair says something. He calls the citizens that speak their right as citizens to speak up, calls them opponents.

I have been a loyal SSVEC cooperater since the early 1970s. My kids grew up here. They went to the science fairs, etc. But that isn't what we're here for tonight. We're here to have a public hearing on the 69 kV line that may not be necessary. And in two years, there may be alternative solutions to power – renewable, locally distributed energy—that we do not need to put a brand new power line corridor through the largest historic land grant ranch in the United States of America. The San Ignacio del Babacomari is a historic place, and I do not appreciate that SSVEC thinks lightly of putting this power line through, when a feasibility study has other opportunities for power that can give us reliability. And there is new technology coming online in renewables. And there's storage areas. And I think its wonderful that in the next three years you are going to start an aggressive demand site management program and have not decided to do anything up to this point. I never knew that you had a time of use program.

There's so many things I'm learning about this utility that is not common knowledge that you don't share. You communicate, you put what you want out there, but you do not listen. I've been going to your board meetings for the last year and to no avail. And we could not communicate with you. And

that is why you're going to the Arizona Corporation Commission. That's the only reason. If you would have talked to us, it would have not happened, and we would not be here today. And I, and I, and I - I'm sorry that, that is a fault. Anyways, I'm really sorry that we're here today doing this. It's too bad that you never listened to what we had to say, and there are other alternatives. If the alternatives are here in two years from now, will you take the poles down? Did anyone see 60 Minutes a couple of weeks ago about the Bloom box? EBay has these systems - saved them a hundred thousand dollars in utility bills, last couple of, the last six months. And they didn't build power poles.

There's other technologies coming and we don't need to in two years from now, to know these technologies are there and say, thank you very much for bulldozing the Babacomari and putting up these lines. Because - and then what are you going to do? Are you going to take them down?

That's all I have to say.

Audience

[*applause*]

Moderator -  
Judy Gignac

Thank you, Gail.

Mr. Carroll, before the next speaker, would you care to answer the questions, or try to clarify the issue of ACC oversight of the 69 kV routing line?

Brad Carroll

Hi, I'm Brad Carroll from the law firm of Snell & Wilmer. I'm Sulphur Springs's Arizona Corporation Commission attorney.

And I think what the, what there's, what the distinction here is, is that the process of the Corporation Commission is that after a hearing is held before an administrative law judge - and for three and half years in the early 90s, I was an administrative law judge at the Corporation Commission, which is how I learned my, my field - and the ALJ after a hearing writes is what a *Recommended Opinion and Order*. It is a recommendation to the Commission. And then the order is submitted to the Commissioners at an open meeting, at which point the Commissioners can accept, reject, or modify that Order. Because at the end of the day, it is the Corporation Commissioners who are the elected officials and make the decision. And so the ALJ Order, which is based on the evidentiary record, is in fact the recommendation. And then the Commission ultimately will make a final determination.

In this particular case, the *Recommended Opinion and Order* found that the Commission does not have the jurisdiction over the siting of the 69 kV line. We're talking about the siting. In fact, in the final order that the Commission issued, that language is still there today. What the Commission did is they asserted jurisdiction on other grounds, not on the *siting statute* - which admittedly, they admittedly don't have jurisdiction. They cited other statutes on the basis of their jurisdiction. Now, Sulphur - and I'm not going, I'm not going to debate that - Sulphur Springs in it's filings has stated that, that exercise of jurisdiction on those other grounds is not appropriate. Clearly,

the Commission disagrees with that.

Sulphur obviously, in order to move forward, is moving forward through the Commission process in order to deal with the situation, which is why it has made the filings it has made. So basically, because the Commission asserted jurisdiction on these other grounds that Sulphur disputes, it ordered Sulphur to stop construction of the line, of the project, immediately. The Order doesn't say immediately, but the Order – I think the language says, is that Sulphur Springs shall not construct the 69 kV line until after it files its public forum report and upon order of the Commission. That's why we filed the 252 – to seek the order of the Commission.

So without conceding the jur-, whether or not they have jurisdiction, we're moving forward though the process in order to seek that authorization to build the line. And so, therefore, because of that language, the Commission ordered us to stop building the line. It ordered the feasibility study. It ordered the public forms, and then ordered us to come back to them at such time that we were ready to build the line.

And that's, I hope, that explains how we got here today and why.

Moderator –  
Judy Gignac

Thank you.

Leslie Kramer  
from Audience

Why don't you explain what the 252 hearing is because I don't think people in the audience understand? [inaudible].

Brad Carroll

Yeah, okay. Basically, once the Commission issues an order – a final decision, as it did in this case on September 8, it is a final order of the Commission. Once the Commission issues a final order, that order may not be changed or modified in any way except by the Commission itself. And in order to ask permission, or ask the Commission to go back and modify its order, you have to file what is called a 252 motion, and the 252 is from Arizona Revised Statutes 252 – that's where, that's where it comes from – which says that – to paraphrase it, it basically says that order, a final order of the Commission, may not be altered in any way except upon application and further order of the Commission. So that's, that's where that comes from.

And so, in a nutshell, the relief that the Commission, that these, that the company has asked for here is based on the results of the feasibility study for immediate authorization under the original decision to start, commence construction of the line.

Moderator –  
Judy Gignac

Thank you very much, Mr. Carroll. Appreciate that.

Jane Woods

Jane Woods? Is Jane here? There she is.

Moderator –  
Judy Gignac

I don't think I want to use that, I think everybody can hear me.

Jane Woods

Well, we're recording, so we really do need you to come up to the mike.

I think – well, it sounds more muffled to me than just --.

Moderator –  
Judy Gignac

I understand.

Jane Woods

I have a chorale voice, okay. I don't know what I'll sound like on this.

Moderator –  
Judy Gignac

You sound just fine.

Jane Woods

I guess I'll start with the fact that in 1985, I started work for the Elgin School, where I went to school also. At that point, I was secretary there. And there were a total of 47 students, K-8. And today – these few years later, we have this big complex, and I think they have a 140-150 kids. I'm not sure. But that's just to show you a bit of the change that's going on in those few years.

I was concerned about it back then because we began to get a lot of people moving in. And a lot of them had children; a lot of them didn't. But the pace of our growth in this area may not seem bad to lots of other people, but for this country, for this portion of the country, it was alarming and is alarming. And I have, I find it hard to believe that a small percentage, such a small percentage of the people that answered the poll that are SSVEC patrons, that small portion can make enough -- create enough turmoil, I guess I would say -- to cause that Corporation Commission to get their finger in the pot, whether they have the jurisdiction or not. But it seems sad to me, because a lot of the old timers that I know sat back and didn't complain when all these people moved in here. None of us bitched and griped about the houses they built. We didn't say, oh, that looks horrible, that looks beautiful. We didn't make any comments. We accepted it. Most of the people are wonderful, and they fit into the community nicely. But there are a lot of them. And they all have all the modern conveniences that require power. And then the newer ones are the ones that make the, make the complaint. And, I suppose, we're at fault for not complaining right back.

But in my book, Sulphur Springs Valley has never, ever done anything but answer my questions, give me all the help I needed. They've never faltered on any repairs or anything. And yes, we have surges, but you know you have a kerosene lamp, and when the wind blows you get a little waver. That's a surge too, I guess. I don't know. I think they've done a wonderful job, and I'm very sorry to hear people go on and on, knowing that with all of these people here and the power pushed to the limit, what can we do but have more power put in? We can't all afford solar or wind. We're lucky to have the power company that we have.

Audience

*[applause]*

Moderator –  
Judy Gignac

Bob Owens. And then it will be Sandra Wolf. Is Bob here? Okay, I'll put Bob aside. Sandra Wolf? Sandra?

Sandra Wolf

Hi, my name is Sandy Wolf. I'm a Sonoita resident, and thank you very much for coming.

I understand that we do need electricity [*inaudible*]. There's a thing, couple

things here that I really just don't agree with, and I really hope that you listen and reconsider.

Number one, you talk about power outages. I don't think we have that many power outages. We have bleeps that last less than a minute. Sure, that was pretty bad on December. But most of us don't live in the Sonoita-Elgin area; don't use a lot of energy, a lot of power in the morning to go to work. There aren't a lot of us really going to work, so there's different hours that we use. I can't believe that we have special hours.

I'm also very concerned about the route that you've chosen. I really think that you guys had your mindset on keeping the same exact route. Had any of you walked on the Babacomari from the feasibility study? Have you actually walked back there? Yes? And what did you think about it? Excuse me?

Ron Orozco

Beautiful.

Sandra Wolf

Beautiful, okay my question is. Go ahead, Deborah.

Moderator –  
Judy Gignac

We can't, we really can't hear you, Deborah. If you want to come up to the mike, please.

Deborah White

Okay, go ahead.

Sandra Wolf

No, I want to hear what you thought about the land there, the pristine land there and the wild life – the other day I saw a bobcat walking by – and what it's really going to do to us. And my thought also is, in short, that's behind – you know, other people are not going to see it. That you're talking about that yard, those few miles back there. That, where it's not going to be visible. My thought is, hell, it's such a mess on 82 already. Just keep the lines going in that direction if you must.

The other thing, Gail made a really good point before. You're talking about in two, three years you're going to ramp up. And how are we going to learn about how to, you know, control our energy costs? Why not do that now? People should be changing their light bulbs out. There's so many things they can do to reduce that whole issue. That bothers me also. I know, I just can't see blading a whole ranch, making a mess there, putting up more poles, when we already have the route. [applause]

Moderator –  
Judy Gignac

Thank you.

Audience

[applause]

Moderator –  
Judy Gignac

We found Bob Owen. Come on up. What, you didn't have to tell anybody.

Bob Owen

I didn't do anything. Can you hear me?

Moderator –  
Judy Gignac

Yes.

Robert

Okay, I'm Robert Horseman, a Sonoita resident. Or did you call the wrong

Horseman person?

Moderator –  
Judy Gignac I called the wrong person. That's all right.

Robert  
Horseman I'm up here. You're stuck now.

Moderator –  
Judy Gignac I know, I know. And I'll find you on here, and we'll just – there you are.  
And go ahead; go ahead.

Robert  
Horseman Well, I know where I'm at.

Moderator –  
Judy Gignac I know. I do too, now.

Robert  
Horseman Very good.

Moderator –  
Judy Gignac Please proceed.

Robert  
Horseman One of the, one of the biggest issues – I, I'm not against the 69kV line. I'm against the route of it. And while back we had a rain, and I had to go out to Research Ranch and Babacomari Ranch. And I think I was maybe straight, you know, one percent of the time. So being able to go down the line is going to be very, very difficult down there. There's not a lot of access, plus it is one of the most biologically diverse areas in the state, if not the nation. I do compliment all you guys for being here, taking the time to be here. And thank you, Ron, for that demand side management thing. I've been trying to get that out of David Bane.

One thing about future growth – there has not been a recent water study. There seems to be -- we have the capacity with the study – the Gold Study of three to five thousand people. I don't know whether that's true. The actual thing I like to ask is: I know its probably going to take you 12-18 months to build this line. And in the meantime, what's the solution? Are you going to put in some feeder plants to be able to serve the line, or does that have to be Ron's question? Or someone's question?

Moderator –  
Judy Gignac Let's see if we can get some of your questions answered.  
Let's start with Mr. Ralph Engels. Can you, can you talk about what's going to happen on the Babacomari when the line goes in? Some people have said, you know, you're blading a lot of stuff, but is – how is that going to add? Would that be you that could answer that question?

Thomas Engels Access during outages. If you need --

Moderator –  
Judy Gignac Well, and we'll get to that one, too. So let's, let's take the environmental impact one first. I wasn't sure whether I was asking the right person to come up and answer.

Thomas Engels      Sure. What I can talk about just briefly is that Navigant, which is the independent third-party consultant, they had a team of biologists and visual consultants who did look at -- and cultural resources experts -- they looked at the environmental impacts of a line through the Ranch. And those impacts are summarized in the Report and -- on pages 75 and 85 of the Report. They list out some measures that could be implemented to minimize those impacts, mitigate those impacts, and concluded that these are relatively minor impacts.

Moderator --  
Judy Gignac      Okay, thank you. Then if we could answer the second question, which is between now, not for you. I think it might be for Deborah. What's happening, what's going to happen between now and when the construction is completed as far as outages are concerned. That was your question, right, sir?

Robert  
Horseman      Yes, ma'am.

Thomas Engels      What Sulphur Springs has proposed to the Corporation Commission in our 252 petition is that we are willing to do everything we can, of course, to keep the lights on during construction. If we can be allowed to begin construction immediately, you're right -- it might take us 18 months. We've got orders that are kind of hanging in limbo because we were indeed told to stop work. So, in the mean time, we are going to keep the lights on. We're going to do the best we can to connect new consumers as they come about, and we'll be building the line as quickly as we can.

Moderator --  
Judy Gignac      Thank you very much. Did you have a question, Rob?

Thomas Engels      Just very briefly, just very -

Robert  
Horseman      So you could actually build the substation right now?

Thomas Engels      No, my understanding is that we are not allowed to build a substation. We have had a stop work order on the project.

Robert  
Horseman      Okay.

Ron Orozco      We have not taken any, any advances on the substation at all.

With regard to the Ranch. This is a privately-held, privately-owned ranch, and we are not at liberty to discuss the arrangements of the Ranch. And I assure you, we have a legal easement for the, for the easement itself. I'd also like to add that in 1991, and I'm sure maybe some of you remember, it was actually a underground cable that was plowed in on that same ground. So this is not necessarily a virgin easement, if you will.

Moderator --  
Judy Gignac      Thank you very much.

Okay, Rob, does that finish your list? Because I need to go onto the next

person.

Ann Gibson?

Robert  
Horseman

Go on to the next person.

Moderator –  
Judy Gignac

Thank you. Ann Gibson? And then, following, Mitch Cole.

Ann Gibson

I'm a real estate broker here and have been for 17 years. I am – my livelihood and income depends on the growth, you know, not [inaudible] against growth. But I'd like to see the growth done and managed in a sensible way. I think a lot of this could have – we wouldn't be here to today if Sulphur Springs had dealt with the community two and three years ago when we began asking Sulphur Springs to meet with us and talk to us about this. And I would still like to see a forum where the community can ask – what, more than, you know, than half hour to ask direct questions and Sulphur Springs give direct answers, other than saying we're going to keep your lights on. The people in the community that have raised issues, have raised some very good issues. And they have not been addressed, and I would like to see that happen.

Moderator –  
Judy Gignac

We're going to be here for as long as it takes to answer the questions, so if you have a question you want to ask, please do it.

Ann Gibson

I would like to see, have Gail Getzweiller ask a couple of pertinent questions that would be --

Moderator –  
Judy Gignac

Well, Gail has been up here, and I have some other people. And if there's time, we might be able to do that. But she did have --

Ann Gibson

I'm not qualified, you know, I, you know. That's not my field of expertise, and I haven't spent the time doing the research that others have.

Moderator –  
Judy Gignac

Okay, I just want to make sure that you all do understand that this, this is the time for the questions. If Sulphur Springs at a later time wants another kind of community event, that, that's fine too.

Midge Cole. Is Midge here?

And then after Midge will be Frances Garcia.

Midge Cole  
(female)

I'm a co-op member, and I reside in Sonoita.

The only thing I know about power and distribution and all those things is how to use it. But I do know that what we have is unreliable.

Two years ago, my husband had a massive heart attack and was in the Tucson Heart Hospital for five weeks. At the end of that time, we were told that they could do nothing more, and he wanted to come home to die. Well the big factor of whether not we should come home was whether or not the power might go off, because he had to have oxygen and that was supplied by electricity. Fear of unreliable power should not dictate those kind of

decisions. And yet for many of our people and our residents in our area, for older people, it does. I brought my husband home, and fortunately he was able to live out his life according to God's timetable, not a power outage. But that was definitely a concern and a fear.

I appreciate the reports that have been given tonight. I appreciate the thoroughness of them. I appreciate the lengths that have been gone to, to supply us with information and to get information by these private studies. It appears to me that these studies indicate that we have a need that should be taken care of and that it should be taken care of soon. It appears from the opinion polls that most of the community is in favor of moving ahead with the project and doing so. One of the things that has concerned – I had attended these meetings, these hearings, over and over and over. And I've been torn by the conflicting opinions in our community, of the conflicts between neighbors over which route to take and whether we should or whether we shouldn't. It has been a bit of turmoil for all of us.

I have appreciated Sulphur Springs for holding all these meetings. And I have appreciated our representative Joe Ferneau (*spelling?*), who has represented us to the best of his ability, to represent all of our opinions during some very, very difficult times. And I appreciate that you come here tonight to listen to us all once again.

We have conscientiously done the homework, I guess, I personally, because of my own personal experience, feel that is it time now to move ahead. And I thank my community members for your consideration and for all the hours that you've put in on this, whichever side you're on. Because you've been devoting much time to looking at this in a very conscientious way. But I hope we can some how move ahead in this community and get the conflict behind us.

Moderator –  
Judy Gignac

Thank you, Midge.

Audience

[*applause*]

Moderator –  
Judy Gignac

Frances? Frances Garcia?

And then it will be Charles Kinter.

Frances Garcia

Uh. Yeah. I've been in Sonoita since 1984. I did not build a new house. I bought a house that was here, and I live in the Sonoita Hills subdivision. So that the power line proposal will go past our property and the easement would take my water well. It's right – my water well is that area. So I do oppose this.

But basically I'm here because I know there are a lot facts are being presented to the group and I, I'm not, I don't have the expertise to, to ask questions about some of the items, some of the facts. But I do want to address a tiny little part of the facts that they're giving tonight. And that's the beautiful snow storm that we had just before Christmas, and the power

outage that occurred then.

My husband called Sulphur Springs at 5:00 in the morning. He saw a bright flash of light through the north window of our house. It was on a power line. He knew exactly what power line it was. The power did not go out with that first bright light – like a lightening strike, but it wasn't lighting. About 30 seconds later it happened again, just as bright in the north window of our house. He got, he called Sulphur Springs immediately. It was 5:00, and less, like 30 seconds later, got on the cell phone, called them. told them exactly what line it was, where we lived. And he never saw any of the trucks come out at all in our area.

With all due respect to the employees at Sulphur Springs and the linemen I know that always come out before, they've always dealt with situations – but we never saw a soul. So we have what, four hours of outage. But it was reported exactly what line it happened on, because it was after the second bright light up through our north window that he – that the power did go straight out.

So we waited, and, yes, it finally came on. Well, I was at work. He was at home. And he waited and waited and it finally came up. I think it was five days later we had a phone message on our phone. And it was almost like a – you know, like one of these recordings that was written about how this problem was due to the Sonoita reliability problem.

Now I think, in actuality, it was due to the fact that we live out in the country, and we're 75 miles away from Wilcox where the brain center is, and they didn't have the communication going over there. We live 35 miles away from Sierra Vista, where the trucks are and people that come out. And, and somehow the communications didn't work. Because we gave them the location of this problem. And it still took four hours, apparently. And, and like this, this phone message on our phone system, you know – it's all because of this reliability problem.

I just wanted to make that clear, so that's the only fact I can really, really address clearly with everyone here. Thank you.

Moderator –  
Judy Gignac

Thank you.

Ron, did you want to respond to that.

Ron Orozco

May I just answer.

Moderator –  
Judy Gignac

Of course.

Ron Orozco

Thank you. I'm looking over here at Pete, our operations manager. He and I both worked that outage, so maybe I'll go ahead and Pat will correct me. How's that? Oh, you want to do it? No?

Okay, Sulphur Springs Valley Electric has an on-call service that we use to take outage calls out of normal hours. When that outage occurred, we received a number of phone calls to the call center that said there was a flash

reported in this general area. Several people called in and said, we saw a flash, we saw a flash. We knew what general area everybody was seeing the flash. I assure you we sent crews out to look, apparently as we discovered in speaking to your husband – what was it, a week or two weeks later – that a line had, a tree had actually come down on the line and that is what caused the flash and the outage. But our people, when they were driving through – and I'm sorry you didn't see them, but we were in the area looking – we saw no downed power lines. The guys rode one more time; said, "we don't see anything down on the ground. We don't see a safety hazard. Let's go ahead and energize it."

You're right. In retrospect, if we had said, okay, what exactly did, address did Mr. Garcia give us, and if we had distinguished that the one was unique, we may have gotten there sooner.

Frances Garcia He never got a call back that morning at all and --

Pete Swiatek No. I know – we received dozen of calls.

Frances Garcia -- And he was told that he was the first one that called. And, you know, the idea I think about communicating – if you didn't have the money to build this line and you had to solve the problem internally – you know – I've worked in a system that didn't have all the money that, you know, you're talking about having right now. You look at other things like communications. How can you improve communications? How can you improve, you know, quicker service? And, you know, like you said – all due respect to the employees of Sulphur Springs, but, you know, and really – you live out in the country. We all live out in the country. So if you wanted service that fast --

Moderator --  
Judy Gignac Could you talk into the mike, please.

Frances Garcia If we live out in the country – if we want much faster – I got to admit, I would move to Tucson, maybe, where I can see the power company truck come in five minutes. But I understand so, so I'm not. I'm fine with power surges --

Pete Swiatek Right. On the outage that they – the guys did go by and look at that. I know I specifically sent the truck out there. We had the report of your place and a report right at the old Elgin School, where the old cottonwood trees are – a tree on the line there. We also had lines wrapped in ice right around the Elgin area. So, it was not one specific call. When your tree, or the tree that fell into the line -- it blew a fuse on that part and isolated – that was not being used. There was more than one cause that day on what, on, you know, on how it had an effect on the outage. Okay? And when Ron explained earlier, when you have a system of this magnitude go down, you just don't throw it back on, okay? You have to sectionalize it. And we sectionalized it. And when we had it all together, and when we tried to put the last little piece on, it overloaded again and dropped out. And that's why we had to start back

over. That's why the outage lasted four hours.

Moderator –  
Judy Gignac

Thank you.

Frances Garcia

Well, and once again, you know, like I said – I, I don't have a problem with the four hours of it being out. I, I just thought the phone call five days later that we had on our answering machine was kind of tacky.

Moderator –  
Judy Gignac

Thank you. I think we've got the message on that one.

Charles Kinter? I think I'm pronouncing that correct. Is Charles here?

Okay. Stuart Moyle?

Stuart Moyle

I think that – I think Frances Garcia addressed the issue that I was going to address. That the, that our new transmission line. Now, we're looking at what Mother Nature does.

Now, we haven't looked at what man can, and – how many of you have seen the news, the TV news the past couple of weeks, about the terrorists that they caught in Philadel-, in the United States? White, female, blonde, 43 years old, and could speak fluent English. She is a Jihad terrorist. Now this puts a whole new perspective of what you can do.

Now, I grew up in northern Minnesota, and I know what [*inaudible*] just like you do in South Dakota. And I also know because I have worked with search and rescue, disaster management on the level of, the federal basis. And I was involved with Mt. St. Helens, plus I was indirectly involved with the Oklahoma bombing.

And we're not – you know, we've got a whole new perspective coming here now. We don't have people now that look like terrorists anymore. They look like you and I and everybody else in this room. And they can come across on an airline, and they speak fluent English. And they can blow up any of these transmission lines. And if you look at the 2011 [*sic*] report, I mean the 11 report on – this is one of the things they talked about. And this is some of the stuff I had to study when I worked on the national level on that stuff.

You've got a 69 kV – a high-voltage kV line cutting across here that can be taken out any time, and you're going to lose everything, not only just because of the weather or anything else.

I also worked with, on the seismic study in 71 for the DEA, which covered all 171 DEA stations, including the one in Phoenix. And I can go up there and show what effect seismic correction – what we had to do for a seismic correction in Phoenix. And that's to protect this area as well.

So you've got all kinds of things that – and we have the technology today. We can go anywhere, we can go all the way to California. And it's in operation. I mean, you can pick up the Scientific American, or you can pick up the Union of Concerned Scientists, and you can look at all this. It's all available.

And, in 1971, right after the Sylmar earthquake, I went to work with the DEA. And I saw – we studied that all the different stations that, what effects it could have on it. And I was also around in 70, in 69 and saw what happened when we had a copper strike and everything shut down. You don't have anything that lasts more than three days, and --

Moderator –  
Judy Gignac

Excuse me. I, I think we know that there are lots of different things that can obviously [*inaudible* – *cross talk with Mr. Moyle*] You've had a lot of experience --

Stuart Moyle

Yeah, but, but, I look at this thing – because I used to develop projects for the federal government --

Moderator –  
Judy Gignac

Right.

Stuart Moyle

Up to three-quarters of a billion dollars, plus another three-quarters of a billion dollars construction project. I found out in 73 what all the estimating – future estimates that I get, I threw out the window because everything went from 35% to 250% increase. And you never catch back; you never go backwards. And if we just had another three – we went from a \$600 billion surplus to a --

Moderator –  
Judy Gignac

I think we're getting off the subject here, Mr. Moyle.

Stuart Moyle

No, this pertains to here, because they're not – I feel like I've got, what done is gone back into the 1900s, and doing the same kind of estimating like they did for the horse and buggies going to the automobile.

Moderator –  
Judy Gignac

Okay, thank you very much, sir. I appreciate it. Let me get on to the next speaker, if I may. Thank you.

I'm not sure of the first name, but the last name is Goodman. And maybe when you come up to the mike, you can tell me what your first name is, because I couldn't read it!

Seth Goodman

I'm not a doctor, but I have a doctor's handwriting. It's Seth.

Moderator –  
Judy Gignac

Seth. Thank you, sir. Okay.

Seth Goodman

Uh, this is pretty short here.

Moderator

I think you can take it out.

Seth Goodman

Can I?

Moderator –  
Judy Gignac

Well, what you can – okay.

Seth Goodman

Kind of a talk show [*inaudible*] here.

I'm one of those newcomers. And I was very touched by a story of a lady whose husband came here; fears of vulnerability and not having energy. I've also been on that side of the table trying to get a project through, so I

appreciate the efforts you guys are going through here. But there are a couple of issues that I think are really important. And actually, what this gentleman was just talking about, I just want to say, I was listening closely to what you were saying. There is a real issue of energy security. And, you know, a plant burning coal 70 miles away from this community is not my idea of energy security.

Now I don't have a family yet, and I plan to have kids here in this community because I really love it, and I love the beauty of it. And this line's going to be blurring the view that I happen to really appreciate, a piece of nature that I truly love. And I'm sure people who have been in the community long enough have all come to appreciate that, that vista.

But I think that so far as where we're going with this, rushing this line as fast as we are – the other point was, it that, you know, once you put that up, we're not going to take it down. It's going to be there. So the necessity of really looking at the alternatives – and there are some incredible alternatives. MIT just came out with battery storage that is supposed to be rocket, light-years ahead of what we currently know. And so there's no reason why solar energy – I mean, there are communities across this country, in very cloudy areas, that are almost energy independent using solar energy. We live in the, the hot zone of where the most efficient energy production can be had through solar. And so, may I – and from my, from what I've known, I'm not a scientist, and I haven't kept up to date on the latest in solar energy – there is technology where we can set an example for the country, and actually, as a co-operative, as people, possibly make money ourselves. Each citizen, as a co-operator, if we all cooperate. That is possible with the new technology, that in the future, we could actually with solar panels on the, on the top of our homes, be making money.

So, but if we rush through this power effort, my understanding right now, we average about 5 MW of energy usage, and the capacity of our current lines are 7 MW. And we're only projected to need another 1 MW by 2019. So, you know, originally we had this – we wouldn't be able to look at this plan until July, and have the, the opportunity to really look at, you know – what are the alternatives out there? Let's get in some solar people that are, you know – and maybe some, you know – I understand you guys that have paid for this study, you know, but – what are we, you know, I haven't heard an independent voice. You know, I, I – Ron, you seem to be – it was a great presentation, but I – you guys want to put this line in. And I don't understand the urgency, but I have a feeling it's something other than, you know, the need for energy.

So, I would really request, and I think it's a fair thing, that we continue to the original July – that for the next 4 or 5 months, so we can really review what's out there. If we had an opportunity –

Moderator –  
Judy Gignac

Yes, Seth. Perhaps I can – we can get the answer to that question, so we can get some clarification. And then I have a number of other people who would

like to speak as well.

So, this July date that Seth is talking about, does somebody want to address that?

And Seth, now I'll go to the next speaker, if I may, after you get your answer. [inaudible], but I have other people, too, so – be happy to deal with all of that.

Seth Goodman      Your point is well taken. So then, we really don't have the time to review this.

Moderator –  
Judy Gignac      No, what --

Seth Goodman      You've just made, you've just made the point. We don't have the time to really look at this closely and really have the give and take with the community.

Moderator –  
Judy Gignac      What I'd like to do is get the answer to your question with regard to July.

Seth Goodman      Fine. It's getting late.

Moderator –  
Judy Gignac      Right. And then, if we have time, we can – I can bring you back up after other people have spoken, and you can ask another question.

Seth Goodman      Okay. Thank you.

Pat Scharff      I'm not going to speak to the 252 motion. That's out of my realm. But what is within my realm of understanding is solar photovoltaics, energy storage, and the problems associated with the V-7 line.

The problems with the V-7 line are not just a single problem. It has to do with transformer loading at the substation. It has to do with reliability. And that includes not just the outages, to where you are out of power for 5 or 10 or 20 minutes or 2 hours or 4 hours. It's the blinks. It's the voltage sags. Every time there is a short circuit on that line down in Sonoita, everybody between Sonoita and the substation is going to see that voltage sag. You're all connected together on that line.

Now with regard to photovoltaics. Yes, the peak load on the V-7 circuit, that Huachuca West Substation – that peak load occurs on very cold mornings in the wintertime. And typically on those cold mornings, it's going to be cloudy, quite frequently. That means that your PV system is not going to be putting out nearly as much power as it's capable of. Therefore, it's quite likely either not going to meet the requirements or going to have to be built oversized.

No, please – let me finish.

In terms of energy security, right now your energy security is a single 25 kV line that comes down Highway 82. When the new substation is built and the new 69 kV line is built, you will have a transmission line that is much more

secure. You will also have a backup source that is capable of serving at least a portion of the load for the majority of the time because the existing 25 kV line and the existing substation capacity is going to remain in service. Yes, the voltage will be low. Yes, it would be unreliable during certain conditions. But it would still be there.

Another issue you're facing – I don't know if you noticed it in the report – but you're paying approximately \$230,000 for losses because of that very long, 350-mile long line. By breaking it up into smaller portions, with better-balanced loads, and serving the load at 69 kV down to a substation, those costs will come down. At the margin, your losses are not 30%; they're 50%. That means every time a 1 KW load hooks up, you have to hook up 50% more, because that's how much you're going to have to supply for losses.

Energy storage – I have worked on numerous energy storage projects. Energy storage has great potential for renewable energy. And in fact, energy storage is what is going to make renewable energy truly a viable and reliable, cost-effective resource. However, it is not currently commercially available in significant amounts. There are numerous large projects out there. TVA has it. NYSEIA up in New York has it. There is a project up in Utah with redox batteries. You can read about these in Popular Science. You cannot read about them as proven projects in trade journals in the electric utility industry. So.

Seth Goodman      Okay. Thank you. But the, the question I have, though, is that it's very possible – just quickly, and then this will be the last one – it's possible that within the next year that there could be something very viable. Or two years, or even three years. So, but, and it seems that our energy needs – there really is not a huge rush. Why can't we wait until July to look at this a little bit sooner? To look at this a little bit further?

Pat Scharff        That's a question on the 252 motion. I'm going to have to let someone else answer that. The question is, though, is – your problems exist now. They have existed. And it is not a rush. This has been a long process, from the time the line route was identified and the substation sites were identified. This has been a long, steady process in which the Cooperative has done many things to delay and defer for as long as possible. It's kind of like pulling rabbits out of the hat when you're a magician. Eventually, there's no more rabbits. The only thing left in the hat is rabbit pellets, and that's about where you are right now. And that's my considered opinion as a P.E.

Audience         [*applause*]

Moderator –      Thank you.

Judy Gignac        Adrian, is it Halpern?

Dorothy – Sturgis, thank you. Dorothy Sturgis.

And then it'll be Rosanna Kasanjian.

Well, now it's too tall, isn't it?

Dorothy Sturgis     There we go; there we go. I'm a Sonoita resident, and I've lived here for 24 years. And I don't have any problem with the service I get. The outages have become fewer and of shorter duration over the time that I've lived here.

However, I do have a problem with this line, because I think it's based on outdated technology. And I'd like to second what Seth Goodwin said and what Gail has said. There's so many alternative sources of energy out there. And let's wait for them and not build a line that's based on outdated technology.

Moderator –  
Judy Gignac         Thank you.

Audience            [*applause*]

Rosanna  
Kazanjian            My name is Rosanna Kazanjian, and I have lived in Sonoita, and I'm not going to take up a lot of your time. I'm going to say ditto for what Dorothy has said and for what Gail has said, so that we go on record that there is more than one person saying this. So please make note. I agree with each thing they said. Let's not put ourselves in the position where we put our money and our electric capacity on the back of a very old system. You're right – whoever said, you've been working at this a long time – I think what hasn't happened is that you haven't kept up with what the newest technology is. So you're working on plan that's already way outdated. Coal – I can't believe you're talking about a coal-fired plant.

Moderator –  
Judy Gignac         Thank you.

Audience            [*Applause*]

Moderator –  
Judy Gignac         Leslie Kramer, and then Wayne Porter.  
Is Leslie --?

Leslie Kramer        Coming!

Moderator –  
Judy Gignac         Coming!

Leslie Kramer        I'm a Sonoita resident. My, my first question initially had been – you were ordered by the ACC to provide public forums. I'm confused as to why you have spent co-operator money and time holding public forums in Benson, Wilcox, and Sierra Vista. That's question number one.

Question number two is, how do you believe that what has happened here tonight is within the definition of a forum, which is a public discussion and exchange of ideas. Basically, what we received from you is a lecture for about an hour and a half. Now, basically, we're just getting public comments. We're not really having what I would understand to be an exchange of ideas. So those, that's the first question that I want addressed. And then I'd like to go on from there.

Moderator – And we need to answer the question on public forums?  
 Judy Gignac

Deborah White I'll answer your first question in regards to the public forums and the money that -- minimal amount of money spent having meetings in Wilcox, Benson, and Sierra Vista.

This particular study, because of the Corporation Commission's decision, has cost SSVEC, you as members, people and members of Wilcox, Benson, Sierra Vista, Elfrieda, Bowie, San Simon -- our whole service territory is paying the cost of this study and this analysis. And they deserve to hear what the Commission has done and what the project, the money that is being spent on this and why. That is why these meetings are being held in those particular areas as well.

Leslie Kramer And when they, and when they heard your side, was the other side presented?

Deborah White We have given the same presentation. We have made the study available. This -- we're not talking about sides here. We are giving a presentation in regards to what the feasibility study has said, with a little bit of background information and with other items that are in the docket.

Now, on your second item here, as far as an hour and a half lecture, I think SSVEC has tried to put forth the information that will bring people up to speed and then answer questions on the feasibility study. So far, we really have not had anyone come up and say, "on this particular page, or this particular document, we want to have a question on the feasibility study."

Leslie Kramer Well, I think one of your best slides -- you had two very important slides, neither one of which anyone here could read. I mean, they, they were -- they were 6 pt type sitting here. And --

Deborah White This, this, well, I, I under-; well, actually, we have it. Those were in slides. Those are -- we do have the feasibility --

Leslie Kramer Powerpoints.

Deborah White We have the feasibility study here, to where we can pull this up on the screen to where you guys can see. Ask a question about it. That's what we're here for. We have not received any questions in regards to the study itself.

Leslie Kramer No, I'm, I'm saying you --

Deborah White As well as -- the public -- as well. The report, the report has been --

Leslie Kramer *[cross-talk; Leslie inaudible while Deborah spoke above]*

Deborah White You know, I do want to say that -- I mean, it has been shown up here. The report has been on SSVEC's website. It is a 132-page document. It's on the website. It's on the Corporation Commission's website. It's in your public libraries. It is in these areas where you can go to it and look at it and get those questions to where it is a little bit difficult to read up on a screen. And maybe should -- if you have concerns about the project, you know, you would

have gone to look at these where we have made them available in order to get your questions to come to these forums.

- Leslie Kramer Thank you. Specifically, with respect to the 69 kV line – if that line existed, how would the December 8<sup>th</sup> outage have been prevented?
- Pat Scharff I'm going to answer your question as an engineer, not as a Cooperative representative.
- Leslie Kramer And who are you with, again?
- Pat Scharff I am with TRC.
- Leslie Kramer Okay.
- Pat Scharff I am a Registered Professional Engineer in New Mexico and Arizona.
- Leslie Kramer Thank you. Okay.
- Pat Scharff You asked the question, how could the outage have been prevented.
- Leslie Kramer No, how would the 69 kV line have prevented the outage?
- Pat Scharff How would the 69 kV have prevented the outage? And the answer is – it would not.
- Leslie Kramer Thank you.
- Pat Scharff The 69 kV line, however, would have mitigated the amount of time the line and power was out and the number of customers that were impacted by the outage. That is --
- Leslie Kramer How so? Because the 69 kV line --
- Moderator –  
Judy Gignac I'm sorry --
- Leslie Kramer -- would have been in a much more remote area than where the outage actually occurred, which is immediately accessible by road.
- Pat Scharff As Ms. White explained, the new substation will break the existing single feeder that has 350 miles of exposure – will have broken it up into four new feeders plus a portion of the line, which is a fifth feeder, that will be built from the Huachuca West Substation. Only one of the four new feeders, having approximately 300 customers on it, would have been impacted by that particular outage. That is a much smaller portion of line that has to be patrolled and repaired. That line can be brought back into service as soon as repairs are made. 300 people affected, much shorter patrol, much faster to find the fault, much quicker to repair it, and much quicker to return the line of service. But can it prevent the fault? No. The line, the 69 kV line cannot be – prevent drunks from hitting power poles; it can't prevent trees from falling into power lines.
- Leslie Kramer Thank you. How would the 69 kV power line be more secure in terms of the terrorism kind of question that was asked?

Pat Scharff            The presence of an alternate source – the 69 kV line – one, any power line, whether it is 69 kV, 46, 345 thousand volts – that is, one of the major concerns in this country is energy security and acts of terrorism against our energy resources. So, if there is a concern about that, a big concern would be, well gee – they could do just as well by damaging the Huachuca West Substation, which would be a very long outage should something happen to that transformer; or damaging that line that comes down Highway 82. By adding the 69 kV line, you have a very strong primary source that's difficult to get to. And you still have a backup source, which would be the Huachuca West Substation and its capacity and the capacity that's available in the 25 kV line that comes down Highway 82.

Leslie Kramer        Uh, Jack, Mr. Blair, when you talked about the independent public opinion poll, you said that 600 out of 32,000 co-operators were polled. Is that correct?

Jack Blair            There were a total of 600 people polled; that's correct.

Leslie Kramer        How were the people that were polled determined?

Jack Blair            They asked us for a list of all of our residential members – I think that's approximately 32,000 or so. We sent them a list with all of the phone numbers on there. And they then took it through two – and for lack of a better term, they kind of sifted it; put it through a sifter, flour sifter, twice – and randomly came up with numbers. And I might add, you know, they do a lot of polling. It is the same thing that they do for anybody else's poll. So these names were randomly selected. Every single co-op member, residential member, was there. And then when they made the phone call, the company that made the phone call, first thing they did, was make sure: are you the person that pays the electric bill? So, these were totally randomly selected people.

Leslie Kramer        So there was no focus on the area that is specifically interested in the 69 kV line?

Jack Blair            Yes. What they did is, there were 600 total people. 500 of them were randomly selected from our entire service territory. And then to make sure that they had a statistically valid number, they added 100 additional to the people on the V-7 feeder so that they could get a statistically valid number.

Leslie Kramer        So 100 were from the V-7 feeder and --

Jack Blair            100 extra were from the V-7 feeder.

Leslie Kramer        How were those people determined?

Jack Blair            They, the same method. They, there was a random selection by computers. And it goes through two different cycles.

Leslie Kramer        Who, who designed the questions that were asked in the poll?

Jack Blair            Mr. Severson.

Leslie Kramer      And who's he?

Jack Blair        He's --

Leslie Kramer      Oh, excuse me; I forgot.

Jack Blair        He's a, a --

Leslie Kramer      Is he one of the, the owner of the polling company? Is that one --?

Jack Blair        No, no. The actual people that did the poll --

Leslie Kramer      Well, Severson & Associates.

Jack Blair        Severson & Associates. He's in, I believe, South Dakota.

Leslie Kramer      I thought they were in Wisconsin, actually.

Jack Blair        No, he's in South Dakota, I believe.

Leslie Kramer      Okay.

Jack Blair        But he does, by the way, obviously work outside of just that area.

Leslie Kramer      Thank you.

Moderator --  
Judy Gignac        Thank you.  
Wayne Porter?

Wayne Porter      Hi, I'm Wayne Porter. I'm a part-time Elgin resident. I'm working with a local organization called Practical Energy for Rural Communities. Actually, I do have a technical question for Pat Scharff about the feasibility study. On the one, the so-called removal option that made the final five -- the diesel generator. I'm wondering about the assumptions that were made in the operating and maintenance. And the cost estimate for that option was approximately \$3.9 million. And I wonder if you're familiar with the assumptions that were made to come to that number, such as the number of days, number of hours, each day that that facility would be operating, and the fuel -- I know you emphasized the choice of fuel. But the price increase assumption for the fuel and the discount rate used for that calculation --

Pat Scharff        I'm not sure about the discount rate that we used. Initially, the DG would have to run about 500 hours a year, as a peaker unit. Each of the projects and viable alternatives had to have a 20-year life. So, by the end of the 20 years, that peaker is going to have to be operating on the order of 2,000 hours a year based on the load projections. Again, everything is sensitive to load projections. But what they did was take those numbers of operating hours and present-worth them all back. Now, again, they used diesel fuel because a natural gas resource will require tapping into the gas transmission line. It may also require a surge tank for gas storage to be able to start up and run the generation when it runs. But what happens is the generator might solve peak problems. It will not do as good a job on losses because it's not running all the time like the 69 kV would be. It doesn't even have as good a performance on losses as solar portable tanks. It also doesn't solve reliability, because the generator *only runs part of the time*. You still would

have the long, 350-miles worth of exposure. But I don't know what the – I can look it up; it'll be in the report there. But I'm not sure what the discount rate was. But that's what they did. When they started with 500 hours, they did a typical O&M cycle based on industry estimating data and then they escalated the number of operating hours out to about 2,000 hours towards the end of the 20-year life of the project. And then they PW'd it back.

Wayne Porter

I understand it doesn't solve all the problems.

Moderator –  
Judy Gignac

Thank you. Terry Murrietta?

Terry Murrietta

Well, almost everybody here knows me. I've lived here all my life. My grandparents – my husband's grandparents have lived here as long as most of these people. We have had electricity from SSVEC probably from the time they put it in.

My main thing is, I think, no insinuation to anybody here, but a lot of people here – I'm concerned because I want electricity here because my family's been here forever and my children will be here forever, and I think their grandchildren will be – my grandchildren. And I want them to have power. I want to give them 5 acres of my land. I want them to have power. And the only way we're going to get it is by building the line.

I would like it to come down 82. I live on 82. But that's not reasonable. You guys have decided through your studies, which you know more about – I don't know anything about that stuff – that it needs to come that way. So, in my mind, that's the way it should come, for progress. Jane gave that example. I went to school, in Elgin School, and there were maybe 30 children at Elgin School. Now there's a 150. I'm like Jane. There was a time when we said, maybe we don't want the new people to come live here and crowd up with our houses and stuff. But we didn't stop them. And now it appears to me that many of the new people want to stop other people from coming, when we didn't stop them.

Audience

[Applause]

Moderator –  
Judy Gignac

Thank you. Jean Karstmen?

Jean Karstmen

I'm a Sonoita resident, and I won't go into great deal about my opinion about the power line for ad nauseum. But I do want to make one comment that the people that are against the line are not against the power line. They are against the location. We all want power. We want reliable power. So, take that as you will.

I do have a question that was just brought up. I don't understand. You say the diesel backup generator would have to run 500 hours? That's 20 days. Our average outages are three hours. How do you get 500 hours to run a diesel generator? Could you explain that, please?

Pat Scharff

The diesel generator is intended to be a peaking unit to upload the load on the

Huachuca West Substation. If you look at the feasibility study, in that feasibility study there is a load duration curve. And, in essence, what that load duration curve is showing you is how many hours out of the year, how much power is being used. And the number of hours that you must run the generator is a function of how many hours the load exceeds a certain point. That generator will have to run all the hours that you are above the rating of the transformer.

- Jean Karstmen So, essentially, we are -- 500 hours we spend a year over that 7 MW?
- Pat Scharff I believe that that would be what the report says. I haven't got the report up here right now, but I could look at it and tell you. Have you looked at the report?
- Jean Karstmen Yes, I have.
- Pat Scharff Did you look at the load duration curve?
- Jean Karstmen I don't remember the details.
- Pat Scharff Okay. If you'll allow me, let me get the report up here.
- Deborah White I've got it.
- Pat Scharff I need the page.
- Jean Karstmen Well, I'll go on with my other statement here, for a question.
- Moderator --  
Judy Gignac That's fine. Thank you.
- Jean Horseman Under the recommendations and proposed mitigation, it mentions, "accordingly, an archaeological survey of the proposed project area will be necessary for the project to move forward. What are your plans for an archaeological survey?
- Deborah White Page 81, third paragraph. Could you go ahead and pull that up? Could you also pull up page 80, I guess. Let's do that, because that'll be my response.
- Moderator --  
Judy Gignac Okay, you want page 81 or 80?
- Deborah White Let's 80 real quick.
- The first paragraph, under previous investigations, okay, will give some information in regards to the T-1 line, which is SSVEC's proposed route across the land grant. And it does state on there that SSVEC did retain an environmental company to perform a cultural resource survey of the route. That survey was done in 2000 -- it was actually done in 2007. This is, the date is 2009. It has an update on it.
- Your comment -- on page 81, in regards to an archaeological survey would need to be performed. The company that came out and reviewed this -- reviewed environmental for all options, that -- the last five options, okay, that were -- that it was broken down to. For them to do environmental analysis for all 20 options would not have been feasible. So they did the

environmental for those five options. So if any one of those options were chosen, whether it would be the T-1 option, which SSVEC has performed an archaeological survey on, or the T-2 option, which would be down 82, or a diesel generator option – because we did find that there are some – that a couple of demands side management options would not need any environmental. But, for the, for the diesel generator, or even a natural gas generator, or the T-2 option, because there have been no surveys done, if those options were chose as an alternative, then surveys would have to be done for those.

- Jean Horseman Could you explain to me why the general manager of the ranch, Babacomari Ranch, and the ranch manager, know nothing about the survey?
- Deborah White At this point, I am not really – I have not spoken to the general manager of the Ranch. They have not told me that. That would be a hearsay situation.
- Audience – Ann Gibson Could you repeat what she said, because we're not hearing that.
- Jean Horseman Miss Ann Gibson has spoken, and she has said that she is a partner in the Ranch, and is part of the management, and that she has not seen a copy of the study.
- Deborah White Part of the ownership, yes – not a part of the management of the Ranch. However, at this point, that – the study has been provided, as is my understanding, all right? Actually, I know for sure because I have a copy of it – to the Ranch management. So you may want to inquire to the Ranch management as to whether – okay. Well, it probably would be good for them to contact me, and we can discuss it.
- Moderator – Judy Gignac Let's get to a – there was another question. I don't think it was for Deborah. I think it was, it was a technical question that Pat was going to answer.
- Pat Scharff [*cross talk re page of report*] I know that's 18. We're going to want to come back to page 18. 27.
- Moderator – Judy Gignac Okay. Do you want – 27? Okay.
- Pat Scharff Can you zoom me in on that? On the, uh --
- Panelists [*more cross talk about getting page up on projector*] Be patient; I'm getting it larger. [*more cross talk*]
- Pat Scharff That's page 27.
- Moderator – Judy Gignac It's page 27 on the bottom of the page, and this is page 35 as far as the --
- Jean Horseman Yeah, page 35 is the Adobe, the pdf, because there's some blank pages.
- Pat Scharff Page 27 is the page number in the actual hard copy report.
- Jean Horseman It could be the way it printed off.

Pat Scharff            Could you scroll down just a bit? Bring that graph up towards the top of the page. Keep going, keep going. There you go. That's it.

                            That's the load duration curve. Stacks up the hours. The distributive generator must run --

Moderator –            Into the microphone.  
Judy Gignac

Pat Scharff            Unfortunately, this microphone is – how's that?

Moderator –            Okay.  
Judy Gignac

Pat Scharff            How's that? There we go. The distributed generation must run for two reasons. One, to minimize overloading on the substation transformer and keep it within the rated limits. Secondly, one of the problems it helps to solve is voltage problems. And in doing the analysis to solve the voltage problems as well as the loading problems on the substation transformer, you need to keep a load limit in the neighborhood of about 4500 KW.

                            Right now, on this feeder, the co-op has four voltage regulators in series. REA (or RUS, however you want to refer to them) specifies two voltage regulators in series. When you have more than that, you have many, many problems managing voltage within the ANSI Grade A limits that are prescribed for service. So, in order to maintain the voltage and to keep the loads on the transformer within acceptable limits, you need to begin running the generator at about a level when the load gets to 4500 a month, 4500 KW - - 4½ megawatts. That's right about, right in there.

                            You're right. That's 20 days.

Jean Horseman        Well, if I look at the 500 hours and follow that out, that hits at 4000. 4500 looks to me like it's maybe 200 hours. Right there, about 200 hours. Not 500. Do you follow that 500 line straight up? That gets it about 4000.

Pat Scharff            If you read, yeah. Regardless of whatever optical thing may be going on with the graphic, read the last line of this paragraph right here.

Jean Horseman        That's why I was trying to understand why it says 500. The graphic doesn't back that up.

Pat Scharff            500 – actually --

JeanHorseman        Are you looking at customer load or are you looking at total load?

Pat Scharff            You have to look – the total load is the customer load plus the losses. When the generator runs, you're actually reducing the losses somewhat. Remember, at the margin, we're looking at 50% on losses. As soon as the generator begins running, you start reducing losses, and instead of having the total customer load, plus losses, as the top curve shows, you're beginning to have a curve that's closer to the customer load.

                            So you are, in fact, [inaudible] this range for about 500 hours. It's 501, 502.

did they round it off? I don't know. But it isn't 200, and it isn't 700.

Jean Horseman  
Ann Gibson –  
out of turn

Okay. Thank you. It wasn't obvious on the graph. I appreciate your explanation.

I am a partner and part of ownership of the ranch and I have not seen environmental study.

Moderator –  
Judy Gignac

Thank you, Jean.

Okay, I want to ask if Bob Owens or Charles Kinter have come back in the room. Okay, if not –

I indicated to Seth that if people had additional questions, that I would put them at the end of the line, when we had somebody before. And so, I'm asking if we have any further questions. Okay. All right. Then we have completed those who have filled out a form. And I appreciate your patience and your courtesy.

Gale (*but sounded like "Daly"*), you had an additional question or a statement?

Gale Getzwiller

I did.

Moderator –  
Judy Gignac

I need you to come up to the mike, please.

Gale Getzwiller

Last time I came up, I was a little upset with the statements beforehand, and I actually was going to say something now. One thing I going to say is that there is a little bit of difference between tonight's presentation and the presentation that we had in Patagonia. I really missed the 60 SSVEC employees that were in Patagonia, and where they are tonight. They added a lot to the meeting in Patagonia. I wanted to talk to them a little bit. I was hoping to find somebody who might have some empathy for the people who live in this area and could maybe talk with the administration, because we don't seem to be able to have a dialogue. You talk at us and we talk at you, and that seems to be as far as it goes.

I would like to take exception with Ron Orozco's statement that the ASS, or the ACC, told SSVEC not to build the substation. I do not believe that that was in any order that they gave to you.

The power outage on December 23 – we had a big snow storm that she was talking about earlier. That was, I think it was all storm-related. Whether it was poles blew done, ice – those are things that are going to happen here. And as I understand, Sierra Vista was out all night at that time. So that, I mean, you have, you have just as bad as outages as other areas, you know. We're more rural and we were not as long as you were in Sierra Vista.

Pete Swiatek

Different day, different hour.

Ann Gibson

Okay, well, and then we were, we were not out as long as Sierra Vista was,

though, at that – on that day. Was that December 8<sup>th</sup>? What day was it?

Pat Scharff

January.

Gale Getzwiller

Oh, it was in January? But Sierra Vista was out longer than we were, right?

Pete Swiatek

[inaudible]

Gale Getzwiller

We were not out overnight [inaudible], and they were. I have another point to make. Oh, the robocall – Wayne Crane – that you sent [inaudible], you know – recorded Wayne Crane's voice to send us a robocall about the 23<sup>rd</sup> outage that you said was because we didn't have the 69 kV line then. And that was not true. We were going to have an outage whether the 69 kV line was in or not.

We're not saying we don't want reliable power in Sonoita and Elgin and Patagonia. And that, that shouldn't be twisted like that. We want reliable power. We just want to have power that is going to take care of us in the future, not a coal-fired plant that's going to break down that is in Wilcox. We want to have locally-generated, renewable energy power of the future. That's what I have to say.

Moderator –  
Judy Gignac

Thank you, ma'am.

That concludes, then, this evening, and I want to thank you all for your courtesy and for your patience and for coming here this evening. Thank you so much.

END OF RECORDING

# Exhibit J

## SSVEC MEETING IN ELGIN MARCH 11, 2009

I would like to say a few words in behalf of our Cooperative, which is often affectionately identified as "Poor Old Suffering Springs." I came to Sierra Vista in 1963 as an engineer for the Army's Proving Ground. I have witnessed the nearly fifty-year explosive growth of our Coop, which has had to design, build and operate an electric distribution system in the area for a population growth of fifteen fold and over a four-fold growth in member meters. Any way you look at it, when examining the Coop's growth, it has been a marvelous engineering accomplishment, especially when you consider it serves a geographical region larger than the combined area of several eastern states. When designing an electric utility, there are two completely separate engineering functions that cannot be mixed together:

First: Power Generation

Second: Power Distribution from the power source to the meter.

SSVEC is a member-owned distribution system. Electrical power distribution design is nationally regulated by the *National Electrical Safety Code* published by the American National Standards Association (ANSI). Our cooperative must comply with these standards and those of the Federal Rural Electric Administration (REA). To ensure for an environmentally friendly and reliable system design that will function for years while accommodating foreseeable population growth, both federal and state laws require that the design be developed by licensed professional engineers (PE's). Further, to obtain equity funding, the design and specifications must be signed by licensed professional electrical engineers as meeting these standards and that environmental and safety considerations are held paramount to protect the public. To do otherwise is to invite chaos and costly failures.

The *National Electric Code* (NEC) published by the National Fire Protection Association (NFPA) provides standards to protect those using the electrical power. This Code allows the consumer to fund and include alternate energy sources. SSVEC has served well as a business conduit to channel federal funds by giving rebates to its members who adopt energy efficient and alternate sources of electrical power. In most instances, power generation from wind and solar is very costly and is not a reliable power source that can effectively accommodate high-energy use peaking demands. Further, the wind in this area is intermittent and the semi-arid climate with cloud cover often compromises the generation of solar power. The cost of these systems would be a wrongful economic burden for our members.

Our Cooperative is a member-owned enterprise, governed by thirteen board members elected for three-year terms from thirteen districts based on the concept of one meter/one vote. These directors are primarily responsible for ensuring that the design and operation of the distribution system meets all applicable requirements. Members who have concerns about the design can always give their written comments

to the elected director in their district who will forward them to the staff design engineers for review and comment.

As a member of the Coop, I feel that good old Sulphur Springs has had enough *suffering* on the issue of the transmission line into the Sonoita/Patagonia district. The staff engineers deserve a round of applause for the great work they have done.

Thank you,

A handwritten signature in cursive script that reads "David V. MacCollum". The signature is fluid and extends to the right with a long tail.

David V. MacCollum, P.E., CSP

# **Exhibit K**

E-01575A-08-0328  
E-01575A-09-0453

ORIGINAL

RECEIVED

JUDITH A. GIGNAC

1425 VIA VIENTO  
SIERRA VISTA, ARIZONA 85635  
VOICE: 520.458.0743

2010 MAR 15 P 4:50 EMAIL: JUDYGIGNAC@COX.NET

March 12, 2010

AZ CORP COMMISSION  
DOCKET CONTROL

Jane J. Rodda  
Administrative Law Judge  
Hearing Division  
Arizona Corporation Commission  
400 W. Congress  
Tucson, AZ 85701-1347

Re: SSVEC Public Forums as ordered in Decision #71274

Dear Judge Rodda;

In response to Decision #71274, SSVEC requested that I serve as moderator of two forums: March 9, 2010 at Patagonia High School, and March 11, 2010 at Elgin Elementary School.

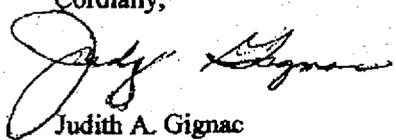
I thought it would be appropriate to inform you of my observations regarding these forums and to provide you with a copy of my formal comments to those attending.

The first part of the forum was devoted to presentations by SSVEC and TRC regarding the several procedures with the Commission, the purpose of the Sonoita Reliability Project, the results of the Independent Feasibility Study, remarks concerning renewable energy generation plans of SSVEC, and the results of an independent public opinion poll on several issues regarding the project and SSVEC in general. The remainder of the forum was devoted to questions, comments and statements from public members in attendance.

Although not all members of the public went away fully satisfied that change would occur based upon their comments, it was my intent as moderator and my observation that all who wanted to speak were given ample opportunity to do so and that the utility presenters provided appropriate information and answers to all questions. This included some follow-up with individuals regarding specific problems outside of the forum's agenda.

Should you have any questions, please do not hesitate to contact me.

Cordially,

  
Judith A. Gignac

Arizona Corporation Commission  
DOCKETED

MAR 15 2010

cc: Kristin K. Mayes, Chair, ACC  
Gary Pierce  
Paul Newman  
Sandra Kennedy  
Bob Stump

DOCKETED BY 