

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



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ORIGINAL

**ARIZONA CORPORATION COMMISS
UTILITY COMPLAINT FORM**

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Investigator: Carmen Madrid

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2010 87130

Date: 5/27/2010

Arizona Corporation Commission

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

DOCKETED

JUN - 4 2010

First:

Last:

Complaint By: Nancy

McCoy

DOCKETED BY
MM

Account Name: The Duquesne House Bed and Breakfast

Home:

Street:

Work: (000) 000-0000

City: Patagonia

CBR:

State: AZ **Zip:** 85624

is: E-Mail

Utility Company: Sulphur Springs Valley Electric Cooperative, Inc.

Division: Electric

Contact Name:

Contact Phone:

Nature of Complaint:

From: Nancy McCoy [mailto:
Sent: Wednesday, May 26, 2010 11:58 PM
To: Utilities Div - Mailbox; Mayes-WebEmail; Pierce-Web; Newman-Web; Kennedy-Web; Stump-Web
Subject: Docket No. E-01575A-08-0328

May 27, 2010

Arizona Corporation Commission
Chairman Kristin Mayes
Commissioners Pierce, Newman, Kennedy, and Stump

Docket: DOCKET NO. E-01575A-08-0328

Dear Chairman Mayes and Commissioners:

I would like to bring to the attention of the Commission, the Wildcat Silver Corporation's Hardshell mine project located in the Patagonia Mountains just outside of Patagonia.

Electric power for this proposed mine project appears to be the most likely reason for the frantic push by SSVEC to get the 69kV line in by Fall 2011, as this is when Wildcat Silver would like to begin operations at the Hardshell site, according to Chris Jones, Wildcat Silver President and CEO.

In the Hearings in Tucson before Judge Rodda, Mr. Bradley Carroll, representing SSVEC, stated, "First, this mine is not in Sulphur Springs' service territory. Under Arizona law ... it cannot serve that line."

It is my understanding that the mine could very well be serviced by SSVEC if they have a Commission-approved Cross Boundary Agreement to do so.

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If the proposed 69kV line is for this mine or any other mines being considered in the Patagonia Mountains, should the SSVEC Cooperators have to pay for it? At a recent meeting with area residents, Mr. Jones stated that the Hardshell mine will not pay any taxes to the State of Arizona for the extraction of minerals and the associated wear and tear on the local communities, except county property taxes. Mr. Jones projected that Wildcat Silver Corporation will make hundreds of millions of dollars of profit from this mine.

If SSVEC is planning to service this mine, then Wildcat Silver Corporation should pay for the line extension and bury it.

I have attached a copy of the Patagonia Regional Times article reporting on the first of two meetings Mr. Jones had with community business owners about the proposed mine. Detailed information about the project can be found at their website, www.wildcatsilver.com. Once at the website look under "Projects" and then "Hardshell."

I think it is an insult and an egregious waste of the state's resources for SSVEC to wage a battle for a power line to essentially service a possible mine that poses a dire economic threat for Patagonia, an internationally renowned birding area, whose economy is based on outdoor recreational activities such as birding, hunting, hiking and biking, as well as the area's scenic beauty, clean air, and charming small town ambiance. That being the case, the Hardshell mine may be opposed by some agencies and individuals and could be delayed some years in its start-up.

The independent assessment from the SSVEC Feasibility Study that was performed by Navigant Consulting projected an increased total load of 2,000kW by 2029, (Navigant Consulting Feasibility Study pg.3), not 46 to 180 megawatts that could be transported on the 69kV line.

The local electricity needs of the Patagonia, Sonoita and Elgin area could be met by simply replacing the current V7 Feeder conductor with a larger wire on the existing poles. The community also has almost one megawatt of renewable solar and wind energy going in on private property which will make a great impact on energy needs. A locally distributed, renewable energy community is what we envision for our future.

I appreciate the Commission members taking the time to read this letter and considering the issues I've addressed.

Thank you again for your consideration.

Sincerely,

Nancy McCoy

Nancy McCoy
The Duquesne House Bed and Breakfast
Patagonia, AZ 85624

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

5/27/10 Opinion noted and filed in Docket No. E-01575A-08-0328. closed
End of Comments

Date Completed: 5/28/2010

Opinion No. 2010 - 87130
