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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

2010 SEP -2 P 3: 37

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

SEP 2 2010

DOCKETED BY *Bob*

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

Docket No. E-01773A-09-0472

**SULPHUR SPRINGS VALLEY
ELECTRIC COOPERATIVE, INC.'S
COMMENT IN SUPPORT OF
REBUTTAL TESTIMONIES**

Snell & Wilmer

LLP
LAW OFFICES
One Arizona Center, 400 E. Van Buren
Phoenix, Arizona 85004-2202
(602) 382-6000

Sulphur Springs Valley Electric Cooperative, Inc. ("SSVEC") is an Intervenor in the above-captioned matter. Although SSVEC has elected not to file rebuttal testimony, SSVEC would like to provide the following comment relating to the Rebuttal Testimonies that were filed on August 30, 2010.

SSVEC has reviewed the Rebuttal Testimonies filed by Arizona Electric Power Cooperative, Inc. ("AEPSCO"), Mohave Electric Cooperative, Inc. ("MEC"), and Trico Electric Cooperative, Inc. ("Trico") and supports the positions set forth therein. Specifically, SSVEC supports the \$1,172,317 decrease in annual revenues proposed by AEPSCO, and SSVEC supports the positions taken by AEPSCO, MEC, and Trico relative to the appropriate level of operating margins for AEPSCO. SSVEC agrees that a margin level equating to a 1.32 Debt Service Coverage ("DSC") ratio is reasonable and adequate for AEPSCO. SSVEC believes that margins based on a 1.32 DSC provide sufficient cash flow

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for AEPCO, and anything higher would place an undue burden on SSVEC and the other rate-paying members of AEPCO.

RESPECTFULLY SUBMITTED this 2nd day of September, 2010

SNELL & WILMER L.L.P.

By 
Bradley S. Carroll
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ORIGINAL and 13 copies filed this 2nd day of September, 2010, with:

Docket Control
ARIZONA CORPORATION COMMISSION
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Phoenix, Arizona 85007

COPIES of the foregoing hand delivered this 2nd day of September, 2010, to:

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1 COPIES of the foregoing mailed
2 this 2nd day of September, 2010, to:

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