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RESERVED
AZ CORPORATION
SUTHERLAND & GENTRY 1928
GENTRY & GENTRY 1949
GENTRY, McNULTY & KIMBLE 1955
GENTRY, McNULTY & DESENS 1979
DESENS & HITCHCOCK 1986

JAN 29 12 04 PM '99

January 28, 1999

DOCUMENT CONTROL

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Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Arizona Corporation Commission
DOCKETED

JAN 29 1999

Re: Docket No. RE-00000C-94-0165
Sulphur Springs Valley Electric Cooperative, Inc.
Filing of Comments

DOCKETED BY 

Dear Sir/Madam:

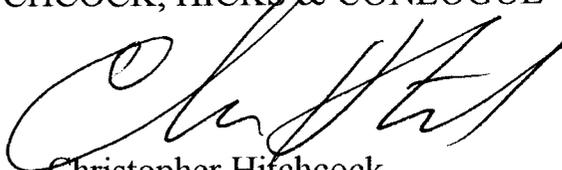
I have enclosed the original and ten copies of Sulphur Springs Valley Electric Cooperative, Inc.'s Comments on the Rules.

Please do not hesitate to contact me if you have any questions.

Sincerely,

HITCHCOCK, HICKS & CONLOGUE

By


Christopher Hitchcock

CH/lmr

Enclosures

cc: C.W. Huber, SSVEC
Board of Directors

HITCHCOCK, HICKS & CONLOGUE

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Attorney For

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Sulphur Springs Valley Electric Cooperative, inc.

CHRISTOPHER HITCHCOCK
STATE BAR NO. 004523

BEFORE THE ARIZONA CORPORATION COMMISSION

JIM IRVIN
Commissioner - Chairman
TONY WEST
Commissioner
CARL J. KUNASEK
Commissioner

Arizona Corporation Commission

DOCKETED

JAN 29 1999

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IN THE MATTER OF THE COMPETITION) DOCKET NO. RE-00000C-94-0165
IN THE PROVISION OF ELECTRIC SERVICES)
THROUGHOUT THE STATE OF ARIZONA)
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**COMMENTS BY SULPHUR
SPRINGS VALLEY ELECTRIC
COOPERATIVE**

SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC. ("SSVEC") submits these recommendations for changes to the Electric Utilities (Article 2) and Retail Electric Competition (Article 16) Rules. As suggested by the Chief Hearing Officer, specific language deletions and additions are included unless the recommendation is to delete an entire paragraph, section or rule.

R-14-2-1616 and R14-2-1617

Separation of Monopoly and Competitive Services / Affiliate Transactions

SSVEC supports the AEPCO proposal to delete these sections and substitute a provision to prohibit subsidization of competitive services by noncompetitive activities. SSVEC is already separated from its G&T, AEPCO. Thus, the possible problem of market power does not exist

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from SSVEC or other distribution cooperatives.

In addition, SSVEC supports the deletion of R14-2-1606.B, Standard Offer Competitive Bid requirement, as it would require distribution cooperatives to breach their all requirement contracts with AEPCO. SSVEC also supports the deletion of matters relating to the solar portfolio requirement. It is a good idea to have a mix of generation but it is not good to mandate any particular type. For example, SSVEC has utilized solar driven water pumps for remote locations and has worked with AEPCO to be able to lease solar generators to its customers who request such.

R14-2-1613(k)(8) and (9) and (10)

Service Quality, Consumer Protection Safety and Billing Requirements

SSVEC believes Metering should remain a sole function of the UDC. It has significant investment in its meters and meter technicians. Such would be a significant source of any stranded cost SSVEC would have. Consequently, requiring meter ownership to remain in the UDC would eliminate this potential barrier to competition. Any UDC could be required to provide as cost any changes in metering system the consumer wished. This will also eliminate the technical problem with and need to dispute resolution of meter reliability, such would remain the responsibility of the UDC.

Recommendations - reword paragraph R14-2-1613 9)(8) and (9) and (10) to read:

- 8. Meter ownership will be limited to the Utility Distribution Company or the

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Customer who shall obtain the meter from the Utility Distribution Company at its cost.

9. maintenance and servicing of the metering equipment will be limited to the ~~Affected Utility, Utility Distribution Company, or an Electric Service Provider.~~

10. Distribution Primary Voltage Current Transformers and Potential Transformers ~~will~~ may be owned by the ~~Affected Utility, Utility Distribution Company, or the Electric Service Provider, or their representative.~~

There are several additional places that meters are mentioned in the Rules. The above is primarily to be used as a starting point for the Commission should it wish to consider this action.

SSVEC has additional problems with the Rules as they pertain to meter reading, bill and collection, particularly as they relate to distribution cooperatives. It cannot be stressed often enough that SSVEC is owned by its customers. It takes this relationship very seriously. Its customers elect the Board of Directors. consequently, it must send them ballots. It operates on a non profit basis. Any money paid by its customers over the actual cost of providing service is returned to them by way of capital credits. Consequently, it must allocate these credits on a patronage basis. The more the "core" functions of serving its customers, i.e. meters, meter reading, and billing, are done by someone else, the more complicated its task becomes to identify its members and their nature of their ownership in their company. Consequently, SSVEC requests the Commission consider, as to distribution cooperatives only, that these functions remain their responsibility.

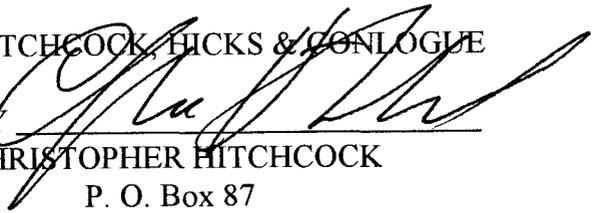
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CONCLUSION

SSVEC appreciates this opportunity to provide cements on the Rules and requests that the Hearing Officer modify the Rules as recommended herein.

RESPECTFULLY SUBMITTED this ____ day of February, 1998.

HITCHCOCK, HICKS & CONLOGUE

BY 
CHRISTOPHER HITCHCOCK

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ORIGINAL and ten (10) copies of the foregoing filed this ____ day of February, 1998, with:

Docket Control, Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Copy of the foregoing mailed this ____ day of February, 1998, to:

Jerry L. Rudibaugh, Chief Hearing Officer
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Director, Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

All others on revised service list
By _____