

OPEN MEETING AGENDA ITEM



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BEFORE THE ARIZONA CORPORATION

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COMMISSIONERS

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2011 JAN -7 P 2: 24

AZ CORP COMMISSION
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Arizona Corporation Commission

DOCKETED

JAN -7 2011

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IN THE MATTER OF THE APPLICATION
OF MOHAVE ELECTRIC COOPERATIVE,
INC. FOR APPROVAL OF ITS 2011
RENEWABLE ENERGY STANDARD AND
TARIFF PLAN, INCLUDING A
RENEWABLE ENERGY STANDARD
TARIFF

DOCKET NO. E-01750A-10-0264

EXCEPTION TO PROPOSED
ORDER APPROVING MOHAVE
ELECTRIC COOPERATIVE, INC.'S
2011 REST PLAN

Pursuant to A.A.C. R14-3-110(B), Mohave Electric Cooperative, Inc.

("Mohave"), through counsel undersigned, hereby files its exceptions to the Commission Staff's proposed order docketed December 23, 2010 approving Mohave's 2011 Renewable Energy Standard and Tariff ("REST") Plan to request an amendment to clarify the scope of the internal bridge financing for Mohave's Solar for Schools Program.

Mohave appreciates and supports the Staff's recommendation to approve Mohave's 2011 REST Plan. However, in discussing the internal bridge financing, Staff inadvertently discusses only 1/2 of the plan. Because of the inability to secure Clean Renewable Energy Bonds ("CREB") for its Solar for Schools program, Mohave proposes to utilize up to \$1,000,000 in internal bridge financing to secure PV systems for a total of 20 schools - 10 in 2010¹ and 10 in 2011 - at a cost of \$50,000 each. The Staff Memorandum and

¹ By Application filed September 20, 2010, Mohave requested an amendment to its 2010 REST Plan to, among other things, authorize \$500,000 in internal bridge financing for the PV solar systems for 10 schools in 2010. Decision No. 71955, dated November 1, 2010, deferred consideration of the 2010 bridge financing to Mohave's 2011 REST Plan.

1 proposed order, however, only discusses the \$500,000 of internal bridge financing to be
2 utilized in connection with funding of the 10 systems in 2010 and does not discuss the
3 additional \$500,000 for the 10 systems in 2011. Mohave understands this was inadvertent on
4 the part of Staff and that Staff supports Mohave's use of internal financing of up to an
5 additional \$500,000 in 2011 to fund the construction of 10 \$50,000 PV solar systems on 10
6 additional schools in 2011.

7 **Proposed Amendment**

8 Based upon the foregoing, Mohave respectfully requests the proposed opinion
9 be amended as follows:

10 Page 4, Paragraph 16, line 22: Delete “, at a total cost of \$500,000.” and Insert
11 “and tens schools in 2011 at a total cost of \$1,000,000.”

12 Page 4, Paragraph 16, line 24: Delete “\$500,000” and Replace with
13 “\$1,000,000.”

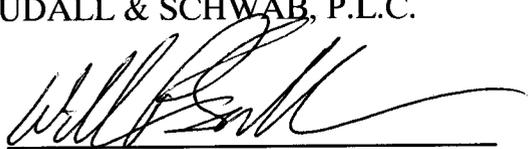
14 Page 7, line 17: Insert new Conclusion of Law 4 as follows: “The internal
15 bridge financing of up to \$1,000,000 for a total of 20 PV solar systems on schools in 2010
16 and 2011 is for lawful purposes, which are within the corporate powers of MEC, are
17 compatible with the public interest, with sound financial practices, and with the proper
18 performance by MEC of service as a public service corporation and will not impair its ability
19 to perform that service and is reasonably necessary or appropriate for the purposes specified
20 and such purposes are not, wholly or in part, reasonably chargeable to operative expenses or
21 to income.

22
23 Page 8, line 1: Insert new Ordering Paragraph as follows: IT IS FURTHER
24 ORDERED authorizing MEC to provide up to \$1,000,000 of internal bridge financing for PV
25 solar systems on 20 schools between 2010 and 2011 to be repaid with REST funds over ten

1 years following funding at the Clean Renewable Energy Bonds rate in effect at the time when
2 the funds are expended.

3 RESPECTFULLY SUBMITTED this 7th day of January, 2011.

4 CURTIS, GOODWIN, SULLIVAN,
5 UDALL & SCHWAB, P.L.C.

6
7 By: 

8 Michael A. Curtis
9 William P. Sullivan
10 501 East Thomas Road
11 Phoenix, Arizona 85012-3205
12 Attorneys for Mohave Electric Cooperative,
13 Inc.

14
15 PROOF OF AND CERTIFICATE OF MAILING

16 I hereby certify that on this 7th day of January, 2011, I caused the foregoing
17 document to be served on the Arizona Corporation Commission by delivering the original and
18 thirteen (13) copies of the above to:

19 Docket Control
20 Arizona Corporation Commission
21 1200 West Washington
22 Phoenix, Arizona 85007

23
24 
25

1234/-28/-28-8-x/2011 REST Plan/Pleadings/Exceptions to Staff 12 23 10 Proposed Order