

Tucson Electric Power
E-01933A-07-0402
E-01933A-05-0650

ORIGINAL
DIAMOND
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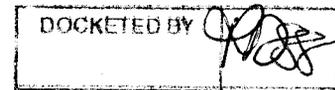
AZ CORP COMMISSION
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The Honorable Gary Pierce, Chair
The Honorable Bob Stump
The Honorable Sandra D. Kennedy
The Honorable Paul Newman
The Honorable Brenda Burns

Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

Arizona Corporation Commission
DOCKETED

JUN 15 2011



RE: Reinstatement of TEP Line Extension Policy

Dear Chairman Pierce,

Over the last several years, Diamond Ventures, Inc. has worked with other concerned parties to raise awareness of the unintended consequences brought about by changes to TEP's line extension policy in Decision No. 70628. We wish to express our appreciation to the Commission and its Staff for making this a top priority issue for 2011. We offer the following in response to the questions contained in your letter dated June 3, 2011 regarding Docket Nos. E-01933A-07-0402 and E-01933A-05-0650 as well as Docket No. E-00000J-10-044:

Question 1: Would you oppose the reopening of Decision No. 70628 for the narrow purpose of considering a reinstatement of TEP's line extension tariff? If so, what is the basis of your opposition?

Response: We do not oppose reopening Decision No. 70628 to make the specific amendments to TEP's line extension policy filed by Staff June 1, 2011.

Question 2: Is there an alternative proposal for reinstating TEP's line extension tariff that you would recommend/support? If so, please provide the language of that proposal.

Response: We believe the revised policy filed by Staff at the request of the Commission provides a balanced approach to electric infrastructure development in TEP's service territory. We do not recommend consideration of an alternative proposal at this time.

Question 3: If the Commission reopens Decision No. 70628 in order to consider reinstating TEP's line extension tariff, would you desire an evidentiary hearing to present sworn testimony and/or other evidence regarding the proposed reinstatement? If so, what is the nature of the evidence you want to present?

Response: We do not believe an evidentiary hearing is necessary. If the Commission holds a hearing, we will provide testimony in support of the line extension policy filed by Staff on June 1, 2011.

As previously stated, we believe TEP's current line extension policy has negatively affected the homebuilding and development industries as well as the southern Arizona economy and the region's ability to stimulate job growth. We commend the manner in which the Commission has pushed for resolution of this matter since the beginning of the year. We strongly recommend the Commission approve the above-mentioned line extension policy filed by Staff as quickly as possible.

Sincerely

A handwritten signature in black ink, appearing to read 'D. Goldstein', with a long horizontal flourish extending to the right.

David Goldstein
President
Diamond Ventures, Inc.