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**Sulphur Springs Valley
Electric Cooperative, Inc.**

2012 JAN -4 A 9:55
Touchstone Energy* Cooperative



AZ CORP COMMISSION
DOCKET CONTROL

Friday, December 30, 2011

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

**Re: Sulphur Springs Valley Electric Cooperative – Notice of Compliance
Decision #72031, Docket E-00000D-09-0020**

In Finding of Fact Section 7-e-1-ii of ACC Order #72031 (December 10, 2010), the Commission ordered:

“SWTC, APS, Tucson Electric Power Company (“TEP”) and Sulphur Springs Valley Electric Cooperative (“SSVEC”) shall jointly complete additional actions and file specified information related to the Cochise County Study Group plan of service with the Commission as follows:

By December 31, 2011, substantially complete contractual negotiations with affected parties over cost responsibility, wheeling arrangements, Engineering, Procurement and Construction (“EPC”), operations and maintenance, etc. (described as pending items in the CCSG 2009 report), and file a draft memorandum of understanding among the affected parties addressing these items with the Commission.”

SSVEC hereby gives notice that on Friday, December 30, 2011, SWTC filed the progress report on behalf of the Cochise County Study Group. Although the Parties have negotiated to create the attached progress report, SSVEC has stated that proposed cost allocation is unacceptable. Furthermore, the draft MOU in its current form was started on December 13, with few changes requested by SSVEC put into the document. SSVEC will provide additional details in late January. SSVEC has complied with filing requirements in Decision #72031.

An original and 13 copies of this letter is enclosed.

Sincerely,

Anselmo Torres
Chief Operations & Engineering Officer

CC: Jacque Cook, SWTC
Ron Belval, TEP
Vince Thor, APS
David Bryan, SSVEC
File

Arizona Corporation Commission
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