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BEFORE THE ARIZONA CORPORATION COMMISSION

**COMMISSIONERS**

SUSAN BITTER SMITH, Chairman  
BOB STUMP  
BOB BURNS  
DOUG LITTLE  
TOM FORESE

Arizona Corporation Commission  
**DOCKETED**

SEP 25 2015

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**ORIGINAL**

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ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

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

**DOCKET E-01575A-15-0312**

**NOTICE OF FILING CORRECTED EXHIBITS AND STANDARD OFFER TARIFF PAGES**

CROCKETT LAW GROUP PLLC  
1702 East Highland Avenue, Suite 204  
Phoenix, Arizona 85016  
602.441.2775

On August 31, 2015, Sulphur Springs Valley Electric Cooperative, Inc. ("SSVEC" or the "Cooperative") filed a general rate case application ("Application"). Since filing the Application, SSVEC has made corrections to certain exhibits and to certain pages of the proposed Standard Offer Tariff, as follows:

- Attached as Attachment 1 is a revised Exhibit DWH-2.0 to the Pre-Filed Direct Testimony of David Hedrick. As originally filed, Exhibit DWH-2.0 showed an incorrect "Total Assets" amount for the year 2010. The revised Exhibit DWH-2.0 shows the correct amount of \$258,026,052 for the year 2010. The revised Exhibit DWH-2.0 supersedes and replaces the exhibit filed with the Application.

- Attached as Attachment 2 is a revised Exhibit DWH-8 to the Pre-Filed Direct Testimony of David Hedrick. The revised Exhibit DWH-8 provides the correct reference to Schedule G-6.3 and corrects certain values in the exhibit. The revised Exhibit DWH-8 supersedes and replaces the exhibit filed with the Application.

- Attached as Attachment 3 is a revised Exhibit DWH-9 to the Pre-Filed Direct Testimony of David Hedrick. The revised Exhibit DWH-9 provides the correct reference to Schedule G-6.3

1 and corrects certain values in the exhibit. The revised Exhibit DWH-9 supersedes and replaces  
2 the exhibit filed with the Application.

3 • Attached as Attachment 4 is a revised Exhibit DWH-10 to the Pre-Filed Direct  
4 Testimony of David Hedrick. The revised Exhibit DWH-10 provides the correct reference to  
5 Schedule G-6.3 and corrects certain values in the exhibit. The revised Exhibit DWH-10 supersedes  
6 and replaces the exhibit filed with the Application.

7 • Attached as Attachment 5 is a revised page 44 to the Standard Offer Tariff filed with  
8 the Application (Controlled Irrigation Service Schedules CD, CBW & CW). The reference to  
9 "Rate CTW" on page 44 has been corrected to read "Rate CBW." The revised page 44 supersedes  
10 and replaces page 44 filed with the Application.

11 • In Decision 74992 (Docket E-01575-14-0378), the Arizona Corporation Commission  
12 approved revisions to SSVEC's Service Conditions and corresponding revisions to the  
13 Cooperative's current Standard Offer Tariff. Attached hereto as Attachment 6 are revised pages  
14 52-54 to the Standard Offer Tariff filed with the Application (Schedule of Service Charges,  
15 Schedule SC) which incorporate the tariff revisions approved in Docket E-01575-14-0378. These  
16 revised tariff pages supersede and replace those filed with the Application.

17 RESPECTFULLY submitted this 25<sup>th</sup> day of September, 2015.

18 CROCKETT LAW GROUP PLLC

19 

20 Jeffrey W. Crockett, Esq.  
21 1702 East Highland Avenue, Suite 204  
22 Phoenix, Arizona 85016  
23 Attorney for Sulphur Springs Valley Electric  
24 Cooperative, Inc.

25 **ORIGINAL** plus thirteen (13) copies filed  
26 this 25<sup>th</sup> day of September, 2015, with:

27 Docket Control  
28 ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007

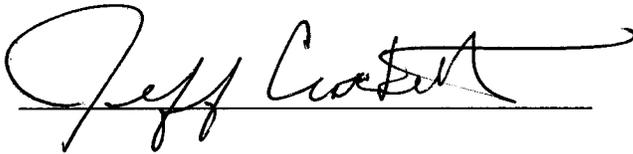
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**COPIES** of the foregoing hand-delivered  
this 25<sup>th</sup> day of September, 2015, to:

Dwight D. Nodes, Chief Administrative Law Judge  
Hearing Division  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007

Janice M. Alward, Chief Counsel  
Legal Division  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007

Thomas M. Broderick, Director  
Utilities Division  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007



A handwritten signature in cursive script, appearing to read "Jeff Crockett", is written over a horizontal line.

**ATTACHMENT 1**

SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC.

SYSTEM CAPITALIZATION

	2009	2010	2011	2012	2013	Test Year 12/31/2014
Long-Term Debt	\$ 139,183,223	\$ 147,186,217	\$ 162,208,837	\$ 168,068,234	\$ 169,183,223	\$ 168,930,824
Equity	65,917,528	72,867,833	79,480,075	89,362,825	89,164,479	97,115,902
Total Capitalization	<u>\$ 205,100,751</u>	<u>\$ 220,054,050</u>	<u>\$ 241,688,912</u>	<u>\$ 257,431,059</u>	<u>\$ 258,347,702</u>	<u>\$ 266,046,726</u>
<b>Percent Capitalization</b>						
Long-Term Debt	67.86%	66.89%	67.11%	65.29%	65.49%	63.50%
Equity	32.14%	33.11%	32.89%	34.71%	34.51%	36.50%
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Total Assets	<u>\$ 253,438,830</u>	<u>\$ 258,026,052</u>	<u>\$ 268,533,993</u>	<u>\$ 285,603,446</u>	<u>\$ 285,519,336</u>	<u>\$ 288,046,908</u>
Equity as % of Total Assets	<u>26.01%</u>	<u>28.24%</u>	<u>29.60%</u>	<u>31.29%</u>	<u>31.23%</u>	<u>33.72%</u>

# **ATTACHMENT 2**

SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE

CALCULATION OF LOST FIXED COST RECOVERY  
 AS A RESULT OF MEMBER OWNED DISTRIBUTED GENERATION SERVED ON THE RESIDENTIAL RATE  
 ADMINISTERED IN CONJUNCTION WITH NET METERING TARIFF NM - 1 (EXISTING POLICY)

		Existing Rates	Phase 1 Rates	Phase 2 Rates	Phase 3 Rates	Phase 4 Rates
1	Total Residential Energy Charge including WPCA Proposed Tariff	\$ 0.119768	0.117518	0.112858	0.106764	0.102038
2	Purchased Power Energy Cost	\$ 0.028450	\$ 0.028450	\$ 0.028450	\$ 0.028450	\$ 0.028450
3	Purchased Power Demand Cost	\$ 0.043493	\$ 0.043493	\$ 0.043493	\$ 0.043493	\$ 0.043493
Remainder: Distribution Wires						
4	Component in Residential Energy Charge	L1 - L2 - L3	\$ 0.047825	\$ 0.045575	\$ 0.040915	\$ 0.034821
Total: \$ 0.030095						

Lost Fixed Cost Calculation:

5	Total Residential DG Customers at TY End	1,013	1,013	1,013	1,013	1,013
Monthly kWh Produced by 5.62 KW AC						
6	PV System with 25% Capacity Factor	5.62 KW x 730 Hrs x 25%	1,026	1,026	1,026	1,026
7	Purch Power Demand Lost Fixed Cost - Monthly	L6 x L3	\$ 44.61	\$ 44.61	\$ 44.61	\$ 44.61
8	Distr. Wires Lost Fixed Cost - Monthly	L6 x L4	\$ 49.05	\$ 46.74	\$ 41.96	\$ 35.71
9	Total Lost Fixed Costs - Monthly	L7 + L8	\$ 93.66	\$ 91.35	\$ 86.57	\$ 80.32
10	Total Lost Fixed Costs Annual	L9 x L5 x 12	\$ 1,138,552	\$ 1,110,499	\$ 1,052,399	\$ 976,420
Total: \$ 917,498						

**ATTACHMENT 3**

SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE

AS A RESULT OF MEMBER OWNED DISTRIBUTED GENERATION SERVED ON THE PROPOSED RESIDENTIAL DG RATE FOR EXISTING CUSTOMERS  
 ADMINISTERED IN CONJUNCTION WITH NET METERING TARIFF NM-1 (EXISTING POLICY)

		Existing Rates	Phase 1 Rates	Phase 2 Rates	Phase 3 Rates	Phase 4 Rates
1	Total Residential Energy Charge including WPCA	Proposed Tariff	\$ 0.119768	\$ 0.119768	\$ 0.119768	\$ 0.119768
2	Purchased Power Energy Cost	Schedule G-6.0, Page 4 of 4	\$ 0.028450	\$ 0.028450	\$ 0.028450	\$ 0.028450
3	Purchased Power Demand Cost	Schedule G-6.0, Page 4 of 4	\$ 0.043493	\$ 0.043493	\$ 0.043493	\$ 0.043493
4	Remainder: Distribution Wires Component in Residential Energy Charge	L1 - L2 - L3	\$ 0.047825	\$ 0.047825	\$ 0.047825	\$ 0.047825

Lost Fixed Cost Calculation:

5	Total Residential DG Customers at TV End		1,013	1,013	1,013	1,013	1,013	1,013
6	Monthly kWh Produced by 5.62 kW AC PV System with 25% Capacity Factor	5.62 kW x 730 Hrs x 25%	1,026	1,026	1,026	1,026	1,026	1,026
7	Purch Power Demand Lost Fixed Cost - Monthly	L6 x L3	\$ 44.61	\$ 44.61	\$ 44.61	\$ 44.61	\$ 44.61	\$ 44.61
8	Distr. Wires Lost Fixed Cost - Monthly	L6 x L4	\$ 49.05	\$ 49.05	\$ 49.05	\$ 49.05	\$ 49.05	\$ 49.05
9	Total Lost Fixed Costs - Monthly	L7 + L8	\$ 93.66	\$ 93.66	\$ 93.66	\$ 93.66	\$ 93.66	\$ 93.66
10	Total Lost Fixed Costs Annual Ex Fixed Cost Change	L9 x L5 x 12	\$ 1,138,552	\$ 1,138,552	\$ 1,138,552	\$ 1,138,552	\$ 1,138,552	\$ 1,138,552
11	Increase in Customer Charge over Existing	Change in Cust Charge	\$ 14.75	\$ 22.75	\$ 29.75	\$ 29.75	\$ 39.75	\$ 39.75
12	Additional Fixed Cost Revenue Annual	L11 x L6 x 12	\$ 179,301	\$ 276,549	\$ 361,641	\$ 361,641	\$ 483,201	\$ 483,201
13	Total Lost Fixed Costs Annual Including Fixed Cost Change	L10 - L12	\$ 959,251	\$ 862,003	\$ 776,911	\$ 776,911	\$ 655,351	\$ 655,351

# **ATTACHMENT 4**

SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE

AS A RESULT OF MEMBER OWNED DISTRIBUTED GENERATION SERVED ON THE PROPOSED RESIDENTIAL DG RATE FOR NEW CUSTOMERS  
 ADMINISTERED IN CONJUNCTION WITH NEW DISTRIBUTED GENERATION (DG) TARIFF

		Existing Rates	Phase 1 Rates	Phase 2 Rates	Phase 3 Rates	Phase 4 Rates	
1	Total Residential Energy Charge including WPCA	Proposed Tariff	\$ 0.119768	0.107617	0.095467	0.083316	0.071165
2	Purchased Power Energy Cost	Schedule G-6.0, Page 4 of 4	\$ 0.028450	\$ 0.028450	\$ 0.028450	\$ 0.028450	\$ 0.028450
3	Purchased Power Demand Cost	Schedule G-6.0, Page 4 of 4	\$ 0.043493	\$ 0.043493	\$ 0.043493	\$ 0.043493	\$ 0.043493
Remainder: Distribution Wires							
4	Component in Residential Energy Charge	L1 - L2 - L3	\$ 0.047825	\$ 0.035674	\$ 0.023524	\$ 0.011373	\$(0.000778)

Lost Fixed Cost Calculation:

5	Total Residential DG Customers at TY End		1,013	1,013	1,013	1,013	1,013
Monthly kWh Produced by 5.62 kW AC							
6	PV System with 25% Capacity Factor	5.62 kW x 730 Hrs x 25%	1,026	1,026	1,026	1,026	1,026
7	PV System Energy Consumed by Customer Only	Estimated at 74% of total	759	759	759	759	759
8	Purch Power Demand Lost Fixed Cost - Monthly	L7 x L3	\$ 33.01	\$ 33.01	\$ 33.01	\$ 33.01	\$ 33.01
9	Dist. Wires Lost Fixed Cost - Monthly	L7 x L4	\$ 36.30	\$ 27.08	\$ 17.85	\$ 8.63	\$ (0.59)
10	Total Lost Fixed Costs - Monthly	L8 + L9	\$ 69.31	\$ 60.09	\$ 50.86	\$ 41.64	\$ 32.42
11	Total Lost Fixed Costs Annual	L10 x L5 x 12	\$ 842,511	\$ 730,404	\$ 618,306	\$ 506,199	\$ 394,092

# **ATTACHMENT 5**

**CONTROLLED IRRIGATION SERVICE  
SCHEDULES CD, CBW, & CW**

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**Determination of Billing Demand**

The billing Demand to be used in the calculation of the billing shall be the highest 15 minute kW Demand determined to the nearest 1/10 of a KW by means of suitable metering equipment.

**Determination of Override Capacity**

The over-ride penalty is applicable if controls are overridden during a peak period. The override capacity shall be the highest 15 minute kW demand established during a peak period when controls are overridden as measured by using appropriate metering equipment.

**Rate CW**

For accounts which are subject to weekly control, the amount billed for first 300 kWh per kW will be reduced 5% each month if kWh usage exceeds 300 kWh per kW and controls are not overridden during a "cut off" period. The discount does not apply to the Service Availability Charge or kWh billed over 300 kWh per kW.

**Rate CBW**

For accounts which are subject to twice-weekly control, amount billed for first 300 kWh per kW will be reduced 10% each month if kWh usage exceeds 300 kWh per kW and controls are not overridden during a "cut off" period. The discount does not apply to the Service Availability Charge or kWh billed over 300 kWh per kW.

**Rate CD**

For accounts which are subject to daily control, amount billed for first 300 kWh per kW will be reduced 17% each month if kWh usage exceeds 300 kWh per kW and controls are not overridden during a "cut off" period. The discount does not apply to the Service Availability Charge or kWh billed over 300 kWh per kW.

**Other Conditions**

The Customer will pay the Cooperative a one time charge of \$425 (for the cost of the necessary control equipment which includes materials, equipment and labor) and a mileage fee of \$4.50/mile for the service vehicle use and servicemen travel time. A additional service call charge shall be required when the Customer requests a change in service requiring Cooperative personnel to make a trip to the Customer's service location in order to affect such change. The Cooperative reserves the right to utilize the CW, CBW and CD rates for purposes of emergency load Curtailment should conditions warrant.

The Cooperative reserves the right to assign the Day(s) of control and to make periodic reassignments if necessary for all accounts served as "weekly control or twice-weekly control". The Cooperative will initiate control at its discretion on any day in accordance with the provisions in the agreement with the Customer.

Decision \_\_\_\_\_ on MM/DD/YYYY

# **ATTACHMENT 6**

## ELECTRIC RATES

SULPHUR SPRINGS VALLEY  
ELECTRIC COOPERATIVE, INC.  
350 N. Haskell Ave  
Willcox, Arizona 85644-0820

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Effective Date: January 1, 2017

### STANDARD OFFER TARIFF

#### SCHEDULE OF SERVICE CHARGES SCHEDULE SC

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This schedule sets the amount of various service charges and other miscellaneous charges which have been authorized in the Cooperative's Service Conditions.

#### 1. CHARGES FOR ELECTRIC SERVICE CONNECTIONS.

- a. NEW AND ADDITIONAL SERVICE. A non-refundable service charge of \$50.00 plus applicable taxes, shall be imposed for each of the following:
  - 1) A new or additional Electric Service Connection;
  - 2) A former Customer reapplying for Electric Service;
  - 3) For a location change in Electric Service location to a new service address.
- b. SERVICE CONNECTION CALLBACKS. A nonrefundable service charge of \$50.00, plus applicable sales tax, shall be imposed for a return trip to connect Electric Service if, at the Customer's request, it was previously made available at the Point of Delivery, if an inaccurate service address provided by the Customer results in a service connection callback, or if the Customer postpones or cancels any service order already completed by the Cooperative. Except in emergency situations, as determined by the Cooperative in its sole discretion, the Cooperative will not connect Electric Service after 9:00 p.m.
- c. PROPERTY DAMAGE. The Customer shall be billed for damages to the Cooperative's equipment or property caused by the Customer or the Customer's employee(s) or agent(s). Such damages and the cost of repair shall be billed at the Cooperative's current rates for labor, transportation, equipment, and materials, less appropriate credit for salvage, if any.

#### 2. SERVICE CALLS DURING REGULAR BUSINESS HOURS.

A service charge of \$75.00, plus applicable sales tax, plus mileage at the applicable IRS rate per mile for the current year will be imposed for a service call performed during regular business hours for one of the following reasons:

- a. Interruptions caused by the Customer's negligence or failure of Customer-owned equipment, even though the Cooperative is unable to perform any work beyond the Point of Delivery. Reasonable efforts will be made to advise the Customer about the responsibility for such charges before the service call starts.

Decision \_\_\_\_\_ on MM/DD/YYYY

**SCHEDULE OF SERVICE CHARGES**  
**SCHEDULE SC**

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- b. Reconnection of Electric Service to any Customer previously disconnected for unlawful use of service (including tampering or theft), misrepresentation to the Cooperative, unsafe conditions, threats to Cooperative personnel or property, failure to permit safe access, detrimental effects of Customer loads on the Cooperative's system, or failure to establish credit and/or follow procedures to establish Electric Service.
- c. Premises visits regarding action associated with disconnection of Electric Service for non-payment of a delinquent bill (whether or not service is actually disconnected as a result of such visit) or for reconnection of Electric Service that has previously been disconnected for non-payment. The service charge may be applied in the case of reconnections effectuated through remote metering when the Customer has been disconnected for non-payment of a delinquent bill.
- d. Meter testing performed at the written request of the Customer. However, if SSVEC's test shows that the Meter is inaccurate by more than three (3) percent, the service charge will be waived or refunded to the Customer.

**3. NON-PAYMENT COLLECTION FEE DURING REGULAR BUSINESS HOURS.**

A non-refundable charge of \$60.00, plus applicable sales tax, shall be imposed each time an SSVEC employee must make a visit to the Premises regarding action associated with disconnection of Electric Service for non-payment of a delinquent bill or for reconnection of Electric Service that has previously been disconnected for non-payment. This charge shall also apply to reconnections effectuated through remote metering when the Customer has been disconnected for non-payment of a delinquent bill.

**4. SERVICE CALLS AFTER REGULAR BUSINESS HOURS.**

A service charge of \$100.00, plus applicable sales tax, plus mileage at the applicable IRS rate per mile for the current year will be imposed for a service call after regular business hours for one of the following reasons:

- a. Interruptions caused by the Customer's negligence or failure of Customer-owned equipment, even though the Cooperative is unable to perform any work beyond the Point of Delivery. Reasonable efforts will be made to advise the Customer about the responsibility for such charges before the service call starts.
- b. Reconnection of Electric Service to any Customer previously disconnected for unlawful use of service (including tampering or theft), misrepresentation to the Cooperative, unsafe conditions, threats to Cooperative personnel or property, failure to permit safe access, detrimental effects of Customer loads on the Cooperative's system, or failure to establish credit and/or follow procedures to establish Electric Service. Such work will be performed only when requested and agreed to by the Customer.
- c. Premises visits regarding action associated with disconnection of Electric Service for non-payment of a delinquent bill (whether or not service is actually disconnected as a result of such visit) or for reconnection of Electric Service that has previously been

**SCHEDULE OF SERVICE CHARGES**  
**SCHEDULE SC**

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disconnected for non-payment. The service charge may be applied in the case of reconnections effectuated through remote metering when the Customer has been disconnected for non-payment of a delinquent bill.

- d. Where SSVEC scheduling will not permit Service Establishment on the same day requested, the Customer can elect to pay the after-hour charge for establishment that day or his service will be established on the next available normal business day.

For the purposes of the Section, the definition of Service Establishment is where the Customer's facilities are ready and acceptable to the Cooperative and Cooperative needs only to install a Meter, read a Meter, or turn on Electric Service. Except in emergency situations, as determined by the Cooperative in its sole discretion, the Cooperative will not make a service call after 9:00 p.m.

5. **METER TEST.**

A service charge of \$50.00 plus a meter test charge of \$50.00 plus applicable sales tax shall be imposed for meter testing performed at the written request of the Customer. However, if the Cooperative's test shows that the meter is inaccurate by more than 3%, the service charge and the meter test charge will be waived or refunded to the Customer and Energy charges will be adjusted accordingly for the three (3) immediately previous Billing Periods only.

6. **INSUFFICIENT FUNDS (NSF) OR RETURNED PAYMENTS.**

A service charge of \$25.00 per NSF or returned payment plus a late payment charge (if applicable) of 1.5 percent per month on the unpaid, delinquent balance plus any applicable sales tax, shall be imposed for each collection action taken by the Cooperative, exclusive of collection charges.

7. **METER REREADS.**

A service charge of \$50.00 shall be charged for rereads, provided that the original reading was not in error.

8. **LATE PAYMENT CHARGE.**

A late payment charge of 1.5 percent per month shall be charged on all outstanding balances which remain unpaid as of each new monthly billing date.

9. **PUMP AND EQUIPMENT TESTS.**

Pump and equipment tests conducted by large power, water pumping, irrigation, and general service Customers shall be billed under the GS rate. No discounts will be provided for pump and equipment tests.

Billing under this schedule will be increased by an amount equal to the sum of all Federal, State, County, Municipal and other governmental levies.