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NEW APPLICATION

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS
TOM FORESE -CHAIRMAN
BOB BURNS
DOUG LITTLE
ANDY TOBIN
BOYD W. DUNN

Arizona Corporation Commission

DOCKETED

FEB 14 2017

DOCKETED BY
[Signature]

RECEIVED
AZ CORP COMMISSION
FEB 14 2017

IN THE MATTER OF THE JOINT
APPLICATION OF UNS ELECTRIC, INC.
AND MOHAVE ELECTRIC
COOPERATIVE, INCORPORATED FOR
AN ORDER APPROVING A BORDERLINE
AGREEMENT.

DOCKET NO. E-04204A-17-
E-01750A-17-_____

JOINT APPLICATION

E-04204A-17-0038
E-01750A-17-0038

UNS Electric, Inc. ("UNS Electric"), and Mohave Electric Cooperative, Incorporated ("MEC")
through undersigned counsel, hereby submit this Joint Application to the Arizona Corporation
Commission ("Commission") for approval of a Borderline Agreement between UNS Electric and MEC.

I. BACKGROUND.

UNS Electric is a public service corporation engaged in the generation, transmission and
distribution of electricity for the purpose of serving its customers located within a specifically
designated service area in portions of Santa Cruz and Mohave Counties, Arizona.

MEC is a member-owned electric cooperative public service corporation engaged in the
distribution of electricity for the purpose of serving its customers located within a specifically
designated service area in portions of Mohave, Yavapai, and Coconino Counties, Arizona.

II. REQUEST.

Mr. Victor Van Houten and Ms. Odetta Van Houten (collectively "Customer") are constructing
a home at 13075 East Marble Drive, Kingman, Arizona ("Property") located in UNS Electric's

1 certificated territory.

2 MEC has facilities in close proximity to the Property while UNS Electric facilities are located
3 approximately 4000 feet from the Property. The estimated cost for UNS Electric to provide a line extension
4 to the Property is \$65,000, whereas the estimated cost for MEC to extend facilities to the property is
5 \$11,500. MEC has determined that it is willing to provide electric service to this Property.

6 At this time, it is in the best interest of the Customer and the public for MEC to serve the
7 Property, under the terms of the Electric Service Authorization Agreement (“Agreement”), attached
8 hereto as **Exhibit A**, until such time as UNS Electric determines it is economically feasible for UNS
9 Electric to serve the Property.

10 **III. ELECTRIC SERVICE AUTHORIZATION AGREEMENT.**

11 UNS Electric and MEC have entered into an Agreement for the Property, attached hereto as
12 **Exhibit A**, in order for MEC to provide electric service to the Property subject to the Customer: 1)
13 executing a non-member application for service, 2) paying any and all costs for the upgrade of MEC’s
14 existing facilities necessary to enable MEC to provide the requested service, 3) securing any and all
15 easements and permits associated with MEC’s provision of such service, and 4) paying all applicable
16 deposits, fees, rates and charges associated with the requested class of service approved by the
17 Commission for MEC’s retail customers. In the event MEC intends to permanently cease providing
18 power to the Customer, MEC will: 1) provide UNS Electric and Customer written notice thereof not
19 less than 90 calendar days prior to permanently ceasing to take power from the Customer, and 2)
20 coordinate with UNS Electric the exchange of the service, including the transfer of any facilities paid
21 for by Customer and dedicated exclusively to providing service to the Property at no cost to UNS.¹

22 UNS Electric, MEC and Customer believe the Agreement to be consistent with and promote the
23 public interest, and to be in the best interest of Customer.

24 UNS Electric has no outstanding line extension agreement with Customer or to the Property.

25 ¹ The transfer of facilities would not include structures from MEC’s lines to the point of interconnection as reflected on Exhibit 2 to **Exhibit A**, which facilities will be retained by MEC.

1 There are no easements or rights-of-way to be transferred. The Customer shall be charged the
2 applicable Commission approved rate(s) by MEC. A copy of this Joint Application has been mailed to
3 Customer as set forth on the service list.

4 The name, address, telephone number, facsimile number and e-mail address of the attorneys and
5 representatives for UNS Electric and MEC upon whom service of all documents is to be made are:

6
7 Bradley S. Carroll
8 UNS Electric, Inc.
9 88 East Broadway, MS HQE910
10 P.O. Box 711
11 Tucson, Arizona 85702
12 Phone: 520-884-3679
13 E-mail: bc Carroll@tep.com
14 Attorney for UNS Electric

11
12 William P. Sullivan
13 Law Offices of William P. Sullivan, P.L.L.C.
14 501 East Thomas Road
15 Phoenix, Arizona 85012
16 Phone: 602-393-1700
17 Fax: 602-393-1703
18 E-mail: wps@wsullivan.attorney
19 Attorney for MEC

16
17 Jonathan A. Coury
18 Hool Coury Law, PLC
19 2398 East Camelback Road, Suite 1020
20 Phoenix, Arizona 85016
21 Phone: 602-852-5583
22 Fax: 602-852-5499
23 Email: jcoury@hoolcourylaw.com
24 Attorney for MEC

21
22 WHEREFORE, UNS Electric and MEC jointly request the Commission to issue its order
23 approving the Agreement. Customer intends to commence construction on the Property in Spring 2017,
24 by which time UNS Electric, MEC and Customer respectfully request approval of the Agreement.
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1 RESPECTFULLY SUBMITTED this 14th day of February, 2017.

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MOHAVE ELECTRIC COOPERATIVE,
INCORPORATED

UNS ELECTRIC, INC.

By: 

By: 

William P. Sullivan
William P. Sullivan, P.L.L.C.
501 East Thomas Road
Phoenix, Arizona 85012

Bradley S. Carroll
UNS Electric, Inc.
88 East Broadway, MS HQE910
P.O. Box 711
Tucson, Arizona 85702

1 **COPY of the foregoing hand delivered /mailed**
2 **this 14th day of February, 2017 to:**

3 Timothy Lasota, Acting General Counsel
4 Arizona Corporation Commission
5 1200 West Washington Street
6 Phoenix, Arizona 85007

7 Elija Abinah, Acting Director
8 Utilities Division
9 Arizona Corporation Commission
10 1200 West Washington Street
11 Phoenix, Arizona 85007

12 Dwight D. Nodes, Chief Administrative Law Judge
13 Hearing Division
14 Arizona Corporation Commission
15 1200 West Washington
16 Phoenix, Arizona 85007

17 CC: Mr. & Mrs. Victor VanHouten
18 13075 East Marble Drive
19 Kingman, Arizona 86401

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By: 

EXHIBIT A

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ELECTRIC SERVICE AUTHORIZATION AGREEMENT

(BORDERLINE AGREEMENT)

THIS ELECTRIC SERVICE AUTHORIZATION AGREEMENT (this "Agreement") is entered into this 7th day of February, 2017 by and between UNS Electric, Inc., an Arizona corporation ("UNS Electric") and Mohave Electric Cooperative, Incorporated, an Arizona nonprofit corporation ("MEC").

RECITALS:

- A. The real property described and depicted in Exhibit 1 attached hereto (the "Subject Area") is within the area of UNS Electric's Certificate of Convenience and Necessity issued by the Arizona Corporation Commission ("Commission");
- B. In UNS Electric's opinion, it is beneficial to the Mr. Victor Van Houten and Ms. Odetta Van Houten (collectively "Customer") for UNS Electric to permit MEC to provide electric service to the Customer so long as MEC is willing to provide as hereafter agreed.

PROMISES AND COVENANTS:

NOW, THEREFORE, in consideration of the foregoing recitals and in further consideration of the following covenants, promises, and provisions, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves, their agents, employees, successors and assigns, do hereby agree as follows:

- 1. MEC is hereby authorized by UNS Electric to enter the Subject Area, certificated to UNS Electric, and construct and maintain electric service lines and facilities necessary to serve the electric needs of the Customer, as briefly depicted on Exhibit 2.
- 2. MEC is willing to provide electric service to the Customer, subject to Customer: a) executing a non-member application for service, b) paying any and all costs for the upgrade of MEC's existing facilities necessary to enable MEC to provide the requested service, c) securing any and all easements and permits associated with MEC's provision of such service, and d) paying all applicable deposits, fees, rates and charges associated with the requested class of service approved by the Commission for MEC's retail customers.
- 3. MEC shall provide UNS Electric and the Customer not less than ninety (90) days written notice of its intent to permanently cease serving the Customer. Upon receipt of such written notice, MEC and UNS Electric shall cooperate on the transferring of service to UNS Electric, including

transferring all of MEC's title and interest in those facilities paid for by the Customer and dedicated exclusively to serving the Customer, but excluding structures from MEC's lines to the point of interconnection as reflected on Exhibit 2, which facilities will be retained by MEC. The transfer of such facilities from MEC to UNS Electric shall be at no cost to UNS Electric. Any upgrades of MEC's facilities used to serve other customers of MEC shall remain the property of MEC.

4. MEC will then discontinue providing electric service to Customer on a date mutually agreed upon by MEC and UNS Electric.

5. MEC and UNS Electric shall have no obligation, but may separately agree to allow MEC to retain any facilities UNS does not intend to use to serve the Customer.

6. The transfer to UNS Electric of MEC's facilities dedicated exclusively to serve the Customer shall not be subject to further approval by the Commission.

7. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors in interest and assigns, whether arising voluntarily or by operation of law.

8. This Agreement shall become effective upon approval by the Commission.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

UNS ELECTRIC, INC.,
an Arizona corporation

By: Bill DeJulio
Name: BILL DE JULIO
Title: SR. DIRECTOR

MOHAVE ELECTRIC COOPERATIVE,
INCORPORATED, an Arizona nonprofit
corporation

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

UNS ELECTRIC, INC.,
an Arizona corporation

By: _____
Name:
Title:

MOHAVE ELECTRIC COOPERATIVE,
INCORPORATED, an Arizona nonprofit
corporation

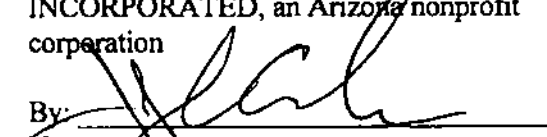
By: 
Name: Tyler Carlson
Title: Chief Executive Officer

EXHIBIT 1

Legal Description and Depiction of the "Subject Area"

Legal Description:

Mohave County Parcel Number 354-46-009, situated in Section 34, Township 21 North, Range 13 West, Round Valley Ranches, Gila and Salt River Meridian, as more particularly described as Lot 34-4 on that certain survey Reception No. 96-51069 recorded September 12, 1996, in Book 14 of Record of Surveys, Page 58, Mohave County, Arizona.

Depiction:

See Plat Map of Round Valley Ranches, Including Lot 34-4

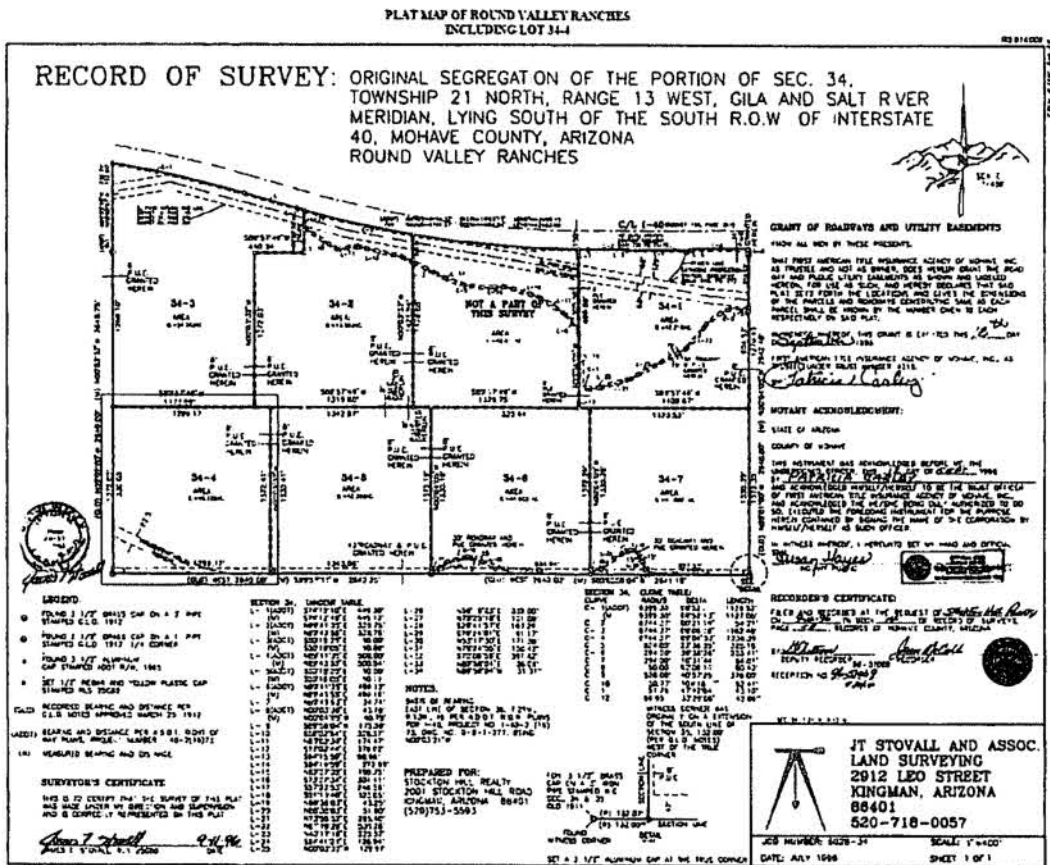


EXHIBIT 2

Map/Survey of Subject Area and Point of Interconnection

EXHIBIT 2
Map/Survey of Subject Area and Point of Interconnection

