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BEFORE THE ARIZONA CORPORATION COMMISSION

WILLIAM A. MUNDELL
CHAIRMAN
JIM IRVIN
COMMISSIONER
MARC SPITZER
COMMISSIONER

AZ CORP COMMISSION
DOCUMENT CONTROL

Arizona Corporation Commission

DOCKETED

OCT 25 2001

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IN THE MATTER OF THE APPLICATION) Docket No. E-01787A-01-0063
OF NAVOPACHE ELECTRIC COOPERATIVE,)
INC., AN ARIZONA NON-PROFIT) NAVOPACHE ELECTRIC
CORPORATION FOR A FINDING OF FAIR) COOPERATIVE, INC.'S
VALUE OF ITS PROPERTIES AND A FAIR) NOTICE OF ERRATA
RATE OF RETURN THEREON, AND FOR)
APPROVAL OF RATES AND CHARGES,)
AND FOR APPROVAL OF CHANGES TO ITS)
POLICY MANUAL.)

Navopache Electric Cooperative, Inc. ("Navopache"), by and through its attorneys, hereby files slight corrections to the Rejoinder Testimony of Judy K. Lambert of C.H. Guernsey & Company.

Respectfully submitted this 25th day of October, 2001.

MARTINEZ & CURTIS, P.C.

William P. Sullivan, Esq.
Paul R. Michaud, Esq.
2712 North Seventh Street
Phoenix, Arizona 85006-1090
Attorneys for Navopache
Electric Cooperative, Inc.

1 PROOF OF SERVICE AND
2 CERTIFICATE OF MAILING

3 I hereby certify that on this 25th day of October, 2001, I caused the foregoing document
4 to be served on the Arizona Corporation Commission by hand-delivering the original
5 and ten (10) copies of said document to:

6 Docket Control
7 Arizona Corporation Commission
8 1200 West Washington Street
9 Phoenix, Arizona 85007

10 With copies of the foregoing hand-delivered this 25th of October, 2001 to:

11 Lyn Farmer, Chief Administrative
12 Law Judge
13 Arizona Corporation Commission
14 1200 West Washington Street
15 Phoenix, Arizona 85007

Earnest Johnson, Acting Director
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

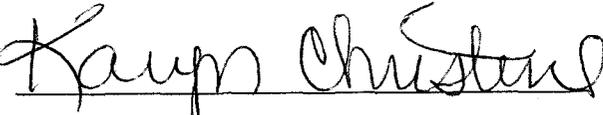
16 Christopher Kempley, Chief Counsel
17 Legal Division
18 Arizona Corporation Commission
19 1200 West Washington Street
20 Phoenix, Arizona 85007

21 With copies of the foregoing mailed this 25th day of October, 2001 to:

22 Amy Mignella, Special Counsel
23 White Mountain Apache Tribe
24 Post Office Box 64792
25 Tucson, Arizona 85728-4792

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26 Leonard Gold
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Tempe, Arizona 85281



109/-29-15-7/testimony.notice of errata.102401

**CORRECTIONS TO REJOINDER TESTIMONY
OF JUDY K. LAMBERT**

Starting At Page 4, Line 22:

Q. In your Rebuttal Testimony you recommended a revenue requirement of \$29,089,629 for Navopache. Is that revenue requirement based on a historical test year adjusted for known and measurable standards?

Delete entire previous answer and insert entire new answer below:

A. Yes. JKL Rebuttal Schedule 4 of my Rebuttal Testimony shows a \$29,102,722 revenue requirement based on the historical test year ending 10/31/1999 with adjustments for known and measurable changes. This schedule identifies adjusted test year operating expenses (purchased power through tax) of \$25,278,384. The schedule also identified adjusted test year Interest and Other Deductions totaling \$1,978,785 of which \$1,845,553 is adjusted test year interest expense on long-term debt. Column (e) of this schedule shows an Operating Margin of \$1,845,553, which is equal to the adjusted test year interest expense. The total revenue requirement is Operating Expenses plus Interest and Other Deductions plus Operating Margin ($\$25,278,384 + \$1,978,785 + \$1,845,553 = \$29,102,722$). The required return of \$3,824,338 is the Interest and Other Deductions plus the Operating Margin ($\$1,978,785 + \$1,845,553 = \$3,824,338$).

In my opinion, Navopache has met the standard of a historical test year with adjustments for known and measurable changes.