



*Decision Folder*

Arizona Corporation Commission

**BEFORE THE ARIZONA CORPORATION COMMISSION**

DEC 28 2001

1  
2 WILLIAM A. MUNDELL  
    CHAIRMAN  
3 JIM IRVIN  
    COMMISSIONER  
4 MARC SPITZER  
    COMMISSIONER  
5

DOCKETED BY	<i>mac</i>
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6 IN THE MATTER OF THE APPLICATION OF  
7 NAVOPACHE ELECTRIC COOPERATIVE, INC.,  
8 AN ARIZONA NON-PROFIT CORPORATION  
9 FOR A FINDING OF FAIR VALUE OF ITS  
PROPERTIES AND A FAIR RATE OF RETURN  
THEREON, AND FOR APPROVAL OF RATES  
AND CHARGES, AND FOR APPROVAL OF  
CHANGES TO ITS POLICY MANUAL.

DOCKET NO. E-01787A-01-0063  
DECISION NO. 64293

**OPINION AND ORDER**

10 DATES OF HEARING: October 25 (pre-hearing), October 30, 2001  
11 PLACE OF HEARING: Phoenix, Arizona  
12 ADMINISTRATIVE LAW JUDGE: Lyn Farmer  
13 APPEARANCES: Mr. William P. Sullivan, MARTINEZ & CURTIS, P.C.,  
14 on behalf of Navopache Electric Cooperative, Inc.;  
15 Ms. Amy Mignella, on behalf of White Mountain  
16 Apache Tribe; and  
17 Mr. Stephen Gibelli, Staff Attorney, Legal Division, on  
behalf of the Utilities Division of the Arizona  
Corporation Commission.

**BY THE COMMISSION:**

19 On January 19, 2001, Navopache Electric Cooperative, Inc. ("Navopache") filed with the  
20 Arizona Corporation Commission ("Commission") an application for a permanent increase in electric  
21 rates and for changes to its policy manual.

22 On February 20, 2001, the Commission's Utilities Division Staff ("Staff") filed its  
23 Sufficiency Letter, classifying Navopache as a Class A utility.

24 On March 9, 2001, by Procedural Order, intervention was granted to the White Mountain  
25 Apache Tribe and the matter was set for hearing commencing on October 30, 2001.

26 On May 10, 2001 Centerfire Inns, LLC requested intervention and intervention was granted  
27 on May 31, 2001.

28 On May 25, 2001, Navopache filed notice that it had published notice of the hearing in this

1 matter in the *Pine Graphics Weekly*, *The Round Valley Paper*, the *Fort Apache Scout*, the *White*  
2 *Mountain Independent*, and *The Messenger*, and had included the notice in customer bills during the  
3 April billing cycle.

4 On June 28, 2001, the Town of Springerville requested intervention and intervention was  
5 granted on July 6, 2001.

6 The hearing was held on October 30, 2001. No members of the public attended to comment  
7 on the application. At the hearing, Navopache announced that it had entered into stipulations with all  
8 the parties. Testimony in support of the application and the various stipulations was presented by Mr.  
9 Wayne Retzlaff, General Manager of Navopache and Mr. William Edwards, Director of Regulatory  
10 Affairs for the National Rural Utilities Cooperative Finance Corporation; Mr. Steven W. Rubak for  
11 the White Mountain Apache Tribe; and Mr. Darron Carlson on behalf of Staff of the Commission.

#### 12 DISCUSSION

13 Navopache was formed in 1946 as a non-profit rural electric cooperative. It provides electric  
14 service to approximately 30,000 member-customers located in Apache, Navajo, Greenlee and Gila  
15 counties in Arizona and Catron County in New Mexico. Navopache's last rate increase was  
16 authorized in Commission Decision No. 57978 (August 7, 1992).

17 Navopache filed this rate application based on a test year ("TY") ending October 31, 1999.  
18 The application requested authority to adjust revenues to achieve a 2.0 Operating Times Interest  
19 Earned Ratio ("TIER"), a return on Fair Value Rate Base ("FVRB") of 9.09 percent, and a resulting  
20 increase in revenues of \$3,294,439.

21 On October 30, 2001, Navopache entered into a settlement agreement with the Town of  
22 Springerville and Centerfire Inns LLC which addressed the time-of-use rates. Navopache examined  
23 its peak loads and its coincident peak with its power supplier and determined it was reasonable to  
24 make an adjustment to its on-peak and off peak hours. Specifically, Navopache agreed to extend its  
25 off-peak period for all time-of-use rates by two hours, so that the on-peak period commences at 8:00  
26 a.m. instead of 6:00 a.m., and that the time-of-use rates be redesigned to recover the revenue  
27 requirement for each class, including revenues that would otherwise be lost by shortening the on-peak  
28 period. With these stipulations, Intervenors Town of Springerville and Centerfire Inns support

1 Navopache's rate increase and rate design.

2 On October 30, 2001, Navopache also entered into a Settlement Agreement with the White  
3 Mountain Apache Tribe. The agreement with the White Mountain Apache Tribe allows Navopache  
4 to recover much of its fixed costs of providing service by retaining a customer charge that is based on  
5 the cost of providing service, while limiting the impact of the new rates and rate design on the  
6 average residential customer receiving service under Navopache's Standard Schedule No. 1. The  
7 stipulation with the White Mountain Apache Tribe adopts a formula for determining the customer  
8 and energy rates for the standard residential customer, resulting in a two-tier energy charge with the  
9 first block consisting of usage up to 400 kilowatt hours, and the second block including all energy use  
10 over 400 kilowatts.

11 At the October 30, 2001 hearing, Navopache and Staff announced that they had reached an  
12 oral agreement, which was explained and supported by testimony at the hearing, and which was  
13 subsequently reduced to writing and filed on November 16, 2001. This Settlement Agreement  
14 incorporates the settlements with the Town of Springerville and Centerfire Inns LLC and with the  
15 White Mountain Apache Tribe, and is attached hereto as Appendix A.

16 Navopache and Staff have agreed to the following substantive provisions:

- 17 1. Adjusted Test Year Rate Base, Operating Expenses and Operating Revenues: For the Test  
18 Year ending October 31, 1999, as adjusted, Navopache's Original Cost Less Depreciation and  
19 Fair Value Rate Base is \$37,360,051; with Operating Expenses of \$25,095,842, and Operating  
20 Revenues of \$25,842,323.
- 21 2. TIER/Rate of Return: A 1.75 Operating Times Interest Earned Ratio ("OTIER") is just and  
22 reasonable, as is a 9.0 percent return on Navopache's Fair Value Rate Base.
- 23 3. Revenue Requirement: Operating Revenues must increase by \$2,616,469, to \$28,458,792, in  
24 order for Navopache to achieve a 1.75 OTIER and a 9.0 percent return on its Fair Value Rate  
25 Base, as reflected in Exhibit A to the Settlement Agreement.
- 26 4. Rate Design: The rates and tariffs of Navopache will be designed in accordance with the rate  
27 designs proposed by Navopache, adjusted for the agreed upon revenue level and subject to the  
28 Settlement Agreements with Intervenor Town of Springerville, Centerfire Inns, LLC, and the

1 White Mountain Apache Tribe; the language changes recommended by Staff and accepted by  
2 Navopache in its rebuttal testimony; and the customer charge on the Schedule 7  
3 (Cogeneration and Small Power Production Facilities) will be \$75.00 per month instead of  
4 \$125 per month as originally proposed by Navopache, all as reflected in the tariff schedules  
5 attached to the Settlement Agreement as Exhibit D.

6 5. Treatment of Gains from Plains: Navopache will use the \$860,670 gain received from Plains  
7 on the sale of Plains' assets as an offset to the CTC charge authorized under Commission  
8 Decision No. 62612, by amortizing one-eighth of the \$860,670 each year over the next eight  
9 years; provided, however, that if for any reason the CTC charge is revoked or eliminated  
10 before the expiration of eight years, then the remaining balance shall be used as an offset to  
11 Navopache's energy charge until the entire \$860,670 is extinguished, unless the Commission  
12 orders the remaining gain to be handled in a different manner. Navopache shall include, with  
13 its annual CTC filing, information showing how the offset required by the Paragraph is being  
14 calculated and the balance of the gain remaining.

15 6. Miscellaneous Charges: Navopache's Miscellaneous Charges will be adjusted as set forth in  
16 Exhibit E to the Settlement Agreement.

17 7. Policy Manual: Navopache's Policy Manual, with the changes recommended by Staff and  
18 accepted by Navopache, as reflected in the prefiled testimony, shall be approved and filed  
19 with the Commission as part of Navopache's approved tariffs.

20 We believe that the Settlement Agreements are a reasonable resolution of the issues raised in  
21 Navopache's rate application and result in fair and reasonable rates. Consequently, we approve the  
22 Settlement Agreements with the Town of Springerville and Centerfire Inns, LLC; the White  
23 Mountain Apache Tribe; and the Commission's Utilities Division Staff.

24 \* \* \* \* \*

25 Having considered the entire record herein and being fully advised in the premises, the  
26 Commission finds, concludes, and orders that:

27 **FINDINGS OF FACT**

28 1. Navopache is a non-profit rural electric cooperative providing electric service to

1 approximately 30,000 customers located in Apache, Navajo, Greenlee and Gila counties in Arizona  
2 and Catron County in New Mexico.

3 2. On January 19, 2001, Navopache filed an application for a permanent rate increase in  
4 its electric rates based on a TY ending October 31, 1999.

5 3. Notice of the application and hearing was provided to Navopache's customers.

6 4. Navopache entered into Settlement Agreements with the Town of Springerville and  
7 Centerfire Inns LLC; with the White Mountain Apache Tribe; and with the Commission's Utilities  
8 Division Staff.

9 5. Navopache's FVRB is determined to be \$37,360,051, which is the same as its OCRB.

10 6. Navopache's present rates and charges produced adjusted TY operating income of  
11 \$746,481, based on operating revenues of \$25,842,323 and operating expenses of \$25,095,842.

12 7. The rates and charges approved herein will increase revenues by \$2,616,469, or a  
13 10.12 percent increase, resulting in net operating income of \$3,362,950.

14 8. The rates and charges approved herein will yield a rate of return of 9 percent on  
15 Navopache's FVRB, which is reasonable under the circumstances of this case.

16 9. At the end of the TY, Navopache's operating TIER and DSC levels were .33 and .92,  
17 respectively.

18 10. With the rate increase authorized herein, Navopache's operating TIER and DSC will  
19 increase to 1.75 and 1.83, respectively.

#### 20 CONCLUSIONS OF LAW

21 1. Navopache is a public service corporation within the meaning of Article XV of the  
22 Arizona Constitution and A.R.S. §§ 40-250 and 40-251.

23 2. The Commission has jurisdiction over Navopache and the subject matter of the  
24 application.

25 3. Notice of the application was given in accordance with law.

26 4. The rates and charges proposed by Navopache in its application are not just and  
27 reasonable.

28 5. The Settlement Agreements with the Town of Springerville and Centerfire Inns LLC;

1 the White Mountain Apache Tribe; and with the Commission's Utilities Division Staff are reasonable  
2 and should be approved.

3 6. The rates and charges authorized herein are just and reasonable.

4 **ORDER**

5 IT IS THEREFORE ORDERED that the Settlement Agreement attached hereto as Appendix  
6 A, incorporating the Settlement Agreements with the Town of Springerville and Centerfire Inns,  
7 LLC, the White Mountain Apache Tribe, and the Commission's Utilities Division Staff is hereby  
8 approved and Navopache Electric Cooperative, Inc. is hereby directed to file on or before January 1,  
9 2002, tariffs with a new schedule of electric rates and charges increasing operating revenues by  
10 \$2,616,469.

11 IT IS FURTHER ORDERED that such tariffs shall be consistent with the Settlement  
12 Agreements with the Town of Springerville and Centerfire Inns, LLC; the White Mountain Apache  
13 Tribe; and the Commission's Utilities Division Staff, and with the Findings and Conclusions of the  
14 Commission hereinabove.

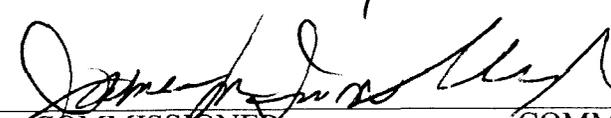
15 IT IS FURTHER ORDERED that the new schedule of rates and charges shall be effective for  
16 service provided on and after January 1, 2002.

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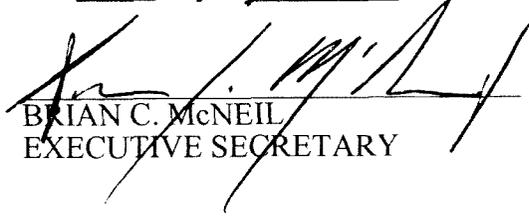
1 IT IS FURTHER ORDERED that Navopache Electric Cooperative, Inc. shall notify its  
2 customers of the rates and charges authorized hereinabove and the effective date of the same by  
3 means of an insert in its next regular monthly billing.

4 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

6  
7     
8 CHAIRMAN COMMISSIONER COMMISSIONER  
9

10 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive  
11 Secretary of the Arizona Corporation Commission, have  
12 hereunto set my hand and caused the official seal of the  
13 Commission to be affixed at the Capitol, in the City of Phoenix,  
14 this 28<sup>th</sup> day of December, 2001.

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16 BRIAN C. McNEIL  
17 EXECUTIVE SECRETARY

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1 SERVICE LIST FOR: NAVOPACHE ELECTRIC COOPERATIVE, INC.

2 DOCKET NO. E-01787A0-01-0063

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41 Christopher Kempley, Chief Counsel  
42 ARIZONA CORPORATION COMMISSION  
43 1200 West Washington Street  
44 Phoenix, Arizona 85007

45  
46 Ernest G. Johnson, Director  
47 Utilities Division  
48 Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007

APPENDIX A

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**BEFORE THE ARIZONA CORPORATION COMMISSION**

WILLIAM A. MUNDELL  
CHAIRMAN  
JIM IRVIN  
COMMISSIONER  
MARC SPITZER  
COMMISSIONER

IN THE MATTER OF THE )  
APPLICATION OF NAVOPACHE ) **DOCKET NO. E-01787A-01-0063**  
ELECTRIC COOPERATIVE, INC., AN )  
ARIZONA NON-PROFIT ) **SETTLEMENT AGREEMENT**  
CORPORATION FOR A FINDING OF ) **BETWEEN NAVOPACHE**  
FAIR VALUE OF ITS PROPERTIES ) **ELECTRIC COOPERATIVE, INC.**  
AND A FAIR RATE OF RETURN ) **AND STAFF OF THE ARIZONA**  
THEREON, AND FOR APPROVAL OF ) **CORPORATION COMMISSION**  
RATES AND CHARGES, AND FOR )  
APPROVAL OF CHANGES TO ITS )  
POLICY MANUAL )

Comes now Applicant, Navopache Electric Cooperative, Inc. ("Navopache"), and the Staff of the Arizona Corporation Commission ("Staff") (collectively referred to as "Parties"), by and through the undersigned, in settlement of all issues associated with the above captioned matter, stipulate and agree as follows:

RECITALS:

WHEREAS, through the pre-filing of testimony, consensus has been reached on all issues excepting: (1) Rate Design (relating to the residential standard rate and the customer charge on the Cogeneration Rate); (2) Revenue Level (with Staff recommending \$27,995,842 and Navopache requesting \$29,089,558) or Operating Times Interest Earned Ratio ("OTIER") (with Staff recommending 1.5 and Navopache requesting 2.0); (3) Inclusion of \$3,972,405 for plant completed post-test

1 year and the associated depreciation expense of \$169,478; (4) Treatment of the  
 2 \$860,670 gain received by Navopache from Plains Electric Generation &  
 3 Transmission Cooperative, Inc. ("Plains"); and (5) Allowance of \$13,093 in  
 4 lobbying expense paid by Navopache as part of the dues charged by two  
 5 organizations composed of and providing support service to electric cooperatives;  
 6

7 WHEREAS, Navopache and Intervenors the White Mountain Apache Tribe,  
 8 the Town of Springerville and Centerfire Inns, LLC (composing all the Intervenors in  
 9 this proceeding) have reached separate settlements whereby Navopache has agreed  
 10 to modifications of its rate design and the Intervenors have stated their support for  
 11 the revenue request and rate design proposed by Navopache, as amended by the  
 12 settlement agreements;  
 13

14 WHEREAS, it is undisputed Navopache has deficit net margins and is in  
 15 need of rate relief;  
 16

17 WHEREAS, all Parties to this proceeding, including all Intervenors by their  
 18 separate settlements, have determined that the interest of Navopache, its members-  
 19 ratepayers and the public generally will be served if the remaining issues, and this  
 20 matter as a whole, are resolved expeditiously by compromise and settlement, in a  
 21 manner supported by the record, rather than through time-consuming and costly  
 22 hearings;  
 23

24 WHEREAS, Navopache, by separate agreement, has reached a settlement  
 25 with the White Mountain Apache Tribe addressing both (1) Navopache's need to  
 26 design rates consistent with the cost of providing service in order, not only to better

1 track the costs of providing service, but to prepare itself for competition and comply  
2 with the Commission's rules and regulations governing electric competition and (2)  
3 the Tribes concerns regarding the impacts of Navopache's proposed rates on  
4 residential customers receiving service under Navopache's Standard Schedule No. 1  
5 rate;  
6

7 WHEREAS, the agreement with the White Mountain Apache Tribe allows  
8 Navopache to recover much of its fixed costs of providing service by retaining a  
9 customer charge that is based on the cost of providing service, while limiting the  
10 impact of the new rates and rate design on the average residential customer receiving  
11 service under Navopache's Standard Schedule No. 1 rate by providing a two-tier  
12 energy rate that requires residential customers using more than 400 kWh per month  
13 to pay a higher energy charge;  
14

15 WHEREAS, Navopache, by separate agreement with Intervenor Town of  
16 Springerville and Centerfire Inns, LLC, has also agreed to extend the off-peak period  
17 on its Time-of-Use rates by two hours in the morning (from 6:00 a.m. to 8:00 a.m.)  
18 in order to provide all time of use customers a longer off-peak window;  
19

20 WHEREAS, the pro-filed testimony of Staff witness Darron W. Carlson  
21 supports an OTIER of 1.5, Navopache witnesses Wayne Retzlaff and Judy K.  
22 Lambert support and OTIER of 2.0, and Navopache witness William K. Edwards  
23 testifies to an optimal OTIER of 2.5, but recommends an OTIER of 2.0;  
24

25 WHEREAS, the Parties have agreed, and supported by oral testimony  
26 received October 30, 2001, that revenues sufficient to produce an OTIER of 1.75 is

1 just and reasonable, as is the 9.0% rate of return on Navopache's fair value rate base  
2 resulting therefrom is just and reasonable;

3 WHEREAS, the Parties have agreed, and supported by oral testimony  
4 received October 30, 2001, that the rate design proposed by Navopache, supported  
5 by the cost of service study contained in the record, with the modifications set forth  
6 in the separate settlement agreements between Navopache, the Intervenors and Staff  
7 and adjusted to achieve the revenue level agreed to herein, is just and reasonable;

8  
9 WHEREAS, Navopache, in return for the expedited resolution of all  
10 remaining contested issues and the anticipated expedited implementation date for its  
11 new rates and charges, has agreed to drop its claim for inclusion in this case of  
12 \$3,972,405 in post-test year plant, its associated depreciation expense of \$169,478  
13 and for lobby-related expenses of \$13,093;

14  
15 WHEREAS, the Staff and Navopache have agreed that the gain received from  
16 Plains in connection with the sale of its assets will be used to reduce Navopache's  
17 CTC charge over the next eight years since the CTC charge is designed to recover  
18 Navopache's cost of terminating its all-requirements wholesale power contract with  
19 Plains and because there is approximately eight years remaining on the collection of  
20 those costs;

21  
22  
23 WHEREAS, the Parties recognize that: (1) the Staff does not have the power  
24 to bind the Commission; and (2) for purposes of settlement, the Staff acts in the  
25 same manner as a party in proceedings before the Commission;

26

1           WHEREAS, the Parties recognize that: (1) this Agreement acts as a  
2 procedural device to propose its terms to the Commission; and (2) this Agreement  
3 has no binding force or effect until finally approved by an order of the Commission;  
4 and  
5

6           WHEREAS, the Parties further recognize that the Commission will evaluate  
7 the terms of this Agreement, and that after such evaluation the Commission may  
8 require insubstantial modifications to the terms hereof before accepting this  
9 Agreement.  
10

11           Now in consideration of the foregoing Recitals and mutual promises set forth  
12 below, Navopache and Staff further agree as follows:

13           AGREEMENT:

14           1.     Adjusted Test Year Rate Base, Operating Expenses and  
15           Operating Revenues. For the Test Year ending October 31, 1999, as adjusted,  
16 Navopache's Original Cost Less Depreciation and Fair Value Rate Base is  
17 \$37,360,051; with Operating Expenses of \$25,095,842 and Operating Revenues of  
18 \$25,842,323.  
19

20           2.     TIER/Rate of Return. A 1.75 Operating Times Interest Earned  
21 Ratio ("OTIER") is just and reasonable, as is a 9.0% return on Navopache's Fair  
22 Value Rate Base.  
23

24           3.     Revenue Requirement. Operating Revenues must increase by  
25 \$2,616,469, to \$28,458,792, in order for Navopache to achieve a 1.75 OTIER and a  
26 9.0% return on its Fair Value Rate Base, as reflected on Exhibit A, attached hereto.

1           4.     Rate Design. The rates and tariffs of Navopache will be  
2 designed in accordance with the rate designs proposed by Navopache, adjusted for  
3 the revenue level set forth in Paragraph 3, hereof and subject to (a) the Settlement  
4 Agreements entered into with Intervenors Town of Springerville, Centerfire Inns,  
5 LLC and the White Mountain Apache Tribe, copies of which are attached hereto as  
6 Exhibits B and C; (b) the language changes recommended by Staff and accepted by  
7 Navopache in its Rebuttal Testimony; and (c) the customer charge on the Schedule 7  
8 (Cogeneration and Small Power Production Facilities) will be \$75.00 per month  
9 instead of the \$125 per month originally proposed by Navopache, all as reflected in  
10 the tariff schedules attached hereto as Exhibit D.

13           5.     Treatment of Gain from Plains. Navopache will utilize the  
14 \$860,670 gain received from Plains (Navopache's prior power supplier) on the sale  
15 of Plains assets as an offset to the CTC charge authorized under Commission  
16 Decision No. 62612, by amortizing one-eighth of the \$860,670 each year over the  
17 next eight years; provided, however, that if for any reason the CTC charge is  
18 revoked or eliminated before the expiration of eight years, then the remaining  
19 balance shall be used as an offset to Navopache's energy charge until the entire  
20 \$860,670 is extinguished, unless the Commission orders the remaining gain to be  
21 handled in a different manner. Navopache shall include, with its annual CTC filing,  
22 information showing how the offset required by this Paragraph is being calculated  
23 and the balance of the gain remaining.

1           6.    Miscellaneous Charges. Navopache's Miscellaneous Charges  
2 will be adjusted as set forth in Exhibit E, attached hereto.

3           7.    Policy Manual. Navopache's Policy Manual, with the changes  
4 recommended by Staff and accepted by Navopache, as reflected in the pre-filed  
5 testimony, shall be approved and filed with the Commission as part of Navopache's  
6 approved Tariffs.

7           8.    Commission Approval. In the event the Commission adopts an  
8 order approving substantially all of the terms of this Agreement, such action by the  
9 Commission constitutes approval of the Agreement, and thereafter the Parties shall  
10 abide by its terms.

11           9.    Effect of Modification by the Commission. In the event that any  
12 Party objects to any modification to the terms of this Agreement made by the  
13 Commission in an order approving substantially all of the terms of this Agreement,  
14 such Party shall timely file an application for rehearing under A.R.S. § 40-253. In  
15 the event that a Party does not file such an application, that Party shall be deemed:  
16 (i) to have accepted any modifications made by the Commission; and (ii) to have  
17 conclusively and irrefutably accepted that any modifications to the terms of this  
18 Agreement are not substantial and therefore the Commission order does adopt  
19 "substantially all" of the terms of this Agreement.

20           10. Application for Rehearing. If any Party to this Agreement files  
21 an application for rehearing and alleges that the Commission has not adopted  
22 substantially all terms of the Agreement, then such application shall be deemed a  
23

1 withdrawal of the Agreement, and the Parties shall request the matter be remanded to  
2 the Hearing Division for a Recommendation based upon the pre-filed testimony of  
3 the parties. Such remand shall be without prejudice to the position of any party, and  
4 this Agreement and any supporting documents relating thereto shall not be admitted  
5 into evidence for any purpose nor used by the Commission in its final consideration  
6 of the Rate Case.  
7

9           11. Appeal of Commission Decision. If a Party's application does  
10 not affirmatively and specifically allege that the Commission has failed to adopt  
11 substantially all terms of the Agreement, and the application for rehearing is denied,  
12 either by Commission order or by operation of law, and such Party still objects to  
13 any modification to the terms of this Agreement made by the Commission, that Party  
14 shall timely file an appeal of the Commission's decision pursuant to A.R.S. § 40-254  
15 or § 40-254.01, as appropriate. In the event that the Party does not file such an  
16 appeal, it shall be deemed: (i) to have accepted any modifications made by the  
17 Commission; and (ii) to have conclusively and irrefutably accepted that any  
18 modifications to the terms of this Agreement are not substantial and therefore the  
19 Commission's order does adopt "substantially all" of the terms of this Agreement.  
20

21           12. Definitive Text. The "Definitive Text" of this Agreement shall  
22 be the text adopted by the Commission in an order adopting substantially all the  
23 terms of this Agreement including all modifications made by the Commission in such  
24 order.  
25  
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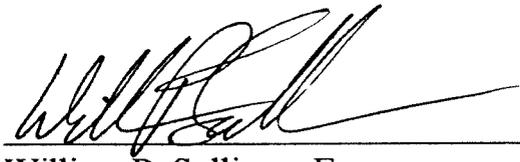
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13. Severability. Each of the terms of the Definitive Text of this Agreement is in consideration and support of all other terms. Accordingly, such terms are not severable.

14. Support and Defend. The Parties pledge to support and defend this Agreement before the Commission. The Parties will support and defend this Agreement before any court or regulatory agency in which it may be at issue.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the 16<sup>th</sup> day of November, 2001.

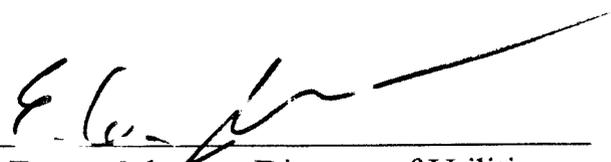
MARTINEZ & CURTIS, P.C.



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

AND

STAFF OF THE ARIZONA CORPORATION  
COMMISSION

By:   
Ernest Johnson, Director of Utilities

# EXHIBIT A

## EXHIBIT A

NAVOPACHE ELECTRIC COOPERATIVE, INC.  
 Docket No. E-01787A-01-0063  
 Test Year Ended October 31, 1999  
 (1.76 TIER)  
 SUMMARY OF FILING

	[A] Per Company	[B] Per Staff	[C] Settlement Adj. to Staff	[D] Revised Per Settlement
1 Adjusted Rate Base	\$ 42,050,352	\$ 37,360,051	\$	37,360,051
2 Adjusted Return	\$ 527,246	\$ 746,481	\$	746,481
3 Operating Margin After Interest & Other Deduct	\$ -1,451,539	\$ -1,232,304	\$	-1,232,304
4 Test Year Long-Term Interest Expense	\$ 1,845,553	\$ 1,845,553	\$	1,845,553
5 Proposed Increase in Operating Revenue	\$ 3,294,439	\$ 2,153,519	\$ 462,950	2,616,469
6 Adjusted Test Year Operating Revenue	\$ 25,842,323	\$ 25,842,323	\$	25,842,323
7 Recommended Operating Revenue	\$ 29,136,762	\$ 27,995,842	\$ 462,950	28,458,792
8 Percentage Increase in Operating Revenue	12.75%	8.33%		10.12%
9 Operating TIER (at current rates)	0.21	0.33		0.33
10 Operating DSC (at Current rates)	0.91	0.92		0.92
11 Rate of Return (at current rates)	1.25%	2.00%		2.00%
12 Operating TIER (at proposed rates)	2.00	1.50		1.75
13 Operating DSC (at proposed rates)	2.06	1.67		1.83
14 Rate of Return (at proposed rates)	9.09%	7.76%		9.00%

Pltn Pmt  
Depr

1,027,400  
2,037,518

# EXHIBIT B

## BEFORE THE ARIZONA CORPORATION COMMISSION

WILLIAM A. MUNDELL  
CHAIRMAN  
JIM IRVIN  
COMMISSIONER  
MARC SPITZER  
COMMISSIONER

IN THE MATTER OF THE	)	
APPLICATION OF NAVOPACHE	)	DOCKET NO. E-01787A-01-0063
ELECTRIC COOPERATIVE, INC., AN	)	
ARIZONA NON-PROFIT	)	STIPULATION AND NOTIFICA-
CORPORATION FOR A FINDING OF	)	TION OF SETTLEMENT WITH-
FAIR VALUE OF ITS PROPERTIES	)	INTERVENORS TOWN OF
AND A FAIR RATE OF RETURN	)	SPRINGVILLE AND
THEREON, AND FOR APPROVAL OF	)	CENTERFIRE INNS, LLC
RATES AND CHARGES, AND FOR	)	
APPROVAL OF CHANGES TO ITS	)	
<u>POLICY MANUAL</u>	)	

Comes now Applicant, Navopache Electric Cooperative, Inc. ("Navopache"), and Intervenors, the Town of Springville and Centerfire Inns, LLC ("Intervenors"), by and through their undersigned counsel stipulate and agree as follows:

1. The Town of Springerville and Centerfire Inns, LLC are Intervenors in the above-referenced matter wherein Navopache requests an adjustment to its rates and charges to provide approximately \$3,260,399 of additional revenues over and above the adjusted test year revenues of \$25,842,232.

2. The parties hereto recognize that the increase is being offset by a decrease of power costs of approximately \$3,170,963, which has already been passed through to Navopache's customers/members pursuant to its Power Purchase Adjustment Mechanism.

E-01787A-01-0063

3. The Town of Springerville and Centerfire Inns, LLC hereby support the request of Navopache to increase its revenues and its proposed rate design as set forth in the Application and Pre-Filed Testimony submitted by Navopache, except as set forth in this Stipulation.

4. Navopache and Intervenors agree that the off-peak period for all time-of-use rates should be extended two hours so that the on-peak period commences at 8:00 a.m. instead of 6:00 a.m. for all Navopache time-of-use rates (Standard Offer Tariff Schedules 1, 2, 3, and 4), and that the time-of-use rates shall be redesigned to recover the revenue requirement for each class, including revenues that would otherwise be lost by shortening the on-peak period.

5. Navopache and Intervenors agree that it is appropriate to assume that each of the hours being shifted to the non-peak period represents 10% of the total on-peak hours for the class and that the redesigned rates shall be based upon this assumption.

6. Navopache and Intervenors request the Arizona Corporation Commission adjust the on-peak period and approve the redesigned time-of-use rates in accordance with paragraphs 4 and 5 of this Stipulation.

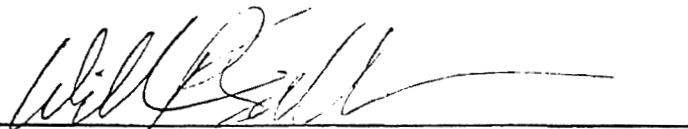
7. The Intervenors have no objection to, and support any settlement of rate design issues for the standard residential rate that may be agreed upon between the White Mountain Apache Tribe and Navopache provided the agreement does not shift revenue responsibility between customer classes.

E-01787A-01-0063

8. Other than the execution and submittal of this Stipulation and the pursuit of any action to support or enforce this Stipulation, the Town of Springerville and Centerfire Inns, LLC, shall have no further participation in the above-captioned rate proceeding.

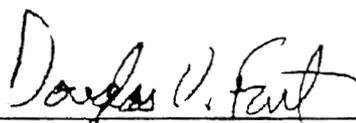
Respectfully submitted this 30<sup>th</sup> day of October, 2001.

MARTINEZ & CURTIS, P.C.



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

COTTON, BLEDSOE, TIGHE & DAWSON



Douglas V. Fant, Esq.  
500 West Illinois, Suite 300  
Midland, Texas 79701  
On behalf of Centerfire Inns, LLC and  
Town of Springerville

# EXHIBIT C

64293

DECISION NO. \_\_\_\_\_

BEFORE THE ARIZONA CORPORATION COMMISSION

WILLIAM A. MUNDELL  
CHAIRMAN  
JIM IRVIN  
COMMISSIONER  
MARC SPITZER  
COMMISSIONER

IN THE MATTER OF THE )  
APPLICATION OF NAVOPACHE ) DOCKET NO. E-01787A-01-0063  
ELECTRIC COOPERATIVE, INC., AN )  
ARIZONA NON-PROFIT ) STIPULATION AND NOTIFICA-  
CORPORATION FOR A FINDING OF ) TION OF SETTLEMENT WITH  
FAIR VALUE OF ITS PROPERTIES ) INTERVENOR WHITE  
AND A FAIR RATE OF RETURN ) MOUNTAIN APACHE TRIBE  
THEREON, AND FOR APPROVAL OF )  
RATES AND CHARGES, AND FOR )  
APPROVAL OF CHANGES TO ITS )  
POLICY MANUAL )

Comes now Applicant, Navopache Electric Cooperative, Inc. ("Navopache"), and Intervenor, the White Mountain Apache Tribe ("Intervenor"), by and through their undersigned counsel stipulate and agree as follows:

1. The White Mountain Apache Tribe is an Intervenor in the above-referenced matter wherein Navopache requests an adjustment to its rates and charges to provide approximately \$3,260,399 of additional revenues over and above the adjusted test year revenues of \$25,842,232.

2. The parties hereto recognize that the increase is being offset by a decrease of power costs of approximately \$3,170,963, which has already been passed through to Navopache's customers/members pursuant to its Power Purchase Adjustment Mechanism.

DECISION NO. 64293

E-01787A-01-0063

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3. The White Mountain Apache Tribe hereby supports the request of Navopache to increase its revenues and its proposed rates and charges, including its rate design as set forth in the Application and Pre-Filed Testimony submitted by Navopache, except as set forth in this Stipulation.

4. Intervenor agrees to and supports (a) the two hour extension of the off-peak period for all time-of-use rates as stipulated and agreed to between Navopache and the Town of Springerville and Centerfire Inns, LLC (i.e., commencing the on-peak period at 8:00 a.m. instead of 6:00 a.m. for Navopache-Standard Offer Tariff Schedules 1, 2, 3, and 4), (b) the redesign of the time-of-use rates to recover the revenue requirement for each class, including revenues that would otherwise be lost by shortening the on-peak period, and (c) the assumption that each of the hours being shifted to the non-peak period represents 10% of the total on-peak hours for the class.

5. Navopache and Intervenor agree that the Standard Rate for the Residential Customer shall be designed as follows:

Monthly Rate

STANDARD RATE	Power Supply	CTC	Distribution Charges					Total Rate
			Metering	Meter Reading	Billing	Access	Total	
Customer Charge - (\$/Customer/Mo)			\$3.13	\$0.80	\$4.12	\$10.70	\$18.75	\$18.75
Energy Charge (\$/kWh)								
1-400 kWh	\$0.04242	\$0.00605				\$0.00928	\$0.0093	\$0.05775
over 400 kWh	\$0.04242	\$0.00605				\$0.04928	\$0.0493	\$0.09775

E-01787A-01-0063

1           8.     In the event, the Arizona Corporation Commission approves a  
2 revenue level different than the \$3,260,399 increase in revenues requested by  
3 Navopache, the White Mountain Apache Tribe and Navopache agree the Standard  
4 Rate under Schedule 1 will be designed to achieve the approved revenue level  
5 utilizing the following principles: (a) the residential class as a whole will recover the  
6 same percentage of revenue, relative to other customer classes, as determined by  
7 Navopache's Cost of Service Study, (b) the customer charge and energy charges in  
8 the Standard Rate under Schedule 1 shall be adjusted so, to the extent practicable,  
9 customers using 400 kWh will see approximately a 1% increase over their "Adjusted  
10 Billing;" (c) the relationship between Standard Rate Schedule 1 users will remain, to  
11 the extent practicable, similar to that set forth in Attachment 1 hereto; (d) the new  
12 rates will not result in a reduction in the electric bill for any customer usage (i.e., a  
13 recalculated Attachment 1 will show the "Adjusted Billing" to be less than the  
14 Change in Billing "Adj to Prop" and Percent Change "Adj to Prop" shall be positive)  
15 and (e) the Customer Charge will be altered no more than the overall percentage  
16 change from Navopache's proposed revenue level to the approved revenue level.

17           9.     Intervenor by execution of this Stipulation requests the  
18 Commission treat the submittal of the Stipulation as a request to withdraw the pre-  
19 filed direct and surrebutal testimony of Steven W. Ruback and summary thereof  
20 filed on behalf of Intervenor in the above-captioned rate proceeding.  
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E-01787A-01-0063

TIME-OF-USE RATE	Power Supply	CTC	Distribution Charges					Total Rate
			Metering	Meter Reading	Billing	Access	Total	
Customer Charge (\$/Customer/Mo)			\$7.52	\$3.21	\$4.12	\$10.70	\$25.85	\$25.85
Energy Charge (\$/kWh)								
On-Peak kWh	\$0.07395	\$0.00605				\$0.0150	\$0.0150	\$0.08517
Off-Peak kWh	\$0.02495	\$0.00605				\$0.0150	\$0.0150	\$0.04600

6. Navopache and Intervenor request the Arizona Corporation Commission approve the foregoing rate design for Navopache's Residential Customers served under Navopache's Tariff Schedule No.1. While Intervenor is not requesting a change in the Time of Use Rate as part of this Stipulation, the above Time of Use Rate has been adjusted to reflect the change in the on-peak and off-peak kWh charge needed to reflect the two-hour extension of the off-peak period, if the Arizona Corporation Commission approves the extension. In the event the extension is not approved, then the Time of Use Rate would remain as set forth in the Tariff Schedule No. 1 submitted with Navopache's Rejoinder Testimony.

7. Navopache and Intervenor agree that Attachment 1 attached hereto and incorporated herein by this reference entitled "Comparison of Existing and Proposed Rates - Residential" reflects a representative comparison of billings between the rates agreed upon under this Stipulation and the unadjusted test year billings (labeled "Existing Billing") and the adjusted test year billings (labeled "Adjusted Billing").



E-01787A-01-0063

NAVOPACHE ELECTRIC COOPERATIVE, INC.  
 COMPARISON OF EXISTING AND PROPOSED RATES  
 RESIDENTIAL - ALTERNATE

KWh Usage	Existing Billing \$	Adjusted Billing \$	Proposed Billing \$	Change In Billing		Percent Change	
				Exist to Prop \$	Adj to Prop \$	Exist to Prop	Adj to Prop
Customer Charge	11.25	11.25	18.75	7.50	7.50	66.67%	66.67%
Fixed 400 KWh	0.095100	0.095100	0.057750	(0.037350)	(0.037350)	-39.27%	-39.27%
Excess KWh	0.095100	0.095100	0.097750	0.002650	0.002650	2.79%	2.79%
PCA	(0.010047)	(0.019578)	0.000000	0.010047	0.019576	-100.00%	-100.00%
50	15.50	15.03	21.64	6.14	6.61	39.61%	43.98%
100	19.76	18.80	24.53	4.77	5.73	24.14%	30.48%
200	28.26	26.35	30.30	2.04	3.95	7.22%	14.99%
300	38.77	33.91	36.08	(0.69)	2.17	-1.88%	6.40%
400	45.27	41.46	41.85	(3.42)	0.39	-7.55%	0.94%
500	53.78	49.01	51.63	(2.15)	2.62	-4.00%	5.35%
600	82.28	56.58	61.40	(0.88)	4.84	-1.41%	8.56%
700	70.79	64.12	71.18	0.39	7.06	0.55%	11.01%
800	79.29	71.67	80.95	1.66	9.28	2.09%	12.95%
900	87.80	79.22	90.73	2.93	11.51	3.34%	14.53%
1,000	98.30	86.77	100.50	4.20	13.73	4.36%	15.82%
1,500	138.83	124.54	149.38	10.55	24.84	7.60%	19.95%
2,000	181.36	162.30	198.25	16.89	35.95	9.31%	22.15%
2,500	223.88	200.08	247.13	23.25	47.07	10.39%	23.53%
3,000	266.41	237.82	296.00	29.59	58.18	11.11%	24.46%
4,000	351.46	313.34	393.75	42.29	80.41	12.03%	25.86%
5,000	436.51	388.87	491.50	54.99	102.63	12.60%	26.39%
362 Average	41.16	37.81	39.08	(2.10)	1.25	-5.10%	3.31%

Schedule O-1.0

DECISION NO. 64293

# EXHIBIT D

**NAVOPACHE ELECTRIC COOPERATIVE, INC.**  
Lakeside, Arizona

**STANDARD OFFER TARIFF**

**SCHEDULE NO. 1**  
**RESIDENTIAL, SCHOOLS, CHURCHES, AND COMMUNITY HALLS**

**Effective:** For electrical usage beginning on \_\_\_\_\_ 1, 200\_\_ and billed beginning with the \_\_\_\_\_ 1, 200\_\_ cycle billings.

**Availability**

Available to residential and farm consumers, and to schools, churches, and community halls requiring single-phase service throughout the cooperative service area where the facilities of the cooperative are of adequate capacity and are adjacent to premises subject to the rules and regulations of the seller.

**Applicability**

To all single-phase residential, school, church, and community hall electric service in individual locations and individually metered apartments and for non-seasonal farm use when all service is supplied at one point of delivery and energy is metered through one meter.

Not applicable for resale, breakdown, standby or auxiliary service.

**Type of Service**

Single-phase, 60 cycles, nominal 120/240 volts, 120/208 volts, 3 wire, and limited to individual motors of 10 HP or less that will not cause excessive voltage fluctuations, supplied through one set of service wires and metered through one meter.

**Monthly Rate**

**A. STANDARD RATE:**

STANDARD RATE	Power Supply	CTC	Distribution Charges					Total Rate
			Metering	Meter Reading	Billing	Access	Total	
Customer Charge (\$/Customer/Mo)			\$3.13	\$0.80	\$4.12	\$10.25	\$18.30	\$18.30
Energy Charge (\$/kWh)								
1 - 400 kWh	\$0.03211	\$0.00605				\$0.02076	\$0.02076	\$0.05892
over 400 kWh	\$0.06311	\$0.00605				\$0.02076	\$0.02076	\$0.08992

**NAVOPACHE ELECTRIC COOPERATIVE, INC.**  
Lakeside, Arizona

**STANDARD OFFER TARIFF**

**SCHEDULE NO. 1**  
**RESIDENTIAL, SCHOOLS, CHURCHES, AND COMMUNITY HALLS**

OR,

**B. OPTIONAL TIME-OF-USE RATE:**

TIME-OF-USE RATE	Power Supply	CTC	Distribution Charges					Total Rate
			Metering	Meter Reading	Billing	Access	Total	
Customer Charge (\$/Customer/Mo)			\$7.82	\$3.21	\$4.12	\$10.10	\$25.25	\$25.25
Energy Charge: (\$/kWh)								
On-Peak kWh	\$0.07382	\$0.00605				\$0.01343	\$0.01343	\$0.09330
Off-Peak kWh	\$0.02502	\$0.00605				\$0.01343	\$0.01343	\$0.04450

The Optional TOU Rate is voluntary and, subject to meter availability and installation, shall be applicable with the first complete cycle after receipt of a customer's written request. The rate is available during the months of October through March or year-round at the customer's option. If the customer requests to be taken off the Optional TOU Rate, the Standard Rate will be applied to the next complete billing cycle after receipt of the request.

**Definition of On-Peak**

April through September: For this rate schedule, On-Peak hours are 8:00 a.m. to 4:00 p.m. and 6:00 p.m. to 9:00 p.m., Monday through Saturday. All other hours are considered to be Off-Peak.

October through March: For this rate schedule, On-Peak hours are 8:00 a.m. to 1:00 p.m. and 4:00 p.m. to 9:00 p.m., Monday through Saturday. All other hours are considered to be Off-Peak.

**Minimum Charge**

The minimum monthly charge shall be the Customer Charge. The minimum does not include power cost adjustment. Where it is necessary to extend or reinforce existing distribution facilities, the minimum monthly charge may be increased to assure adequate compensation for the added facilities. Where the minimum charge is increased in accordance with the terms of this section, additional energy shall be included in accordance with the foregoing schedule.

**Tax Adjustment**

The applicable sales tax in Arizona will be added to bills where required.

The cooperative is authorized to pass on to the consumers the applicable proportionate part of any taxes or government impositions, which are or may in the future be assessed on the basis of the gross revenues of the cooperative.

**Purchased Power Cost Adjustment**

The utility shall, if purchased power cost is increased or decreased above or below the base purchased power cost of \$0.04260 per kWh sold, flow through such increases or decreases to all classes of consumers.

NAVOPACHE ELECTRIC COOPERATIVE, INC.  
Lakeside, Arizona

STANDARD OFFER TARIFF

SCHEDULE NO. 1  
RESIDENTIAL, SCHOOLS, CHURCHES, AND COMMUNITY HALLS

**CTC Adjustment**

The Competitive Transition Charge (CTC) component of the rate shall be adjusted periodically as required by Decision No. 62612 and is subject to the offset for the gain received from Plains Electric Generation & Transmission Cooperative, Inc. as specified in Decision No. \_\_\_\_\_.

**Meter Readings**

All meter readings and billings shall be based on actual meter readings. Meter readings and billings will be made as closely as practical on the same day each month on a cycle basis.

**Terms of Payment**

Billing made under this schedule will be due and payable upon receipt and past due fifteen (15) days from the date the bill is mailed. Service will be subject to disconnect in accordance with the cooperative's collection policy.

**Demand Side Management Program (DSMP) Adder**

The utility shall add to its bill a demand side management program adder of \$0.0005 per kWh to help offset the costs associated with Navopache programs designed to promote load management and approved by Staff of the Arizona Corporation Commission. The amount of the adder shall be recomputed annually based upon reports submitted to the Commission by Navopache. Other charges may be applicable subject to approval by the Arizona Corporation Commission. In the event Navopache's DSMP is cancelled, the DSMP adder shall continue to be collected and the funds allocated to environmental portfolio uses.

**Environmental Portfolio Standard (EPS) Adder**

The utility shall add to its bill an EPS adder in the amount set forth in its separate Environmental Portfolio Standard tariff. Other charges may be applicable subject to approval by the Arizona Corporation Commission.

**NAVOPACHE ELECTRIC COOPERATIVE, INC.**  
Lakeside, Arizona

**STANDARD OFFER TARIFF**

**SCHEDULE NO. 2**  
**COMMERCIAL AND INDUSTRIAL SERVICE - ABOVE 50 KVA**

**Effective:** For electrical usage beginning on \_\_\_\_\_ 1, 200\_\_ and billed beginning with the \_\_\_\_\_ 1, 200\_\_ cycle billings.

**Availability**

Available to consumers, single- or three-phase, who require more than 50 kVA of transformer capacity. Subject to the established rules and regulations of the cooperative.

**Type of Service**

Single- or three-phase, over 50 kVA transformer capacity, alternating current, 60 cycles, at available secondary or primary voltages.

**Monthly Rate**

**A. STANDARD RATE:**

STANDARD RATE	Power Supply	CTC	Distribution Charges					Total Rate
			Metering	Meter Reading	Billing	Access	Total	
Customer Charge (\$/Customer/Mo)								
Secondary			\$35.22	\$4.81	\$6.17	\$73.80	\$120.00	\$120.00
Primary			\$160.22	\$4.81	\$6.17	\$72.80	\$244.00	\$244.00
Billing Demand Charge (\$/kW of Billing Demand)	\$2.96					\$5.74	\$5.74	\$8.70
Energy Charge (\$/kWh)								
First 300 kWh/kW	\$0.04592	\$0.00605						\$0.05197
Excess kWh/kW	\$0.02142	\$0.00605						\$0.02747

**NAVOPACHE ELECTRIC COOPERATIVE, INC.**  
Lakeside, Arizona

**STANDARD OFFER TARIFF**

**SCHEDULE NO. 2**  
**COMMERCIAL AND INDUSTRIAL SERVICE - ABOVE 50 KVA**

OR,

**B. OPTIONAL TIME-OF-USE RATE:**

TIME-OF-USE RATE	Power Supply	CTC	Distribution Charges					Total Rate
			Metering	Meter Reading	Billing	Access	Total	
Customer Charge (\$/Customer/Mo)								
Secondary			\$70.22	\$4.81	\$6.17	\$73.80	\$155.00	\$155.00
Primary			\$160.22	\$4.81	\$6.17	\$72.80	\$244.00	\$244.00
Billing Demand Charge (\$/kW of Billing Demand)	\$1.46					\$5.74	\$5.74	\$7.20
On-Peak Demand Charge (\$/kW On-Peak Demand)	\$7.25							\$7.25
Energy Charge (\$/kWh)	\$0.02142	\$0.00605						\$0.02747

Demand/T.O.U metering must be installed to record kW demand and kWh usage during the hours specified below.

**Definition of On-Peak/Off-Peak Hours**

For this rate schedule, On-Peak hours shall be 8:00 a.m. to 9:00 p.m. every day. Off-Peak hours shall be all other times.

**Determination of Billing Demand**

The Billing Demand shall be the maximum kilowatt demand established by the consumer for any fifteen (15) consecutive minutes during the month. Billing Demand shall be adjusted for power factor as provided below.

**Determination of On-Peak Demand**

The On-Peak Demand shall be the maximum kilowatt demand established by the consumer for any fifteen (15) consecutive minutes during the On-Peak hours of 6:00 a.m. to 9:00 p.m. The On-Peak Demand shall be adjusted for power factor as provided below.

**Power Factor Adjustment**

The consumer agrees to maintain unity power factor as nearly as practical. The cooperative may install power factor metering devices at its discretion. Demand charges will be adjusted for consumers with 50 kW or more of measured demand to correct for power factors during any period of fifteen consecutive minutes is lower than 90%, and may be so adjusted for other consumers if and when the Seller deems necessary. Such adjustments will be made by increasing the measured demand 1% for each 1% by which the power factor during any period of fifteen consecutive minutes is less than 90% lagging.

NAVOPACHE ELECTRIC COOPERATIVE, INC.  
Lakeside, Arizona

## STANDARD OFFER TARIFF

SCHEDULE NO. 2  
COMMERCIAL AND INDUSTRIAL SERVICE - ABOVE 50 KVA

**Minimum Monthly Charge**

The minimum monthly charge shall be the higher of the following charges as determined for the consumer in question:

- (1) The minimum monthly charge specified in the contract for service; or
- (2) A charge of \$1.75 per kVA of installed transformer capacity.

Note: Minimum does not include power cost adjustment.

**Tax Adjustments**

The applicable sales taxes in Arizona will be added to all bills where required.

The cooperative is authorized to pass on to the consumers the applicable proportionate part of any taxes or government impositions, which are or may in the future be assessed on the basis of the gross revenues of the cooperative.

**Purchased Power Cost Adjustment**

The utility shall, if purchased power cost is increased or decreased above or below the base purchased power cost of \$0.04260 per kWh sold, flow through such increases or decreases to all classes of consumers.

**CTC Adjustment**

The Competitive Transition Charge (CTC) component of the rate shall be adjusted periodically as required by Decision No. 62612 and is subject to the offset for the gain received from Plains Electric Generation & Transmission Cooperative, Inc. as specified in Decision No. \_\_\_\_\_.

**Meter Readings**

All meter readings and billings shall be based on actual meter readings. Meter readings and billings will be made as closely as practical on the same day each month on a cycle basis.

**Terms of Payment**

Billing made under this schedule will be due and payable upon receipt and past due fifteen (15) days from the date the bill is mailed. Service will be subject to disconnect in accordance with the cooperative's collection policy.

**Delivery of Primary Service**

When a customer taking service at voltage of 14,400 and above and in excess of 750 kVA, furnishes his own transformer and substation equipment, and receives delivery of electricity at primary voltage metering, a discount of 3% shall be allowed on monthly bills for primary metering. The 3% discount will not be allowed on the purchased power cost adjustment that is shown separately on this bill.

The cooperative shall have the right to approve of transformers and substation equipment furnished by the consumer under this type of service.

NAVOPACHE ELECTRIC COOPERATIVE, INC.  
Lakeside, Arizona

## STANDARD OFFER TARIFF

SCHEDULE NO. 2  
COMMERCIAL AND INDUSTRIAL SERVICE - ABOVE 50 KVA

**Demand Side Management Program (DSMP) Adder**

The utility shall add to its bill a demand side management program adder of \$0.0005 per kWh to help offset the costs associated with Navopache programs designed to promote load management and approved by Staff of the Arizona Corporation Commission. The amount of the adder shall be recomputed annually based upon reports submitted to the Commission by Navopache. Other charges may be applicable subject to approval by the Arizona Corporation Commission. In the event Navopache's DSMP is cancelled, the DSMP adder shall continue to be collected and the funds allocated to environmental portfolio uses.

**Environmental Portfolio Standard (EPS) Adder**

The utility shall add to its bill an EPS adder in the amount set forth in its separate Environmental Portfolio Standard tariff. Other charges may be applicable subject to approval by the Arizona Corporation Commission.

**NAVOPACHE ELECTRIC COOPERATIVE, INC.**  
**Lakeside, Arizona**

**STANDARD OFFER TARIFF**

**SCHEDULE NO. 3**  
**SMALL COMMERCIAL**

**Effective:** For electrical usage beginning on \_\_\_\_\_ 1, 200\_\_ and billed beginning with the \_\_\_\_\_ 1, 200\_\_ cycle billings.

**Availability**

Available and applicable to all consumers who require 50 kVA or less of transformer capacity and located along the existing electric distribution system of the cooperative for single- and/or three-phase service for commercial lighting, small power, and other commercial or business uses.

**Applicability**

This schedule is applicable for commercial use which includes service used by retail or wholesale businesses, small manufacturing or processing establishments, tourist or trailer camps, motels, stores, restaurants, service stations, professional offices, and three-phase service to residential, public buildings, churches, and apartments where more than one unit is served from an individual meter and all other uses not ordinarily considered as normal residential or home use. Except in cases of master metered mobile home parts, service under this schedule shall not be resold or shared with others.

**Type of Service**

Single- or three-phase, 60 cycles, at available secondary voltages. Motors having a rated capacity in excess of 10 horsepower must be three-phase.

**Monthly Rate**

**A. STANDARD RATE:**

STANDARD RATE	Power Supply	CTC	Distribution Charges					Total Rate
			Metering	Meter Reading	Billing	Access	Total	
Customer Charge (\$/Customer/Mo)			\$6.07	\$3.21	\$4.12	\$10.10	\$23.50	\$23.50
Energy Charge (\$/kWh)	\$0.04102	\$0.00605				\$0.02763	\$0.02763	\$0.07470

DECISION NO. 64293

**NAVOPACHE ELECTRIC COOPERATIVE, INC.**  
Lakeside, Arizona

**STANDARD OFFER TARIFF**

**SCHEDULE NO. 3**  
**SMALL COMMERCIAL**

OR,

**B. OPTIONAL TIME-OF-USE RATE:**

TIME-OF-USE RATE	Power Supply	CTC	Distribution Charges					Total Rate
			Metering	Meter Reading	Billing	Access	Total	
Customer Charge (\$/Customer/Mo)			\$16.42	\$3.21	\$4.12	\$9.30	\$33.05	\$33.05
Energy Charge: (\$/kWh)								
On-Peak kWh	\$0.06672	\$0.00605				\$0.02763	\$0.02763	\$0.10040
Off-Peak kWh	\$0.02472	\$0.00605				\$0.02763	\$0.02763	\$0.05840

The Optional TOU Rate is voluntary and, subject to meter availability and installation, shall be applicable with the first complete cycle after receipt of a customer's written request. The rate is available during the months of October through March or year-round at the customer's option. If the customer requests to be taken off the Optional TOU Rate, the Standard Rate will be applied to the next complete billing cycle after receipt of the request.

**Definition of On-Peak**

April through September: For this rate schedule, On-Peak hours are 8:00 a.m. to 4:00 p.m. and 6:00 p.m. to 9:00 p.m., Monday through Saturday. All other hours are considered to be Off-Peak.

October through March: For this rate schedule, On-Peak hours are 8:00 a.m. to 1:00 p.m. and 4:00 p.m. to 9:00 p.m., Monday through Saturday. All other hours are considered to be Off-Peak.

**Minimum Monthly Charge**

The minimum monthly charge under the above rate shall be the customer charge, where 10 kVA or less of transformer capacity is required. For consumers requiring more than 10 kVA of transformer capacity, the minimum monthly charge shall be increased by \$1.75 per each additional kVA or fraction thereof required. Where it is necessary to extend or reinforce existing distribution facilities, the minimum monthly charge may be increased in accordance with the terms of this section, additional energy shall be included in accordance with the foregoing rate schedule.

**Tax Adjustment**

The applicable sales tax in Arizona will be added to bills where required.

The cooperative is authorized to pass on to the consumers the applicable proportionate part of any taxes or government impositions, which are or may in the future be assessed on the basis of the gross revenues of the cooperative.

DECISION NO. 64293

NAVOPACHE ELECTRIC COOPERATIVE, INC.  
Lakeside, Arizona

## STANDARD OFFER TARIFF

SCHEDULE NO. 3  
SMALL COMMERCIAL

**Purchased Power Cost Adjustment**

The utility shall, if purchased power cost is increased or decreased above or below the base purchased power cost of \$0.04260 per kWh sold, flow through such increases or decreases to all classes of consumers.

**CTC Adjustment**

The Competitive Transition Charge (CTC) component of the rate shall be adjusted periodically as required by Decision No. 62612 and is subject to the offset for the gain received from Plains Electric Generation & Transmission Cooperative, Inc. as specified in Decision No. \_\_\_\_\_.

**Meter Readings**

All meter readings and billings shall be based on actual meter readings. Meter readings and billings will be made as closely as practical on the same day each month on a cycle basis.

**Terms of Payment**

Billing made under this schedule will be due and payable upon receipt and past due fifteen (15) days from the date the bill is mailed. Service will be subject to disconnect in accordance with the cooperative's collection policy.

**Demand Side Management Program (DSMP) Adder**

The utility shall add to its bill a demand side management program adder of \$0.0005 per kWh to help offset the costs associated with Navopache programs designed to promote load management and approved by Staff of the Arizona Corporation Commission. The amount of the adder shall be recomputed annually based upon reports submitted to the Commission by Navopache. Other charges may be applicable subject to approval by the Arizona Corporation Commission. In the event Navopache's DSMP is cancelled, the DSMP adder shall continue to be collected and the funds allocated to environmental portfolio uses.

**Environmental Portfolio Standard (EPS) Adder**

The utility shall add to its bill an EPS adder in the amount set forth in its separate Environmental Portfolio Standard tariff. Other charges may be applicable subject to approval by the Arizona Corporation Commission.

NAVOPACHE ELECTRIC COOPERATIVE, INC.  
Lakeside, Arizona

STANDARD OFFER TARIFF

SCHEDULE NO. 4  
IRRIGATION AND WATER PUMPING SERVICE

Effective: For electrical usage beginning on \_\_\_\_\_ 1, 200\_\_ and billed beginning with the \_\_\_\_\_ 1, 200\_\_ cycle billings.

Availability

Available to consumers for service to irrigation pumps and any other water pumping loads requiring less than 300 kVA of transformer capacity, subject to the established rules and regulations of the cooperative. Service is available where the facilities of the Cooperative are of adequate capacity and are adjacent to the customer's premises. This rate is not available to loads served by primary metering.

Type of Service

Single- or three-phase, 60 cycle alternating current. At the discretion of the cooperative, single-phase service may be furnished, provided the motor capacity is not in excess of ten horsepower (10 HP).

Monthly Rate

A. STANDARD RATE:

STANDARD RATE	Power Supply	CTC	Distribution Charges					Total Rate
			Metering	Meter Reading	Billing	Access	Total	
Customer Charge (\$/Customer/Mo)			\$10.10	\$3.21	\$4.12	\$16.57	\$34.00	\$34.00
Horsepower Charge (\$/HP/Month)	\$0.69					\$1.81	\$1.81	\$2.50
Energy Charge (\$/kWh)	\$0.03762	\$0.00605				\$0.02000	\$0.02000	\$0.06367

**NAVOPACHE ELECTRIC COOPERATIVE, INC.**  
**Lakeside, Arizona**

**STANDARD OFFER TARIFF**

**SCHEDULE NO. 4**  
**IRRIGATION AND WATER PUMPING SERVICE**

OR,

**B. OPTIONAL TIME-OF-USE RATE:**

TIME-OF-USE RATE	Power Supply	CTC	Distribution Charges					Total Rate
			Metering	Meter Reading	Billing	Access	Total	
Customer Charge (\$/Customer/Mo)			\$14.11	\$3.21	\$4.12	\$17.56	\$39.00	\$39.00
Horsepower Charge (\$/HP/Month)	\$0.91					\$1.59	\$1.59	\$2.50
Energy Charge - On-Peak kWh (\$/kWh)	\$0.05472	\$0.00605				\$0.02000	\$0.02000	\$0.08077
Energy Charge - Off-Peak kWh (\$/kWh)	\$0.02142	\$0.00605				\$0.02000	\$0.02000	\$0.04747

Demand/T.O.U. metering must be installed to record kWh usage during the hours specified below.

**Definition of On-Peak/Off-Peak Hours**

For this rate schedule, On-Peak hours shall be 8:00 a.m. to 9:00 p.m. every day. Off-Peak hours shall be all other times.

**Minimum Charge**

The minimum charge under the above rate shall be \$20.00 per month for 8 horsepower or less. For loads greater than 8 horsepower, the minimum charge shall be \$2.50 per horsepower per month. Where it is necessary to extend or reinforce existing distribution facilities, the minimum monthly charge may be increased to assure adequate compensation for the added facilities.

**Determination of Horsepower**

The horsepower for billing purposes shall be the manufacturer's motor nameplate rating, or at its option the cooperative may determine the horsepower by test conditions of maximum operating load.

**Tax Adjustment**

The applicable sales tax in Arizona will be added to bills where required.

The cooperative is authorized to pass on to the consumers the applicable proportionate part of any taxes or government impositions, which are or may in the future be assessed on the basis of the gross revenues of the cooperative.

**Purchased Power Cost Adjustment**

The utility shall, if purchased power cost is increased or decreased above or below the base purchased power cost of \$0.04260 per kWh sold, flow through such increases or decreases to all classes of consumers.

NAVOPACHE ELECTRIC COOPERATIVE, INC.  
Lakeside Arizona

E-01787A-01-0063

## STANDARD OFFER TARIFF

SCHEDULE NO. 4  
IRRIGATION AND WATER PUMPING SERVICE

**CTC Adjustment**

The Competitive Transition Charge (CTC) component of the rate shall be adjusted periodically as required by Decision No. 62612 and is subject to the offset for the gain received from Plains Electric Generation & Transmission Cooperative, Inc. as specified in Decision No. \_\_\_\_\_.

**Meter Readings**

All meter readings and billings shall be based on actual meter readings. Meter readings and billings will be made as closely as practical on the same day each month on a cycle basis.

**Terms of Payment**

Billing made under this schedule will be due and payable upon receipt and past due fifteen (15) days from the date the bill is mailed. Service will be subject to disconnect in accordance with the cooperative's collection policy.

**Demand Side Management Program (DSMP) Adder**

The utility shall add to its bill a demand side management program adder of \$0.0005 per kWh to help offset the costs associated with Navopache programs designed to promote load management and approved by Staff of the Arizona Corporation Commission. The amount of the adder shall be recomputed annually based upon reports submitted to the Commission by Navopache. Other charges may be applicable subject to approval by the Arizona Corporation Commission. In the event Navopache's DSMP is cancelled, the DSMP adder shall continue to be collected and the funds allocated to environmental portfolio uses.

**Environmental Portfolio Standard (EPS) Adder**

The utility shall add to its bill an EPS adder in the amount set forth in its separate Environmental Portfolio Standard tariff. Other charges may be applicable subject to approval by the Arizona Corporation Commission. Other charges may be applicable subject to approval by the Arizona Corporation Commission.

**NAVOPACHE ELECTRIC COOPERATIVE, INC.**  
Lakeside, Arizona

**STANDARD OFFER TARIFF**

**SCHEDULE NO. 5**  
**SECURITY LIGHTS**

**Effective:** For electrical usage beginning on \_\_\_\_\_ 1, 200\_\_ and billed beginning with the \_\_\_\_\_ 1, 200\_\_ cycle billings.

**Availability**

Available to all consumers in the cooperative's service are for security lighting uses, subject to the cooperative's rules and regulations.

**Type of Service**

Single-phase, 120/240 volts, 60 cycle alternating current.

**Application**

The cooperative will construct, maintain, and operate all security lights, except in existing instances where the consumer owns the light, in which case the consumer shall be responsible for operation and maintenance of same.

Lamps will be controlled by timing devices or photoelectric units to provide service from dusk to dawn.

**Monthly Rate**

The monthly rate shall be as follows, based on estimated average monthly usage for unmetered lights:

**A. CONSUMER OWNED SECURITY LIGHTS:**

Consumer Owned	Power Supply	CTC	Distribution			Total Rate
			Billing	Access	Total	
175 Watt MVL 75 kWh	\$3.18	\$0.46	\$0.05	\$3.16	\$3.21	\$6.85
250 Watt MVL 110 kWh	\$4.60	\$0.67	\$0.07	\$3.31	\$3.38	\$8.65
400 Watt MVL 175 kWh	\$7.31	\$1.06	\$0.10	\$5.78	\$5.88	\$14.25
100 Watt HPS 34 kWh	\$1.42	\$0.21	\$0.02	\$3.05	\$3.07	\$4.70
150 Watt HPS 50 kWh	\$2.09	\$0.30	\$0.03	\$4.18	\$4.21	\$6.60
250 Watt HPS 85 kWh	\$3.56	\$0.51	\$0.05	\$4.23	\$4.28	\$8.35
Pole Charge (if applicable)				\$4.00	\$4.00	\$4.00

**NAVOPACHE ELECTRIC COOPERATIVE, INC.**  
Lakeside, Arizona

**STANDARD OFFER TARIFF**

**SCHEDULE NO. 5**  
**SECURITY LIGHTS**

OR,

**B. COOPERATIVE OWNED SECURITY LIGHTS:**

Cooperative Owned	Power Supply	CTC	Distribution			Total Rate
			Billing	Access	Total	
175 Watt MVL 75 kWh	\$3.18	\$0.46	\$0.05	\$4.86	\$4.91	\$8.55
250 Watt MVL 110 kWh	\$4.60	\$0.67	\$0.07	\$5.61	\$5.68	\$10.95
400 Watt MVL 175 kWh	\$7.31	\$1.06	\$0.10	\$9.28	\$9.38	\$17.75
100 Watt HPS 34 kWh	\$1.42	\$0.21	\$0.02	\$5.95	\$5.97	\$7.60
150 Watt HPS 50 kWh	\$2.09	\$0.30	\$0.03	\$7.08	\$7.11	\$9.50
250 Watt HPS 85 kWh	\$3.56	\$0.51	\$0.05	\$7.13	\$7.18	\$11.25
Pole Charge (if applicable)				\$4.00	\$4.00	\$4.00

**Tax Adjustment**

The applicable sales tax in Arizona will be added to bills where required.

The cooperative is authorized to pass on to the consumers the applicable proportionate part of any taxes or government impositions, which are or may in the future be assessed on the basis of the gross revenues of the cooperative.

**Purchased Power Cost Adjustment**

The utility shall, if purchased power cost is increased or decreased above or below the base purchased power cost of \$0.04260 per kWh sold, flow through such increases or decreases to all classes of consumers.

**CTC Adjustment**

The Competitive Transition Charge (CTC) component of the rate shall be adjusted periodically as required by Decision No. 62612 and is subject to the offset for the gain received from Plains Electric Generation & Transmission Cooperative, Inc. as specified in Decision No. \_\_\_\_\_.

**Meter Readings**

All meter readings and billings shall be based on actual meter readings. Meter readings and billings will be made as closely as practical on the same day each month on a cycle basis.

**Terms of Payment**

Billing made under this schedule will be due and payable upon receipt and past due fifteen (15) days from the date the bill is mailed. Service will be subject to disconnect in accordance with the cooperative's collection policy.

NAVOPACHE ELECTRIC COOPERATIVE, INC.  
Lakeside, Arizona

## STANDARD OFFER TARIFF

SCHEDULE NO. 5  
SECURITY LIGHTS

Demand Side Management Program (DSMP) Adder

The utility shall add to its bill a demand side management program adder of \$0.0005 per kWh to help offset the costs associated with Navopache programs designed to promote load management and approved by Staff of the Arizona Corporation Commission. The amount of the adder shall be recomputed annually based upon reports submitted to the Commission by Navopache. Other charges may be applicable subject to approval by the Arizona Corporation Commission. In the event Navopache's DSMP is cancelled, the DSMP adder shall continue to be collected and the funds allocated to environmental portfolio uses.

Environmental Portfolio Standard (EPS) Adder

The utility shall add to its bill an EPS adder in the amount set forth in its separate Environmental Portfolio Standard tariff. Other charges may be applicable subject to approval by the Arizona Corporation Commission.

**NAVOPACHE ELECTRIC COOPERATIVE, INC.**  
Lakeside, Arizona

**STANDARD OFFER TARIFF**

**SCHEDULE NO. 6**  
**STREET LIGHTING SERVICE**

**Effective:** For electrical usage beginning on \_\_\_\_\_ 1, 200\_\_ and billed beginning with the \_\_\_\_\_ 1, 200\_\_ cycle billings.

**Availability**

Available to municipal corporations and other organizations within the cooperative service area qualifying for street lighting service, subject to the cooperative's rules and regulations.

**Type of Service**

Single-phase, 120/240 volts, 60 cycle alternating current.

**Application**

The consumer shall construct, maintain and operate the system.

Lamps to be controlled by timing devices or photoelectric units to provide for service from dusk until dawn.

**Monthly Rate**

The monthly rate shall be as follows, based on estimated average monthly usage for unmetered lights:

Street Lighting Service	Power Supply	CTC	Distribution			Total Rate
			Billing	Access	Total	
175 Watt Lamp 75 kWh	\$3.18	\$0.46	\$0.05	\$4.86	\$4.91	\$8.55
250 Watt Lamp 110 kWh	\$4.60	\$0.67	\$0.07	\$4.66	\$4.73	\$10.00
400 Watt Lamp 175 kWh	\$7.31	\$1.06	\$0.10	\$9.28	\$9.38	\$17.75
1000 Watt Lamp 435 kWh	\$18.17	\$2.63	\$0.26	\$8.94	\$9.20	\$30.00
100 Watt Sodium 34 kWh	\$1.42	\$0.21	\$0.02	\$3.05	\$3.07	\$4.70
150 Watt Sodium 50 kWh	\$2.09	\$0.30	\$0.03	\$4.18	\$4.21	\$6.60
250 Watt Sodium 85 kWh	\$3.56	\$0.51	\$0.05	\$4.23	\$4.28	\$8.35

**Tax Adjustment**

The applicable sales tax in Arizona will be added to bills where required.

The cooperative is authorized to pass on to the consumers the applicable proportionate part of any taxes or government impositions, which are or may in the future be assessed on the basis of the gross revenues of the cooperative.

DECISION NO. 64293

NAVOPACHE ELECTRIC COOPERATIVE, INC.  
Lakeside, Arizona

## STANDARD OFFER TARIFF

SCHEDULE NO. 6  
STREET LIGHTING SERVICE

**Purchased Power Cost Adjustment**

The utility shall, if purchased power cost is increased or decreased above or below the base purchased power cost of \$0.04260 per kWh sold, flow through such increases or decreases to all classes of consumers.

**CTC Adjustment**

The Competitive Transition Charge (CTC) component of the rate shall be adjusted periodically as required by Decision No. 62612 and is subject to the offset for the gain received from Plains Electric Generation & Transmission Cooperative, Inc. as specified in Decision No. \_\_\_\_\_.

**Terms of Payment**

Billing made under this schedule will be due and payable upon receipt and past due fifteen (15) days from the date the bill is mailed. Service will be subject to disconnect in accordance with the cooperative's collection policy.

**Demand Side Management Program (DSMP) Adder**

The utility shall add to its bill a demand side management program adder of \$0.0005 per kWh to help offset the costs associated with Navopache programs designed to promote load management and approved by Staff of the Arizona Corporation Commission. The amount of the adder shall be recomputed annually based upon reports submitted to the Commission by Navopache. Other charges may be applicable subject to approval by the Arizona Corporation Commission. In the event Navopache's DSMP is cancelled, the DSMP adder shall continue to be collected and the funds allocated to environmental portfolio uses.

**Environmental Portfolio Standard (EPS) Adder**

The utility shall add to its bill an EPS adder in the amount set forth in its separate Environmental Portfolio Standard tariff. Other charges may be applicable subject to approval by the Arizona Corporation Commission.

**NAVOPACHE ELECTRIC COOPERATIVE, INC.**  
**Lakeside, Arizona**

**STANDARD OFFER TARIFF**

**SCHEDULE NO. 7**  
**OPTIONAL ELECTRIC SERVICE FOR QUALIFIED COGENERATION**  
**AND SMALL POWER PRODUCTION FACILITIES OVER 100 KW**

**Effective:** For electrical usage beginning on \_\_\_\_\_ 1, 200\_\_ and billed beginning with the \_\_\_\_\_ 1, 200\_\_ cycle billings.

**Availability**

In all territory served by the Cooperative where facilities of adequate capacity and suitable voltages are adjacent to the premises served and when all applicable provisions described herein have been met.

**Application**

Applicable only to qualified cogeneration and small power production facilities of 100 kW or more that meet qualifying status as defined under 18 CFR, Chapter 1, Part 292, Subpart B of the Federal Energy Regulatory Commission's regulations and pursuant to the Arizona Corporation Commission's Decision No. 56271. The facility's generator(s) and load must be located at the same premise.

**Type of Service**

Single- or three-phase, alternating current, 60 cycles, at available secondary or primary voltages at one standard voltage as may be selected by the consumer.

**Monthly Rate**

The monthly bill shall be the sum of the amounts computed under A, B, C, and D below, including the applicable Adjustments:

- A. Basic Service: \$75.00 per month, plus  
 \$46.20 per month per each generator meter.
- B. Supplemental Service:  
 Demand and energy charges will be in accordance with Schedule No. 2, Commercial and Industrial Service - Above 50 kVA, based upon the consumer's maximum supplemental demand.
- C. Standby Service:
1. Monthly Reservation Charge: \$2.96 per kW of Contract Standby Capacity  
 To be adjusted as specified herein, plus
  2. Standby Energy Charge shall be the energy charges applicable under the retail rate schedules of the cooperative that would be applicable absent the generation of the qualifying facility. The currently approved charges are:  
 Schedule No. 2, Commercial and Industrial Service - Above 50 kVA  
     First 300 kWh/kw      \$0.05197 per kWh  
     Excess kWh            \$0.02747 per kWh

**NAVOPACHE ELECTRIC COOPERATIVE, INC.**  
Lakeside, Arizona

**STANDARD OFFER TARIFF**

**SCHEDULE NO. 7**  
**OPTIONAL ELECTRIC SERVICE FOR QUALIFIED COGENERATION**  
**AND SMALL POWER PRODUCTION FACILITIES OVER 100 KW**

**D. Maintenance Service:**

The Maintenance Service Energy Charge shall be the energy charges applicable under the retail rate schedules of the cooperative that would be applicable absent the generation of the qualifying facility. The currently approved charges are:

Schedule No. 2, Commercial and Industrial Service - Above 50 kVA

All charges will be at the Excess Energy Rate:

Excess kWh                      \$0.02747 per kWh

**Determination of Monthly Reservation Charge**

The initial Monthly Reservation Charge shall be that charge indicated previously under the Monthly Bill section, Part C, 1. At the end of the first five months of winter service under this rate schedule, an actual forced outage rate for the cogeneration service received by each consumer shall be determined. That actual forced outage rate expressed as a percent shall then be applied to the current unit demand charge paid by the cooperative to its supplier to determine the Monthly Reservation Charge to be applied to each consumer for the ensuing twelve months. This process will be repeated for each consumer each year to determine the Monthly Reservation Charge to be applied to each consumer for the following year.

**Determination of Supplemental Service**

Supplemental Service shall be defined as demand and energy contracted by each consumer to augment the power and energy generated by the consumer's generation facility.

Supplemental demand shall be equal to the maximum 15-minute integrated kW demand as calculated for every 15 minute interval as the demand of the Supply meter plus the demand of the Generator meter(s) less the Contract Standby Capacity of the consumer's generator(s).

Supplemental Energy shall be equal to all energy supplied to the consumer as determined from readings of the Supply meter, less any energy determined to be either Standby or Maintenance energy as defined in this schedule.

**Determination of Standby Energy**

Standby Energy shall be defined to be electric energy supplied by the cooperative to replace power ordinarily generated by the consumer's generation facility during unscheduled full and partial outages of said consumer's generation facility.

Standby Energy shall be equal to the summation of the differences between the maximum energy output of the consumer's generator(s) at the Contract Standby Capacity and the energy measured on the generator meter(s) for every 15-minute interval of the month, except those intervals when energy measured on the supply meter(s) is zero.

All Standby Energy will be billed at the otherwise applicable rate for Supplemental Service when the energy used during cogeneration exceeds 250 kWh/kW of Contract Standby Capacity in a monthly billing period.

**DECISION NO. 64293**

**NAVOPACHE ELECTRIC COOPERATIVE, INC.**  
Lakeside, Arizona

**STANDARD OFFER TARIFF**

**SCHEDULE NO. 7**

**OPTIONAL ELECTRIC SERVICE FOR QUALIFIED COGENERATION  
AND SMALL POWER PRODUCTION FACILITIES OVER 100 KW**

**Determination of Maintenance Energy**

Maintenance Energy shall be defined as energy supplied to the consumer by the cooperative up to a maximum of the Contract Standby Capacity times the hours in the Scheduled Maintenance period. Maintenance periods shall not exceed thirty (30) days per year and must be scheduled during summer months. The consumer shall supply the cooperative with a Maintenance Schedule for the first and each ensuing twelve-month period at least sixty (60) days prior to the beginning of that period for the approval of the cooperative. Energy used in excess of a thirty (30) day period or unauthorized Maintenance Energy shall be billed as supplemental power and energy.

**Metering**

The cooperative will install a supply meter at its point of delivery to the consumer and a generator meter at each point of output from each of the consumer's generators. All meters will record integrated demand and energy on the same 15-minute interval basis as specified by the cooperative.

**Definitions**

1. **Contract Standby Capacity**: The nameplate kW rating of each cogeneration and/or small power production generating unit multiplied by the Net Output Factor of each unit, to be reevaluated each year.
2. **Net Output Factor**: The ratio of the maximum measured kW output of each cogeneration and/or small power production unit during any 15-minute interval to each unit's nameplate kW rating.
3. **Forced Outage Rate**: The ratio (expressed as a percentage) of the standby energy used during the consumer's On-Peak hours to the product of the Contract Standby Capacity multiplied by those hours.
4. **Generator Meter**: The time-of-use meter(s) used to measure in 15-minute intervals the total power and energy output of each consumer cogeneration and/or small power production generation unit.
5. **Supply Meter**: The time-of-use meter used to measure in 15-minute intervals the total power and energy supplied by the cooperative to the consumer.
6. **Time Periods**:
 

On-Peak:	8:00 a.m. to 9:00 p.m.
Off-Peak:	9:00 p.m. to 8:00 a.m.
Winter:	October through March
Summer:	April through September

Mountain Standard Time shall be used in the application of this rate schedule.

NAVOPACHE ELECTRIC COOPERATIVE, INC.  
Lakeside, Arizona

STANDARD OFFER TARIFF

SCHEDULE NO. 7  
OPTIONAL ELECTRIC SERVICE FOR QUALIFIED COGENERATION  
AND SMALL POWER PRODUCTION FACILITIES OVER 100 KW

Adjustments

1. Purchased Power Cost Adjustment: The cooperative shall, if purchased power cost is increased or decreased above of below the base purchased power cost of \$0.04260 per kWh sold, flow through such increases or decreases to all classes of customers.
2. Tax Adjustment: The applicable sales taxes in Arizona will be added to all bills where required.

The cooperative is authorized to pass on to the consumers the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of the gross revenues of the cooperative.

3. The Competitive Transition Charge (CTC) component of the rate shall be adjusted periodically as required by Decision No. 62612 and is subject to the offset for the gain received from Plains Electric Generation & Transmission Cooperative, Inc. as specified in Decision No. \_\_\_\_\_.

Termination Provision

Should the consumer cease to operate cogeneration and/or small power production unit(s) for sixty (60) consecutive days during periods other than planned scheduled maintenance periods, the cooperative reserves the right to terminate any agreement for service under this rate schedule with the consumer.

Contract Period

As provided in the cooperative's agreement for service with the consumer.

Terms and Conditions

The consumer must enter into a written agreement for all service hereunder including the interconnection and the sale of power and energy with the cooperative.

Demand Side Management Program (DSMP) Adder

The utility shall add to its bill a demand side management program adder of \$0.0005 per kWh to help offset the costs associated with Navopache programs designed to promote load management and approved by Staff of the Arizona Corporation Commission. The amount of the adder shall be recomputed annually based upon reports submitted to the Commission by Navopache. Other charges may be applicable subject to approval by the Arizona Corporation Commission. In the event Navopache's DSMP is cancelled, the DSMP adder shall continue to be collected and the funds allocated to environmental portfolio uses.

Environmental Portfolio Standard (EPS) Adder

The utility shall add to its bill an EPS adder in the amount set forth in its separate Environmental Portfolio Standard tariff.

**NAVOPACHE ELECTRIC COOPERATIVE, INC.**  
Lakeside, Arizona

**STANDARD OFFER TARIFF**

**SCHEDULE NO. 8**  
**INTERRUPTIBLE SERVICE WITH**  
**NOTICE AND CONTINUATION SERVICE**

**Effective:** For electrical usage beginning on \_\_\_\_\_ 1, 200\_\_ and billed beginning with the \_\_\_\_\_ 1, 200\_\_ cycle billings.

**Availability**

Available to three-phase customers with a minimum predetermined interruptible aggregate load of 1000 kW and who contract for interruptible service for a minimum of five (5) years. The cooperative may suspend the availability of this tariff to customers whenever it determines such service can no longer be economically offered, subject to the established rules and regulations of the cooperative and the Arizona Corporation Commission.

**Type of Service**

Three-phase, 1000 kW or more of aggregate load, alternating current, 60 cycles, at available secondary or primary voltages, subject to interruption.

**Monthly Rate**

STANDARD RATE	Power Supply	CTC	Distribution Charges					Total Rate
			Metering	Meter Reading	Billing	Access	Total	
Customer Charge (\$/Customer/Mo)			\$410.22	\$4.81	\$6.17	\$66.80	\$488.00	\$488.00
Billing Demand Charge (\$/kW of Billing Demand)	\$1.46					\$4.70	\$4.70	\$6.16
On-Peak Demand (\$/On-Peak kW - Interrupt Period)	\$8.56							\$8.56
Energy Charge (\$/kWh)	\$0.02142	\$0.00605						\$0.02747

**Determination of Billing Demand**

The amount of demand subject to the Billing Demand Charge to be billed each month under this rate schedule for each interruptible billing account shall be the greater of:

1. The Maximum Actual Demand, excluding the Firm Demand; or
2. The Predetermined Interruptible Demand.

The **Maximum Actual Demand** for each interruptible billing account shall be the highest simultaneous fifteen (15) minute demand at the delivery point(s) for service to the customer during the billing month measured at the billing meter(s). The amount shall be adjusted, if necessary, to account for losses between the location(s) of the billing meter(s) and the point(s) of delivery to the customer.

**DECISION NO. 64293**

NAVOPACHE ELECTRIC COOPERATIVE, INC.  
Lakeside, Arizona

STANDARD OFFER TARIFF

SCHEDULE NO. 8  
INTERRUPTIBLE SERVICE WITH  
NOTICE AND CONTINUATION SERVICE

The Firm Demand for each interruptible billing account shall be the sum of the non-coincident demand(s) measured at each billing meter during the billing month which the cooperative and the customer agree shall not be subject to interruption and for which the customer agrees to be separately metered and billed under the cooperative's applicable non-interruptible rate schedule.

The Predetermined Interruptible Demand for each interruptible billing account shall be the contractual minimum aggregate demand during the billing month. The customer and the cooperative may agree with not less than thirty (30) days notice, to change the Predetermined Interruptible Demand; provided, however, the aggregate demand subject to simultaneous interruption may not be less than 1000 kW for any interruptible account and only increments of whole megawatts shall be permitted.

By November 30 of each year the customer shall submit a proposed schedule indicating the requested aggregate Predetermined Interruptible Demand for each billing meter and for each month of the next calendar year.

Determination of On-Peak Demand

The On-Peak Demand for each interruptible billing account shall be the highest simultaneous fifteen (15) minute demand at the delivery point(s) for service to the customer during a period of called interruption as defined in the Provisions of Interruption below. This charge is only applicable if the customer chooses not to interrupt load.

Determination of Billing Energy (kWh)

The Energy Charge to be billed each month under this rate schedule for each interruptible billing account shall be the sum of the total energy measured during the billing month at the delivery point(s) for service to the customer, excluding any energy the customer takes during the same period under any other rate schedule(s). This amount shall be adjusted, if necessary, to account for losses between the location(s) of the billing meter(s) and the point(s) of delivery to the customer.

Power Factor Adjustment

The consumer agrees to maintain unity power factor as nearly as practical. The cooperative may install power factor metering devices at its discretion. Demand charges will be adjusted for consumers with 50 kW or more of measured demand to correct for power factors during any period of fifteen consecutive minutes is lower than 90%, and may be so adjusted for other consumers if and when the Seller deems necessary. Such adjustments will be made by increasing the measured demand 1% for each 1% by which the power factor during any period of fifteen consecutive minutes is less than 90% lagging.

Delivery of Primary Service (Discount)

When a customer taking service at voltage of 14,400 and above and in excess of 1000 kW, furnishes his own transformer and substation equipment, and receives delivery of electricity at primary voltage metering, a discount of 3% shall be allowed on monthly bills for primary metering. The 3% discount will not be allowed on the purchased power cost adjustment that is shown separately on this bill or on the Continuation Charge.

The cooperative shall have the right to approve of transformers and substation equipment furnished by the consumer under this type of service.

NAVOPACHE ELECTRIC COOPERATIVE, INC.  
Lakeside, Arizona

## STANDARD OFFER TARIFF

SCHEDULE NO. 8  
INTERRUPTIBLE SERVICE WITH  
NOTICE AND CONTINUATION SERVICE

**Tax Adjustment**

The applicable sales tax in Arizona will be added to bills where required.

The cooperative is authorized to pass on to the consumers the applicable proportionate part of any taxes or government impositions, which are or may in the future be assessed on the basis of the gross revenues of the cooperative.

**Purchased Power Cost Adjustment**

The utility shall, if purchased power cost is increased or decreased above or below the base purchased power cost of \$0.04260 per kWh sold, flow through such increases or decreases to all classes of consumers.

**CTC Adjustment**

The Competitive Transition Charge (CTC) component of the rate shall be adjusted periodically as required by Decision No. 62612 and is subject to the offset for the gain received from Plains Electric Generation & Transmission Cooperative, Inc. as specified in Decision No. \_\_\_\_\_.

**Meter Readings**

All meter readings and billings shall be based on actual meter readings. Meter readings and billings will be made as closely as practical on the same day each month on a cycle basis.

**Terms of Payment**

Billing made under this schedule will be due and payable upon receipt and past due fifteen (15) days from the date the bill is mailed. Service will be subject to disconnect in accordance with the cooperative's collection policy.

**Scheduling of Energy**

Customer, by the third Friday of each month and in a manner specified by cooperative and cooperative's power supplier, shall request a scheduled energy amount per month (Scheduled Energy Amount). Scheduling shall be in accordance with the normal scheduling procedures of cooperative and its power supplier. The Scheduled Energy Amount shall be in whole megawatts rounded up.

**Modifications Caused by Power Supplier**

Cooperative may modify any non-rate term or condition of this Tariff Schedule and the individual contracts executed thereunder to reflect the terms and conditions under which cooperative's power supplier provides interruptible service with notice and continuation service; provided, however, no change in a term or condition set forth in this Tariff Schedule shall be effective until such change is filed with and approved by the Commission.

In the event the rates in this Tariff Schedule no longer cover the actual charge for interruptible service with notice and continuation service from the cooperative's wholesale power supplier, including all on- and off-system wheeling charges and losses, plus an amount equal to five percent (5%) thereof to compensate cooperative for operating costs, overhead and administration (Power Costs), cooperative shall file for Commission review and approval rates for interruptible service with notice and continuation service sufficient to cover such Power Costs.

NAVOPACHE ELECTRIC COOPERATIVE, INC.  
Lakeside, Arizona

## STANDARD OFFER TARIFF

SCHEDULE NO. 3  
INTERRUPTIBLE SERVICE WITH  
NOTICE AND CONTINUATION SERVICE

**Provisions for Interruption**

Interruption shall be in accordance with the following:

1. Interruptions may be declared for any reason including, without limitation, sales at a greater return.
2. Interruptions, not relating to system integrity or stability, may only be declared during the following hours:  
April through September 11:30 a.m. - 4:30 p.m., Arizona Local Time  
October through March 5:00 p.m. - 10:00 p.m., Arizona Local Time
3. Interruptions may be declared at any time for system integrity or stability reasons.
4. The customer shall be provided not less than 20 minutes' notice before service is actually interrupted under this rate schedule. Advance notice of a period of interruption shall only be required where continuation service is not available at the cost level pre-authorized by the customer. Cooperative is not required to provide advance notice before limiting service to the Predetermined Interruptible Demand level. Such service limitation does not constitute an interruption.
5. Cooperative will endeavor to keep the customer reasonably informed of the expected duration of the interruption and also the terms under which service may be continued or resumed under the Continuation of Service provisions.
6. Any time after the customer has received at least 20 minutes' prior notification that a period of interruption has been declared, service under this rate schedule may be interrupted for any duration and from time to time without limitation during the period of interruption.
7. The customer will be notified when the period of interruption is no longer in effect.
8. Notice shall be provided in the manner specified by the cooperative and the cooperative's power supplier. Notice provided shall be deemed duly given whether or not actually received by the customer.
9. The customer must provide the necessary facilities, acceptable to the cooperative and the cooperative's power supplier, to enable the cooperative and/or its power supplier to remotely interrupt and control the load and must allow the cooperative and/or its power supplier to control the interruption.
10. The customer shall be responsible for all costs associated with installing the necessary equipment in order for the customer to take service under this rate schedule.

DECISION NO. 64293

NAVOPACHE ELECTRIC COOPERATIVE, INC.  
Lakeside, Arizona

STANDARD OFFER TARIFF

SCHEDULE NO. 8  
INTERRUPTIBLE SERVICE WITH  
NOTICE AND CONTINUATION SERVICE

11. Without declaring an interruption under the terms of this rate schedule, service to a customer under this rate schedule may be limited to the Predetermined Interruptible Demand.
12. The cooperative and its power supplier will not be liable for any loss of damage caused by or resulting from any interruption of service.
13. The customer shall not transfer, during periods of interruption, any load served under this rate schedule to any other firm rate schedule.
14. The cooperative may, at its sole discretion, direct the customer and its power supplier to communicate directly with regard to service rendered under this rate schedule.

**Demand Side Management Program (DSMP) Adder**

The utility shall add to its bill a demand side management program adder of \$0.0005 per kWh to help offset the costs associated with Navopache programs designed to promote load management and approved by Staff of the Arizona Corporation Commission. The amount of the adder shall be recomputed annually based upon reports submitted to the Commission by Navopache. Other charges may be applicable subject to approval by the Arizona Corporation Commission. In the event Navopache's DSMP is cancelled, the DSMP adder shall continue to be collected and the funds allocated to environmental portfolio uses.

**Environmental Portfolio Standard (EPS) Adder**

The utility shall add to its bill an EPS adder in the amount set forth in its separate Environmental Portfolio Standard tariff.

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**NAVOPACHE ELECTRIC COOPERATIVE, INC.**  
Lakeside, Arizona

**DIRECT ACCESS TARIFF**

**SCHEDULE NO. 1  
RESIDENTIAL, SCHOOLS, CHURCHES, AND COMMUNITY HALLS**

**Effective:** For electrical usage beginning on \_\_\_\_\_ 1, 200\_\_ and billed beginning with the \_\_\_\_\_ 1, 200\_\_ cycle billings.

**Availability**

Available to residential and farm consumers, and to schools, churches, and community halls requiring single-phase service throughout the cooperative service area where the facilities of the cooperative are of adequate capacity and are adjacent to premises subject to the rules and regulations of the seller, where customer has established contractual arrangements with another energy service provider for provision of generation, transmission, ancillary, and other power supply-related services.

**Applicability**

To all single-phase residential, school, church, and community hall electric service in individual locations and individually metered apartments and for non-seasonal farm use when all service is supplied at one point of delivery and energy is metered through one meter.

Not applicable for resale, breakdown, standby or auxiliary service.

**Type of Service**

Single-phase, 60 cycles, nominal 120/240 volts, 120/208 volts, 3 wire, and limited to individual motors of 10 HP or less that will not cause excessive voltage fluctuations, supplied through one set of service wires and metered through one meter.

**Monthly Rate**

STANDARD RATE	Distribution Charges				
	Metering	Meter Reading	Billing	Access	Total
Customer Charge (\$/Customer/Mo)	\$3.13	\$0.80	\$4.12	\$10.25	\$18.30
Energy Charge (\$/kWh)				0.02076	0.02076

**Minimum Charge**

The minimum monthly charge shall be the Customer Charge. The minimum does not include power cost adjustment. Where it is necessary to extend or reinforce existing distribution facilities, the minimum monthly charge may be increased to assure adequate compensation for the added facilities. Where the minimum charge is increased in accordance with the terms of this section, additional energy shall be included in accordance with the foregoing schedule.

**Tax Adjustment**

The applicable sales tax in Arizona will be added to bills where required.

**DECISION NO. 64293**

NAVOPACHE ELECTRIC COOPERATIVE, INC.  
Lakeside, Arizona

DIRECT ACCESS TARIFF

SCHEDULE NO. 1-A  
RESIDENTIAL, SCHOOLS, CHURCHES, AND COMMUNITY HALLS

The cooperative is authorized to pass on to the consumers the applicable proportionate part of any taxes or government impositions, which are or may in the future be assessed on the basis of the gross revenues of the cooperative.

Meter Readings

All meter readings and billings shall be based on actual meter readings. Meter readings and billings will be made as closely as practical on the same day each month on a cycle basis.

Terms of Payment

Billing made under this schedule will be due and payable upon receipt and past due fifteen (15) days from the date the bill is mailed. Service will be subject to disconnect in accordance with the cooperative's collection policy.

Competitive Transition Charge (CTC)

An additional charge of \$0.00605 per kWh shall be added to the bill for the recovery of stranded costs as determined in Decision 62612 by the Arizona Corporation Commission and is subject to the offset for the gain received from Plains Electric Generation & Transmission Cooperative, Inc. as specified in Decision No. \_\_\_\_\_.

Demand Side Management Program (DSMP) Adder

The utility shall add to its bill a demand side management program adder of \$0.0005 per kWh to help offset the costs associated with Navopache programs designed to promote load management and approved by Staff of the Arizona Corporation Commission. The amount of the adder shall be recomputed annually based upon reports submitted to the Commission by Navopache. Other charges may be applicable subject to approval by the Arizona Corporation Commission. In the event Navopache's DSMP is cancelled, the DSMP adder shall continue to be collected and the funds allocated to environmental portfolio uses.

Environmental Portfolio Standard (EPS) Adder

The utility shall add to its bill an EPS adder in the amount set forth in its separate Environmental Portfolio Standard tariff. Other charges may be applicable subject to approval by the Arizona Corporation Commission.

**NAVOPACHE ELECTRIC COOPERATIVE, INC.**  
Lakeside, Arizona

**DIRECT ACCESS TARIFF**

**SCHEDULE NO. 2-A**  
**COMMERCIAL AND INDUSTRIAL SERVICE - ABOVE 50 KVA**

Effective: For electrical usage beginning on \_\_\_\_\_ 1, 200\_\_ and billed beginning with the \_\_\_\_\_ 1, 200\_\_ cycle billings.

**Availability**

Available to consumers, single- or three-phase, who require more than 50 kVA of transformer capacity. Subject to the established rules and regulations of the seller, where customer has established contractual arrangements with another energy service provider for provision of generation, transmission, ancillary, and other power supply-related services.

**Type of Service**

Single- or three-phase, over 50 kVA transformer capacity, alternating current, 60 cycles, at available secondary or primary voltages.

**Monthly Rate**

STANDARD RATE	Distribution Charges				
	Metering	Meter Reading	Billing	Access	Total
Customer Charge (\$/Customer/Mo)					
Secondary	\$35.22	\$4.81	\$6.17	\$73.80	\$120.00
Primary	\$160.22	\$4.81	\$6.17	\$72.80	\$244.00
Billing Demand Charge (\$/kW of Billing Demand)				\$5.74	\$5.74

**Determination of Billing Demand**

The Billing Demand shall be the maximum kilowatt demand established by the consumer for any fifteen (15) consecutive minutes during the month. Billing Demand shall be adjusted for power factor as provided below.

**Power Factor Adjustment**

The consumer agrees to maintain unity power factor as nearly as practical. The cooperative may install power factor metering devices at its discretion. Demand charges will be adjusted for consumers with 50 kW or more of measured demand to correct for power factors during any period of fifteen consecutive minutes is lower than 90%, and may be so adjusted for other consumers if and when the Seller deems necessary. Such adjustments will be made by increasing the measured demand 1% for each 1% by which the power factor during any period of fifteen consecutive minutes is less than 90% lagging.

**NAVOPACHE ELECTRIC COOPERATIVE, INC.**  
Lakeside, Arizona

**DIRECT ACCESS TARIFF**

**SCHEDULE NO. 2-A**  
**COMMERCIAL AND INDUSTRIAL SERVICE - ABOVE 50 KVA**

**Minimum Monthly Charge**

The minimum monthly charge shall be the higher of the following charges as determined for the consumer in question:

- (1) The minimum monthly charge specified in the contract for service; or
- (2) A charge of \$1.75 per kVA of installed transformer capacity.

Note: Minimum does not include power cost adjustment.

**Tax Adjustments**

The applicable sales taxes in Arizona will be added to all bills where required.

The cooperative is authorized to pass on to the consumers the applicable proportionate part of any taxes or government impositions, which are or may in the future be assessed on the basis of the gross revenues of the cooperative.

**Meter Readings**

All meter readings and billings shall be based on actual meter readings. Meter readings and billings will be made as closely as practical on the same day each month on a cycle basis.

**Terms of Payment**

Billing made under this schedule will be due and payable upon receipt and past due fifteen (15) days from the date the bill is mailed. Service will be subject to disconnect in accordance with the cooperative's collection policy.

**Delivery of Primary Service**

When a customer taking service at voltage of 14,400 and above and in excess of 750 kVA, furnishes his own transformer and substation equipment, and receives delivery of electricity at primary voltage metering, a discount of 3% shall be allowed on monthly bills for primary metering. The 3% discount will not be allowed on the purchased power cost adjustment that is shown separately on this bill.

The cooperative shall have the right to approve of transformers and substation equipment furnished by the consumer under this type of service.

**Competitive Transition Charge (CTC)**

An additional charge of \$0.00605 per kWh shall be added to the bill for the recovery of stranded costs as determined in Decision 62612 by the Arizona Corporation Commission and is subject to the offset for the gain received from Plains Electric Generation & Transmission Cooperative, Inc. as specified in Decision No. \_\_\_\_\_.

**Demand Side Management Program (DSMP) Adder**

The utility shall add to its bill a demand side management program adder of \$0.0005 per kWh to help offset the costs associated with Navopache programs designed to promote load management and approved by Staff of the Arizona Corporation Commission. The amount of the adder shall be recomputed annually based upon reports submitted to the Commission by Navopache. Other charges may be

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**NAVOPACHE ELECTRIC COOPERATIVE, INC.**  
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**DIRECT ACCESS TARIFF**

**SCHEDULE NO. 2-A**  
**COMMERCIAL AND INDUSTRIAL SERVICE - ABOVE 50 KVA**

applicable subject to approval by the Arizona Corporation Commission. In the event Navopache's DSMP is cancelled, the DSMP adder shall continue to be collected and the funds allocated to environmental portfolio uses.

**Environmental Portfolio Standard (EPS) Adder**

The utility shall add to its bill an EPS adder in the amount set forth in its separate Environmental Portfolio Standard tariff. Other charges may be applicable subject to approval by the Arizona Corporation Commission.

**NAVOPACHE ELECTRIC COOPERATIVE, INC.**  
Lakeside, Arizona

**DIRECT ACCESS TARIFF**

**SCHEDULE NC. 3-A**  
**SMALL COMMERCIAL**

**Effective:** For electrical usage beginning on \_\_\_\_\_ 1, 200\_\_ and billed beginning with the \_\_\_\_\_ 1, 200\_\_ cycle billings.

**Availability**

Available and applicable to all consumers who require 50 kVA or less of transformer capacity and located along the existing electric distribution system of the cooperative for single- and/or three-phase service for commercial lighting, small power, and other commercial or business uses, where customer has established contractual arrangements with another energy service provider for provision of generation, transmission, ancillary, and other power supply-related services.

**Applicability**

This schedule is applicable for commercial use which includes service used by retail or wholesale businesses, small manufacturing or processing establishments, tourist or trailer camps, motels, stores, restaurants, service stations, professional offices, and three-phase service to residential, public buildings, churches, and apartments where more than one unit is served from an individual meter and all other uses not ordinarily considered as normal residential or home use. Except in cases of master metered mobile home parts, service under this schedule shall not be resold or shared with others.

**Type of Service**

Single- or three-phase, 60 cycles, at available secondary voltages. Motors having a rated capacity in excess of 10 horsepower must be three-phase.

**Monthly Rate**

STANDARD RATE	Distribution Charges				
	Metering	Meter Reading	Billing	Access	Total
Customer Charge (\$/Customer/Mo)	\$6.07	\$3.21	\$4.12	\$10.10	\$23.50
Energy Charge (\$/kWh)				0.02763	0.02763

**Minimum Monthly Charge**

The minimum monthly charge under the above rate shall be the customer charge, where 10 kVA or less of transformer capacity is required. For consumers requiring more than 10 kVA of transformer capacity, the minimum monthly charge shall be increased by \$1.75 per each additional kVA or fraction thereof required. Where it is necessary to extend or reinforce existing distribution facilities, the minimum monthly charge may be increased in accordance with the terms of this section, additional energy shall be included in accordance with the foregoing rate schedule.

**Tax Adjustment**

The applicable sales tax in Arizona will be added to bills where required.

NAVOPACHE ELECTRIC COOPERATIVE, INC.  
Lakeside, Arizona

DIRECT ACCESS TARIFF

SCHEDULE NO. 3-A  
SMALL COMMERCIAL

The cooperative is authorized to pass on to the consumers the applicable proportionate part of any taxes or government impositions, which are or may in the future be assessed on the basis of the gross revenues of the cooperative.

**Meter Readings**

All meter readings and billings shall be based on actual meter readings. Meter readings and billings will be made as closely as practical on the same day each month on a cycle basis.

**Terms of Payment**

Billing made under this schedule will be due and payable upon receipt and past due fifteen (15) days from the date the bill is mailed. Service will be subject to disconnect in accordance with the cooperative's collection policy.

**Competitive Transition Charge (CTC)**

An additional charge of \$0.00605 per kWh shall be added to the bill for the recovery of stranded costs as determined in Decision 62612 by the Arizona Corporation Commission and is subject to the offset for the gain received from Plains Electric Generation & Transmission Cooperative, Inc. as specified in Decision No. \_\_\_\_\_.

**Demand Side Management Program (DSMP) Adder**

The utility shall add to its bill a demand side management program adder of \$0.0005 per kWh to help offset the costs associated with Navopache programs designed to promote load management and approved by Staff of the Arizona Corporation Commission. The amount of the adder shall be recomputed annually based upon reports submitted to the Commission by Navopache. Other charges may be applicable subject to approval by the Arizona Corporation Commission. In the event Navopache's DSMP is cancelled, the DSMP adder shall continue to be collected and the funds allocated to environmental portfolio uses.

**Environmental Portfolio Standard (EPS) Adder**

The utility shall add to its bill an EPS adder in the amount set forth in its separate Environmental Portfolio Standard tariff. Other charges may be applicable subject to approval by the Arizona Corporation Commission.

**NAVOPACHE ELECTRIC COOPERATIVE, INC.**  
Lakeside, Arizona

**DIRECT ACCESS TARIFF**

**SCHEDULE NO. 4-A**  
**IRRIGATION AND WATER PUMPING SERVICE**

**Effective:** For electrical usage beginning on \_\_\_\_\_ 1, 200\_\_ and billed beginning with the \_\_\_\_\_ 1, 200\_\_ cycle billings.

**Availability**

Available to consumers for service to irrigation pumps and any other water pumping loads requiring less than 300 kVA of transformer capacity, subject to the established rules and regulations of the cooperative, where customer has established contractual arrangements with another energy service provider for provision of generation, transmission, ancillary, and other power supply-related services. This rate is not available to loads served by primary metering.

**Type of Service**

Single- or three-phase, 60 cycle alternating current. At the discretion of the cooperative, single-phase service may be furnished, provided the motor capacity is not in excess of ten horsepower (10 HP).

**Monthly Rate**

STANDARD RATE	Distribution Charges				
	Metering	Meter Reading	Billing	Access	Total
Customer Charge (\$/Customer/Mo)	\$10.10	\$3.21	\$4.12	\$16.57	\$34.00
Horsepower Charge (\$/HP/Month)				\$1.81	\$1.81
Energy Charge (\$/kWh)				\$0.0200	\$0.0200

**Minimum Charge**

The minimum charge under the above rate shall be \$20.00 per month for 8 horsepower or less. For loads greater than 8 horsepower, the minimum charge shall be \$2.50 per horsepower per month. Where it is necessary to extend or reinforce existing distribution facilities, the minimum monthly charge may be increased to assure adequate compensation for the added facilities.

**Determination of Horsepower**

The horsepower for billing purposes shall be the manufacturer's motor nameplate rating, or at its option the cooperative may determine the horsepower by test conditions of maximum operating load.

**Tax Adjustment**

The applicable sales tax in Arizona will be added to bills where required.

The cooperative is authorized to pass on to the consumers the applicable proportionate part of any taxes or government impositions, which are or may in the future be assessed on the basis of the gross revenues of the cooperative.

NAVOPACHE ELECTRIC COOPERATIVE, INC.  
Lakeside, Arizona

DIRECT ACCESS TARIFF

SCHEDULE NO. 4  
IRRIGATION AND WATER PUMPING SERVICE

**Meter Readings**

All meter readings and billings shall be based on actual meter readings. Meter readings and billings will be made as closely as practical on the same day each month on a cycle basis.

**Terms of Payment**

Billing made under this schedule will be due and payable upon receipt and past due fifteen (15) days from the date the bill is mailed. Service will be subject to disconnect in accordance with the cooperative's collection policy.

**Competitive Transition Charge (CTC)**

An additional charge of \$0.00605 per kWh shall be added to the bill for the recovery of stranded costs as determined in Decision 62612 by the Arizona Corporation Commission and is subject to the offset for the gain received from Plains Electric Generation & Transmission Cooperative, Inc. as specified in Decision No. \_\_\_\_\_.

**Demand Side Management Program (DSMP) Adder**

The utility shall add to its bill a demand side management program adder of \$0.0005 per kWh to help offset the costs associated with Navopache programs designed to promote load management and approved by Staff of the Arizona Corporation Commission. The amount of the adder shall be recomputed annually based upon reports submitted to the Commission by Navopache. Other charges may be applicable subject to approval by the Arizona Corporation Commission. In the event Navopache's DSMP is cancelled, the DSMP adder shall continue to be collected and the funds allocated to environmental portfolio uses.

**Environmental Portfolio Standard (EPS) Adder**

The utility shall add to its bill an EPS adder in the amount set forth in its separate Environmental Portfolio Standard tariff. Other charges may be applicable subject to approval by the Arizona Corporation Commission.

**NAVOPACHE ELECTRIC COOPERATIVE, INC.**  
Lakeside, Arizona

**DIRECT ACCESS TARIFF**

**SCHEDULE NO. 5-A**  
**SECURITY LIGHTS**

**Effective:** For electrical usage beginning on \_\_\_\_\_ 1, 200\_\_ and billed beginning with the \_\_\_\_\_ 1, 200\_\_ cycle billings.

**Availability**

Available to all consumers in the cooperative's service are for security lighting uses, subject to the cooperative's rules and regulations, where customer has established contractual arrangements with another energy service provider for provision of generation, transmission, ancillary, and other power supply-related services.

**Type of Service**

Single-phase, 120/240 volts, 60 cycle alternating current.

**Application**

The cooperative will construct, maintain, and operate all security lights, except in existing instances where the consumer owns the light, in which case the consumer shall be responsible for operation and maintenance of same.

Lamps will be controlled by timing devices or photoelectric units to provide service from dusk to dawn.

**Monthly Rate**

The monthly rate shall be as follows, based on estimated average monthly usage for unmetered lights:

Consumer Owned	Distribution		
	Billing	Access	Total
175 Watt MVL 75 kWh	\$0.05	\$3.16	\$3.21
250 Watt MVL 110 kWh	\$0.07	\$3.31	\$3.38
400 Watt MVL 175 kWh	\$0.10	\$5.78	\$5.88
100 Watt HPS 34 kWh	\$0.02	\$3.05	\$3.07
150 Watt HPS 50 kWh	\$0.03	\$4.18	\$4.21
250 Watt HPS 85 kWh	\$0.05	\$4.23	\$4.28
Pole Charge (if applicable)		\$4.00	\$4.00

**NAVOPACHE ELECTRIC COOPERATIVE, INC.**  
Lakeside, Arizona

**DIRECT ACCESS TARIFF**

**SCHEDULE NO. 5-A**  
**SECURITY LIGHTS**

Cooperative Owned	Distribution		
	Billing	Access	Total
175 Watt MVL 75 kWh	\$0.05	\$4.86	\$4.91
250 Watt MVL 110 kWh	\$0.07	\$5.61	\$5.68
400 Watt MVL 175 kWh	\$0.10	\$9.28	\$9.38
100 Watt HPS 34 kWh	\$0.02	\$5.95	\$5.97
150 Watt HPS 50 kWh	\$0.03	\$7.08	\$7.11
250 Watt HPS 85 kWh	\$0.05	\$7.13	\$7.18
Pole Charge (if applicable)		\$4.00	\$4.00

**Tax Adjustment**

The applicable sales tax in Arizona will be added to bills where required.

The cooperative is authorized to pass on to the consumers the applicable proportionate part of any taxes or government impositions, which are or may in the future be assessed on the basis of the gross revenues of the cooperative.

**Meter Readings**

All meter readings and billings shall be based on actual meter readings. Meter readings and billings will be made as closely as practical on the same day each month on a cycle basis.

**Terms of Payment**

Billing made under this schedule will be due and payable upon receipt and past due fifteen (15) days from the date the bill is mailed. Service will be subject to disconnect in accordance with the cooperative's collection policy.

**Competitive Transition Charge (CTC)**

An additional charge of \$0.00605 per kWh shall be added to the bill for the recovery of stranded costs as determined in Decision 62612 by the Arizona Corporation Commission and is subject to the offset for the gain received from Plains Electric Generation & Transmission Cooperative, Inc. as specified in Decision No. \_\_\_\_\_.

**Demand Side Management Program (DSMP) Adder**

The utility shall add to its bill a demand side management program adder of \$0.0005 per kWh to help offset the costs associated with Navopache programs designed to promote load management and approved by Staff of the Arizona Corporation Commission. The amount of the adder shall be recomputed annually based upon reports submitted to the Commission by Navopache. Other charges may be

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SCHEDULE NO. 5-A  
SECURITY LIGHTS

applicable subject to approval by the Arizona Corporation Commission. In the event Navopache's DSMP is cancelled, the DSMP adder shall continue to be collected and the funds allocated to environmental portfolio uses.

Environmental Portfolio Standard (EPS) Adder

The utility shall add to its bill an EPS adder in the amount set forth in its separate Environmental Portfolio Standard tariff. Other charges may be applicable subject to approval by the Arizona Corporation Commission.

**NAVOPACHE ELECTRIC COOPERATIVE, INC.**  
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**DIRECT ACCESS TARIFF**

**SCHEDULE NO. 6-A**  
**STREET LIGHTING SERVICE**

**Effective:** For electrical usage beginning on \_\_\_\_\_ 1, 200\_\_ and billed beginning with the \_\_\_\_\_ 1, 200\_\_ cycle billings.

**Availability**

Available to municipal corporations and other organizations within the cooperative service area qualifying for street lighting service, subject to the cooperative's rules and regulations, where customer has established contractual arrangements with another energy service provider for provision of generation, transmission, ancillary, and other power supply-related services.

**Type of Service**

Single-phase, 120/240 volts, 60 cycle alternating current.

**Application**

The consumer shall construct, maintain and operate the system.

Lamps to be controlled by timing devices or photoelectric units to provide for service from dusk until dawn.

**Monthly Rate**

The monthly rate shall be as follows, based on estimated average monthly usage for unmetered lights:

Street Lighting Service	Distribution		
	Billing	Access	Total
175 Watt Lamp 75 kWh	\$0.05	\$4.86	\$4.91
250 Watt Lamp 110 kWh	\$0.07	\$4.66	\$4.73
400 Watt Lamp 175 kWh	\$0.10	\$9.28	\$9.38
1000 Watt Lamp 435 kWh	\$0.26	\$8.94	\$9.20
100 Watt Sodium 34 kWh	\$0.02	\$3.05	\$3.07
150 Watt Sodium 50 kWh	\$0.03	\$4.18	\$4.21
250 Watt Sodium 85 kWh	\$0.05	\$4.23	\$4.28

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DIRECT ACCESS TARIFF

SCHEDULE NO. 6-A  
STREET LIGHTING SERVICE

**Tax Adjustment**

The applicable sales tax in Arizona will be added to bills where required.

The cooperative is authorized to pass on to the consumers the applicable proportionate part of any taxes or government impositions, which are or may in the future be assessed on the basis of the gross revenues of the cooperative.

**Terms of Payment**

Billing made under this schedule will be due and payable upon receipt and past due fifteen (15) days from the date the bill is mailed. Service will be subject to disconnect in accordance with the cooperative's collection policy.

**Competitive Transition Charge (CTC)**

An additional charge of \$0.00605 per kWh shall be added to the bill for the recovery of stranded costs as determined in Decision 62612 by the Arizona Corporation Commission and is subject to the offset for the gain received from Plains Electric Generation & Transmission Cooperative, Inc. as specified in Decision No. \_\_\_\_\_.

**Demand Side Management Program (DSMP) Adder**

The utility shall add to its bill a demand side management program adder of \$0.0005 per kWh to help offset the costs associated with Navopache programs designed to promote load management and approved by Staff of the Arizona Corporation Commission. The amount of the adder shall be recomputed annually based upon reports submitted to the Commission by Navopache. Other charges may be applicable subject to approval by the Arizona Corporation Commission. In the event Navopache's DSMP is cancelled, the DSMP adder shall continue to be collected and the funds allocated to environmental portfolio uses.

**Environmental Portfolio Standard (EPS) Adder**

The utility shall add to its bill an EPS adder in the amount set forth in its separate Environmental Portfolio Standard tariff. Other charges may be applicable subject to approval by the Arizona Corporation Commission.

# EXHIBIT E

<b>EXHIBIT E</b>				
<b>Summary of Miscellaneous Charges</b>				
<b>Charge</b>		<b>Existing</b>		<b>New</b>
Establishment Fee	\$	10.00	\$	25.00
Re-establishment Fee During Regular Service Hours	\$	70.00	\$	90.00
Reconnect Fee During Regular Service Hours	\$	50.00	\$	70.00
Relocation or Upgrade of Service Facility Requiring Two (2) Trips to Service Location During Regular Service Hours	\$	25.00	\$	50.00
Relocation of Service Wires and Meter for Temporary to Permanent Location During Regular Service Hours	\$	55.00	\$	75.00
Service Calls Due to Failure of Customer Equipment or Customer Negligence and After Regular Service Hours		Actual Labor, Material, Equipment & Administrative Costs as Established by Cooperative Plus Average Cost per Mile		
Service Fee for Each Additional Service or Location	\$	10.00	\$	25.00
Service Connection Callbacks	\$	10.00	\$	25.00
Service Violation Fee (First Violation)	\$	100.00	\$	100.00
Service Violation Fee (Additional Violations)	\$	150.00	\$	150.00
Special Meter Readings (Check Readings)	\$	5.00	\$	25.00
NSF Fee	\$	12.50	\$	25.00
Late Payment Fee		1.5%		1.5%
Field Collection Fee (Delinquent Accounts)	\$	10.00	\$	25.00
Meter Test Fee	\$	15.00	\$	35.00
Temporary and Doubtful Permanency Service	\$	Estimated Labor, Material, Equipment & Administrative Costs as Established by Cooperative Plus Average Cost per Mile		