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June 28, 1996

Arizona Corporation Commission
DOCKETED

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DOCKETED BY

Mr. David Berry
Assistant Director, Utilities
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Re: Comments on Restructuring

Dear Mr. Berry:

Mohave Electric Cooperative is a member-owned distribution cooperative serving in Western Arizona. Mohave Electric encourages a graduated transition to fair and equitable competition in the electric utility industry in Arizona that protects residential users and supports the comments made by other Arizona Cooperatives on industry restructuring proceedings now being conducted by the Commission, except for comments made on the instrument known as the "All-Requirements Contract". The history of the "All-Requirements Contract" clearly demonstrates it was a unique cooperative lender's prerequisite to financing of specific projects and was only executed as such. There is no history indicating the "All-Requirements Contract" was created except as a lender's requirement to collateralize its loan and to assure repayment of the loan.

With this clarification, Mohave Electric supports comments by other cooperatives.

Respectfully,
MOHAVE ELECTRIC COOPERATIVE, INC.

Lyn R. Borah
President of the Board of Directors

LRB:ss

cc: Commissioners
Director of Utilities
Commission Counsel