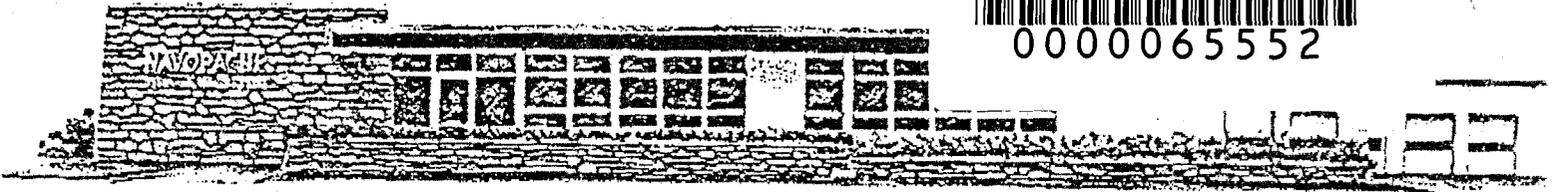




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# NAVOPACHE ELECTRIC CO-OPERATIVE, Inc.

P.O. Box 308  
Lakeside, Arizona 85929  
Phone: 368-5118

Arizona Corporation Commission  
June 27, 1996  
DOCKETED

JUN 28 1996

DOCKETED BY *[Signature]*

Honorable Marcia Weeks, Commissioner  
Honorable Renz Jennings, Commissioner  
Honorable Carl Kanasek, Commissioner  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

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Re: Comments on Electric Industry Restructuring  
Docket No. U-0000-96-165

Ladies & Gentlemen:

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Navopache Electric Cooperative is a member-owned distribution cooperative serving Northeastern Arizona and portions of New Mexico. Navopache Electric Cooperative 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 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, Navopache Electric Cooperative supports comments by other cooperatives and encourages a graduated transition to fair and equitable competition in the electric utility industry in Arizona that protects residential users.

Sincerely,

*Wayne A. Retzlaff*

Wayne A. Retzlaff  
Executive V.P. & General Manager

