



**Grand Canyon State Electric
Cooperative Association, Inc.**

ORIGINAL

Your Touchstone Energy® Cooperatives



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AZ Docket Control February 1, 2008
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Arizona Corporation Commission

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Docket Control
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

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Re: *Electric Cooperatives' Comments on the PURPA Standards on Fuel Diversity and Fossil Fuel Generation (Docket No. E-00000E-05-0431)*

Dear Sir/Madam:

Duncan Valley Electric Cooperative, Inc., Graham County Electric Cooperative, Inc., Mohave Electric Cooperative, Inc., Navopache Electric Cooperative, Inc. ("Navopache"), Sulphur Springs Valley Electric Cooperative, Inc. and Trico Electric Cooperative, Inc. (collectively "the Cooperatives") submit these comments and responses to Staff's Questions on the Fuel Diversity and Fossil Fuel Generation Efficiency PURPA Standards in the Resource Planning Docket No. E-00000E-05-0431.

In summary, the Cooperatives support the Arizona Electric Power Cooperative, Inc. ("AEPCO") comments on the PURPA Standards on Fuel Diversity or Fossil Fuel Generation Efficiency Standards filed on February 1, 2008 and believe that it is not necessary or beneficial for the Commission to adopt these standards for a number of reasons that are discussed in AEPCO's comments and for the reasons discussed briefly below. The primary reason a Fuel Diversity

Standard is not needed is because AEPCO already has and is continuing to invest in a diverse plant mix, including renewables, coal, natural gas and hydro. Other Arizona utilities also have a diverse resource focus. Of course, the Commission also has addressed fuel diversity through its Renewable Energy Standard and Tariff (“REST”) Rules.

The PURPA Standard on Fossil Fuel Generation Efficiency is also unnecessary because AEPCO has invested and will continue to study and implement cost-effective techniques to increase the efficiency of its fossil fuel generation.

Adopting these two Standards will not provide significant benefits to the Cooperatives’ members for the reasons delineated in AEPCO’s comments on these standards.

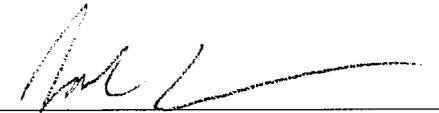
Navopache is currently purchases all of its power and capacity requirements from Public Service of New Mexico (PNM). PNM has a fuel mix that is similar to AEPCO’s fuel mix. PNM is not an ACC jurisdictional utility and thus will not subject to outcome of the Commission’s Resource Planning Workshops. Consequently, Navopache supports the comments filed by AEPCO and requests that it not be subject to the PURPA Standards on Fuel Diversity or Fossil Fuel Generation Efficiency Standards.

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Very truly yours,

GRAND CANYON STATE ELECTRIC
COOPERATIVE ASSOCIATION

By

A handwritten signature in black ink, appearing to read "John Wallace", is written over a horizontal line.

John Wallace
Director, Regulatory and Strategic Services

Original and 13 copies filed with Docket
Control this 1st day of February, 2008, with:

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007