



NAVOPACHE ELECTRIC CO-OPERATIVE, Inc.

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

June 27, 1996

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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AZ CORP COMMISSION
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Re: Comments on Electric Industry Restructuring
Docket No. U-0000-95-165

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,

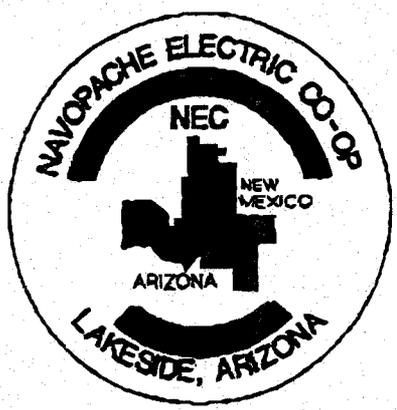
Wayne A. Retzlaff
Executive V.P. & General Manager

Arizona Corporation Commission
DOCKETED

JUN 27 1996

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 P.O. Box 308
 Lakeside, Arizona 85929

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 ARIZONA CORPORATION COMMISSION
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DOCUMENT CONTROL
 Telephone: (520) 368-5118
 Fax: (520) 368-6038

TO: ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

FROM: WAYNE RETZLAFF

Arizona Corporation Commission
DOCKETED
 JUN 27 1996
 JUN 27 1996
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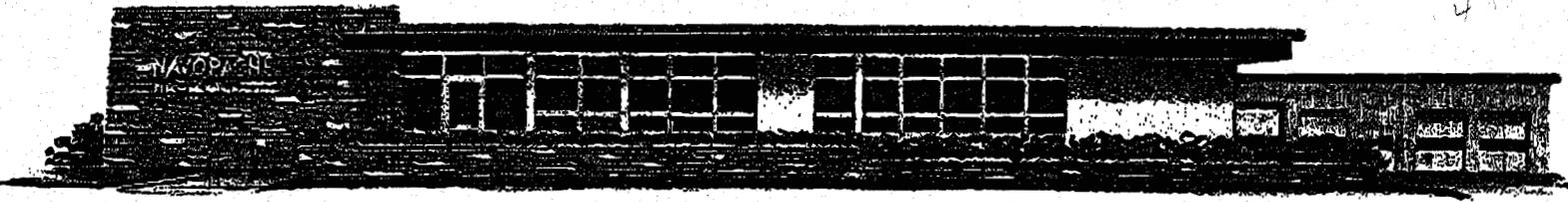
Number of pages including cover page: 2

If you did not receive all pages, please call immediately.

ATTN: DOCKET CONTROL

Remarks: THIS LETTER IS IN REF. TO
 "COMMENTS ON ELECTRIC INDUSTRY RESTRUCTURING"
 DOCKET NO. U-0000-95-165
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