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BEFORE THE ARIZONA CORPORATION

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COMMISSIONERS

GARY PIERCE, CHAIRMAN
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

2011 NOV -3 P 4:09

AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF NAVOPACHE ELECTRIC COOPERATIVE, INC., AN ELECTRIC COOPERATIVE NONPROFIT MEMBERSHIP CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS PROPERTY FOR RATEMAKING PURPOSES, TO FIX A JUST AND REASONABLE RETURN THEREON AND TO APPROVE RATES DESIGNED TO DEVELOP SUCH RETURN.

DOCKET NO. E-01787A-11-0186

CERTIFICATION OF COMPLIANCE WITH PUBLIC NOTICE REQUIREMENTS

Navopache Electric Cooperative, Inc. ("NEC"), by and through undersigned counsel, hereby files its Certification of Compliance with Public Notice Requirements established by Procedural Order dated August 22, 2011 and as clarified in the August 29, 2011 Procedural Order. This Certification is supported by the Affidavit of Jennifer Prochow and Affidavits of Publication attached hereto.

RESPECTFULLY SUBMITTED this 3rd day of November, 2011.

CURTIS, GOODWIN, SULLIVAN,
UDALL & SCHWAB, P.L.C.

Arizona Corporation Commission

DOCKETED

NOV 3 2011

DOCKETED BY

By:

Michael A. Curtis
William P. Sullivan
Melissa A. Parham
501 East Thomas Road
Phoenix, Arizona 85012-3205
Attorneys for Navopache Electric Cooperative, Inc.

1 PROOF OF AND CERTIFICATE OF MAILING

2 I hereby certify that on this 3rd day of November, 2011, I caused the foregoing
3 document, with attachments, to be served on the Arizona Corporation Commission by delivering
4 the original and thirteen (13) copies of the above to:

5 Docket Control
6 Arizona Corporation Commission
7 1200 West Washington
8 Phoenix, Arizona 85007

9 With a copy of the foregoing e-mailed
10 this 3rd day of November, 2011 to:

11 Teena Jibilian
12 dbroyles@azcc.gov
13 dperson@azcc.gov

14 Scott Hesla, Esq.
15 shesla@azcc.gov

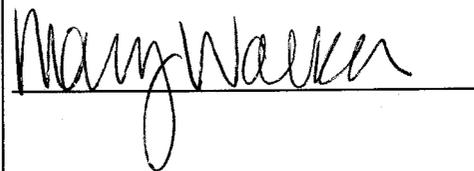
16 Kimberly Ruht, Esq.
17 kruht@azcc.gov

18 Steve Olea
19 solea.azcc.gov

20 Nicholas J. Enoch, Esq.
21 nicholas.enoch@azbar.org
22 Attorneys for IBEW Local 387

23 With a copy of the foregoing mailed
24 this 3rd day of November, 2011 to:

25 Nicholas J. Enoch, Esq.
Lubin & Enoch, P.C.
349 N. Fourth Avenue
Phoenix, Arizona 85003
Attorneys for IBEW Local 387



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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

GARY PIERCE, CHAIRMAN
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP
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DOCKET NO. E-01787A-11-0186

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OF NAVOPACHE ELECTRIC
COOPERATIVE, INC., AN ELECTRIC
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DETERMINATION OF THE FAIR VALUE
OF ITS PROPERTY FOR RATEMAKING
PURPOSES, TO FIX A JUST AND
REASONABLE RETURN THEREON AND
TO APPROVE RATES DESIGNED TO
DEVELOP SUCH RETURN.

**AFFIDAVIT OF JENNIFER
PROCHNOW RE PUBLICATION**

State Of Arizona)
) ss
County of Navajo)

Jennifer Prochnow, being first duly sworn upon her oath deposes and says as follows:

1. I am the Administrative Assistant to the CEO at Navopache Electric Cooperative, Inc.
2. In that capacity, I personally oversaw publication of the hearing notice as required by the August 22, 2011 Procedural Order and as clarified in the August 29, 2011 Procedural Order.

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3. Navopache Electric Cooperative provided notice of the rate case in the form prescribed in the Procedural Order by:

- a) Publishing the notice twice in the White Mountain Independent on Friday, September 23, 2011, and Tuesday, September 27, 2011 as evidenced by the Affidavit of Publication attached hereto as Exhibit A;
- b) By inserting a copy of the Notice, in the form attached as Exhibit B, in the monthly billing statements commencing October 4, 2011, which encompassed all billing cycles and all consumers of the Cooperative; and
- c) Via electronic mail on October 13, 2011, in the form attached as Exhibit C, to customers that have elected to receive their billings electronically instead of by mail.

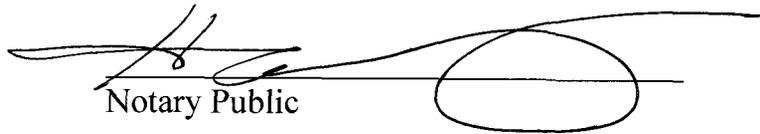
DATED this 31 day of October, 2011.



 Jennifer Prochnow

SUBSCRIBED AND SWORN to before me this 31 day of October, 2011.





 Notary Public

My Commission Expires:
April 17, 2015

EXHIBIT A

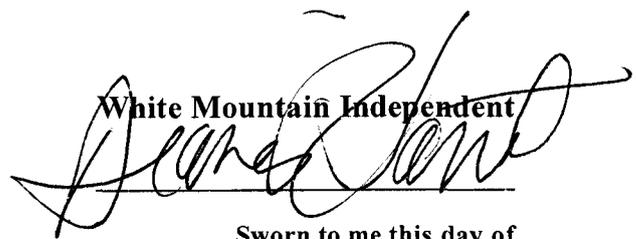
State of Arizona)
)ss.
County of Navajo)

Affidavit of Publication

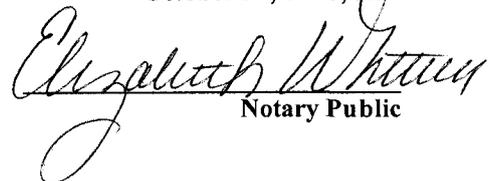
White Mountain Independent

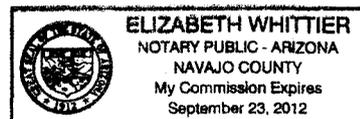
I, Diane R. Janot being first duly sworn, depose and say: I am the agent of the White Mountain Publishing Company, publisher of the White Mountain Independent, a semi-weekly newspaper of general circulation published at Show Low, County of Navajo, Arizona and that the copy hereto attached is a true copy of the advertisement as published in the White Mountain Independent on the following dates:

September 23, 2011
September 27, 2011

White Mountain Independent

Sworn to me this day of

October 27, 2011, A.D


Notary Public





NAVOPACHE ELECTRIC COOPERATIVE

PUBLIC NOTICE OF HEARING ON
NAVOPACHE ELECTRIC COOPERATIVE'S
APPLICATION FOR A DETERMINATION OF
THE FAIR VALUE OF ITS PROPERTY FOR
RATEMAKING PURPOSES, TO FIX A JUST
AND REASONABLE RETURN THEREON AND
TO APPROVE RATES DESIGNED TO DEVELOP
SUCH RETURN
(DOCKET NO. E-01787A-11-0186)

Summary

On April 29, 2011, Navopache Electric Cooperative, Inc. ("Navopache" or "Company"), filed with the Arizona Corporation Commission ("Commission") an application for a permanent gross revenue increase of approximately \$3,413,663, or approximately 7.16 percent over current revenues, for the provision of electric service within the Company's authorized service area in Arizona. According to the Company's filing, the rate impact of its request would be as follows: an average usage residential customer (183 kWh/month) would have a rate increase of 13.23 percent; and average usage time of use residential customer (1,165 kWh/month with 405 kWh on-peak) would have a rate increase of 11.11 percent; and a median usage time of use residential customer (277 kWh/month with 96 kWh on-peak) would have a rate increase of 13.37 percent. The actual percentage rate increase for any one customer would vary based on customer class and individual usage.

The Commission's Utilities Division ("Staff") is in the process of auditing and analyzing the application, and has not yet made any recommendations regarding Navopache's proposed rate increase. The Commission will issue a Decision regarding Navopache's application following consideration of testimony and evidence presented at an evidentiary hearing. **THE COMMISSION IS NOT BOUND BY THE PROPOSALS MADE BY NAVOPACHE, STAFF, OR ANY INTERVENORS; THEREFORE, THE FINAL RATES APPROVED BY THE COMMISSION MAY DIFFER FROM THE RATES REQUESTED BY THE COMPANY OR OTHER PARTIES.**

How You Can View or Obtain a Copy of the Rate Proposal

Commission, go to http://www.azcc.gov/divisions/utilities/forms/public_comment.pdf.

About Intervention

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. If you wish to intervene, you must file an original and 13 copies of a written motion to intervene with the Commission no later than January 6, 2012, and send a copy of the motion to Navopache or its counsel and to all parties of record. Your motion to intervene must contain the following:

1. Your name, address, and telephone number, and the name, address, and telephone number of any party upon whom service of documents is to be made, if not yourself;
2. A short statement of your interest in the proceeding (e.g., a customer of Navopache, a shareholder of Navopache, etc.); and
3. A statement certifying that you have mailed a copy of the motion to intervene to Navopache or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before **January 6, 2012**. All parties must comply with Arizona Supreme Court Rules 31 and 38 and A.R.S. §40-243 with respect to the practice of law. For information about requesting intervention, visit the Commission's website at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>. The granting of intervention, among other things, entitles party to present sworn evidence at hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any inter-

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The Commission will hold a hearing on this matter beginning on April 26, 2012, at 10:00 a.m., in the Commission's offices, Hearing Room No. 1, 1200 West Washington Street, Phoenix, Arizona. Public comments will be taken on the first day of the hearing. Written public comments may be submitted by mailing a letter referencing Docket No. E-01787A-11-0186 to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by email. For a form to use and instructions on how to e-mail comments to the

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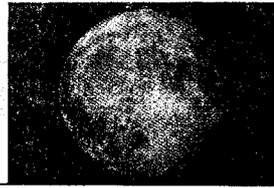
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Who to Contact if you have Questions

For further information on the Navopache rate increase request and procedural schedule, please contact Navopache at 928-368-5118, or 1-800-543-6324 (outside the 928 area code area) or the Commission's Consumer Services Section at 602-542-4251, or 1-800-222-7000 (outside the metro Phoenix area).

EXHIBIT B



In This Issue:

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NEC Board of Directors

Bradley L. Baker,
President, Dist. 2

Fred Harper,
Vice President, Dist. 5

Ann Menges,
Secretary/Treasurer, Dist. 8

Joseph Kay, Jr.
Dist. 1

Alvino Hawkins,
Dist. 3

Herman Mineer,
Dist. 4

Steve Heckathorne,
Dist. 6

Bill Arendell,
Dist. 7

NEC Management Team

David Plumb
Chief Executive Officer

Kevin Streett
Manager of Operations

Paul O'Dair
Manager of Financial Services

Ian Fleming
Acting Manager of Information Technology

Chuck Moore
Manager of Engineering Services

Natalie Stobs
Manager of Human Resources



THE COOPERATIVE DIFFERENCE

by Dave Plumb, Chief Executive Officer

As you can see on the second and third pages of this month's issue of hiLites, Navopache Electric Cooperative has applied to the Arizona Corporation Commission (ACC) for a 7.16% revenue increase. This is our first "base rate" increase since 2002. Navopache's Board and management have taken many steps over the past nine years to keep the costs we control as low as possible, consistent with safe, reliable service. We have now reached the point where our revenues are not keeping up with our "fixed" expenses like interest. Failure to maintain adequate revenues can lead to a default on the Rural Utilities Service loans Navopache uses to fund improvements to our system.

As we have noted in the past, your Navopache bill consists of both the ACC-approved "base rate" and the cost of power Navopache purchases from Public Service of New Mexico (PNM) and the Western Area Power Administration. The latter is passed through to Navopache members without mark-up. We recognize that these costs have increased and will continue to increase as PNM's costs to generate and deliver power to Navopache increase, which is why Navopache's Board has held off for as long as possible filing for this rate adjustment.

While the overall revenue increase is expected to be 7.16%, some member classes will see greater percentage increases. This is due to the greater contribution of those member classes to Navopache's system peak and their greater use of facilities and capacity of the system, and hence, to our overall cost of operation. This is particularly true of residential classes which make up the bulk of Navopache's customers and whose actual cost of service is greater than current rates recover. 2414714

The ACC staff completed its "sufficiency review" of Navopache's rate filing, and a procedural order was issued in late August setting the process for review of the filing and specifying the notice you see on pages two and three. The notice has also been published twice in the White Mountain Independent.

Please read the notice. It is important that all members understand the process and their ability to participate. I will be writing in future editions of hiLites to explain more about Navopache's costs and the changes proposed in our rates.

System Improvements in the Vernon Area

Navopache Electric Cooperative line personnel have been working for over a year on various parts of the Vernon circuit out of Concho Substation to improve service to the area. Although crews have found and fixed a significant number of problems, service interruptions persist in the area. NEC recently formed an engineering/operations task force whose directive is to evaluate all of the equipment on the circuit, find problems, and fix them. Further, in the next four year work plan, NEC will build a new Vernon Substation, the design for which will begin in January 2012 with completion anticipated for September 2012, and rebuild over 20 miles of line, the first 17.5 miles of which are under design now with completion anticipated for March 2012. Due primarily to the weather here in the White Mountains, schedules are often forced to change, but NEC staff will do all they can to keep projects on schedule and will provide updates if schedules have to be amended.

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Recipes

Chicken Noodle Soup

3 Tbs butter	½ cup dry white wine
1 tsp dried rosemary	1 Tbs lemon juice
1 tsp dried thyme	8 cup chicken broth
½ tsp dried sage	1 cup milk
2 cups chopped onion	½ cup heavy cream
2 cup chopped carrot	3 cup chopped cooked chicken
1 cup chopped celery	½ cup frozen peas
¼ cup flour	Your choice of noodles

Melt butter in large heavy sauce pan, add herbs, onion, carrots and celery, cover and "sweat" over med-low heat for 15 minutes. Stir in flour and cook for 1 minute. Deglaze with wine and lemon juice. Whisk in broth, milk and cream, add chicken and peas and bring to a simmer. Add noodles and cook until noodles are done. Salt and pepper to taste.

Autumn Apple Tart

1 1/4 cups all-purpose flour	TOPPING:
1 teaspoon baking powder	1/3 cup sugar
1/2 teaspoon salt	4 1/2 teaspoons all-purpose flour
1 tablespoon sugar	1/2 teaspoon ground cinnamon
1/2 cup cold butter	1/2 teaspoon ground nutmeg
1 egg, beaten	2 tablespoons cold butter
2 tablespoons milk	
6 medium tart apples, peeled and cut into 1/4-inch slices	7017501

In a medium bowl, combine the flour, baking powder, salt and sugar. Cut in butter until mixture resembles fine crumbs. Combine egg and milk; gradually add to flour mixture, tossing with a fork until dough forms a ball.

With lightly floured hands, press dough onto the bottom and up the sides of a 12-in. fluted tart pan with removable bottom. Arrange apple slices in a circular pattern over dough, starting at the outer edge and overlapping slices.

For topping, combine the sugar, flour and spices in a small bowl. Cut in butter until crumbly. Sprinkle over apples. Bake at 350 degrees F for 50-60 minutes or until apples are tender. Serve warm or cold.

We hide account numbers each month in the "hiLites". If you find your number, please contact our office and we'll give you a \$10 credit on your next 2486003 Navopache Electric Co-op billing.

Energy Efficiency "Tip of the Month"



Use motion sensors on your lights to save on your electric bill. These sensors turn on lights automatically when someone enters a room and turns them off after a person leaves.

Source: U.S. Department of Energy

Share Your Favorite Recipes

Navopache Electric Cooperative would love to share some of your favorite recipes with our readers. Send in your favorite recipes along with your name and the town you live in (so we can give you credit) to:

Navopache Electric Co-op

Attn: "hiLites" Editor

1878 W. White Mountain Blvd.

Lakeside, AZ 85929

Herbed Dinner Rolls

1 tablespoon active dry yeast	2 tablespoons white sugar
1 cup warm water	1 teaspoon salt
1/2 teaspoon sage	1 egg
1/2 teaspoon dried tarragon	2 tablespoons butter, cut into small pieces
1/8 teaspoon ground nutmeg	2 1/4 cups all-purpose flour, divided

In a large mixing bowl dissolve yeast in warm water. Add the sage, tarragon, nutmeg, sugar, salt, egg, butter or margarine and 1 cup of the flour. Using a wire whisk, beat until smooth. Stir in remaining 1 1/4 cups flour with a wooden spoon and beat until smooth. Scrape batter from sides of the bowl, cover with a damp cloth and let rise in a warm place for about 30 minutes or until doubled in volume.

Deflate batter by stirring with a wooden spoon. Lightly grease one 8 cup muffin pan. Scoop batter into the prepared muffin pan. Fill each cup slightly more than 1/2 full; set aside in a warm place and let rise for about 15 to 20 minutes or until doubled. Preheat oven to 400 degrees F (200 degrees C).

Bake in the preheated oven for 15 to 20 minutes or until golden. Serve warm.

hiLites

is published by
Navopache Electric Cooperative, Inc.
1878 W. White Mountain Blvd.
Lakeside, AZ 85929

1-800-543-6324 • 1-928-368-5118

www.navopache.org



NAVOPACHE ELECTRIC COOPERATIVE

This publication is intended for members of Navopache Electric Cooperative and is mailed with the members' monthly billing. As the official publication of the cooperative, the purpose of "hiLites" is to inform consumers on matters pertaining to cooperative news, rural electrification, safety, efficient use of electricity and improved rural living.

EXHIBIT C

Jennifer Prochnow

From: Jennifer Prochnow
Sent: Thursday, October 13, 2011 2:48 PM
To: Jennifer Prochnow
Subject: NEC Public Notice

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ELECTRIC COOPERATIVE'S APPLICATION FOR
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The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before January 6, 2012. All parties must comply with Arizona Supreme Court Rules 31 and 38 and A.R.S. §4 243 with respect to the practice of law. For information about requesting intervention, visit the Commission's website <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>. The granting of intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. However, failure to intervene will not preclude an interested person or entity from appearing at the hearing and providing public comment on the application or from filing written comments in the record of the case.

ADA/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, Shaylin Bernal, E-mail Sbernal@azcc.gov, voice phone number 602/542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

Who to Contact if you have Questions

For further information on the Navopache rate increase request and procedural schedule, please contact Navopache at 928-368-5118, or 1-800-543-6324 (outside the 928 area code area) or the Commission's Consumer Services Section at 602-544-4251, or 1-800-222-7000 (outside the metro Phoenix area).