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MEMORANDUM
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TO: Docket Control Center 2012 MAR -9 A 10:44

FROM: Steven M. Olea
Director
Utilities Division

DOCKETED BY 

DATE: March 9, 2012

RE: NAVOPACHE ELECTRIC COOPERATIVE, INC. - REQUEST FOR EXTENSION OF COMPLIANCE DEADLINE (DOCKET NO. E-01787A-05-0179)
719

In Decision No. 71859, dated September 1, 2010, the Arizona Corporation Commission (“Commission”) approved the application of Navopache Electric Cooperative, Inc. (“Navopache” or “Company”) for approval of a loan to fund the construction of facilities.

As part of Decision No. 71859, the Commission ordered that:

“...Navopache Electric Cooperative, Inc. complete installation of a permanent oil containment structure at the Coronado transformer by December 31, 2011, unless prior to that date the responsibility therefore has been transferred to another utility or the transformer has been moved to a location with a permanent oil containment structure.”

On December 30, 2011, Navopache docketed a motion for a two month extension of time to complete the installation of a permanent oil containment structure at its Coronado generation station. The application stated that discussions with Salt River Project (“SRP”) have not lead to the transfer of responsibility for the transformer to another utility. Nor has the transformer been relocated such that the above compliance item would be no longer required. The application further stated the following:

“...Navopache has, therefore, proceeded with the design of the permanent oil containment structure, secured SRP’s permission to proceed with construction and has discussed the project with potential contractors. While Navopache has been unable to secure construction prior to December 31, 2011, it now expects to enter into a construction contract, as well as commence and complete construction of the permanent oil containment structure during January 2012, whether permitting.”

Staff’s research into this matter indicates that the Company has finished the requirement to complete installation of the permanent oil containment structure. The Company further made a filing with docket control on February 9, 2012 notifying the Commission of that fact. Staff Engineering has reviewed the Company filing and concluded that the Company has met compliance in that regard.

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Although that the Compliance item has been met, the request for an extension of time is still necessary. Since the compliance due date was originally December 31, 2011, the Company's February 9, 2012 filing would be considered delinquent without an order that retroactively extends the original due date. Staff concludes that it is reasonable to grant the extension of time.

Based on the application and all of the above, Staff does not object to the Navopache's two month request for an extension of time. This will grant adequate time that the Company will not be shown as delinquent in Staff's compliance database. Staff therefore recommends that the due date requiring the Company to complete the installation of a permanent oil containment structure be extended until February 28, 2012.

SMO:BKB:lhv

Originator: Brian K. Bozzo

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DOCKET NO. E-01787-05-0719

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