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 ARIZONA CORPORATION COMMISSION
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July 2, 2012

Arizona Corporation Commission

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JUL - 6 2012

Docket Control
 ARIZONA CORPORATION COMMISSION
 1200 West Washington Street
 Phoenix, AZ 85007

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RE: Garkane Energy Cooperative, Inc., Comments on Arizona Corporation Commission Staff's Draft Proposed Rule Filed on June 25, 2012: **Rate Case and Financing Rules for Non-Profit, Cooperatively-Owned Gas, Electric or Water Utilities; Docket No. RU-00000A-12-0270**

Dear Sir/Madam:

The following comments on the Arizona Corporation Commission Staff's Proposed Rules ("Proposed Rules") filed in this docket are being provided by Garkane Energy Cooperative, Inc. ("Garkane").

Garkane would first express its thanks to ACC Staff for all of their efforts on the Proposed Rule. Garkane also is appreciative of the Commission's willingness to conduct a formal rulemaking process to consider and institute a rate case process rule for the Cooperatives.

Garkane supports this Proposed Rule with a few exceptions that are discussed in the Grand Canyon State Electric Cooperative, Inc. ("GCSECA") letter filed on June 28, 2012. Garkane supports the positions taken by GCSECA in this matter.

Garkane believes that a 15 year time period should be included in the Proposed Rules in R14-2-107(B)(2) and the associated issue of being able to file five rate cases as opposed to the three rate cases stated in R14-2-107(B)(4) is reasonable and appropriate. The purpose of the Proposed Rules save time and money in processing a cooperative's rate cases so that those associated savings can be realized by a cooperative's members/customers. To the extent that a cooperative is able to file an additional rate case(s) within the 15 year time period versus the 10 year time period being recommended by Staff, its member/customers will benefit from the associated savings Garkane spent over \$30,000 in rate case expense to have rates approved by the Commission in its last rate case. Garkane estimates that for every rate case it can file under the Proposed Rules, it will save 50% to 80% of the rate case expense associated with filing a rate case under the existing rules depending on the amount of cooperative employees' versus outside consultants' time that will be involved.

In conclusion, the associated savings in time and rate case expense under the Proposed Rules will directly benefit the cooperative and its members. The associated savings to our members of being able to file an additional case(s) under a 15 year time frame are substantial and justify a 15 year time period. Garkane would urge the Commission to adopt these revisions for the reasons stated above and the reasons stated in the letter filed by GCSECA.

Sincerely,

GARKANE ENERGY COOPERATIVE, INC.



Carl R. Albrecht
CEO

Original and thirteen (13) copies
filed this 2nd day of July, 2012,
with:

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Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007