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July 12, 2012

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Phoenix, AZ 85007

Arizona Corporation Commission
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Re: Dixie Escalante Rural Electric Association, Inc.(Dixie), Comments on Arizona Corporation Commission Staff's Draft Proposed Rule Filed on June 25, 2012: ***Rate Case and Financing Rules for Nonprofit, 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 Dixie.

Dixie would first express its thanks to ACC Staff for all of their efforts on the Proposed Rule. Dixie 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.

Dixie 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. Dixie supports the positions taken by GCSECA in this matter.

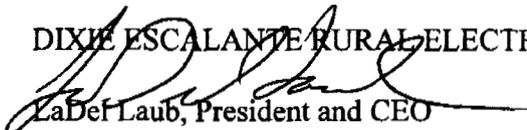
Dixie believes that a 15 year time period should be included in the Proposed Rules in R14-2-107(B)(2) and the associated issue of being able to file five rate cases as opposed to the three rate cases stated in R14-2-107(B)(4) is reasonable and appropriate. The purpose of the Proposed

Rules is to 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 members/customers will benefit from the associated savings. Dixie estimates that it will spend \$55,000 in rate case expense to have rates approved by the Commission in its current proposed rate case. Dixie 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. Dixie would urge the Commission to adopt these revisions for the reasons stated above and the reasons stated in the letter filed by GCSECA.

Sincerely;

DIXIE ESCALANTE RURAL ELECTRIC ASSN.



LaDeL Laub, President and CEO

Original and thirteen (13) copies
filed this 12th day of July, 2012,
with:

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Arizona Corporation Commission
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