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BEFORE THE ARIZONA CORPORATION COMMISSION

AZ CORP COM. DIVISION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

2014 AUG 29 PM 4:27

AUG 29 2014

DOCKETED BY

COMMISSIONERS
BOB STUMP, Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

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

DOCKET NO. E-01787A-14-0302

NOTICE OF MAILING CUSTOMER NOTICE

ORIGINAL

On August 21, 2014, Navopache Electric Cooperative, Inc. ("NEC" or the "Cooperative") caused a notice to be mailed to its customers via First Class Mail stating that the Cooperative intends to file a streamlined rate case on or about September 11, 2014, to increase rates and charges pursuant to A.R.S. § 40-250 and A.A.C. R14-2-107, the Arizona Corporation Commission's rule authorizing the filing of streamlined rate applications by electric and natural gas cooperatives. NEC contracted with National Information Solutions Cooperative to perform the mailing. Attached hereto as Exhibit A is a copy of the Certificate of Mailing and customer notice, evidencing completion of the mailing of the customer notice in accordance with A.A.C. R14-2-107(D).

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1 RESPECTFULLY SUBMITTED this 28th day of August, 2014.

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

4 By: 
5 Michael A. Curtis
6 William P. Sullivan
7 501 East Thomas Road
8 Phoenix, Arizona 85012-3205
9 Attorneys for Navopache Electric
10 Cooperative, Inc.

11 ORIGINAL and 13 copies filed
12 this 28th day of August, 2014, with:

13 Docket Control
14 ARIZONA CORPORATION COMMISSION
15 1200 West Washington
16 Phoenix, Arizona 85007

17 COPY of the foregoing hand-delivered
18 this 29th day of August, 2014, to:

19 Ms. Lyn A. Farmer, Esq.
20 Chief Administrative Law Judge
21 Hearing Division
22 ARIZONA CORPORATION COMMISSION
23 1200 West Washington Street
24 Phoenix, Arizona 85007

25 Mr. Steven M. Olea
Director, Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

Ms. Janice M. Alward, Esq.
Chief Counsel, Legal Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

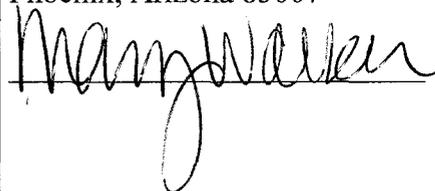


EXHIBIT A

CERTIFICATE OF MAILING

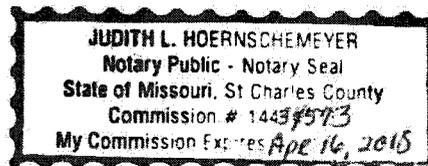
This is to certify that a special mailing for Navopache Electric Cooperative, Inc., totaling 32,186 pieces, were deposited in the U.S. Mail on 08/21/2014, at the O'Fallon, MO 63366 Post Office.

National Information Solutions Cooperative

By: *Kevin D. Baum*

Sworn to before me this *22nd* day of *August*, 2014

Judith L. Hoernschemeyer
Notary Public



IMPORTANT RATE INCREASE NOTICE – PLEASE READ

Navopache Electric Cooperative (“NEC” or “Cooperative”) has notified the Arizona Corporation Commission (“Commission”) that it intends to file a streamlined application (“Streamlined Application”) no later than September 15, 2014, to increase its rates and charges pursuant to A.R.S. § 40-250 and A.A.C. R14-2-107 (“Rule 107”), the Commission’s rule authorizing the filing of streamlined rate applications for electric and natural gas cooperatives. NEC is requesting an overall system-wide rate increase of \$1,908,652 or 4% over actual test year total system-wide base revenue, which is less than the 6% overall increase in base revenues (\$2,863,210) allowed under Rule 107. NEC states that the rate increase is necessary to recover increased operating costs in the following categories: purchased power, operation and maintenance, customer service/administration, depreciation and amortization, taxes, interest and payroll. NEC further states that the rate increase will allow NEC to maintain the financial integrity of the Cooperative. The last general rate increase for NEC was effective August 1, 2012, based on data from mostly 2009.

The proposed increase by customer class is reflected in the tables below.

100% of the Residential/Small Commercial customer increase will be in the monthly customer charge. A decrease in usage by a residential or small commercial customer will *not* lessen the increase from this rate proposal.

Residential and Small Commercial

	Increase per Mo.		Increase per Mo.
Residential Service	\$2.67*	Small Commercial	\$2.23
Residential TOU 6 Month	\$2.67	Small Commercial TOU 6 Month	\$2.23
Residential TOU 12 Month	\$2.67	Small Commercial TOU 12 Month	\$2.23

*The residential rate increase in the table above represents the overall 4% rate increase NEC has proposed and reflects the amount the monthly bill will increase for average usage (443 kWh/month) and median usage (349 kWh/month). If a 6% rate increase had been requested for total base revenue and for the residential class, the monthly bill impact for a residential customer with average usage of 443 kWh would have been \$3.36 and for a residential customer with median usage of 349 kWh would have been \$2.81.

All Other Customer Classifications

	\$ Increase in Mo. Service Charge	\$ Increase in per kW Billing Demand Charge	\$ Increase in per kWh Energy Charge
Commercial and Industrial	\$4.00 Secondary \$8.00 Primary	\$0.25	\$0.00385 first 300 kWh/kW \$0.00144 over 300 kWh/kW
Commercial and Industrial TOU	\$5.00 Secondary \$8.00 Primary	\$0.25 \$0.00 On Peak	\$0.00127
Irrigation and Water Pumping	\$2.23	\$0.24	\$0.00428
Irrigation and Water Pumping TOU	\$2.23	\$0.25 \$0.43 On-Peak	\$0.00191
Security Lights Pole Charge	\$0.17	\$0.00	Various**

**A listing of the proposed per kWh increases for security lights and street lights can be found in the complete streamlined application.

Processing the Streamlined Application

Rule 107 provides streamlined procedures that should reduce rate case expense for processing rate applications of electric and natural gas cooperatives where (i) the requested increase in total base revenue does not exceed 6% of the actual test year total base revenue; (ii) the change in base revenue generated by any one rate class is no greater than 150% of the overall base revenue increase; (iii) there is no change greater than 25% in the customer charge within a rate schedule for residential customers; and (iv) there is no change in the rate blocks or the percentage relationship of the prices among rate blocks. The rule requires that not sooner than 20 days or later than 50 days after providing this notice to customers, NEC may file its Streamlined Application to increase rates. Streamlined refers to the fact that such an application will be processed under a shorter time-frame than a rate increase application filed pursuant to A.A.C. R14-2-103 (“Rule 103”) and, therefore, receive a less comprehensive

(possibly less costly) review/analysis by Commission Staff than a Rule 103 review/analysis. NEC's Streamlined Application may be approved without a formal evidentiary hearing. However, the Commission may at any time - at the request of Staff, an Intervenor, or on its own - require NEC's rate increase application to be processed pursuant to the more comprehensive Rule 103 requirements. You can view the entire Rule 103 and 107 at http://www.azsos.gov/public_services/Title_14/14-02.htm#ARTICLE_1.

Public Comment and Intervention

A person desiring to object to the Streamlined Application or to request intervention in the rate case shall file the objection or the intervention request not later than the date specified below. Within 14 days after the deadline for objections and intervention requests, the Commission's Utilities Division Staff must determine the eligibility and sufficiency of the Streamlined Application under Rule 107.

Written public comments regarding NEC's Streamlined Application, including objections to it being processed pursuant to the alternative Rule 107 streamlined requirements, may be submitted by mailing a letter referencing Docket No. E-01787A-14-0302 to the Commission's Consumer Services Section at 1200 W. Washington, Phoenix, Arizona 85007, or by e-mail. For a form to use and instructions on how to e-mail comments to the Commission, go to: <http://www.azcc.gov/Divisions/Utilities/forms/PublicCommentForm1.pdf>.

Requests to intervene may be filed in Docket No. E-01787A-14-0302 by any person entitled by law to intervene or who is directly and substantially affected by the proceeding. If you require assistance, either to provide public comment or to seek intervention, you may contact the Commission's Consumer Services Section at 602-542-4251 or 1-800-222-7000, or you may contact NEC during normal business hours at 928-368-5118 or 800-543-6324. All motions to intervene and all objections to the Application must be filed on or before September 24, 2014.

The Rule 107 streamlined rate process is available to NEC only if the Commission receives objections from less than 1,000 NEC customers by September 24, 2014. If the Commission receives objections from at least 1,000 NEC customers by September 24, 2014, NEC will not be eligible to use the Rule 107 streamlined process, but will instead need to use the Rule 103 rate increase application process which would involve a formal evidentiary hearing and a more comprehensive review/analysis by Commission Staff.

How You Can View or Obtain a Copy of the Application and Other Filed Documents

A copy of the Streamlined Application is available for public inspection during regular business hours on NEC's website at www.navopache.org; and NEC's main office located at 1878 W. White Mountain Blvd., Lakeside, Arizona 85929. After September 15, 2014, a copy of the Streamlined Application will also be available for public inspection during regular business hours at the Commission's Docket Control Center at 1200 W. Washington Street, Phoenix, Arizona, 85007, in the Commission's Tucson Office at 400 W. Congress, Tucson, Arizona, 85701 and on the Internet via the Commission's website (www.azcc.gov) using the e-Docket function.

NEC Contact Information

Navopache Electric Cooperative, Inc., 1878 W. White Mountain Blvd., Lakeside, Arizona 85929
Phone: (928) 368-5118 or 1-800-543-6324

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 SABernal@azcc.gov, voice phone number 602-542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.