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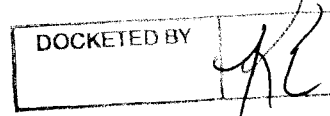
December 16, 2015

Chairman Susan Bitter-Smith
Arizona Corporation Commission
Commissioners Wing
1200 West Washington-2nd Floor
Phoenix, Arizona 85007

Arizona Corporation Commission

DOCKETED

DEC 17 2015



Dear Chairman Bitter-Smith:

On December 16, 2015 the eight member-elected directors of Navopache Electric Cooperative's (NEC) Board instructed this letter be sent to you requesting NEC: (1) not be joined as a party to Docket No. E-00000J-14-0023, (2) not be required to send the current form of notice and (3) not be required to send notice to all its members. NEC, however, is willing to work with your staff to develop a more understandable form of notice and to voluntarily publish it, at our cost, in at least one newspaper in our service area. NEC objects to the attempt to join as a party when it has none of the General Docket issues mentioned in front of the Commission.

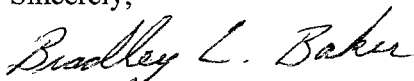
NEC supports the Commission's decision to examine the cost and value of distributed generation. We will gladly share our general thoughts on these issues with the Commission, either directly or through the Grand Canyon State Electric Cooperative Association, during voluntary workshops. We, too, are concerned that the Commission's net metering rules, coupled with low customer charges and over reliance on energy charges, may unduly shift the costs of service and place an unfair burden among our members. We also recognize there can be value to distributed generation, but those values are different in the short term versus long term and vary depending on where and how the distributed generation is installed and when it operates.

To date, NEC has not spent its limited revenues on studying these issues and has no immediate plans to do so. Nor have we proposed to alter the terms of our net metering tariff. Therefore, NEC has no plans to intervene or actively participate in this matter as a party. We believe it is unfair for NEC to be involuntarily designated as a party to a contested evidentiary hearing that we understand was set at the request of APS. Nor do we support sending a notice to our members advising them that the outcome of such hearing may impact them *as our customers*. The process is inappropriate and the cost of such an effort (estimated at \$20,000) places an unreasonable and unnecessary burden on NEC and the notice itself is confusing. What are we to tell our members when they ask how this hearing may impact them as our customers?

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NEC provides electric services to approximately 40,150 meters in primarily rural portions of Navajo, Apache, Greenlee and Gila County, including much of the White Mountain Apache Reservation, and a portion of Catron County New Mexico. Our Board makes every effort to keep costs to our members as low as possible, consistent with good utility practice. Over the past several years, our service area has been economically depressed. Therefore, it is not surprising that we have seen little or no growth and flat or declining energy sales during this period. These factors, and others, led NEC to file for rate adjustments in 2011 and 2014 and to currently consider another filing in 2016. We have neither the time nor the financial ability to actively participate in this proceeding and ask that we be excluded.

Sincerely,



Bradley L. Baker, President

cc: Commissioners
Docket Control
All Parties on Service List
Michael A. Curtis, Esq.

P.S. Neither this letter nor the docketing and distribution thereof is an intent by NEC to appear or willingly be joined as a party to Docket No. E-00000J-14-0023 and NEC expressly reserves any and all claims and defenses.