

ORIGINAL

NEW APPLICATION



0000169076

BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

COMMISSIONERS

- DOUG LITTLE, Chairman
- BOB STUMP
- BOB BURNS
- TOM FORESE
- ANDY TOBIN

DOCKETED

APR 29 2016

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DOCKETED BY	<i>[Signature]</i>
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AZ CORP COMMISSION
DOCKET CONTROL

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-16-0144

REQUEST FOR DOCKET NUMBER
AND NOTICE OF FILING PROPOSED
FORM OF CUSTOMER NOTICE

On March 30, 2016 Navopache Electric Cooperative, Inc. ("NEC" or the "Cooperative") hand-delivered to Utilities Division Staff ("Staff") of the Arizona Corporation Commission ("Commission") a Request for Pre-Filing Eligibility Review ("Request") pursuant to Arizona Administrative Code ("A.A.C.") R14-2-107(C)(2). The Request contained two hard copies and two electronic copies (with formulae intact) of NEC's draft application for a rate increase pursuant to A.R.S. § 40-250 and A.A.C. R14-2-107 including, as attachments: (1) the information requested in A.A.C. R14-2-107(C)(2); (2) a proposed form of customer notice ("Customer Notice") in accordance with A.A.C. R14-2-107(D); (3) a proposed form of recommended order; (4) NEC's proposed standard offer tariffs incorporating the requested revisions to rates; and (5) work papers supporting the schedules required pursuant to A.A.C. R14-2-107(E)(5) and (6). NEC also provided the same information via electronic mail to Staff.

On April 29, 2016, representatives of NEC met Staff in accordance with A.A.C. R14-2-107(C)(3) to discuss the Cooperative's eligibility under A.A.C. R14-2-107(B) and Staff's comments regarding the Customer Notice previously submitted. NEC incorporated Staff's comments regarding

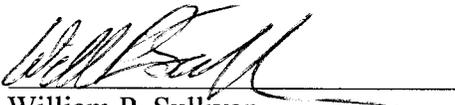
1 the Customer Notice and, as approved by Staff, the Customer Notice is attached hereto as Attachment

2 1. The Cooperative intends to mail the Customer Notice to its customers on or about May 6, 1016.

3 Pursuant to A.A.C. R14-2-107(C)(4), NEC hereby requests that the Commission establish a
4 docket number for the above-captioned proceeding.

5 RESPECTFULLY SUBMITTED this 29th day of April, 2016.

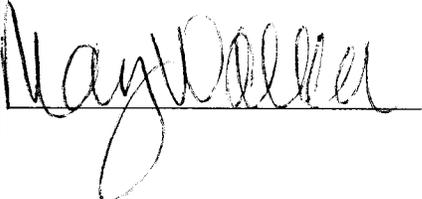
6 LAW OFFICES OF
7 WILLIAM P. SULLIVAN, P.L.L.C.

8
9 By: 
10 William P. Sullivan
11 501 East Thomas Road
12 Phoenix, Arizona 85012-3205
13 Attorneys for Navopache Electric Cooperative,
14 Inc.

13 PROOF OF AND CERTIFICATE OF MAILING

14 I hereby certify that on this 29th day of April, 2016, I caused the foregoing document to be
15 served on the Arizona Corporation Commission by delivering the original and thirteen (13) copies of
16 the above to:

17 Docket Control
18 Arizona Corporation Commission
19 1200 West Washington
20 Phoenix, Arizona 85007

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ATTACHMENT 1

IMPORTANT RATE INCREASE NOTICE – PLEASE READ

Navopache Electric Cooperative, Inc. (“NEC” or “Cooperative”) has notified the Arizona Corporation Commission (“Commission”) that it intends to file a streamlined application (“Streamlined Application”) on or about May 26, 2016, 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 \$1,829,461. The proposed increase will result in a 6% increase over actual test year total system-wide base revenue (this is the maximum allowed per Rule 107). NEC’s test year for this rate filing is year ending September 30, 2015. NEC states that the rate increase is necessary to recover increased operating costs and to maintain the financial integrity of the Cooperative. The last general rate increase for NEC was effective April 1, 2015.

A residential customer with average monthly electric usage of 415 kWh will see an increase in his/her bill of \$2.67 per month (from \$55.27 to \$57.94) or 4.82%. A residential customer with median monthly electric usage of 349 kWh will see an increase in his/her bill of \$2.67 per month (from \$49.59 to \$52.26), or 5.38%.

All of the proposed Residential customer increase will be in the monthly customer charge. A decrease in energy usage by a residential customer will *not* lessen the increase from this rate proposal.

The proposed increase by rate class over existing base rates are:

	\$ Increase in Mo. Service Charge	\$ Increase in per kW Billing Demand Charge	\$ Increase in per kWh Energy Charge	% Increase for Average Usage	% Increase for Median Usage
Residential Service	\$2.67	N/A	ZERO	4.82%	5.38%
Residential TOU 6 Month	\$2.67	N/A	ZERO	3.09%	3.35%
Residential TOU 12 Month	\$2.67	N/A	ZERO	2.27%	2.43%
Small Commercial	\$2.95	N/A	ZERO	1.90%	3.64%
Small Commercial TOU 6 Month	\$2.95	N/A	ZERO	1.52%	2.72%
Small Commercial TOU 12 Month	\$2.95	N/A	ZERO	1.25%	2.12%
Commercial and Industrial	\$5.00 Secondary \$ 10.00 Primary	\$0.35	\$0.00471 first 300 kWh/kW \$0.00176 over 300 kWh/kW	5.02%	5.09%
Commercial and Industrial TOU	\$6.50 Secondary \$10.00 Primary	\$0.35 \$0.00 On Peak	\$0.00155	2.84%	3.15%
Irrigation and Water Pumping	\$2.95	\$0.29	\$0.00518	5.62%	5.70%
Irrigation and Water Pumping TOU	\$2.95	\$0.30 \$0.00 On-Peak	\$0.00231	5.54%	5.55%
Security Lighting Pole Charge	Various* \$0.23	N/A N/A	N/A N/A	Various* 5.52%	Various*
Street Lighting	Various*	N/A	N/A		
Optional Cogeneration > 100 kW Per Generator Meter	\$6.50 \$3.99	ZERO N/A	ZERO N/A	N/A	N/A
Large Commercial- Interruptible	\$20.00	\$0.35 \$0.00 On Peak	\$0.00155	N/A	N/A

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

The Rule 107 streamlined rate process is available to NEC only if the Commission receives objections from less than 1,000 NEC customers by June 6, 2016. If the Commission receives objections from at least 1,000 NEC customers by June 6, 2016, 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.

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 and no 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 must 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-16-0____ 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://eservice.azcc.gov/Utilities/PublicComment>.

Requests to intervene may be filed in Docket No. E-01787A-16-0____ 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 during normal business hours at 602-542-4251 or 1-800-222-7000 (Phoenix office); or 520-628-6550 or 1-800-535-0148 (Tucson office); 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 Streamlined Application must be filed on or before June 6, 2016.

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 on NEC's website (www.navopache.org) and, during regular business hours, at NEC's main office located at 1878 W. White Mountain Blvd., Lakeside, Arizona 85929. After _____, 2016, 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 soon as possible to allow time to arrange the accommodation.