



April 28, 2008

RECEIVED

MAY 02 2008

AZ CORP COMM  
Director Utilities

Mr. Brian Bozzo, Compliance Section Manager  
Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

**RE: NEC's Environmental Portfolio Standard Compliance Report  
January 2007 through December 2007**

Dear Mr. Bozzo,

Pursuant to A.A.C. R14-2-1618 (D), enclosed is Navopache Electric Cooperative's (NEC) Environmental Portfolio Standard (EPS) Annual Compliance Report for the period January through December 2007.

If you have any questions or need any additional information regarding the enclosed EPS Compliance Report, please feel free to contact me at 1-800-543-6324, Ext. 264.

Best regards,

Dennis W. Hughes  
Chief Operating Officer

Enclosure: NEC EPS Compliance Report – January through December 2007

pc: Dave Plumb, Chief Executive Officer, NEC (w/enclosure)  
Ray Williamson, ACC Staff, Utilities Division (w/enclosure)  
Michael Curtis, General Counsel (w/enclosure)  
John Wallace, GCSEC Staff, (w/enclosure)

1878 West White Mountain Boulevard • Lakeside, Arizona 85929  
(928) 368-5118 • (800) 543-6324 • Fax (928) 368-6038 • [www.navopache.org](http://www.navopache.org)

**NAVOPACHE ELECTRIC COOPERATIVE, INC.  
EPS COMPLIANCE REPORT  
JANUARY 2007 – DECEMBER 2007**

<b>RETAIL SALES (kWh) THIS PERIOD</b>	<b>420,588,470</b>
<b>EPS REQUIREMENT THIS PERIOD</b>	
EPS kWh Requirement (1.1% of Retail Sales)	4,626,473
Solar EPS kWh % Requirement (60%)	2,775,883
Non-Solar EPS kWh Requirement (40%)	1,850,589
<b>RENEWABLE RESOURCE CREDITS GENERATED AND PURCHASED THIS PERIOD</b>	
Solar Resource Credits Generated & Applied to EPS % Requirement (kWh)	736,246
Non-Solar Resource Credits Generated & Applied to EPS % Requirement (kWh)	-0-
Solar Resource Credits Purchased & Applied to EPS % Requirement (kWh)	1,460,360
Non-Solar Resource Credits Purchased & Applied to EPS % Requirement (kWh)	-0-
<b>PREVIOUSLY BANKED RENEWABLE RESOURCE CREDITS APPLIED THIS PERIOD</b>	
Previously Banked Solar Resource Credits Applied to EPS % Requirement (kWh)	-0-
Previously Banked Non-Solar Resource Credits Applied to EPS % Requirement (kWh)	-0-
<b>RENEWABLE RESOURCE CREDIT COMPLIANCE THIS PERIOD</b>	
Solar EPS kWh Requirement Compliance %	<b>79.13%</b>
Non-Solar EPS kWh Requirement Compliance %	-0%
<b>EXCESS RENEWABLE RESOURCE CREDITS BANKED THIS PERIOD</b>	
Solar EPS kWh Banked	-0-
Non-Solar EPS kWh Banked	-0-
<b>TOTAL EPS COMPLIANCE</b>	<b>47.48%</b>
<b>EPS FUNDING THIS PERIOD</b>	
EPS Surcharge and Reallocation of DSM Adder plus Interest Earned	\$ 357,414.59
Green Pricing Program	\$ -0-
<b>TOTAL FUNDING THIS PERIOD</b>	<b>\$ 357,414.59</b>
<b>EPS EXPENDITURES THIS PERIOD</b>	
Purchase of Solar RECs from IST Solucar	\$ 53,104.02
Administrative, Legal & Maintenance	\$ 39,797.17
Photovoltaic Installation	\$ 221,620.48
<b>TOTAL EXPENDISURES THIS PERIOD</b>	<b>\$ 314,521.67</b>
<b>SINCE INCEPTION OF EPS PROGRAM</b>	
TOTAL EPS FUNDING	\$ 1,967,437.05
TOTAL EPS EXPENDITURES	\$ 2,654,185.72
TOTAL RENEWABLE RESOURCE CREDITS GENERATED (kWh)	2,362,546
TOTAL RENEWABLE RESOURCE CREDITS PURCHASED (kWh)	6,871,013