

RECEIVED

OCT 09 2012

ACC - Utilities Division

✓
Checked
ENE.01

October 9, 2012

Mr. Brian K. Bozzo
Manager, Compliance and Enforcement
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

Re: ✓ Duncan Valley Electric Cooperative, Inc., ✓ Graham County Electric Cooperative, Inc., ✓ Graham County Utilities, Inc. (Gas Division), ✓ Mohave Electric Cooperative, Inc., ✓ Navopache Electric Cooperative, Inc., ✓ Sulphur Springs Valley Electric Cooperative, Inc., and ✓ Trico Electric Cooperative, Inc. (collectively "the Cooperatives") Filing for Annual Update to Energy Conservation Plan in Compliance with A.A.C. R14-2-213.2 and R14-2-313.2

Mr. Bozzo:

A.A.C. R14-2-213.2 and R14-2-313.2 state the following:

"Each class A and B electric and gas utility shall file an energy conservation plan with the Commission, through the Compliance Section, Utilities Division, within one year of the effective date of these rules and annual updates thereafter when changes require such."

In accordance with Decision No. 71436, dated December 18, 2009 and Decision No. 72042, dated December 10, 2010, each of the cooperatives listed above (with the exception of Duncan Valley Electric Cooperative Electric and Gas Divisions ("DVEC") and Graham County Utilities Gas Division ("GCU")) has filed an Energy Efficiency ("EE") (also known as an Energy Conservation) Implementation Plan. The EE Implementation Plan filing dockets are as follows:

Graham County Electric Cooperative, Inc., Docket No. E-01749A-11-0235
Mohave Electric Cooperative, Inc., Docket No. E-01750-11-0228
Navopache Electric Cooperative, Inc., Docket No. E-01787-11-0229
Sulphur Springs Valley Electric Cooperative, Inc., E-01461A-11-0230
Trico Electric Cooperative, Inc. E-01575A-11-0223

The Decision requires an EE Implementation Plan be filed every two years so the next plan for the cooperatives listed above will be filed on June 1, 2013 for the years of 2014 and 2015. In the Cooperative's previous compliance filing on this matter, the Cooperatives informed Staff that these cooperatives listed should no longer be making this

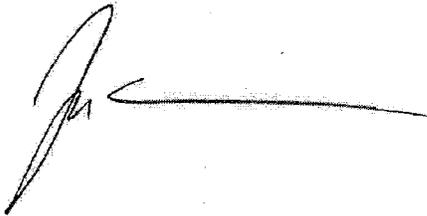
compliance filing in compliance with A.A.C. R14-2-213.2 and would refer ACC Compliance Section to these EE Implementation Plan filings in the future to satisfy any future compliance under A.A.C. R14-2-213.2.

In recent discussions with ACC Staff on this compliance item, Staff has indicated that it cannot accept the Cooperatives' EE Implementation plans to meet this compliance item. By the cooperatives filing their EE (conservation) plans/reports now under the EE Rules, the cooperatives should no longer have to file updates to their conservation plans because it is frankly duplicative and unnecessary.

Given that Staff believes it cannot substitute the EE plans for this updated conservation plan compliance (per the discussion that took place in the email below), the Cooperatives have requested that Staff in their Staff Reports on the Cooperatives' EE Plans, address this issue by making it clear that the EE plan/reports can substitute for/supersede the updated conservation plan compliance in R14-2-213 and R14-2-313 and any other EE/DSM reporting that was previously required by the ACC.

Concerning, DVEC Electric and Gas Divisions and GCU, these cooperatives are not subject to the Energy Efficiency requirements in Decision Nos. 71436 and 72042 and do not currently have any updates to a conservation plan. Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to be 'John Wallace', with a long horizontal line extending to the right.

John Wallace
Grand Canyon State Electric Cooperative Association