

NEW APPLICATION  
ORIGINAL



WATERFALL ▾ ECONOMIDIS ▾ CALDWELL  
HANSHAW ▾ VILLAMANA

A Professional Corporation

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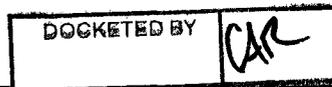
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May 24, 2004

Arizona Corporation Commission

DOCKETED

MAY 26 2004



AZ CORP COMMISSION  
DOCUMENT CONTROL

2004 MAY 26 P 1:37

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Docket Control  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007

Re: *Trico Electric Cooperative, Inc.*  
*Docket No. E-1461*

E-01461A-04-0393

Ladies and Gentlemen:

Enclosed are original and 13 copies of Trico's Application for an Order Preliminary to the Issuance of an Extension to Existing Certificates of Convenience and Necessity, which we are transmitting to you for filing, together with your required cover sheet. Also enclosed is an additional copy of the first page of the Application which we request you conform and return in the enclosed self-addressed stamped envelope. We would appreciate it if you would include the new docket number assigned on the conformed copy.

Thank you.

Very truly yours,

WATERFALL ECONOMIDIS CALDWELL  
HANSHAW & VILLAMANA, P.C.

Russell E. Jones

REJ/cw  
Enclosures



An Independent Member of MERITAS Law Firms Worldwide with  
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NEW APPLICATION

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2004 MAY 26 P 1:37  
AZ CORP COMMISSION  
DOCUMENT CONTROL

Russell E. Jones, SBN 000549  
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Attorneys for Trico Electric Cooperative, Inc.

BEFORE THE ARIZONA CORPORATION COMMISSION

MARC SPITZER  
Chairman  
KRISTIN K. MAYES  
Commissioner  
JEFF HATCH-MILLER  
Commissioner  
WILLIAM MUNDELL  
Commissioner  
MIKE GLEASON  
Commissioner

Arizona Corporation Commission

**DOCKETED**

MAY 26 2004

DOCKETED BY	
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E-01461A-04-0393

IN THE MATTER OF THE APPLICATION  
OF TRICO ELECTRIC COOPERATIVE, INC.  
FOR AN EXTENSION OF ITS  
CERTIFICATES OF CONVENIENCE AND  
NECESSITY IN AREAS OF PINAL  
COUNTY, ARIZONA

Docket No. E-1461-04-\_\_\_\_\_

**APPLICATION FOR AN ORDER  
PRELIMINARY TO THE ISSUANCE  
OF AN EXTENSION TO EXISTING  
CERTIFICATES OF CONVENIENCE  
AND NECESSITY**

COMES NOW the Applicant, TRICO ELECTRIC COOPERATIVE, INC., an Arizona nonprofit corporation ("Applicant" or "Trico"), in support of its Application to the Arizona Corporation Commission ("Commission") for an Order Preliminary to the Issuance of an Extension of the Certificates of Convenience and Necessity which have previously been issued to Applicant by the Commission to construct, operate and maintain an electric system in Pinal County, Arizona, states as follows:

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**I. Name and address of Applicant and its officers:**

Trico Electric Cooperative, Inc.,  
an Arizona nonprofit corporation  
8600 West Tangerine Road  
Post Office Box 930  
Marana, Arizona 85653

President: George P. Davies  
110 Calle Resplendor  
Tucson, Arizona 85716

Secretary: Barbara Stockwell  
Post Office Box 368  
Arivaca, Arizona 85601

Agent responsible for general management:  
  
Marv Athey  
Trico Electric Cooperative, Inc.  
P.O. Box 930  
Marana, Arizona 85653

**II. Nature of Application.**

This Application is made by Applicant to extend the area of its existing certificates of convenience and necessity to the areas described in Exhibit "A" attached hereto, herein referred to as the "Requested Area."

The Applicant presently holds certificates of convenience and necessity to construct, operate and maintain an electric system in portions of Pima, Pinal and Santa Cruz Counties, Arizona, as described in Commission Decisions Nos. 35743, 39532, 51977, 55722, 57810, 58114 as amended by 56840, 61910 and 64064.. Pursuant to Decision No. 58640, Trico was certificated as an electric public service corporation in the West Half of Township 10 South, Range 14 East, and all of Township 10 South, Range 13 East. In Decision No. 61910 Trico was certificated as an electric public service corporation in all of Sections 32, 33 and 34, Township 9 South, Range 14 East. This Application constitutes an extension of said areas all in G&SRB&M, Pinal County.

1 ANAM, Inc., an Arizona corporation, is the owner of Willow Springs Ranch consisting of  
2 deeded land located in Township 6 South, Range 12 East, Township 7 South, Ranges 12, 13 and  
3 14 East, and Township 8 South, Ranges 12, 13, 14 and 15 East, all in G&SRB&M, Pinal County,  
4 Arizona. Initially, ANAM, Inc. intends to develop the southerly portion of Willow Springs Ranch  
5 known as the South Village consisting of approximately 4,600 acres of deeded land. ANAM, Inc.  
6 with a Developer, The Remington Group, an Arizona corporation, is doing business as Willow  
7 Springs Ranch South Village ("WSRSV") in connection with the development of the South  
8 Village, the legal description of which is set forth in Exhibit B attached hereto, herein referred to  
9 as the "South Village Property", all of which is located within the Requested Area.

10 WSRSV has made application to Trico to provide electric service to the South Village  
11 Property so that that property can be developed into a planned community for residential and  
12 commercial uses, which will require electrical service on a permanent basis.

13 **III. Anticipated Services and Facilities in the Requested Area.**

14 Trico proposes to serve the South Village Property by constructing a 69 KV power line  
15 approximately 11.5 miles in length to bring electricity to the perimeter of the South Village  
16 Property, which power line crosses state land administered by the Arizona State Land Department  
17 ("Land Department"). In consultation with the Land Department, a preferred route was  
18 designated by the Land Department which also crosses land of lessees who have grazing leases  
19 from the Land Department. Trico has executed agreements from these lessees accepting such  
20 route across their leased land. The Land Department has accepted Trico's application for the  
21 Right-of-Way and has given its permission for Trico to proceed with the environmental and  
22 archaeological studies. After the completion of the construction of such line, when electricity is  
23 requested, Trico will construct spine facilities within the South Village Property. Service to the  
24 areas developed within the South Village Property will be pursuant to Trico's Commission  
25 approved Rules, Regulations and Line Extension Policies.

26

1 Trico can obtain the necessary funds to provide such electric service from its lenders, the  
2 United States of America through Rural Utilities Service ("RUS") and/or the National Rural  
3 Utilities Cooperative Finance Corporation and from the application of such Line Extension  
4 Policies.

5 Trico has undertaken a long range system planning report which establishes that extension  
6 of service to the South Village Property is feasible.

7 **IV. Need for Electric Service in the Requested Area.**

8 There is an existing need for electric service in the Requested Area so that WSRSV can  
9 develop the South Village Property. The estimated number of customers to be served for each of  
10 the first five years of operation is: 160, 1<sup>st</sup> year, 560, 2<sup>nd</sup> year, 960, 3<sup>rd</sup> year, 1,360, 4<sup>th</sup> year and  
11 1,760, 5<sup>th</sup> year.

12 **V. Franchises.**

13 Trico has heretofore received franchises from the Board of Supervisors of Pinal County  
14 pertaining to the areas certificated to Applicant in that county. Although such franchises include a  
15 portion of the real property described in Exhibit A, Trico requires an additional franchise from  
16 Pinal County for which Trico is making application. This is an Application for an Order  
17 Preliminary because of the absence of such additional franchise. In the event Applicant receives  
18 such additional franchise before the Commission enters its decision in connection with this  
19 Application, such additional franchise will be promptly filed with the Commission and the  
20 necessity for an Order Preliminary will be removed.

21 **VI. Consent Pertaining to State and Federal Lands.**

22 The Requested Area contains certain State owned land or land administered by any State  
23 agency. Applicant will request consents from the proper State officials and will present such  
24 consents to the Commission.

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1           **VII. Rates Applicable to Requested Areas.**

2           Trico proposes that the rates and charges to be charged the consumers in the Requested  
3 Area should be the same as the rates and charges prescribed by the Commission throughout  
4 Trico's certificated areas.

5           **VIII. Financial Statement.**

6           Attached to this Application as Exhibit C is the most recent financial statement of Trico  
7 on RUS Form 7 for the month ending April, 2004.

8           **IX. Notice.**

9           Trico will give such notice to the affected public as is prescribed the Commission.

10          **X. Public Interest.**

11          The granting of this Application is in the public interest. Applicant is ready, willing and  
12 able to serve electricity to all present and future consumers in the Requested Area in accordance  
13 with Applicant's Rules, Regulations and Line Extension Policy approved by the Commission and  
14 Applicant will provide consumers in the Requested Area with reliable electric service at rates that  
15 are prescribed by the Commission as just and reasonable.

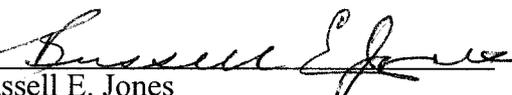
16          WHEREFORE, Applicant respectfully prays that the Commission:

- 17                 1.       Set a time for the hearing of this Application, if deemed necessary;
- 18                 2.       Enter its Order Preliminary pursuant to A.R.S. §40-282 and upon the filing  
19 with the Commission of franchises of Pinal County pertaining to the Requested Area, granting  
20 this Application and extending Applicant's existing certificates of convenience and necessity to  
21 the Requested Area; provided that in the event such franchises are filed with the Commission  
22 prior to the Commission entering its Decision in connection with this Application, then Applicant  
23 prays that the Commission grant this Application effective immediately;
- 24                 3.       Enter such other and further orders as the Commission may deem proper.
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RESPECTFULLY SUBMITTED this 24<sup>th</sup> day of May, 2004.

WATERFALL ECONOMIDIS CALDWELL  
HANSHAW & VILLAMANA, P.C.

By   
Russell E. Jones  
D. Michael Mandig  
Attorneys for Applicant, Trico Electric Cooperative,  
Inc., an Arizona nonprofit corporation

Original and 13 copies of the foregoing  
transmitted for filing this 24 day of  
May, 2004, with:

Docket Control  
Arizona Corporation Commission  
1200 W. Washington  
Phoenix, AZ 85007



## **EXHIBIT A**

All of Sections 8, 9, 10, 11, 12, 13, 14, 15, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35, 36, Township 8 South, Range 13 East, Gila and Salt River and Meridian, Pinal County, Arizona.

All of Sections 7, 8, 17, 18, 19, 20, 29, 30, 31, 32, Township 8 South, Range 14 East, Gila and Salt River and Meridian, Pinal County, Arizona.

All of Sections 1,2,3,4,9, 10, 11, 12, 13, 14, 15, 16, 21, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35, 36, Township 9 South, Range 13 East, Gila and Salt River and Meridian, Pinal County, Arizona.

All of Sections 5,6,7,8, 17, 18, 19, 20, 29, 30, 31, Township 9 South, Range 14 East, Gila and Salt River and Meridian, Pinal County, Arizona.

## **EXHIBIT B**

### **WILLOW SPRINGS LEGAL DESCRIPTION WITHIN CC & N**

#### **TOWNSHIP 8 SOUTH, RANGE 13 EAST**

The East half AND the Southeast quarter of the Northwest quarter of Section 8, Township 8 South, Range 13 East, Gila and Salt River and Meridian, Pinal County, Arizona.

The South half of Section 9, Township 8 South, Range 13 East, Gila and Salt River and Meridian, Pinal County, Arizona.

The East half of Section 11, Township 8 South, Range 13 East, Gila and Salt River and Meridian, Pinal County, Arizona.

The South half of the Southwest quarter AND the Northwest quarter of the Southwest quarter AND the Southwest quarter of the Northwest quarter AND the East half of Section 12, Township 8 South, Range 13 East, Gila and Salt River and Meridian, Pinal County, Arizona.

The North half of the North half of Section 13, Township 8 South, Range 13 East, Gila and Salt River and Meridian, Pinal County, Arizona.

The Southwest quarter AND the South half of the Southeast quarter of Section 14, Township 8 South, Range 13 East, Gila and Salt River and Meridian, Pinal County, Arizona.

The West half of the Southeast quarter AND the East half of the Southwest quarter of Section 15, Township 8 South, Range 13 East, Gila and Salt River and Meridian, Pinal County, Arizona.

All of Sections 22, 23, 25, 27 AND the North half of Section 26, Township 8 South, Range 13 East, Gila and Salt River and Meridian, Pinal County, Arizona

#### **TOWNSHIP 8 SOUTH, RANGE 14 EAST**

Lots 1, 2, 3, 4, AND the East half of the West half AND the East half of Section 7, Township 8 South, Range 14 East, Gila and Salt River and Meridian, Pinal County, Arizona.

All of Section 8, Township 8 South, Range 14 East, Gila and Salt River and Meridian, Pima County, Arizona.

The North half of the Northwest quarter AND the Northeast quarter of Section 18, Township 8 South, Range 14 East, Gila and Salt River and Meridian, Pinal County, Arizona.

The West half of Section 20, Township 8 South, Range 14 East, Gila and Salt River and Meridian, Pinal County, Arizona.

The North half of the Northwest quarter of Section 29, Township 8 South, Range 14 East, Gila and Salt River and Meridian, Pinal County, Arizona.

The Southeast quarter of the Northwest quarter AND the North half of the Southeast quarter AND the Northeast quarter of Section 30, Township 8 South, Range 14 East, Gila and Salt River and Meridian, Pinal County, Arizona.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 25 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE	BORROWER DESIGNATION	AZ0020
	PERIOD ENDED	4/2004
<b>FINANCIAL AND STATISTICAL REPORT</b>	BORROWER NAME AND ADDRESS	<b>EXHIBIT C</b>
INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2.	TRICO ELECTRIC COOP INC	
This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and may be confidential.		

**CERTIFICATION**

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.**

**DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**  
(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

Sierra M Wallis      5/17/04  
DATE

[Signature]      5/17/04  
DATE

## FINANCIAL AND STATISTICAL REPORT

AZ0020

4/2004

INSTRUCTIONS-See RUS Bulletin 1717B-2

## Part A. Statement of Operations

ITEM	Year-to-date Last Year (a)	Year-to-date This Year (b)	Year-to-date Budget (c)	This Month (d)
1. Operating Revenue and Patronage Capital	12,269,832	13,300,938	12,980,543	3,257,309
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	7,234,040	7,776,745	7,703,019	1,905,798
4. Transmission Expense	5,608	5,104	5,104	1,276
5. Distribution Expense - Operation	1,307,979	1,397,931	1,500,543	378,375
6. Distribution Expense - Maintenance	431,010	440,485	451,343	124,286
7. Customer Accounts Expense	526,125	546,737	543,681	147,015
8. Customer Service and Informational Expense	45,392	48,683	74,739	13,202
9. Sales Expense	90,427	82,588	109,749	25,514
10. Administrative and General Expense	835,276	873,125	931,281	249,166
11. Total Operation & Maintenance Expense (2 thru 10)	10,475,857	11,171,398	11,319,459	2,844,632
12. Depreciation and Amortization Expense	1,118,310	1,205,758	1,197,131	303,934
13. Tax Expense - Property & Gross Receipts	0	0	0	0
14. Tax Expense - Other	( 15)	( 128)	0	8
15. Interest on Long-Term Debt	947,094	1,105,190	1,066,766	267,295
16. Interest Charged to Construction - Credit	0	0	0	0
17. Interest Expense - Other	46,709	37,968	52,712	9,704
18. Other Deductions	26,400	60,939	60,008	20,037
19. Total Cost of Electric Service (11 thru 18)	12,614,355	13,581,125	13,696,076	3,445,610
20. Patronage Capital & Operating Margins (1 minus 19)	( 344,523)	( 280,187)	( 715,533)	( 188,301)
21. Non Operating Margins - Interest	32,264	31,465	24,566	6,032
22. Allowance for Funds Used During Construction	0	0	0	0
23. Income (Loss) from Equity Investments	0	0	0	0
24. Non Operating Margins - Other	6,434	8,385	( 11,806)	( 2,804)
25. Generation and Transmission Capital Credits	0	0	0	0
26. Other Capital Credits and Patronage Dividends	9,830	15,816	0	0
27. Extraordinary Items	0	0	0	0
28. Patronage Capital or Margins (20 thru 27)	( 295,995)	( 224,521)	( 702,773)	( 185,073)

## Part B. Data on Transmission and Distribution Plant

ITEM	Year-to-date Last Year (a)	Year-to-date This Year (b)
1. New Services Connected	425	626
2. Services Retired	9	11
3. Total Services in Place	30,296	32,153
4. Idle Services (Exclude Seasonal)	2,232	2,786
5. Miles Transmission	22.00	22.00
6. Miles Distribution - Overhead	1,472.00	1,495.00
7. Miles Distribution - Underground	1,240.00	1,359.00
8. Total Miles Energized (5 + 6 + 7)	2,734.00	2,876.00

## FINANCIAL AND STATISTICAL REPORT

BORROWER DESIGNATION

AZ0020

PERIOD ENDED

4/2004

INSTRUCTIONS-See RUS Bulletin 1717B-2

## Part C. Balance Sheet

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	123,633,818	29. Memberships	0
2. Construction Work in Progress	7,208,319	30. Patronage Capital	27,390,053
3. Total Utility Plant (1 + 2)	130,842,137	31. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort.	26,323,118	32. Operating Margins - Current Year	( 264,371)
5. Net Utility Plant (3 - 4)	104,519,019	33. Non-Operating Margins	39,850
6. Non-Utility Property (Net)	13,989	34. Other Margins and Equities	6,691,957
7. Investments in Subsidiary Companies	0	35. Total Margins & Equities (29 thru 34)	33,857,489
8. Invest. in Assoc. Org. - Patronage Capital	4,549,653	36. Long-Term Debt - RUS (Net)	54,553,581
9. Invest. in Assoc. Org. - Other - General Funds	2,435	(Payments - Unapplied)	0
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	1,303,447	37. Long-Term Debt - RUS - Econ. Devel. (Net)	0
11. Investments in Economic Development Projects	0	38. Long-Term Debt - FFB - RUS Guaranteed	0
12. Other Investments	83,532	39. Long-Term Debt - Other - RUS Guaranteed	0
13. Special Funds	109,956	40. Long-Term Debt Other (Net)	12,543,334
14. Total Other Property & Investments (6 thru 13)	6,063,012	41. Total Long-Term Debt (36 thru 40)	67,096,915
15. Cash - General Funds	784,003	42. Obligations Under Capital Leases - Noncurrent	0
16. Cash - Construction Funds - Trustee	0	43. Accumulated Operating Provisions and Asset Retirement	
17. Special Deposits	17,540	Obligations	109,956
18. Temporary Investments	800,000	44. Total Other Noncurrent Liabilities (42 + 43)	109,956
19. Notes Receivable (Net)	54,204	45. Notes Payable	3,000,000
20. Accounts Receivable - Sales of Energy (Net)	2,316,035	46. Accounts Payable	3,038,071
21. Accounts Receivable - Other (Net)	40,798	47. Consumers Deposits	605,589
22. Materials and Supplies - Electric & Other	2,224,786	48. Current Maturities Long-Term Debt	2,060,917
23. Prepayments	308,060	49. Current Maturities Long-Term Debt-Economic	
24. Other Current and Accrued Assets	111,782	Development	0
25. Total Current and Accrued Assets (15 thru 24)	6,657,208	50. Current Maturities Capital Leases	0
26. Regulatory Assets	0	51. Other Current and Accrued Liabilities	2,031,016
27. Other Deferred Debits	104,785	52. Total Current & Accrued Liabilities (45 thru 51)	10,735,593
28. Total Assets and Other Debits (5+14+25 thru 27)	117,344,024	53. Regulatory Liabilities	0
		54. Other Deferred Credits	5,544,071
		55. Total Liabilities and Other Credits (35+ 41 + 44 + 52 thru	
		54)	117,344,024