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ORIGINAL

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MEMORANDUM

TO: Docket Control

FROM: Ernest G. Johnson  
Director  
Utilities Division

DATE: September 22, 2004

RE: STAFF REPORT FOR TRICO ELECTRIC COOPERATIVE, INC., APPLICATION FOR FINANCING AND PLEDGE OF ASSETS (DOCKET NO. E-01461A-04-0299)

Attached is the Staff Report for Trico Electric Cooperative, Inc. application for financing authorization and pledge of assets. Staff recommends approval.

EGJ:JHJ:red

Originator: J. H. JOHNSON

Attachment: Original and sixteen copies

Arizona Corporation Commission

DOCKETED

SEP 22 2004

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Service List for: Trico Electric Cooperative, Inc.  
Docket No. E-01461A-04-0299

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Waterfall Economidis Caldwell  
Hanshaw & Villamana, P.C.  
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Arizona Corporation Commission  
1200 West Washington Street  
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Mr. Ernest G. Johnson,  
Director, Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

**STAFF REPORT  
UTILITIES DIVISION  
ARIZONA CORPORATION COMMISSION**

**TRICO ELECTRIC COOPERATIVE, INC.  
DOCKET NO. E-01461A-04-0299**

**APPLICATION FOR A  
FINANCING AUTHORIZATION**

**SEPTEMBER 2004**

## STAFF ACKNOWLEDGMENT

The Staff Report for Trico Electric Cooperative, Inc., Docket No. E-01461A-04-0299 was the responsibility of the Staff members listed below: J. H. Johnson was responsible for the review and financial analysis of the Company's application. Prem Bahl was responsible for the engineering and technical analysis.



J. H. JOHNSON  
PUBLIC UTILITIES ANALYST III



PREM BAHL  
UTILITIES ENGINEER (ELECTRICAL)

## EXECUTIVE SUMMARY

Trico Electric Cooperative, Inc., ("Trico" or "Cooperative"), a non-profit member owned cooperative, filed an application for financing authorization to borrow \$57,992,000 on April 19, 2004, from the United States of America, or guaranteed by the United States of America, through the Rural Utilities Service ("RUS"), to finance the construction of additional and supplemental facilities to provide for expected growth in its service territory and maintain its plant in sound operating condition. Trico's application with RUS was made in February, 2004.

Trico serves 28,959 customers, as of the application date, in a service area ranging from Mt. Lemmon on the north side of Tucson to areas west and south of Tucson to Sasabe on the Mexican border. Trico expects customers to total approximately 30,249 by the end of 2004.

The Cooperative is borrowing funds to support customer growth as outlined in the attached Engineering Report. Construction and borrowing decisions are made on a project-by-project basis. Revenues from customer growth provide cash flow to support additional debt balances. If customer growth is less than anticipated, the Cooperative can reduce construction, capital spending and borrowing.

The proposed financing is long-term debt financing in the amount of \$57,992,000 with advances to be made over a four-year period beginning in 2005. Trico has qualified for "Hardship Financing" which means that all funds advanced will be priced at 5 percent per annum, fixed, for the life of the credit facility. To retain the 5 percent per annum fixed rate, Trico must receive approval from the Arizona Corporation Commission ("Commission") before December 31, 2004, to retain the "Hardship" designation.

Staff concludes that the proposed uses of funds are appropriate and that authorization to incur \$57,992,000 of debt for those purposes is compatible with the public interest, compatible with sound financial practices, and will not impair its ability to provide public service.

Staff is concerned with the anticipated high debt level and recommends that Trico file a capital plan to improve/maintain equity to a minimum of 30 percent of its capital structure.

Staff recommends granting authorization to borrow an amount not to exceed \$57,992,000 under the terms and conditions and for the purposes described in the application.

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ENGINEERING REPORT

NOTICE

## **Introduction**

Trico Electric Cooperative, Inc., (“Trico” or “Cooperative”), a non-profit member owned cooperative, filed an application on April 19, 2004, with the Arizona Corporation Commission (“Commission”) for financing authorization to borrow \$57,992,000 from the United States of America, or guaranteed by the United States of America, through the Rural Utilities Service (“RUS”) to finance the construction of additional and supplemental facilities to provide for expected growth in its service territory and maintain its plant in sound operating condition. Trico’s application with RUS was made in February 2004.

## **Notice**

Notice of the Application for Financing Authorization was published in *THE DAILY TERRITORIAL* on May 6, 2004, in the *NOGALES INTERNATIONAL* on May 7, 2004, and in the *CASA GRANDE DISPATCH* on May 6, 2004. All are newspapers of general circulation in the areas served by Trico. Affidavits of publication and the notices are attached.

## **Background**

Trico serves 28,959 customers, as of the application date, in a service area ranging from Mt. Lemmon on the north side of Tucson to areas west and south of Tucson, to Sasabe on the Mexican border. Trico expects customer totals of 30,249 by the end of 2004.

Portions of the Cooperatives service territory are sparsely populated, but the other areas including Avra Valley, Sahuarita, and Three Points are experiencing rapid growth via new subdivisions. Trico has no generating capacity of its own and has contracted with Arizona Electric Power Cooperative (“AEPSCO”) for the majority of its electric power supply. Trico serves as a conduit for power by providing the lines, substations, switches, transformers, meters, and administrative functions for customers.

## **Purpose of Financing**

The Cooperative is borrowing funds to support customer growth as outlined in the attached Staff Engineering Report. Construction and borrowing decisions are made on a project-by-project basis. Revenues from customer growth provide cash flow to support additional debt balances.

## **Description of Proposed Financing**

The proposed financing is long-term debt in the amount of \$57,992,000 with advances to be made over a four-year period beginning in 2005. Trico has qualified for “Hardship Financing” which means that all funds advanced will be priced at 5 percent per annum and fixed for the life of the credit facility. TRICO must receive approval from the Commission by December 31, 2004, to retain the “Hardship designation,” and the 5 percent per annum fixed rate.

Advances from the proposed long-term financing will retire short-term debt annually until the long-term debt is fully funded. Plant construction work for 2004 will be funded by a drawdown in 2005.

Anticipated funding dates for the proposed long-term debt follows:

2005	\$15,039,773
2006	\$14,203,316
2007	\$14,646,719
2008	\$14,102,192

### **Financial Analysis**

Staff used extensive financial analysis and forecasting models provided by Trico. The forecasting is for the next 10 years, however, due to unforeseen future financial performance, forecasted results may not be attained. Staff places most credence in the forecast for 2005, as it is near term, no funds are to be drawn until then, and it is most likely to be close to actual performance. If customer growth is less than anticipated, the Cooperative can reduce construction, capital spending and borrowing.

The Cooperative's forecast indicates that with the drawdown of loan funds for 2005, shown above, the times interest earned ratio ("TIER") and debt service coverage ratio ("DSC") for 2005 are, respectively, 1.31 and 1.79. Staff's calculations, as shown on Schedule JHJ-1, are the same for TIER and slightly lower for DSC. In both cases, the ratios exceed RUS requirements.

DSC represents the number of times internally generated cash will cover required principal and interest payments on long-term debt. A DSC ratio greater than 1.0 indicates that operating cash flow is sufficient to cover debt obligations. A DSC less than 1.0 means that debt service obligations cannot be met by cash generated from operations and that another source of funds is needed to avoid default.

TIER represents the number of times earnings will cover interest expense on long-term debt. A TIER ratio greater than 1.0 means that operating income is greater than interest expense. A TIER less than 1.0 is not sustainable in the long term but does not necessarily mean that debt obligations cannot be met in the short term.

The addition of \$15,039,773 long-term debt in 2005 would result in a capital structure comprised of 71.1 percent long-term debt, 27.4 percent common equity and 1.4 percent short-term debt. The high debt level is mitigated by DSC and TIER ratios that exceed the minimums required by RUS.

The Cooperative's forecast predicts that equity will decrease to a low of 20.25 percent of capitalization in 2009 and increase slightly thereafter. The forecasts also reflect 5 percent rate

increases for the years 2005 and 2010 to keep Trico within TIER and DSC lender requirements. Recent Commission decisions have supported Staff's recommendations to recognize 70 per cent debt as a reasonable limit. The Cooperative should develop a capital plan to achieve a more balanced capital structure.

The Cooperative has a \$25,000,000 revolving line of credit authorized in Decision No. 66729, dated February 13, 2004, that is used for actual construction financing.

### **Compliance**

Trico is in compliance with various rulings of the Arizona Corporation Commission.

### **Staff Conclusions and Recommendations**

Staff concludes that the proposed uses of funds are appropriate and that authorization to incur \$57,992,000 of debt for those purposes is lawful, within the corporate powers of the applicant, compatible with the public interest, compatible with sound financial practices, and will not impair its ability to provide public service.

Staff further concludes that the plant expenditures listed in capital projects are necessary for Trico to operate and maintain the electric system in a safe and reliable manner and the expenditure amounts associated with these projects appear to be reasonable.

Staff recommends granting authorization to borrow an amount not to exceed \$57,992,000 under the terms and conditions and for the purposes described in the application.

Staff further recommends that Trico be ordered to provide to the Commission within 60 days of closing of the loans, copies of all executed loan documents. Such copies are to be filed with Docket Control.

Staff further recommends that Trico docket a capital plan, within six months of the decision in this case, which will demonstrate how Trico will improve and or maintain its equity position at not less than 30 percent of total capital by December 31, 2009.

**FINANCIAL ANALYSIS**

Selected Financial Data  
Including Immediate Effects of the Proposed Debt

	[A] <u>Pro Forma 2005</u>	
1 Operating Income	\$ 5,056,291	
2 Depreciation & Amort.	4,191,631	
3 Income Tax Expense	0	
4		
5 Interest Expense	3,643,826	
6 Repayment of Principal	1,775,647	
7		
8		
9 <b>TIER</b>		
10 [1+3] ÷ [5]	1.39	
11 <b>DSC</b>		
12 [1+2+3+5] ÷ [5+6]	1.71	
13		
14		
15		
16		
17		
18 Short-term Debt	\$1,775,647	1.4%
19		
20 Long-term Debt	\$87,730,564	71.1%
21		
22 Common Equity	\$33,860,122	27.4%
23		
24 <b>Total Capital</b>	<b>\$123,366,333</b>	<b>100.0%</b>
25		
26		
27		

## MEMORANDUM

TO: James Johnson  
Public Utility Analyst III  
Utilities Division

FROM: Prem Bahl *Prem*  
Electric Utilities Engineer  
Utilities Division

THRU: Del Smith *DS*  
Engineering Supervisor  
Utilities Division

DATE: September 10, 2004

SUBJECT: TRICO ELECTRIC COOPERATIVE, INC.'S FINANCING  
APPLICATION DATED APRIL 19, 2004; (DOCKET NO. E-01461A-  
04-0299)

Trico Electric Cooperative, Inc. ("Trico" or "Cooperative") submitted an application to the Arizona Corporation Commission ("Commission") for authorization to borrow \$57,992,000 from, or guaranteed by, the United States of America through the Rural Utility Service ("RUS"), and from the National Rural Utilities Cooperative Finance Corporation. The purpose of this loan is to provide financing for the Cooperative's 2004-2007 Construction Work Plan ("Plan" or "Work Plan"). This loan amount will enable Trico to invest in electric utility infrastructure in terms of upgrades and new additions to the existing distribution and transmission system to meet the projected customer demand in a reliable manner.

### **Utility Overview**

Trico is an all-requirement cooperative, receiving all of its power supply from Arizona Electric Power Cooperative ("AEPSCO"). It is delivered to Trico through the transmission system of Southwest Transmission Cooperative, Inc. ("SWTC"). Currently, Trico provides electric power to approximately 28,959 retail members over approximately 2,723 miles of energized lines, including 22 miles of transmission lines, 1,468 miles of overhead distribution lines and 1,233 miles of underground distribution

cables. Trico serves an area around the City of Tucson approximately 25 miles to the west, 50 miles to the south, 15 miles to the east, and 20 miles to the north. Trico also serves in the Arivaca and Sasabe areas, and in the Baboquivari Mountains. The Cooperative's service territory is located within SWTC's Control Area<sup>1</sup>. The Cooperative's retail load peaked at 113.8 MW in 2003. A geographical layout of Trico's present and proposed substations is attached as Exhibit 1.

### **Review of Capital Projects**

Staff has reviewed Trico's 2004-2007 Construction Work Plan. In assessing the Plan, Staff utilized the following criteria.

- Does the Plan adequately address the needs of the projected customer and load growth in Trico's service territory?
- Are the capital expenditures on transmission and distribution infrastructure upgrades and new additions appropriate and reasonable?
- Is the Cooperative operating and maintaining its electric system in a reliable manner?

### **Customer and Load Growth**

Historically, Trico's total number of customers grew from 16,043 in 1994 to 28,197 in 2003. The Trico distribution system load increased from 57.2 MW to 113.8 MW in the same period. These are average increases of 7.58 percent and 9.9 percent, respectively, per year for the ten year period. Most of this growth has been in the residential sector, although there has been large power growth with new loads such as City of Tucson's water recovery project and a new casino load. Trico's peak load is projected to grow from 113.8 MW in 2003 to 135.1 MW in 2007, which is only 3.75 percent average increase per year in this time period.

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<sup>1</sup> A Control Area monitors actual and scheduled transmission transactions to assure load and generation are balanced within its system and power flows are within the ratings of the transmission facilities.

Trico staff, in collaboration with Patterson and Ellett consultants, prepared 2004 – 2023 Long Range Plan (“LRP”) in May 2004. According to this LRP, Trico projected an average customer growth from 28,197 in 2003 to 129,610 customers in 2023, including 9,744 customers at Willow Springs, an area north of Oracle Junction for which Trico has a Certificate of Convenience and Necessity (“CC&N”) extension application currently pending before the Commission. While Staff does not take a position on the CC&N extension Application in this case, assuming Trico’s request is granted, the Cooperative’s total customer load is projected to increase from 113.8 MW in 2003 to 487.6 MW in 2023, which includes 38.9 MW load at Willow Springs. This phenomenal growth of load is due to new residential subdivisions and shopping malls, and other commercial institutions such as high schools and colleges envisioned in the Cooperative’s service area.

### **Projected Capital Expenditures**

Staff has reviewed the Cooperative’s 2004-2007 Construction Work Plan, which enumerates capital expenditures on transmission and distribution system upgrades and new infrastructure. These expenditures relate to new underground and overhead distribution lines for line extensions to new customers, new tie lines; conversions and line upgrades in distribution lines; new substations (33 MVA Mobile Substation in 2004; Sandario Substation in 2005; Saddlebrooke Ranch Substation in 2006; and Red Rock Substation in 2007); substation upgrades, such as increasing capacity at Avra Valley and Three Points Substations in 2004; addition of new equipment, such as transformers, meters, and voltage regulators; security lights; and new transmission lines to the aforementioned new substations. The Plan also includes a provision for replacing wooden poles and other distribution system items, costing \$3.03 million, and \$93,600 for wooden crossarm replacements on the Green Valley 69 kV line. The following table summarizes the annual capital expenditures for the 2004-2007 Work Plan totaling \$55,839,491. The difference between Trico’s requested loan amount of \$57,992,000 and the Work Plan amount of \$55,839,491 is \$2,152,509. This difference is a reimbursement

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to Trico's General Funds for projects completed between the previous Work Plan 2000-2003 and the current Work Plan.

**SUMMARY OF CONSTRUCTION WORK PLAN 2004-2007**  
**(Expenditures in Dollars)**

<b>CAPITAL PROJECTS</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>TOTAL</b>
New Underground and Overhead Distribution Lines (Less Contributions)	4,917,322	4,533,597	5,094,638	5,370,896	<b>19,916,453</b>
New Feeders and Tie Lines	1,716,000	2,005,000	1,807,000	750,000	<b>6,278,000</b>
Conversions and Line Upgrades	1,990,250	2,337,600	610,000	0	<b>4,937,850</b>
New Substations	1,660,000	550,000	700,000	2,273,000	<b>5,183,000</b>
Substation Upgrades and Additions	80,000	0	0	0	<b>80,000</b>
New Equipment And Replacements	2,392,369	3,449,623	4,643,408	2,817,445	<b>13,302,845</b>
Security Lights	11,220	11,444	11,673	11,906	<b>46,243</b>
New Transmission Lines	1,301,500	0	1,780,000	2,920,000	<b>6,001,500</b>
Other Transmission Line Upgrades	93,600	0	0	0	<b>93,600</b>
<b>Yearly Totals</b>	<b>14,162,261</b>	<b>12,887,264</b>	<b>14,646,719</b>	<b>14,142,739</b>	<b>55,839,491</b>

Staff finds the items included in the list of capital projects are appropriate to meet new load growth and will enable Trico to operate and maintain the electric system in a safe and reliable manner, and the expenditure amounts associated with these projects appear to be reasonable.

### **System Reliability**

The Cooperative has included in its Work Plan upgrades and needed additions of distribution and transmission facilities for reliable operation of its system. There is a provision in the Work Plan for new voltage regulators and shunt capacitors to maintain proper voltages on the system. The building of the new Sandario; Saddlebrooke, and Red Rock Substations with new distribution feeders will enable the Cooperative to meet the projected system load in a reliable manner.

### **Customer Outage Hours**

Trico's outage hours per consumer varied between 1.817 and 3.052 for the 1994-2003 period, showing an average of 2.48 outage hours per consumer per year. This is well within the RUS guidelines of 5 outage hours per consumer per year. This shows that the Cooperative is providing reliable service to its customers and responding to emergencies in a timely manner.

### **System Losses**

Trico's annual system losses ranged between 3.79 percent in 1998 and 4.89 percent in 2003. These losses are well within the industry guidelines of 10 percent per year for rural electric cooperatives.

### **System Inspection**

On July 12, 2004, Staff visited the offices of Trico in Tucson and met with Marv Ethey, General Manager, and Charles Emerson, Manager, Technical Services. Staff discussed with Mr. Emerson the details of Trico's Plan. He explained the need and justification of various projects included in the Plan. Mr. Emerson described the various

actions the Cooperative had recently taken to improve reliability of the system. Some of these steps included balancing the load on various feeders by upgrading and adding tie lines, such as in the Marana Estates, Davis Ranch, McGee Ranch, Fagan Ranch, and in Rudasill and Picture Rock areas. In May 2004, Trico also completed the Sahuarita to Corona double circuit 24.9 kV line. The upper circuit of this line is designed for 69 kV to meet future load growth. At the Avra Valley 115 kV Substation, a 20 MVA transformer was replaced by a 50 MVA transformer to meet increased load demand. This 20 MVA transformer was moved to Three Points, where it replaced a 7.5 MVA transformer, which was retired.

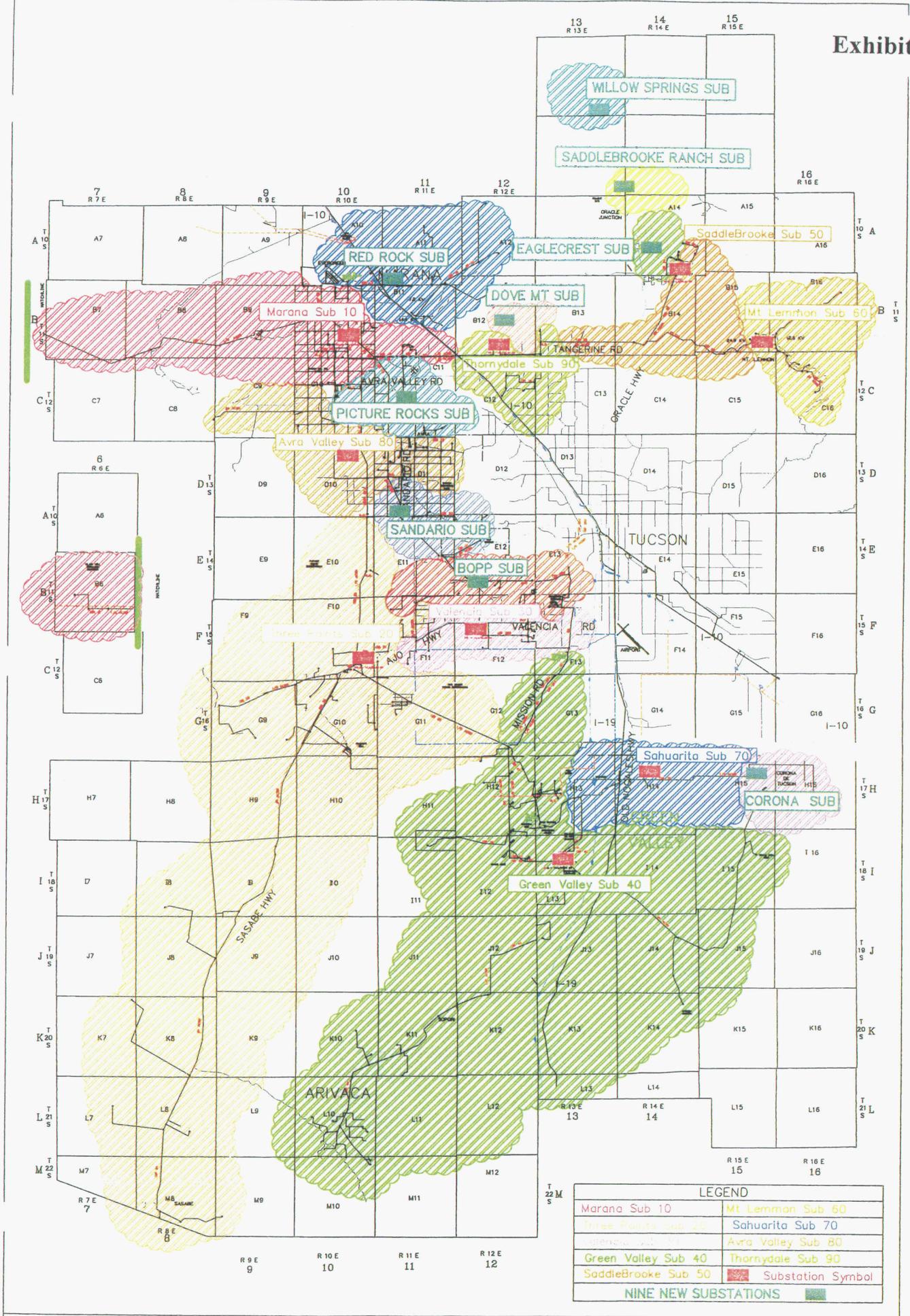
One of the important developments occurring in Trico's area is the construction of the Sandario 115 kV Substation in 2005 in the lower Avra Valley. Presently, the load in this area is approximately 7.5 MW, and is being served by feeders from the Avra Valley, Three Points and Valencia Substations. The new Sandario Substation would be served by a new 5 mile long 115 kV double circuit line from a tap point on the existing Avra Valley to Three Points 115 kV line. This line would be owned by Southwest Transmission Cooperative ("SWTC"). SWTC has recently applied to the Arizona Power Plant and Transmission Line Siting Committee for a Certificate of Environmental Compatibility for this line. The proposed 50 MVA transformer at the Sandario Substation would be adequate to serve the load for several years to come. In 2014, Trico proposes to bring in a tap from the proposed Saguaro to Bopp 230 kV line into this substation to meet the load growth in the Avra Valley and the Three Points areas.

Accompanied by Mr. Emerson, Staff visited the 46 kV Thornydale Substation. The power to this substation is wheeled over a 46 kV line from Tucson Electric Power Company's North Loop Substation. This substation was properly maintained. The

transformer and the circuit breakers were properly grounded. This substation serves a large subdivision of residential customers, with a total load of approximately 10 MW.

### **Conclusion**

Based on the aforementioned review of Trico's distribution projects as included in its 2004-2007 Construction Work Plan, system inspection, and other information, Staff believes that these projects are appropriate to meet the projected demand of the Cooperative's new customers and will help ensure system reliability through the upgrade of existing electric facilities; replacement of wooden poles and aged underground cables; and the addition of new transmission and distribution facilities. Staff also relied on the responses to Staff's data requests (both written and verbal) received from the Cooperative's officials. Staff further concludes that the costs associated with these projects appear to be reasonable. However, this does not imply a specific treatment for rate base or rate making purposes.



LEGEND	
Marana Sub 10	Mt Lemmon Sub 60
Three Points Sub 20	Sahuarita Sub 70
Picture Rocks Sub	Avra Valley Sub 80
Green Valley Sub 40	Thornydale Sub 90
SaddleBrooke Sub 50	Substation Symbol
NINE NEW SUBSTATIONS	



SCALE 1"=0.5 MILE

TRICO ELECTRIC COOPERATIVE, INC.  
MARANA, ARIZONA  
ARIZONA POWER

SUBSTATION MAP

**AFFIDAVIT OF PUBLICATION**

STATE OF ARIZONA)

:SS.

COUNTY OF PIMA )

AMANDA PESQUEIRA

being first

duly sworn, deposes and says that (he) (she) is the **Legal Advertising Manager** of **THE DAILY TERRITORIAL**, a daily newspaper printed and published in the County of Pima, State of Arizona, and of general circulation in the City of Tucson, County of Pima, State of Arizona and elsewhere, and the hereto attached

TRICO ELECTRIC  
COOPERATIVE, INC  
PUBLIC NOTICE

was printed and published correctly in the regular and entire issue of said **THE**

**DAILY TERRITORIAL** for **MAY** issues that was first made

on the **20<sup>th</sup>** day of

and the last publication thereof was made on the **04<sup>th</sup>** day of

**20** ; that said publication

was made on each of the following dates, to-wit:

Request of

WATERFALL ECONOMIDIS CALD

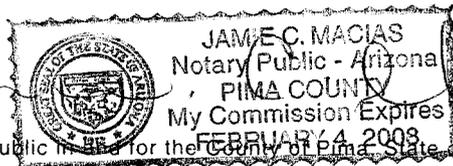
**The Daily Territorial**

By *Amanda Pesqueira*  
Subscribed and sworn to before me this \_\_\_\_\_ day of

**20<sup>th</sup>** **MAY**

**04**

*James C. Macias*  
Notary Public in and for the County of Pima, State of Arizona



My Commission Expires:

*2/24/08*

**PUBLIC NOTICE OF  
THE APPLICATION FOR AN ORDER  
AUTHORIZING THE  
ISSUANCE OF LOAN DOCUMENTS IN  
CONNECTION WITH A LOAN BY  
TRICO ELECTRIC  
COOPERATIVE, INC.**

TRICO ELECTRIC COOPERATIVE, INC., an Arizona nonprofit corporation (Applicant), has filed an Application with the Arizona Corporation Commission (Commission) for an order authorizing Applicant to borrow \$57,992,000 from, or guaranteed by the United States of America through the Rural Utilities Service. The Application is available for inspection during regular business hours at the offices of the Commission in Phoenix, Arizona, and Applicant's office at 8600 West Tangerine Road, Marana, Arizona 85653.

Intervention in the Commission's proceedings on the Application shall be permitted to any person entitled by law to intervene and having a direct substantial interest in this matter. Persons desiring to intervene must file a Motion to Intervene with the Commission which must be served upon Applicant and which, at a minimum, shall contain the following information:

1. The names, addresses and telephone number of the proposed intervenor and of any person upon whom service of documents is to be made if different than the intervenor.
2. A short statement of the proposed intervenor's interest in the proceeding.
3. Whether the proposed intervenor desires a formal evidentiary hearing on the Application and the reasons for such a hearing.
4. A statement certifying that a copy of the Motion to Intervene has been mailed to Applicant.

The granting of Motions to Intervene shall be governed by A.A.C. R14-3-105, except that all Motions to Intervene must be filed on, or before, the 15th day after this notice is published.

**DATED: May 5, 2004**

**Pub: The Daily Territorial**

**May 6, 2004**

**pntricoelectric ap**

**LEGAL NOTICE**

PUBLIC NOTICE OF THE APPLICATION FOR AN ORDER AUTHORIZING THE ISSUANCE OF LOAN DOCUMENTS IN CONNECTION WITH A LOAN BY TRICO ELECTRIC COOPERATIVE, INC.

TRICO ELECTRIC COOPERATIVE, INC., an Arizona non-profit corporation (Applicant), has filed an Application with the Arizona Corporation Commission (Commission) for an order authorizing Applicant to borrow \$57,992,000 from, or guaranteed by the United States of America through the Rural Utilities service. The Application is available for inspection during regular business hours at the offices of the Commission in Phoenix, Arizona, and Applicant's office at 8600 West Tangerine Road, Marana, Arizona 85653.

Intervention in the Commission's proceedings on the Application shall be permitted to any person entitled by law to intervene and having a direct substantial interest in this matter. Persons desiring to intervene must file a Motion to Intervene with the Commission which must be served upon Applicant and which, at a minimum, shall contain the following information:

1. The names, addresses and telephone number of the proposed intervenor and of any person upon whom service of documents is to be made if different than the intervenor.
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Dated: May 5, 2004

Pub 5/7  
Req Waterfall, Economidis, Caldwell, Hanshaw and Villamana, P.C.

**AFFIDAVIT OF PUBLICATION**

STATE OF ARIZONA

COUNTY OF SANTA CRUZ

} ss.

BOB KIMBALL being of first duly sworn, deposes and says: that he/she is PUBLISHER of the NOGALES INTERNATIONAL, a newspaper published in the County of Santa Cruz, State of Arizona, and of general circulation in said County, State and elsewhere, and that the hereto attached legal notice

PUBLIC NOTICE

was printed and published correctly in the regular and entire issue of said NOGALES INTERNATIONAL for 1 issues; that the first publication was made on the 7 day of MAY, 20 04, and the last publication thereof was made on the 7 day of MAY, 20 04.

**NOGALES INTERNATIONAL**

By [Signature]  
Subscribed and sworn to before me this MAY day of 7, 20 04.

[Signature]  
Notary Public



**Affidavit of Publication**

STATE OF ARIZONA  
COUNTY OF PINAL

} ss.

PUBLIC NOTICE  
OF  
THE APPLICATION FOR AN  
ORDER AUTHORIZING THE  
ISSUANCE OF LOAN DOCUMENTS  
IN CONNECTION WITH  
A LOAN BY TRICO ELECTRIC  
COOPERATIVE, INC.  
TRICO ELECTRIC COOPERATIVE,  
INC., an Arizona nonprofit corporation  
(Applicant), has filed an Application with  
the Arizona Corporation Commission  
(Commission) for an order authorizing  
Applicant to borrow \$57,992,000 from, or  
guaranteed by the United States of  
America through the Rural Utilities  
Service. The Application is available for  
inspection during regular business hours  
at the offices of the Commission in  
Phoenix, Arizona, and Applicant's office at  
8600 West Tangerine Road, Marana,  
Arizona 85653.

Intervention in the Commission's pro-  
ceedings on the Application shall be per-  
mitted to any person entitled by law to  
intervene and having a direct substantial  
interest in this matter. Persons desiring to  
intervene must file a Motion to Intervene  
with the Commission which must be  
served upon Applicant and which, at a  
minimum, shall contain the following infor-  
mation:

The names, addresses and telephone  
number of the proposed intervenor and of  
any person upon whom service of docu-  
ments is to be made if different than the  
intervenor.

A short statement of the proposed inter-  
venor's interest in the proceeding.

Whether the proposed intervenor  
desires a formal evidentiary hearing on the  
Application and the reasons for such a  
hearing.

A statement certifying that a copy of the

DONOVAN M. KRAMER, SR. first being duly  
sworn deposes and says: That he is a native born citizen of  
the United States of America, over 21 years of age, that he is  
publisher of the Casa Grande Dispatch, a daily newspaper  
published at Casa Grande, Pinal County, Arizona, Monday  
through Saturday of each week; that a notice, a full, true and  
complete printed copy of which is hereunto attached, was  
printed in the regular edition of said newspaper, and not in a  
supplement thereto, for ONE ~~XXXXXXXX~~ issues the first  
publication thereof having been on the 6<sup>TH</sup>

day of MAY A.D., 2004

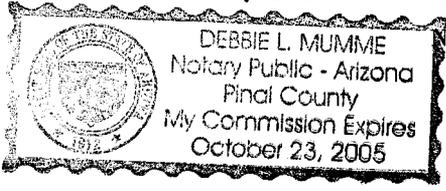
- Second publication \_\_\_\_\_
- Third publication \_\_\_\_\_
- Fourth publication \_\_\_\_\_
- Fifth publication \_\_\_\_\_
- Sixth publication \_\_\_\_\_

**CASA GRANDE DISPATCH**

By Donovan M. Kramer  
DONOVAN M. KRAMER SR., Publisher

Sworn to before me this 10<sup>th</sup>

day of May A.D. 2004  
Debbie L. Mumme



Notary Public in and for the County  
of Pinal, State of Arizona