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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

IN THE MATTER OF THE APPLICATION OF
SOUTHWEST TRANSMISSION COOPERATIVE,
INC. FOR AUTHORIZATION TO INCUR DEBT
AND SECURE LIENS IN ITS PROPERTY TO
FINANCE ITS CONSTRUCTION WORK PLAN

DOCKET NO. E-04100A-06-0058

AMENDED APPLICATION

GALLAGHER & KENNEDY, P.A.
2575 E. CAMELBACK ROAD
PHOENIX, ARIZONA 85016-9225
(602) 530-8000

Pursuant to A.R.S. § 40-301, *et seq.*, Southwest Transmission Cooperative, Inc.
("SWTC" or the "Cooperative") in support of its Amended Application states as follows:

1. SWTC is an Arizona non-profit electric transmission cooperative which supplies the transmission service needs of its Class A and Class B members.
2. On February 1, 2006, SWTC filed an Application in this Docket requesting Commission approval to secure \$58.015 million in debt to finance its Construction Work Plan for 2005-2008 ("CWP"). For the reasons discussed below, SWTC amends this request to lower its debt authorization to \$49.575 million and to remove its request for interim CFC financing.
3. Planning for the CWP began in 2004. Based upon a variety of factors, including expected growth of the member distribution cooperative's loads and related transmission needs, required new transmission lines or stations to accommodate that growth as well as anticipated repairs or replacements of existing plant, the CWP is formulated for the next several years. Cost estimates are also prepared for the individual projects which comprise the CWP. As discussed at paragraphs 5-7 of the original Application, this process, however, is dynamic, not static. Through the multi-year process of formulation, RUS and Commission loan approval and

1 implementation of the CWP, various assumptions change and, as a result, the CWP will need to
2 be adjusted as well.

3 4. SWTC has completed a re-evaluation of the CWP. Attached as Exhibit A is a
4 revised schedule which provides detail on the transmission improvements, upgrades and
5 replacements which currently comprise the CWP. The primary reasons for the differences
6 between the revised Exhibit A and the schedule attached as Exhibit B to the original Application
7 fall into three categories: (a) certain projects originally thought to be needed in this CWP are
8 being moved to a future work plan, (b) the timing of other projects has been accelerated into this
9 CWP and (c) in certain cases, cost estimates have been revised. The overall result is that the
10 total amount to be financed has been lowered to \$49.575 million from the original request of
11 \$58.015 million.

12 5. As discussed at paragraphs 5-7 of the original Application, these developments
13 further reinforce SWTC's request that the Commission authorize it to borrow up to \$49.575
14 million to fund its CWP "as the CWP may be amended by SWTC from time to time." This
15 authorization will limit borrowing to the approved amount, but also will allow the Cooperative
16 flexibility to adjust specific projects within the CWP. It will save both the Commission and
17 SWTC time and resource in processing further amendments as the work plan is carried out over
18 the next several years.

19 6. Finally, because the RUS has advised SWTC that it should take action on the loan
20 request by June 30, 2006, SWTC also withdraws its request that the Commission authorize CFC
21 interim funding for the CWP.

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1 **Copies** of the foregoing delivered
this 8th day of May, 2006, to:

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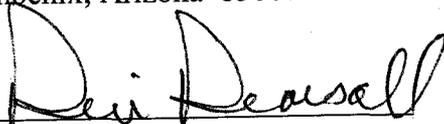
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EXHIBIT A

Southwest Transmission Cooperative, Inc. C-8 Loan
REVISED

4/11/2006

740C	Project Name	Project No.	Total Est.
800	Transmission Lines		
800.3	Apache/Hayden-San Manuel Interconnection (115kV Line)	5000566011	\$2,992,473.00
800.4	Central AZ Project (CAP) - Valencia 115kV Line	5000604011	\$1,620,914.00
800.5	Riveria Second 230kV Line Palo Verde/Hassyampa to Pinal West Line	5000742011	\$1,949,774.00
800.7	(participation)	5000607011	\$3,350,658.00
900	New Substations, Switching Stations		
900.1	Saddlebrooke Ranch Substation (including APS tap)	5000470010	\$2,811,856.00
900.2	Pinal West Substation (participation)	5000607010	\$3,310,833.00
900.5	Apache/Hayden - San Manuel Interconnection Switchyard	5000566010	\$3,067,757.00
900.6	Termination Facilities for Central Arizona Project (CAP) - Valencia 115kV line - CAP End	5000604012	\$1,338,882.00
900.7	Riveria Tap Switchyard (tap of Western's Parker- Davis No. 1 Line)	5000742012	\$2,977,357.00
1000	Line and Station Changes		
1000.1	Kartchner Substation Upgrade	5000601010	\$1,991,783.00
1000.2	Kingman Tap Breaker 2752 & Relay Replacement (Western Area Power Administration)	5000740010	\$166,000.00
1000.3	Anza System Upgrade (SCE adds capacitor bank at their Idyllwild Substation)	5000201010	\$400,000.00
1000.4	Marana Tap Upgrade	5000602010	\$2,067,783.00
1000.5	Bicknell Substation Upgrade	5000603010	\$4,330,266.00
1000.6	Apache Spare 115/69kV Transformer Permanent Installation	5000684010	\$1,182,228.00
1000.7	New Valencia Switchyard for Central Arizona Project Line	5000604010	\$1,422,729.00
1000.8	Dos Condados Substation Upgrade	5000605010	\$2,919,789.00
1000.9	Sahuarita Substation Upgrade	5000606010	\$2,131,953.00
1000.10	Bicknell 230/115kV & 345/230kV Transformer Panel upgrades	5000685010	\$30,000.00
1000.11	Vail -Bicknell Relay Panel Upgrade	5000686010	\$15,000.00
1000.12	Bicknell-Vail Relay Panel Upgrade	5000687010	\$15,000.00
1000.13	Redtail 69kV Panels Upgrade	5000688010	\$40,000.00
1000.14	Redtail Transformer Panel Upgrade	5000689010	\$30,000.00
1000.15	Morenci-Greenlee Line Relay Upgrade	5000690010	\$30,000.00
1000.16	Pantano Transformer Panel Upgrade	5000691010	\$15,000.00
1000.17	Dos Condados 69kV Panel Upgrade	5000692010	\$25,000.00
1000.18	Dos Condados Transformer Panels Upgrade	5000693010	\$20,000.00
1000.19	Riveria 69kV Panels Upgrade	5000694010	\$80,000.00
1000.20	Apache 69kV Panels Upgrade	5000695010	\$80,000.00
1000.21	San Rafael 69kV Panels Upgrade	5000696010	\$60,000.00
1000.22	Kartchner 69kV Panels Upgrade	5000697010	\$60,000.00
1000.23	Redtail 230kV Oil Circuit Breaker (OCB) Replacement	5000698010	\$200,000.00
1000.25	Pantano 230kV Oil Circuit Breaker (OCB) Replacement	5000699010	\$200,000.00
1000.25	Dos Condados 230kV Oil Circuit Breaker (OCB) Replacement	5000700010	\$300,000.00
1000.26	Riviera Substation Upgrade Project	5000742010	\$3,487,194.00
1000.27	Westwing Tranformer Relocation (participation)	5000744010	\$750,000.00

Southwest Transmission Cooperative, Inc. C-8 Loan
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1101 Communications & SCADA

1101.1	Bullhead Substation Meter/RTU Upgrade	5000701010	\$20,000.00
1101.2	Bill Williams Meter/RTU Upgrade	5000702010	\$20,000.00
1101.3	Wellfield Meter/RTU Upgrade	5000703010	\$20,000.00
1101.4	Kingman Tap Meter/RTU Upgrade	5000704010	\$20,000.00
1101.5	Round Valley Meter/RTU Upgrade	5000705010	\$20,000.00
1101.6	Romney Meter/RTU Upgrade	5000706010	\$30,000.00
1101.7	Stewart Meter/RTU Upgrade	5000707010	\$20,000.00
1101.8	Mortenson Meter/RTU Upgrade	5000708010	\$10,000.00
1101.9	Davis Dam to Riviera Communications Upgrade	5000709010	\$80,000.00
1101.10	Riviera to Davis Dam Communications Upgrade	5000710010	\$80,000.00
	Greenlee to Morenci (SWTransco)		
1101.11	Communications Upgrade	5000711010	\$80,000.00
	Morenci (SWTransco) to Greenlee		
1101.12	Communications Upgrade	5000712010	\$80,000.00
1101.13	Guthrie Peak to Romney Digital Radio Upgrade	5000713010	\$80,000.00
1101.14	Romney to Guthrie Peak Digital Radio Upgrade	5000714010	\$80,000.00
1101.15	Willcox to Stewart Digital Radio Upgrade	5000715010	\$80,000.00
1101.16	Stewart to Willcox Digital Radio Upgrade	5000716010	\$80,000.00
1101.17	Hualapai to Round Valley Digital Radio Upgrade	5000717010	\$80,000.00
1101.18	Round Valley to Hualapai Digital Radio Upgrade	5000718010	\$80,000.00
1101.19	Hualapai to Bill Williams Digital Radio Upgrade	5000719010	\$80,000.00
1101.20	Bill Williams to Hualapai Digital Radio Upgrade	5000720010	\$80,000.00
1101.21	Hualapai to Kingman Tap Digital Radio Upgrade	5000721010	\$80,000.00
1101.22	Kingman Tap to Hualapai Digital Radio Upgrade	5000722010	\$80,000.00
1101.23	Hualapai to Wellfield Digital Radio Upgrade	5000723010	\$80,000.00
1101.24	Wellfield to Hualapai Digital Radio Upgrade	5000724010	\$80,000.00
1101.25	Texas Canyon T1 Capacity Upgrade	5000725010	\$65,000.00
1101.26	Vail T1 Capacity Upgrade	5000726010	\$50,000.00
1101.27	Substation Networking	5000727010	\$200,000.00
1101.28	Substation Networking	5000728010	\$200,000.00
1101.29	Substation Networking	5000729010	\$200,000.00
1101.30	Substation Networking	5000730010	\$200,000.00
1101.31	Vail to Bicknell Digital Radio Upgrade	5000731010	\$30,000.00
1101.33	Microwave Network Manager Upgrade	5000741010	\$60,000.00
1102	Line and Substation Ordinary Replacements		
1102.1	2005 Transmission Renewals/Replacements	5000732010	\$400,000.00
1102.2	2006 Transmission Renewals/Replacements	5000733010	\$400,000.00
1102.3	2007 Transmission Renewals/Replacements	5000734010	\$400,000.00
1102.4	2008 Transmission Renewals/Replacements	5000735010	\$400,000.00
1102.5	Pantano Battery & Charger Replacement	5000736010	\$15,000.00
1102.6	Marana Battery & Charger Replacement	5000737010	\$15,000.00
1102.7	Redtail Battery & Charger Replacement	5000738010	\$15,000.00
1102.8	Riviera Battery & Charger Replacement	5000739010	\$15,000.00
	Total		\$49,575,229.00