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BEFORE THE ARIZONA CORPORATION COMMISSION

JEFF HATCH-MILLER, CHAIRMAN
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
BARRY WONG

IN THE MATTER OF THE COMPLAINT OF THE BUREAU OF INDIAN AFFAIRS, UNITED STATES OF AMERICA, AGAINST MOHAVE ELECTRIC COOPERATIVE, INC. AS TO SERVICES TO THE HAVASUPAI AND HUALAPAI INDIAN RESERVATIONS	DOCKET NO. E-01750A-0579 BUREAU OF INDIAN AFFAIRS' STATEMENT OF FACTS IN SUPPORT OF ITS MOTION FOR PARTIAL SUMMARY JUDGMENT

The Bureau of Indian Affairs ("BIA") submits the following statement of facts in support of its motion for partial summary judgment.

1. Mohave Electric Cooperative, Inc. ("MEC") is an Arizona public service corporation regulated by the Arizona Corporation Commission ("ACC"). MEC's Answer and Motion to Dismiss BIA's Complaint filed on October 5, 2005 ("Answer"), p. 37, ¶ 1. In its articles of conversion, MEC's defined its objectives and purposes to be those that are set forth in the Arizona statutes governing electric utilities. MEC articles of conversion, Exhibit 1, at Art. V.

2. On October 1, 1981, the BIA contracted with MEC (the "Contract"). Exhibit 2. One purpose of the Contract was to supply electricity to existing and future residential and commercial users in a rural area of Arizona, on the Havasupai and Hualapai reservations. See Exhibit 2 at 00008.

3. MEC agreed to construct a 70 mile power line (the "Electric Line") from MEC's existing facilities, across the Hualapai Reservation, to a point of termination at the line side of the Long Mesa transformer. Contract, Exh. 2, at 00008. The Long Mesa transformer is located at the top of the Grand Canyon. See Contract, Exh. 2, at 00008-00017 (identifying Long Mesa as point of delivery and discussing government's delivery from Long Mesa to Havasupai Village). A line runs from that transformer to the bottom of the Canyon. Id. MEC would own the Electric Line as it sole

property. Contract, Exh. 2, at 00011. MEC also agreed that once it constructed the Electric Line, BIA's usage of electricity would be metered and billed at the end of the line at Long Mesa. See Exh. 2 at 00001 and 00008 (point of delivery is Long Mesa transformer).

4. To fund construction of the Electric Line, MEC was to obtain a 2% loan from the Rural Electrification Administration. Contract, Exh. 2, at 00017. The BIA reimbursed MEC for the cost of construction by paying MEC an annual "facility charge," one-twelfth due monthly. Contract, Exh. 2, at 00013-00014. The cost of constructing the Electric Line was $1,028, 277.37. Exhibit 3, February 4, 2005 letter to Robert Ellinger, p. 1. By early 1982, MEC had completed construction of the Electric Line and began delivering electricity along it. Exhibit 4, ¶ 2. In March 1991, the BIA paid MEC the balance of the cost to construct the Electric Line that had not previously been paid under the facility charge. Exhibit 5.

5. MEC has several large retail power customers, such as Chemstar and Cyprus Baghdad. Exhibit 6 at 00023. MEC contractually agreed to charge BIA for its electricity at a retail customer rate, schedule "L" or "large power." Contract, Exh. 2, at 00015. In addition to this retail rate for the electricity, the BIA paid MEC other charges, such as the cost of construction, sales taxes, property taxes, and an operation and maintenance fee. Contract, Exh. 2; Invoices, Exhibit 7. Moreover, MEC also charged a monthly fee of $4,582.60 per month for depreciation of the Electric Line. Exhibit 7, p. 2. At times, the depreciation charge was included in the "facilities charge." Exhibit 7, pp. 1 and 3. From January 1982 through March 1997, the BIA paid MEC $838,615.80 for depreciation (183 months at $4,5862.80 per month). See id.

6. The BIA has used, and continues to use, the electricity MEC transmits over the Electric Line in Havasupai Village to operate a BIA school and related facilities; government quarters for BIA teachers and law enforcement officers; a BIA detention facility; and a BIA maintenance building. Exhibit 4, ¶ 2. The Indian Health Services uses some of the electricity to operate a medical clinic at the bottom of the Grand Canyon. Id. Members of the Havasupai Tribe living in Havasupai Village are consumers of electricity MEC delivers over the Electric Line. Id. at ¶ 3. Members of the Havasupai Tribe living in Havasupai Village use the electricity MEC delivers

over the Electric Line to operate fans, evaporative coolers and refrigerators in their homes. Id. In the summer months, the temperatures in Havasupai Village sometimes exceed 100 degrees Fahrenheit. Id. While some members of the Havasupai Tribe have generators for temporary source of electricity, members residing in Havasupai Village have no other source of continuous electrical service other than the electricity MEC sends over the Electric Line. Id. at ¶ 4.

7. MEC provided electricity to the following 13 retail customers located along the Electric Line and on the Hualapai reservation (the "Hualapai Retail Customers"):

Account # 63626-000
Arizona Telephone Company
500' South Havasupai Tribal Electrical Syste
near 8th pole South of H-Frame
Long Mesa Tower
Allis Chalmers 15 Kva
S/N# 3800523
Meter # 87476817

Account # 44567-003
Diamond A Ranch
Camp 16 Suapi Line
Ermco 15 Kva
S/N# 59907005790
Meter #. 96866745

Account # 29740-001
Department of Interior
Fire Tower - Supai Road
Thornton Tower
Westinghouse 15 Kva
S/N# 83A440266
Meter # 86549384

Account # 896-084
Hualapai Tribal Council
Hunters Building - Youth Camp
15 Kva (Plate missing)
Meter # 95245102

Account # 896-084
Hualapai Tribal Council
Lake Circulation Pump
Youth Camp Pond
B & B 10 Kva
S/N# 86NH104-026
Meter # 88058929

Account # 896-060
Hualapai Tribal Council
Frazier Wells Pump
Well #1
Howard 15 Kva
S/N# 92244-4484
Westinghouse 15 Kva
S/N# 81A271882
Meter # 93703033

Account # 896-073
Hualapai Tribal Council
Frazier Wells Pump 2
Well #2
Ermco 15 Kva
S/N# 3924931238
Ermco 15 Kva
S/N# 3924931223
Ermco 15 Kva
S/N# 3924931257
Meter # 01365750

Account # 896-100
Hualapai Tribal Council
Water Well T28N R7W
Fish Pond
Transformers (see above)
Meter # 01684104Er

Account # 28135-001
Bravo, W C
Supai Line near Frazier Wells
RTE 10 Kva
SN# 4303728
Meter # 95528410

Mile Post 32
Recloser 55-25

Account # 451-055
TCIA - Department of Interior - BIA
Long Mesa Radio Repeater Site
Long Mesa End
Cooper 5 Kva
S/N# 9902093970
Meter # 61718916

Account # 896-027
Hualapai Tribal Council
Pump at Tank Well
Ermco 10 Kva
S/N# 30107311444
Meter # 97298158

Account # 44561-006
Cabin on Nelson Road
Ermco 10 Kva
SN# 30107311428
Meter # 57788387

See BIA complaint, ¶ 16, and MEC answer, p. 41, ¶ 14. MEC read the meters for these Hualapai Retail Customers and billed them directly. See id.; see also MEC invoices to Bravo, WC, account no. 28135, attached as Exhibit 8. For these Hualapai Retail Customers, MEC read their electrical meters, provided service calls, and billed these accounts. See id.; see also July 23, 2003 MEC letter to TCIA, attached as Exhibit 9. In July 2003, MEC wrote to the Hualapai Retail Customers and told them that the retail electric service MEC had provided to them had been "transferred to the BIA." Exhibit 9.

8. In its 1990 application for a rate increase, MEC included the Electric Line in its rate base. MEC Cost of Service Study, attached as Exhibit 10. Among other things, MEC's Cost of Service Study shows that the Electric Line was included in MEC's rate base to set the BIA rate; that over $1.3 million for the Electric Line was included in MEC's gross plant in service; that MEC was depreciating the value of the Electric Line as well as its metering capital on the Electric Line; that MEC allocated over $90,000 as working capital attributable to its Electric Line; that MEC charged its transmission expenses on its Electric Line; that MEC allocated in excess of $43,000 to its administrative expenses to its Electric Line; that MEC paid property taxes in excess of $29,000 on its Electric Line; and that MEC paid other taxes in excess of $4,000 on its Electric Line. Exhibit 10.

Moreover, MEC included its interest expense on its 2% construction loan in its application. See Exhibit 10, at 00054, note numbers 14190 and 14191.

9. In the ACC's decision about MEC's application for a rate increase (the "ACC 1990 Decision"), the ACC recognized that MEC was receiving substantial revenues from the BIA through the delivery of electricity over MEC's Electric Line. Exhibit 6 at 00019. The ACC changed the existing rate for the BIA from "Rate Schedule L (Large Power)" to "Contract Rate – Revised Exhibit '2'". See id. at 00024. The ACC 1990 Decision also provided that "[a]ll service provisions are specified in the contract." Id. One of those service provisions was that MEC's delivery point was the line side of the Long Mesa transformer. See Exh. 2 at 00001 and 00008.

10. In 1998, the ACC issued a decision regarding MEC and unbundled service tariffs. Exhibit 11. Neither MEC nor the ACC differentiated the BIA from MEC's other retail customers. See id.

11. In approximately March 1997, MEC switched the BIA from a contract rate to a large commercial rate. See Exhibit 12, p. 1 (where MEC charges the BIA its contractual facilities charge) and p. 2 (where there is no facilities charge and the KW demand charge is $9.75 (5,148.00/528.00; $9.75 was the effective ACC approved KW demand charge for large commercial and industrial retail customers. See Exhibit 6 at 00021).

12. On May 30, 1986, MEC filed with the ACC MEC's amended articles of incorporation. Exhibit 13. In its amendment, MEC acknowledged its service area extended to Long Mesa (the end of the Electric Line). Id. at 00007.

13. In the summer of 2003, MEC attempted to quit claim Electric Line to the BIA and the Hualapai and Havasupai Tribes. Exhibit 14.

14. In about 1998, MEC moved the BIA's meter from the Long Mesa transformer to MEC's Nelson substation, located at the beginning of the Electric Line. See MEC letter dated June 6, 1996 ("The transfer will require the relocation of the metering equipment from [sic] the present location near the Grand Canyon to a loaction near or at the Nelson Substation.") and BIA letter dated August 31, 1998 ('the Long Mesa Master Meter had been removed, and now the meter readings are

coming from the Nelson sub-station"), attached as Exhibit 15. And possibly as early as 1998 (but clearly by March 20, 2002), MEC began metering and charging BIA at MEC's Nelson substation. Exhibit 16, March 20, 2002 letter to the BIA. Exhibit 13.

15. Since February 2006 the flow of electricity over the Electric Line was interrupted 19 times. Exhibit 4, ¶ 5. All of these interruptions resulted from problems with the Electric Line at locations between the Nelson substation and the Long Mesa transformer. Id. For each outage, the BIA has had to pay for the repairs. Id. When an outage occurs along the Electric Line, the BIA informs MEC. Id. Sometimes, however, MEC has responded that no one from MEC was available to check the Electric Line. Id. Moreover, since at least March 2004, MEC has refused to perform routine maintenance on the Electric Line. See Exhibit 17, March 4, 2004 letter to the BIA.

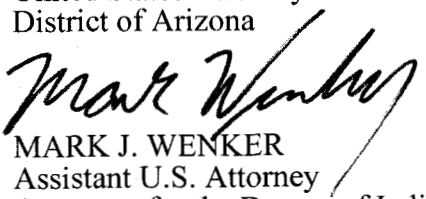
16. In the summer of 2004, ACC chairman Marc Spitzer attempted to broker a resolution. Exhibit 18, September 8, 2004 letter from ACC. The BIA, MEC, and others, including ACC staff, sought to piece together a resolution, but those efforts unfortunately failed. See id. ACC staff then wrote MEC's counsel and informed MEC:

> The first point on which Commission Staff holds a firm opinion relates to the jurisdictional nature of the Hualapai line. The evidence is clear that MEC constructed the line to serve the Havasupai Tribe. It is also clear that the line has been used to provide retail electric service to a number of customers over its length since it was built. Finally, it is clear that the line was included in rate base in MEC's most recent rate case and that rates were approved by the Commission and charged for service over the line. In Commission Staff's view, it is undeniable that this line is necessary and useful to MEC in the provision of electric service to its customers.
>
> The second, and perhaps most important point to be made on behalf of Commission Staff relates to MEC's purported abandonment or quitclaim transfer of the line. Quite apart from the position stated by representatives of the United States that such abandonment cannot be effectively made, it is Commission Staff's opinion that any attempted transfer of the line without Commission approval would be void pursuant to A.R.S. § 40-285. Without regard to whether MEC received a Certificate of Convenience and Necessity to serve a particular geographic area, having commenced service, it cannot be abandoned without Commission approval.
>
> * * *
>
> [I]t is crystal clear to Staff that MEC undertook an obligation to provide service as a public service corporation, obtained Commission approval of rates to charge, and included assets in rate base for recovery in rates. Under these circumstances, MEC cannot escape the obligation it has undertaken without first seeking Commission approval. (Emphasis added.)

Id.

Respectfully submitted this 16 day of September, 2006.

PAUL K. CHARLTON
United States Attorney
District of Arizona



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Original and 13 copies filed
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R. Lebario

EXHIBIT 1

ARTICLES OF CONVERSION

of the

MOHAVE ELECTRIC CO-OPERATIVE, INCORPORATED

PREAMBLE

MOHAVE ELECTRIC CO-OPERATIVE, INCORPORATED, filed its Articles of Incorporation with the Arizona Corporation Commission on the 3rd day of July, 1946, as a nonprofit corporation dealing in electrical energy. In 1952 the State Legislature of the State of Arizona passed the Electrical Cooperative Act to which existing electric cooperative, nonprofit corporations might convert in the manner outlined by the Revised Statutes of Arizona. It is the purpose of these Articles of the Mohave Electric Co-operative, Incorporated, to convert into a cooperative as defined by the Electrical Cooperative Act, by the adoption of the within articles which, pursuant to law, will hereafter be deemed the Articles of Incorporation of the cooperative.

ARTICLE I

The corporation as it now exists is Mohave Electric Co-operative, Incorporated, and the present address of its principal office is Kingman, Arizona. The name of the company as a cooperative shall be Mohave Electric Co-operative, Incorporated, and the address of its principal office as a cooperative shall be Post Office Box 711, Kingman, Arizona.

ARTICLE II

This corporation was organized under the statutes of the State of Arizona providing for the incorporation of a corporation not for profit and as set forth in Section 53-408, Arizona Code Annotated 1939.

ARTICLE III

The Mohave Electric Co-operative, Incorporated, elects to become a cooperative nonprofit membership corporation subject to the Electric Cooperative Act.

ARTICLE IV

The names and addresses of the directors of the cooperative are:

Russell Martin	Valentine, Arizona
N. T. Lause	Bullhead City, Arizona
Verner Evans	Sandy Route, Kingman, Arizona
James Curless	Peach Springs, Arizona
Donald J. Dilts	Valentine, Arizona
Sam Joy, Jr.	River Route, Kingman, Arizona
J. Mason Thompson	Bullhead City, Arizona
Harry L. Hofreiter	Kingman, Arizona
A. T. Bland	Wickiup, Arizona

ARTICLE V

The nature of the business of the corporation and the objects or purposes to be transacted, promoted or carried on by it are as provided in Article 10, Chapter 2, A.R.S. 1956.

ARTICLE VI

The statutory agent upon whom all notices and processes, including service of summons, may be served, shall be JOHNNIE R. RALEY of Kingman, Mohave County, Arizona.

ARTICLE VII

The corporate existence shall begin on the date these Articles are filed with the Corporation Commission and shall exist

and continue for twenty-five years thereafter, with the privilege of renewal as provided by law.

ARTICLE VIII

Section 1. Any person, firm, corporation or body politic may become a member in the corporation by:

(a) Paying the membership fee hereinafter specified;

(b) Agreeing to purchase from the corporation electric energy as hereinafter specified; and

(c) Agreeing to comply with and be bound by the articles of incorporation of the corporation and these bylaws and any amendments thereto and such rules and regulations as may from time to time be adopted by the board of directors, provided, however, that no person, firm, corporation or body politic shall become a member unless and until he or it has been accepted for membership by the board of directors or the members.

The bylaws may provide for appeal by an applicant to a meeting of the members. No person, firm, corporation or body politic may own more than one (1) membership in the corporation.

Section 2. The membership fee shall be five dollars ($5.00), but the bylaws may provide for additional fees to be paid by members requesting more than one service connection.

IN WITNESS WHEREOF, we, as the duly elected, authorized and acting directors, have hereunto set our hands and seals as such

directors in the County of Mohave, State of Arizona, on this 17th day of May, 1961.

RUSSELL MARTIN

N. T. LAUSE

VERNER EVANS

JAMES CURLESS

DONALD J. DILTS

SAM JOY, JR.

J. MASON THOMPSON

HARRY L. HOFREITER

A. T. BLAND

STATE OF ARIZONA }
COUNTY OF MOHAVE } ss.

On this, the 17th day of May, 1961, before me, a notary public in and for said county, presiding therein, duly commissioned and sworn, personally appeared RUSSELL MARTIN, N. T. LAUSE, VERNER EVANS, JAMES CURLESS, DONALD J. DILTS, SAM JOY, JR., J. MASON THOMPSON, HARRY L. HOFREITER and A. T. BLAND, known to me to be the persons whose names are subscribed to the foregoing articles of conversion, as corporators and who are also names therein as directors, and each duly acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said Mohave County, the day and year in this certificate first above written.

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

My commission expires:
July 12 1961

A F F I D A V I T

STATE OF ARIZONA)
) ss.
COUNTY OF MOHAVE)

RUSSELL MARTIN, being first duly sworn upon his oath, deposes and says:

(1) That he is the President of the Mohave Electric Cooperative, Inc., and was at all times referred to herein.

(2) That he has read the foregoing Articles of Conversion and that he makes the affidavit in compliance with Section 10-776, Arizona Revised Statutes.

(3) That the Mohave Electric Cooperative, Inc., did duly comply with all of the provivions of Section 10-776, Arizona Revised Statutes, and that the Articles of Conversion which are attached hereto and made a part hereof were duly presented to a meeting of the members of the Mohave Electric Cooperative, Inc., by mailing a copy thereof to each of its members, together with a notice of the annual meeting which was held on May 17, 1961, and that the said notice of annual meeting was mailed in accordance with the law, and with the bylaws of the Mohave Electric Cooperative, Inc.

(4) That a quorum was present at the said annual meeting of May 17, 1961, and that the Articles of Conversion attached hereto were presented to the said membership and were approved by an affirmative vote of not less than two-thirds of the members voting thereon.

(5) That the said Articles of Conversion are in proper form and contain the proper recitations as required by law and were executed pursuant to Section 10-776, Arizona Revised Statutes.

(6) That this affidavit is made for the purpose of complying with the provisions of Section 10-776 and for proving that the provisions of said statute were duly complied with.

J. HAMMOND

(7) That the Articles of Conversion attached hereto and made a part hereof shall be deemed to be the Articles of Incorporation of the Mohave Electric Cooperative, Inc.

Russell Martin
RUSSELL MARTIN

Subscribed and sworn to before me this 17th day of May, 1961.

Carl D. Hammond
Notary Public

My commission expires:
July 12, 1961.

EXHIBIT 2

NEGOTIATED ELECTRIC UTILITY CONTRACT

GS-OOS-67021

The Contractor identified below agrees to sell and deliver to the UNITED STATES OF AMERICA, hereinafter referred to as the "Government," and the Government agrees to purchase and receive from the Contractor electric power and energy at the Service Location hereinafter referred to, subject to (1) the terms and conditions set forth on the face and reverse side of this page and on any continuation pages attached hereto; (2) Technical Provisions (GSA FORM 1684); and (3) Supplemental Provisions (GSA FORM 1685).

1. SERVICE LOCATION: The Contractor shall furnish to the Government all electric energy which the Government may request during the term of this contract up to 1500 KW for the operation of its facilities located at Hualapai and Havasupai Indian Reservations, as more fully described in Addendum No. 1.

2. POINT OF DELIVERY: The Contractor shall make and pay for all connections between the systems of the Contractor and the Government at the point of delivery. The point of delivery is described as follows: Line side of Long Mesa Power Transformer, as more fully described in Addendum No. 1 and Exhibit 1.

3. SERVICE CHARACTERISTICS: Electric energy to be supplied hereunder shall be alternating current three (3) phase, sixty cycles, and shall be delivered at 14.4/24.9 kilovolts as nominal, with allowable variation of 10 percent above or below normal. The electric energy furnished hereunder shall be metered at 24.9 kilovolts. All as more fully described in Addendum No. 1.

4. CHARGE: The Contractor shall be paid for the services herein contracted for pursuant to charges described in Addendum No. 1 which is attached and made a part hereof, commencing with the period in which electricity is initially furnished hereunder and continuing until this contract is terminated, except that the minimum charge, if any, specified in said Rate Schedule(s) shall be equitably prorated for the periods in which commencement and/or termination of this contract shall occur. All as more fully described in Addendum No. 1

5. TERM OF CONTRACT: The term of this contract shall be for a period of 10 year(s) from the date that the Contractor makes electricity available and the Government is ready to receive electricity from the Contractor at the Service Location. The Contractor shall make every reasonable effort to commence to deliver electricity to the Government at the Service Location not later than the 1st day of April, 1982. The Government shall, as promptly as possible, advise the Contractor of the date it will be ready to receive electricity under this contract.

6. SPECIAL TERMS AND CONDITIONS: If there are any Special Terms and Conditions to this contract they are attached and identified as follows: GSA Form 1684; GSA Form 1685 (Rev. 7-76); Addendum No. 1; Exhibit 1
(If none, so specify)

EXECUTION BY CONTRACTOR	DATE	EXECUTION BY GOVERNMENT	DATE
NAME OF CONTRACTOR (Type or print): Mohave Electric Cooperative, Inc. ☐ INDIVIDUAL ☐ PARTNERSHIP ☒ CORPORATION		UNITED STATES OF AMERICA ACTING THROUGH THE ADMINISTRATOR OF GENERAL SERVICES	
ADDRESS: P. O. Box 1045, Bullhead City, AZ 86430		BY [signature]	
		TITLE Deputy Acquisitor (Contracting Officer)	
SIGNATURE OF PERSON AUTHORIZED BY [signature] TITLE President		THIS CONTRACT IS EXECUTED PURSUANT TO THE FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949, 63 STAT. 377, AS AMENDED.	
INVOICE FOR PAYMENT SHOULD BE MAILED TO		ACCOUNTING AND APPROPRIATION DATA	

GSA WASH DC 62-740

GSA FORM APR 61 1683

TERMS AND CONDITIONS

NVOICES.

nvoices for payment shall be prepared and submitted in duplicate unless otherwise specified by the Government. All invoices shall contain statements of the meter readings at the beginning and the ending of the billing period, meter constants, consumption during the billing period, and such other pertinent data as may be required to substantiate the billing or such other pertinent data as may be requested by the Government.

PAYMENT OF SERVICES.

a) All bills for payment of services under this contract shall be paid without penalty or interest, and the Government shall be entitled to any discounts customarily applicable to payment of bills by any customer of the Contractor.

b) For purposes of charges under the contract, any demands due to faulty operation of, or excessive or fluctuating voltage on, the Contractor's system shall not be included as part of the Government's demand.

c) Payments hereunder shall not be made in advance of services rendered. The Government shall, however, use due diligence to effect payment of all bills for services rendered under this contract within thirty (30) days from the date such bills are received.

d) Nothing herein contained shall be construed as binding the Government to expend in any one fiscal year any sum in excess of the appropriation made by Congress for that fiscal year in furtherance of the subject matter of this contract or to involve the Government in any contract or other obligation for the further expenditure of money in excess of such appropriation.

DAMAGE AND INJURY.

The Government shall in no event be liable or responsible for damage or injury to any person or property occasioned through the use or operation of the Contractor's facilities or the action of the Contractor, its employees and agents in performing under this contract.

ACCESS TO SERVICE LOCATION.

(a) The Government hereby grants to the Contractor, free of any rental or similar charge, but subject to the limitations specified in this contract, a revocable permit to enter the Service Location for any proper purpose under this contract, including use of site or sites agreed upon by the parties hereto for the installation, operation, and maintenance of the facilities of the Contractor. Authorized representatives of the Contractor will be allowed access to the facilities of the Contractor and the Government at suitable times to perform the obligations of the Contractor with respect to such facilities. It is expressly understood, however, that proper military or Governmental authority may limit or restrict the right of access herein granted in any manner considered by such authority to be necessary for the national security.

(b) The Contractor shall, at its expense, obtain all rights of way and easements necessary to permit it to perform under this contract.

TECHNICAL PROVISIONS

(ELECTRIC UTILITY CONTRACT)

1. CONTRACTOR'S FACILITIES

(*a*) The Contractor, at its expense, shall furnish, install, operate, and maintain all facilities required to furnish electricity, as herein provided, to, and measure such electricity at, the specified delivery point.

(*b*) All taxes and other charges in connection with the facilities provided hereunder by the Contractor under this contract shall be for the account of and assumed by the Contractor.

2. METERS AND METERING EQUIPMENT

(*a*) All electricity furnished by the Contractor shall be measured by suitable metering equipment of standard manufacture, to be furnished, installed, maintained, calibrated, and read by the Contractor at its expense. In the event any meter fails to register or registers incorrectly the electricity furnished therethrough, the parties shall, after considering all the evidence available from the Contractor's and Government's records, agree upon the length of period during which such meter failed to register or registered incorrectly and the quantity of electricity delivered therethrough during such period and, upon agreement, an appropriate adjustment based thereon shall be made in the Government's bills. For the purpose of the preceding sentence, any meter which registers not more than two percent (2%) slow or fast shall be deemed correct.

(*b*) All meters shall be installed and inspected upon installation, at the expense of the Contractor, in a manner provided by the rules of the local regulatory commission for other customers of the Contractor using similar service. Subsequent inspection, periodic testing, repair and replacement of meters shall be done at the Contractor's expense in such place and manner as are also provided by the said rules of the local regulatory commission. Whenever any meter shall be found to be defective it shall be repaired or repaired immediately. Should there be no local regulatory commission rules relating thereto, installation, inspection, repair and replacement shall be done in a manner agreed to by the Government and the Contractor. The Government shall have the right to request that a special meter test be made at any time. If any test made at the Government's request discloses that the meter tested is registering correctly or within two percent (2%) of normal, the Government shall bear the expense of such test. The expense of other tests shall be borne by the Contractor. In any event, at its option, the Government may, subject to arrangements satisfactory to the Contractor and at the Government's expense, have such meter or meters as it deems inaccurate tested by the National Bureau of Standards, the findings of which shall be conclusive.

(*c*) The Contractor, so far as possible, shall read all meters at periodic intervals of approximately thirty (30) days. All billings based on meter readings of less than twenty-six (26) days or more than thirty-five (35) days shall be prorated accordingly.

3. PUBLIC REGULATION AND CHANGE OF RATES

(*a*) Electricity furnished under this contract shall be subject to regulation in the manner and to the extent prescribed by any Federal, State, or local regulatory commission having jurisdiction over the supply of electricity to the Contractor's customers generally. If during the term of this contract the public regulatory commission having such jurisdiction receives for file in authorized manner rates that are higher or rates that are lower than those stipulated herein and as a replacement thereof, the Contractor agrees to continue to furnish electricity as stipulated in this contract and the Government agrees to pay for such electricity at the higher or lower rates from and after the date when such rates are made effective. If during the term of this contract the Contractor applies to any such regulatory body for a change of rates or in the type of service to be performed under this contract, a copy of such application, petition, revised schedule or tariff, or similar document will be mailed to the Contracting Officer of the Government concurrently with the filing of such document with the regulatory body.

(*b*) Subject to paragraph (*a*) of this Article, in the event the Contractor, during the term of this contract, shall make effective any new rate schedule or amended rate schedule applicable to the class of service furnished to the Government at the Service Location which may contain a lower rate or conditions of service more favorable to the Government for such class of service, the Contractor shall make such lower rate or conditions of service available to the Government, and, unless otherwise notified in writing by the Government, the Contractor shall substitute such new rate schedule or amended rate schedule for the rate schedule then in effect hereunder for such Service Location, commencing with the billing period in which such rate schedule becomes effective.

(*c*) Reasonable notice shall, so far as possible, be given by the Government to the Contractor respecting any material changes proposed in the volume or characteristics of electricity required.

(*d*) In the event of a permanent change in the class of service furnished the Government at the Service Location, electricity shall, effective sixty (60) days after written request is made by either party or at such other time as may be agreed upon, thereafter be available to such Service Location at the lowest available rate schedule of the Contractor which is applicable to the class of service furnished following such permanent change.

(*e*) The Contractor hereby represents and warrants to the Government that the rate schedules available hereunder are not in excess of the lowest rate schedules now available to present and prospective customers under like conditions of service, and agrees that during the life of this contract, the Government shall continue to have available to it the lowest applicable schedule and similar conditions of service.

4. SUPPLY OF ELECTRICITY See Addendum No. 1

F.C

(*a*) The Contractor shall use reasonable diligence to provide a regular and uninterrupted supply of electricity at the Service Location, but shall not be liable for damages, breach of contract or otherwise, to the Government for failure, suspension, diminution, or other variations of supply occasioned by or in consequence of any cause beyond the reasonable control of the Contractor, including, but not limited to, acts of God or of the public enemy, fires, floods, earthquakes or other catastrophes, or strikes. *Provided*, that when any such failure, suspension, diminution, or variation of supply due to any such cause shall aggregate more than ten (10) consecutive hours but less than fifteen (15) consecutive days, an equitable adjustment shall be made in the rates specified in the applicable rate schedules (including minimum charges, if any); *Provided further, however*, that if any such failure, suspension, diminution, or other variations of supply occasioned by such causes shall aggregate fifteen (15) or more consecutive days, the Contractor shall suspend its billing under this contract (including the minimum charges, if any), effective with the beginning of the next ensuing billing period; *Provided, however*, that if the Government desires to use electricity in a lesser amount than the minimum provided for in this contract and the Contractor can furnish such electricity, it will be supplied and billed under the Contractor's most favorable schedule applicable to such use. If the Contractor is unable to provide a regular and uninterrupted supply of electricity at the Service Location because of any of the foregoing causes for a period of sixty (60) consecutive days or more, the Government shall have the right at any time thereafter to terminate this contract without payment by it of any charge or penalty.

(*b*) In the event the Government is unable to operate the Service Location in whole or in part for any cause beyond its reasonable control, including, but not limited to, acts of God or of the public enemy, fires, floods, earthquakes or other catastrophes, or strikes for a period in excess of fifteen (15) consecutive days, the Contractor shall suspend its billing under this contract (including minimum charges, if any), for a period reasonably required to replace or repair the Government Facilities, or otherwise to resume regular operations, effective with the beginning of the next ensuing billing period; *Provided, however*, that if the Government desires to use electricity in a lesser amount during such period of suspension than the minimum provided for in this contract, it will be supplied and billed under the Contractor's most favorable schedule applicable to such use.

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SUPPLEMENTAL PROVISIONS
(UTILITY SERVICE CONTRACT)

1. DEFINITIONS

As used throughout this contract, the following terms shall have the meaning set forth below:

(a) The term "head of the agency" or "Secretary" as used herein means the Secretary, the Under Secretary, any Assistant Secretary, or any other head or assistant head of the executive or military department or other Federal agency; and the term "his duly authorized representative" means any person or persons or board (other than the Contracting Officer) authorized to act for the head of the agency or the Secretary.

(b) The term "Contracting Officer" means the person executing this contract on behalf of the Government, and any other officer or civilian employee who is a properly designated Contracting Officer, and the term includes, except as otherwise provided in this contract, the authorized representative of a Contracting Officer acting within the limits of his authority.

(c) Except as otherwise provided in this contract, the term "subcontracts" includes purchase orders under this contract.

2. EXAMINATION OF RECORDS BY COMPTROLLER GENERAL

(a) This clause is applicable if the amount of this contract exceeds $2,500 and was entered into by means of negotiation, including small business restricted advertising, but is not applicable if this contract was entered into by means of formal advertising.

(b) The Contractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of 3 years after final payment under this contract or such lesser time specified in either Appendix M of the Armed Services Procurement Regulation or the Federal Procurement Regulations Part 1-20, as appropriate, have access to and the right to examine any directly pertinent books, documents, papers, and records of the Contractor involving transactions related to this contract.

(c) The Contractor further agrees to include in all his subcontracts hereunder a provision to the effect that the subcontractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of 3 years after final payment under the subcontract or such lesser time specified in either Appendix M of the Armed Services Procurement Regulation or the Federal Procurement Regulations Part 1-20, as appropriate, have access to and the right to examine any directly pertinent books, documents, papers, and records of such subcontractor, involving transactions related to the subcontract. The term "subcontract" as used in this clause excludes (1) purchase orders not exceeding $2,500 and (2) subcontracts or purchase orders for public utility services at rates established for uniform applicability to the general public.

(d) The periods of access and examination described in (b) and (c), above, for records which relate to (1) appeals under the "Disputes" clause of this contract, (2) litigation or the settlement of claims arising out of the performance of this contract, or (3) costs and expenses of this contract as to which exception has been taken by the Comptroller General or any of his duly authorized representatives, shall continue until such appeals, litigation, claims, or exceptions have been disposed of.

3. EQUAL OPPORTUNITY

(The following clause is applicable unless this contract is exempt under the rules, regulations, and relevant orders of the Secretary of Labor (41 CFR, ch. 60).)

During the performance of this contract, the Contractor agrees as follows:

(a) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this Equal Opportunity clause.

(b) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

(c) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency Contracting Officer, advising the labor union or workers' representative of the Contractor's commitments under this Equal Opportunity clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e) The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(f) In the event of the Contractor's noncompliance with the Equal Opportunity clause of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(g) The Contractor will include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: *Provided, however*, That in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

4. CERTIFICATION OF NONSEGREGATED FACILITIES

(Applicable to (1) contracts, (2) subcontracts, and (3) agreements with applicants who are themselves performing federally assisted construction contracts, exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity clause.)

By the submission of this bid, the bidder, offeror, applicant, or subcontractor certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. He certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he will not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The bidder, offeror, applicant, or subcontractor agrees that a breach of this certification is a violation of the Equal Opportunity clause in this contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion or national origin, because of habit, local custom, or otherwise. He further agrees that (except where he has obtained identical certifications from proposed subcontractors for specific time periods) he will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity clause; that he will retain such certifications in his files; and that he will forward the following notice to such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods):

A Certification of Nonsegregated Facilities must be submitted prior to the award of a subcontract exceeding $10,000 which is not exempt from the provisions of the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually).

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

5. OFFICIALS NOT TO BENEFIT

No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

6. COVENANT AGAINST CONTINGENT FEES

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty the Government shall have the right to annul this contract without liability or in its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

7. CONVICT LABOR

In connection with the performance of work under this contract, the Contractor agrees not to employ any person undergoing sentence of imprisonment except as provided by Public Law 89-176, September 10, 1965 (18 U.S.C. 4082(c)(2)) and Executive Order 11755, December 29, 1973.

8. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT—OVERTIME COMPENSATION

This contract, to the extent that it is of a character specified in the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), is subject to the following provisions and to all other applicable provisions and exceptions of such Act and the regulations of the Secretary of Labor thereunder.

(a) *Overtime requirements.* No Contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers, mechanics, apprentices, trainees, watchmen, and guards shall require or permit any laborer, mechanic, apprentice, trainee, watchman, or guard in any workweek in which he is employed on such work to work in excess of eight hours in any calendar day or in excess of forty hours in such workweek on work subject to the provisions of the Contract Work Hours and Safety Standards Act unless such laborer, mechanic, apprentice, trainee, watchman, or guard receives compensation at a rate not less than one and one-half times his basic rate of pay for all such hours worked in excess of eight hours in any calendar day or in excess of forty hours in such workweek, whichever is the greater number of overtime hours.

(b) *Violation; liability for unpaid wages; liquidated damages.* In the event of any violation of the provisions of paragraph (a), the Contractor and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Contractor and subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer, mechanic, apprentice, trainee, watchman, or guard employed in violation of the provisions of paragraph (a) in the sum of $10 for each calendar day on which such employee was required or permitted to be employed on such work in excess of eight hours or in excess of his standard workweek of forty hours without payment of the overtime wages required by paragraph (a).

(c) *Withholding for unpaid wages and liquidated damages.* The Contracting Officer may withhold from the Government Prime Contractor, from any moneys payable on account of work performed by the Contractor or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Contractor or subcontractor for unpaid wages and liquidated damages as provided in the provisions of paragraph (b).

(d) *Subcontracts.* The Contractor shall insert paragraphs (a) through (d) of this clause in all subcontracts, and shall require their inclusion in all subcontracts of any tier.

(e) *Records.* The Contractor shall maintain payroll records con- [illegible] for three years from the completion of the contract.

9. DISPUTES

(a) Except as otherwise provided in this contract, any dispute concerning a question of fact arising under this contract which is not disposed of by agreement shall be decided by the Contracting Officer, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Contractor. The decision of the Contracting Officer shall be final and conclusive unless within 30 days from the date of receipt of such copy, the Contractor mails or otherwise furnishes to the Contracting Officer a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this clause, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the contract and in accordance with the Contracting Officer's decision.

(b) This "Disputes" clause does not preclude consideration of law questions in connection with decisions provided for in paragraph (a) above: *provided,* That nothing in this contract shall be construed as making final the decision of any administrative official, representative, or board on a question of law.

(c) The provisions of (a) above shall not apply to disputes which are subject to the jurisdiction of a Federal, State, or other appropriate regulatory body. The provisions of (a) above shall also be subject to the requirements of the law with respect to the rendering of utility services and the collection of regulated rates.

10. ORDER OF PRECEDENCE

To the extent of any inconsistency between the provisions of this contract and any schedule, order, or exhibit incorporated in this contract by reference or otherwise, or any of the Contractor's rules and regulations, the provisions of this contract shall control.

11. DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA

(This clause is applicable pursuant to 41 CFR 60-250 if this contract is for $10,000 or more.)

(a) The contractor will not discriminate against any employee or applicant for employment because he or she is a disabled veteran or veteran of the Vietnam era in regard to any position for which the employee or applicant for employment is qualified. The contractor agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled veterans and veterans of the Vietnam era without discrimination based upon their disability or veterans status in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

(b) The contractor agrees that all suitable employment openings of the contractor which exist at the time of the execution of this contract and those which occur during the performance of this contract, including those not generated by this contract and including those occurring at an establishment of the contractor other than the one wherein the contract is being performed but excluding those of independently operated corporate affiliates, shall be listed at an appropriate local office of the State employment service system wherein the opening occurs. The contractor further agrees to provide such reports to such local office regarding employment openings and hires as may be required.

State and local government agencies holding Federal contracts of $10,000 or more shall also list all their suitable openings with the appropriate office of the State employment service, but are not required to provide those reports set forth in paragraphs (d) and (e).

(c) Listing of employment openings with the employment service system pursuant to this clause shall be made at least concurrently with the use of any other recruitment source or effort and shall involve the normal obligations which attach to the placing of a bonafide job order, including the acceptance of referrals of veterans and nonveterans. The listing of employment openings does not require the hiring of any particular job applicant or from any particular group of job applicants, and nothing herein is intended to relieve the contractor from any requirements in Executive orders or regulations regarding nondiscrimination in employment.

(d) The reports required by paragraph (b) of this clause shall include, but not be limited to, periodic reports which shall be filed at least quarterly with the appropriate local office or, where the contractor has more than one hiring location in a State, with the central office of that State employment service. Such reports shall indicate

[illegible] (3) the number of disabled veterans of the Vietnam era hired, and (4) the total number of disabled veterans hired. The reports should include covered veterans hired for on-the-job training under 38 U.S.C. 1787. The contractor shall submit a report within 30 days after the end of each reporting period wherein any performance is made on this contract identifying data for each hiring location. The contractor shall maintain at each hiring location copies of the reports submitted until the expiration of one year after final payment under the contract, during which time these reports and related documentation shall be made available, upon request, for examination by any authorized representatives of the contracting officer or of the Secretary of Labor. Documentation would include personnel records respecting job openings, recruitment, and placement.

(e) Whenever the contractor becomes contractually bound to the listing provisions of this clause, it shall advise the employment service system in each State where it has establishments of the name and location of each hiring location in the State. As long as the contractor is contractually bound to these provisions and has so advised the State system, there is no need to advise the State system of subsequent contracts. The contractor may advise the State system when it is no longer bound by this contract clause.

(f) This clause does not apply to the listing of employment openings which occur and are filled outside the 50 States, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands.

(g) The provisions of paragraphs (b), (c), (d), and (e) of this clause do not apply to openings which the contractor proposes to fill from within his own organization or to fill pursuant to a customary and traditional employer-union hiring arrangement. This exclusion does not apply to a particular opening once an employer decides to consider applicants outside of his own organization or employer-union arrangement for that opening.

(h) As used in this clause: (1) "All suitable employment openings" includes, but is not limited to, openings which occur in the following job categories: production and non-production; plant and office; laborers and mechanics; supervisory and nonsupervisory; technical, and executive, administrative, and professional openings as are compensated on a salary basis of less than $25,000 per year. This term includes full-time employment, temporary employment of more than three days' duration, and part-time employment. It does not include openings which the contractor proposes to fill from within his own organization or to fill pursuant to a customary and traditional employer-union hiring arrangement nor openings in an educational institution which are restricted to students of that institution. Under the most compelling circumstances an employment opening may not be suitable for listing, including such situations where the needs of the Government cannot reasonably be otherwise supplied, where listing would be contrary to national security, or where the requirement of listing would otherwise not be for the best interest of the Government.

(2) "Appropriate office of the State employment service system" means the local office of the Federal/State national system of public employment offices with assigned responsibility for serving the area where the employment opening is to be filled, including the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

(3) "Openings which the contractor proposes to fill from within his own organization" means employment openings for which no consideration will be given to persons outside the contractor's organization (including any affiliates, subsidiaries, and the parent companies) and includes any openings which the contractor proposes to fill from regularly established "recall" lists.

(4) "Openings which the contractor proposes to fill pursuant to a customary and traditional employer-union hiring arrangement" means employment openings which the contractor proposes to fill from union halls, which is part of the customary and traditional hiring relationship which exists between the contractor and representatives of his employees.

(i) The contractor agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.

(j) In the event of the contractor's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.

(k) The contractor agrees to post in conspicuous places available to employees and applicants for employment notices in a form to be prescribed by the Director, provided by or through the contracting officer. Such notice shall state the contractor's obligation under the law to take affirmative action to employ and advance in employment qualified disabled veterans and veterans of the Vietnam era for employment, and the rights of applicants and employees.

(l) The contractor will notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the contractor is bound by terms of the Vietnam Era Veterans Readjustment Assistance Act, and is committed to take affirmative action to employ and advance in employment qualified disabled veterans and veterans of the Vietnam era.

(m) The contractor will take such action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

12. PAYMENT OF INTEREST ON CONTRACTORS' CLAIMS

(a) If an appeal is filed by the contractor from a final decision of the contracting officer under the disputes clause of this contract, denying a claim arising under the contract, simple interest on the amount of the claim finally determined owed by the Government shall be payable to the contractor. Such interest shall be at the rate determined by the Secretary of the Treasury pursuant to Public Law 92-41, 85 Stat. 97, from the date the contractor furnishes to the contracting officer his written appeal under the disputes clause of this contract, to the date of (1) a final judgment by a court of competent jurisdiction, or (2) mailing to the contractor of a supplemental agreement for execution either confirming completed negotiations between the parties or carrying out a decision of a board of contract appeals.

(b) Nothwithstanding (a), above, (1) interest shall be applied only from the date payment was due, if such date is later than the filing of appeal, and (2) interest shall not be paid for any period of time that the contracting officer determines the contractor has unduly delayed in pursuing his remedies before a board of contract appeals or a court of competent jurisdiction.

13. UTILIZATION OF MINORITY BUSINESS ENTERPRISES

(a) It is the policy of the Government that minority business enterprises shall have the maximum practicable opportunity to participate in the performance of Government contracts.

(b) The Contractor agrees to use his best efforts to carry out this policy in the award of his subcontracts to the fullest extent consistent with the efficient performance of this contract. As used in this contract, the term "minority business enterprise" means a business, at least 50 percent of which is owned by minority group members or, in case of publicly owned businesses, at least 51 percent of the stock of which is owned by minority group members. For the purposes of this definition, minority group members are Negroes, Spanish-speaking American persons, American-Orientals, American Indians, American Eskimos; and American Aleuts. Contractors may rely on written representations by subcontractors regarding their status as minority business enterprises in lieu of an independent investigation.

14. UTILIZATION OF SMALL BUSINESS CONCERNS

(a) It is the policy of the Government as declared by the Congress that a fair proportion of the purchases and contracts for supplies and services for the Government be placed with small business concerns.

(b) The Contractor agrees to accomplish the maximum amount of subcontracting to small business concerns that the Contractor finds to be consistent with the efficient performance of this contract.

15. UTILIZATION OF LABOR SURPLUS AREA CONCERNS

(The following clause is applicable if this contract exceeds $5,000.)

(a) It is the policy of the Government to award contracts to labor surplus area concerns that (1) have been certified by the Secretary of Labor (hereafter referred to as certified-eligible concerns with first or second preferences) regarding the employment of a proportionate number of disadvantaged individuals and have agreed to perform substantially (i) in or near sections of concentrated unemployment or underemployment or in persistent or substantial labor surplus areas or (ii) in other areas of the United States, respectively, or (2) are noncertified concerns which have agreed to perform substantially in persistent or substantial labor surplus areas, where this can be done consistent with the efficient performance of the contract and at prices no higher than are obtainable elsewhere. The Contractor agrees to use his best efforts to place his subcontracts in accordance with this policy.

(b) In complying with paragraph (a) of this clause and with paragraph (b) of the clause of this contract entitled "Utilization of Small Business Concerns," the Contractor in placing his subcontracts shall observe the following order of preference: (1) Certified-eligible concerns with a first preference which are also small business concerns; (2) other certified-eligible concerns with a first preference; (3) certified-eligible concerns with a second preference which are also small business concerns, (4) other certified-eligible concerns with a second preference, (5) persistent or substantial labor surplus area concerns which are also small business concerns; (6) other persist-

[illegible] applicable contracts.

16. EMPLOYMENT OF THE HANDICAPPED

(a) The contractor will not discriminate against any employee or applicant for employment because of physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified. The contractor agrees to take affirmative action to employ, advance in employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

(b) The contractor agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Rehabilitation Act of 1973, as amended.

(c) In the event of the contractor's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations and relevant orders of the Secretary of Labor issued pursuant to the Act.

(d) The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Director, Office of Federal Contract Compliance Programs, Department of Labor, provided by or through the contracting officer. Such notices shall state the contractor's obligation under the law to take affirmative action to employ and advance in employment qualified handicapped employees and applicants for employment, and the rights of applicants and employees.

(e) The contractor will notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the contractor is bound by the terms of section 503 of the Act and is committed to take affirmative action to employ and advance in employment physically and mentally handicapped individuals.

(f) The contractor will include the provisions of this clause in every subcontract or purchase order of $2,500 or more unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 503 of the Act, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the Director, Office of Federal Contract Compliance Programs, may direct to enforce such provisions, including action for noncompliance.

17. CLEAN AIR AND WATER

(Applicable only if the contract exceeds $100,000, or the contracting officer has determined that orders under an indefinite quantity contract in any one year will exceed $100,000, or a facility to be used has been the subject of a conviction under the Clean Air Act (42 U.S. 1857c-8(c)(1)) or the Federal Water Pollution Control Act (33 U.S.C. 1319(c)) and is listed by the EPA, or the contract is not otherwise exempt.)

(a) The Contractor agrees as follows:

Clean Air Act, as amended (42 U.S.C. 1857, et seq., as amended by Public Law 91-604) and section 308 of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq., as amended by Public Law 92-500), respectively, relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in section 114 and section 308 of the Air Act, and the Water Act, respectively, and all regulations and guidelines issued thereunder before the award of this contract.

(2) That no portion of the work required by this prime contract will be performed in a facility listed on the Environmental Protection Agency List of Violating Facilities on the date when this contract was awarded unless and until the EPA eliminates the name of such facility or facilities from such listing.

(3) To use his best efforts to comply with clean air standards and clean water standards at the facility in which the contract is being performed.

(4) To insert the substance of the provisions of this clause into any nonexempt subcontract, including this paragraph (a)(4).

(b) The terms used in this clause have the following meanings:

(1) The term "Air Act" means the Clean Air Act, as amended (42 U.S.C. 1857 et seq., as amended by Public Law 91-604).

(2) The term "Water Act" means Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq., as amended by Public Law 92-500).

(3) The term "clean air standards" means any enforceable rules, regulations, guidelines, standards, limitations, orders, controls, prohibitions, or other requirements which are contained in, issued under, or otherwise adopted pursuant to the Air Act or Executive Order 11738, an applicable implementation plan as described in section 110(d) of the Clean Air Act (42 U.S.C. 1857c-5(d)), an approved implementation procedure or plan under section 111(c) or section 111(d), respectively, of the Air Act (42 U.S.C. 1857c-6(c) or (d)), or an approved implementation procedure under section 112(d) of the Air Act (42 U.S.C. 1857c-7(d)).

(4) The term "clean water standards" means any enforceable limitation, control, condition, prohibition, standard, or other requirement which is promulgated pursuant to the Water Act or contained in a permit issued to a discharger by the Environmental Protection Agency or by a State under an approved program, as authorized by section 402 of the Water Act (33 U.S.C. 1342), or by local government to ensure compliance with pretreatment regulations as required by section 307 of the Water Act (33 U.S.C. 1317).

(5) The term "compliance" means compliance with clean air or water standards. Compliance shall also mean compliance with a schedule or plan ordered or approved by a court of competent jurisdiction, the Environmental Protection Agency or an air or water pollution control agency in accordance with the requirements of the Air Act or Water Act and regulations issued pursuant thereto.

(6) The term "facility" means any building, plant, installation, structure, mine, vessel or other floating craft, location, or site of operations, owned, leased, or supervised by a contractor or subcontractor, to be utilized in the performance of a contract or subcontract. Where a location or site of operations contains or includes more than one building, plant, installation, or structure, the entire location or site shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are collocated in one geographical area.

ADDENDUM NO. 1

TO

GSA CONTRACT NO. GS-00S-67021

144

MOHAVE ELECTRIC COOPERATIVE, INC., an Arizona corporation, (hereafter called "Mohave"), agrees to Contract with the UNITED STATES OF AMERICA, acting through the Administrator of the General Services Administration on behalf of the U.S. Bureau of Indian Affairs, Department of the Interior, (hereinafter called "Government"), to supply electric energy to serve existing and future residential and commercial installations on the Hualapai and Havasupai Indian Reservations located north of Route 66 on and adjacent to the Supai Road, Coconino County, Arizona. The electrical service fee is to be paid by the U. S. Bureau of Indian Affairs, Department of the Interior.

LOCATION OF PROPOSED SERVICE

Mohave shall construct a power line from its existing facilities, a distance of approximately 70 miles, to a point of termination at the line side at the Long Mesa Power transformer, which shall be the point of delivery. This transmission line and line extension shall be constructed along the right-of-way which is set forth on the existing plant marked as Exhibit "I" attached hereto.

Mohave agrees that the Government may elect to serve the Hualapai Reservation by means of other interconnects and line extensions which shall be constructed for the U. S. Government by separate agreement with Mohave, upon such terms that provide to Mohave its total investment required to make such an extension; and further provided, that such load of additional

extensions do not exceed the "maximum of demand" provided on page 3 of this Agreement.

CONSTRUCTION STANDARDS

Construction of the lines and facilities shall be in accordance with Rules for the Installation and Maintenance of Electric Supply Stations and Equipment, Part I of the National Electrical Safety Code, latest edition, as published by the Institute of Electrical and Electronic Engineers, Inc. (IEEE). Materials and equipment shall meet NEMA, ANSI and REA standards.

SERVICE CHARACTERISTICS

Electric service to be supplied shall be in the form of three-phase, 60 Hertz at a nominal voltage of 14.4/24.9 kilovolts and shall be metered at 24.9 kilovolts primary, with all metering facilities to be furnished by Mohave on the 24.9 kilovolt side of the Government substation, and metering facilities shall provide killowatt hours, recorded kilowatt demand on a 15-minute integrated basis, recorded KVAR flow or power factor, and other information as required.

RIGHT OF ACCESS

For the purpose of constructing, inspecting, maintaining or operating the facilities, duly authorized representatives of Mohave shall have the right of ingress to and egress from the Government's premises at all reasonable times.

FACILITIES

The Government shall provide a suitable location for Mohave's metering and other facilities, in the area of the point of delivery and shall supply, install, operate and maintain the necessary sub-station and other facilities required for the receipt of electric power and energy at 24.9 kilovolts beyond the point of delivery as herein described.

A generating plant located at the rim of the Grand Canyon overlooking the Havasupai Reservation may be utilized by the Government to provide emergency power to the Havasupai Reservation in the event of a power outage on Mohave's system. Switching arrangements shall be provided by Mohave to insure that this above-referenced plant shall not backfeed into the Mohave system.

MAXIMUM DEMAND

Mohave agrees to supply or make available a minimum of 500 kW up to a maximum of 1500 kW as the Government's total capacity rights for the term of this Agreement or life of the facilities whichever is first to occur, in return for the Government's agreement to pay Mohave a monthly Facility Charge. Government agrees that it's capacity rights are limited to a maximum of 1500 kW.

CONTINUITY OF SERVICE

In the supply of electricity, considering the nature of a 70 mile radial 14.4/24.9 kV distribution line, Mohave shall use reasonable diligence to provide a constant and uninterrupted supply of electric power and energy hereunder. If the supply of electric power and energy shall fail or be interrupted, or become defective through act of God, Governmental authority, action of the elements, public enemy, accident, strikes, organized or unorganized interference of any kind, labor trouble, required maintenance work, inability to secure right-of-way, or any other cause beyond the reasonable control of Mohave, Mohave shall not be liable for such failure or interruption or for damages, consequential or otherwise, Mohave shall use its best efforts to give the Government reasonable notice as to any planned outages and/or duration of outages should such be known to be of longer than four hours duration.

When any such failure, suspension, diminution or variation of supply due to any such cause shall be less than fifteen (15) consecutive days, no equitable adjustment shall be made in the rates specified in the applicable rate schedules or monthly Facility Charge; provided further, however, that if any such failure, suspension, diminution, or other variations of supply occasioned by such causes shall be fifteen (15) or more consecutive days, Mohave shall suspend its billing under this Contract and an equitable adjustment shall be made in the monthly Facility Charge effective with the beginning of the next ensuing billing period. (For the purposes of this paragraph, an "equitable adjustment" is the reduction of the monthly Facility Charge by 1/30th for each additional consecutive day (beyond the fifteen (15) days mentioned above) service is not provided).
In the event the Government's distribution facilities from Long Mesa into the Havasupai Village are not operable in whole or part for any cause beyond its reasonable control, including, but not limited to, acts of God or of the public enemy, fires, floods, earthquakes or other catastrophes, or strikes for a period in excess of fifteen (15) consecutive days, Mohave shall suspend its billing under this Contract (except for monthly Facility Charge) for a period reasonable required to replace or repair the Government Facilities, or otherwise to resume regular operations.

OWNERSHIP OF FACILITIES

All facilities to be provided by or on behalf of Mohave shall be and remain its sole property. All facilities to be provided by the Government beyond the point of interconnection shall be and remain its sole property.

RESPONSIBILITY AS TO USE OF SERVICE FACILITIES

Each party shall coordinate, install and maintain compatible protective devices on its side of the interconnection to protect its system from adverse conditions on the system of the other party. The Government will exercise due diligence to operate its system in accordance

with the standards of modern practice and in a manner which will not cause any system problems, jeopardize Mohave's transmission system, or cause Mohave to make system improvements on Mohave's electric system which, in the judgment of Mohave and the Government, would not otherwise be necessary.

Mohave and the Government will each assume all responsibility on their respective sides of the point for the electric services supplied to the Government hereunder, as well as for any apparatus used in connection with such supply, including the Long Mesa Generating Plant and its associated equipment.

The Government will exercise due diligence to assure that the electrical characteristics of the load, such as deviation from sine wave or unusual short interval fluctuations in demand, shall not be such as to result in impairment of service to other customers of Mohave, or in interference with operation of telephone, television or other communication facilities. In this regard, the deviation from phase balance will be limited to a reasonable percentage of contract demand at all times.

RELOCATION OF FACILITIES

In the event the Government requires any power lines or other facilities to be moved for any reason after initial construction, Mohave agrees to relocate such facilities upon reasonable written request by the Government, the expense of such relocation shall be borne by the Government, and shall be made separate and distinct from construction costs incorporated in this Agreement.

ACQUISITION OF RIGHT-OF-WAY

Mohave shall obtain all necessary right-of-way, including property under Federal and state jurisdiction, and shall prepare an environmental report applicable for the proposed facilities and power lines.

JOINT USE OF POWER FACILITIES

Mohave understands that the Arizona Telephone Company provides telephone service to the area involved, and that joint use of telephone power facilities, where appropriate, and inductive coordination will be the responsibility of the Arizona Telephone Company and Mohave.

CONSTRUCTION COSTS

Mohave estimates that the Construction of all facilities will be as follows:

For labor and material for overhead transmission and/or distribution facilities from Mohave's source of supply to the Long Mesa Generating Plant: $1,600,000.00

Under this proposal, Mohave will provide all funds necessary for the construction of the aforementioned facilities.

FACILITIES CHARGES

For Mohave to recover costs associated with the construction and operation of facilities to make electric service available to the Government, the Government, upon verification of Mohave's cost of construction agrees to pay Mohave as a Facility Charge an annual amount equal to the sum of:

(1) 4.44% (percent) of the lesser of the cost of construction or $1,600,000 and/or other amount(s) concurred in by the Government Contracting Officer;

(2) All state and local property taxes assessed against the facilities that Mohave constructs because of this contract;

(3) The (a) operation and maintenance expenses, (b) cost of replacements less original book value of

replaced facilities and (c) cost of system improvements that Mohave constructs as a result of this Contract.

One Twelfth of the Facility Charge shall be paid each month. The first payment shall be due and payable when electric power and energy become available. Mohave consents to the Government's right and option to renew this Contract for two (2) additional ten (10) year periods.

TERMINATION PROVISIONS

If the Government does not exercise its renewal option or terminates this Contract, the Government shall pay, in U. S. currency, in a single payment, an amount equal to Mohave's undepreciated value plus facility removal costs, less salvage value, of the facilities that Mohave constructs because of this contract.

If Mohave terminates this Contract without legal cause, the Government shall be liable only for the Facility Charge payment and actual energy used up to the effective date of the termination.

If the Government shall fail to make any contract payment within fifteen (15) days after such payment is due, Mohave may discontinue service to the Government upon giving fifteen (15) days written notice to the Government of its intentions to do so; provided, however, that such discontinuance of service shall not relieve the Government of any of its obligations under this Contract.

INTERIM CONSTRUCTION ACCOUNTING

The Government Contracting Officer or his authorized representative may, at any time, have Mohave's invoice(s) or voucher(s) and/or statement of costs representing costs related to the construction of the subject facilities audited. The amount of construction costs to be included in the Facility Charge shall be subject to reduction for amounts included in

the related invoice(s) or voucher(s) or statement of costs which are found by the Contracting Officer or his authorized representative on the basis of audit, not to constitute allowable costs. The cost referred to herein shall be allowable, allocable and reasonable to this Contract and consistent with sound and generally accepted accounting principles.

If, at any time, Mohave has reason to believe that the total cost of the subject facilities will be greater than the estimated $1,600,000.00, Mohave shall notify the Contracting Officer giving its revised estimate.

The Government shall not be obligated to pay Facility Charges for those facilities based on a figure in excess of the estimated $1,600,000.00, unless and until the Contracting Officer shall notify Mohave, in writing, that such estimated cost has been increased and shall have in such notice specified the modified estimated cost. No notice, communication or representation of any person other than the Contracting Officer shall effect an increase in the $1,600,000.00 estimated cost of facilities, regardless of the reasons for increasing said costs.

MONTHLY FACILITY CHARGES AND RATES

The Government shall pay Mohave the monthly Facility Charge and, in addition, shall pay Mohave power rates according to Mohave's Rate Schedule "L" (Large Power) marked Exhibit "2", attached. The Exhibit by this reference is incorporated herein.

Billings pertaining to both the Facility Charge and Exhibit 2 may be increased by an amount equal to the sum of applicable taxes, fees, assessments or other charges not provided for in either the Facility Charge or Exhibit 2.

USE OF SERVICE

The Government shall utilize the electric energy supplied under this Contract only in connection with the needs of the respective Indian tribes or their customers or for such other uses as may be required by the

diversification or expansion of the needs related thereto.

The Government agrees that Mohave may elect to serve the Hualapai Indian Reservation upon its own arrangements from the utility plant proposed to be constructed provided that contemplated system capacities are not unreasonably exceeded. Mohave agrees that for any extension from facilities provided by Mohave, Mohave shall credit a one-time charge of $50.00 per connected kVA installed capacity, but not less than $500.00, to the Government and shall deduct this amount from its next monthly billing. The Government shall have the option to waive all or any portion of any such fees.

NOTICES

All formal notices, demands or requests given or made under this Contract shall be in writing and shall be deemed properly given or made if delivered personally or sent by registered mail, certified mail or telegram to the person designated below:

NOTICE TO MOHAVE:

Mohave Electric Cooperative, Inc.

P. O. Box 1045

Bullhead City, Arizona 86430

attention: General Manager

NOTICE TO GOVERNMENT:

Assistant Area Director of Administration

Bureau of Indian Affairs

U. S. Department of Interior

P. O. Box 7007

Phoenix, Arizona 85011

APPROVALS AND CONTINGENCIES

Mohave shall obtain from state and Federal authorities or agencies as may have jurisdiction, the necessary approval of the Contract or matters with respect thereto, of all franchises, authorizations, permits, licenses, certificates of public convenience and necessity, right-of-way and orders to the extent required by law in order to enable it to perform all of its obligations hereunder. Mohave shall not be obligated to commence construction of any facilities until it has obtained all such approvals and shall have received assurance from the Government that it will be given ingress and egress rights for the construction, operation, and maintenance of said facilities.

Mohave agrees to seek a loan with an interest rate of no more than two (2) percent per annum in an amount sufficient to build the facilities Mohave constructs as a result of this contract. Mohave shall not be obligated under this contract until it has obtained such loan to be amortized over a thirty (30) year period. This Contract shall not become effective until it has been approved in writing by the Rural Electrification Administration and accepted by the Arizona Corporation Commission.

ASSIGNMENT OF AGREEMENT

This Agreement shall be binding upon and inure to the benefit of the successors, legal representatives and assigns, of the respective parties hereto.

REGULATORY AUTHORITY

The electric services furnished under this Contract shall be subject to regulation in the manner and to the extent prescribed by any federal, state or local regulatory commission having jurisdiction over the supply of electric services to Mohave's customers generally.

Rate Schedule "L"

(Large Power)

F.C.G.

Availability:

1. Available to commercial and industrial type consumers who require more than 50 KVA of transformer capacity within the utility's service area.

Character of Service:

1. Alternating current, single or three phase, 60 Hertz, at available primary or secondary voltages.

Net Rate/Month: (or part thereof/service)

Demand Charge: $6.90 /KW

Energy Charge:

All KWH/Month @ $.017 /KWH

The total demand charges/month plus the energy charges/month shall be the total charges/month.

Minimum Monthly Charges:

The Monthly minimum charge shall be the highest of the following:

1. Minimum monthly charge established in accordance with the Utility's Line Extension Policy.
2. Or, $1.50 /KVA/month of installed transformer capacity.

F.C.G.

Metering:

1. The utility shall install suitable demand and power factor metering instrumentation for billing under this schedule. No consumer shall be placed on this schedule without demand metering.

Billing Demand:

1 The billing demand shall be the maximum Kilowatt demand established by a consumer for any Fifteen (15) minut period during the billing month.

Power Factor Adjustment:

1. The utility may increase the measured KW of demand one (1) percent for each one (1) percent the power factor is less than 90%.

Primary Service:

1. Primary electric service is available at primary distribution voltages.
2. Primary service metered at primary voltages, the Kilowatthour consumption shall be the metered KWH. Meterin at secondary voltages, the KWH billed shall be the metered KWH plus 5% (x1.05) to allow for transformer losses.

Terms of Payment:

F.C.G.

1. The charges per month in the foregoing rate are net, and are due and payable within Ten (10) days from the date on the monthly bill.

Taxes:

1. Billing under this schedule may be increased by an amount equal to the sum of applicable taxes, fees, or charges (exclusive of Ad Valorem, State and Federal income taxes) payable by the utility and levied or assessed by ar governmental authority on the public utility service rendered, or on the right or privilege of rendering the service, or on any object or event incidental to the rendition of the service.

Fuel & Purchased Power Cost Adjustment:

1. The utility may, if the purchased power expense is increased or decreased above or below the base power cos of $ 02106 /KWH sold, flow through to the user such increases or decreases.

Conditions of Service:

1 The consumer, rates and schedules shall be subject to the rules and regulations of the Cooperative.
2 The consumer's electric wiring facilities shall conform to the Cooperative's, City, State, and National lectric codes.
3. The consumer shall not resell or share electric service with others.
4 The consumer shall be allowed to consume the kilowatts (kW) or kilowatthours (kWH), at the applicable rate herein, for the monthly minimum charge.
5 Electric service under this rate schedule shall require the consumer to execute a contract

F.C.G.

EXHIBIT 3

The Law Offices of
CURTIS, GOODWIN, SULLIVAN,
UDALL & SCHWAB, P.L.C.
2712 North Seventh Street
Phoenix, Arizona 85006-1090
Telephone (602) 393-1700
Facsimile (602) 393-1703

Michael A. Curtis
Susan D. Goodwin
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Phyllis N. Smiley
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William P. Sullivan
Larry K. Udall
Anja K. Wendel
K. Russell Romney
Ellen M. Van Riper

Of Counsel
Joseph F. Abate
Thomas A. Hine

REFER TO FILE NO. 1234
1234 Drop

February 4, 2005

Robert O. Ellinger,
Director, U.S.D.A
Rural Utilities Services/Southern Regional Division
Mail Stop 1567
1400 Independence Avenue, S.W.
Washington, D.C. 20250

RE: Mohave Electric Cooperative Inc. Partial Release of Lien

Dear Mr. Ellinger:

Enclosed is the Mohave Electric Cooperative, Inc. ("Mohave") request for partial release of an RUS lien on a small portion of the Mohave facilities located outside its official service territory. The Bureau of Indian Affairs (BIA) 1982 contract with Mohave for delivery over the described facilities of power at wholesale for resale expired and was terminated. Upon the BIA failure to renew its Contract for delivery of wholesale electricity across the sovereign lands of the Hualapai and Havasupai Tribes ("Tribes") to the BIA (for retail delivery by the BIA to the Tribes. The facilities, a 70-mile electric line (See, Exhibit A, sketch map of power line) pursuant to law, were subsequently found to be and declared by the Board surplus to the electric system and service area of Mohave and no longer "necessary or useful" in its business. The facilities were transferred to the BIA and the Tribes pursuant to A.R.S. 40-285(C) (Attached Exhibits A, B, C, D & E).

The original cost of the facilities was $1,028,277.37. The present value is $114,253.04. The $114,253.04 has been deposited to the Mohave RUS Trustee Account concurrent with this filing in anticipation of receipt of the release of lien.

Please consider this Mohave's request for a partial release of all RUS liens on a small portion of the Mohave facilities outside its certificated area. This request is made pursuant to § 3.10 of the Mortgage Documents (7 CFR Pt. 1718, Sub Pt. B App. A) and CFR § 1717.616. In support of this request, and in order to maintain compliance with RUS policies and goals, Mohave submits the following information:

1. Transfer Price: None. The BIA wholesale power contract, which included an agreement to provide payment of the expense of overhead, maintenance, repairs and taxes, was for delivery in a location outside the Mohave certificated service area. The BIA terminated.

   The 70-mile power line, created outside the certificated area solely for the delivery of wholesale power is not being sold. The line has been transferred. At no expense to the BIA, Hualapai and Havasupai Tribes, as their interests may be determined amongst them for whatever use they wish to make. The line has no value to Mohave and its member ratepayers. It is in an area Mohave cannot serve. The depreciated value (as determined by RUS), is $114,253.04. In accordance with the RUS directive received on December 6, 2004, Mohave deposited those funds in a Trustee Account contemplated by Account Number 131.2 of the Uniform System of Accounts prescribed by RUS for its electric borrowers pursuant to 7 CFR § 1767.18. Mohave will apply those funds as a pro rata pre-payment on the notes secured by the mortgages "according to the aggregate unpaid principal amount of the note to such installments thereof as may be designated by the respective note holders at the time of the pre-payment" (RUS letter dated December 6, 2004);

2. Best Interest: The transfer of this 70-mile line located outside the certificated area of Mohave and the elimination of liability is in the best interests of Mohave, its members, and all of the mortgagees as well as in the best interests of the Hualapai and Havasupai Tribes and the BIA (rather than removing the facilities);

3. Statutory and Corporate Approvals: Mohave has secured all of the necessary approvals required by law (See, Exhibits A, B, C, D & E) to effect the transfer to the BIA and Indian Tribes;

4. Exchanges/Trades of Plant in Place: The transfer of the 70-mile line did not involve any kind of exchange;

5. Satisfactory Operating Units/Jeopardy of Repayment of RUS Loans: Transfer of the line will not jeopardize Mohave's ability to meet its obligations under any current RUS loans. On the contrary, Mohave's divestiture of this surplus line relieves a burden of liability upon its thirty thousand plus members. Mohave will no longer be required to maintain or repair this line in an area it has no legal authority to serve. The transfer of this 70-mile line located outside the electric service area of Mohave to the BIA

and Tribes will not cause any disruption in Mohave's ability to serve its members. The line facilitated a now terminated wholesale power transaction outside the certificated area;

6. **Date of Request:** February 4, 2005;

7. **USDA/RUS Designation of Transferor:** A 22 Mohave;

8. **Name and Address of Transferor:** Mohave Electric Cooperative Inc.,
   Post Office Box 1045
   1999 Arena Drive
   Bullhead City, Arizona 86442

9. **Names and Addresses of Transferees:**

   The Hualapai Tribe
   Loretta Jackson, Chairperson
   878 West Route 66
   Post Office Box 310
   Peach Springs, Arizona 86434

   The Havasupai Tribe
   Linda Mahone, Chairperson
   Post Office Box 10
   Supai, Arizona 86435

   Bureau of Indian Affairs
   400 North Fifth Street, 14th Floor
   Post Office Box 10
   Phoenix, Arizona 85004

10. **Approximate Original Cost:** $1,082,770.37;

11. **Condition of Property:** The power line facility is in good repair and condition and can be and is used for delivery by BIA of electricity by the BIA to the Tribes and BIA for their own purposes. The line is in constant daily use by the BIA and the Tribes. Other utilities, including Mohave, provide repairs when requested;

12. **Type of Transfer:** Transfer by Deed;

13. **Transfer Costs:** Mohave deposited $114,215.04 into a Trustee Account as required by RUS pursuant to 7 CFR § 1767.18. Subsequently, Mohave will apply these funds as a pro rata prepayment of its respective mortgages;

14. **Description of Property:** Two-pole, three-phase 14.4/24.9 KV line, consisting of 40'-60' poles with cross arms together with three-pole structures as necessary for "dead-end" or angle structures, beginning at the Nelson substation and ending at the rim of the Grand Canyon at the BIA Long Mesa substation. See attached Exhibit F for a description of the location of the line, and Exhibit A for a sketch of the line;

15. **Reason for Transfer:** Expiration and termination of the 1982 contract for wholesale power supply, o m & r and depreciation between Mohave and the BIA for the delivery to the BIA substation of wholesale electricity outside the Mohave certificated service area across the lands of the Hualapai and Havasupai Tribes for retail sale by the BIA to the Tribes at the election of the BIA makes the facility unneeded and surplus property. Wholesale electric service to the BIA continues to be delivered to the BIA for resale at a point of delivery inside the Mohave certificated service area at Mohave's Nelson substation at Mohave's lowest filed tariff rate. The line is "no longer necessary or useful in the performance of its duties to the public" pursuant to A.R.S. § 40-285(C). This transfer of this property outside of its service area and its potential liability is in the best interests of Mohave's rate-paying members;

16. **Borrower Status with RUS:** Mohave is not in default on any of its loans with RUS; in the most recent year for which data is available, Mohave achieved a TIER of at least 1.25, a DSC of at least 1.25, and OTIER of at least 1.1 and ODSC of at least 1.1 in each case based on the average or the best two out of three most recent years;

17. **Effect on Existing or Future Power Requirements and Pledged Security:** None. The Transfer of these assets will not reduce Mohave's existing or future requirements for energy or capacity. The transfer will not affect any of Mohave's assets pledged as security to the Government;

18. **Market Value:** Because the transferred line is within the boundaries of two (2) sovereign tribal nations and because of the circumstances surrounding this particular asset, Mohave determined the facilities have zero market value to Mohave, but were a liability;

19. **Aggregate Values:** The aggregate value of the transferred property is less than 10% of Mohave's net utility plant prior to this transaction;

20. **Proceeds of Transfer:** As previously indicated, Mohave shall concurrent herewith deposit $114,253.04 in a Trustee Construction account then apply those funds as a pro rata prepayment to Mohave's respective notes secured by mortgages;

21. **Partial Release Documents:** Three originals and a copy of the Partial Release of Liens document have been included with this transmittal letter. See attached Exhibit G, with a request RUS forward them to CFC and CoBank for execution.

We trust that all of the above information will be useful and helpful in acquiring a partial lease of all the liens contained on the attached documents. Should you have any questions regarding these matters please do not hesitate to give us a call.

Very truly yours,

Michael A. Curtis
For the Firm
Attorneys for Mohave Cooperative Inc.

MAC/sdc

cc: Robert E. Broz, MEC
Stephen McArthur, MEC
Larry McGraw, RUS

EXHIBIT 4

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE COMPLAINT OF BUREAU OF INDIAN AFFAIRS, UNITED STATES OF AMERICA, AGAINST MOHAVE ELECTRIC COOPERATIVE, INC. AS TO SERVICES TO THE HAVASUPAI AND HULAPAI INDIAN RESERVATIONS	)	DOCKET NO. E-01750A-05-0579 DECLARATION OF JAMES C. WALKER

1. My name is James C. Walker. I am the Facilities Manager, Truxton Canon Agency, Bureau of Indian Affairs, United States Department of the Interior, P.O. Box 37, Valentine, Arizona, 86437. My duties as Facility Manager include the monitoring of electrical service provided by Mohave Electric Cooperative, Inc., to the Bureau of Indian Affairs and to Havasupai Village, located within the Havasupai Indian Reservation in Arizona.

2. I know that from 1982 to the present, BIA has used, and continues to use, in Havasupai Village, some of the electricity Mohave Electric Cooperative, Inc. ("MEC") transmits from MEC's Nelson Substation over an electrical line ("Electrical Line") that traverses the Hualapai Indian Reservation to a point identified as "Long Mesa" located on the Havasupai Indian Reservation. I know that presently BIA uses in Havasupai Village some of the electricity MEC sends over the Electrical Line in the operation of a BIA school and related facilities; government quarters for BIA teachers and law enforcement officers; a BIA detention facility; a BIA electrical system; and a BIA maintenance building. I know that the Indian Health Service ("IHS") uses some of the electricity MEC sends over the Electrical Line to operate a medical clinic in Havasupai Village.

3. I know that some of the members of the Havasupai Tribe living in Havasupai Village use some of the electricity MEC sends over the Electrical Line to operate fans, evaporative coolers and refrigerators in their homes. I know that in the summer months, the temperatures in Havasupai Village sometimes reach 102 degrees Fahrenheit.

4. I know that except for the emergency generators that some residents of Havasupai Village may have, and that the BIA law enforcement and IHS have, the people living in Havasupai Village have no other source of continuous electrical service other than the electricity MEC sends over the Electrical Line.

5. I know that since February 15, 2006, to date, the flow of electricity over the Electrical Line between MEC's Nelson Substation and Long Mesa was interrupted nineteen times. The outage periods are as follows: February 15, 2006; April 5, 2006; April 21, 2006; May 21, 2006; May 22, 2006 (first time); May 22, 2006 (second time); June 8, 2006; June 12, 2006; July 3, 2006; July 5, 2006; July 7, 2006; July 8, 2006; July 11, 2006; July 19, 2006; July 26, 2006; August 3, 2006; August 16, 2006; August 18, 2006; and October 8, 2006. I know that I arranged for the repair of the Electrical Line on these occasions, except for October 8, 2006, and I am presently attempting to arrange for the repair of that outage. I telephoned MEC twice on October 9, 2006, and once on October 10, 2006, informed MEC of the outage, and asked MEC personnel to repair the Electrical Line. MEC personnel informed me that MEC did not have anyone available to check the Electrical Line. I know that the BIA paid for these repairs to the Electrical Line described above.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct. Executed on October 10, 2006.

James C. Walker

James C. Walker

EXHIBIT 5

MOHAVE ELECTRIC COOPERATIVE, INC.

March 27, 1991

Bureau of Indian Affairs
Phoenix Area Office
P. O. Box 10
Phoenix, Arizona 85001
Attention: Rose Velarde

Re: GSA Contract No. GS-00S-67021

Enclosed is the statement for payoff of construction cost under GSA Contract No. GSA-00S-67021 as requested by the Bureau of Indian Affairs, Phoenix Area. The Payoff amount is $923,243.92 as of March 31, 1991.

The effect of the payoff will be to remove the following part of the contract only:

FACILITIES CHARGES

(1) 4.44% (percent) of the lesser of the cost of construction or $1,600,000 and/or other amount(s) concurred in by the Government Contracting Officer;

The contract stays in full force and effect except that the 4.44% charge on the monthly letter billing will be eliminated. Please sign, date and return one copy of this letter to confirm agreement in this matter.

Gerald Knox 1420-3218-0692
BUREAU OF INDIAN AFFAIRS

03/29/91
Date

MOHAVE ELECTRIC COOPERATIVE

March 27, 1991
Date

Sincerely,

Jack Shilling
Manager of Engineering

P.O. Box 1045 Bullhead City, Arizona 86430-1045 763-4115

ORDER FOR SUPPLIES OR SERVICES

PAGE 1 OF PAGES

MPORTANT: Mark all packages and papers with contract and/or order numbers.

. DATE OF ORDER	2. CONTRACT NO. (If any)	3. ORDER NO.	4. REQUISITION/REFERENCE NO.
04/05/91	GSA-005-67092	PS1H5000237	

. ISSUING OFFICE (Address correspondence to)

U.S.D.I., BUREAU OF INDIAN AFFAIRS
PHOENIX AREA OFFICE - P&S
ONE NORTH FIRST STREET
PHOENIX, AZ 85004

6. SHIP TO: (Consignee and address, ZIP Code)

SAME AS BLOCK NO. 5, ATTN: GERALD KNOX
(602) 379-6761

SHIP VIA:

. TO: CONTRACTOR (Name, address and ZIP Code)

MOHAVE ELECTRIC COOPERATIVE, INC.
P. O. BOX 1045
BULLHEAD CITY, ARIZONA 86430-1045

8. TYPE OF ORDER

☐ A. PURCHASE — Reference your _____

Please furnish the following on the terms and conditions specified on both sides of this order and on the attached sheets, if any, including delivery as indicated. This purchase is negotiated under authority of:

☒ B. DELIVERY — Except for billing instructions on the reverse, this delivery order is subject to instructions contained on this side only of this form and is issued subject to the terms and conditions of the above-numbered contract.

. ACCOUNTING AND APPROPRIATION DATA

H68 -01 1 3300 6642 209 25N - $884,243.92
H50 999 X 1131 7632 HAA 25N - $ 39,000.00

10. REQUISITIONING OFFICE

STATE AREA FACILITY MANAGEMENT

11. BUSINESS CLASSIFICATION (Check appropriate box(es))

☒ SMALL ☐ OTHER THAN SMALL ☐ DIS-ADVAN-TAGED ☐ WOMEN-OWNED

2. F.O.B. POINT	14. GOVERNMENT B/L NO.	15. DELIVER TO F.O.B. POINT ON OR BEFORE (Date)	16. DISCOUNT TERMS
DESTINATION	N/A	03/31/91	NET

3. PLACE OF INSPECTION AND ACCEPTANCE

17. SCHEDULE (See reverse for Rejections)

ITEM NO. (A)	SUPPLIES OR SERVICES (B)	QUANTITY ORDERED (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)	QUANTITY ACCEPTED (G)
1.	PAYOFF OF CONSTRUCTION COST UNDER GSA CONTRACT NO. GSA-00S-67021. THE PAYOFF REMOVES THE FOLLOWING PART OF THE CONTRACT ONLY: FACILITIES CHARGES (1) 4.44% (PERCENT) OF THE LESSER OF THE COST OF CONSTRUCTION OR $1,600 AND/OR OTHER AMOUNT(S) CONCURRED IN BY THE GOVERNMENT CONTRACTING OFFICER; THE CONTRACT STAYS IN FULL FORCE AND EFFECT EXCEPT THAT THE 4.44% CHARGE ON THE MONTHLY LETTER BILLING WILL BE ELIMINATED.	1	EA.		$923,243.92	

18. SHIPPING POINT	19. GROSS SHIPPING WEIGHT	20. INVOICE NO.		17(H). TOT. (Cont. pages)

E BILLING TRUCTIONS ON REVERSE

21. MAIL INVOICE TO: (Include ZIP Code)

SAME AS BLOCK NO. 5, ATTN: PROPERTY & SUPPLY

$923,243.92

17(I). GRAND TOTAL

UNITED STATES OF AMERICA BY (Signature) Gerald Knox

23. NAME (Typed)
GERALD KNOX, 1420-3218-0692
TITLE: CONTRACTING/ORDERING OFFICER

EXHIBIT 6

BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission
DOCKETED

NOV 29 1990

DOCKETED BY

MARCIA WEEKS
CHAIRMAN
RENZ D. JENNINGS
COMMISSIONER
DALE H. MORGAN
COMMISSIONER

IN THE MATTER OF THE APPLICATION OF MOHAVE ELECTRIC COOPERATIVE, INC., AN ARIZONA NON-PROFIT CORPORATION, FOR A PERMANENT RATE INCREASE.	DOCKET NO. U-1750-89-231 DECISION NO. 57172 **OPINION AND ORDER**

DATES OF HEARING: July 11, 1990 (Public Comments)
July 25, 1990 (Hearing)

PLACES OF HEARING: Bullhead City, Arizona (Public Comments)
Phoenix, Arizona (Hearing)

PRESIDING OFFICER: Beth Ann Burns

IN ATTENDANCE: Marcia Weeks, Chairman
Renz D. Jennings, Commissioner

APPEARANCES: Mr. Charles D. Wahl, Attorney at Law, on behalf of Mohave Electric Cooperative, Inc.;

Mr. K. Justine Reidhead, Staff Attorney, on behalf of the Residential Utility Consumer Office;

JENNINGS, STROUSS & SALMON, by Mr. Glenn J. Carter, on behalf of Chemstar, Inc.; and

Ms. Elizabeth A. Kushibab, Staff Attorney, Legal Division, on behalf of the Arizona Corporation Commission Staff.

BY THE COMMISSION:

Mohave Electric Cooperative, Inc. ("MEC", "Applicant", or "Company") is an Arizona non-profit cooperative corporation engaged in the business of providing electric service to the public in

various portions of Mohave County, Arizona, pursuant to authority granted by the Arizona Corporation Commission ("Commission").

On September 9, 1989, MEC filed with the Commission an application for a permanent increase in its rates and charges. The application was revised by filings dated November 8, 1989, April 9, 1990, and May 9, 1990.

By Procedural Order dated November 9, 1989, intervention in this matter was granted to the Residential Utility Consumer Office ("RUCO") and Chemstar, Inc.

By Procedural Order dated May 29, 1990, the hearing in this matter was scheduled to commence on July 25, 1990. The hearing was held as scheduled.

Following the conclusion of the hearing, MEC and RUCO submitted late-filed exhibits on July 27, 1990 to reflect a consensus reached on certain issues. Staff submitted revised exhibits on August 1, 1990, August 7, 1990 and September 14, 1990. The late-filed exhibits should be marked and admitted into evidence as follows: Ex. MEC-10 (proposed rates revised) and Ex. MEC-11 (TIER forecasts); Ex. S-3 (revised Staff Report); and Ex. R-5 (revised schedules).

DISCUSSION

Applicant provides electric utility service to approximately 22,000 customers located in two separate portions of Mohave County, Arizona: a large, sparsely populated area east of Kingman, Arizona and a rapidly growing area encompassing Bullhead City and Riviera,

Arizona. As an electric cooperative, MEC purchases all of its power requirements from Arizona Electric Power Cooperative, Inc. MEC's current rates and charges for electric service were approved by the Commission in Decision No. 53174 (August 11, 1982).

This case comes before the Commission upon application of MEC for authority to permanently increase its rates and charges. Based upon its analysis of operating data for the test year ended July 31, 1989, MEC initially requested approval of rate schedules which would yield $1,803,775 in additional gross annual revenues, a 7% increase. As revised to reflect the settled issues, discussed below, MEC is now requesting a revenue increase of $1,497,840, or 5.62%.

Staff conducted an investigation of the application and, in the Staff Report filed July 3, 1990, recommended a revenue increase of $460,699, or 1.73%. Taking into account the settled matters, Staff currently supports a $585,762 increase, or 2.2%.

RUCO has presented a range within which it believes the revenue increase should be determined. Initially, the range provided for an increase from $1,118,858 to $1,199,330, or 4.2% to 4.8%. Upon revision to incorporate the settled issues, the range became $686,690 to $767,162, or 2.6% to 2.88%.

The settled issues referenced above result from a consensus reached by the parties just prior to the hearing in this matter. The consensus essentially represents acceptance of the Staff Report and covers a substantial portion of the case.

With regard to determining the revenue requirement, no issues remain in dispute as to the quantification of rate base. Applicant has accepted Staff's proposed original cost rate base valuation of $26,742,431. Since MEC has elected not to submit a reconstruction cost new rate base, the original cost rate base of $26,742,431 will be used as the fair value rate base for ratemaking purposes.

Applicant and RUCO have accepted Staff's adjustments to the test year income statement, including the adjustments to reflect the effects of customer growth. The adjustments subject to the consensus are reasonable and should be adopted.

The parties have further reached agreement that: MEC's base rate for purchased power should be $0.065798 per KWH; MEC's share of the Arizona Electric Power Cooperative, Inc. ("AEPCO") refund approved by the Commission in Decision No. 56803 (January 31, 1990) should be passed on to the Company's customers through a 3 mill credit per KWH; and MEC should include an addendum to its monthly purchased power adjustor filing to report for each month the amount refunded, the balance of the refund, and the amount of interest earned on the unrefunded balance. The Commission finds that the agreement is reasonable and should be adopted.

The only unresolved issue affecting the calculation of the revenue requirement is the level of revenues necessary for MEC to maintain an appropriate times interest earned ratio ("TIER") and equity ratio.

With regard to rates and tariffs matters, one issue remains in dispute. Staff has accepted Applicant's proposed distribution of the revenue increase among the customer classes, whereas RUCO favors an alternative allocation. The parties have agreed upon Applicant's proposed rate design, which includes the following changes:

- reduction of the residential monthly service charge from $12.00 to $9.50 per month;
- revision of the optional demand rate for residential and small commercial customers;
- expansion of the small commercial tariff to include customers with demands up to 100 KW;
- establishing a new rate for irrigation customers; and
- establishing separate rates for MEC's three large contract customers.

The rate structure supported by the parties is reasonable and should be adopted.

THE TIER AND EQUITY RATIOS

At July 31, 1989, Applicant's actual capitalization consisted of 68.26% debt and 31.74% equity. The ten-year equity management plan Applicant submitted for the Commission's consideration in this proceeding contemplates raising the Company's equity ratio to 45% within four to five years. The objective of raising the equity ratio would be to improve the capital structure and thereby enable the Company to attract financing for its construction program from sources other than the Rural Electrification Administration ("REA") and the National Rural Utilities Cooperative Financial Corporation

("CFC"). Applicant is concerned that the REA and CFC may reduce available funding or increase the interest rates.

According to Applicant, an integral step in the equity management plan is achieving a net TIER of at least 2.69.[1] The Company believes that a 2.69 TIER would provide sufficient earnings to maintain its sound financial condition, provide reliable service, respond to rapid system growth, stabilize rates at the lowest overall long-term costs to its member-customers, improve its equity ratio, and rotate capital credits to its member-customers in a meaningful cycle.[2] As revised, Applicant's $1,497,840 rate request would produce the earnings required to achieve the targeted interest coverage ratio in the late-1990's.

RUCO disagrees with Applicant's plan to reach a 45% equity ratio within a four to five-year period. It is RUCO's position that the equity component should instead be raised to between 35% and 40% of total capitalization, with some consideration given to adopting a flexible capital credit rotation policy so that the correct equity

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[1] An interest coverage ratio, or TIER, is a common financial measure of a company's earnings capability. The net TIER is calculated by adding the total margin and the interest expense on long-term debt, and then dividing by the amount of the interest expense. The operating TIER is calculated by dividing operating income by interest expense.

[2] Under the capital credit system, a cooperative's margin is allocated or credited back to its members in proportion to each member's patronage or revenues. The credits are maintained on the cooperative's books until its financial condition allows the refunds to be made.

ratio can be maintained when the Company's margin fluctuates. RUCO contends that moving toward a ratio of 35% to 40% would comport with the principles of continuity and gradualism. The upper end of the range RUCO sponsored for the rate increase is intended to produce a 2.14 net TIER and a 37.5% equity ratio in about five years.

The revenue increase recommended by Staff is calculated to allow MEC to maintain a net TIER of 2.00, with a net debt service coverage ratio ("DSC") of 2.09. Staff contends that a 2.00 net TIER is appropriate for the Company. In support of its position, Staff has observed that the long-term debt financing provided by the REA and CFC only requires a cooperative to maintain a 1.5 net TIER and a 1.25 DSC, as an average of the best two of the last three calendar years of operations. In Staff's opinion, little incentive exists to pursue coverage ratios significantly higher than the minimums since neither the CFC nor the REA reward financially strong cooperatives with lower interest rates than those charged other companies.

The issue before the Commission is the extent to which the rate relief granted in this proceeding should include revenues intended to augment MEC's earnings and thereby increase its TIER ratio and equity capitalization. The Commission finds that the weight of the evidence fails to substantiate the reasonableness of or need for a revenue allowance in the magnitude suggested by either MEC or RUCO.

The primary objective underlying Applicant's proposed move toward a higher coverage ratio and equity component is enhancement

of its financial posture and ability to attract capital from sources other than REA and CFC. However, the record evidence does not establish a need for MEC to actually seek alternative financing. At the time of hearing, Applicant's witnesses anticipated that MEC would in the next month submit a request to REA and CFC for financing its 2-year construction program. The Company's testimony has suggested no obstructions to procuring that financing and expresses hope that the funds will be obtained without having to approach another source. There is no indication in the record that the Company will be unable to secure REA and CFC financing unless its proposed 2.69 TIER is attained. There is also no certainty that REA and CFC will drive cooperatives into the capital market by increasing interest rates or restricting the availability of debt. Absent evidence establishing more than a remote possibility that it will be necessary for MEC to obtain alternative financing in the near future, the record fails to convince the Commission that a revenue allowance in excess of Staff's recommendation is warranted.

The $585,762 increase recommended by Staff is the level of rate relief necessary for Applicant to meet its operating costs, provide reliable electric utility service, and accrue sufficient earnings to maintain its financial integrity while cycling capital credits to its member-customers. It produces a 2.00 net TIER for the adjusted

test year,[3] which is slightly higher than the coverage ratios MEC has recently experienced.[4] It will provide a reasonable return on fair value rate base and should be approved.

REVENUE DISTRIBUTION

The remaining issue for the Commission's determination is the appropriate distribution of the authorized revenue requirement among the customer classes. Traditionally, the most widely accepted measure of reasonable utility rates and rate relationships is cost of service. Through a cost of service study, allocation ratios are developed to identify the proportionate responsibility of the various customer classifications for the utility's investment, revenues, and expenses. The realized rate of return under present rates is then calculated for each class and its relative rate of return performance is considered, along with other intangible factors, in distributing the revenue requirement.

Applicant performed a class cost of service study using a functionalization, classification, and allocation approach. The study is a product of load data for other utilities and the judgment of its expert witness because Company-specific information is

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[3] On rebuttal, the Company presented a forecast which estimates that for the 12 months ended June 30, 1991, the revenue increase recommended by Staff would produce a net TIER of 1.85. The 2.00 net TIER calculated based upon adjusted test year results, however, is the relevant number.

[4] At the end of the test year, the Company's net TIER was approximately 1.80 (Ex. A-2, Sch. 3). At year-end 1989, it was 1.77 (Ex. A-8, p. 3).

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unavailable. Under the revenue distribution resulting from the study, a higher than average percentage increase would be allocated to the residential, small commercial, and lighting classes. Staff has accepted this revenue distribution, but recommends that MEC be directed to implement a load research program for its system.

RUCO has criticized that portion of Applicant's cost of service study which allocates demand-related costs to the customer classes.[5] In RUCO's opinion, the demand allocation factors used in the study were improperly derived from load characteristics which had been estimated by Company witness Neidlinger based in part upon judgment and in part upon actual information he had in the past reviewed for the Arizona Public Service Company ("APS"), Tucson Electric Power Company, and Texas Electric Utilities Company. RUCO contends that the use of actual data for APS alone would be more appropriate, but that load data specific to MEC would most closely reflect the actual cost responsibility of the Company's customer classes. It is, therefore, RUCO's proposal that Applicant's cost of service study be modified to reflect the APS demand-related data and that Applicant be directed to implement a load research program to develop MEC-specific data for future rate cases. Under RUCO's revision to the Company's cost of service study, the small commercial, large

[5] The demand-related portion of the purchased power costs is the single largest expense item incurred by MEC.

commercial and industrial, irrigation, and lighting classes would sustain an above-average percentage increase.

The Commission agrees with Staff and RUCO that actual load data for MEC's own system would be the preferable basis for determining the revenue responsibility of each customer class. The rapid growth in the Bullhead City vicinity of the Company's service territory has produced a customer base of sufficient size to warrant the performance of load research. We will direct MEC to implement a load research program and base its class cost of service study in the next case on the resultant data.

For purposes of this proceeding, the Commission will reject the Company's cost of service study as being suspect and not susceptible to an evaluation for reasonableness. While surrogate data and the exercise of judgment can be appropriate elements in a study, Applicant has completely failed to document, support, or explain the combination of judgment and data for other utilities which it relied upon for cost of service purposes.

We will also reject the revenue distribution proposed by RUCO. While its treatment of demand-related costs is better founded, RUCO's proposal in other areas adopts the Company's rather nebulous study and contemplates greater overall shifts in the revenue responsibility of the customer classes. We are not persuaded that any such shifts should be effectuated until actual, MEC-specific

load data becomes available in the next case to provide guidance on the direction and magnitude of any needed realignment.

The Commission, therefore, finds it appropriate in this case to maintain the proportionate revenue responsibility which currently exists between the classes. We will approve a revenue distribution which allocates an average percentage increase of 2.34% to the customer classes.[6]

From a billing perspective, the 2.34% revenue increase allocated to the residential class will be offset by the reduction in the monthly service charge from $12.00 to $9.50 per month. As a result, approximately 82% of the residential class (those customers using up to approximately 1,000 KWH per month) will experience an overall decrease in their monthly bills.

* * * * * *

Having considered the entire record herein and being fully advised in the premises, the Commission finds, concludes, and orders that:

FINDINGS OF FACT

1. Applicant is an Arizona non-profit cooperative corporation engaged in the business of providing electric service to the public

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[6] The 2.20% authorized increase in gross annual revenues, when distributed to the customer classes exclusive of the "other revenue" category, equates to an average rate increase of 2.34%.

in various portions of Mohave County, Arizona, pursuant to authority granted by the Commission.

2. On September 9, 1989, as revised by filings dated November 8, 1989, April 9, 1990, and May 9, 1990, MEC submitted to the Commission an application for a permanent increase in its rates and charges.

3. Notice of the hearing in this matter was duly provided to Applicant's customers.

4. The hearing in this matter was held on the dates indicated above.

5. The following late-filed exhibits should be admitted into evidence: Ex. MEC-10 (proposed rates revised) and Ex. MEC-11 (TIER forecasts); Ex. S-3 (revised Staff Report); and Ex. R-5 (revised schedules).

6. The consensus reached by the parties, as reflected in Ex. S-3, is reasonable and should be adopted.

7. Applicant's fair value rate base is determined to be $26,742,431, which is the same as its original cost rate base.

8. The weight of the evidence fails to substantiate the reasonableness of or need for granting a revenue allowance in the magnitude suggested by either MEC or RUCO to augment the Company's earnings and thereby increase its TIER ratio and equity capitalization.

9. The record evidence does not establish a need for MEC to actually seek financing from sources other than the REA and CFC.

10. Absent evidence establishing more than a remote possibility that it will be necessary for MEC to obtain alternative financing in the near future, the record fails to convince the Commission that a revenue allowance in excess of Staff's recommendation is warranted.

11. The $585,762 increase recommended by Staff is the level of rate relief necessary for Applicant to meet its operating costs, provide reliable electric utility service, and accrue sufficient earnings to maintain its financial integrity while cycling capital credits to its member-customers.

12. The rates and charges approved herein will produce a net operating income of $2,297,218, for a return of 8.59% which is a fair and reasonable return on fair value rate base, and a net TIER of 2.00 which is reasonable for MEC at this time.

13. The authorized increase in gross annual revenues is $585,762, or 2.20%.

14. Actual load data for the Company's system is the preferable basis for determining the revenue responsibility of each customer class.

15. Applicant's cost of service study is suspect and not susceptible to an evaluation for reasonableness because the Company has completely failed to document, support or explain the

combination of judgment and data for other utilities which it relied upon for cost of service purposes.

16. The revenue distribution proposed by RUCO adopts, in part, the Company's rather nebulous study and contemplates greater overall shifts in the revenue responsibility of the customer classes.

17. No significant shifts in the proportionate revenue responsibility of the classes should be effectuated until actual, MEC-specific load data becomes available to provide guidance on the direction and magnitude of any needed realignment.

18. It is appropriate in this case to maintain the proportionate revenue responsibility which currently exists between the classes.

19. A revenue distribution which allocates an average percentage increase of 2.34% to the customer classes is reasonable.

CONCLUSIONS OF LAW

1. Applicant is a public service corporation within the meaning of Article XV of the Arizona Constitution and A.R.S. Sections 40-250 and 40-251.

2. The Commission has jurisdiction over Applicant and of the subject matter of the application.

3. Notice of the application was provided in the manner prescribed by law.

4. The rates and charges proposed by Applicant are not just and reasonable.

5. The rates and charges authorized herein are just and reasonable and should be approved.

6. A base rate for purchased power of $0.065798 per KWH should be approved.

7. MEC's share of the AEPCO refund should be passed on to its customers through a 3 mill credit per KWH and MEC should be directed to include an addendum to its monthly purchased power adjustor filing to report for each month the amount refunded, the balance of the refund, and the amount of interest earned on the unrefunded balance.

8. MEC should implement a load research program for its system, develop and submit for Staff approval its plan for the program within six months from the effective date of this Decision, and base its class cost of service study in the next rate case on the resultant data.

ORDER

IT IS THEREFORE ORDERED that MEC is hereby directed to file on or before December 31, 1990 revised rate schedules setting forth the rates and charges contained in Exhibit A, attached hereto and incorporated herein by reference, and the rates and charges for other services subject to the consensus approved herein.

IT IS FURTHER ORDERED that the above rates and charges shall be effective for all service provided on and after January 1, 1991.

IT IS FURTHER ORDERED that MEC shall notify its customers of the rates and charges authorized herein and the effective date of same by means of an insert in its next regular monthly billing.

IT IS FURTHER ORDERED that MEC's base rate for purchased power is hereby established at $0.065798 per KWH.

IT IS FURTHER ORDERED that a credit of $0.003 per KWH shall be applied to customer bills until MEC has refunded its share of the AEPCO refund and the interest earned on the unrefunded balance.

IT IS FURTHER ORDERED that MEC is hereby directed to include an addendum to its monthly purchased power adjustor filing to report for each month the amount of the AEPCO refund passed on to customers, the remaining balance of the refund, and the amount of interest earned on the unrefunded balance.

IT IS FURTHER ORDERED that MEC is hereby directed to implement a load research program for its system, develop and submit for Staff approval its plan for the program within six months from the effective date of this Decision, and base its class cost of service study in the next rate case on the resultant data.

IT IS FURTHER ORDERED that the following late-filed exhibits are hereby admitted into the record for this proceeding: Ex. MEC-10 (proposed rates revised) and Ex. MEC-11 (TIER forecasts); Ex. S-3 (revised Staff Report); and Ex. R-5 (revised schedules).

DOCKET NO. U-1750-89-231

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

CHAIRMAN COMMISSIONER COMMISSIONER

IN WITNESS WHEREOF, I, JAMES MATTHEWS, Executive Secretary of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 29 day of November, 1990.

JAMES MATTHEWS
EXECUTIVE SECRETARY

DISSENT _____
babs

MOHAVE
PERCENTAGE INCREASE
AMOUNT INCREASED

	TEST YEAR REVENUES	MOHAVE	RUCO	APPROVED	% of TOTAL
RESIDENTIAL	$15,421,961	2.39%	1.79%	2.34%	
(% ofTOTAL)	57.89%	$15,790,546	$15,698,014	$15,782,835	57.97%
SMALL COMM'L.	5,997,009	2.94%	3.56%	2.34%	
	22.51%	6,173,321	6,210,503	$6,137,339	22.54%
LRG COMM. & IND.	2,123,873	2.01%	3.47%	2.34%	
	7.97%	2,166,563	2,197,571	2,173,572	7.98%
IRRIGATION	437,797	-1.62%	3.40%	2.34%	
	1.64%	430,705	452,682	448,041	1.65%
BIA	115,718	0.00%	0.42%	2.34%	
	0.43%	115,718	116,204	118,426	0.43%
CHEMSTAR	1,340,694	0.00%	0.00%	0.00%	
	5.03%	1,340,694	1,340,694	1,340,694	4.92%
CYPRUS BAGDAD	832,471	-0.97%	-0.71%	2.34%	
	3.12%	824,396	826,560	851,951	3.13%
LIGHTING	100,044	12.99%	12.99%	2.34%	
	0.38%	113,040	113,040	102,385	0.38%
OTHER REVENUE	269,904	0.00%	0.00%	0.00%	
	1.01%	269,904	269,904	269,904	0.99%
AVG INCREASE	$26,639,471	2.20%	2.20%	2.20%	
	100.00%	$27,224,886	$27,225,172	$27,225,147	100.00%

MOHAVE
SUMMARY
CURRENT AND APPROVED
RATE COMPARISONS

RESIDENTIAL	CURRENT RATES	APPROVED RATES
Small General Service		
Residential-SGS		
Monthly Service Charge	$12.00	$9.50
Energy-kWH	$0.08100	$0.08319
Optional-TOD Rates		
Residential-RTOD		
Monthly Service Charge	$15.00	$15.00
On-Peak Energy Charge	0.11600	0.14950
Off-Peak Energy Charge	0.05200	0.05200
Optional Demand Rate		
Residential-RD		
Oct.-April		
Monthly Service Charge	$13.50	
Energy-kWH	0.08100	
May-Sept.		
Monthly Service Charge	$13.50	
Demand Charge-kW	$6.50	
Energy-kWH	0.05100	
All Months		
Monthly Service Charge		$13.50
Demand Charge-kW		$7.50
Energy-kWH		0.04800

SMALL COMMERCIAL

Small Commercial Service
SCS-Less than 100kW
Non-Demand Metered

Monthly Service Charge	$17.50	$12.00
Energy Charge-kWH	0.07350	0.08160

Demand Metered

Monthly Service Charge	$19.00	$25.00
Demand Charge-kW (>3kW)	$7.20	$8.25
Energy-kWH	0.05750	0.05374

Optional TOD Rate
Small Comm. & Ind.
(Less than 100kW-SCTOD)

Monthly Service Charge	$25.00	$30.00
On Peak Demand Charge-kW	$13.50	$12.50
Energy-kWH	0.05950	0.05040

LARGE COMM. & INDUSTRIAL

Large Comm. & Ind.
(Greater than 100 kW)

Monthly Service Charge	$62.00	$70.00
Demand Charge-kW	$9.00	$9.75
Energy-kWH	0.04850	0.04558

Optional TOD Rate
Large Comm. & Ind.

Monthly Service Charge	$62.00	$70.00
On Peak Demand Charge-kW	$13.50	$13.50
Energy-kWH	0.04100	0.04100

IRRIGATION

Large Irrig. Pumping

Monthly Service Charge	$62.00	$60.00
Demand Charge-kW	$9.00	$7.00
Energy-kWH	0.04850	0.05800

Optional TOD Rate

Large Irrig. Pumping

Monthly Service Charge	$62.00	$60.00
On Peak Demand Charge-kW	$13.50	$13.50
Energy-kWH	0.06333	0.05000

LIGHTING

Lighting Service-LS

Utility Owned:		
Mercury Vapor-175 Watt	$6.70	$6.85
HP Sodium-100 Watt	7.70	$7.88
LP Sodium-100 Watt	10.20	$10.43
Consumer Owned		
Mercury Vapor-175 Watt	$5.00	$5.11
HP Sodium-100 Watt	5.00	$5.11
LP Sodium-100 Watt	5.00	$5.11

LARGE CONTRACT

Large Contract- BIA		
Monthly Service Charge	$62.00	$70.00
Demand Charge-kW	$9.00	$9.00
Energy Charge-kWH	0.04850	0.04579
Large Contract-Cyprus Bashdad		
Monthly Service Charge	$62.00	(1)
Demand Charge-kW	$13.50	
Energy Charge-kWH	0.04100	
Large Contract-Chemstar		
Monthly Service Charge	$62.00	(1)
Demand Charge-kW	$9.00	
Energy Charge-kWH	0.04850	

(1) Current contract rates apply.
Any back-up service provided outside of the contract will be subject to the Large Commercial and Industrial general rate or the Optional Time-of-Day rate.

ORIGINAL

MOHAVE ELECTRIC COOPERATIVE, INC.

CONTRACT RATE - REVISED EXHIBIT "2"

for the

U.S. Bureau of Indian Affairs

Availability:

1. Available only to the U.S. Bureau of Indian Affairs pursuant to agreement for electric service dated April 1, 1982.

Character of Service:

1. All service provisions are specified in the contract.

Net Rate Per Month:

Monthly Service Charge	$70.00
Demand Charge - Per KW	9.00
Energy Charge - Per KWH	0.04579

Billing Demand:

1. The billing demand shall be the maximum kilowatt demand established for any fifteen (15) minute period during the billing month.

Tax Adjustments:

1. Total monthly sales for electric service are subject to adjustment for all federal, state and local governmental taxes or levies on such sales and any assessments that are or may be imposed by federal or state regulatory agencies on electric utility gross revenues.

Purchased Power Cost Adjustment:

1. The utility may, if the cost of purchased power is increased or decreased above or below the base purchased power cost of $0.065798 per KWH sold, flow through to the consumer such increases or decreases.

Conditions of Service:

1. The terms and conditions for the provision of service to the consumer under this rate schedule are subject to the Rules and Regulations of the utility, as approved and modified from time to time by the Arizona Corporation Commission.

Effective Date:

1. This rate schedule is effective January 1, 1991.

APPROVED FOR FILING
IN COMPLIANCE WITH

EXHIBIT 7

MOHAVE ELECTRIC COOPERATIVE, INC.

APRIL 2, 1982

DEPT. OF INTERIOR
BUREAU OF INDIAN AFFAIRS
P.O. BOX 7007
PHOENIX, AZ. 85011

RE: ACCT. #29740-00, D-8

MARCH 1982 BILLING FOR USAGE
FROM MARCH 1, 1982 to APRIL 1, 1982

	PRESENT	PREVIOUS	DIFFERENCE	MULTI	USAGE
KWH	164	65	99	1200	185,959
KW	.36		.36	1200	432

CHARGES:	185,959 KWH	@ $.029	=	5,392.81
	432 KW	@ $.6.90	=	2,980.80
				8,373.61
WHOLESALE POWER COST ADJ. 185,959 @ .013092=				2,434.53
				10,808.19
ARIZONA STATE TAX @ .04				432.33
				11,240.52
FACILITY CHARGE				15,504.48
ARIZONA STATE TAX @ .04				620.18
			TOTAL DUE	27,365.18

MOHAVE ELECTRIC COOPERATIVE, INC.

Mr. A. H. Carpenter
Manager

AHC/ek
CC: TRUXTON CANYON AGENCY
VINCE LA POINTE
VALENTINE, AZ. 86437

MOHAVE ELECTRIC COOPERATIVE, INC.

April 8, 1982

DEPT. OF INTERIOR
BUREAU OF INDIAN AFFAIRS
P O BOX 7007
PHOENIX, AZ 85011

SUBJECT: REVISED JAN. BILLING FOR USAGE FROM JAN. 1, 1982 TO FEB. 1, 1982

RE: ACCOUNT #29740-00, D-8, LONG MESA POWER TRANSFORMER

	Present Reading	Previous Reading	Diff.	Multi.	Usage
KWH	0	-	0	1200	0
KW	0	-	0	1200	0

PREVIOUS BALANCE $16,124.66

Energy Charges:

Base Rate:

0 KWH @ $ .029 = $ .00
0 KW @ $6.90 = $ .00

Wholesale Power Cost Adjustment:

0 KWH @ $ .0100 = $ .00

Arizona Sales Tax @ 4% = $ .00

Total Energy Charge $ .00

Facility Charge:

Cost of Construction	$\frac{1,145,651.55 \times .0444}{12}$	=	$ 4,238.91
Property Tax	$\frac{1,145,651.55 \times .05}{12}$	=	$ 4,773.55
Operation & Maintenance	$\frac{1,145,651.55 \times .02}{12}$	=	$ 1,909.42
Depreciation	$\frac{1,145,651.55 \times .048}{12}$	=	$ 4,582.60
			$15,504.48
Arizona Sales Tax			$ 620.18
Total Facility Charge			$16,124.66

BALANCE DUE $32,249.32

MOHAVE ELECTRIC COOPERATIVE, INC.

A. H. Carpenter by

Mr. A. H. Carpenter
Manager

AHC/kh

cc: TRUXTON CANYON AGENCY
VINCE LA POINTE
VALENTINE, AZ 86437

P.O. Box 1045 Bullhead City, Arizona 86430 754-4115

MOHAVE electric cooperative

Built

P.O. Box 2000
City, Arizona 86430
(520) 763-1100

DEPARTMENT OF INTERIOR 952
BIA-DSBRSMNT ATTN:UT PYMT
PO BOX 2042
ALBUQUERQUE NM 87103-2042

ACCOUNT NUMBER 29

INVOICE DATE 2/28,

PAGE NUMBER

SUB ACCT	SERVICE LOCATION	DESCRIPTION		AMOUNT
000	LONG MESA END OF SUPAI	PRIOR BALANCE		30641.
	RATE-613 MULTIPLIER- 1200	KWH USED	187200	8571.
	METER 86153321	KW DEMAND	516.00	4644.
	READ 01/27 10560	CUSTOMER CHARGE		70.
	READ 02/25 10716	REFUND	.0085000-	1591.
		STATE TAX		1302.
		COUNTY TAX		130.
		FACILITIES CHARGE		14355.
			TOTAL	58123.

BALANCE FORWARD	CURRENT AMOUNT	CURRENT DUE DATE	TOTAL AMOUNT DUE
30641.00	27482.96	3/10/97	58123.96

BALANCE FORWARD IS SUBJECT TO SERVICE DISCONNECTION.
CURRENT DUE DATE IS FOR CURRENT AMOUNT ONLY.

A FREE TRIP TO WASHINGTON, D.C. AWAITS TWO HIGH SCHOOL STUDENTS. THE MOHAVE ELECTRIC YOUTH TOUR SPEECH COMPETITION IS NOW OPEN TO MEMBERS OF THE JUNIOR CLASS. DETAILS ARE AVAILABLE BY CALLING MARK HARRIS AT 763-4115, EXTENSION 512.

Please mail stub with payment or bring entire bill with payment to:

Mohave Electric Cooperative, Inc.
P.O. Box 2000
928 Hancock Road
Bullhead City, AZ 86430

ACCOUNT DEPARTMENT OF I 29740-000
Invoice Date 2/28/97
Total Amt Due 58123.96

PLEASE DO NOT FOLD

EXHIBIT 8

MOHAVE electric cooperative
A Touchstone Energy Partner
P.O. Box 2000
Bullhead City, Arizona 86430
(520) 763 1100

BRAVO, W C 88
PO BOX 189
PEACH SPRINGS AZ 86434-0189

ACCOUNT NUMBER 381 55
INVOICE DATE 01/29/01
PAGE NUMBER 1

SUB ACCT	SERVICE LOCATION	DESCRIPTION	AMOUNT
001	SUPAI LINE NEAR FRAZIER WELL	PRIOR BALANCE	23.24
	RATE-101 MULTIPLIER- 1	KWH USED 332	27.62
	METER 95528410	CUSTOMER CHARGE	9.50
	READ 12/21 43371	PURCH POWER ADJ.0060000-	1.99-
	READ 01/24 43703		
		TOTAL	58.37

BALANCE FORWARD	CURRENT AMOUNT	CURRENT DUE DATE	TOTAL AMOUNT DUE
23.24	35.13	02/08/01	58.37

2

MOHAVE
electric cooperative
A Touchstone Energy Partner
P.O. Box 2000
Bullhead City, Arizona 86430
(520) 763-1100

BRAVO, W C
PO BOX 189
PEACH SPRINGS AZ 86434-0189

ACCOUNT NUMBER	28135
INVOICE DATE	07/28/01
PAGE NUMBER	1

SUB ACCT	SERVICE LOCATION	DESCRIPTION		AMOUNT
001	SUPAI LINE NEAR FRAZIER WELL	KWH USED	494	41.10
	RATE-101 MULTIPLIER- 1	CUSTOMER CHARGE		9.50
	METER 95528410	PURCH POWER ADJ.0080000-		2.96-
	READ 01/24 43703			
	READ 02/23 44197			
		TOTAL		47.64

Pd 3/13/01

BALANCE FORWARD	CURRENT AMOUNT	CURRENT DUE DATE	TOTAL AMOUNT DUE
.00	47.64	03/10/01	47.64

3

MOHAVE electric cooperative
A Touchstone Energy Partner

P.O. Box 2000
Bullhead City, Arizona 86430
(520) 763-1100

grey on Rec

BRAVO, W C 88
PO BOX 189
PEACH SPRINGS AZ 86434-0189

ACCOUNT NUMBER 28135
INVOICE DATE 03/29/01
PAGE NUMBER 1

SUB ACCT	SERVICE LOCATION	DESCRIPTION	AMOUNT
001	SUPAI LINE NEAR FRAZIER WELL	KWH USED 811	67.47
	RATE-101 MULTIPLIER- 1	CUSTOMER CHARGE	9.50
	METER 95528410	PURCH POWER ADJ.0060000-	4.87-
	READ 02/23 44197		
	READ 03/22 45008		
		TOTAL	72.10

BALANCE FORWARD	CURRENT AMOUNT	CURRENT DUE DATE	TOTAL AMOUNT DUE
.00	72.10	04/08/01	72.10

NO RATE INCREASES IN 10 YEARS. LOVE YOUR ELECTRIC CO-OP BY DISPLAYING ONE OF OUR BUMPER STICKERS AND ENTERING DRAWINGS FOR MOHAVE ELECTRIC BEANIE BEARS & 100 DOLLAR POWER CREDITS. ENTER AT THE CUSTOMER SERVICE OFFICE AT 928 HANCOCK ROAD.

Please mail stub with payment or bring entire bill with payment to:

Mohave Electric Cooperative, Inc.
P.O. Box 2000
928 Hancock Road
Bullhead City, AZ 86430

ACCOUNT BRAVO, W C 28135-001
Invoice Date 03/29/01
Total Amt Due 72.10

PLEASE DO NOT FOLD

4

MOHAVE
electric cooperative
A Touchstone Energy Partner
P.O. Box 2000
Bullhead City Arizona 86430
(520) 763 1100

BRAVO, W C 87
PO BOX 189
PEACH SPRINGS AZ 86434-0189

ACCOUNT NUMBER	28135
INVOICE DATE	04/30/01
PAGE NUMBER	1

SUB ACCT	SERVICE LOCATION	DESCRIPTION		AMOUNT
001	SUPAI LINE NEAR FRAZIER WELL	PRIOR BALANCE		72.10
	RATE-101 MULTIPLIER- 1	KWH USED	694	57.73
	METER 95528410	CUSTOMER CHARGE		9.50
	READ 03/22 45008	PURCH POWER ADJ.0060000-		4.16-
	READ 04/24 45702			
		TOTAL		135.17

#-9854

BALANCE FORWARD	CURRENT AMOUNT	CURRENT DUE DATE	TOTAL AMOUNT DUE
72.10	63.07	05/10/01	135.17

5

MOHAVE
electric cooperative
A Touchstone Energy Partner
P.O. Box 2000
Bullhead City, Arizona 86430
(520) 763-1100

BRAVO, W C 92
PO BOX 189
PEACH SPRINGS AZ 86434-0189

ACCOUNT NUMBER	281[illegible]
INVOICE DATE	05/[illegible]0/01
PAGE NUMBER	1

SUB ACCT	SERVICE LOCATION		DESCRIPTION		AMOUNT
001	SUPAI LINE NEAR FRAZIER WELL		PRIOR BALANCE		.17
	RATE-101 MULTIPLIER-	1	KWH USED	110	9.15
	METER 95528410		CUSTOMER CHARGE		9.50
	READ 04/24 45702		PURCH POWER ADJ.0060000-		.66-
	READ 05/23 45812				
				TOTAL	18.16

BALANCE FORWARD	CURRENT AMOUNT	CURRENT DUE DATE	TOTAL AMOUNT DUE
.17	17.99	06/09/01	18.16

6

MOHAVE
electric cooperative
A Touchstone Energy Cooperative
PO Box 2000
Bullhead City, Arizona 86430
(520) 763-1100

BRAVO, W C 95
PO BOX 189
PEACH SPRINGS AZ 86434-0189

ACCOUNT NUMBER 28135
INVOICE DATE 06/28/01
PAGE NUMBER 1

SUB ACCT	SERVICE LOCATION	DESCRIPTION	AMOUNT
001	SUPAI LINE NEAR FRAZIER WELL	KWH USED 336	27.95
	RATE-101 MULTIPLIER- 1	CUSTOMER CHARGE	9.50
	METER 95528410	PURCH POWER ADJ.0060000-	2.02-
	READ 05/23 45812		
	READ 06/25 46148		
	ESTIMATED		
		TOTAL	35.43

pd
7-23-01

BALANCE FORWARD	CURRENT AMOUNT	CURRENT DUE DATE	TOTAL AMOUNT DUE
.00	35.43	07/08/01	35.43

7

EXHIBIT 9

MOHAVE
electric cooperative
A Touchstone Energy® Cooperative

P.O. Box 1045, Bullhead City, AZ 86430

July 23, 2003

McArthur
7/28/03

TCIA – Department of the Interior – BIA
Truxton Canyon Agency
P. O. Box 37
Valentine, Arizona 86437

Re: Account # 451-55; Meter No. 61-718-916

Dear Sir:

Currently, all your electricity flows over lines transferred, together with meters, to the Bureau of Indian Affairs ("BIA"), the Hualapai and Havasupai Tribes. Your retail electric service has been transferred to the BIA as the only entity authorized to deliver retail electric service to you on tribal lands. To assist in the transition, Mohave Electric will credit your account and the BIA with sixty (60) days of electric service based on your usage. The BIA will be responsible to read the meters and bill you on your future bills for electric service. You will not receive any additional bills from Mohave Electric. Also, as noted, you will be credited with the amount of your usage for the next sixty (60) days. Subsequently, the BIA will be responsible for your electric service and will invoice you for future service. There will be no service interruption. Currently, all the meters and facilities necessary to continue service uninterrupted have been transferred to the ownership and control of the BIA and the Hualapai and Havasupai tribes. The only change you will notice is that Mohave Electric will no longer read the meters, and service calls will be directed to the BIA, Truxton Canyon Agency, Valentine Arizona (phone 928/769-2286) which is experienced and already operates an existing retail electric utility service on Tribal land. In addition, you may also contact me directly with any questions you have regarding this change (phone 928/763-4115).

Sincerely,

Mohave Electric Cooperative

By Stephen McArthur
Stephen McArthur, Comptroller

cc: General Counsel
Arizona Corporation Commission
File
BIA
Hualapai Tribe
Havasupai Tribe

MOHAVE
electric cooperative
A Touchstone Energy® Cooperative

P.O. Box 1045, Bullhead City, AZ 86430

McArthur 7/28/03

July 23, 2003

Department of the Interior
Truxton Canyon Agency
P. O. Box 37
Valentine, Arizona 86437

Re: Acct. # 29740-001 - Meter # 86-549-384

Dear Sir:

Currently, all your electricity flows over lines transferred, together with meters, to the Bureau of Indian Affairs ("BIA"), the Hualapai and Havasupai Tribes. Your retail electric service has been transferred to the BIA as the only entity authorized to deliver retail electric service to you on tribal lands. To assist in the transition, Mohave Electric will credit your account and the BIA with sixty (60) days of electric service based on your usage. The BIA will be responsible to read the meters and bill you on your future bills for electric service. You will not receive any additional bills from Mohave Electric. Also, as noted, you will be credited with the amount of your usage for the next sixty (60) days. Subsequently, the BIA will be responsible for your electric service and will invoice you for future service. There will be no service interruption. Currently, all the meters and facilities necessary to continue service uninterrupted have been transferred to the ownership and control of the BIA and the Hualapai and Havasupai tribes. The only change you will notice is that Mohave Electric will no longer read the meters, and service calls will be directed to the BIA, Truxton Canyon Agency, Valentine Arizona (phone 928/769-2286) which is experienced and already operates an existing retail electric utility service on Tribal land. In addition, you may also contact me directly with any questions you have regarding this change (phone 928/763-4115).

Sincerely,

Mohave Electric Cooperative

By Stephen McArthur
Stephen McArthur, Comptroller

cc: General Counsel
Arizona Corporation Commission
File
BIA
Hualapai Tribe
Havasupai Tribe

EXHIBIT 10

MOHAVE ELECTRIC COOPERATIVE, INC.

Twelve Months Ended July 31, 1989

Cost of Service Study Index

Line No.	Description	Page(s)
1.	Cost of Service Summary	1 - 2
2.	Unit Costs	3 - 4
3.	Allocation of Rate Base by Class of Service	5 - 10
4.	Allocation of Operating Expenses by Class Service	11 - 18
5.	Functionalization of Utility Plant	19 - 30
6.	Functionalization of Other Rate Base Components	31 - 33
7.	Functionalization of Operating Expenses	34 - 48
8.	Functionalization Factors	49 - 51
9.	Class Allocation Factors	52

MAINE ELECTRIC COOPERATIVE, INC. ***** TWELVE MONTHS ENDED 7-31-[illegible]

COST OF SERVICE SUMMARY

DESCRIPTION	TOTAL	RESIDENTIAL	SMALL COMMERCIAL	LARGE C & I	IRRIGATION	BIA	DIETSTAR	CYPRESS PADUCAH	LIGHTING
REVENUES - PRESENT RATES:									
Customer Sales	25,[illegible],074	14,707,137	5,700,812	2,105,276	440,402	110,002	1,340,[illegible]	830,023	100,044
Other Electric Revenue	288,[illegible]	75,[illegible]	8,176	127	0	187,[illegible]	0	0	0
PPA (Over) Under Collected	(41,231)	(33,084)	(36,[illegible])	831	6,777	(172)	0	13,913	0
Total Revenues	25,802,340	14,828,790	5,733,[illegible]	2,108,332	447,145	325,790	1,340,[illegible]	850,938	100,044
OPERATING EXPENSES:									
Production	19,[illegible],020	10,721,301	4,[illegible],324	1,460,713	275,[illegible]	101,711	1,177,734	720,010	49,[illegible]
Transmission	10,225	2,[illegible]	1,[illegible]	41[illegible]	[illegible]	271	3,200	2,[illegible]	0
Distribution	954,53[illegible]	627,[illegible]	21[illegible],[illegible]	55,175	12,021	8,[illegible]	8,375	1,[illegible]	22,327
Customer Accounts & Inf.	788,257	595,807	87,[illegible]72	3,420	2,[illegible]	2,073	2,073	2,073	7,108
Administrative & General	1,194,920	869,230	100,051	34,741	8,335	45,024	9,714	5,053	19,817
Depreciation	935,882	578,882	198,235	58,733	10,251	39,835	20,246	16,020	14,782
Property Taxes	606,089	427,027	144,840	37,384	7,548	24,595	23,133	13,379	12,313
Other Taxes	115,395	85,897	10,1[illegible]	3,391	805	4,348	773	546	1,[illegible]
Income Taxes	0	0	0	0	0	0	0	0	0
Total Operating Exp.	24,335,027	14,377,471	5,477,471	2,044,897	318,761	230,790	1,247,337	763,036	130,088
OPERATING INCOME (LOSS)	1,468,592	821,323	255,830	151,478	128,384	94,980	92,377	87,890	(25,[illegible])
RATE BASE	25,[illegible],341	15,730,830	5,821,027	1,531,465	325,344	1,034,741	761,718	188,419	477,517
% RETURN - PRESENT RATES	5.41%	3.9[illegible]%	4.5[illegible]%	9.8[illegible]%	39.[illegible]%	9.[illegible]%	14.3[illegible]%	46.9[illegible]%	-5.44%
RETURN INDEX	1.00	0.73	0.[illegible]	1.03	7.[illegible]	1.21	2.91	8.69	-1.01
ALLOCATED INTEREST EXPENSE	1,330,700	801,147	291,275	73,195	15,445	52,[illegible]	47,337	15,917	24,[illegible]
OPERATING TIC?	1.[illegible]	0.9[illegible]	0.[illegible]	2.[illegible]	8.31	1.24	1.9[illegible]	5.19	-1.[illegible]

PONDER ELECTRIC COOPERATIVE, INC. ***** TWELVE MONTHS ENDED 7-31-[illegible]

COST OF SERVICE SUMMARY

DESCRIPTION	TOTAL	RESIDENTIAL	SMALL COMMERCIAL	LARGE C & I	IRRIGATION	RIA	CHRISTIAN	CYPRESS RADIAN	LIGHTING
REVENUES - PROPOSED RATES:									
Customer Sales	27,338,216	15,680,243	6,288,884	2,327,977	424,828	119,710	1,340,884	825,020	140,082
Other Electric Revenue	269,906	75,598	8,174	127	0	188,048	0	0	0
PPA (Over) Under Collected	0	0	0	0	0	0	0	0	0
Total Revenue	27,608,122	15,956,791	6,296,058	2,328,105	424,828	308,758	1,340,884	825,020	140,082
OPERATING EXPENSES:									
Production	19,704,820	10,921,301	4,804,924	1,858,713	275,938	100,211	1,172,734	720,610	49,288
Transmission	10,225	2,826	1,192	418	54	234	3,208	2,195	0
Distribution	954,538	827,895	218,699	55,175	12,921	8,876	9,325	1,740	22,327
Customer Accounts & Inf.	788,257	676,867	87,872	3,420	2,888	2,873	2,873	2,873	7,108
Administrative & General	1,194,920	898,230	188,051	34,701	6,335	46,024	7,314	5,853	18,817
Depreciation	935,882	578,812	198,235	50,733	10,258	38,835	29,248	16,020	14,782
Property Taxes	885,000	427,027	144,649	37,358	7,548	29,585	23,133	13,375	12,313
Other Taxes	115,385	65,887	18,198	3,351	808	4,369	708	546	1,808
Income Taxes	0	0	0	0	0	0	0	0	0
Total Operating Exp.	24,388,027	14,207,476	5,457,471	2,044,087	318,848	230,799	1,248,337	783,038	128,889
OPERATING INCOME (LOSS)	3,220,276	1,757,373	818,588	283,278	105,979	74,880	92,357	81,796	14,082
RATE BASE	25,988,301	15,730,836	8,021,027	1,531,458	325,264	1,076,241	561,018	188,417	477,817
% RETURN - PROPOSED RATES	12.35%	11.17%	13.61%	18.48%	32.59%	6.96%	16.38%	33.75%	2.94%
RETURN INDEX	1.00	0.90	1.10	1.50	2.64	0.57	1.17	2.74	0.24
ALLOCATED INTEREST EXPENSE	1,330,700	801,147	281,275	73,115	15,445	80,592	67,327	18,017	[illegible]
OPERATING TIER	2.41	2.19	2.81	3.87	6.86	1.24	1.38	3.56	0.39
% INCREASE (DECREASE) IN RATES	7.00%	7.78%	8.50%	8.00%	-5.00%	0.00%	0.00%	-3.00%	[illegible]

PENNAE ELECTRIC COOPERATIVE, INC. ***** TWELVE MONTHS ENDED 7-31-[illegible]

UNIT COSTS

DESCRIPTION	TOTAL	RESIDENTIAL	SMALL COMMERCIAL	LARGE C & I	IRRIGATION	BIA	CHEMSTAR	CYPRUS BAGDAD	LIGHTING
UNITS:									
Energy - Kwh	298,583	140,084	66,015	30,880	5,027	1,097	27,836	15,704	1,472
Demand - Kw	1,242,821	835,888	289,490	76,901	19,432	4,584	17,955	14,099	4,258
Customer - Bills	288,388	271,482	23,773	371	319	12	12	12	12,378
TOTAL COSTS - PRES. REV:									
Energy	8,840,004	4,885,905	2,188,335	1,011,863	185,877	53,610	887,513	500,013	48,288
Demand	13,885,130	7,973,418	3,257,030	1,182,968	200,307	247,758	447,872	355,321	10,879
Customer	2,258,203	1,890,479	288,827	21,721	20,911	5,070	5,298	8,203	39,878
Total	25,882,337	14,879,798	5,733,010	2,198,332	447,185	305,758	1,360,682	860,536	100,044
TOTAL COSTS - PROP. REV:									
Energy	9,848,004	4,885,905	2,188,335	1,011,863	185,877	53,610	887,513	500,013	48,288
Demand	15,125,192	8,843,528	3,723,298	1,280,168	240,166	247,758	447,872	310,186	22,960
Customer	2,731,[illegible]	2,134,398	387,224	29,774	18,884	5,070	5,298	5,421	89,036
Total	27,808,110	15,864,798	6,298,858	2,321,105	424,826	305,758	1,360,682	825,020	140,082
UNIT COSTS - PRES. REV:									
Energy - Per Kwh	0.03298	0.03324	0.03312	0.03300	0.03300	0.03204	0.03188	0.03203	0.03348
Demand - Per Kw	11.02	9.54	12.08	15.11	13.60	53.96	24.94	25.19	2.55
Demand - Per Kwh	0.04587	0.05316	0.04436	0.03783	0.03189	0.14432	0.01878	0.02110	0.03938
Customer - Per Bill	8.74	8.44	12.18	58.55	65.55	424.16	441.37	316.88	3.22
UNIT COSTS - PROP. REV:									
Energy - Per Kwh	0.03298	0.03324	0.03312	0.03300	0.03300	0.03204	0.03188	0.03203	0.03348
Demand - Per Kw	12.17	10.58	13.42	16.77	12.36	53.96	24.94	22.01	5.34
Demand - Per Kwh	0.05066	0.06888	0.04440	0.04298	0.04777	0.14832	0.01878	0.01982	0.01545
Customer - Per Bill	10.19	9.64	15.85	70.82	58.86	424.16	441.37	445.17	5.80

MIDWEST ELECTRIC COOPERATIVE, INC. ***** TWELVE MONTHS ENDED 9-31-79

UNIT COSTS

DESCRIPTION	TOTAL	RESIDENTIAL	SMALL COMMERCIAL	LARGE C & I	IRRIGATION	BIA	CHEMSTAR	CYPRUS MAGDAM	LIGHTING
RATE BASE COMPONENTS:									
Energy	0	0	0	0	0	0	0	0	0
Demand	21,012,450	12,046,913	5,101,733	1,478,549	204,074	1,079,497	[illegible],834	103,633	141,528
Customer	4,988,904	3,683,923	869,104	52,906	31,839	2,774	2,774	2,784	335,991
Total	25,988,353	15,730,836	6,021,017	1,511,455	325,264	1,076,241	641,610	105,417	477,517
RETURN - PRES. REV:									
Energy	0	0	0	0	0	0	0	0	0
Demand	1,210,314	475,078	298,797	148,733	110,247	74,7[illegible]	91,[illegible]	8[illegible],103	(7,808)
Customer	185,683	165,475	3[illegible],313	5,733	12,[illegible]	114	601	1,377	(10,290)
Total	1,406,508	691,371	275,539	151,466	17[illegible],336	74,[illegible]	92,357	87,500	(3[illegible],815)
RETURN - PROP. REV:									
Energy	0	0	0	0	0	0	0	0	0
Demand	2,046,877	1,348,008	702,478	273,454	55,504	74,7[illegible]	91,857	61,[illegible]	4,105
Customer	559,404	411,315	116,912	9,745	9,994	114	601	521	9,[illegible]
Total	3,200,280	1,757,323	819,390	283,238	105,477	74,[illegible]	92,357	61,[illegible]	14,082
COMPONENT COSTS:									
Energy	9,869,704	4,[illegible]	2,116,335	1,011,893	1[illegible],[illegible]	53,410	[illegible],513	[illegible],013	49,268
Demand	12,475,315	7,487,910	3,[illegible],822	1,010,715	144,151	172,487	385,816	240,128	18,578
Customer	2,872,910	1,724,053	250,314	18,480	8,821	4,[illegible]	4,[illegible]	4,[illegible]	90,148
Total	24,388,830	14,207,478	5,457,471	2,044,087	318,[illegible]	230,[illegible]	1,248,328	783,030	120,000

MOHAVE ELECTRIC COOPERATIVE, INC. ..... TWELVE MONTHS ENDED 9-31-89

ALLOCATION OF RATE BASE BY CLASS OF SERVICE

DESCRIPTION	FACTOR	TOTAL	RESIDENTIAL	SMALL COMMERCIAL	LARGE C & I	IRRIGATION	BIA	CHEMTAR	CYPRUS BAGDAD	LIGHTING
GROSS PLANT IN SERVICE:										
Energy	E-1	0	0	0	0	0	0	0	0	0
Energy - Special	E-2	0	0	0	0	0	0	0	0	0
Demand - Power Sup.	D-1	0	0	0	0	0	0	0	0	0
Demand - Trans.	D-2	1,246,757	783,388	373,288	113,381	14,713	0	0	0	0
Demand - Prim.- OH	D-3	7,312,706	4,414,255	2,015,801	852,115	174,738	0	0	0	0
Demand - Prim.- UG	D-4	4,822,253	2,821,278	1,281,844	410,328	0	0	0	0	45,775
Demand - Sec. Transf.	D-5	5,120,073	3,118,381	1,394,708	453,445	121,653	0	0	0	28,807
Demand - Sec. Lines	D-6	2,848,877	2,388,741	531,915	0	0	0	0	0	31,847
Demand - Sec.- UG	D-7	532,472	452,225	91,247	0	0	0	0	0	48,021
Customer Accounts	C-1	1,498,428	1,282,188	185,659	8,479	5,880	8,094	8,094	5,094	0
Secondary Transformers	C-2	1,788,872	1,177,978	491,148	27,788	13,895	0	0	0	13,484
Overhead Services	C-3	1,553,871	1,321,630	214,528	8,525	3,451	0	0	0	30,889
Meters	C-4	2,888,488	1,726,438	238,873	43,392	11,703	0	0	0	17,330
Customer - Special	C-5	0	0	0	0	0	0	0	0	0
Lighting	S-1	348,571	0	0	0	0	0	0	0	0
Specific - BIA	S-2	1,382,387	0	0	0	0	0	0	0	348,571
Specific - Chemtar	S-3	1,[illegible]	0	0	0	0	1,382,387	0	0	0
Specific - Cyprus Bagdad	S-4	808,815	0	0	0	0	0	1,086,[illegible]	0	0
Specific - Consumer Adv.	S-5	0	0	0	0	0	0	0	808,815	0
Total		31,877,883	18,586,525	8,436,824	1,713,680	346,193	1,357,481	1,001,024	813,898	384,763

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MOHAVE ELECTRIC COOPERATIVE, INC. ..... TWELVE MONTHS ENDED 9-31-89

ALLOCATION OF RATE BASE BY CLASS OF SERVICE

DESCRIPTION	FACTOR	TOTAL	RESIDENTIAL	SMALL COMMERCIAL	LARGE C & I	IRRIGATION	BIA	CHEMTAR	CYPRUS BAGDAD	LIGHTING
ACCUMULATED DEPRECIATION:										
Energy	E-1	0	0	0	0	0	0	0	0	0
Energy - Special	E-2	0	0	0	0	0	0	0	0	0
Demand - Power Sup.	D-1	0	0	0	0	0	0	0	0	0
Demand - Trans.	D-2	431,378	274,987	112,039	39,297	5,077	0	0	0	0
Demand - Prim.- OH	D-3	1,716,415	1,145,313	417,501	152,123	40,717	0	0	0	0
Demand - Prim.- UG	D-4	1,035,888	646,083	288,585	83,931	0	0	0	0	10,[illegible]
Demand - Sec. Transf.	D-5	1,123,038	604,022	305,831	81,473	28,[illegible]	0	0	0	6,[illegible]
Demand - Sec. Lines	D-6	782,880	504,774	126,791	0	0	0	0	0	6,[illegible]
Demand - Sec.- UG	D-7	115,087	103,590	11,507	0	0	0	0	0	11,[illegible]
Customer Accounts	C-1	870,528	577,791	76,039	2,817	2,588	2,201	2,201	2,201	0
Secondary Transformers	C-2	374,371	258,341	100,051	0,091	3,044	0	0	0	6,[illegible]
Overhead Services	C-3	340,401	249,839	44,402	1,431	0	0	0	0	5,[illegible]
Meters	C-4	547,171	408,038	83,707	11,523	3,[illegible]	0	0	0	3,[illegible]
Customer - Special	C-5	0	0	0	0	0	0	0	0	0
Lighting	S-1	81,087	0	0	0	0	0	0	0	0
Specific - BIA	S-2	340,317	0	0	0	0	0	0	0	81,087
Specific - Chemtar	S-3	477,092	0	0	0	0	340,317	0	0	0
Specific - Cyprus Bagdad	S-4	192,032	0	0	0	0	0	477,092	0	0
Specific - Consumer Adv.	S-5	0	0	0	0	0	0	0	192,032	0
Total		8,888,438	4,012,878	1,555,265	408,783	82,[illegible]	342,[illegible]	438,192	194,312	133,442
NET PLANT IN SERVICE		23,778,227	14,873,[illegible]	5,[illegible]	1,[illegible]	288,[illegible]	1,014,[illegible]	[illegible]	418,[illegible]	431,311

PEDERNALES ELECTRIC COOPERATIVE, INC. TWELVE MONTHS ENDED 7-31-80

ALLOCATION OF RATE RATE BY CLASS OF SERVICE

DESCRIPTION	FACTOR	TOTAL	RESIDENTIAL	SMALL COMMERCIAL	LARGE C & I	IRRIGATION	BIA	CHENSTAR	CYPRESS BEGGING	LIGHTING
PLUS:										
CWIP:										
Energy	E-1	0	0	0	0	0	0	0	0	0
Energy - Special	E-2	0	0	0	0	0	0	0	0	0
Demand - Power Sup.	D-1	0	0	0	0	0	0	0	0	0
Demand - Trans.	D-2	0	0	0	0	0	0	0	0	0
Demand - Prim.- OH	D-3	1,105,110	812,211	273,914	89,031	23,803	0	0	0	0
Demand - Prim.- UG	D-4	828,119	382,488	175,543	57,011	0	0	0	0	6,252
Demand - Sec. Transf.	D-5	943,313	452,745	212,619	85,847	17,882	0	0	0	4,077
Demand - Sec. Lines	D-6	383,048	315,77[illegible]	78,878	0	0	0	0	0	4,824
Demand - Sec.- UG	D-7	89,182	82,912	6,270	0	0	0	0	0	5,321
Customer Accounts	C-1	0	0	0	0	0	0	0	0	0
Secondary Transformers	C-2	247,988	171,025	85,229	4,032	2,015	0	0	0	0
Overhead Services	C-3	225,988	192,847	25,720	848	831	0	0	0	4,477
Meters	C-4	230,235	205,014	27,154	5,033	1,389	0	0	0	2,520
Customer - Special	C-5	0	0	0	0	0	0	0	0	0
Lighting	S-1	0	0	0	0	0	0	0	0	0
Specific - BIA	S-2	0	0	0	0	0	0	0	0	0
Specific - Chemstar	S-3	0	0	0	0	0	0	0	0	0
Specific - Cypress Begging	S-4	0	0	0	0	0	0	0	0	0
Specific - Consumer Adv.	S-5	0	0	0	0	0	0	0	0	0
Total		3,553,430	2,406,304	853,520	221,008	48,420	0	0	0	20,369

PEDERNALES ELECTRIC COOPERATIVE, INC. ***** TWELVE MONTHS ENDED 9-31-88

ALLOCATION OF RATE BASE BY CLASS OF SERVICE

DESCRIPTION	FACTOR	TOTAL	RESIDENTIAL	SMALL COMMERCIAL	LARGE C & I	IRRIGATION	BRA	CHENISTAR	CYPRUS BAGDAD	LIGHTING
WORKING CAPITAL:										
Energy	E-1	0	0	0	0	0	0	0	0	0
Energy - Special	E-2	0	0	0	0	0	0	0	0	0
Demand - Power Sup.	D-1	0	0	0	0	0	0	0	0	0
Demand - Trans.	D-2	0	0	0	0	0	0	0	0	0
Demand - Prim.- OH	D-3	346,479	211,023	54,391	30,888	8,232	0	0	0	2,158
Demand - Prim.- UG	D-4	216,851	138,287	60,598	19,875	0	0	0	0	1,391
Demand - Sec. Transf.	D-5	288,238	195,057	69,747	22,924	8,018	0	0	0	1,574
Demand - Sec. Lines	D-6	135,488	108,843	24,631	0	0	0	0	0	2,201
Demand - Sec.- UG	D-7	24,085	21,085	2,409	0	0	0	0	0	0
Customer Accounts	C-1	0	0	0	0	0	0	0	0	0
Secondary Transformers	C-2	85,410	58,051	22,829	1,391	684	0	0	0	1,547
Overhead Services	C-3	77,819	68,197	10,264	327	183	0	0	0	848
Meters	C-4	82,488	70,783	9,771	1,737	487	0	0	0	0
Customer - Special	C-5	(888,283)	(348,281)	(38,100)	(822)	0	0	0	0	0
Lighting	S-1	19,538	0	0	0	0	0	0	0	18,638
Specific - BRA	S-2	58,397	0	0	0	0	58,397	0	0	0
Specific - Chemstar	S-3	10,758	0	0	0	0	0	10,758	0	0
Specific - Cyprus Bagdad	S-4	1,585	0	0	0	0	0	0	1,585	0
Specific - Consumer Adv.	S-5	0	0	0	0	0	0	0	0	0
Total		705,712	288,444	235,690	75,668	15,888	58,397	10,758	1,585	28,287

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PONDER ELECTRIC COOPERATIVE, INC. ***** TWELVE MONTHS ENDED 7-31-89

ALLOCATION OF RATE BASE BY CLASS OF SERVICE

DESCRIPTION	FACTOR	TOTAL	RESIDENTIAL	SMALL COMMERCIAL	LARGE C & I	IRRIGATION	BIA	CHENOSTAR	CYPRUS BAGDAD	LIGHTING
WORKING CAPITAL:										
Energy	E-1	0	0	0	0	0	0	0	0	0
Energy - Special	E-2	0	0	0	0	0	0	0	0	0
Demand - Power Sup.	D-1	0	0	0	0	0	0	0	0	0
Demand - Trans.	D-2	0	0	0	0	0	0	0	0	0
Demand - Prim.- OH	D-3	348,471	211,023	94,391	30,888	8,232	0	0	0	2,175
Demand - Prim.- UG	D-4	216,851	135,287	60,509	19,875	0	0	0	0	1,391
Demand - Sec. Transf.	D-5	256,230	196,057	66,797	22,904	8,018	0	0	0	1,654
Demand - Sec. Lines	D-6	135,410	108,843	24,431	0	0	0	0	0	2,205
Demand - Sec.- UG	D-7	24,095	21,685	2,409	0	0	0	0	0	0
Customer Accounts	C-1	0	0	0	0	0	0	0	0	0
Secondary Transformers	C-2	85,410	58,051	22,024	1,391	804	0	0	0	1,147
Overhead Services	C-3	77,815	65,197	10,244	327	163	0	0	0	888
Meters	C-4	82,488	70,103	9,774	1,737	482	0	0	0	0
Customer - Special	C-5	(608,283)	(548,281)	(59,100)	(902)	0	0	0	0	0
Lighting	S-1	16,538	0	0	0	0	0	0	0	16,538
Specific - BIA	S-2	58,397	0	0	0	0	58,397	0	0	0
Specific - Chenoster	S-3	10,758	0	0	0	0	0	10,758	0	0
Specific - Cyprus Bagdad	S-4	1,885	0	0	0	0	0	0	1,885	0
Specific - Consumer Adv.	S-5	0	0	0	0	0	0	0	0	0
Total		705,772	282,444	235,850	75,988	16,488	58,397	10,758	1,885	26,207

MOHAVE ELECTRIC COOPERATIVE, INC. ----- TWELVE MONTHS ENDED 9-31-88

ALLOCATION OF RATE BASE BY CLASS OF SERVICE

DESCRIPTION	FACTOR	TOTAL	RESIDENTIAL	SMALL COMMERCIAL	LARGE C & I	IRRIGATION	BIA	CHEMSTAR	CYPRUS MAGNAO	LIGHTING
DEFERRED TAXES:										
Energy	E-1	0	0	0	0	0	0	0	0	0
Energy - Special	E-2	0	0	0	0	0	0	0	0	0
Demand - Power Sup.	D-1	0	0	0	0	0	0	0	0	0
Demand - Trans.	D-2	0	0	0	0	0	0	0	0	0
Demand - Prim.- OH	D-3	0	0	0	0	0	0	0	0	0
Demand - Prim.- UG	D-4	0	0	0	0	0	0	0	0	0
Demand - Sec. Transf.	D-5	0	0	0	0	0	0	0	0	0
Demand - Sec. Lines	D-6	0	0	0	0	0	0	0	0	0
Demand - Sec.- UG	D-7	0	0	0	0	0	0	0	0	0
Customer Accounts	C-1	0	0	0	0	0	0	0	0	0
Secondary Transformers	C-2	0	0	0	0	0	0	0	0	0
Overhead Services	C-3	0	0	0	0	0	0	0	0	0
Meters	C-4	0	0	0	0	0	0	0	0	0
Customer - Special	C-5	0	0	0	0	0	0	0	0	0
Lighting	L-1	0	0	0	0	0	0	0	0	0
Specific - BIA	S-1	0	0	0	0	0	0	0	0	0
Specific - Chemstar	S-2	0	0	0	0	0	0	0	0	0
Specific - Cyprus Magnad	S-3	0	0	0	0	0	0	0	0	0
Specific - Consumer Adv.	S-4	0	0	0	0	0	0	0	0	0
	S-5	0	0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0	0
TOTAL RATE BASE		25,000,301	15,730,[illegible]	6,021,027	1,531,465	325,304	1,074,241	141,[illegible]	188,417	477,517

MOHAVE ELECTRIC COOPERATIVE, INC. ***** TWELVE MONTHS ENDED 7-31-88

ALLOCATION OF OPERATING EXPENSES BY CLASS OF SERVICE

DESCRIPTION	FACTOR	TOTAL	RESIDENTIAL	SMALL COMMERCIAL	LARGE C & I	IRRIGATION	BIA	CHERSTAR	CYPRUS BAGDAD	LIGHTING
PRODUCTION EXPENSES:										
Energy	E-1	8,051,401	4,385,705	2,188,335	1,011,863	188,877	53,410	0	500,013	40,398
Energy - Special	E-2	0	0	0	0	0	0	0	0	0
Demand - Power Sup.	D-1	9,570,588	5,235,308	2,410,488	848,080	110,082	88,910	0	211,707	0
Demand - Trans.	D-2	0	0	0	0	0	0	0	0	0
Demand - Prim.- OH	D-3	0	0	0	0	0	0	0	0	0
Demand - Prim.- UG	D-4	0	0	0	0	0	0	0	0	0
Demand - Sec. Transf.	D-5	0	0	0	0	0	0	0	0	0
Demand - Sec. Lines	D-6	0	0	0	0	0	0	0	0	0
Demand - Sec.- UG	D-7	0	0	0	0	0	0	0	0	0
Customer Accounts	C-1	0	0	0	0	0	0	0	0	0
Secondary Transformers	C-2	0	0	0	0	0	0	0	0	0
Overhead Services	C-3	0	0	0	0	0	0	0	0	0
Meters	C-4	0	0	0	0	0	0	0	0	0
Customer - Special	C-5	0	0	0	0	0	0	0	0	0
Lighting	S-1	0	0	0	0	0	0	0	0	0
Specific - BIA	S-2	0	0	0	0	0	0	0	0	0
Specific - Chemstar	S-3	1,172,734	0	0	0	0	0	0	0	0
Specific - Cyprus Bagdad	S-4	0	0	0	0	0	0	1,172,734	0	0
Specific - Consumer Adv.	S-5	0	0	0	0	0	0	0	0	0
Total		19,794,823	10,021,394	4,600,824	1,859,943	299,039	168,211	1,172,734	711,720	40,398

MINNE ELECTRIC COOPERATIVE, INC. ***** TWELVE MONTHS ENDED 9-31-88

ALLOCATION OF OPERATING EXPENSES BY CLASS OF SERVICE

DESCRIPTION	FACTOR	TOTAL	RESIDENTIAL	SMALL COMMERCIAL	LARGE C & I	IRRIGATION	BIA	CHEYSTAN	CYPRESS BAGDAD	LIGHTING
TRANSMISSION EXPENSES:										
Energy	E-1	0	0	0	0	0	0	0	0	0
Energy - Special	E-2	0	0	0	0	0	0	0	0	0
Demand - Power Sup.	D-1	0	0	0	0	0	0	0	0	0
Demand - Trans.	D-2	4,580	2,926	1,182	416	54	0	0	0	0
Demand - Prim.- OH	D-3	0	0	0	0	0	0	0	0	0
Demand - Prim.- UG	D-4	0	0	0	0	0	0	0	0	0
Demand - Sec. Transf.	D-5	0	0	0	0	0	0	0	0	0
Demand - Sec. Lines	D-6	0	0	0	0	0	0	0	0	0
Demand - Sec.- UG	D-7	0	0	0	0	0	0	0	0	0
Customer Accounts	C-1	0	0	0	0	0	0	0	0	0
Secondary Transformers	C-2	0	0	0	0	0	0	0	0	0
Overhead Services	C-3	0	0	0	0	0	0	0	0	0
Meters	C-4	0	0	0	0	0	0	0	0	0
Customer - Special	C-5	0	0	0	0	0	0	0	0	0
Lighting	S-1	0	0	0	0	0	0	0	0	0
Specific - BIA	S-2	234	0	0	0	0	234	0	0	0
Specific - Chemstar	S-3	3,208	0	0	0	0	0	3,208	0	0
Specific - Cypress Bagdad	S-4	2,195	0	0	0	0	0	0	2,195	0
Specific - Consumer Adv.	S-5	0	0	0	0	0	0	0	0	0
Total		10,225	2,926	1,182	416	54	234	3,208	2,195	0

PENNIE ELECTRIC COOPERATIVE, INC. ..... TWELVE MONTHS ENDED 7-31-09

ALLOCATION OF OPERATING EXPENSES BY CLASS OF SERVICE

DESCRIPTION	FACTOR	TOTAL	RESIDENTIAL	SMALL COMMERCIAL	LARGE C & I	IRRIGATION	DIA	CHESTER	CYPRIS BAGDAD	LIGHTING
DISTRIBUTION EXPENSES:										
Energy	E-1	0	0	0	0	0	0	0	0	0
Energy - Special	E-2	0	0	0	0	0	0	0	0	0
Demand - Power Sup.	D-1	0	0	0	0	0	0	0	0	0
Demand - Trans.	D-2	0	0	0	0	0	0	0	0	0
Demand - Prim.- OH	D-3	421,899	256,703	114,041	37,373	10,094	0	0	0	0
Demand - Prim.- UG	D-4	82,323	51,359	27,971	7,418	0	0	0	0	2,025
Demand - Sec. Transf.	D-5	88,887	54,015	24,158	7,876	2,107	0	0	0	524
Demand - Sec. Lines	D-6	187,287	150,456	33,774	0	0	0	0	0	552
Demand - Sec.- UG	D-7	9,147	8,232	915	0	0	0	0	0	3,046
Customer Accounts	C-1	0	0	0	0	0	0	0	0	0
Secondary Transformers	C-2	28,552	20,404	7,871	411	240	0	0	0	0
Overhead Services	C-3	7,300	6,210	991	38	17	0	0	0	538
Meters	C-4	73,351	73,097	10,[illegible]	1,[illegible]	537	0	0	0	81
Customer - Special	C-5	0	0	0	0	0	0	0	0	0
Lighting	S-1	14,980	0	0	0	0	0	0	0	0
Specific - DIA	S-2	8,878	0	0	0	0	0	0	0	14,[illegible]
Specific - Chester	S-3	9,325	0	0	0	0	0	0	0	0
Specific - Cyprus Bagdad	S-4	1,780	0	0	0	0	0	0	0	0
Specific - Consumer Adv.	S-5	0	0	0	0	0	0	0	0	0
Total		958,539	627,[illegible]	246,[illegible]	55,175	13,[illegible]	0,[illegible]	0,[illegible]	1,[illegible]	22,327

ROWAN ELECTRIC COOPERATIVE, INC. ----- TWELVE MONTHS ENDED 9-31-80

ALLOCATION OF OPERATING EXPENSES BY CLASS OF SERVICE

DESCRIPTION	FACTOR	TOTAL	RESIDENTIAL	SMALL COMMERCIAL	LARGE C & I	IRRIGATION	BIA	CHESTER	CYPRESS BAYOU	LIGHTING
CUST. ACCOUNTS & INFORM										
Energy	E-1	0	0	0	0	0	0	0	0	0
Energy - Special	E-2	0	0	0	0	0	0	0	0	0
Demand - Power Sup.	D-1	0	0	0	0	0	0	0	0	0
Demand - Trans.	D-2	0	0	0	0	0	0	0	0	0
Demand - Prim.- OH	D-3	0	0	0	0	0	0	0	0	0
Demand - Prim.- UG	D-4	0	0	0	0	0	0	0	0	0
Demand - Sec. Transf.	D-5	0	0	0	0	0	0	0	0	0
Demand - Sec. Lines	D-6	0	0	0	0	0	0	0	0	0
Demand - Sec.- UG	D-7	0	0	0	0	0	0	0	0	0
Customer Accounts	C-1	708,257	678,857	27,872	3,428	2,898	2,873	2,873	2,873	7,108
Secondary Transformers	C-2	0	0	0	0	0	0	0	0	0
Overhead Services	C-3	0	0	0	0	0	0	0	0	0
Meters	C-4	0	0	0	0	0	0	0	0	0
Customer - Special	C-5	0	0	0	0	0	0	0	0	0
Lighting	S-1	0	0	0	0	0	0	0	0	0
Specific - BIA	S-2	0	0	0	0	0	0	0	0	0
Specific - Chester	S-3	0	0	0	0	0	0	0	0	0
Specific - Cypress Bayou	S-4	0	0	0	0	0	0	0	0	0
Specific - Consumer Adv.	S-5	0	0	0	0	0	0	0	0	0
Total		708,257	678,857	27,872	3,428	2,898	2,873	2,873	2,873	7,108

PENINE ELECTRIC COOPERATIVE, INC. ***** TWELVE MONTHS ENDED 7-31-89

ALLOCATION OF OPERATING EXPENSES BY CLASS OF SERVICE

DESCRIPTION	FACTOR	TOTAL	RESIDENTIAL	SMALL COMMERCIAL	LARGE C & I	IRRIGATION	BIA	CHEWSTAR	CYPRUS BAGDAD	LIGHTING
ADMINISTRATIVE & GENERAL:										
Energy	E-1	0	0	0	0	0	0	0	0	0
Energy - Special	E-2	0	0	0	0	0	0	0	0	0
Demand - Power Sup.	D-1	0	0	0	0	0	0	0	0	0
Demand - Trans.	D-2	20,784	13,247	5,303	1,693	240	0	0	0	0
Demand - Prim.- OH	D-3	190,133	119,891	51,702	16,840	4,510	0	0	0	0
Demand - Prim.- UG	D-4	88,433	55,171	24,871	8,024	0	0	0	0	1,113
Demand - Sec. Transf.	D-5	24,888	15,198	6,798	2,210	503	0	0	0	893
Demand - Sec. Lines	D-6	98,525	78,859	17,847	0	0	0	0	0	155
Demand - Sec.- UG	D-7	8,828	8,043	783	0	0	0	0	0	1,820
Customer Accounts	C-1	533,288	468,511	58,285	2,307	2,015	1,803	1,803	1,803	0
Secondary Transformers	C-2	8,318	5,762	2,224	135	88	0	0	0	4,784
Overhead Services	C-3	7,102	6,081	935	31	17	0	0	0	151
Meters	C-4	154,882	132,718	18,033	3,282	880	0	0	0	79
Customer - Special	C-5	0	0	0	0	0	0	0	0	0
Lighting	S-1	8,072	0	0	0	0	0	0	0	0
Specific - BIA	S-2	43,221	0	0	0	0	43,221	0	0	8,072
Specific - Chewstar	S-3	5,811	0	0	0	0	0	5,811	0	0
Specific - Cyprus Bagdad	S-4	3,888	0	0	0	0	0	0	3,888	0
Specific - Consumer Adv.	S-5	0	0	0	0	0	0	0	0	0
Total		1,194,828	888,238	188,201	34,748	8,385	45,024	7,314	5,693	16,817

MOHAVE ELECTRIC COOPERATIVE, INC. ***** TWELVE MONTHS ENDED 7-31-88

ALLOCATION OF OPERATING EXPENSES BY CLASS OF SERVICE

DESCRIPTION	FACTOR	TOTAL	RESIDENTIAL	SMALL COMMERCIAL	LARGE C & I	IRRIGATION	BIA	CHEMSTAR	CYPRUS BAGDAD	LIGHTING
DEPRECIATION:										
Energy	E-1	0	0	0	0	0	0	0	0	0
Energy - Special	E-2	0	0	0	0	0	0	0	0	0
Demand - Power Sup.	D-1	0	0	0	0	0	0	0	0	0
Demand - Trans.	D-2	33,843	21,835	8,816	3,099	499	0	0	0	0
Demand - Prim.- OH	D-3	216,898	133,204	50,618	17,324	5,270	0	0	0	1,[illegible]
Demand - Prim.- UG	D-4	134,009	84,024	37,957	12,228	0	0	0	0	858
Demand - Sec. Transf.	D-5	153,107	83,308	41,731	13,[illegible]	3,[illegible]	0	0	0	853
Demand - Sec. Lines	D-6	87,490	70,775	15,772	0	0	0	0	0	1,424
Demand - Sec.- 1	D-7	14,[illegible]	13,[illegible]	1,[illegible]	0	0	0	0	0	0
Customer Accounts	C-1	38,870	34,151	4,434	171	151	135	135	135	389
Secondary Transformers	C-2	51,[illegible]	35,[illegible]	13,[illegible]	831	415	0	0	0	725
Overhead Services	C-3	48,492	38,567	8,120	185	103	0	0	0	517
Meters	C-4	80,284	61,082	7,019	1,270	342	0	0	0	0
Customer - Special	C-5	0	0	0	0	0	0	0	0	0
Lighting	S-1	10,354	0	0	0	0	0	0	0	10,354
Specific - BIA	S-2	38,700	0	0	0	0	38,700	0	0	0
Specific - Chemstar	S-3	29,111	0	0	0	0	0	29,111	0	0
Specific - Cyprus Bagdad	S-4	15,[illegible]	0	0	0	0	0	0	15,[illegible]	0
Specific - Consumer Adv.	S-6	0	0	0	0	0	0	0	0	0
Total		935,[illegible]	576,[illegible]	198,[illegible]	58,733	10,[illegible]	38,[illegible]	29,246	16,[illegible]	14,797

PEDERNALES ELECTRIC COOPERATIVE, INC. ***** TWELVE MONTHS ENDED 9-31-88

ALLOCATION OF OPERATING EXPENSES BY CLASS OF SERVICE

DESCRIPTION	FACTOR	TOTAL	RESIDENTIAL	SMALL COMMERCIAL	LARGE C & I	IRRIGATION	RIA	CHEVRON	CYPRESS BAYOU	LIGHTING
PROPERTY TAXES:										
Energy	E-1	0	0	0	0	0	0	0	0	0
Energy - Special	E-2	0	0	0	0	0	0	0	0	0
Demand - Power Sup.	D-1	0	0	0	0	0	0	0	0	0
Demand - Trans.	D-2	27,131	17,219	7,068	2,471	321	0	0	0	0
Demand - Prim.- OH	D-3	160,522	87,795	43,725	14,217	3,014	0	0	0	0
Demand - Prim.- UG	D-4	98,505	81,510	27,811	8,045	0	0	0	0	0
Demand - Sec. Transf.	D-5	111,828	67,007	30,408	9,007	2,852	0	0	0	845
Demand - Sec. Lines	D-6	84,308	51,885	11,947	0	0	0	0	0	670
Demand - Sec.- UG	D-7	10,055	8,480	1,255	0	0	0	0	0	920
Customer Accounts	C-1	32,473	27,554	3,129	141	123	110	110	110	1,167
Secondary Transformers	C-2	37,200	25,802	9,765	875	303	0	0	0	0
Overhead Services	C-3	33,073	28,614	4,414	142	80	0	0	0	254
Meters	C-4	64,021	38,480	5,230	845	255	0	0	0	874
Customer - Special	C-5	0	0	0	0	0	0	0	0	398
Lighting	S-1	7,000	0	0	0	0	0	0	0	0
Specific - RIA	S-2	20,455	0	0	0	0	0	0	0	0
Specific - Chamber	S-3	23,022	0	0	0	0	20,455	0	0	7,000
Specific - Cypress Bayou	S-4	13,200	0	0	0	0	0	23,022	0	0
Specific - Consumer Adv.	S-5	0	0	0	0	0	0	0	13,200	0
Total		695,010	427,027	144,040	37,358	9,568	20,998	23,133	13,399	12,383

HOHWE ELECTRIC COOPERATIVE, INC. ***** TWELVE MONTHS ENDED 7-31-79

ALLOCATION OF OPERATING EXPENSES BY CLASS OF SERVICE

DESCRIPTION:	FACTOR	TOTAL	RESIDENTIAL	SMALL COMMERCIAL	LARGE C & I	IRRIGATION	BIA	CHEMSTAR	CYPRESS BAGDAD	LIGHTING
OTHER TAXES:										
Energy	E-1	0	0	0	0	0	0	0	0	0
Energy - Special	E-2	0	0	0	0	0	0	0	0	0
Demand - Power Sup.	D-1	0	0	0	0	0	0	0	0	0
Demand - Trans.	D-2	2,007	1,271	521	193	24	0	0	0	0
Demand - Prim.- OH	D-3	18,320	11,182	5,071	1,678	437	0	0	0	114
Demand - Prim.- UG	D-4	8,539	5,327	2,383	775	0	0	0	0	54
Demand - Sec. Transf.	D-5	2,410	1,471	859	213	57	0	0	0	15
Demand - Sec. Lines	D-6	9,810	7,721	1,733	0	0	0	0	0	153
Demand - Sec.- UG	D-7	948	868	55	0	0	0	0	0	0
Customer Accounts	C-1	51,207	44,002	5,723	273	195	176	176	176	403
Secondary Transformers	C-2	985	954	219	13	7	0	0	0	15
Overhead Services	C-3	886	583	00	3	2	0	0	0	0
Meters	C-4	14,887	12,816	1,741	315	85	0	0	0	0
Customer - Special	C-5	0	0	0	0	0	0	0	0	0
Lighting	S-1	770	0	0	0	0	0	0	0	770
Specific - BIA	S-2	4,176	0	0	0	0	4,176	0	0	0
Specific - Chemstar	S-3	532	0	0	0	0	0	532	0	0
Specific - Cypress Bagdad	S-4	372	0	0	0	0	0	0	372	0
Specific - Consumer Adv.	S-5	0	0	0	0	0	0	0	0	0
Total		115,365	88,997	18,159	3,391	805	4,348	708	548	1,605
TOTAL OPERATING EXPENSES		24,398,827	14,207,476	5,457,471	2,046,797	318,[illegible]	237,[illegible]	1,[illegible],337	793,[illegible]	128,[illegible]

"OHAWE ELECTRIC COOPERATIVE, INC. ***** TWELVE MONTHS ENDED 7-31-89

FUNCTIONALIZATION OF UTILITY PLANT

DESCRIPTION	FACTOR	TOTAL	FUNCT.	SPECIFIC	E-1	E-2	D-1	D-2	D-3
INTANGIBLE PLANT:		0							
Organization		482							
Franchises		0							
Other		117							
Total	F-23	599	550	28	0	0	0	10	92
STEAM PRODUCTION:									
Land		0							
Structures & Improvements		0							
Boiler Plant Equip.		0							
Engines & EDG'S		0							
Turbogenerator Units		0							
Accessory Electric Equip.		0							
Misc. Power Plt. Equip.		0							
Total	F-3	0	0	0			0		
NUCLEAR PRODUCTION:									
Land		0							
Structures & Improvements		0							
Reactor Plant Equipment		0							
Turbogenerator Units		0							
Accessory Electric Equip.		0							
Misc. Power Plt. Equip.		0							
Total	F-3	0	0	0			0		

TONGUE ELECTRIC COOPERATIVE, INC. ----- TWELVE MONTHS ENDED 9-31-80

FUNCTIONALIZATION OF UTILITY PLANT

DESCRIPTION	FACTOR	D-4	D-5	D-6	D-7	C-1	C-2	C-3	C-4
INTANGIBLE PLANT:									
Organization									
Franchises									
Other									
Total	F-23	43	12	48	5	287	4	3	78
STEAM PRODUCTION:									
Land									
Structures & Improvements									
Boiler Plant Equip.									
Engines & EGG'S									
Turbogenerator Units									
Accessory Electric Equip.									
Misc. Power Plt. Equip.									
Total	F-3								
NUCLEAR PRODUCTION:									
Land									
Structures & Improvements									
Reactor Plant Equipment									
Turbogenerator Units									
Accessory Electric Equip.									
Misc. Power Plt. Equip.									
Total	F-3								

PONONE ELECTRIC COOPERATIVE, INC. ..... TWELVE MONTHS ENDED 7-31-90

FUNCTIONALIZATION OF UTILITY PLANT

DESCRIPTION	FACTOR	C-5	S-1	S-2	S-3	S-4	S-5
INTANGIBLE PLANT:							
Organization							
Franchises							
Other							
Total	F-23	0	4	24	3	2	0
STEAM PRODUCTION:							
Land							
Structures & Improvements							
Boiler Plant Equip.							
Engines & ICE's							
Turbogenerator Units							
Accessory Electric Equip.							
Misc. Power Plt. Equip.							
Total	F-3				0	0	0
NUCLEAR PRODUCTION:							
Land							
Structures & Improvements							
Reactor Plant Equipment							
Turbogenerator Units							
Accessory Electric Equip.							
Misc. Power Plt. Equip.							
Total	F-3				0	0	0

PENNINE ELECTRIC COOPERATIVE, INC. ***** TWELVE MONTHS ENDED 7-31-89

FUNCTIONALIZATION OF UTILITY PLANT

DESCRIPTION	FACTOR	TOTAL	FUNCT.	SPECIFIC	E-1	E-2	D-1	D-2	D-3
OTHER PRODUCTION:									
Land		0							
Structures & Improvements		0							
Fuel Holders & Accessories		0							
Prime Movers		0							
Generators		0							
Accessory Electric Equip.		0							
Misc. Power Plt. Equip.		0							
Total	F-3	0	0	0			0		
Total Production Plant		0	0	0	0	0	0	0	0
Percent-Funct.	F-20								
TRANSMISSION PLANT:									
Land		2,202	2,202	0				2,202	
Structures & Improvements		0		0				0	
Station Equip.-Power Sup.		554,[illegible]	105,107	447,[illegible]				105,107	
Station Equip.-Other		0		0				0	
Towers & Fixtures-Power Sup.		1,[illegible]	704,[illegible]	554,107				704,[illegible]	
Towers & Fixtures-Other		0		0				0	
Poles & Fixtures		0		0				0	
Overhead Cond.-Power Sup.		757,142	203,[illegible]	554,1[illegible]				203,[illegible]	
Overhead Cond.-Other		0		0				0	
Underground Conduit		0		0				0	
Underground Conductor		0		0				0	
Trails		0		0				0	
Total	F-4	2,[illegible]	1,1[illegible]	1,[illegible]	0	0	0	1,1[illegible]	0
Percent	F-21	100.[illegible]%	44.[illegible]%	55.11%	0.[illegible]%	0.[illegible]%	0.[illegible]%	44.[illegible]%	0.[illegible]%
	F-21A		100.[illegible]%		0.[illegible]%	0.[illegible]%	0.[illegible]%	100.[illegible]%	0.[illegible]%

VERNON ELECTRIC COOPERATIVE, INC. ***** TWELVE MONTHS ENDED 7-31-00

FUNCTIONALIZATION OF UTILITY PLANT

DESCRIPTION	FACTOR	D-4	D-5	D-6	D-7	C-1	C-2	C-3	C-4
OTHER PRODUCTION:									
Land									
Structures & Improvements									
Fuel Holders & Accessories									
Prime Movers									
Generators									
Accessory Electric Equip.									
Misc. Power Plt. Equip.									
Total	F-3								
Total Production Plant Percent-Funct.	F-20	0	0	0	0	0	0	0	0
TRANSMISSION PLANT:									
Land									
Structures & Improvements									
Station Equip.-Power Sup.									
Station Equip.-Other									
Towers & Fixtures-Power Sup.									
Towers & Fixtures-Other									
Poles & Fixtures									
Overhead Cond.-Power Sup.									
Overhead Cond.-Other									
Underground Conduit									
Underground Conductor									
Trails									
Total	F-4	0	0	0	0	0	0	0	0
Percent	F-21	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	F-21A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

KOOKUE ELECTRIC COOPERATIVE, INC. ..... TWELVE MONTHS ENDED 9-31-89

FUNCTIONALIZATION OF UTILITY PLANT

DESCRIPTION	FACTOR	C-5	S-1	S-2	S-3	S-4	S-5
OTHER PRODUCTION:							
Land							
Structures & Improvements							
Fuel Holders & Accessories							
Prime Movers							
Generators							
Accessory Electric Equip.							
Misc. Power Plt. Equip.							
Total	F-3				0	0	0
Total Production Plant		0	0	0	0	0	0
Percent-Funct.	F-20						
TRANSMISSION PLANT:							
Land							
Structures & Improvements							
Station Equip.-Power Sup.				30,509	417,483		
Station Equip.-Other							
Towers & Fixtures-Power Sup.				15,010	[illegible]	[illegible]	
Towers & Fixtures-Other							
Poles & Fixtures							
Overhead Cond.-Power Sup.				15,010	[illegible]	[illegible]	
Overhead Cond.-Other							
Underground Conduit							
Underground Conductor							
Trolle							
Total	F-4	0	0	[illegible]	[illegible]	[illegible]	0
Percent	F-21	[illegible]	[illegible]	2.2%	31.3%	21.4%	
	F-21A	[illegible]	[illegible]				

POWDER ELECTRIC COOPERATIVE, INC. ***** TWELVE MONTHS ENDED 7-31-80

FUNCTIONALIZATION OF UTILITY PLANT

DESCRIPTION	FACTOR	TOTAL	FUNCT.	SPECIFIC	E-1	E-2	D-1	D-2	D-3
DISTRIBUTION PLANT:									
Land	F-5	76,841	76,841	0					76,841
Structures & Improvements	F-5	12,887	12,887	0					12,887
Station Equip.-Primary	F-5	2,153,382	1,883,882	269,500					1,883,882
Station Equip.-Secondary	F-5	0	0	0					0
Poles-Primary	F-6	2,583,852	1,837,727	588,225					1,837,727
Poles-Secondary	F-8	1,126,886	1,126,886	0					
Overhead Cond.-Primary	F-6	3,438,288	2,917,838	521,632					2,917,838
Overhead Cond.-Secondary	F-8	1,545,179	1,545,179	0					
Underground Conduit-Pri.	F-7	1,243,777	1,243,777	0					
Underground Conduit-Sec.	F-10	138,188	138,188	0					
Underground Conductor-Pri.	F-7	3,030,087	3,030,087	0					
Underground Conductor-Sec.	F-10	338,877	338,877	0					
Line Transformers	F-8	8,733,307	8,733,307	0					
Overhead Services	F-12	1,533,726	1,533,726	0					
Meters	F-13	1,881,211	1,825,366	55,845					
Lighting	F-14	328,000	0	328,000					
Total		25,878,846	24,138,972	1,739,874	0	0	0	0	8,888,883
Percent	F-22	100.00%	93.28%	6.72%	0.00%	0.00%	0.00%	0.00%	34.36%
Percent	F-22A		100.00%		0.00%	0.00%	0.00%	0.00%	34.36%

POWNE ELECTRIC COOPERATIVE, INC. ***** TWELVE MONTHS ENDED 7-31-83

FUNCTIONALIZATION OF UTILITY PLANT

DESCRIPTION	FACTOR	D-4	D-5	D-6	D-7	C-1	C-2	C-3	C-4
DISTRIBUTION PLANT:									
Land	F-5								
Structures & Improvements	F-5								
Station Equip.-Primary	F-5								
Station Equip.-Secondary	F-5								
Poles-Primary	F-6								
Poles-Secondary	F-6			1,124,554					
Overhead Cond.-Primary	F-6								
Overhead Cond.-Secondary	F-6			1,545,170					
Underground Conduit-Pri.	F-7	1,243,777							
Underground Conduit-Sec.	F-10				138,198				
Underground Conductor-Pri.	F-7	3,030,097							
Underground Conductor-Sec.	F-10				338,677				
Line Transformers	F-8		5,040,000				1,003,327		
Overhead Services	F-12							1,533,724	
Meters	F-13								1,025,300
Lighting	F-14								
Total		4,273,874	5,040,000	2,670,143	476,875	0	1,003,327	1,533,724	1,025,300
Percent	F-22	16.01%	18.91%	10.32%	1.83%	0.00%	3.85%	5.93%	3.96%
Percent	F-22A	17.78%	20.97%	11.00%	1.97%	0.00%	4.17%	6.38%	4.26%

POWDER ELECTRIC COOPERATIVE, INC. ..... TWELVE MONTHS ENDED 7-31-00

FUNCTIONALIZATION OF UTILITY PLANT

DESCRIPTION	FACTOR	C-5	S-1	S-2	S-3	S-4	S-5
DISTRIBUTION PLANT:							
Land	F-4						
Structures & Improvements	F-5						
Station Equip.-Primary	F-6			72,203	187,187		
Station Equip.-Secondary	F-6						
Poles-Primary	F-8			988,228			
Poles-Secondary	F-9						
Overhead Cond.-Primary	F-6			921,832			
Overhead Cond.-Secondary	F-9						
Underground Conduit-Pri.	F-7						
Underground Conduit-Sec.	F-10						
Underground Conductor-Pri.	F-7						
Underground Conductor-Sec.	F-10						
Line Transformers	F-6						
Overhead Services	F-12						
Meters	F-13			10,380	14,818	30,040	
Lighting	F-14		325,000				
Total		0	325,000	1,170,440	211,823	30,040	0
Percent	F-22	0.00%	1.38%	4.92%	0.82%	0.12%	0.00%
Percent	F-23A	0.00%					

NEMAHA ELECTRIC COOPERATIVE, INC. ---- TWELVE MONTHS ENDED 7-31-88

FUNCTIONALIZATION OF UTILITY PLANT

DESCRIPTION	FACTOR	TOTAL	FUNCT.	SPECIFIC	E-1	E-2	D-1	D-2	D-3
GENERAL PLANT:									
Land		182,010							
Structures & Improvements		795,458							
Office Furniture & Fixt.		858,110							
Transportation Equip.		[illegible]							
Stores Equipment		84,943							
Tools & Shop Equip.		185,282							
Laboratory Equipment		80,815							
Power Operated Equip.		884,130							
Communications Equip.		192,[illegible]							
Miscellaneous Equip.		8,385							
Total		3,[illegible],583	3,185,228	170,327	0	0	0	80,388	533,020
Percent	F-23	100.00%	94.02%	5.00%	0.00%	0.00%	0.00%	1.74%	15.01%
GROSS PLANT IN SERVICE		31,877,083	28,912,128	3,355,530	0	0	0	1,264,787	7,382,708
Percent	F-24	100.00%	89.44%	10.56%	0.00%	0.00%	0.00%	3.83%	23.16%
ACCUMULATED DEPRECIATION:									
Production Plant	F-29	0	0	0	0	0	0	0	0
Transmission Plant	F-21A	888,843	428,088	546,744	0	0	0	428,088	0
Distribution Plant	F-22A	5,838,087	5,217,788	410,882	0	0	0	0	1,478,003
General Plant	F-23	1,500,826	1,430,213	70,883	0	0	0	28,288	240,412
Total		8,088,436	7,087,107	1,041,329	0	0	0	456,378	1,718,415

MOHAVE ELECTRIC COOPERATIVE, INC. ..... TWELVE MONTHS ENDED 9-31-80

FUNCTIONALIZATION OF UTILITY PLANT

DESCRIPTION	FACTOR	D-4	D-5	D-6	D-7	C-1	C-2	C-3	C-4
GENERAL PLANT:									
Land									
Structures & Improvements									
Office Furniture & Fint.									
Transportation Equip.									
Stores Equipment									
Tools & Shop Equip.									
Laboratory Equipment									
Power Operated Equip.									
Communications Equip.									
Miscellaneous Equip.									
Total		268,335	70,091	279,488	27,592	1,488,188	23,351	10,843	434,985
Percent	F-23	7.40%	2.08%	8.33%	0.82%	44.38%	0.70%	0.90%	12.96%
GROSS PLANT IN SERVICE		4,522,253	5,120,073	2,848,877	502,672	1,488,425	1,708,882	1,083,671	2,080,408
Percent	F-24	14.18%	16.08%	9.25%	1.58%	4.67%	5.36%	4.07%	8.46%
ACCUMULATED DEPRECIATION:									
Production Plant	F-20	0	0	0	0	0	0	0	0
Transmission Plant	F-21A	0	0	0	0	0	0	0	0
Distribution Plant	F-22A	923,787	1,091,591	577,145	102,843	0	353,847	334,911	381,319
General Plant	F-23	111,818	31,588	125,844	12,424	870,521	10,319	8,888	165,852
Total		1,035,605	1,123,088	702,989	115,097	870,888	374,388	340,489	547,171

MOHAVE ELECTRIC COOPERATIVE, INC. ***** TWELVE MONTHS ENDED 7-31-80

FUNCTIONALIZATION OF UTILITY PLANT

DESCRIPTION	FACTOR	C-5	S-1	S-7	S-3	S-4	S-5
GENERAL PLANT:							
Land							
Structures & Improvements							
Office Furniture & Fint.							
Transportation Equip.							
Stores Equipment							
Tools & Shop Equip.							
Laboratory Equipment							
Power Operated Equip.							
Communications Equip.							
Miscellaneous Equip.							
Total		0	22,687	121,372	15,475	10,812	0
Percent	F-23	0.0%	0.0%	3.02%	0.40%	0.32%	
GROSS PLANT IN SERVICE		0	348,571	1,382,387	1,[illegible]	[illegible],015	0
Percent	F-24	0.00%	1.0%	4.24%	3.31%	1.01%	0.00%
ACCUMULATED DEPRECIATION:							
Production Plant	F-20	0	0	0	0	0	0
Transmission Plant	F-21A	0	0	24,420	334,190	187,184	0
Distribution Plant	F-22A	0	70,001	291,247	88,754	0	0
General Plant	F-23	0	10,288	54,[illegible]	8,[illegible]	4,[illegible]	0
Total		0	81,887	340,317	427,[illegible]	192,[illegible]	0

TONGUE ELECTRIC COOPERATIVE, INC. ----- TWELVE MONTHS ENDED 7-31-89

FUNCTIONALIZATION OF OTHER RATE BASE COMPONENTS

DESCRIPTION	FACTOR	TOTAL	FUNCT.	SPECIFIC	E-1	E-2	D-1	D-2	D-3
CWIP:									
Production	F-20	0	0						
Transmission	F-21	0	0		0	0	0	0	0
Distribution & General	F-22A	3,583,430	3,583,430		0	0	0	0	1,005,190
Total		3,583,430	3,583,430	0	0	0	0	0	1,005,190
CONSUMER ADVANCES	F-18	2,081,088	0	2,081,088					
DEFERRED INCOME TAXES	F-28	0	0	0	0	0	0	0	0
WORKING CAPITAL:									
Cash									
1/24 Fuel & Purchased Pwr.		0	0	0	0	0	0	0	0
1/8 Other O & M		0	0	0	0	0	0	0	0
Total Cash		0	0	0	0	0	0	0	0
Prepaids	F-27	0	0	0	0	0	0	0	0
Materials & Supplies Inv.	F-22	1,313,088	1,224,832	88,233	0	0	0	0	0
Other		0	0	0	0	0	0	0	346,479
Loans									
Consumer Deposits		(808,283)	(808,283)	0					
Other		0	0	0					
Total Working Capital		505,782	416,549	88,233	0	0	0	0	346,479
OVERHEAD DISTRIBUTION PLT.	F-25	7,555,555	7,555,555	0	0	0	0	0	4,555,353
Percent		100.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	84.52%
UNDERGROUND DISTRIBUTION PLT.	F-26	4,748,748	4,748,748	0	0	0	0	0	0
Percent		100.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

PEDERNALES ELECTRIC COOPERATIVE, INC. 00033 TWELVE MONTHS ENDED 7-31-[illegible]

FUNCTIONALIZATION OF OTHER RATE BASE COMPONENTS

DESCRIPTION	FACTOR	D-4	D-5	D-6	D-7	C-1	C-2	C-3	C-4
CWIP:									
Production	F-20	0	0	0	0	0	0	0	0
Transmission	F-21	828,119	763,383	383,068	88,902	0	247,788	225,788	238,258
Distribution & General	F-22A					0			
Total		828,119	763,383	383,068	88,902	0	247,788	225,788	238,258
CONSUMER ADVANCES	F-18								
DEFERRED INCOME TAXES	F-24	0	0	0	0	0	0	0	0
WORKING CAPITAL:									
Cash:									
1/24 Fuel & Purchased Pwr.		0	0	0	0	0	0	0	0
1/8 Other O & M		0	0	0	0	0	0	0	0
Total Cash		0	0	0	0	0	0	0	0
Prepaids	F-27	0	0	0	0	0	0	0	0
Materials & Supplies Inv.	F-22	210,851	288,230	135,480	26,085	0	85,410	77,819	82,488
Other						0			
Leases						0			
Consumer Deposits									
Other									
Total Working Capital		210,851	288,230	135,480	26,085	0	85,410	77,819	82,488
OVERHEAD DISTRIBUTION PLT.	F-25	0	0	2,690,143	0	0	0	0	0
Percent		0.00%	0.00%	38.40%	0.00%	0.00%	0.00%	0.00%	0.00%
UNDERGROUND DISTRIBUTION PLT.	F-26	4,273,878	0	0	474,875	0	0	0	0
Percent		50.80%	0.00%	0.00%	10.00%	0.00%	0.00%	0.00%	0.00%

PEDERNALES ELECTRIC COOPERATIVE, INC. [illegible] TWELVE MONTHS ENDED 7-31-[illegible]

FUNCTIONALIZATION OF OTHER RATE BASE COMPONENTS

DESCRIPTION	FACTOR	C-6	S-1	S-2	S-3	S-4	S-5
CWIP:							
Production	F-20						
Transmission	F-21	0	0	0			
Distribution & General	F-22A	0	0	0	0	0	0
Total		0	0	0	0	0	0
CONSUMER ADVANCES	F-1A						2,[illegible],[illegible]
DEFERRED INCOME TAXES	F-24	0	0	0	0	0	0
WORKING CAPITAL:							
Cash:							
1/24 Fuel & Purchased Pwr.		0	0	0	0	0	0
1/8 Other O & M		0	0	0	0	0	0
Total Cash		0	0	0	0	0	0
Prepaids	F-27	0	0	0	0	0	
Materials & Supplies Inv.	F-22	0	16,53[illegible]	58,387	10,7[illegible]	1,[illegible]	
Other							
Less:							
Consumer Deposits		([illegible],203)					
Other							
Total Working Capital		([illegible],203)	16,53[illegible]	58,387	10,7[illegible]	1,[illegible]	0
OVERHEAD DISTRIBUTION PLT.		0	0	0	0	0	0
Percent	F-25	0.[illegible]%	0.[illegible]%	0.[illegible]%	0.[illegible]%	0.[illegible]%	0.[illegible]%
UNDERGROUND DISTRIBUTION PLT.		0	0	0	0	0	0
Percent	F-26	0.[illegible]%	0.[illegible]%	0.[illegible]%	0.[illegible]%	0.[illegible]%	0.[illegible]%

PENNAE ELECTRIC COOPERATIVE, INC. ***** TWELVE MONTHS ENDED 7-31-80

FUNCTIONALIZATION OF OPERATING EXPENSES

DESCRIPTION	FACTOR	TOTAL	FUNCT.	SPECIFIC	E-1	E-2	D-1	D-2	D-3
Maintenance:									
Supervision & Eng.		0							
Structures		0							
Reactor Plant Equip.		0							
Electric Plant		0							
Miscellaneous		0							
Total Maintenance	F-2	0	0	0		0	0		
OTHER POWER GENERATION:									
Operation:									
Supervision & Eng.	F-3	0					0		
Fuel	F-1	0			0				
Generation Expense	F-3	0					0		
Miscellaneous	F-3	0					0		
Rents	F-3	0					0		
Total Operation		0	0	0	0	0	0	0	0
Total Excl. Fuel		0	0	0	0	0	0	0	0
Maintenance:									
Supervision & Eng.		0							
Structures		0							
Generating & Elect. Plt.		0							
Miscellaneous Plt.		0							
Total Maintenance	F-2	0	0	0		0	0		
OTHER POWER SUPPLY EXPENSES:									
Operation:									
Purchased Power		18,704,820	16,532,090	1,172,730	9,591,484		9,570,585		
System Control & Disp.	F-3	0					0		
Other Expense	F-3	0					0		
Total Operation		18,704,820	16,532,090	1,172,730	9,591,484	0	9,570,585	0	0
Total Excl. P.P.		0	0	0	0	0	0	0	0

MONROE ELECTRIC COOPERATIVE, INC. ----- TWELVE MONTHS ENDED 9-31-00

FUNCTIONALIZATION OF OPERATING EXPENSES

DESCRIPTION	FACTOR	D-4	D-5	D-6	D-7	C-1	C-2	C-3	C-4
Maintenance:									
Supervision & Eng.									
Structures									
Reactor Plant Equip.									
Electric Plant									
Miscellaneous									
Total Maintenance	F-2								
OTHER POWER GENERATION:									
Operations:									
Supervision & Eng.	F-3								
Fuel	F-1								
Generation Expense	F-3								
Miscellaneous	F-3								
Rents	F-3								
Total Operation									
Total Excl. Fuel		0	0	0	0	0	0	0	0
Maintenance:		0	0	0	0	0	0	0	0
Supervision & Eng.									
Structures									
Generating & Elect. Plt.									
Miscellaneous Plt.									
Total Maintenance	F-2								
OTHER POWER SUPPLY EXPENSES:									
Operations:									
Purchased Power									
System Control & Disp.	F-3								
Other Expenses	F-3								
Total Operation									
Total Excl. P.P.		0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0

POWER ELECTRIC CORPORATIVE, INC. ----- TWELVE MONTHS ENDED 9-31-87

FUNCTIONALIZATION OF OPERATING EXPENSES

DESCRIPTION	FACTOR	C-5	S-1	S-2	S-3	S-4	S-5
Maintenance:							
Supervision & Eng.							
Structures							
Reactor Plant Equip.							
Electric Plant							
Miscellaneous							
Total Maintenance	F-2				0	0	
OTHER POWER GENERATION:							
Operations							
Supervision & Eng.	F-3						
Fuel	F-1						
Generation Expenses	F-3						
Miscellaneous	F-3						
Rents	F-3						
Total Operation		0	0	0	0	0	
Total Excl. Fuel		0	0	0	0	0	
Maintenance:							
Supervision & Eng.							
Structures							
Generating & Elect. Plt.							
Miscellaneous Plt.							
Total Maintenance	F-2				0	0	
OTHER POWER SUPPLY EXPENSES:							
Operations							
Purchased Power					1,172,730		
System Control & Disp.	F-3						
Other Expenses	F-3						
Total Operation		0	0	0	1,172,730	0	0
Total Excl. P.P.		0	0	0	0	0	0

PEDERNALES ELECTRIC COOPERATIVE, INC. ***** TWELVE MONTHS ENDED 7-31-88

FUNCTIONALIZATION OF OPERATING EXPENSES

DESCRIPTION	FACTOR	TOTAL	FUNCT.	SPECIFIC	E-1	E-2	D-1	D-2	D-3
TRANSMISSION EXPENSES:									
Operations									
Supervision & Eng.		0							
Load Dispatching		0							
Station Expenses		333							
Overhead Line Expenses		0							
Underground Line Exp.		0							
Transmission By Others		0							
Miscellaneous		0							
Rents		5,973							
Total Operation	F-21	6,306	2,831	3,475	0	0	0	2,831	0
Maintenance:									
Supervision & Eng.		0							
Structures		0							
Station Equipment		0							
Overhead Lines		4,599							
Underground Lines		0							
Misc. Trans. Plant		(690)							
Total Maintenance	F-21	3,911	1,750	2,161	0	0	0	1,750	0

PENNAE ELECTRIC COOPERATIVE, INC. ***** TWELVE MONTHS ENDED 9-31-00

FUNCTIONALIZATION OF OPERATING EXPENSES

DESCRIPTION	FACTOR	D-4	D-5	D-6	D-7	C-1	C-2	C-3	C-4
TRANSMISSION EXPENSES:									
Operations									
Supervision & Eng.									
Load Dispatching									
Station Expenses									
Overhead Line Expense									
Underground Line Exp.									
Transmission By Others									
Miscellaneous									
Rents									
Total Operation	F-21	0	0	0	0	0	0	0	0
Maintenance:									
Supervision & Eng.									
Structures									
Station Equipment									
Overhead Lines									
Underground Lines									
Misc. Trans. Plant									
Total Maintenance	F-21	0	0	0	0	0	0	0	0

PENNAE ELECTRIC COORDINATIVE, INC. ---- TWELVE MONTHS ENDED 9-31-89

FUNCTIONALIZATION OF OPERATING EXPENSES

DESCRIPTION	FACTOR	C-6	S-1	S-2	S-3	S-4	S-5
TRANSMISSION EXPENSES:							
Operation:							
Supervision & Eng.							
Load Dispatching							
Station Expenses							
Overhead Line Expense							
Underground Line Exp.							
Transmission By Others							
Miscellaneous							
Rents							
Total Operation	F-21	0	0	144	1,977	1,353	0
Maintenance:							
Supervision & Eng.							
Structures							
Station Equipment							
Overhead Lines							
Underground Lines							
Misc. Trans. Plant							
Total Maintenance	F-21	0	0	93	1,279	861	0

MOHAVE ELECTRIC COOPERATIVE, INC. ***** TWELVE MONTHS ENDED 7-31-88

FUNCTIONALIZATION OF OPERATING EXPENSES

DESCRIPTION	FACTOR	TOTAL	FUNCT.	SPECIFIC	E-1	E-2	D-1	D-2	D-3
DISTRIBUTION EXPENSES:									
Operations									
Supervision & Eng.	F-22	42,112	30,292	2,030	0	0	0	0	11,112
Load Dispatching	F-6	0							0
Station Expenses	F-5	48,853	42,307	8,088	0	0	0	0	42,597
Overhead Line Expense	F-25	191,971	191,971	0	0	0	0	0	98,051
Underground Line Exp.	F-26	(232)	(232)	0	0	0	0	0	0
Lighting	F-14	0							
Meter Exps	F-13	28,984	27,044	980	0	0	0	0	0
Customer Inst. Expense	F-13	0							
Miscellaneous Dist. Exp.	F-22	70,528	65,789	4,739	0	0	0	0	18,910
Rents	F-22	2,571	2,331	191	0	0	0	0	997
Total Operation		344,437	328,454	14,983	0	0	0	0	170,982
Maintenance:									
Supervision & Eng.	F-22	7,425	6,928	488	0	0	0	0	1,988
Structures	F-6	0							0
Station Equipment	F-5	33,944	29,436	4,508	0	0	0	0	24,432
Overhead Lines	F-25	340,058	340,058	0	0	0	0	0	218,401
Underground Lines	F-26	88,088	88,088	0	0	0	0	0	0
Line Transformers	F-8	88,208	88,208						
Lighting	F-14	13,488	0	13,488					
Meters	F-13	98,852	97,871	1,981	0	0	0	0	0
Miscellaneous Dist. Mt.	F-22	814	573	41	0	0	0	0	182
Total Maintenance		890,101	589,782	20,138	0	0	0	0	268,008

TENNIE ELECTRIC COOPERATIVE, INC. ***** TWELVE MONTHS ENDED 7-31-00

FUNCTIONALIZATION OF OPERATING EXPENSES

DESCRIPTION	FACTOR	D-4	D-5	D-6	D-7	C-1	C-2	C-3	C-4
DISTRIBUTION EXPENSES:									
Operations									
Supervision & Eng.	F-22	6,055	8,210	4,345	773	0	2,730	2,498	2,945
Load Dispatching	F-6	0	0	0	0	0	0	0	0
Station Expenses	F-5	0	0	53,071	0	0	0	0	0
Overhead Line Expense	F-25	(270)	0	0	(23)	0	0	0	0
Underground Line Exp.	F-26					0	0	0	0
Lighting	F-14	0	0	0	0	0	0	0	27,944
Meter Expenses	F-13					0			
Customer Inst. Expenses	F-13	11,848	13,713	9,277	1,298	0	4,574	4,190	4,430
Miscellaneous Dist. Exp.	F-22	613	698	258	46	0	183	161	157
Rents	F-22								
Total Operation		18,807	22,621	65,951	2,093	0	7,477	6,824	35,175
Maintenance:									
Supervision & Eng.	F-22	1,229	1,449	782	138	0	493	440	498
Structures	F-5	0	0	0	0	0	0	0	0
Station Equipment	F-5	0	0	120,857	0	0	0	0	0
Overhead Lines	F-25	62,189	0	0	8,710	0	0	0	0
Underground Lines	F-26		84,850				21,580	0	0
Line Transformers	F-8	0	0	0	0	0	0	0	0
Lighting	F-14	101	120	83	11	0	40	38	39
Meters	F-13								
Miscellaneous Dist. Plt.	F-22								
Total Maintenance		63,517	86,419	121,692	7,859	0	22,093	498	58,195

MONROE ELECTRIC COOPERATIVE, INC. ----- TWELVE MONTHS ENDED 7-31-09

FUNCTIONALIZATION OF OPERATING EXPENSES

DESCRIPTION	FACTOR	C-5	S-1	S-2	S-3	S-4	S-5
DISTRIBUTION EXPENSES:							
Operations:							
Supervision & Eng.	F-22	0	530	1,095	347	50	0
Load Dispatching	F-5						
Station Expenses	F-5	0	0	1,031	4,478	0	0
Overhead Line Expense	F-25	0	0	0	0	0	0
Underground Line Exp.	F-26	0	0	0	0	0	0
Lighting	F-14						
Meter Expenses	F-13	0	0	179	255	527	0
Customer Inst. Expense	F-13						
Miscellaneous Dist. Exp.	F-22	0	800	3,199	898	84	0
Rents	F-22	0	31	113	20	3	0
Total Operation		0	1,450	7,019	5,883	663	0
Maintenance:							
Supervision & Eng.	F-22	0	94	338	61	8	0
Structures	F-5						
Station Equipment	F-5	0	0	1,124	3,099	0	0
Overhead Lines	F-25	0	0	0	0	0	0
Underground Lines	F-26	0	0	0	0	0	0
Line Transformers	F-8						
Lighting	F-14		13,489				
Meters	F-13	0	0	399	538	1,007	0
Miscellaneous Dist. Plt.	F-22	0	0	20	5	1	0
Total Maintenance		0	13,910	1,940	3,672	1,077	0

MONROE ELECTRIC COOPERATIVE, INC. ----- TWELVE MONTHS ENDED 7-31-80

FUNCTIONALIZATION OF OPERATING EXPENSES

DESCRIPTION	FACTOR	TOTAL	DIRECT.	SPECIFIC	C-1	C-2	D-1	D-2	D-3
CUSTOMER ACCOUNTS EXPENSE:									
Supervision		0	0						
Meter Reading		185,177	185,177						
Customer Records & Coll.		415,184	415,184						
Uncollectible Accounts		88,118	88,118						
Misc. Customer Accts. Exp.		0							
Total Cust. Accts.	F-11	688,479	688,479	0					
CUSTOMER SERVICE & INFORMATION:									
Supervision		0							
Customer Assistance		71,944	71,944						
Informational Adv.		28,408	28,408						
Misc. Customer Service		205	205						
Other Informational Exp.		17,100	17,100						
Total Customer Serv.	F-11	117,708	117,708	0					
ADMINISTRATIVE & GENERAL EXP:									
Admin. & General Salaries		348,405							
Office Supplies & Expenses		74,453							
Outside Services		73,478							
Property Insurance		27,435							
Injuries & Damages		57,298							
Employee Pensions & Benefits		173,827							
Regulatory Comm. Expenses		38,776							
Miscellaneous General		312,141							
Rents		2,305							
Maintenance Of Gen. Plt.		31,523							
Total Admin. & Genl.	F-27	1,138,721	1,138,248	88,958	0	0	0	28,704	180,133

ROANOKE ELECTRIC COOPERATIVE, INC. ***** TWELVE MONTHS ENDED 7-31-80

FUNCTIONALIZATION OF OPERATING EXPENSES

DESCRIPTION	FACTOR	D-4	D-5	D-6	D-7	C-1	C-2	C-3	C-4
CUSTOMER ACCOUNTS EXPENSE:									
Supervision									
Meter Reading									
Customer Records & Coll.									
Uncollectible Accounts									
Misc. Customer Accts. Exp.									
Total Cust. Accts.	F-11					000,000			
CUSTOMER SERVICE & INFORMATION:									
Supervision									
Customer Assistance									
Informational Adv.									
Misc. Customer Service									
Other Informational Exp.									
Total Customer Serv.	F-11					117,7[illegible]			
ADMINISTRATIVE & GENERAL EXP:									
Admin. & General Salaries									
Office Supplies & Expenses									
Outside Services									
Property Insurance									
Injuries & Damages									
Employee Pensions & Benefits									
Regulatory Comm. Expenses									
Miscellaneous General									
Rents									
Maintenance of Gen. Plt.									
Total Admin. & Genl.	F-27	89,433	26,8[illegible]	8[illegible],825	[illegible]	[illegible],2[illegible]	8,3[illegible]	7,[illegible]	154,[illegible]

ROANOKE ELECTRIC COOPERATIVE, INC. ----- TWELVE MONTHS ENDED 7-31-80

FUNCTIONALIZATION OF OPERATING EXPENSES

DESCRIPTION	FACTOR	C-5	S-1	S-2	S-3	S-4	S-5
CUSTOMER ACCOUNTS EXPENSE:							
Supervision							
Meter Reading							
Customer Records & Coll.							
Uncollectible Accounts							
Misc. Customer Accts. Exp.							
Total Cust. Accts.	F-11						
CUSTOMER SERVICE & INFORMATION:							
Supervision							
Customer Assistance							
Informational Adv.							
Misc. Customer Service							
Other Informational Exp.							
Total Customer Serv.	F-11						
ADMINISTRATIVE & GENERAL EXP:							
Admin. & General Salaries							
Office Supplies & Expenses							
Outside Services							
Property Insurance							
Injuries & Damages							
Employee Pensions & Benefits							
Regulatory Com. [illegible]							
Miscellaneous General							
Rents							
Maintenance Of Gen. Plt.							
Total Admin. & Genl.	F-27	0	8,072	43,321	5,541	3,[illegible]	0

MOHAVE ELECTRIC COOPERATIVE, INC. ***** TWELVE MONTHS ENDED 7-31-89

FUNCTIONALIZATION OF OPERATING EXPENSES

DESCRIPTION	FACTOR	TOTAL	FUNCT.	SPECIFIC	E-1	E-2	D-1	D-2	D-3
DEPRECIATION EXPENSE:									
Production Plant	F-20	0							
Transmission Plant	F-21A	72,434	32,394	40,040	0	0	0	37,399	0
Distribution Plant	F-22A	773,188	723,372	50,077	0	0	0	0	274,632
General Plant	F-23	89,308	84,882	4,537	0	0	0	1,588	14,273
Total Deprec. Expense		935,892	840,632	95,050	0	0	0	33,943	218,098
PROPERTY TAXES	F-24	888,000	821,626	73,374	0	0	0	77,138	180,532
OTHER TAXES:									
Federal Unemployment		3,717							
FICA		105,425							
State Unemployment		4,201							
Use Taxes		1,962							
Misc. Taxes		0							
Total Other Taxes	F-27	115,305	107,520	5,007	0	0	0	2,007	10,320
TOTAL EXPENSES		24,308,827	22,448,990	1,448,289	8,824,484	0	5,570,[illegible]	88,402	1,078,928
OTHER EXPENSE FACTORS:									
Salaries & Wages									
$	F-27	882,079	813,244	68,835	0	0	0	16,738	153,094
%		100.00%	92.22%	5.08%	0.00%	0.00%	0.00%	1.9[illegible]%	18.[illegible]%
O & M Less Fuel & P.P.									
$	F-28	884,713	824,328	48,257	0	0	0	4,[illegible]	421,767
%		100.00%	93.[illegible]%	4.[illegible]%	0.00%	0.00%	0.00%	0.48%	47.[illegible]%

MONROE ELECTRIC COOPERATIVE, INC. ----- TWELVE MONTHS ENDED 7-31-89

FUNCTIONALIZATION OF OPERATING EXPENSES

DESCRIPTION	FACTOR	D-4	D-5	D-6	D-7	C-1	C-2	C-3	C-4
DEPRECIATION EXPENSE:									
Production Plant	F-20	0	0	0	0	0	0	0	0
Transmission Plant	F-21A	128,073	191,331	80,015	14,231	0	50,444	45,900	61,707
Distribution Plant	F-22A	8,615	1,887	7,665	735	31,870	622	531	11,569
General Plant	F-23								
Total Deprec. Expense		136,690	193,197	87,680	14,955	31,870	51,066	46,432	81,276
PROPERTY TAXES	F-24	99,595	111,028	64,370	10,055	32,673	37,201	33,873	44,321
OTHER TAXES:									
Federal Unemployment									
FICA									
State Unemployment									
Use Taxes									
Misc. Taxes									
Total Other Taxes	F-27	8,539	2,610	9,810	189	51,307	803	888	14,997
TOTAL EXPENSES		412,579	380,878	448,193	46,842	1,438,803	128,980	95,493	388,415
OTHER EXPENSE FACTORS:									
Salaries & Wages $	F-27	71,201 7.48%	20,083 2.08%	80,132 8.33%	7,811 0.82%	428,983 44.38%	8,888 0.92%	5,718 0.59%	124,710 12.9[illegible]%
O & M Less Fuel & P.P. $	F-28	82,323 9.53%	89,887 9.14%	187,287 18.41%	9,147 0.88%	0 0.00%	28,582 3.07%	7,330 0.78%	83,351 8.8[illegible]%

PEDRAIE ELECTRIC COOPERATIVE, INC. ***** TWELVE MONTHS ENDED 9-31-89

FUNCTIONALIZATION OF OPERATING EXPENSES

DESCRIPTION	FACTOR	C-6	S-1	S-2	S-3	S-4	S-5
DEPRECIATION EXPENSE:							
Production Plant	F-30						
Transmission Plant	F-21A	0	[illegible]	1,[illegible]	22,704	15,[illegible]	0
Distribution Plant	F-22A	0	9,7[illegible]	34,[illegible]	5,015	0	0
General Plant	F-23	0	[illegible]	3,233	612	[illegible]	0
Total Depreci. Expense		0	10,3[illegible]	39,[illegible]	29,111	15,[illegible]	0
PROPERTY TAXES	F-24	0	7,[illegible]	29,[illegible]	23,[illegible]	13,[illegible]	0
OTHER TAXES:							
Federal Unemployment							
FICA							
State Unemployment							
Use Taxes							
Misc. Taxes							
Total Other Taxes	F-27	0	77[illegible]	4,176	51[illegible]	37[illegible]	
TOTAL EXPENSES		0	41,7[illegible]	125,[illegible]	1,763,[illegible]	37,330	
OTHER EXPENSE FACTORS:							
Salaries & Wages $	F-27	0 0.00%	8,[illegible] 0.[illegible]%	34,[illegible] 3.[illegible]%	4,437 0.[illegible]%	3,100 0.32%	0 0.00%
O & M Less Fuel & P.P. $	F-28	0 0.00%	14,[illegible] 1.[illegible]%	8,112 0.[illegible]%	12,[illegible] 1.[illegible]%	3,[illegible] 0.41%	

MOHAVE ELECTRIC COOPERATIVE, INC. [illegible] TWELVE MONTHS ENDED 9-31-[illegible]

FUNCTIONALIZATION FACTORS

PRIMARY FUNCT. FACTORS	DESCRIPTION	TOTAL	E-1	E-2	D-1	D-2	D-3	D-4	D-5
F-1	ENERGY	100.00%	100.00%						
F-2	ENERGY - SPECIAL	0.00%		0.00%	0.00%				
F-3	PRODUCTION	100.00%			100.00%				
F-4	TRANSMISSION	100.00%				100.00%			
F-5	DISTRIBUTION SUBS	100.00%					100.00%		
F-6	PRIMARY DIST. - OH	100.00%					100.00%		
F-7	PRIMARY DIST. - UG	100.00%						100.00%	
F-8	SECONDARY TRANSFORMERS	100.00%							75.00%
F-9	SECONDARY LINES	100.00%							
F-10	SECONDARY - UG	100.00%							
F-11	CUSTOMER ACCOUNTS	100.00%							
F-12	OVERHEAD SERVICES	100.00%							
F-13	METERS	100.00%							
F-14	LIGHTING	100.00%							
F-15	SPECIFIC - BIA	100.00%							
F-16	SPECIFIC - CHEMSTAR	100.00%							
F-17	SPECIFIC - CYPRUS BAGDAD	100.00%							
F-18	CONSUMER ADVANCES	100.00%							

DERIVED FUNCT. FACTORS	DESCRIPTION	TOTAL	E-1	E-2	D-1	D-2	D-3	D-4	D-5
F-20	TOTAL PROD. PLANT	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
F-21	TOTAL TRANS. PLANT	100.00%	0.00%	0.00%	0.00%	44.00%	0.00%	0.00%	0.00%
F-22	TOTAL DIST. PLANT	100.00%	0.00%	0.00%	0.00%	0.00%	38.38%	10.91%	10.91%
F-23	TOTAL GENERAL PLANT	100.00%	0.00%	0.00%	0.00%	1.76%	19.01%	7.40%	2.00%
F-24	GROSS PLANT IN SERVICE	100.00%	0.00%	0.00%	0.00%	3.00%	23.14%	14.18%	10.00%
F-25	TOTAL DIST. OVERHEAD	100.00%	0.00%	0.00%	0.00%	0.00%	84.82%	0.00%	0.00%
F-26	TOTAL DIST. UNDERGROUND	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
F-27	SALARIES & WAGES	100.00%	0.00%	0.00%	0.00%	1.76%	19.01%	7.40%	2.00%
F-28	O & M LESS FUEL & PP	100.00%	0.00%	0.00%	0.00%	0.00%	43.74%	0.55%	0.19%

MOHAVE ELECTRIC COOPERATIVE, INC. ***** TWELVE MONTHS ENDED 9-31-90

FUNCTIONALIZATION FACTORS

PRIMARY FUNCT. FACTORS	DESCRIPTION	TOTAL	D-6	D-7	C-1	C-2	C-3	C-4	S-1
F-1	ENERGY	100.00%							
F-2	ENERGY - SPECIAL	0.00%							
F-3	PRODUCTION	100.00%							
F-4	TRANSMISSION	100.00%							
F-5	DISTRIBUTION SUBS	100.00%							
F-6	PRIMARY DIST. - OH	100.00%							
F-7	PRIMARY DIST. - UG	100.00%							
F-8	SECONDARY TRANSFORMERS	100.00%				25.00%			
F-9	SECONDARY LINES	100.00%	100.00%						
F-10	SECONDARY - UG	100.00%		100.00%					
F-11	CUSTOMER ACCOUNTS	100.00%			100.00%				
F-12	OVERHEAD SERVICES	100.00%					100.00%		
F-13	METERS	100.00%						100.00%	
F-14	LIGHTING	100.00%							100.00%
F-15	SPECIFIC - BIA	100.00%							
F-16	SPECIFIC - CHEMSTAR	100.00%							
F-17	SPECIFIC - CYPRUS AMZAR	100.00%							
F-18	CONSUMER ADVANCES	100.00%							

DERIVED FUNCT. FACTORS	DESCRIPTION	TOTAL	D-6	D-7	C-1	C-2	C-3	C-4	C-6
F-20	TOTAL PROD. PLANT	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
F-21	TOTAL TRANS. PLANT	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
F-22	TOTAL DIST. PLANT	100.00%	10.32%	1.03%	0.10%	6.30%	5.93%	0.29%	0.00%
F-23	TOTAL GENERAL PLANT	100.00%	8.33%	0.02%	44.39%	0.70%	0.00%	12.99%	0.00%
F-24	GROSS PLANT IN SERVICE	100.00%	9.28%	1.00%	4.07%	5.35%	4.07%	0.46%	0.00%
F-25	TOTAL DIST. OVERHEAD	100.00%	35.40%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
F-26	TOTAL DIST. UNDERGROUND	100.00%	0.00%	10.00%	0.00%	0.00%	0.00%	0.00%	0.00%
F-27	SALARIES & WAGES	100.00%	8.33%	0.02%	44.39%	0.70%	0.00%	12.99%	0.00%
F-28	O & M LESS FUEL & PP	100.00%	19.41%	0.00%	0.00%	3.00%	0.76%	0.00%	0.00%

MOHAVE ELECTRIC COOPERATIVE, INC. ***** TWELVE MONTHS ENDED 9-31-89

FUNCTIONALIZATION FACTORS

PRIMARY FUNCT. FACTORS	DESCRIPTION	TOTAL	S-2	S-3	S-4	S-5
F-1	ENERGY	100.00%				
F-2	ENERGY - SPECIAL	0.00%				
F-3	PRODUCTION	100.00%				
F-4	TRANSMISSION	100.00%				
F-5	DISTRIBUTION SUBS	100.00%				
F-6	PRIMARY DIST. - OH	100.00%				
F-7	PRIMARY DIST. - UG	100.00%				
F-8	SECONDARY TRANSFORMERS	100.00%				
F-9	SECONDARY LINES	100.00%				
F-10	SECONDARY - UG	100.00%				
F-11	CUSTOMER ACCOUNTS	100.00%				
F-12	OVERHEAD SERVICES	100.00%				
F-13	METERS	100.00%				
F-14	LIGHTING	100.00%				
F-15	SPECIFIC - AIA	100.00%	100.00%			
F-16	SPECIFIC - CHERSTAN	100.00%		100.00%		
F-17	SPECIFIC - CYPRUS BAGDAD	100.00%			100.00%	
F-18	CONSUMER ADVANCES	100.00%				100.00%

DERIVED FUNCT. FACTORS	DESCRIPTION	TOTAL	S-1	S-2	S-3	S-4
F-20	TOTAL PROD. PLANT	0.00%	0.00%	0.00%	0.00%	0.00%
F-21	TOTAL TRANS. PLANT	100.00%	0.00%	2.28%	31.38%	21.46%
F-22	TOTAL DIST. PLANT	100.00%	1.28%	4.92%	0.02%	0.12%
F-23	TOTAL GENERAL PLANT	100.00%	0.00%	3.62%	0.46%	0.32%
F-24	GROSS PLANT IN SERVICE	100.00%	1.00%	4.34%	3.31%	1.01%
F-25	TOTAL DIST. OVERHEAD	100.00%	0.00%	0.00%	0.00%	0.00%
F-26	TOTAL DIST. UNDERGROUND	101.00%	0.00%	0.00%	0.00%	0.00%
F-27	SALARIES & WAGES	100.00%	0.00%	3.62%	0.46%	0.32%
F-28	O & M LESS FUEL & PP	100.00%	1.00%	0.00%	1.30%	0.41%

MOHAVE ELECTRIC COOPERATIVE, INC. ..... TWELVE MONTHS ENDED 7-31-89

CLASS ALLOCATION FACTORS

CLASS ALLOC. FACTORS	DESCRIPTION	TOTAL	RESIDENTIAL	SMALL COMMERCIAL	LARGE C & I	IRRIGATION	BIA	CHEMSTAR	CYPRESS MAGNAD	LIGHTING
E-1	ENERGY	100.000%	55.539%	30.307%	11.298%	1.891%	0.918%	0.000%	5.000%	0.998%
E-2	ENERGY - SPECIAL	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
D-1	POWER SUPPLY	100.000%	62.019%	25.290%	8.891%	1.150%	0.480%	0.000%	2.213%	0.000%
D-2	TRANSMISSION	100.000%	63.738%	25.972%	9.109%	1.142%	0.098%	0.000%	0.000%	0.000%
D-3	PRIMARY DISTRIBUTION - OH	100.000%	60.508%	27.240%	8.857%	2.398%	0.000%	0.000%	0.000%	0.622%
D-4	PRIMARY DISTRIBUTION - UG	100.000%	62.399%	27.803%	9.073%	0.000%	0.000%	0.000%	0.000%	0.639%
D-5	SECONDARY TRANSFORMERS	100.000%	60.908%	27.340%	8.857%	2.398%	0.000%	0.000%	0.000%	0.622%
D-6	SECONDARY LINES	100.000%	80.338%	18.033%	0.000%	0.000%	0.000%	0.000%	0.000%	1.628%
D-7	SECONDARY - UG	100.000%	80.000%	10.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
C-1	CUSTOMER ACCOUNTS	100.000%	88.000%	11.170%	0.438%	0.388%	0.348%	0.348%	0.348%	0.000%
C-2	SECONDARY TRANSFORMERS	100.000%	69.021%	28.728%	1.827%	0.813%	0.000%	0.000%	0.000%	1.811%
C-3	OVERHEAD SERVICES	100.000%	85.000%	13.188%	0.470%	0.238%	0.000%	0.000%	0.000%	1.110%
C-4	METERS	100.000%	[illegible]	11.042%	2.108%	0.588%	0.000%	0.000%	0.000%	0.000%
C-5	CUSTOMER - SPECIAL	100.000%	90.100%	9.788%	0.152%	0.000%	0.000%	0.000%	0.000%	0.000%
S-1	LIGHTING	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	100.000%
S-2	SPECIFIC - BIA	100.000%	0.000%	0.000%	0.000%	0.000%	100.000%	0.000%	0.000%	0.000%
S-3	SPECIFIC - CHEMSTAR	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	100.000%	0.000%	0.000%
S-4	SPECIFIC - CYPRESS MAGNAD	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	100.000%	0.000%
S-5	CONSUMER ADVANCES	100.000%	79.443%	5.105%	3.591%	0.000%	0.000%	0.000%	11.433%	0.408%

KOOTENAI ELECTRIC COOPERATIVE, INC.

Schedule 5

REA AND CFC MORTGAGE NOTES
OCTOBER 31, 1988

REA Mortgage Notes

Note Number	Date of Note	Interest Rate	Principal Amount	Deferred Interest	Amount Unadvanced	Principal Repayments	Net Obligation
Notes Paid in Full			$ 777,000	$	$	$ 777,000	$ -0-
4060	2-6-54	2.0	52,000	37		51,607	430
4070	9-3-55	2.0	146,000	414		135,744	10,682
4080	4-30-59	2.0	204,000			159,181	44,819
4090	12-21-60	2.0	91,000			65,913	25,087
4100	7-12-61	2.0	187,000			130,322	56,678
4110	5-10-63	2.0	266,000			168,786	97,214
4120	1-19-66	2.0	1,050,000			568,021	481,979
4130	5-21-68	2.0	1,200,921			587,308	621,613
4131	5-21-68	2.0	34,071			14,874	19,198
4140	12-11-70	2.0	980,000			391,000	588,180
18150	6-7-74	5.0	324,000			63,890	260,110
18152	6-7-74	5.0	324,000			63,890	260,110
18160	11-21-75	5.0	167,000			27,513	139,487
18162	11-21-75	5.0	167,000			27,513	139,487
18170	6-17-77	5.0	363,500			48,918	314,582
18172	6-17-77	5.0	363,500			48,918	314,582
18180	1-23-79	5.0	306,000			31,255	274,745
18182	1-23-79	5.0	306,000			31,255	274,745
14190	10-23-80	2.0	1,127,000			132,391	994,609
14191	10-23-80	2.0	473,000			30,562	442,438
18200	5-9-81	5.0	1,567,000			160,855	1,406,145
18202	5-9-81	5.0	1,567,000			160,855	1,406,145
18210	9-22-83	5.0	1,132,000			32,940	1,099,060
18212	9-22-83	5.0	1,132,000			114,696	1,017,304
1A215	9-22-83	5.0	84,000				84,000
1A220	9-26-86	5.0	3,514,000			7,067	3,506,933
1A225	9-29-86	5.0	3,514,000		3,514,000		-0-
Advance Payment						35,843	(35,843)
Total REA			$21,346,992	$ 451	$3,514,000	$3,000,021	$13,832,620

CFC Mortgage Notes

9001	3-4-75	7.00	$ 278,000	$	$	$ 45,011	$ 232,989
9004	3-24-76	13.00	84,000			5,792	78,208
9008	7-1-77	11.25	312,000			22,643	289,357
9013	12-31-78	10.50	262,000			16,184	245,816
9015	3-31-81	11.50	1,414,000			34,184	1,379,816
9019	9-22-83	11.00	969,990			13,890	956,100
9020	6-30-86	8.75	3,170,126		64,000		3,106,126
Total CFC			$6,490,476	$ -0-	$ 64,000	$ 141,704	$6,284,772

Net obligation includes $355,000 due REA and $24,100 due CFC payable within one year and classified as current liabilities on the Balance Sheet.

JUL 3 | 25 | 90

STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

MOHAVE ELECTRIC COOPERATIVE, INC.
DOCKET NO. U-1750-89-231

APPLICATION
FOR A
RATE INCREASE

JULY 1990

As in Mohave's proposal, Staff recommends that the BIA and Chemstar receive no increases in their base revenue allocations. As noted previously, the Commission recently approved a peak load shedding agreement between Chemstar and Mohave (Decision No. 56694). The rates in the Chemstar agreement were developed using conditions which existed in the test year.

The cost of service study provided by Mohave is not complete because it excludes load data specific to Mohave's service territory. Staff recommends that the Commission order Mohave to conduct additional load research so that reliable information on class load characteristics and usage will be available.

Rate Design

Staff believes that Mohave's rate structure proposals are generally acceptable and therefore recommends only minor changes. Schedule 6 contains a summary of the Mohave and Staff rate proposals. However, as will be explained below, there are a number of rate design issues that cannot be addressed effectively without load research information which is currently unavailable.

Residential Rates

Staff supports Mohave's proposed decrease in the residential monthly basic service charge from $12.00 to $9.50. Based on Staff's revenue requirement recommendations, this results in a flat energy charge of $0.08275 per kWh. Schedule 7 contains an analysis of the impacts of the proposed rates on residential customers at various consumption levels. Under Staff's proposal, an average customer who uses about 700 kWh per month will pay $67.43 (exclusive of taxes and other assessments), a decrease of 1.85 percent from the current bill. Residential customers using approximately 1,000 kWh in the summer will experience bill decreases of 0.8 percent from the current bill.

Even though Staff is proposing that the residential class receive a small overall increase in base revenues, about 90 percent of residential customers will actually experience decreases in their monthly bills under the Staff proposed rates. One reason is that AEPCO's new coincident peak billing procedure has lowered Mohave's purchased power costs approximately $0.003 per kWh below the level reflected in currently effective residential rates. If these purchased power cost savings were to be passed along directly to customers through the fuel adjustor, a typical residential bill would decline by about three percent compared to current rates. Thus, the purchase power cost change partially offsets any proposed increase in base rates.

pumping loads. The Staff proposed rate will result in a slight decrease in base revenues being recovered from irrigation customers of about 1.28 percent.

Large Contract Rates

Mohave has proposed individual rates for each of its three largest customers, BIA, Cyprus Bagdad and Chemstar. Chemstar will continue to be served under the recently approved load shedding agreement. As explained previously, Staff recommends no changes in the Chemstar rate at this time. However, Mohave is proposing a "back-up" rate to which Chemstar would be assigned in case the load shedding agreement were to be terminated. Staff believes that such a back-up rate is unnecessary. There is no apparent advantage to having a back-up rate for a special contract customer that is otherwise eligible for existing rates. If the load shedding agreement were terminated, Chemstar could be placed on the proposed extra large time-of-use rate (discussed below), which is similar to the time-of-use rate under which Chemstar previously took service, or on the standard large commercial and industrial rate. Another option would be for Mohave to renegotiate the load shedding agreement and bring the revised c ntract to the Commission for approval.

Cyprus Bagdad is currently served by the optional time of day rate for large customers. Mohave proposes to move Cyprus to the new extra large time-of-use schedule. Staff agrees with this proposal but recommends that the rate be designed to reflect Staff's revenue allocation proposal, under which Cyprus Bagdad would receive a $6,379 (0.77 percent) decrease in base revenues. Mohave would like to have a special back-up rate for this customer also because the time of day rates are optional. Staff proposes that if Cyprus goes off the extra large time-of-use schedule that it be placed on the standard Large Commercial and Industrial rate. A special contract proposal could be brought to the Commission for approval if necessary.

BIA is currently served under the Large Commercial and Industrial Rate. Mohave is proposing a new special contract rate for BIA which includes a monthly service charge of $400.00, a demand charge of $9.00 per kw, and an energy charge of $0.04179 per kWh. Staff does not object to this special rate for serving the BIA. Mohave notes that facilities used to serve the BIA were provided with special low cost financing which should be reflected in the rates.

EXHIBIT 11

BEFORE THE ARIZONA CORPORATION COMMISSION

JIM IRVIN
Commissioner - Chairman
RENZ D. JENNINGS
Commissioner
CARL J. KUNASEK
Commissioner

IN THE MATTER OF THE FILING BY MOHAVE ELECTRIC COOPERATIVE, INC. - OF UNBUNDLED AND STANDARD OFFER SERVICE TARIFFS PURSUANT TO A.A.C. R14-2-1606	DOCKET NO. E-01750A-97-0701 DECISION NO. 60913 ORDER

Arizona Corporation Commission
DOCKETED
MAY 22 1998
DOCKETED BY tmh

Open Meeting
May 19 and 20, 1998
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Mohave Electric Cooperative, Inc. (MEC or Coop) is certified to provide electric service as a public service corporation in the State of Arizona.

2. On February 13, 1998, the Coop filed its unbundled and standard offer service tariffs pursuant R14-2-1606. In this filing, the Coop has priced electric service elements such as access, metering and billing. The Coop also stated that it intends to use its current tariff as the standard offer tariff but may revise the standard offer at a later date.

3. Effective December 26, 1996, the Commission adopted rules governing the parameters of retail electric competition. Pursuant to R14-2-1606(C), each incumbent utility must file Unbundled Service Tariffs to provide the following services to all eligible purchasers on a nondiscriminatory basis: Distribution service; Meter and meter reading service; Billing and collection service; Open access transmission service; Ancillary services; Information services; and Other ancillary services necessary for safe and reliable system operation. Pursuant to R14-2-1606(B), each incumbent utility may also file proposed tariffs to provide standard offer bundled service.

. . .

BEFORE THE ARIZONA CORPORATION COMMISSION

JIM IRVIN
Commissioner - Chairman
RENZ D. JENNINGS
Commissioner
CARL J. KUNASEK
Commissioner

IN THE MATTER OF THE FILING BY MOHAVE ELECTRIC COOPERATIVE, INC. - OF UNBUNDLED AND STANDARD OFFER SERVICE TARIFFS PURSUANT TO A.A.C. R14-2-1606	DOCKET NO. E-01750A-97-0701 DECISION NO. 60913 ORDER

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DOCKETED
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. . .

BEFORE THE ARIZONA CORPORATION COMMISSION

JIM IRVIN
Commissioner - Chairman
RENZ D. JENNINGS
Commissioner
CARL J. KUNASEK
Commissioner

IN THE MATTER OF THE FILING BY MOHAVE ELECTRIC COOPERATIVE, INC. OF UNBUNDLED AND STANDARD OFFER SERVICE TARIFFS PURSUANT TO A.A.C. R14-2-1606	DOCKET NO. E-01750A-97-0701 DECISION NO. 600699 ORDER

Open Meeting
February 24 and 25, 1998
Phoenix, Arizona

Arizona Corporation Commission
DOCKETED
FEB 27 1998
DOCKETED BY

BY THE COMMISSION:

FINDINGS OF FACT

1. Mohave Electric Cooperative, Inc. (MEC or Coop) is certified to provide electric service as a public service corporation in the State of Arizona.

2. On February 13, 1998, the Coop filed its unbundled and standard offer service tariffs pursuant R14-2-1606. In this filing, the Coop has priced electric service elements such as distribution, metering and billing. The Coop has also stated that it intends to use its current tariff as the standard offer tariff but may revise the standard offer at a later date.

3. Effective December 26, 1996, the Commission adopted rules governing the parameters of retail electric competition. Pursuant to R14-2-1606(C), each incumbent utility must file Unbundled Service Tariffs to provide the following services to all eligible purchasers on a nondiscriminatory basis: Distribution service; Meter and meter reading service; Billing and collection service: Open access transmission service; Ancillary services; Information services; and Other ancillary services necessary for safe and reliable system operation. Pursuant to R14-2-1606(B), each incumbent utility may also file proposed tariffs to provide standard offer bundled service.

Law Offices

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OF COUNSEL

Joseph F. Abate
Thomas Hine

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DOCUMENT CONTROL

REFER TO FILE NO.-1234-28-1

February 13, 1998

Arizona Corporation Commission
DOCKETED
FEB 13 1998
DOCKETED BY

E-01750A-97-0701

Arizona Corporation Commission
Attn: Director of Utilities
1200 W. Washington
Phoenix, Arizona 85007

Re: E-1750-97 U-000094-165
Mohave Electric Co-op Filing on Unbundled Tariff

Dear Ladies and Gentlemen:

Enclosed you will find the unbundled tariff filing as required by the Arizona Corporation Commission rule on competition, and this is being filed in advance of the deadline of Friday, February 13, 1998.

Enclosed is an original and 10 copies for filing. We have also enclosed two (2) copies to be stamped and returned.

We will file an Affidavit of mailing to the appropriate parties.

Very truly yours,

Larry K. Udall

Larry K. Udall
For the Firm

LKU/ck

Enclosure: Unbundled Tariff

cc: Client w/o Enc.

COST OF SERVICE STUDY

UNBUNDLED TARIFF FILING

In order to comply with the Arizona Corporation Commission's (ACC) Electric Competition Rules (Rules), Mohave Electric Cooperative, Inc. (MEC) and the other Arizona rural electric utilities, through a cooperative effort of the Grand Canyon State Electric Cooperative Association and the National Rural Utilities Cooperative Finance Corporation (CFC), developed a common cost of service model. The goal of the effort was to develop a common methodology for identifying unbundled service costs and to develop the resulting tariff to be filed in accordance with the Rules. The model is based on certain common methodologies but is modified as necessary to meet the requirements of each cooperative and to recognize the differences that exist due to the characteristics of each cooperative and its respective service territory.

The electric utility industry is undergoing fundamental changes. Electric service has traditionally been provided on a monopolistic basis with little opportunity for customer choice. The ACC rules require that utilities develop unbundled rates that will segregate the cost elements of providing service into discrete components including:

- Distribution Service
- Metering and Meter Reading Services
- Billing and Collecting Services
- Information Services, e.g., providing customer information to other Electric Service Providers
- Open Access Transmission Service
- Ancillary Services

The first four items are those that would directly affect MEC while the Open Access Transmission and Ancillary Services are those that would be provided by power suppliers such as AEPCO. The rules also indicate that the current electric tariffs would be considered "Standard Offer" tariffs unless revisions are filed for approval. It is MEC's intent to adopt the current tariff as the standard offer. In order to assist Arizona's cooperatives in preparing the required filings, CFC developed a cost of service model that develops the allocated embedded cost of service for each of the services listed above.

The following provides a description of the methodologies used in the CFC model :

Revenue Requirements

Revenues generated by MEC's rates must be adequate to cover all costs of providing service including operations, maintenance, administration, depreciation, system improvements and replacements. Revenues must also be adequate to provide a return on equity and to meet mortgage covenants regarding times interest earned ratio (TIER) and debt service coverage (DSC). This preliminary MEC study has been designed so that revenues include margins sufficient to meet authorized TIER levels.

Cost of Service Analysis

The cost of service analysis was performed using calendar 1996 as the test year. Because in the competitive market place MEC will be a "Wireco" service provider, the cost of service study was designed to focus on the distribution and customer related costs. However, power supply costs cannot be ignored. Under the historical rate making model, MEC charges customers based on a fully bundled tariff with power purchases included in the rates. To compare current rate designs with the unbundled rate designs, it was necessary to identify the power supply components included in the current rates. Therefore, the first step in the study was to allocate the test year power supply for each rate class and deduct that cost from the revenues collected from each customer classification. Next, the remaining costs were allocated to each customer class. The study was developed by examining the investment required to serve each customer class and then allocating the costs, such as operations and maintenance costs related to that investment, to each class of service. The cost of service study model was developed using the minimum system concept. This concept recognizes that there are minimum system costs that would be incurred if, for example, every customer had only one light bulb. The MEC distribution system would still require poles, wires, transformers etc. The CFC model recovers those costs through a customer charge. The investment in distribution facilities in excess of this "minimum system" are capacity related costs. Certain costs such as metering and billing costs were assigned on a customer basis. In this study, approximately 50% of MEC's investment and corresponding costs are incurred due to customer based causes. The balance is allocated based on required capacity.

Rate Design

MEC's current rate designs (i.e., the rates that will become the standard offer) collect revenues through three components. For rates without demand charges, the revenue is collected through a customer or service availability charge that partially recovers fixed costs of providing service, and energy charges. Historically, regulators have deemed it desirable to keep the customer charge component low. Therefore, most of the cost recovery has been through the variable component or energy charge. This rate design results in some intraclass subsidies in that users with low consumption may not be paying their fair share of fixed costs. For large commercial and industrial users, the existing rate structure includes a demand charge that is designed to recover capacity costs including the capacity component of wholesale power expenses.

The CFC cost of service model develops several alternative rate designs for consideration. In each case, the metering, billing and customer charges are collected through monthly customer charges. The CFC model also develops a monthly charge to recover the "minimum system" distribution costs. The CFC model provides alternative methods for recovery of the capacity component. For customers with demand meters, the costs can be recovered through demand charges. For customers without demand meters, the costs can be recovered through energy charges, an additional fixed fee or an "access charge" or through a charge based on required transformer capacity.

There are several alternative rate designs that can be considered for the unbundled tariff. Each format has certain advantages and disadvantages. For example, charging a fee for customer "access availability" has the advantage of providing very stable revenues. However, it is a radical change from current methods and may encounter customer or regulatory resistance. The attached unbundled rate schedules recover some costs through the fixed or customer charge and some "fixed" costs will be recovered through energy charges. This format was adopted to prevent radical changes from the current rate design. While this design is technically not "correct", it would tend to lessen the impact to customers as the competitive market is instituted.

Standard Offer Tariff - As noted above, the ACC rules have been developed so that, absent a new filing, the existing tariff becomes the standard offer. While this is administratively convenient, it fails to recognize that the existing tariff may not recover costs correctly. For example, for most utilities, residential rates do not fully recover costs of service. There are cross class subsidies in today's rates and often commercial consumers pay more than their allocated costs. If commercial customers take advantage of the competitive marketplace, the revenue that has been available to subsidize residential or other users will no longer be available. Therefore, utilities may find that

revenue requirements may not be met. This concern was discussed during ACC workshops and the issue has not been resolved. MEC intends to use the current tariff as the standard offer but may revise the standard offer at a later date.

Other fees and schedules - With the unbundling of services and customer choice, MECE will need to develop fee schedules for services it does not currently provide. This includes services such as reading meters for others, installing more sophisticated metering, paperwork charges etc. While the ACC has not yet developed its final rules, it is likely that a complex set of fees, such as those being charged in California, will be implemented. In its current rule, the ACC does require utilities to file a rate for providing information to other energy suppliers. This information would include bill histories for customers and related data. The cost of service study does not address these types of costs. Therefore, a charge must be established based on estimated staff time and expenses related to responding to requests. An initial fee of $25 per request is proposed. MEC will develop additional fee schedules as the methods for implementing a competitive energy market are identified.

Stranded Cost Recovery - MEC is a member of the Arizona Electric Power Cooperative and purchases its power under an all-requirements contract. Any stranded cost recovery authorized by the ACC will flow through MEC to the retail customer. MEC may make additional filings with the ACC related to stranded cost recovery when the ACC rules and/or orders on the issue are developed.

MOHAVE ELECTRIC COOPERATIVE, INC.

RATE SCHEDULE "R"

(Residential Service)

Availability:

1. Available to residential consumers within the utility's service area who elect to purchase energy resources from suppliers in the competitive market.

Character of Service:

Alternating current, single phase, 60 Hertz, at available secondary voltages. Three phase service may be furnished under the Cooperative's rules on line extensions.

2. This rate is not applicable to standby, supplementary or resale service.

Net Rate Per Month:

Fixed Monthly Distribution Charge	$ 9.67
Variable Monthly Distribution & Local Transmission Charge, per kWh	0.0139
Metering Charge	1.19
Meter Reading Charge	0.57
Billing Charge	1.58
Public Benefits Charge, per kWh	0.0003

Tax Adjustments:

1. Total monthly sales for electric service are subject to adjustment for all federal, state and local governmental taxes or levies on such sales and any assessments that are or may be imposed by federal or state regulatory agencies on electric utility gross revenues.

Customer Information Charge:

1. Mohave Electric Cooperative shall have the right to assess a customer information charge to provide historical billing and usage data to energy service providers. Provision of this information will be subject to rules and regulations approved by the Arizona Corporation Commission. The charge for this service shall be $25 per request.

Stranded Cost Charges:

1. Customer will be responsible for payment of charges or fees for stranded cost recovery and/or competitive market transition charges in accordance with rates and rules approved by the Arizona Corporation Commission.

MOHAVE ELECTRIC COOPERATIVE, INC.

RATE SCHEDULE "R"

Conditions of Service:

1. The terms and conditions for the provision of service to the consumer under this rate schedule are subject to the Rules and Regulations of the utility, as approved and modified from time to time by the Arizona Corporation Commission.

Effective Date:

1. This rate schedule is effective January 1, 1999.

MOHAVE ELECTRIC COOPERATIVE, INC.

RATE SCHEDULE "GS-1 1Ph"

(Small Commercial Service < 50kVA)

Availability:

1. Available to small commercial consumers with average monthly demands of less than 50 kW within the utility's service area who elect to purchase energy resources from suppliers in the competitive market.

Character of Service:

1. Alternating current, single phase, 60 Hertz, at available secondary voltages. Three phase service may be furnished under the Cooperative's rules on line extensions.

2. This rate is not applicable to standby, supplementary or resale service.

Net Rate Per Month:

Fixed Monthly Distribution Charge	$ 21.39
Variable Monthly Distribution & Local Transmission Charge, per kWh	0.0085
Metering Charge	4.37
Meter Reading Charge	1.15
Billing Charge	3.16
Public Benefits Charge, per kWh	0.0003

Tax Adjustments:

1. Total monthly sales for electric service are subject to adjustment for all federal, state and local governmental taxes or levies on such sales and any assessments that are or may be imposed by federal or state regulatory agencies on electric utility gross revenues.

Customer Information Charge:

1. Mohave Electric Cooperative shall have the right to assess a customer information charge to provide historical billing and usage data to energy service providers. Provision of this information will be subject to rules and regulations approved by the Arizona Corporation Commission. The charge for this service shall be $25 per request.

Stranded Cost Charges:

1. Customer will be responsible for payment of charges or fees for stranded cost recovery and/or competitive market transition charges in accordance with rates and rules approved by the Arizona Corporation Commission.

MOHAVE ELECTRIC COOPERATIVE, INC.

RATE SCHEDULE "GS-1 1Ph"

Conditions of Service:

1. The terms and conditions for the provision of service to the consumer under this rate schedule are subject to the Rules and Regulations of the utility, as approved and modified from time to time by the Arizona Corporation Commission

Effective Date:

1. This rate schedule is effective January 1, 1999.

MOHAVE ELECTRIC COOPERATIVE, INC.

RATE SCHEDULE "GS-2 1Ph"

(Small Commercial Service 50-350 kVA Single Phase)

Availability:

1. Available to small commercial consumers with average monthly demands of 50 to 350 kW within the utility's service area who elect to purchase energy resources from suppliers in the competitive market.

Character of Service:

1. Alternating current, single phase, 60 Hertz, at available secondary voltages.

2. This rate is not applicable to standby, supplementary or resale service.

Net Rate Per Month:

Fixed Monthly Distribution Charge	$ 23.00
Variable Monthly Distribution & Local Transmission Charge, per kW	1.603
Variable Monthly Distribution & Local Transmission Charge, per kWh	0.0049
Metering Charge	3.69
Meter Reading Charge	1.15
Billing Charge	3.16
Public Benefits Charge, per kWh	0.0003

Tax Adjustments:

1. Total monthly sales for electric service are subject to adjustment for all federal, state and local governmental taxes or levies on such sales and any assessments that are or may be imposed by federal or state regulatory agencies on electric utility gross revenues.

Customer Information Charge:

1. Mohave Electric Cooperative shall have the right to assess a customer information charge to provide historical billing and usage data to energy service providers. Provision of this information will be subject to rules and regulations approved by the Arizona Corporation Commission. The charge for this service shall be $25 per request.

MOHAVE ELECTRIC COOPERATIVE, INC.

RATE SCHEDULE "GS-2 1Ph"

Stranded Cost Charges:

1. Customer will be responsible for payment of charges or fees for stranded cost recovery and/or competitive market transition charges in accordance with rates and rules approved by the Arizona Corporation Commission.

Conditions of Service:

1. The terms and conditions for the provision of service to the consumer under this rate schedule are subject to the Rules and Regulations of the utility, as approved and modified from time to time by the Arizona Corporation Commission.

Effective Date:

1. This rate schedule is effective January 1, 1999.

MOHAVE ELECTRIC COOPERATIVE, INC.

RATE SCHEDULE "GS-2 3Ph"

(Small Commercial Service 50-350 kVA Three Phase)

Availability:

1. Available to small commercial consumers with average monthly demands of 50 to 350 kW within the utility's service area who elect to purchase energy resources from suppliers in the competitive market.

Character of Service:

1. Alternating current, three phase, 60 Hertz, at available secondary voltages. Three phase service furnished under the Cooperative's rules on line extensions.

2. This rate is not applicable to standby, supplementary or resale service.

Net Rate Per Month:

Fixed Monthly Distribution Charge	$ 26.17
Variable Monthly Distribution & Local Transmission Charge, per kW	1.601
Variable Monthly Distribution & Local Transmission Charge, per kWh	0.0049
Metering Charge	7.20
Meter Reading Charge	1.72
Billing Charge	4.75
Public Benefits Charge, per kWh	0.0003

Tax Adjustments:

1. Total monthly sales for electric service are subject to adjustment for all federal, state and local governmental taxes or levies on such sales and any assessments that are or may be imposed by federal or state regulatory agencies on electric utility gross revenues.

Customer Information Charge:

1. Mohave Electric Cooperative shall have the right to assess a customer information charge to provide historical billing and usage data to energy service providers. Provisions of this information will be subject to rules and regulations approved by the Arizona Corporation Commission. The charge for this service shall be $25 per request.

MOHAVE ELECTRIC COOPERATIVE, INC.

RATE SCHEDULE "GS-2 3Ph"

Stranded Cost Charges:

1. Customer will be responsible for payment of charges or fees for stranded cost recovery and/or competitive market transition charges in accordance with rates and rules approved by the Arizona Corporation Commission.

Conditions of Service:

1. The terms and conditions for the provision of service to the consumer under this rate schedule are subject to the Rules and Regulations of the utility, as approved and modified from time to time by the Arizona Corporation Commission.

Effective Date:

1. This rate schedule is effective January 1, 1999.

MOHAVE ELECTRIC COOPERATIVE, INC.

RATE SCHEDULE "L"

(Large Commercial & Industrial)

Availability:

1. Available to commercial and industrial consumers with average monthly demands exceeding 350 kW within the utility's service area who elect to purchase energy resources from suppliers in the competitive market.

Character of Service:

1. Alternating current, single phase or three phase, 60 Hertz, at available secondary or primary voltages.

2. This rate is not applicable to standby, supplementary or resale service.

Net Rate Per Month:

Fixed Monthly Distribution Charge	$ 95.10
Variable Monthly Distribution & Local Transmission Charge, per kW	0.8252
Variable Monthly Distribution & Local Transmission Charge, per kWh	0.0022
Metering Charge	10.56
Meter Reading Charge	1.72
Billing Charge	4.75
Public Benefits Charge, per kWh	0.0003

Tax Adjustments:

1. Total monthly sales for electric service are subject to adjustment for all federal, state and local governmental taxes or levies on such sales and any assessments that are or may be imposed by federal or state regulatory agencies on electric utility gross revenues.

Customer Information Charge:

1. Mohave Electric Cooperative shall have the right to assess a customer information charge to provide historical billing and usage data to energy service providers. Provision of this information will be subject to rules and regulations approved by the Arizona Corporation Commission. The charge for this service shall be $25 per request.

MOHAVE ELECTRIC COOPERATIVE, INC.

RATE SCHEDULE "L"

Stranded Cost Charges:

1. Customer will be responsible for payment of charges or fees for stranded cost recovery and/or competitive market transition charges in accordance with rates and rules approved by the Arizona Corporation Commission.

Conditions of Service:

1. The terms and conditions for the provision of service to the consumer under this rate schedule are subject to the Rules and Regulations of the utility, as approved and modified from time to time by the Arizona Corporation Commission.

Effective Date:

1. This rate schedule is effective January 1, 1999.

MOHAVE ELECTRIC COOPERATIVE, INC.

RATE SCHEDULE "IP"

(Large Irrigation Pumping)

Availability:

1. Available to large irrigation pumping consumers with connected pumping loads exceeding 50 horsepower within the utility's service area who elect to purchase energy resources from suppliers in the competitive market.

Character of Service:

1. Alternating current, single phase or three phase, 60 Hertz, at available secondary voltages.

2. This rate is not applicable to standby, supplementary or resale service.

Net Rate Per Month:

Fixed Monthly Distribution Charge	$ 29.79
Variable Monthly Distribution & Local Transmission Charge, per kW	5.67
Variable Monthly Distribution & Local Transmission Charge, per kWh	0.00596
Metering Charge	5.29
Meter Reading Charge	2.87
Billing Charge	4.75
Public Benefits Charge, per kWh	0.0003

Tax Adjustments:

1. Total monthly sales for electric service are subject to adjustment for all federal, state and local governmental taxes or levies on such sales and any assessments that are or may be imposed by federal or state regulatory agencies on electric utility gross revenues.

Customer Information Charge:

1. Mohave Electric Cooperative shall have the right to assess a customer information charge to provide historical billing and usage data to Energy Service Providers. Provision of this information will be subject to rules and regulations approved by the Arizona Corporation Commission. The charge for this service shall be $25 per request

MOHAVE ELECTRIC COOPERATIVE, INC.

RATE SCHEDULE "IP"

Stranded Cost Charges:

1. Customer will be responsible for payment of charges or fees for stranded cost recovery and/or competitive market transition charges in accordance with rates and rules approved by the Arizona Corporation Commission.

Conditions of Service:

1. The terms and conditions for the provision of service to the consumer under this rate schedule are subject to the Rules and Regulations of the utility, as approved and modified from time to time by the Arizona Corporation Commission.

Effective Date:

1. This rate schedule is effective January 1, 1999.

MOHAVE ELECTRIC COOPERATIVE, INC.

RATE SCHEDULE "LS"

(Lighting Service)

Availability:

1. Available to all consumers within the utility's service area who elect to purchase energy resources from suppliers in the competitive market.

Character of Service:

1. Alternating current, single phase, 60 Hertz, at available secondary voltages.

Net Rate Per Month:

	Security Light	Street Light
Mercury Vapor (Frozen):		
175 Watt Per Lamp	$ 4.53	$ 10.93
HP Sodium:		
100 Watt Per Lamp	6.47	18.17
HP Sodium:		
250 Watt Per Lamp	4.07	8.98
HP Sodium:		
400 Watt Per Lamp	3.91	7.79

Tax Adjustments:

1. Total monthly sales for electric service are subject to adjustment for all federal, state and local governmental taxes or levies on such sales and any assessments that are or may be imposed by federal or state regulatory agencies on electric utility gross revenues.

Stranded Cost Charges:

1. Customer will be responsible for payment of charges or fees for stranded cost recovery and/or competitive market transition charges in accordance with rates and rules approved by the Arizona Corporation Commission.

MOHAVE ELECTRIC COOPERATIVE, INC.
RATE SCHEDULE "LS"

Conditions of Service Utility Owned:

1. The consumer shall execute a "Lighting Service Agreement" in accordance with the utility's line extension policies.

2. Security light installations and related appurtenances shall be owned, operated and maintained by the utility. All facilities installed on the consumer's premises shall be the property of the utility.

3. Security light installations shall be controlled by light sensitive photo-electric cells.

4. It shall be the consumer's responsibility to notify the utility regarding required maintenance of security lights.

5. Security light installations shall only be maintained by the utility during normal working hours.

6. Security light installations may be inoperative during periods within a month, but such periods shall not cause the net rate per month to be adjusted.

7. Security light installations may be installed on a temporary basis in accordance with the Rules and Regulations covering temporary electric service.

8. The utility reserves the right to remove lamp and appurtenances should it be called upon more than two times per year to repair or maintain lighting installations. Lighting service under this condition may be continued if the consumer agrees to pay for the additional service calls and costs incurred by the utility.

Conditions of Service - Consumer Owned:

1. Security lights must be connected to the utility's system by the utility's personnel.

2. Security light installations and related appurtenances shall be owned and maintained by the consumer. All installations shall be properly fused to protect the utility's system.

3. Security light installations shall be controlled by light sensitive photo-electric cells. The utility reserves the right to disconnect service to those lighting consumers who fail to properly maintain photo-electric cells.

4. Security light installations may be inoperative during periods within a month, but such periods shall not cause the net rate per month to be adjusted.

Effective Date: This rate schedule is effective January 1, 1999.

EXHIBIT 12

MOHAVE electric cooperative

Bullh P.O. Box 2000
City, Arizona 86430
(520) 763-1100

DEPARTMENT OF INTERIOR 952
BIA-DSBRSMNT ATTN:UT PYMT
PO BOX 2042
ALBUQUERQUE NM 87103-2042

ACCOUNT NUMBER 297
INVOICE DATE 2/28/9
PAGE NUMBER 1

SUB-ACCT	SERVICE LOCATION	DESCRIPTION		AMOUNT
000	LONG MESA END OF SUPAI	PRIOR BALANCE		30641.0
	RATE-613 MULTIPLIER- 1200	KWH USED	187200	8571.8
	METER 86153321	KW DEMAND	516.00	4644.0
	READ 01/27 10560	CUSTOMER CHARGE		70.0
	READ 02/25 10716	REFUND	.0085000-	1591.2
		STATE TAX		1302.51
		COUNTY TAX		130.25
		FACILITIES CHARGE		14355.51
			TOTAL	58123.96

BALANCE FORWARD	CURRENT AMOUNT	CURRENT DUE DATE	TOTAL AMOUNT DUE
30641.00	27482.96	3/10/97	58123.96

BALANCE FORWARD IS SUBJECT TO SERVICE DISCONNECTION.
CURRENT DUE DATE IS FOR CURRENT AMOUNT ONLY.

A FREE TRIP TO WASHINGTON, D.C. AWAITS TWO HIGH SCHOOL STUDENTS. THE MOHAVE ELECTRIC YOUTH TOUR SPEECH COMPETITION IS NOW OPEN TO MEMBERS OF THE JUNIOR CLASS. DETAILS ARE AVAILABLE BY CALLING MARK HARRIS AT 763-4115, EXTENSION 512.

Please mail stub with payment or bring entire bill with payment to:

Mohave Electric Cooperative, Inc.
P.O. Box 2000
928 Hancock Road
Bullhead City, AZ 86430

ACCOUNT DEPARTMENT OF I 29740-000
Invoice Date 2/28/97
Total Amt Due 58123.96

PLEASE DO NOT FOLD

MOHAVE electric cooperative

P.O. Box 2000
Bullhead City, Arizona 86430
(520) 763-1100

DEPARTMANT OF INTERIOR
BIS-DSBRSMNT ATTN:UT PMT
PO BOX 2042
ALBUQUERQUE NM 87103-2042

ACCOUNT NUMBER 29 0
INVOICE DATE 4/01/97
PAGE NUMBER 1

SUB ACCT	SERVICE LOCATION		DESCRIPTION		AMOUNT
000	LONG MESA END OF SUPAI		PRIOR BALANCE		0.00
	RATE-605 MULTIPLIER 1200		KWH USED	154800	7055.78
	METER 86153321		KW DEMAND	528.00	5148.00
	READ 02/25	10716	CUSTOMER CHARGE		70.00
	READ 03/26	10837	REFUND		-1315.80
			STATE TAX		547.90
	METER CHANGE		COUNTY TAX		54.79
			TOTAL		11560.67

BALANCE FORWARD	CURRENT AMOUNT	CURRENT DUE DATE	TOTAL AMOUNT DUE
0.00	11560.67	04/10/97	11560.67

GET ON TOP OF ENERGY COSTS THIS SPRING. BE AN ENERGY SMART SHOPPER FOR NEW APPLIANCES. THEN BE A WISE ENERGY USER AROUND THE HOUSE. SEE THE ENCLOSED CARD FOR SOME MONEY SAVING TIPS AND CALL US AT 763-1100 FOR MORE INFORMATION.

Please mail stub with payment or bring entire bill with payment to:

Mohave Electric Cooperative, Inc.
P.O. Box 2000
928 Hancock Road
Bullhead City, AZ 86430

ACCOUNT DEPARTMENT O 29740-000
Invoice Date 3/31/97
Total Amt Due 11560.67

PLEASE DO NOT FOLD

EXHIBIT 13

AZ. CORP. COMMISSION
FOR THE STATE OF AZ.
FILED
MAY 30 9 53 AM '85
G Mendoza
039759-3

NONPROFIT-AMENDMENT

ARTICLES OF AMENDMENT

TO

ARTICLES OF INCORPORATION

OF

MOHAVE ELECTRIC CO-OPERATIVE, INC.

Pursuant to the provisions of Title 10, Article 2, Section 756, Arizona Electric Cooperative Nonprofit Membership Corporation Act, the undersigned corporation adopts the attached Articles of Amendment to its Articles of Conversion (Articles of Incorporation):

FIRST: The name of the corporation is MOHAVE ELECTRIC CO-OPERATIVE, INC., a non-profit corporation.

SECOND: The address of MOHAVE ELECTRIC CO-OPERATIVE, INC.'s principal office is P.O. Box 1045, Bullhead City, Arizona 86430.

THIRD: The document attached hereto as Exhibit A sets forth the Articles of Amendment to its Articles of Conversion (Articles of Incorporation) which were adopted by the affirmation of votes of not less that 2/3 of those members voting thereon at its Annual Meeting of Members held on April 15, 1986 at 7:30 o'clock P.M. in the manner prescribed by the provisions of Title 10, Section 756 of the Arizona Electric Cooperative Nonprofit Membership Corporation Act. At this meeting 86 voting members, or 91% thereof, voted yea, in favor of the amendment and 9 voting members, or 9% thereof, voted nay.

IN WITNESS WHEREOF, the said Mohave Electric Cooperative, Incorporated has caused this certificate to be executed by its President and its corporate seal to be affixed and attested by its Secretary, this 24th day of April, 1986.

Corporate
Seal

Glenn A. Medlin, President

Attest:

Fred C. Grigg, Secretary

State of Arizona)
) ss.
County of Mohave)

This instrument was acknowledged before me this 24th day of April, 1986 by Glenn A. Medlin, as President of Mohave Electric Cooperative, Incorporated, who stated that he executed such instrument on behalf of said Corporation for the purpose and consideration therein expressed.

Notary Public

My Commission expires:
My Commission Expires Sept. 9, 1989

EXHIBIT A

ARTICLES OF AMENDMENT

TO THE

ARTICLES OF CONVERSION

(ARTICLES OF INCORPORATION)

OF

MOHAVE ELECTRIC CO-OPERATIVE, INC.

1. Article VII is amended to read as follows:

ARTICLE VII

The Corporate existence of Mohave Electric Cooperative, Incorporated is about to expire on May 24, 1986. The said Mohave Electric Cooperative, Incorporated existence is hereby renewed and continued for twenty-five (25) years thereafter with the privilege of renewal as provided by law.

A F F I D A V I T

STATE OF ARIZONA)
) ss.
COUNTY OF MOHAVE)

COMES NOW GLENN A. MEDLIN, being first duly sworn, deposes and says:

That he is President of Mohave Electric Cooperative, Incorporated, a non-profit rural electric cooperative incorporated under Articles of Conversion (Articles of Incorporation), under Title 10, Article II of the Arizona Electric Cooperative Non-profit Membership Corporation Act; for the purpose of supplying electric energy to persons in rural areas certified by the Arizona Corporation Commission in Mohave County; and for the purpose of promoting and extending the use of electrical energy in those areas pursuant to the Act.

That according to the provisions of the Mohave Electric Cooperative, Incorporated Bylaws and Title 10, Article II, Sections 756 and 762 of the Arizona Electric Cooperative Non-profit Membership Corporation Act, a Notice of a meeting of members was mailed to each of Mohave Electric Cooperative, Inc.'s members designating that the Annual Meeting of members would be held on Tuesday, April 15, 1986 at Mohave High School, and that said Notice had attached thereto a proposed Amendment to the Articles of Conversion (Articles of Incorporation), and that a true copy of the Notice mailed to the mem-

bers is set forth as Exhibit A attached hereto.

That at the Annual Meeting, as provided in the Notice, a motion was made by Randy Boyd and seconded by Lirlin George and that the proposed Amendment referred to was approved by the affirmative vote of not less than two thirds of those members voting thereon at the meeting. At this meeting, eighty-six voting members, or 91% thereof voted yea in favor of adopting the Amendment to Article VII, and nine voting members, or 9% voted nay, and said Amendment was therefor approved by the affirmative vote of not less than two thirds of those voting members.

That the Articles of Amendment to the Articles of Conversion (Articles of Incorporation) of Mohave Electric Cooperative, Incorporated have been duly executed and acknowledged by me, Glenn A. Medlin, its President, and attested to by its Secretary, Fred C. Grigg, and the corporate seal has been affixed thereto; and that I affirm and am in the belief that all the provisions of Title 10, Article II, Section 756 and the provisions of said Section in respect of the Amendment set forth in the Articles of Conversion (Articles of Incorporation) were and have been duly complied with.

Dated this 24Th day of April, 1986.

Glenn A. Medlin, President

SUBSCRIBED AND SWORN to before me this 24th day of April, 1986.

Notary Public

My Commission expires:

My Commission Expires Sept. 9, 1989

MEC Member Newsletter

News from Mohave Electric Cooperative March/April 1986

Notice of director elections and district and annual meetings

District 1 meeting April 11

District 1 meetings are rotated according to the location of the director whose term is expiring. This year the term of Eugene "Pat" Cook is expiring so the meeting will be held at the Owens-Whitney School in Wikieup, Ariz., at 7 p.m. on Friday, April 11 for the purpose of electing a person to fill the seat. Cook has announced his intention to seek re-election to the District 1 director's seat. Nominations for any other candidates also will be entertained. Registration will begin at 6:30 p.m. The agenda will include:

1. Determination of a quorum.
2. Reading of notice of meeting and proof of mailing of said notice.
3. Reading of unapproved minutes of previous meeting.
4. Election of director.
5. Reports.
6. Adjournment.

There will be a drawing for a water heater jacket and credits on electric bills at the conclusion of the meeting.

General membership meeting April 15

The Annual Membership Meeting of the Mohave Electric Cooperative will be held on Tuesday, April 15 at Mohave High School immediately following the District 1 meeting. The purpose of the meeting is to make known to the membership the financial condition of the cooperative. The agenda will include:

1. Determination of the presence of a quorum.
2. Reading of the notice of meeting and proof of mailing of said notice.
3. Reading of unapproved minutes from the previous meeting.
4. Reports of the officers.
5. Old business.
6. New business.
7. Adjournment.

The grand door prize, a video cassette recorder and other prizes of electric bill credits will be awarded by a drawing at the close of the annual meeting.

Members attending any of the co-op meetings are asked to bring the mailing label from this annual report to the meeting. Labels turned in at the district meetings will make the membership eligible for the video cassette recorder which will be given away at the conclusion of the annual membership meeting in Bullhead City.

District 1 boundaries

District 1 encompasses the entire service area of the co-op that lies east of Kingman and includes the Hualapai Valley, Lake Mead Rancheros, Hackberry, Valentine, Truxton, Peach Springs, Nelson, Frazier Wells, Pica Valley, and Long Mesa. It also includes the area south of Kingman which includes the Hualapai Mountains, Cedar Mesa, Trout Creek, Big Sandy, Wikieup, and Signal.

Continued on page 4a.

Notice of proposed amendment to Article VII

Notice of
proposed amendment
to Article VII
of the
Articles of Conversion
(Articles of Incorporation)
of
Mohave Electric
Cooperative, Inc.

Pursuant to Arizona Revised Statutes §10-756, the following proposed amendment to the Articles of Conversion (Articles of Incorporation) of Mohave Electric Cooperative, Inc. shall be presented at the annual meeting of members to be held on April 15, 1986 at 7:30 p.m. at Mohave High School Auditorium on Highway 95.

Article VII is amended to read as follows:

The Corporate existance of Mohave Electric Cooperative, Incorporated is about to expire on May 24, 1986. The said Mohave Electric Cooperative, Incorporated existence is hereby renewed and continued for twenty-five (25) years thereafter with the privilege of renewal as provided by law.

EXHIBIT 14

MOHAVE
electric cooperative

P.O. Box 1045, Bullhead City, Arizona 86430

Mykulls 8/18/03

August 7, 2003

Ms. Louise Benson, Chairperson
Hualapai Nation
Post Office Box 179
Peach Springs, Arizona 86434

RECEIVED
AUG 10 2003
BIA Truxton Canon
Valentine, AZ

Mr. Don Watahomigie, Chairman
Havasupai Nation
Post Office Box 10
Supai, Arizona 86435

Mr. Robert R. McNichols, Superintendent
Bureau of Indian Affiars
Truxton Canyon Agnecy
Post Office Box 37
Valentine, Arizona 86437

Re: Description of Counts and Properties Transferred to Joint Ownerships

Dear Ladies and Gentlemen:

The following is a description of the accounts and facilities that are now owned by your entities, as your interests may be established.

The attached listings sets forth the account numbers, the name, the location, the description of the facility, the serial number and the meter number.

Very truly yours,
Mohave Electric Cooperative

By _____
General Counsel

Enclosure: Complete List of Accounts, Facilities, and Identification of Facilities;
Copy of Quit Claim Deed

cc: Mohave Electric Cooperative (w/o Enclosure)

Account # 63626-000
Arizona Telephone Company
500' South Havasupai Tribal Electric Syste
near 8th pole South of H-Frame
Long Mesa Tower
Allis Chalmers 15 Kva
S/N# 3800523
Meter # 87476817

Account # 44567-003
Diamond A Ranch
Camp 16 Supai Line
Ermco 15 Kva
S/N# 59907005790
Meter # 96866745

Account # 29740-001
Department of Interior
Fire Tower - Supai Road
Thorton Tower
Westinghouse 15 Kva
S/N# 83A440266
Meter # 86549384

Account # 896-084
Hualapai Tribal Council
Hunters Building - Youth Camp
15 Kva (Plate missing)
Meter # 95245102

Account # 896-084
Hualapai Tribal Council
Lake Circulation Pump
Youth Camp Pond
B & B 10 Kva
S/N# 86NH104-026
Meter # 88058929

Account # 896-060
Hualapai Tribal Council
Frazier Wells Pump
Well #1
Howard 15 Kva
S/N# 92244-4484
Westinghouse 15 Kva
S/N# 81A271882
Meter # 93703033

Account # 896-073
Hualapai Tribal Council
Frazier Wells Pump 2
Well # 2
Ermco 15 Kva
S/N# 3924931238
Ermco 15 Kva
S/N# 3924931233
Ermco 15 Kva
S/N# 3924931257
Meter # 01365750

Account # 896-100
Hualapai Tribal Council
Water Well T28N R7W
Fish Pond
Transformers (see above)
Meter # 01684104

Account # 28135-001
Bravo, W C
Supai Line near Frazier Wells
RTE 10 Kva
SN# 4303728
Meter # 95528410

Mile Post 32
Recloser
NS5-25

Account # 451-055
TCIA - Department of Interior - BIA
Long Mesa Radio Repeater Site
Long Mesa End
Cooper 5 Kva
S/N# 9902093970
Meter # 61718916

Account # 896-027
Hualapai Tribal Council
Pump at Tank Well
Well site Nelson Road
Ermco 10 Kva
S/N# 30107311444
Meter # 97298158

Account # 44561-006
Cabin on Nelson Road
Ermco 10 Kva
SN# 30107311428
Meter # 57788387

CONFORMED COPY
FEE # 2003-60541
DATE 7-22-03
BOOK 4596
PAGES 422-440

When Recorded, Return to:
Mohave Electric Cooperative c/o
2712 North Seventh Street
Phoenix, Arizona 85006-1090
Attn: Michael A. Curtis, Esq.

NOTICE OF QUIT CLAIM, CONVEYANCE AND ASSIGNMENT OF INTEREST AND ABANDONMENT OF PROPERTY

For good and valuable consideration of being customers at the Large Commercial Customer Rate of the Mohave Electric Cooperative, Inc. at the Nelson Substation, the receipt of which is hereby acknowledged, Mohave Electric Cooperative, Inc., an Arizona not-for-profit corporation, (hereinafter called "GRANTOR"), does hereby quit claim, grant, bargain and convey and abandon to the United States Department of Interior, Bureau of Indian Affairs, the Hualapai Indian Tribe, and the Havasupai Indian Tribe (hereinafter called "GRANTEES"), as their respective interests may be established or reflected in the real and personal property and fixtures (the "Premises") including power lines, meters and service drops situated in Mohave, Yavapai and Coconino Counties, Arizona, described on Exhibits "A", "B", and "C" attached hereto and by this reference incorporated herein and as illustrated in Exhibit "D", together with all tenements, appurtenances, and all estates and rights of GRANTOR in and to the Premises and the rights of reversion and reversions, remainder and remainders thereof and thereto and all right, title and interest of GRANTOR in and to all streets, roads and public places, open or proposed, and all easements, and rights-of-way, public or private, now or hereafter used in connection with the Premises and all water and water rights (whether riparian, appropriative or otherwise, and whether or not appurtenant) in or hereafter relating to or used in connection with the Premises and all reports, approvals, permits, rights, studies and contracts pertaining thereto now or hereafter in the possession or control of GRANTOR;

Furthermore, GRANTOR hereby assigns and transfers all of its rights, title and interest in any Pole Line License Agreement, attached hereto as Exhibit "C" and by reference incorporated herein, to GRANTEES, as their respective interests may be established or reflected in the Premises;

TO HAVE AND TO HOLD the same unto the GRANTEES, their successors and assigns forever as may be determined among themselves as their interests are determined.

This NOTICE OF QUIT CLAIM, CONVEYANCE AND ASSIGNMENT OF INTEREST AND ABANDONMENT, is executed voluntarily and not as a result of duress or threats of any kind, and is bona fide and not given to hinder, delay or defraud the rights of creditors or contravene the Bankruptcy Laws of the United States.

This NOTICE OF QUIT CLAIM, CONVEYANCE AND ASSIGNMENT OF INTEREST AND ABANDONMENT is not given as security for the payment or repayment of money or indebtedness, or as security of any kind or nature; and there is no agreement or understanding, oral or written, between GRANTOR and GRANTEES herein, or any other person whomsoever relative to a reconveyance of the above-described property to said GRANTOR, or to a sale or conveyance to anyone else for the benefit of GRANTOR, or to any division of any proceeds realized from said property by sale or otherwise.

The actual possession of the property herein conveyed has, by delivery of this deed, been surrendered and delivered to GRANTEES, and GRANTOR intends by this NOTICE OF QUIT CLAIM, CONVEYANCE AND ASSIGNMENT OF INTEREST AND ABANDONMENT to vest the absolute and unconditional title to said property in GRANTEES as their respective interests may be established, and forever to estop and bar GRANTOR and GRANTOR'S successors or assigns from having or claiming any right, title or interest of any nature whatsoever, either in law or in equity or in possession or an expectancy in and to said property or any part thereof.

Words and expressions used herein shall be applicable according to the contents hereof, and without regard to the number or gender of such words or expressions.

DATED this 22nd day of JULY, 2003.

MOHAVE ELECTRIC COOPERATIVE, INC.

By_____
Its Chief Executive Officer

STATE OF ARIZONA)
) ss.
County of Mohave)

Acknowledged before me this 22nd day of July, 2003, by Robert Broz, Chief Executive Officer of Mohave Electric Cooperative, Inc., an Arizona corporation.

Sharon Sutton
Notary Public

My Commission Expires:

July 12, 2006

OFFICIAL SEAL
SHARON SUTTON
NOTARY PUBLIC-ARIZONA
MOHAVE COUNTY
My Comm. Expires July 12, 2006

EXHIBIT A

LEGAL DESCRIPTION

HUALAPAI INDIAN RESERVATION

Said Right-of-Way to be approximately 42.1229 miles in length, 50 feet in width, and occupying approximately 255.2904 acres, and more particularly described and shown on the map of definite location to be attached and made a part hereof.

Beginning at Station 1137 + 00; T30N, R6W, Section 24,

Thence South 55° 32' West to Station 1144 + 92;
T30N, R6W, Section 24,
Thence South 51° 28' West to Station 1254 + 77;
T30N, R6W, Section 27,
Thence South 33° 04' West to Station 1495 + 08;
T29N, R6W, Section 17,
Thence South 47° 04' West to Station 1554 + 82;
T29N, R6W, Section 18,
Thence South 58° 50' West to Station 1595 + 02;
T29N, R7W, Section 24,
Thence South 45° 59' West to Station 1611 + 99;
T29N, R7W, Section 24,
Thence South 26° 14' West to Station 1668 + 12;
T29N, R7W, Section 26,
Thence South 34° 35' West to Station 1762 + 02;
T29N, R7W, Section 34,
Thence North 86° 25' West to Station 1770 + 70;
T29N, R7W, Section 34,
Thence North 86° 25' West to Station 1775 + 42;
T29N, R7W, Section 34,
Thence South 35° 29' West to Station 1790 + 17;
T28N, R7W, Section 3,
Thence South 43° 34' West to Station 1830 + 17;
T28N, R7W, Section 4,
Thence South 61° 24' West to Station 1839 + 94;
T28N, R7W, Section 4,
Thence South 44° 35' West to Station 1849 + 72;
T28N, R7W, Section 9,
Thence South 24° 01' West to Station 1853 + 85;
T28N, R7W, Section 9,
Thence South 20° 34' West to Station 1867 + 10;
T28N, R7W, Section 9,
Thence South 7° 45' East to Station 1876 + 10;
T28N, R7W, Section 9,
Thence South 23° 21' West to Station 1882 + 12;
T28N, R7W, Section 9,
Thence South 34° 45' West to Station 1887 + 12;
T28N, R7W, Section 9,
Thence South 37° 51' West to Station 1896 + 40;
T28N, R7W, Section 8,
Thence South 34° 43' West to Station 1901 + 70;

Thence South 39° 22' West to Station 1905 + 44;
T28N, R7W, Section 17,
Thence South 19° 53' West to Station 1923 + 73;
T28N, R7W, Section 17,
Thence South 34° 34' West to Station 1937 + 75;
T28N, R7W, Section 17,
Thence South 34° 32' West to Station 1946 + 25;
T28N, R7W, Section 17,
Thence South 21° 27' West to Station 1984 + 31;
T28N, R7W, Section 20,
Thence South 7° 55' West to Station 1985 + 55;
T28N, R7W, Section 20,
Thence South 7° 55' West to Station 1988 + 21;
T28N, R7W, Section 20,
Thence South 35° 17' West to Station 2039 + 53;
T28N, R7W, Section 30,
Thence South 26° 29' West to Station 2062 + 36;
T28N, R7W, Section 30,
Thence South 29° 29' West to Station 2066 + 73;
T28N, R7W, Section 30,
Thence South 21° 48' West to Station 2100 + 68;
T28N, R7W, Section 31,
Thence South 31° 44' West to Station 2186 + 81;
T27N, R8W, Section 1,
Thence South 48° 01' West to Station 2190 + 79;
T27N, R8W, Section 1,
Thence South 58° 57' West to Station 2195 + 89;
T27N, R8W, Section 2,
Thence South 62° 13' West to Station 2204 + 39;
T27N, R8W, Section 2,
Thence South 39° 35' West to Station 2214 + 03;
T27N, R8W, Section 2,
Thence South 14° 45' West to Station 2277 + 21;
T27N, R8W, Section 14,
Thence South 15° 17' West to Station 2299 + 85;
T27N, R8W, Section 14,
Thence South 36° 59' West to Station 2315 + 81;
T27N, R8W, Section 15,
Thence South 36° 59' West to Station 2321 + 80;
T27N, R8W, Section 15,
Thence South 24° 48' West to Station 2331 + 87;
T27N, R8W, Section 15,
Thence South 25° 08' West to Station 2342 + 17;
T27N, R8W, Section 15,
Thence South 22° 52' West to Station 2366 + 72;
T27N, R8W, Section 22,
Thence South 11° 32' West to Station 2379 + 46;
T27N, R8W, Section 22,
Thence South 4° 24' East to Station 2389 + 93;
T27N, R8W, Section 22,
Thence South 37° 17' West to Station 2396 + 05;
T27N, R8W, Section 22,
Thence South 7° 23' West to Station 2400 + 60;
T27N, R8W, Section 22,

Thence South 23° 18' West to Station 2405 + 06;
T27N, R8W, Section 22,
Thence South 22° 29' West to Station 2407 + 40;
T27N, R8W, Section 22,
Thence South 22° 29' West to Station 2409 + 53;
T27N, R8W, Section 27,
Thence South 20° 54' West to Station 2417 + 93;
T27N, R8W, Section 27,
Thence South 12° 09' West to Station 2455 + 77;
T27N, R8W, Section 27,
Thence South 25° 13' West to Station 2457 + 53;
T27N, R8W, Section 27,
Thence South 24° 44' West to Station 2463 + 43,
T27N, R8W, Section 28,
Thence South 23° 50' West to Station 2492 + 24;
T27N, R8W, Section 33,
Thence South 50° 09' West to Station 2505 + 33;
T27N, R8W, Section 33,
Thence South 87° 29' West to Station 2514 + 26;
T27N, R8W, Section 33,
Thence North 68° 30' West to Station 2519 + 49;
T27N, R8W, Section 33,
Thence North 39° 54' West to Station 2530 + 74;
T27N, R8W, Section 33,
Thence South 33° 23' West to Station 2542 + 87;
T27N, R8W, Section 33,
Thence South 34° 18' West to Station 2555 + 29;
T27N, R8W, Section 32,
Thence South 5° 06' East to Station 2560 + 69;
T27N, R8W, Section 32,
Thence South 5° 47' East to Station 2565 + 08;
T27N, R8W, Section 32,
Thence South 5° 03' East to Station 2574 + 16;
T26N, R8W, Section 5,
Thence South 7° 50' East to Station 2579 + 73;
T26N, R8W, Section 5,
Thence South 8° 08' East to Station 2583 + 33;
T26N, R8W, Section 5,
Thence South 12° 24' East to Station 2586 + 42;
T26N, R8W, Section 5,
Thence South 12° 24' East to Station 2595 + 51;
T26N, R8W, Section 5,
Thence South 28° 04' West to Station 2611 + 31;
T26N, R8W, Section 5,
Thence South 40° 11' West to Station 2616 + 37;
T26N, R8W, Section 5,
Thence South 21° 54' West to Station 2620 + 84;
T26N, R8W, Section 5,
Thence South 9° 04' West to Station 2629 + 49;
T26N, R8W, Section 8,
Thence South 18° 37' East to Station 2633 + 05;
T26N, R8W, Section 8,
Thence South 7° 23' West to Station 2638 + 85;
T26N, R8W, Section 8,

THENCE South 28° 07' West to Station 2655 + 92;
T26N, R8W, Section 8,
Thence South 36° 31' West to Station 2669 + 55;
T26N, R8W, Section 8,
Thence South 44° 28' West to Station 2718 + 85;
T26N, R8W, Section 18,
Thence South 33° 24' West to Station 2730 + 47;
T26N, R8W, Section 18,
Thence South 29° 16' West to Station 2739 + 05;
T26N, R8W, Section 18,
Thence South 43° 28' West to Station 2746 + 30;
T26N, R8W, Section 18,
Thence South 40° 24' West to Station 2773 + 24;
T26N, R9W, Section 24,
Thence South 40° 03' West to Station 2841 + 06;
T26N, R9W, Section 25,
Thence South 62° 52' West to Station 2867 + 65;
T26N, R9W, Section 26,
Thence South 76° 14' West to Station 2877 + 05;
T26N, R9W, Section 26,
Thence South 69° 13' West to Station 2882 + 57;
T26N, R9W, Section 26,
Thence South 59° 19' West to Station 2890 + 50;
T26N, R9W, Section 26,
Thence South 53° 55' West to Station 2913 + 48;
T26N, R9W, Section 26,
Thence South 53° 27' West to Station 2932 + 20;
T26N, R9W, Section 27,
Thence South 43° 03' West to Station 2976 + 70;
T26N, R9W, Section 34,
Thence South 36° 08' West to Station 3038 + 00;
T25N, R9W, Section 8,
Thence South 39° 49' West to Station 3118 + 00;
T25N, R9W, Section 8,
Thence South 40° 46' West to Station 3160 + 10;
T25N, R9W, Section 7,
Thence South 38° 48' West to Station 3199 + 60;
T25N, R9W, Section 18,
Thence South 46° 52' West to Station 3229 + 11;
T25N, R10W, Section 13,
Thence South 59° 27' West to Station 3273 + 91;
T25N, R10W, Section 24,
Thence South 36° 54' West to Station 3321 + 03;
T25N, R10W, Section 23,
Thence South 30° 35' West to Station 3324 + 49;
T25N, R10W, Section 26,
Thence South 0° 01' West to Station 3356 + 09;
T25N, R10W, Section 26,
Thence South 15° 25' West to Station 3367 + 43
T25N, R10W, Section 26, G.& SRBM and ending
at Station 3367 + 43.

EXHIBIT B

LEGAL DESCRIPTION

HAVASUPAI INDIAN RESERVATION

Said Right-of-Way to be approximately 7.5828 miles in length, 50 feet in width, and occupying approximately 45.9538 acres, and more particularly described and shown on the map of definite location to be attached and made a part hereof.

Beginning at Station 0+00 Long Mesa which is unsurveyed:

Thence South 37° 12' West to Station 17 + 40;
Thence South 45° 26' West to Station 37 + 90;
Thence South 19° 06' West to Station 53 + 40;
Thence South 25° 35' West to Station 82 + 90;
Thence South 46° 53' West to Station 107 + 40;
Thence South 0° 26' West to Station 119 + 20;
Thence South 20° 49' East to Station 130 + 70;
Thence South 23° 34' East to Station 154 + 95;
Thence South 24° 49' East to Station 176 + 05;
Thence South 39° 35' West to Station 216 + 43;
Thence South 21° 59' West to Station 228 + 04;
Thence South 9° 26' East to Station 265 + 09;
Thence South 40° 16' West to Station 315 + 01;
Thence South 53° 59' West to Station 339 + 46;
Thence South 15° 18' East to Station 372 + 71;
Thence South 21° 27' West to Station 388 + 71;
Thence South 45° 55' West to Station 400 + 35;

Through Section 18, and 19, Township 32 North, Range 4 West, G.S & R.M. and ending at Station 400 + 35.

EXHIBIT C

STATE OF ARIZONA
COUNTY OF COCONINO
WITNESS MY HAND AND OFFICIAL SEAL

I HEREBY CERTIFY THAT THE WITHIN INSTRUMENT WAS FILED FOR RECORD IN COCONINO COUNTY STATE OF ARIZONA

HELEN F. MUDGENS
COCONINO COUNTY RECORDER

FEE NO 12076
DOCKET 803 PAGE 475-5
DATE SEP 15 1980 2 00
REQUEST OF Mohave Electric Coop
tive, Inc., P. O. Box 1045, Bullhead City, AZ

POLE LINE LICENSE AGREEMENT

THIS AGREEMENT, dated [illegible] 4, 1980 between BOQUILLAS CATTLE COMPANY, an Arizona corporation, hereinafter called "Owner", and MOHAVE ELECTRIC COOPERATIVE, INC., a corporation, hereinafter called "Licensee",

WITNESSETH THAT:

1. DESCRIPTION OF PREMISES. Owner hereby gives to Licensee a nonexclusive license, terminable as hereinafter provided, to use, for the purposes and subject to the covenants, conditions and provisions hereinafter set forth, to each and all of which the parties hereby mutually agree, the parcel or parcels of land, hereinafter called the "premises", situated in the County of Coconino, State of Arizona, described as follows:

A strip of land twenty (20.00) feet in width, lying ten (10.00) feet on each side of a centerline delineated in red upon the map attached hereto and made a part hereof as Exhibit A, through Sections 24, 25, 26, 35 and 36, Township 32 North, Range 5 West, G. & S. R. M.; Sections 2, 10, 11, 13, 14, 23, 28 and 33, Township 31 North, Range 5 West, G. & S. R. M.; Sections 4, 8, 9, 17 and 18, Township 30 North, Range 5 West, G. & S. R. M.; and Section 24, Township 30 North, Range 6 West, G. & S. R. M. together with appurtenant areas for anchor-guy purposes.

Should be section 21

2. CONSIDERATION. As consideration for this license, Licensee shall pay to Owner, upon execution hereof, the sum of Two Thousand Dollars ($2,000.00).

3. USE OF PREMISES. Licensee may use the premises for the purpose of installing, operating, maintaining, repairing, replacing and removing in and along the premises a wooden or steel pole line consisting of a single line of poles, together with necessary cross arms, wires, guys and other fittings, and for no other purposes or purposes whatever. Owner reserves the right to use, and to permit others to use, the premises for any and all purposes which do not preclude such use of the Premises by Licensee and, without limiting the generality of the foregoing, reserves the right to lay, construct and install other pole lines, roads, ditches, fences, pipe lines and other facilities in, upon, across or along the premises.

4. NO WARRANTY OF TITLE-LICENSE SUBJECT TO EXISTING RIGHTS OF OTHERS. Owner makes no warranty of title whatever. The rights of Licensee hereunder are subject to all existing rights of others in the premises, whether shown of record or not.

ORIG

DOCKET 803 PAGE 498 T30N, 5W

80-004

5. TERM. Unless sooner terminated as herein provided, this license shall continue in effect for a period of twenty-five (25) years from the date hereof. Licensee may, at any time and from time to time by delivering a quitclaim deed to Owner, terminate this license as to all or any part or parts of the premises. This license shall in any event automatically terminate as to any part or parts of the premises along which Licensee shall not operate a pole line for a period of three (3) consecutive years.

6. ACCESS. Licensee shall be entitled to ingress and egress to and from the premises over adjoining lands of Owner only with the prior written consent of Owner, and Owner may, if it so desires, require that all of Licensee's operations hereunder be strictly confined to the premises. Acquiescence by Owner in passage by Licensee over adjoining lands of Owner shall in no event be construed as acquiescense in future passage over such lands. Whenever Licensee finds it necessary to make an opening in any fence of Owner now or hereafter crossing the premises, Licensee shall immediately install and thereafter maintain in such opening a gate or a cattle guard (as Owner may specify) of a type approved by Owner. All gates in fences of Owner shall be kept closed at all times except when necessarily open for actual passage.

7. INSTALLATION OF POLE LINE. The location of all poles and guys shall be subject to the prior written approval by Owner. All wire strung over or across the premises shall at all points have a clearance of at least eighteen (18) feet above the surface of the ground. All holes and other excavations made by Licensee upon the premises at any time shall be backfilled as soon as practicable and the surface of the ground restored to a contour and condition satisfactory to Owner. All trees, brush and underbrush cut by Licensee shall be promptly removed and disposed of by Licensee.

8. MAINTENANCE. Licensee shall at all times maintain the pole line in a safe and sound condition of repair and in conformity with any and all applicable laws, ordinances, rules, regulations, requirements and orders of the national, state, county or municipal governments.

9. RELOCATION. Whenever Owner by written notice to Licensee shall require that all poles and other equipment installed by Licensee be removed from the premises or any specified part thereof and relocated either temporarily or permanently (as Owner shall specify) between the same terminal points upon other land of Owner described in such notice, then Licensee shall at its own risk and expense promptly comply with such notice and restore the surface of the ground from which such removal is made to a contour and condition satisfactory to Owner. Forthwith upon the completion of any permanent relocation pursuant to such notice this license shall terminate as to the part of the premises from which the poles and other equipment are so removed, and whenever a description of the land upon which such poles and other equipment are so relocated is affixed to this instrument and duly executed by both parties, then this license and each and all of the provisions hereof shall attach and apply to such land so described.

10. TAXES. Licensee shall pay when due all taxes and assessments levied or assessed against or referesable to the pole line or its rights hereunder, and Licensee shall reimburse Owner for any sums paid by Owner to protect its title from the lien of any such tax or assessment.

000 400

11. INDEMNIFICATION. Licensee shall use the premises at its own sole risk. If Licensee shall at any time damage or destroy any growing crop or any other pole line, fence, pipe line, ditch, road, building or other improvement or any other personal property in connection with its operations hereunder, it shall promptly pay to the owner thereof the full amount of damage thereto. Neither Owner nor any of its subsidiaries or affiliated companies shall be liable for any injury or death of any person or persons or damage to or destruction of any property arising out of or in connection with, either in whole or in part and whether directly or indirectly, the existence or use of the pole line or any operations by or on behalf of Licensee hereunder; and Licensee agrees to indemnify Owner, its subsidiaries and affiliated companies against and hold them free and harmless of any claims, demands, costs, losses, damages or liability on account of any such injury or death of any person or persons or damage to or destruction of property. Licensee shall keep the premises free of any liens arising out of Licensee's holding of this license or its operations hereunder. Licensee shall at once notify Owner of all such claims or demands or the attaching of any such lien.

12. QUITCLAIM AND RESTORATION OF THE PREMISES UPON TERMINATION. In the event this license shall terminate in any manner as to all or any part of the premises, such termination shall not relieve Licensee from any obligation or liability theretofore accrued hereunder, nor prejudice or in any way affect the right of Owner to enforce any rights or remedies it may have had before such termination. Upon any such termination Licensee shall promptly execute, acknowledge and deliver to Owner a good and sufficient quitclaim deed of its rights hereunder in and to the land to which such termination applies and Licensee shall at once surrender to Owner such possession as Licensee may have under this license in such land; provided, however, that immediately after such termination Licensee shall remove from such land any and all poles, wires and other equipment installed under this license in or on such land by Licensee and shall restore such land to a contour and condition satisfactory to Owner, for which purposes Licensee may enter upon such land for a period of three (3) months from and after such termination. If Licensee shall fail within such period of three (3) months to complete such removal of such poles, wires and other equipment and such restoration of such land, then all such poles, wires and other equipment remaining in or on such land shall be and become the property of Owner absolutely, and Owner at its option may leave the same in their then location or may remove them and restore the ground at the sole expense of Licensee, and in addition, if it so desires, Owner may dispose of such poles, wires and other equipment at the sole expense of Licensee; provided, however, that if Owner should (although in no way obligated to do so) realize any proceeds from such disposition, such proceeds shall be applied to the expense of such removal, restoration and disposition, relieving Licensee of liability therefor pro tanto, and any balance after such expense is fully paid may be retained by Owner. Owner shall not be liable or in anywise responsible for any damage or loss resulting to Licensee from such removal, restoration or disposition, and Licensee shall pay to Owner upon demand the entire cost and expense to Owner of such removal, restoration and disposition, less any proceeds of such disposition.

13. DEFAULT BY LICENSEE. Licensee agrees that it will keep, perform and observe all the covenants, conditions and provisions of this agreement on its part to be kept, performed and observed. In addition to any other remedies available to Owner, in the event Licensee shall fail to keep, perform and observe any covenant, condition or provision of this agreement, and such failure shall continue for a period of ten (10) days after written notice thereof given by Owner to Licensee, then Owner may at its option by further written notice to Licensee, terminate this license and all rights and interest

of Licensee hereunder. Licensee shall pay upon demand all costs and expenses (including attorneys' fees in a reasonable amount) incurred by Owner to enforce any of the covenants, conditions and provisions of this agreement, or to dispossess Licensee, irrespective of whether or not court action shall be brought. All amounts of money payable by Licensee to Owner hereunder, if not paid when due, shall bear interest from due date until paid at the rate of nine percent (9%) per annum, compounded semiannually.

14. NO WAIVER-NOTICES. The use of paragraph headings in this agreement is solely for convenience, and they shall be wholly disregarded in the construction of this agreement. The waiver by Owner of any breach by Licensee of any provision of this agreement shall not be or be deemed to be a waiver of such provision, or a waiver of any other prior or subsequent breach thereof, or a waiver of any breach of any other provision of this agreement. Any notice or demand by either party to the other in connection with this agreement shall be deemed to be fully given or made when written and deposited in a sealed envelope in the United States mail, registered or certified and postage prepaid, and addressed to the party to whom given at the address specified opposite its signature to this agreement. Either party may change its address by giving the other party written notice of its new address as herein provided.

15. ASSIGNMENTS. This agreement shall bind and inure to the benefit of the respective heirs, administrators, executors, successors and assigns of the parties hereto; provided; however, the Licensee shall not assign or otherwise transfer this license or any of Licensee's rights hereunder, either voluntarily or involuntarily or by operation of law, without the prior written consent of Owner, and any assignment or other transfer or attempted assignment or other transfer contrary to the provisions hereof shall be absolutely null and void and of no effect whatever. In the event of any such assignment or other transfer or attempted assignment or other transfer contrary to the provisions hereof, Owner may terminate this license at once by giving written notice to Licensee.

IN WITNESS WHEREOF, the parties have executed this instrument the day and year first hereinabove written.

Address:

P.O. Box 9380
Bakersfield, CA 93389
Attn: Property Titles

BOUQUILLAS CATTLE COMPANY

By _____ Vice President

and by _____ Assistant Secretary

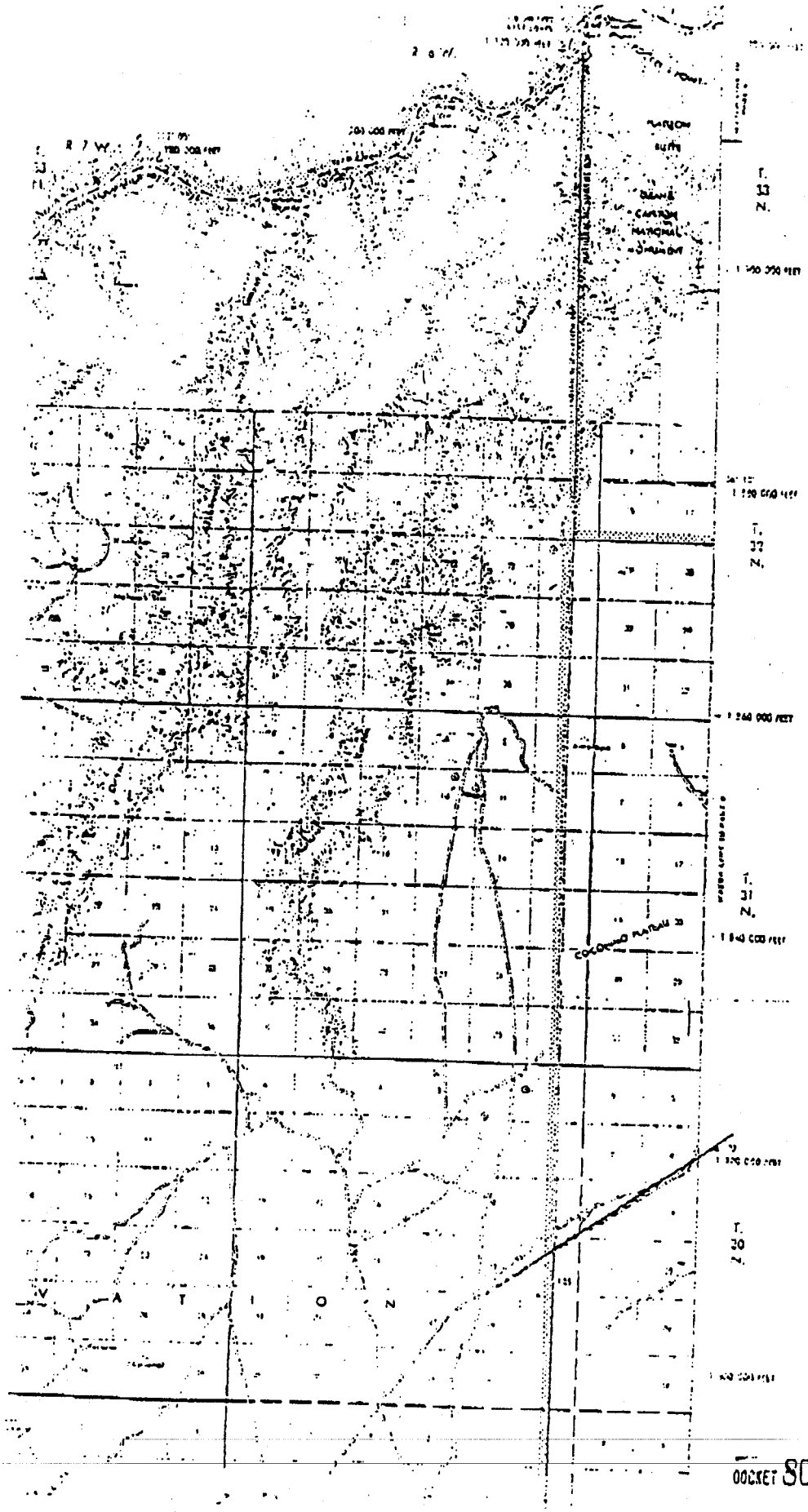
Address:

P.O. Box 1045
Bullhead City, AZ 86430

MOHAVE ELECTRIC COOPERATIVE, INC.

By _____ President

and by _____ Secretary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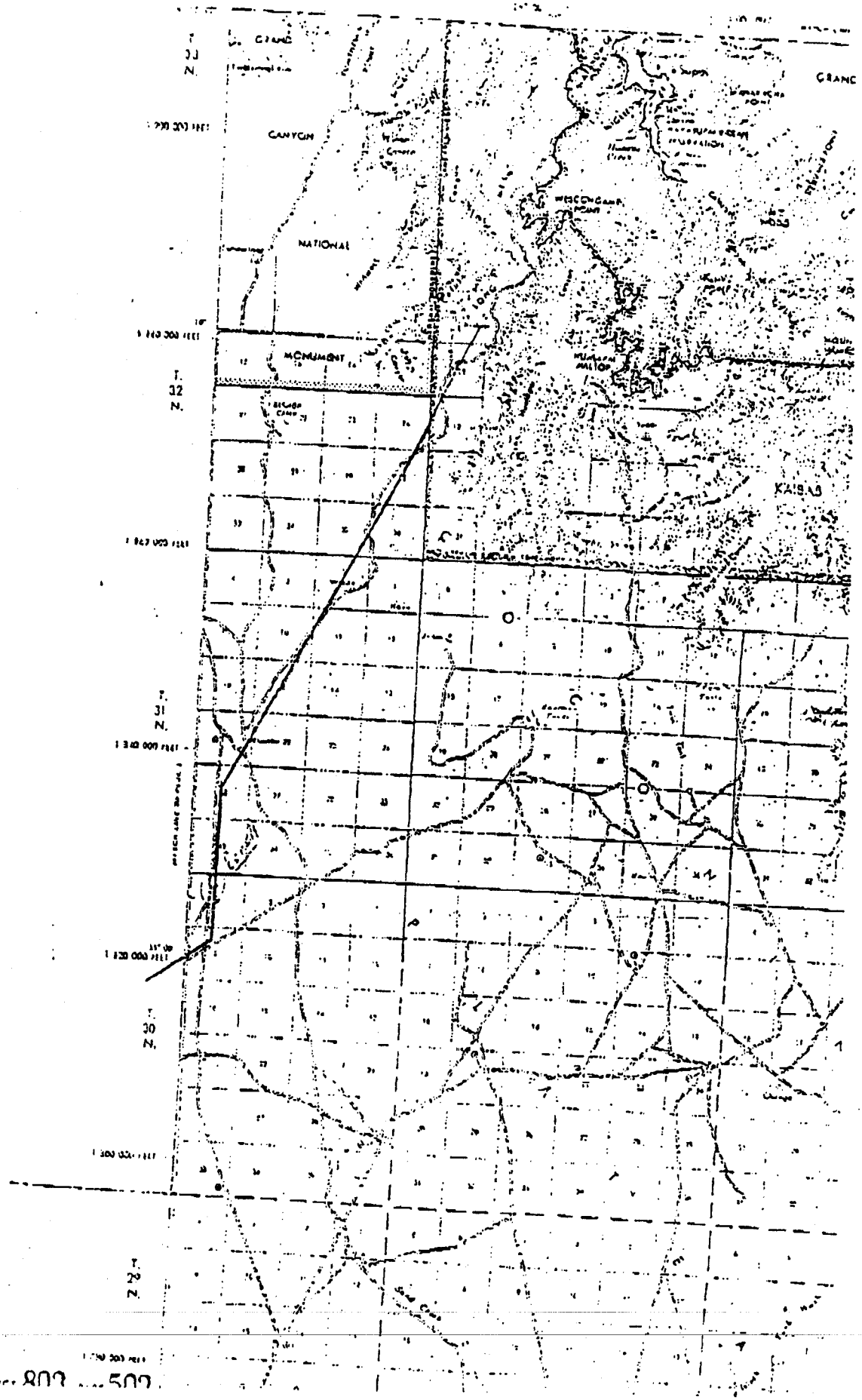
T. 31 N.
T. 30 N.
COCONINO NATIONAL FOREST
V A T I O N


GRAND
CANYON
NATIONAL
MONUMENT
KAIBAB
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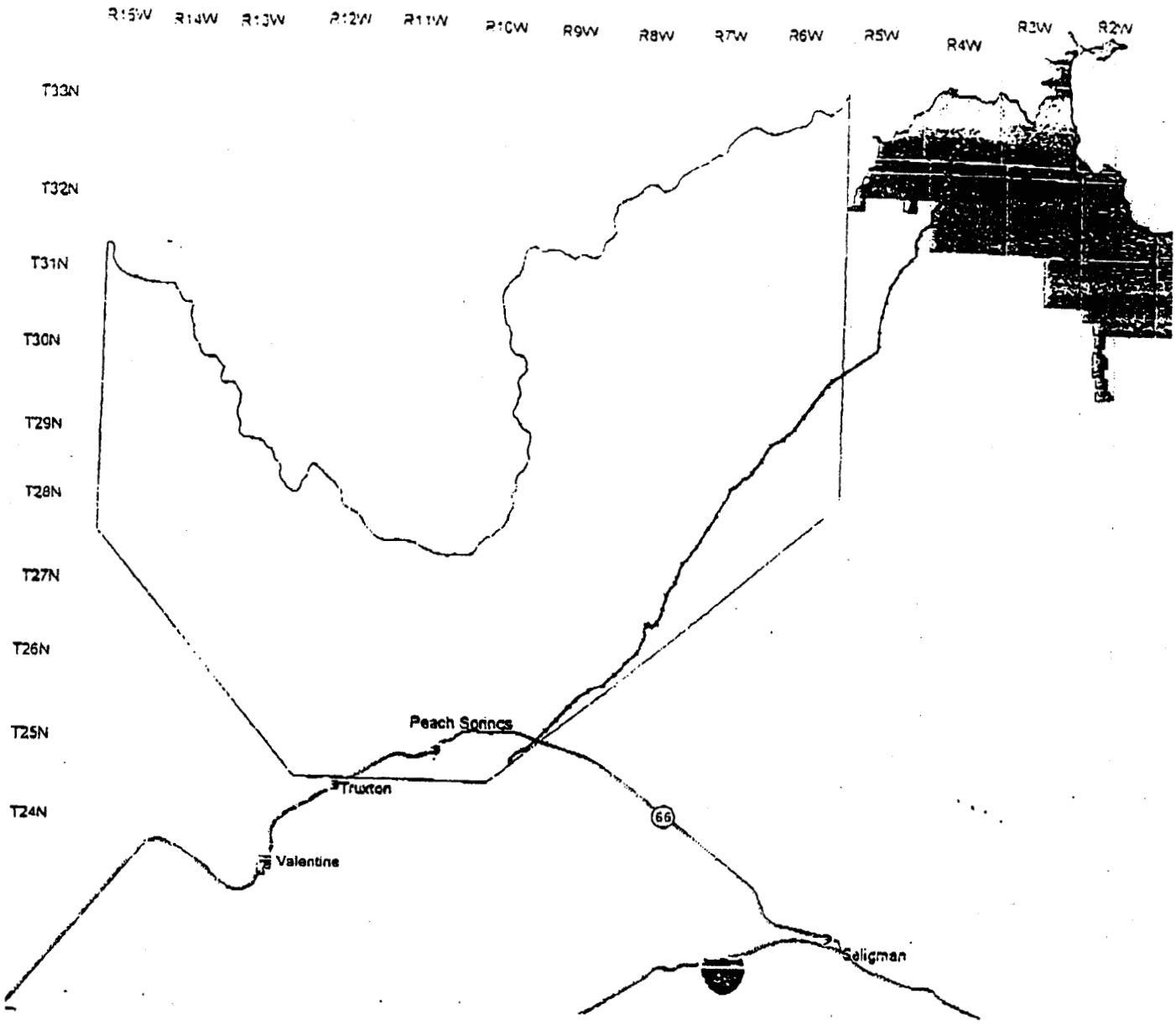
T. 29 N.

EXHIBIT D

(FOR ILLUSTRATIVE PURPOSES ONLY)



Data Sources:
Bureau of Indian Affairs
State of Arizona
Environmental Systems Research Institute, Inc.
U.S. Geological Survey

EXPLANATION

Transmission Line ROW (Approximate)
Major Road
Havasupai Indian Reservation
Hualapai Indian Reservation

N

5 0 5 10 15 Miles

Map of Approximate Location of Mohave Electric Cooperative's Transmission Line Right-of-Way, Havasupai and Hualapai Indian Reservations

Bureau of Indian Affairs Western Regional Office
October 2000

EXHIBIT 15

200

MOHAVE
electric cooperative

P.O. Box 1045, Bullhead City, Arizona 86430

RECEIVED
BIA - PAO
CONTRACT & GRANTS
JUN 19 1 40 PM '96

June 6, 1996

Mr. Barry Welsh
Acting Manager
Bureau of Indian Affairs (BIA)
Phoenix Area Office
One North First Street, 4th Floor
Phoenix, Arizona 85004

BUREAU OF INDIAN AFFAIRS
RECEIVED
JUN 17 11 37 AM '96
PHOENIX AREA DIRECTOR

Re: Line Serving BIA

Dear Mr. Welsh:

We have received correspondence from the BIA regarding the expired contract between the BIA and Mohave Electric. Enclosed for your review are copies of past correspondence sent by Mohave Electric to the BIA. These two letters are specifically related to the possible renewal of the contract.

The first letter, dated March 17, 1992, and sent by certified mail as specified in the contract, notified the BIA that the contract was due to expire on April 1, 1992. Mohave Requested the BIA to provide a written response by March 31, 1992, describing the intentions of the BIA regarding any proposal for contract renewal. The second letter, dated June 15, 1995, and which was also sent by certified mail, was sent to again request information about the intentions of the BIA concerning the now expired contract. This letter requested a written response by June 29, 1995, with a description of the intentions of the BIA, and more specifically as to whether the BIA wished to discuss a new contract or if there was a desire for Mohave Electric to cease service. Neither of these letters ever received a direct response.

We have carefully reviewed many aspects of the expired contract and of the service itself. We recognize that the BIA reimbursed Mohave for the construction of the power line from Mohave's Nelson substation to a point near the Grand Canyon, with a length of approximately 63.3 miles, and Mohave retains ownership of this line. The review of all aspects has resulted in a determination that continuing with this service as it currently exists is not in the best interests of the members of Mohave Electric. We intend to transfer ownership of this line to the BIA. This transfer will require the relocation of the metering equipment form the present location near the Grand Canyon to a location near or at the Nelson Substation.

We request that you arrange for your representative to contact Mohave's Engineering Department in order to commence activities which will culminate in the orderly transfer of facilities within one hundred and twenty (120) days from today.

Sincerely,

Stephen McArthur
Comptroller

cc: Michael A. Curtis, legal counsel

United States Department of the Interior

TAKE PRIDE IN AMERICA

BUREAU OF INDIAN AFFAIRS
Truxton Canon Agency
Valentine, Arizona 86437

IN REPLY REFER TO:

Office of the Superintendent
(520) 769-2286 ext. 302

August 31, 1998

Mr. Stephen McArthur, Comptroller
Mohave Electric Cooperative
P.O. Box 1045
Bullhead City, Arizona 86403

Dear Mr. McArthur:

It is apparent from your August 25, 1998 letter that we have not communicated effectively with each other regarding the Havasupai electric service you provide.

Our BIA staff started out in March trying to get the key to the Long Mesa Master Meter so we could read the master meter on the same day we read the BIA customer meters in Supai. This would enable us to make a more accurate correlation between the amounts of electric for which we are paying and the amounts of electric for which we are billing and collecting.

After numerous telephone calls and requests to MEC, Mr. Tom Longtin advised Mr. Steve Wood, our Facilities Manager, that the Long Mesa Master Meter had been removed, and now the meter readings are coming from the Nelson sub-station (some 65 miles away).

I called and asked you about the movement of the meter and you told me that the BIA approved MEC's moving this meter. I was in most of the meetings with you and your attorneys and recall no such agreement being made at any of the meetings in which I was in attendance. I am following up with the other BIA personnel who attended those meetings to see what type of agreement might have been made. I would like to know the nature and details of the agreement from your perspective also. As the line officer for this agency, it seems I would have been involved in such an agreement.

It does not seem practical or prudent to have moved the meter from Long Mesa. I request you advise me on what the requirements will be to have it re-installed at Long Mesa and how quickly it can be done.

It was also late March or early April when Jim Williams and I started asking you and Greg in your accounting office for the rates we are paying for all of our meters. You continued to put us off. First we were told you would send them, then that we had to put our request in writing (which we did on two occasions), and then we followed up with several telephone calls.

Recently, you told me the reason you had not sent us the rates was because your office had failed to deduct the other customers on the line from our bills. This overbilling has continued from the time you took out the Long Mesa Master Meter. You said you had been conducting an audit of those accounts to be certain that when you did give us the information that it would be accurate. You told me the BIA had overpaid MEC over $6,000 in the past year for those additional accounts.

In April 1997, our electric bills for Havasupai were reduced from around $25,000 - $30,000 per month, down to around $12,000 - $15,000. We are trying to figure out why. It could be that MEC has been charging us for construction costs or operation and maintenance costs, for which there was a correction made. We do not want to find out a year from now that for some reason you have under-billed us leaving a large debt which we have to pay back.

I asked you how you determined the technical loss on the 65 miles of line between Nelson sub-station and that I thought the BIA should not be responsible for that loss. You did not estimate the actual loss but said it is insignificant, probably less than 2-3%, and it would not impact our energy delivery or electric costs. Although I did not argue the point with you, I certainly was not, and am not, in agreement with your conclusion.

By my letter to Mr. Bob Broz dated July 21, 1998, I requested specific information on the rates we are being charged for electric, the date the Long Mesa Master Meter was taken out of service and the reasons for taking that meter out of service, and your estimates of the technical line loss between the Nelson sub-station and the Long Mesa Master Meter.

You and I did discuss the information I was asking for and you did fax me three pages on July 21, 1998. These pages included a cover sheet and the rate schedules, #504 and #615. As I understand it, Rate #615 applies to the Long Mesa Master Meter and Rate #504 applies to all the rest of the meters we have in the Truxton Canon Agency. Is this correct? That fax did not fully answer my questions about the rates we are paying and did not respond to the other questions in my letter.

I have been waiting for a reply to my July 21, 1998 letter. I asked in the letter that you contact me if a response could not be made within ten days. Since I did not receive a response and more than ten days had passed, I followed up with my August 24 letter.

Please provide me the information I requested in the July 21, 1998 and August 24, 1998 letters. In addition, I request that you provide me a copy of the audit which you conducted on the customer accounts which have been billed to BIA inappropriately.

I would like to resolve these issues as quickly and painless as possible. Please let me know how you wish to proceed.

Sincerely

Robert R. McNichols
Superintendent

EXHIBIT 16

RECEIVED

2002 MAR 22 PM 12:45

BIA-PHX-ACQUISITIONS
AND FED ASSISTANCE

Law Offices
MARTINEZ & CURTIS, P.C.
Michael A. Curtis
Jay M. Martinez (1943-2000)
William P. Sullivan
Susan D. Goodwin
Larry K. Udall
Anja K. Wendel
Paul R. Michaud
Kelly Y. Schwab
Phyllis L. New

2712 North Seventh Street
PHOENIX, ARIZONA 85006-1090
Telephone (602) 248-0372
Telecopier (602) 266-8290

OF COUNSEL
Joseph F. Abate
Thomas Hine
G. Eugene Neil
Jeffrey A. Katz
Richard S. Allemann

REFER TO FILE NO. 1234
1234-7-19

March 20, 2002

Mr. Lloyd Brewer, Contracting Officer
U.S. Department of Interior
Bureau of Indian Affairs
Western Regional Office
Post Office Box 10
Phoenix, Arizona 85001

Re: Your Letter of March 6, 2002

Dear Mr. Brewer:

Your letter to Mohave Electric Cooperative has been referred to our offices as General Counsel for the Cooperative. You letter refers to GSA Contract No. G8-00S-67021, Negotiated Electric Utility Contract between Mohave Electric Cooperative, Inc. and the Bureau of Indian Affairs, and requests that this specific Contract be extended through 2012. Unfortunately, that Contract expired of its own terms in 1992 when the Bureau of Indian Affairs did not seek an extension of the Contract. It no longer exists. Therefore, that Contract (no longer being in existence) is not in effect, and cannot be extended as requested.

At the present time, Mohave advises the BIA has been and is being served electric service at the Nelson Substation by Mohave under a month-to-month contract at sufferance pursuant to a rate approved by the Arizona Corporation Commission which service Mohave chose to implement at the time that the aforementioned Contract terminated in 1992. If BIA wishes to negotiate a formal written Electric Service contract to replace the contract at sufferance, Mohave would be willing to do so only through settlement negotiations connected with litigation now pending between the parties.

If you should have any questions or need any more information, since this account and service are in litigation please contact the following:

Thomas A. Hine, 2712 N. 7th St, Phoenix, Az 85006-1090 (602)870-1828.
Michael A. Curtis, 2712 N. 7th St, Phoenix, Az 85006-1090 (602)248-0372

With Copies to:

Robert Broz, Chief Executive Officer, Mohave Electric Cooperative, Inc.

Very truly yours,

Thomas A. Hine

Michael A. Curtis
Thomas A. Hine
For the Firm

cc: Robert Broz, MEC
Lane Tucker, Esq., Department of Justice

EXHIBIT 17

MOHAVE
electric cooperative
A Touchstone Energy® Cooperative

P.O. Box 1045, Bullhead City, AZ 86430

March 4, 2004

Sent via facsimile and U.S. Mail

RECEIVED
MAR 08 2004
BIA Truxton Canon
Valentine, AZ

Robert R. McNichols, Superintendent
U.S. Department of the Interior
Bureau of Indian Affairs
Truxton Canon Field Office
P.O. Box 37
13067 East Highway 66
Valentine, Arizona 86437-0037
928.769.3302 Telephone
928.769.2444 Facsimile

Re: Account No. 29740-000

Dear Mr. McNichols:

This letter is in response to your facsimile dated February 13, 2004 requesting an accounting of the retail customers on the line between Nelson Substation and Long Mesa. The power line (described above – there is no "Mohave Electric line") is the property of the Hualapai Nation, the Havasupai Nation, and the Bureau of Indian Affairs (BIA) as all of you choose to divide your respective interests and ownership of that line and its rights-of-ways and associated facilities and materials. Mohave Electric Cooperative, Inc. "abandoned," transferred, conveyed and quitclaimed the lines, rights-of-ways and services to and in favor of the tribes and the BIA in 2003. Please refer to the prior correspondence on this matter to Mr. Nordwall. Mohave Electric has no retail customers being served off of the 70-mile line.

Since August of 2003, the BIA and the tribes have been given complete authority to make themselves whole while providing electricity. The BIA has trust duty (with existing capability) to serve the electric needs of the reservation's electric consumers (and the physical means to do so). Lawful authority exists for the BIA and the tribes to recover all electric service costs for service on the reservations, and because this area is outside of the jurisdiction of the Arizona Corporation Commission and inside the tribal boundaries, it is not subject to any regulatory authority other than that of the BIA and the sovereign tribes (who have granted no one else any retail electric authority). The BIA has been aware that it needs to enter into discussions with the Hualapai and the Havasupai to determine how it will operate the line and facilities to serve the tribes and the BIA's electric service needs on the reservation.

There is no reason for the tribes or the BIA to lose any revenue. You have care, custody, possession, control and ownership (to the extent that you and the tribes agree on ownership) of distribution facilities, meters and accounts. You have the capability, together with the tribes, of reading the meters and conducting the mathematical calculations to determine the agreed-upon electric rate that you choose to invoice.

In summary, Mohave Electric has no retail transactions associated with the line. In fact, in communications to you and the tribes, Mohave Electric did not invoice for two (2) months (August and September 2003) the electric usage associated with services transferred, so that the BIA and the tribes could make the appropriate transition and billings. The BIA is already established with a metering and billing capability because it fulfills that function as part of its trustee's function for the benefit of the Supai. Mohave Electric has no contract with the BIA other than a power delivery contract at the Nelson Substation, and has no authority to operate in retail outside of its certificated area. The BIA and the tribes are perfectly positioned to recover any costs of power.

If appropriate compensation arrangements can be made, Mohave Electric continues to be willing to provide maintenance and repair services on the power line. UniSource (the successor in interest to Citizens Electric, the certificated provider for the reservation) and APS are also providers of these services previously used by the BIA.

Mohave Electric hopes this explanation satisfies your request. In the opinion of Mohave Electric, the invoices to the BIA are correct and the BIA is enabled to serve and recover the costs associated with service of electricity on the reservations. Continued prompt payment of the Mohave Electric invoices will assure continued reliable service without interruption.

Sincerely,

MOHAVE ELECTRIC COOPERATIVE, INC., an Arizona not-for-profit corporation

By: _____
Susan G. Trautmann, as its In-house Counsel

Telephone: 928.763.4115
Facsimile: 928.763.3315

Cc: Robert E. Broz, CEO
Michael A. Curtis, General Counsel

EXHIBIT 18

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

ARIZONA CORPORATION COMMISSION

BRIAN C. McNEIL
Executive Secretary

RECEIVED
SEP 10 2004
BIA Truxton Canon
Valentine, AZ

September 8, 2004

Michael A. Curtis, Esq.
Martinez & Curtis, P.C.
2712 North Seventh Street
Phoenix, AZ 85006-1090

Re: Issues Related to Electric Service to the Havasupai Indian Reservation

Dear Mr. Curtis:

This letter is written as a follow-up to the meeting held at the Arizona Corporation Commission on this topic on June 28, 2004. As you will recall, that meeting was attended by yourself, as well as representatives of the Commission Staff, Arizona Public Service Company, Unisource Energy Corporation, the Bureau of Indian Affairs (BIA) and the Havasupai Tribe. The meeting was conducted by the Chairman of the Commission and was another in a long series of exchanges regarding ownership and service obligations over an electric line constructed by Mohave Electric Cooperative (MEC) which you have denoted the Hualapai power line.

Following a lengthy discussion among the attendees, the Chairman adjourned the meeting with the indication that the parties should pursue further discussions in an attempt to amicably resolve their differences. I am in receipt of a letter from Robert McNichols of the BIA, addressed to Mr. Ernest Johnson, the Director of the Commission's Utilities Division and dated August 17, 2004. That letter makes it quite clear that no resolution of the dispute has been forthcoming.

Accordingly, Mr. Johnson has requested that I write to you and make clear the Commission Staff's view on some of the disputed issues. I do not propose to reconstruct the series of disagreements between these parties as described at the meeting. Nor is this letter intended to provide a final resolution to this contentious matter. However, there are several points which must be made on behalf of the regulatory body and those points have significance to MEC, a regulated public service corporation within the State of Arizona.

The first point on which Commission Staff holds a firm opinion relates to the jurisdictional nature of the Hualapai line. The evidence is clear that MEC constructed the line to serve the Havasupai Tribe. It is also clear that the line has been used to provide retail electric service to a number of customers over its length since it was built. Finally, it is clear that the line was included in rate base in MEC's most recent rate case and that rates were approved by the Commission and charged for service over the line. In Commission Staff's view, it is undeniable that this line is necessary and useful to MEC in the provision of electric service to its customers.

The second, and perhaps most important point to be made on behalf of Commission Staff relates to MEC's purported abandonment or quitclaim transfer of the line. Quite apart from the position stated by representatives of the United States that such an abandonment cannot be effectively made, it is Commission Staff's opinion that any attempted transfer of the line without Commission approval would be void pursuant to A.R.S. § 40-285. Without regard to whether MEC received a Certificate of Convenience and Necessity to serve a particular geographic area, having commenced service, it cannot be abandoned without Commission approval.

As I indicated at the outset of this letter, I do not propose to resolve all of the outstanding issues between these parties. For example, Commission Staff has not formed an opinion as to all of the appropriate terms and conditions under which service should be maintained. Nor has Staff formulated any view on the possible conditions, if any, under which an extension of additional service should be provided. Nor do we offer any opinion on the question of whose characterization of the service is correct. There remain many issues for these parties to dispute and discuss.

However, it is crystal clear to Staff that MEC undertook an obligation to provide service as a public service corporation, obtained Commission approval of rates to charge, and included assets in rate base for recovery in rates. Under these circumstances, MEC cannot escape the obligation it has undertaken without first seeking Commission approval.

I am hopeful that having these points made clearly will assist these parties in negotiating their differences. The Commission is, of course, available as a forum in which to litigate the dispute, if necessary. I must also add that Commission Staff has not reached any conclusion on the issue of whether MEC's actions may constitute violation of Commission Orders, or contempt of the Commission's authority. Thus, at this time we have no position on whether a possible Order to Show Cause is necessary because of MEC's failure to fulfill its obligations.

Please feel free to contact me if you wish to discuss this matter. However, I believe that all parties concerned would benefit from good faith negotiations regarding the terms and conditions upon which this service should be continued.

Sincerely,

Christopher C. Kempley

Christopher C. Kempley

CCK:nrr

Robert McNichols
Ernest Johnson
Vicki Wallace

RECEIVED
SEP 10 2004
BIA Truxton Canon
Valentine, AZ