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BEFORE THE ARIZONA CORPORATION COMMISSION

MIKE GLEASON
Chairman
WILLIAM A. MUNDELL
Commissioner
JEFF HATCH-MILLER
Commissioner
KRISTIN K. MAYES
Commissioner
GARY PIERCE
Commissioner

Arizona Corporation Commission

DOCKETED

JUL 30 2007

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IN THE MATTER OF THE APPLICATION
OF TRICO ELECTRIC COOPERATIVE,
INC. FOR APPROVAL OF ESTIMATION
METHODOLOGIES, SCHEDULE EM

DOCKET NO. E-01461A-05-0667

DECISION NO. 69735

ORDER

Open Meeting
July 24 and 25, 2007
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Trico Electric Cooperative, Inc. ("Trico" or "Company") is certificated to provide electric service as a public service corporation in the State of Arizona.
2. On August 18, 2004, Trico filed an Application for General Rate Increase docketed as Docket No. E-01461A-04-0607.
3. On August 17, 2005, the Commission issued Decision No. 68073, which in part, ordered Trico to revise its tariffs to comply with Staff's recommendation to submit a separate tariff describing its bill estimation methodologies.
4. Pursuant to Decision No. 68073, on September 16, 2005, Trico filed a Notice of Filing Tariff docketed as a new application (Docket No. E-01461A-05-06670. The 2005 tariff filing contained a Standard Offer Tariff regarding Estimation Methodologies ("Schedule EM"), which was submitted to the Commission for approval.

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1 5. Discussions between Trico and Staff ensued, resulting in a consensus draft of
2 Schedule EM. On June 20, 2007, Trico filed a revised version of Schedule EM that includes all
3 recommendations made by Staff.
4

5 **Commission Decision No. 68073**

6 6. Commission Decision No. 68073 focuses on revenue and rate design matters, but
7 the Decision also references Trico's bill estimation procedures. Staff recommended that Trico be
8 required to submit a separate tariff describing bill estimation procedures that include, but not be
9 limited to, methodologies for estimating energy usage (kWh), demand usage (kW), and time-of-
10 use billing parameters for both energy and demand usage.

11 7. The Decision ordered Trico to file a separate tariff in accordance with Staff's
12 recommendations. Staff's recommendations regarding bill estimation methodologies include
13 conditions under which electric billings should be estimated, procedures for handling unique
14 situations such as first and final bills, and procedures that should be followed under explicitly
15 described conditions. The following table summarizes Trico's proposed estimation
16 methodologies:

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**ESTIMATION METHODOLOGIES
SCHEDULE EM**

Estimation Procedures

Trico currently utilizes a customer information system (CIS) for billing, bill calculations and bill estimations.

- A. Detailed descriptions of estimation procedures for each of the conditions are numbered 1-12 below include but are not limited to:

	Conditions for Estimated Bills	Estimation Procedures
1.	A kWh estimate with at least one year of history for the same customer at same premise or new customer with at least one year of premise history	The CIS system calculates the estimate using the kWh, same month one year prior, from the same premise.
2.	A kWh estimate with less than 12 months' history for the same customer at same premise.	The CIS system calculates the estimate using the kWh of the preceding month from the same premise.
3.	A kWh estimate with less than 12 months' history for a new customer but with history on the premise.	The CIS system calculates the estimate using the kWh of the preceding month from the same premise.
4.	A kWh estimate with no prior consumption history.	The CIS system will bill the fixed monthly customer charge only. The kWh will be billed with the next valid read in accordance with the Arizona Administrative Code.
5.	A kW estimate with a least one year of history for the same customer at same premise or new customer with one year of premise history.	The CIS system calculates the estimate using the kW, same month one year prior, from the same premise.
6.	A kW estimate with less than 12 months' history for the same customer at same premise.	The CIS system calculates the estimate using the kW of the preceding month from the same premise.
7.	A kW estimate with less than 12 months' history for a new customer but with history on the premise.	The CIS system calculates the estimate using the kW of the preceding month from the same premise.
8.	A kW estimate with no prior consumption history.	The CIS system does not estimate, a service order is issued for a meter technician to obtain a valid read.
9.	Time-of-Use estimate with at least one year of history for the same customer at same premise or new customer with at least one year of premise history.	Time-of-Use has two readings, "on-peak" and "off-peak". The CIS system calculates the estimate using the "on peak" and "off-peak" kWh reads, same month one year prior from the same premise.
10.	Time-of-Use estimate with less than 12 months' history for the same customer at same premise.	Time-of-Use has two readings, "on-peak" and "off-peak". The CIS system calculates the estimate using the "on peak" and "off-peak" kWh of the preceding month from the same premise.
11.	Time-of-Use estimate with less than 12 months' history for a new customer but with history on the premise.	Time-of-Use has two readings, "on-peak" and "off-peak". The CIS system calculates the estimate using the "on peak" and "off-peak" kWh of the preceding month from the same premise.
12.	Time-of-Use estimate with no prior consumption history for a new customer at new premise.	The CIS system will bill the fixed monthly customer charge only. The kWh will be billed with the next valid read in accordance with the Arizona Administrative Code.

1 Staff's Recommendations

2 8. Staff has reviewed Trico's tariff filing and recommends approval of Trico's
3 Schedule EM as revised. Trico's amended filing embodies all of Staff's recommendations such as
4 defining conditions under which electric billings should be estimated, and identifying the
5 methodologies to be used in deriving billing amounts.

6 9. Staff recommends that Trico implement the bill estimation methodologies proposed
7 in the amended Schedule EM by November 1, 2007. The Company shall docket (as a compliance
8 item in this matter) a letter, within 15 days of implementation, stating that the implementation is
9 complete.

10 10. In addition, Staff has recommended that Trico file tariff pages for Schedule EM
11 consistent with the terms of this Decision within 15 days from the effective date of the decision.

12 11. Staff analyzed this application in terms of whether there were fair value
13 implications. Compared to Trico's total revenues, any impact from this Schedule EM would be de
14 minimis, and any impact on Trico's fair value rate base and rate of return would also be de
15 minimis.

16 CONCLUSIONS OF LAW

17 1. Trico is a public service corporation within the meaning of Article XV, Section 2,
18 of the Arizona Constitution.

19 2. The Commission has jurisdiction over Trico and the subject matter of the
20 application.

21 3. Approval of Trico's proposed Schedule EM, as modified, does not constitute a rate
22 increase as contemplated by A.R.S. Section 40-250.

23 4. The Commission, having reviewed the revised application and Staff's
24 Memorandum dated July 11, 2007, concludes that it is in the public interest to approve Schedule
25 EM, as revised.

26 ORDER

27 IT IS THEREFORE ORDERED that Trico's Schedule EM, as revised herein, be and
28 hereby is approved.

1 IT IS FURTHER ORDERED that Trico implement the bill estimation methodologies, as
2 approved, by November 1, 2007.

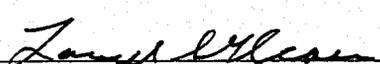
3 IT IS FURTHER ORDERED that the Company shall docket (as a compliance item in this
4 matter) a letter, within 15 days of implementation, stating that the implementation is complete.

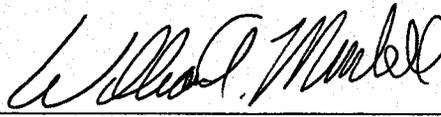
5 IT IS FURTHER ORDERED that Trico shall docket, as a compliance item in this matter,
6 tariff pages for Schedule EM consistent with the terms of this Decision within 15 days from the
7 effective date of this decision.

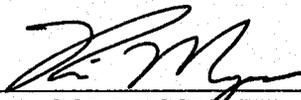
8 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

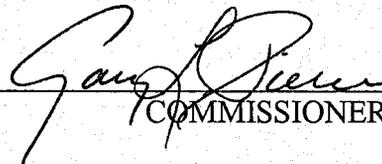
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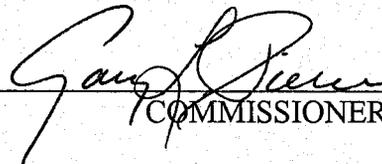
BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION


CHAIRMAN

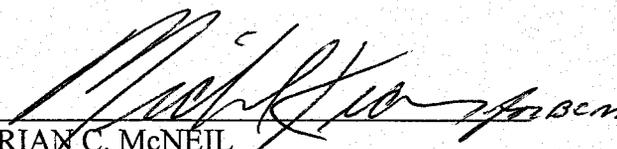

COMMISSIONER


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COMMISSIONER


COMMISSIONER

IN WITNESS WHEREOF, I BRIAN C. McNEIL, Executive
Director of the Arizona Corporation Commission, have
hereunto, set my hand and caused the official seal of this
Commission to be affixed at the Capitol, in the City of
Phoenix, this 30th day of JULY, 2007.


BRIAN C. McNEIL
Executive Director

DISSENT: _____

DISSENT: _____

EGJ:WHM:lhm\CCK

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