

ORIGINAL



0000096007

RECEIVED

BEFORE THE ARIZONA CORPORATION COMMISSION

2009 APR 24 A 10:08

COMMISSIONERS

AZ CORP COMMISSION  
DOCKET CONTROL

KRISTIN K. MAYES—Chairman  
GARY PIERCE  
PAUL NEWMAN  
SANDRA D. KENNEDY  
BOB STUMP

IN THE MATTER OF THE  
APPLICATION OF TRICO ELECTRIC  
COOPERATIVE, INC. FOR A HEARING  
TO DETERMINE THE FAIR VALUE OF  
ITS PROPERTY FOR RATEMAKING  
PURPOSES, TO FIX A JUST AND  
REASONABLE RETURN THEREON, TO  
APPROVE RATES DESIGNED TO  
DEVELOP SUCH RETURN AND FOR  
RELATED APPROVALS.

DOCKET NO. E-01461A-08-0430

**PRE-FILED REBUTTAL TESTIMONY OF DAVID HEDRICK  
ON BEHALF OF  
TRICO ELECTRIC COOPERATIVE, INC.**

**April 24, 2009**

Arizona Corporation Commission  
**DOCKETED**

APR 24 2009

DOCKETED BY

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

**TABLE OF CONTENTS**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

I. INTRODUCTION ..... 2

II. REBUTTAL SUMMARY ..... 3

III. TRICO'S REBUTTAL ANALYSIS ..... 5

    Residential Time of Use Rate Design ..... 5

    Monthly Customer Charge ..... 8

    Interruptible Rates ..... 10

    Line Extension Policy ..... 11

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

**I. INTRODUCTION**

**Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

A. My name is David W. Hedrick and my business address is 5555 North Grand Boulevard, Oklahoma City, Oklahoma 73112-5507.

**Q. MR. HEDRICK, BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

A. I am employed by C. H. Guernsey & Company, Engineers, Architects and Consultants. I am Vice-President and Manager of the Analytical Services group.

**Q. DID YOU ALSO PRE-FILE DIRECT TESTIMONY IN THIS MATTER ON BEHALF OF TRICO ELECTRIC COOPERATIVE, INC. ("TRICO" OR THE "COOPERATIVE")?**

A. Yes.

**Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY IN THIS PROCEEDING?**

A. The purpose of my rebuttal testimony is to provide the TRICO's position with regard to certain recommendations made by Arizona Corporation Commission ("Commission") Staff witnesses. Only those recommendations made by Staff with which TRICO would like Staff to re-evaluate are included in my testimony. TRICO accepts the other recommendations made by Staff witnesses not addressed in my testimony.

1 **II. REBUTTAL SUMMARY**

2  
3 **Q. PLEASE STATE TRICO'S POSITION WITH REGARD TO THE**  
4 **RECOMMENDATIONS MADE BY STAFF WITH WHICH TRICO**  
5 **DOES NOT AGREE.**

6 A. Overall Trico had very few differences with Staff's recommendations.  
7 TRICO has been encouraged by the process to date and feel that Staff has a  
8 good understanding of TRICO's critical financial needs. Several of the areas  
9 in which TRICO is in opposition with Staff's recommendations however, are  
10 critical to Trico's operations and financial stability. The major areas of  
11 concern are:

- 12 1. Residential TOU rate design should be more effective
- 13 2. Monthly customer service charges are insufficient
- 14 3. Minor changes in the recommended interruptible rate tariffs that  
15 would provide operational benefits
- 16 4. Language changes and clarifications are necessary in the line  
17 extension policy

18  
19 TRICO's positions on the above areas are:

- 20 1. TRICO requests that Commission Staff re-evaluate its  
21 recommended rate design for the Residential TOU. TRICO strived  
22 to create a Residential TOU rate that provides sufficient recovery  
23 of costs and sends a strong enough price signal to its customers.  
24 Staff's recommended rate design for the Residential TOU rate falls  
25 short of these goals. TRICO fears that the Staff's proposed  
26 Residential TOU rate will result in a continued ineffective rate

1 which will have a negative rate of return and does not promote  
2 energy efficiency. TRICO has proposed a revised Residential TOU  
3 rate as a compromise. (See Exhibit Rebuttal DH-2.0 page 4 of 6  
4 section 10.)

5 2. The Staff's recommended changes to the customer charge  
6 component of the rate are insufficient and do not support TRICO's  
7 fixed cost analysis. The cost data included in the cost of service  
8 supports higher level of customer charges and the higher customer  
9 charges send the proper pricing signal. In addition, higher  
10 customer charges have been approved by the Commission for other  
11 cooperatives. TRICO's new proposed rate design increases the  
12 customer charges to a level higher than Staff's proposed but less  
13 than TRICO's originally proposed as a compromise. (See Exhibit  
14 Rebuttal DH - 2.0 pages 1 - 6)

15 3. The Staff's recommended change to the IS-1 and IS-2 rates that  
16 customers "shall" be removed from the rate if there are more than  
17 two overrides in a period of 12 months is not necessary. The rate is  
18 designed to impose a significant penalty and to recover the costs  
19 incurred when a customer overrides an interruption. To the extent  
20 that a customer is able to interrupt even a portion of its load, this is  
21 beneficial to both the customer and to the cooperative. TRICO  
22 recommends that the language in the IS-1 and IS-2 rate continue to  
23 state that the customer "may" be removed and the period of time  
24 should be 12 months as provided by the Commission in its  
25 Decision in TRICO's last rate case.  
26

1           4. TRICO would like to clarify several areas of the line extension  
2           policy to ensure that the language does not put TRICO in a difficult  
3           financial position.

4   **III. TRICO'S REBUTTAL ANALYSIS**

5           **Residential Time of Use Rate Design**

6   **Q. WHY DOES TRICO OPPOSE STAFF'S PROPOSED RATE DESIGN**  
7           **FOR THE RESIDENTIAL TOU RATE?**

8   **A.** One of the primary objectives of the filing was to correct the problem with  
9           the Residential TOU rate. As detailed in my direct testimony, the existing  
10          rate design for this class does not send the appropriate price signal nor does it  
11          provide sufficient revenues to cover the cost of providing service. TRICO's  
12          proposed rate for Residential TOU resulted in a proposed increase of  
13          \$1,434,507 or 37.78% for this class (see schedule H-1.0). This was based on  
14          the class cost of service (Schedule G-1.0, Page 1 of 2, in the rate filing)  
15          which shows that this class requires an increase of \$1,997,609 or 51.23% to  
16          cover the costs of providing service and a uniform rate of return. No  
17          objections have been raised with respect to the cost of service study. TRICO  
18          also proposed that the 37.78% increase be phased in with three steps over a  
19          twelve month period. TRICO's proposed Residential TOU rate included  
20          defined on-peak hours on all days including Saturdays and Sundays.

21  
22          Staff recommends that the Residential TOU rate be increased by  
23          approximately \$695,000 or 18.23% all in one step. Staff also proposes to  
24          exclude Saturdays and Sundays from the On-Peak hour's definition.  
25  
26

1 Staff's recommendation does not provide a complete solution to the problem  
2 with the Residential TOU rate. Although the rate increase is significant,  
3 under Staff's proposal, this rate class would continue to significantly under  
4 recover and in fact result in a net deficit of revenue from this class. The  
5 Residential TOU rate is an optional rate which provides a customer the  
6 ability to reduce their billing, provided they modify their consumption in  
7 such a way to avoid or significantly reduce their consumption during on peak  
8 periods. All customers on this rate have the option of taking service on the  
9 standard Residential rate. The existing Residential TOU rate was flawed  
10 because the customer can switch to this rate and receive a lower bill without  
11 modifying their consumption behavior. Staff's recommended rate continues  
12 to promote this problem although to a lesser degree as the original rate  
13 design. TRICO feels this is the opportunity to get the rate design corrected  
14 and send the proper price signal for reduced demand consumption during  
15 peak periods. Sending the correct pricing signal will also help meet the  
16 Commission's goal towards energy efficiency and its proposed goal of 20%  
17 less energy by 2020.

18  
19 Staff's proposed rate design does not include any increase in the customer  
20 charge for this rate class. The customer charge for this rate class should be  
21 increased in an amount equal to the increase in the customer charge for the  
22 standard Residential class. The customer related costs to serve a TOU  
23 customer are higher than for a standard customer. The cost of service study  
24 indicates that the customer related cost of providing service for a Residential  
25 TOU customer is \$43.49/Cust/Mo (Schedule G-6.0, Page 1 of 8). Therefore,  
26 a higher customer charge is justified.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

Staff's proposes to exclude Saturdays and Sundays from the on-peak definition. The reason given for this change provided by Staff witness Steve Irvine in his Direct Testimony, page 4, lines 12 and 13 is:

“The reason Staff cannot support weekend on-peak hours is that customers may feel the imposition of weekend on-peak rates unduly burdensome.”

TRICO recognizes that the inclusion of on-peak hours during the weekend have the potential of being burdensome for the customer. In consideration of the weekend on-peak periods, TRICO proposed in its original filing to reduce the daily on-peak hours to help alleviate the burden to the customer. TRICO believes that keeping the total number of on-peak hours essentially the same provides the necessary incentive for the customers to remain on the tariff.

The Residential TOU rate design reflects the costs that TRICO incurs from its power supplier AEPCO. AEPCO's peaks used to determine the billing to TRICO, have routinely occurred on weekends during the past three years. Attached Exhibit Rebuttal DH-3 shows the peak days and times for 2006, 2007 and 2008. The peak occurred on Sunday three times or 25% in 2006. The peak has occurred on three times or 25% in 2007 and four times or 33% in 2008. This is not an unexpected occurrence given that AEPCO's member systems serve primarily residential customers. Excluding weekend days from the on-peak definition makes the rate much less effective and other customers would be subsidizing the Residential TOU customers during the weekends. Customers can operate on these two frequently occurring peak

1 days without any consequence or concern for the costs that are being  
2 incurred. This simply does not send the appropriate price signal to the  
3 customer nor does it help to reduce the level of required generation to  
4 provide service.

5  
6 TRICO proposes a compromise Residential TOU rate which increases the  
7 class revenue requirement above that recommended by Staff but lower than  
8 originally recommended by TRICO. The increase is \$1,144,792 or 30.01%.  
9 TRICO would be willing to phase in this increase in two steps over a twelve  
10 month period rather than one. The revised proposed rate is designed  
11 assuming that weekends are included in the on-peak definition.

12  
13 Exhibit Rebuttal DH-1.0 provides a summary of the impact of TRICO's  
14 proposal on each rate class. This exhibit shows the compromise TRICO is  
15 suggesting based on Staff's proposed billing units. Exhibit Rebuttal DH-2.0  
16 shows the proof of revenue and TRICO's suggested compromises concerning  
17 specific rate issues.

18  
19 **Monthly Customer Charge**

20 **Q. WHY DOES TRICO OPPOSE STAFF'S RECOMMENDED**  
21 **CUSTOMER CHARGES?**

22 A. Staff's recommended increases in the customer charges do not provide  
23 sufficient movement toward rates which are reflective of the cost of  
24 providing service. Even at TRICO's originally filed monthly customer  
25 charges, the monthly charge is significantly lower than the actual cost of  
26

1 providing service. Schedule G-6.0 in the rate filing provides the unbundled  
2 costs of providing service to each rate class. The "Total Customer" cost as  
3 shown on Schedule G-6.0 (starting on page 1 of 8) reflects Distribution  
4 Wires Customer charges which are TRICO's fixed customer related costs.  
5 The attached exhibit, Rebuttal Exhibit DH 4.0, shows a comparison of  
6 TRICO's existing customer charges, TRICO's original filed rate request  
7 customer charges, Staff's proposed customer charges, the data from Schedule  
8 G 6.0 and TRICO's newly proposed compromise customer charges. TRICO  
9 feels that these newly proposed charges reflect a reasonable solution. Please  
10 note that several of the requests are less than a dollar except for the  
11 Residential TOU rate class which is \$3.00. However this is due to the fact  
12 that this rate class received no increase from Staff's original proposal.

13  
14 The costs shown on Schedule G-6.0 are costs TRICO incurs to make service  
15 available prior to any kWh being sold. Included in this cost are customer  
16 related overhead line costs, customer related transformer costs, meter costs,  
17 meter reading, billing and customer service costs. In order to send the proper  
18 pricing signal, the fixed customer charge component of the rate should be  
19 increased closer to the actual cost.

20  
21 The increase in the customer charge can also help start de-coupling revenues  
22 and energy usage thus helping TRICO implement DSM programs with out  
23 disincentives. By increasing the customer charge component of the rate,  
24 TRICO is less dependent upon the sale of energy to recover its fixed  
25 distribution costs. As the customer charge is increased, energy efficiency  
26

1 and conservation programs have less of a negative impact on the  
2 cooperative's ability to recover its costs and meet its financial goals.

3  
4 The Commission has approved increases in customer charges which are  
5 similar to those requested by TRICO. TRICO and Navopache Electric  
6 Cooperative both received substantial increases in the customer charge  
7 component of the rate in their last rate filings before the Commission. The  
8 approved change in the residential rate for these cooperatives is provided in  
9 the table below.

	Previously Existing	Last Rate Case Approved
TRICO	\$ 8.00	\$12.00
Navopache	\$11.25	\$18.30

10  
11  
12  
13  
14  
15  
16 TRICO would like to work with the Commission to find a resolution to this  
17 issue. In Exhibit Rebuttal DH – 2.0 TRICO shows its proposed solution to  
18 the monthly fixed charges keeping approximately the same total revenues as  
19 Staff originally proposed by increasing the fixed customer charge but  
20 reducing the Staff proposed energy charge.

21  
22 **Interruptible Rates**

23 **Q. WHY DOES TRICO DISAGREE WITH STAFF'S**  
24 **RECOMMENDATION REGARDING THE IS-1 AND IS-2 RATES?**  
25  
26

1 A. The Staff's recommended change to the IS-1 and IS-2 rates that customers  
2 "shall" be removed from the rate if there are more than two overrides in a 12  
3 month period is not necessary. The rate is designed to impose a penalty and  
4 to recover the costs incurred when a customer overrides an interruption. To  
5 the extent that a customer is able to interrupt even a portion of its load, this is  
6 beneficial to both the customer and to the cooperative. TRICO recommends  
7 that the language in the IS-1 and IS-2 remain the same as set forth in the  
8 Commission's Decision in TRICO's last rate case and continue the current  
9 benefit TRICO receives from this rate. TRICO is willing to work with Staff  
10 to find a solution for this tariff that addresses the concern of both TRICO and  
11 Staff.

12

13 **Line Extension Policy**

14 **Q. WHAT LANGUAGE CHANGES OR CLARIFICATIONS DOES**  
15 **TRICO WISH TO MAKE TO THE LINE EXTENSION POLICY?**

16 A. In Section 203 Line Extension Costs Part D, TRICO would like to add the  
17 following language change:

18 "TRICO shall specify that a customer will pay only for those  
19 minimum size economic standard facilities needed to serve that  
20 particular customer."

21

22 In providing line extensions for customers, TRICO's plans for construction  
23 of facilities that are able to adequately serve several new customers as  
24 dictated by all relevant circumstances. Accordingly, it is not practicable for a  
25 customer to pay for facilities dedicated solely to that customer unless the  
26

1 circumstances are that the facilities constructed can only be used to serve that  
2 customer. TRICO's proposed change properly assures that the customer will  
3 only be paying for the line extension to that customer.

4  
5 TRICO proposes to correct the second change by striking from its proposed  
6 Rule 203, Part D:

7 "The Cooperative may use the average of the previous 12  
8 months when the average matches the type of line being  
9 constructed."

10 This will simplify and clarify the amount the customer is to pay.

11  
12 **Q. WHAT OTHER LANGUAGE CHANGES DOES TRICO REQUEST?**

13 **A.** The last sentence of TRICO's proposed Rule 219 states:

14 "The Customer will pay Contribution in Aid of Construction for  
15 any and all additions, upgrades or system improvements needed  
16 on the Cooperative's side (source side) of the point of delivery  
17 which will not be included in the facilities charge, but will be  
18 paid for in the tariff charges."

19  
20 Candrea Allen states that Staff recommends that TRICO specify and clarify  
21 in that sentence that all new customers pay 100 percent of the line extension  
22 distribution and transmission facility construction costs, between the nearest  
23 TRICO Power Facility and the point of delivery, constructed to serve that  
24 specific individual customer. TRICO recommends that such last sentence of  
25 Section 219 be reworded as follows:  
26

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

“The customer will pay as a Contribution in Aid of Construction 100 percent of the cost of the line extension and the upgrades of distribution and transmission facilities between the nearest existing TRICO power facility capable of providing the requested load to the customer’s requested point of delivery, constructed to serve that specific individual customer less any oversized or rerouted facilities for the Cooperative’s system needs.”

TRICO believes that “the nearest power facility” is the nearest power source that is capable, feasible and able of providing adequate service and is not always the nearest TRICO facility as such facility may not have the capacity, capability, feasibility or ability of providing service to the customer..

**Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

A. Yes.

9627276.2

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

# EXHIBITS

TRICO ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES - TRICO REVISED RECOMMENDED RATES

	Average Consumers	kWh		Existing Billing	Proposed Billing	Change	
		Total	Mnthly Avg			\$	%
Residential	33,498	368,534,878	917	46,993,586	50,995,746	4,002,160	8.52%
Residential TOU	2,883	39,250,333	1,135	3,814,395	4,959,187	1,144,792	30.01%
Total	36,381	407,785,211	2,051	50,807,981	55,954,933	5,146,952	10.13%
General Service (1)	1,051	10,053,253	797	1,456,770	1,606,995	150,225	10.31%
General Service (2)	156	9,629,157	5,144	1,501,495	1,579,209	77,714	5.18%
General Service (3)	363	111,143,310	25,515	13,835,917	14,363,088	527,171	3.81%
Water Pumping	64	3,766,873	4,905	492,805	522,512	29,706	6.03%
Irrigation	12	538,241	3,738	69,314	73,105	3,791	5.47%
Time-of-Day Pumping	15	1,690,861	9,394	148,569	167,114	18,545	12.48%
Interruptible - Comm	7	3,726,623	44,365	332,696	339,401	6,705	2.02%
Interruptible - Pumping	37	39,876,215	89,811	3,553,569	3,593,423	39,854	1.12%
Total	44	43,602,838	134,176	3,886,265	3,932,824	46,559	1.20%
General Service (4)	2	25,325,709	1,055,238	1,678,770	1,694,867	16,097	0.96%
Security Lights/Devices	920	550,757	50	119,510	145,961	26,451	22.13%
Total	39,008	614,086,210	1,241,007	73,997,397	80,040,609	6,043,212	8.17%
Sales for Resale				10,144	10,144	0	0.00%
Other Revenue				1,470,242	1,470,242	0	0.00%
Total Revenue				75,477,782	81,520,995	6,043,212	8.01%

TRICO ELECTRIC COOPERATIVE, INC.

CALCULATION OF PROPOSED REVENUE - REVISED TRICO RECOMMENDED RATES  
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2007

	Billing Units		Unbundled Rates		Total	Unbundled Revenue		Total
	Units	Pur Pwr	Dist Wires	Total		Pur Pwr	Dist Wires	
<b>1. RESIDENTIAL SERVICE</b>								
Customers (12 month sum)	401,980	0.00	15.00	15.00	6,029,700	0	6,029,700	6,029,700
kWh	368,534,878	0.083000	0.038600	0.121600	30,588,395	30,588,395	14,225,446	44,813,841
Subtotal					30,588,395	30,588,395	20,255,146	50,843,541
DSMA			0.000413		152,205	0	0	152,205
WPCA					0	0	0	0
Total					30,740,600	30,740,600	20,255,146	50,995,746
<b>2. GENERAL SERVICE 1 (&lt; 10 KW)</b>								
Customers 1 PH (12 month sum)	12,576	0.00	18.00	18.00	0	0	226,368	226,368
Customers 3 PH (12 month sum)	1,116	0.00	26.00	26.00	0	0	29,016	29,016
kWh	10,053,253	0.083000	0.050500	0.133500	834,420	834,420	507,689	1,342,109
Increased Minimum Revenue					0	0	5,350	5,350
Subtotal					834,420	834,420	768,423	1,602,843
DSMA			0.000413		4,152	0	0	4,152
WPCA					0	0	0	0
Total					838,572	838,572	768,423	1,606,995
<b>3. GENERAL SERVICE 2 (10 - 200 KW / &lt;30% LF)</b>								
Customers 1 PH (12 month sum)	693	0.00	18.00	18.00	0	0	12,474	12,474
Customers 3 PH (12 month sum)	1,180	0.00	26.00	26.00	0	0	30,680	30,680
First 10 kW per month	17,027.69	0.00	0.00	0.00	0	0	0	0
Over 10 kW per month	42,550.68	0.00	4.50	4.50	0	0	191,478	191,478
kWh	9,629,157	0.111800	0.026200	0.138000	1,076,540	1,076,540	252,284	1,328,824
Increased Minimum Revenue					0	0	11,776	11,776
Subtotal					1,076,540	1,076,540	498,692	1,575,232
DSMA			0.000413		3,977	0	0	3,977
WPCA					0	0	0	0
Total					1,080,517	1,080,517	498,692	1,579,209

TRICO ELECTRIC COOPERATIVE, INC.

CALCULATION OF PROPOSED REVENUE - REVISED TRICO RECOMMENDED RATES  
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2007

	Billing Units	Unbundled Rates		Total	Pur Pwr	Unbundled Revenue		Total
		Pur Pwr	Dist Wires			Dist Wires	Total	
<b>4. GENERAL SERVICE 3 (10 - 12,000 KW)</b>								
<i>Secondary</i>								
Customers 1 PH (12 month sum)	1,339	0.00	18.00	18.00	0	24,102	24,102	24,102
Customers 3 PH (12 month sum)	2,942	0.00	26.00	26.00	0	76,492	76,492	76,492
KW	282,627.34	10.70	5.95	16.65	3,024,113	1,681,633	4,705,745	4,705,745
kWh	104,174,270	0.054700	0.028300	0.083000	5,698,333	2,948,132	8,646,464	8,646,464
Increased Minimum Revenue				0.083000	0	31,077	31,077	31,077
Subtotal					8,722,446	4,761,436	13,483,880	13,483,880
DSMA			0.000413		43,024	0	43,024	43,024
WPCA					0	0	0	0
Total					8,765,470	4,761,436	13,526,904	13,526,904
<i>Primary</i>								
Customers 1 PH (12 month sum)	0	0.00	18.00	18.00	0	0	0	0
Customers 3 PH (12 month sum)	72	0.00	26.00	26.00	0	1,872	1,872	1,872
KW	16,739.84	10.70	5.95	16.65	179,116	99,602	278,718	278,718
kWh	6,969,040	0.054700	0.028300	0.083000	381,206	197,224	578,430	578,430
Primary Discount		-3.000%	-3.000%	-3.000%	(16,810)	(8,905)	(25,714)	(25,714)
Subtotal					543,512	289,793	833,306	833,306
DSMA			0.000413		2,878	0	2,878	2,878
WPCA					0	0	0	0
Total					546,390	289,793	836,184	836,184
Total Base Revenue	111,143,310				9,265,958	5,051,229	14,317,186	14,317,186
Total DSMA Revenue					45,902	0	45,902	45,902
Total WPCA Revenue					0	0	0	0
Total					9,311,860	5,051,229	14,363,088	14,363,088

TRICO ELECTRIC COOPERATIVE, INC.

CALCULATION OF PROPOSED REVENUE - REVISED TRICO RECOMMENDED RATES  
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2007

	Billing Units	Unbundled Rates			Unbundled Revenue		
		Pur Pwr	Dist Wires	Total	Pur Pwr	Dist Wires	Total
<b>5. WATER PUMPING SERVICE</b>							
Customers 1 PH (12 month sum)	144	0.00	18.00	18.00	0	2,592	2,592
Customers 3 PH (12 month sum)	621	0.00	26.00	26.00	0	16,146	16,146
kWh	3,766,873	0.096800	0.035800	0.132600	364,633	134,854	499,487
Increased Minimum Revenue					0	2,731	2,731
Subtotal					364,633	156,323	520,956
DSMA			0.000413		1,556	0	1,556
WPCA					0	0	0
Total					366,189	156,323	522,512
<b>6. IRRIGATION SERVICE</b>							
Customers 1 PH (12 month sum)	0	0.00	18.00	18.00	0	0	0
Customers 3 PH (12 month sum)	144	0.00	26.00	26.00	0	3,744	3,744
kWh	538,241	0.088773	0.035800	0.124573	47,781	19,269	67,050
Increased Minimum Revenue					0	2,089	2,089
Subtotal					47,781	25,102	72,883
DSMA			0.000413		222	0	222
WPCA					0	0	0
Total					48,003	25,102	73,105
<b>7. TIME OF DAY PUMPING SERVICE</b>							
Customers 1 PH (12 month sum)	0	0.00	18.00	18.00	0	0	0
Customers 3 PH (12 month sum)	180	0.00	26.00	26.00	0	4,680	4,680
On-Peak kW	2,724.90	18.16	0.00	18.16	49,484	0	49,484
Off-Peak kW	12,883.19	0.00	0.00	0.00	0	0	0
On-Peak kWh	82,512	0.100400	0.026500	0.126900	8,284	2,187	10,471
Off-Peak kWh	1,608,349	0.035400	0.026500	0.061900	56,936	42,621	99,557
Increased Minimum Revenue					0	2,224	2,224
Subtotal	1,690,861				114,704	51,712	166,416
DSMA			0.000413		698	0	698
WPCA					0	0	0
Total					115,402	51,712	167,114

TRICO ELECTRIC COOPERATIVE, INC.

CALCULATION OF PROPOSED REVENUE - REVISED TRICO RECOMMENDED RATES  
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2007

	Billing Units	Unbundled Rates		Total	Unbundled Revenue		Total
		Pur Pwr	Dist Wires		Pur Pwr	Dist Wires	
<b>8. INTERRUPTIBLE SERVICE - COMMERCIAL</b>							
Customers 1 PH (12 month sum)	0	0.00	36.00	36.00	0	0	0
Customers 3 PH (12 month sum)	81	0.00	45.00	45.00	0	3,645	3,645
CP kW	692.72	29.50	0.00	29.50	20,435	0	20,435
NCP kW	14,837.83	0.00	0.00	0.00	0	0	0
kWh	3,726,623	0.042200	0.042000	0.084200	157,263	156,518	313,782
Increased Minimum Revenue					0	0	0
Subtotal					177,698	160,163	337,862
DSMA			0.000413		1,539	0	1,539
WPCA					0	0	0
Total					179,237	160,163	339,401
<b>9. INTERRUPTIBLE SERVICE - IRRIGATION &amp; WATER PUMPING</b>							
Customers 1 PH (12 month sum)	0	0.00	36.00	36.00	0	0	0
Customers 3 PH (12 month sum)	440	0.00	45.00	45.00	0	19,800	19,800
CP kW	6,349.69	29.50	0.00	29.50	187,316	0	187,316
NCP kW	79,527.21	0.00	0.00	0.00	0	0	0
kWh	39,876,215	0.042200	0.042000	0.084200	1,682,776	1,674,801	3,357,577
Increased Minimum Revenue					0	12,261	12,261
Subtotal					1,870,092	1,706,862	3,576,954
DSMA			0.000413		16,469	0	16,469
WPCA					0	0	0
Total					1,886,561	1,706,862	3,593,423
<b>10. RESIDENTIAL TIME OF USE SERVICE</b>							
Customers (12 month sum)	34,596	0.00	19.00	19.00	0	657,324	657,324
On-Peak kWh	11,283,734	0.179000	0.019000	0.196400	2,019,788	214,391	2,216,125
Off-Peak kWh	27,966,599	0.054000	0.007000	0.074000	1,510,196	195,766	2,069,528
Subtotal	39,250,333				3,529,984	1,067,481	4,942,977
DSMA			0.000413		16,210	0	16,210
WPCA					0	0	0
Total					3,546,194	1,067,481	4,959,187

TRICO ELECTRIC COOPERATIVE, INC.

CALCULATION OF PROPOSED REVENUE - REVISED TRICO RECOMMENDED RATES  
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2007

11. GENERAL SERVICE 4  
Customers (12 month sum)  
Facilities Charge  
Billing kW - Transmission  
Billing kW - Distribution Sub  
kWh  
Power Cost  
Subtotal  
DSMA  
WPCA  
Total

	Billing Units	Unbundled Rates		Total	Unbundled Revenue		Total
		Pur Pwr	Dist Wires		Pur Pwr	Dist Wires	
	24	0.00	500.00	500.00	0	12,000	12,000
	12	0.00	4,887.00	4,887.00	0	58,644	58,644
	42,045.21	0.00	0.21	0.21	0	8,829	8,829
	22,571.00	0.00	1.75	1.75	0	39,499	39,499
	25,325,709	0.000000	0.000000	0.000000	0	0	0
					1,575,895	0	1,575,895
					1,575,895	118,972	1,694,867
					0	0	0
					0	0	0
					1,575,895	118,972	1,694,867

TRICO ELECTRIC COOPERATIVE, INC.

CALCULATION OF PROPOSED REVENUE - REVISED TRICO RECOMMENDED RATES  
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2007

	Billing Units	Unbundled Rates		Total	Pur Pwr	Unbundled Revenue		
		Pur Pwr	Dist Wires			Dist Wires	Total	
<b>12. LIGHTING</b>								
<b>LIGHTING SERVICE - OL1</b>								
Security Light	8,366	3.66	7.82	11.48	30,620	65,422	96,042	
Additional Poles	2,073	0.00	10.43	10.43	0	21,621	21,621	
55 Watt LPS	24	1.86	9.05	10.91	45	217	262	
90 Watt LPS	476	1.86	9.05	10.91	885	4,308	5,193	
135 Watt LPS	920	3.11	8.20	11.31	2,861	7,544	10,405	
100 Watt HPS	24	2.07	8.91	10.98	50	214	264	
150 Watt HPS	12	3.11	8.20	11.31	37	98	136	
250 Watt HPS	60	5.18	6.78	11.96	311	407	718	
400 Watt HPS	141	8.29	3.86	12.15	1,169	544	1,713	
Subtotal OL-1					35,978	100,375	136,354	

**STREET LIGHTING SERVICE - SL1**

55 Watt LPS	0	1.86	5.44	7.30	0	0	0
90 Watt LPS	600	1.86	9.89	11.75	1,116	5,934	7,050
135 Watt LPS	0	3.11	7.19	10.30	0	0	0
180 Watt LPS	12	3.73	8.89	12.62	45	107	151
100 Watt HPS	0	2.07	8.23	10.30	0	0	0
150 Watt HPS	0	3.11	7.19	10.30	0	0	0
250 Watt HPS	0	5.18	5.12	10.30	0	0	0
400 Watt HPS	0	8.29	8.71	17.00	0	0	0
Wood Pole	35	1.32	1.32	1.32	0	46	46
28' Metal Pole	613	3.48	3.48	3.48	0	2,133	2,133
20'-30' Metal Pole		4.15	4.15	4.15	0	0	0
30'-40' Metal Pole		4.15	4.15	4.15	0	0	0
Subtotal SL-1	550,757				1,161	8,220	9,380

Subtotal Base	550,757				37,139	108,595	145,734
DSMA			0.000413		227	0	227
WPCA					0	0	0
Total					37,366	108,595	145,961

**13. TOTAL**

Total Base Revenue	614,086,210				49,483,239	29,968,700	79,797,451
Total DSMR Revenue					243,158	0	243,158
Total WPCA Revenue					0	0	0
Subtotal					49,726,397	29,968,700	80,040,609
Fuel Bank					0	0	0
Sales for Resale					0	10,144	10,144
Total					49,726,397	29,978,844	80,050,753

TRICO ELECTRIC COOPERATIVE, INC.

AEPCO PEAK DATES AND TIMES - HISTORICAL INFORMATION

**DEFINITION OF AEPCO HISTORICAL PEAK DATES AND TIMES**  
*(General Guide - Peak may occur at other times)*

**April 1 through November 14:**

AEPCO peak hours have historically occurred between 1:00 PM to 7:00 PM, any day, including weekends and holidays. All other hours have historically been Off-Peak.

**November 15 through March 31:**

AEPCO peak hours have historically occurred between 6:30 AM to 8:30 AM and between 5:00 PM to 9:00 PM, any day, including holidays. All other hours have historically been Off-Peak.

**ACTUAL HISTORICAL AEPCO PEAKS**

	<u>Day</u>	<u>Time</u>	<u>Weekday</u>
<b><u>Actual 2006 AEPCO Peak Times</u></b>			
January	17	8:00 AM	Tuesday
February	21	8:00 AM	Tuesday
March	19	8:00 PM	Sunday
April	30	5:00 PM	Sunday
May	25	5:00 PM	Thursday
June	25	3:00 PM	Sunday
July	24	5:00 PM	Monday
August	8	4:00 PM	Tuesday
September	1	2:00 PM	Friday
October	3	4:00 PM	Tuesday
November	29	7:00 PM	Wednesday
December	19	7:00 PM	Tuesday
<b><u>Actual 2007 AEPCO Peak Times</u></b>			
January	15	7:00 PM	Monday
February	2	8:00 AM	Friday
March	17	5:00 PM	Saturday
April	30	5:00 PM	Monday
May	31	5:00 PM	Thursday
June	30	5:00 PM	Saturday
July	5	4:00 PM	Thursday
August	13	4:00 PM	Monday
September	1	3:00 PM	Saturday
October	4	2:00 PM	Thursday
November	5	4:00 PM	Monday
December	27	7:00 PM	Thursday
<b><u>Actual 2008 AEPCO Peak Times</u></b>			
January	18	8:00 AM	Friday
February	6	8:00 AM	Wednesday
March	26	8:00 PM	Wednesday
April	29	6:00 PM	Tuesday
May	20	4:00 PM	Tuesday
June	21	3:00 PM	Saturday
July	3	4:00 PM	Thursday
August	1	5:00 PM	Friday
September	6	4:00 PM	Saturday
October	1	5:00 PM	Wednesday
November	1	4:00 PM	Saturday
December	27	7:00 PM	Saturday

**Trico Electric Cooperative, Inc.**  
**Comparison of Requested Montly Customer Charges**

	TRICO Existing	TRICO Orginal Rate Filing	Staff Proposed	G 6.0 Cost of Service Customer	TRICO Newly Proposed	TRICO Proposed less Staff Proposed
Residential	\$ 12.00	\$ 17.00	\$ 13.50	\$ 35.18	\$ 15.00	\$ 1.50
Residential TOU	\$ 16.00	\$ 21.00	\$ 16.00	\$ 43.49	\$ 19.00	\$ 3.00
GS 1 - Single Phase	\$ 15.00	\$ 20.00	\$ 16.80	\$ 40.49	\$ 18.00	\$ 1.20
GS 2 - Single Phase	\$ 15.00	\$ 20.00	\$ 16.80	\$ 93.84	\$ 18.00	\$ 1.20
GS 3	\$ 15.00	\$ 20.00	\$ 17.25	\$ 207.97	\$ 18.00	\$ 0.75
Water Pumping	\$ 15.00	\$ 20.00	\$ 17.25	\$ 95.87	\$ 18.00	\$ 0.75
Irrigation	\$ 15.00	\$ 20.00	\$ 17.25	\$ 131.94	\$ 18.00	\$ 0.75
TOD Pumping	\$ 15.00	\$ 20.00	\$ 17.25	\$ 177.27	\$ 18.00	\$ 0.75
IS-1	\$ 32.00	\$ 37.00	\$ 36.80	\$ 314.94	\$ 36.00	\$ (0.80)
IS-2	\$ 32.00	\$ 37.00	\$ 36.80	\$ 324.69	\$ 36.00	\$ (0.80)