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Arizona Corporation Commission  
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BEFORE THE ARIZONA CORPORATION COMMISSION

**COMMISSIONERS**

10 KRISTIN K. MAYES, Chairman  
 11 GARY PIERCE  
 12 PAUL NEWMAN  
 13 SANDRA KENNEDY  
 14 BOB STUMP

Docket No. E-01461A-08-0430

**CLOSING BRIEF OF TRICO  
ELECTRIC COOPERATIVE, INC.**

13 IN THE MATTER OF THE  
 14 APPLICATION OF TRICO ELECTRIC  
 15 COOPERATIVE, INC., AN ARIZONA  
 16 NONPROFIT CORPORATION, FOR A  
 17 PERMANENT RATE INCREASE, FOR A  
 18 DETERMINATION OF THE FAIR  
 19 VALUE OF THE CORPORATION'S  
 20 ELECTRIC SYSTEM FOR RATE  
 MAKING PURPOSES, FOR A FINDING  
 OF A JUST AND REASONABLE RATE  
 OF RETURN THEREON AND A JUST  
 AND REASONABLE RETURN, AND  
 FOR APPROVAL OF RATE  
 SCHEDULES DESIGNED TO DEVELOP  
 SUCH RETURN.

21 Trico Electric Cooperative, Inc. ("Trico") submits this Closing Brief as directed by  
 22 the Administrative Law Judge ("ALJ") at the hearing of the above matter on May 20, 2009.

23 On August 15, 2008, Trico Electric Cooperative ("Trico") filed its Application with  
 24 the Arizona Corporation Commission ("Commission") seeking to:

- 25 a. Increase Trico's overall rates to maintain a reliable electrical system and
- 26 meet financial targets,

- 1           b. Amend the Company's Rules, Regulations and Line Extension Policy  
2           ("RRLEP") to require customers of new line extensions to pay for their  
3           burden of adding new services to Trico's system and lower Trico's financing  
4           costs,
- 5           c. Modify the Company's Residential Time of Use ("Residential TOU") rate to  
6           encourage customers to shift usage to off-peak times and create a reasonable  
7           rate of return for the customer class, and
- 8           d. Implement a new Demand Side Management ("DSM") portfolio and collect  
9           the costs for the existing portfolio through a previously Commission  
10          approved Demand Side Management Adjustor mechanism.

11          On September 12, 2008, the Commission Utilities Division Staff ("Staff") issued a  
12          letter stating that Trico's application had met the sufficiency requirements of A.A.C. R14-  
13          2-103(B)(7).

14          On September 22, the ALJ filed a Procedural Order setting applicable dates and  
15          requirements including setting the hearing on May 20, 2009.

16          Freeport-McMoRan Sierrita, Inc. ("Freeport") and IBEW Local 1116, International  
17          Brotherhood of Electrical Workers, AFL-CIO, CLC ("IBEW") timely intervened. There  
18          were no other interventions. Freeport did not actively participate in the rate proceeding but  
19          requested being served with all applicable filings. IBEW participated by filing the Direct  
20          Testimony of Frank Grijalva and submitting his testimony at the hearing. IBEW supported  
21          Trico's Application.

22          The hearing was held May 20, 2009, as scheduled by the ALJ.

### 23          **I. TRICO'S APPLICATION**

24          Trico's Application is based on a 2007 calendar year test year. In its Application.  
25          Trico requested a total annual revenue of \$80,793,749, an increase in revenue of  
26          \$6,542,728 or an 8.81% overall rate increase over adjusted test year revenue of

1 \$74,251,021 based upon a fair value rate base of \$154,546,824. The rate base was based  
2 upon Original Cost less Depreciation. The rate increase would produce a return of  
3 \$11,761,982, a rate of return of 7.61%, and an Operating Time Interest Earned Ratio  
4 (“OTIER”) of 1.68 and a Debt Service Coverage (“DSC”) of 2.06.

5 This was supported by the Pre-Filed Direct Testimony of Mark Schwartz, CEO and  
6 General Manager of Trico until his resignation in December, 2008, Vincent Nitido,  
7 currently CEO and General Manager of Trico, Caroline Gardiner, Trico’s Manager of  
8 Finance and Administration, and David Hedrick and Michael Searcy of the firm of C.H.  
9 Guernsey & Company, Engineers, Architects and Consultants, rate specialists. Mr. Hedrick  
10 is Vice President and Manager of the Analytical Service group of his firm.

11 It is further supported by Trico’s proposed Standard Offer Tariffs of all of Trico’s  
12 customer classes including a Schedule of Special Charges which are the same as currently  
13 in effect and a Rate Analysis and Cost of Service as set forth in Schedules A through O.

14 Also of great importance in the Application is Trico’s proposed revisions of its  
15 Commission approved Rules, Regulations and Line Extension Policies, as set forth in a  
16 red-lined form and clean form attached to the Pre-Filed Direct Testimony of Charles  
17 Emerson and Trico’s proposed Demand Side Management Portfolio set forth in the Pre-  
18 Filed Direct Testimony of Marsha Regrutto.

19 Mr. Schwartz’s Pre-Filed Direct Testimony which was adopted by Mr. Nitido in his  
20 Pre-Filed Testimony summarized the basis of Trico’s Application due to rapid growth and  
21 related financial problems emphasizing the need to revise Trico’s ineffective residential  
22 Time-of-Use rate (“RS-1 TOU”) which since 2007 has resulted in an annual loss to Trico  
23 of \$800,000 to \$1,000,000 and the necessity to amend Trico’s RRLEP which has required  
24 Trico to borrow large sums of money from the U.S. Rural Utilities Service (“RUS”) with  
25 its accompanying financial problems.

26

1 The Direct Pre-Filed Testimony of Ms. Gardiner emphasized Trico's fragile  
2 financial condition. Trico's equity to capitalization ratio at the end of the test year was less  
3 than 25% and its OTIER was 1.05. RUS requires Trico to have a minimum of a 1.10  
4 OTIER during any current year and the average of 1.10 OTIER in the best two out of the  
5 last three years. Failing to meet that requirement impairs Trico's ability to obtain additional  
6 loans from RUS which is Trico's prime lender and indicates a serious financial weakness.  
7 Trico has missed its OTIER for the last two years and must meet an OTIER of 1.15 this  
8 year to satisfy RUS's requirements.

9 In Trico's last loan application filing, in its Decision No. 70399 issued July 3, 2008,  
10 the Commission approved an RUS loan of \$83,980,000 to Trico for capital improvements  
11 by construction over a five year period from mid 2008 to mid 2013. The Decision adopted  
12 Staff's recommendation that any borrowing authorizations granted to Trico beyond that  
13 needed to satisfy its budgeted 2008 capital improvement projects should be subject to the  
14 condition that Trico demonstrates that the additional borrowing would result in a 1.25 or  
15 greater OTIER and Operating DSC. This Decision emphasized the need for Trico to  
16 increase its Operating Margin to generate at least an OTIER of 1.25 on an on going basis.

17 The Pre-Filed Direct Testimony of Mr. Hedrick set forth Trico's objectives in this  
18 rate filing and a detailed review of the supporting documents he prepared including:

- 19 a. A discussion of the development of the revenue requirement for Trico,
- 20 b. A discussion of the rate design and the impact on Trico and Trico's  
21 consumers, and
- 22 c. A description of the proposed tariff changes to provide such rate design.

23 The Pre-Filed Direct Testimony of Mr. Searcy provided a discussion on the  
24 development of the financial adjustments found in the schedules in Section A and the Cost  
25 of Service Study in Sections G, I and J of the rate filing.

1 The Pre-Filed Direct Testimony of Mr. Emerson discussed Trico's requested  
2 changes in its current RRLEP. The most notable request was the removal of the free  
3 footage allowances and, with exceptions, payment by those obtaining line extensions by  
4 nonrefundable Contributions in Aid of Construction rather than refundable Advancements  
5 in Aid of Construction.

6 The Pre-Filed Direct Testimony of Ms. Regrutto set forth Trico's requested  
7 approval by the Commission of Trico's current DSM portfolio and to allow these costs to  
8 be recovered through the DSM adjustor mechanism approved by the Commission in  
9 Trico's last rate case decided by the Commission in Decision No. 68073 August 17, 2005.

10 **II. STAFF'S PROPOSED REVISIONS AND APPROVALS OF TRICO'S**  
11 **APPLICATION**

12 On February 27, 2009, Staff filed the Pre-Filed Direct Testimony of Crystal Brown,  
13 Candrea Allen, J. Jeffery Pasquinelli, and Ray Williamson pertaining to Trico's  
14 Application.

15 Crystal Brown recommended that the Commission approve a total annual revenue  
16 of \$81,521,496 which provides an increase in revenue of \$6,043,717 or 8.01 percent  
17 increase over Staff's adjusted test year revenue of \$75,477,779. Such operating revenue  
18 would result in an operating margin before interest expense of \$12,370,271 reflecting an  
19 8.80 percent rate of return on Staff's recommended fair value cost rate base of  
20 \$140,628,110. This would produce an OTIER of 1.83 and a DSC of 1.93.

21 In arriving at its operating margins Ms. Brown made the following adjustments to  
22 Trico's revenue and expenses:

- 23 a. Revenue and expense annualizations of \$970,945 and \$723,500, respectively;
- 24 b. An increase of \$255,813 in base cost of power and eliminating \$10,755,503  
25 of Wholesale Power Cost Adjustor ("WPCA") which Trico had added to its  
26 base cost of power;

- 1 c. Decreasing operating expenses of Demand Side Management Expenses to be  
2 recovered from a Demand Side Management Adjustor;
- 3 d. Decreasing administration and general expense by \$105,922 because Trico  
4 had included the salaries of two Chief Executive Officers during the test  
5 year;
- 6 e. Decreasing employee payroll, benefits and payroll taxes by \$119,277 to  
7 eliminate the expenses of six part-time employees that were not employed  
8 during the test year;
- 9 f. Decreasing operating expenses by \$20,700 for optional bonuses paid to  
10 employees;
- 11 g. Decreasing operating expenses by \$131,462 for advertising and lobbying;
- 12 h. Decreasing property tax expenses by \$366,736 to reflect Trico's 2008  
13 property tax bill of \$2,521,703, which more appropriately reflects the future  
14 of property taxes;
- 15 i. Decreasing capital credits by \$1,986,966 to eliminate the non-cash allocation  
16 to Trico by Arizona Electric Power Cooperative, Inc. ("AEPSCO") and other  
17 associated cooperatives of capital credits.

18 In making a fair value rate base determination of \$140,628,110, Ms. Brown made  
19 the following adjustments to Trico's proposed rate base of \$154,546,824:

- 20 a. Plant held for future use in the amount of \$198,972 was deleted.
- 21 b. Construction Work in Progress of \$8,148,627 was deleted.
- 22 c. Accumulated depreciation was increased by \$49,161.
- 23 d. Consumer deposits were decreased by \$47,022.
- 24 e. Working capital of \$5,573,254 was deleted.

25 Trico accepted Ms. Brown's revenue requirements and related financial matters and  
26 these adjustments.

1 Staff's recommended revenue requirements and rate base which provide a 1.93 DSC  
2 and a 1.83 OTIER for the test year would generate enough cash flow to service Trico's  
3 debt and comply with RUS debt coverage requirements, allow for reasonable  
4 contingencies, and build equity.

5 Staff's witness Candrea Allen's Pre-Filed Direct Testimony contained specific  
6 recommendations regarding some of Trico's proposed modifications to its RRLEP. Ms.  
7 Allen's testimony also supported Trico's proposed elimination of free footage for line  
8 extensions and the method of financing the line extensions. The following is a summary of  
9 Ms. Allen's testimony:

- 10 a. Elimination of Trico's existing free footage allowance; provided that any  
11 potential customer who has been given a line extension estimate or quote by  
12 Trico up to one year prior to the Commission's Decision in this proceeding  
13 should be automatically exempt from the proposed line extension policy and  
14 be given the free footage for line extensions specified in Trico's current  
15 RRLEP on file with the Commission.
- 16 b. Add several definitions including "Facilities Charge", "Spine Facilities" or  
17 "Backbone Facilities",
- 18 c. Keep the word "optional" for requesting a customer's social security number  
19 when applying for service,
- 20 d. An agreement concerning services that differ from approved policies must be  
21 filed with the Commission,
- 22 e. Remove the additional language requiring a deposit for services that  
23 historically have a bad credit history due to the discriminatory nature,
- 24 f. Restoring the time frame for subdivision costs estimates to 45 days instead of  
25 the requested change to 90 days,
- 26

1 g. Specify that a customer shall pay only for those facilities dedicated solely to  
2 service that particular customer.

3 h. Several small wording and or language changes throughout the document,  
4 Her testimony did not resolve certain language in Sections 203, Part D and 219 of  
5 Trico's RRLEP. However, in her Pre-Filed Surrebuttal Testimony filed May 15, 2009, and  
6 at the Prehearing Conference on May 18, 2009, these language changes were resolved by  
7 Staff and Trico.

8 Attached to this Brief as Exhibit 1 is a redlined copy of the changes Ms. Allen  
9 requested to the RRLEP filed with Mr. Emerson's Pre-Filed Direct Testimony including  
10 the language agreed to by Staff and Trico as to Sections 203, Part D and 219.

11 Staff witness J. Jeffery Pasquinelli's Direct Testimony discussed Trico's base power  
12 cost Adjustor mechanism and its DSM portfolio. With respect to the base power cost in  
13 such adjustor the amount should be \$0.081638 per kWh. Mr. Pasquinelli's testimony made  
14 the following recommendations with respect to Trico's DSM:

- 15 a. Trico should provide complete responses to Staff's data requests regarding  
16 Trico's existing DSM programs as soon as possible,
- 17 b. Trico's DSM data request responses should include, at the minimum, the  
18 information set forth in Tables 3 and 4 of such testimony should be made on  
19 or before March 9, 2009,
- 20 c. Trico should file for Commission approval of its new and modified DSM  
21 programs as soon as possible,
- 22 d. Trico's filing for approval of its new and modified DSM programs should  
23 include at a minimum, the information set forth in such Tables 3 and 4.

24 Trico timely complied with such requests.

25 At the time of the hearing on May 20, 2009, Mr. Pasquinelli had been unable to  
26 obtain approval or disapproval of any of the programs in Trico's DSM Portfolio. It was

1 agreed by Staff and Trico that in the event Mr. Pasquinelli submitted to the ALJ any of  
2 such approvals or disapprovals that they should be considered by the ALJ in making her  
3 recommendations to the Commission and as to those programs not approved or  
4 disapproved by the Commission, Trico could submit such programs in a separate  
5 proceeding with the Commission.

6 Staff witness Ray Williamson submitted in his Pre-Filed Direct Testimony Staff's  
7 engineering evaluation of Trico's electrical system. Mr. Williamson concluded that Trico:

- 8 a. Is maintaining and operating its electrical system properly,
- 9 b. Has an acceptable level of system line losses, consistent with the industry  
10 guidelines,
- 11 c. Is carrying out system improvements, upgrades and new additions to meet  
12 the current and projected load of Trico in an efficient and reliable manner,  
13 and
- 14 d. Has a satisfactory record of service interruptions in the periods 2007 and  
15 2008.

16 On March 11<sup>th</sup> Staff witness Prem Bahl filed Pre-Filed Direct Testimony concerning  
17 rate design and cost of service study information. Mr. Bahl concluded that:

- 18 a. Trico has used its Cost of Service Study model for the bundled rate filing  
19 appropriately. The model used by Trico is consistent with what the  
20 Commission approved for use in Trico's previous rate case (Docket No. E-  
21 01461A-04-0607; Decision No. 68073);
- 22 b. The results of the application of the Cost of Service Study are reasonable.
- 23 c. Based on the aforementioned conclusions, Staff recommended that the  
24 Commission accept Trico's Cost of Service Study for use in this case.

25 On January 30, 2009, Trico filed in Docket No. 06-0038, a generic docket regarding  
26 Smart Metering Requirements of Section 1252 of the Energy Policy Act of 2005, a request

1 of Commission approval of its proposed Standard Offer General Service Time of Use  
2 Experimental tariff that would apply to commercial customers. Staff believed that the new  
3 tariffs should be incorporated into the current rate application in order to be properly  
4 considered and on March 3, 2009, made such request. On page 4, lines 21-24, Mr. Steve  
5 Irvine in his Pre-Filed Direct Testimony approved Trico's Experimental Schedule GS-TOU  
6 which is Trico's commercial Time-of-Use Tariff.

7 On March 31, 2009 Steve Irvine filed his Pre-Filed Direct Testimony concerning  
8 rate design. Staff prepared schedules SPI-1 to demonstrate that total system revenues from  
9 sales of \$80,041,110 will be collected through Staff adjusted Trico billing determinants and  
10 the rates proposed by Staff. Mr. Irvine made the following recommendations:

- 11 a. Proposing rate changes that are designed to produce annual revenues from  
12 sales in the amount of \$80,041,110.
- 13 b. With respect to Trico's proposed Residential TOU Tariff, he did not  
14 recommend a phase-in of the Tariff as proposed by Trico, and he  
15 recommended weekends remain free of on-peak hours.
- 16 c. Moving revenues that were collected through the WPCA into base rates, but  
17 assuming a slightly higher base cost of purchased power than used by Trico.
- 18 d. Limiting increases to existing customer charges to the 10-15 percent range to  
19 be more closely aligned to the recommended overall percent increase of  
20 approximately 8 percent.
- 21 e. Removing Demand-Side-Management adjustor ("DSMA") revenues from the  
22 rates.
- 23 f. Reverting Trico's proposed Time of Day Pumping Service ("TOD-P") rate  
24 structure from a demand rate with no defined discount times back to a more  
25 traditional time of use rate.

- 1 g. Changing the terms and conditions of discontinuation of interruptible service  
2 for overriding interruption on both the Interruptible Service for Commercial  
3 and Industrial (IS-1) rate schedule and the Interruptible Service for Irrigation  
4 and Water Pumping Service (IS-2) rate schedule.

5 **III. TRICO'S REBUTTAL TO CERTAIN STAFF PROPOSALS**

6 On April 24<sup>th</sup>, 2009 Trico filed Pre-Filed Rebuttal Testimony of David Hedrick. Mr.  
7 Hedrick's testimony discussed the four issues that Trico felt were important to rebut.  
8 These issues were:

- 9 a. Residential TOU rate design should be more effective,  
10 b. Monthly customer service charges are insufficient,  
11 c. Changes in Mr. Irvine's recommendations as to Trico's IS-1 and IS-2  
12 Interruptible Tariffs,  
13 d. Language changes and clarifications are necessary in Sections 203, Part D  
14 and 219 of Trico's proposed RRLEP.

15 Mr. Hedrick's Rebuttal Testimony dealt with the three remaining disputes between  
16 Trico and Staff: (1) the Residential TOU rate, (2) the monthly customer charges for each  
17 customer class<sup>1</sup> and (3) the IS-1 and IS-2 Tariffs.

18 He explained in detail why Trico's requested adjustments to Mr. Irvine's proposals  
19 as to the RS-1 TOU Tariff were needed. The existing RS-1 TOU Tariff is ineffectual in  
20 that it does not send the appropriate price signal by providing that the customers reduce  
21 their consumption during on peak periods. These customers can switch from the RS-1 rate  
22 to the RS-1 TOU rate to reduce their bills without modifying their consumption behavior.  
23 The existing TOU tariff has resulted in annual losses to Trico of \$800,000 to \$1,000,000  
24 since 2007. As a result, Trico filed a proceeding with the Commission to freeze the rate so  
25 that new or existing customers would be unable to change to this rate. The Commission

26

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<sup>1</sup> Certain customer classes do not contain monthly customer charges.

1 issued a Decision No. 70212 on March 20, 2008, granting such freeze. One of the primary  
2 reasons Trico filed this rate increase proceeding was to change the RS-1 TOU rate so that it  
3 provided a clear price signal to discourage customers from using the rate on on-peak hours.

4 The existing rate provides for 8 on-peak hours during Monday through Friday in the  
5 summer and no on-peak hours on the weekends. Exhibit Rebuttal DH-3 to Mr. Hedrick's  
6 Rebuttal Testimony, attached to this Brief as Exhibit 2, establishes that for the years 2006,  
7 2007 and 2008, the AEPCO Coincidental Peak which governs Trico's demand charges  
8 made by AEPCO fell on 3 weekend days for each of 2006 and 2007 and 4 weekend days  
9 for 2008. In light of this, Trico's proposed RS-1 TOU Tariff reduces the on-peak summer  
10 hours from 8 to 6 hours but includes such 6 hours on weekends resulting in approximately  
11 the same number of on-peak summer hours.

12 Staff's proposed RS-1 TOU does not increase the customer charge for this rate from  
13 the existing rate which is \$16.00 per month. Trico initially provided that the customer  
14 charge be increased to \$21.00 per month. In an effort to reach a compromise with Staff,  
15 Trico has decreased its proposed customer charge to \$19.00 per month which Mr. Irvine  
16 rejected in his Surrebuttal Testimony.

17 Mr. Hedrick in his Rebuttal Testimony, in order to incorporate the changes  
18 recommended by Staff as to which Trico has accepted, or to offer a compromise to Staff,  
19 filed the following Exhibits:

- 20 a. Exhibit Rebuttal DH-1.0, attached to this Brief as Exhibit 3, which compares  
21 the information for each customer class under existing rates with Trico's  
22 revised proposed rates with the amount of the increase and the percentage of  
23 the increase for each class.
- 24 b. Exhibit Rebuttal DH-2.0, attached to this Brief as Exhibit 4, consisting of 6  
25 pages which revises the monthly customer charge for each class of customers  
26 with the resulting change in the amount of revenue, which totals

1 \$80,050,753, the total amount recommended by Staff. Item 10 pertaining to  
2 the Residential Time of Use Service provides for a customer charge of  
3 \$19.00 per month rather than the \$21.00 per month set forth in the Tariff in  
4 Trico's Application. It provides for an energy charge of \$0.1964 per kWh for  
5 on peak hours and an energy charge of \$0.074 per kWh for off-peak hours  
6 resulting in a total revenue from this class of \$4,959,187, which is almost the  
7 exact amount of the Cost of Service for this customer class of \$4,978,677  
8 which is undisputed by Staff. This constitutes a reduction of the original  
9 requested increase of \$1,434,507 or 37.78% proposed by Trico in its  
10 Application to an increase of \$1,144,792, or 30.01%.

- 11 c. Exhibit Rebuttal DH-4.0, attached to this Brief as Exhibit 5, comparing the  
12 various customer charges per month of (1) Trico's existing customer charges  
13 in its Application, (3) Staff's proposed customer charges and (4) Trico's  
14 reduced newly proposed customer charges as reflected in DH-2.0. This  
15 Exhibit also sets forth the Cost of Service of each customer class.

16 Mr. Hedrick's Rebuttal Testimony establishes that under Staff's proposal for this  
17 customer class Trico will have an annual loss of \$485,006.

18 With respect to the remaining dispute concerning the monthly customer charges for  
19 each of the classes, Exhibit DH-4.0 clearly sets forth the amounts of the dispute. Trico's  
20 Cost of Service Study is not in dispute. As Mr. Hedrick stated in his Rebuttal Testimony:

- 21 a. Customer charges include costs that are customer related, overhead line  
22 costs, related transformer costs, meter costs, meter reading, billing and  
23 customer service costs which are incurred prior to any kWh being sold.
- 24 b. Increase in the customer charge can help start de-coupling revenues and  
25 energy usage thus helping Trico to implement DSM programs without  
26 disincentives.

1 c. By increasing customer charges Trico is less dependent upon the sale of  
2 energy to recover its fixed distribution costs.

3 d. As customer charges are increased, energy efficiency and conservation  
4 programs have less of a negative impact on Trico's ability to recover its costs  
5 and meet its financial goals.

6 Again, Trico has reduced the amount for monthly customer charges as set forth in  
7 its Application to attempt to compromise with Staff on a fair basis.

8 As to the issues pertaining to the IS-1 and IS-2 Tariffs, Staff urges that customers on  
9 these rates "shall" be removed from the rate if they override Trico's interruption during an  
10 AEPCO Coincidental peak more than twice in a 12 month period and cannot be a member  
11 of the customer class for a period of 18 months after such removal.

12 The rates for these two classes provide Trico with a very high return and rate of  
13 return. By overriding a Trico interruption during an AEPCO peak the customer must pay  
14 Trico \$29.50 per kW as a demand charge for each kW Trico is charged by AEPCO as a  
15 result of the override. This is a severe penalty and one that substantially exceeds the loss  
16 Trico suffers from AEPCO as a result of the override. As Mr. Hedrick stated in his  
17 Rebuttal Testimony, to the extent that a customer is able to interrupt even a portion of its  
18 load, this is beneficial to both the customer and Trico. Staff made the same argument as it  
19 makes here in Trico's last rate case which was rejected by the Commission in Decision No.  
20 68073 issued August 17, 2005.

#### 21 **IV. STAFF SURREBUTTAL TESTIMONY**

22 On May 15<sup>th</sup>, 2009 Staff filed its Surrebuttal Testimony of Candrea Allen and Steve  
23 Irvine. Ms. Allen's Surrebuttal Testimony dealt with language changes to Section 219 of  
24 Trico's RRLEP which subsequently was resolved by Staff and Trico and reiterated that  
25 Staff made proposed changes to the RRLEP which have been accepted by Trico:

26 Staff witness Steve Irvine's Surrebuttal testimony recommended the following:

- 1 a. Staff does not recommend assigning on-peak hours to weekends for  
2 Residential TOU rates as customers may feel an imposition of weekend on-  
3 peak rates as burdensome.
- 4 b. Staff recommends the level of the monthly customer service charge identified  
5 previously in his direct testimony.
- 6 c. Staff continues to recommend the proposed terms and conditions wording  
7 change under Schedules IS-1 (Commercial and Industrial) and IS-2  
8 (Irrigation and Pumping) from “may” to “shall” to mandate enforcing the  
9 removal of a customer from an interruptible schedule for at least 18 months  
10 in cases where more than two customer-initiated overrides occur within any  
11 12 month period.

12 As a result of this testimony, Staff is unwilling to make any changes as to the three  
13 disputed issues, thus rejecting Mr. Hedrick’s changes in Trico’s proposals to seek a  
14 compromise with Staff.

15 **V. HEARING**

16 On May 20<sup>th</sup>, 2009, the scheduled hearing on Trico’s Application occurred.  
17 Testifying for Trico were Vincent Nitido, David Hedrick and Caroline Gardiner. Mr.  
18 Nitido testified regarding issues concerning Trico’s current growth, financing and general  
19 cooperative information and his adoption of Mr. Schwirtz’s Pre-Filed Direct Testimony.

20 Mr. Hedrick testified about the three remaining disputed issues concerning the rate  
21 design. The following is a summary of the three issues remaining between Trico’s position  
22 and Staffs:

23 **Issue 1: Residential Time of Use**

24 The Staff recommended rate design for the Residential TOU will produce a negative  
25 annual return or loss of \$485,006 to Trico resulting in Trico’s other customer classes  
26 subsidizing the Residential TOU class. Trico’s compromise rate design provides no

1 positive or negative return to Trico. Imposing a negative return on this rate class would  
2 make the Residential TOU rate less effective and hinder Trico's ability to regain financial  
3 strength and meet its required Operating TIER by RUS. It is critical for Trico to earn an  
4 Operating TIER of at least 1.15 in 2009 in order to meet its mortgage requirements. Given  
5 that the last two years produced Operating TIER of 1.04 and 1.05, Trico can not afford to  
6 have a rate class with a negative return.

7 Trico believes it is imperative to include weekend peak hours in its rate. Trico is an  
8 all-requirements customer with AEPCO and AEPCO's coincident peaks have occurred on  
9 the weekends ten times in the last three years. It is critical to design rates to encourage  
10 customers to reduce usage during peak times. Staff's sole basis for not including peak  
11 hours on the weekends was that customers in this class would feel "unduly burdened,"  
12 which is not a valid reason for requiring other customer classes to subsidize this class.

13 **Issue 2: Monthly Customer Charge**

14 Mr. Hedrick's Rebuttal Testimony as expanded in his testimony at the hearing  
15 establishes that since the Cost of Service Study produced much larger amounts than  
16 requested by Trico, there is justification to increase the monthly customer charges more  
17 than Staff's recommendation. Staff based their decision on the basis of gradualism. Trico  
18 did suggest a compromise increase that was less than Trico's original request but more than  
19 Staff recommendations. Trico's compromise position is a reasonable solution to this issue.

20 **Issue 3: Interruptible Rate Tariff**

21 Staff continues to recommend that a customer be removed for IS-1 or IS-2 if it  
22 overrides Trico's interruption at the time of the AEPCO co-incident peak more than twice  
23 within a 12 month period. The penalty demand charge is a strong disincentive for  
24 customers to override the call for interruption and the increased rate covers any added  
25 expense Trico has to pay AEPCO due to a customer's override decision. Any load that is  
26 reduced helps benefit all customers on Trico's system due to Trico's peak demand billing

1 from AEPCO. To automatically remove customers from this rate class due to small  
2 overrides is detrimental to all customers on Trico's system and Trico believes it is in the  
3 best interest of its customers to give Trico the discretion as to whether a customer should  
4 be removed from this class.

5 During the hearing the ALJ (page 59, lines 8-10 of the Transcript) asked Mr.  
6 Hedrick if he had an exhibit that showed the bill impact of his recommended revenues and  
7 rate design. He replied that he created such exhibit as to the Residential RS-1 class but it  
8 had not been printed. Attached to this Brief as Exhibit 6 is a Comparison of Existing and  
9 Proposed Residential Rates showing such impact.

## 10 **VI. CONCLUSION**

11 Trico appreciates Staff's recognition of the very serious financial crisis now facing  
12 Trico. It has proposed revenue increases required for Trico to obtain a reasonable OTIER  
13 and DSC thus enabling Trico to have available future borrowing capacity from RUS. Trico  
14 has accepted Staff's proposals dealing with Trico's revenue requirements.

15 Very important to Trico's financial condition are the basic amendments to its  
16 RRLEP which Staff has approved as reflected in Exhibit 1 to this Brief.

17 By accepting Staff's proposals not mutually resolved by Staff and Trico leaves the  
18 three disputed issues of the Residential TOU Tariff, the customer charges and the IS-1 and  
19 IS-2 interruptible Tariffs.

20 The Residential TOU Tariff is extremely important to Trico. Its existing Tariff has  
21 resulted in very substantial financial losses. Staff proposes that Trico sustain an annual loss  
22 of \$485,006 in connection with this customer class. The facts establish that between one-  
23 fourth and one-third of the AEPCO coincidental peaks fall on weekends. To ignore these  
24 facts is not justifiable.

1 The customer charges that by nature are fixed should be brought closer to cost. This  
2 is especially true in connection with the Residential TOU class in which Staff recommends  
3 no increase of the \$16.00 per month customer charge.

4 The IS-1 and IS-2 interruptible Tariffs have proven to be very beneficial to the  
5 customers of the classes, Trico and Trico's other classes. This issue was dealt with in  
6 Trico's last rate case and resolved in favor of Trico. There is no basis in changing the  
7 Commission's position on this issue.

8 Accordingly, Trico urges the ALJ to recommend to the Commission:

9 1. The revenue requirements and associated financial matters and revised fair  
10 value rate base recommended by Staff and accepted by Trico.

11 2. The amendments to the RRLEP with Staff's exceptions as attached hereto in  
12 Exhibit 1.

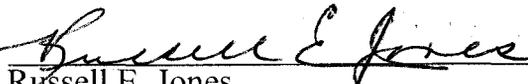
13 3. The forms of the Standard Offer Tariffs submitted by Trico in its  
14 Application, subject to any changes agreed to by Staff and Trico or changes by the ALJ of  
15 the disputed issues that produce the recommended revenues.

16 4. Approval of Trico's Special Charges.

17 5. The treatment of Trico's Demand Side Management Programs as heretofore  
18 set forth in this Brief.

19 RESPECTFULLY SUBMITTED this 18 day of June, 2009.

20 WATERFALL ECONOMIDIS CALDWELL  
21 HANSHAW & VILLAMANA, P.C.

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Original and 13 copies of the foregoing  
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# EXHIBIT 1

Rules,  
Regulations  
&  
Line  
Extension  
Policies

TRICO ELECTRIC  
COOPERATIVE, INC.

Rules, Regulations and Line Extension Policies

Approved by Arizona Corporation Commission

PREFACE

Trico Electric Cooperative shall render electric service under these approved Rules and Regulations and extend its lines pursuant to this Line Extension Policy. Trico is committed to serve its Customers at rates that are approved by the Arizona Corporation Commission.

Upon the effective date of these Rules and Regulations and Line Extension Policies, all previously approved Rules and Regulations and Line Extension Policies are hereby cancelled and revoked, however, at the time this new Line Extension Policies is approved by the Arizona Corporation Commission all existing agreements, contracts, or cost letters with or to customers shall remain in effect per the term or time period stated in those agreements, contracts, or cost letters.

Any potential customer who has been given a line extension estimate or quote by Trico up to one year prior to an Order in this matter is automatically exempt from this line extension policy and shall be given the free footage for line extensions specified in Trico's previous Rules, Regulations, and Line Extension Policies on file with the Commission.

These Rules and Regulations and this Line Extension Policies shall apply in all cases except as modified by terms and conditions of rates or contracts approved by the Arizona Corporation Commission.

TRICO ELECTRIC COOPERATIVE

P.O. Box 930

8600 W. Tangerine Road

Marana, Arizona 85653-0930

Tel. (520) 744-2944

[www.trico.coop](http://www.trico.coop)

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## DEFINITIONS

1. **ABBREVIATIONS:** Certain references, organizations and regulatory agencies have been abbreviated to acronyms throughout as a matter of convenience.  
ACC - Arizona Corporation Commission  
NEC - National Electrical Code  
NESC - National Electrical Safety Code  
NRUCFC (CFC) or CFC - National Rural Utilities Cooperative Finance Corporation  
RUS - Rural Utilities Service
2. **ADVANCE IN AID OF CONSTRUCTION (ADVANCE):** Funds provided to the Cooperative by the Applicant under the terms of a line extension agreement the value of which may be refundable.
3. **AGREEMENT:** Synonymous with "Contract" as used herein.
4. **APPLICANT:** Any person, firm, organization, corporation or governmental body applying for electric service from the Cooperative.
5. **ARIZONA CORPORATION COMMISSION:** The regulatory authority of the State of Arizona having jurisdiction over Trico Electric Cooperative, Inc.
6. **AUTOMATIC METER READING (AMR):** Automatic Meter Reading (AMR) is the remote collection of consumption data from Customers' utility meters using telephony, radio frequency, power-line and satellite communications technologies.
7. **BILLING DEPOSITS:** As the word is used in Sections 124 through 131, it shall be deemed to mean deposits made by Customers as a guaranty of the payment of the bills for electric service rendered by the Cooperative.
8. **BILLING MONTH:** The period between any two (2) regular readings of the Cooperative's meters at approximately thirty (30) day intervals.
9. **BILLING PERIOD:** The time interval between two (2) consecutive meter readings that are taken for billing purposes.
10. **CONNECTED LOAD:** Total of the name plate ratings or measured load of the electrical equipment connected to the electrical installation or system.
11. **CUSTOMER:** The person or entity in whose name service is rendered, as evidenced by the signature on the application or contract for that service, or by the receipt or payment of bills regularly issued in his name regardless of the identity of the actual user of the service.
12. **CUSTOMER CHARGE:** The amount the Customer must pay the Cooperative for the availability of electric service, excluding any electricity used, as specified in the Cooperative's tariffs.
13. **CUSTOMER'S SERVICE ENTRANCE:** In general all conductors, devices, apparatus, and hardware on the Customer's side of the point of delivery, except the Cooperative's meter installation.
14. **CODES:** Applicable electric Codes may be the NEC the NESC any Rule or Regulation adopted by RUS, or by a City, Town, County and/or State authority. Any such permitting, clearance requirements or specification the Cooperative deems necessary and or prudent in accordance with sound engineering practices and safety guidelines.

15. CONTRIBUTION IN AID OF CONSTRUCTION (CONTRIBUTION): Funds provided to the Cooperative by the Applicant under the terms of a line extension agreement and/or service connection tariff, none of which is refundable.
16. COOPERATIVE: Trico Electric Cooperative, Inc.
17. COOPERATIVE EQUIPMENT: The service lines, meter installations, structures, devices, apparatus, hardware and other facilities installed by or on behalf of, and/or owned by, the Cooperative and/or other transmission and distribution facilities of the Cooperative's system.
18. DAY: Calendar day.
19. DEMAND: The rate at which power is delivered during any specified period of time. Demand may be expressed in kilowatts, kilovolt-amperes, or other suitable units. The period of time, unless otherwise specified in the rate tariff or contract or otherwise provided for, will be fifteen (15) minutes.
20. DEVELOPER: Any person, firm, corporation, organization or governmental body funding and/or developing lots or parcels of land for use, sale or lease, improved or unimproved with real property improvements on such lots or parcels.
21. DISTRIBUTION LINES: Any of the Cooperative's power system lines operated at distribution voltages below 69 kV.
22. EFFECTIVE DATE: The effective date of these Rules and Regulations and Line Extension Policy shall be the date that the same are approved by the ACC.
23. ELECTRICAL SERVICE: The availability of electric energy, metered or otherwise, available to the Customer within established standards of voltage and frequency to the point of delivery.
24. ENERGY: Electrical energy, the usage of which is measured in kilowatt hours (kWh).
25. FACILITIES CHARGE: A monthly or one time charge by Trico to a primary metered customer for the cost associated with: (i) the design, construction, and maintenance of all electric distribution facilities installed by Trico beyond the point of delivery (load side of the meter) dedicated solely to the Customer, which the Customer has agreed Trico shall design, construct, own, and maintain on behalf of the Customer; or (ii) the maintenance for such distribution facilities installed beyond the delivery point, that the Customer shall fund and construct according to RUS and NESC standards of construction and which Trico has agreed to maintain on behalf of the Customer.
265. HANDICAPPED: A person with a medically diagnosed physical or mental condition which substantially contributes to the person's inability to manage his or her own resources, carry out activities of daily living or protect oneself from neglect or hazardous situations without assistance from others.
276. ILLNESS: A medical ailment or sickness for which a residential Customer obtains a verifiable document from a licensed medical physician stating the nature of the illness and that discontinuance of service would be especially dangerous to the Customer's health.
2728. INABILITY TO PAY: Circumstances where a residential Customer:
  - A. Is not gainfully employed and unable to pay, or
  - B. Qualifies for government welfare assistance, but has not begun to receive assistance on the date that he receives his bill and can obtain verification of that fact from the government welfare assistance agency.
  - C. Has an annual income below the published federal poverty level and can produce evidence of this, and

D. Signs a declaration verifying that the Customer meets one (1) of the above criteria and is either elderly, handicapped, or suffers from illness.

- | 2829. INTERRUPTIBLE ELECTRIC SERVICE: Electric service that is subject to interruption as specified in the Cooperative's tariff.
- | 2930. KILOWATT (kW): A unit of power equal to 1,000 watts.
- | 3031. KILOWATT HOUR (kWh): The amount of energy delivered in one (1) hour, when delivery is at a constant rate of one (1) kilowatt.
- | 3132. LINE EXTENSION: The lines and equipment necessary to extend the electric distribution system of the Cooperative to provide service to one (1) or more additional Customers.
- | 3233. MASTER METER: A meter for measuring or recording the flow of electricity that has passed through it at a single location where said electricity is distributed to tenants or occupants for their individual usage.
- | 3334. MEMBER: Any Member of the public, including person, firm, association, corporation and bodies politic or subdivision thereof, who has qualified for Membership as provided for in the By-Laws of the Cooperative.
- | 3435. METER: The instrument for measuring and indicating and/or recording the flow of electricity that has passed through it.
- | 3536. METER INSTALLATION: The meter(s) and auxiliary devices and hardware, if any, constituting the Cooperative's equipment needed to measure energy use and/or billing demand supplied to the Customer.
- | 3637. METER TAMPERING: Any situation where a meter or associated devices and wiring has been illegally altered. Some common examples are but are not limited to; meter bypassing, use of magnets to slow the meter recording, and broken meter seals.
- | 3738. MINIMUM CHARGE: The amount the Customer must pay for the availability of electric service, including an amount of usage, as specified in the Cooperative's tariffs.
- | 3839. NEW CONSTRUCTION ESTABLISHMENT FEE: A charge as specified in the Cooperative's tariffs for service requiring new construction.
- | 3940. PERMANENT SERVICE: Electric service, which in the opinion of the Cooperative, is of a permanent and established character. The use of electricity may be continuous, intermittent, or seasonal in nature.
- | 4041. PERSON: Any individual, partnership, corporation, governmental agency, or other organization operating as a single entity.
- | 4142. POINT OF DELIVERY: The point where facilities owned, leased, or under license by a customer connects to the Cooperative's facilities, as denoted in their service specifications or by written agreement.
- | 4243. POWER: The rate of generating, transferring and/or using electric energy, usually expressed in kilowatts.
- | 4344. PREMISES: All of the real property and apparatus employed in a single enterprise on an integral parcel of land undivided by public streets, alleys or railways.
- | 4445. PROPER NOTICE: Unless specified otherwise, a written message delivered by first class mail or in person by one party to the other at the recipient's last known address, the period of notice commencing from the date of personal delivery or mailing.

4546. REGULAR HOURS: The hours 8:00 a.m. to 4:30 p.m. Monday through Friday shall be considered regular hours, except for Cooperative holidays. However, service hours may be worked at hours different from those listed as regular hours.
4647. RESIDENTIAL USE: Service to Customers using electricity for domestic purposes such as space heating, air conditioning, water heating, cooking, clothes drying, and other residential uses and includes use in apartment buildings, mobile home parks, and other multiunit residential buildings.
4748. RULES: These Rules and Regulations and Line Extension Policies.
4849. SERVICE AREA: The territory in which the Cooperative has been granted a Certificate of Convenience and Necessity (CC&N) and is authorized by the law to provide electric service.
4950. SERVICE AVAILABILITY CHARGE: A charge for the purpose of maintaining adequate revenue to cover the operating costs of an extension of line whenever service is idle for all or part of the time or is in an environment that requires higher than average operating costs.
5051. SERVICE CONNECTION/DISCONNECTION: The attachment/detachment of electric service by an authorized representative of the Cooperative including operation of Customer owned disconnect devices, if appropriate for safety reasons.
5152. SERVICE ESTABLISHMENT: The establishment of electric service to the Customer when the Customer's facilities are ready and acceptable to the Cooperative and the Cooperative needs only to install or read a meter or turn the service on.
5253. SERVICE LINE: The line extending from a distribution line or transformer to the Customer's premises or point of delivery.
5354. SERVICE RECONNECT CHARGE: The charge as specified in the Cooperative's tariffs which must be paid by the Customer prior to reestablishment of electric service each time the electricity is disconnected for nonpayment or whenever service is discontinued for failure otherwise to comply with the Cooperative's tariffs, or these Rules.
5455. SERVICE REESTABLISHMENT CHARGE: A charge as specified in the Cooperative's tariffs for service at the same location where service disconnection was made for the same Customer.
5556. SINGLE FAMILY DWELLING: A house, an apartment, a mobile home permanently affixed to a lot, or any other permanent residential unit which is used as a permanent home.
57. SPINE FACILITIES OR BACKBONE FACILITIES: A large capacity electric distribution system generally not directly connected to individual lots and designed, sized, and constructed to provide adequate service of the proper phase and voltage to the boundary of blocks or large parcels within an approved Master Planned Development in which such blocks or parcels are intended to be subdivided in the future into platted blocks or subdivisions for residential and commercial uses; or the large capacity electric distribution system required to serve an area comprised of a large subdivision or several subdivisions or may platted subdivisions which are not part of a Master Planned Development but which by their proximity to each other and by their zoned uses are similar in nature to a Master Planned Development, and in this event such spine system may be adjacent to individual lots.
5658. TARIFFS: The documents filed with the Commission which list the services and products offered by the Cooperative and which set forth the terms and conditions and a schedule of the rates and charges, for those services and products.
5759. TEMPORARY SERVICE: Service to premises or enterprises which are temporary in character, or where it is known in advance that the service will be of limited duration. Service which, in the opinion of the Cooperative, is for operations of a speculative character

is also considered temporary service and will be required to make an advance for the cost of retiring the service .

- | 5860. TERRITORIAL EXTENT: These Rules and Regulations and Line Extension Policies will be effective and apply throughout the Service Area of the Cooperative by an order or orders of the ACC or by judgment of the courts of Arizona, or by the specific orders of approved rate tariffs of the ACC, in which such event modifications shall govern where applicable.
- | 5961. THIRD PARTY NOTIFICATION: A notice sent to an individual or a public entity willing to receive notification of the pending discontinuance of service of a Customer of record in order to make arrangements on behalf of said Customer satisfactory to the Cooperative.
- | 6062. TRICO: Trico Electric Cooperative, Inc.
- | 6163. COOPERATIVE'S SPECIFICATIONS: Established standards and requirements supplied to Customers to obtain, construct, or maintain their electric service equipment, in accordance with applicable Codes, sound engineering, construction and financial practices.
- | 6264. WEATHER ESPECIALLY DANGEROUS TO HEALTH: That period of time commencing with the scheduled termination date when the local weather forecast, as predicted by the National Oceanographic and Administration Service, indicates that the temperature will not exceed 32 degrees Fahrenheit for the next day's forecast. The Commission may determine that other weather conditions are especially dangerous to health as the need arises.

## **PART 1.**

### **APPLICATION FOR ELECTRIC SERVICE**

#### **101. APPLYING FOR ELECTRIC SERVICE**

Trico may require a new Applicant for service to appear at Trico's offices at 8600 W. Tangerine Rd., Marana, Arizona, to produce proof of identity and sign the appropriate application form or contract before service is supplied by Trico.

#### **102. APPLICATION FOR SERVICE**

1. The application for service form may require but not necessarily be limited to the following information:
  - A. Name or names of Applicant(s).
  - B. Service address or location and telephone number.
  - C. Billing address/telephone number if different than service address.
  - D. Address where service was previously provided.
  - E. Date Applicant will be ready for service.
  - F. Statement as to whether premises have been previously supplied with electric service, and if so, date service was discontinued and the reason therefore.
  - G. Purpose for which service is used.
  - H. Statement as to whether Applicant is owner, tenant or agent for the premises.
  - I. Information concerning the energy and demand requirements of the Customer.
  - J. Type and kind of life support equipment used, if any, or to be used by the Customer.

- K. Applicant's social security number (optional).
  - L. Applicant's verification of legal age.
  - M. Name, relationship and address of Applicant's closest living relative.
2. Customer specific information shall not be released without specific prior written authorization unless the information is requested by law enforcement or other public agency, or is requested by the Commission or its Staff, or is reasonably required for legitimate account collection activities, or is necessary to provide safe and reliable service to the Customer.
  3. Where service is requested by two (2) or more individuals Trico has the right to collect the full amount owed from any one (1) of the Applicants.
  4. In the absence of a signed application or contract for service, the supplying of electric service by the Cooperative and the acceptance thereof by the Customer shall be deemed to constitute an agreement by and between the Cooperative and Customer for furnishing and receiving electric service under the Cooperative's applicable rates, minimums and provisions for making electric service available.

### **103. DOUBTFUL PERMANENCY**

When in the Cooperative's opinion the permanent nature of the Customer's requirement for electric service is doubtful, the Customer shall be required to enter into a contract with the Cooperative and pay the entire cost of construction, including the transformers and associated structures and the cost of retirement of facilities to be installed for the Customer. See Definition of Permanent Service. The contract shall include provisions that when the permanent nature of the service has been established to the satisfaction of the Cooperative, the Rules that pertain to Permanent Service shall be applicable.

### **104. EXTENSION OF LINE REQUIRED**

When an extension of the Cooperative's electric lines is requested, the Cooperative shall advise the Applicant(s) of the provisions of the line extension policies in Sections 201-227, including the costs associated with the proposed line extension. Provisions of the line extension policy are limited to services applicable in the Cooperative's approved tariffs, utility grade quality of power, and construction is limited to the Cooperative's construction standards. Provisions of the line extension policy are limited to the Cooperative's established alternating nominal distribution voltages 14.4/24.9 kV, Y-Y transformation and construction limited to the Cooperative's construction standards. Other distribution voltages and transmission voltages may be provided on case-by-case basis. The Cooperative has established alternating nominal transmission voltage of 69kV or 115kV that are available in many areas of the Cooperative's system.

### **105. SERVICE BEYOND SCOPE OF LINE EXTENSION POLICY**

When the service requested is different from the standard conditions as noted in Section 104 and elsewhere in this policy, service may be extended to the Applicant(s) under a separate contractual agreement which a ~~sample~~ shall be filed with the Arizona Corporation Commission.

### **106. CONDITION FOR SUPPLYING SERVICE**

The Cooperative reserves the right to determine the conditions under which an extension will be granted. Conditions for service and extending service to the Customer will be based upon the following:

- A. Customer has wired his premises in accordance with the applicable Codes.

- B. Customer has installed the electric service entrance equipment in a suitable location and with suitable protection so that the loss of power or the partial loss of voltage, or phases does not damage the Customer's facilities, electric system, and or appliances.
- C. In the case of a mobile home the overhead meter panel shall be attached to a meter pole or to an approved support or an acceptable underground meter panel provided by the mobile home manufacturer.
- D. In case of temporary construction service, the electric service entrance equipment shall conform to 106.A and 106.E.
- E. All such installations shall be in accordance with the Cooperative's specifications and located at an outdoor location accessible to the Cooperative.
- F. Individual Customers may be required to have their property corner pins and/or markers installed to establish proper rights-of-way locations.
- G. Developers shall have all property corner pins and/or markers installed necessary to establish proper locations to supply electric service to individual lots within subdivisions.
- H. The Customer agrees to have his installation comply and continue to maintain compliance with the applicable Codes. The Customer will also provide, at their own expense all permitting, licensing, clearances and processes and periodic inspections under their control for which they are responsible, prior to the service being connected.
- I. The Customer will be responsible for the electric bills of all services.
- J. Customer agrees that failure to maintain compliance with the Codes is cause for disconnection of the service. Code compliance is required before service will be restored.
- K. A reduced starter acceptable to the Cooperative shall be installed by the Customer for all 200 HP motors and above and may be required by the Cooperative for motors 40 HP and above.

#### **107. IDENTIFICATION OF LOAD AND PREMISES**

The premises and electric load to be served by the Cooperative shall be clearly identified by the Customer at the time of application. If the service address is not recognized in terms of commonly used identification system, the Customer may be required to provide specific written directions and/or legal descriptions before the Cooperative shall be required to act upon a request for electric service.

#### **108. IDENTIFICATION OF RESPONSIBLE PARTY**

The identity of the party(ies) responsible for accounts in the name of any Customer shall be established in a manner acceptable to the Cooperative. Any person applying for service to be connected in the name of or in care of another Customer shall furnish to the Cooperative acceptable written approval from that Customer guaranteeing payment of all bills under the account. Application for service by a minor shall be subject to written assurance of a party responsible for such service as required by the Cooperative. The Customer is responsible in all cases for service supplied to the premises until the Cooperative has received proper notice of the effective date of termination or transfer of service. The Customer shall also promptly notify the Cooperative of any change in billing address.

#### **109. ASSIGNMENT OF RATE TARIFF**

The Cooperative shall use its best efforts to assign the appropriate rate tariff for the customer's service based on the available data at the time of the service application. The Cooperative shall use its best efforts to notify the Customer of the applicable rate tariff if the Customer's service classification has changed after initial application, and shall not be required to refund the difference

in charge under different rate tariffs. Upon written notification of any material changes in the Customer installation or load conditions, the Cooperative will assist in determining if a change in rate tariff is desirable, but not more than one (1) such change at the Customer's request may be made within any twelve (12) month period.

#### **110. TAMPERING WITH OR DAMAGING COOPERATIVE EQUIPMENT**

The Customer agrees, when accepting service, that no one except authorized Trico representatives shall be allowed to remove or replace any Cooperative equipment installed on the Customer's property. The Customer will be held responsible for any broken seals, tampering, or interfering with the Cooperative's meter(s), equipment, or property installed on the Customer's premises. The Customer will be held liable for any loss or damage occasioned or caused by the Customer's negligence, want of proper care or Customer's wrongful act or omission on the part of any of the Customer's agents, employees, licensees, or contractors. The Customer should be aware that under the Arizona Revised Statute §13-1602 it is a felony to tamper with the property of a utility.

#### **111. GROUNDS FOR REFUSAL OF SERVICE**

The Cooperative may refuse to establish service if any of the following conditions exist:

- A. The Applicant is indebted to the Cooperative and the Applicant has not paid the outstanding balance and fees in full.
- B. A condition exists which in the Cooperative's judgment is unsafe or hazardous to the Applicant, the general population, or the Cooperative's personnel or facilities.
- C. Refusal by the Applicant to provide the Cooperative with a deposit when the Customer has failed to meet the credit criteria for waiver of deposit requirements.
- D. Customer is known to be in violation of the Cooperative's tariffs filed with the Commission.
- E. Failure of the Customer to furnish such funds, service, equipment, and/or rights-of-way necessary to serve the Customer and which have been specified by the Cooperative as a condition for providing service.
- F. Applicant falsifies his or her identity for the purpose of obtaining service.
- G. Applicant is in violation of these Rules or any applicable Rule or regulation of the ACC or any applicable law, or is in default as to any prior agreement between the Applicant and the Cooperative.
- H. Customer has failed to comply with the Codes or permitting/clearance requirements.

#### **112. SCHEDULING OF SERVICE ESTABLISHMENT**

After an Applicant has complied with the Cooperative's application and deposit requirement, the requirements of Sections 104-106, and has been accepted for service by the Cooperative, the Cooperative shall schedule that Customer for service establishment.

#### **113. SERVICE ESTABLISHMENT EXCEPTION**

Service establishments shall be scheduled for completion within five (5) working days of the date the Customer has been accepted for service, except in those instances when the Customer requests service establishment beyond the five (5) working day limitation.

#### **114. SERVICE ESTABLISHMENT APPOINTMENTS**

When the Cooperative has arranged to meet with a Customer for service establishment purposes and the Cooperative or the Customer cannot make the appointment during the prearranged time, the Cooperative shall reschedule the service establishment to the satisfaction of both parties.

#### **115. SCHEDULING OF APPOINTMENTS**

The Cooperative shall schedule service establishment appointments within a maximum of four (4) hours during normal working hours, unless another time frame is mutually acceptable to the Cooperative and the Customer.

**116. SERVICE ESTABLISHMENT BY THE COOPERATIVE**

Service establishment shall be made only by a qualified Cooperative service representative or its agent or contractor.

**117. RESERVED FOR FUTURE ADDITIONS**

**118. RESERVED FOR FUTURE ADDITIONS**

**119. TEMPORARY SERVICE PAYMENT REQUIREMENTS**

Applicants for temporary service may be required to pay the Cooperative in advance of service establishment, a contribution in aid of construction, based on the estimated cost of installing and removing the facilities, less any salvage, necessary for furnishing the desired service. Temporary service must meet or exceed the requirements of the Codes (see Definition 12).

**120. TEMPORARY SERVICE - LESS THAN ONE MONTH**

Where the duration of service is to be less than one (1) month, the Applicant may also be required to advance a sum of money equal to the estimated bill for service.

**121. TEMPORARY SERVICE - MORE THAN ONE MONTH**

Where the duration of service is to exceed one (1) month, the Applicant may also be required to meet the deposit requirements of the Cooperative.

**122. CHANGE OF CLASSIFICATION**

If at any time during the term of the agreement for temporary services the character of a temporary Customer's operations change so that in the opinion of the Cooperative, the Customer is classified as permanent, the terms of the Cooperative's line extension Rules shall apply. Cost of retirement advance shall be refunded to the Customer once the service is no longer classified as temporary.

**123. RESERVED FOR FUTURE ADDITIONS**

**124. BILLING DEPOSIT REQUIREMENTS**

A. The Cooperative will not require a deposit from an Applicant for service if the Applicant is able to meet any of the requirements of 1 or 2 below:

1. The Applicant has had service of a comparable nature with the Cooperative within the past two (2) years and was neither delinquent in payment more than twice during the last twelve (12) consecutive months of service nor was disconnected for non-payment.
2. The Applicant can produce a letter regarding credit or verification from an electric utility receiving service of a comparable nature within the past two (2) years and was neither delinquent in payment more than twice during the last twelve (12) consecutive months of service nor was disconnected for non-payment.

~~B. The Cooperative may require an Applicant to pay a deposit in advance for locations identified by the Cooperative as "at risk" locations where balances are frequently left unpaid.~~

**125. BILLING DEPOSIT RECEIPT**

The Cooperative may issue a nonnegotiable receipt to the Applicant for the billing deposit. The inability of the Customer to produce such a receipt shall in no way impair his right to receive a refund of the billing deposit, which is reflected on the Cooperative's records.

**126. INTEREST ON BILLING DEPOSITS**

Billing Deposits shall be interest bearing; the interest rate and method of calculation is defined in the Schedule of Special Charges, Interest on Billing Deposits clause.

**127. BILLING DEPOSIT REFUND**

Billing deposits will automatically be refunded by applying the billing deposit and accrued interest to the account by the Cooperative after twelve (12) consecutive months, during which time the Customer has not been delinquent more than two (2) times in a twelve (12) month period, or at the discretion of the Cooperative at any time before service is discontinued. Upon discontinuance of service, the Cooperative shall have a reasonable time, but not less than three (3) working days (Monday through Friday excluding holidays) in which to read and remove its meters and to ascertain that the obligations of the Customer have been duly performed before being required to return a billing deposit. Upon final discontinuance of the use of the service and full settlement of all bills by the Customer, any billing deposit, not previously refunded, with accrued interest, (if any), in accordance with the provisions of this policy will be returned to the Customer or at the Cooperative election, it may be applied to the payment of any unpaid accounts of the Customer and the balance, (if any), returned to the Customer.

**128. AMOUNT OF BILLING DEPOSIT**

The amount of a billing deposit required by the Cooperative shall be determined according to the following terms:

- A. Residential Customer billing deposits may be equal to no more than two (2) times that of the Customer or customer class, estimated average monthly bill.
- B. Non-residential Customer billing deposits may be equal to no more than two and one-half (2 1/2) times that of the Customer's estimated average monthly bill.

**129. BILLING DEPOSIT ADJUSTMENT**

- A. The Cooperative may review the Customer's usage after service has been connected and adjust the billing deposit amount based upon the Customer's actual usage.
- B. The Cooperative may require a residential Customer to establish or reestablish a billing deposit if the Customer has become delinquent in the payment of two (2) monthly bills within a 12-consecutive month period or has been disconnected for service during the last 12 months.

**130. BILLING DEPOSIT PER METER**

A separate billing deposit may be required for each meter installed.

**131. BILLING DEPOSITS AND SERVICE SUSPENSION**

Customer billing deposits shall not prevent the Cooperative from terminating the agreement for service with a Customer, or suspending service for any failure in the performance of Customer obligations under the agreement for service, or any violation of the Cooperative's Rules and Regulations in effect from time to time as approved by the Arizona Corporation Commission.

**132. MEMBERSHIP**

All Customers will be Members of the Cooperative by receiving electrical service from the Cooperative unless the Cooperative is otherwise notified in writing by the Customer that the Customer elects not to become a Member.

**133. RESERVED FOR FUTURE ADDITIONS**

**134. OBLIGATIONS OF MEMBER**

In addition to the provisions of these Rules and the Cooperative's tariffs, each Member shall be bound by the Articles of Incorporation and By-Laws of the Cooperative, as the same may be amended from time to time. Customers who elect not to become a Member shall be bound by these Rules and the Cooperative's tariffs.

**135. RESERVED FOR FUTURE ADDITIONS**

**136. MEMBERSHIP LIMIT**

No Customer may hold more than one membership and a personal membership may be held jointly by both husband and wife pursuant to the provisions of the By-Laws of the Cooperative.

**137. RESPONSIBILITY OF THE COOPERATIVE**

Prompt, reliable electric service to the Customer is the Cooperative's primary objective. In general, there is no charge to the Customer for service calls related to voltage problems, malfunctions of the Cooperative's equipment and other areas where the Cooperative is responsible. The Cooperative shall use reasonable diligence to supply or continue to supply service, but in the event service fails, is interrupted, becomes defective, or becomes unlawful to provide, or through acts of God or by the public enemy, or by accidents, strikes, labor troubles or by action of the elements, or by inability to secure rights-of-way, governmental permits, or certificates, franchises or licenses, or for any other cause beyond the reasonable control of the Cooperative, it shall not be liable therefor. The Cooperative shall not be liable to the Customer for damages resulting from failures, interruptions or defects of service or any consequential damages sustained by the Customer by reason of any failure, interruption or defect of service.

**138. RESERVED FOR FUTURE ADDITIONS**

**139. RATE TARIFFS**

The Cooperative shall make available, upon Customer request, a copy of the rate tariff pursuant to which the Customer receives electric service from the Cooperative.

**140. TARIFFS, RULES AND REGULATIONS**

In addition, the Cooperative shall make available upon Customer request a concise summary of the Cooperative's tariffs or the Cooperative's Rules and Regulations concerning:

- A. Billing Deposits
- B. Termination of service
- C. Billing and collection
- D. Complaint handling

**141. RECORD OF CONSUMPTION**

The Cooperative upon request of a Customer shall transmit a statement of actual consumption by such Customer for each billing period during the prior twelve (12) months unless such data is not reasonably attainable.

**142. CUSTOMER RIGHTS**

The Cooperative shall inform all new Customers of their right to obtain the information specified in Section 139, 140 and 141.

**143. RESPONSIBILITY OF THE CUSTOMER**

The Customer, in addition to the other responsibilities set forth in these Rules, shall be responsible for:

- A. Use of electric service.
- B. The repair or maintenance of Customer-owned equipment beyond the point of delivery, including any condition that adversely affects the Cooperative's service to the Customer or to others.
- C. Prompt notification to the Cooperative by the fastest available means of outages.
- D. Prompt notification to the Cooperative of any material changes in the Customer's installation or load conditions.
- E. Prompt notification to the Cooperative of any other conditions in the Customer's electric service resulting in substandard or irregular electric service.
- F. The Customer shall provide all utility easements and access as required under Rule 155 at no cost to the cooperative.

#### **144. SERVICE CALL FEES**

The Cooperative may charge a fee for the services defined below in accordance with the applicable Tariffs of the Cooperative. The amount of the service fee will be determined by the type of personnel needed and whether the work is performed during working or nonworking hours. Reasonable efforts will be made to advise the Customer about appropriate service call fees before the service call begins. Some examples of these service calls are (but are not limited to) the following:

- A. Each Customer may be charged a fee for the service establishment, reestablishment, or reconnection of utility services, including transfers of service or return trips in the event the initial trip was unsuccessful due to ~~no~~ the fault of the Cooperative Customer. The service establishment fee shall entitle the Customer to one service connection. The service establishment fee shall be non-refundable, non-transferable and shall not apply against a final or any other bill rendered by the Cooperative to the Customer.
- B. A response to a power interruption call where it is determined that the Customer's equipment is at fault and there is electricity at the point of delivery.
- C. An interruption caused by the Customer's willful act or omission, negligence or failure of Customer-owned equipment, even though the Cooperative is unable to perform any work beyond the point of delivery.
- D. The Customer's service was previously disconnected for non-payment, unlawful use of service, misrepresentation to the Cooperative, unsafe conditions, threats to Cooperative personnel or property, failure to permit access, detrimental effects of Customer loads on the Cooperative system, failure to establish credit and/or sign an agreement for service, or any other reason authorizing the Cooperative to make such disconnection.
- E. The Customer requests that the Cooperative pick up bill payment at the electric service location in lieu of other methods of payment, if acceptable to the Cooperative.
- F. A reestablishment of electric service to be reconnected when the same Customer who requested the service to be disconnected, remains a resident at the same premises.
- G. A return trip to the same premises when the Customer fails to comply with the Cooperative's conditions for supplying service or fails to supply access to the premises for the initial trip.
- H. A return trip to the same premises when the Member fails to have funds available for service reconnect previously disconnected for non-payment.

#### **145. SERVICE INTERRUPTION**

The Cooperative may temporarily suspend service to make repairs, replacements, maintenance, tests or inspections of Cooperative equipment or to make tests, inspections, connections or disconnections of Cooperative service. The Cooperative shall make reasonable efforts to notify the Customer about the need for and the duration of a planned service interruption, but it may suspend service in an emergency situation without prior notice to the Customer.

**146. RESERVED FOR FUTURE ADDITIONS**

**147. DAMAGES TO THE COOPERATIVE**

In the event any of the causes of interruptions set forth in Section 144 or any negligence by the Customer or Customer's electric service cause damage to the Cooperative's property or personnel or the ability of the Cooperative to provide service to others, the responsible party shall be fully liable to the Cooperative therefor and the service charges set forth in such Sections shall not affect the right to recover the amount of such damages.

**148. SERVICE CHARGES DUE**

The service charges and damages referred to in Section 144 and 147 shall be added to the Customer's monthly bill and be subject to collections and termination, except that service charges for reconnection of any service disconnected for non-payment may be required to be paid prior to reconnection.

**149. MOBILE HOME PARKS**

A. The Cooperative shall have the right to refuse service to all new construction of and/or expansion of existing permanent residential mobile home parks unless the construction and/or expansion is individually metered by the Cooperative. Line extensions and service connections to serve such expansion shall be governed by the Line Extension and Service Connection Policy of the Cooperative.

B. Permanent residential mobile home parks for the purpose of this Section shall mean mobile home parks where, in the opinion of the Cooperative, the average length of stay for an occupant is a minimum of six months.

C. For the purposes of this Section, expansion means the addition of permanent residential spaces in excess of that existing at the effective date of this Rule.

**150. RESIDENTIAL APARTMENT COMPLEXES, CONDOMINIUMS, AND OTHER MULTI-UNIT RESIDENTIAL BUILDINGS**

A. Master metering shall not be allowed for new construction of apartment complexes and condominiums unless the building(s) will be served by a centralized heating, ventilation and/or air conditioning system and the contractor can provide to the Cooperative an analysis demonstrating that the central unit will result in a favorable cost benefit relationship.

B. At a minimum, the cost/benefit analysis should consider the following elements for a central unit as compared to individual units:

1. Equipment and labor costs
2. Financing costs
3. Maintenance costs
4. Estimated kWh usage
5. Estimated kW demand on a coincident demand and non-coincident demand basis (for individual units)
6. Cost of meters and installation
7. Customer account cost (one account vs. several accounts)

### **151. CUSTOMER PROVIDED FACILITIES**

Each Customer obtaining service shall be responsible for all electric facilities on the Customer's side of the point of delivery, the service entrance, and the meter socket. In addition, Customers obtaining 200 amp or larger service may be responsible for the service lines as determined by the Cooperative.

### **152. METER LOCATION**

Meters and service switches in conjunction with the meter shall be installed in a location where the meters will be readily and safely accessible for reading, testing and inspection and where such activities will not cause intolerable interference and inconvenience to the Customer. The Customer shall provide, without cost to the Cooperative, at a suitable and easily accessible location, sufficient and proper space for installation of meters as set forth in the Codes and/or Trico's specifications.

### **153. METER SERVICE LINE ALTERATION**

Where the meter or service line location on the Customer's premises is changed at the request of the Customer or due to alterations on the Customer's premises, the Customer shall provide and have installed at his expense all wiring materials and equipment necessary for relocating the meter and service line connection and the Cooperative may make a charge not to exceed the actual cost for moving the meter and/or service line as set forth in Section 203.

### **154. COOPERATIVE FACILITIES**

A. The Cooperative shall provide facilities adequate to service the electric load agreed upon at the time of application for service or service upgrade in accordance with applicable tariffs and electric utility standards, but not electric load added after the last effective service agreement. If the Customer has any question as to the adequacy of the Cooperative's electric facilities then the Customer is responsible to obtain whatever assurance necessary to alleviate those concerns and the Cooperative is obligated to advise the Customer of the process and, if necessary, costs to answer the Customer's concerns.

B. The cost of any service line in excess of the size or length required to provide adequate service shall be paid as set forth in Section 104 and 105.

### **155. RIGHTS-OF-WAY**

The Cooperative shall be granted rights-of-way and easement(s) over the property of the Customer, of sufficient width for the erection, maintenance, operation, repair, replacement, relocation, removal or use of any and all wire, poles, machinery, supplies, equipment, metering and regulating and other apparatus and fixtures necessary or convenient for the supplying of electric service to the Customer. The Cooperative shall be given safe and unimpaired access at reasonable times to the premises of the Customer for the purpose of reading meters, testing, repairing, relocating, removing or exchanging any or all equipment or facilities necessary to provide or remove electric service to the Customer. Immediate and unannounced access may be necessary when the Cooperative is dealing with an outage or emergency. The required easement(s) and access shall be conveyed to the Cooperative prior to service being made available to the Customer without cost to the Cooperative. The Cooperative may discontinue service after proper notice is issued if there are violations of the required safe and unimpaired access.

### **156. OBLIGATION FOR RIGHTS-OF-WAY**

The Cooperative shall not be obligated to bear any part of the cost of obtaining rights-of-way, easements, licenses or permits. The Customer may be required to put up a non-interest bearing cost deposit(s) before work to obtain said rights-of-way can begin or continue. Any part of the deposit not used for obtaining rights-of-way may be applied toward and become part of the deposit required as set forth in Section 124 or Part 2 of this policy.

It is the Customer or Applicant's responsibility to obtain the right-of-way from the third party; however, the cooperative may assist when resources exist to do so. It is the Customer or Applicant's responsibility to notify the third party, neighbor and/or adjacent landowners of the design, surveying and construction activities that could affect them or their surroundings.

#### **157. CUSTOMER FACILITIES IN RIGHT-OF-WAY**

When the Cooperative discovers that a Customer or his agent is performing work or has constructed facilities adjacent to or within an easement or rights-of-way and such work, construction or facility poses a hazard or is in violation of federal, state or local laws, ordinances, statutes, rules, regulations, Codes or Trico's specifications or significantly interferes with the Cooperative's access to equipment, the Cooperative shall notify the Customer or his agent and shall take whatever actions are necessary to eliminate the hazard, obstruction or violation at the Customer's expense.

#### **158. RIGHTS-OF-WAY EASEMENTS FOR ELECTRIC DISTRIBUTION AND SERVICE LINES**

The Cooperative shall construct or cause to be constructed and shall own, operate and maintain all electric distribution and service lines along public streets, roads and highways and on public lands and private property which the Cooperative has the legal right to occupy.

#### **159. RIGHTS-OF-WAY IN SUBDIVISIONS**

Rights-of-way and easements suitable to the Cooperative must be furnished by the developer at no cost to the Cooperative and in reasonable time to meet service requirements. No electric facilities shall be installed by the Cooperative until the final grades have been established and furnished to the Cooperative. In addition, the easement strips, alleys, and streets must be graded by the developer to standards determined by the Cooperative, before the Cooperative will commence construction. Such clearance and grading must be maintained by the developer during construction by the Cooperative.

#### **160. RELOCATION OF FACILITIES**

If, subsequent to construction, the clearance or grade is changed in such a way as to require relocation of facilities, or if deemed advisable by the Cooperative to require changing any underground to overhead or overhead to underground, the cost of any damage, relocation, replacement and/or resulting repairs shall be borne by the developer or the property owner of the real property which adversely affected the Cooperative facilities.

## **PART 2.**

### **LINE EXTENSIONS**

#### **201. STATEMENT OF POLICY**

The provisions of this policy shall define the conditions governing line extensions. Extensions of distribution or transmission facilities and lines of standard existing voltages necessary to furnish permanent electric service to Applicants and Customers of the Cooperative will be made by the Cooperative in accordance with the provision of this part 2 and the Sections in Part 1 that are applicable, (i.e. 104 and 105). These provisions shall apply throughout the entire Service Area of the Cooperative unless modified by the provisions of an effective rate tariff or specific order of the Arizona Corporation Commission, in which cases the provisions of the rate tariff or order shall govern to the extent applicable.

The Cooperative will construct, own, operate and maintain lines along public streets, roads and highways, which the Cooperative has the legal right to occupy, and on public lands and private property across which rights-of-way and easements satisfactory to the Cooperative may be obtained without cost to or condemnation by the Cooperative.

A. Upon request by an Applicant for a line extension, the Cooperative shall prepare without charge, a preliminary sketch and rough estimate of the costs to be paid by the Applicant.

B. Any Applicant for a line extension requesting the Cooperative to prepare detailed plans, specifications, or cost estimates, may be required to deposit with the Cooperative an amount equal to the estimated cost of preparation. The Cooperative shall, upon request, make available within ninety (90) days after receipt of the deposit referred to above, such plans, specifications, or cost estimates of the proposed line extension. Where the Applicant authorizes the Cooperative to proceed with the construction of the extension, the deposit shall be credited to the cost of ~~of preparing the estimate, design, staking, surveying, and construction~~; otherwise, the deposit shall be non-refundable. If it is necessary to oversize or route the extension for the needs of the Cooperative's system, the additional costs to include oversizing of facilities to be done at the Cooperative's expense, appropriate details shall be set forth in the plans, specifications and cost estimates. Subdivisions providing the utility with approved plats shall be provided with plans, specifications, or cost estimates within 45 days after receipt of the deposit referred to above.

C. When the Cooperative requires an Applicant to contribute funds for a line extension, the Cooperative will furnish the Applicant with a line extension agreement.

D. All line extension agreements requiring payment by the Applicant shall be in writing and signed by both parties.

E. The provisions of this policy shall apply only to those Applicants who in the Cooperative's judgment will be a Permanent Service.

F. In all applications for line extension, the point of delivery on the Customer's real property shall be at one location unless ~~in the Cooperative's opinion~~ operation of multiple points of delivery is reasonable and economical.

G. The Cooperative will charge a new construction establishment fee per service to each Applicant requiring construction of a new service, per approved tariffs.

#### **202. MINIMUM WRITTEN AGREEMENT REQUIREMENTS**

Each line extension agreement or cost letter shall at a minimum include the following information:

- A. Name and address of Applicant
- B. Proposed service address and location
- C. Description of requested service
- D. Description and sketch of the requested service, line extension and if in a duly recorded real estate subdivision, of the subdivision with the lot numbers thereof
- E. A cost estimate is to include materials, labor, reasonable overhead, and other costs as necessary
- F. Payment terms
- G. A concise explanation of any refunding provisions if applicable
- H. Explanation of required easements, if any, or confirmation of existing easements adequate and legal for Trico's use prior to Trico's commitment to a line extension route and agreement
- I. After the easements are obtained and the agreement is signed, the Cooperative will provide the estimated number of days to start construction and the number of days needed to complete construction of the line extension
- J. Any service availability charge

### **203. LINE EXTENSION COSTS**

Line extension costs shall be established by estimating each of the following: computerized power line design program, including non-computerized items, using Trico's historical costs, information, and data::

- A. Material
- B. Direct labor
- C. Overhead: Overhead costs are represented by all the costs which are proper capital charges in connection with construction, other than direct material and labor costs such as:
  - 1. Indirect labor
  - 2. Engineering
  - 3. Transportation
  - 4. Taxes, e.g. (FICA, State & Federal Unemployment which are properly allocated to construction)
  - 5. Insurance
  - 6. Stores expense
  - 7. General office expenses allocated to costs of construction
  - 8. Power operated equipment
  - 9. Employee Pension and Benefits
  - 10. Margins
  - 11. Miscellaneous expenses property chargeable to construction
- D. All extension agreements shall be signed by the Customers, and all applicable deposits and/or contributions in aid of construction shall be paid to the Cooperative, prior to construction. Trico shall specify that the Customer will pay only for those minimum size economic standard facilities needed to serve that particular Customer.

~~The Cooperative may use the average of the previous 12 months when the average matches the type of line being constructed.~~

**204. LINE EXTENSION MEASUREMENT**

Line extension measurement for design and cost purposes shall be along the most direct and practical route of construction. This measurement shall include, but is not limited to primary, secondary and service lines.

**205. EXTENSION TO RESIDENTIAL CUSTOMERS OUTSIDE OF DULY RECORDED SUBDIVISIONS.**

A. Line Extensions: Upon the payment of the required Contribution in Aid to Construction for the construction of the line extension as determined by the Cooperative, the Cooperative will make extensions to residential Applicants of the Cooperative from its existing overhead or underground facilities of proper voltage and adequate capacity capable of serving the Customer.

B. Underground Extensions: The Applicant shall provide, at Applicant's expense, the trenching, backfilling (including any imported backfill required), compaction, repaving and earthwork for pull boxes or other preparation for all electrical apparatus necessary for the installation of underground facilities, all in accordance with the specifications and schedules of the Cooperative. When the Cooperative is prevented from installing its direct buried facility, by normal installation practices or due to terrain, the Applicant may be required to install a conduit system at no expense to the Cooperative, before the Cooperative commences construction.

C. Cost of Extension Difference from Actual: Within sixty (60) days after the completion of construction, inspection and closeout of the line extension the Cooperative may advise the Customer in writing of the actual costs of the line extension. In the event the actual costs are less than the estimated costs, the Cooperative shall promptly pay the Customer the difference within thirty (30) days. In such event if the actual costs are greater than the estimated costs, the difference will be billed by the Cooperative in the next monthly statement of the Customer rendered by the Cooperative for electric service, or by an invoice if, for example, the line extension customer is a party not receiving electric service from the Cooperative.

**206. RESERVED FOR FUTURE ADDITIONS**

**207. RESERVED FOR FUTURE ADDITIONS**

**208. OVERHEAD OR UNDERGROUND DISTRIBUTION FACILITIES WITHIN DULY-RECORDED REAL ESTATE SUBDIVISIONS OR COMPARABLE UNRECORDED DEVELOPMENT**

A. General Statement: With respect to overhead or underground distribution facilities within a duly recorded subdivision or a comparable unrecorded development (hereinafter referred to as "subdivision" or "development"), the Cooperative will be responsible for the construction of the electric facilities for Residential Customers. All Commercial Customers within subdivision will be covered by Section 209. In the event the extension is underground the Developer of the recorded subdivision shall provide and install at Developer's expense the trenching, conduit system, pull boxes, backfilling (including any imported backfill required), compaction, repaving and earthwork for pull boxes or other preparation for electrical apparatus necessary for the installation of underground facilities, all in accordance with the specifications and schedules of the Cooperative. At its option, the Cooperative may

elect at the Developer's expense to perform the necessary activities to fulfill the Developer's responsibility hereunder; provided, the expense to the Developer is equal to or less than the expense in the event the Developer performed such activities.

B. **Application Fee:** Developers of recorded subdivisions requiring underground distribution facilities shall be required to furnish and install a conduit system according to the Cooperative's specifications, and shall do so at no expense to the Cooperative. The Developer shall pay a seventy-five dollar (\$75) per lot nonrefundable application fee before the Cooperative shall be obligated to commence the electric design for the subdivision, including planning or design of off-site facilities. For extensions in subdivisions which do not directly connect to facilities that serve electricity to subdivision lots but are intended to be connected to the Cooperative's facilities that do provide service of electricity to subdivision lots ("Spine Facilities" or "Backbone Facilities"), the Cooperative shall collect a nonrefundable application fee equal to the design, inspection, and rights-of-way costs estimated to serve such Spine Facilities or 5% of the total estimated cost to construct, design, inspect, and obtain right-of-way, of such Spine Facilities whichever is greater.

C. **Agreement:** Distribution facilities will be constructed by the Cooperative within a subdivision or development in advance of application for Permanent Service, after the Cooperative and the Developer of the subdivision or development have entered into a written contract which provides, among other things, for:

1. **Contribution in Aid of Construction:** The total estimated installed cost of such distribution facilities and Spine Facilities, exclusive of meters, shall be paid to the Cooperative as a Contribution in Aid of Construction. The total estimated installed cost shall include all electric facilities that include Spine Facilities or Backbone Facilities required and sized to serve the total construction of the subdivision or development, and may include all or a portion of off-site facility extensions or off-site facility improvements which the Cooperative has deemed necessary to serve the subdivision or development. The Developer shall install all required conduit, special equipment basements and transformer basements, and furnish and install all concrete equipment pads per the Cooperative's requirements, including all such conduit and associated facility to the service side of any customer applying for service before the Cooperative is obligated to serve said Customer. The nonrefundable lot application fee required per Rule 208.B shall be deducted from the total estimated installed cost. A written agreement with a term of five (5) years commencing from the date of completion of construction of these electric facilities, shall be executed by the Developer and the Developer shall pay Trico all deposits in the amounts stated in the agreement prior to the installation of the electric facilities. If after five years from the completion of the construction of the distribution facilities the development is not complete, the Cooperative shall have the right to execute and record a lien on the unsold portion of the property to secure (1) the payment by the Developer to the Cooperative of any existing and new service availability charges for idle services or (2) the cost to the Cooperative to retire or abandon the unused facilities, whichever in the Cooperative's opinion is in the best interest of the Cooperative.
2. **Actual Cost of Construction.** Within sixty (60) days after the completion of construction, inspection and closeout by the Cooperative of the facilities to serve the subdivision or development, the Cooperative may advise the

Developer in writing of the actual costs of such construction. In the event the actual costs are given to the Customer and such actual costs are less than the estimated cost for which payment has been made by the Developer to the Cooperative, the Cooperative shall promptly refund to the Developer the difference. In such event if such actual costs are greater than such estimated cost, the Cooperative shall invoice to Customer and the Customer shall promptly pay such invoiced amount.

D. Service to Residential Customer. Each residential customer or their agent (Applicant) within duly recorded real estate subdivisions will be required to make application for service. Trico will design and estimate the total cost of servicing said application and a cost letter will be provided to the Applicant for the Applicant to pay the amount as Contribution in Aid of Construction. When a development is such that all electric facilities are not installed by the Developer, the Applicant will be required to furnish and install any conduit system, install any transformer basements and furnish and install all equipment pads per the Cooperatives requirements, at no expense to the Cooperative, prior to the Cooperative's construction of said secondary service and any primary when deemed necessary.

**209. ALL OTHER EXTENSIONS.**

A Contribution in Aid of Construction for line extensions is required for all other line extensions of any class or type not otherwise provided in these Rules. The amount of the Customer's Contribution in Aid of Construction for such extensions shall be the total of the applicable items set forth in Section 203.

**210. RESERVED FOR FUTURE ADDITIONS**

**211. RESERVED FOR FUTURE ADDITIONS**

**212. RESERVED FOR FUTURE ADDITIONS**

**213. RESERVED FOR FUTURE ADDITIONS**

**214. CONVERSION OF EXISTING LINE**

A. To the extent the provisions of Arizona Revised Statutes, Title 40, Chapter 2, Article 6.1 ("Article 6.1") are applicable, a conversion of single phase overhead to underground lines shall be made pursuant to Article 6.1.B. In the event that Article 6.1 is not applicable, when requested by Customer or Customers to convert all or a portion of distribution lines from single phase to three phase overhead, or single phase to three phase underground or from overhead to underground, the following shall be applicable to such conversion:

1. The Customer(s) shall provide all utility easements and access as required by Rule 155 at no cost to the Cooperative.
2. The Customer(s) shall provide all trenching, all conduit when required, select backfill where required, backfilling, compaction and all concrete work and concrete equipment pads and equipment basements, according to the specifications of the Cooperative and local codes and shall perform all street, curb and sidewalk repairs at the Customer's expense in accordance with local jurisdiction prior to the Cooperative's commencement of the conversion.
3. The Customer(s) shall pay to the Cooperative a Contribution in Aid of Construction the cost of the existing line at present value, less credit for salvage, if any, plus retirement cost, plus the applicable line extension cost prior to the start of construction.

4. The Customer(s) shall sign any additional agreements, which may include a consensual lien to secure payment of all unpaid obligations of the Customer(s) pursuant to this Section 214, which shall be recorded in the office of the county recorder.

**215. RESERVED FOR FUTURE ADDITIONS**

**216. ADVANCES UNDER PREVIOUS RULES AND CONTRACTS**

At the time these new Line Extension Policies are approved by the Arizona Corporation Commission all existing agreements, contracts, or cost letters with or to customers shall remain in effect in accordance with the term or time period stated in those agreements, contracts, or cost letters; and amounts advanced under the conditions established by a Rule previously in effect will be refunded in accordance with the requirements of such contract under which the advance was made.

**217. EXTENSIONS FOR TEMPORARY SERVICE**

Extensions for temporary service or for operations of a speculative character or questionable permanency will be made in accordance with the provisions pertaining to temporary service set forth in Section 119 through 122.

**218. SPECIAL OR EXCESS FACILITIES**

Under these Rules, the Cooperative shall install only those facilities which it deems are necessary to render service in accordance with the rate tariffs. Where the Customer requests facilities which are in addition to, or in substitution for, the standard facilities which the Cooperative normally would install, the extra cost thereof shall be paid by the Customer.

**219. PRIMARY VOLTAGE SERVICE**

When the Cooperative provides primary service to a point of delivery, such point of delivery shall be determined solely by the Cooperative. The Customer shall provide the entire distribution system between the point of delivery to the load, unless otherwise specified in the written agreement between the Customer and the Cooperative, which agreement shall provide for Facilities Charge(s) for the Cooperative's distribution on the Customer's side from the point of delivery. The system will be treated as primary service for the purposes of billing. The Cooperative reserves the right to approve or require modification of the Customer's distribution system prior to installation. Instrument transformers, meters, poles and all other equipment associated with the primary service metering will be installed by the Cooperative at the Customer's expense. The Customer and the Cooperative will agree on who will pay for the facilities on the Customer's side (load side) of the point of delivery. Facilities Charge(s) as part of the monthly power bill will include applicable charges for operations, maintenance, depreciation, customer expense, administration expense, and rate of return. The Customer will pay as a Contribution in Aid of Construction 100 percent of the cost of the line extension and the for any and all additions, 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. The Customer will have the option to pay for the cost of the upgrades to the nearest existing facilities that may not otherwise be capable of providing the requested load to the Customer's requested point of delivery if it would be the least cost to the Customer, or system improvements needed on the Cooperative's side (source side) of the point of delivery which will not be included in the facilities charge, but will be paid for in the tariff charges.

**220. RESERVED FOR FUTURE ADDITIONS**

**221. RESERVED FOR FUTURE ADDITIONS**

**222. RESERVED FOR FUTURE ADDITIONS**

### **223. PROTECTIVE EQUIPMENT**

The Customer shall provide, own, and maintain such protective equipment necessary to ensure isolation of the Customer's service from the Cooperative's system due to abnormal conditions. It is the responsibility of the Customer to provide power-conditioning devices required to provide the quality of power necessary for optimum performance of his voltage-sensitive equipment. Voltage sensitive equipment is defined as equipment that does not function with utility grade power, e.g. computers. Some motors may be sensitive to the loss of a phase. It is the Customer's responsibility to protect equipment from loss of phase condition.

### **224. CUSTOMER GENERATION EQUIPMENT**

A. A Customer installing any means of stand-by, generation which is not intended to become interconnected with the Cooperative's service, shall install a double-throw transfer switch that will prevent connection of the Customer's equipment to the Cooperative's power system.

B. A Customer installing any generation equipment intended to operate in parallel with the Cooperative's electric system, must meet all the provisions of the Cooperative's policies and guidelines. The Customer shall make no connections to the electric system without specific inspection and approval by the Cooperative and shall enter into a parallel operation, power sale and interconnection agreement with the Cooperative.

C. The Cooperative shall be notified to inspect, and if satisfactory, approve said connection. Any unapproved installations shall be grounds for immediate disconnection of the Customer's service.

### **225. RELOCATION OF COOPERATIVE FACILITIES**

When the Cooperative is requested to relocate its facilities for the benefit and/or convenience of a Customer, the Customer shall reimburse the Cooperative for the total cost of the work to be performed prior to the start of construction.

### **226. GENERAL REQUIREMENTS AND PROVISIONS**

A. During a shortage of electric power and/or energy as determined by the Cooperative or any public agency, the Cooperative shall have the right to curtail the supply of electric power and/or energy.

B. Electricity furnished by the Cooperative shall not be resold by the Customer except as a service made under a special written contract acceptable to the Cooperative.

C. A copy of these Rules shall be posted on the Cooperatives internet site and upon written request by Applicant or Customer, the Cooperative will furnish a copy to the Customer.

D. Agreements for service shall not be assignable without the Cooperative's prior written consent. Assignments of refunds pursuant to a line extension agreement shall be effective only after a proper written assignment is delivered to the Cooperative.

E. Notification to the Customer shall be deemed to have been given when mailed to the Customer by first class mail at the Customer's last address of record, faxed to the Customer at a fax number furnished or published by the Customer, or E-mailed to the Customer at an E-mail address furnished or published by the Customer as shown on the records of the Cooperative.

F. All advances made by Customers that are refundable, shall be non-interest bearing.

G. The Cooperative shall not be required to extend its lines to any Customer or enter into any written agreement with any Customer for a line extension in the event the Cooperative is

entitled to refuse service to the Customer pursuant to Section 111 or other sections of these Rules, Regulations and Policies.

**227. RETIREMENT OF FACILITIES**

See Section 372.

**PART 3.**

**METER READING, BILLING, COLLECTION AND TERMINATION OF SERVICE PROCEDURES**

**301. FREQUENCY OF METER READING**

The Cooperative reserves the right to read meters on a schedule less frequent than monthly where the location is so remote or inaccessible that fewer actual readings are in the best interest of operating economy. However, in no event will meters not be read less frequently than every three (3) months. Every attempt shall be made to read meters monthly on as close to the same day as practical. However, meter readings may be scheduled for periods of not less than 25 days or more than 35 days.

**302. ESTIMATION OF BILL, FIRST AND SECOND MONTH**

If the Cooperative is unable to read the meter on the scheduled meter read date, the Cooperative will estimate the consumption for the first and, if applicable, the second billing period thereafter in accordance with the Estimation Methodology, Schedule EM approved by the Arizona Corporation Commission, Decision 69735.

**303. ESTIMATION OF BILL AFTER SECOND MONTH**

After the second consecutive month of estimating the Customer's bill for reasons other than severe weather, the Cooperative will make every attempt to secure an accurate reading of the meter.

**304. RESERVED FOR FUTURE ADDITIONS**

**305. ~~CONDITIONS FOR ESTIMATED BILLS~~**

Subject to the provisions of Section 307, estimated bills will be issued according to Trico's Bill Estimation Tariff (Decision No. 69735) and under the following conditions:

- A. Labor shortages or work stoppages beyond the control of the Cooperative.
- B. Severe weather conditions or emergencies or which prevent the Cooperative from reading the meter.
- C. Circumstances that make it dangerous or impossible to read the meter, including but not limited to: locked gates, blocked access to meters, threatening or abusive customers, vicious or dangerous animals or missing meters.
- D. Failure of customer who reads his own meter to deliver his meter reading to the Cooperative in accordance with the requirements of the Cooperative billing cycle.
- E. To facilitate timely billing for customers using load profiles.

**306. NOTICE OF ESTIMATION**

Each bill based on estimated usage will indicate that it is an estimated bill and note the reason for estimation.

### **307. RECORD OF CONSUMPTION**

The registration of the Cooperative's meter at the Customer's point of delivery shall constitute evidence of the amount of energy and/or billing demand used by the Customer, except where unmetered service is supplied. However, in the event of failure of the Cooperative's meter or inability of an authorized representative of the Cooperative to obtain an actual reading, a reasonable estimate shall be made per Section 302.

### **308. RATE TARIFFS BASED ON SINGLE POINT OF DELIVERY**

Unless otherwise specifically provided in the rate tariff or by contract, each of the Cooperative's rate tariffs are based upon the supplying of electric service to one Customer at a single point of delivery and at a single voltage and phase classification, and any additional service supplied to the same Customer at other points of delivery or at a different voltage of phase classification shall be separately metered and billed, except as provided in Section 319.

### **309. MEASURING OF ELECTRIC SERVICE**

All energy sold to Customers, and except that sold according to fixed charge tariffs, shall be measured by commercially acceptable measuring devices owned and maintained by the Cooperative, except where it is impractical to install meters, such as street lighting or security lighting, or where otherwise authorized by the Commission.

### **310. MORE THAN ONE METER**

When there is more than one (1) meter at a location, the service and metering equipment shall be so tagged or plainly marked as to indicate the location metered.

### **311. METER MULTIPLIERS**

Meters which are not direct reading shall have the multiplier plainly marked on the meter, meter panel or meter base.

### **312. RECORDING METER DATA**

All data taken from recording meters shall be marked with the date of the record, meter number, Customer information, data multiplier, transformer multiplier(s), date removed and items measured.

### **313. METER SETTINGS**

Metering equipment shall not be set "fast" or "slow" to compensate for supply transformer or line losses.

### **314. CUSTOMER REQUESTED REREADS**

The Cooperative shall at the request of a Customer reread that Customer's meter once within ten (10) working days after such request by the Customer.

### **315. REREAD CHARGE**

Any reread may be charged to the Customer at a rate on file and approved by the Commission in Trico's Schedule of Special Charges, provided that the original reading was not in error. When a reading is found to be in error, the reread shall be at no charge to the Customer.

### **316. RESERVED FOR FUTURE ADDITIONS**

### **317. ACCESS TO CUSTOMER PREMISES**

The Cooperative shall at all times have the right of safe ingress to and egress from the premises at all reasonable hours for any purpose reasonably connected with the Cooperative's property used in

furnishing service, reading meters, and the exercise of any and all rights secured to it by law or these Rules. The Cooperative will continue to physically check the meter, including Automated Meters periodically or for cause. Failure on the part of the Customer to comply with these Rules for access to its meter may lead to the discontinuance of service. An authorized agent/representative of the Cooperative, is authorized to enter any premises using Trico's electricity to inspect the use and quality of the electricity (A.R.S. § 40-431), to read meters, and to connect or disconnect services (A.A.C. R14-2-211).

**318. FREQUENCY AND METHODS OF BILLING.**

The Cooperative shall bill monthly for services rendered by sending the bill and notices via the United States Mail, e-mail, posting to a secure website or other acceptable means of delivery.

**319. COMBINING OF METER READINGS**

Each meter at a Customer's premises will be considered separately for billing purposes, and the readings of two or more meters will not be combined unless otherwise provided for in the Cooperative's tariffs.

**320. MINIMUM BILLING INFORMATION**

Each bill for residential service will contain the following minimum information:

- A. Date and meter reading at the start of the billing period or number of days in the billing period
- B. Date and meter reading at the end of the billing period
- C. Billed usage and demand
- D. Rate tariff number/designation
- E. Cooperative's telephone number
- F. Customer's name
- G. Service account number
- H. Amount due and due date
- I. Past due amount
- J. Adjustment factor, where applicable
- K. Taxes
- L. The Arizona Corporation Commission and address, thereof.

**321. BILLING TERMS**

All bills for electric service are due and payable no later than fifteen (15) days from the date the bill is rendered as evidenced in Section 322. Any payment not received within this time-frame shall be considered delinquent and could incur a late payment charge.

**322. EVIDENCE OF RENDERING DATE**

For purposes of this rule, the date a bill is rendered may be evidenced by:

- A. The postmark date
- B. The mailing date
- C. The billing date shown on the bill (however, the billing date shall not differ from the postmark or mailing date by more than two (2) days)
- D. The transmission date of electronic bills

**323. RESERVED FOR FUTURE ADDITIONS**

**324. DELINQUENT BILLS**

All delinquent bills for which payment has not been received within five (5) days shall be subject to the provisions of the Cooperative's termination procedures.

**325. PLACE OF PAYMENT**

All payments shall be made at or mailed to the office of the Cooperative or to the Cooperatives authorized payment agency. Payments can also be made by credit card, e-check, bank draft or recurring credit card payments. No payment shall be deemed made until received by the Cooperative. A service fee may be required on credit card and e-check transactions.

**326. APPLICABLE RATE TARIFF**

Each Customer shall be billed under the applicable tariff indicated in the Customer's application for service.

**327. FAILURE TO RECEIVE BILLS/NOTICES**

Failure by the Customer to receive bills or notices which have been properly placed in the United States mail, by secure website, by e-mail or other acceptable means of delivery shall not prevent such bills from becoming delinquent nor relieve the Customer of his obligations therein.

**328. COMMENCEMENT DATE**

Charges for service commence when the service is installed and connection made, whether used or not.

**329. METER ERROR CORRECTIONS**

If any meter, after testing, is found to be more than three percent (3%) in error, either fast or slow, proper correction between three percent (3%) and the amount of the error shall be made of previous readings and adjusted bills shall be rendered according to the following terms:

- A. For the period of three (3) months immediately preceding the removal of such meter from service for test or from the time the meter was in service since last tested, but not exceeding three (3) months since the meter shall have been shown to be in error by the test.
- B. From the date the error occurred, if the date of the cause can be definitely fixed.

**330. METER TEST / BILLING ADJUSTMENT**

No adjustment shall be made by the Cooperative except to the Customer last served by the meter tested.

**331. CUSTOMER REQUESTED METER TESTS**

The Cooperative shall test a meter upon Customer request, and the Cooperative shall be authorized to charge the Customer for such meter test according to the tariff on file and approved by the Commission. However, if the meter is found to be in error by more than three percent (3%), no meter testing fee will be charged to the Customer.

**332. UNAUTHORIZED CONNECTIONS/ALTERATIONS**

No person, except a representative acting on behalf of the Cooperative shall alter, remove or make any connections to the Cooperative's meter or service equipment.

**333. METER SEALS**

No meter seal may be broken or removed by anyone other than an authorized representative of Trico acting on behalf of the Cooperative. However, the Cooperative may give its consent to break or

remove the seal by an approved electrician, employed by a Customer, when deemed necessary to the Cooperative.

### **334. METER TAMPERING AND THEFT OF POWER**

In cases of tampering with meter installations, interfering with the proper working thereof; or any other theft of service by any person, or evidence of any such tampering, interfering, theft, or service diversion, including the falsification of Customer read meter readings; that service shall be liable to immediate discontinuance of service.

### **335. TAMPERING AND THEFT CHARGES**

Pursuant to Arizona Revised Statutes, Sections 40-491 through 40-494, The Cooperative shall be entitled to collect from the Member/Customer whose name the service is in, the appropriate rate for all power and energy not recorded on the meter as the result of such tampering, or other theft of service, and also any additional security deposits as well as all expenses incurred by the Cooperative for property damages, investigation of the illegal act, and all legal expenses and court costs if necessary. Arizona law allows Trico to collect triple damages from power thieves.

### **336. ALTERNATIVE METHODS OF PAYMENT**

Customers may pay their bills for electric service furnished them by the Cooperative in the following alternative methods:

- A. Payment by cash, bank cashier's check, bank certified check, valid personal check or electronic check drawn on a commercial bank insured by the Federal Deposit Insurance Corporation or a savings and loan association insured by the Federal Savings and Loan Insurance Corporation.
- B. Payment by a valid credit card accepted by the Cooperative. Payment by credit card shall not be deemed accepted by the Cooperative unless and until authorized by the bank administering the use of the credit card for the Customers.
- C. A service fee may be required on electronic transactions.

### **337. PAYMENT TRANSACTION RETURN OR CHARGE BACK**

The Cooperative shall be allowed to recover a fee, as approved by the Commission, for each instance where Customer tenders payment for electric service with an insufficient funds check, payment transaction return or charge back.

### **338. METHODS OF PAYMENT AFTER RECEIPT OF TRANSACTION RETURN OR CHARGE BACK**

When the Cooperative is notified by the Customer's bank that there is a payment transaction return tendered for electric service, the Cooperative may require the Customer to make payment in cash, by money order, cashiers check, or other means which guarantee the Customer's payment to the Cooperative.

### **339. CUSTOMER'S OBLIGATION TO RENDER PAYMENT**

A Customer who tenders payment transaction return shall in no way be relieved of the obligation to render payment to the Cooperative under the original terms of the bill nor defer the Cooperative's provision for termination of service for nonpayment of bills. In the event a Customer makes a partial payment, the Cooperative may accept the partial payment and apply it on the Customer's account. However, the Customer shall remain liable to the Cooperative for the unpaid portion of the account and for the purpose of these Rules; only full payment shall be deemed to constitute payment.

### **340. PAYMENT TRANSACTION RETURN OR CHARGE BACK LIMITATION**

Only cash, money order or cashiers checks will be accepted if two (2) NSF checks, transaction returns or charge backs have been received by the Cooperative within a twelve month period in payment of any billing.

**341. PAYMENT TRANSACTION RETURN OR CHARGE BACK LIMITATION AND TERMINATION OF SERVICE**

Electric service will be subject to disconnect following the procedure as set forth in Section 362 for payment transaction return or charge backs that have not been made good.

**342. LEVELIZED BILLING PLAN**

The Cooperative may, at its option, offer its Customers a levelized billing plan.

**343. LEVELIZED BILLING PLAN REQUIREMENTS**

If the Cooperative offers a levelized billing plan, the Cooperative shall develop, upon the Customer request, an estimate of the Customer's levelized billing for a twelve-month period based upon:

- A. Customer's actual consumption history, which may be adjusted for increased past usage and abnormal conditions such as weather variation.
- B. For new Customers, the Cooperative will estimate consumption based on the Customer's anticipated load requirements.
- C. The Cooperative's tariffs approved by the Commission applicable to that Customer's class of service.

**344. LEVELIZED BILLING PLAN INFORMATION TO CUSTOMER**

The Cooperative shall provide the Customer a concise explanation of how the levelized billing estimate was developed, the impact of levelized billing on a Customer's monthly electric bill, and the Cooperative's right to adjust the Customer's billing for any variation between the Cooperative's estimated billing and actual billing.

**345. MINIMUM INFORMATION ON MONTHLY LEVELIZED BILL**

For those Customers being billed under a levelized billing plan, the Cooperative shall show at a minimum, the following information on the Customer's monthly bill:

- A. Actual consumption
- B. Amount due for actual consumption
- C. Levelized billing amount due
- D. Accumulated variation in actual versus levelized billing amount

**346. ADJUSTMENTS TO LEVELIZED BILLS**

The Cooperative may adjust the Customer's levelized billing in the event the Cooperative's estimate of the Customer's usage and/or cost should vary significantly from the Customer's actual usage and/or cost; such review to adjust the amount of the levelized billing may be initiated by the Cooperative or upon Customer request.

**347. DEFERRED PAYMENT PLAN**

The Cooperative may, prior to termination, offer to qualifying residential Customers a deferred payment plan for unpaid bills.

**348. DEFERRED PAYMENT PLAN AGREEMENT TERMS**

Each deferred payment agreement entered into by the Cooperative and the Customer due to the Customer's inability to pay an outstanding bill in full shall provide that service will not be discontinued if:

- A. Customer agrees to pay a reasonable amount of the outstanding bill at the time the parties enter into the deferred payment agreement.
- B. Customer agrees to pay all future bills for utility service in accordance with the billing and collection tariffs of the Cooperative.
- C. Customer agrees to pay a reasonable portion of the remaining outstanding balance in installments over a period not to exceed six (6) months.

**349. DETERMINING INSTALLMENT PAYMENT SCHEDULE**

For the purposes of determining a reasonable installment payment schedule under these Rules, the Cooperative and the Customer shall give consideration to the following conditions:

- A. Size of the account
- B. Customer's ability to pay
- C. Customer's payment history
- D. Length of time that the debt has been outstanding
- E. Circumstances which resulted in the debt being outstanding
- F. Any other relevant factors related to the circumstances of the Customer

**350. ESTABLISHMENT OF AGREEMENT/TERMINATION DATES**

Any Customer who desires to enter into a deferred payment agreement shall execute such agreement prior to the Cooperative's scheduled termination date for nonpayment of bills; Customer failure to execute a deferred payment agreement prior to the scheduled termination date shall not prevent the utility from discontinuing service for nonpayment. A deferred payment agreement may include a late payment charge as approved by the Commission in a tariff proceeding.

**351. REQUIREMENTS OF DEFERRED PAYMENT AGREEMENT**

If a Customer has not fulfilled the terms of a deferred payment agreement, the Cooperative shall have the right to disconnect service pursuant to the Cooperative's termination of service rules and, under such circumstances, it shall not be required to offer subsequent negotiation of a deferred payment agreement prior to disconnection.

**352. RESERVED FOR FUTURE ADDITIONS**

**353. RESERVED FOR FUTURE ADDITIONS**

**354. RESERVED FOR FUTURE ADDITIONS**

**355. CHANGE OF OCCUPANCY**

Not less than three (3) working days advance notice must be given to the Cooperative to discontinue service or to change occupancy.

**356. OUTGOING PARTY RESPONSIBILITY**

The outgoing party shall be responsible for all electric service provided and/or consumed up to the scheduled turn-off date. The outgoing party is also responsible for providing access to the meter so that Trico may obtain a final meter reading.

**357. RESERVED FOR FUTURE ADDITIONS**

**358. NON-PERMISSIBLE REASONS TO TERMINATE ELECTRIC SERVICE**

The Cooperative will not disconnect service for any of the reasons stated below:

- A. Delinquency in payment for services rendered to prior Customer at the premises where service is being provided, except in the instance where the prior Customer continues to reside on the premises.
- B. Failure of the Customer to pay for services or equipment which are not regulated by the Commission.
- C. Failure to pay for a bill to correct a previous under billing due to an inaccurate meter or meter failure if the Customer agrees to pay over a reasonable period of time.
- D. The Cooperative will not terminate residential service ~~for a reasonable period of time~~ where the Customer has an inability to pay and is making arrangements for payment, alternative power supply, or to relocate the resident, in the event that:
  - 1. The Customer can establish through medical documentation that, in the opinion of a licensed medical physician, termination would be especially dangerous or life threatening to the Customer or a permanent resident residing on the Customer's premises, health, or
  - 2. Life supporting equipment used in the home that is dependent on electric service for operation of such apparatus, or
  - 3. Where weather will be especially dangerous to health as defined herein or as determined by the Commission.
- E. Residential service to ill, elderly, or handicapped persons who have an inability to pay will not be terminated until all of the following have been attempted:
  - 1. The Customer has been informed of the availability of funds from various government and social assistance agencies of which the Cooperative is aware.
  - 2. A third party previously designated by the Customer has been notified and has not made arrangements to pay the outstanding electric bill, provided that the Customer, or a third person designated by the Customer, uses his or her best efforts to obtain funds to pay the Cooperative's bills from various governmental or social assistance agencies which are known to them.
- F. A Customer utilizing the provisions of D or E ~~or F~~ above may be required to enter into a deferred payment agreement with the Cooperative within ten (10) days after the scheduled termination date.
- G. Disputed bills where the Customer has complied with the Commission's Rules on Customer bill disputes.

### **359. TERMINATION OF SERVICE WITHOUT NOTICE**

Electrical service may be disconnected without advance written notice under the following conditions:

- A. The existence of an obvious and imminent hazard to the safety or health of the Customer or the general population or the Cooperative's personnel or facilities.
- B. The Cooperative has evidence of meter tampering, theft of service, ~~refusal to give the Cooperative's personnel access to the meter or any facilities of the Cooperative on the property of the Customer or damage or loss to the Cooperative's property pertaining to the service to the Customer.~~
- C. Failure of a Customer to comply with the curtailment procedures.
- D. An emergency requiring immediate discontinuance of service.
- E. Generator installations not approved by the Cooperative

**360. RESTORATION OF SERVICE**

The Cooperative shall not be required to restore service until the conditions which resulted in the termination have been corrected to the satisfaction of the Cooperative.

**361. SERVICE TERMINATION WITHOUT NOTICE RECORD KEEPING**

The Cooperative shall maintain a record of all terminations of service without notice. This record shall be maintained for a minimum of one (1) year and shall be available for inspection by the Commission.

**362. TERMINATION OF SERVICE WITH NOTICE**

The Cooperative may disconnect service to any Customer for any reason stated below, as per the notice requirements set forth in these Rules and Regulations.

- A. Customer violation of any of the Cooperative tariffs.
- B. Failure of the Customer to pay a delinquent bill for electric service.
- C. Failure to meet or maintain the Cooperative's deposit requirements.
- D. Failure of the Customer to provide the Cooperative reasonable access to its equipment and property.
- E. Customer breach of a written contract for service between the Cooperative and Customer.
- F. When necessary for the Cooperative to comply with an order of any governmental agency having such jurisdiction.
- G. When a hazard exists which is not imminent, but in the opinion of the Cooperative, it may cause personal injury or property damage.
- H. When the service installation fails to meet Codes per Section 106. H.
- I. Failure by the Customer to pay for damages, caused by the Customer, to the Cooperative's property or personnel.

**363. SERVICE TERMINATION WITH NOTICE RECORD KEEPING**

The Cooperative shall maintain a record of all terminations of service with notice. This record shall be maintained for one (1) year and be available for Commission inspection.

**364. TERMINATION NOTICE**

The Cooperative shall not terminate electric service to any of its Customers without providing advance written notice to the Customer of its intent to disconnect service, except under those conditions specified where advance written notice is not required.

**365. ADVANCE WRITTEN NOTICE INFORMATION REQUIRED**

Such advance written notice shall contain, at a minimum, the following information:

- A. The name of the person whose electric service is to be terminated and the address where service is being rendered
- B. An explanation of the violation thereof or the amount of the bill which the Customer has failed to pay in accordance with the payment policy of the Cooperative, if applicable.
- C. The date on or after which service may be terminated.
- D. A statement advising the Customer to contact the Cooperative's office at 8600 W. Tangerine Rd. and/or telephone for information regarding any deferred payment or

other procedures which the Cooperative may offer or work out some other mutually agreeable solution to avoid termination of the Customer's electric service.

- E. A statement advising the Customer that the Cooperative's stated reason for the termination of services may be disputed by contacting the Cooperative at 8600 W. Tangerine Rd., Marana, AZ, and/or telephone advising the Cooperative of the dispute and making arrangements to discuss the cause for termination with a responsible representative of the Cooperative in advance of the scheduled date of termination. The responsible representative shall be empowered to resolve the dispute and the Cooperative shall retain the option to terminate service after affording this opportunity for a meeting and concluding that the reason for termination is just and advising the Customer of his right to file a complaint with the Commission.

### **366. THIRD PARTY NOTIFICATION**

Where applicable, a copy of the termination notice will be simultaneously forwarded to designated third parties.

### **367. RESERVED FOR FUTURE ADDITIONS**

### **368. TIMING OF TERMINATION WITH NOTICE**

The Cooperative shall give at least five (5) days' advance written notice prior to the termination date.

### **369. DELIVERY OF NOTICE OF TERMINATION REQUIREMENT**

Such notice shall be considered to be given to the Customer when a copy thereof is left with the Customer or posted first class in the United States mail, addressed to the Customer's last known address.

### **370. SERVICE TERMINATION DATE**

If after the period of time allowed by the notice has elapsed and the delinquent account has not been paid nor arrangements made with the Cooperative for the payment thereof, or in the case of a violation of the Cooperative's Rules the Customer has not satisfied the Cooperative that such violation has ceased, the Cooperative may then terminate service on or after the day specified in the notice without giving further notice.

### **371. SERVICE TERMINATION BY COOPERATIVE**

The service may only be disconnected by an authorized representative of the Cooperative, by a means acceptable to the Cooperative.

### **372. RETIREMENT OF FACILITIES**

The Cooperative shall have the right (but not the obligation) to remove any or all of its property (e.g. electric facilities) installed on the Customer's premises upon the termination of service. Customer's property (e.g. meter pedestal) attached to the Cooperatives property will be left on the Customer's premises unless other arrangements are made. The Cooperative will give proper notice of retirement of facilities as set forth for termination in Sections 368 and 369. If the Customer wishes to have electric facilities remain on Customer's premise they shall initiate a request and shall be obligated to pay monthly Customer charges or minimums per the applicable rate tariff.

### **373. LANDLORD/TENANT RULE**

In situations where service is rendered at an address different from the mailing address of the bill or where the Cooperative knows that a landlord/tenant relationship exists and that the landlord is the Customer of the Cooperative, and where the landlord as a Customer would otherwise be subject to disconnection of service, the Cooperative will not disconnect service until the following actions have been taken:

- A. Where it is feasible to so provide service, the Cooperative, after providing notice as required in these Rules, shall offer the occupant the opportunity to subscribe for service in his or her own name. If the occupant then declines to so subscribe, the Cooperative may disconnect service pursuant to the Rules.
- B. The Cooperative will not attempt to recover from a tenant or condition service to a tenant with the payment of any outstanding bills or other charges due upon the outstanding account of the landlord.

## **PART 4. ADMINISTRATIVE AND HEARING REQUIREMENTS**

### **401. INVESTIGATION OF CUSTOMER SERVICE COMPLAINTS**

The Cooperative shall make a full and prompt investigation of all service complaints made by its Customers.

### **402. RESPONSE TIME ON COMPLAINTS**

The Cooperative shall respond to the complainant within five (5) working days as to the status of the Cooperative's investigation of the complaint.

### **403. NOTIFICATION OF COMPLAINT INVESTIGATION FINDINGS**

The Cooperative shall notify the complainant of the final disposition of each complaint. Upon request of the complainant, the Cooperative shall report the findings of its investigation in writing.

### **404. RIGHT OF APPEAL**

The Cooperative shall inform the Customer of his right of appeal to the Commission.

### **405. RECORDING REQUIREMENTS OF COMPLAINTS**

The Cooperative shall keep a record of all written service complaints received which shall contain, at a minimum, the following data:

- A. Name and address of complainant
- B. Date and nature of complaint
- C. Disposition of the complaint
- D. A copy of any correspondence between the Cooperative, the Customer, and/or the Commission.

This record shall be maintained for a minimum period of one (1) year and shall be available for inspection by the Commission.

### **406. RESERVED FOR FUTURE ADDITIONS**

### **407. CUSTOMER BILL DISPUTES**

Any Cooperative Customer who disputes a portion of a bill rendered for Cooperative service shall pay the undisputed portion of the bill and notify the Cooperative's designated representative that such unpaid amount is in dispute prior to the delinquent date of the bill.

#### **408. COOPERATIVE'S RESPONSIBILITIES ON BILL DISPUTES**

Upon receipt of the Customer notice of dispute, the Cooperative shall:

- A. Notify the Customer within five (5) working days of the receipt of a written dispute notice.
- B. Initiate a prompt investigation as to the source of the dispute.
- C. Withhold disconnection of service until the investigation is completed and the Customer is informed of the results. Upon request of the Customer, the Cooperative shall report the results of the investigation in writing.
- D. Inform the Customer of his right of appeal to the Commission.

#### **409. CUSTOMER'S RESPONSIBILITY UPON INVESTIGATION COMPLETION**

Once the Customer has received the results of the Cooperative's investigation the Customer shall submit payment within five (5) working days to the Cooperative for any disputed amounts owed to the Cooperative. Failure to make payment shall be grounds for termination of service as outlined in Section 362.

#### **410. RESOLUTION OF SERVICE AND/OR BILL DISPUTES BY THE ARIZONA CORPORATION COMMISSION**

- A. In the event a Customer and the Cooperative cannot resolve a service and/or bill dispute, the Customer may file a written statement of dissatisfaction with the Commission; by submitting such notice to the Commission, the Customer shall be deemed to have filed an informal complaint against the Cooperative.
- B. The Cooperative may implement normal termination procedures if the Customer fails to pay all bills rendered during the resolution of the dispute by the Commission.
- C. The Cooperative shall maintain a record of written statements of dissatisfaction and their resolution for a minimum of one (1) year and make such records available for Commission inspection.

# EXHIBIT 2

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**

Day      Time      Weekday

**Actual 2006 AEPCO Peak Times**

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

**Actual 2007 AEPCO Peak Times**

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

**Actual 2008 AEPCO Peak Times**

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

# EXHIBIT 3

TRICO ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES - TRICO REVISED RECOMMENDED RATES

	Average Consumers	KWh		Existing Billing	Proposed Billing	Change	
		Total	Monthly 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%
Interruption - Comm	7	3,726,623	44,365	332,696	339,401	6,705	2.02%
Interruption - 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%

# EXHIBIT 4

TRICO ELECTRIC COOPERATIVE, INC.

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

	Billing			Unbundled Rates			Unbundled Revenue		
	Units	Pur Pwr	Dist Wires	Total	Pur Pwr	Dist Wires	Total		
<b>1. RESIDENTIAL SERVICE</b>									
Customers (12 month sum)	401,980	0.00	15.00	15.00	0	6,029,700	6,029,700		
KWh	368,534,878	0.083000	0.038600	0.121600	30,588,395	14,225,446	44,813,841		
Subtotal			0.000413		30,588,395	20,255,146	50,843,541		
DSMA					152,205	0	152,205		
WPCA					0	0	0		
Total					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	226,368	226,368		
Customers 3 PH (12 month sum)	1,116	0.00	26.00	26.00	0	29,016	29,016		
KWh	10,053,253	0.083000	0.050500	0.133500	834,420	507,689	1,342,109		
Subtotal			0.000413		0	5,350	5,350		
DSMA					834,420	768,423	1,602,843		
WPCA					4,152	0	4,152		
Total					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	12,474	12,474		
Customers 3 PH (12 month sum)	1,180	0.00	26.00	26.00	0	30,680	30,680		
First 10 KW per month	17,027,69	0.00	0.00	0.00	0	0	0		
Over 10 KW per month	42,550,68	0.00	4.50	4.50	0	191,478	191,478		
KWh	9,629,157	0.111800	0.026200	0.138000	1,076,540	252,284	1,328,824		
Subtotal			0.000413		0	11,776	11,776		
DSMA					1,076,540	498,692	1,575,232		
WPCA					3,977	0	3,977		
Total					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		Unbundled Rates			Unbundled Revenue		Total
	Units	Pur Pwr	Dist Wires	Total	Pur Pwr	Dist Wires		
<b>4. GENERAL SERVICE 3 (10 - 12,000 KW)</b>								
<u>Secondary</u>								
Customers 1 PH (12 month sum)	1,339	0.00	18.00	18.00	0	24,102	24,102	
Customers 3 PH (12 month sum)	2,942	0.00	26.00	26.00	0	76,492	76,492	
KW	282,627.34	10.70	5.95	16.65	3,024,113	1,681,633	4,705,745	
KWh	104,174,270	0.054700	0.028300	0.083000	5,698,333	2,948,132	8,646,464	
Increased Minimum Revenue					0	31,077	31,077	
Subtotal					8,722,446	4,761,436	13,483,880	
DSMA			0.000413		43,024	0	43,024	
WPCA					0	0	0	
Total					8,765,470	4,761,436	13,526,904	
<u>Primary</u>								
Customers 1 PH (12 month sum)	0	0.00	18.00	18.00	0	0	0	
Customers 3 PH (12 month sum)	72	0.00	26.00	26.00	0	1,872	1,872	
KW	16,739.84	10.70	5.95	16.65	179,116	99,602	278,718	
KWh	6,969,040	0.054700	0.028300	0.083000	381,206	197,224	578,430	
Primary Discount		-3.0000%	-3.0000%	-3.0000%	(16,810)	(8,905)	(25,714)	
Subtotal					543,512	289,793	833,306	
DSMA			0.000413		2,878	0	2,878	
WPCA					0	0	0	
Total					546,390	289,793	836,184	
Total Base Revenue					9,265,958	5,051,229	14,317,186	
Total DSMA Revenue					45,902	0	45,902	
Total WPCA Revenue					0	0	0	
Total					9,311,860	5,051,229	14,363,088	

TRICO ELECTRIC COOPERATIVE, INC.

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

	Billing		Unbundled Rates			Unbundled Revenue		
	Units	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			0.000413		364,633	156,323	520,956	
DSMA					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			0.000413		47,781	25,102	72,883	
DSMA					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		0.000413		114,704	51,712	166,416	
DSMA					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		Unbundled Rates			Unbundled Revenue	
	Units	Pur Pwr	Dist Wires	Total	Pur Pwr	Dist Wires	Total
<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			0.000413		177,698	160,163	337,862
DSMA					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			0.000413		1,870,092	1,706,862	3,576,954
DSMA					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	0.285714286	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	392,503,333		0.000413		3,529,984	1,067,481	4,942,977
DSMA					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

	Billing			Unbundled Rates			Unbundled Revenue		
	Units	Pur Pwr	Dist Wires	Total	Pur Pwr	Dist Wires	Total		
<b>11. GENERAL SERVICE 4</b>									
Customers (12 month sum)	24	0.00	500.00	500.00	0	12,000	12,000		
Facilities Charge	12	0.00	4,887.00	4,887.00	0	58,644	58,644		
Billing kW - Transmission	42,045.21	0.00	0.21	0.21	0	8,829	8,829		
Billing kW - Distribution Sub	22,571.00	0.00	1.75	1.75	0	39,499	39,499		
kWh	25,325,709	0.000000	0.000000	0.000000	0	0	0		
Power Cost					1,575,895	0	1,575,895		
Subtotal					1,575,895	118,972	1,694,867		
DSMA					0	0	0		
WPCA					0	0	0		
Total					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		Unbundled Rates			Unbundled Revenue		
	Units	Pur Pwr	Dist Wires	Total	Pur Pwr	Dist Wires	Total	

<b>12. LIGHTING</b>								
<b>LIGHTING SERVICE - OL1</b>								
Security Light	53 kWh per month	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	27 kWh per month	24	1.86	9.05	10.91	45	217	262
90 Watt LPS	27 kWh per month	476	1.86	9.05	10.91	885	4,308	5,193
135 Watt LPS	45 kWh per month	920	3.11	8.20	11.31	2,861	7,544	10,405
100 Watt HPS	30 kWh per month	24	2.07	8.91	10.98	50	214	264
150 Watt HPS	45 kWh per month	12	3.11	8.20	11.31	37	98	136
250 Watt HPS	75 kWh per month	60	5.18	6.78	11.96	311	407	718
400 Watt HPS	120 kWh per month	141	8.29	3.86	12.15	1,169	544	1,713
Subtotal OL-1						35,978	100,375	136,354

<b>STREET LIGHTING SERVICE - SL1</b>								
55 Watt LPS	27 kWh per month	0	1.86	5.44	7.30	0	0	0
90 Watt LPS	27 kWh per month	600	1.86	9.89	11.75	1,116	5,934	7,050
135 Watt LPS	45 kWh per month	0	3.11	7.19	10.30	0	0	0
180 Watt LPS	54 kWh per month	12	3.73	8.89	12.62	45	107	151
100 Watt HPS	30 kWh per month	0	2.07	8.23	10.30	0	0	0
150 Watt HPS	45 kWh per month	0	3.11	7.19	10.30	0	0	0
250 Watt HPS	75 kWh per month	0	5.18	5.12	10.30	0	0	0
400 Watt HPS	120 kWh per month	0	8.29	8.71	17.00	0	0	0
Wood Pole		35		1.32	1.32	0	46	46
28' Metal Pole		613		3.48	3.48	0	2,133	2,133
20'-30' Metal Pole				4.15	4.15	0	0	0
30'-40' Metal Pole				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

<b>13. TOTAL</b>								
Total Base Revenue						49,483,239	29,968,700	79,797,451
Total DSMA Revenue		614,086,210				243,158	0	243,158
Total WPCA Revenue						0	0	0
Subtotal						49,726,397	29,968,700	80,040,609
Fuel Bank						0	10,144	10,144
Sales for Resale						0	29,978,844	29,978,844
Total						49,726,397	80,050,753	80,050,753

# EXHIBIT 5

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

	TRICO Existing	TRICO Orgingal 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)

# EXHIBIT 6

TRICO ELECTRIC COOPERATIVE, INC.  
 COMPARISON OF EXISTING AND PROPOSED RATES  
 RESIDENTIAL - REBUTTAL RATE DESIGN

KWh Usage	Existing	Proposed	Change	Percent
	Billing	Billing		Change
Customer Charge	12.00	15.00	3.00	25.00%
Energy Charge	0.096020	0.121600	0.025580	26.64%
WPCA	0.018545	0.000413	(0.018132)	-97.77%
DSMA	0.000000	0.000000	0.000000	
0	12.00	15.00	3.00	25.00%
50	17.73	21.10	3.37	19.02%
100	23.46	27.20	3.74	15.96%
250	40.64	45.50	4.86	11.96%
500	69.28	76.01	6.72	9.71%
1,000	126.57	137.01	10.45	8.26%
1,500	183.85	198.02	14.17	7.71%
2,000	241.13	259.03	17.90	7.42%
3,000	355.70	381.04	25.34	7.13%
5,000	584.83	625.07	40.24	6.88%
916 Average	116.94	126.76	9.82	8.40%
<b>Class Average Usage</b>				
874 January	112.13	121.64	9.51	8.48%
803 February	104.00	112.98	8.98	8.64%
637 March	84.98	92.72	7.74	9.11%
649 April	86.35	94.19	7.83	9.07%
710 May	93.34	101.63	8.29	8.88%
1,029 June	129.89	140.55	10.66	8.21%
1,357 July	167.46	180.57	13.11	7.83%
1,272 August	157.73	170.20	12.47	7.91%
1,330 September	164.37	177.28	12.91	7.85%
921 October	117.51	127.37	9.86	8.39%
707 November	93.00	101.26	8.27	8.89%
698 December	91.97	100.17	8.20	8.91%
10,987 Total	1,402.73	1,520.56	117.83	8.40%
916 Average	116.89	126.71	9.82	8.40%
725 Median	95.06	103.46	8.40	8.84%