ORIGINAL

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October 30, 2009

HAND DELIVERED

Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

Re: *Revised Rate Schedules; Arizona Electric Power Cooperative, Inc. ("AEPCO") Rate Filing; Docket No. E-01773A-09-0472*

Dear Sir or Madam:

Following discussions with Utilities Division Staff, enclosed are the original and 13 copies of revised Schedules A-3, E-7, F-1, G-7, H-1 (page 1 of 20) and H-2 (page 3 of 20). The Schedules are identified as Rev. 10/30/2009 and should be substituted for their counterpart pages in the Schedules filed as part of AEPCO's rate filing on October 1, 2009.

Very truly yours,

GALLAGHER & KENNEDY, P.A.

By:
Michael M. Grant

MMG/arp
10421-59/2278584

Original and 13 copies filed with Docket Control this 30th day of October, 2009.

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Arizona Corporation Commission
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OCT 30 2009
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Arizona Electric Power Cooperative, Inc.

Summary of Capital Structure

SCHEDULE A-3
Rev. 10/30/2009

LINE NO.	DESCRIPTION	PRIOR YEARS 3/31/2007	PRIOR YEARS 3/31/2008 (a)	ACTUAL TEST YEAR 3/31/2009 (c)	END OF PROJECTED YR 3/31/2010 (c)
				E-01773A-09-0472	
1.	SHORT-TERM DEBT	$15,017,463	$24,771,128	$15,851,384	$15,851,384
2.	LONG-TERM DEBT	185,683,757	161,746,607	178,093,188	192,789,771
3.	TOTAL DEBT (a)	200,701,220	186,517,735	193,944,572	208,641,155
4.	PREFERRED STOCK	-	-	-	-
5.	MARGINS AND EQUITY (b)	27,423,893	60,032,833	75,866,848	80,419,140
6.	TOTAL CAPITAL	$ 228,125,113	$ 246,550,568	$ 269,811,420	$ 289,060,295
	CAPITALIZATION RATIOS: (%)				
7.	SHORT-TERM DEBT	6.58%	10.05%	5.87%	5.48%
8.	LONG-TERM DEBT	81.40%	65.60%	66.01%	66.70%
9.	TOTAL DEBT	87.98%	75.65%	71.88%	72.18%
10.	PREFERRED STOCK	0.00%	0.00%	0.00%	0.00%
11.	MARGINS AND EQUITY	12.02%	24.35%	28.12%	27.82%
		100.00%	100.00%	100.00%	100.00%
12.	WEIGHTED COST OF SHORT TERM DEBT	0.39%	0.95%	0.35%	0.32%
13.	WEIGHTED COST OF LONG TERM DEBT	5.77%	5.26%	5.57%	5.28%
14.	WEIGHTED COST OF SENIOR CAPITAL	NOT APPLICABLE			

SUPPORTING SCHEDULES:
(a) D-2
(b) E-1, PAGE 2 LINE 25
(c) D-1

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Arizona Electric Power Cooperative, Inc.

Operating Statistics

SCHEDULE E-7

Rev. 10/30/2009

LINE NO.	ELECTRIC STATISTICS	UNADJUSTED TEST YEAR ENDED 3/31/2009	PRIOR YEAR ENDED 3/31/2008	PRIOR YEAR ENDED 3/31/2007
	KWH SALES:			
1.	CLASS A MEMBERS	2,346,776,427	2,529,040,979	2,279,959,691
2.	OTHER FIRM CONTRACTS	1,117,704,528	1,002,646,636	1,085,878,850
3.	TOTAL	3,464,480,955	3,531,687,615	3,365,838,541
	AVERAGE NO. CUSTOMERS:			
4.	CLASS A MEMBERS	6	6	6
5.	OTHER FIRM CONTRACTS	3	3	3
6.	TOTAL	9	9	9
	AVERAGE KWH USE:			
7.	CLASS A MEMBERS	391,129,405	421,506,830	379,993,282
8.	OTHER FIRM CONTRACTS	372,568,176	334,215,545	361,959,617
9.	TOTAL	763,697,581	755,722,375	741,952,899
10.	KWH PRODUCTION EXPENSE (a)	$ 108,335,708	$ 106,927,572	$ 94,712,086

SUPPORTING SCHEDULES:
(a) E-2, Page 1, Line 7 + Line 21

Arizona Electric Power Cooperative, Inc.

Projected Income Statement / Present and Proposed Rates

LINE NO.		-ACTUAL- TESTYEAR 3/31/2009	-ADJ. TEST YEAR- PRESENT RATES 3/31/2009 (a)	PROPOSED RATES 3/31/2009
	REVENUES:			
1.	CLASS A MEMBERS	$ 112,717,749	$ 125,199,347	129,222,368
2.	FUEL ADJUSTMENT	35,644,363	41,419,292	41,419,292
3.	NON-CIS A, N-FIRM & N-MEMB	48,834,238	8,620,097	8,620,097
4.	TOTAL ELECTRIC REVENUE	197,196,350	175,238,736	179,261,757
5	OTHER OPERATING REVENUE	12,785,434	3,523,943	3,523,943
6.	TOTAL OPERATING REVENUE (b)	209,981,784	178,762,679	182,785,700
	OPERATING EXPENSES:			
	OPERATIONS			
7.	PRODUCTION - FUEL A/C 501/547	72,540,278	88,508,998	88,508,998
8.	PRODUCTION - STEAM A/C 500	5,997,229	6,351,536	6,351,536
9.	A/C 502	2,795,766	3,927,598	3,927,598
10.	A/C 503	-	-	-
1L	A/C 504	-	-	-
12.	A/C 505	1,385,698	876,286	876,286
13.	A/C 506	1,083,857	1,104,675	1,104,675
14.	A/C 507	-	-	-
15.	A/C 508	-	-	-
16.	PRODUCTION - OTHER - A/C 546	234,983	248,874	248,874
17.	A/C 548	707,145	199,187	199,187
18.	A/C S49	39,148	39,964	39,964
19.	A/C 550	-	-	-
	OTHER POWER SUPPLY	-	-	-
20.	-DEMAND A/C 555	6,274,506	3,117,006	3,117,006
21.	- ENERGY A/C 555	35,795,430	13,428,375	13,428,375
22.	A/C 556	3,315,542	2,591,246	2,591,246
23.	A/C 557	1,548,021	-	-
24.	TRANSMISSION	16,345,977	4,502,816	4,502,816
25.	ADMINISTRATIVE & GENERAL	11,249,966	12,054,892	12,054,892
26.	TOTAL OPERATIONS	159,313,546	136,951,453	136,951,453
	MAINTENANCE			
27.	PRODUCTION - STEAM - A/C 510	1,302,263	1,387,414	1,387,414
28.	A/C 511	26,944	28,286	28,286
29.	A/C 512	4,763,936	4,083,709	4,083,709
30.	A/C 513	6,184,656	5,651,427	5,651,427
31.	A/C 514	2,334,541	2,440,205	2,440,205
32.	A/C 515	-	-	-
33.	PRODUCTION - OTHER - A/C 551	51,049	54,386	54,386
34.	A/C 552	27,641	3,191,684	3,191,684
35.	A/C 553	1,384,550	1,761,345	1,761,345
36.	A/C 554	175,654	181,696	181,696
37.	TRANSMISSION	13,624	14,150	14,150
38.	GENERAL PLANT	304,878	400,471	400,471
39.	TOTAL MAINTENANCE	$ 16,569,736	$ 19,194,773	$ 19,194,773

Arizona Electric Power Cooperative, Inc.

Projected Income Statement - Present and Proposed Rates

LINE NO.		-ACTUAL- TESTYEAR 3/31/2009	-ADJ. TEST YEAR- PRESENT RATES 3/31/2009 (a)	PROPOSED RATES 3/31/2009
	OTHER:			
40.	DEPRECIATION & AMORTIZATION	$ 7,883,883	$ 8,348,168	$ 8,348,168
41.	ACC GROSS REVENUE TAXES	-	-	-
42.	TAXES	-	2,933,343	2,933,343
43.	TOTAL OTHER	7,883,883	11,281,511	11,281,511
44.	TOTAL OPERATING EXPENSES (b)	183,767,165	167,427,737	167,427,737
45.	ELECTRIC OPERATING MARGINS (b)	26,214,619	11,334,942	15,357,963
	INTEREST & OTHER DEDUCTIONS:			
46.	INTEREST ON LONG-TERM DEBT	10,580,757	10,812,194	10,812,194
47.	INTEREST CHARGES TO CONSTR	(187,816)	(187,816)	(187,816)
48.	OTHER INTEREST EXPENSE	781,804	1,142,274	1,142,274
49.	OTHER DEDUCTIONS	151,174	151,174	151,174
50.	TOTAL INTEREST & OTHER DEDUCTIONS (b)	11,325,919	11,917,826	11,917,826
51.	OPERATING MARGINS	14,888,700	(582,884)	3,440,137
	OTHER NON OPERATING INCOME:			
52.	INTEREST INCOME	546,419	546,419	546,419
53.	AFUDC	-	-	-
54.	OTHER NONOPERATING INCOME	398,896	565,736	565,736
55.	TOTAL OTHER NON OPERATING INCOME (b)	945,315	1,112,155	1,112,155
55a.	EXTRAORDINARY ITEMS (b)	-	-	-
56.	NET INCOME (MARGINS) (b)	$ 15,834,015	$ 529,271	$ 4,552,292

SUPPORTING SCHEDULES:
(a) C-1, PAGES 3 & 4

RECAP SCHEDULES:
(b) A-2

Arizona Electric Power Cooperative, Inc.

DERIVATION OF ALLOCATION FACTORS

LINE NO.	DESCRIPTION	MOHAVE ELECTRIC COOPERATIVE	SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE	ALL REQUIREMENTS MEMBERS	TOTAL AEPCO
1	ALLOCATION FACTORS				
2	ENERGY ALLOCATION FACTORS				
3	BASE RESOURCE KWH	784,700,545	738,282,902	759,805,654	2,282,789,101
4	OTHER EXISTING RESOURCES KWH	90,679,515	108,755,098	119,040,065	318,474,678
5	ADDITIONAL ARM RESOURCES KWH	0	0	3,200,000	3,200,000
6					
7	BASE RESOURCE KWH	34.375%	32.341%	33.284%	100.000%
8	OTHER EXISTING RESOURCES KWH	28.473%	34.149%	37.378%	100.000%
9	ADDITIONAL ARM RESOURCES KWH	0.000%	0.000%	100.000%	100.000%
10					
11	FIXED COST ALLOCATION FACTORS				
12	ACP	35.800%	31.700%	32.500%	100.000%
13					
14					
15	FUNCTIONALIZATION FACTORS	BASE RESOURCES	OTHER EXISTING RESOURCES	ADDITIONAL ARM RESOURCES	TOTAL AEPC
16	DISPATCHED ENERGY (KWH)	2,282,789,101	318,474,678	3,200,000	2,604,463,779
17	DISPATCHED ENERGY (%)	87.649%	12.228%	0.123%	100.000%
18					
19	SUB-TOTAL PURCHASED POWER				
20	PRODUCTION - FUEL A/C 501	$61,965,748	$0	$0	$61,965,748
21	PRODUCTION - FUEL A/C 547	0	10,574,530	0	10574530.1
22	SUBTOTAL ($)	$61,965,748	$10,574,530	$0	$72,540,278
23	SUBTOTAL (%)	85.423%	14.577%	0.000%	100.000%
24					
25	PAYROLL EXCLUDING A&G AND GEN PLT MNTC ($)	$10,961,004	$841,952	$1,589	$11,804,545
26	PAYROLL EXCLUDING A&G AND GEN PLT MNTC (%)	92.854%	7.132%	0.013%	100.000%
27					
28	INTEREST ON LONG TERM DEBT ($)	$7,983,526	$2,597,140	$91	$10,580,757
29	INTEREST ON LONG TERM DEBT (%)	75.453%	24.546%	0.001%	100.000%
30					
31	TOTAL EXPENSES LESS A&G ($)	$130,120,583	$34,404,201	$2,765,887	$167,290,671
32	TOTAL EXPENSES LESS A&G (%)	77.781%	20.566%	1.653%	100.000%
33					
34	A&G EXPENSES ($)	$10,445,976	$802,390	$1,600	$11,249,966
35	A&G EXPENSES (%)	92.853%	7.132%	0.014%	100.000%

Arizona Electric Power Cooperative, Inc.

Analysis of Revenue by Detailed Class
March 31, 2009 Adjusted Test Year

Line No.	CLASS OF SERVICE	CUSTOMERS	KWH CONSUMPTION	BILLING KW	REVENUE PRESENT	REVENUE PROPOSED	PROPOSED INCREASE ($)	PROPOSED INCREASE (%)
1	Member Contracts:							
2	Anza	1	51,283,408	96,412	$3,353,127	$3,255,189	($97,938)	-2.92%
3	Duncan	1	28,079,760	57,180	1,901,744	1,847,503	(54,241)	-2.85%
4	Graham	1	156,396,015	324,562	10,683,325	10,404,440	(278,884)	-2.61%
5	Mohave	1	875,380,060	1,723,399	54,205,506	57,665,081	3,459,576	6.38%
6	Sulphur	1	847,038,000	1,629,806	52,026,365	54,296,885	2,270,520	4.36%
7	Trico	1	646,286,536	1,361,311	44,448,572	43,172,561	(1,276,011)	-2.87%
8	Total Class A Members	6	2,604,463,779	5,192,670	$166,618,638	$170,641,660	$4,023,021	2.41%
9								
10	Other Firm Contracts:							
11	City of Mesa	0	0	0	$0	$0	N/A	N/A
12	Salt River Project	0	0	0	0	0	N/A	N/A
13	Public Service Company of New Mexico	0	0	0	0	0	N/A	N/A
14	ED2	1	68,952,281	96,000	3,879,531	3,879,531	$0	0.00%
15	Total Firm Contracts	1	68,952,281	96,000	$3,879,531	$3,879,531	$0	0.00%
16								
17	Total AEPCO	7	2,673,416,060	5,288,670	$170,498,169	$174,521,190	$4,023,021	2.36%

Note: Revenues stated using synchronized FPPCA.

Arizona Electric Power Cooperative, Inc.

CLASS A MEMBER ADJUSTED SALES

Line No.	Member	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
1	ANZA													
2	MW	5.712	7.488	10.608	10.404	9.948	9.684	6.852	5.388	8.860	8.093	7.071	6.304	96.412
3	MWH	3,733.956	3,974.280	4,547.868	5,266.380	5,087.034	4,309.788	3,861.588	3,682.884	4,682.804	4,126.590	3,963.021	4,047.215	51,283.408
4														
5	DUNCAN													
6	MW	3.860	6.040	6.960	5.940	6.620	5.360	4.020	2.780	4.300	3.900	3.900	3.500	57.180
7	MWH	2,004.660	2,422.840	3,223.350	2,960.420	2,955.880	2,300.600	1,919.560	1,905.850	2,292.120	2,226.640	1,883.390	1,984.450	28,079.760
8														
9	GRAHAM													
10	MW	20.966	31.511	39.951	39.726	36.986	32.263	24.988	18.448	20.642	19.992	18.818	20.271	324.562
11	MWH	10,775.112	12,244.130	18,499.166	17,976.098	17,655.323	13,801.595	11,076.763	10,334.556	12,000.020	11,134.378	9,221.331	11,677.543	156,396.015
12														
13	MOHAVE													
14	MW	131.516	139.516	146.516	168.516	169.516	160.516	138.516	108.516	115.516	114.800	110.800	89.800	1,594.044
15	CHEMSTAR O&M ADJ	0.000	0.000	0.000	0.000	0.000	(2.270)	0.000	0.000	0.000	(2.270)	0.000	(2.270)	(6.810)
16	POWER FACTOR ADJ	0.672	0.793	1.155	0.938	0.886	0.458	0.223	0.133	0.000	0.000	0.033	0.144	5.435
17	SCHED B O&M ADJ	0.000	23.765	33.100	11.400	10.300	19.000	8.800	0.300	3.600	3.065	5.400	12.000	130.730
18	ADJ MW	132.188	164.074	180.771	180.854	180.702	177.704	147.539	108.949	119.116	115.595	116.233	99.674	1,723.399
19	ENERGY MIN ADJ	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	12.000	4.000	39.000	4.000	59.000
20	ADJUSTED MWH	77,807.200	82,169.240	84,665.830	92,587.670	92,324.240	83,134.200	73,686.240	60,008.200	63,812.240	59,870.600	52,872.800	52,441.600	875,380.060
21														
22	SULPHUR													
23	MW	116.334	120.334	134.334	128.334	129.334	132.334	121.334	109.334	129.334	128.700	135.700	122.700	1,508.106
24	POWER FACTOR ADJ	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
25	SCHED B O&M ADJ	14.800	17.600	12.700	11.400	8.400	3.600	10.800	9.000	12.200	12.000	3.000	6.200	121.700
26	ADJ MW	131.134	137.934	147.034	139.734	137.734	135.934	132.134	118.334	141.534	140.700	138.700	128.900	1,629.806
27	ENERGY MIN ADJ	0.000	0.000	3.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	3.000
28	ADJUSTED MWH	69,758.600	75,194.120	74,958.600	75,391.120	75,711.120	72,435.600	69,203.120	62,103.600	70,458.120	69,495.400	64,008.200	68,320.400	847,038.000
29														
30	TRICO													
31	MW	85.694	125.853	184.497	149.759	155.557	140.957	116.234	91.507	90.195	85.104	80.967	72.836	1,359.160
32	POWER FACTOR ADJ	0.212	0.119	0.095	0.099	0.089	0.171	0.311	0.193	0.222	0.174	0.281	0.185	2.151
33	ADJ MW	85.906	125.972	184.592	149.858	155.646	141.128	116.545	91.700	90.417	85.278	81.248	73.021	1,361.311
34	MWH	43,348.839	49,883.272	69,143.826	72,230.849	72,594.073	62,002.723	50,728.275	42,934.549	49,950.664	48,018.911	41,759.997	43,690.558	646,286.536
35														
36														
37														
38	FULL REQUIREMENTS													
39	MW	116.444	171.011	222.111	205.928	209.200	188.435	152.405	118.316	124.219	117.263	111.037	103.096	1,839.465
40	MWH	59,862.567	68,524.522	95,414.210	98,433.747	98,292.310	82,414.706	67,586.186	58,857.839	68,925.608	65,506.519	56,827.739	61,399.766	882,045.719
41											0.000		0.000	
42	PARTIAL REQUIREMENTS													
43	MW	263.322	302.008	327.805	320.588	318.436	313.638	279.673	227.283	260.650	256.295	254.933	228.574	3,353.205
44	MWH	147,565.800	157,363.360	159,624.430	167,978.790	168,035.360	155,569.800	142,889.360	122,111.800	134,270.360	129,366.000	116,881.000	120,762.000	1,722,418.060
45														
46														
47														
48	TOTAL CLASS A													
49	MW	379.766	473.019	549.916	526.516	527.636	502.073	432.078	345.599	384.869	373.558	365.970	331.670	5,192.670
50	MWH	207,428.367	225,887.882	255,038.640	266,412.537	266,327.670	237,984.506	210,475.546	180,969.639	203,195.968	194,872.519	173,708.739	182,161.766	2,604,463.779