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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

IN THE MATTER OF THE APPLICATION OF SOUTHWEST TRANSMISSION COOPERATIVE, INC. FOR A HEARING TO DETERMINE THE FAIR VALUE OF ITS PROPERTY FOR RATEMAKING PURPOSES, TO FIX A JUST AND REASONABLE RETURN THEREON AND TO APPROVE RATES DESIGNED TO DEVELOP SUCH RETURN	Docket No. E-04100A-09-0496 **NOTICE OF FILING REBUTTAL TESTIMONY**

Notice is given that Southwest Transmission Cooperative, Inc. has filed (1) the Rebuttal Testimony of Gary E. Pierson and (2) the Rebuttal Testimony of Dr. Jay Zarnikau.

RESPECTFULLY SUBMITTED this 30th day of July, 2010.

Arizona Corporation Commission
DOCKETED
JUL 30 2010
DOCKETED BY

GALLAGHER & KENNEDY, P.A.

By

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Original and 13 copies filed this 30th day of July, 2010, with:

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Phoenix, Arizona 85007

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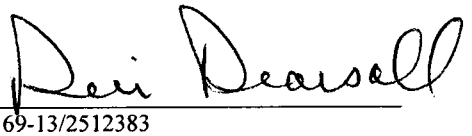

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1 **REBUTTAL TESTIMONY OF GARY E. PIERSON**

2 **ON BEHALF OF**

3 **SOUTHWEST TRANSMISSION COOPERATIVE, INC.**

4 Q. Mr. Pierson, are you the same Gary E. Pierson who sponsored direct testimony for
5 Southwest Transmission Cooperative, Inc. ("SWTC") in this matter?

6 A. Yes, I am.

7 Q. Have you reviewed the direct testimonies of Staff witnesses Messrs. Smith and Vickroy
8 which were filed June 18, 2010 in this matter?

9 A. Yes, I have. SWTC recognizes and appreciates the very thorough and detailed analyses
10 of revenue requirements, rate base and cost of capital provided by Messrs. Smith and
11 Vickroy in their direct testimonies. While SWTC does not necessarily agree with all of
12 the adjustments to revenue requirements offered by Mr. Smith, in order to narrow
13 disputed issues and reduce complexity, SWTC accepts (1) all four of the Rate Base
14 Adjustments proposed by Mr. Smith at pages 15-19 of his testimony and (2) four of the
15 five adjustments to Operating Income discussed at pages 22-29 of his testimony.

16 Q. What is SWTC's position on Mr. Vickroy's DSC recommendation of 1.45?[1]

17 A. Mr. Vickroy is concerned that SWTC's 1.35 DSC request is "fairly thin and marginally
18 sufficient."[2] As he notes, however, SWTC now has an interim financing facility which
19 will help to manage the cash flow lags between cash expenditures for capital projects and
20 related FFB loan draw replenishments. Also, with the finalization and filing for approval
21 of the ARM and PRM contract amendments in early June, we have grown somewhat

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[1] Vickroy Direct, p. 9, ll. 19-22.

[2] *Id.*, p. 8, ll. 23-24.

more confident that a new point-to-point transmission agreement will be entered into between SWTC and AEPCO commencing in January, 2011. If this occurs, it would provide a new revenue source for SWTC in 2011. SWTC's Board considered the Cooperative's overall financial needs and profile when it approved our request for the 1.35 DSC and, given these developments, SWTC continues to believe that position is adequate.

RATE BASE – SWTC REBUTTAL POSITION

Q. Have you reviewed Staff's testimony on original cost rate base and the determination of fair value for this proceeding?

A. Yes, I have. As I indicated, SWTC accepts Staff's proposed rate base of $79.1 million—as set forth in Mr. Smith's Schedule B, page 1—as the fair value rate base.

OPERATING INCOME – SWTC REBUTTAL POSITION

Q. One of Mr. Smith's adjustments is to increase SWTC's test year income by slightly more than $73,000 for the gain attributable to the sale of a 69 kV line to Mohave Electric Cooperative in 2009.[3] Does SWTC accept that adjustment?

A. No. I understand that for investor-owned utilities, gains in relation to property sales, for ratemaking purposes, have been ordered by the Commission to be shared between the for-profit utility's stockholders and ratepayers. Mr. Smith asserts that because SWTC is a member-owned cooperative, the full amount should be credited to ratepayers and he increases test year income by approximately $73,000. But, it's important to stress that, because we are a nonprofit cooperative, <u>all</u> of the gain attributable to that sale has <u>already</u> been credited to the benefit of the Class A member ratepayers. SWTC rarely sells utility

[3] Smith Direct Testimony, pp. 29-31.

1 property. But, when it does and if it realizes a gain, its members/ratepayers are credited with
2 that gain and are assigned patronage capital credits for positive margins which result. So,
3 when Mr. Smith proposes to increase SWTC's test year income, his adjustment actually has
4 the effect of crediting the member ratepayers twice for that gain. Therefore, we recommend
5 that this approximately $73,000 increase in test year income should not be made.
6 Q. Mr. Smith accepted SWTC's adjustment for an annual allowance of $80,000 for rate case
7 expenses "pending receipt of additional detail." Please update SWTC's rate case expense
8 incurred to date.
9 A. As our response to STF 2.51 indicated, based on the legal fees and costs incurred in
10 SWTC's last case, plus an estimate of this case's consultant fees and costs, we estimated
11 that total rate case expenses would amount to $240,000. Through June 2010, total expenses
12 have already reached just under $176,000. Given the facts that (1) July will reflect the legal
13 and consulting costs associated with rebuttal testimony preparation and (2) another round of
14 testimony preparation, the hearing and post-hearing activity remain to be completed, the
15 $240,000 projection obviously was a conservative estimate. We will provide Staff an
16 update on the incurred expense amount in August.
17 Q. What is the rebuttal position of SWTC regarding operating income?
18 A. SWTC proposes adjusted test year revenues of approximately $27.8 million, operating
19 expenses of $27.1 million, electric operating income (margins) of $660,000 and the net
20 margin loss in the test year of almost $4.0 million. This differs from Staff's position as
21 set forth on Attachment RCS-2, Page 2, Column D by the $73,300 Staff adjustment to
22 Total Other Non-Operating Income which SWTC proposes to remove.

COST OF CAPITAL – SWTC REBUTTAL POSITION

Q. Mr. Vickroy filed Direct Testimony on Staff's behalf summarizing his evaluation and recommendations regarding cost-of-capital issues for the SWTC rate filing. Please provide the Cooperative's response to Mr. Vickroy's testimony.

A. We agree with Mr. Vickroy's conclusions concerning SWTC's cost of debt as discussed at pp. 4-7 of his direct testimony. For the reasons I stated previously, while we appreciate Mr. Vickroy's analysis and 1.45 DSC recommendation, we are maintaining our request for a 1.35 DSC. As to his comments on equity levels and related subjects,[4] pursuant to Decision No. 69239, SWTC has been providing to Staff an updated equity analysis annually. SWTC's last update in June of this year noted that the current equity level—while low at 8%—was still almost twice the level which had been projected in 2006. Favorable and timely action on this case should allow the Cooperative to resume the gradual improvement to its equity levels which it has been making over the past few years. SWTC understands Mr. Vickroy and Staff's expressed concern about its equity levels and possible emerging threats to its financial condition. It certainly has no objection to more frequent periodic meetings with Staff to discuss any of these issues. However, particularly in light of resource constraints on both us and Staff, we do not believe it is necessary for SWTC and Staff to develop a specific plan for building equity over time or to develop forecasts allowing regular monitoring of emerging threats to its financial condition. We think more regular communications and information sharing will accomplish many of the same goals.

[4] Vickroy Direct, pp. 10-12.

ENGINEERING ANALYSIS – SWTC REBUTTAL POSITION

Q. Mr. Mazzini also filed Direct Testimony on Staff's behalf summarizing his engineering analysis of the filing and his conclusions concerning the "used and useful" nature of facilities which SWTC has recently added to its system. Please provide the Cooperative's response to Mr. Mazzini's testimony.

A. SWTC certainly agrees with Mr. Mazzini's major conclusions that (1) its projects have been adequately justified and their construction has been effectively managed; (2) maintenance practices are appropriate within a process managed by state of the art systems; (3) reliability performance is good, with outage time consistently averaging well under one hour per year per customer; and (4) operating costs appear consistent and reasonable, with the notation that cost analysis and oversight could be improved (Mazzini Testimony, page 2, ll. 12-17). Mr. Mazzini also provided a detailed engineering analysis as an exhibit to his direct testimony. His conclusions and observations are being closely reviewed by the Cooperative's senior management and engineering personnel for any further process improvements, oversight procedures or refinements which should be implemented.

SUMMARY OF REBUTTAL POSITION

Q. Have you prepared an exhibit which summarizes SWTC's current positions and requests?

A. Yes, I have. Exhibit GEP-2 summarizes SWTC's rate filing, Staff's direct testimony position and SWTC's rebuttal position. As shown on Exhibit GEP-2, Column 3, SWTC has reduced its rate request on rebuttal from its original 29.65% to a 26.43% increase over test year present rates based upon a DSC of 1.35. The rate of return on the rate base of $79,146,274 is 9.46%.

Q. Does this conclude your rebuttal testimony?

A. Yes, it does.

Southwest Transmission Cooperative, Inc.

Comparison of Increase in Gross Revenue Requirement

Test Year Ended March 31, 2009

Line No.	Description	Col. 1 Company As Filed Position	Col. 2 Staff Direct Position	Col. 3 Company Rebuttal Position
1	Summary of Revenue Increase Proposed:			
2	Proposed Revenue Increase	$ 7,653,421	$ 7,648,823	$ 6,823,195
3	Revenues in Test Year - Present Rates	$ 25,812,880	$ 25,812,880	$ 25,812,880
3	Revenue Increase Percentage	29.65%	29.63%	26.43%
4				
5	Pro Forma Statement of Operations			
6	with Proposed Rates:			
7	Operating Revenues	$ 35,430,648	$ 35,426,050	$ 34,600,422
8	Operating Expense	27,947,057	27,116,831	27,116,831
9	Electric Operating Margins	7,483,591	8,309,219	7,483,591
10	Interest & Other Deductions	4,761,153	4,761,153	4,761,153
11	Operating Margins	2,722,438	3,548,066	2,722,438
12	Non-Operating Margins	100,898	174,198	100,898
13	Net Patronage Capital or Margins	$ 2,823,336	$ 3,722,264	$ 2,823,336
14				
15	Times Interest Earned Ratio:			
16	Net Patronage Capital or Margins	$ 2,823,336	$ 3,722,264	$ 2,823,336
17	Interest on Long Term Debt	4,999,328	4,999,328	4,999,328
18	Total	$ 7,822,664	$ 8,721,592	$ 7,822,664
19	Times Interest Earned Ratio	1.56	1.74	1.56
20				
21	Debt Service Coverage Ratio:			
22	Net Patronage Capital or Margins	$ 2,823,336	$ 3,722,264	$ 2,823,336
23	Depreciation & Amortization	4,312,850	4,312,850	4,312,850
24	Interest on Long Term Debt	4,999,328	4,999,328	4,999,328
25	Total	$ 12,135,514	$ 13,034,442	$ 12,135,514
26				
27	Interest on Long Term Debt	$ 4,999,328	$ 4,999,328	$ 4,999,328
28	Principal Payments	3,989,942	3,989,942	3,989,942
29	Debt Service	$ 8,989,270	$ 8,989,270	$ 8,989,270
30	Debt Service Coverage Ratio	1.35	1.45	1.35
31				
32	Return on Fair Value Rate Base:			
33	Electric Operating Margins	$ 7,483,591	$ 8,309,219	$ 7,483,591
34	Rate Base	$ 79,668,372	$ 79,146,274	$ 79,146,274
35	Return on Fair Value Rate Base	9.39%	10.50%	9.46%

1 **REBUTTAL TESTIMONY OF DR. JAY ZARNIKAU**

2 **BEFORE THE**

3 **ARIZONA CORPORATION COMMISSION**

4 **ON BEHALF OF**

5 **SOUTHWEST TRANSMISSION COOPERATIVE, INC.**

6 Q. Please state your name and business address.

7 A. My name is Jay Zarnikau. My business address is 1515 Capital of Texas Hwy.,
8 South, Suite 110, Austin, Texas.

9 Q. Are you the same Jay Zarnikau who filed direct testimony on behalf of Southwest
10 Transmission Cooperative, Inc. ("SWTC" or "Southwest") in this proceeding on
11 the topic of rate design?

12 A. Yes, I am.

13 Q. Please state the purpose of your rebuttal testimony.

14 A. My rebuttal testimony (1) responds to the direct testimony filed by Dennis
15 Kalbarczyk on behalf of the Utilities Division Staff of the Arizona Corporation
16 Commission, (2) describes some small corrections to a discounted rate involving
17 the Mohave Electric Cooperative ("MEC") and (3) presents a revised fully
18 allocated cost of service study which includes the proposed rate design necessary
19 to produce the revised revenue requirements discussed in Mr. Pierson's rebuttal
20 testimony.

21 Q. Have you attached any schedules to your testimony?

22 A. Yes. Attached are schedules JWZ-Schedules G and H.[1] They reflect the fully
23 allocated cost of service study methods which Staff witness Kalbarczyk and I
24 agree on and include the corrections and adjustments I just mentioned and will
25 describe shortly.

[1] These schedules use the billing units and changes in the revised G and H schedules filed by SWTC in December 2009 in response to Staff's sufficiency review.

1 Q. What are your comments on Mr. Kalbarczyk's testimony?

2 A. It is evident that Mr. Kalbarczyk and I are in complete agreement on the basic
3 cost allocation and rate design approaches which should be approved by the
4 Commission in this proceeding. As Mr. Kalbarczyk states, SWTC's "fully
5 allocated cost of service study... is reasonably consistent with the prior rate case
6 filing methods and is in compliance with Finding of Fact No. 45 in Decision
7 No. 68072."[2]

8 Q. Please describe the discounted rate issue which you want to discuss.

9 A. At page 7 of his testimony, Mr. Kalbarczyk noted that my treatment of a
10 discounted rate to MEC for its Second Network Transmission Agreement
11 ("MEC2") was a minor change from SWTC's prior rate case filing method.
12 Mr. Kalbarczyk's statement prompted me to re-examine the proposed treatment of
13 this network transmission agreement. Following that review, I am recommending
14 some minor adjustments to its treatment.

15 Q. As background, please describe the contractual arrangements between Southwest
16 and MEC.

17 A. When Arizona Electric Power Cooperative, Inc. ("AEPCO") was restructured in
18 August 2001 and SWTC became the transmission provider, MEC elected to
19 become a partial-requirements customer. SWTC and MEC then entered into an
20 overall transmission agreement through which Southwest provides network
21 transmission service to MEC. This agreement contemplated that the two parties
22 would enter into additional transmission agreements. Two of these agreements
23 enabled MEC to acquire non-AEPCO resources. These non-AEPCO resources
24 may be used as either a supplement to or as a substitute for MEC's interest in
25 power acquired from AEPCO.

26 Q. What are the differences between these two agreements?

27 A. One agreement provides for network transmission service for non-AEPCO
28 resources, while the other agreement provides point-to-point service for such

[2] Kalbarczyk Direct, p. 7, ll. 19-22.

resources. They permit MEC to use the Southwest system to serve MEC's loads with non-AEPCO resources which MEC has acquired. The MEC2 contract noted in Mr. Kalbarczyk's direct testimony is the network agreement for non-AEPCO resources. It parallels the network service arrangements of the initial transmission agreement, which is used for delivery of AEPCO Resources to MEC's native load. Having such network delivery arrangements (regardless of whether they are for AEPCO or MEC's other resources) is consistent with FERC's model for Network Integration Transmission Service.

Q. Why have you recommended that MEC2 be treated differently than any other contract through which SWTC provides transmission service?

A. Because the MEC2 agreement is unique. Under MEC2, MEC must arrange to have any non-AEPCO resources delivered to the Western Area Power Administration's Davis Substation in Mohave County in the northwest corner of Arizona. From the Davis Substation, Southwest then delivers the power to MEC's native loads through SWTC's transmission facilities. Had the parties not agreed to use the Davis delivery point, Southwest would have been obligated to plan for, fund and/or construct transmission system facilities from more remote resource locations to the Davis Substation and MEC would likely have been responsible for a large portion of those costs in its transmission service rates. MEC instead agreed to use Davis as a single point of receipt and Southwest agreed to insulate MEC from the future costs of new facilities that SWTC might later construct in the southeastern part of Arizona.

This pricing approach is balanced and in the best interests of the entire Southwest system. Although MEC receives a slightly discounted price and protection from price increases associated with transmission construction projects in the southeastern part of the State, SWTC's other members are similarly not exposed to any costs that might be incurred if SWTC was obligated to build additional transmission from more-distant resources to the Davis Substation.

1 Q. Please describe how you handled these unique provisions of the MEC2 agreement
2 in your direct testimony.
3 A. Originally, I removed all costs associated with the Apache Transformer
4 Replacement ("Apache Transformer") and the Bicknell Substation Upgrade
5 ("Bicknell") from the "system" costs which could potentially be allocated to MEC
6 under the MEC2 agreement. Under the MEC2 agreement, I thought that MEC
7 should be insulated from a share of the costs associated with these projects,
8 because they are located in southeastern Arizona. This calculation was presented
9 in Schedule G-2A, Page 4 of 14 of the rate filing schedules.
10 Q. Now that Mr. Kalbarczyk refocused your attention on the MEC2 discounted rate,
11 do you believe that your original treatment of this contract was appropriate?
12 A. No, my original treatment was incorrect in some fairly minor respects. Southwest
13 has informed me that some costs associated with the Apache Transformer and
14 Bicknell assets were ordinary repairs and replacements to facilities previously
15 included in the MEC2 rate base. Therefore, only a portion—not all—of the costs
16 associated with these two projects should be considered "new system costs."
17 And, only that portion of the costs that are associated with new system facilities
18 should be removed from those costs used to calculate the MEC2 discount.
19 Q. Please summarize the changes you have made to the allocation.
20 A. Instead of removing all costs of the Apache Transformer, only half of the costs, or
21 $1,036,546, should be removed from the costs allocated to MEC2. Second,
22 instead of removing all Bicknell costs, only $2,989,098 should be removed, rather
23 than the $3,145,320 plant-in-service which was initially removed. I have reduced
24 the amount of accumulated depreciation in a proportional manner. Also, property
25 taxes and transmission operation and maintenance expenses that are associated
26 with those system assets which should not be allocated to the MEC2 contract have
27 been removed.
28 Overall, the adjustments on the omitted property taxes and transmission operation
29 and maintenance expenses on assets <u>decrease</u> the price of service under the MEC2

contract, while the adjustments in relation to the Apache Transformer and Bicknell increase the proposed revenues collected by Southwest through the MEC2 agreement.

Q. What impacts do these changes have on your recommended rates?

A. These adjustments have the net effect of slightly reducing revenues received from MEC. Proposed Network Services Revenues from the MEC2 contract decrease from $487,084 to $476,773—a reduction of just over $10,000. The attached JWZ-Schedules G and H incorporate these changes as well as the changes in revenue requirements discussed in Mr. Pierson's testimony. I also attach a Proof of Revenue Summary (Exhibit JWZ-1) and a Comparison of Current and Proposed Rates, as originally filed; as adjusted by Staff; and as based on SWTC's rebuttal (Exhibit JWZ-2).

Q. Does this conclude your rebuttal testimony?

A. Yes.

Southwest Transmission Cooperative, Inc.

JWZ SCH. G-1

Cost of Service Summary - Present Rates - SWTC vs. Staff Adjusted vs SWTC Rebuttal

Rebuttal

LINE NO.		PER SWTC TOTAL SYSTEM *		PER STAFF TOTAL SYSTEM	SWTC REBUTTAL TOTAL SYSTEM
	REVENUES:				
1.	NETWORK TRANSMISSION SERVICE	$ 22,328,219		$ 22,328,219	$ 22,328,219
2.	POINT-TO -POINT	3,484,662		3,484,662	3,484,662
3.	TOTAL ELECTRIC REVENUE:	25,812,881		25,812,881	25,812,881
4.	OTHER OPERATING REVENUE	598,408		598,408	598,408
5.	SPECIAL CONTRACTS & OTHER	1,365,938		1,365,938	1,365,938
6.	TOTAL OPERATING REVENUE	27,777,227		27,777,227	27,777,227
7.	OPERATING EXPENSES	27,947,057	(a)	*27,116,831*	*27,116,831*
8.	OPERATING INCOME (MARGINS)	(169,830)		660,396	660,396
9.	INCOME TAXES	-		-	-
10.	NET INCOME (MARGINS) (LINE 8 - LINE 9)	(169,830)		660,396	660,396
11.	RATE BASE	79,668,372	(b)	79,146,274	79,146,274
12.	RATE OF RETURN	-0.21%		0.83%	0.83%

Source Supporting Schedule Reference

* SWTC As-Filed Schedule G-1

(a) Staff Attachment RCS-2, Sch. A, Column D, Line 2

(b) Staff Attachment RCS-2, Sch. B, Column C, Line 9

Southwest Transmission Cooperative, Inc.

JWZ SCH. G-2

Cost of Service Summary - Proposed Rates - SWTC vs. Staff Adjusted vs SWTC Rebuttal

Rebuttal

LINE NO.		PER SWTC TOTAL SYSTEM *	PER STAFF TOTAL SYSTEM	SWTC REBUTTAL TOTAL SYSTEM
	REVENUES:			
1.	NETWORK TRANSMISSION SERVICE	$ 29,754,459	$ 29,749,860	29,019,048
2.	POINT-TO -POINT	3,711,841	3,711,841	3,617,027
3.	TOTAL ELECTRIC REVENUE	33,466,300	33,461,701	32,636,075
4.	OTHER OPERATING REVENUE	598,408	598,408	598,408
5.	SPECIAL CONTRACTS & OTHER	1,365,940	1,365,940	1,365,939
6.	TOTAL OPERATING REVENUE	35,430,648	35,426,049	34,600,422
7.	OPERATING EXPENSES	27,947,057	*27,116,831* (a)	27,116,831
8.	OPERATING INCOME (MARGINS)	7,483,591	8,309,218	7,483,591
9.	INCOME TAXES	-	-	-
10.	NET INCOME (MARGINS) (LINE 6 - LINE 7)	7,483,591	8,309,218	7,483,591
11.	RATE BASE	79,668,372	79,146,274 (b)	79,146,274
12.	RATE OF RETURN	9.39%	10.50%	9.46%

Source Supporting Schedule Reference

* SWTC As-Filed Schedule G-2

(a) Staff Attachment RCS-2, Sch. A, Column D, Line 2

(b) Staff Attachment RCS-2, Sch. B, Column C, Line 9

Southwest Transmission Cooperative, Inc.

Derivation Of Revenue Requirement And Rates - SWTC vs. Staff Adjusted vs SWTC Rebuttal

LINE NO.		PER SWTC TOTAL *	PER STAFF TOTAL	SWTC REBUTTAL TOTAL
1.	OPERATING EXPENSES (EXCL. REVENUE TAX)	$ 27,947,057	$ 27,116,831	$ 27,116,831
2.	INTEREST & OTHER DEDUCTIONS:	4,761,153	4,761,153	4,761,153
3.	TOTAL OPERATING EXPENSES (INC. INTEREST)	32,708,210	31,877,984	31,877,984
4.	PLUS MARGIN REQUIREMENT	2,823,336	3,722,263	2,823,336
	LESS OTHER REVENUES:			
5.	OTHER OPERATING REVENUE	598,408	598,408	598,408
6.	SPECIAL CONTRACTS	1,295,300	1,295,300	1,295,300
7.	DIRECT ASSIGNMENT FACILITIES	1,545,318	1,545,318	1,545,318
8.	SYS. CTL. & LOAD DSPTCH N/I SP.CONT.	1,558,531	1,558,531	1,558,531
9.	TOTAL OTHER INCOME	4,997,557	4,997,557	4,997,557
10.	NON-OPERATING MARGINS	100,898	174,198 (a)	100,898 (b)
11.	PLUS EXTRAORDINARY ITEMS	-	-	
12.	NET REVENUE REQUIREMENT BEFORE REV. TAX	30,433,091	30,428,492	29,602,865
13.	REVENUE TAX		-	
14.	ANNUAL TRANSMISSION REVENUE REQUIREMENT	$ 30,433,091	$ 30,428,492	$ 29,602,865

Source Supporting Schedule Reference

*	SWTC As-Filed Schedule G-2A 1		
(a)	Staff Attachment RCS-2, Sch. C-5 (3yr Norm. of $219,800) addition for gain sharing	$	73,300
(b)	Reversal of Staff's adjustment (3 yr Amort. of $219,800 for gain sharing).	$	(73,300)

Southwest Transmission Cooperative/Arizona Electric Power Cooperative

Derivation of Transmission Rates, Control Area Services and Revenue Requirements

Twelve Months Ended March 31, 2009

		Point-to-Point	Network				Translate Rates to Monthly Rates	
Schedule 7&8/Network Transmission Rates		$3.608	$2,187,176	G-2A, Page 3 for Point-to-Point			wk	0.83262 Sched 7
		/kW-mo					Day	0.12027
MANDATORY ANCILLARY SERVICES							on-pk	0.00494
Schedule 1	System Control & load Dispatch	$0.245	$0.245 /kW-mo	G-2A, Page 5			off-peak	0.00867
Schedule 2	Var support / voltage Control	$0.049	$0.067 /kW-mo	G-2A, Page 6			wk	0.05654 Sched 1
							Day	0.00817
							on-pk	0.00034
	TOTAL MANDATORY SVCS	$3.902	$2,187,176 /kW-mo				off-peak	0.00059
FERC OPTIONAL ANCILLARY SVCS - AEPCO							wk	0.01140 Sched 2
		Gen Cap Rate	% Req'd	=	$/kW-mo		Day	0.00165
Schedule 3	Cost of Reg. & Frequency Response	$11.932	4.46%	=	$0.5325	G-2A, Page 7	on-pk	0.00007
				=			off-peak	0.00012
Schedule 5	Operating Reserves- Spinning	$13.197	5.35%	=	$0.7060	G-2A, Page 7	wk	0.12289 Sched 3
				=			Day	0.01775
							on-pk	0.00073
Schedule 6	Operating Reserve- Supplemental	$9.299	5.36%	=	$0.4981	G-2A, Page 7	off-peak	0.00128
				=				
							wk	0.16293 Sched 5
Schedule 4	Energy Imbalance - AEPCO		Energy in kind deviation +/-1.5%				Day	0.02353
							on-pk	0.00097
	AEPCO pays positive imbalance		$36.68 $/MWh			G-2A, Page 10	off-peak	0.00170
	Customer pays negative imbalance		$100.00 $/MWh				wk	0.11494 Sched 6
							Day	0.01660
							on-pk	0.00068
Non-FERC	Replacement Capacity - AEPCO				$4.245	G-2A, Page 7	off-peak	0.00120
							wk	0.83262 Sched 7
							Day	0.12027
Losses		0.0297				Loss Study	on-pk	0.00494
							off-peak	0.00867

Notes:

* Regulation Capacity as a Percentage of Regulated Load

12 CP Load	OS Sales	Reg. Load	NF Whl	Reg 12 CP	Reg Cap	Reg Pct
506.12	123.00	383.12	65.00	448.12	20.00	4.46%

** Reserve percentages based on 2003 actual SRSG requirements and loads

Southwest Transmission Cooperative/Arizona Electric Power Cooperative

Derivation of Transmission Rates, Control Area Services and Revenue Requirements

Twelve Months Ended March 31, 2009

SCHEDULE 7 & 8 / NETWORK TRANSMISSION RATE BASE & BILLING UNIT SUMMARY

TRANSMISSION PLANT			
INTANGIBLE	$4,246,440		
TRANSMISSION	$116,505,608		
GENERAL PLANT	$12,436,299		
A/C 106	$13,360,610		
A/C 107 @ 50%	$14,143,510		
ACQUISITION ADJ & 105	$0		
Staff Attachment RCS-2, Scks. B-1&2 Rem. Plant Held Future Use & Acq.Adj.			
$ (377,214) $ (4,413) TOTAL		$160,692,467	
Sch. B-1 *Sch. B-2*			
DEPRECIATION & AMORTIZATION RESERVE			
TRANSMISSION	(60,986,081)		
GENERAL PLANT	(6,472,037)		
AMORTIZATION	(1,773,954)		
TOTAL		$ (69,232,072)	
NET TRANSMISSION PLANT	$91,460,395		
Staff Attachment RCS-2, Sch. B-4 Adjust M&S			
WORKING CAPITAL $ (334)	$1,829,389		
Staff Attachment RCS-2, Sch. B-3 Remove Retirement WIP			
RETIREMENT WIP $ (140,137)	$0		
TOTAL RATE BASE		$93,289,784	

	BU Summary			Total
TRANSMISSION LOAD	1 CP Load	683.7	683.7	Attach 1
	12 CP Load	506.1	506.1	Attach 1
NET INVESTMENT		$93,289,784	$0	$93,289,784
INTEREST & DSCR page 6	1.35	8.022%	8.022%	
ANNUAL CARRYING COSTS		$7,483,591	$0	$7,483,591
EXPENSES		$27,116,831	$0	$27,116,831
REVENUE CREDITS System Control & Load Disp.		$1,558,531	$0	$1,558,531
Direct Assignment Facility		$1,545,318	$0	$1,545,318
Other Operating Revenue		$598,408	$0	$598,408
Special Contracts & Other Wheeling		$1,295,300	$0	$1,295,300
Total of Credits		$4,997,557	$0	$4,997,557
		$29,602,865	$0	$29,602,865
ANNUAL REVENUE REQUIREMENTS				
		Point to Point Rate/1 CP kW		
TOTAL ANNUAL COSTS/KW	/kW-yr	$43.298	$0.000	$43.298
	/kW-month	$3.608	$0.000	$3.608

EXPENSES and EXPENSE ALLOCATION SUMMARY

			SWTC-Claim	STAFF Adjustments See Staff Attachemnt RCS-2, Schedules C-1 to C-4 C-1	C-2	C-3	C-4	Totals
TRANSMISSION OP	$8,143,529 Less account RUS 561		$8,382,829	$ (218,305)	$ (20,995)			$ (239,300)
TRANSMISSION MNT	$4,216,955		$4,423,221	$ (188,169)	$ (18,097)			$ (206,266)
A&G	$4,465,862		$4,618,438	$ (112,104)	$ (10,781)	$ (521)	$ (29,170)	$ (152,576)
TAXES	$1,683,865		$1,683,865	$ -	$ -			$ -
DEP EXP	$4,312,850		$4,312,850	$ -	$ -			$ -
System Control & Dispatch	$4,293,770		$4,525,854	$ (211,722)	$ (20,362)			$ (232,084)
TOTAL		$27,116,831	$27,947,057	$ (730,300)	$ (70,235)	$ (521)	$ (29,170)	$ (830,226)
				$ (730,300)	$ (70,235)			

Staff Allocation - Payroll and Payroll Tax Adj. allocated based upon ratio of payroll increase			
TRANSMISSION OP	$256,697	29.89%	29.89%
TRANSMISSION MNT	$221,261	25.77%	25.77%
A&G	$131,819	15.35%	15.35%
TAXES	$0	0.00%	0.00%
DEP EXP	$0	0.00%	0.00%
System Control & Dispatch	$248,956	28.99%	28.99%
TOTAL	$858,733	100.00%	100.00%

Southwest Transmission Cooperative/Arizona Electric Power Cooperative

Derivation of Mohave Network Service 2 discounted Rate

Twelve Months Ended March 31, 2009

SCHEDULE 7 & 8 / NETWORK TRANSMISSION RATE BASE & BILLING UNIT SUMMARY

TRANSMISSION PLANT				
INTANGIBLE	$4,246,440			
TRANSMISSION	$116,505,608			
GENERAL PLANT	$12,436,299			
A/C 106	$13,360,610			
A/C 107 @ 50%	$14,143,510			
ACQUISITION ADJ & 105	$0			
TOTAL		$160,692,467	Less: MEC NTS Discounted System Plant	$ 9,400,494
DEPRECIATION & AMORTIZATION RESERVE				
TRANSMISSION	(60,986,081)			
GENERAL PLANT	(6,472,037)			
AMORTIZATION	(1,773,954)		Less: MEC NTS Discounted System Plant	$ 1,196,199
TOTAL		(69,232,072)		
NET TRANSMISSION PLANT	91,460,395			
WORKING CAPITAL	1,829,389			
RETIREMENT WIP	-			
TOTAL RATE BASE		$93,289,784	Less: MEC NTS Discounted Rate Base	$8,204,295

	BU Summary			Total
TRANSMISSION LOAD	1 CP Load	683.7	0	683.7
	12 CP Load	506.12	0	506.12
NET INVESTMENT		$85,085,489	$8,204,295	$93,289,784
INTEREST & TIER page 6	0.00	8.022%	8.022%	8.022%
ANNUAL CARRYING COSTS		$6,825,453	$658,138	$7,483,591
EXPENSES		$26,237,884	$878,947	$27,116,831
REVENUE CREDITS System Control & Load Disp.		$1,558,531	$0	$1,558,531
Direct Assignment Facility		$1,545,318	$0	$1,545,318
Other Operating Revenue		$598,408	$0	$598,408
Special Contracts & Other Wheeling		$1,295,300	$0	$1,295,300
Total of Credits		$4,997,557	$0	$4,997,557
		$28,065,780	$1,537,085	$29,602,865
ANNUAL REVENUE REQUIREMENTS				
POINT-TO-POINT REVENUE REQUIREMENTS		$3,387,032	$0	$3,387,032
DISCOUNTED NETWORK TRANMISSION REVENUE REQUIREMENT		$24,678,748		

EXPENSES and EXPENSE ALLOCATION SUMMARY				
TRANSMISSION OP	8,143,529	Less account RUS 561		
TRANSMISSION MNT	4,216,955			
A&G	4,465,862			
TAXES	1,683,865			
DEP EXP	4,312,850		Depreciation @ 2.75%	$258,514
System Control & Dispatch	4,293,770			
TOTAL		$27,116,831		

System Plant Additions since 2005:		Plant In Service	Accumulated Depreciation	Net Book
Apache Spare 115/69 kV Transformer Permanent Replacement	05/31/2005	$ 247,056	$ 130,085	$ 116,972
Apache Transformer Replacement	12/31/2007	1,036,546	545,782	490,765
Bicknell Substation Upgrade	12/31/2008	2,989,098	20,550	2,968,548
Hackberry/Dos Condados OPGW	01/31/2007	270,095	31,017	239,078
Hackberry Sub Line Tap	01/31/2007	102,222	6,366	95,856
Hackberry Substation	03/31/2007	2,256,858	140,551	2,116,307
Hooker Tap Metering	12/31/2007	153,142	80,635	72,507
Mortensen Tap Meter	10/31/2005	114,089	60,072	54,017
Saddlebrooke Ranch Substation	05/31/2007	452,462	28,178	424,284
Sandario 115 kV Transmission Line	12/31/2005	165,979	52,513	113,466
Sandario Substation	05/31/2006	1,612,947	100,450	1,512,497
		$ 9,400,494	$ 1,196,199	$ 8,204,295

Southwest Transmission Cooperative/Arizona Electric Power Cooperative

Derivation of Transmission Rates, Control Area Services and Revenue Requirements

Twelve Months Ended March 31, 2009

SCHEDULE 1: System Control and Load Dispatch

Account 556 & 557		$	4,619,118	Ex. Property taxes
Account 561			6,593	
EMS payment from AEPCO			(407,904)	
AEPCO Ancilliary Services Sched.2-6			(348,813)	
	TOTAL	$	3,868,994	
RELIABILITY PORTION	50.00%	$	1,934,497	
Generation Capacity			657,000	kW
System Control & Load Dispatch		$	0.245	/kW-mo

		Net Rated kW	
Generation Capacity (Avg of Monthly)			
Apache Units (@SRSG)		576,000	Page 5
Purchased Pwr (Griffith & Southpoint)		50,000	Page 7
Fed Hydro (CRSP & PD)	Total	31,000	Actual Avg
		657,000	

Southwest Transmission Cooperative/Arizona Electric Power Cooperative

Derivation of Transmission Rates, Control Area Services and Revenue Requirements

Twelve Months Ended March 31, 2009

Schedule 2: COST OF REACTIVE POWER (VAR) PRODUCTION

AEPCO system investment in Power Production Facilities

		Orig Cost	Net	
1 Total production plant in service		$405,097,077	$189,399,425	Schedule G-2A, Page 9
2 Turbogenerator Systems		$54,638,869	$23,457,593	Schedule G-2A, Page 7
3 Accessory Electric Equipment		$20,143,173	$8,647,880	Schedule G-2A, Page 7
Separation of Production Plant Allocation to VAR Production		$74,782,041		
4 Generator and Exciter Systems	#2*(1-Power Factor)		$3,353,691	
5 Accessory Electric Equipment	#3*(1-Power Factor)		$1,236,372	
6 Other Power Production Facilities	1-4-5*(.25%)		$462,023	
7 Total Facilities Allocated to VAR Production			$5,052,086	
Annualized Costs Facilities Allocated to VAR Production	7*Int+DSCR	1.350	$405,272	
		8.022%		

Rates For VAR Production		12 CP	1 CP
		506.12	683.7
	$/kW/year	$0.801	$0.593
	$/kW/month	$0.067	$0.049

Power Factor	Gross Nameplate Output in kW	Pwr Factor Generator Name plate	Weighted Power factor	EAF Equivalent Availability Factor	Weighted Average
steam unit 1	77,400	0.85	10.885%	77.82%	9.97%
steam unit 2	195,000	0.85	27.424%	91.22%	29.43%
steam unit 3	195,000	0.85	27.424%	92.69%	29.90%
gas turbine 1	10,000	0.85	1.406%	83.20%	1.38%
gas turbine 2	20,000	0.9	2.978%	97.52%	3.23%
gas turbine 3	65,000	0.9	9.679%	96.26%	10.35%
gas turbine 4	42,000	0.85	5.907%	62.66%	4.35%
	604,400		85.703%		88.61%
(1-Power factor)			14.297%		

Southwest Transmission Cooperative/Arizona Electric Power Cooperative

Derivation of Transmission Rates, Control Area Services and Revenue Requirements

Twelve Months Ended March 31, 2009

Schedules 3, 5 & 6: APACHE STATION COST SUPPORT BY UNIT

Gen. Units	name plate SRSG RATING	Prod Invest.	Int plt, a/c 106,107 Transm,GP $50,496,560	Accum Depreciation + Retirement WIP $6,686,195	Working Capital $21,814,465	net. Prod. Invest less TURBO	Prod $/kW	O&M Exp $31,528,272	A&G $12,455,363	Taxes $2,933,343	Depreciation $8,348,168	Annual Carrying Costs $16,822,604	Annual Revenue Rqt $72,087,750	Annual RevRqt/kW
ST1	70,000	$ 22,196,122	$ 3,021,820	$ 19,397,858	$ 1,305,423	$ 25,609,185	$ 366	$ 1,886,718	$ 745,355	$ 175,537	$ 499,572	$ 1,006,700	$ 4,313,881	61.63
ST2	188,000	158,500,501	21,578,540	89,808,077	9,321,909	175,068,030	931	13,472,880	5,322,512	1,253,496	3,567,397	7,188,752	30,805,038	163.86
ST3	188,000	147,868,356	20,131,061	82,477,954	8,696,599	162,459,584	864	12,569,125	4,965,480	1,169,412	3,328,098	6,706,534	28,738,649	152.87
IC1/GT1	9,000	1,946,118	264,948	1,835,175	114,457	2,325,524	258	165,424	65,351	15,391	43,802	88,266	378,234	42.03
GT2	17,000	3,077,974	419,041	2,596,304	181,025	3,524,967	207	261,634	103,360	24,342	69,276	139,601	598,213	35.19
GT3	64,000	8,614,275	1,172,763	6,330,170	506,632	9,140,287	143	732,232	289,271	68,126	193,883	390,698	1,674,210	26.16
GT4	40,000	28,708,212	3,908,387	5,898,018	1,688,419	32,248,226	806	2,440,259	964,034	410,000	646,140	1,302,054	5,762,487	144.06
	576,000	$ 370,911,558	$ 50,496,560	$ 208,343,556	$ 21,814,465	$ 410,375,802		$ 31,528,272	$ 12,455,363	$ 3,116,305	$ 8,348,168	$ 16,822,604	$ 72,270,712	
			$ 421,408,118											

		turbo equip 314,315,344,345	Plant dep reserve assignable to gen units	Turbo Depreciation Reserve	Net turbo plant
ST1	70,000	$ 6,344,228	$ (18,997,743)	$ (5,430,049)	$ 914,180
ST2	188,000	31,751,046	(86,950,886)	(17,418,125)	14,332,921
ST3	188,000	30,932,169	(79,812,422)	(16,695,738)	14,236,431
IC1/GT1	9,000	-	(1,800,094)	-	-
GT2	17,000	877,136	(2,540,819)	(724,062)	153,074
GT3	64,000	4,072,970	(6,174,886)	(2,919,587)	1,153,383
GT4	40,000	2,531,189	(5,380,513)	(474,397)	2,056,792
TOTAL	576000	$ 76,508,736	$ (201,657,361)	$ (43,661,958)	$ 32,846,781

Replacement			
GT1	9,000	$144.062	$1,296,560
ST1	70,000	$61.627	$4,313,881
GT3	64,000	$26.160	$1,674,210
	143,000		$7,284,651
	$/kW/year		$50.942
	$/kW/month		$4.245

Schedule 3
Regulation

	kW Capacity	Cost/kW	Annual $
ST2	188,000	$163.857	$30,805,038
ST3	188,000	$152.865	$28,738,649
ST1	70,000	$61.627	$4,313,881
	446,000		$63,857,568
	$/kW/year		$143.178
	$/kW/month		$11.932

Schedule 5
Spinning

	kW Capacity	Cost/kW	Annual $
ST2	188,000	$163.857	$30,805,038
ST3	188,000	$152.865	$28,738,649
	376,000		$59,543,687
	$/kW/year		$158.361
	$/kW/month		$13.197

Schedule 6
Supplemental

	kW Capacity	Cost/kW	Annual $
GT4	40,000	$144.062	$5,762,487
GT2	17,000	$35.189	$598,213
	57,000		$6,360,701
	$/kW/year		$111.591
	$/kW/month		$9.299

Int plt, a/c 106,107, Transm,GP

Intangible Plant	6,337,186	
Transmission	$2,889,491	
General Plant	$19,286,132	
Acc 106	$1,998,986	
Acc 107	$19,984,765	Acc 107 + adj. to Acc 312
	$50,496,560	
Tot. Accum. Deprec. & Amort.		-$204,796,249
		$3,138,888

D Res. Retirement WIP

Accumulated Depreciation Transmission Pl	$1,580,842
Accumulated Depreciation General and Int	$10,016,425
Accumulated Amortization	$2,443,024
Retired Work in Progress	$3,547,307
	$17,587,598

Account 310: Land account

	SRSG RATING	
		$3,915,175
ST1	70,000	$475,803
ST2	188,000	1,277,870
ST3	188,000	1,277,870
IC1/GT1	9,000	61,175
GT2	17,000	115,552
GT3	64,000	435,019
GT4	40,000	271,887
	576,000	$3,915,175

Southwest Transmission Cooperative/Arizona Electric Power Cooperative

Derivation of Transmission Rates, Control Area Services and Revenue Requirements

Twelve Months Ended March 31, 2009

DEBT SERVICE CALCULATIONS					
INTEREST ON LONG TERM DEBT		$	4,999,328 (a)		
PRINCIPAL PAYMENTS			3,989,942 (b)		
TOTAL DEBT SERVICE		$	8,989,270		
DSCR				INTEREST RATES	
	1.35	$	12,135,514	1.35	8.022%
	1.20	$	10,787,124	1.20	6.685%
LESS:					
DEPRECIATION & AMORTIZATION		$	4,312,850 (c)		
NON-OPERATING MARGINS		$	100,898 (c)		
PLUS:					
OTHER INTEREST EXPENSE		$	248,531 (c)		
OTHER DEDUCTIONS		$	1,399 (c)		
INTEREST CHARGED TO CONSTRUCTION		$	(488,105) (c)		
RETURN					
	1.35	$	7,483,591		
	1.20	$	6,236,099		
NET UTILITY PLANT		$	91,460,395 (d)		
WORKING CAPITAL		$	1,829,389 (d)		
RETIREMENT WIP		$	- (d)		
TOTAL RATE BASE		$	93,289,784		

Supporting Schedules:
(a) Schedule C-1, Page 4
(b) Schedule A-2
(c) Schedule F-1, Page 2
(d) Schedule G-2A, Page 3

Southwest Transmission Cooperative/Arizona Electric Power Cooperative

Derivation of Transmission Rates, Control Area Services and Revenue Requirements

Twelve Months Ended March 31, 2009

AEPCO PRODUCTION PLANT ORIGINAL COST AND NET PLANT SUMMARY FOR ANCILLARY SERVICES WORKSHEETS

INTANGIBLE	$	5,290	
PRODUCTION			
STEAM 1		22,196,122	
STEAM 2		158,500,501	
STEAM 3		147,868,356	
GT 1		1,946,118	
GT 2		3,077,974	
GT 3		8,614,275	
GT 4		28,708,212	
Transmission		2,889,491	
GENERAL PLANT		19,286,132	
A/C 106		1,998,986	
A/C 107@50%		9,992,383	
ACQUISITION ADJ		13,238	
TOTAL			$ 405,097,077

DEPRECIATION & AMORTIZATION RESERVE

PRODUCTION			
STEAM 1	$	(18,997,743)	
STEAM 2		(86,950,886)	
STEAM 3		(79,812,422)	
GT 1		(1,800,094)	
GT 2		(2,540,819)	
GT 3		(6,174,886)	
GT 4		(5,380,513)	
GENERAL & INTANGIB		(10,016,425)	
TRANSMISSION PLANT		(1,580,842)	
AMORTIZATION		(2,443,024)	
TOTAL			$ (215,697,652)

NET PRODUCTION PLANT	$	184,347,339	less turbo eqp.	$ 5,052,086
WORKING CAPITAL	$	21,814,465		
RETIREMENT WIP	$	3,547,307		
PRODUCTION PLANT RATE BASE				$ 209,709,111

EXPENSE ALLOCATION

PRODUCTION OP	$	12,748,120	
PRODUCTION MNT		18,780,152	
OTHER		2,591,246	
* TRANSMISSION EXP		4,516,966	
A&G		12,455,363	
TAXES		2,933,343	
DEP EXP		8,348,168	
TOTAL			$ 62,373,358

PRODUCTION CAPABILITY (kW on SRSG Basis)		576,000
NET INVESTMENT		$209,709,111
INTEREST & DSCR page 6	1.35	8.022%
ANNUAL CARRYING COSTS		$ 16,822,604
ANNUAL EXPENSES		$ 62,373,358
PLANT ANNUAL REVENUE REQUIREMENTS		$ 79,195,962
PLANT ANNUAL COSTS/KW		$ 137.49
MONTH		$ 11.46
Gen Plant Fixed Charge Rate (Rev Req't/ Rate Base)		37.765%

PURCHASE POWER CAPACITY (pro-forma 2009)		Test Year Actual
Purch Pwr Avg Contract Demand kW	300,000	300,000
Southpoint	150,000	150,000
Griffith	150,000	150000
Purch Pwr Annual Demand Charges	$2,365,328	$2,365,328
Southpoint	$1,389,300	$1,389,300
Griffith	$976,028	$976,028
Purch Pwr Monthly Costs/kW	$7.884	7.88
Southpoint	$9.262	$9.262
Griffith	$6.507	$6.507
PLANT + PP Annual Rev Req't	$81,561,290	$81,561,290
Annual cost/kW	$93.106	$93.106
Monthly cost/kw	$7.759	$7.759

Southwest Transmission Cooperative/Arizona Electric Power Cooperative

Derivation of Transmission Rates, Control Area Services and Revenue Requirements

Twelve Months Ended March 31, 2009

SCHEDULE 4: ENERGY IMBALANCE

Energy Imbalance Cost = Accts 501+547+ e-charge A/C 555/kwh

Fuel	501/547	$	88,508,998
Purchased Power	555 Energy Only		13,428,375
Non-Firm Wheeling			2,880
Firm Contracts Energy Revenues			(2,448,992)
Economy Sales Energy Revenues			(3,952,272)
		$	95,538,990

Total sales	2,604,463,779	kWh
$	36.68	$/MWh

BILLING UNIT AND TRANSMISSION REVENUE SUMMARY WORKSHEET

POINT TO POINT TRANSMISSION SERVICES

Loads in kW and rates in $ per kW-mo. unless otherwise indicated

		2008 APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	2009 JAN	FEB	MAR	TOTAL
AEPCO	Firm Pt to Pt - Agrmnts -kW dr	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	576,000
	Rate p/p	$3.608	$3.608	$3.608	$3.608	$3.608	$3.608	$3.608	$3.608	$3.608	$3.608	$3.608	$3.608	
	Firm Pt to Pt - Agrmnts	$173,184	$173,184	$173,184	$173,184	$173,184	$173,184	$173,184	$173,184	$173,184	$173,184	$173,184	$173,184	$2,078,208
Sulphur Springs	Loads	0	0	58,945	47,254	54,244	12,666	22,666	17,666	19,965	4,605	0	4,745	242,756
Firm Point to Point	Rate P/P	3.608	3.608	3.608	3.608	3.608	3.608	3.608	3.608	3.608	3.608	3.608	3.608	
	Total Dollars P/P	$0	$0	$212,674	$170,492	$195,712	$45,699	$81,779	$63,739	$72,034	$16,615	$0	$17,120	$875,864
MW&E Safford Mine	Loads	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
wheeling	Rate p/p	3.608	3.608	3.608	3.608	3.608	3.608	3.608	3.608	3.608	3.608	3.608	3.608	
	Total Dollars P/P	$36,080	$36,080	$36,080	$36,080	$36,080	$36,080	$36,080	$36,080	$36,080	$36,080	$36,080	$36,080	$432,960
TOTAL Point to Point														
	LOADS kW	58,000	58,000	116,945	105,254	112,244	70,666	80,666	75,666	77,965	62,605	58,000	62,745	938,756
	REVENUE	$209,264	$209,264	$421,938	$379,756	$404,976	$254,963	$291,043	$273,003	$281,298	$225,879	$209,264	$226,384	$3,387,032
Forecast Network Loads														Average
	2010 Network	344,378	499,761	566,730	555,630	560,588	510,185	430,298	337,349	352,786	340,957	337,863	298,211	427,895
														12 CP Load
Total Point to Point and Network Loads		402,378	557,761	683,675	660,884	672,832	580,851	510,964	413,015	430,751	403,562	395,863	360,956	506,124

1 CP Load
683,675

BILLING UNIT AND TRANSMISSION REVENUE SUMMARY WORKSHEET

Revenue Credits

The Following Serve as Additional Bill Credits to Network Customers

Special Contract Revenue Credits		2008 APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	2009 JAN	FEB	MAR	TOTAL
AEPCO Firm	Firm Pt to Pt - Serv -kwh keep t	$10,000	$123,000	$180,000	$60,000	$110,000	$20,000	$35,000	$167,000	$187,000	$25,000	$0	$20,000	937,000
Point to Point	Rate	$0.0023	$0.0053	$0.0053	$0.0047	$0.0044	$0.0056	$0.0044	$0.0029	$0.0029	$0.0031	NA	$0.0041	
Energy-Based	Firm Pt to Pt - Serv	$23	$650	$952	$282	$481	$112	$153	$484	$535	$76	$0	$82	$3,831
AEPCO (kWh)	Loads in kWh			25,000	546,000	100,000	65,000	280,000	170,000	368,000				1,554,000
3rd party sales	Rate	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
Non-Firm	Total Dollars P/P	$0	$0	$206	$3,024	$717	$411	$1,379	$992	$1,991	$0	$0	$0	$8,721
AEPCO	Loads in kWh	361,000	91,000	1,107,000	1,013,000	694,000	280,000	441,000	157,000	1,027,000	711,000	63,000	82,000	
Service to ED4 and	Rate p/p in mils/kWh	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
ED5	Total Dollars P/P	1004.08	289.51	4137.59	3676.44	2531.91	736.26	1269.56	442.51	3052.6	2346.98	241.55	272	$20,001
Mohave	Loads(kWh)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
3rd party sales	Rate p/p	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
Umbrella	Total Dollars P/P	$68,387	$50,918	$23,944	$3,348	$5,204	$17,931	$35,216	$19,870	$12,123	$13,330	$7,740	$2,604	$260,615
Mohave	Loads	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	132000
Firm P-t-P	Rate P/P	$1.080	$1.080	$1.080	$1.080	$1.080	$1.080	$1.080	$1.080	$1.080	$1.080	$1.080	$1.080	
	Total Dollars P/P	$11,880	$11,880	$11,880	$11,880	$11,880	$11,880	$11,880	$11,880	$11,880	$11,880	$11,880	$11,880	$142,560
Sulphur Springs	Loads(kWh)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
3rd party sales	Rate p/p	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
Umbrella	Total Dollars P/P	$45	$6,740	$2,831	$20,573	$8,893	$5,884	$5,748	$2,955	$2,918	$1,109	$810	$76	$58,581
Sulphur Springs	Loads(kWh)	0	0	0	0	0	0	0	0	0	0	0	0	
Firm Point to	Rate p/p	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
Point Energy Based	Total Dollars P/P	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
MWE - Safford Mine	Loads(kWh)	7,301,231	8,078,481	10,862,433	11,486,243	15,762,613	2,359,671	2,202,364	1,694,000	4,750,831	2,468,154	2,681,600	1,267,249	70,914,870
Non-Firm kWh	Rate p/p	0.0040	0.0040	0.0039	0.0039	0.0040	0.0038	0.0039	0.0038	0.0039	0.0038	0.0038	0.0044	
	kWh Dollars P/P	$28,933	$32,048	$42,799	$44,916	$62,665	$9,078	$8,500	$6,430	$18,500	$9,278	$10,271	$5,532	$278,950
Contract Minimum	Minimum Charge	$0	$0	$0	$0	$0	$41,076	$41,076	$41,076	$41,076	$41,076	$41,076	$41,076	$287,532
	Total Dollars P/P	$28,933	$32,048	$42,799	$44,916	$62,665	$50,154	$49,576	$47,506	$59,576	$50,354	$51,347	$46,608	$566,482
TEP Point to Point	Loads in kWh	0	0	0	3,964,000	0	9,635,000	5,333,000	794,000	123,000	759,000	0	85,000	
Energy Based	Rate p/p	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
	Total Dollars P/P	$0	$0	$0	$23,388	$0	$65,521	$32,314	$4,743	$577	$17,978	$20,376	$22,201	$187,098
TEP Non Firm	Loads in kWh	163,000	712,000	1,442,000	0	40,909,000	17,000	0	0	0	0	0	0	$43,243,000
	Rate	0.0047	0.0050	0.0068	NA	0.0072	NA	NA	NA	NA	NA	NA	NA	
	Total Dollars	$764	$3,545	$9,814	$0	$33,209	$80	$0	$0	$0	$0	$0	$0	$47,412
Total Special Contract Credits		$111,036	$106,072	$96,564	$111,088	$125,581	$152,709	$137,536	$88,872	$92,653	$97,074	$92,394	$83,723	$1,295,300

BILLING UNIT AND TRANSMISSION REVENUE SUMMARY WORKSHEET
NETWORK INTEGRATED TRANSMISSION SERVICES

		APR	MAY	JUN	JUL	2008 AUG	SEP	OCT	NOV	DEC	JAN	2009 FEB	MAR	TOTAL	
COS Trans Revenue Requirements		$ 2,466,905	$ 2,466,905	$ 2,466,905	$ 2,466,905	$ 2,466,905	$ 2,466,905	$ 2,466,905	$ 2,466,905	$ 2,466,905	$ 2,466,905	$ 2,466,905	$ 2,466,905	$ 29,602,865	$ 29,602,865
Avg Mo Rev from Pt to Pt Service		$ 282,253	$ 282,253	$ 282,253	$ 282,253	$ 282,253	$ 282,253	$ 282,253	$ 282,253	$ 282,253	$ 282,253	$ 282,253	$ 282,253	$ 3,387,032	
Network Services Revenue Requirements		$ 2,184,653	$ 2,184,653	$ 2,184,653	$ 2,184,653	$ 2,184,653	$ 2,184,653	$ 2,184,653	$ 2,184,653	$ 2,184,653	$ 2,184,653	$ 2,184,653	$ 2,184,653	$ 26,215,833	
Discount Revenue Shortfall		$ 2,523	$ 2,523	$ 2,523	$ 2,523	$ 2,523	$ 2,523	$ 2,523	$ 2,523	$ 2,523	$ 2,523	$ 2,523	$ 2,523	$ 30,277.61	
Network Services	Network Revenue Req't	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 26,246,111	
MEC Sytem Discount	Network Revenue Req't	$ 2,056,562	$ 2,056,562	$ 2,056,562	$ 2,056,562	$ 2,056,562	$ 2,056,562	$ 2,056,562	$ 2,056,562	$ 2,056,562	$ 2,056,562	$ 2,056,562	$ 2,056,562	$ 24,678,748	
NETWORK		APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL	
Anza	Loads: April 08 to March 09	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	
	Loads: April 07 to March 08	6,468	6,132	9,936	11,832	10,716	9,036	5,592	6,564	9,156	7,440	7,596	6,408	96,876	
	12 Month Rolling Avg	8,010	8,123	8,179	8,060	7,996	8,050	8,155	8,057	8,032	8,087	8,043	8,034	96,826	
	Trans Cost	$ 38,758	$ 39,274	$ 39,626	$ 39,548	$ 39,428	$ 39,991	$ 40,631	$ 40,318	$ 40,480	$ 40,881	$ 40,884	$ 41,071		$480,889
Duncan	Loads: April 08 to March 09	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	
	Loads: April 07 to March 08	3,100	5,840	6,660	6,020	6,520	3,720	4,520	3,320	4,520	4,320	4,180	3,260	55,780	
	12 Month Rolling Avg	4,712	4,745	4,770	4,763	4,772	4,908	4,867	4,822	4,803	4,768	4,745	4,765	57,440	
	Trans Cost	$ 22,799	$ 22,942	$ 23,110	$ 23,372	$ 23,529	$ 24,384	$ 24,247	$ 24,128	$ 24,207	$ 24,105	$ 24,120	$ 24,358		$285,300
Graham	Loads: April 08 to March 09	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	
	Loads: April 07 to March 08	21,236	29,349	40,099	39,125	36,529	30,341	27,052	18,498	21,918	20,119	19,731	19,458	323,454	
	12 Month Rolling Avg	26,932	27,112	27,100	27,150	27,188	27,348	27,176	27,172	27,066	27,055	26,979	27,047	325,326	
	Trans Cost	$ 130,318	$ 131,085	$ 131,294	$ 133,215	$ 134,064	$ 135,860	$ 135,401	$ 135,970	$ 136,403	$ 136,773	$ 137,139	$ 138,262		$1,615,784
Mohave 1	Loads: April 08 to March 09	109,021	139,516	149,516	168,516	169,516	160,516	137,918	94,924	84,804	81,756	77,891	59,932	1,433,826	
	Loads: April 07 to March 08	109,021	158,516	154,516	173,516	172,516	156,516	116,918	107,021	93,804	89,756	89,891	82,925	1,504,916	
	12 Month Rolling Avg	125,410	123,826	123,410	122,993	122,743	123,076	124,826	123,818	123,068	122,402	121,402	119,486	1,476,460	
	Trans Cost	$ 606,826	$ 598,687	$ 597,898	$ 603,482	$ 605,245	$ 611,417	$ 621,924	$ 619,592	$ 620,226	$ 618,780	$ 617,102	$ 610,803		$ 7,331,982
Sulphur Springs 1	Loads: April 08 to March 09	102,796	120,334	134,334	128,334	129,334	132,334	121,334	109,334	129,334	128,700	134,451	122,700	1,493,319	
	Loads: April 07 to March 08	122,269	164,707	196,965	203,463	184,378	178,211	161,454	123,855	152,809	120,700	124,451	111,700	1,844,962	
	12 Month Rolling Avg	152,124	148,426	143,207	136,946	132,359	128,536	125,193	123,983	122,027	122,693	123,527	124,443	1,583,465	
	Trans Cost	$ 736,090	$ 717,625	$ 693,813	$ 671,946	$ 652,663	$ 638,541	$ 623,750	$ 620,415	$ 614,976	$ 620,255	$ 627,904	$ 636,147		$ 7,854,125
Trico	Loads: April 08 to March 09	85,694	125,853	164,497	149,759	155,557	140,957	116,234	91,507	90,195	85,104	80,987	72,836	1,359,160	
	Loads: April 07 to March 08	88,723	110,813	146,455	163,780	146,628	139,724	109,919	86,372	92,686	87,572	84,462	69,545	1,326,679	
	12 Month Rolling Avg	110,304	111,558	113,061	111,893	112,637	112,739	113,266	113,694	113,486	113,280	112,989	113,263	1,352,169	
	Trans Cost	$ 533,734	$ 539,368	$ 547,761	$ 549,016	$ 555,410	$ 560,066	$ 564,325	$ 568,927	$ 571,934	$ 572,669	$ 574,340	$ 578,996		$ 6,716,547
Mohave 2	Loads: April 08 to March 09	0	17,785	37,200	26,423	25,982	7,188	0	0	0	0	0	0	114,578	
	Loads: April 07 to March 08	23,684	0	0	0	2,705	10,314	0	0	0	1,755	5,281	2,240	45,979	
	12 Month Rolling Avg	1,858	3,340	6,440	8,642	10,582	10,321	10,321	10,321	10,321	10,175	9,735	9,548	101,604	
	Trans Cost	$ 8,453	$ 15,184	$ 29,337	$ 39,871	$ 49,062	$ 48,211	$ 48,352	$ 48,563	$ 48,909	$ 48,366	$ 46,529	$ 45,895		$ 476,733
Safford	Loads: April 08 to March 09	10,573	17,042	17,336	18,100	18,877	15,531	13,212	8,792	9,355	9,065	9,240	7,564	154,687	
	Loads: April 07 to March 08	11,463	14,631	16,902	17,714	19,245	15,398	14,502	8,420	9,696	9,671	9,522	8,157	155,321	
		12,869	13,070	13,106	13,139	13,108	13,119	13,011	13,042	13,014	12,964	12,940	12,891	156,273	
	Trans Cost	$ 62,271	$ 63,193	$ 63,498	$ 64,466	$ 64,635	$ 65,172	$ 64,827	$ 65,265	$ 65,587	$ 65,535	$ 65,776	$ 65,896		$ 776,119
Sulphur Springs 2	Loads: April 08 to March 09	0	28,548	0	0	0	0	0	0	0	0	0	0	28,548	
	Loads: April 07 to March 08	0	0	0	0	0	0	0	0	0	11,388	15,639	18,499	45,526	
	12 Month Rolling Avg	3,794	6,173	6,173	6,173	6,173	6,173	6,173	6,173	6,173	5,224	3,921	2,379	64,700	
	Trans Cost	$ 18,357	$ 29,845	$ 29,906	$ 30,288	$ 30,438	$ 30,665	$ 30,755	$ 30,889	$ 31,109	$ 26,408	$ 19,929	$ 12,161		$ 320,752
Thatcher	Loads: April 08 to March 09	5,000	7,000	7,000	7,000	7,000	7,000	7,000	5,000	5,000	5,000	5,000	5,000	72,000	
	Loads: April 07 to March 08	5,000	7,000	7,000	7,000	7,000	7,000	7,000	5,000	5,000	5,000	5,000	5,000	72,000	
		6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	72,000	
	Trans Cost	$ 29,032	$ 29,009	$ 29,069	$ 29,440	$ 29,586	$ 29,807	$ 29,894	$ 30,024	$ 30,238	$ 30,332	$ 30,499	$ 30,672		$ 357,602
TOTAL Network loads 12 mo. rolling Avg		452,013	452,373	451,446	445,759	443,557	440,272	438,988	437,082	433,990	432,648	430,280	427,856	5,286,263	
Total Network Loads: April 07 to March 08		390,207	498,144	579,205	621,022	585,469	550,908	448,217	357,874	389,293	358,374	365,228	327,088	5,471,029	
Total Network Loads: April 08 to March 09		344,378	499,761	566,730	555,630	560,588	510,185	430,298	337,349	352,786	340,957	337,863	298,211	5,134,736	
TOTAL NETWORK DOLLARS		$ 2,186,639	$ 2,186,212	$ 2,185,313	$ 2,184,644	$ 2,184,060	$ 2,184,114	$ 2,184,105	$ 2,184,092	$ 2,184,070	$ 2,184,104	$ 2,184,221	$ 2,184,261	$ 26,215,833	$26,215,833
Per kW-month		4.84	4.83	4.84	4.90	4.92	4.96	4.98	5.00	5.03	5.05	5.08	5.11	4.96	

Rebuttal

BILLING UNIT AND TRANSMISSION REVENUE SUMMARY WORKSHEET

POINT TO POINT TRANSMISSION SERVICES

Loads in kW and rates in $ per kW-mo. unless otherwise indicated

		2008 APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	2009 JAN	FEB	MAR	TOTAL
AEPCO														
Firm P-t-P	Loads	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	576,000
	Rate p/p	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	
	Firm Dollars P/P	$164,304	$164,304	$164,304	$164,304	$164,304	$164,304	$164,304	$164,304	$164,304	$164,304	$164,304	$164,304	$1,971,648
Sulphur Springs	Loads	0	0	58,945	47,254	54,244	12,666	22,666	17,666	19,965	4,605	0	4,745	242756
Firm P-t-P	Rate P/P	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	
	Total Dollars P/P	$0	$0	$201,769	$161,750	$185,677	$43,356	$77,586	$60,471	$68,340	$15,763	$0	$16,242	$830,954
MW&E Safford Mine	Loads	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
Firm P-t-P	Rate P/P	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	
	Firm Dollars P/P	$34,230	$34,230	$34,230	$34,230	$34,230	$34,230	$34,230	$34,230	$34,230	$34,230	$34,230	$34,230	$410,760
TOTAL Point to Point														
	LOADS kW	58,000	58,000	116,945	105,254	112,244	70,666	80,666	75,666	77,965	62,605	58,000	62,745	938,756
	REVENUE	$198,534	$198,534	$400,303	$360,284	$384,211	$241,890	$276,120	$259,005	$266,874	$214,297	$198,534	$214,776	$3,213,362
Forecast Network Loads														
	2011 Network (2010 PRS)	344,378	499,761	566,730	555,630	560,588	510,185	430,298	337,349	352,786	340,957	337,863	298,211	5,134,736
Total Point to Point and Network Loads		402,378	557,761	683,675	660,884	672,832	580,851	510,964	413,015	430,751	403,562	395,863	360,956	Average 427,895
														12 CP Load
														506,124

1 CP Load
683,675

BILLING UNIT AND TRANSMISSION REVENUE SUMMARY WORKSHEET

Revenue Credits

The Following Serve as Additional Bill Credits to Network Customers

Special Contract Revenue Credits		2008 APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	2009 JAN	FEB	MAR	TOTAL
AEPCO Firm	Loads(kWh)	10,000	123,000	180,000	60,000	110,000	20,000	35,000	167,000	187,000	25,000	-	20,000	937,000
Point to Point	Rate p/p	$0.0023	$0.0053	$0.0053	$0.0047	$0.0044	$0.0056	$0.0044	$0.0029	$0.0029	$0.0031	NA	$0.0041	
Energy-Based	Total Dollars P/P	$23	$650	$952	$282	$481	$112	$153	$484	$535	$76	$0	$82	$3,831
AEPCO (kWh)	Loads in kWh	0	0	25000	546000	100000	65000	280000	170000	368000	0	0	0	1,554,000
3rd party sales	Rate	NA	NA	$0.0082	$0.0055	$0.0072	$0.0063	$0.0049	$0.0058	$0.0054	NA	NA	NA	
Non-Firm	Total Dollars P/P	$0	$0	$206	$3,024	$717	$411	$1,379	$992	$1,991	$0	$0	$0	$8,721
AEPCO	Loads in kWh	361,000	91,000	1,107,000	1,013,000	694,000	280,000	441,000	157,000	1,027,000	711,000	63,000	82,000	6,027,000
Service to ED4 and	Rate p/p in mils/kWh	$0.0028	$0.0032	$0.0037	$0.0036	$0.0036	$0.0026	$0.0029	$0.0028	$0.0030	$0.0033	$0.0038	$0.0033	
ED5	Total Dollars P/P	$1,004	$290	$4,138	$3,676	$2,532	$736	$1,270	$443	$3,053	$2,347	$242	$272	$20,001
Mohave	Loads(kWh)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	-
3rd party sales	Rate p/p	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
Umbrella	Total Dollars P/P	$68,387	$50,918	$23,944	$3,348	$5,204	$17,931	$35,216	$19,870	$12,123	$13,330	$7,740	$2,604	$260,615
Mohave	Loads	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	132000
Firm P-t-P	Rate P/P	$1.080	$1.080	$1.080	$1.080	$1.080	$1.080	$1.080	$1.080	$1.080	$1.080	$1.080	$1.080	
	Total Dollars P/P	$11,880	$11,880	$11,880	$11,880	$11,880	$11,880	$11,880	$11,880	$11,880	$11,880	$11,880	$11,880	$142,560
Sulphur Springs	Loads(kWh)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	-
3rd party sales	Rate p/p	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
Umbrella	Total Dollars P/P	$45	$6,740	$2,831	$20,573	$8,893	$5,884	$5,748	$2,955	$2,918	$1,109	$810	$76	$58,581
Sulphur Springs	Loads(kWh)	0	0	0	0	0	0	0	0	0	0	0	0	-
Firm Point to	Rate p/p	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
Point Energy Based	Total Dollars P/P	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
MWE - Safford Mine	Loads(kWh)	7,301,231	8,078,481	10,862,433	11,486,243	15,762,613	2,359,671	2,202,364	1,694,000	4,750,831	2,468,154	2,681,600	1,267,249	70,914,870
Non-Firm kWh	Rate p/p	$0.0040	$0.0040	$0.0039	$0.0039	$0.0040	$0.0038	$0.0039	$0.0038	$0.0039	$0.0038	$0.0038	$0.0044	
	kWh Dollars P/P	$28,933	$32,048	$42,799	$44,916	$62,665	$9,078	$8,500	$6,430	$18,500	$9,278	$10,271	$5,532	$278,950
Contract Minium	Minimum Charge	$0	$0	$0	$0	$0	$41,076	$41,076	$41,076	$41,076	$41,076	$41,076	$41,076	$287,532
	Total Dollars P/P	$28,933	$32,048	$42,799	$44,916	$62,665	$50,154	$49,576	$47,506	$59,576	$50,354	$51,347	$46,608	$566,482
TEP Point to Point	Loads in kWh	0	0	0	3,964,000	0	9,635,000	5,333,000	794,000	123,000	759,000	0	85,000	20,693,000
Energy Based	Rate p/p	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
	Total Dollars P/P	0	0	0	23,388	0	65,521	32,314	4,743	577	17,978	20,376	22,201	$187,098

TEP Non Firm	Loads in kWh	163,000	712,000	1,442,000	0	40,909,000	17,000	0	0	0	0	0	0	43,243,000
	Rate	$0.0047	$0.0050	$0.0068	NA	0.00717	NA	NA	NA	NA	NA	NA	NA	
	Total Dollars	$764	$3,545	$9,814	$0	$33,209	$80	$0	$0	$0	$0	$0	$0	$47,412
Total Special Contract Credits		$99,156	$94,192	$84,684	$99,208	$113,701	$140,829	$125,656	$76,992	$80,773	$85,194	$80,514	$71,843	$1,295,300

BILLING UNIT AND TRANSMISSION REVENUE SUMMARY WORKSHEET
NETWORK INTEGRATED TRANSMISSION SERVICES

			APR	MAY	JUN	JUL	2008 AUG	SEP	OCT	NOV	DEC	JAN	2009 FEB	MAR	TOTAL	
	Network Revenue Req't		$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 19,299,096	
NETWORK																
Anza	Loads:	April 08 to March 09	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	
	Loads:	April 07 to March 08	6,468	6,132	9,936	11,832	10,716	9,036	5,592	6,564	9,156	7,440	7,596	6,408	96,876	
		12 Month Rolling Avg	8,010	8,123	8,179	8,060	7,996	8,050	8,155	8,057	8,032	8,087	8,043	8,034	96,826	
		Trans Cost	$ 28,500	$ 28,879	$ 29,137	$ 29,080	$ 28,992	$ 29,406	$ 29,876	$ 29,646	$ 29,766	$ 30,060	$ 30,062	$ 30,200		$353,604
Duncan	Loads:	April 08 to March 09	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	
	Loads:	April 07 to March 08	3,100	5,640	6,660	6,020	6,520	3,720	4,520	3,320	4,520	4,320	4,180	3,260	55,780	
		12 Month Rolling Avg	4,712	4,745	4,770	4,763	4,772	4,908	4,867	4,822	4,803	4,768	4,745	4,765	57,440	
		Trans Cost	$ 16,764	$ 16,869	$ 16,993	$ 17,186	$ 17,301	$ 17,930	$ 17,829	$ 17,741	$ 17,800	$ 17,725	$ 17,735	$ 17,911		$209,785
Graham	Loads:	April 08 to March 09	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	
	Loads:	April 07 to March 08	21,235	29,349	40,099	39,125	36,529	30,341	27,052	18,498	21,918	20,119	19,731	19,458	323,454	
		12 Month Rolling Avg	26,932	27,112	27,100	27,150	27,188	27,348	27,176	27,172	27,066	27,055	26,979	27,047	325,326	
		Trans Cost	$ 95,824	$ 96,388	$ 96,542	$ 97,955	$ 98,579	$ 99,900	$ 99,562	$ 99,981	$ 100,299	$ 100,571	$ 100,840	$ 101,666		$1,188,106
Mohave 1	Loads:	April 08 to March 09	109,021	139,516	149,516	168,516	169,516	160,516	137,918	94,924	84,804	81,756	77,891	59,932	1,433,826	
	Loads:	April 07 to March 08	109,021	158,516	154,516	173,516	172,516	156,516	116,918	107,021	93,804	89,756	89,891	82,925	1,504,916	
		12 Month Rolling Avg	125,410	123,826	123,410	122,993	122,743	123,076	124,826	123,818	123,068	122,402	121,402	119,486	1,476,460	
		Trans Cost	$ 446,207	$ 440,222	$ 439,642	$ 443,748	$ 445,044	$ 449,583	$ 457,308	$ 455,594	$ 456,060	$ 454,997	$ 453,763	$ 449,131		$5,391,298
Sulphur Springs 1	Loads:	April 08 to March 09	102,796	120,334	134,334	128,334	129,334	132,334	121,334	109,334	129,334	128,700	134,451	122,700	1,493,319	
	Loads:	April 07 to March 08	122,269	164,707	196,965	203,463	184,378	178,211	161,454	123,855	152,809	120,700	124,451	111,700	1,844,962	
		12 Month Rolling Avg	152,124	148,426	143,207	136,946	132,359	128,536	125,193	123,983	122,027	122,693	123,527	124,443	1,583,465	
		Trans Cost	$ 541,256	$ 527,679	$ 510,170	$ 494,090	$ 479,911	$ 469,527	$ 458,651	$ 456,199	$ 452,200	$ 456,081	$ 461,706	$ 467,767		$5,775,237
Trico	Loads:	April 08 to March 09	85,694	125,853	164,497	149,759	155,557	140,957	116,234	91,507	90,195	85,104	80,967	72,836	1,359,160	
	Loads:	April 07 to March 08	88,723	110,813	146,455	163,780	146,628	139,724	109,919	86,372	92,686	87,572	84,462	69,545	1,326,679	
		12 Month Rolling Avg	110,304	111,558	113,061	111,893	112,637	112,739	113,266	113,694	113,486	113,280	112,989	113,263	1,352,169	
		Trans Cost	$ 392,461	$ 396,604	$ 402,775	$ 403,699	$ 408,400	$ 411,823	$ 414,955	$ 418,340	$ 420,550	$ 421,091	$ 422,320	$ 425,743		$4,938,762
Mohave 2	Loads:	April 08 to March 09	-	17,785	37,200	26,423	25,982	7,188	-	-	-	-	-	-	114,578	
	Loads:	April 07 to March 08	23,684	-	-	-	2,705	10,314	-	-	-	1,755	5,281	2,240	45,979	
		12 Month Rolling Avg	1,858	3,340	6,440	8,642	10,582	10,321	10,321	10,321	10,321	10,175	9,735	9,548	101,604	
		Trans Cost	$ 6,610	$ 11,874	$ 22,942	$ 31,179	$ 38,367	$ 37,702	$ 37,812	$ 37,977	$ 38,248	$ 37,823	$ 36,386	$ 35,890		$372,811
Safford	Loads:	April 08 to March 09	10,573	17,042	17,336	18,100	18,877	15,531	13,212	8,792	9,355	9,065	9,240	7,564	154,687	
	Loads:	April 07 to March 08	11,463	14,631	16,902	17,714	19,245	15,398	14,502	8,420	9,696	9,671	9,522	8,157	155,321	
			12,869	13,070	13,106	13,139	13,108	13,119	13,011	13,042	13,014	12,964	12,940	12,891	156,273	
		Trans Cost	$ 45,789	$ 46,466	$ 46,691	$ 47,403	$ 47,527	$ 47,922	$ 47,668	$ 47,990	$ 48,227	$ 48,189	$ 48,366	$ 48,454		$570,690
Sulphur Springs 2	Loads:	April 08 to March 09	-	28,548	-	-	-	-	-	-	-	-	-	-	28,548	
	Loads:	April 07 to March 08	-	-	-	-	-	-	-	-	-	11,388	15,639	18,499	45,526	
		12 Month Rolling Avg	3,794	6,173	6,173	6,173	6,173	6,173	6,173	6,173	6,173	5,224	3,921	2,379	64,700	
		Trans Cost	$ 13,498	$ 21,945	$ 21,990	$ 22,271	$ 22,382	$ 22,549	$ 22,615	$ 22,713	$ 22,875	$ 19,418	$ 14,654	$ 8,942		$235,853
Thatcher	Loads:	April 08 to March 09	5,000	7,000	7,000	7,000	7,000	7,000	7,000	5,000	5,000	5,000	5,000	5,000	72,000	
	Loads:	April 07 to March 08	5,000	7,000	7,000	7,000	7,000	7,000	7,000	5,000	5,000	5,000	5,000	5,000	72,000	
			6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	72,000	
		Trans Cost	$ 21,348	$ 21,331	$ 21,375	$ 21,647	$ 21,755	$ 21,917	$ 21,981	$ 22,077	$ 22,234	$ 22,303	$ 22,426	$ 22,553		$262,949
TOTAL Network loads 12 mo. rolling Avg			452,013	452,373	451,446	445,759	443,557	440,272	438,988	437,082	433,990	432,648	430,280	427,856	5,286,263	
Total Network Loads: April 07 to March 08			390,207	498,144	579,205	621,022	585,469	550,908	448,217	357,874	389,293	358,374	365,228	327,088	5,471,029	
Total Network Loads: April 08 to March 09			344,378	499,761	566,730	555,630	560,588	510,185	430,298	337,349	352,786	340,957	337,863	298,211	5,134,736	
TOTAL NETWORK DOLLARS			$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 19,299,096	$ 19,299,096

Southwest Transmission Cooperative/Arizona Electric Power Cooperative

TRANSMISSION AND CONTROL AREA SERVICES RATES
Based on: NET PLANT NUMBERS TAKEN FROM CTS RUS 10/2001
Twelve Months Ended March 31, 2009

		Point-to-Point	Network	
Schedule 7&8/Network Transmission Rates		$3.423	$ 1,608,258	/kW-mo
MANDATORY ANCILLARY SERVICES				
Schedule 1	System Control & load Dispatch	$0.289	$0.289	/kW-mo
Schedule 2	Var support / voltage Control	$0.094	$0.120	/kW-mo
	Only SW Gen Step-up Xfmrs All			/kW-mo
	TOTAL MANDATORY SVCS	$3.806		/kW-mo

FERC OPTIONAL ANCILLARY SVCS - AEPCO

		Gen Cap Rate	% Req'd	=	$/kW-mo
Schedule 3	Cost of Reg. & Frequency Response	$11.211	4.21%	=	$0.4720
	SW Gen Step Xfmrs ST 1, ST 2 & ST 3				
Schedule 5	Operating Reserves- Spinning	$14.433	4.94%	=	$0.7130
	SW Gen Step Xfmrs ST 2 & 3			=	
Schedule 6	Operating Reserve- Supplemental	$9.351	4.93%	=	$0.4610
	SW Gen Step Xfmrs GT 1, GT 2			=	

Schedule 4 Energy Imbalance - AEPCO — Energy in kind deviation +/-1.5%

AEPCO pays positive imbalance $23.25

Customer pays negative imbalance $100.00 $/MWh

Non-FERC Replacement Capacity - AEPCO — $3.794
Southwest Gen Step Xfmrs ST 1, GT 3

Losses 0.0297 — Loss Study

Notes:
* Regulation Capacity as a Percentage of Regulated Load

12 CP Load	OS Sales	Reg. Load	NF Whl	Reg 12 CP	Reg Cap	Reg Pct
550.62	140.50	410.12	65.00	475.12	20.00	4.21%

** Reserve percentages based on 1999 actual SRSG requirements and loads

Southwest Transmission Cooperative, Inc.

ANCILLARY SERVICE SCHEDULE 1 NEW RATE: 0.245

Network Customer	Units		Revenue
Anza	96,412	$	23,621
Duncan	57,180	$	14,009
Graham	324,562	$	79,518
Mohave	1,433,826	$	351,287
Mohave #2	114,578	$	28,072
Sulphur	1,493,319	$	365,863
Sulphur #2	28,548	$	6,994
Trico	1,359,160	$	332,994
Thatcher	72,000	$	17,640
Safford	154,687	$	37,898
Total Network Customers	5,134,272	$	1,257,897

Firm Point-to-Point Customers	Units		Revenue
AEPCO	576,000	$	141,120
Sulphur Springs Firm Point to Point	242,756	$	59,475
MW&E Safford Wheeling	120,000	$	29,400
Total for Firm Point-to-Point Customers	938,756	$	229,995
Schedule 1 Revenue Credit		$	1,487,892
Adjustment for Other System Control & Load Dispatch		$	70,639
Total Schedule 1 Revenue Credit		$	1,558,531

Southwest Transmission Cooperative, Inc.

Analysis of Revenue by Detailed Class - SWTC Rebuttal
Test Year - Annualized

JWZ SCH. H-1
Rebuttal

LINE NO.	CLASS OF SERVICE	STAFF REVENUES IN TEST YEAR		STAFF PROPOSED INCREASE		SWTC REBUTTAL REVENUES IN TEST YEAR (a)		SWTC REBUTTAL PROPOSED INCREASE (b)	
		PRESENT	PROPOSED	AMOUNT	PERCENT	PRESENT	PROPOSED	AMOUNT	PERCENT
1.	NETWORK SERVICES	$22,328,219	$29,749,860	$7,421,642	33.24%	$22,328,219	$29,019,048	$6,690,829	29.97%
2	POINT-TO-POINT SERVICES	$3,484,662	$3,711,841	$227,180	6.52%	$3,484,662	$3,617,027	$132,366	3.80%
3.	TOTAL COMPANY	$25,812,880	$33,461,702	$7,648,822	29.63%	$25,812,881	$32,636,076	$6,823,195	26.43%

SUPPORTING SCHEDULES:
(a) H-2, Pages 13 and 15

RECAP SCHEDULES
(b) A-1

Southwest Transmission Cooperative, Inc.

Analysis of Revenue by Detailed Class
Test Year - Annualized

LINE NO.	CLASS OF SERVICE	CUSTOMERS	kW CONSUMPTION PRESENT	kW CONSUMPTION PROPOSED	REVENUE PRESENT	REVENUE PROPOSED	PROPOSED INCREASE AMOUNT	PROPOSED INCREASE PERCENT
		(a)	(a)	(a)	(a)	(a)	(a)	(a)
	Class A MEMBER CONTRACTS:							
1.	ANZA	1	96,412	96,412	$ 381,467	$ 504,510	$ 123,043	32.26%
2.	DUNCAN	1	57,180	57,180	226,310	299,309	72,999	32.26%
3.	GRAHAM	1	324,562	324,562	1,281,904	1,695,301	413,397	32.25%
4.	MOHAVE	1	1,433,826	1,433,826	5,805,674	7,683,269	1,877,595	32.34%
5.	MOHAVE 2	1	114,578	114,578	405,924	504,805	98,880	24.36%
6.	SULPHUR	1	1,493,319	1,493,319	6,206,806	8,219,988	2,013,182	32.44%
7.	SULPHER 2	1	28,548	28,548	244,103	327,746	83,643	34.27%
8.	TRICO	1	1,359,160	1,359,160	6,876,877	8,594,860	1,717,982	24.98%
9	Class A TOTAL MEMBER CONTRACTS:	8	4,907,585	4,907,585	$ 21,429,067	$ 27,829,788	$ 6,400,722	29.87%
	OTHER FIRM NETWORK CONTRACTS:							
1.	SAFFORD	1	154,687	154,687	$ 615,395	$ 814,017	$ 198,623	32.28%
2.	THATCHER	1	72,000	72,000	283,757	375,242	91,485	32.24%
3.	TOTAL FIRM CONTRACTS:	2	226,687	226,687	$ 899,152	$ 1,189,260	$ 290,107	32.26%
4.	TOTAL COMPANY	10	5,134,272	5,134,272	$ 22,328,219	$ 29,019,048	$ 6,690,829	29.97%

SUPPORTING SCHEDULES:
(a) H-2, Pages 2-11

RECAP SCHEDULES:
(b) H-1

ANZA

Southwest Transmission Cooperative, Inc.

Analysis of Revenue by Detailed Class
Test Year - Annualized

LINE NO.		2008 APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	2009 JAN	FEB	MAR	TOTAL
	PRESENT RATE:													
1.	Network Revenue Requirement	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 19,299,096
	PROPOSED RATE:													
2.	Network Revenue Requirement	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 26,246,111
	PRESENT:													
3.	Loads: April 08 to March 09	0.35997												
4.	Loads: April 07 to March 08													
5.	12 Month Rolling Avg.	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
		6,468	6,132	9,936	11,832	10,716	9,036	5,592	6,564	9,156	7,440	7,596	6,408	96,876
		8,010	8,123	8,179	8,060	7,996	8,050	8,155	8,057	8,032	8,087	8,043	8,034	96,826
	PROPOSED:													
6.	Loads: April 08 to March 09	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
7.	Loads: April 07 to March 08	6,468	6,132	9,936	11,832	10,716	9,036	5,592	6,564	9,156	7,440	7,596	6,408	96,876
8.	12 Month Rolling Avg.	8,010	8,123	8,179	8,060	7,996	8,050	8,155	8,057	8,032	8,087	8,043	8,034	96,826
	PRESENT REVENUE :													
9.	Network Services	$ 28,500	$ 28,879	$ 29,137	$ 29,080	$ 28,992	$ 29,406	$ 29,876	$ 29,646	$ 29,766	$ 30,060	$ 30,062	$ 30,200	$ 353,604
10.	Scheduling & Ld. Control	$ 1,651	$ 2,164	$ 3,066	$ 3,007	$ 2,875	$ 2,799	$ 1,980	$ 1,557	$ 2,561	$ 2,339	$ 2,044	$ 1,822	$ 27,863
11.	Total	$ 30,150	$ 31,043	$ 32,203	$ 32,087	$ 31,867	$ 32,204	$ 31,857	$ 31,203	$ 32,326	$ 32,399	$ 32,106	$ 32,022	$ 381,467
12.	Average Cost ($/KW)	$ 5.278	$ 4.146	$ 3.036	$ 3.084	$ 3.203	$ 3.326	$ 4.649	$ 5.791	$ 3.649	$ 4.003	$ 4.540	$ 5.080	$ 3.957
	PROPOSED REVENUE:													
13.	Network Services	$ 38,758	$ 39,274	$ 39,626	$ 39,548	$ 39,428	$ 39,991	$ 40,631	$ 40,318	$ 40,480	$ 40,881	$ 40,884	$ 41,071	$ 480,889
14.	Scheduling & Ld. Control	$ 1,399	$ 1,835	$ 2,599	$ 2,549	$ 2,437	$ 2,373	$ 1,679	$ 1,320	$ 2,171	$ 1,983	$ 1,732	$ 1,544	$ 23,621
15.	Total	$ 40,158	$ 41,108	$ 42,225	$ 42,096	$ 41,865	$ 42,363	$ 42,309	$ 41,638	$ 42,651	$ 42,864	$ 42,616	$ 42,616	$ 504,510
16.	Average Cost ($/KW)	$ 7.030	$ 5.490	$ 3.980	$ 4.046	$ 4.208	$ 4.375	$ 6.175	$ 7.728	$ 4.814	$ 5.296	$ 6.027	$ 6.760	$ 5.233
	CHANGE IN TOTAL COST:													
17.	REVENUE	$ 10,008	$ 10,066	$ 10,022	$ 10,010	$ 9,998	$ 10,159	$ 10,453	$ 10,434	$ 10,325	$ 10,465	$ 10,510	$ 10,594	$ 123,043
18.	PERCENT INC.	33.19%	32.43%	31.12%	31.20%	31.38%	31.55%	32.81%	33.44%	31.94%	32.30%	32.74%	33.08%	32.26%

Southwest Transmission Cooperative, Inc.

Analysis of Revenue by Detailed Class
Test Year - Annualized

DUNCAN VALLEY

LINE NO.		APR	MAY	JUN	JUL	2008 AUG	SEP	OCT	NOV	DEC	JAN	2009 FEB	MAR	TOTAL
	PRESENT RATE:													
1.	Network Revenue Requirement	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 19,299,096
	PROPOSED RATE:													
2.	Network Revenue Requirement	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 26,246,111
	PRESENT:													
3.	Loads: April 08 to March 09	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
4.	Loads: April 07 to March 08	3,100	5,640	6,660	6,020	6,520	3,720	4,520	3,320	4,520	4,320	4,180	3,260	55,780
5.	12 Month Rolling Avg.	4,712	4,745	4,770	4,763	4,772	4,908	4,867	4,822	4,803	4,768	4,745	4,765	57,440
	PROPOSED:													
6.	Loads: April 08 to March 09	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.	Loads: April 07 to March 08	3,100	5,640	6,660	6,020	6,520	3,720	4,520	3,320	4,520	4,320	4,180	3,260	55,780
8.	12 Month Rolling Avg.	4,712	4,745	4,770	4,763	4,772	4,908	4,867	4,822	4,803	4,768	4,745	4,765	57,440
	PRESENT REVENUE :													
9.	Network Services	$ 16,764	$ 16,869	$ 16,993	$ 17,186	$ 17,301	$ 17,930	$ 17,829	$ 17,741	$ 17,800	$ 17,725	$ 17,735	$ 17,911	$ 209,785
10.	Scheduling & Ld. Control	1,116	1,746	2,011	1,717	1,913	1,549	1,162	803	1,243	1,127	1,127	1,012	16,525
11.	Total	$ 17,880	$ 18,615	$ 19,004	$ 18,902	$ 19,214	$ 19,479	$ 18,991	$ 18,545	$ 19,043	$ 18,852	$ 18,863	$ 18,923	$ 226,310
12.	Average Cost ($/KW)	$ 4.632	$ 3.082	$ 2.731	$ 3.182	$ 2.902	$ 3.634	$ 4.724	$ 6.671	$ 4.429	$ 4.834	$ 4.837	$ 5.406	$ 3.958
	PROPOSED REVENUE:													
13.	Network Services	$ 22,799	$ 22,942	$ 23,110	$ 23,372	$ 23,529	$ 24,384	$ 24,247	$ 24,128	$ 24,207	$ 24,105	$ 24,120	$ 24,358	$ 285,300
14.	Scheduling & Ld. Control	946	1,480	1,705	1,455	1,622	1,313	985	681	1,054	956	956	858	14,009
15.	Total	$ 23,744	$ 24,421	$ 24,815	$ 24,827	$ 25,151	$ 25,697	$ 25,232	$ 24,809	$ 25,261	$ 25,061	$ 25,075	$ 25,216	$ 299,309
16.	Average Cost ($/KW)	$ 6.151	$ 4.330	$ 3.726	$ 4.124	$ 3.858	$ 6.908	$ 5.582	$ 7.473	$ 5.589	$ 5.801	$ 5.999	$ 7.735	$ 5.366
	CHANGE IN TOTAL COST:													
17.	REVENUE	$ 5,865	$ 5,807	$ 5,811	$ 5,925	$ 5,937	$ 6,218	$ 6,241	$ 6,264	$ 6,218	$ 6,209	$ 6,213	$ 6,293	$ 72,999
18.	PERCENT INC.	32.80%	31.19%	30.58%	31.34%	30.90%	31.92%	32.86%	33.78%	32.65%	32.93%	32.94%	33.26%	32.26%

Southwest Transmission Cooperative, Inc.

Analysis of Revenue by Detailed Class
Test Year - Annualized

GRAHAM COUNTY ELECTRIC

LINE NO.		APR	MAY	JUN	JUL	2008 AUG	SEP	OCT	NOV	DEC	JAN	2009 FEB	MAR	TOTAL
	PRESENT RATE:													
1.	Network Revenue Requirement	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 19,299,096
	PROPOSED RATE:													
2.	Network Revenue Requirement	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 26,246,111
	PRESENT:													
3.	Loads: April 08 to March 09	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
4.	Loads: April 07 to March 08	21,235	29,349	40,099	39,125	36,529	30,341	27,052	18,498	21,918	20,119	19,731	19,458	323,454
5.	12 Month Rolling Avg.	26,932	27,112	27,100	27,150	27,188	27,348	27,176	27,172	27,066	27,055	26,979	27,047	325,326
	PROPOSED:													
6.	Loads: April 08 to March 09	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
7.	Loads: April 07 to March 08	21,235	29,349	40,099	39,125	36,529	30,341	27,052	18,498	21,918	20,119	19,731	19,458	323,454
8.	12 Month Rolling Avg.	26,932	27,112	27,100	27,150	27,188	27,348	27,176	27,172	27,066	27,055	26,979	27,047	325,326
	PRESENT REVENUE :													
9.	Network Services	$ 95,824	$ 96,388	$ 96,542	$ 97,955	$ 98,579	$ 99,900	$ 99,562	$ 99,981	$ 100,299	$ 100,571	$ 100,840	$ 101,666	$ 1,188,106
10.	Scheduling & Ld. Control	6,059	9,107	11,546	11,481	10,689	9,324	7,222	5,331	5,966	5,778	5,438	5,858	93,798
11.	Total	$ 101,883	$ 105,495	$ 108,088	$ 109,436	$ 109,268	$ 109,224	$ 106,783	$ 105,312	$ 106,264	$ 106,348	$ 106,278	$ 107,524	$ 1,281,904
12.	Average Cost ($/KW)	$ 4.859	$ 3.348	$ 2.706	$ 2.755	$ 2.954	$ 3.385	$ 4.273	$ 5.709	$ 5.148	$ 5.320	$ 5.648	$ 5.304	$ 3.950
	PROPOSED REVENUE:													
13.	Network Services	$ 130,318	$ 131,085	$ 131,294	$ 133,215	$ 134,064	$ 135,860	$ 135,401	$ 135,970	$ 136,403	$ 136,773	$ 137,139	$ 138,262	$ 1,615,784
14.	Scheduling & Ld. Control	5,137	7,720	9,788	9,733	9,062	7,904	6,122	4,520	5,057	4,898	4,610	4,966	79,518
15.	Total	$ 135,454	$ 138,805	$ 141,082	$ 142,948	$ 143,126	$ 143,765	$ 141,523	$ 140,490	$ 141,460	$ 141,671	$ 141,749	$ 143,228	$ 1,695,301
16.	Average Cost ($/KW)	$ 6.461	$ 4.405	$ 3.531	$ 3.598	$ 3.870	$ 4.456	$ 5.664	$ 7.615	$ 6.853	$ 7.086	$ 7.533	$ 7.066	$ 5.223
	CHANGE IN TOTAL COST:													
17.	REVENUE	$ 33,571	$ 33,310	$ 32,994	$ 33,512	$ 33,858	$ 34,541	$ 34,739	$ 35,178	$ 35,196	$ 35,322	$ 35,471	$ 35,704	$ 413,397
18.	PERCENT INC.	32.95%	31.57%	30.53%	30.62%	30.99%	31.62%	32.53%	33.40%	33.12%	33.21%	33.38%	33.21%	32.25%

Southwest Transmission Cooperative, Inc.

Analysis of Revenue by Detailed Class
Test Year - Annualized

MOHAVE ELECTRIC 1

LINE NO.		APR	MAY	JUN	JUL	2008 AUG	SEP	OCT	NOV	DEC	JAN	2009 FEB	MAR	TOTAL
	PRESENT RATE:													
1.	Network Revenue Requirement	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 19,299,096
	PROPOSED RATE:													
2.	Network Revenue Requirement	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 26,246,111
	PRESENT:													
3.	Loads: April 08 to March 09	109,021	139,516	149,516	168,516	169,516	160,516	137,918	94,924	84,804	81,756	77,891	59,932	1,433,826
4.	Loads: April 07 to March 08	109,021	158,516	154,516	173,516	172,516	156,516	116,918	107,021	93,804	89,756	89,891	82,925	1,504,916
5.	12 Month Rolling Avg.	125,410	123,826	123,410	122,993	122,743	123,076	124,826	123,818	123,068	122,402	121,402	119,486	1,476,460
	PROPOSED:													
6.	Loads: April 08 to March 09	109,021	139,516	149,516	168,516	169,516	160,516	137,918	94,924	84,804	81,756	77,891	59,932	1,433,826
7.	Loads: April 07 to March 08	109,021	158,516	154,516	173,516	172,516	156,516	116,918	107,021	93,804	89,756	89,891	82,925	1,504,916
8.	12 Month Rolling Avg.	125,410	123,826	123,410	122,993	122,743	123,076	124,826	123,818	123,068	122,402	121,402	119,486	1,476,460
	PRESENT REVENUE :													
9.	Network Services	$ 446,207	$ 440,222	$ 439,642	$ 443,748	$ 445,044	$ 449,583	$ 457,308	$ 455,594	$ 456,060	$ 454,997	$ 453,763	$ 449,131	$ 5,391,298
10.	Scheduling & Ld. Control	31,507	40,320	43,210	48,701	48,990	46,389	39,858	27,433	24,508	23,627	22,510	17,320	414,376
11.	Total	$ 477,714	$ 480,542	$ 482,852	$ 492,449	$ 494,034	$ 495,972	$ 497,167	$ 483,027	$ 480,568	$ 478,624	$ 476,274	$ 466,452	$ 5,805,674
12.	Average Cost (S/KW)	$ 4.382	$ 3.444	$ 3.229	$ 2.922	$ 2.914	$ 3.090	$ 3.605	$ 5.089	$ 5.667	$ 5.854	$ 6.115	$ 7.783	$ 4.049
	PROPOSED REVENUE:													
13.	Network Services	$ 606,826	$ 598,687	$ 597,898	$ 603,482	$ 605,245	$ 611,417	$ 621,924	$ 619,592	$ 620,226	$ 618,780	$ 617,102	$ 610,803	$ 7,331,982
14.	Scheduling & Ld. Control	26,710	34,181	36,631	41,286	41,531	39,326	33,790	23,256	20,777	20,030	19,083	14,683	351,287
15.	Total	$ 633,536	$ 632,868	$ 634,530	$ 644,769	$ 646,776	$ 650,744	$ 655,713	$ 642,848	$ 641,003	$ 638,810	$ 636,186	$ 625,487	$ 7,683,269
16.	Average Cost (S/KW)	$ 5.811	$ 4.536	$ 4.244	$ 3.826	$ 3.815	$ 4.054	$ 4.754	$ 6.772	$ 7.559	$ 7.814	$ 8.168	$ 10.437	$ 5.359
	CHANGE IN TOTAL COST:													
17.	REVENUE	$ 155,822	$ 152,326	$ 151,677	$ 152,319	$ 152,742	$ 154,772	$ 158,547	$ 159,821	$ 160,435	$ 160,186	$ 159,912	$ 159,035	$ 1,877,595
18.	PERCENT INC.	32.62%	31.70%	31.41%	30.93%	30.92%	31.21%	31.89%	33.09%	33.38%	33.47%	33.58%	34.09%	32.34%

Southwest Transmission Cooperative, Inc.
Analysis of Revenue by Detailed Class
Test Year - Annualized

MOHAVE ELECTRIC 2

LINE NO.		APR	MAY	JUN	JUL	2008 AUG	SEP	OCT	NOV	DEC	JAN	2009 FEB	MAR	TOTAL
	PRESENT RATE:													
1.	Network Revenue Requirement	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 19,299,096
	PROPOSED RATE:													
2.	MEC Network Service 2 Rev. Req.	$ 2,056,562	$ 2,056,562	$ 2,056,562	$ 2,056,562	$ 2,056,562	$ 2,056,562	$ 2,056,562	$ 2,056,562	$ 2,056,562	$ 2,056,562	$ 2,056,562	$ 2,056,562	$ 24,678,748
	PRESENT:													
3.	Loads: April 08 to March 09	0	17,785	37,200	26,423	25,982	7,188	0	0	0	0	0	0	114,578
4.	Loads: April 07 to March 08	23,684	0	0	0	2,705	10,314	0	0	0	1,755	5,281	2,240	45,979
5.	12 Month Rolling Avg.	1,858	3,340	6,440	8,642	10,582	10,321	10,321	10,321	10,321	10,175	9,735	9,548	101,604
	PROPOSED:													
6.	Loads: April 08 to March 09	0	17,785	37,200	26,423	25,982	7,188	0	0	0	0	0	0	114,578
7.	Loads: April 07 to March 08	23,684	0	0	0	2,705	10,314	0	0	0	1,755	5,281	2,240	45,979
8.	12 Month Rolling Avg.	1,858	3,340	6,440	8,642	10,582	10,321	10,321	10,321	10,321	10,175	9,735	9,548	101,604
	PRESENT REVENUE :													
9.	Network Services	$ 6,610	$ 11,874	$ 22,942	$ 31,179	$ 38,367	$ 37,702	$ 37,812	$ 37,977	$ 38,248	$ 37,823	$ 36,386	$ 35,890	$ 372,811
10.	Scheduling & Ld. Control	-	5,140	10,751	7,636	7,509	2,077	-	-	-	-	-	-	33,113
11.	Total	$ 6,610	$ 17,014	$ 33,693	$ 38,816	$ 45,876	$ 39,779	$ 37,812	$ 37,977	$ 38,248	$ 37,823	$ 36,386	$ 35,890	$ 405,924
12.	Average Cost ($/KW)	$ -	$ 0.957	$ 0.906	$ 1.469	$ 1.766	$ 5.534	$ -	$ -	$ -	$ -	$ -	$ -	$ 3.543
	PROPOSED REVENUE:													
13.	Network Services	$ 8,453	$ 15,184	$ 29,337	$ 39,871	$ 49,062	$ 48,211	$ 48,352	$ 48,563	$ 48,909	$ 48,366	$ 46,529	$ 45,895	$ 476,733
14.	Scheduling & Ld. Control	-	4,357	9,114	6,474	6,366	1,761	-	-	-	-	-	-	28,072
15.	Total	$ 8,453	$ 19,542	$ 38,451	$ 46,344	$ 55,428	$ 49,972	$ 48,352	$ 48,563	$ 48,909	$ 48,366	$ 46,529	$ 45,895	$ 504,805
16.	Average Cost ($/KW)	$ -	$ 1.099	$ 1.034	$ 1.754	$ 2.133	$ 6.952	$ -	$ -	$ -	$ -	$ -	$ -	$ 4.406
	CHANGE IN TOTAL COST:													
17.	REVENUE	$ 1,843	$ 2,527	$ 4,758	$ 7,529	$ 9,552	$ 10,193	$ 10,540	$ 10,586	$ 10,662	$ 10,543	$ 10,143	$ 10,004	$ 98,880
18.	PERCENT INC.	27.88%	14.85%	14.12%	19.40%	20.82%	25.62%	27.88%	27.88%	27.88%	27.88%	27.88%	27.88%	24.36%

Southwest Transmission Cooperative, Inc.

Analysis of Revenue by Detailed Class
Test Year - Annualized

SULPHUR SPRINGS VALLEY I

LINE NO.		APR	MAY	JUN	JUL	2008 AUG	SEP	OCT	NOV	DEC	JAN	2009 FEB	MAR	TOTAL
	PRESENT RATE:													
1.	Network Revenue Requirement	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 19,299,096
	PROPOSED RATE:													
2.	Network Revenue Requirement	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 26,246,111
	PRESENT:													
3.	Loads: April 08 to March 09	102,796	120,334	134,334	128,334	129,334	132,334	121,334	109,334	129,334	128,700	134,451	122,700	1,493,319
4.	Loads: April 07 to March 08	122,269	164,707	196,965	203,463	184,378	178,211	161,454	123,855	152,809	120,700	124,451	111,700	1,844,962
5.	12 Month Rolling Avg.	152,124	148,426	143,207	136,946	132,359	128,536	125,193	123,983	122,027	122,693	123,527	124,443	1,583,465
	PROPOSED:													
6.	Loads: April 08 to March 09	102,796	120,334	134,334	128,334	129,334	132,334	121,334	109,334	129,334	128,700	134,451	122,700	1,493,319
7.	Loads: April 07 to March 08	122,269	164,707	196,965	203,463	184,378	178,211	161,454	123,855	152,809	120,700	124,451	111,700	1,844,962
8.	12 Month Rolling Avg.	152,124	148,426	143,207	136,946	132,359	128,536	125,193	123,983	122,027	122,693	123,527	124,443	1,583,465
	PRESENT REVENUE :													
9.	Network Services	$ 541,256	$ 527,679	$ 510,170	$ 494,090	$ 479,911	$ 469,527	$ 458,651	$ 456,199	$ 452,200	$ 456,081	$ 461,706	$ 467,767	$ 5,775,237
10.	Scheduling & Ld. Control	29,708	34,777	38,823	37,089	37,378	38,245	35,066	31,598	37,378	37,194	38,856	35,460	431,569
11.	Total	$ 570,964	$ 562,455	$ 548,992	$ 531,179	$ 517,289	$ 507,772	$ 493,717	$ 487,797	$ 489,577	$ 493,275	$ 500,562	$ 503,227	$ 6,206,806
12.	Average Cost ($/KW)	$ 5.554	$ 4.674	$ 4.087	$ 4.139	$ 4.000	$ 3.837	$ 4.069	$ 4.462	$ 3.785	$ 3.833	$ 3.723	$ 4.101	$ 4.156
	PROPOSED REVENUE:													
13.	Network Services	$ 736,090	$ 717,625	$ 693,813	$ 671,946	$ 652,663	$ 638,541	$ 623,750	$ 620,415	$ 614,976	$ 620,255	$ 627,904	$ 636,147	$ 7,854,125
14.	Scheduling & Ld. Control	25,185	29,482	32,912	31,442	31,687	32,422	29,727	26,787	31,687	31,532	32,940	30,062	365,863
15.	Total	$ 761,275	$ 747,107	$ 726,725	$ 703,388	$ 684,349	$ 670,963	$ 653,477	$ 647,202	$ 646,663	$ 651,786	$ 660,844	$ 666,208	$ 8,219,988
16.	Average Cost ($/KW)	$ 7.406	$ 6.209	$ 5.410	$ 5.481	$ 5.291	$ 5.070	$ 5.386	$ 5.919	$ 5.000	$ 5.064	$ 4.915	$ 5.430	$ 5.505
	CHANGE IN TOTAL COST:													
17.	REVENUE	$ 190,311	$ 184,652	$ 177,733	$ 172,209	$ 167,061	$ 163,191	$ 159,760	$ 159,405	$ 157,086	$ 158,511	$ 160,282	$ 162,981	$ 2,013,182
18.	PERCENT INC.	33.33%	32.83%	32.37%	32.42%	32.30%	32.14%	32.36%	32.68%	32.09%	32.13%	32.02%	32.39%	32.44%

Southwest Transmission Cooperative, Inc.

Analysis of Revenue by Detailed Class
Test Year - Annualized

SULPHUR SPRINGS VALLEY 2

LINE NO.		APR	MAY	JUN	JUL	2008 AUG	SEP	OCT	NOV	DEC	JAN	2009 FEB	MAR	TOTAL
	PRESENT RATE:													
1.	Network Revenue Requirement	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 19,299,096
	PROPOSED RATE:													
2.	Network Revenue Requirement	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 26,246,111
	PRESENT:													
3.	Loads: April 08 to March 09	0	28,548	0	0	0	0	0	0	0	0	0	0	28,548
4.	Loads: April 07 to March 08	0	0	0	0	0	0	0	0	0	11,388	15,639	18,499	45,526
5.	12 Month Rolling Avg.	3,794	6,173	6,173	6,173	6,173	6,173	6,173	6,173	6,173	5,224	3,921	2,379	64,700
	PROPOSED:													
6.	Loads: April 08 to March 09	0	28,548	0	0	0	0	0	0	0	0	0	0	28,548
7.	Loads: April 07 to March 08	0	0	0	0	0	0	0	0	0	11,388	15,639	18,499	45,526
8.	12 Month Rolling Avg.	3,794	6,173	6,173	6,173	6,173	6,173	6,173	6,173	6,173	5,224	3,921	2,379	64,700
	PRESENT REVENUE :													
9.	Network Services	$ 13,498	$ 21,945	$ 21,990	$ 22,271	$ 22,382	$ 22,549	$ 22,615	$ 22,713	$ 22,875	$ 19,418	$ 14,654	$ 8,942	$ 235,853
10.	Scheduling & Ld. Control	-	8,250	-	-	-	-	-	-	-	-	-	-	8,250
11.	Total	$ 13,498	$ 30,196	$ 21,990	$ 22,271	$ 22,382	$ 22,549	$ 22,615	$ 22,713	$ 22,875	$ 19,418	$ 14,654	$ 8,942	$ 244,103
12.	Average Cost ($/KW)	$ -	$ 1.058	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 8.551
	PROPOSED REVENUE:													
13.	Network Services	$ 18,357	$ 29,845	$ 29,906	$ 30,288	$ 30,438	$ 30,665	$ 30,755	$ 30,889	$ 31,109	$ 26,408	$ 19,929	$ 12,161	$ 320,752
14.	Scheduling & Ld. Control	-	6,994	-	-	-	-	-	-	-	-	-	-	6,994
15.	Total	$ 18,357	$ 36,839	$ 29,906	$ 30,288	$ 30,438	$ 30,665	$ 30,755	$ 30,889	$ 31,109	$ 26,408	$ 19,929	$ 12,161	$ 327,746
16.	Average Cost ($/KW)	$ -	$ 1.290	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 11.481
	CHANGE IN TOTAL COST:													
17.	REVENUE	$ 4,859	$ 6,643	$ 7,916	$ 8,017	$ 8,057	$ 8,117	$ 8,140	$ 8,176	$ 8,234	$ 6,990	$ 5,275	$ 3,219	$ 83,643
18.	PERCENT INC.	36.00%	22.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	34.27%

Southwest Transmission Cooperative, Inc.

Analysis of Revenue by Detailed Class
Test Year - Annualized

TRICO ELECTRIC

LINE NO.		APR	MAY	JUN	JUL	2008 AUG	SEP	OCT	NOV	DEC	JAN	2009 FEB	MAR	TOTAL
	PRESENT RATE:													
1.	Network Revenue Requirement	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 19,299,096
	PROPOSED RATE:													
2.	Network Revenue Requirement	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 26,246,111
	PRESENT:													
3.	Loads: April 08 to March 09	85,694	125,853	164,497	149,759	155,557	140,957	116,234	91,507	90,195	85,104	80,967	72,836	1,359,160
4.	Loads: April 07 to March 08	88,723	110,813	146,455	163,780	146,628	139,724	109,919	86,372	92,686	87,572	84,462	69,545	1,326,679
5.	12 Month Rolling Avg.	110,304	111,558	113,061	111,893	112,637	112,739	113,266	113,694	113,486	113,280	112,989	113,263	1,352,169
	PROPOSED:													
6.	Loads: April 08 to March 09	85,694	125,853	164,497	149,759	155,557	140,957	116,234	91,507	90,195	85,104	80,967	72,836	1,359,160
7.	Loads: April 07 to March 08	88,723	110,813	146,455	163,780	146,628	139,724	109,919	86,372	92,686	87,572	84,462	69,545	1,326,679
8.	12 Month Rolling Avg.	110,304	111,558	113,061	111,893	112,637	112,739	113,266	113,694	113,486	113,280	112,989	113,263	1,352,169
	PRESENT REVENUE :													
9.	Direct Assignment Facilities	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 1,545,318
10.	Network Services	392,461	396,604	402,775	403,699	408,400	411,823	414,955	418,340	420,550	421,091	422,320	425,743	4,938,762
11.	Scheduling & Ld. Control	24,766	36,372	47,540	43,280	44,956	40,737	33,592	26,446	26,066	24,595	23,399	21,050	392,797
12.	Total	$ 546,004	$ 561,752	$ 579,091	$ 575,756	$ 582,133	$ 581,336	$ 577,323	$ 573,562	$ 575,393	$ 574,462	$ 574,496	$ 575,569	$ 6,876,877
13.	Average Cost ($/KW)	$ 6.372	$ 4.464	$ 3.520	$ 3.845	$ 3.742	$ 4.124	$ 4.967	$ 6.268	$ 6.379	$ 6.750	$ 7.095	$ 7.902	$ 5.060
	PROPOSED REVENUE:													
14.	Direct Assignment Facilities	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 1,545,318
15.	Network Services	533,734	539,368	547,761	549,016	555,410	560,066	564,325	568,927	571,934	572,669	574,340	578,996	6,716,547
16.	Scheduling & Ld. Control	20,995	30,834	40,302	36,691	38,111	34,534	28,477	22,419	22,098	20,850	19,837	17,845	332,994
17.	Total	$ 683,506	$ 698,979	$ 716,839	$ 714,484	$ 722,298	$ 723,377	$ 721,579	$ 720,123	$ 722,808	$ 722,296	$ 722,954	$ 725,617	$ 8,594,860
18.	Average Cost ($/KW)	$ 7.976	$ 5.554	$ 4.358	$ 4.771	$ 4.643	$ 5.132	$ 6.208	$ 7.870	$ 8.014	$ 8.487	$ 8.929	$ 9.962	$ 6.324
	CHANGE IN TOTAL COST:													
19.	REVENUE	$ 137,502	$ 137,226	$ 137,747	$ 138,728	$ 140,166	$ 142,040	$ 144,255	$ 146,562	$ 147,415	$ 147,834	$ 148,458	$ 150,048	$ 1,717,982
20.	PERCENT INC.	25.18%	24.43%	23.79%	24.10%	24.08%	24.43%	24.99%	25.55%	25.62%	25.73%	25.84%	26.07%	24.98%

Southwest Transmission Cooperative, Inc.

Analysis of Revenue by Detailed Class
Test Year - Annualized

Safford

LINE NO.		APR	MAY	JUN	JUL	2008 AUG	SEP	OCT	NOV	DEC	JAN	2009 FEB	MAR	TOTAL
1.	Network Revenue Requirement	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 19,299,096
	PROPOSED RATE:													
2.	Network Revenue Requirement	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 26,246,111
	PRESENT:													
3.	Loads: April 08 to March 09	10,573	17,042	17,336	18,100	18,877	15,531	13,212	8,792	9,355	9,065	9,240	7,564	154,687
4.	Loads: April 07 to March 08	11,463	14,631	16,902	17,714	19,245	15,398	14,502	8,420	9,696	9,671	9,522	8,157	155,321
5.	12 Month Rolling Avg.	12,869	13,070	13,106	13,139	13,108	13,119	13,011	13,042	13,014	12,964	12,940	12,891	156,273
	PROPOSED:													
6.	Loads: April 08 to March 09	10,573	17,042	17,336	18,100	18,877	15,531	13,212	8,792	9,355	9,065	9,240	7,564	154,687
7.	Loads: April 07 to March 08	11,463	14,631	16,902	17,714	19,245	15,398	14,502	8,420	9,696	9,671	9,522	8,157	155,321
8.	12 Month Rolling Avg.	12,869	13,070	13,106	13,139	13,108	13,119	13,011	13,042	13,014	12,964	12,940	12,891	156,273
	PRESENT REVENUE :													
9.	Network Services	$ 45,789	$ 46,466	$ 46,691	$ 47,403	$ 47,527	$ 47,922	$ 47,668	$ 47,990	$ 48,227	$ 48,189	$ 48,366	$ 48,454	$ 570,690
10.	Scheduling & Ld. Control	3,056	4,925	5,010	5,231	5,455	4,488	3,818	2,541	2,704	2,620	2,670	2,186	44,705
11.	Total	$ 48,844	$ 51,392	$ 51,701	$ 52,633	$ 52,982	$ 52,410	$ 51,486	$ 50,531	$ 50,930	$ 50,808	$ 51,036	$ 50,640	$ 615,395
12.	Average Cost ($/KW)	$ 4.620	$ 3.016	$ 2.982	$ 2.908	$ 2.807	$ 3.375	$ 3.897	$ 5.747	$ 5.444	$ 5.605	$ 5.523	$ 6.695	$ 3.978
	PROPOSED REVENUE:													
13.	Network Services	$ 62,271	$ 63,193	$ 63,498	$ 64,466	$ 64,635	$ 65,172	$ 64,827	$ 65,265	$ 65,587	$ 65,535	$ 65,776	$ 65,896	$ 776,119
14.	Scheduling & Ld. Control	2,590	4,175	4,247	4,435	4,625	3,805	3,237	2,154	2,292	2,221	2,264	1,853	37,898
15.	Total	$ 64,861	$ 67,368	$ 67,745	$ 68,900	$ 69,259	$ 68,977	$ 68,064	$ 67,419	$ 67,878	$ 67,756	$ 68,040	$ 67,749	$ 814,017
16.	Average Cost ($/KW)	$ 6.135	$ 3.953	$ 3.908	$ 3.807	$ 3.669	$ 4.441	$ 5.152	$ 7.668	$ 7.256	$ 7.474	$ 7.364	$ 8.957	$ 5.262
	CHANGE IN TOTAL COST:													
17.	REVENUE	$ 16,017	$ 15,976	$ 16,044	$ 16,267	$ 16,277	$ 16,567	$ 16,578	$ 16,888	$ 16,948	$ 16,947	$ 17,004	$ 17,109	$ 198,623
18.	PERCENT INC.	32.79%	31.09%	31.03%	30.91%	30.72%	31.61%	32.20%	33.42%	33.28%	33.36%	33.32%	33.79%	32.28%

Southwest Transmission Cooperative, Inc.

Analysis of Revenue by Detailed Class
Test Year - Annualized

Thatcher

LINE NO.		APR	MAY	JUN	JUL	2008 AUG	SEP	OCT	NOV	DEC	JAN	2009 FEB	MAR	TOTAL
1.	Network Revenue Requirement	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 19,299,096
	PROPOSED RATE:													
2.	Network Revenue Requirement	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 26,246,111
	PRESENT:													
3.	Loads: April 08 to March 09	5,000	7,000	7,000	7,000	7,000	7,000	7,000	5,000	5,000	5,000	5,000	5,000	72,000
4.	Loads: April 07 to March 08	5,000	7,000	7,000	7,000	7,000	7,000	7,000	5,000	5,000	5,000	5,000	5,000	72,000
5.	12 Month Rolling Avg.	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	72,000
	PROPOSED:													
6.	Loads: April 08 to March 09	5,000	7,000	7,000	7,000	7,000	7,000	7,000	5,000	5,000	5,000	5,000	5,000	72,000
7.	Loads: April 07 to March 08	5,000	7,000	7,000	7,000	7,000	7,000	7,000	5,000	5,000	5,000	5,000	5,000	72,000
8.	12 Month Rolling Avg.	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	72,000
	PRESENT REVENUE :													
9.	Network Services	$ 21,348	$ 21,331	$ 21,375	$ 21,647	$ 21,755	$ 21,917	$ 21,981	$ 22,077	$ 22,234	$ 22,303	$ 22,426	$ 22,553	$ 262,949
10.	Scheduling & Ld. Control	1,445	2,023	2,023	2,023	2,023	2,023	2,023	1,445	1,445	1,445	1,445	1,445	20,808
11.	Total	$ 22,793	$ 23,354	$ 23,398	$ 23,670	$ 23,778	$ 23,940	$ 24,004	$ 23,522	$ 23,679	$ 23,748	$ 23,871	$ 23,998	$ 283,757
12.	Average Cost ($/KW)	$ 4.559	$ 3.336	$ 3.343	$ 3.381	$ 3.397	$ 3.420	$ 3.429	$ 4.704	$ 4.736	$ 4.750	$ 4.774	$ 4.800	$ 3.941
	PROPOSED REVENUE:													
13.	Network Services	$ 29,032	$ 29,009	$ 29,069	$ 29,440	$ 29,586	$ 29,807	$ 29,894	$ 30,024	$ 30,238	$ 30,332	$ 30,499	$ 30,672	$ 357,602
14.	Scheduling & Ld. Control	1,225	1,715	1,715	1,715	1,715	1,715	1,715	1,225	1,225	1,225	1,225	1,225	17,640
15.	Total	$ 30,257	$ 30,724	$ 30,784	$ 31,155	$ 31,301	$ 31,522	$ 31,609	$ 31,249	$ 31,463	$ 31,557	$ 31,724	$ 31,897	$ 375,242
16.	Average Cost ($/KW)	$ 6.051	$ 4.389	$ 4.398	$ 4.451	$ 4.472	$ 4.503	$ 4.516	$ 6.250	$ 6.293	$ 6.311	$ 6.345	$ 6.379	$ 5.212
	CHANGE IN TOTAL COST:													
17.	REVENUE	$ 7,465	$ 7,370	$ 7,386	$ 7,484	$ 7,523	$ 7,581	$ 7,605	$ 7,727	$ 7,784	$ 7,808	$ 7,853	$ 7,898	$ 91,485
18.	PERCENT INC.	32.75%	31.56%	31.57%	31.62%	31.64%	31.67%	31.68%	32.85%	32.87%	32.88%	32.90%	32.91%	32.24%

Southwest Transmission Cooperative, Inc.

Analysis of Revenue by Detailed Class
Test Year - Annualized

CLASS A MEMBER RATES

LINE NO.		APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
		2008									2009			
	PRESENT RATE:													
1.	Network Revenue Requirement	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 19,299,096
	PROPOSED RATE:													
2.	Network Revenue Requirement	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 26,246,111
	PRESENT:													
3.	Loads: April 08 to March 09	328,049	477,075	543,066	529,102	533,943	488,302	411,346	322,381	338,135	327,545	323,098	285,543	4,907,585
4.	Loads: April 07 to March 08	374,500	475,157	554,631	597,736	559,992	527,862	425,455	345,630	374,893	343,050	351,231	314,035	5,244,172
5.	12 Month Rolling Avg.	433,143	433,303	432,340	426,620	424,449	421,153	419,977	418,039	414,976	413,684	411,340	408,965	5,057,990
	PROPOSED:													
6.	Loads: April 08 to March 09	328,049	477,075	543,066	529,102	533,943	488,302	411,346	322,381	338,135	327,545	323,098	285,543	4,907,585
7.	Loads: April 07 to March 08	374,500	475,157	554,631	597,736	559,992	527,862	425,455	345,630	374,893	343,050	351,231	314,035	5,244,172
8.	12 Month Rolling Avg.	433,143	433,303	432,340	426,620	424,449	421,153	419,977	418,039	414,976	413,684	411,340	408,965	5,057,990
	PRESENT REVENUE :													
9.	Direct Assignment Facilities	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 1,545,318
10.	Network Services	1,541,121	1,540,461	1,540,192	1,539,208	1,538,976	1,538,419	1,538,609	1,538,191	1,537,797	1,537,766	1,537,466	1,537,251	18,465,457
11.	Scheduling & Ld. Control	94,806	137,875	156,946	152,910	154,310	141,119	118,879	93,168	97,721	94,661	93,375	82,522	1,418,292
12.	Total	$ 1,764,704	$ 1,807,112	$ 1,825,915	$ 1,820,895	$ 1,822,062	$ 1,808,315	$ 1,786,264	$ 1,760,135	$ 1,764,294	$ 1,761,203	$ 1,759,618	$ 1,748,549	$ 21,429,067
13.	Average Cost ($/KW)	$ 5.379	$ 3.788	$ 3.362	$ 3.441	$ 3.412	$ 3.703	$ 4.342	$ 5.460	$ 5.218	$ 5.377	$ 5.446	$ 6.124	$ 4.367
	PROPOSED REVENUE:													
14.	Direct Assignment Facilities	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 1,545,318
15.	Network Services	2,095,335	2,094,009	2,092,746	2,090,738	2,089,839	2,089,135	2,089,384	2,088,803	2,088,245	2,088,237	2,087,946	2,087,693	25,082,112
16.	Scheduling & Ld. Control	80,372	116,883	133,051	129,630	130,816	119,634	100,780	78,983	82,843	80,249	79,159	69,958	1,202,358
17.	Total	$ 2,304,484	$ 2,339,669	$ 2,354,573	$ 2,349,144	$ 2,349,432	$ 2,337,546	$ 2,318,940	$ 2,296,562	$ 2,299,865	$ 2,297,262	$ 2,295,882	$ 2,286,428	$ 27,829,788
18.	Average Cost ($/KW)	$ 7.025	$ 4.904	$ 4.336	$ 4.440	$ 4.400	$ 4.787	$ 5.637	$ 7.124	$ 6.802	$ 7.014	$ 7.106	$ 8.007	$ 5.671
	CHANGE IN TOTAL COST:													
19.	REVENUE	$ 539,780	$ 523,387	$ 528,658	$ 528,250	$ 527,369	$ 529,231	$ 532,676	$ 536,427	$ 535,570	$ 536,059	$ 536,264	$ 537,879	$ 6,400,722
20.	PERCENT INC.	30.59%	28.96%	28.95%	29.01%	28.94%	29.27%	29.82%	30.48%	30.36%	30.44%	30.48%	30.76%	29.87%

Southwest Transmission Cooperative, Inc.

Analysis of Revenue by Detailed Class
Test Year - Annualized

Total For Network Tariff

LINE NO.		APR	MAY	JUN	JUL	AUG (2008)	SEP	OCT	NOV	DEC	JAN	FEB (2009)	MAR	TOTAL
1.	Network Revenue Requirement	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 1,608,258	$ 19,299,096
	PROPOSED RATE:													
2.	Network Revenue Requirement	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 2,187,176	$ 26,246,111
	PRESENT:													
3.	Loads: April 08 to March 09	343,622	501,117	567,402	554,202	559,820	510,833	431,558	336,173	352,490	341,610	337,338	298,107	5,134,272
4.	Loads: April 07 to March 08	390,963	496,788	578,533	622,450	586,237	550,260	446,957	359,050	389,589	357,721	365,753	327,192	5,471,493
5.	12 Month Rolling Avg.	452,013	452,373	451,446	445,759	443,557	440,272	438,988	437,082	433,990	432,648	430,280	427,856	5,286,263
	PROPOSED:													
6.	Loads: April 08 to March 09	343,622	501,117	567,402	554,202	559,820	510,833	431,558	336,173	352,490	341,610	337,338	298,107	5,134,272
7.	Loads: April 07 to March 08	390,963	496,788	578,533	622,450	586,237	550,260	446,957	359,050	389,589	357,721	365,753	327,192	5,471,493
8.	12 Month Rolling Avg.	452,013	452,373	451,446	445,759	443,557	440,272	438,988	437,082	433,990	432,648	430,280	427,856	5,286,263
	PRESENT REVENUE :													
9.	Direct Assignment Facilities	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 1,545,318
10.	Network Services	1,608,258	1,608,258	1,608,258	1,608,258	1,608,258	1,608,258	1,608,258	1,608,258	1,608,258	1,608,258	1,608,258	1,608,258	19,299,096
11.	Scheduling & Ld. Control	99,307	144,823	163,979	160,164	161,788	147,631	124,720	97,154	101,870	98,725	97,491	86,153	1,483,805
12.	Total	$ 1,836,341	$ 1,881,857	$ 1,901,014	$ 1,897,199	$ 1,898,822	$ 1,884,665	$ 1,861,755	$ 1,834,188	$ 1,838,904	$ 1,835,760	$ 1,834,525	$ 1,823,187	$ 22,328,219
13.	Average Cost ($/KW)	$ 4.697	$ 3.788	$ 3.286	$ 3.048	$ 3.239	$ 3.425	$ 4.165	$ 5.108	$ 4.720	$ 5.132	$ 5.016	$ 5.572	$ 4.081
	PROPOSED REVENUE:													
14.	Direct Assignment Facilities	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 128,777	$ 1,545,318
15.	Network Services	2,186,639	2,186,212	2,185,313	2,184,644	2,184,060	2,184,114	2,184,105	2,184,092	2,184,070	2,184,104	2,184,221	2,184,261	26,215,833
16.	Scheduling & Ld. Control	84,187	122,774	139,013	135,779	137,156	125,154	105,732	82,362	86,360	83,694	82,648	73,036	1,257,897
17.	Total	$ 2,399,603	$ 2,437,762	$ 2,453,103	$ 2,449,200	$ 2,449,992	$ 2,438,045	$ 2,418,613	$ 2,395,230	$ 2,399,206	$ 2,396,575	$ 2,395,645	$ 2,386,074	$ 29,019,048
18.	Average Cost ($/KWH)	$ 6.138	$ 4.907	$ 4.240	$ 3.935	$ 4.179	$ 4.431	$ 5.411	$ 6.671	$ 6.158	$ 6.700	$ 6.550	$ 7.293	$ 5.304
	CHANGE IN TOTAL COST:													
19.	REVENUE	$ 563,262	$ 555,904	$ 552,089	$ 552,001	$ 551,170	$ 553,379	$ 556,858	$ 561,042	$ 560,302	$ 560,815	$ 561,120	$ 562,886	6,690,829
20.	PERCENT INC.	30.67%	29.54%	29.04%	29.10%	29.03%	29.36%	29.91%	30.59%	30.47%	30.55%	30.59%	30.87%	29.97%

Southwest Transmission Cooperative, Inc.

Analysis of Revenue by Detailed Class
Test Year - Annualized

AVERAGE COST-CLASS A MEMBERS

LINE NO.		APR	MAY	JUN	JUL	2008 AUG	SEP	OCT	NOV	DEC	JAN	2009 FEB	MAR	TOTAL
	AVG COST ($/kW) - PRESENT RATES													
1.	AEC	$ 5.278	$ 4.146	$ 3.036	$ 3.084	$ 3.203	$ 3.326	$ 4.649	$ 5.791	$ 3.649	$ 4.003	$ 4.540	$ 5.080	$ 3.957
2.	DVEC	$ 4.632	$ 3.082	$ 2.731	$ 3.182	$ 2.902	$ 3.634	$ 4.724	$ 6.671	$ 4.429	$ 4.834	$ 4.837	$ 5.406	$ 3.958
3.	GCEC	$ 4.859	$ 3.348	$ 2.706	$ 2.755	$ 2.954	$ 3.385	$ 4.273	$ 5.709	$ 5.148	$ 5.320	$ 5.648	$ 5.304	$ 3.950
4.	MEC	$ 4.382	$ 3.444	$ 3.229	$ 2.922	$ 2.914	$ 3.090	$ 3.605	$ 5.089	$ 5.667	$ 5.854	$ 6.115	$ 7.783	$ 4.049
	MEC2	$ -	$ 0.957	$ 0.906	$ 1.469	$ 1.766	$ 5.534	$ -	$ -	$ -	$ -	$ -	$ -	$ 3.543
5.	SSVEC	$ 5.554	$ 4.674	$ 4.087	$ 4.139	$ 4.000	$ 3.837	$ 4.069	$ 4.462	$ 3.785	$ 3.833	$ 3.723	$ 4.101	$ 4.156
	SSVEC2	$ -	$ 1.058	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 8.551
6.	TEC	$ 6.372	$ 4.464	$ 3.520	$ 3.845	$ 3.742	$ 4.124	$ 4.967	$ 6.268	$ 6.379	$ 6.750	$ 7.095	$ 7.902	$ 5.060
7.	CLASS A MEMBER AVG.	$ 5.379	$ 3.788	$ 3.362	$ 3.441	$ 3.412	$ 3.703	$ 4.342	$ 5.460	$ 5.218	$ 5.377	$ 5.446	$ 6.124	$ 4.367
	AVG COST ($/kW) - PROPOSED RATES													
8.	AEC	$ 7.030	$ 5.490	$ 3.980	$ 4.046	$ 4.208	$ 4.375	$ 6.175	$ 7.728	$ 4.814	$ 5.296	$ 6.027	$ 6.760	$ 5.233
9.	DVEC	$ 6.151	$ 4.330	$ 3.726	$ 4.124	$ 3.858	$ 6.908	$ 5.582	$ 7.473	$ 5.589	$ 5.801	$ 5.999	$ 7.735	$ 5.366
10.	GCEC	$ 6.461	$ 4.405	$ 3.531	$ 3.598	$ 3.870	$ 4.456	$ 5.664	$ 7.615	$ 6.853	$ 7.086	$ 7.533	$ 7.066	$ 5.223
11.	MEC	$ 5.811	$ 4.536	$ 4.244	$ 3.826	$ 3.815	$ 4.054	$ 4.754	$ 6.772	$ 7.559	$ 7.814	$ 8.168	$ 10.437	$ 5.359
	MEC2	$ -	$ 1.099	$ 1.034	$ 1.754	$ 2.133	$ 6.952	$ -	$ -	$ -	$ -	$ -	$ -	$ 4.406
12.	SSVEC	$ 7.406	$ 6.209	$ 5.410	$ 5.481	$ 5.291	$ 5.070	$ 5.386	$ 5.919	$ 5.000	$ 5.064	$ 4.915	$ 5.430	$ 5.505
	SSVEC2	$ -	$ 1.290	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 11.481
13.	TEC	$ 7.976	$ 5.554	$ 4.358	$ 4.771	$ 4.643	$ 5.132	$ 6.208	$ 7.870	$ 8.014	$ 8.487	$ 8.929	$ 9.962	$ 6.324
14.	CLASS A MEMBER AVG.	$ 7.025	$ 4.904	$ 4.336	$ 4.440	$ 4.400	$ 4.787	$ 5.637	$ 7.124	$ 6.802	$ 7.014	$ 7.106	$ 8.007	$ 5.671

Southwest Transmission Cooperative, Inc.

Analysis of Revenue by Detailed Class
Test Year - Annualized

BILLING UNIT AND TRANSMISSION REVENUE SUMMARY WORKSHEET
POINT TO POINT TRANSMISSION SERVICES - PRESENT RATES

AEPCO Bundled Sales						2008						2009		
		APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
AEPCO	Firm Pt to Pt - Serv	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	576,000
	Rate p/p	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	
	Firm Pt to Pt - Serv	$164,304	$164,304	$164,304	$164,304	$164,304	$164,304	$164,304	$164,304	$164,304	$164,304	$164,304	$164,304	$ 1,971,648
														-
Sulphur Springs	Loads	0	0	58,945	47,254	54,244	12,666	22,666	17,666	19,965	4,605	0	4,745	242,756
Firm Point to Point	Rate P/P	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	
	Total Dollars P/P	$0	$0	$201,769	$161,750	$185,677	$43,356	$77,586	$60,471	$68,340	$15,763	$0	$16,242	$ 830,954
MW&E Safford	Loads	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
wheeling	Rate p/p	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	$3.423	
	Total Dollars P/P	$34,230	$34,230	$34,230	$34,230	$34,230	$34,230	$34,230	$34,230	$34,230	$34,230	$34,230	$34,230	$410,760
	Total Revenue	$ 198,534	$ 198,534	$ 400,303	$ 360,284	$ 384,211	$ 241,890	$ 276,120	$ 259,005	$ 266,874	$ 214,297	$ 198,534	$ 214,776	$ 3,213,362
	Total Loads	58,000	58,000	116,945	105,254	112,244	70,666	80,666	75,666	77,965	62,605	58,000	62,745	938,756
	Load Control & Disp	$ 16,762	$ 16,762	$ 33,797	$ 30,418	$ 32,439	$ 20,422	$ 23,312	$ 21,867	$ 22,532	$ 18,093	$ 16,762	$ 18,133	$ 271,300
	Total Revenue	$ 215,296	$ 215,296	$ 434,100	$ 390,703	$ 416,650	$ 262,312	$ 299,432	$ 280,872	$ 289,406	$ 232,390	$ 215,296	$ 232,909	$ 3,484,662

POINT TO POINT TRANSMISSION SERVICES-PROPOSED RATES						2008						2009		
		APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
AEPCO	Firm Pt to Pt - Agrmnts kV	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	576,000
	Rate p/p	$3.608	$3.608	$3.608	$3.608	$3.608	$3.608	$3.608	$3.608	$3.608	$3.608	$3.608	$3.608	
	Firm Pt to Pt - Agrmnts	$173,184	$173,184	$173,184	$173,184	$173,184	$173,184	$173,184	$173,184	$173,184	$173,184	$173,184	$173,184	$ 2,078,208
Sulphur Springs	Loads	0	0	58,945	47,254	54,244	12,666	22,666	17,666	19,965	4,605	0	4,745	242,756
Firm Point to Point	Rate P/P	3.608	3.608	3.608	3.608	3.608	3.608	3.608	3.608	3.608	3.608	3.608	3.608	
	Total Dollars P/P	$0	$0	$212,674	$170,492	$195,712	$45,699	$81,779	$63,739	$72,034	$16,615	$0	$17,120	$ 875,864
MW&E Safford	Loads	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
wheeling	Rate p/p	3.608	3.608	3.608	3.608	3.608	3.608	3.608	3.608	3.608	3.608	3.608	3.608	
	Total Dollars P/P	$36,080	$36,080	$36,080	$36,080	$36,080	$36,080	$36,080	$36,080	$36,080	$36,080	$36,080	$36,080	$432,960
	Total Revenue	$ 209,264	$ 209,264	$ 421,938	$ 379,756	$ 404,976	$ 254,963	$ 291,043	$ 273,003	$ 281,298	$ 225,879	$ 209,264	$ 226,384	$ 3,387,032
	Total Loads	58,000	58,000	116,945	105,254	112,244	70,666	80,666	75,666	77,965	62,605	58,000	62,745	938,756
	Load Control & Disp	$ 14,210	$ 14,210	$ 28,652	$ 25,787	$ 27,500	$ 17,313	$ 19,763	$ 18,538	$ 19,101	$ 15,338	$ 14,210	$ 15,373	$ 229,995
	Total Revenue	$ 223,474	$ 223,474	$ 450,589	$ 405,544	$ 432,476	$ 272,276	$ 310,806	$ 291,541	$ 300,399	$ 241,217	$ 223,474	$ 241,756	$ 3,617,027

Southwest Transmission Cooperative, Inc.

Analysis of Revenue by Detailed Class
Test Year - Annualized

TOTAL FOR POINT-TO-POINT TARIFF

POINT-TO-POINT TARIFF-PRESENT RATES

	APR	MAY	JUN	JUL	2008 AUG	SEP	OCT	NOV	DEC	JAN	2009 FEB	MAR	TOTAL
Total Revenue	$ 198,534	$ 198,534	$ 400,303	$ 360,284	$ 384,211	$ 241,890	$ 276,120	$ 259,005	$ 266,874	$ 214,297	$ 198,534	$ 214,776	$ 3,213,362
Total Loads	58,000	58,000	116,945	105,254	112,244	70,666	80,666	75,666	77,965	62,605	58,000	62,745	938,756
Load Control & Disp	$ 16,762	$ 16,762	$ 33,797	$ 30,418	$ 32,439	$ 20,422	$ 23,312	$ 21,867	$ 22,532	$ 18,093	$ 16,762	$ 18,133	$ 271,300
Total Revenue	$ 215,296	$ 215,296	$ 434,100	$ 390,703	$ 416,650	$ 262,312	$ 299,432	$ 280,872	$ 289,406	$ 232,390	$ 215,296	$ 232,909	$ 3,484,662

POINT-TO-POINT TARIFF-PROPOSED RATES

	APR	MAY	JUN	JUL	2008 AUG	SEP	OCT	NOV	DEC	JAN	2009 FEB	MAR	TOTAL
Total Revenue	$ 209,264	$ 209,264	$ 421,938	$ 379,756	$ 404,976	$ 254,963	$ 291,043	$ 273,003	$ 281,298	$ 225,879	$ 209,264	$ 226,384	$ 3,387,032
Total Loads	58,000	58,000	116,945	105,254	112,244	70,666	80,666	75,666	77,965	62,605	58,000	62,745	938,756
Load Control & Disp	$ 14,210	$ 14,210	$ 28,652	$ 25,787	$ 27,500	$ 17,313	$ 19,763	$ 18,538	$ 19,101	$ 15,338	$ 14,210	$ 15,373	$ 229,995
Total Revenue	$ 223,474	$ 223,474	$ 450,589	$ 405,544	$ 432,476	$ 272,276	$ 310,806	$ 291,541	$ 300,399	$ 241,217	$ 223,474	$ 241,756	$ 3,617,027

Exhibit JWZ-1

Southwest Transmission Cooperative, Inc.

PROOF OF REVENUE SUMMARY BY RATE CLASS - Present and Proposed Rates - SWTC Rebuttal

	Revenues				Rates			
	Current	Proposed	Increase	% Inc.	Current	Proposed	Increase	% Inc.
Class A - Firm Network Services								
Anza	$ 353,604	$ 480,889	$ 127,285	36.00%	$ 1,608,258	$ 2,187,176	$ 578,918	36.00%
Duncan Valley	209,785	285,300	75,515	36.00%	$ 1,608,258	$ 2,187,176	$ 578,918	36.00%
Graham County Electric	1,188,106	1,615,784	427,678	36.00%	$ 1,608,258	$ 2,187,176	$ 578,918	36.00%
Mohave Electric 1	5,391,298	7,331,982	1,940,683	36.00%	$ 1,608,258	$ 2,187,176	$ 578,918	36.00%
Mohave Electric 2	372,811	476,733	103,922	27.88%	$ 1,608,258	$ 2,056,562	$ 448,304	27.88%
Sulphur Springs Valley 1	5,775,237	7,854,125	2,078,888	36.00%	$ 1,608,258	$ 2,187,176	$ 578,918	36.00%
Sulphur Springs Valley 2	235,853	320,752	84,899	36.00%	$ 1,608,258	$ 2,187,176	$ 578,918	36.00%
Trico Electric	4,938,762	6,716,547	1,777,785	36.00%	$ 1,608,258	$ 2,187,176	$ 578,918	36.00%
Total Firm Members	$ 18,465,457	$ 25,082,112	$ 6,616,655	35.83%				
Other - Firm Network Services								
Safford	570,690	776,119	205,429	36.00%	$ 1,608,258	$ 2,187,176	$ 578,918	36.00%
Thatcher	262,949	357,602	94,653	36.00%	$ 1,608,258	$ 2,187,176	$ 578,918	36.00%
Total Other	833,639	1,133,721	300,082	36.00%				
Total Network Services	$ 19,299,096	$ 26,215,833	$ 6,916,737	35.84%				
Point-to-Point Services								
Network Transmission Rate								
AEPCO	$ 1,971,648	$ 2,078,208	$ 106,560	5.40%	$ 3.423	$ 3.608	$ 0.185	5.40%
Sulphur Springs	830,954	875,864	44,910	5.40%	$ 3.423	$ 3.608	$ 0.185	5.40%
MW&E Stafford Wheeling	410,760	432,960	22,200	5.40%	$ 3.423	$ 3.608	$ 0.185	5.40%
Total Point-to-Point	$ 3,213,362	$ 3,387,032	$ 173,670	5.40%				
Total Electric Revenue	$ 22,512,458	$ 29,602,865	$ 7,090,407					
Other Operating Revenues								
Class A - System Control & Load Dispatch								
Anza	$ 27,863	$ 23,621	$ (4,242)	-15.22%	$ 0.289	$ 0.245	$ (0.044)	-15.22%
Duncan Valley	16,525	14,009	(2,516)	-15.22%	$ 0.289	$ 0.245	$ (0.044)	-15.22%
Graham County Electric	93,798	79,518	(14,281)	-15.22%	$ 0.289	$ 0.245	$ (0.044)	-15.22%
Mohave Electric 1	414,376	351,287	(63,088)	-15.22%	$ 0.289	$ 0.245	$ (0.044)	-15.22%
Mohave Electric 2	33,113	28,072	(5,041)	-15.22%	$ 0.289	$ 0.245	$ (0.044)	-15.22%
Sulphur Springs Valley 1	431,569	365,863	(65,706)	-15.22%	$ 0.289	$ 0.245	$ (0.044)	-15.22%
Sulphur Springs Valley 2	8,250	6,994	(1,256)	-15.22%	$ 0.289	$ 0.245	$ (0.044)	-15.22%
Trico Electric	392,797	332,994	(59,803)	-15.22%	$ 0.289	$ 0.245	$ (0.044)	-15.22%
Total Other Members	$ 1,418,292	$ 1,202,358	$ (215,934)	-15.22%				
Other - System Control & Load Dispatch								
Safford	44,705	37,898	(6,806)	-15.22%	$ 0.289	$ 0.245	$ (0.044)	-15.22%
Thatcher	20,808	17,640	(3,168)	-15.22%	$ 0.289	$ 0.245	$ (0.044)	-15.22%
Total Other	65,513	55,538	(9,974)	-15.22%				
Other - System Control & Load Dispatch								
AEPCO	$ 166,464	$ 141,120	$ (25,344)	-15.22%	$ 0.289	$ 0.245	$ (0.044)	-15.22%
Sulphur Springs	70,156	59,475	(10,681)	-15.22%	$ 0.289	$ 0.245	$ (0.044)	-15.22%
MW&E Safford Wheeling	34,680	29,400	(5,280)	-15.22%	$ 0.289	$ 0.245	$ (0.044)	-15.22%
	$ 271,300	$ 229,995	$ (41,305)	-15.22%				
Total System Control & Load Dispatch	$ 1,755,105	$ 1,487,892	$ (267,213)					
Adj. Other System Control & Load Disp.	70,639	70,639	-					
Total Sch 1 Revenue Credit	$ 1,825,744	$ 1,558,531	$ (267,213)					
Class A - Direct Assignment Facilities								
Trico Electric	1,545,318	1,545,318	-	0.00%				
Other Operating Revenues	598,408	598,408	-					
Special Contracts	1,295,300	1,295,300	(0)					
Total Other Operating Revenue	$ 5,264,771	$ 4,997,557	$ (267,214)					
Total Network Services	$ 27,777,228	$ 34,600,422	$ 6,823,193	24.56%				
Exhibit GEP-2	$ 27,777,227	$ 34,600,422	$ 6,823,195					
Proof	$ (1)	$ 0	$ 2					

Exhibit JWZ-2

COMPARISON OF CURRENT AND PROPOSED SWTC - AS FILED VS STAFF ADJUSTED VS SWTC REBUTTAL WITH % INCREASE

Transmission Services	SWTC Transmission Rates - As Filed Rates			SWTC Transmission Rates - Staff Adjusted Rates			SWTC Transmission Rates - SWTC Rebuttal Rates		
	Current	Proposed	% Inc.	Current	Proposed	% Inc.	Current	Proposed	% Inc.
Firm Network Service - $ Monthly Rev. Req.*	$ 1,608,258	$ 2,247,574	39.75%	$ 1,608,258	$ 2,247,326	39.74%	$ 1,608,258	$ 2,187,176	36.00%
Firm Network Service - $ Annual Rev. Req.*	$ 19,299,096	$ 26,970,888	39.75%	$ 19,299,096	$ 26,967,912	39.74%	$ 19,299,096	$ 26,246,111	36.00%
Firm Network Service - Moh Elec 2 $ Monthly Rev. Req.*	$ 1,608,258	$ 2,162,827	34.48%	$ 1,608,258	$ 2,155,588	34.03%	$ 1,608,258	$ 2,056,562	27.88%
Firm Network Service - Moh Elec 2 $ Annual Rev. Req.*	$ 19,299,096	$ 25,953,928	34.48%	$ 19,299,096	$ 25,867,053	34.03%	$ 19,299,096	$ 24,678,748	27.88%
Firm Point-to-Point Network Transmission ($/kW)	$ 3.423	$ 3.709	8.36%	$ 3.423	$ 3.709	8.36%	$ 3.423	$ 3.608	5.40%
Non-Firm Point-to-Point Network Transmission $/kW)	$ 3.423	$ 3.709	8.36%	$ 3.423	$ 3.709	8.36%	$ 3.423	$ 3.608	5.40%
Mandatory Ancillary Services:									
Sch. 1 - Network - System Control & Load Dispatch - ($/kW)	$ 0.289	$ 0.245	-15.22%	$ 0.289	$ 0.245	-15.22%	$ 0.289	$ 0.245	-15.22%
Sch. 1 - Point-to-Point - System Control & Load Dispatch - ($/kW)	$ 0.289	$ 0.245	-15.22%	$ 0.289	$ 0.245	-15.22%	$ 0.289	$ 0.245	-15.22%
Sch. 2 - Network - Var Support/ Voltage Control - ($/kW)	$ 0.120	$ 0.066	-45.00%	$ 0.120	$ 0.074	-38.26%	$ 0.120	$ 0.067	-44.39%
Sch. 2 - Point-to-Point - Var Support/ Voltage Control - ($/kW)	$ 0.094	$ 0.049	-47.87%	$ 0.094	$ 0.055	-41.65%	$ 0.094	$ 0.049	-47.45%
FERC Optional Ancillary Services - AEPCO									
Sch. 3 - Network - Req. & Freq. Resp ($/kW)	$ 0.4720	$ 0.3862	-18.18%	$ 0.4720	$ 0.4006	-15.12%	$ 0.4720	$ 0.5325	12.82%
Sch. 4 - Network - Energy Imbalance - Eng In-Kind +/-1.5% ($/MW)	$ 23.25	$ 36.38	56.47%	$ 23.25	$ 36.68	57.78%	$ 23.25	$ 36.68	57.78%
Sch. 5 - Network - Oper. Reserves - Spinning ($/kW)	$ 0.7130	$ 0.5121	-28.18%	$ 0.7130	$ 0.5311	-25.50%	$ 0.7130	$ 0.7060	-0.98%
Sch. 6 - Network - Oper. Reserve - Supplemental ($/kW)	$ 0.4610	$ 0.3652	-20.78%	$ 0.4610	$ 0.3783	-17.95%	$ 0.4610	$ 0.4981	8.04%
Direct Assignment Facilities									
Trico Electric Only - ($/mth)**	$ 128,777	$ 128,777		$ 128,777	$ 128,777		$ 128,777	$ 128,777	

* Memb Rate: $ annual rev req /12 x ratio of Memb's Currnt 12mth avg Load to that of same Sum Total Membs.Load

** Cost Alloc & assoc. charges for transmission construction by distribution cooperative - Trico Only