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DOCUMENT CONTROL

February 12, 1998

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Client-Matter No. 19539-0329  
Tucson

**VIA OVERNIGHT COURIER**

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

~~Arizona Corporation Commission~~  
**DOCKETED**

FEB 13 1998

Re: Trico Electric Cooperative, Inc.  
Docket No. I-01461A-97-0696

DOCKETED BY

Ladies/Gentlemen:

Enclosed please find Cover Sheet and original plus 10 copies of the Notice of Filing in the Matter of Trico Electric Cooperative, Inc.'s Unbundled and Standard Offer Rates Pursuant to A.A.C. R14-2-1606, which we are delivering to you for filing in the above docket.

Very truly yours,

O'CONNOR CAVANAGH MOLLOY JONES

Russell E. Jones

REJ:cw  
Enclosures

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED  
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Arizona Corporation Commission  
**DOCKETED**

FEB 13 1998

DOCKETED BY *[Signature]*

JAMES M. IRVIN  
Chairman  
RENZ D. JENNINGS  
Commissioner  
CARL J. KUNASEK  
Commissioner

IN THE MATTER OF TRICO ELECTRIC  
COOPERATIVE, INC.'S UNBUNDLED AND  
STANDARD OFFER RATES PURSUANT TO  
A.A.C. R14-2-1606

Docket No. E-01461A-97-0696

**NOTICE OF FILING**

Pursuant to A.A.C. R14-2-1606, Trico Electric Cooperative, Inc., an Arizona nonprofit corporation ("Trico"), files with the Arizona Corporation Commission ("Commission") its anticipated Unbundled Services Rates and its Standard Offer Rates.

Unbundled Service Rates

Attached hereto as Exhibit A are the unbundled tariffs proposed by Trico concerning distribution services, metering services, meter reading services, billing and collection services, and public benefits charges (the "Unbundled Rates"). Trico reserves the right to make changes to the Unbundled Rates to and including the date upon which retail competition occurs.

As to service terms and conditions, Trico has identified several issues which may or may not require amendments of these Unbundled Rates, including but not limited to (1) a minimum service charge to cover costs associated with customers who move between Unbundled and Standard Offer rates, and vice versa, (2) specification of a maximum number of service information requests before an additional charge is incurred, (3) the minimum frequency in which customers may move from Unbundled Rates to Standard Offer Rates, and vice versa, and between electric supplies for Unbundled Rates, (4) specification of additional metering costs for customers with non-standard metering needs or requirements, (5) specification of criteria for

1 release of customer information and (6) re-examination of line extension policies concerning  
2 whether refinements are necessary for different service levels. In the event that Trico deems that  
3 it is advisable to amend the Unbundled Rates by reason of any of the foregoing or for other  
4 reasons, Trico will propose revised tariffs prior to the introduction of retail competition.

5 **Standard Offer Rates**

6 Pursuant to A.A.C. R14-2-1606 B.1, Trico adopts its rates and charges that are in  
7 existence as of December 31, 1997, as its Standard Offer Tariffs.

8 RESPECTFULLY SUBMITTED this 13<sup>th</sup> day of February, 1998.

9 O'CONNOR CAVANAGH MOLLOY JONES

10  
11 By: Russell E. Jones  
12 Russell E. Jones  
13 33 N. Stone Ave., Suite 2100  
14 P.O. Box 2268  
Tucson, Arizona 85702  
(520) 622-3531  
Attorneys for Trico Electric Cooperative, Inc.

15 Original and 10 copies of the foregoing  
16 filed this 13th day of February, 1998,  
with:

17 Docket Control  
18 Arizona Corporation Commission  
19 1200 W. Washington  
Phoenix, Arizona 85007

20 Carol Watson

LAW OFFICES  
O'CONNOR CAVANAGH MOLLOY JONES  
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(520) 622-3531

## **COST OF SERVICE STUDY**

### **UNBUNDLED TARIFF FILING**

In order to comply with the Arizona Corporation Commission's (ACC) Electric Competition Rules (Rules), Trico Electric Cooperative, Inc. (TRICO) and the other Arizona rural electric cooperatives, through a cooperative effort of the Grand Canyon State Electric Cooperative Association and the National Rural Utilities Cooperative Finance Corporation (CFC), developed a common cost of service model. The goal of the effort was to develop a common methodology for identifying unbundled service costs and to develop the resulting tariff to be filed in accordance with the Rules. CFC, together with the United States through the Rural Utilities Service (RUS), provide all of the financing for the cooperatives. The model is based on certain common methodologies but is modified as necessary to meet the requirements of each cooperative and to recognize the differences that exist due to the characteristics of each cooperative and its respective service territory.

The electric utility industry is undergoing fundamental changes. Electric service has traditionally been provided on a monopolistic basis with little opportunity for customer choice. The Rules require that Affected Utilities develop unbundled rates that will segregate the cost elements of providing service into discrete components including:

- Distribution Service
- Metering and Meter Reading Services
- Billing and Collecting Services
- Information Services, e.g., providing customer information to other Electric Service Providers
- Open Access Transmission Service
- Ancillary Services

The first four items are those that would directly affect TRICO while the Open Access Transmission and Ancillary Services are those that would be provided by TRICO's wholesale power suppliers, Arizona Electric Power Cooperative, Inc. (AEPCO). The Rules also provide that Affected Utilities must file a Standard Offer Tariff with the Unbundled Service Tariffs; provided that if no Standard Offer Tariff is filed, rates and services in existence on December 31, 1997, shall constitute the Standard Offer Tariff. TRICO has elected to adopt its current tariffs as of such date as the Standard Offer Tariff. The CFC model is a cost of service model that develops the allocated embedded cost of service for each of the services listed above.

The following provides a description of the methodologies used in the CFC model :

## Revenue Requirements

Revenues generated by TRICO's rates must be adequate to cover all costs of providing service including operations, maintenance, administration, depreciation, system improvements and replacements. Revenues must also be adequate to provide a rate of return on the fair value of TRICO's property devoted to the public use that is sufficient to meet the requirements of RUS and CFC in TRICO's mortgage in their favor regarding times interest earned ratio (TIER) and debt service coverage (DSC). The preliminary study has been designed so that net revenues match what was recovered by current rates in the test year. No changes in overall revenues have been included in the analysis.

## Cost of Service Analysis

The cost of service analysis was performed using calendar 1996 as the test year. Because in the competitive market place TRICO will provide Distribution Service as defined in the Rules and to the extent that it can do so under competition, provide the electricity and ancillary services to customers, the cost of service study was designed to focus on the distribution and customer related costs. However, power supply costs cannot be ignored. Under the historical rate making model, TRICO charges customers based on a fully bundled tariff with power purchases included in the rates. To compare current rate designs with the unbundled rate designs, it was necessary to identify the power supply components included in the current rates. Therefore, the first step in the study was to allocate the test year power supply cost for each rate class and deduct that cost from the revenues collected from each customer classification. Next, the remaining costs were allocated to each customer class. The study was developed by examining the rate base required to serve each customer class and then allocating the costs, such as operations and maintenance costs related to that rate base, to each class of service. The cost of service study model was developed using the minimum system concept. This concept recognizes that there are minimum system costs that must be incurred to have electric service available to each customer. For example, if every customer had only one light bulb, TRICO must incur the minimum system costs to serve it. The TRICO distribution system would still require poles, wires, transformers etc. The CFC model recovers those costs through a customer charge. The costs of distribution facilities in excess of this "minimum system" are capacity related costs. Certain costs such as metering and billing costs were assigned on a customer basis. In this study, approximately 46% of TRICO's costs are incurred due to customer based causes. The balance is allocated based on required capacity.

## Rate Design

TRICO's current rate designs (i.e., the rates that will become the Standard Offer Tariff) collect revenues through three components. For rates without demand charges, the revenue is collected through a customer or service availability charge that partially recovers fixed costs of providing service, and energy charges. Historically, regulators, in order to make electricity affordable to

customers with limited incomes who have a low consumption of electricity, have deemed it desirable to keep the customer charge component low. Therefore, most of the cost recovery has been through the variable component or energy charge. This rate design results in some subsidies among the classes in that users with low consumption may not be paying their fair share of fixed costs. For large commercial and industrial users, the existing rate structure includes a demand charge that is designed to recover capacity costs including the capacity component of wholesale power costs.

The CFC cost of service model develops several alternative rate designs for consideration. In each case, the metering, billing and customer charges are collected through monthly customer charges. The CFC model also develops a monthly charge to recover the "minimum system" distribution costs. The CFC model provides alternative methods for recovery of the capacity component. For customers with demand meters, the costs can be recovered through demand charges. For customers without demand meters, the costs can be recovered through energy charges, an additional fixed fee or an "access charge" or through a charge based on required transformer capacity.

There are several alternative rate designs that can be considered for the unbundled tariff. Each format has certain advantages and disadvantages. For example, charging a fee for customer "access availability" has the advantage of providing very stable revenues. However, it is a radical change from current methods and may encounter customer or regulatory resistance. The attached unbundled rate schedules recover some costs through the fixed or customer charge and some "fixed" costs will be recovered through energy charges. This format was adopted to prevent radical changes from the current rate design. While this design is technically not "correct", it would tend to lessen the impact to customers as the competitive market is instituted.

*Standard Offer Tariff* - As noted above, the Rules have been developed so that, absent a new filing, the existing tariff becomes the Standard Offer Tariff. While this is administratively convenient, it fails to recognize that the existing tariff may not recover costs correctly. For example, for most utilities, residential rates do not fully recover costs of service. There are cross class subsidies in today's rates and often commercial consumers pay more than their allocated costs. If commercial customers take advantage of the competitive marketplace, the revenue that has been available to subsidize residential or other users will no longer be available. Therefore, utilities may find that revenue requirements may not be met. This concern was discussed during ACC workshops and the issue has not been resolved. TRICO intends to use the current tariffs as the Standard Offer Tariff but may revise the Standard Offer Tariff at a later date.

*Other fees and schedules* - With the unbundling of services and customer choice, TRICO will need to develop fee schedules for services it does not currently provide. This includes services such as reading meters for others, installing more sophisticated metering, paperwork charges etc. The ACC has indicated that the Rules may be amended and it is likely that a complex set of fees, such as those being charged in California, will be implemented. In the Rules, the ACC does

require utilities to file a rate for providing information to other energy suppliers. This information would include bill histories for customers and related data. The cost of service study does not address these types of costs. Therefore, a charge must be established based on estimated staff time and expenses related to responding to requests. An initial fee of \$25 per request is proposed. TRICO will develop additional fee schedules as the methods for implementing a competitive energy market are identified.

*Stranded Cost Recovery* - TRICO is a member of AEPCO and purchases its power under an all-requirements wholesale power contract. Any stranded cost recovery authorized by the ACC will flow through TRICO to the retail customer. TRICO may make additional filings with the ACC related to stranded cost recovery when the ACC rules and/or orders on the issue are developed.

ELECTRIC RATES

Trico Electric Cooperative, Inc.  
5100 West Ina Road  
Tucson, Arizona 85743  
Filed by: Marvin Athey  
Title: General Manager

Effective Date: 1/1/1999

RESIDENTIAL - UNBUNDLED SERVICE  
SCHEDULE R-US - 1

AVAILABILITY

In the Cooperative's Certificated Area where its facilities are of adequate capacity and the required phase and suitable voltage are in existence and are adjacent to the premises served.

APPLICATION

These Unbundled Rates are subject to the limitations and definitions set forth in the Arizona Corporation Commission's Electric Competition Rules, A.A.C. R 14-2-1601, *et seq.* ("Rules") which, among other things, define "Distribution Services" and limit the availability of unbundled rates to 20% as the cooperative's Coincidental Peak Demand in 1995 (as of January 1, 1999, and to 50% of such Demand as of January 1, 2001. This Tariff is subject to change by the Cooperative in the event the Rules are amended, more current data is available than the 1996 data used in formulating this Tariff, or changed circumstances. Subject to the foregoing:

This Tariff shall be applicable to all electric service required for residential purposes in individual private dwellings and in individually metered apartments when such service is supplied at one premise through one point of delivery and measured through one meter. This rate is applicable to consumers who elect to purchase energy resources under electric competition. This rate is not applicable to resale or standby service. This rate may be applicable to (3) three phase service used for domestic purposes only.

TYPE OF SERVICE

The type of service available under this schedule will be determined by the Cooperative and would normally be:

120/240 volt single phase or  
120/208 volt three phase

MONTHLY RATE

Fixed monthly charge distribution charge	\$9.97
Variable monthly distribution charge, per kilowatthour	\$0.0316
Metering charge	\$1.69
Meter reading charge	\$1.21
Billing charge	\$2.13
Public benefits charge, per kilowatthour	\$0.00

MINIMUM MONTHLY CHARGE

The greater of the amount specified in the written contract between the Cooperative and the customer or the fixed charge or \$1.00 per kVA of installed transformer capacity per month.

CUSTOMER INFORMATION CHARGE

The Cooperative shall have the right to assess a customer information charge to provide historical billing and usage data to Electric Service Providers. Provision of this information will be subject to rules and regulations approved by the Arizona Corporation Commission. The charge for this service shall be \$25 per request.

STRANDED COST CHARGES

Customer will be responsible for payment of charges or fees for stranded cost recovery and/or competitive market transition charges in accordance with rates and rules approved by the Arizona Corporation Commission.

TAXES

To the charge computed in this rate schedule, including all adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the cooperative and/or the price or revenue from the electric energy or service sold and/or the volume of energy purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The Rules, Regulations and Line Extension Policies of the Cooperative as on file from time to time with the Arizona Corporation Commission shall apply to this rate schedule.

Upon application for service or upon request, the Cooperative will assist the customer in selecting the rate schedule best suited to his requirements, but the Cooperative does not guarantee the customer will be served under the most favorable rate schedule. Upon written notification of any material changes in customer's installation, load conditions or use of service, the Cooperative will assist in determining if a change in rates is desirable. No more than one (1) such change at the customer's request will be made within any twelve (12) month period.

CONTRACT

If service is requested in the Cooperative's Certificated Area and the provisions outlined in the Availability Clause of this rate tariff cannot be met, it will be necessary for the Cooperative and customer to mutually agree, in a written contract, on the conditions under which service could be made available.

ELECTRIC RATES

Trico Electric Cooperative, Inc.  
5100 West Ina Road  
Tucson, Arizona 85743  
Filed by: Marvin Athey  
Title: General Manager

Effective Date: 1/1/1999

GENERAL SERVICE - UNBUNDLED SERVICE  
SCHEDULE GS-US - 1

AVAILABILITY

In the Cooperative's Certificated Area where its facilities are of adequate capacity and the required phase and suitable voltage are in existence and are adjacent to the premises served.

APPLICATION

These Unbundled Rates are subject to the limitations and definitions set forth in the Arizona Corporation Commission's Electric Competition Rules, A.A.C. R 14-2-1601, *et seq.* ("Rules") which, among other things, define "Distribution Services" and limit the availability of unbundled rates to 20% as the cooperative's Coincidental Peak Demand in 1995 (as of January 1, 1999, and to 50% of such Demand as of January 1, 2001. This Tariff is subject to change by the Cooperative in the event the Rules are amended, more current data is available than the 1996 data used in formulating this Tariff, or changed circumstances. Subject to the foregoing:

This Tariff shall be applicable for single and three phase service for more than one residence from a single metering point, residence with three-phase service, Commercial, Business, Professional, and various size Industrial loads for 0 to 10 kW. This rate is applicable to consumers who elect to purchase energy resources under electric competition. All service shall be delivered at a single service location. The Cooperative reserves the right to meter in the most practical manner, either primary or secondary voltage.

TYPE OF SERVICE

The type of service available under this schedule will be determined by the Cooperative and would normally be:

120/240 volt single phase or  
120/208 volt three phase or  
277/480 volt three phase

MONTHLY RATE

Fixed monthly charge distribution charge	\$18.42
Variable monthly distribution charge, per kilowatthour	\$0.0183
Metering charge	\$1.69
Meter reading charge	\$1.21
Billing charge	\$2.13
Public benefits charge, per kilowatthour	\$0.00

MINIMUM MONTHLY CHARGE

The greater of the amount specified in the written contract between the Cooperative and the customer or the fixed charge or \$1.00 per kVA of installed transformer capacity per month.

CUSTOMER INFORMATION CHARGE

The Cooperative shall have the right to assess a customer information charge to provide historical billing and usage data to Electric Service Providers. Provision of this information will be subject to rules and regulations approved by the Arizona Corporation Commission. The charge for this service shall be \$25 per request.

STRANDED COST CHARGES

Customer will be responsible for payment of charges or fees for stranded cost recovery and/or competitive market transition charges in accordance with rates and rules approved by the Arizona Corporation Commission.

TAXES

To the charge computed in this rate schedule, including all adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the cooperative and/or the price or revenue from the electric energy or service sold and/or the volume of energy purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The Rules, Regulations and Line Extension Policies of the Cooperative as on file from time to time with the Arizona Corporation commission shall apply to this rate schedule.

Upon application for service or upon request, the Cooperative will assist the customer in selecting the rate schedule best suited to his requirements, but the Cooperative does not guarantee the customer will be served under the most favorable rate schedule. Upon written notification of any material changes in customer's installation, load conditions or use of service, the Cooperative will assist in determining if a change in rates is desirable. No more than one (1) such change at the customer's request will be made within any twelve (12) month period.

CONTRACT

If service is requested in the Cooperative's Certificated Area and the provisions outlined in the Availability Clause of this rate tariff cannot be met, it will be necessary for the Cooperative and customer to mutually agree, in a written contract, on the conditions under which service could be made available.

ELECTRIC RATES

Trico Electric Cooperative, Inc.  
5100 West Ina Road  
Tucson, Arizona 85743  
Filed by: Marvin Athey  
Title: General Manager

Effective Date: 1/1/1999

GENERAL SERVICE-UNBUNDLED SERVICE  
SCHEDULE GS-US-2

AVAILABILITY

In the Cooperative's Certificated Area where its facilities are of adequate capacity and the required phase and suitable voltage are in existence and are adjacent to the premises served.

APPLICATION

These Unbundled Rates are subject to the limitations and definitions set forth in the Arizona Corporation Commission's Electric Competition Rules, A.A.C. R 14-2-1601, *et seq.* ("Rules") which, among other things, define "Distribution Services" and limit the availability of unbundled rates to 20% as the cooperative's Coincidental Peak Demand in 1995 (as of January 1, 1999, and to 50% of such Demand as of January 1, 2001. This Tariff is subject to change by the Cooperative in the event the Rules are amended, more current data is available than the 1996 data used in formulating this Tariff, or changed circumstances. Subject to the foregoing:

This Tariff shall be applicable for customers who have 350 KVA or less of installed transformer capacity which is not primary metered for single and three phase service for more than one residence from a single metering point and residences with three-phase service. Also applicable for Industrial, Commercial, Business, Professional, and other various sized loads from in excess of 10 kW to 200 kW having a monthly load factor of 30% or less, calculated on an annual basis, but not available to customers having existing written contracts with the Cooperative. This rate is applicable to consumers who elect to purchase energy resources under electric competition.

All service shall be delivered at a single service location. The Cooperative shall have the right to meter in the most practical manner.

TYPE OF SERVICE

The type of service available under this schedule will be determined by the Cooperative and would normally be:

120/240 volt single phase or  
120/208 volt three phase or  
277/480 volt three phase

**MONTHLY RATE**

Fixed monthly charge distribution charge	\$33.84
Variable monthly distribution charge, per kilowatt	\$4.79
Metering charge	\$8.88
Meter reading charge	\$2.42
Billing charge	\$4.26
Public benefits charge, per kilowatthour	\$0.00

**MINIMUM MONTHLY CHARGE**

The greater of the amount specified in the written contract between the Cooperative and the customer or the fixed charge or \$1.00 per KVA of installed transformer capacity per month.

**CUSTOMER INFORMATION CHARGE**

Trico shall have the right to assess a customer information charge to provide historical billing and usage data to Electric Service Providers. Provision of this information will be subject to rules and regulations approved by the Arizona Corporation Commission. The charge for this service shall be \$25 per request.

**STRANDED COST CHARGES**

Customer will be responsible for payment of charges or fees for stranded cost recovery and/or competitive market transition charge: in accordance with rates and rules approved by the Arizona Corporation Commission.

**TAXES**

To the charge computed in this rate schedule, including all adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the cooperative and/or the price or revenue from the electric energy or service sold and/or the volume of energy purchased for sale and/or sold hereunder.

**RULES AND REGULATIONS**

The Rules, Regulations and Line Extension Policies of the Cooperative as on file from time to time with the Arizona Corporation commission shall apply to this rate schedule.

Upon application for service or upon request, the Cooperative will assist the customer in selecting the rate schedule best suited to his requirements, but the Cooperative does not guarantee the customer will be served under the most favorable rate schedule. Upon written notification of any material changes in customer's installation, load conditions or use of service, the Cooperative will assist in determining if a change in rates is desirable. No more than one (1) such change at the customer's request will be made within any twelve (12) month period.

**CONTRACT**

If service is requested in the Cooperative's Certificated Area and the provisions outlined in the Availability Clause of this rate tariff cannot be met, it will be necessary for the Cooperative and customer to mutually agree, in a written contract, on the conditions under which service could be made available.

**SERVICE AVAILABILITY CHARGE**

A Service Availability Charge to be paid by the customer to the Cooperative may be included in the contract to reimburse the Cooperative for its operating expenses with regard to idle or standby services in connection with the facilities constructed or installed pursuant to the contract based upon the Cooperative's estimate of its actual operating costs for such idle or standby services.

ELECTRIC RATES

Trico Electric Cooperative, Inc.  
5100 West Ina Road  
Tucson, Arizona 85743  
Filed by: Marvin Athey  
Title: General Manager

Effective Date: 1/1/1999

GENERAL SERVICE- UNBUNDLED SERVICE  
SCHEDULE GS-US - 3

AVAILABILITY

In the Cooperative's Certificated Area where its facilities are of adequate capacity and the required phase and suitable voltage are in existence and are adjacent to the premises served.

APPLICATION

These Unbundled Rates are subject to the limitations and definitions set forth in the Arizona Corporation Commission's Electric Competition Rules, A.A.C. R 14-2-1601, *et seq.* ("Rules") which, among other things, define "Distribution Services" and limit the availability of unbundled rates to 20% as the cooperative's Coincidental Peak Demand in 1995 (as of January 1, 1999, and to 50% of such Demand as of January 1, 2001. This Tariff is subject to change by the Cooperative in the event the Rules are amended, more current data is available than the 1996 data used in formulating this Tariff, or changed circumstances. Subject to the foregoing:

This Tariff shall be applicable for customers who have 350 to 1,000 kVA or less of installed transformer capacity which is not primary metered for single and three phase service for more than one residence from a single metering point and residences with three-phase service. All service shall be delivered at a single service location. The Cooperative shall have the right to meter in the most practical manner, either primary or secondary voltage. This rate is applicable to consumers who elect to purchase energy resources under electric competition.

TYPE OF SERVICE

The type of service available under this schedule will be determined by the Cooperative and would normally be:

120/240 volt single phase or  
120/208 volt three phase or  
277/480 volt three phase

MONTHLY RATE

Fixed monthly charge distribution charge	\$129.85
Variable monthly distribution charge, per kilowatt	\$5.74
Metering charge	\$29.60
Meter reading charge	\$2.42
Billing charge	\$4.26
Public benefits charge, per kilowatthour	\$0.00

MINIMUM MONTHLY CHARGE

The greater of the amount specified in the written contract between the Cooperative and the customer or the fixed charge or \$1.00 per KVA of installed transformer capacity per month.

POWER FACTOR

The customer shall maintain power factor of not less than 90% but not greater than unity. The Cooperative shall have the right to measure such power factor at any time. Should such measurement establish that the power factor of the customer is less than 90%, or greater than unity, the customer shall upon 60 days written notice correct such power factor to 90% to unity. If not timely corrected, the Cooperative shall have the right to increase the kWh for billing purposes by 1% for each 1% of power factor below 90% or above unity.

CUSTOMER INFORMATION CHARGE

The Cooperative shall have the right to assess a customer information charge to provide historical billing and usage data to Electric Service Providers. Provision of this information will be subject to rules and regulations approved by the Arizona Corporation Commission. The charge for this service shall be \$25 per request.

STRANDED COST CHARGES

Customer will be responsible for payment of charges or fees for stranded cost recovery and/or competitive market transition charges in accordance with rates and rules approved by the Arizona Corporation Commission.

TAXES

To the charge computed in this rate schedule, including all adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the cooperative and/or the price or revenue from the electric energy or service sold and/or the volume of energy purchased for sale and/or sold hereunder.

**RULES AND REGULATIONS**

The Rules, Regulations and Line Extension Policies of the Cooperative as on file from time to time with the Arizona Corporation commission shall apply to this rate schedule.

Upon application for service or upon request, the Cooperative will assist the customer in selecting the rate schedule best suited to his requirements, but the Cooperative does not guarantee the customer will be served under the most favorable rate schedule. Upon written notification of any material changes in customer's installation, load conditions or use of service, the Cooperative will assist in determining if a change in rates is desirable. No more than one (1) such change at the customer's request will be made within any twelve (12) month period.

**CONTRACT**

If service is requested in the Cooperative's Certificated Area and the provisions outlined in the Availability Clause of this rate tariff cannot be met, it will be necessary for the Cooperative and customer to mutually agree, in a written contract, on the conditions under which service could be made available.

ELECTRIC RATES

Trico Electric Cooperative, Inc.  
5100 West Ina Road  
Tucson, Arizona 85743  
Filed by: Marvin Athey  
Title: General Manager

Effective Date: 1/1/1999

**GENERAL SERVICE- UNBUNDLED SERVICE**  
**SCHEDULE GS-US- 4**

**AVAILABILITY**

In the Cooperative's Certificated Area where its facilities are of adequate capacity and the required phase and suitable voltage are in existence and are adjacent to the premises served.

**APPLICATION**

These Unbundled Rates are subject to the limitations and definitions set forth in the Arizona Corporation Commission's Electric Competition Rules, A.A.C. R 14-2-1601, *et seq.* ("Rules") which, among other things, define "Distribution Services" and limit the availability of unbundled rates to 20% as the cooperative's Coincidental Peak Demand in 1995 (as of January 1, 1999, and to 50% of such Demand as of January 1, 2001. This Tariff is subject to change by the Cooperative in the event the Rules are amended, more current data is available than the 1996 data used in formulating this Tariff, or changed circumstances. Subject to the foregoing:

This Tariff shall be applicable for customers who have over 1,000 kVA or less of installed transformer capacity which is not primary metered for single and three phase service for more than one residence from a single metering point and residences with three-phase service. All service shall be delivered at a single service location. Any load over 11,999 kW may be covered by this rate or, at the customer's request, pursuant to a separate written contract approved by the Cooperative and the Arizona Corporation Commission. The Cooperative shall have the right to meter in the most practical manner, either primary or secondary voltage. This rate is applicable to consumers who elect to purchase energy resources under electric competition.

**TYPE OF SERVICE**

The type of service available under this schedule will be determined by the Cooperative and would normally be:

120/240 volt single phase or  
120/208 volt three phase or  
277/480 volt three phase

**MONTHLY RATE**

Fixed monthly charge distribution charge	\$178.17
Variable monthly distribution charge, per kilowatt	\$5.91
Metering charge	\$29.60
Meter reading charge	\$2.42
Billing charge	\$4.26
Public benefits charge, per kilowatthour	\$0.00

**MINIMUM MONTHLY CHARGE**

The greater of the amount specified in the written contract between the Cooperative and the customer or the fixed charge or \$1.00 per KVA of installed transformer capacity per month.

**POWER FACTOR**

The customer shall maintain power factor of not less than 90% but not greater than unity. The Cooperative shall have the right to measure such power factor at any time. Should such measurement establish that the power factor of the customer is less than 90%, or greater than unity, the customer shall upon 60 days written notice correct such power factor to 90% to unity. If not timely corrected, the Cooperative shall have the right to increase the kWh for billing purposes by 1% for each 1% of power factor below 90% or above unity.

**CUSTOMER INFORMATION CHARGE**

The Cooperative shall have the right to assess a customer information charge to provide historical billing and usage data to Electric Service Providers. Provision of this information will be subject to rules and regulations approved by the Arizona Corporation Commission. The charge for this service shall be \$25 per request.

**STRANDED COST CHARGES**

Customer will be responsible for payment of charges or fees for stranded cost recovery and/or competitive market transition charges in accordance with rates and rules approved by the Arizona Corporation Commission.

**TAXES**

To the charge computed in this rate schedule, including all adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the cooperative and/or the price or revenue from the electric energy or service sold and/or the volume of energy purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The Rules, Regulations and Line Extension Policies of the Cooperative as on file from time to time with the Arizona Corporation commission shall apply to this rate schedule.

Upon application for service or upon request, the Cooperative will assist the customer in selecting the rate schedule best suited to his requirements, but the Cooperative does not guarantee the customer will be served under the most favorable rate schedule. Upon written notification of any material changes in customer's installation, load conditions or use of service, the Cooperative will assist in determining if a change in rates is desirable. No more than one (1) such change at the customer's request will be made within any twelve (12) month period.

CONTRACT

If service is requested in the Cooperative's Certificated Area and the provisions outlined in the Availability Clause of this rate tariff cannot be met, it will be necessary for the Cooperative and customer to mutually agree, in a written contract, on the conditions under which service could be made available.

ELECTRIC RATES

Trico Electric Cooperative, Inc.  
5100 West Ina Road  
Tucson, Arizona 85743  
Filed by: Marvin Athey  
Title: General Manager

Effective Date: 1/1/1999

OUTDOOR LIGHTING SERVICE  
SCHEDULE OL - US - 1

AVAILABILITY

In the Cooperative's Certificated Area where its facilities are of adequate capacity and the required phase and suitable voltage are in existence and are adjacent to the premises served.

APPLICATION

These Unbundled Rates are subject to the limitations and definitions set forth in the Arizona Corporation Commission's Electric Competition Rules, A.A.C. R 14-2-1601, *et seq.* ("Rules") which, among other things, define "Distribution Services" and limit the availability of unbundled rates to 20% as the cooperative's Coincidental Peak Demand in 1995 (as of January 1, 1999, and to 50% of such Demand as of January 1, 2001. This Tariff is subject to change by the Cooperative in the event the Rules are amended, more current data is available than the 1996 data used in formulating this Tariff, or changed circumstances. Subject to the foregoing:

This Tariff shall be applicable to the Cooperative's owned and maintained installations. Service is from dusk to dawn and the Cooperative will install, own, operate and maintain the complete lighting installation including lamp replacements. This rate is applicable to consumers who elect to purchase energy resources under electric competition.

TYPE OF SERVICE

Single Phase, 60 hertz, at one standard voltage 120/240.

MONTHLY RATE

Each Fixture attached to existing electric facilities	\$ 5.47
Each Fixture requiring one or more additional poles to accommodate light	\$ 6.92 per add'l. pole

The Cooperative will furnish the first \$200 per light of construction costs for all necessary facilities.

The monthly charge includes one (1) repair per year at no charge to the customer.

**MINIMUM MONTHLY CHARGE**

The minimum charge per month will be an amount per light as specified in the rate.

**CUSTOMER INFORMATION CHARGE**

The Cooperative shall have the right to assess a customer information charge to provide historical billing and usage data to Electric Service Providers. Provision of this information will be subject to rules and regulations approved by the Arizona Corporation Commission. The charge for this service shall be \$25 per request.

**STRANDED COST CHARGES**

Customer will be responsible for payment of charges or fees for stranded cost recovery and/or competitive market transition charges in accordance with rates and rules approved by the Arizona Corporation Commission.

**TAXES**

To the charge computed in this rate schedule, including all adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the cooperative and/or the price or revenue from the electric energy or service sold and/or the volume of energy purchased for sale and/or sold hereunder.

**RULES AND REGULATIONS**

The Rules, Regulations and Line Extension Policies of the Cooperative as on file from time to time with the Arizona Corporation commission shall apply to this rate schedule.

Upon application for service or upon request, the Cooperative will assist the customer in selecting the rate schedule best suited to his requirements, but the Cooperative does not guarantee the customer will be served under the most favorable rate schedule. Upon written notification of any material changes in customer's installation, load conditions or use of service, the Cooperative will assist in determining if a change in rates is desirable. No more than one (1) such change at the customer's request will be made within any twelve (12) month period.

**CONTRACT**

If service is requested in the Cooperative's Certificated Area and the provisions outlined in the Availability Clause of this rate tariff cannot be met, it will be necessary for the Cooperative and customer to mutually agree, in a written contract, on the conditions under which service could be made available.

ELECTRIC RATES

Trico Electric Cooperative, Inc.  
5100 West Ina Road  
Tucson, Arizona 85743  
Filed by: Marvin Athey  
Title: General Manager

Effective Date: 1/1/1999

IRRIGATION SERVICE-UNBUDLED SERVICE  
SCHEDULE IR-US-1

AVAILABILITY

In the Cooperative's Certificated Area where its facilities are of adequate capacity and the required phase and suitable voltage are in existence and are adjacent to the premises served.

APPLICATION

These Unbundled Rates are subject to the limitations and definitions set forth in the Arizona Corporation Commission's Electric Competition Rules, A.A.C. R 14-2-1601, *et seq.* ("Rules") which, among other things, define "Distribution Services" and limit the availability of unbundled rates to 20% as the cooperative's Coincidental Peak Demand in 1995 (as of January 1, 1999, and to 50% of such Demand as of January 1, 2001. This Tariff is subject to change by the Cooperative in the event the Rules are amended, more current data is available than the 1996 data used in formulating this Tariff, or changed circumstances. Subject to the foregoing:

This Tariff shall be applicable to all three phase irrigation pumping installations of ten (10) horsepower pumps or larger. This rate is only applicable to farm use. Not applicable where water is sold to other customers, nor for resale, breakdown or standby or auxiliary service. This rate is applicable to consumers who elect to purchase energy resources under electric competition.

TYPE OF SERVICE

Three phase sixty (60) hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery. Primary metering may be used by mutual agreement. Standard voltage is 277/480.

MONTHLY RATE

Fixed monthly charge distribution charge	\$26.19
Variable monthly distribution charge, per kilowatthour	\$0.0237
Metering charge	\$8.88
Meter reading charge	\$1.21
Billing charge	\$2.13
Public benefits charge, per kilowatthour	\$0.00

**MINIMUM CHARGE**

\$2.00 per KVA of installed transformer capacity for the Summer Rate period only, or as provided in the written contract between the Cooperative and the consumer.

The consumer must pay the minimum in full over not more than six months of each year with payments beginning for the April billing of such year and ending for the September billing of such year.

**CUSTOMER INFORMATION CHARGE**

The Cooperative shall have the right to assess a customer information charge to provide historical billing and usage data to Electric Service Providers. Provision of this information will be subject to rules and regulations approved by the Arizona Corporation Commission. The charge for this service shall be \$25 per request.

**STRANDED COST CHARGES**

Customer will be responsible for payment of charges or fees for stranded cost recovery and/or competitive market transition charges in accordance with rates and rules approved by the Arizona Corporation Commission.

**TAXES**

To the charge computed in this rate schedule, including all adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the cooperative and/or the price or revenue from the electric energy or service sold and/or the volume of energy purchased for sale and/or sold hereunder.

**RULES AND REGULATIONS**

The Rules, Regulations and Line Extension Policies of the Cooperative as on file from time to time with the Arizona Corporation Commission shall apply to this rate schedule.

Upon application for service or upon request, the Cooperative will assist the customer in selecting the rate schedule best suited to his requirements, but the Cooperative does not guarantee the customer will be served under the most favorable rate schedule. Upon written notification of any material changes in customer's installation, load conditions or use of service, the Cooperative will assist in determining if a change in rates is desirable. No more than one (1) such change at the customer's request will be made within any twelve (12) month period.

**CONTRACT**

If service is requested in the Cooperative's Certificated Area and the provisions outlined in the Availability Clause of this rate tariff cannot be met, it will be necessary for the Cooperative and customer to mutually agree, in a written contract, on the conditions under which service could be made available.

**SERVICE AVAILABILITY CHARGE**

A Service Availability Charge to be paid by the customer to the Cooperative may be included in the contract to reimburse the Cooperative for its operating expenses with regard to idle or standby services in connection with the facilities constructed or installed pursuant to the contract based upon the Cooperative's estimate of its actual operating costs for such idle or standby services.

ELECTRIC RATES

Trico Electric Cooperative, Inc.  
 5100 West Ina Road  
 Tucson, Arizona 85743  
 Filed by: Marvin Athey  
 Title: General Manager

Effective Date: 1/1/1999

**STREET AND HIGHWAY LIGHTING SERVICE  
 SCHEDULE SL - US - 1**

AVAILABILITY

In those portions of cities, towns and unincorporated communities within the Cooperative's Certificated Area where its facilities are of adequate capacity and suitable voltages are in existence.

APPLICATION

These Unbundled Rates are subject to the limitations and definitions set forth in the Arizona Corporation Commission's Electric Competition Rules, A.A.C. R 14-2-1601, *et seq.* ("Rules") which, among other things, define "Distribution Services" and limit the availability of unbundled rates to 20% as the cooperative's Coincidental Peak Demand in 1995 (as of January 1, 1999, and to 50% of such Demand as of January 1, 2001. This Tariff is subject to change by the Cooperative in the event the Rules are amended, more current data is available than the 1996 data used in formulating this Tariff, or changed circumstances. Subject to the foregoing:

This Tariff shall be applicable to service for lighting public streets, alleys, thoroughfares, public parks and playgrounds by use of the Cooperative's facilities where such service for the whole area is contracted for from the Cooperative by the city, town, other governmental entities, or a responsible person for unincorporated communities. This rate is applicable to consumers who elect to purchase energy resources under electric competition.

Service is from dusk to dawn and the Cooperative will own (except as provided below), operate, and maintain the street lighting system including lamps and glass replacements.

TYPE OF SERVICE

Single Phase, 60 Hertz at standard available distribution voltage.

MONTHLY BILL

The monthly bill, per fixture, shall be in accordance with the following:

Investment Cost  
 Provided By:

TRICO      Others

I. Sodium Vapor Lighting Charges:

- A. High Pressure Sodium (HPS) Lamps, Luminaires & Brackets  
 (Lumens and wattages are nominal initial ratings)

5,800 lumens, 70 watts, HPS	\$5.47	\$2.06
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9,500 lumens, 100 watts, HPS	5.91	2.16
16,000 lumens, 150 watts, HPS	5.95	2.20
30,000 lumens, 250 watts, HPS	6.54	2.38
50,000 lumens, 400 watts, HPS	7.59	2.67

B. Low Pressure Sodium (LPS) Lamps, Luminaires & Brackets

(Lumens and wattages are nominal initial ratings)

Each fixture:

8,000 lumens, 55 watts, LPS	\$7.75	\$2.59
13,500 lumens, 90 watts, LPS	8.77	2.94
22,500 lumens, 135 watts, LPS	9.66	3.41
33,000 lumens, 180 watts, LPS	10.93	3.84

II. Pole Charges:

1. An existing distribution pole suitable for street light use	\$N/C	\$N/C
2. A wood pole for street lighting only for light center mounting heights of 35 feet or less	3.13	0.65
3. A metal or fiberglass pole for light fixture mounting heights of 28 feet or less	12.93	2.59
4. A metal pole or fiberglass pole for light fixture mounting heights between 20 feet and 30 feet	15.05	3.01
5. A metal pole for light fixture mounting heights between 30 and 40 feet.	17.71	3.54

CUSTOMER INFORMATION CHARGE

The Cooperative shall have the right to assess a customer information charge to provide historical billing and usage data to Electric Service Providers. Provision of this information will be subject to rules and regulations approved by the Arizona Corporation Commission. The charge for this service shall be \$25 per request.

STRANDED COST CHARGES

Customer will be responsible for payment of charges or fees for stranded cost recovery and/or competitive market transition charges in accordance with rates and rules approved by the Arizona Corporation Commission

## SPECIAL PROVISIONS

### Facilities and Service

Street lighting facilities installed under this rate are of the type currently being furnished by the Cooperative as standard at the time service is initially requested. The Cooperative will maintain current street lighting construction standards and endeavor to keep abreast of all modern methods and practices.

The Cooperative will use diligence in maintaining service. Monthly bills will not be reduced on account of lamp outages. The Cooperative will be responsible for lamp replacements due to normal lamp wear. The Cooperative will replace one lamp each year in each fixture at no cost to the customer if lamp replacement is due to vandalism. The customer will reimburse the Cooperative for more than one lamp replacement per fixture per year or fixture replacement when replacement is necessitated as a result of vandalism.

### Special Facilities

When Customer requests special (non-standard) street lighting facilities not provided by the Cooperative as standard, the Cooperative will use its best efforts to install, operate and maintain such facilities.

If the Cooperative installs such special facilities, there will be an additional charge equal to 1 percent per month of the excess cost to the Cooperative over the cost of standard facilities at time of installation and the maintenance of such facilities will be subject to time and ability to purchase replacement parts at reasonably equivalent prices of standard equipment. When the Cooperative is currently using more than one standard for a particular type of installation, the excess cost to the Cooperative shall be determined from the standard equipment with the highest cost within the range of standards for that particular type of installation.

The Cooperative may elect to substitute a one-time contribution in aid of construction equal to the excess costs in lieu of the additional charge.

The Cooperative may decline to continue maintenance of special facilities due to inability to purchase replacement parts at reasonably equivalent prices of standard equipment. In this event, the Customer may elect to supply the required parts at no cost to the Cooperative, and the Cooperative will then continue to maintain such facilities.

## INVESTMENT COST PROVIDED BY OTHERS

If the Customer elects to be billed under the column headed "Investment Cost Provided By- Others", it must install the system at its own expense in accordance with the Cooperative's specifications, or make a non-refundable contribution in aid of construction to cover the Cooperative's cost of installing the system. In either event, the Cooperative will own, maintain and operate the system.

## TAXES

To the charge computed in this rate schedule, including all adjustments, the Cooperative shall add the applicable proportionate part of any taxes or governmental impositions which are or may be in the future assessed on the basis of gross revenues of the Cooperative and/or the price or revenue from the electric energy or service sold and/or the volume of energy purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The Rules, Regulations and Line Extension Policies of the Cooperative as on file from time to time with the Arizona Corporation Commission shall apply to this rate schedule.

CONTRACT

If service is requested in the Cooperative's Certificated Area and the provisions outlined in the Availability Clause of the rate schedule cannot be met, it will be necessary for the Cooperative and Customer to mutually agree, in a written contract, on the conditions under which service is made available.