NEW APPLICATION

ORIGINAL

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BEFORE THE ARIZONA CORPORATION COMMISSION

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2012 FEB 16 P 2: 15

AZ CORP COMMISSION
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COMMISSIONERS
GARY PIERCE- CHAIRMAN
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PAUL NEWMAN
BRENDA BURNS

E-01461A-12-0056

IN THE MATTER OF THE APPLICATION OF TRICO ELECTRIC COOPERATIVE, INC. FOR AUTHORIZATION TO ISSUE DEBT IN THE AMOUNT OF $50,000,000 AND TO PREPAY CERTAIN EXISTING DEBT	)))))	DOCKET NO. E-01461A-12-_____

Arizona Corporation Commission
DOCKETED
FEB 16 2012
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APPLICATION

Pursuant to A.R.S. §§40-301 *et seq.*, Trico Electric Cooperative, Inc. ("Trico"), submits the following Application for Authorization to Prepay and Reissue Debt in the amount of $50,000,000. Through this Application, Trico will be able to replace existing debt with new debt obligations that have more favorable terms for Trico. These financing transactions will result in lower costs for Trico. In support of this Application, Trico states:

1. Trico is a public service corporation providing electric distribution service in parts of Pima, Pinal and Santa Cruz Counties pursuant to Certificates of Convenience and Necessity issued by the Arizona Corporation Commission. Its principal place of business is located at 8600 W. Tangerine Road, Marana, Arizona, 85658.

2. In Decision No. 64055 (September 1, 2001), Trico received the authority from the Arizona Corporation Commission ("Commission") to borrow up to $36,043,000 from the Rural Utilities Service ("RUS") – or $25,230,000 from RUS and $10,813,000 from the National Rural Utilities Cooperative Finance Cooperation ("CFC") . The purpose was to finance outstanding and ongoing system improvements and to supplement financing of Trico's new headquarters. Pursuant to the Commission order, Trico borrowed $36,043,000 from RUS at 5% for a term of 35 years.

3. In Decision No. 67412 (November 2, 2004), the Commission authorized Trico to borrow $57,992,000 from RUS in order to finance Trico's 2004-2007 Construction Work Plan.

The terms of that loan were for 35 years at 5%.The total principal now owed on the referenced loans (hereinafter referred to as the "RUS Loans") is approximately $64,467,866. Each RUS Loan is evidenced by a promissory note payable to the United States of America with interest at the rate of 5.00% per annum. Attached as Exhibit 1 is a schedule showing the current principal owed on each of the RUS Loans, as well as the year in which each RUS Loan is due and payable in full.

4. Trico seeks to refinance up to the remaining balance of RUS loans with a portfolio of loans from the National Rural Utilities Cooperative Finance Corporation (CFC) and/or Co-BANK, ACB (CoBank) at rates that will, over the life of the loans, result in savings to Trico and its Members. The amount of RUS Loans to be refinanced by each lender will be determined based on pricing of loans from each at the time of commitment.

5. For the purpose of this Application and the Exhibits hereto, it will be assumed that each lender will refinance approximately $25 million of the RUS Loans. Attached is Exhibit 2 that identifies approximately $25 million in RUS Loans to be refinanced by each lender for the purpose of the analysis and comparisons set forth in this Application and the Exhibits hereto.

6. Trico will prepay up to $64 million in RUS Loans without penalty, and issue new debt payable to CFC and/or CoBank, as appropriate. The new debt will match the maturities of the RUS Loans to be prepaid. There will be no new advances.

7. Both CFC and/or CoBank are currently pricing the refinancing of the RUS Loans at a blended average interest rate of approximately 4.5%. In addition, both CFC and CoBank provide patronage capital credits to borrowers, reducing the effective interest rate significantly. Because interest rates for each lender can be locked for only a 30-day period without higher pricing, Trico anticipates it will determine the relative amount of RUS Loans to be refinanced by each lender at the time of approval of this Application by the Commission, based on interest rates offered by each lender at that time, and the overall effective interest rate including projected patronage capital credits. Should interest rates drop before the completion of the refinancing, Trico will refinance at the lower rate. Trico will not refinance the RUS Loans if the economics are unfavorable to Trico's members at the time.

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8. Exhibit 3 attached provides a comparison of long-term debt interest expense following the refinancing, using current interest rates provided by each lender compared to the 5.0% rate under the RUS Loans. Total interest savings for Trico over the life of the loans is approximately $3.7 million.

9. Exhibit 4 attached sets forth the total potential savings associated with the refinancing, assuming the interest rates and the projected patronage capital credits provided by CFC and CoBank. Under those assumptions, total potential savings to Trico are approximately $9.3 million which equates to $5 million net present value using a 5% discount rate.

10. Exhibit 5 attached provides a comparison of Trico's base case financial forecast through 2020 to a forecast assuming the refinance of $50 million in RUS Loans at an interest rate of 4.5%. By 2020, Trico's equity to assets ratio is 39% under the refinancing scenario compared to 37% under the base case. Total long-term debt is reduced almost $4 million to $121 million in the refinancing scenario (compared to $125 million in the base case). Trico has completed other analysis that shows similar financial improvements even with interest rates at 4.75%. Exhibit 6 attached is a copy of Trico's most recent income statement and balance sheet information as requested in the application.

11. Other than usual and customary fees of counsel for Trico in transactions of the type involved here, no person will receive or be entitled to any commission or other fee for service in connection with the issuance of the debt to be covered by this Application.

12. The documents to be used to complete the refinancing will be provided by Trico to the Arizona Corporation Commission Staff for review.

13. Trico's proposed refinancing program is within its corporate powers, compatible with sound financial practices, and in the best interest of Trico and its Members.

WHEREFORE, Applicant Trico Electric Cooperative, requests issuance of an Order by the Commission:

A. Authorizing Trico to borrow up to $50 million to prepay existing RUS Loans and issue new evidence of indebtedness to CFC and/or Co-BANK to replace those RUS Loans.

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B. Authorizing Trico to execute such documents as may be reasonably necessary, or be required by RUS, CFC and/or Co-BANK, in order to carry out the refinancing contemplated by this Application.

RESPECTFULLY SUBMITTED this 16th day of February 2012.

TRICO ELECTRIC COOPERATIVE, INC.

By _____
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Original and 13 copies of the foregoing filed this 16th day of February2012 with:

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Copy of the foregoing hand-delivered/mailed this 16th day of February 2012 to:

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EXHIBIT

"1"

Exhibit 1

TRICO ELECTRIC COOPERATIVE

RUS MORTGAGE NOTES APPROVED IN ACC DECISION Nos. 64055 AND 67412

NOTE NUMBER	DATE NOTE ISSUED	DATE OF MATURITY	RATE	YEARS PAYABLE	AUTHORIZED	ISSUED	12/31/2011 OUTSTANDING	ACC DECISION #
1B350	3/1/2002	3/1/2037	5.000%	25 1/6	$3,000,000	$3,000,000	$0.00	64055
1B351	3/1/2002	3/1/2037	5.000%	25 1/6	$6,000,000	$6,000,000	$5,309,755.44	64055
1B352	3/1/2002	3/1/2037	5.000%	25 1/6	$8,500,000	$8,500,000	$7,522,153.43	64055
1B353	3/1/2002	3/1/2037	5.000%	25 1/6	$10,000,000	$10,000,000	$0.00	64055
1B354	3/1/2002	3/1/2037	5.000%	25 1/6	$8,543,000	$8,543,000	$7,606,281.95	64055
Subtotal						$36,043,000	$20,438,191	
1B360	8/2/2004	8/2/2039	5.000%	27 3/5	$3,000,000	$3,000,000	$2,776,162.40	67412
1B361	8/23/2005	8/2/2039	5.000%	27 3/5	$6,800,000	$6,800,000	$0.00	67412
1B362	9/20/2005	8/2/2039	5.000%	27 3/5	$1,000,000	$1,000,000	$0.00	67412
1B363	10/18/2005	8/2/2039	5.000%	27 3/5	$1,000,000	$1,000,000	$925,387.43	67412
1B364	10/27/2005	8/2/2039	5.000%	27 3/5	$2,000,000	$2,000,000	$1,850,774.96	67412
1B365	12/13/2005	8/2/2039	5.000%	27 3/5	$3,000,000	$3,000,000	$2,776,162.40	67412
1B366	2/16/2006	8/2/2039	5.000%	27 3/5	$1,000,000	$1,000,000	$925,387.43	67412
1B367	3/23/2006	8/2/2039	5.000%	27 3/5	$944,000	$944,000	$0.00	67412
1B368	4/25/2006	8/2/2039	5.000%	27 3/5	$2,000,000	$2,000,000	$1,850,774.96	67412
1B560	6/1/2006	8/2/2039	5.000%	27 3/5	$2,000,000	$2,000,000	$1,850,774.96	67412
1B561	7/18/2006	8/2/2039	5.000%	27 3/5	$3,000,000	$3,000,000	$2,776,162.40	67412
1B562	8/22/2006	8/2/2039	5.000%	27 3/5	$1,000,000	$1,000,000	$926,592.67	67412
1B563	9/22/2006	8/2/2039	5.000%	27 3/5	$1,000,000	$1,000,000	$927,252.11	67412
1B564	10/17/2006	8/2/2039	5.000%	27 3/5	$1,500,000	$1,500,000	$1,392,690.49	67412
1B565	11/15/2006	8/2/2039	5.000%	27 3/5	$2,000,000	$2,000,000	$1,858,294.06	67412
1B566	12/15/2006	8/2/2039	5.000%	27 3/5	$2,000,000	$2,000,000	$1,860,716.26	67412
1B567	1/9/2007	8/2/2039	5.000%	27 3/5	$2,000,000	$2,000,000	$1,861,793.03	67412
1B568	2/14/2007	8/2/2039	5.000%	27 3/5	$2,000,000	$2,000,000	$1,865,267.50	67412
1B660	3/28/2007	8/2/2039	5.000%	27 3/5	$2,000,000	$2,000,000	$1,866,401.37	67412
1B661	4/20/2007	8/2/2039	5.000%	27 3/5	$2,000,000	$2,000,000	$1,869,179.98	67412
1B662	5/14/2007	8/2/2039	5.000%	27 3/5	$2,000,000	$2,000,000	$1,870,368.99	67412
1B663	6/13/2007	8/2/2039	5.000%	27 3/5	$3,000,000	$3,000,000	$2,809,724.87	67412
1B664	7/13/2007	8/2/2039	5.000%	27 3/5	$3,000,000	$3,000,000	$2,811,590.62	67412
1B665	9/12/2007	8/2/2039	5.000%	27 3/5	$2,000,000	$2,000,000	$0.00	67412
1B666	11/27/2007	8/2/2039	5.000%	27 3/5	$1,500,000	$1,500,000	$1,411,955.13	67412
1B667	12/26/2007	8/2/2039	5.000%	27 3/5	$1,000,000	$1,000,000	$941,998.19	67412
1B668	3/25/2008	8/2/2039	5.000%	27 3/5	$1,000,000	$1,000,000	$945,065.64	67412
1B760	5/12/2008	8/2/2039	5.000%	27 3/5	$1,500,000	$1,500,000	$1,420,897.49	67412
1B761	6/17/2008	8/2/2039	5.000%	27 3/5	$1,748,000	$1,748,000	$1,658,300.14	67412
Subtotal						$57,992,000	$44,029,675	
TOTAL						$94,035,000	$64,467,866	

EXHIBIT

"2"

Exhibit 2

TRICO ELECTRIC COOPERATIVE

RUS MORTGAGE NOTES FOR ACC DECISION Nos. 64055 AND 67412 ESTIMATED TO BE REFINANCED

NOTE NUMBER	DATE NOTE ISSUED	DATE OF MATURITY	RATE	YEARS PAYABLE	AUTHORIZED	ISSUED	12/31/2011 OUTSTANDING	ACC DECISION #
				Loans Potenitally Refinanced by CoBank				
1B351	3/1/2002	3/1/2037	5.000%	25 1/6	$6,000,000	$6,000,000	$5,309,755	64055
1B352	3/1/2002	3/1/2037	5.000%	25 1/6	$8,500,000	$8,500,000	$7,522,153	64055
1B354	3/1/2002	3/1/2037	5.000%	25 1/6	$8,543,000	$8,543,000	$7,606,282	64055
1B360	8/2/2004	8/2/2039	5.000%	27 3/5	$3,000,000	$3,000,000	$2,776,162	67412
1B364	10/27/2005	8/2/2039	5.000%	27 3/5	$2,000,000	$2,000,000	$1,850,775	67412
							$25,065,128	
				Loans Potentially Refinanced by Cooperative Finance Corporation (CFC)				
1B363	10/18/2005	8/2/2039	5.000%	27 3/5	$1,000,000	$1,000,000	$925,387	67412
1B365	12/13/2005	8/2/2039	5.000%	27 3/5	$3,000,000	$3,000,000	$2,776,162	67412
1B366	2/16/2006	8/2/2039	5.000%	27 3/5	$1,000,000	$1,000,000	$925,387	67412
1B368	4/25/2006	8/2/2039	5.000%	27 3/5	$2,000,000	$2,000,000	$1,850,775	67412
1B560	6/1/2006	8/2/2039	5.000%	27 3/5	$2,000,000	$2,000,000	$1,850,775	67412
1B561	7/18/2006	8/2/2039	5.000%	27 3/5	$3,000,000	$3,000,000	$2,776,162	67412
1B562	8/22/2006	8/2/2039	5.000%	27 3/5	$1,000,000	$1,000,000	$926,593	67412
1B563	9/22/2006	8/2/2039	5.000%	27 3/5	$1,000,000	$1,000,000	$927,252	67412
1B564	10/17/2006	8/2/2039	5.000%	27 3/5	$1,500,000	$1,500,000	$1,392,690	67412
1B565	11/15/2006	8/2/2039	5.000%	27 3/5	$2,000,000	$2,000,000	$1,858,294	67412
1B566	12/15/2006	8/2/2039	5.000%	27 3/5	$2,000,000	$2,000,000	$1,860,716	67412
1B567	1/9/2007	8/2/2039	5.000%	27 3/5	$2,000,000	$2,000,000	$1,861,793	67412
1B568	2/14/2007	8/2/2039	5.000%	27 3/5	$2,000,000	$2,000,000	$1,865,268	67412
1B660	3/28/2007	8/2/2039	5.000%	27 3/5	$2,000,000	$2,000,000	$1,866,401	67412
1B661	4/20/2007	8/2/2039	5.000%	27 3/5	$2,000,000	$2,000,000	$1,869,180	67412
							$25,532,837	
TOTAL							$50,597,965	

EXHIBIT

"3"

Exhibit 3
TRICO ELECTRIC COOPERATIVE
Long-Term Debt Interest Savings

		RUS @ %5.00			$25,532,837 -- CFC @ 4.5%			$25,065,128 -- CoBank @ 4.48%			Total CFC & CoBank			Refinance vs. RUS	
	Beginning Principal	Interest Paid	Principal Paid	Principal Outstanding	Interest Paid	Principal Paid	Principal Outstanding	Interest Paid	Principal Paid	Principal Outstanding	Interest Paid	Principal Paid	Principal Outstanding	Difference In Interest Paid	Difference in Principal Paid
2012	$ 50,597,965	$ 2,511,621	$ 941,859	$ 49,656,106	$ 1,025,690	$ 444,266	$ 25,088,571	$ 1,155,082	$ 497,593	$ 24,567,535	$ 2,180,772	$ 941,859	$ 49,656,106	$ (330,849)	$ -
2013		$ 2,459,859	$ 993,725	$ 48,662,381	$ 1,087,573	$ 467,087	$ 24,621,484	$ 1,103,891	$ 526,638	$ 24,040,897	$ 2,191,464	$ 993,725	$ 48,662,381	$ (268,395)	$ -
2014		$ 2,409,018	$ 1,044,565	$ 47,617,816	$ 1,074,392	$ 490,984	$ 24,130,500	$ 1,079,440	$ 553,581	$ 23,487,316	$ 2,153,832	$ 1,044,565	$ 47,617,816	$ (255,186)	$ -
2015		$ 2,355,577	$ 1,098,007	$ 46,519,809	$ 1,060,000	$ 516,103	$ 23,614,397	$ 1,053,737	$ 581,904	$ 22,905,412	$ 2,113,737	$ 1,098,007	$ 46,519,809	$ (241,840)	$ -
2016		$ 2,302,756	$ 1,150,827	$ 45,368,982	$ 1,046,752	$ 542,417	$ 23,071,980	$ 1,026,841	$ 608,410	$ 22,297,002	$ 2,073,593	$ 1,150,827	$ 45,368,982	$ (229,163)	$ -
2017		$ 2,240,522	$ 1,213,061	$ 44,155,921	$ 1,025,770	$ 570,259	$ 22,501,721	$ 998,472	$ 642,802	$ 21,654,200	$ 2,024,242	$ 1,213,061	$ 44,155,921	$ (216,280)	$ -
2018		$ 2,178,459	$ 1,275,124	$ 42,880,797	$ 1,004,988	$ 599,435	$ 21,902,286	$ 968,627	$ 675,689	$ 20,978,511	$ 1,973,615	$ 1,275,124	$ 42,880,797	$ (204,844)	$ -
2019		$ 2,113,222	$ 1,340,362	$ 41,540,435	$ 982,038	$ 630,103	$ 21,272,183	$ 937,256	$ 710,259	$ 20,268,252	$ 1,919,294	$ 1,340,362	$ 41,540,435	$ (193,928)	$ -
2020		$ 2,047,624	$ 1,405,959	$ 40,134,476	$ 959,528	$ 662,249	$ 20,609,934	$ 904,386	$ 743,710	$ 19,524,542	$ 1,863,914	$ 1,405,959	$ 40,134,476	$ (183,710)	$ -
2021		$ 1,972,715	$ 1,480,868	$ 38,653,608	$ 929,700	$ 696,222	$ 19,913,712	$ 869,749	$ 784,646	$ 18,739,896	$ 1,799,449	$ 1,480,868	$ 38,653,608	$ (173,266)	$ -
2022		$ 1,896,951	$ 1,556,632	$ 37,096,976	$ 900,342	$ 731,842	$ 19,181,870	$ 833,319	$ 824,790	$ 17,915,106	$ 1,733,661	$ 1,556,632	$ 37,096,976	$ (163,290)	$ -
2023		$ 1,817,311	$ 1,636,272	$ 35,460,704	$ 868,878	$ 769,284	$ 18,412,586	$ 795,024	$ 866,988	$ 17,048,118	$ 1,663,902	$ 1,636,272	$ 35,460,704	$ (153,409)	$ -
2024		$ 1,736,112	$ 1,717,471	$ 33,743,233	$ 837,493	$ 808,551	$ 17,604,035	$ 754,861	$ 908,920	$ 16,139,198	$ 1,592,354	$ 1,717,471	$ 33,743,233	$ (143,758)	$ -
2025		$ 1,645,728	$ 1,807,856	$ 31,935,377	$ 799,267	$ 850,009	$ 16,754,026	$ 712,571	$ 957,847	$ 15,181,351	$ 1,511,838	$ 1,807,856	$ 31,935,377	$ (133,890)	$ -
2026		$ 1,553,234	$ 1,900,349	$ 30,035,028	$ 760,827	$ 893,497	$ 15,860,529	$ 668,099	$ 1,006,852	$ 14,174,499	$ 1,428,926	$ 1,900,349	$ 30,035,028	$ (124,308)	$ -
2027		$ 1,456,009	$ 1,997,574	$ 28,037,454	$ 719,682	$ 939,210	$ 14,921,319	$ 621,351	$ 1,058,364	$ 13,116,135	$ 1,341,033	$ 1,997,574	$ 28,037,454	$ (114,976)	$ -
2028		$ 1,355,761	$ 2,097,822	$ 25,939,632	$ 677,913	$ 987,171	$ 13,934,148	$ 572,281	$ 1,110,651	$ 12,005,484	$ 1,250,194	$ 2,097,822	$ 25,939,632	$ (105,567)	$ -
2029		$ 1,246,481	$ 2,207,102	$ 23,732,530	$ 630,366	$ 1,037,767	$ 12,896,381	$ 520,646	$ 1,169,335	$ 10,836,149	$ 1,151,012	$ 2,207,102	$ 23,732,530	$ (95,469)	$ -
2030		$ 1,133,562	$ 2,320,021	$ 21,412,509	$ 582,050	$ 1,090,861	$ 11,805,520	$ 466,354	$ 1,229,160	$ 9,606,989	$ 1,048,404	$ 2,320,021	$ 21,412,509	$ (85,158)	$ -
2031		$ 1,014,865	$ 2,438,718	$ 18,973,791	$ 530,916	$ 1,146,672	$ 10,658,848	$ 409,286	$ 1,292,046	$ 8,314,943	$ 940,202	$ 2,438,718	$ 18,973,791	$ (74,663)	$ -
2032		$ 891,359	$ 2,562,225	$ 16,411,566	$ 478,381	$ 1,205,247	$ 9,453,601	$ 349,340	$ 1,356,978	$ 6,957,965	$ 827,721	$ 2,562,225	$ 16,411,566	$ (63,638)	$ -
2033		$ 759,008	$ 2,694,575	$ 13,716,991	$ 420,439	$ 1,267,000	$ 8,186,601	$ 286,294	$ 1,427,575	$ 5,530,390	$ 706,733	$ 2,694,575	$ 13,716,991	$ (52,275)	$ -
2034		$ 621,149	$ 2,832,434	$ 10,884,557	$ 360,404	$ 1,331,822	$ 6,854,779	$ 220,013	$ 1,500,612	$ 4,029,778	$ 580,417	$ 2,832,434	$ 10,884,557	$ (40,732)	$ -
2035		$ 476,236	$ 2,977,347	$ 7,907,210	$ 297,298	$ 1,399,961	$ 5,454,818	$ 150,340	$ 1,577,386	$ 2,452,392	$ 447,638	$ 2,977,347	$ 7,907,210	$ (28,598)	$ -
2036		$ 324,331	$ 3,129,252	$ 4,777,958	$ 231,207	$ 1,471,495	$ 3,983,323	$ 77,116	$ 1,657,757	$ 794,635	$ 308,323	$ 3,129,252	$ 4,777,958	$ (16,008)	$ -
2037		$ 193,718	$ 1,903,080	$ 2,874,878	$ 160,218	$ 1,546,869	$ 2,436,454	$ 27,129	$ 356,211	$ 438,424	$ 187,347	$ 1,903,080	$ 2,874,878	$ (6,371)	$ -
2038		$ 99,898	$ 1,921,022	$ 953,856	$ 86,134	$ 1,626,010	$ 810,444	$ 13,813	$ 295,012	$ 143,412	$ 99,947	$ 1,921,022	$ 953,856	$ 49	$ -
2039		$ 13,469	$ 953,856	$ -	$ 23,946	$ 810,444	$ -	$ 1,813	$ 143,412	$ -	$ 25,759	$ 953,856	$ -	$ 12,290	$ -
2040		$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL		$ 40,826,555	$ 50,597,965		$ 19,562,192	$ 25,532,837		$ 17,577,131	$ 25,065,128		$ 37,139,323	$ 50,597,965		$ (3,687,232)	$ -

EXHIBIT

"4"

Exhibit 4
TRICO ELECTRIC COOPERATIVE
Long-Term Debt Interest Savings & Patronage Capital

	Difference in Interest Paid	CFC Patronage Capital	CoBank Patronage Capital	Total Patronage Capital	Net Savings (Interest Savings & Patronage Capital)
2012	$ (330,849)	$ (9,236)	$ -	$ (9,236)	$ (340,085)
2013	$ (268,395)	$ (51,580)	$ (121,000)	$ (172,580)	$ (440,975)
2014	$ (255,186)	$ (50,922)	$ (158,109)	$ (209,031)	$ (464,217)
2015	$ (241,840)	$ (50,293)	$ (154,607)	$ (204,900)	$ (446,740)
2016	$ (229,163)	$ (49,596)	$ (150,925)	$ (200,521)	$ (429,684)
2017	$ (216,280)	$ (48,822)	$ (147,076)	$ (195,898)	$ (412,178)
2018	$ (204,844)	$ (47,936)	$ (143,008)	$ (190,944)	$ (395,788)
2019	$ (193,928)	$ (46,934)	$ (138,733)	$ (185,667)	$ (379,595)
2020	$ (183,710)	$ (45,832)	$ (134,239)	$ (180,071)	$ (363,781)
2021	$ (173,266)	$ (44,628)	$ (129,535)	$ (174,163)	$ (347,429)
2022	$ (163,290)	$ (43,324)	$ (124,568)	$ (167,892)	$ (331,182)
2023	$ (153,409)	$ (41,920)	$ (119,349)	$ (161,269)	$ (314,678)
2024	$ (143,758)	$ (40,419)	$ (113,864)	$ (154,283)	$ (298,041)
2025	$ (133,890)	$ (38,812)	$ (108,116)	$ (146,928)	$ (280,818)
2026	$ (124,308)	$ (37,095)	$ (102,052)	$ (139,147)	$ (263,455)
2027	$ (114,976)	$ (35,257)	$ (95,681)	$ (130,938)	$ (245,914)
2028	$ (105,567)	$ (33,295)	$ (88,985)	$ (122,280)	$ (227,847)
2029	$ (95,469)	$ (31,224)	$ (81,963)	$ (113,187)	$ (208,656)
2030	$ (85,158)	$ (29,048)	$ (74,559)	$ (103,607)	$ (188,765)
2031	$ (74,663)	$ (26,744)	$ (78,884)	$ (105,628)	$ (180,291)
2032	$ (63,638)	$ (24,313)	$ (171,347)	$ (195,660)	$ (259,298)
2033	$ (52,275)	$ (21,757)	$ (162,285)	$ (184,042)	$ (236,317)
2034	$ (40,732)	$ (19,052)	$ (152,752)	$ (171,804)	$ (212,536)
2035	$ (28,598)	$ (16,198)	$ (142,756)	$ (158,954)	$ (187,552)
2036	$ (16,008)	$ (13,197)	$ (132,222)	$ (145,419)	$ (161,427)
2037	$ (6,371)	$ (19,257)	$ (121,157)	$ (140,414)	$ (146,785)
2038	$ 49	$ (58,251)	$ (110,715)	$ (168,966)	$ (168,917)
2039	$ 12,290	$ (54,070)	$ (101,485)	$ (155,555)	$ (143,265)
2040		$ (50,970)	$ (91,844)	$ (142,814)	$ (142,814)
2041		$ (49,596)	$ (82,192)	$ (131,788)	$ (131,788)
2042		$ (48,822)	$ (72,131)	$ (120,953)	$ (120,953)
2043		$ (47,936)	$ (61,573)	$ (109,509)	$ (109,509)
2044		$ (46,934)	$ (50,446)	$ (97,380)	$ (97,380)
2045		$ (45,832)	$ (38,760)	$ (84,592)	$ (84,592)
2046		$ (44,628)	$ (26,476)	$ (71,104)	$ (71,104)
2047		$ (43,324)	$ (13,580)	$ (56,904)	$ (56,904)
2048		$ (41,920)	$ (4,779)	$ (46,699)	$ (46,699)
2049		$ (40,419)	$ (2,430)	$ (42,849)	$ (42,849)
2050		$ (38,812)	$ (316)	$ (39,128)	$ (39,128)
2051		$ (37,095)		$ (37,095)	$ (37,095)
2052		$ (35,257)		$ (35,257)	$ (35,257)
2053		$ (33,295)		$ (33,295)	$ (33,295)
2054		$ (31,224)		$ (31,224)	$ (31,224)
2055		$ (29,048)		$ (29,048)	$ (29,048)
2056		$ (26,744)		$ (26,744)	$ (26,744)
2057		$ (24,313)		$ (24,313)	$ (24,313)
2058		$ (21,757)		$ (21,757)	$ (21,757)
2059		$ (19,052)		$ (19,052)	$ (19,052)
2060		$ (16,198)		$ (16,198)	$ (16,198)
2061		$ (13,197)		$ (13,197)	$ (13,197)
2062		$ (10,022)		$ (10,022)	$ (10,022)
2063		$ (6,670)		$ (6,670)	$ (6,670)
2064		$ (3,148)		$ (3,148)	$ (3,148)
2065		$ (677)		$ (677)	$ (677)
TOTAL	$ (3,687,232)	$ (1,835,902)	$ (3,804,498)	$ (5,640,400)	$ (9,327,632)
				10-Year Savings	$ (4,351,653)
				20-Year Savings	$ (6,819,417)
				NPV @ 5% disc rate	($5,060,232)

EXHIBIT

"5"

Exhibit 5

TRICO ELECTRIC COOPERATIVE

FINANCIAL FORECAST SUMMARY

Base Case vs. Refinance $50M of RUS 5% Loans at 4.5%

	Base Case	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1	Equity as a % of Assets	30%	31%	33%	34%	35%	36%	36%	37%	37%	37%	37%
2	Modified TIER	1.56	1.77	1.74	1.72	1.69	1.66	1.67	1.69	1.68	1.69	1.66
3	Modified DSC			1.93	1.92	1.90	1.90	1.94	1.95	1.93	1.92	1.88
4	Total Long-term Debt	$ 139,348,048	$ 127,196,253	$ 123,958,185	$ 120,611,766	$ 117,100,447	$ 117,051,875	$ 117,386,947	$ 117,637,936	$ 120,939,684	$ 121,490,668	$ 125,186,612
5	Interest Expense	$ 6,492,483	$ 6,036,331	$ 5,914,078	$ 5,754,907	$ 5,589,202	$ 5,512,403	$ 5,542,447	$ 5,581,754	$ 5,702,761	$ 5,832,685	$ 5,974,663
6	Operating Margin	$ 3,469,030	$ 4,521,040	$ 4,204,058	$ 3,991,077	$ 3,732,096	$ 3,498,645	$ 3,537,280	$ 3,713,388	$ 3,719,527	$ 3,871,478	$ 3,765,881
7	Net General Fund (EOY)			$ 11,141,806	$ 10,605,035	$ 7,010,082	$ 3,728,386	$ 3,853,468	$ 3,978,189	$ 4,160,903	$ 4,310,025	$ 4,510,570

	Refinance @ 4.5% Rate	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
8	Equity as a % of Assets	30%	31%	33%	34%	36%	37%	37%	38%	38%	39%	39%
9	Modified TIER	1.56	1.91	1.80	1.78	1.75	1.74	1.77	1.80	1.79	1.81	1.78
10	Modified DSC			1.99	1.98	1.96	1.98	2.04	2.05	2.04	2.03	2.00
11	Total Long-term Debt	$ 139,348,048	$ 128,066,249	$ 124,902,718	$ 121,638,920	$ 118,218,914	$ 115,792,381	$ 115,722,608	$ 115,460,485	$ 118,228,547	$ 118,223,729	$ 121,343,537
12	Interest Expense	$ 6,492,483	$ 5,601,870	$ 5,711,969	$ 5,560,890	$ 5,403,885	$ 5,268,817	$ 5,227,393	$ 5,246,048	$ 5,343,260	$ 5,448,310	$ 5,564,457
13	Operating Margin	$ 3,469,030	$ 4,955,500	$ 4,406,167	$ 4,185,094	$ 3,917,413	$ 3,742,231	$ 3,852,335	$ 4,049,095	$ 4,079,028	$ 4,255,853	$ 4,176,087
14	Net General Fund (EOY)			$ 12,722,909	$ 12,462,776	$ 9,144,452	$ 3,728,381	$ 3,853,470	$ 3,978,193	$ 4,160,900	$ 4,310,006	$ 4,510,589

EXHIBIT

"6"

Exhibit 6
TRICO ELECTRIC COOPERATIVE
INCOME STATEMENT-CURRENT YEAR TO DATE
As of December 31, 2011 (Pre-Audit)

		2011 Actual
REVENUE		
1 **Operating Revenue and Patronage Capital**	**$**	**87,833,657**
COST OF POWER		
2 Cost of Purchased Power-AEPCO	$	44,054,709
3 Cost of Purchased Power- SWT	$	9,824,679
4 Cost of Solar Generation System	$	10,707
5 **Total Fuel Costs**	**$**	**53,890,095**
6 Total Fuel as a Percentage of Sales		61%
7 **Gross Margin (Revenue-Fuel Costs)**	**$**	**33,943,562**
8 **Gross Margin as a Percentage of Sales**		39%
TRICO DISTRIBUTION/PRODUCTION COSTS		
9 Power Production	$	14,479
10 Transmission Expense	$	45,713
11 Distribution Expense - Operations	$	6,558,261
12 Distribution Expense - Maintenance	$	1,643,552
13 Customer Accounts Expense	$	3,008,665
14 Customer Service & Information Expense	$	428,874
15 Sales Expense	$	328,372
16 Administrative & General Expense	$	5,010,688
17 **Total Trico Variable Operating Expenses**	**$**	**17,038,604**
18 **Distribution Margin (Gross Margin- Distribution Costs)**	**$**	**16,904,958**
19 **Distribution Margin Percentage of Sales**		**19%**
FIXED OPERATING EXPENSES		
20 Depreciation & Amortization Expense	$	6,947,262
21 Tax Expense - Property & Gross Receipts	$	-
22 Tax Expense - Other	$	(113)
23 Interest on Long-Term Debt	$	6,281,573
24 Interest Charged to Construction - Credit	$	-
25 Interest Expense - Other	$	31,490
26 Other Deductions	$	327,203
27 **Total Fixed Operating Expenses**	**$**	**13,587,415**
28 **Fixed Operaing Expense as a Percentage of Sales**		**15%**
29 **Total Costs of Electric Service**	**$**	**84,516,114**
30 **Total Costs as a Percentage of Sales**		**96%**
31 **Patronage Capital & Operating Margins**	**$**	**3,317,543**
32 **Patronage Capital & Operating Margins as a % of Sales**		**4%**
33 Non-Operating Margins - Interest	$	78,572
34 Allowance for Funds Used During Construction	$	-
35 Income (Loss) from Equity Investments	$	-
36 Non-Operating Margins - Other	$	121,444
37 Generation and Transmission Capital Credits	$	2,955,491
38 Other Capital Credits & Patronage Dividends	$	105,590
39 Extraordinary Items	$	-
40 **Patronage Capital or Margins**	**$**	**6,578,640**
41 **Operating TIER Ratio**		**1.53**
42 **Non Operating TIER Ratio**		**2.05**

Exhibit 6
TRICO ELECTRIC COOPERATIVE
BALANCE SHEET PRIOR YEAR AND CURRENT YEAR
As of December 31, 2011 (Pre-Audit)

ASSETS AND OTHER DEBITS	Present Year 12/31/11	Last Year 12/31/10	Variance	% Change
Total Utility Plant	**$ 220,887,785**	**$ 215,001,584**	**$ 5,886,201**	**2.7%**
Less: Accum. Prov. for Depreciation and Amort.	$ (53,450,701)	$ (48,781,471)	$ (4,669,230)	9.6%
Net Utility Plant	**$ 167,437,084**	**$ 166,220,113**	**$ 1,216,971**	**0.7%**
Total Other Property & Investments	**$ 28,094,892**	**$ 24,940,078**	**$ 3,154,814**	12.6%
Cash (General Funds/Temporary)	$ 5,268,454	$ 5,736,228	$ (467,774)	-8.2%
Accounts Receivable	$ 5,665,959	$ 5,514,319	$ 151,640	2.7%
Materials & Supplies - Electric and Other	$ 2,532,180	$ 2,907,139	$ (374,959)	-12.9%
Prepayments	$ 654,827	$ 742,031	$ (87,204)	-11.8%
Other Current & Accrued Assets	$ 89,624	$ 159,739	$ (70,115)	-43.9%
Total Current and Accrued Assets	**$ 14,211,044**	**$ 15,059,456**	$ (848,412)	-5.6%
Other Deferred Debits	$ 316,124	$ 424,401	$ (108,277)	-25.5%
Total Assets and Other Debits	**$ 210,059,144**	**$ 206,644,048**	$ 3,415,096	1.7%
MARGINS AND EQUITIES				
Total Margins and Equities	**$ 66,770,309**	**$ 61,702,887**	**$ 5,067,422**	**8.2%**
			$ -	
LIABILITIES AND OTHER CREDITS			$ -	
Total Long Term Debt (RUS/CFC/FFB)	**$ 126,333,910**	**$ 127,415,993**	**$ (1,082,083)**	**-0.8%**
Total Other Noncurrent Liabilities	**$ 119,316**	**$ 136,653**	**$ (17,337)**	**-12.7%**
Accounts Payable	$ 4,855,060	$ 4,509,890	$ 345,170	7.7%
Consumer Deposits	$ 1,390,898	$ 1,283,318	$ 107,580	8.4%
Other Current & Accrued Liabilities	$ 3,913,248	$ 3,843,390	$ 69,858	1.8%
Total Current & Accrued Liabilities	**$ 10,159,206**	**$ 9,636,598**	**$ 522,608**	**5.4%**
Other Deferred Credits	**$ 6,676,403**	**$ 7,751,917**	**$ (1,075,514)**	**-13.9%**
Total Liabilities & Other Credits	**$ 210,059,144**	**$ 206,644,048**	**$ 3,415,096**	**1.7%**