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BEFORE THE ARIZONA CORPORATION COMMISSION

BOB STUMP
Chairman
GARY PIERCE
Commissioner
BRENDA BURNS
Commissioner
BOB BURNS
Commissioner
SUSAN BITTER SMITH
Commissioner

Arizona Corporation Commission

DOCKETED

OCT 24 2014

DOCKETED BY
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IN THE MATTER OF THE APPLICATION
OF THE ARIZONA ELECTRIC POWER
COOPERATIVE, INC. 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 -- TO
REMOVE THE EFFECTS OF PPAS FROM
AEP CO RATES.

DOCKET NO. E-01773A-12-0305

DECISION NO. 74788

ORDER

Open Meeting
Phoenix, Arizona
October 16, 2014

BY THE COMMISSION:

FINDINGS OF FACT

1. Arizona Electric Power Cooperative, Inc. ("AEP CO") is certificated to provide electric services as a public service corporation in the State of Arizona.

2. On August 1, 2014, AEP CO filed an application with the Arizona Corporation Commission ("Commission") requesting approval to remove the effects of two Purchase Power Agreements ("PPAs") from its rates.

3. In Decision No. 74173 (October 25, 2013), the Commission ordered that AEP CO file as a compliance item an application requesting to remove from its rates all costs and charges related to two purchase power contracts set to expire on October 31, 2014.

Background

4. AEP CO is a non-profit, member-owned generation and transmission cooperative that supplies all or most of the power and energy requirements of its five Arizona and one California

1 member distribution cooperatives. AEPCO has two types of distribution cooperative members: all-
2 requirements members (“ARMs”) and partial-requirements members (PRMs”). AEPCO contracts
3 with ARMs to provide the resources necessary to serve their current and projected loads. In contrast,
4 PRMs are entitled only to receive their allocated capacity of AEPCO resources. AEPCO is not
5 obligated to plan for or to meet any current or projected power and energy requirements beyond each
6 PRM’s allocated capacity.

7 5. In 2008, AEPCO determined it would need additional resources to meet the projected
8 power and energy requirements of its ARMs. Following a bid solicitation and procurement process
9 instituted to secure resources to meet the forecasted needs of Anza Electric Cooperative, Inc.
10 (“Anza”), Duncan Valley Electric Cooperative, Inc. (“DVEC”), Graham County Electric Cooperative,
11 Inc. (“GCEC”) and Trico Electric Cooperative, Inc. (“Trico”), AEPCO entered into two PPAs – one
12 with South Point Energy Center LLC (“South Point”) and the other with Dynergy Power Generation
13 II LLC (“Griffith”). The PPAs obligated AEPCO to purchase power and energy through October 31,
14 2014.

15 6. On January 1, 2011, Trico converted its membership status from all-requirements to
16 partial-requirements. As a result, AEPCO no longer needs the aforementioned PPAs and will not be
17 extending them past their expiration date.

18 7. In AEPCO’s most recent rate case, AEPCO and Trico requested this docket remain
19 open to allow AEPCO to file revised rates eliminating from Anza, DVEC, GCEC and Trico rates, the
20 costs and charges of the expiring purchase power contracts. The Commission approved that request.

21 Application

22 8. AEPCO’s immediate application addresses the two expiring PPAs and looks to amend
23 the tariffs filed in this docket on October 31, 2013. The only revision to the tariffs is to reflect the
24 effect of removing from rates the costs and charges associated with the expiring PPAs. Specifically,
25 after adjusting for the expiration of the PPAs, the following charges and rates applicable to the
26 collective all-requirements members (“CARM”) and Trico are revised: Fixed Charge, O&M Charge
27 and Other Resources Energy Rate. Expiration of the PPAs also requires slight revisions to the

28 ...

1 Purchased Power and Fuel Adjustment Clause (“PPFAC”) bases for Other Resources and Fixed
2 Power Costs. There are no changes to other rates.

3 9. Table 1 summarizes the aforementioned changes to the affected rate tariffs, these
4 numbers can also be found in Exhibit A of AEPCO’s filing.

5

TABLE 1			
Affected Tariff	Rate Title	Current Rate	Proposed Rate
CARM	Other Resources Fuel Base	\$0.03904	\$0.03899
CARM	Fixed Power Costs Base	\$183,236	\$174,959
CARM	Fixed Charge/Month	\$280,682	\$272,777
CARM	O&M Charge/Month	\$462,845	\$456,549
CARM	Other Resources Energy Rate - \$/kWh	\$0.03904	\$0.03899
PRM-Trico	Other Resources Fuel Base	\$0.03747	\$0.03723
PRM-Trico	Fixed Power Costs Base	\$574,197	\$523,828
PRM-Trico	Fixed Charge/Month	\$743,980	\$504,878
PRM-Trico	O&M Charge/Month	\$868,482	\$845,015
PRM-Trico	Other Resources Energy Rate - \$/kWh	\$0.03747	\$0.03723

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15 10. The revised rates will apply to the ARMs’ and Trico’s usage on and after November 1,
16 2014, the day after the PPAs expire.

17 Analysis

18 11. Staff’s review of the data provided in Exhibit B of the immediate application finds that
19 AEPCO’s calculation of the adjusted CARM and PRM tariffs is consistent with the discontinuation of
20 the South Point and Griffith PPA costs. Exhibit B of the application, pages 6 and 7, summarizes
21 revenue collection for the affected members. Revenues from Anza, DVEC and GCEC will drop by
22 slightly more than 1 percent compared to revenues approved in Decision No. 74173; while revenues
23 from Trico will decrease by more than 8 percent. Staff’s review of the revenue summary finds the
24 disparity in the aforementioned rate decreases stems from a disparity in cost allocation. Trico was
25 assigned a much higher allocation of the costs associated with the two expiring PPAs; as a result, it is
26 receiving a much higher rate decrease.

27 12. Staff notes that on page 7 of both the tariffs provided in Exhibit A, AEPCO has
28 indicated “\$TBD” or “to be determined” for the adjustor rates tied to the PPFAC. On September 23,

1 2014, AEPCO filed revised Tariffs which take into account the new PPFAC rates/charges scheduled
2 to take effect on October 1, 2014. This pro-forma tariff filing also incorporates the recommendations
3 discussed in the immediate application set to take effect on November 1, 2014.

4 Recommendations

5 13. Staff has recommended that the changes to the tariff discussed herein, be adopted and
6 become effective November 1, 2014.

7 14. Staff has further recommended that the revised tariffs incorporate the new PPFAC
8 rates/charges, found in the attached Exhibit C.

9 15. Staff has further recommended that AEPCO file as a compliance item with Docket
10 Control, revised tariffs consistent with the Decision in this case, within 15 days of the effective date..

11 CONCLUSIONS OF LAW

12 1. AEPCO is an Arizona public service corporation within the meaning of Article XV,
13 Section 2, of the Arizona Constitution.

14 2. The Commission has jurisdiction over AEPCO and the subject matter of this
15 application

16 3. The Commission, having reviewed the application and Staff's Memorandum dated
17 September 30, 2014, concludes that it is in the public interest to authorize AEPCO to remove from its
18 rates the effects of the two expiring PPAs.

19 ORDER

20 IT IS THEREFORE ORDERED that Arizona Electric Power Cooperative, Inc. tariffs filed
21 in Exhibit A of the application are adopted as discussed herein, effective on November 1, 2014.

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1 IT IS FURTHER ORDERED that Arizona Electric Power Cooperative, Inc. file revised
2 tariffs that incorporate the new PPFAC rates/charges found in the attached Exhibit C.

3 IT IS FURTHER ORDERED that Arizona Electric Power Cooperative Inc. file, as a
4 compliance item with Docket Control, revised CARM and PRM tariffs consistent with the Decision in
5 this case, within 15 days of the effective date.

6 IT IS FURTHER ORDERED that this Order become effective immediately.

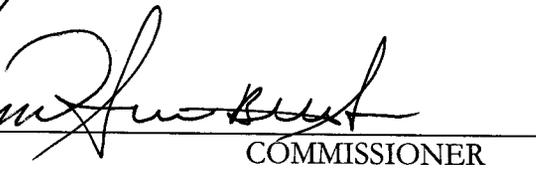
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8 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

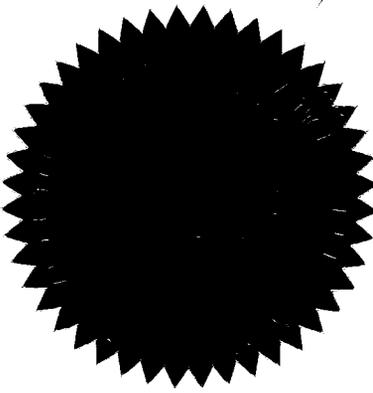
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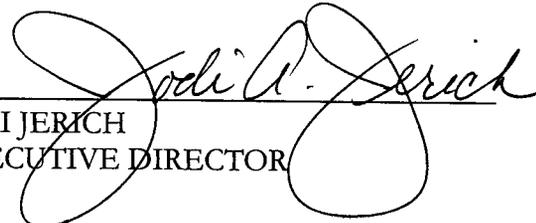
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15 IN WITNESS WHEREOF, I, JODI JERICH, Executive
16 Director of the Arizona Corporation Commission, have
17 hereunto, set my hand and caused the official seal of this
18 Commission to be affixed at the Capitol, in the City of
19 Phoenix, this 24th day of October, 2014.

19 
20 JODI JERICH
21 EXECUTIVE DIRECTOR

22 DISSENT: _____

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24 DISSENT: _____

25 SMO:EMV:sms\BH
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1 SERVICE LIST FOR: Arizona Electric Power Cooperative, Inc.
2 DOCKET NO. E-01773A-12-0305

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EXHIBIT A

Exhibit A**ARIZONA ELECTRIC POWER COOPERATIVE, INC.**TARIFFPERMANENT

Effective Date: November 1, 2014

AVAILABILITY

Available to all cooperative associations which are or shall be collective all-requirements Class A members ("CARM") of the Arizona Electric Power Cooperative, Inc. ("AEPCO").

MONTHLY RATE (BILLING PERIOD)

Electric power and energy furnished under this Tariff will be subject to the rates set forth in the attached Exhibit A and the terms set forth herein in addition to any applicable terms set forth in the Member's Wholesale Power Contract.

Billing Month – The first calendar month preceding the month the bill is rendered.

Demand Overrun Adjustment – If, in any hour, the CARM's metered load exceeds its Allocated Capacity, then AEPCO shall compute a Demand Overrun Adjustment for the CARM and each Member shall be charged a portion of such Demand Overrun Adjustment in proportion to that Member's demand ratio share. Such Demand Overrun Adjustment shall equal the product of the CARM's Fixed Charge multiplied by the demand overrun adjustment factor. The demand overrun adjustment factor shall be any non-negative number determined from the following formula:

$$\text{doaf} = ((\text{mbdkW}) / \text{AC}) - 1$$

Where:

doaf = Demand Overrun Adjustment Factor,
mbdkW = Metered kW of CARM, and
AC = Allocated Capacity of CARM, in kW.

In addition, Member shall pay for the energy associated with the Demand Overrun Adjustment at the then-applicable Other Resources Energy Rate.

Power Factor – Each Member shall maintain Power Factor at the time of maximum demand as close to unity as possible. If the Power Factor of Member measured at the aggregated Member's Delivery Point(s) at the time of Member peak demand is outside a bandwidth of 95% leading to 95% lagging, a Power Factor Adjustment shall be separately charged to the Member. The Power Factor Adjustment shall be the product of the Member's power factor adjustment (as set forth

below) multiplied by the quotient of the Member's demand ratio share of the CARM O&M Charge divided by the sum of the CARM's 12-month rolling average demand. The power factor adjustment shall be any non-negative number determined from the following formula:

$$pfakW = ((mkW / mpf)(bpf)) - mkW$$

Where:

pfakW = power factor adjustment in kW,
 mkW = Member Metered kW,
 mpf = measured power factor at the time of Member peak demand, and
 bpf = 0.95.

The provisions of the power factor adjustment may be waived if power factor is detrimentally impacted as a direct result of system improvements or a change in operational procedure by AEPCO to reduce transmission losses and/or improve system reliability.

Capacity and Energy Below Allocated Capacity – If CARM is utilizing a Future Resource, Supplemental Purchase, S&G PPA in any hour to serve Native Load and CARM fails to take its required share of Minimum Base Capacity or Minimum Other Capacity, CARM shall pay a charge as set forth in Section 2.4 of Rate Schedule A to the Member's Wholesale Power Contract.

Taxes – Bills rendered are subject to adjustment for all federal, state and local government taxes or levies, including any taxes or levies imposed as a carbon tax or "cap and trade" or other carbon assessments system imposed on electricity sales or electricity production and any assessments that are or may be imposed by federal or state regulatory agencies on electric utility gross revenues.

Transmission and Ancillary Service Charges – Each Class A member shall also be billed by AEPCO for charges AEPCO incurs for the transmission of power and energy to the Class A member's delivery point(s). Such charges will be assessed to the Class A member at the rates actually charged AEPCO by the transmission provider and others for transmission service and the provision of ancillary services.

Power Cost Adjustor Rates and Power Cost Bank Charges

"Base Resources" are defined as (1) AEPCO's Steam Turbine Units 2 and 3, (2) power purchased under contract from the Western Area Power Administration and (3) economy purchases displacing base resources generation.

"Other Resources" are defined as (1) AEPCO's generation units other than Steam Turbine Units 2 and 3, (2) power purchased under contracts which serve the combined scheduled loads of AEPCO's Class A members plus power purchased under contract and economy energy purchases (other than economy purchases displacing base resources generation) made for the purpose of meeting the scheduled load requirements of all Class A members and (3) power purchased under contracts or resources which have been acquired to serve Class A Member load and which the Member has expressly agreed to in a participation agreement.

“Fixed Power Costs” are defined as those costs that do not vary directly with the production and/or purchase of electric power and energy. Such costs include, but are not limited to, demand charges, reservation charges, and wheeling expenses that do not vary directly with energy take.

The monthly bill computed under this Tariff shall, using the procedures stated herein, be increased or decreased by the monthly fixed costs adjustor charge, the monthly bank charges and an amount equal to the result of multiplying the kWh derived from each resource type by the applicable Power Cost Adjustor Rate for Base Resources and Other Resources where:

Base Resources Adjustor Rate

$$BF = BPC - \$0.02958$$

BF = Base Resources Power Cost Adjustor Rate in dollars per kWh, rounded to the nearest one-thousandth of a cent (\$0.00001).

BPC = The Commission-allowed pro forma fuel costs of Base Resources generation, the purchased power costs of Base Resources and wheeling costs associated with Base Resources in dollars per kWh, rounded to the nearest one-thousandth of a cent (\$0.00001).

Allowable Base Resources fuel, purchased power and wheeling costs include:

- A. The costs of fossil fuel and natural gas consumed in AEPCO’s Steam Generating Units 2 and 3 as recorded in RUS Account 501 (excluding those costs identified as Fixed Power Costs), plus
- B. The actual costs associated with Base Resources power purchased for reasons other than identified in paragraph (C) below as recorded in RUS Account 555 (excluding those costs identified as Fixed Power Costs), plus
- C. The cost of energy purchased when such energy is purchased on an economic dispatch basis to substitute for higher cost Base Resources energy as recorded in RUS Account 555, plus
- D. The firm and non-firm wheeling expenses associated with the delivery of Base Resources energy as recorded in RUS Account 565 (excluding those costs identified as Fixed Power Costs) excepting network service transmission payments made by AEPCO to Southwest Transmission Cooperative, Inc. for electric power and energy furnished to the CARM, less
- E. The energy costs recovered through non-tariff contractual firm sales of Base Resources power and energy as recorded in RUS Account 447, less
- F. The energy costs recovered through inter-system economy energy and/or intra-system resource transfer sales of Base Resources power and energy sold on an economic dispatch basis as recorded in RUS Account 447.

Base Resources Bank Charge

$$\text{BBC} = \text{BBA} / 6 *$$

BBC = Base Resources Bank Charge in dollars per month, rounded to the nearest cent (\$0.01).

BBA = The "Base Resources Bank Account" represents allowable accumulated fuel, purchased power and wheeling costs in dollars over- or under-collected in the past from Base Resources, rounded to the nearest cent (\$0.01).

* The BBC for each individual CARM is based on the accumulated (over)/under collected BBA for that individual Member.

Other Resources Adjustor Rate

$$\text{OF} = \text{OPC} - \$0.03899$$

OF = Other Resources Power Cost Adjustor Rate in dollars per kWh, rounded to the nearest one-thousandth of a cent (\$0.00001).

OPC = The Commission-allowed pro forma fuel costs of Other Resources generation, Other Resources purchased power and wheeling costs associated with Other Resources in dollars per kWh, rounded to the nearest one-thousandth of a cent (\$0.00001).

Allowable Other Resources fuel, purchased power and wheeling costs include:

- A. The costs of fossil fuel and natural gas consumed in AEPCO's Steam Generating Units 1, 4, 5 and 6 as recorded in RUS Accounts 501 and 547 (excluding those costs identified as Fixed Power Costs), plus
- B. The actual costs associated with Other Resources purchased power for reasons other than identified in paragraph (C) below as recorded in RUS Account 555 (excluding those costs identified as Fixed Power Costs), plus
- C. The cost of Other Resources energy purchased when such energy is purchased on an economic dispatch basis. Included therein are such costs as those charged for economy energy purchases and the charges resulting from a scheduled outage of Other Resources generation units. All such kinds of Other Resources energy being purchased by AEPCO to substitute for its own higher cost Other Resources energy as recorded in RUS Account 555, plus
- D. The firm and non-firm wheeling expenses associated with the delivery of Other Resources energy as recorded in RUS Account 565 (excluding those costs identified as Fixed Power Costs), excepting network service transmission payments made by AEPCO to Southwest Transmission Cooperative, Inc. for electric power and energy furnished to the CARM, less

- E. The energy costs recovered through non-tariff contractual firm sales of Other Resources power and energy as recorded in RUS Account 447, less
- F. The energy costs recovered through inter-system economy energy and/or intra-system resource transfer sales of Other Resources power and energy sold on an economic dispatch basis as recorded in RUS Account 447.

Other Resources Bank Charge

$$\text{OBC} = \text{OBA} / 6 *$$

OBC = Other Resources Bank Charge in dollars per month, rounded to the nearest cent (\$0.01).

OBA = The "Other Resources Bank Account" represents allowable accumulated fuel, purchased power and wheeling costs in dollars over- or under-collected in the past from Other Resources, rounded to the nearest cent (\$0.01).

* The OBC for each individual CARM is based on the accumulated (over)/under collected OBA for that individual Member.

Fixed Power Costs Adjustor Charge

$$\text{FC} = \text{FPC} - \$174,959 *$$

FC = Fixed Power Costs Adjustor Charge in dollars per month, rounded to the nearest cent (\$0.01).

FPC = The Commission-allowed pro forma fixed fuel costs of Base and Other Resources generation, fixed costs of Base and Other Resources purchased power and fixed wheeling costs associated with Base and Other Resources in dollars, rounded to the nearest cent (\$0.01).

Allowable fixed fuel, purchased power and wheeling costs include:

- A. The fixed costs of fossil fuel and natural gas consumed in AEPCO's Steam Generating Units as recorded in RUS Accounts 501 and 547, plus
- B. The fixed costs associated with purchased power as recorded in RUS Account 555, plus
- C. The fixed wheeling expenses associated with the delivery of Base and Other Resources energy as recorded in RUS Account 565, excepting network service transmission payments made by AEPCO to Southwest Transmission Cooperative, Inc. for electric power and energy furnished to the CARM, less

- D. The demand and other fixed costs recovered through non-tariff contractual firm sales of power and energy as recorded in RUS Account 447, less
- E. The demand and other fixed costs recovered through inter-system economy energy and/or intra-system resource transfer sales of power and energy sold on an economic dispatch basis as recorded in RUS Account 447.
- * The FC is apportioned among the CARMs and allocated to each CARM based upon each CARM's monthly Demand Ratio Share. The Demand Ratio Share is calculated each month as the percentage of each CARM's 12-month rolling average demand to the total of the CARMs' 12-month rolling average demand.

Fixed Power Costs Bank Charge

$$FBC = FBA / 6 *$$

FBC = Fixed Power Costs Bank Charge in dollars per month, rounded to the nearest cent (\$0.01).

FBA = The "Fixed Power Costs Bank Account" represents allowable accumulated fixed fuel, purchased power and wheeling costs in dollars over- or under-collected in the past, rounded to the nearest cent (\$0.01).

- * The FBC for each individual CARM is based on the accumulated (over)/under collected FBA for that individual Member.

For purposes of calculating the Power Cost Bank Charges, AEPCO shall separately track each individual CARM's BBA, OBA and FBA. In addition, on a calendar semi-annual basis, AEPCO shall compute the Power Cost Adjustor Rates as specified herein based upon a rolling 12-month average of allowable fuel, purchased power and wheeling costs for the BPC, the OPC and the FPC. AEPCO shall initially file by March 1, 2014 and thereafter on March 1 and September 1 of the month preceding the effective date of the revised Power Cost Adjustor Rates and Power Cost Bank Charges (i.e., April 1 or October 1): (1) calculations supporting the revised Adjustor Rates and Bank Charges with the Director, Utilities Division, and (2) a Tariff reflecting the revised Adjustor Rates and Bank Charges with the Commission, which Tariff shall be effective for billings after the first day of the following month and which shall continue in effect until revised pursuant to the procedures specified herein.

EXHIBIT A

Effective Date	November 1, 2014 (1)
Collective All-Requirements Members:	
Total Fixed Charge/Month	\$272,777 (2)
Total O&M Charge/Month	\$456,549 (2)
Base Resources Energy Rate – \$/kWh	\$0.02958
Other Resources Energy Rate – \$/kWh	\$0.03899

Adjustor Rates/Charges

Base Resources Power Cost Adjustor Rate – \$/kWh	\$TBD*
Other Resources Power Cost Adjustor Rate – \$/kWh	\$TBD*
Fixed Power Costs Adjustor Charge – Total \$/mo. (2)	\$TBD*

Bank Charges**Anza Electric Cooperative, Inc.**

Base Resources Bank Charge – \$/mo.	\$TBD*
Other Resources Bank Charge – \$/mo.	\$TBD*
Fixed Power Costs Bank Charge – \$/mo.	\$TBD*

Duncan Valley Electric Cooperative, Inc.

Base Resources Bank Charge – \$/mo.	\$TBD*
Other Resources Bank Charge – \$/mo.	\$TBD*
Fixed Power Costs Bank Charge – \$/mo.	\$TBD*

Graham County Electric Cooperative, Inc.

Base Resources Bank Charge – \$/mo.	\$TBD*
Other Resources Bank Charge – \$/mo.	\$TBD*
Fixed Power Costs Bank Charge – \$/mo.	\$TBD*

- (1) Rates are effective for service provided on and after this date.
- (2) The Total Fixed Charge, the Total O&M Charge, and the Fixed Power Costs Adjustor Charge are apportioned among the CARMs and allocated to each CARM based upon each CARM's monthly Demand Ratio Share. The Demand Ratio Share is calculated each month as the percentage of each CARM's 12-month rolling average demand to the total of the CARMs' 12-month rolling average demand.

* Effective October 1, 2014 and determined and revised as set forth in the Tariff.

Exhibit A**Arizona Electric Power Cooperative, Inc.****Partial-Requirements Schedule
Rates and Fixed Charge
(Effective November 1, 2014)**

Service provided to Mohave Electric Cooperative, Inc. ("MEC"), Sulphur Springs Valley Electric Cooperative, Inc. ("SSVEC") and Trico Electric Cooperative, Inc. ("Trico") by the Arizona Electric Power Cooperative, Inc. ("AEPSCO") under the Partial Requirements Capacity and Energy Agreements shall be at the rates set forth in the attached Exhibit A and subject to the terms set forth herein in addition to any applicable terms set forth in the Members' Partial Requirements Capacity and Energy Agreements.

Billing Month – The first calendar month preceding the month the bill is rendered.

Demand Overrun Adjustment – If, in any hour, (i) Member's scheduled load (if Member is not in AEPSCO's Control Area) or (ii) Member's metered load less capacity obtained from sources outside the Dispatch Pool (if Member is in AEPSCO's Control Area) exceeds its Allocated Capacity, then Member shall be charged a Demand Overrun Adjustment. Such Demand Overrun Adjustment shall equal the product of Member's Fixed Charge multiplied by the demand overrun adjustment factor. The demand overrun adjustment factor shall be any non-negative number determined from the following formula:

$$\text{doaf} = ((\text{mbdkW}) / \text{AC}) - 1$$

Where:

- doaf = Demand Overrun Adjustment Factor,
mbdkW = Member Schedule in kW or Metered kW less capacity from sources outside the Dispatch Pool, as applicable, and
AC = Allocated Capacity of Member, in kW.

In addition, Member shall pay for the energy associated with the Demand Overrun Adjustment at the then-applicable Other Resources Energy Rate.

Power Factor – Each Member shall maintain Power Factor at the time of maximum demand as close to unity as possible. If the Power Factor of Member measured at the aggregated Member's Delivery Point(s) at the time of Member's peak demand is outside a bandwidth of 95% leading to 95% lagging, a Power Factor Adjustment shall be separately charged to the Member. The Power Factor Adjustment shall be the product of the Member's power factor adjustment (as set forth below) multiplied by the quotient of the Member's O&M Charge divided by the sum of the Member's 12-month rolling average demand. The power factor adjustment kW shall be any non-negative number determined from the following formula:

$$pfakW = ((mkW / mpf)(bpf)) - mkW$$

Where:

pfakW = power factor adjustment in kW,
 mkW = Member Metered kW,
 mpf = measured power factor at the time of Member peak demand, and
 bpf = 0.95.

The provisions of the power factor adjustment may be waived if power factor is detrimentally impacted as a direct result of system improvements or a change in operational procedure by AEPCO to reduce transmission losses and/or improve system reliability.

Taxes – Bills rendered are subject to adjustment for all federal, state and local government taxes or levies, including any taxes or levies imposed as a carbon tax or “cap and trade” or other carbon assessments system imposed on electricity sales or electricity production and any assessments that are or may be imposed by federal or state regulatory agencies on electric utility gross revenues.

Power Cost Adjustor Rates and Power Cost Bank Charges

“Base Resources” are defined as (1) AEPCO’s Steam Turbine Units 2 and 3, (2) power purchased under contract from the Western Area Power Administration and (3) economy purchases displacing base resources generation.

“Other Resources” are defined as (1) AEPCO’s generation units other than Steam Turbine Units 2 and 3, (2) power purchased under contracts which serve the combined scheduled loads of AEPCO’s Class A members plus power purchased under contract and economy energy purchases (other than economy purchases displacing base resources generation) made for the purpose of meeting the scheduled load requirements of all Class A members and (3) power purchased under contracts or resources which have been acquired to serve Class A Member load and which the Member has expressly agreed to in a participation agreement.

“Fixed Power Costs” are defined as those costs that do not vary directly with the production and/or purchase of electric power and energy. Such costs include, but are not limited to, demand charges, reservation charges, and wheeling expenses that do not vary directly with energy take.

The monthly bill computed under this Tariff shall, using the procedures stated herein, be increased or decreased by the monthly fixed costs adjustor charge, the monthly bank charges and an amount equal to the result of multiplying the kWh derived from each resource type by the applicable Power Cost Adjustor Rate for Base Resources and Other Resources where:

Base Resources Adjustor Rate

BF = BPC – BFB

BF = Base Resources Power Cost Adjustor Rate in dollars per kWh, rounded to the nearest one-thousandth of a cent (\$0.00001).

BPC = The Commission-allowed pro forma fuel costs of Base Resources generation, purchased power costs of Base Resources and wheeling costs associated with Base Resources in dollars per kWh, rounded to the nearest one-thousandth of a cent (\$0.00001).

BFB = The Base Resources Fuel Base or BFB is \$0.02931 for MEC, \$0.02975 for SSVEC and \$0.02984 for Trico.

Allowable Base Resources fuel, purchased power and wheeling costs include:

- A. The costs of fossil fuel and natural gas consumed in AEPCO's Steam Generating Units 2 and 3 as recorded in RUS Account 501 (excluding those costs identified as Fixed Power Costs), plus
- B. The actual costs associated with Base Resources power purchased for reasons other than identified in paragraph (C) below as recorded in RUS Account 555 (excluding those costs identified as Fixed Power Costs), plus
- C. The cost of energy purchased when such energy is purchased on an economic dispatch basis to substitute for higher cost Base Resources energy as recorded in RUS Account 555, plus
- D. The firm and non-firm wheeling expenses associated with the delivery of Base Resources energy as recorded in RUS Account 565 (excluding those costs identified as Fixed Power Costs), excepting network service transmission payments made by AEPCO to Southwest Transmission Cooperative, Inc. for electric power and energy furnished to AEPCO's all-requirements Class A members, less
- E. The energy costs recovered through non-tariff contractual firm sales of Base Resources power and energy as recorded in RUS Account 447, less
- F. The energy costs recovered through inter-system economy energy and/or intra-system resource transfer sales of Base Resources power and energy sold on an economic dispatch basis as recorded in RUS Account 447.

Base Resources Bank Charge

BBC = $BBA / 6$

BBC = Base Resources Bank Charge in dollars per month rounded to the nearest cent (\$0.01).

BBA = The "Base Resources Bank Account" represents allowable accumulated fuel, purchased power and wheeling costs in dollars over- or under-collected in the past from Base Resources, rounded to the nearest cent (\$0.01).

Other Resources Adjustor Rate

OF = OPC - OFB

OF = Other Resources Power Cost Adjustor Rate in dollars per kWh, rounded to the nearest one-thousandth of a cent (\$0.00001).

OPC = The Commission-allowed pro forma fuel costs of Other Resources generation, Other Resources purchased power and wheeling costs associated with Other Resources in dollars per kWh, rounded to the nearest one-thousandth of a cent (\$0.00001).

OFB = The Other Resources Fuel Base or OFB is \$0.04118 for MEC, \$0.04139 for SSVEC and \$0.03723 for Trico.

Allowable Other Resources fuel, purchased power and wheeling costs include:

- A. The costs of fossil fuel and natural gas consumed in AEPCO's Steam Generating Units 1, 4, 5 and 6 as recorded in RUS Accounts 501 and 547 (excluding those costs identified as Fixed Power Costs), plus
- B. The actual costs associated with Other Resources purchased power for reasons other than identified in paragraph (C) below as recorded in RUS Account 555 (excluding those costs identified as Fixed Power Costs), plus
- C. The cost of Other Resources energy purchased when such energy is purchased on an economic dispatch basis. Included therein are such costs as those charged for economy energy purchases and the charges resulting from a scheduled outage of Other Resources generation units. All such kinds of Other Resources energy being purchased by AEPCO to substitute for its own higher cost Other Resources energy as recorded in RUS Account 555, plus
- D. The firm and non-firm wheeling expenses associated with the delivery of Other Resources energy as recorded in RUS Account 565 (excluding those costs identified as Fixed Power Costs), excepting network service transmission payments made by AEPCO to Southwest Transmission Cooperative, Inc. for electric power and energy furnished to AEPCO's all-requirements Class A members, less
- E. The energy costs recovered through non-tariff contractual firm sales of Other Resources power and energy as recorded in RUS Account 447, and less
- F. The energy costs recovered through inter-system economy energy and/or intra-system resource transfer sales of Other Resources power and energy sold on an economic dispatch basis as recorded in RUS Account 447.

Other Resources Bank Charge

$$\text{OBC} = \text{OBA} / 6$$

OBC = Other Resources Bank Charge in dollars per month, rounded to the nearest cent (\$0.01).

OBA = The "Other Resources Bank Account" represents allowable accumulated fuel, purchased power and wheeling costs in dollars over- or under-collected in the past from Other Resources, rounded to the nearest cent (\$0.01).

Fixed Power Costs Adjustor Charge

$$\text{FC} = \text{FPC} - \text{FFB}$$

FC = Fixed Power Costs Adjustor Charge in dollars per month, rounded to the nearest cent (\$0.01).

FPC = The Commission-allowed pro forma fixed fuel costs of Base and Other Resources generation, fixed costs of Base and Other Resources purchased power and fixed wheeling costs associated with Base and Other Resources in dollars, rounded to the nearest cent (\$0.01).

FFB = The Fixed Power Costs Base or FFB is \$549,433.00 for MEC, \$486,509.00 for SSVEC and \$323,828.00 for Trico.

Allowable fixed fuel, purchased power and wheeling costs include:

- A. The fixed costs of fossil fuel and natural gas consumed in AEPCO's Steam Generating Units as recorded in RUS Accounts 501 and 547, plus
- B. The fixed costs associated with purchased power as recorded in RUS Account 555, plus
- C. The fixed wheeling expenses associated with the delivery of Base and Other Resources energy as recorded in RUS Account 565, excepting network service transmission payments made by AEPCO to Southwest Transmission Cooperative, Inc. for electric power and energy furnished to AEPCO's all-requirements Class A members, less
- D. The demand and other fixed costs recovered through non-tariff contractual firm sales of power and energy as recorded in RUS Account 447, less
- E. The demand and other fixed costs recovered through inter-system economy energy and/or intra-system resource transfer sales of power and energy sold on an economic dispatch basis as recorded in RUS Account 447.

Fixed Power Costs Bank Charge

$$FBC = FBA / 6$$

FBC = Fixed Power Costs Bank Charge in dollars per month, rounded to the nearest cent (\$0.01).

FBA = The "Fixed Power Costs Bank Account" represents allowable accumulated fixed fuel, purchased power and wheeling costs in dollars over- or under-collected in the past, rounded to the nearest cent (\$0.01).

For purposes of calculating the Power Cost Bank Charges, AEPCO shall separately track each individual Partial-Requirements Member's BBA, OBA, and FBA. In addition, on a calendar semi-annual basis, AEPCO shall compute the Power Cost Adjustor Rates as specified herein based upon a rolling 12-month average of allowable fuel, purchased power and wheeling costs for the BPC, the OPC and the FPC. AEPCO shall initially file by March 1, 2014 and thereafter on March 1 and September 1 of the month preceding the effective date of the revised Power Cost Adjustor Rates and Power Cost Bank Charges (i.e., April 1 or October 1): (1) calculations supporting the revised Adjustor Rates and Bank Charges with the Director, Utilities Division, and (2) a Tariff reflecting the revised Adjustor Rates and Bank Charges with the Commission, which Tariff shall be effective for billings after the first day of the following month and which shall continue in effect until revised pursuant to the procedures specified herein.

EXHIBIT A

Effective Date	November 1, 2014 (1)		
	MEC	SSVEC	Trico
Partial-Requirements Members:			
Fixed Charge – \$/month	\$856,617	\$758,513	\$504,878
O&M Charge – \$/month	\$1,433,723	\$1,269,525	\$845,015
Base Resources Energy Rate – \$/kWh	\$0.02931	\$0.02975	\$0.02984
Other Resources Energy Rate – \$/kWh	\$0.04118	\$0.04139	\$0.03723

Adjustor Rates/Charges**MEC**

Base Resources Power Cost Adjustor Rate – \$/kWh	\$TBD*
Other Resources Power Cost Adjustor Rate – \$/kWh	\$TBD*
Fixed Power Costs Adjustor Charge – Total \$/mo.	\$TBD*

SSVEC

Base Resources Power Cost Adjustor Rate – \$/kWh	\$TBD*
Other Resources Power Cost Adjustor Rate – \$/kWh	\$TBD*
Fixed Power Costs Adjustor Charge – Total \$/mo.	\$TBD*

Trico

Base Resources Power Cost Adjustor Rate – \$/kWh	\$TBD*
Other Resources Power Cost Adjustor Rate – \$/kWh	\$TBD*
Fixed Power Costs Adjustor Charge – Total \$/mo.	\$TBD*

Bank Charges**MEC**

Base Resources Bank Charge – \$/mo.	\$TBD*
Other Resources Bank Charge – \$/mo.	\$TBD*
Fixed Power Costs Bank Charge – \$/mo.	\$TBD*

SSVEC

Base Resources Bank Charge – \$/mo.	\$TBD*
Other Resources Bank Charge – \$/mo.	\$TBD*
Fixed Power Costs Bank Charge – \$/mo.	\$TBD*

Trico

Base Resources Bank Charge – \$/mo.	\$TBD*
Other Resources Bank Charge – \$/mo.	\$TBD*
Fixed Power Costs Bank Charge – \$/mo.	\$TBD*

(1) Rates are effective for service provided on and after this date.

* Effective October 1, 2014 and determined and revised as set forth in the Tariff.

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EXHIBIT B

Arizona Electric Power Cooperative, Inc.

***Rate and Revenues Generated Summary
Test Year Ended December 31, 2011
South Point and Griffith Adjustments per
ACC Decision No. 74173***

August 1, 2014

Arizona Electric Power Cooperative, Inc.
DERIVATION OF REVENUE REQUIREMENTS AND RATES
WITHOUT SOUTH POINT & GRIFFITH CONTRACTS
PER DECISION NO. 74173

LINE NO.	FUNCTIONAL COSTS	TRICO ELECTRIC COOPERATIVE	SOUTH POINT & GRIFFITH PPA ADJUSTMENTS	TRICO WITHOUT SOUTH POINT & GRIFFITH PPA COSTS	DECISION NO. 74173 COLLECTIVE ALL REQUIREMENTS MEMBERS	SOUTH POINT & GRIFFITH PPA ADJUSTMENTS	CARM WITHOUT SOUTH POINT & GRIFFITH PPA COSTS
1	REVENUE REQUIREMENT DEVELOPMENT						
2	FIXED COSTS						
3	BASE RESOURCES	\$4,634,659	\$0	\$4,634,659	\$2,504,034	\$0	\$2,504,034
4	OTHER EXISTING RESOURCES	1,423,871	0	1,423,871	769,295	0	769,295
5	ADDITIONAL RESOURCES	2,869,233	2,869,233	0	94,850	94,850	0
6	SUB-TOTAL	\$8,927,763	\$2,869,233	\$6,058,530	\$3,368,179	\$94,850	\$3,273,329
7	O&M						
8	BASE RESOURCES	\$9,602,133	\$0	\$9,602,133	\$5,187,882	\$0	\$5,187,882
9	OTHER EXISTING RESOURCES	538,082	0	538,082	290,701	0	290,701
10	ADDITIONAL RESOURCES	281,602	281,602	0	75,554	75,554	0
11	SUB-TOTAL	\$10,421,787	\$281,602	\$10,140,185	\$5,554,137	\$75,554	\$5,478,583
12	ENERGY						
13	BASE RESOURCES	\$14,886,019	\$0	\$14,886,019	\$6,851,461	\$0	\$6,851,461
14	OTHER EXISTING RESOURCES	3,264,619	0	3,264,619	660,338	0	660,338
15	ADDITIONAL RESOURCES	3,395,252	258,684	3,136,568	196,707	8,551	660,338
16	SUB-TOTAL	\$21,545,890	\$258,684	\$21,287,206	\$7,708,506	\$8,551	\$7,699,955
17	TOTAL RESOURCE COSTS						
18	BASE RESOURCES	\$29,122,811	\$0	\$29,122,811	\$14,543,377	\$0	\$14,543,377
19	OTHER EXISTING RESOURCES	5,226,542	0	5,226,542	1,720,334	0	1,720,334
20	ADDITIONAL RESOURCES	6,546,087	3,409,519	3,136,568	367,111	178,955	188,156
21	TOTAL	\$40,895,440	\$3,409,519	\$37,485,921	\$16,630,822	\$178,955	\$16,451,867
22	RATE DEVELOPMENT						
23	BILLING DETERMINANTS						
24	BASE RESOURCE KWH	1,466,322	0	1,466,322	509,624	0	509,624
25	OTHER EXISTING RESOURCES KWH	498,876,619	0	498,876,619	231,625,173	0	231,625,173
26	ADDITIONAL RESOURCES KWH	76,467,416	0	76,467,416	15,428,608	0	15,428,608
27	TOTAL KWH	181,255,000	5,784,000	95,471,000	6,523,000	191,000	6,332,000
28	MONTHLY CHARGES	676,599,035	5,784,000	670,815,035	253,576,781	191,000	253,385,781
29	FIXED CHARGE	\$743,980	\$239,103	\$504,878	\$280,682	\$7,904	\$272,777
30	O&M CHARGE	\$868,482	\$23,467	\$845,015	\$462,845	\$6,296	\$456,549
31	BASE ENERGY CHARGE	\$0.03984	\$0.00000	\$0.02984	\$0.02958	\$0.00000	\$0.02958
32	OTHER EXISTING RESOURCE ENERGY CHARGE	\$0.03747	\$0.04472	\$0.03723	\$0.03904	\$0.04477	\$0.03899
33	ADDITIONAL RESOURCES ENERGY CHARGE	\$0.03747	\$0.04472	\$0.03723	\$0.03904	\$0.04477	\$0.03899
34	AVERAGE ENERGY CHARGE	\$0.031844	\$0.044724	\$0.031733	\$0.030399	\$0.044770	\$0.030388

APCO Review Comments without S and G PPA - 7/15/2014

Arizona Electric Power Cooperative, Inc.
DERIVATION OF FUEL BASE CHARGES
WITHOUT SOUTH POINT & GRIFFITH CONTRACTS
PER DECISION NO. 74173

LINE NO.	DESCRIPTION	DECISION NO. 74173		TRICO WITHOUT SOUTH POINT & GRIFFITH PPA COSTS		DECISION NO. 74173 COLLECTIVE ALL REQUIREMENTS MEMBERS		SOUTH POINT & GRIFFITH PPA ADJUSTMENTS		CARM WITHOUT SOUTH POINT & GRIFFITH PPA COSTS	
		TRICO ELECTRIC COOPERATIVE	SOUTH POINT & GRIFFITH PPA ADJUSTMENTS	SOUTH POINT & GRIFFITH PPA	SOUTH POINT & GRIFFITH PPA	REQUIREMENTS MEMBERS	ADJUSTMENTS	ADJUSTMENTS	COSTS		
1	FUEL BASE CHARGES:										
2	BASE RESOURCES BASE CHARGE	\$14,886,019	\$0	\$14,886,019	\$6,851,461	\$0	\$6,851,461	\$0	\$6,851,461		
3	BASE RESOURCES ENERGY COSTS	498,876,619	0	498,876,619	231,625,173	0	231,625,173	0	231,625,173		
4	BASE RESOURCE KWH	\$0.02984	\$0.00000	\$0.02984	\$0.02958	\$0.00000	\$0.02958	\$0.00000	\$0.02958		
5	BASE RESOURCES BASE CHARGE - \$/kWh										
6	OTHER RESOURCES BASE CHARGE	\$6,659,871	\$258,684	\$6,401,187	\$857,045	\$8,551	\$848,494	\$8,551	\$848,494		
7	OTHER RESOURCES ENERGY COSTS	171,722,416	5,784,000	171,938,416	21,951,608	191,000	21,760,608	191,000	21,760,608		
8	OTHER RESOURCES KWH	\$0.03747	\$0.04472	\$0.03723	\$0.03904	\$0.04477	\$0.03899	\$0.04477	\$0.03899		
9	OTHER RESOURCES BASE CHARGE - \$/kWh										
10	FIXED FUEL BASE CHARGES										
11	FIXED COAL COSTS	\$163,224	\$0	\$163,224	\$88,188	\$0	\$88,188	\$0	\$88,188		
12	FIXED GAS COSTS	924,937	0	924,937	499,729	0	499,729	0	499,729		
13	PURCHASED DEMAND COSTS:										
14	BASE RESOURCES	193,065	0	193,065	104,310	0	104,310	0	104,310		
15	OTHER RESOURCES	0	0	0	0	0	0	0	0		
16	ADDITIONAL RESOURCES	2,784,891	2,784,891	0	92,062	92,062	0	92,062	0		
17	TOTAL PURCHASED DEMAND COSTS	2,977,956	2,784,891	193,065	196,372	92,062	104,310	92,062	104,310		
18	TRANSMISSION OF ELECTRICITY BY OTHERS	2,505,727	0	2,505,727	1,353,805	0	1,353,805	0	1,353,805		
19	BASE RESOURCES WHEELING	109,051	0	109,051	58,918	0	58,918	0	58,918		
20	OTHER RESOURCES WHEELING	219,542	219,542	0	7,258	7,258	0	7,258	0		
21	ADDITIONAL RESOURCES WHEELING	2,834,320	219,542	2,614,778	1,419,981	7,258	1,412,723	7,258	1,412,723		
22	TOTAL WHEELING COSTS	6,900,437	3,004,433	3,896,004	2,204,270	99,320	2,104,950	99,320	2,104,950		
23	SUBTOTAL	10,071	0	10,071	5,441	0	5,441	0	5,441		
24	FIRM CONTRACT REVENUES	\$6,890,366	\$3,004,433	\$3,885,933	\$2,198,828	\$99,320	\$2,099,509	\$99,320	\$2,099,509		
25	TOTAL FIXED FUEL BASE COSTS:	\$574,197	\$250,569	\$323,628	\$181,256	\$8,277	\$174,959	\$8,277	\$174,959		
26	FIXED FUEL BASE CHARGES - PER MONTH										

Arizona Electric Power Cooperative, Inc.
Adjudicated and Proposed Rate Tariffs
Twelve Months Ended December 31, 2011

Description	Decision 74173 Rates As Adjudicated	Proposed Rate Tariff	Increase (Decrease)
1 Collective All Requirements Members:			
2 Fixed Charge - Per Month	\$ 280,682	\$ 272,777	\$ (7,904)
3 O&M Rate - Per Month	\$ 462,845	\$ 456,549	\$ (6,296)
4			
5 Base Resources Energy Charge - \$/kWh	\$ 0.02958	\$ 0.02958	\$ (0.00000)
6 Base Resources Synchron. PPFAC Accrual - \$/kWh	\$ -	\$ -	\$ -
7 Total	\$ 0.02958	\$ 0.02958	\$ (0.00000)
8			
9 Other Resources Energy Charge - \$/kWh	\$ 0.03904	\$ 0.03899	\$ (0.00005)
10 Other Resources Synchron. PPFAC Accrual - \$/kWh	\$ -	\$ -	\$ -
11 Total	\$ 0.03904	\$ 0.03899	\$ (0.00005)
12			
13 Partial Requirements Customers:			
14 Mohave Electric Cooperative:			
15 Fixed Charge - Per Month	\$ 856,617	\$ 856,617	\$ -
16 O&M Rate - Per Month	\$ 1,433,723	\$ 1,433,723	\$ -
17			
18 Base Resources Energy Charge - \$/kWh	\$ 0.02931	\$ 0.02931	\$ -
19 Base Resources Synchron. PPFAC Accrual - \$/kWh	\$ -	\$ -	\$ -
20 Total	\$ 0.02931	\$ 0.02931	\$ -
21			
22 Other Resources Energy Charge - \$/kWh	\$ 0.04118	\$ 0.04118	\$ -
23 Other Resources Synchron. PPFAC Accrual - \$/kWh	\$ -	\$ -	\$ -
24 Total	\$ 0.04118	\$ 0.04118	\$ -
25			
26 Sulphur Springs Valley Electric Cooperative:			
27 Fixed Charge - Per Month	\$ 758,513	\$ 758,513	\$ -
28 O&M Rate - Per Month	\$ 1,269,525	\$ 1,269,525	\$ -
29			
30 Base Resources Energy Charge - \$/kWh	\$ 0.02975	\$ 0.02975	\$ -
31 Base Resources Synchron. PPFAC Accrual - \$/kWh	\$ -	\$ -	\$ -
32 Total	\$ 0.02975	\$ 0.02975	\$ -
33			
34 Other Resources Energy Charge - \$/kWh	\$ 0.04139	\$ 0.04139	\$ -
35 Other Resources Synchron. PPFAC Accrual - \$/kWh	\$ -	\$ -	\$ -
36 Total	\$ 0.04139	\$ 0.04139	\$ -
37			
38 Trico Electric Cooperative:			
39 Fixed Charge - Per Month	\$ 743,980	\$ 504,878	\$ (239,103)
40 O&M Rate - Per Month	\$ 868,482	\$ 845,015	\$ (23,467)
41			
42 Base Resources Energy Charge - \$/kWh	\$ 0.02984	\$ 0.02984	\$ (0.00000)
43 Base Resources Synchron. PPFAC Accrual - \$/kWh	\$ -	\$ -	\$ -
44 Total	\$ 0.02984	\$ 0.02984	\$ (0.00000)
45			
46 Other Resources Energy Charge - \$/kWh	\$ 0.03747	\$ 0.03723	\$ (0.00024)
47 Other Resources Synchron. PPFAC Accrual - \$/kWh	\$ -	\$ -	\$ -
48 Total	\$ 0.03747	\$ 0.03723	\$ (0.00024)
49			

Arizona Electric Power Cooperative, Inc.
Present and Proposed PPFAC Bases
Twelve Months Ended December 31, 2011

Description	Test Period PPFAC Bases As Adjusted	Proposed PPFAC Bases	Increase (Decrease)
1 Collective All Requirements Members:			
2 Fixed Fuel Costs Base	\$183,236	\$174,959	(\$8,277)
3 Base Resources Base	\$0.02958	\$0.02958	\$0.00000
4 Other Resources Base	\$0.03904	\$0.03899	-\$0.00005
5			
6 Partial Requirements Customers:			
7 Mohave Electric Cooperative:			
8 Fixed Fuel Costs Base	\$549,433	\$549,433	\$0
9 Base Resources Base	\$0.02931	\$0.02931	\$0.00000
10 Other Resources Base	\$0.04118	\$0.04118	\$0.00000
11			
12 Sulphur Springs Valley Electric Cooperative:			
13 Fixed Fuel Costs Base	\$486,509	\$486,509	\$0
14 Base Resources Base	\$0.02975	\$0.02975	\$0.00000
15 Other Resources Base	\$0.04139	\$0.04139	\$0.00000
16			
17 Trico Electric Cooperative:			
18 Fixed Fuel Costs Base	\$574,197	\$323,828	(\$250,369)
19 Base Resources Base	\$0.02984	\$0.02984	\$0.00000
20 Other Resources Base	\$0.03747	\$0.03723	-\$0.00024

Arizona Electric Power Cooperative, Inc
Summary of Revenues Generated by Present and Proposed Rates
Twelve Months Ended December 31, 2011

Description	Revenues Generated by Rates Effective November 1, 2013			Revenues Generated by Proposed Rates without S & G PPA Costs			Revenue Increase	
	Billing Units	Billing Rate	Revenues Generated \$	Billing Units	Billing Rate	Revenues Generated \$	\$	%
1 Amza Electric Cooperative, Inc.								
2 Fixed & O&M Monthly Charges	12	\$136,003 ⁽¹⁾	\$ 1,633,033	12	\$133,405 ⁽¹⁾	\$ 1,600,863	\$ (32,170)	
3 Energy Charges:								
4 Base Resources	46,960,331	\$0.02958	1,389,084	46,960,331	\$0.02958	1,389,084		
5 Base PPFAC Accrual		\$0.00000	-		\$0.00000	-		
6 Subtotal		\$0.02958	1,389,084		\$0.02958	1,389,084	(0)	
7 Other Existing Resources		\$0.03904	167,365		\$0.03899	165,695		
8 Other PPFAC Accrual		\$0.00000	-		\$0.00000	-		
9 Subtotal		\$0.03904	167,365		\$0.03899	165,695		
10 Total Energy Charges		\$0.03904	1,556,450		\$0.03899	1,554,780		
11 Subtotal	51,247,062		\$ 3,189,488	51,209,783		\$ 3,155,643	\$ (33,839)	-1.03%
12 Total			63.22			61.62		
13 Total			63.22			61.62		
14 Duncan Valley Electric Cooperative, Inc.								
15 Fixed & O&M Monthly Charges	12	\$90,645 ⁽¹⁾	\$ 1,087,738	12	\$88,914 ⁽¹⁾	\$ 1,066,964	\$ (20,774)	
16 Energy Charges:								
17 Base Resources	27,088,557	\$0.02958	801,278	27,088,557	\$0.02958	801,278		
18 Base PPFAC Accrual		\$0.00000	-		\$0.00000	-		
19 Subtotal		\$0.02958	801,278		\$0.02958	801,278	(0)	
20 Other Existing Resources		\$0.03904	98,487		\$0.03899	97,702		
21 Other PPFAC Accrual		\$0.00000	-		\$0.00000	-		
22 Subtotal		\$0.03904	98,487		\$0.03899	97,702		
23 Total Energy Charges		\$0.03904	899,765		\$0.03899	898,980		
24 Subtotal	29,616,332		\$ 1,987,703	29,594,239		\$ 1,965,944	\$ (21,759)	-1.09%
25 Total			67.12			66.43		
26 Total			67.12			66.43		
27 Graham County Electric Cooperative, Inc.								
28 Fixed & O&M Monthly Charges	12	\$516,879 ⁽¹⁾	\$ 6,202,545	12	\$507,007 ⁽¹⁾	\$ 6,084,085	\$ (118,460)	
29 Energy Charges:								
30 Base Resources	157,576,285	\$0.02958	4,661,099	157,576,285	\$0.02958	4,661,099		
31 Base PPFAC Accrual		\$0.00000	-		\$0.00000	-		
32 Subtotal		\$0.02958	4,661,099		\$0.02958	4,661,099	(0)	
33 Other Existing Resources		\$0.03904	590,993		\$0.03899	585,096		
34 Other PPFAC Accrual		\$0.00000	-		\$0.00000	-		
35 Subtotal		\$0.03904	590,993		\$0.03899	585,096		
36 Total Energy Charges		\$0.03904	5,252,092		\$0.03899	5,246,195		
37 Subtotal	172,713,467		\$ 11,454,637	172,581,759		\$ 11,330,280	\$ (124,357)	-1.09%
38 Total			66.32			65.65		
39 Total			66.32			65.65		

AEPCCO Revenues Comparison without S and G PPAs - 7/15/2014

Arizona Electric Power Cooperative, Inc
Summary of Revenues Generated by Present and Proposed Rates
Twelve Months Ended December 31, 2011

Description	Revenues Generated by Rates Effective November 1, 2013				Revenues Generated by Proposed Rates without S & G PPA Costs				Revenue Increase	
	Billing Units	Billing Rate	Revenues Generated \$	Average Unit Cost Mills/kWh	Billing Units	Billing Rate	Revenues Generated \$	Average Unit Cost Mills/kWh	\$	%
1 Mohave Electric Cooperative, Inc.										
2 Fixed & O&M Monthly Charges	12	\$2,290,340	\$ 27,484,075	40.51	12	\$2,290,340	\$ 27,484,075	40.51	\$ -	-
3 Energy Charges:										
4 Base Resources		\$0.02931	19,875,996	29.31		\$0.02931	19,875,996	29.31		
5 Base PPFAC Accrual		\$0.00000	-	-		\$0.00000	-	-		
6 Subtotal		\$0.02931	19,875,996	29.31		\$0.02931	19,875,996	29.31		
7 Other Existing Resources		\$0.04118	14,085	41.18		\$0.04118	14,085	41.18		
8 Other PPFAC Accrual		\$0.00000	-	-		\$0.00000	-	-		
9 Subtotal		\$0.04118	14,085	41.18		\$0.04118	14,085	41.18		
10 Total Energy Charges			19,890,080	29.32			19,890,080	29.32		
11 Total			\$ 47,374,155	69.83			\$ 47,374,155	69.83	\$ -	0.00%
12 Total			\$ 47,374,155	69.83			\$ 47,374,155	69.83	\$ -	0.00%
14 Sulphur Springs Electric Coop., Inc.										
15 Fixed & O&M Monthly Charges	12	\$2,028,038	\$ 24,336,458	33.84	12	\$2,028,038	\$ 24,336,458	33.84	\$ -	-
16 Energy Charges:										
17 Base Resources		\$0.02975	21,386,209	29.75		\$0.02975	21,386,209	29.75		
18 Base PPFAC Accrual		\$0.00000	-	-		\$0.00000	-	-		
19 Subtotal		\$0.02975	21,386,209	29.75		\$0.02975	21,386,209	29.75		
20 Other Existing Resources		\$0.04139	14,322	41.39		\$0.04139	14,322	41.39		
21 Other PPFAC Accrual		\$0.00000	-	-		\$0.00000	-	-		
22 Subtotal		\$0.04139	14,322	41.39		\$0.04139	14,322	41.39		
23 Total Energy Charges			21,400,531	29.76			21,400,531	29.76		
24 Total			\$ 45,736,989	63.59			\$ 45,736,989	63.59	\$ -	0.00%
25 Total			\$ 45,736,989	63.59			\$ 45,736,989	63.59	\$ -	0.00%
26 Total			\$ 45,736,989	63.59			\$ 45,736,989	63.59	\$ -	0.00%
27 Trico Electric Cooperative, Inc.										
28 Fixed & O&M Monthly Charges	12	\$1,612,463	\$ 19,349,550	28.60	12	\$1,349,893	\$ 16,198,715	24.15	\$ (3,150,835)	-
29 Energy Charges:										
30 Base Resources		\$0.02984	14,886,019	29.84		\$0.02984	14,886,019	29.84		
31 Base PPFAC Accrual		\$0.00000	-	-		\$0.00000	-	-		
32 Subtotal		\$0.02984	14,886,019	29.84		\$0.02984	14,886,019	29.84		(0)
33 Other Existing Resources		\$0.03747	6,659,871	37.47		\$0.03723	6,481,187	37.23		
34 Other PPFAC Accrual		\$0.00000	-	-		\$0.00000	-	-		
35 Subtotal		\$0.03747	6,659,871	37.47		\$0.03723	6,481,187	37.23		(258,684)
36 Total Energy Charges			21,545,890	31.84			21,287,206	31.73		(258,684)
37 Total			\$ 40,895,440	60.44			\$ 37,485,921	55.88		(3,409,519) -8.34%
38 Total			\$ 40,895,440	60.44			\$ 37,485,921	55.88		(3,409,519) -8.34%
39 Total			\$ 40,895,440	60.44			\$ 37,485,921	55.88		(3,409,519) -8.34%
40 Total			\$ 40,895,440	60.44			\$ 37,485,921	55.88		(3,409,519) -8.34%
41 Total			\$ 40,895,440	60.44			\$ 37,485,921	55.88		(3,409,519) -8.34%
42 Total			\$ 40,895,440	60.44			\$ 37,485,921	55.88		(3,409,519) -8.34%

(1) Represents load ratio share of CARM Fixed & O&M Monthly Charges.

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EXHIBIT C

Effective Date	November 1, 2014 (1)		
	MEC	SSVEC	Trico
Partial-Requirements Members:			
Fixed Charge – \$/month	\$856,617	\$758,513	\$504,878
O&M Charge – \$/month	\$1,433,723	\$1,269,525	\$845,015
Base Resources Energy Rate – \$/kWh	\$0.02931	\$0.02975	\$0.02984
Other Resources Energy Rate – \$/kWh	\$0.04118	\$0.04139	\$0.03723

Adjustor Rates/Charges

MEC

Base Resources Power Cost Adjustor Rate – \$/kWh	(\$0.00125)*
Other Resources Power Cost Adjustor Rate – \$/kWh	(\$0.02787)*
Fixed Power Costs Adjustor Charge – Total \$/mo.	(\$48,558.77)*

SSVEC

Base Resources Power Cost Adjustor Rate – \$/kWh	(\$0.00175)*
Other Resources Power Cost Adjustor Rate – \$/kWh	(\$0.04931)*
Fixed Power Costs Adjustor Charge – Total \$/mo.	(\$42,996.94)*

Trico

Base Resources Power Cost Adjustor Rate – \$/kWh	(\$0.00249)*
Other Resources Power Cost Adjustor Rate – \$/kWh	(\$0.29212)*
Fixed Power Costs Adjustor Charge – Total \$/mo.	(\$28,619.66)*

Bank Charges

MEC

Base Resources Bank Charge – \$/mo.	(\$112,113.07)*
Other Resources Bank Charge – \$/mo.	(\$14,164.84)*
Fixed Power Costs Bank Charge – \$/mo.	(\$40,127.07)*

SSVEC

Base Resources Bank Charge – \$/mo.	(\$126,979.69)*
Other Resources Bank Charge – \$/mo.	(\$110,022.25)*
Fixed Power Costs Bank Charge – \$/mo.	(\$35,530.40)*

Trico

Base Resources Bank Charge – \$/mo.	(\$123,367.43)*
Other Resources Bank Charge – \$/mo.	(\$63,194.11)*
Fixed Power Costs Bank Charge – \$/mo.	(\$119,225.59)*

(1) Rates are effective for service provided on and after this date.

* Effective October 1, 2014 and determined and revised as set forth in the Tariff.

Effective Date	November 1, 2014 (1)
Collective All-Requirements Members:	
Total Fixed Charge/Month	\$272,777 (2)
Total O&M Charge/Month	\$456,549 (2)
Base Resources Energy Rate – \$/kWh	\$0.02958
Other Resources Energy Rate – \$/kWh	\$0.03899

Adjustor Rates/Charges

Base Resources Power Cost Adjustor Rate – \$/kWh	(\$0.00088)*
Other Resources Power Cost Adjustor Rate – \$/kWh	(\$0.00947)*
Fixed Power Costs Adjustor Charge – Total \$/mo. (2)	(\$15,462.55)*

Bank ChargesAnza Electric Cooperative, Inc.

Base Resources Bank Charge – \$/mo.	(\$9,654.49)*
Other Resources Bank Charge – \$/mo.	(\$4,674.12)*
Fixed Power Costs Bank Charge – \$/mo.	(\$3,178.07)*

Duncan Valley Electric Cooperative, Inc.

Base Resources Bank Charge – \$/mo.	(\$5,516.04)*
Other Resources Bank Charge – \$/mo.	(\$2,639.62)*
Fixed Power Costs Bank Charge – \$/mo.	(\$1,985.57)*

Graham County Electric Cooperative, Inc.

Base Resources Bank Charge – \$/mo.	(\$27,450.34)*
Other Resources Bank Charge – \$/mo.	(\$13,442.59)*
Fixed Power Costs Bank Charge – \$/mo.	(\$10,773.56)*

- (1) Rates are effective for service provided on and after this date.
- (2) The Total Fixed Charge, the Total O&M Charge, and the Fixed Power Costs Adjustor Charge are apportioned among the CARMs and allocated to each CARM based upon each CARM's monthly Demand Ratio Share. The Demand Ratio Share is calculated each month as the percentage of each CARM's 12-month rolling average demand to the total of the CARMs' 12-month rolling average demand.

* Effective October 1, 2014 and determined and revised as set forth in the Tariff.