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Direct: (602) 530-8191
Email: jennifer.cranston@gknet.comG|K
Gallagher&Kennedy

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February 5, 2015
AZ CORP COMMISSION
DOCKET CONTROL**HAND DELIVERED**Commissioner Susan Bitter Smith, Chairman
Commissioner Bob Stump
Commissioner Bob Burns
Commissioner Doug Little
Commissioner Tom Forese
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007Arizona Corporation Commission
DOCKETED

FEB 05 2015

ORIGINAL

DOCKETED BY:

Re: *Arizona Electric Power Cooperative, Inc.'s Request for Review of PPFAC
Efficacy and Approval of Revised Allocation Methodology ("Efficacy Filing");
Decision No. 74173; Docket No. E-01773A-12-0305*

Dear Commissioners:

Arizona Electric Power Cooperative, Inc. ("AEPCO" or the "Cooperative") is a not-for-profit cooperative. AEPCO has six Class A Member distribution cooperatives consisting of three all-requirements members (which receive all their power and energy from AEPCO) and three partial-requirements members (each of which is committed to purchasing a fixed amount of capacity from AEPCO).

In AEPCO's most recent rate case, the Commission issued Decision No. 74173 dated October 25, 2013 (the "Rate Case Decision"). In the Rate Case Decision, the Commission authorized continuation of the Cooperative's Purchased Power and Fuel Adjustment Clause ("PPFAC"). The Commission also continued AEPCO's ability to request modifications to the PPFAC should problems develop:

[AEPCO] may file, at the time it submits any semi-annual filing required by the PPFAC tariff and this Decision, a request that the Commission review the efficacy of the PPFAC.

The Rate Case Decision, p. 21, Second Full Ordering Paragraph.¹

¹ Simultaneous with this Efficacy Filing, AEPCO has submitted revised adjustors using the PPFAC's current structure for April 1 implementation if the Commission cannot act on this request by that date. However, AEPCO asks that the Commission approve the additional revisions requested herein as soon as possible.

When the Commission first approved the “efficacy” process in AEPCO’s 2005 rate decision (Decision No. 68071), it was concerned that PPFAC problems might arise which, for example, would interfere with the timely and efficient collection or refund of power-related costs. The efficacy process was authorized to allow the Commission to respond to market changes without the time and expense of a full rate case proceeding. Consistent with that authorization, this Efficacy Filing requests a review and authorization to correct a substantial problem that has arisen with the recovery and allocation of certain costs and revenues through the PPFAC – specifically, costs and credits associated with AEPCO’s sale of “Other Resources” power to its members and to non-members.

Under the current structure, AEPCO’s PPFAC distinguishes between and separately tracks three different categories of costs and revenues: Base Resources Energy, Other Resources Energy and Fixed power costs and credits. The over- and under-collected balances for each member’s usage are refunded and collected through corresponding bank balance credits and charges (*i.e.*, Base Resources Bank Charge, Other Resources Bank Charge and Fixed Power Costs Bank Charge).

Other Resources Energy tracks costs and revenues associated with AEPCO’s gas-fired resources, energy purchases in lieu of generation from its gas-fired resources and sales made to non-members from the gas-fired resources. Under the current PPFAC, the member who causes any Other Resource to be dispatched to its load is proportionately credited with any revenues from non-member sales. Implicit in this methodology is the expectation (based on historic data and billing unit modeling) that sales of Other Resources to non-members will correspond with member usage of the Other Resources. However, recent member usage of Other Resources has not been robust and market conditions have allowed non-member sales even when AEPCO’s members schedule little or no Other Resources Energy. This lack of robustness combined with non-member sales has caused extreme and volatile per-unit PPFAC calculations and risks stranded costs and credits in months when there is no member usage of Other Resources Energy. Further, the current structure results in allocation among the members that is inconsistent with each member’s share in AEPCO’s total generation capacity (also known as Allocated Capacity Percentage (“ACP”)).

To address this issue, AEPCO proposes to move the costs and credits associated with non-member sales of Other Resources into the calculation of the Base Resources Energy adjustor rate. Under this proposal, the Other Resources adjustor will be based solely on the costs directly assignable to member usage of Other Resources Energy. Meanwhile, the costs and revenues associated with non-member sales of Other Resources Energy will be allocated among the members based on ACP.

Attached to this Efficacy Filing are: (1) a revised all-requirements member Tariff; (2) a revised partial-requirements member Schedule; and (3) a schedule providing supporting information regarding the calculation of the adjustor rates and bank charges. The attached Tariff and Schedule set forth in greater detail AEPCO’s proposed methodology and resulting

Letter to Commissioners
February 5, 2015
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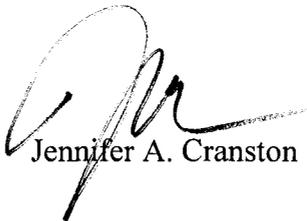
calculations of Base Resources and Other Resources adjustor rates. They also incorporate pro forma adjustments applying the revised methodology to the calculation of the bank balances for the last three months of 2014.²

Given the requested effective date of April 1, 2015, AEPCO will assist the Utilities Division Staff in analyzing and processing this request promptly. The Cooperative respectfully requests that the Commission authorize these PPFAC revisions for April 1 implementation or as soon as possible thereafter.

Sincerely,

GALLAGHER & KENNEDY, P.A.

By:



Jennifer A. Cranston

JAC:njk
Enclosures
4636110v1/10421-0067

cc w/enclosures (delivered): Each Commissioner
Candrea Allen, Utilities Division
Barbara Keene, Utilities Division
Terri Ford, Utilities Division

Original and 13 copies filed with Docket
Control this 5th day of February, 2015.

² The revisions to the bank balance calculations only impact accrued balances on AEPCO's books. They do not revise any amounts previously billed to or collected from AEPCO's members.

ARIZONA ELECTRIC POWER COOPERATIVE, INC.

TARIFF

PERMANENT

Effective Date: April 1, 2015

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).*

* The BPC also incorporates any credits or costs of intra-system resource transfer sales of Base Resources energy.

Allowable Base Resources fuel, purchased power and wheeling costs (BPC) 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, plus
- E. All costs identified in paragraphs (A) thru (D) of the Other Resources Adjustor Rate section that are not directly assignable to Class A member use of Other Resources energy, less

- F. The revenue recovered through non-tariff contractual firm sales of Base Resources and Other Resources economy power and energy as recorded in RUS Account 447, less
- G. The revenue recovered through inter-system sales of Base Resources and Other Resources economy 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 (OPC) 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 associated with serving Class A member power and energy requirements (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.

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 (FPC) 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 revenues recovered through non-tariff contractual firm sales of power and energy as recorded in RUS Account 447, less

E. The demand and other fixed revenues recovered through inter-system economy 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	(\$0.00321) *
Other Resources Power Cost Adjustor Rate – \$/kWh	\$0.00965*
Fixed Power Costs Adjustor Charge – Total \$/mo. (2)	(\$10,779.51)*

Bank Charges

Anza Electric Cooperative, Inc.

Base Resources Bank Charge – \$/mo.	(\$8,652.10)*
Other Resources Bank Charge – \$/mo.	(\$3,721.36)*
Fixed Power Costs Bank Charge – \$/mo.	\$1,893.06*

Duncan Valley Electric Cooperative, Inc.

Base Resources Bank Charge – \$/mo.	(\$4,658.03)*
Other Resources Bank Charge – \$/mo.	(\$2,367.47)*
Fixed Power Costs Bank Charge – \$/mo.	\$1,292.98*

Graham County Electric Cooperative, Inc.

Base Resources Bank Charge – \$/mo.	(\$24,549.06)*
Other Resources Bank Charge – \$/mo.	(\$13,144.24)*
Fixed Power Costs Bank Charge – \$/mo.	\$6,816.41*

- (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 April 1, 2015 and determined and revised as set forth in the Tariff.

Arizona Electric Power Cooperative, Inc.

Partial-Requirements Schedule Rates and Fixed Charge (Effective April 1, 2015)

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. ("AEPCO") 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 AEPCO's Control Area) or (ii) Member's metered load less capacity obtained from sources outside the Dispatch Pool (if Member is in AEPCO'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.

* The BPC also incorporates any credits or costs of intra-system resource transfer sales of Base Resources energy.

Allowable Base Resources fuel, purchased power and wheeling costs (BPC) 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, plus
- E. All costs identified in paragraphs (A) thru (D) of the Other Resources Adjustor Rate section that are not directly assignable to Class A member use of Other Resources energy, less
- F. The revenue recovered through non-tariff contractual firm sales of Base Resources and Other Resources economy power and energy as recorded in RUS Account 447, less
- G. The revenue recovered through inter-system sales of Base Resources and Other Resources economy 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 (OPC) 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 associated with serving Class A member power and energy requirements (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.

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 (FPC) 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 revenues recovered through non-tariff contractual firm sales of power and energy as recorded in RUS Account 447, less
- E. The demand and other fixed revenues recovered through inter-system economy energy sold on an economic dispatch basis as recorded in RUS Account 447.

Fixed Power Costs Bank Charge

$$\text{FBC} = \text{FBA} / 6$$

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	(\$0.00287)*
Other Resources Power Cost Adjustor Rate – \$/kWh	\$0.01065*
Fixed Power Costs Adjustor Charge – Total \$/mo.	(\$33,852.39)*

SSVEC

Base Resources Power Cost Adjustor Rate – \$/kWh	(\$0.00329)*
Other Resources Power Cost Adjustor Rate – \$/kWh	\$0.01163*
Fixed Power Costs Adjustor Charge – Total \$/mo.	(\$29,974.81)*

Trico

Base Resources Power Cost Adjustor Rate – \$/kWh	(\$0.00424)*
Other Resources Power Cost Adjustor Rate – \$/kWh	\$0.02869*
Fixed Power Costs Adjustor Charge – Total \$/mo.	(\$19,951.93)*

Bank Charges

MEC

Base Resources Bank Charge – \$/mo.	(\$122,875.64)*
Other Resources Bank Charge – \$/mo.	(\$70,171.99) *
Fixed Power Costs Bank Charge – \$/mo.	\$3,238.23*

SSVEC

Base Resources Bank Charge – \$/mo.	(\$114,854.07)*
Other Resources Bank Charge – \$/mo.	(\$114,646.45) *
Fixed Power Costs Bank Charge – \$/mo.	\$2,867.65*

Trico

Base Resources Bank Charge – \$/mo.	(\$90,927.90)*
Other Resources Bank Charge – \$/mo.	(\$14,733.90) *
Fixed Power Costs Bank Charge – \$/mo.	\$273,290.04*

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

* Effective April 1, 2015 and determined and revised as set forth in the Tariff.

**Arizona Electric Power Cooperative
Computation of CARM Power Cost Adjustor Rates and Bank Charges
Twelve Months Ended December 31, 2014**

Base Resources: kWh

CARM Tariff Formula - Base Resources Power Cost Adjustor Rate:

$$BF = BPC - \$ \quad 0.02958$$

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, 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).

CARM Tariff Formula - 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).

Computation of BPC:

Base Resources Pro Forma Fuel, Purchased Power and Wheeling Costs	\$ 8,046,212.29
CARM Base Resources kWh sales	305,155,336
CARM Base Resources BPC - \$/kWh	<u>\$ 0.02637</u>

Computation of BF:

CARM Base Resources Power Cost Adjustor Rate - BF (\$/kWh)

$$BF = \$ \quad 0.02637 \quad - \quad \$ \quad 0.02958 \quad \underline{\underline{\$ \quad (0.00321)}}$$

Computation of BBA and BBC:

CARM Under/(Over) Collected Balance	\$ (821,700.00)
CARM Amount Recovered Through PPFAC	\$ (594,544.85)
CARM Total Under/(Over) Collected Balance - BBA as of December 31, 2014	<u>\$ (227,155.15) (1)</u>
CARM Base Resources Bank Charge - BBC (\$/mo.)	\$ (227,155.15) ÷ 6 <u>\$ (37,859.19)</u>
Adjustor Rate Effective April 1, 2015	\$ (0.00321)
Adjustor Rate Effective October 1, 2014	<u>(0.00088)</u>
Increase/(Decrease) to Adjustor Rate	<u>\$ (0.00233)</u>

Individual CARM Base Resources BBA and BBC:

	<u>BBA (2)</u>		<u>BBC</u>
Anza	\$ (51,912.62) ÷	6	\$ (8,652.10)
Duncan	\$ (27,948.20) ÷	6	\$ (4,658.03)
Graham	\$ (147,294.33) ÷	6	\$ (24,549.06)
Total	\$ (227,155.15) ÷	6	\$ (37,859.19)

Notes:

- (1) Includes pro forma adjustments for PPFAC change for months of Oct thru Dec.
- (2) Individual CARM amounts may not equal total CARM amount due to rounding in Billing Unit Program.

**Arizona Electric Power Cooperative
Computation of CARM Power Cost Adjustor Rates and Bank Charges
Twelve Months Ended December 31, 2014**

Other Resources:**CARM Tariff Formula - Other Resources Power Cost Adjustor Rate:**

$$OF = OPC - \$ \quad 0.03899$$

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).

CARM Tariff Formula - Other Resources Bank Charge:

$$OBC = OBA / 6$$

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).

Computation of OPC:

Other Resources Pro Forma Fuel, Purchased Power and Wheeling Costs	\$	530,907.60
CARM Other Resources kWh sales		10,915,062
CARM Other Resources OPC - \$/kWh	\$	<u>0.04864</u>

Computation of OF:**CARM Other Resources Power Cost Adjustor Rate - OF (\$/kWh)**

$$OF = \$ \quad 0.04864 \quad - \quad \$ \quad 0.03899 \quad = \quad \underline{\underline{\$ \quad 0.00965}} \quad (1)$$

Computation of OBA and OBC:

CARM Under/(Over) Collected Balance	\$	(242,804.82)
CARM Amount Recovered Through PPFAC	\$	(127,406.46)
CARM Total Under/(Over) Collected Balance - OBA as of December 31, 2014	\$	<u>(115,398.35)</u> (2)
CARM Other Resources Bank Charge - OBC (\$/mo.)	\$	(115,398.35) ÷ 6 = <u>\$ (19,233.06)</u>

Adjustor Rate Effective April 1, 2015	\$	0.00965
Adjustor Rate Effective October 1, 2014		<u>(0.00947)</u>
Increase/(Decrease) to Adjustor Rate	\$	<u>0.01912</u>

Individual CARM Other Resources OBA and OBC:

	<u>OBA (3)</u>		<u>OBC</u>
Anza	\$ (22,328.13) ÷	6	\$ (3,721.36)
Duncan	\$ (14,204.80) ÷	6	\$ (2,367.47)
Graham	\$ (78,865.41) ÷	6	\$ (13,144.24)
Total	\$ (115,398.35) ÷	6	\$ (19,233.06)

Notes:

- (1) Includes pro forma adjustment for expiration of Southpoint and Griffith contracts.
- (2) Includes pro forma adjustments for PPFAC change for months of Oct thru Dec.
- (3) Individual CARM amounts may not equal total CARM amount due to rounding in Billing Unit Program.

**Arizona Electric Power Cooperative
Computation of CARM Power Cost Adjustor Rates and Bank Charges
Twelve Months Ended December 31, 2014**

Fixed Power Costs:**CARM Tariff Formula - Fixed Power Costs Adjustor Rate:**

$$FC = FPC - \$ 174,959.00$$

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).

CARM Tariff Formula - 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).

Computation of FPC:

Pro Forma Fixed Fuel, Purchased Power and Wheeling Costs	\$ 1,970,153.85
Months	<u>12</u>
CARM Fixed FPC - \$/mo.	<u>\$ 164,179.49</u>

Computation of FC:**CARM Fixed Power Costs Adjustor Charge - FC (\$/mo.)**

$$FC = \$ 164,179.49 - \$ 174,959.00 = \underline{\underline{\$ (10,779.51)}} \quad (1)$$

Computation of FBA and FBC:

CARM Under/(Over) Collected Balance	\$ (147,610.28)
CARM Amount Recovered Through PPFAC	\$ (207,624.99)
CARM Total Under/(Over) Collected Balance - FBA as of December 31, 2014	<u>\$ 60,014.71</u>
CARM Fixed Power Costs Bank Charge - FBC	\$ 60,014.71 ÷ 6 = <u>\$ 10,002.45</u>
Adjustor Rate Effective April 1, 2015	\$ (10,779.51)
Adjustor Rate Effective October 1, 2014	<u>(15,462.55)</u>
Increase/(Decrease) to Adjustor Rate	<u>\$ 4,683.04</u>

Individual CARM Fixed Power Costs FBA and FBC:

	<u>FBA</u>		<u>FBC</u>
Anza	\$ 11,358.35	÷ 6	\$ 1,893.06
Duncan	\$ 7,757.88	÷ 6	\$ 1,292.98
Graham	\$ 40,898.48	÷ 6	\$ 6,816.41
Total	\$ 60,014.71	÷ 6	\$ 10,002.45

Notes:

(1) Includes pro forma adjustment for expiration of Southpoint and Griffith contracts.

**Arizona Electric Power Cooperative
Computation of Mohave Electric Cooperative Power Cost Adjustor Rates and Bank Charges
Twelve Months Ended December 31, 2014**

Base Resources: kWh

Mohave Tariff Formula - Base Resources Power Cost Adjustor Rate:

$$BF = BPC - \$ \quad 0.02931$$

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).

Mohave Tariff Formula - 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).

Computation of BPC:

Base Resources Pro Forma Fuel, Purchased Power and Wheeling Costs	\$ 24,800,155.55
Mohave Base Resources kWh sales	937,843,036
Mohave Base Resources BPC - \$/kWh	<u>\$ 0.02644</u>

Computation of BF:

Mohave Base Resources Power Cost Adjustor Rate - BF (\$/kWh)	
BF = \$ 0.02644 - \$ 0.02931	<u>\$ (0.00287)</u>

Computation of BBA and BBC:

Mohave Under/(Over) Collected Balance	\$ (1,947,570.46)
Mohave Amount Recovered Through PPFAC	\$ (1,210,316.61)
Mohave Total Under/(Over) Collected Balance - BBA as of December 31, 2014	<u>\$ (737,253.85) (1)</u>
Mohave Base Resources Bank Charge - BBC (\$/mo.)	\$ (737,253.85) ÷ 6 <u>\$ (122,875.64)</u>
Adjustor Rate Effective April 1, 2015	\$ (0.00287)
Adjustor Rate Effective October 1, 2014	<u>(0.00125)</u>
Increase/(Decrease) to Adjustor Rate	<u>\$ (0.00162)</u>

(1) Includes pro forma adjustments for PPFAC change for months of Oct thru Dec.

**Arizona Electric Power Cooperative
Computation of Mohave Electric Cooperative Power Cost Adjustor Rates and Bank Charges
Twelve Months Ended December 31, 2014**

Other Resources:

Mohave Tariff Formula - Other Resources Power Cost Adjustor Rate:

$$OF = OPC - \$ \quad 0.04118$$

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).

Mohave Tariff Formula - Other Resources Bank Charge:

$$OBC = OBA / 6$$

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).

Computation of OPC:

Other Resources Pro Forma Fuel, Purchased Power and Wheeling Costs	\$ 513,047.96
Mohave Other Resources kWh sales	9,897,973
Mohave Other Resources OPC - \$/kWh	<u>\$ 0.05183</u>

Computation of OF:

Mohave Other Resources Power Cost Adjustor Rate - OF (\$/kWh)

$$OF = \$ \quad 0.05183 \quad - \quad \$ \quad 0.04118 \quad \underline{\underline{\$ \quad 0.01065}}$$

Computation of OBA and OBC:

Mohave Under/(Over) Collected Balance	\$ (576,484.74)
Mohave Amount Recovered Through PPFAC	\$ (155,452.83)
Mohave Total Under/(Over) Collected Balance - OBA as of December 31, 2014	<u>\$ (421,031.91) (1)</u>
Mohave Other Resources Bank Charge - OBC (\$/mo.)	\$ (421,031.91) ÷ 6 <u>\$ (70,171.99)</u>
Adjustor Rate Effective April 1, 2015	\$ 0.01065
Adjustor Rate Effective October 1, 2014	(0.02787)
Increase/(Decrease) to Adjustor Rate	<u>\$ 0.03852</u>

(1) Includes pro forma adjustments for PPFAC change for months of Oct thru Dec.

Arizona Electric Power Cooperative
Computation of Mohave Electric Cooperative Power Cost Adjustor Rates and Bank Charges
Twelve Months Ended December 31, 2014

Fixed Power Costs:

Mohave Tariff Formula - Fixed Power Costs Adjustor Rate:

$$FC = FPC - \$ 549,433.00$$

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).

Mohave Tariff Formula - 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).

Computation of FPC:

Pro Forma Fixed Fuel, Purchased Power and Wheeling Costs	\$ 6,186,967.29
Months	12
Mohave Fixed FPC - \$/mo.	<u>\$ 515,580.61</u>

Computation of FC:

Mohave Fixed Power Costs Adjustor Charge - FC (\$/mo.)

$$FC = \$ 515,580.61 - \$ 549,433.00 = \underline{\underline{\$ (33,852.39)}}$$

Computation of FBA and FBC:

Mohave Under/(Over) Collected Balance	\$ (579,906.43)
Mohave Amount Recovered Through PPFAC	\$ (599,335.80)
Mohave Total Under/(Over) Collected Balance - FBA as of December 31, 2014	<u>\$ 19,429.37</u>
Mohave Fixed Power Costs Bank Charge - FBC	\$ 19,429.37 ÷ 6 = <u>\$ 3,238.23</u>

Adjustor Rate Effective April 1, 2015	\$ (33,852.39)
Adjustor Rate Effective October 1, 2014	(48,558.77)
Increase/(Decrease) to Adjustor Rate	<u>\$ 14,706.38</u>

Arizona Electric Power Cooperative
Computation of Sulphur Springs Valley Electric Coop. Power Cost Adjustor Rates and Bank Charges
Twelve Months Ended December 31, 2014

Base Resources: kWh

Sulphur Springs Tariff Formula - Base Resources Power Cost Adjustor Rate:

$$BF = BPC - \$ \quad 0.02975$$

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).

Sulphur Springs Tariff Formula - 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).

Computation of BPC:

Base Resources Pro Forma Fuel, Purchased Power and Wheeling Costs	\$ 23,214,536.53
Sulphur Springs Base Resources kWh sales	877,302,853
Sulphur Springs Base Resources BPC - \$/kWh	<u>\$ 0.02646</u>

Computation of BF:

Sulphur Springs Base Resources Power Cost Adjustor Rate - BF (\$/kWh)

$$BF = \$ \quad 0.02646 \quad - \quad \$ \quad 0.02975 \quad \underline{\underline{\$ \quad (0.00329)}}$$

Computation of BBA and BBC:

Sulphur Springs Under/(Over) Collected Balance	\$ (2,304,139.41)
Sulphur Springs Amount Recovered Through PPFAC	\$ (1,615,014.98)
Sulphur Springs Total Under/(Over) Collected Balance - BBA as of December 31, 2014	<u>\$ (689,124.43) (1)</u>
Sulphur Springs Base Resources Bank Charge - BBC (\$/mo.)	\$ (689,124.43) ÷ 6 <u>\$ (114,854.07)</u>
Adjustor Rate Effective April 1, 2015	\$ (0.00329)
Adjustor Rate Effective October 1, 2014	<u>(0.00175)</u>
Increase/(Decrease) to Adjustor Rate	<u>\$ (0.00154)</u>

(1) Includes pro forma adjustments for PPFAC change for months of Oct thru Dec.

Arizona Electric Power Cooperative
Computation of Sulphur Springs Valley Electric Coop. Power Cost Adjustor Rates and Bank Charges
Twelve Months Ended December 31, 2014

Other Resources:

Sulphur Springs Tariff Formula - Other Resources Power Cost Adjustor Rate:

$$OF = OPC - \$ \quad 0.04139$$

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).

Sulphur Springs Tariff Formula - Other Resources Bank Charge:

$$OBC = OBA / 6$$

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).

Computation of OPC:

Other Resources Pro Forma Fuel, Purchased Power and Wheeling Costs	\$ 1,181,646.45
Sulphur Springs Other Resources kWh sales	22,288,743
Sulphur Springs Other Resources OPC - \$/kWh	<u>\$ 0.05302</u>

Computation of OF:

Sulphur Springs Other Resources Power Cost Adjustor Rate - OF (\$/kWh)

$$OF = \$ \quad 0.05302 \quad - \quad \$ \quad 0.04139 \quad \underline{\underline{\$ \quad 0.01163}}$$

Computation of OBA and OBC:

Sulphur Springs Under/(Over) Collected Balance	\$ (1,273,682.22)	
Sulphur Springs Amount Recovered Through PPFAC	\$ (585,803.53)	
Sulphur Springs Total Under/(Over) Collected Balance - OBA as of December 31, 2014	<u>\$ (687,878.69)</u>	(1)
Sulphur Springs Other Resources Bank Charge - OBC (\$/mo.)	\$ (687,878.69) ÷ 6	<u>\$ (114,646.45)</u>
Adjustor Rate Effective April 1, 2015	\$ 0.01163	
Adjustor Rate Effective October 1, 2014	(0.04931)	
Increase/(Decrease) to Adjustor Rate	<u>\$ 0.06094</u>	

(1) Includes pro forma adjustments for PPFAC change for months of Oct thru Dec.

Arizona Electric Power Cooperative
Computation of Sulphur Springs Valley Electric Coop. Power Cost Adjustor Rates and Bank Charges
Twelve Months Ended December 31, 2014

Fixed Power Costs:**Sulphur Springs Tariff Formula - Fixed Power Costs Adjustor Rate:**

$$FC = FPC - \$ 486,509.00$$

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).

Sulphur Springs Tariff Formula - 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).

Computation of FPC:

Pro Forma Fixed Fuel, Purchased Power and Wheeling Costs	\$ 5,478,410.26
Months	12
Sulphur Springs Fixed FPC - \$/mo.	<u>\$ 456,534.19</u>

Computation of FC:**Sulphur Springs Fixed Power Costs Adjustor Charge - FC (\$/mo.)**

$$FC = \$ 456,534.19 - \$ 486,509.00 = \underline{\underline{\$ (29,974.81)}}$$

Computation of FBA and FBC:

Sulphur Springs Under/(Over) Collected Balance	\$ (513,484.78)
Sulphur Springs Amount Recovered Through PPFAC	\$ (530,690.70)
Sulphur Springs Total Under/(Over) Collected Balance - FBA as of December 31, 2014	<u>\$ 17,205.92</u>
Sulphur Springs Fixed Power Costs Bank Charge - FBC	\$ 17,205.92 ÷ 6 = <u>\$ 2,867.65</u>
Adjustor Rate Effective April 1, 2015	\$ (29,974.81)
Adjustor Rate Effective October 1, 2014	(42,996.94)
Increase/(Decrease) to Adjustor Rate	<u>\$ 13,022.13</u>

Arizona Electric Power Cooperative
Computation of Trico Electric Cooperative Power Cost Adjustor Rates and Bank Charges
Twelve Months Ended December 31, 2014

Base Resources: kWh

Trico Tariff Formula - Base Resources Power Cost Adjustor Rate:

$$BF = BPC - \$ \quad 0.02984$$

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).

Trico Tariff Formula - 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).

Computation of BPC:

Base Resources Pro Forma Fuel, Purchased Power and Wheeling Costs	\$ 13,538,365.44
Trico Base Resources kWh sales	528,859,000
Trico Base Resources BPC - \$/kWh	<u>\$ 0.02560</u>

Computation of BF:

Trico Base Resources Power Cost Adjustor Rate - BF (\$/kWh)	
BF = \$ 0.02560 - \$ 0.02984	<u>\$ (0.00424)</u>

Computation of BBA and BBC:

Trico Under/(Over) Collected Balance	\$ (1,901,987.31)
Trico Amount Recovered Through PPFAC	\$ (1,356,419.90)
Trico Total Under/(Over) Collected Balance - BBA as of December 31, 2014	<u>\$ (545,567.41) (1)</u>
Trico Base Resources Bank Charge - BBC (\$/mo.)	<u>\$ (90,927.90)</u>
Adjustor Rate Effective April 1, 2015	\$ (0.00424)
Adjustor Rate Effective October 1, 2014	<u>(0.00249)</u>
Increase/(Decrease) to Adjustor Rate	<u>\$ (0.00175)</u>

(1) Includes pro forma adjustments for PPFAC change for months of Oct thru Dec.

**Arizona Electric Power Cooperative
Computation of Trico Electric Cooperative Power Cost Adjustor Rates and Bank Charges
Twelve Months Ended December 31, 2014**

Other Resources:**Trico Tariff Formula - Other Resources Power Cost Adjustor Rate:**

$$OF = OPC - \$ \quad 0.03723$$

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).

Trico Tariff Formula - Other Resources Bank Charge:

$$OBC = OBA / 6$$

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).

Computation of OPC:

Other Resources Pro Forma Fuel, Purchased Power and Wheeling Costs	\$	24,786.67
Trico Other Resources kWh sales		376,000
Trico Other Resources OPC - \$/kWh	\$	<u>0.06592</u>

Computation of OF:**Trico Other Resources Power Cost Adjustor Rate - OF (\$/kWh)**

$$OF = \$ \quad 0.06592 \quad - \quad \$ \quad 0.03723 \quad = \quad \underline{\underline{\$ \quad 0.02869}} \quad (1)$$

Computation of OBA and OBC:

Trico Under/(Over) Collected Balance	\$	(381,508.12)
Trico Amount Recovered Through PPFAC	\$	(293,104.75)
Trico Total Under/(Over) Collected Balance - OBA as of December 31, 2014	\$	<u>(88,403.37)</u> (2)
Trico Other Resources Bank Charge - OBC (\$/mo.)	\$	(88,403.37) ÷ 6 = <u>(14,733.90)</u>
Adjustor Rate Effective April 1, 2015	\$	0.02869
Adjustor Rate Effective October 1, 2014		<u>(0.29212)</u>
Increase/(Decrease) to Adjustor Rate	\$	<u>0.32081</u>

Notes:

- (1) Includes pro forma adjustment for expiration of Southpoint and Griffith contracts.
- (2) Includes pro forma adjustments for PPFAC change for months of Oct thru Dec.

**Arizona Electric Power Cooperative
Computation of Trico Electric Cooperative Power Cost Adjustor Rates and Bank Charges
Twelve Months Ended December 31, 2014**

Fixed Power Costs:**Trico Tariff Formula - Fixed Power Costs Adjustor Rate:**

$$FC = FPC - \$ 323,828.00$$

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).

Trico Tariff Formula - 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).

Computation of FPC:

Pro Forma Fixed Fuel, Purchased Power and Wheeling Costs	\$ 3,646,512.87
Months	12
Trico Fixed FPC - \$/mo.	<u>\$ 303,876.07</u>

Computation of FC:**Trico Fixed Power Costs Adjustor Charge - FC (\$/mo.)**

$$FC = \$ 303,876.07 - \$ 323,828.00 = \underline{\underline{\$ (19,951.93)}} \quad (1)$$

Computation of FBA and FBC:

Trico Under/(Over) Collected Balance	\$ 779,064.01
Trico Amount Recovered Through PPFAC	\$ (860,676.21)
Trico Total Under/(Over) Collected Balance - FBA as of December 31, 2014	<u>\$ 1,639,740.22</u>
Trico Fixed Power Costs Bank Charge - FBC	\$ 1,639,740.22 ÷ 6 = <u>\$ 273,290.04</u>
Adjustor Rate Effective April 1, 2015	\$ (19,951.93)
Adjustor Rate Effective October 1, 2014	(28,619.66)
Increase/(Decrease) to Adjustor Rate	<u>\$ 8,667.73</u>

Notes:

(1) Includes pro forma adjustment for expiration of Southpoint and Griffith contracts.

Arizona Electric Power Cooperative, Inc.
Summary of Base Resources Energy Related Fuel Adjustor Costs
Twelve Months Ended December 31, 2014

Description	Total Costs	CARM Allocated	MEC Allocated	SSVEC Allocated	TRICO Allocated
Base Resource Fuel Adjustor Costs:					
January-14	\$ 6,707,418.11	\$ 799,412.51	\$ 2,486,771.69	\$ 2,262,212.21	\$ 1,159,021.69
February-14	5,685,364.92	671,606.87	2,107,585.32	1,932,228.83	973,943.90
March-14	4,316,566.35	517,401.23	1,529,410.62	1,451,285.90	818,468.61
April-14	4,839,193.04	569,760.01	1,741,046.52	1,624,721.74	903,664.77
May-14	6,460,636.33	730,860.58	2,273,126.52	2,176,712.51	1,279,936.72
June-14	6,273,661.19	717,284.22	2,145,868.71	2,114,732.01	1,295,776.25
July-14	6,699,150.33	757,199.21	2,352,135.56	2,214,306.29	1,375,509.27
August-14	6,904,308.20	773,817.63	2,446,392.84	2,256,606.75	1,427,490.98
September-14	6,566,379.65	\$747,956.52	\$2,355,581.68	\$2,120,358.10	\$1,342,483.34
October-14	6,476,763.85	744,406.37	2,344,433.58	2,121,928.13	1,265,995.77
November-14	6,381,169.17	748,788.97	2,321,143.55	2,122,147.68	1,189,088.97
December-14	5,329,295.08	614,333.98	1,784,878.04	1,781,433.21	1,148,649.85
Total	\$ 72,639,906.23	\$ 8,392,828.11	\$ 25,888,374.62	\$ 24,178,673.37	\$ 14,180,030.12
Audit Adjustments:					
January-14	\$ -	-	-	-	-
February-14	(86,604.19)	(9,973.33)	(31,086.71)	(27,909.72)	(17,634.42)
March-14	-	-	-	-	-
April-14	-	-	-	-	-
May-14	-	-	-	-	-
June-14	-	-	-	-	-
July-14	-	-	-	-	-
August-14	-	-	-	-	-
September-14	-	-	-	-	-
October-14	-	-	-	-	-
November-14	-	-	-	-	-
December-14	5,481.36	624.87	1,962.32	1,737.59	1,156.58
Total	\$ (81,122.83)	\$ (9,348.46)	\$ (29,124.39)	\$ (26,172.13)	\$ (16,477.84)
Proforma Adjustments: (1)					
January-14	\$ (317,920.39)	\$ (36,252.94)	\$ (113,855.95)	\$ (100,816.35)	\$ (66,995.15)
February-14	(302,413.80)	(34,585.03)	(108,740.64)	(96,285.15)	(62,802.98)
March-14	(152,782.24)	(17,089.68)	(53,489.67)	(47,366.55)	(34,836.34)
April-14	(164,822.70)	(18,789.80)	(59,006.58)	(52,248.85)	(34,777.47)
May-14	(351,648.95)	(40,088.23)	(125,891.77)	(111,474.02)	(74,194.92)
June-14	(278,652.28)	(31,766.35)	(99,757.46)	(88,332.72)	(58,795.75)
July-14	(225,079.16)	(25,659.00)	(80,578.25)	(71,350.02)	(47,491.89)
August-14	(597,314.54)	(68,093.89)	(213,838.77)	(189,348.85)	(126,033.03)
September-14	(347,632.72)	(39,630.14)	(124,452.61)	(110,199.66)	(73,350.31)
October-14	(141,612.48)	(16,143.36)	(50,693.83)	(44,887.17)	(29,888.12)
November-14	(62,991.85)	(7,266.77)	(22,836.11)	(20,341.24)	(12,547.72)
December-14	(16,642.46)	(1,902.17)	(5,953.01)	(5,314.13)	(3,473.14)
Total	\$ (2,959,513.59)	\$ (337,267.36)	\$ (1,059,094.68)	\$ (937,964.71)	\$ (625,186.84)
Adjusted Base Resource Energy Costs:					
January-14	\$ 6,389,497.72	\$ 763,159.57	\$ 2,372,915.74	\$ 2,161,395.86	\$ 1,092,026.54
February-14	5,296,346.93	627,048.51	1,967,757.96	1,808,033.96	893,506.49
March-14	4,163,784.11	500,311.55	1,475,920.95	1,403,919.35	783,632.27
April-14	4,674,370.34	550,970.21	1,682,039.93	1,572,472.90	868,887.30
May-14	6,108,987.38	690,772.35	2,147,234.75	2,065,238.49	1,205,741.80
June-14	5,995,008.91	685,517.88	2,046,111.25	2,026,399.29	1,236,980.49
July-14	6,474,071.17	731,540.21	2,271,557.30	2,142,956.27	1,328,017.38
August-14	6,306,993.66	705,723.74	2,232,554.07	2,067,257.90	1,301,457.95
September-14	6,218,746.93	708,326.38	2,231,129.07	2,010,158.45	1,269,133.02
October-14	6,335,151.36	728,263.01	2,293,739.74	2,077,040.96	1,236,107.65
November-14	6,318,177.33	741,522.20	2,298,307.44	2,101,806.44	1,176,541.25
December-14	5,318,133.99	613,056.68	1,780,887.35	1,777,856.66	1,146,333.29
Total	\$ 69,599,269.81	\$ 8,046,212.29	\$ 24,800,155.55	\$ 23,214,536.53	\$ 13,538,365.44

Notes:

(1) Includes pro forma adjustment for change in allocation methodology for non member other sales and expenses.

Ending Base Resource Bank Accounts

12/31/2014:

Anza	\$ (51,912.62)
Duncan	(27,948.20)
Graham	(147,294.33)
Mohave	(737,253.85)
Sulphur Springs	(689,124.43)
Trico	(545,567.41)
	<u>\$ (2,199,100.84)</u>

Arizona Electric Power Cooperative, Inc.
Summary of Other Resources Energy Related Fuel Adjustor Costs
Twelve Months Ended December 31, 2014

Description	Total Costs	CARM Allocated	MEC Allocated	SSVEC Allocated	TRICO Allocated
Other Resource Fuel Adjustor Costs:					
January-14	\$ (310,030.77)	(32,774.02)	(2,172.88)	(268,067.06)	(7,016.81)
February-14	(302,393.35)	-	-	-	(302,393.35)
March-14	75,371.55	103,919.32	(279.36)	(28,268.41)	-
April-14	64,114.64	63,677.89	(1,116.29)	1,553.04	-
May-14	(216,609.32)	(5,956.54)	(57,939.05)	(145,269.59)	(7,444.14)
June-14	383,850.91	108,689.96	57,704.87	205,371.95	12,084.14
July-14	417,972.89	90,511.07	51,021.74	64,335.76	212,104.33
August-14	(254,891.60)	(16,761.85)	(127,236.47)	(111,254.21)	360.94
September-14	(219,903.64)	(8,987.13)	(92,202.30)	(118,443.94)	(270.27)
October-14	(141,434.98)	-	-	-	(141,434.98)
November-14	(62,952.17)	-	-	-	(62,952.17)
December-14	18,420.36	24,230.07	(1,837.93)	(2,513.50)	(1,458.29)
Total	\$ (548,485.48)	\$ 326,548.77	\$ (174,057.67)	\$ (402,555.98)	\$ (298,420.60)

Audit Adjustments:

January-14	-	-	-	-	-
February-14	\$ 41,436.80	\$ 6,462.77	\$ 344.14	\$ 34,022.60	\$ 607.28
March-14	-	-	-	-	-
April-14	-	-	-	-	-
May-14	-	-	-	-	-
June-14	-	-	-	-	-
July-14	-	-	-	-	-
August-14	-	-	-	-	-
September-14	-	-	-	-	-
October-14	-	-	-	-	-
November-14	-	-	-	-	-
December-14	5,049.22	1,854.70	1,578.24	793.71	822.57
Total	\$ 46,486.02	\$ 8,317.47	\$ 1,922.38	\$ 34,816.31	\$ 1,429.85

Proforma Adjustments: (1)(2)

January-14	\$ 317,920.39	\$ 36,669.11	\$ 2,196.12	\$ 271,883.93	\$ 7,171.24
February-14	302,413.80	-	-	-	302,413.80
March-14	152,782.24	(14,283.64)	1,286.75	165,779.13	-
April-14	164,822.70	9,550.88	10,560.07	144,711.75	-
May-14	351,648.95	20,387.12	90,567.05	229,041.16	11,653.62
June-14	278,652.28	31,010.53	57,077.62	187,784.24	2,779.89
July-14	17,953.86	25,981.19	99,273.43	101,708.90	(209,009.66)
August-14	597,314.39	63,434.63	280,451.49	253,622.15	(193.88)
September-14	347,632.72	34,040.11	138,916.25	174,267.00	409.36
October-14	141,612.48	-	-	-	141,612.48
November-14	62,991.85	-	-	-	62,991.85
December-14	16,642.46	(10,748.56)	4,854.46	20,587.85	1,948.71
Total	\$ 2,752,388.14	\$ 196,041.36	\$ 685,183.25	\$ 1,549,386.12	\$ 321,777.42

Adjusted Other Resource Energy Costs:

January-14	\$ 7,889.63	\$ 3,895.09	\$ 23.24	\$ 3,816.87	\$ 154.43
February-14	41,457.25	6,462.77	344.14	34,022.60	627.74
March-14	228,153.79	89,635.69	1,007.39	137,510.71	-
April-14	228,937.34	73,228.77	9,443.78	146,264.78	-
May-14	135,039.63	14,430.58	32,628.01	83,771.57	4,209.48
June-14	662,503.20	139,700.49	114,782.49	393,156.19	14,864.04
July-14	435,926.76	116,492.25	150,295.17	166,044.66	3,094.67
August-14	342,422.79	46,672.78	153,215.02	142,367.94	167.06
September-14	127,729.08	25,052.97	46,713.95	55,823.06	139.10
October-14	177.51	-	-	-	177.51
November-14	39.67	-	-	-	39.67
December-14	40,112.03	15,336.21	4,594.77	18,868.06	1,312.99
Total	\$ 2,250,388.68	\$ 530,907.60	\$ 513,047.96	\$ 1,181,646.45	\$ 24,786.67

Notes:

- (1) Includes pro forma adjustment for expiration of Southpoint and Griffith contracts for CARMs and Trico.
- (2) Includes pro forma adjustment for change in allocation methodology for other non member sales and expenses.

Ending Other Resource Bank Accounts

12/31/2014:

Anza	\$ (22,328.13)
Duncan	(14,204.80)
Graham	(78,865.41)
Mohave	(421,031.91)
Sulphur Springs	(687,878.69)
Trico	(88,403.37)
Total	\$ (1,312,712.32)

Arizona Electric Power Cooperative, Inc.
Summary of Fixed Fuel Adjustor Costs
Twelve Months Ended December 31, 2014

Description	Total Costs	CARM Allocated	MEC Allocated	SSVEC Allocated	TRICO Allocated
Total Fixed Fuel Adjustor Costs:					
January-14	\$ 1,278,783.67	\$ 145,781.34	\$ 457,804.55	\$ 405,374.42	\$ 269,823.35
February-14	1,290,830.58	147,154.69	462,117.35	409,193.29	272,365.25
March-14	1,321,024.93	150,596.84	472,926.92	418,764.90	278,736.26
April-14	1,529,827.48	174,401.14	547,673.70	484,957.55	322,795.09
May-14	2,188,300.32	193,593.49	539,479.26	477,695.33	977,532.24
June-14	2,309,510.04	207,411.39	582,872.34	516,118.81	1,003,107.49
July-14	2,268,760.99	202,766.00	568,284.18	503,201.36	994,509.44
August-14	2,258,587.14	201,606.18	564,641.95	499,976.25	992,362.76
September-14	2,263,836.75	202,204.64	566,521.31	501,640.37	993,470.43
October-14	2,247,902.54	186,169.21	498,739.12	441,620.95	1,121,373.25
November-14	1,281,395.20	146,079.05	458,739.48	406,202.28	270,374.39
December-14	1,304,936.09	148,762.71	467,167.12	413,664.74	275,341.51
Total	\$ 21,543,695.72	\$ 2,106,526.69	\$ 6,186,967.29	\$ 5,478,410.26	\$ 7,771,791.48

Audit Adjustments:

January-14	\$ -	\$ -	\$ -	\$ -	\$ -
February-14	-	-	-	-	-
March-14	-	-	-	-	-
April-14	-	-	-	-	-
May-14	-	-	-	-	-
June-14	-	-	-	-	-
July-14	-	-	-	-	-
August-14	-	-	-	-	-
September-14	-	-	-	-	-
October-14	-	-	-	-	-
November-14	-	-	-	-	-
December-14	-	-	-	-	-
Total	\$ -				

Pro Forma Adjustments: (1)

January-14	\$ -	-	-	-	-
February-14	-	-	-	-	-
March-14	-	-	-	-	-
April-14	-	-	-	-	-
May-14	(681,375.00)	(21,804.00)	-	-	(659,571.00)
June-14	(681,375.00)	(21,804.00)	-	-	(659,571.00)
July-14	(681,375.00)	(21,804.00)	-	-	(659,571.00)
August-14	(681,375.00)	(21,804.00)	-	-	(659,571.00)
September-14	(681,375.00)	(21,804.00)	-	-	(659,571.00)
October-14	(854,776.46)	(27,352.85)	-	-	(827,423.61)
November-14	-	-	-	-	-
December-14	-	-	-	-	-
Total	\$ (4,261,651.46)	\$ (136,372.85)	\$ -	\$ -	\$ (4,125,278.61)

Total Adjusted Fixed Fuel Adjustor Costs:

January-14	\$ 1,278,783.67	\$ 145,781.34	\$ 457,804.55	\$ 405,374.42	\$ 269,823.35
February-14	1,290,830.58	147,154.69	462,117.35	409,193.29	272,365.25
March-14	1,321,024.93	150,596.84	472,926.92	418,764.90	278,736.26
April-14	1,529,827.48	174,401.14	547,673.70	484,957.55	322,795.09
May-14	1,506,925.32	171,789.49	539,479.26	477,695.33	317,961.24
June-14	1,628,135.04	185,607.39	582,872.34	516,118.81	343,536.49
July-14	1,587,385.99	180,962.00	568,284.18	503,201.36	334,938.44
August-14	1,577,212.14	179,802.18	564,641.95	499,976.25	332,791.76
September-14	1,582,461.75	180,400.64	566,521.31	501,640.37	333,899.43
October-14	1,393,126.08	158,816.37	498,739.12	441,620.95	293,949.64
November-14	1,281,395.20	146,079.05	458,739.48	406,202.28	270,374.39
December-14	1,304,936.09	148,762.71	467,167.12	413,664.74	275,341.51
Total	\$ 17,282,044.26	\$ 1,970,153.85	\$ 6,186,967.29	\$ 5,478,410.26	\$ 3,646,512.87

Ending Fixed Power Costs Bank Accounts

12/31/2014:	
Anza	\$ 11,358.35
Duncan	7,757.88
Graham	40,898.48
Mohave	19,429.37
Sulphur Springs	17,205.92
Trico	1,639,740.22
Total	\$ 1,736,390.22

Notes:

(1) Includes pro forma adjustment for expiration of Southpoint and Griffith contracts for CARMs and Trico.

Arizona Electric Power Cooperative, Inc.
Summary of Billing Units
Twelve Months Ended December 31, 2014

Description	Total kWh	CARM Allocated	MEC Allocated	SSVEC Allocated	TRICO Allocated
Base Resource Billing Units:					
January-14	230,853,807	27,388,346	84,919,430	77,383,031	41,163,000
February-14	211,527,818	24,646,587	76,923,487	70,589,744	39,368,000
March-14	155,326,528	18,660,857	54,342,991	51,867,680	30,455,000
April-14	184,460,895	21,681,630	65,819,503	61,553,762	35,406,000
May-14	231,260,322	26,088,892	80,901,064	77,701,366	46,569,000
June-14	233,598,034	26,612,404	79,403,619	78,397,011	49,185,000
July-14	250,613,779	28,250,128	87,502,011	82,510,640	52,351,000
August-14	243,726,775	27,253,378	86,052,192	79,525,205	50,896,000
September-14	241,074,189	27,445,028	86,235,052	77,661,109	49,733,000
October-14	237,822,728	27,310,699	85,876,410	77,695,619	46,940,000
November-14	224,721,030	26,290,116	81,447,040	74,381,874	42,602,000
December-14	204,174,320	23,527,271	68,420,237	68,035,812	44,191,000
Total	2,649,160,225	305,155,336	937,843,036	877,302,853	528,859,000
Other Resource Billing Units:					
January-14	378,397	119,073	2,014	250,310	7,000
February-14	1,000	-	-	-	1,000
March-14	5,317,363	2,174,120	22,514	3,120,729	-
April-14	4,702,379	1,683,333	176,874	2,842,172	-
May-14	2,598,335	280,186	621,846	1,617,303	79,000
June-14	11,037,026	2,471,054	1,854,115	6,462,857	249,000
July-14	12,896,855	2,416,255	3,003,850	3,311,750	4,165,000
August-14	6,573,356	912,587	2,932,052	2,724,717	4,000
September-14	3,273,831	638,180	1,197,402	1,434,249	4,000
October-14	9,000	-	-	-	9,000
November-14	2,000	-	-	-	2,000
December-14	1,006,236	378,274	87,306	524,656	16,000
Total	47,795,778	11,073,062	9,897,973	22,288,743	4,536,000
Adjustment for S&G Other Energy:					
January-14	-	-	N/A	N/A	-
February-14	-	-	N/A	N/A	-
March-14	-	-	N/A	N/A	-
April-14	-	-	N/A	N/A	-
May-14	-	-	N/A	N/A	-
June-14	-	-	N/A	N/A	-
July-14	(4,318,000)	(158,000)	N/A	N/A	(4,160,000)
August-14	-	-	N/A	N/A	-
September-14	-	-	N/A	N/A	-
October-14	-	-	N/A	N/A	-
November-14	-	-	N/A	N/A	-
December-14	-	-	N/A	N/A	-
Total	(4,318,000)	(158,000)	N/A	N/A	(4,160,000)
Total Adjusted Other Energy Billing Units:					
January-14	378,397	119,073	2,014	250,310	7,000
February-14	1,000	-	-	-	1,000
March-14	5,317,363	2,174,120	22,514	3,120,729	-
April-14	4,702,379	1,683,333	176,874	2,842,172	-
May-14	2,598,335	280,186	621,846	1,617,303	79,000
June-14	11,037,026	2,471,054	1,854,115	6,462,857	249,000
July-14	8,578,855	2,258,255	3,003,850	3,311,750	5,000
August-14	6,573,356	912,587	2,932,052	2,724,717	4,000
September-14	3,273,831	638,180	1,197,402	1,434,249	4,000
October-14	9,000	-	-	-	9,000
November-14	2,000	-	-	-	2,000
December-14	1,006,236	378,274	87,306	524,656	16,000
Total	43,477,778	10,915,062	9,897,973	22,288,743	376,000