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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

DOCKETED

APR 14 2015

COMMISSIONERS

- SUSAN BITTER SMITH - CHAIRMAN
- BOB STUMP
- BOB BURNS
- DOUG LITTLE
- TOM FORESE

DOCKETED BY	<i>RC</i>
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2015 APR 14 PM
 AZ CORP COMMISSION
 DOCKET CONT
 REVIEW

IN THE MATTER OF THE APPLICATION OF)
 TRICO ELECTRIC COOPERATIVE, INC., AN)
 ARIZONA CORPORATION, FOR AUTHORITY)
 TO BORROW THE ADDITIONAL SUM OF)
 \$58,786,000 FROM THE UNITED STATES OF)
 AMERICA (RDUP) AND THE ADDITIONAL)
 SUM OF \$25,194,000 FROM NATIONAL RURAL)
 UTILITIES COOPERATIVE, AND TO)
 EVIDENCE SAID LOANS BY EXECUTION OF)
 LOAN AGREEMENTS, PROMISSORY NOTES)
 AND SECURITY DOCUMENTS REQUIRED BY)
 THE LENDERS.)

DOCKET NO. E-014614-07-0433

APPLICATION UNDER
A.R.S. § 40-252 TO
AMEND DECISIONS NOS. 70399,
73933 and 74583

(Expedited Consideration
Requested)

Trico Electric Cooperative, Inc. ("Trico") hereby requests the Arizona Corporation Commission to amend Decision Nos. 70399 (July 3, 2008), 73933 (June 27, 2013) and 74583 (July 22, 2014) to extend the financing authority granted in those Decisions for twelve months -- from July 31, 2015 until July 31, 2016. The slow recovery from the economic downturn continues to impact Trico's construction needs, to the point where certain available Rural Utilities Service ("RUS") financing will not be fully utilized by July 31, 2015. However, Trico has and will continue to have a need for construction financing beyond the end of July. Consequently, it desires to utilize the remaining RUS funding that was the subject of Decision Nos. 70399, 73933 and 74583.

In support of this Application, Trico states as follows:

1. On July 23, 2007, Trico filed an application in this docket for authorization to borrow \$83,979,000 from the United States of America through the RUS.
2. The RUS financing was intended to cover the construction of additional and supplemental facilities to meet expected growth in Trico's service area, and to allow Trico to

1 maintain its plant in sound condition to be able to continue to provide safe and reliable electric
2 service. The proposed RUS financing consisted of a 35-year amortizing loan that permitted
3 multiple draws over an estimated five-year period.

4 3. The Commission approved the requested financing authority, subject to certain
5 conditions, in Decision No. 70399. One of the conditions was that the financing authority granted
6 would terminate on December 31, 2013. This termination date comported with the anticipated
7 five-year construction work plan that would be built with the RUS financing.

8 4. Trico subsequently entered into an RUS Loan Contract dated July 1, 2008, under
9 which the RUS issued a guarantee of a loan in the amount of \$83,979,000 to be used by Trico to
10 finance certain system extensions and improvements ("RUS Loan Contract"). The RUS Loan
11 Contract had a termination date of July 1, 2013.

12 5. Due to the unforeseen downturn in the local economy and the resulting delay in the
13 completion of planned system extensions and additions, Trico was not able to complete the
14 construction plan within the anticipated five years. As of December 31, 2012, Trico had borrowed
15 \$41,500,000 of the \$83,979,000 under RUS Loan Contract. Trico filed an application under
16 A.R.S. § 40-252 to amend Decision No. 70399 – to extend the financing authority until July 1,
17 2014. The Commission granted the application in Decision No. 73933.

18 6. Trico subsequently filed an additional application under A.R.S. § 40-252 to amend
19 Decision No. 73933 in order to extend its financing authority until July 31, 2015. Trico made this
20 additional request due to the slow economic recovery in its service area that prevented it from
21 completing the construction plan by July 1, 2014. As of April 8, 2014, Trico had borrowed
22 \$53,050,00 of the \$83,979,000 under the RUS Loan Contract. The Commission granted the
23 application in Decision No. 74583. Trico received approval from the RUS to extend the RUS
24 Loan Contract until July 31, 2015.

25 7. The economic recovery remains slow in Trico's service area. As a result, Trico has
26 still not completed the construction plan due to the unexpectedly slow economic recovery in
27 Trico's service area. As of March 16, 2015 Trico had borrowed \$58,523,745 of the \$83,979,000

1 under the RUS Loan Contract. However, Trico still has and will have a continuing need for
2 advances of the remaining balance under RUS Loan Contract to fund its construction work plans
3 beyond the July 31, 2015 termination date. As a result, by way of its letter to RUS dated April 2,
4 2015, Trico requested an additional extension of the RUS Loan Contract to July 31, 2016. Trico
5 has received approval from the RUS to extend the loan until July 31, 2016. However, as in
6 previous years, Trico must obtain necessary regulatory approval from the Commission in order for
7 the RUS extension to be effective. In order for Trico to access funds under this extension, Trico
8 is now requesting the Commission to extend the financing authority granted in Decision Nos.
9 70399, 73933 and 74583 from July 31, 2015 until July 31, 2016. Trico further requests that the
10 Commission grant this extension of authority no later than its June 16, 2015 Open Meeting.

11 7. The RUS Loan Contract provides an economic source of financing for cooperatives
12 such as Trico. Trico submits that it is in the public interest to extend the financing authority
13 previously granted, in order to allow Trico continued access to financing under the RUS Loan
14 Contract.

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16 **Relief Requested**

17 Pursuant to A.R.S. 40-252, Trico requests that the Commission re-open Decision Nos.
18 70399, 73933 and 74583 for the sole and limited purpose of extending the termination date for the
19 financing authority from July 31, 2015 to July 31, 2016.

20 Trico also requests that the Commission grant this application at the Commission's June
21 16, 2015 Open Meeting. Trico hereby waives the 10-day exception period to facilitate the
22 expedited consideration of this Application.

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RESPECTFULLY SUBMITTED this 14th day of April 2015.

TRICO ELECTRIC COOPERATIVE, INC.

By 

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Original and 13 copies of the foregoing
filed this 14th day of April 2015 with:

Docket Control
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Copy of the foregoing hand-delivered/mailed
this 14th day of April 2015 to:

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By 