

ORIGINAL



0000168755

Cooperatives

Touchstone Energy® Cooperatives

March 1, 2016

RECEIVED

2016 MAR -1 P 12:36

Docket Control
Arizona Corporation Commission
1200 West Washington St.
Phoenix, AZ 85007

AZ CORP COMMISSION
DOCKET CONTROL

RE: TARIFF AND SCHEDULE FILING TO REVISE ARIZONA'S ELECTRIC POWER COOPERATIVE, INC. (AEPCO) PURCHASED POWER FUEL ADJUSTOR CLAUSE (PPFAC) RATES: 1) DECISION NO. 74173; DOCKET NO. E-01773A-12-0305 AND 2) DECISION NO. 75039; DOCKET NO. E-01773A-12-0305

Dear Sir or Madam:

Pursuant to Decision Nos. 74173 and 75039, enclosed are the original and 13 copies of the following:

1. A revised all-requirements Tariff effective April 1, 2016 stating revised adjustor rates and charges for AEPCO's collective all-requirements members;
2. A revised Rates and Fixed Charge Schedule effective April 1, 2016 stating revised adjustor rates and charges for AEPCO's partial-requirements members; and
3. A 16-page schedule which provides information concerning the calculation of the revised PPFAC Adjustor Rates and fuel, purchased power and wheeling costs used to determine them.

Should the Arizona Corporation Commission Staff have any questions concerning either filing, please contact me or Rohan Pease at (520)586-5335.

Very truly yours,

Joe King
Senior Financial Analyst
Rates Administration

Arizona Corporation Commission

DOCKETED

MAR 01 2016

DOCKETED BY

Enc.

Docket Control

Page 2

March 1, 2016

c/ Candrea Allen, Utilities Division, (w/enc.)

Barbara Keene, Utilities Division,(w/enc.)

Terri Ford, Utilities Division, (w/enc.)

Jennifer Cranston, Gallagher&Kennedy,(w/enc.)

Original and 13 copies filed with Docket Control this 1st day of March, 2016

ARIZONA ELECTRIC POWER COOPERATIVE, INC.

TARIFF

PERMANENT

Effective Date: April 1, 2016

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:

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

Where:

- pfkW = 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 and/or Supplemental Purchase 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), 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).

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).

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

Fixed Power Costs Adjustor Charge

$$FC = FPC - \$174,959 *$$

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, 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	(\$0.00332)*
Other Resources Power Cost Adjustor Rate – \$/kWh	(\$0.00898)*
Fixed Power Costs Adjustor Charge – Total \$/mo. (2)	\$26,801.70*

Bank Charges

Anza Electric Cooperative, Inc.

Base Resources Bank Charge – \$/mo.	\$3,940.60*
Other Resources Bank Charge – \$/mo.	(\$2,387.34)*
Fixed Power Costs Bank Charge – \$/mo.	\$11,632.73*

Duncan Valley Electric Cooperative, Inc.

Base Resources Bank Charge – \$/mo.	\$1,717.13*
Other Resources Bank Charge – \$/mo.	(\$1,330.47)*
Fixed Power Costs Bank Charge – \$/mo.	\$7,154.35*

Graham County Electric Cooperative, Inc.

Base Resources Bank Charge – \$/mo.	\$8,681.42*
Other Resources Bank Charge – \$/mo.	(\$7,482.15)*
Fixed Power Costs Bank Charge – \$/mo.	\$37,416.88*

- (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, 2016 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, 2016)

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), 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).

Other Resources Adjustor Rate

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

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).

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, 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	(\$0.00275)*
Other Resources Power Cost Adjustor Rate – \$/kWh	(\$0.00731)*
Fixed Power Costs Adjustor Charge – Total \$/mo.	\$17,721.47*

SSVEC

Base Resources Power Cost Adjustor Rate – \$/kWh	(\$0.00333)*
Other Resources Power Cost Adjustor Rate – \$/kWh	(\$0.00996)*
Fixed Power Costs Adjustor Charge – Total \$/mo.	\$15,692.02*

Trico

Base Resources Power Cost Adjustor Rate – \$/kWh	(\$0.00339)*
Other Resources Power Cost Adjustor Rate – \$/kWh	(\$0.00287)*
Fixed Power Costs Adjustor Charge – Total \$/mo.	\$10,459.01*

Bank Charges

MEC

Base Resources Bank Charge – \$/mo.	\$65,269.45*
Other Resources Bank Charge – \$/mo.	(\$4,837.20)*
Fixed Power Costs Bank Charge – \$/mo.	\$98,088.28*

SSVEC

Base Resources Bank Charge – \$/mo.	\$57,739.34*
Other Resources Bank Charge – \$/mo.	\$24,472.70*
Fixed Power Costs Bank Charge – \$/mo.	\$86,860.42*

Trico

Base Resources Bank Charge – \$/mo.	\$94,309.64*
Other Resources Bank Charge – \$/mo.	(\$42,623.36)*
Fixed Power Costs Bank Charge – \$/mo.	\$13,893.10*

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

* Effective April 1, 2016 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, 2015**

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	\$ 6,621,287.85
CARM Base Resources kWh sales	252,148,189
CARM Base Resources BPC - \$/kWh	<u>\$ 0.02626</u>

Computation of BF:

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

$$BF = \$ \quad 0.02626 \quad - \quad \$ \quad 0.02958 \quad \underline{\underline{\$ \quad (0.00332)}}$$

Computation of BBA and BBC:

CARM Under/(Over) Collected Balance	\$ (1,063,869.26)
CARM Amount Recovered Through PPFAC	\$ (1,149,904.14)
CARM Total Under/(Over) Collected Balance - BBA as of December 31, 2015	<u>\$ 86,034.87 (1)</u>
CARM Base Resources Bank Charge - BBC (\$/mo.)	\$ 86,034.87 ÷ 6 <u>\$ 14,339.15</u>
Adjustor Rate Effective April 1, 2016	\$ (0.00332)
Adjustor Rate Effective October 1, 2015	(0.00321)
Increase/(Decrease) to Adjustor Rate	<u>\$ (0.00011)</u>

Individual CARM Base Resources BBA and BBC:

	<u>BBA (1)</u>			<u>BBC</u>
Anza	\$ 23,643.57	÷	6	\$ 3,940.60
Duncan	\$ 10,302.77	÷	6	\$ 1,717.13
Graham	\$ 52,088.54	÷	6	\$ 8,681.42
Total	\$ 86,034.88	÷	6	\$ 14,339.15

Notes:

(1) 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, 2015

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	\$	323,079.58
CARM Other Resources kWh sales		<u>10,767,473</u>
CARM Other Resources OPC - \$/kWh		<u>\$ 0.03001</u>

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

$$OF = \$ \quad 0.03001 \quad - \quad \$ \quad 0.03899 \quad = \quad \underline{\underline{\$ \quad (0.00898)}}$$

Computation of OBA and OBC:

CARM Under/(Over) Collected Balance		\$	(212,209.57)
CARM Amount Recovered Through PPFAC		\$	(145,009.84)
CARM Total Under/(Over) Collected Balance - OBA as of December 31, 2015		\$	<u>(67,199.73) (1)</u>
CARM Other Resources Bank Charge - OBC (\$/mo.)	\$	(67,199.73) ÷	6
		\$	<u>(11,199.96)</u>
Adjustor Rate Effective April 1, 2016		\$	(0.00898)
Adjustor Rate Effective October 1, 2015			<u>0.00965</u>
Increase/(Decrease) to Adjustor Rate		\$	<u>(0.01863)</u>

Individual CARM Other Resources OBA and OBC:

	<u>OBA (1)</u>		<u>OBC</u>
Anza	\$ (14,324.03) ÷	6	\$ (2,387.34)
Duncan	\$ (7,982.79) ÷	6	\$ (1,330.47)
Graham	\$ (44,892.90) ÷	6	\$ (7,482.15)
Total	\$ (67,199.72) ÷	6	\$ (11,199.95)

Notes:

(1) 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, 2015

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 Months	\$ 2,421,128.35
	<u>12</u>
CARM Fixed FPC - \$/mo.	<u>\$ 201,760.70</u>

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

$$FC = \$ 201,760.70 - \$ 174,959.00 = \underline{\underline{\$ 26,801.70}}$$

Computation of FBA and FBC:

CARM Under/(Over) Collected Balance	\$ 381,635.06
CARM Amount Recovered Through PPFAC	\$ 44,411.37
CARM Total Under/(Over) Collected Balance - FBA as of December 31, 2015	<u>\$ 337,223.69</u>
CARM Fixed Power Costs Bank Charge - FBC	\$ 337,223.69 ÷ 6 = <u>\$ 56,203.95</u>

Adjustor Rate Effective April 1, 2016	\$ 26,801.70
Adjustor Rate Effective October 1, 2015	(10,779.51)
Increase/(Decrease) to Adjustor Rate	<u>\$ 37,581.21</u>

Individual CARM Fixed Power Costs FBA and FBC:

	<u>FBA</u>		<u>FBC</u>
Anza	\$ 69,796.36	÷ 6	\$ 11,632.73
Duncan	\$ 42,926.07	÷ 6	\$ 7,154.35
Graham	\$ 224,501.26	÷ 6	\$ 37,416.88
Total	<u>\$ 337,223.69</u>	<u>÷ 6</u>	<u>\$ 56,203.95</u>

Notes:

**Arizona Electric Power Cooperative
Computation of Mohave Electric Cooperative Power Cost Adjustor Rates and Bank Charges
Twelve Months Ended December 31, 2015**

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	\$ 18,855,723.95
Mohave Base Resources kWh sales	709,958,446
Mohave Base Resources BPC - \$/kWh	<u>\$ 0.02656</u>

Computation of BF:

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

$$BF = \$ \quad 0.02656 \quad - \quad \$ \quad 0.02931 \quad \underline{\underline{\$ \quad (0.00275)}}$$

Computation of BBA and BBC:

Mohave Under/(Over) Collected Balance	\$ (2,690,411.95)
Mohave Amount Recovered Through PPFAC	\$ (3,082,028.63)
Mohave Total Under/(Over) Collected Balance - BBA as of December 31, 2015	<u>\$ 391,616.68</u>
Mohave Base Resources Bank Charge - BBC (\$/mo.)	\$ 391,616.68 ÷ 6 <u>\$ 65,269.45</u>
Adjustor Rate Effective April 1, 2016	\$ (0.00275)
Adjustor Rate Effective October 1, 2015	<u>(0.00287)</u>
Increase/(Decrease) to Adjustor Rate	<u>\$ 0.00012</u>

Notes:

Arizona Electric Power Cooperative
Computation of Mohave Electric Cooperative Power Cost Adjustor Rates and Bank Charges
Twelve Months Ended December 31, 2015

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	\$	367,019.61
Mohave Other Resources kWh sales		10,834,870
Mohave Other Resources OPC - \$/kWh	\$	<u>0.03387</u>

Computation of OF:

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

$$OF = \$ \quad 0.03387 \quad - \quad \$ \quad 0.04118 \quad \underline{\underline{\$ \quad (0.00731)}}$$

Computation of OBA and OBC:

Mohave Under/(Over) Collected Balance	\$	(500,252.75)
Mohave Amount Recovered Through PPFAC	\$	(471,229.57)
Mohave Total Under/(Over) Collected Balance - OBA as of December 31, 2015	\$	<u>(29,023.18)</u>
Mohave Other Resources Bank Charge - OBC (\$/mo.)	\$	(29,023.18) ÷ 6
	\$	<u>(4,837.20)</u>
Adjustor Rate Effective April 1, 2016	\$	(0.00731)
Adjustor Rate Effective October 1, 2015		0.01065
Increase/(Decrease) to Adjustor Rate	\$	<u>(0.01796)</u>

Notes:

Arizona Electric Power Cooperative
Computation of Mohave Electric Cooperative Power Cost Adjustor Rates and Bank Charges
Twelve Months Ended December 31, 2015

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 Months	\$ 6,805,853.62
	<u>12</u>
Mohave Fixed FPC - \$/mo.	<u>\$ 567,154.47</u>

Computation of FC:

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

$$FC = \$ 567,154.47 - \$ 549,433.00 \quad \underline{\underline{\$ 17,721.47}}$$

Computation of FBA and FBC:

Mohave Under/(Over) Collected Balance	\$ 232,086.99
Mohave Amount Recovered Through PPFAC	\$ (356,442.66)
Mohave Total Under/(Over) Collected Balance - FBA as of December 31, 2015	<u>\$ 588,529.65</u>
Mohave Fixed Power Costs Bank Charge - FBC	\$ 588,529.65 ÷ 6 <u>\$ 98,088.28</u>
Adjustor Rate Effective April 1, 2016	\$ 17,721.47
Adjustor Rate Effective October 1, 2015	<u>(33,852.39)</u>
Increase/(Decrease) to Adjustor Rate	<u>\$ 51,573.86</u>

Notes:

Arizona Electric Power Cooperative
Computation of Sulphur Springs Valley Electric Coop. Power Cost Adjustor Rates and Bank Charges
Twelve Months Ended December 31, 2015

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	\$ 19,138,481.23
Sulphur Springs Base Resources kWh sales	724,489,968
Sulphur Springs Base Resources BPC - \$/kWh	<u>\$ 0.02642</u>

Computation of BF:

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

$$BF = \$ \quad 0.02642 \quad - \quad \$ \quad 0.02975 \quad \underline{\underline{\$ \quad (0.00333)}}$$

Computation of BBA and BBC:

Sulphur Springs Under/(Over) Collected Balance	\$ (3,104,219.75)
Sulphur Springs Amount Recovered Through PPFAC	\$ (3,450,655.79)
Sulphur Springs Total Under/(Over) Collected Balance - BBA as of December 31, 2015	<u>\$ 346,436.05</u>
Sulphur Springs Base Resources Bank Charge - BBC (\$/mo.)	\$ 346,436.05 ÷ 6 <u>\$ 57,739.34</u>
Adjustor Rate Effective April 1, 2016	\$ (0.00333)
Adjustor Rate Effective October 1, 2015	<u>(0.00329)</u>
Increase/(Decrease) to Adjustor Rate	<u>\$ (0.00004)</u>

Notes:

**Arizona Electric Power Cooperative
Computation of Sulphur Springs Valley Electric Coop. Power Cost Adjustor Rates and Bank Charges
Twelve Months Ended December 31, 2015**

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	\$ 556,641.16
Sulphur Springs Other Resources kWh sales	<u>17,710,303</u>
Sulphur Springs Other Resources OPC - \$/kWh	<u>\$ 0.03143</u>

Computation of OF:

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

$$OF = \$ \quad 0.03143 \quad - \quad \$ \quad 0.04139 \quad \underline{\underline{\$ \quad (0.00996)}}$$

Computation of OBA and OBC:

Sulphur Springs Under/(Over) Collected Balance	\$ (864,592.13)
Sulphur Springs Amount Recovered Through PPFAC	\$ (1,011,428.31)
Sulphur Springs Total Under/(Over) Collected Balance - OBA as of December 31, 2015	<u>\$ 146,836.18</u>
Sulphur Springs Other Resources Bank Charge - OBC (\$/mo.)	\$ 146,836.18 ÷ 6 <u>\$ 24,472.70</u>

Adjustor Rate Effective April 1, 2016	\$ (0.00996)
Adjustor Rate Effective October 1, 2015	<u>0.01163</u>
Increase/(Decrease) to Adjustor Rate	<u>\$ (0.02159)</u>

Notes:

Arizona Electric Power Cooperative
Computation of Sulphur Springs Valley Electric Coop. Power Cost Adjustor Rates and Bank Charges
Twelve Months Ended December 31, 2015

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	\$ 6,026,412.28
Months	12
Sulphur Springs Fixed FPC - \$/mo.	<u>\$ 502,201.02</u>

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

$$FC = \$ 502,201.02 - \$ 486,509.00 = \underline{\underline{\$ 15,692.02}}$$

Computation of FBA and FBC:

Sulphur Springs Under/(Over) Collected Balance	\$ 205,510.20
Sulphur Springs Amount Recovered Through PPFAC	\$ (315,652.32)
Sulphur Springs Total Under/(Over) Collected Balance - FBA as of December 31, 2015	<u>\$ 521,162.52</u>
Sulphur Springs Fixed Power Costs Bank Charge - FBC	\$ 521,162.52 ÷ 6 = <u>\$ 86,860.42</u>
Adjustor Rate Effective April 1, 2016	\$ 15,692.02
Adjustor Rate Effective October 1, 2015	(29,974.81)
Increase/(Decrease) to Adjustor Rate	<u>\$ 45,666.84</u>

Notes:

Arizona Electric Power Cooperative
Computation of Trico Electric Cooperative Power Cost Adjustor Rates and Bank Charges
Twelve Months Ended December 31, 2015

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	\$ 13,275,613.44
Trico Base Resources kWh sales	501,969,715
Trico Base Resources BPC - \$/kWh	<u>\$ 0.02645</u>

Computation of BF:

Trico Base Resources Power Cost Adjustor Rate - BF (\$/kWh)	
BF = \$ 0.02645 - \$ 0.02984	<u>\$ (0.00339)</u>

Computation of BBA and BBC:

Trico Under/(Over) Collected Balance	\$ (2,248,730.27)
Trico Amount Recovered Through PPFAC	\$ (2,814,588.12)
Trico Total Under/(Over) Collected Balance - BBA as of December 31, 2015	<u>\$ 565,857.85</u>
Trico Base Resources Bank Charge - BBC (\$/mo.)	\$ 565,857.85 ÷ 6 <u>\$ 94,309.64</u>
Adjustor Rate Effective April 1, 2016	\$ (0.00339)
Adjustor Rate Effective October 1, 2015	(0.00424)
Increase/(Decrease) to Adjustor Rate	<u>\$ 0.00085</u>

Notes:

Arizona Electric Power Cooperative
Computation of Trico Electric Cooperative Power Cost Adjustor Rates and Bank Charges
Twelve Months Ended December 31, 2015

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	\$	496,998.25
Trico Other Resources kWh sales		14,462,993
Trico Other Resources OPC - \$/kWh	\$	<u>0.03436</u>

Computation of OF:

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

$$OF = \$ \quad 0.03436 \quad - \quad \$ \quad 0.03723 \quad \underline{\underline{\$ \quad (0.00287)}}$$

Computation of OBA and OBC:

Trico Under/(Over) Collected Balance	\$	(130,285.50)
Trico Amount Recovered Through PPFAC	\$	125,454.64
Trico Total Under/(Over) Collected Balance - OBA as of December 31, 2015	\$	<u>(255,740.14)</u>
Trico Other Resources Bank Charge - OBC (\$/mo.)	\$	(255,740.14) ÷ 6
	\$	<u>(42,623.36)</u>
Adjustor Rate Effective April 1, 2016	\$	(0.00287)
Adjustor Rate Effective October 1, 2015		0.02869
Increase/(Decrease) to Adjustor Rate	\$	<u>(0.03156)</u>

Notes:

**Arizona Electric Power Cooperative
Computation of Trico Electric Cooperative Power Cost Adjustor Rates and Bank Charges
Twelve Months Ended December 31, 2015**

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	\$ 4,011,444.11
Months	12
Trico Fixed FPC - \$/mo.	<u>\$ 334,287.01</u>

Computation of FC:

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

$$FC = \$ 334,287.01 - \$ 323,828.00 = \underline{\underline{\$ 10,459.01}}$$

Computation of FBA and FBC:

Trico Under/(Over) Collected Balance	\$ 1,765,248.33
Trico Amount Recovered Through PPFAC	\$ 1,681,889.76
Trico Total Under/(Over) Collected Balance - FBA as of December 31, 2015	<u>\$ 83,358.57</u>
Trico Fixed Power Costs Bank Charge - FBC	\$ 83,358.57 ÷ 6 = <u>\$ 13,893.10</u>
Adjustor Rate Effective April 1, 2016	\$ 10,459.01
Adjustor Rate Effective October 1, 2015	(19,951.93)
Increase/(Decrease) to Adjustor Rate	<u>\$ 30,410.94</u>

Notes:

Arizona Electric Power Cooperative, Inc.
Summary of Base Resources Energy Related Fuel Adjustor Costs
Twelve Months Ended December 31, 2015

Description	Total Costs	CARM Allocated	MEC Allocated	SSVEC Allocated	TRICO Allocated
Base Resource Fuel Adjustor Costs:					
January-15	\$ 5,292,589.57	\$ 600,548.72	\$ 1,668,789.70	\$ 1,777,603.97	\$ 1,245,647.17
February-15	4,567,758.24	503,792.35	1,415,117.44	1,551,592.83	1,097,255.62
March-15	3,625,505.79	442,026.52	1,140,430.52	1,245,564.06	797,484.69
April-15	3,137,092.67	402,587.94	1,002,809.84	1,091,979.36	639,715.52
May-15	3,645,803.38	445,191.55	1,193,675.31	1,187,838.10	819,098.42
June-15	5,503,512.34	638,705.91	1,866,816.28	1,785,231.94	1,212,758.21
July-15	6,038,873.72	673,771.40	2,048,166.78	1,964,833.14	1,352,102.40
August-15	5,958,197.65	667,427.69	2,062,121.64	1,910,810.25	1,317,838.06
September-15	5,442,097.16	584,213.13	1,895,478.86	1,738,533.56	1,223,871.60
October-15	5,406,688.13	564,115.36	1,728,498.33	1,772,304.57	1,341,769.87
November-15	4,213,168.74	486,366.07	1,289,926.55	1,414,783.67	1,022,092.44
December-15	5,137,589.42	622,235.68	1,568,523.98	1,723,075.97	1,223,753.79
Total	\$ 57,968,876.81	\$ 6,630,982.33	\$ 18,880,355.25	\$ 19,164,151.43	\$ 13,293,387.80
Audit Adjustments:					
January-15	\$ (32,476.43)	\$ (3,896.76)	\$ (10,727.78)	\$ (10,789.89)	\$ (7,062.00)
February-15	(4,059.78)	(308.09)	(1,515.43)	(1,342.67)	(893.59)
March-15	(549.04)	(549.04)	-	-	-
April-15	-	-	-	-	-
May-15	-	-	-	-	-
June-15	-	-	-	-	-
July-15	-	-	-	-	-
August-15	(1,254.20)	(142.98)	(449.00)	(397.58)	(264.64)
September-15	-	-	-	-	-
October-15	-	-	-	-	-
November-15	-	-	-	-	-
December-15	(39,430.89)	(4,797.61)	(11,939.09)	(13,140.06)	(9,554.13)
Total	\$ (77,770.35)	\$ (9,694.48)	\$ (24,631.30)	\$ (25,670.20)	\$ (17,774.36)
Adjusted Base Resource Energy Costs:					
January-15	\$ 5,260,113.13	\$ 596,651.96	\$ 1,658,061.92	\$ 1,766,814.08	\$ 1,238,585.17
February-15	4,563,698.46	503,484.26	1,413,602.01	1,550,250.16	1,096,362.04
March-15	3,624,956.75	441,477.48	1,140,430.52	1,245,564.06	797,484.69
April-15	3,137,092.67	402,587.94	1,002,809.84	1,091,979.36	639,715.52
May-15	3,645,803.38	445,191.55	1,193,675.31	1,187,838.10	819,098.42
June-15	5,503,512.34	638,705.91	1,866,816.28	1,785,231.94	1,212,758.21
July-15	6,038,873.72	673,771.40	2,048,166.78	1,964,833.14	1,352,102.40
August-15	5,956,943.45	667,284.71	2,061,672.64	1,910,412.67	1,317,573.42
September-15	5,442,097.16	584,213.13	1,895,478.86	1,738,533.56	1,223,871.60
October-15	5,406,688.13	564,115.36	1,728,498.33	1,772,304.57	1,341,769.87
November-15	4,213,168.74	486,366.07	1,289,926.55	1,414,783.67	1,022,092.44
December-15	5,098,158.53	617,438.07	1,556,584.89	1,709,935.91	1,214,199.66
Total	\$ 57,891,106.46	\$ 6,621,287.85	\$ 18,855,723.95	\$ 19,138,481.23	\$ 13,275,613.44
Ending Base Resource Bank Accounts					
12/31/2015:					
Anza	\$ 23,643.57				
Duncan	10,302.77				
Graham	52,088.54				
Mohave	391,616.68				
Sulphur Springs	346,436.05				
Trico	565,857.85				
Total	\$ 1,389,945.46				

Notes:

Arizona Electric Power Cooperative, Inc.
Summary of Other Resources Energy Related Fuel Adjustor Costs
Twelve Months Ended December 31, 2015

Description	Total Costs	CARM Allocated	MEC Allocated	SSVEC Allocated	TRICO Allocated
Other Resource Fuel Adjustor Costs:					
January-15	\$ 4,338.75	\$ 4,290.11	\$ -	\$ 0.18	\$ 48.46
February-15	55.65	34.21	-	-	21.45
March-15	92,662.39	20,471.12	5,860.81	66,105.02	225.44
April-15	98,467.15	17,638.36	14,773.00	65,795.22	260.58
May-15	48,925.79	19,616.09	1,424.69	27,566.03	318.99
June-15	498,322.50	82,339.49	112,390.27	137,624.83	165,967.91
July-15	253,946.90	45,088.11	59,471.31	69,321.65	80,065.83
August-15	505,944.97	79,544.38	137,055.94	152,014.82	137,329.83
September-15	182,262.72	21,540.43	34,773.21	32,374.18	93,574.90
October-15	23,814.45	12,162.77	585.50	1,377.59	9,688.59
November-15	10,155.29	8,602.67	-	531.41	1,021.21
December-15	17,743.98	9,666.43	614.01	3,100.33	4,363.21
Total	\$ 1,736,640.54	\$ 320,994.14	\$ 366,948.75	\$ 555,811.26	\$ 492,886.39

Audit Adjustments:

January-15	\$ 2,227.44	\$ (514.48)	\$ (16.86)	\$ (929.92)	\$ 3,688.70
February-15	0.03	0.11	(0.01)	(0.07)	-
March-15	-	-	-	-	-
April-15	-	-	-	-	-
May-15	-	-	-	-	-
June-15	-	-	-	-	-
July-15	2,344.98	267.33	839.50	743.36	494.79
August-15	(2,344.98)	(267.33)	(839.50)	(743.36)	(494.79)
September-15	-	-	-	-	-
October-15	-	-	-	-	-
November-15	-	-	-	-	-
December-15	4,870.59	2,599.81	87.73	1,759.89	423.16
Total	\$ 7,098.06	\$ 2,085.44	\$ 70.86	\$ 829.90	\$ 4,111.86

Adjusted Other Resource Energy Costs:

January-15	\$ 6,566.19	\$ 3,775.63	\$ (16.86)	\$ (929.74)	\$ 3,737.16
February-15	55.68	34.32	(0.01)	(0.07)	21.45
March-15	92,662.39	20,471.12	5,860.81	66,105.02	225.44
April-15	98,467.15	17,638.36	14,773.00	65,795.22	260.58
May-15	48,925.79	19,616.09	1,424.69	27,566.03	318.99
June-15	498,322.50	82,339.49	112,390.27	137,624.83	165,967.91
July-15	256,291.88	45,355.44	60,310.81	70,065.01	80,560.62
August-15	503,599.99	79,277.05	136,216.44	151,271.46	136,835.04
September-15	182,262.72	21,540.43	34,773.21	32,374.18	93,574.90
October-15	23,814.45	12,162.77	585.50	1,377.59	9,688.59
November-15	10,155.29	8,602.67	-	531.41	1,021.21
December-15	22,614.57	12,266.24	701.74	4,860.22	4,786.37
Total	\$ 1,743,738.60	\$ 323,079.58	\$ 367,019.61	\$ 556,641.16	\$ 496,998.25

Ending Other Resource Bank Accounts

12/31/2015:

Anza	\$ (14,324.03)
Duncan	(7,982.79)
Graham	(44,892.90)
Mohave	(29,023.18)
Sulphur Springs	146,836.18
Trico	(255,740.14)
Total	\$ (205,126.86)

Notes:

Arizona Electric Power Cooperative, Inc.
Summary of Fixed Fuel Adjustor Costs
Twelve Months Ended December 31, 2015

Description	Total Costs	CARM Allocated	MEC Allocated	SSVEC Allocated	TRICO Allocated
Total Fixed Fuel Adjustor Costs:					
January-15	\$ 1,292,229.74	\$ 165,742.99	\$ 455,171.85	\$ 403,043.23	\$ 268,271.68
February-15	1,324,120.37	171,750.90	465,630.10	412,303.75	274,435.62
March-15	1,325,530.08	169,482.53	467,116.28	413,619.72	275,311.55
April-15	1,542,132.24	194,196.74	544,686.58	482,253.61	320,995.30
May-15	1,884,140.81	233,192.50	667,087.47	590,689.18	393,171.66
June-15	1,810,827.98	224,708.81	640,892.39	567,494.10	377,732.67
July-15	1,785,528.77	221,950.73	631,784.36	559,429.16	372,364.52
August-15	1,857,704.92	230,174.73	657,625.06	582,310.46	387,594.66
September-15	1,926,537.74	238,473.71	682,084.56	603,968.73	402,010.73
October-15	1,796,995.86	223,712.64	635,636.02	562,839.72	374,807.48
November-15	1,416,370.36	180,331.07	499,438.65	442,238.74	294,361.89
December-15	1,385,929.97	176,878.51	488,533.21	432,583.87	287,934.38
Total	\$ 19,348,048.83	\$ 2,430,595.87	\$ 6,835,686.54	\$ 6,052,774.28	\$ 4,028,992.14
Audit Adjustments:					
January-15	\$ (38,095.56)	(4,342.89)	(13,638.21)	(12,076.29)	(8,038.16)
February-15	-	-	-	-	-
March-15	-	-	-	-	-
April-15	-	-	-	-	-
May-15	-	-	-	-	-
June-15	-	-	-	-	-
July-15	-	-	-	-	-
August-15	(37,679.99)	(4,295.51)	(13,489.44)	(11,944.56)	(7,950.48)
September-15	-	-	-	-	-
October-15	-	-	-	-	-
November-15	-	-	-	-	-
December-15	(7,434.92)	(829.11)	(2,705.27)	(2,341.15)	(1,559.39)
Total	\$ (83,210.47)	\$ (9,467.51)	\$ (29,832.92)	\$ (26,362.00)	\$ (17,548.03)
Pro Forma Adjustments:					
January-15	\$ -	\$ -	\$ -	\$ -	\$ -
February-15	-	-	-	-	-
March-15	-	-	-	-	-
April-15	-	-	-	-	-
May-15	-	-	-	-	-
June-15	-	-	-	-	-
July-15	-	-	-	-	-
August-15	-	-	-	-	-
September-15	-	-	-	-	-
October-15	-	-	-	-	-
November-15	-	-	-	-	-
December-15	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -
Total Adjusted Fixed Fuel Adjustor Costs:					
January-15	\$ 1,254,134.18	\$ 161,400.10	\$ 441,533.64	\$ 390,966.94	\$ 260,233.51
February-15	1,324,120.37	171,750.90	465,630.10	412,303.75	274,435.62
March-15	1,325,530.08	169,482.53	467,116.28	413,619.72	275,311.55
April-15	1,542,132.24	194,196.74	544,686.58	482,253.61	320,995.30
May-15	1,884,140.81	233,192.50	667,087.47	590,689.18	393,171.66
June-15	1,810,827.98	224,708.81	640,892.39	567,494.10	377,732.67
July-15	1,785,528.77	221,950.73	631,784.36	559,429.16	372,364.52
August-15	1,820,024.93	225,879.22	644,135.62	570,365.90	379,644.18
September-15	1,926,537.74	238,473.71	682,084.56	603,968.73	402,010.73
October-15	1,796,995.86	223,712.64	635,636.02	562,839.72	374,807.48
November-15	1,416,370.36	180,331.07	499,438.65	442,238.74	294,361.89
December-15	1,378,495.05	176,049.40	485,827.94	430,242.72	286,374.99
Total	\$ 19,264,838.36	\$ 2,421,128.35	\$ 6,805,853.62	\$ 6,026,412.28	\$ 4,011,444.11
Ending Fixed Power Costs Bank Accounts 12/31/2015:					
Anza	\$ 69,796.36				
Duncan	42,926.07				
Graham	224,501.26				
Mohave	588,529.65				
Sulphur Springs	521,162.52				
Trico	83,358.57				
Total	\$ 1,530,274.43				

Notes:

Arizona Electric Power Cooperative, Inc.
Summary of Billing Units
Twelve Months Ended December 31, 2015

Description	Total kWh	CARM Allocated	MEC Allocated	SSVEC Allocated	TRICO Allocated
Base Resource Billing Units:					
January-15	196,644,506	22,314,132	61,931,159	66,005,215	46,394,000
February-15	158,808,399	17,478,971	48,839,038	54,032,390	38,458,000
March-15	147,628,718	18,240,964	45,954,599	50,863,155	32,570,000
April-15	125,589,340	16,462,789	39,438,685	44,250,866	25,437,000
May-15	145,412,212	17,989,151	46,971,214	47,543,847	32,908,000
June-15	219,616,837	25,641,683	74,354,460	71,223,225	48,397,469
July-15	235,819,928	26,381,680	79,931,392	76,705,083	52,801,773
August-15	238,061,326	26,713,960	82,498,951	76,309,427	52,538,988
September-15	206,471,924	22,133,291	71,829,086	65,969,521	46,540,026
October-15	183,067,006	19,059,302	58,301,608	60,064,548	45,641,548
November-15	158,070,511	18,316,739	47,231,764	53,485,410	39,036,598
December-15	173,375,611	21,415,527	52,676,490	58,037,281	41,246,313
Total	2,188,566,318	252,148,189	709,958,446	724,489,968	501,969,715
Other Resource Billing Units:					
January-15	215,302	213,293	-	9	2,000
February-15	21,000	20,000	-	-	1,000
March-15	3,220,808	662,797	204,925	2,342,086	11,000
April-15	4,889,333	1,181,774	678,300	3,017,259	12,000
May-15	1,854,198	858,223	44,308	941,667	10,000
June-15	13,436,953	2,325,291	2,999,685	3,672,090	4,439,887
July-15	8,034,893	1,588,106	1,906,795	2,167,757	2,372,235
August-15	14,122,519	2,428,021	3,765,916	4,169,007	3,759,575
September-15	6,108,128	736,168	1,162,017	1,081,950	3,127,993
October-15	607,668	194,083	20,735	48,851	343,999
November-15	215,725	184,000	-	10,831	20,894
December-15	1,049,112	375,717	52,189	258,796	362,410
Total	53,775,639	10,767,473	10,834,870	17,710,303	14,462,993
Total Billing Units:					
January-15	196,859,808	22,527,425	61,931,159	66,005,224	46,396,000
February-15	158,829,399	17,498,971	48,839,038	54,032,390	38,459,000
March-15	150,849,526	18,903,761	46,159,524	53,205,241	32,581,000
April-15	130,478,673	17,644,563	40,116,985	47,268,125	25,449,000
May-15	147,266,410	18,847,374	47,015,522	48,485,514	32,918,000
June-15	233,053,790	27,966,974	77,354,145	74,895,315	52,837,356
July-15	243,854,821	27,969,786	81,838,187	78,872,840	55,174,008
August-15	252,183,845	29,141,981	86,264,867	80,478,434	56,298,563
September-15	212,580,052	22,869,459	72,991,103	67,051,471	49,668,019
October-15	183,674,674	19,253,385	58,322,343	60,113,399	45,985,547
November-15	158,286,236	18,500,739	47,231,764	53,496,241	39,057,492
December-15	174,424,723	21,791,244	52,728,679	58,296,077	41,608,723
Total	2,242,341,957	262,915,662	720,793,316	742,200,271	516,432,708