

ORIGINAL OPEN MEETING ITEM



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COMMISSIONERS
DOUG LITTLE - Chairman
BOB STUMP
BOB BURNS
TOM FORESE
ANDY TOBIN



Executive Director

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ARIZONA CORPORATION COMMISSION
AZ CORP COMMISSION
DOCKET CONTROL

2016 MAY 24 PM 2 01

DATE: MAY 24, 2016
DOCKET NOS.: E-01461A-07-0433

TO ALL PARTIES:

Enclosed please find the recommendation of Administrative Law Judge Jane L. Rodda. The recommendation has been filed in the form of an Order on:

TRICO ELECTRIC COOPERATIVE, INC.
(ORDER EXTENDING TIME DEADLINE FOR FINANCING AUTHORITY
CONTAINED IN DECISION NOS. 70399, 73933, 74583 AND 75120)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by **4:00** p.m. on or before:

JUNE 2, 2016

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

JUNE 14, 2016 AND JUNE 15, 2016

For more information, you may contact Docket Control at (602) 542-3477 or the Hearing Division at (602) 542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.


JODI A. JERICH
EXECUTIVE DIRECTOR

Arizona Corporation Commission
DOCKETED

MAY 24 2016

DOCKETED BY 

1200 WEST WASHINGTON STREET, PHOENIX, ARIZONA 85007-2927 / 400 WEST CONGRESS STREET, TUCSON, ARIZONA 85701-1347

[WWW.AZCC.GOV](http://www.azcc.gov)

This document is available in alternative formats by contacting Shaylin Bernal, ADA Coordinator, voice phone number 602-542-3931, E-mail SABernal@azcc.gov.

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 DOUG LITTLE – Chairman
4 BOB STUMP
5 BOB BURNS
6 TOM FORESE
7 ANDY TOBIN

8 IN THE MATTER OF THE APPLICATION OF
9 TRICO ELECTRIC COOPERATIVE, INC., AN
10 ARIZONA CORPORATION, FOR AUTHORITY TO
11 BORROW THE ADDITIONAL SUM OF
12 \$58,786,000 FROM THE UNITED STATES OF
13 AMERICA (RURAL DEVELOPMENT UTILITIES
PROGRAM) 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-01461A-07-0433

DECISION NO. _____

**ORDER EXTENDING TIME
DEADLINE FOR FINANCING
AUTHORITY CONTAINED IN
DECISION NOS. 70399, 73933, 74583
AND 75120**

14 Open Meeting
15 June 14 &15, 2016
16 Phoenix, Arizona

17 **BY THE COMMISSION:**

18 * * * * *

19 Having considered the entire record herein and being fully advised in the premises, the Arizona
20 Corporation Commission (“Commission”) finds, concludes, and orders that:

21 **FINDINGS OF FACT**

- 22 1. In Decision No. 70399 (July 3, 2008), the Commission approved an application filed by
23 Trico Electric Cooperative, Inc. (“Trico” or “Cooperative”) for authority to borrow \$83.98 million from
24 the Rural Utilities Service (“RUS”) to finance its Construction Work Plan (“CWP”).
- 25 2. As part of Decision No. 70399 the Commission ordered that “any authorization to incur
26 debt granted in this proceeding shall terminate on December 31, 2013.”
- 27 3. Subsequent to Decision No. 70399, at the request of the Cooperative, the Commission
28 approved several extensions of the termination date for Trico’s financing authority as follows: Decision
No. 73933 (June 27, 2013) (extended the finance authority from December 31, 2013 to July 31, 2014);

1 Decision No. 74583 (July 22, 2014) (extended the finance authority until July 31, 2015); and Decision
2 No. 75120 (June 18, 2015) (extended the finance authority until July 31, 2016). Decision No. 75120
3 also provided that in the event Trico requested another extension of the financing authority, it docket
4 such request no later than April 1, 2016, and that any such request be supported by updated growth
5 projections and an updated CWP that demonstrates that the requested additional time extension is
6 warranted.

7 4. On April 7, 2016, Trico docketed an application under Arizona Revised Statutes
8 (“A.R.S.”) § 40-252 to amend Decision Nos. 70399, 73933, 7483 and 75120 “to extend the financing
9 authority in those Decision an additional twelve months, from July 31, 2016, until July 31, 2017.”

10 5. In its current application, Trico states that slow economic recovery continues to affect
11 its completion of the construction work such that as of March 31, 2016, Trico had borrowed
12 \$66,350,000 of the \$83,979,000 under the RUS Loan Contract. Trico states further that it has a
13 continuing need for advances of the remaining balance on the RUS Loan Contract to fund construction
14 work plans beyond July 31, 2016. Consequently, Trico requested an additional extension of the RUS
15 Loan Contract from RUS until July 17, 2017, and explained that it must obtain Commission approval
16 in order for the RUS extension to be effective. Trico requests that the Commission extend its financing
17 authority until July 31, 2017, and to consider this matter no later than the Commission’s June 14, 2016
18 Open Meeting.

19 6. On May 23, 2016, the Commission’s Utilities Division (“Staff”) filed a Memorandum
20 in which Staff states that it does not oppose the Cooperative’s request, and recommends that the
21 authorization for Trico to incur debt granted in Decision Nos. 70399, 73933, 74583 and 75120 be
22 extended from July 31, 2016, to July 31, 2017.

23 7. Trico provided Staff with updated growth projections and an updated CWP for 2013-
24 2016, as required by Decision No. 75120. Staff has indicated that the list of projects in the updated
25 CWP will be used to enhance system operational capability and reliability, and that Staff has
26 determined that the projects are reasonable and appropriate. Trico has also provided Staff with
27 additional information regarding the construction of several large system improvement projects that
28 Trico is planning to fund in the next year. Staff states that it finds these anticipated projects to also be

1 IT IS FURTHER ORDERED that Trico Electric Cooperative, Inc. shall file with Docket
2 Control, as a compliance item in this docket, copies of any additional executed financing documents
3 related to this authority within 60 days after the date of execution.

4 IT IS FURTHER ORDERED that approval of the financing set forth hereinabove does not
5 constitute or imply approval or disapproval by the Commission of any particular expenditure of the
6 proceeds derived thereby for purposes of establishing just and reasonable rates.

7 IT IS FURTHER ORDERED that in the event Trico Electric Cooperative, Inc. requests another
8 extension of the financing authority discussed herein, it shall docket such request no later than April 1,
9 2017, and that any such request shall be supported by updated growth projections and an updated
10 Construction Work Plan that demonstrates that the requested additional time extension is warranted.

11 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

12 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

13
14
15 CHAIRMAN

COMMISSIONER

16
17 COMMISSIONER

COMMISSIONER

COMMISSIONER

18
19 IN WITNESS WHEREOF, I, JODI JERICH, Executive Director
20 of the Arizona Corporation Commission, have hereunto set my
21 hand and caused the official seal of the Commission to be affixed
22 at the Capitol, in the City of Phoenix, this _____ day
23 of _____ 2016.

24 JODI JERICH
EXECUTIVE DIRECTOR

25 DISSENT _____

26
27 DISSENT _____

28 JR:aw

1 SERVICE LIST FOR: TRICO ELECTRIC COOPERATIVE, INC.

2 DOCKET NO.: E-01461A-07-0433

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