

- Important Rate Information - Please Read!

Trico Electric Cooperative - Docket No. E-01461A-08-0430

The cost to provide electric service has risen dramatically in recent years. In order to maintain positive margins and to continue providing safe, reliable service, Trico must increase its rates. These rates, which were approved by the Arizona Corporation Commission (ACC), go into effect on August 1, 2009. You'll see the changes reflected on your August bill, which you should receive in September. Below is a table summarizing the changes to Trico's residential rates.

Trico's New Residential Rates

effective Aug. 1, 2009

- **New Residential Rate (RS1):**

New kilowatt-hour charge (kWh):	\$.1216
New Fixed Charge:	\$15/month

- **How this affects your monthly bill:**

Below is a chart showing the net effect these changes will have to your monthly bill. The example assumes a monthly energy usage of 1,000 kWh.

Side by side comparison of the old rate versus the new rate:

	<u>Fixed Charge</u>	<u>Energy Charge</u>	<u>PCA</u>
New Rate	\$15.00	\$0.1216	\$0.019
Old Rate	<u>\$12.00</u>	<u>\$0.09602</u>	<u>\$0.038</u>
Difference	\$ 3.00	\$.02558	(\$0.019)

For a person using 1000 kWh of energy each month:

	<u>Fixed Charge</u>	<u>Energy Charge</u>	<u>PCA</u>	<u>Total</u>
New Rate	\$15.00	\$121.60	\$19.00	\$155.60
Old Rate	<u>\$12.00</u>	<u>\$96.02</u>	<u>\$38.00</u>	<u>\$146.02</u>
Difference:	\$ 3.00	\$25.58	(\$19.00)	\$9.58 (or 6.6%)

- **The Power Cost Adjustor (PCA):** **\$.0190/kWh**

The PCA is used strictly to cover fluctuations in the wholesale power cost. The Base Power Cost included in the retail rates of \$0.081638 was established and approved by the ACC. The wholesale power cost is what Trico pays the company that generates the power that Trico delivers to you.

The comparison indicates that the PCA with the existing base power cost is \$0.0380 and the new factor with the proposed base power cost is \$0.0190. That is a reduction of \$0.0190.

(see next page for additional information on rates and charges)

Other Rates & Charges

Lighting Rates

OL1 (Cooperative-owned & maintained lighting service)

Security Lights	\$11.48
Additional Poles for Lights	\$10.43
150 watt HPS	\$11.31
250 Watt HPS	\$11.96
400 Watt HPS	\$12.15
55 Watt LPS	\$10.91
90 Watt LPS	\$10.91
135 Watt LPS	\$11.31
100 Watt HPS	\$10.98

Other Charges

Renewable Energy Standard Tariff Schedule RES

The ACC has authorized Trico to assess a small surcharge on member bills for renewable energy programs. This program is called "SunWatts." These funds have separate and specific accounting, and are used to provide customers with renewable energy technologies.

Charges assessed each month based on energy usage -- \$.004988 per kWh or a maximum of \$1.05 per service.

Demand-side Management surcharge

The ACC has authorized Trico to assess a small surcharge on member bills for DSM programs. These funds, which will have separate and specific accounting, will be used to provide customers with energy efficiency and energy savings programs.

Charges assessed each month based on energy usage -- \$.000191 per kWh

Some background on the rate case

Why did Trico raise its rates at this time? Trico has faced significant increases in the cost of materials, supplies, outside services, and labor. Under its old rate structure, it was no longer possible for Trico to cover these costs while also maintaining positive margins.

Trico began this process approximately one year ago, using 2007 data as its Test Year. All changes to Trico's rate structure were reviewed and approved by the ACC. A copy of the ACC's decision can be found on Trico's web site, at www.trico.coop.

Questions? Contact:

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Trico can help you manage your energy use and help you save money on your energy bills. Call Trico's Member Services department at 744-2944, or visit our web site at www.trico.coop for energy-savings ideas and information.

For a complete description of all Trico's rates, please go to www.trico.coop. You can also view Trico's approved tariff on the ACC's web site, at: www.azcc.gov.