

INTEGRATED RESOURCE PLAN

SECOND FIVE-YEAR UPDATE

**ELECTRICAL DISTRICT NUMBER FOUR
OF PINAL COUNTY
AND THE STATE OF ARIZONA**

December 12, 2006

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Profile Data

Electrical District Number Four ("ED4" or "the District") is an electrical district established in 1928 by the Board of Supervisors of Pinal County pursuant to the provisions of Chapter 3 of Title 30 of the Arizona Revised Statutes. ED4 was organized to provide, and has provided since 1930, electrical power and energy primarily for producing water for irrigation. ED4 obtained its original power purchase certificate from the Arizona Power Authority ("the Authority") in 1960.

ED4 is located in Pinal County, Arizona. With a service area of approximately 110,000 acres, ED4 serves primarily agricultural irrigation pumping loads and commercially related agricultural loads, with a small number of rural residential and commercial customers as well. ED4 owns one substation, part of another substation with Western Area Power Administration ("Western") and associated lines and poles. ED4 receives power and energy on the Parker-Davis System purchased from the Authority and Western, as well as other supplemental sources. A map of ED4's service area is provided in **Appendix A**.

ED4 is governed by a five-member Board of Directors elected annually by freeholders of property within ED4's boundaries. The District is operated by the Central Arizona Irrigation and Drainage District ("CAIDD") through a Management Services Agreement. The District's manager jointly serves as General Manager of CAIDD. The District's current Board of Directors and relevant contact persons are detailed below.

- **Board of Directors**

Mark Hamilton—Chairman
Charles Bush
Thomas W. Isom

James F. Shedd
William Warren

- **Contact Persons**

Ron McEachern—General Manager
P.O. Box 605
Eloy, AZ 85231
Ph: (520) 466-7336
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Paul R. Orme—General Counsel
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Mayer, AZ 86333
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160 N. Pasadena, Ste. 101
Mesa, AZ 85201-6764
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ED4 purchases power from the Authority (Hoover Power), Western (SLCA/IP or CRSP Power), and other sources. ED4 has a control area agreement with the Salt River Project (“SRP”) and is a participant in the Hoover Resource Exchange Program and a party to an Integrated Resource Scheduling Agreement with other similarly situated utilities to integrate and exchange Hoover and SLCA/IP resources, respectively. The power and energy from the Authority and Western are transmitted over the Parker-Davis transmission system to the District-owned ED4 Substation facilities and the District-owned Empire Substation. The power and energy are distributed to the customers of ED4 over facilities owned and operated by the District.

The policies for service, rates and taxes for power provided by ED4 to its customers are determined and set by its Board of Directors. Copies of ED4's current rate schedules are attached as **Appendix B**.

In addition to crop prices and operating costs, the overall financial feasibility of the farming operations is significantly impacted by water costs from irrigation pumping which is supplied with ED4 electrical power. ED4 purchases the majority of its power resources from the Authority and Western.

The current projection of the District loads for the upcoming two-year and five-year periods does not indicate that additional resources are needed. To the contrary, the District’s agricultural loads are expected to decline somewhat. The District will endeavor to add a limited number of new loads in order to better preserve an affordable rate for irrigation pumping, and to fully utilize the District’s take or pay resources. The resource scheduling and utilization of the District’s resources has been managed through the Authority’s Hoover Resource Exchange Program and through the District’s participation in an Integrated Resource Scheduling program for Hoover and SLCA/IP resources, respectively. These resource management programs have provided the necessary flexibility for the District to re-pattern its resources monthly to meet its changing loads and exchange the resources with other preference entities that can temporarily utilize the power during the same periods. With the continuation of these programs, and current loads and resources, there is not any long-term need for additional resources for the District. Therefore, the District will use its current entitlements of Hoover and SLCA/IP resources with intermittent purchases of supplemental power to meet its projected loads through the five-year planning period.

District Goals and Objectives

- Provide Water and Reliable Electric Power at Lowest Practicable Cost, Consistent With Sound Business Principles
- Enhance Customer Financial Stability by Providing Services which Enhance Property Values and Provide Long-Term Stability in Water and Electric Power Rates

Competitive Situation

- **District Contract Information**

Arizona Power Authority (Hoover Power Contract)
Western Area Power Administration (SLCA/IP Contract)
SRP Control Area Agreement
SRP Power Services Master Agreement

- **Regulations Applicable to District**

Energy Planning and Management Program (EPACT '00)

- **Regulations Applicable to District Customers**

Arizona Department of Water Resources - Groundwater Management Act

- **Competition With District Service**

There is competition for leasing the farm ground within ED4. Many of the land owners in ED4 and other districts lease ground to tenant farmers who lease property based upon lease cost and water costs (i.e., pumping costs). Therefore, to the extent that the costs in ED4 become significantly higher than other areas, the competition for farm ground may significantly impact the irrigated acreage and electric load of the District.

Load and Resource Information

- **Historical and Five-Year Load Forecast:**

Oct-Sep	Winter Demand CP @ Sub (kW)	Summer Demand CP @Sub (kW)	Peak Annual Growth	Energy @Substation (kWh)	Load Factor
1997	11,251	16,787		60,362,259	41%
1998	11,334	16,376	-2%	55,460,064	39%
1999	13,071	23,230	42%	69,687,785	34%
2000	10,900	16,319	-30%	73,162,619	51%
2001	12,925	19,682	21%	58,878,028	34%
2002	13,461	18,375	-7%	72,443,913	45%
2003	15,897	20,720	13%	89,240,852	49%
2004	16,193	21,089	2%	90,681,422	49%
2005	18,834	19,801	-6%	71,738,606	41%
2006	16,683	20,653	4%	80,714,775	45%

Current Forecast

2007	16,683	20,653	0%	80,714,775	45%
2008	16,683	20,653	0%	80,714,775	45%
2009	16,683	20,653	0%	80,714,775	45%
2010	16,683	20,653	0%	80,714,775	45%
2011	16,683	20,653	0%	80,714,775	45%

See **Appendix C** for a summary of the historical monthly load information (by operating year) as well as a graphical illustration of how the District schedules its resources to cover its loads in a typical year.

- **Customer Profile Information**

Irrigation Pumping—11%
 Residential—42%
 Commercial—12%
 Lighting—20%
 General Service/Other—15%

See **Appendix C** for a graphical illustration.

- **Supply Side Resources**

The District anticipates that current federal resources under contract and continuation of the Integrated Resource Scheduling procedures and the Authority Hoover Resource Exchange Program will be sufficient for the District to meet its monthly power and energy requirements through the short-term and long-term planning periods. Some supplemental power will continue to be purchased from time-to-time to cover any short-term power deviations. Detailed below are the District's current contractual commitments:

Arizona Power Authority (Hoover Power) at ED4 and Empire Substations

- Hoover A Capacity & Energy
18,700 kW (Maximum with Hoover Firming Capacity)
63,916,000 kWh (Contract Entitlement)
- Expires September 30, 2017

SLCA/IP Capacity at ED4 and Empire Substations

- Winter Season CROD: 3,422 kW
- Summer Season CROD: 4,554 kW
- Contract Term: Expires September 30, 2024
- Energy entitlements by fiscal year:

<i>Fiscal Year</i>	<i>Winter Season Energy (kWh)</i>	<i>Summer Season Energy (kWh)</i>
FY 2006	5,902,738	7,795,755
FY 2007	6,026,772	7,959,566
FY 2008	6,150,806	8,123,378
FY 2009 - FY 2024	6,274,839	8,287,189

Power Sale and Service Agreement (SRP)

- Supplemental Energy service, Firm Capacity/Energy Sale or Exchange, Energy Based Control Area Services, as needed
- Expires August 31, 2010

Control Area Services Operating Agreement (SRP)

- Control Area services: System Control service, Energy scheduling, Interchange scheduling, Inter-tie Operating service, Dynamic Scheduling service, Load Imbalance service, Regulation service, Spinning Reserves service, Non-Spinning Reserve service
- Expires August 31, 2010

- **Demand Side Resources**

The majority of the District’s electric power is utilized to pump groundwater for agricultural purposes. The following is a list of some of the on-going water conservation practices that are implemented by the District’s customers to efficiently utilize groundwater and therefore electricity:

Alternate Furrow Irrigation	Graded Furrow or Border	Use of Gated Pipe
Cut-Back Irrigation	Portable Sprinklers	Micro spray Systems
Angled Rows	Uniform Slopes	Tail Water Recovery
Shortened Field Lengths	Deficit Irrigation	Irrigation Scheduling
Land Leveling	Soil & Water Amendments	Concrete Ditch Lining
Precision Tillage	Cropping Pattern-Winter vs. Summer	Tiered Water Rates

Identification and Comparison of Resource Options

The identification of options for additional resources within this Integrated Resource Plan is coordinated through an examination of the costs and benefits for each resource. Because the majority of the District’s customers already implement numerous irrigation and agricultural efficiency practices in their operations and because the Arizona Groundwater Management Act heavily regulates the use of groundwater, opportunities for additional energy savings through demand side management (“DSM”) are very limited. However, the District will continue to look for other opportunities for energy savings from evolving technological advances in agricultural practices. To the extent practicable, the District will also endeavor to promote customer awareness of pumping workshops and other similar forums for further education on advancements in water conservation practices and technology.

Designation of Options

If additional resources are needed, the least cost option is identified from a cost benefit analysis. This information is considered by the Board of Directors in public meetings and combined with other information to select an Action Plan for the District which conforms with the regulations and guidelines of the Energy Planning and Management Program. The selection of the District’s Action Plan also includes consideration for reliability of service, economics, rate impacts and price elasticity, environmental effects, regulatory impacts and risks, legal considerations and risks, competitive impacts, social acceptance and public considerations and any other factors which may be identified from time-to-time which may be pertinent in selecting or implementing an Action Plan.

Action Plan

- **Resource Action Plan**

The time period covered by the District's Action Plan is the five-year period from 2007 through 2011.

The District has determined that to provide reliable electric power at the lowest practicable cost, consistent with sound business principles, the District will continue using its long-term entitlements of Hoover and SLCA/IP power to supply the District's projected long-term power requirements. The current federal resources and continuation of the Integrated Resource Scheduling procedures and the Authority Hoover Resource Exchange Program will be sufficient for the District to meet its monthly power and energy requirements through the short-term and long-term planning periods. Additional purchases of supplemental power will continue to be made from time-to-time to cover any short-term power deviations. The District is not experiencing any anticipated load growth and therefore does not need any new resources at this time. However, the District continues to participate in the Southwest Public Power Resources ("SPPR") Group in evaluating future resource opportunities. The SPPR Group represents 20 Participants comprised of thirty-nine public power entities providing service in Arizona, California, and Nevada. Although the District does not anticipate any immediate change in resource options due to the efforts of the SPPR Group, it may assist the District in accessing new long-term options in the future. The District continuously reevaluates the possible need for new resources, the availability of less costly resources and the potential for additional DSM activities. The District's Resource Action Plan enhances customer financial stability by providing services that will enhance property values and provide long-term stability in electric power rates.

The District provides electricity to farmlands that are also served from surface water supplies from the Central Arizona Project ("CAP"). The CAP began delivering water to farmlands within the district in 1988 and the CAP policies for pricing and availability of CAP water have changed dramatically since the start of CAP deliveries. Since pumped water and CAP water are both essential in providing a reliable supply of water to farmed lands, the impacts of CAP water deliveries upon the District's loads can be significant from year-to-year. Currently CAP pricing is reviewed annually to increase sales of CAP water to Arizona entities. CAP water price support programs and in-lieu programs are currently being implemented to encourage additional CAP water usage which impacts the District's annual pumping loads. Even if CAP water could supply the entire water requirements for certain farms, the electric supplies are needed to backup the surface water system to reliably meet the water requirements of the farmed lands during canal outages and to supply ineligible farm lands due to Reclamation Reform Act regulations. The pumps are also used to augment surface water

supplies in peak months when canal limitations restrict the amount of water that can be supplied from CAP. While the impact of CAP water is significant upon the seasonal electric requirements of the District, the District's current resources and flexibility provided from the Hoover Resource Exchange Program and the Integrated Resource Scheduling procedures should be sufficient for the District to adjust its resources to the changes in load requirements which may result from changes in CAP water delivered to District land owners for the five-year planning horizon.

Since no new resources are needed, there are no milestones to evaluate accomplishment of the Plan activities. Nevertheless, the District will monitor any adjustments to the Plan for the long-term resource needs and will annually review its electric loads and resources for any significant changes. In the event the loads of the District are projected to materially increase above those levels represented in the Load and Resource information, other than normal deviations due to cropping changes or weather impacts, the District will review its forecast and evaluate the need for modifying its Integrated Resource Plan and notify Western accordingly. In any event, the District will evaluate its load forecast and resource information in detail every five years and refresh its Integrated Resource Plan, in accordance with Western's regulations.

- **Conservation Action Plan**

The District has decided to continue certain conservation activities to promote and maintain energy efficiency and customer awareness for conserving electric, water, and land resources.

Period: Calendar Year 2007 through 2011
Activity: Power Factor Improvement Program
Distribution System Line Loss Reduction Program
Distribution System Equipment Inspection Program
Irrigation Well Efficiency Testing Program for District Customers

- **Validation and Evaluation**

ED4 has worked very closely with representatives of the Authority and various consultants to maintain its system. The District has utilized infrared equipment on loan from the Authority and has hired consultants to calculate the District's power factor and system losses and as a result of those findings has implemented a program which includes the monthly inspection of the system regulators, reclosers and capacitors to keep system losses to a minimum. The District has set in place an inspection form for each of the devices where the field service crews can log their inspection and identify any defective components

which could be repaired or replaced in order to increase the efficient operation of the distribution system.

The District also has an on-going program to monitor the efficiency of the wells served by the District. This program evaluates both the water and energy efficiency of each well. When the well's efficiency drops below a certain level, the equipment is removed and inspected for needed repairs or replacement. These well rehabilitations result in the continued efficiency of the wells and have been very successful over the last fifteen years in reducing the amount of energy required to meet the customers' pumping needs.

Environmental Effects

The District is required, to the extent practicable, to minimize adverse environmental effects of new resource acquisitions and document these efforts in the Integrated Resource Plan. Since the District does not foresee the acquisition of any additional resources, there are no adverse environmental effects caused by new resource acquisition. Under the District's current resource plan, the District utilizes hydro resources to meet the majority of its electric loads. To the extent the District utilizes the Integrated Resource Scheduling procedures or the Authority Hoover Resource Exchange Program to exchange and better utilize the hydro resources of the District and other similarly situated utilities, such efforts should be environmentally beneficial since such increased utilization would offset steam generation purchases.

In addition to maximizing the hydro resources, the District's customers are involved in substantial water conservation programs in their farming practices. The installed water conservation investment by the District's customers is extensive and far-reaching. Their ongoing conservation practices and ongoing maintenance of conservation investments continue to conserve significant amounts of groundwater annually. To the extent the District sponsors conservation activities and information activities with its customers, the conservation of groundwater is the fundamental achievement, which is environmentally beneficial and economically sound. The overall irrigation efficiency of each farmer is heavily regulated by the State of Arizona through the Groundwater Management Act.

Public Participation

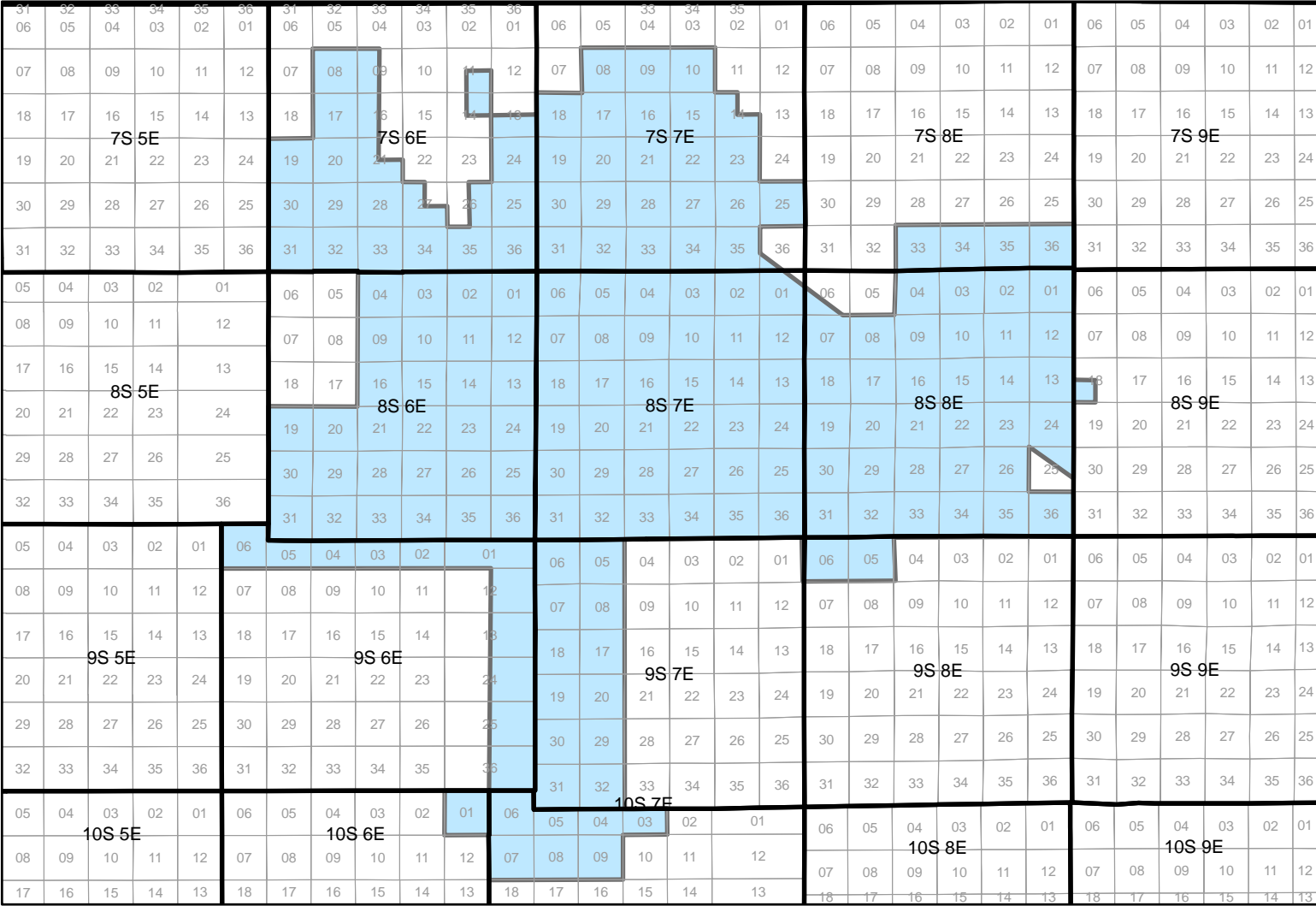
The District has held one public meeting to discuss the development of its Integrated Resource Plan.

Prior to the meeting, the District posted notice in advance of the meeting, giving the time and place of the meeting and specifying that the District would be considering a draft Integrated Resource Plan at the meeting. The notice was posted in accordance with statutory open meeting law requirements. The notice stated that the draft Integrated

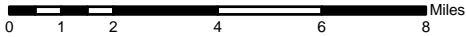
Resource Plan would be available to the public in advance of the meeting and that public comment on the draft Plan would be accepted at the meeting. A copy of the notice is attached as **Appendix D**.

At the meeting, the draft Integrated Resource Plan was presented to the Board. After discussion and the opportunity for public comment, the Board authorized the preparation of a final Plan, with such revisions as the Board deemed appropriate. There were no public comments.

APPENDIX A -- Map of Service Territory



Electrical District Number Four



DISCLAIMER:
 K.R. Saine & Associates, PLC
 Do not warrant the accuracy
 or location of the facilities shown



8-29-06

ELECTRICAL DISTRICT NO. FOUR

ELECTRIC RATE SCHEDULES

AUGUST 2006

	RATE CODE
RATE SCHEDULE NO 1 – RESIDENTIAL	
Overhead	01OH
Underground	01UG
RATE SCHEDULE NO 2 – LARGE COMMERCIAL	
Overhead	02OH
Underground	02UG
RATE SCHEDULE NO 3 – GENERAL SERVICE	
Overhead	03OH
Underground	03UG
RATE SCHEDULE NO 4 – AGRICULTURAL RELATED IRRIGATION PUMPING (CAIDD)	04
RATE SCHEDULE NO 5 – AGRICULTURAL RELATED PUMPING (non-CAIDD)	05
RATE SCHEDULE NO 6 – SMALL COMMERCIAL	
Overhead	06OH
Underground	06UG
RATE SCHEDULE NO 7 – INDUSTRIAL	
Overhead	07OH
Underground	07UG
Extra Large	07LG
RATE SCHEDULE NO 8 – AGRICULTURAL RELATED COMMERCIAL	08
RATE SCHEDULE NO 9 – DUST TO DAWN LIGHTING	09
09MV	
09HPS250	
09HPS100	
RATE SCHEDULE NO 10 – GATES AND TURNOUTS	10
RATE SCHEDULE NO 11 – STREET LIGHTING	11
11HPS100	
11HPS250	
11HPS500	

**ELECTRICAL DISTRICT NO. FOUR
P.O. BOX 605
ELOY, AZ 85231**

RESIDENTIAL RATE

**RATE Code 010H
Effective: 08/01/2006**

Applicability

Applicability to residential use only in single private residences or apartments for lighting, appliances domestic single-phase power with no motor over 5HP, heating and cooking served through one meter. Three-phase service is subject to application.

Availability

In all areas within the District as now served. Subject to the requirements of the primary purposes of the District and the availability of power and energy in the opinion of the District.

Type of Service

Single phase, 120/240 volts 60 Hertz. Transformation is included in this rate. Subject to all standard policies, conditions, rules and regulations as adopted and amended by the District Board of Directors.

RATE:

Customer Charge	\$12.60
Energy Charge	\$0.066 per kWh

Monthly Minimum \$12.60

TAX

Plus applicable sales tax to the above.

DEPOSIT

\$300.00 Deposit required per meter and is non-refundable until meter is disconnected.

UNDERGROUND RESIDENTIAL RATE

**ELECTRICAL DISTRICT NO. FOUR
P.O. BOX 605
ELOY, AZ 85231**

RATE CODE 01UG

Effective: 08/01/2006

Applicability

Applicable to underground planned residential development for residential use only in single private residences or apartments for lighting, appliances domestic single-phase power with no motor over 5HP, heating and cooking served through one meter. Three-phase service is subject to application.

Availability

In all areas within the District as now served. Subject to the requirements of the primary purposes of the District and the availability of power and energy in the opinion of the District.

Type of Service

Single phase, 120/240 volts 60 Hertz. Transformation is included in this rate. Subject to all standard policies, conditions, rules and regulations as adopted and amended by the District Board of Directors.

RATE:

Customer Charge	\$12.60
Energy Charge	
First 500 kWh	\$ 0.091
Each Additional kWh	\$ 0.082
<u>Monthly Minimum</u>	\$12.60

TAX

Plus applicable sales tax to the above.

DEPOSIT

\$300.00 Deposit required per meter and is non-refundable until meter is disconnected.

LARGE COMMERCIAL RATE

ELECTRICAL DISTRICT NO. FOUR

**P. O. BOX 605
ELOY, AZ 85231**

**RATE CODE 020H
Effective: 08/01/06**

Applicability

Applicable to all non-agricultural related services.

Availability

In all areas within the District as now served where each service is applied at one point of delivery and measured through one meter with an actual demand reading. Subject to the requirements of the primary purposes of the District and the availability of power and energy as determined in the opinion of the District.

Type of Service

Single and three phase, 60 Hertz 7200/12470 - 120/480 overhead and underground. Transformation is provided in most cases at this rate. Subject to all standard policies, conditions, rules and regulations as adopted and amended by the District Board of Directors.

Rate:

Customer Charge	\$20.00
Demand Charge	\$2.12 / kW
Energy Charge	
First 100 kilowatt-hours per month	\$0.102
Next 1000 kilowatt-hours per month	0.087
All Additional kWh	\$0.077

Minimum Monthly Charge \$20.00

Tax

Plus applicable sales taxes to the above

GENERAL SERVICE

ELECTRICAL DISTRICT NO. FOUR
P.O. BOX 605
ELOY, AZ 85231

Agriculture Related
RATE CODE 030H
Effective: 08/01/2006

Applicability

Applicable to all cottonseed milling gins, automatic or otherwise. Farm related services, and Sumps with District owned transformers and all non-commercial domestic water systems.

Availability

In all areas within the District as now served. Subject to the requirements of the primary purposes of the District and the availability of power and energy as determined in the opinion of the District.

Type of Service

Single and three phase, 60 Hertz /240 and 480 overhead. Transformation is included in this rate. Subject to all standard policies, conditions, rules and regulations as adopted and amended by the District Board of Directors.

Rate:

Customer Charge	\$12.72 for each connected meter
Demand Charge	\$2.65 for each KW
Energy Charge	\$0.0644 for each KWH

Monthly Minimum \$12.72

Tax Plus applicable sales tax to the above

Determination of KW

The actual KW supplied during the period of maximum use during the month as determined from reading of the Company's meter, or if necessary an estimated KW.

ELECTRICAL DISTRICT NO. FOUR
P.O. BOX 605
ELOY, AZ 85231

IRRIGATION RATE
CAIDD

RATE CODE 04

Effective: 01/01/2006

Irrigation Rate:

All kWh	28 Mills/kWh (.028)
Standby Charge.....	\$5.00

ELECTRICAL DISTRICT NO. FOUR
P.O. BOX 605
ELOY, AZ 85231

IRRIGATION RATE
NON-CAIDD

RATE CODE 05

Effective: 01/01/2006

Irrigation Rate:

All kWh	28 Mills/kWh (.028)
Standby Charge.....	\$5.00

**ELECTRICAL DISTRICT NO. FOUR
P.O. BOX 605
ELOY, AZ 85231**

SMALL COMMERCIAL RATE

**RATE CODE 060H
Effective: 08/01/06**

Applicability

Applicable to all non-agricultural related services.

Availability

In all areas within the District as now served where each service is applied at one point of delivery without a demand meter and with an estimated monthly demand of less than 10 kW. Subject to the requirements of the primary purposes of the District and the availability of power and energy as determined in the opinion of the District.

Type of Service

Single and three phase, 60 Hertz 120/240 and 480 overhead. Transformation is included in this rate. Subject to all standard policies, conditions, rules and regulations as adopted and amended by the District Board of Directors.

Rate:

<u>Customer Charge</u> (which includes first 0 – 100 Kwhs)	\$20.00
Demand Charge	\$ 0.00/kW

<u>Energy Charge</u>	
Next 500 kilowatt-hours per month	\$0.1210
All Additional kWh	\$0.0913

<u>Minimum Monthly Charge</u>	\$20.00
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Tax

Plus applicable sales taxes to the above.

INDUSTRIAL SERVICE

**ELECTRICAL DISTRICT NO. FOUR
P.O. BOX 605
ELOY, AZ 85231**

**RATE CODE 070H
Effective: 08/01/2006**

Applicability

To non-agricultural customers whose monthly maximum demand is greater than 1,000 kW and less than 3,000 kW for three (3) consecutive months in any continuous twelve (12) month period ending with the current month. Service is applied at one point of delivery and measured through one meter with an actual demand reading.

Availability

In all areas within the District as now served. Subject to the requirements of the primary purposes of the District and the availability of power and energy as determined in the opinion of the District.

Type of Service

Three phase, 60 Hertz 7200/12470. Underground services could be subject to additional charges. Subject to all standard policies, conditions, rules and regulations as adopted and amended by the District Board of Directors.

Rate:

Customer Charge	\$50.00 for each connected meter
Demand Charge	\$7.45 for each kW
Energy Charge	\$0.0575 for each kWh

Monthly Minimum \$50.00

Tax Plus applicable sales tax to the above

ELECTRICAL DISTRICT NO. FOUR
P.O. BOX 605
ELOY, AZ 85231

AGRICULTURE RELATED
COMMERCIAL RATE
RATE CODE 08
Effective: 08/01/06

Applicability

Applicable to specific agricultural commercial services including dairies and other agricultural products processing facilities.

Availability

In all areas within the District as now served where each service is applied at one point of delivery and measured through one meter with an actual demand reading. Subject to the requirements of the primary purposes of the District and the availability of power and energy as determined in the opinion of the District.

Type of Service

Single and three phase, 60 Hertz 7200/12470 and 120/480 overhead and underground. Transformation is provided in most cases at this rate. Subject to all standard policies, conditions, rules and regulations as adopted and amended by the District Board of Directors.

Rate:

Customer Charge \$20.00 for each connected meter

Demand Charge \$4.00 for each KW

Energy Charge \$0.064 for each KWH

Monthly Minimum \$20.00

Tax Plus applicable sales tax to the above

Determination of KW

The greater of:

1. The average kW supplied during the period of maximum use during the month as determined from reading of the Company's meter.
2. 80% of the highest kW measured during the 12 months ending with the current month.

**ELECTRICAL DISTRICT NO. 4
P.O. BOX 605
ELOY, AZ 85231**

**NIGHT LIGHT 01
(FIXED RATE)
Effective 01/01/2005
RATE CODE 09MV**

175 WATT MERCURY VAPOR

Rate:

Energy Charge per Light.....\$5.45 Per Light

Tax:

Plus applicable sales tax to the above.

**ELECTRICAL DISTRICT NO. 4
P.O. BOX 605
ELOY, AZ 85231**

**NIGHT LIGHT 02
(FIXED RATE)
01/01/2005
RATE CODE 09HPS 250**

250 WATT HIGH PRESSURE SODIUM

Rate:

Energy Charge per Light\$9.54 Per Light

Tax:

Plus applicable sales tax to the above.

**ELECTRICAL DISTRICT NO. 4
P.O. BOX 605
ELOY, AZ 85231**

**NIGHT LIGHT 03
(FIXED RATE)
01/01/2005
RATE CODE 09HPS 100**

100 WATT HIGH PRESSURE SODIUM

Rate:

Energy Charge per Light.....\$7.95 Per Light

Tax:

Plus applicable sales tax to the above.

**ELECTRICAL DISTRICT NO. 4
P.O. BOX 605
ELOY, AZ 85231**

**NIGHT LIGHT 04
(FIXED RATE)
01/01/2005
RATE CODE 09HPS 2X250**

2X250 WATT DBL FIX HIGH PRESSURE SODIUM

Rate:

Energy Charge per Light.....\$15.22 Per Light

Tax:

Plus applicable sales tax to the above.

ELECTRICAL DISTRICT NO. 4
P.O. BOX 605
ELOY, AZ 85231

STREET LIGHTING

Effective 01/01/06

Applicability:

To all customers for the purpose of outdoor lighting of streets, alleys, thoroughfares, public parks and playgrounds. Service is dusk to dawn and District will own, operate and maintain the street lighting system including lamps and glass replacements.

Availability:

In all areas within the District as now served. Subject to the requirements of the primary purposes of the District and the availability of power and energy as determined in the opinion of the District.

Rates

			High Pressure Sodium Lighting	
			RATE CODE	
Single Fixture Light	100 Watts, HPS	\$16.82	11HPS100	
Single Fixture Light	250 Watts, HPS	\$22.75	11HPS250	
Double Fixture Light	500 Watts, HPS	\$27.15	11HPS500	

TAX:

Plus applicable sales tax to the above.

ELECTRICAL DISTRICT NUMBER FOUR

Demand @ Substation (kW)

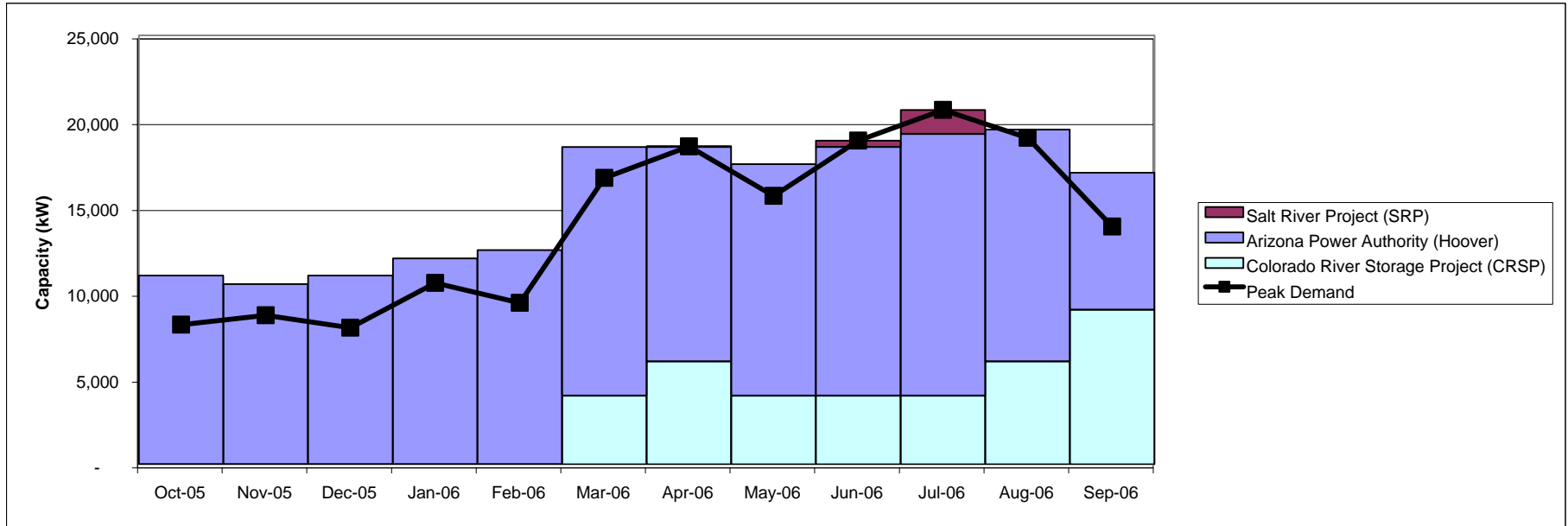
<u>Year</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>Max</u>
1997	9,638	4,304	8,807	6,224	6,679	11,251	10,967	10,804	16,287	16,787	16,114	6,446	16,787
1998	4,728	4,729	5,851	6,130	4,617	11,334	12,119	12,773	14,316	16,376	15,265	14,238	16,376
1999	4,411	6,529	9,024	6,726	9,233	13,071	13,209	13,127	16,135	16,102	23,230	13,939	23,230
2000	9,959	8,886	5,264	8,584	10,485	10,900	14,511	15,062	16,300	16,319	14,097	10,377	16,319
2001	6,808	3,837	7,669	5,719	6,730	12,925	13,873	14,738	19,682	14,903	12,557	9,715	19,682
2002	7,787	8,410	8,065	7,739	7,961	13,461	12,144	13,609	18,375	17,696	17,156	15,342	18,375
2003	11,766	8,576	10,466	8,303	9,877	15,897	17,371	18,517	19,388	20,720	16,009	16,536	20,720
2004	10,705	6,962	10,626	9,884	10,617	16,193	18,831	18,347	21,004	21,089	20,460	15,759	21,089
2005	7,649	5,588	8,352	8,111	10,133	18,834	19,801	15,372	17,608	19,306	17,131	14,231	19,801
2006	8,127	8,685	7,960	10,573	9,402	16,683	18,528	15,643	18,855	20,653	19,016	13,860	20,653

Energy @ Substation (kWh)

<u>Year</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>Total</u>
1997	4,081,741	2,050,729	3,510,556	3,206,775	2,821,763	5,586,371	6,310,223	5,772,302	8,442,255	9,384,348	6,793,938	2,401,258	60,362,259
1998	2,038,641	1,923,274	1,528,424	3,213,828	1,611,329	4,041,430	6,385,517	6,774,832	7,557,291	7,509,946	8,336,597	4,538,955	55,460,064
1999	3,399,757	2,867,868	3,967,558	4,802,421	3,926,023	7,236,916	5,907,133	6,768,525	8,313,253	8,380,207	8,425,957	5,692,167	69,687,785
2000	4,183,675	4,045,440	3,689,292	4,299,833	4,541,484	6,868,212	7,721,600	8,411,532	8,152,386	9,039,364	7,340,335	4,869,466	73,162,619
2001	2,631,175	2,460,506	3,237,059	1,825,615	2,522,119	5,505,415	6,442,892	7,129,559	9,374,924	8,370,507	5,690,782	3,687,475	58,878,028
2002	3,585,609	3,578,176	3,237,052	3,748,653	3,200,400	6,010,438	6,003,370	7,594,405	9,180,883	9,925,548	10,811,862	5,567,517	72,443,913
2003	4,565,940	3,917,570	3,989,077	3,936,117	2,213,077	7,593,208	9,443,658	10,311,643	11,571,432	12,434,168	12,127,154	7,137,808	89,240,852
2004	4,895,260	3,280,857	4,785,485	3,004,101	3,643,828	7,599,262	10,576,093	10,480,337	12,358,533	12,925,704	10,955,845	6,176,117	90,681,422
2005	3,149,529	2,592,103	3,290,266	2,927,319	2,263,398	7,013,683	11,141,819	7,883,740	8,106,286	10,383,762	7,010,246	5,976,455	71,738,606
2006	3,483,294	4,034,231	3,546,294	3,951,004	4,457,500	6,345,899	9,461,702	9,055,567	10,290,612	10,639,620	9,333,610	6,115,442	80,714,775

ELECTRICAL DISTRICT NUMBER FOUR

SCHEDULED RESOURCES TO COVER TYPICAL PEAK DEMAND



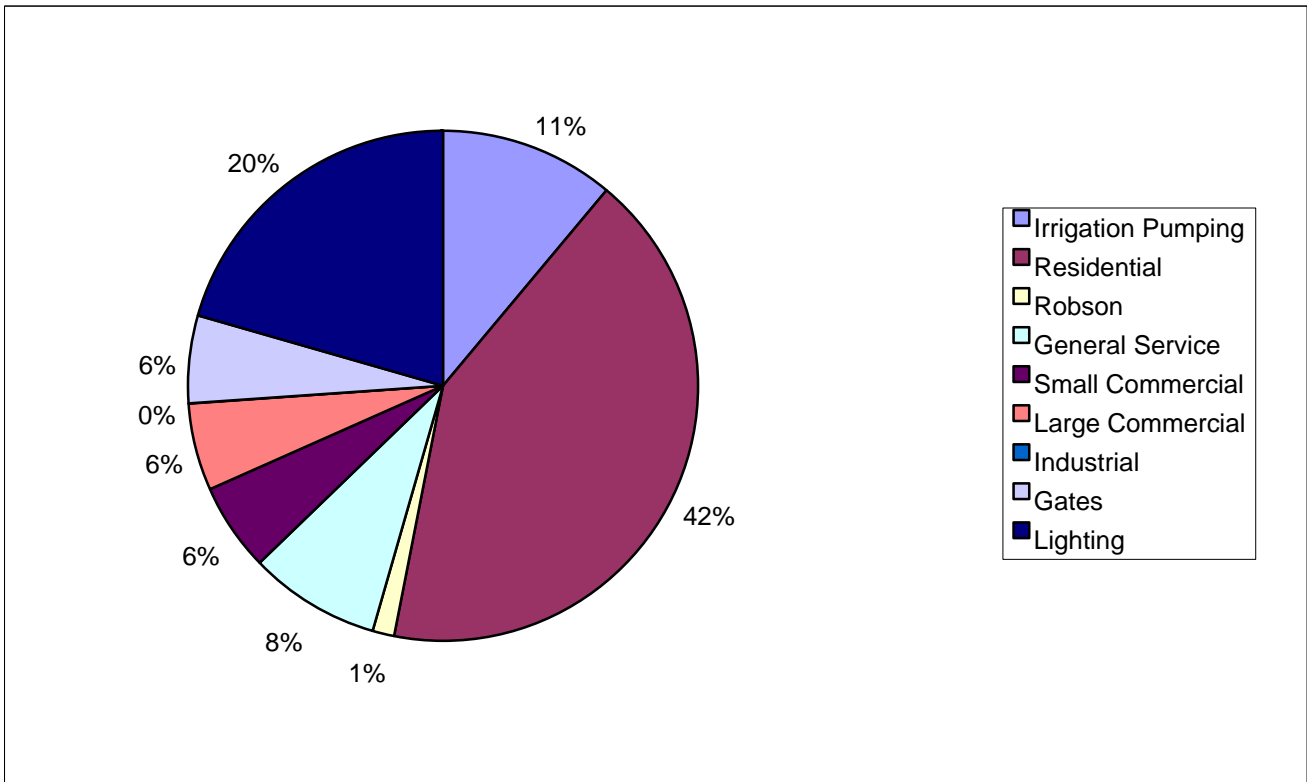
Resources

	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06
Arizona Power Authority (Hoover)	11,000	10,500	11,000	12,000	12,490	14,500	12,500	13,500	14,500	15,250	13,500	8,000
Colorado River Storage Project (CRSP)	-	-	-	-	-	4,000	6,000	4,000	4,000	4,000	6,000	9,000
Salt River Project (SRP)	-	-	-	-	-	-	28	-	355	1,403	-	-
Peak Demand	8,127	8,685	7,960	10,573	9,402	16,683	18,528	15,643	18,855	20,653	19,016	13,860

ELECTRICAL DISTRICT NUMBER FOUR

Customer Profile

Customer Type	# of Customers
<i>Irrigation Pumping</i>	138
<i>Residential</i>	515
<i>Robson</i>	17
<i>General Service</i>	103
<i>Small Commercial</i>	70
<i>Large Commercial</i>	69
<i>Industrial</i>	0
<i>Gates</i>	68
<i>Lighting</i>	<u>252</u>
Total	1232



ELECTRICAL DISTRICT NO. 4

PINAL COUNTY

POST OFFICE BOX 605 - ELOY, ARIZONA 85231

Telephone: (520) 466-7336

BOARD OF DIRECTORS:
MARK HAMILTON, CHAIRMAN
CHARLES BUSH
THOMAS W. ISOM
JAMES F. SHEDD
WILLIAM WARREN

DISTRICT MANAGER:
RON McEACHERN

AGENDA

REGULAR MEETING

December 12, 2006

1:00 P.M.

1. **CALL TO ORDER AND ESTABLISH A QUORUM:**
2. **APPROVAL OF MINUTES:** ACTION
Regular meeting of November 14, 2006, including executive session
3. **REVIEW AND APPROVAL OF INTEGRATED RESOURCE PLAN:** ACTION
Opportunity for public comment on updated five year plan
4. **REVIEW AND APPROVAL OF ED4 / APS WIRES TERRITORY AGREEMENT:** ACTION
5. **FINANCIAL:**
 - A. Operating Statement
 - B. Approval of Bills ACTION
 - C. Consideration for Approval of Audit Proposal ACTION
 - D. Review of Rate Increases Approved on 2007 Budget
 - E. Other
6. **OPERATIONS:** (Ron)
 - A. Electrical Line Work
 - B. CAIDD Water Progress
 - C. Other
7. **DISCUSSION WITH K. R. SALINE & ASSOCIATES REGARDING FUTURE PLANNING AND POWER SUPPLIES:**
Ken Saline and Dennis Delaney in attendance to discuss PV-SEV project and SPPR project
8. **SANTA CRUZ WATER & POWER DISTRICTS ASSOCIATION:** (Grant Ward)
 - A. Federal Activity –
 - (1) Energy / Water Market Forecast
 - (2) National / Congressional Activity
 - (3) Bureau of Reclamation's Security Costs Objections
 - (4) Other

- B. State Activity –
 - (1) Review of 2007 Legislative Agenda
 - (2) Review of Southwest Public Power Resources Group (SPPR Group) Activity
 - a. Review For Approval
 - 1. First Amendment To The Project Planning Agreement **ACTION**
 - 2. Operating Agreement of SPPRG, LLC **ACTION**
 - b. “Blue Box” (Municipalities) Engagement Agreement
 - (3) WAPA’s Parker Davis Resource Pool Final Power Allocation
 - (4) Other
- C. General Information –

9. **ATTORNEY’S REPORT:**

10. **MANAGER’S REPORT:** (Ron McEachern)

- A. Report of Development Activity
- B. Upcoming Meetings
 - 1) CRWUA Annual Meeting December 13-15, 2006 in Las Vegas
 - 2) Arizona Power Authority, 10:00 a.m. Tuesday, December 19, 2006
 - 3) IEDA noon, Tuesday, December 19, 2006 University Club
 - 4) CAIDD Regular Meeting December 20, 2006 at 12:30 p.m.
 - 5) Annual Director Election, Saturday, January 13, 2007
- C. Other –

11. **CHAIRMAN’S REPORT:**

12. **EXECUTIVE SESSION:** Pursuant to A.R.S. Section 38-431.03 (A) (1) (2) (3) & (4), the Board may vote to resolve into executive session for the discussion of protected records, confidential customer information and proceedings related to competitive activity including rate issues, and / or consultation for legal advice with the District’s attorney.

13. **RECONVENE / ACTION PURSUANT TO EXECUTIVE SESSION:**

14. **CALL TO THE PUBLIC:**

15. **ADJOURNMENT:**

PUBLIC NOTICE

Electrical District No. 4 of Pinal County (“the District”) will be holding a board meeting at **1:00 p.m.** on Tuesday, **December 12**, 2006 at **231 S. Sunshine Blvd., Eloy, Arizona**. At that board meeting the District will review and approve its updated Integrated Resource Plan. This Integrated Resource Plan, which is required by the Western Area Power Administration, details the District’s power resource plan for the next five years. The final Integrated Resource Plan will be available to the public prior to the meeting. Written comments regarding the Integrated Resource Plan will be accepted anytime prior to or at the meeting. Public comments will also be accepted at this time. Please contact **Ron McEachern, District Manager** at **520-466-7336** for more information.