

# ARIZONA CORPORATION COMMISSION



## FINANCING APPLICATION

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**UTILITY NAME**

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**DOCKET NO(S)**

You must complete ALL items in the application according to the instructions provided. If you have any questions regarding the application please call (602) 542-4251 for Staff assistance.

IN ORDER TO PROCESS YOUR APPLICATION  
PLEASE FORWARD THE ORIGINAL  
AND THIRTEEN COPIES OF THE  
**APPLICATION** PLUS  
THREE PACKETS OF THE SUPPORTING  
DOCUMENTATION TO:

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL CENTER  
1200 WEST WASHINGTON STREET  
PHOENIX, ARIZONA 85007



## ARIZONA CORPORATION COMMISSION

### Filing Requirements

#### ALL FILINGS REQUIRE

- 1.) **An original + 13 copies**
- 2.) **The Docket number MUST be on all copies of the filing.**
  - a) The exception is a New Application.
- 3.) **All copies must be properly collated.**
  - a) Please do not send stacks of documents for Docket to collate.
- 4.) **No confidential or proprietary information will be docketed.**
  - a) If you must file confidential information, either as a page of this application or within the Company's response to the attached list of standard data request, you must make prior arrangements with the Hearing or Legal Division(s).
  - b) It is also the filing party's responsibility to remove or redact any personal information that would not be appropriate for public view.
- 5.) **All documents must be filed on 8-1/2" x 11" paper – NO EXCEPTIONS.**  
(Additional copies to be distributed to parties may be larger if necessary, please contact Docket Control 602-542-3477 for more information.)
- 6.) **If the filing is for an existing Docket, the filing party must mail the filed document to ALL parties on the Service List (see E-Docket for copy of Service List).**

If you have any questions concerning the filing of documents please contact Docket Control at (602) 542-3477.

### **Application Information Regarding Arizona Revised Statutes 40-285, 40-301 and 40-302**

The application for financing approval pursuant to Arizona Revised Statutes 40-285, 40-301 and 40-302 shall include the following information:

1. The applicant's exact legal name and the contact phone number and email, as well as the address of its principal business office.
2. Name and address of the person authorized, on behalf of applicant, to receive notices and communications regarding the application.
3. A full and complete response to all data requests contained within Attachment A.
4. A statement that demonstrates why the financing is:
  - a. Within the corporate powers of the applicant;
  - b. Compatible with the public interest;
  - c. Compatible with sound financial practices;
  - d. Compatible with the proper performance by the applicant of service as a public service corporation and will not impair its ability to perform that service; and
  - e. Why the purposes of the financing are not reasonably chargeable to operative expenses or to income.
5. The name and address of any person receiving, or entitled to, a fee for service in connection with the issuance or placement of the financing and a demonstration that such fees do not exceed customary fees for such service in an arms-length transaction and are reasonable.
6. Provide a copy of any documents to be executed in the matter.
7. Pursuant to A.R.S. § 40-302, the Company is required to provide public notice of the financing application to its customers. Attachment B is a copy of the notice to be provided, with the blanks filled in as indicated, using a heading in no less than 12-point bold type and the body in no less than 10-point regular type. Within 10 days of filing the financing application, either mail a copy of the notice to customers or have it published at least once in a newspaper of general circulation in the area in which the Company serves. Companies are also encouraged to post the notice on their websites, if possible. File proof of noticing customers with Docket Control within 30 days of filing the financing application. Proof of public notice consists of a signed statement from the Company verifying that notice was timely mailed to customers together with a copy of the dated mailed notice, or a copy of the notice as it appeared in the newspaper, accompanied by a notarized affidavit of publication.
8. Submit an original and thirteen (13) copies of the application and three (3) copies of the supporting documents to the following:

Arizona Corporation Commission  
Docket Control Center  
1200 West Washington Street  
Phoenix, Arizona 85007

Company Name  
Docket No. **X-XXXXX-XX-XXXX**  
Application for Approval of Financing  
**Date**

Arizona Corporation Commission Staff Standard Initial Financing Data Request

**1.1** – Provide audited financial statements for the Company’s most recent fiscal year end to include, but not limited to, balance sheets, income statements, reconciliation of retained earnings (membership capital or equity), cash flow statements, footnotes, disclosures, and any other pertinent documentation including a schedule of general and administrative costs, and all management and accountants opinion letters. Un-audited financial statements will suffice if audited statements are not routinely generated. If the financial statements provided are not for the fiscal year immediately preceding the calendar year in which the current financing approval application is docketed, indicate when the more recent financial statements are expected to be available and provide them as soon as they become available.

**1.2** –Provide the name and address of the lender or debt placement agent, and the expected terms of the planned financing, including but not limited to, loan amount, inception date, maturity date, interest rate (for variable interest rates state the basis upon which the rate is dependent and the time interval or frequency the changes are implemented), numerical covenants such as debt service coverage (“DSC”), times interest earned coverage (“TIER”), cash coverage ratio (“CCR”), equity-to-total capital ratio, etc. For amortizing loans, provide an amortization schedule showing the scheduled payments for principal and interest for the full duration of the loan.

**1.3** – Provide an explanation of the proposed use of the financing proceeds. If the proceeds of the financing are for funding multiple projects/uses or a construction work plan (“CWP”), provide a detailed list of the projects/uses or a copy of the CWP and the associated cost and the expected funding dates for each. Also provide a copy of any independent external engineering review of the CWP.

**1.4** – If interim funding is to be utilized for the projects in the CWP, identify the source of all elements of this expected interim funding and when the interim funding is expected to be retired and replaced with permanent funding from this new financing arrangement.

**1.5** - Provide the balances, if any, of “Advances in Aid of Construction” and “Contributions in Aid of Construction,” as of the end of the Company’s most recent fiscal year.

**1.6** - Provide proof of notice of this matter duly published within newspapers of general circulation within the Company’s service territory, as specified in the finance application form at <http://www.azcc.gov/divisions/utilities/forms.asp>. Identify any other method (e.g., direct mail) used to provide customer notice of the financing application, provide a copy of the notice and specify the date the notice was provided to customers and provide an affidavit attesting to the provision of the supplemental or alternate notice method.

**1.7** - Provide the number of customers currently served by rate class, and a brief description of each class of customers (residential, commercial, etc.).

**1.8** - Provide a schedule detailing all financing approvals obtained by the Arizona Corporation Commission (“Commission”) that remain in effect and indicate docket numbers, amounts approved, amounts drawn and any balances not yet drawn. For any balances not yet drawn, provide an explanation of why the funds have not been drawn and how the Company intends to utilize this currently available borrowing capacity.

**1.9** – If not clearly identified with the financial statements and footnotes of the financial statements provided in response to 1.1, provide a complete list of all long-term debt obligations (including capital leases). For each obligation provide: the lender’s name and contact information, the initial loan amount, the current outstanding (unpaid) balance, the inception date, the maturity date(s), the annual interest rate (for variable interest rates state the basis upon which the rate is dependent and the time interval or frequency the changes are implemented), the numerical covenants such as DSC, TIER, CCR, equity-to-total capital ratio, etc. For amortizing loans, provide an amortization schedule showing the scheduled payments for principal and interest. Also, provide any other information pertinent for gaining an essential understanding of the Company’s debt obligations.

**1.10** - If any of the proceeds from the newly proposed debt will be used to retire existing long-term or short-term debt, identify the specific loans, amounts and anticipated dates for the refunding.

**1.11** - Provide a certificate of resolution from the board of directors authorizing the filing of this application.

**1.12** - Provide financial information projecting the Company’s estimated financial performance (cash flows, operating income) for each of the next five years, identifying all significant assumptions (e.g., rate increases, customer/sales grow, inflation, etc.)

**1.13** - If the Company has a revolving line-of-credit facility (“LOC”), provide the following: the execution date, the termination date, the maximum borrowing capacity, the balance for each of the most recent 12 months, the name of the lender, the basis and term for the interest rate charged (e.g., LIBOR plus 2.0 percent), a detailed explanation of any fees other than interest (e.g., a commitment fee) and an explanation of any changes the Company anticipates to the line-of-credit during the next five years.

**1.14** - If applicable, provide the Company’s most recent credit agency(ies) financial review(s).

**1.15** - Provide the Commission decision number and date for the Company’s most recent general rate case and state the date of the test year end used in that rate case.

**1.16** - Identify any additional financing authorizations the Company contemplates seeking from the Commission in the next five years.

**1.17** – For a financing application by an electric provider in which the funds will be used for projects in a CWP that has not been previously reviewed by the Commission, provide the following information in the spreadsheet provided:

- a. Peak Demand (MW) & Energy MWh for the most recent previous five years.
- b. Peak Demand (MW) & Energy (MWh) projected for the next five years.
- c. Historical System Losses in MWh for the most recent previous five years.
- d. Number of Customers for the most recent previous five years by Customer Class.
- e. Total System Average Interruption Duration Index (SAIDI) for the most recent previous five years as well as SAIDI by the causes of Power Supplier, Planned, Major Events, and All Other.



Electric Utility  
Financing Application

**PUBLIC NOTICE OF [COMPANY]’S  
FINANCING APPLICATION  
DOCKET NO. X-XXXXXX-XX-XXXX**

On \_\_\_\_\_ [INSERT DATE] \_\_\_\_\_ [INSERT COMPANY NAME] (“Company” or “Applicant”) filed an Application with the Arizona Corporation Commission (“Commission”) for an order authorizing Applicant to issue \$\_\_\_\_\_ [INSERT GROSS PROCEEDS] of \_\_\_\_\_ [INSERT SECURITY TO BE ISSUED] and to \_\_\_\_\_ [INSERT ANY OTHER REQUEST]. The purpose of the financing is to \_\_\_\_\_ [INSERT PURPOSE]. The Commission may approve, disapprove, or approve the financing request with modifications. The Commission may act on the financing request with or without a hearing.

**How to View the Application and other Filings**

Copies of the application are available from \_\_\_\_\_ [INSERT COMPANY’S NAME AND HOW AND WHERE AVAILABLE] and for inspection during regular business hours at the Commission’s Docket Control Center at 1200 West Washington Street, Phoenix, AZ 85007. All filings in this matter are also available via the Commission’s website ([www.azcc.gov](http://www.azcc.gov)) using the e-Docket function and Docket No. X-XXXXXX-XX-XXXX [INSERT DOCKET NO.].

**How Interested Persons May Participate**

An interested person may participate in this matter by (1) providing written public comment, or (2) filing for intervention and becoming a formal party to the proceeding. Written public comments must refer to **Docket No. X-XXXXXX-XX-XXXX [INSERT DOCKET NO.]** and may be submitted at any time as follows:

By Mail:                Arizona Corporation Commission  
                              Consumer Services Section  
                              1200 West Washington Street  
                              Phoenix, AZ 85007

On the Website: [www.azcc.gov](http://www.azcc.gov) using the link “Submit a Public Comment”.

Anyone requiring assistance may contact the Consumer Services Section at 1-800-222-7000 or 602-542-4251.

**About Intervention**

Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. Intervention entitles a person to participate as a party and if a hearing is held, to present sworn testimony and evidence and cross-examine witnesses. Persons who do not intervene will receive no further notice of the proceedings in this docket. The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that the person requesting intervention must file an original and 13 copies of a written motion to intervene with the Commission’s Docket Control Center on or before \_\_\_\_\_ [INSERT DATE OF DEADLINE FOR FILING INTERVENTION REQUEST – 40 DAYS FROM FILING APPLICATION], and must send a copy of the motion to [INSERT COMPANY NAME] or its counsel. Contact information for the Applicant and other parties is available using the eDocket function and Docket No. X-XXXXXX-XX-XXXX [INSERT DOCKET NO.].

Each motion to intervene must include the Docket Number and contain the following:

1. The name, address, and telephone number of the person requesting intervention and of any person upon whom service of documents is to be made, if not the same person;
2. A short statement of the proposed intervenor’s interest in the proceeding (e.g., a customer of the Applicant, a member or shareholder of the Applicant, etc.);
3. Whether the proposed intervenor desires a formal evidentiary hearing on the application and the reasons for such a hearing;
4. A statement certifying that a copy of the motion to intervene has been mailed to the Applicant or its counsel and to all parties of record in the case; and

5. Information and any appropriate documentation demonstrating compliance with Arizona Supreme Court Rules 31, 38, and 42, as applicable, unless the proposed intervenor is an individual representing himself or herself, or is represented by an attorney who is an active member of the Arizona State Bar.

A sample intervention request form is available at  
<http://www.azcc.gov/divisions/utilities/forms/interven.pdf>.

**ADA/Equal Access Information**

The Commission does not discriminate on the basis of disability in admission to its proceedings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, and may request this document in an alternative format, by contacting ADA Coordinator Shaylin Bernal, at SBernal@azcc.gov, voice phone number 602-542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.