

Arizona Department of Transportation

ARIZONA HIGHWAY USER REVENUE FUND

Forecasting Process & Results

FY 2012-2021



Financial Management Services

October 2011

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ARIZONA HIGHWAY USER REVENUE FUND OFFICIAL FORECAST UPDATE RISK ANALYSIS OF EXPECTED VALUES

Introduction

This document presents the forecast of expected values for the Arizona Highway User Revenue Fund for the period FY 2012-2021, as prepared by the Arizona Department of Transportation.

Background

The State of Arizona taxes motor fuels and collects a variety of fees relating to the registration and operation of motor vehicles in the state. These collections include gasoline and use fuel taxes, motor carrier fees, vehicle license taxes, motor vehicle registration fees, and other miscellaneous fees. These revenues are deposited in the Arizona Highway User Revenue Fund (HURF) and are then distributed to the cities, towns and counties of the State and to the State Highway Fund, which is administered by the Department. These taxes and fees represent a source of revenues available to the state for highway related expenses.

Since 1986, the Department has estimated Highway Revenues using a comprehensive regression-based econometric model. In 1989, the model was updated by Dr. Alberta Charney of the University of Arizona. The model relied on the estimates of certain “independent variables” to predict future tax revenues. Any variability between estimated and actual values could lead to variances in the tax forecast. In order to deal with this variability, the Department introduced the Risk Analysis Process (RAP) in 1992. The RAP relies upon probability analysis and the independent evaluation of the model’s variables by an expert panel of economists. This results in a series of forecasts with specified probabilities of occurrence, rather than a single or “best guess” estimate.

In 1997, Hickling Lewis Brod Inc. (HLB), working in conjunction with Dr. Dennis Hoffman of Arizona State University, developed a new forecasting model to incorporate certain economic data generated over the past ten years and evaluate the inclusion of independent variables absent from the 1989 model, to enhance the model’s forecasting accuracy. The new model also took into consideration 1997 legislation which eliminated the weight distance tax on motor carriers, increased weight and use fees for use class vehicles, and changed the point of taxation on fuel.

In September 2000 and 2003, HLB reviewed the model and updated the equations. The independent variables contained in the model in 2003 included Arizona Real Income Growth Per Capita, Population Growth, Wage & Salary Employment Growth and Fleet Fuel Efficiency.

In 2005, HDR\HLB developed a new forecasting model to incorporate additional economic data that would enhance the model’s forecasting accuracy. The Arizona Real Gross Domestic Product Growth independent variable was added to the model to incorporate the impact of the Arizona economy on the commercial registration activities.

In September 2008, HDR\HLB reviewed the forecasting model and added the Arizona Real Gas Price Growth independent variable to improve the model’s forecasting accuracy for changes in Arizona gasoline consumption. In September 2009, HDR\HLB reviewed the forecasting model and added the West Coast No. 2 Real Diesel Price Growth independent variable to improve the model’s forecasting accuracy for changes in Arizona use fuel (diesel) consumption. In September 2011, the income, gross October 2011

domestic product, gas price and diesel price variables were converted to nominal dollars at the request of the panel members from the August 2010 RAP panel meeting. The updated model now includes:

- Arizona nominal personal income
- Arizona population
- Arizona non-farm employment
- Arizona nominal gross domestic product
- Arizona fleet fuel efficiency (Not part of RAP Process)
- Arizona nominal gas price
- West Coast No. 2 nominal diesel price

Risk Analysis Panel

The Risk Analysis Process relies heavily on the judgments of an expert panel of economic and financial participants to provide information critical to the forecasting process. In September 2011, a panel of fifteen economic and finance experts representing public, private, and academic sectors submitted their individual estimates of the model’s independent variables and comments on the future economic outlook. The information gathered from the panelists was input into the model to produce a series of forecasts with associated probabilities of occurrence. The panelists’ inputs are reflected in the attached tables at the back of this report.

Model Results

This year’s panel inputs produced a mean forecast of \$14,359.2 million for the period FY 2012-2021 with a compound growth rate of 3.4 percent.

The Department’s Official Forecast for FY 2012-2021 amounts to \$13,938.3 million with a compound growth rate of 3.1 percent. The Official Forecast incorporates the 50 percent confidence interval for FY 2013-2021. The FY 2012 forecast of \$1,216.3 million was developed in July 2011 by ADOT staff using time-series techniques, historical and projected growth rates from the model, and recent legislative changes.

FY 2012 Official Forecast (Dollars in Millions)			
Fiscal Year	Mean Forecast	Official Forecast	Confidence Level
2012	\$1,234.1	\$1,216.3	N/A
2013	1,267.9	1,241.9	50%
2014	1,307.1	1,274.9	50%
2015	1,351.9	1,314.8	50%
2016	1,402.1	1,360.4	50%
2017	1,453.6	1,408.7	50%
2018	1,506.0	1,457.2	50%
2019	1,558.8	1,502.9	50%
2020	1,612.1	1,556.0	50%
2021	<u>1,665.6</u>	<u>1,605.2</u>	50%
Total	\$14,359.2	\$13,938.3	
Ave. CGR	3.4%	3.1%	

For comparison purposes, the October 2010 Official Forecast and the October 2011 Official Forecast are shown below:

FY 2012-2021 Comparative Forecast (Dollars in Millions)			
Fiscal	Oct. 10	Oct. 11	
<u>Year</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Difference</u>
2012	\$1,220.7	\$1,216.3	(\$4.4)
2013	1,250.6	1,241.9	(8.7)
2014	1,293.5	1,274.9	(18.6)
2015	1,343.5	1,314.8	(28.7)
2016	1,397.5	1,360.4	(37.1)
2017	1,452.0	1,408.7	(43.2)
2018	1,508.2	1,457.2	(51.0)
2019	1,565.1	1,502.9	(62.2)
2020	1,624.9	1,556.0	(68.9)
2021	<u>1,688.7</u>	<u>1,605.2</u>	<u>(83.5)</u>
Total	\$14,344.7	\$13,938.3	(\$406.4)
Ave. CGR	3.7%	3.1%	

Summary

The Department's Official Forecast for FY 2012-2021 totals \$13,938.3 million, a decrease of \$406.4 million from the October 2010 Official Forecast. The Risk Analysis Process panel members remained pessimistic not only in the short term but also for the longer term in Arizona. For four years now, the panel has voiced concern over the future growth in population, personal income and employment. The panel does not expect the Arizona economic activity to rebound to historical averages and they remain concerned about the short term growth due to the continuing weakness of the real estate market, lack of employment growth and the uncertainty in the global economy.

Supplementary Information

The remaining pages of this report present supplementary information on the detailed results of the Risk Analysis Process, the Department's model and the values of the independent variables forecast by the expert panel. While the Official Forecast period is FY 2012-2021 panel inputs were requested for FY 2012-2016, 2021, 2026 and 2031. Data displayed for other than the requested years, has been extrapolated.

HURF OFFICIAL REVENUE FORECAST
With Category Detail and Confidence Interval By Fiscal Year
(Current Dollars in Millions)

Fiscal Year Percentile	2011 Actual	2012 N/A	2013 50%	2014 50%	2015 50%	2016 50%	2017 50%	2018 50%	2019 50%	2020 50%	2021 50%
Gasoline Tax	\$456.3	\$459.0	\$461.7	\$466.1	\$474.0	\$484.3	\$494.3	\$503.3	\$512.8	\$522.8	\$531.6
Use Fuel Tax	178.7	184.1	189.4	193.6	199.0	203.9	209.6	216.3	222.3	229.6	235.8
Motor Carrier Fee	36.3	37.0	39.0	40.4	41.8	43.3	44.9	46.3	47.6	49.4	50.7
Vehicle License Tax	322.0	321.5	330.6	347.3	365.8	387.2	410.6	434.9	456.8	483.2	509.3
Registration	156.1	159.9	160.9	165.5	170.2	175.3	180.7	185.5	190.2	195.3	199.8
Other	55.6	54.8	60.3	62.0	64.0	66.4	68.6	70.9	73.2	75.7	78.0
Total	\$1,205.1	\$1,216.3	\$1,241.9	\$1,274.9	\$1,314.8	\$1,360.4	\$1,408.7	\$1,457.2	\$1,502.9	\$1,556.0	\$1,605.2

HURF TOTAL TAX REVENUE RISK ANALYSIS RESULTS
(Current Dollars in Millions)

Fiscal Year	Mean	10%	20%	30%	40%	50%	60%	70%	80%	90%
2012	\$1,234.1	\$1,437.5	\$1,360.1	\$1,301.0	\$1,257.0	\$1,219.5	\$1,183.6	\$1,147.0	\$1,103.5	\$1,051.9
2013	1,267.9	1,556.5	1,444.0	1,359.4	1,295.9	1,241.9	1,192.2	1,140.8	1,085.2	1,015.9
2014	1,307.1	1,642.5	1,511.0	1,412.2	1,336.3	1,274.9	1,216.5	1,155.9	1,094.8	1,014.1
2015	1,351.9	1,717.5	1,576.3	1,465.9	1,381.8	1,314.8	1,251.2	1,185.7	1,118.8	1,031.2
2016	1,402.1	1,798.8	1,644.6	1,525.6	1,434.3	1,360.4	1,290.4	1,220.6	1,151.0	1,059.5
2017	1,453.6	1,876.3	1,711.3	1,585.8	1,483.8	1,408.7	1,337.6	1,260.3	1,184.7	1,087.5
2018	1,506.0	1,954.0	1,779.4	1,644.1	1,538.6	1,457.2	1,379.1	1,299.9	1,222.4	1,119.2
2019	1,558.8	2,031.4	1,846.1	1,701.7	1,592.0	1,502.9	1,423.0	1,340.3	1,259.2	1,150.8
2020	1,612.1	2,108.5	1,915.9	1,762.9	1,645.4	1,556.0	1,468.6	1,381.4	1,298.6	1,180.4
2021	1,665.6	2,183.1	1,983.3	1,819.1	1,702.7	1,605.2	1,514.3	1,424.8	1,337.7	1,213.1

HURF OFFICIAL REVENUE FORECAST DISTRIBUTION
(Current Dollars in Millions)

Fiscal Year	HURF	DPS/ ESP /1	Net HURF	DPS Parity Comp. Fund /2	ADOT 50.5%/3,4	Cities/Towns 27.5%	Cities +300K 3%	Counties 19%/4
2012	\$1,216.3	\$208.6	\$1,007.7	(\$2.4)	\$395.8	\$277.1	\$30.2	\$195.6
2013	1,241.9	11.0	1,230.9	(2.5)	619.1	338.5	36.9	233.9
2014	1,274.9	11.0	1,263.9	(2.6)	635.6	347.6	37.9	240.1
2015	1,314.8	11.0	1,303.8	(2.8)	655.6	358.5	39.1	247.7
2016	1,360.4	11.0	1,349.4	(3.0)	678.5	371.1	40.5	256.4
2017	1,408.7	11.0	1,397.7	(3.1)	702.7	384.4	41.9	265.6
2018	1,457.2	11.0	1,446.2	(3.3)	727.0	397.7	43.4	274.8
2019	1,502.9	11.0	1,491.9	(3.5)	749.9	410.3	44.8	283.5
2020	1,556.0	11.0	1,545.0	(3.7)	776.6	424.9	46.4	293.6
2021	1,605.2	11.0	1,594.2	(3.9)	801.2	438.4	47.8	302.9
Total	\$13,938.3	\$307.6	\$13,630.7	(\$30.8)	\$6,742.0	\$3,748.4	\$408.9	\$2,593.9

NOTES:

FY 2012 HURF estimate based on July 2011 Forecast.

FY 2013-2021 HURF estimate based on October 2011 Official Forecast.

/1. The DPS/ESP includes \$1 million for Economic Strength Project (ESP) each year.

The DPS transfer in FY 2012 is \$120.7 million per Laws 2011, 1st Regular Session, Chapter 24, (SB 1612) and \$10 million each year thereafter, which is subject to change.

FY 2012 also includes a \$624,800 appropriation to MVD for the registration compliance program and \$86.3 million for MVD operations per Laws 2011, 1st Regular Session, Chapter 24 (SB 1612).

/2. Per Laws 2005, Chapter 306 (SB 1119), 1.51 percent of the state highway fund share of HURF VLT is transferred to the DPS Parity Compensation Fund.

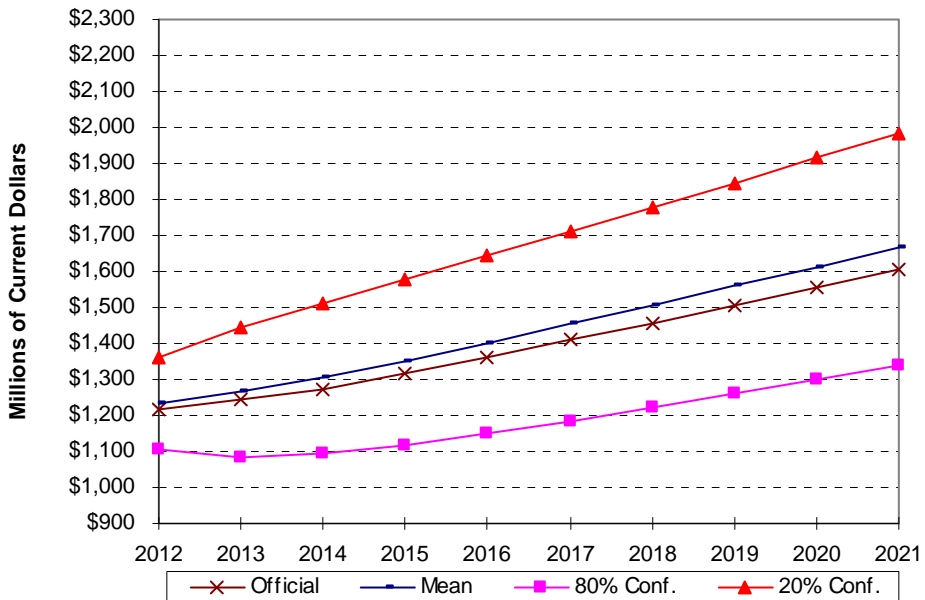
/3 Net of the DPS Parity Compensation Fund. FY 2012 net of a \$105.8 million transfer from the state highway fund share of HURF VLT to the state general fund per Laws 2011, 1st Regular Session, Chapter 24 (SB 1612). In addition to the DPS Parity Compensation Fund, FY 2013-2021 includes transfers per Laws 2011, 1st Regular Session, Chapter 28 (SB 1616) which transfers the state highway fund share of HURF VLT difference between the two-year registration and the five-year registration to the state general fund. Laws 2010, 7th Special Session, Chapter 12 (HB 2012) an amount equal to 90 percent of the fees collected under 28-4802 (A) and 60 percent of the fees collected under 28-4802 (B) shall be transferred from the state highway fund share of HURF VLT to the state general fund.

/4. Per Laws 2011, 1st Regular Session, Chapter 28 (SB 1616), \$4.1 million is distributed from the state highway fund share of HURF to the 10 least populated counties in FY 2012.

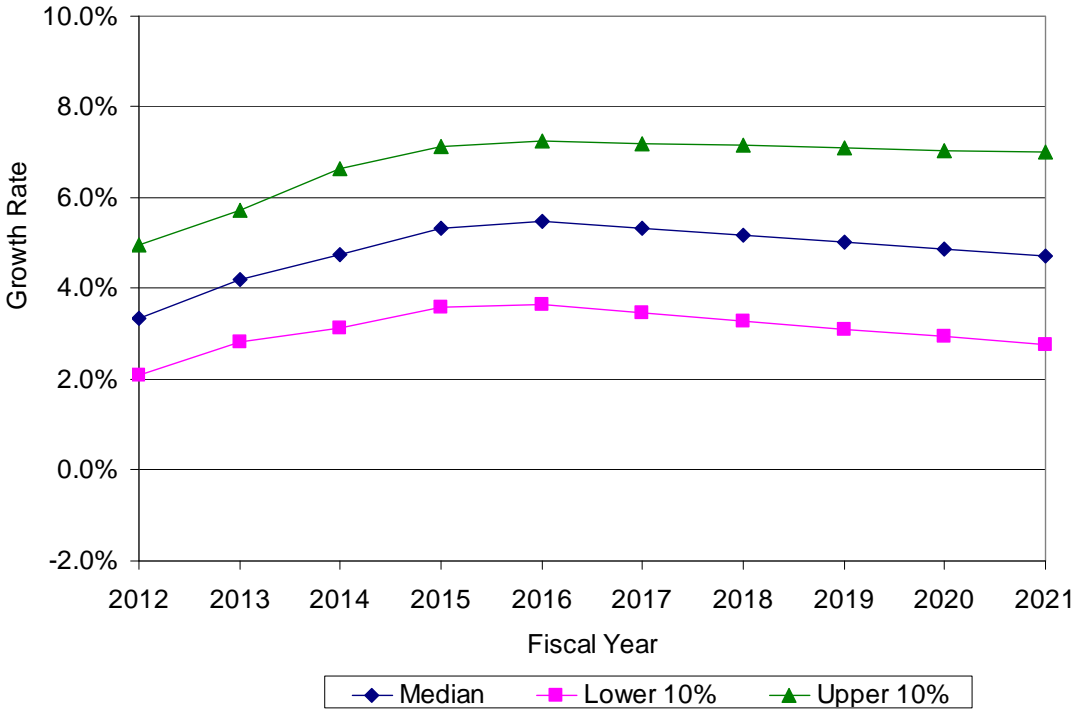
OFFICIAL FORECAST RESULTS

(Current Dollars in Millions)

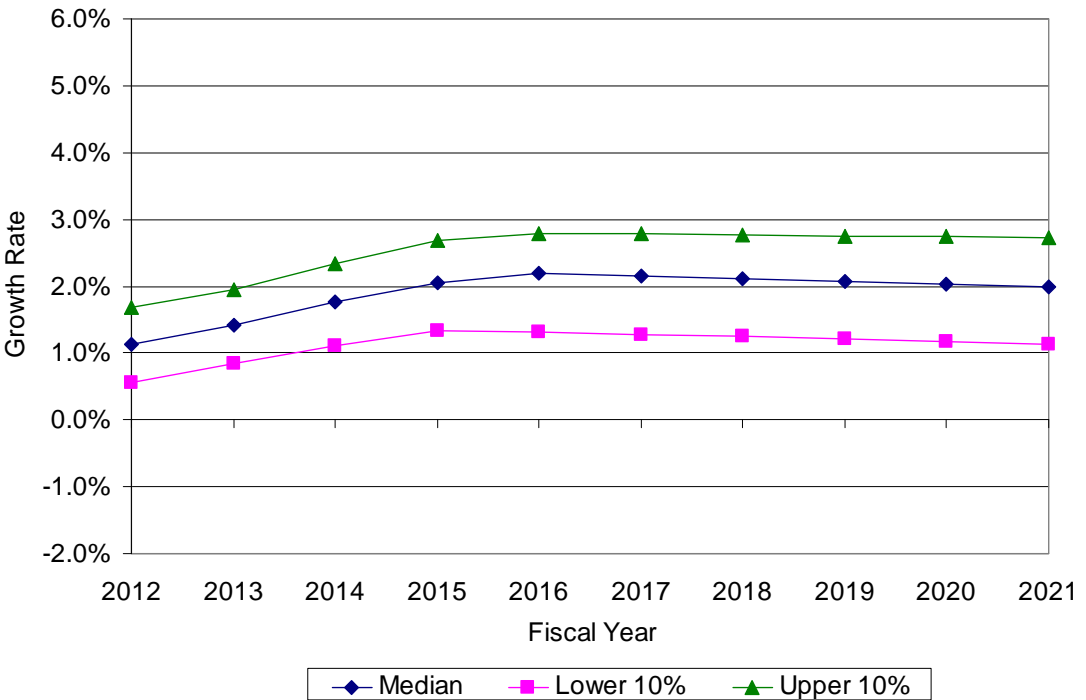
Fiscal Year	Official Forecast	Mean Forecast	80% Conf. Interval	20% Conf. Interval
2012	\$1,216.3	\$1,234.1	\$1,103.5	\$1,360.1
2013	1,241.9	1,267.9	1,085.2	1,444.0
2014	1,274.9	1,307.1	1,094.8	1,511.0
2015	1,314.8	1,351.9	1,118.8	1,576.3
2016	1,360.4	1,402.1	1,151.0	1,644.6
2017	1,408.7	1,453.6	1,184.7	1,711.3
2018	1,457.2	1,506.0	1,222.4	1,779.4
2019	1,502.9	1,558.8	1,259.2	1,846.1
2020	1,556.0	1,612.1	1,298.6	1,915.9
2021	1,605.2	1,665.6	1,337.7	1,983.3



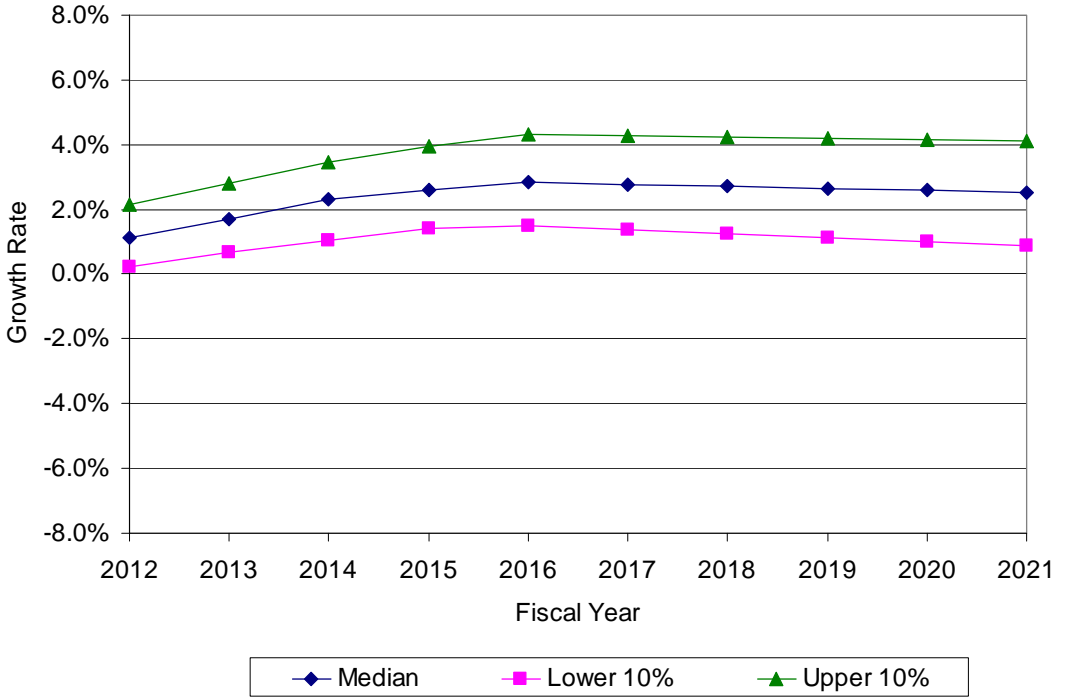
ARIZONA NOMINAL PERSONAL INCOME GROWTH



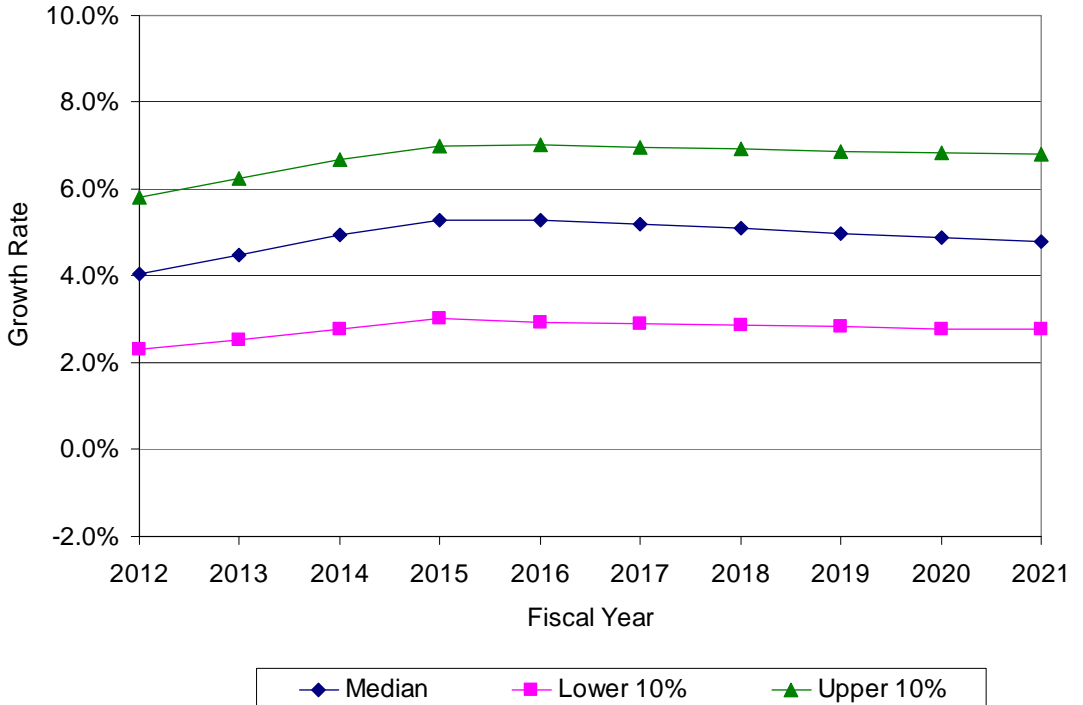
ARIZONA POPULATION GROWTH



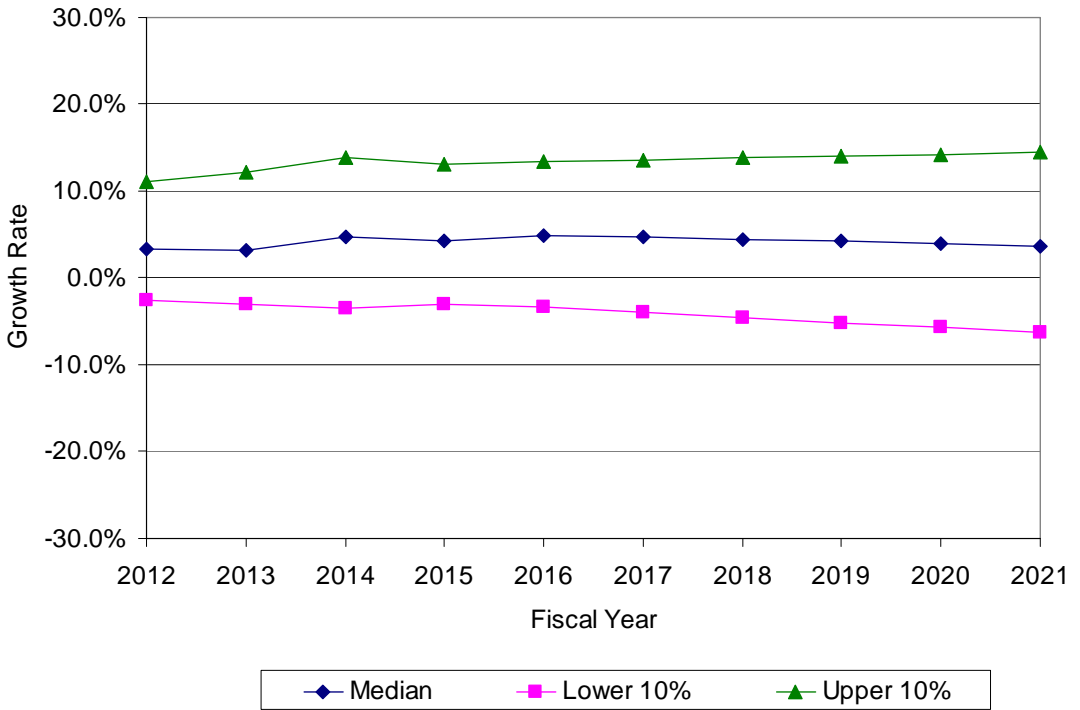
ARIZONA NON-FARM EMPLOYMENT GROWTH



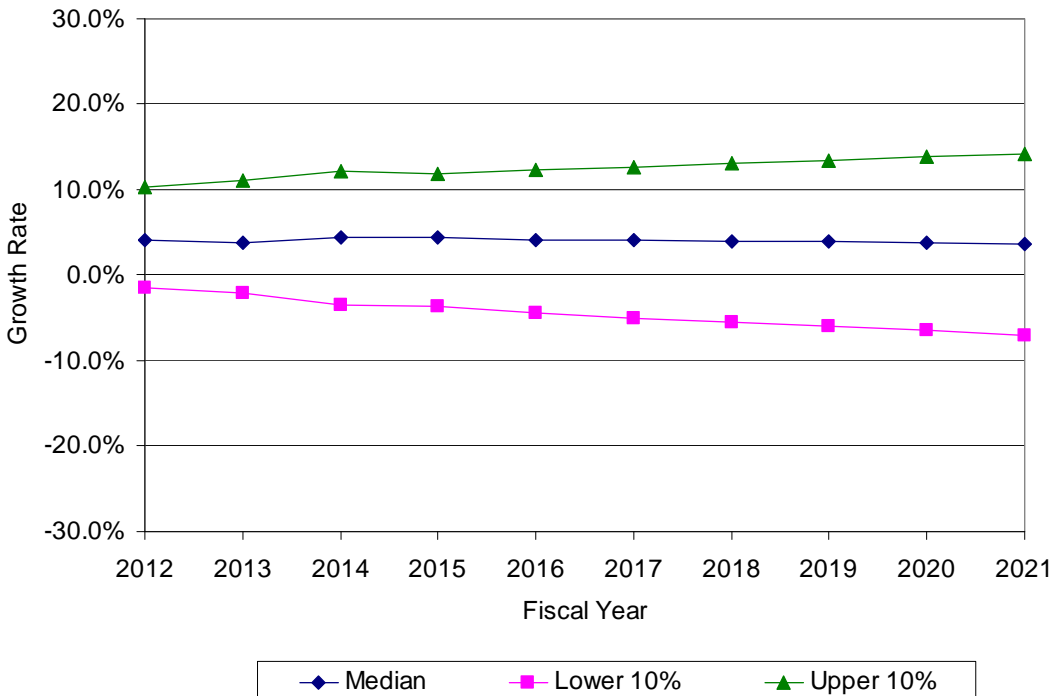
ARIZONA NOMINAL GROSS DOMESTIC PRODUCT GROWTH



ARIZONA NOMINAL GAS PRICE GROWTH



WEST COAST NO. 2 NOMINAL DIESEL PRICE GROWTH



PANELIST MEAN DATA VALUES

	AZ Nominal Income Growth	Arizona Population Growth	Arizona Non-Farm Employ. Growth	AZ Nominal GDP Growth	AZ Nominal Gas Price Growth	West Coast Nominal Diesel Price Growth
FY 2012						
Upper 10%	4.96	1.68	2.15	5.80	11.12	10.26
Lower 10%	2.08	0.55	0.22	2.32	-2.54	-1.51
Median	3.34	1.14	1.11	4.05	3.38	4.04
FY 2013						
Upper 10%	5.71	1.95	2.81	6.25	12.18	11.04
Lower 10%	2.81	0.84	0.68	2.54	-2.96	-2.17
Median	4.19	1.41	1.69	4.49	3.18	3.75
FY 2014						
Upper 10%	6.65	2.34	3.47	6.68	13.91	12.23
Lower 10%	3.13	1.10	1.06	2.79	-3.42	-3.50
Median	4.75	1.77	2.31	4.94	4.70	4.38
FY 2015						
Upper 10%	7.12	2.69	3.94	7.00	13.04	11.84
Lower 10%	3.58	1.33	1.40	3.01	-3.09	-3.63
Median	5.34	2.05	2.59	5.30	4.20	4.41
FY 2016						
Upper 10%	7.24	2.79	4.33	7.01	13.38	12.33
Lower 10%	3.64	1.32	1.48	2.92	-3.33	-4.48
Median	5.49	2.20	2.85	5.29	4.95	4.18
FY 2021						
Upper 10%	7.00	2.72	4.12	6.80	14.49	14.17
Lower 10%	2.76	1.13	0.86	2.76	-6.31	-7.01
Median	4.73	2.00	2.51	4.79	3.69	3.70
FY 2026						
Upper 10%	6.87	2.64	4.09	6.98	15.16	16.08
Lower 10%	2.38	0.98	0.58	2.38	-8.74	-7.70
Median	4.43	1.78	2.33	4.64	2.61	2.83
FY 2031						
Upper 10%	6.89	2.52	3.98	7.14	15.96	-16.83
Lower 10%	2.21	0.85	0.35	2.15	-9.28	-8.20
Median	4.33	1.63	2.39	4.64	2.50	2.71

ARIZONA NOMINAL PERSONAL INCOME GROWTH

	2012	2013	2014	2015	2016	2021	2026	2031
Panelist 1								
Upper 10%	3.00	3.50	3.50	4.00	4.00	4.50	4.50	4.50
Lower 10%	1.50	1.00	1.00	1.00	1.50	1.50	1.50	1.50
Median	2.00	2.50	2.80	3.00	3.50	3.50	3.50	3.50
Panelist 2								
Upper 10%	5.50	6.10	7.30	7.80	7.60	7.00	7.00	7.00
Lower 10%	3.50	4.30	4.70	5.20	5.20	2.60	2.20	2.00
Median	4.50	5.20	6.00	6.50	6.40	4.80	4.60	4.50
Panelist 3								
Upper 10%	5.00	5.50	6.00	6.50	6.50	6.50	5.50	5.50
Lower 10%	2.50	3.00	3.50	3.50	3.50	3.00	2.50	2.50
Median	3.00	4.50	5.00	5.50	5.50	5.00	4.50	4.50
Panelist 4								
Upper 10%	4.80	5.20	6.40	6.90	7.10	7.30	7.40	7.60
Lower 10%	-1.50	1.00	0.80	1.50	2.00	1.50	0.50	0.00
Median	2.00	3.50	3.50	3.70	4.00	4.20	4.20	4.20
Panelist 5								
Upper 10%	4.60	5.60	6.90	7.50	7.90	7.60	7.50	7.70
Lower 10%	3.00	4.00	4.20	5.10	5.30	3.00	2.50	2.30
Median	3.60	4.50	5.50	6.40	6.60	5.10	4.60	4.60
Panelist 6								
Upper 10%	5.00	6.00	6.50	7.00	7.00	7.00	7.00	7.00
Lower 10%	1.00	2.00	2.00	3.00	3.00	2.00	2.00	2.00
Median	3.00	4.00	4.50	5.50	5.50	5.00	5.00	5.00
Panelist 7								
Upper 10%	4.80	5.40	6.40	7.20	7.80	7.50	7.50	7.50
Lower 10%	2.80	3.20	3.60	4.20	4.20	3.80	3.50	3.50
Median	3.60	4.00	4.80	6.00	6.50	5.50	5.00	5.00
Panelist 8								
Upper 10%	7.60	8.60	9.20	9.10	8.70	8.40	7.70	7.40
Lower 10%	1.20	2.20	2.80	3.70	3.30	2.00	1.30	1.00
Median	3.20	4.20	4.80	4.70	4.30	4.00	3.30	3.00
Panelist 9								
Upper 10%								
Lower 10%	Not Provided							
Median								
Panelist 10								
Upper 10%	4.50	6.00	6.50	7.50	8.00	7.80	7.50	7.20
Lower 10%	3.00	3.50	3.80	4.30	4.70	4.50	4.00	3.50
Median	4.00	5.00	5.50	6.00	7.00	6.00	5.50	5.50
Panelist 11								
Upper 10%	4.85	5.85	7.07	7.67	7.77	7.47	7.34	7.50
Lower 10%	2.75	4.00	4.24	5.13	5.23	2.73	2.26	2.10
Median	3.40	4.80	5.60	6.40	6.50	5.10	4.80	4.80
Panelist 12								
Upper 10%	3.50	4.00	5.50	6.50	6.50	6.50	6.50	6.50
Lower 10%	1.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00
Median	2.50	3.50	4.50	5.50	5.00	4.50	4.50	4.50
Panelist 13								
Upper 10%	6.50	7.00	10.00	9.00	9.00	7.00	7.00	7.00
Lower 10%	4.00	4.50	5.00	5.00	4.50	4.00	3.00	2.50
Median	6.00	6.50	7.00	8.00	8.00	6.00	5.00	4.00
Panelist 14								
Upper 10%	5.00	6.00	6.30	6.50	6.80	7.00	7.30	7.50
Lower 10%	1.50	1.70	2.00	2.00	2.00	2.00	2.00	2.10
Median	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Panelist 15								
Upper 10%	4.80	5.20	5.60	6.50	6.80	6.50	6.50	6.50
Lower 10%	2.90	3.00	3.20	3.50	3.50	3.00	3.00	3.00
Median	3.50	4.00	4.50	5.00	5.50	5.00	5.00	5.00

ARIZONA POPULATION GROWTH

	2012	2013	2014	2015	2016	2021	2026	2031
Panelist 1								
Upper 10%	1.00	1.00	1.50	1.50	2.00	2.50	2.50	2.50
Lower 10%	0.00	0.00	0.50	0.50	0.50	1.00	1.00	1.00
Median	0.50	0.50	1.00	1.00	1.50	1.50	1.50	1.50
Panelist 2								
Upper 10%	1.70	1.90	2.20	2.40	2.40	2.60	2.40	2.40
Lower 10%	0.80	1.00	1.20	1.60	1.60	1.00	0.60	0.40
Median	1.40	1.60	1.80	2.00	2.00	1.80	1.50	1.40
Panelist 3								
Upper 10%	1.50	2.00	2.25	2.50	2.50	2.50	2.25	2.00
Lower 10%	-0.50	0.50	1.00	1.30	1.30	1.00	1.00	0.50
Median	0.50	1.00	1.50	2.00	2.00	1.80	1.50	1.50
Panelist 4								
Upper 10%	1.80	1.90	2.30	2.70	2.90	3.00	3.20	3.30
Lower 10%	0.70	0.80	0.90	1.20	1.20	0.80	0.60	0.40
Median	1.20	1.50	1.60	1.80	2.00	1.70	1.50	1.30
Panelist 5								
Upper 10%	1.80	2.10	2.60	3.00	2.80	2.90	2.60	2.50
Lower 10%	0.50	1.00	1.40	1.70	1.80	1.20	1.00	0.60
Median	1.20	1.50	2.00	2.20	2.40	2.00	1.90	1.40
Panelist 6								
Upper 10%	0.80	1.00	1.60	3.00	3.00	3.00	3.00	3.00
Lower 10%	0.20	0.50	0.80	1.00	1.00	1.00	1.00	1.00
Median	0.50	0.70	1.20	2.00	2.00	2.00	2.00	2.00
Panelist 7								
Upper 10%	1.30	1.80	2.40	2.80	2.80	2.50	2.40	2.10
Lower 10%	0.80	0.90	0.90	0.80	1.00	0.90	0.80	0.50
Median	1.10	1.30	1.30	1.50	1.80	1.60	1.40	1.40
Panelist 8								
Upper 10%	3.00	3.20	3.40	3.40	3.40	3.20	3.10	3.10
Lower 10%	1.20	1.40	1.90	1.90	1.90	1.70	1.30	1.30
Median	2.10	2.30	2.90	2.90	2.90	2.60	2.20	2.20
Panelist 9								
Upper 10%	0.80	1.00	1.40	2.50	3.00	2.90	2.30	1.80
Lower 10%	0.30	0.30	0.40	1.00	1.20	1.20	0.80	0.40
Median	0.50	0.70	0.90	1.80	2.40	2.20	1.90	1.10
Panelist 10								
Upper 10%	1.70	2.00	2.20	2.50	2.80	2.70	2.60	2.50
Lower 10%	0.90	1.10	1.20	1.50	1.60	1.40	1.30	1.20
Median	1.30	1.50	1.80	2.00	2.20	2.10	1.90	1.80
Panelist 11								
Upper 10%	1.80	2.22	2.80	3.15	3.10	2.97	3.10	3.05
Lower 10%	0.26	0.81	1.25	1.85	1.54	1.28	1.25	1.42
Median	1.10	1.70	2.10	2.50	2.34	2.50	1.91	1.79
Panelist 12								
Upper 10%	1.30	1.50	2.00	2.25	2.50	2.50	2.50	2.50
Lower 10%	0.70	1.00	1.00	1.25	1.40	1.50	1.50	1.50
Median	1.00	1.20	1.60	2.00	2.20	2.20	2.00	2.00
Panelist 13								
Upper 10%	2.50	3.00	3.50	3.50	3.50	2.50	2.50	2.00
Lower 10%	1.00	1.50	2.00	2.00	1.50	1.00	0.50	0.50
Median	2.00	2.50	3.00	3.00	3.00	2.00	1.50	1.00
Panelist 14								
Upper 10%	2.20	2.50	2.70	2.70	2.70	2.70	2.70	2.70
Lower 10%	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Median	1.50	1.70	2.00	2.00	2.00	2.00	2.00	2.00
Panelist 15								
Upper 10%	2.00	2.20	2.30	2.50	2.50	2.40	2.40	2.40
Lower 10%	0.50	0.80	1.10	1.30	1.30	1.00	1.00	1.00
Median	1.20	1.50	1.80	2.00	2.20	2.00	2.00	2.00

ARIZONA NON-FARM EMPLOYMENT GROWTH

	2012	2013	2014	2015	2016	2021	2026	2031
Panelist 1								
Upper 10%	1.50	2.00	2.50	2.50	3.00	3.00	3.00	3.00
Lower 10%	0.50	0.00	0.50	0.50	0.00	0.00	0.00	0.00
Median	1.00	1.50	2.00	2.00	2.50	2.50	2.50	2.50
Panelist 2								
Upper 10%	2.80	2.90	3.70	4.30	5.00	4.80	5.10	5.60
Lower 10%	0.20	1.10	1.30	1.70	2.00	0.80	0.10	-0.80
Median	1.50	2.00	2.50	3.00	3.50	2.80	2.60	2.40
Panelist 3								
Upper 10%	2.00	3.00	4.00	4.50	5.00	5.00	5.00	5.00
Lower 10%	0.00	1.00	1.30	1.80	1.80	0.50	0.00	-0.50
Median	0.70	1.70	2.10	2.50	2.50	2.50	2.50	2.00
Panelist 4								
Upper 10%	2.00	3.00	3.60	4.20	4.30	4.80	5.00	5.30
Lower 10%	0.30	0.70	1.00	1.10	1.10	0.60	0.00	-2.00
Median	1.00	1.40	2.00	2.60	3.00	3.00	3.00	3.00
Panelist 5								
Upper 10%	2.50	3.10	4.40	4.90	5.00	4.80	4.60	4.60
Lower 10%	0.70	1.30	1.60	2.00	2.20	1.00	0.00	-0.50
Median	1.60	2.20	3.00	3.40	3.60	2.80	2.60	2.00
Panelist 6								
Upper 10%	2.00	2.50	3.00	4.00	4.00	4.00	4.00	4.00
Lower 10%	0.00	0.50	1.00	2.00	2.00	2.00	1.90	1.90
Median	0.50	1.00	2.00	2.50	2.50	2.50	2.30	2.30
Panelist 7								
Upper 10%	1.50	2.30	3.20	4.50	5.10	2.40	2.40	2.40
Lower 10%	0.90	0.50	0.30	0.30	0.10	0.00	0.00	0.00
Median	1.20	1.80	2.40	3.00	2.80	1.70	1.50	1.50
Panelist 8								
Upper 10%	2.50	3.40	3.70	3.60	3.30	2.70	2.50	2.50
Lower 10%	0.50	1.40	1.70	1.60	1.30	0.70	0.50	0.50
Median	1.50	2.40	2.70	2.60	2.30	1.70	1.50	1.50
Panelist 9								
Upper 10%								
Lower 10%	Not Provided							
Median								
Panelist 10								
Upper 10%	1.00	2.00	2.80	3.40	4.00	3.80	3.70	3.60
Lower 10%	0.00	0.50	1.00	1.30	1.70	1.00	0.50	0.00
Median	0.50	1.50	2.00	2.60	2.80	2.50	2.20	2.00
Panelist 11								
Upper 10%	2.80	3.15	3.44	3.78	3.94	4.84	5.01	4.80
Lower 10%	0.00	0.95	1.60	1.80	1.70	0.00	0.10	1.40
Median	1.00	1.70	2.60	2.90	3.40	3.70	3.60	3.75
Panelist 12								
Upper 10%	1.50	2.00	2.50	3.00	3.50	3.50	3.00	3.00
Lower 10%	0.00	0.00	0.50	1.50	2.00	1.50	1.50	1.50
Median	1.00	1.50	2.00	2.50	3.00	2.50	2.30	2.10
Panelist 13								
Upper 10%	2.50	3.50	4.50	4.00	4.50	4.50	4.50	5.00
Lower 10%	1.00	1.50	2.00	2.00	2.00	1.00	1.00	2.00
Median	2.00	2.50	3.50	2.50	3.50	3.00	2.50	4.00
Panelist 14								
Upper 10%	3.50	4.00	4.50	5.00	5.50	6.00	6.50	
Lower 10%	-1.00	-0.50	0.00	0.50	1.00	1.50	1.50	
Median	1.00	1.00	1.50	1.50	1.50	1.50	1.50	
Panelist 15								
Upper 10%	2.00	2.50	2.70	3.50	4.50	3.50	3.00	3.00
Lower 10%	0.00	0.50	1.00	1.50	1.80	1.50	1.00	1.00
Median	1.00	1.50	2.00	2.60	3.00	2.50	2.00	2.00

All data in the above table are percentage growth rates.

ARIZONA NOMINAL GROSS DOMESTIC PRODUCT GROWTH

	2012	2013	2014	2015	2016	2021	2026	2031
Panelist 1								
Upper 10%	3.00	3.00	3.50	3.50	3.50	4.00	3.50	3.50
Lower 10%	0.50	0.50	0.00	0.00	0.00	0.00	0.00	0.00
Median	1.50	1.50	2.00	2.00	2.00	2.00	2.00	2.00
Panelist 2								
Upper 10%	6.60	7.10	7.00	7.60	7.20	6.80	7.60	8.10
Lower 10%	2.30	2.60	2.90	3.20	2.90	3.20	2.40	1.90
Median	4.70	5.10	5.40	5.90	5.60	5.00	5.00	5.00
Panelist 3								
Upper 10%	6.50	6.50	7.00	7.00	7.00	7.00	7.50	7.50
Lower 10%	3.00	3.00	3.00	3.00	2.50	2.50	2.00	2.00
Median	4.50	4.80	5.00	5.50	5.00	5.00	5.00	5.00
Panelist 4								
Upper 10%	6.00	6.80	7.00	7.10	7.20	7.40	7.60	8.00
Lower 10%	2.00	2.10	2.60	2.70	2.50	1.80	1.00	0.00
Median	3.90	4.50	4.80	5.20	5.00	4.50	4.50	4.50
Panelist 5								
Upper 10%	6.00	7.00	7.70	9.00	9.00	7.50	7.80	8.00
Lower 10%	1.50	2.50	3.40	5.00	5.00	3.90	2.50	2.00
Median	4.00	5.00	6.00	7.00	7.00	6.00	5.00	5.00
Panelist 6								
Upper 10%	7.00	7.10	7.40	7.40	7.00	7.00	7.70	8.20
Lower 10%	2.50	2.50	2.70	2.70	2.80	3.20	2.50	2.00
Median	4.50	5.00	5.50	5.60	5.40	5.10	5.10	5.10
Panelist 7								
Upper 10%	5.30	5.90	6.90	7.70	8.30	8.00	8.00	8.00
Lower 10%	3.30	3.70	4.10	4.70	4.70	4.30	4.00	4.00
Median	4.10	4.50	5.30	6.50	7.00	6.00	5.50	5.50
Panelist 8								
Upper 10%	6.70	6.60	6.30	6.00	5.80	6.00	6.00	6.00
Lower 10%	2.30	2.20	1.90	1.60	1.40	1.50	1.50	1.50
Median	4.50	4.70	5.10	4.60	4.30	4.00	3.50	3.50
Panelist 9								
Upper 10%								
Lower 10%	Not Provided							
Median								
Panelist 10								
Upper 10%	5.00	5.50	6.00	6.50	6.20	6.00	5.80	5.50
Lower 10%	2.50	2.80	3.10	3.20	3.10	3.00	2.80	2.50
Median	4.00	4.50	4.50	5.00	4.80	4.60	4.20	4.00
Panelist 11								
Upper 10%	6.04	6.71	6.83	6.74	6.96	6.98	7.71	8.23
Lower 10%	2.35	2.46	3.04	3.14	2.84	3.22	2.49	1.97
Median	4.50	4.80	5.60	5.70	5.40	5.10	5.10	5.10
Panelist 12								
Upper 10%	5.00	6.00	6.50	6.50	7.00	6.50	6.00	6.00
Lower 10%	2.50	3.00	3.50	4.00	4.00	4.00	4.00	4.00
Median	4.00	4.50	5.00	5.00	5.50	5.00	5.00	5.00
Panelist 13								
Upper 10%	5.50	6.00	7.00	8.00	7.00	7.00	7.00	7.00
Lower 10%	2.50	2.56	2.56	2.56	2.56	2.56	2.56	2.56
Median	4.00	5.00	5.50	6.00	6.00	5.00	5.00	5.00
Panelist 14								
Upper 10%	5.50	6.00	6.50	7.00	7.50	8.00	8.50	9.00
Lower 10%	2.00	2.10	2.20	2.30	2.40	2.50	2.60	2.70
Median	3.50	3.80	4.00	4.30	4.50	4.80	5.00	5.30
Panelist 15								
Upper 10%	7.00	7.30	7.90	8.00	8.50	7.00	7.00	7.00
Lower 10%	3.20	3.50	4.00	4.00	4.20	3.00	3.00	3.00
Median	5.00	5.20	5.50	6.00	6.50	5.00	5.00	5.00

All data in the above table are percentage growth rates.

ARIZONA NOMINAL GAS PRICE GROWTH

	2012	2013	2014	2015	2016	2021	2026	2031
Panelist 1								
Upper 10%	5.00	5.00	5.00	5.00	7.50	7.50	7.50	7.50
Lower 10%	1.50	1.50	1.00	1.00	1.00	1.00	1.00	1.00
Median	2.00	2.50	2.50	3.00	3.00	3.00	3.00	3.00
Panelist 2								
Upper 10%	6.60	13.40	19.40	12.60	13.30	13.30	14.80	16.00
Lower 10%	1.40	-3.40	-8.40	-5.60	-6.30	-6.30	-7.00	-8.00
Median	4.00	5.00	5.50	3.50	3.50	3.50	3.50	3.50
Panelist 3								
Upper 10%	10.00	10.00	10.00	10.00	10.00	15.00	15.00	15.00
Lower 10%	0.00	-2.50	-5.00	-5.00	-5.00	-10.00	-15.00	-15.00
Median	5.00	5.00	5.00	5.00	5.00	5.00	2.50	2.50
Panelist 4								
Upper 10%	10.00	9.00	10.00	11.00	12.00	14.00	20.00	25.00
Lower 10%	-1.00	-2.00	-4.00	-5.00	-5.50	-10.00	-15.00	-20.00
Median	3.80	2.50	2.70	2.70	2.50	2.00	2.00	1.50
Panelist 5								
Upper 10%	10.00	10.00	10.00	11.00	12.00	12.00	20.00	20.00
Lower 10%	2.00	-2.00	-2.00	-3.00	-3.00	-9.00	-9.00	-10.00
Median	5.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Panelist 6								
Upper 10%	10.00	10.00	8.00	8.00	6.00	5.00	5.00	5.00
Lower 10%	1.00	1.00	1.00	1.00	2.00	1.00	1.00	1.00
Median	5.00	3.00	5.00	3.00	5.00	3.00	3.00	3.00
Panelist 7								
Upper 10%	15.00	15.00	20.00	20.00	20.00	25.00	25.00	25.00
Lower 10%	2.00	-2.00	-5.00	-5.00	-5.00	-10.00	-10.00	-10.00
Median	7.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Panelist 8								
Upper 10%	10.00	15.00	35.00	30.00	30.00	30.00	15.00	15.00
Lower 10%	-30.00	-20.00	-10.00	-10.00	-10.00	-20.00	-35.00	-35.00
Median	-20.00	-10.00	10.00	5.00	15.00	5.00	-10.00	-10.00
Panelist 9								
Upper 10%	Not Provided							
Lower 10%								
Median								
Panelist 10								
Upper 10%	8.00	10.00	12.00	13.00	12.00	11.00	10.00	10.00
Lower 10%	3.00	-2.00	-5.00	-6.00	-6.00	-8.00	-10.00	-10.00
Median	6.00	6.50	7.00	7.50	7.50	7.00	7.00	7.00
Panelist 11								
Upper 10%	14.06	15.56	12.80	9.40	12.00	17.50	17.40	17.40
Lower 10%	-8.00	-5.60	-6.50	-4.68	-4.88	-10.10	-13.35	-13.95
Median	8.00	7.00	4.10	3.10	2.80	-0.80	1.50	1.50
Panelist 12								
Upper 10%	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Lower 10%	-10.00	0.00	0.00	4.00	4.00	4.00	4.00	4.00
Median	1.00	2.00	3.00	5.00	5.00	5.00	5.00	4.00
Panelist 13								
Upper 10%	20.00	15.00	10.00	10.00	10.00	10.00	20.00	25.00
Lower 10%	5.00	3.00	3.00	3.00	2.00	1.00	1.00	1.00
Median	10.00	5.00	5.00	5.00	4.00	3.00	3.00	3.00
Panelist 14								
Upper 10%	15.00	12.50	12.50	12.50	12.50	12.50	12.50	12.50
Lower 10%	-2.50	-2.50	0.00	0.00	0.00	0.00	0.00	0.00
Median	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Panelist 15								
Upper 10%	12.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Lower 10%	0.00	-5.00	-7.00	-8.00	-10.00	-12.00	-15.00	-15.00
Median	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

All data in the above table are percentage growth rates.

WEST COAST NO. 2 NOMINAL DIESEL PRICE GROWTH

	2012	2013	2014	2015	2016	2021	2026	2031
Panelist 1								
Upper 10%	5.00	5.00	5.00	5.00	7.50	7.50	7.50	7.50
Lower 10%	1.50	1.50	1.00	1.00	1.00	1.00	1.00	1.00
Median	2.00	2.50	2.50	3.00	3.00	3.00	3.00	3.00
Panelist 2								
Upper 10%	6.10	11.90	20.00	15.70	12.50	14.00	18.00	20.00
Lower 10%	1.90	-1.90	-8.00	-6.50	-5.70	-10.00	-16.00	-18.00
Median	4.00	5.00	6.00	4.60	3.40	3.20	3.00	3.00
Panelist 3								
Upper 10%	10.00	10.00	10.00	10.00	10.00	15.00	15.00	15.00
Lower 10%	0.00	-2.50	-5.00	-5.00	-5.00	-10.00	-15.00	-15.00
Median	5.00	5.00	5.00	5.00	5.00	5.00	2.50	2.50
Panelist 4								
Upper 10%	10.00	9.00	11.00	12.00	14.00	15.00	16.00	18.00
Lower 10%	1.00	-2.00	-4.50	-5.00	-7.00	-12.00	-13.00	-15.00
Median	4.00	3.00	3.00	2.70	2.50	2.00	2.00	1.50
Panelist 5								
Upper 10%	10.00	10.00	10.00	11.00	12.00	12.00	20.00	20.00
Lower 10%	3.00	-3.00	-3.00	-4.00	-4.00	-10.00	-10.00	-12.00
Median	5.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Panelist 6								
Upper 10%	Not Provided							
Lower 10%	Not Provided							
Median	Not Provided							
Panelist 7								
Upper 10%	15.00	15.00	20.00	20.00	20.00	25.00	25.00	25.00
Lower 10%	2.00	-2.00	-5.00	-5.00	-5.00	-10.00	-10.00	-10.00
Median	7.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Panelist 8								
Upper 10%	10.00	10.00	10.00	10.00	10.00	15.00	15.00	15.00
Lower 10%	-10.00	-10.00	-10.00	-10.00	-10.00	-20.00	-20.00	-20.00
Median	-5.00	-3.00	5.00	5.00	5.00	5.00	-5.00	-5.00
Panelist 9								
Upper 10%	Not Provided							
Lower 10%	Not Provided							
Median	Not Provided							
Panelist 10								
Upper 10%	8.00	11.00	13.00	14.00	15.00	14.00	14.00	14.00
Lower 10%	3.00	-1.00	-4.00	-8.00	-12.00	-13.00	-12.00	-12.00
Median	7.00	7.50	8.00	8.50	8.50	8.00	8.00	8.00
Panelist 11								
Upper 10%	14.06	15.56	12.80	9.40	12.00	17.50	17.40	17.40
Lower 10%	-8.00	-5.60	-6.50	-8.00	-12.00	-5.10	-2.40	-2.40
Median	8.00	7.00	4.10	3.10	2.80	-0.80	1.50	1.50
Panelist 12								
Upper 10%	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Lower 10%	-10.00	0.00	0.00	4.00	4.00	4.00	4.00	4.00
Median	1.00	2.00	3.00	5.00	5.00	5.00	5.00	4.00
Panelist 13								
Upper 10%	10.00	10.00	10.00	10.00	10.00	10.00	20.00	25.00
Lower 10%	0.00	3.00	3.00	3.00	2.00	1.00	1.00	1.00
Median	5.00	5.00	5.00	5.00	4.00	3.00	3.00	3.00
Panelist 14								
Upper 10%	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Lower 10%	-2.50	-2.50	0.00	0.00	0.00	0.00	0.00	0.00
Median	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Panelist 15								
Upper 10%	Not Provided							
Lower 10%	Not Provided							
Median	Not Provided							

All data in the above table are percentage growth rates.

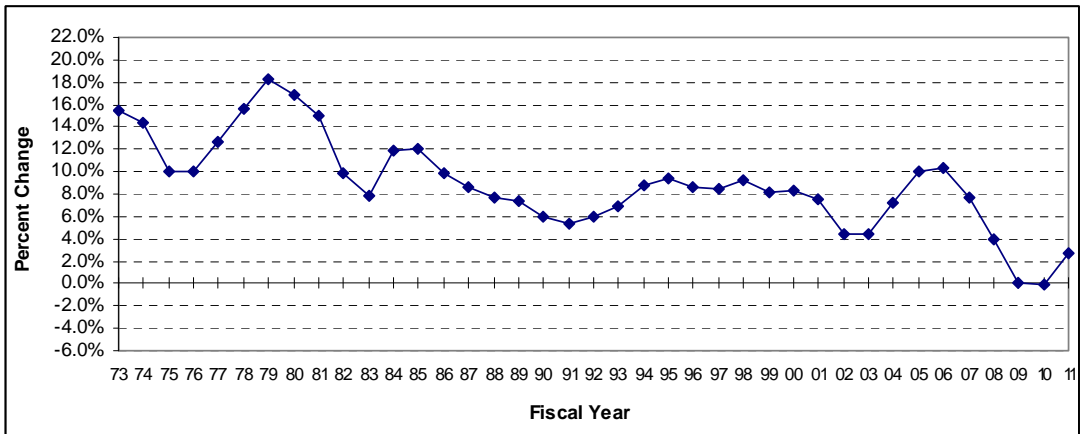
**HISTORICAL DATA
ARIZONA NOMINAL PERSONAL INCOME GROWTH
(Annual Percent Change)**

HISTORICAL DATA BY FISCAL YEAR (July 1 through June 30)

1970		1980	16.9%	1990	6.0%	2000	8.3%	2010	-0.1%
1971		1981	15.0%	1991	5.3%	2001	7.5%	2011*	2.8%
1972		1982	9.8%	1992	6.0%	2002	4.5%	2012	
1973	15.4%	1983	7.8%	1993	6.9%	2003	4.4%	2013	
1974	14.4%	1984	11.9%	1994	8.8%	2004	7.2%	2014	
1975	10.0%	1985	12.0%	1995	9.4%	2005	10.0%	2015	
1976	10.0%	1986	9.9%	1996	8.6%	2006	10.3%	2016	
1977	12.7%	1987	8.6%	1997	8.5%	2007	7.7%	2017	
1978	15.6%	1988	7.8%	1998	9.3%	2008	4.0%	2018	
1979	18.3%	1989	7.3%	1999	8.2%	2009	0.1%	2019	

BEA for FY 1973-2000, Western Blue Chip, June 2011 for FY 2011* and FY 2012, and ADOT staff for FY 2013-31.

HISTORICAL DATA - GRAPHED



HISTORICAL DATA - ANALYSIS

Period	Historical		Mean	Std. Dev.	80% Range	
	Min.	Max.			Lower	Upper
5 Years	-0.1%	7.7%	2.9%	3.2%	0.0%	6.2%
10 Years	-0.1%	10.3%	5.1%	3.7%	0.1%	10.0%
Full Period	-0.1%	18.3%	8.9%	4.1%	4.3%	15.1%

**HISTORICAL DATA
ARIZONA POPULATION GROWTH
(Annual Percent Change)**

HISTORICAL DATA BY FISCAL YEAR (July 1 through June 30)

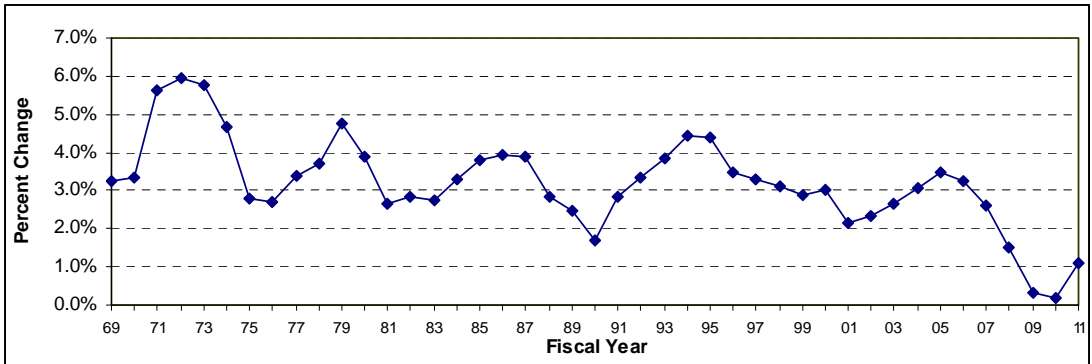
1970	3.3%	1980	3.9%	1990	1.7%	2000	3.0%	2010	0.2%
1971	5.6%	1981	2.6%	1991	2.8%	2001	2.2%	2011*	1.1%
1972	5.9%	1982	2.8%	1992	3.4%	2002	2.3%	2012	
1973	5.8%	1983	2.7%	1993	3.8%	2003	2.6%	2013	
1974	4.6%	1984	3.3%	1994	4.4%	2004	3.1%	2014	
1975	2.8%	1985	3.8%	1995	4.4%	2005	3.5%	2015	
1976	2.7%	1986	3.9%	1996	3.5%	2006	3.2%	2016	
1977	3.4%	1987	3.9%	1997	3.3%	2007	2.6%	2017	
1978	3.7%	1988	2.9%	1998	3.1%	2008	1.5%	2018	
1979	4.8%	1989	2.5%	1999	2.9%	2009	0.3%	2019	

BEA FY 1970-2000. FY 2001-2010 interim re-benchmark figures from ADOA Office of Employment and Population Statistics.

FY 2011 * and FY 2012 based on June 2011 Western Blue Chip (Arizona) while FY 2013-2015 from ADOT staff.

FY 2016-2031 based on ADOC Arizona Population Projections 2006-2055 growth rates dated March 31, 2006.

HISTORICAL DATA - GRAPHED



HISTORICAL DATA - ANALYSIS

Period	Historical		Mean	Std. Dev.	80% Range	
	Min.	Max.			Lower	Upper
5 Years	0.2%	2.6%	1.1%	1.0%	0.2%	2.2%
10 Years	0.2%	3.5%	2.0%	1.2%	0.3%	3.3%
Full Period	0.2%	5.9%	3.2%	1.2%	1.8%	4.6%

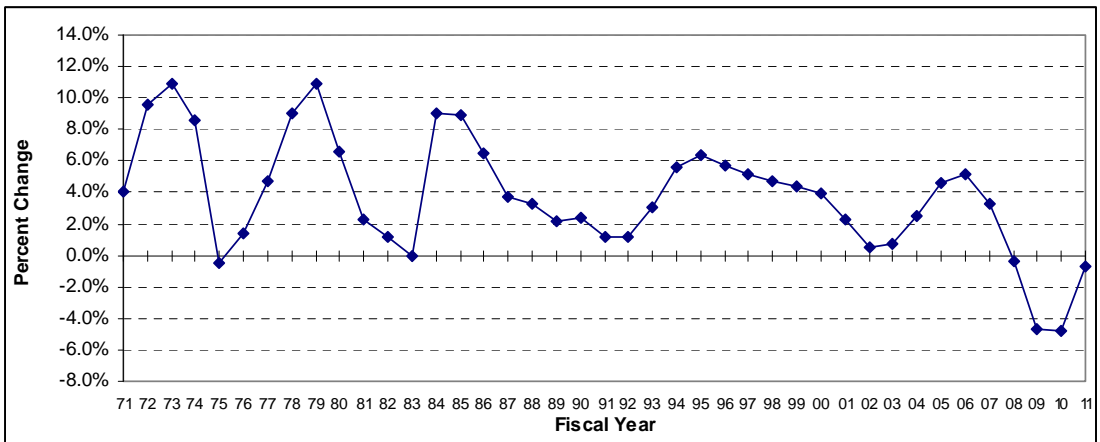
HISTORICAL DATA
ARIZONA TOTAL NON-FARM EMPLOYMENT GROWTH
(Annual Percent Change)

HISTORICAL DATA BY FISCAL YEAR (July 1 through June 30)

1970		1980	6.6%	1990	2.3%	2000	4.0%	2010	-4.8%
1971	4.0%	1981	2.3%	1991	1.1%	2001	2.3%	2011 *	-0.7%
1972	9.6%	1982	1.1%	1992	1.1%	2002	0.5%	2012	
1973	10.9%	1983	0.0%	1993	3.1%	2003	0.7%	2013	
1974	8.6%	1984	9.0%	1994	5.6%	2004	2.6%	2014	
1975	-0.5%	1985	8.9%	1995	6.4%	2005	4.5%	2015	
1976	1.4%	1986	6.4%	1996	5.7%	2006	5.2%	2016	
1977	4.8%	1987	3.7%	1997	5.2%	2007	3.2%	2017	
1978	9.0%	1988	3.3%	1998	4.7%	2008	-0.3%	2018	
1979	10.9%	1989	2.2%	1999	4.4%	2009	-4.7%	2019	

Bureau of Labor Statistics for FY 1971-2010, ADOC, Arizona's Workforce Report, April 28, 2011 for FY 2011* and 2012, and ADOT staff estimates for FY 2013-2031.

HISTORICAL DATA - GRAPHED



HISTORICAL DATA - ANALYSIS

Period	Historical		Mean	Std. Dev.	80% Range	
	Min.	Max.			Lower	Upper
5 Years	-4.8%	3.2%	-1.5%	3.4%	-4.7%	1.8%
10 Years	-4.8%	5.2%	0.6%	3.4%	-4.7%	4.6%
Full Period	-4.8%	10.9%	3.8%	3.7%	-0.3%	9.0%

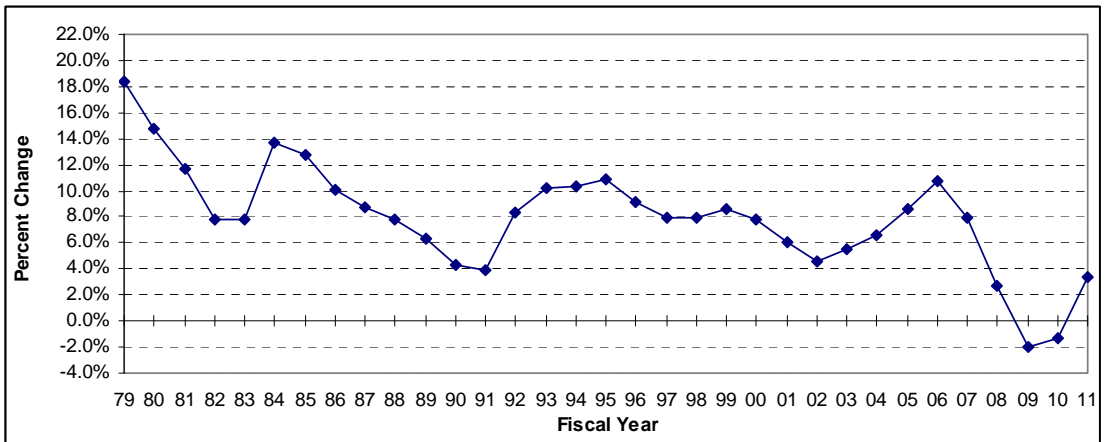
HISTORICAL DATA
ARIZONA NOMINAL GROSS DOMESTIC PRODUCT GROWTH
(Annual Percent Change)

HISTORICAL DATA BY FISCAL YEAR (July 1 through June 30)

1970	1980	14.7%	1990	4.3%	2000	7.8%	2010	-1.3%	
1971	1981	11.6%	1991	3.9%	2001	6.1%	2011*	3.4%	
1972	1982	7.7%	1992	8.4%	2002	4.6%	2012		
1973	1983	7.9%	1993	10.2%	2003	5.5%	2013		
1974	1984	13.7%	1994	10.3%	2004	6.6%	2014		
1975	1985	12.7%	1995	10.9%	2005	8.7%	2015		
1976	1986	10.1%	1996	9.1%	2006	10.7%	2016		
1977	1987	8.8%	1997	7.9%	2007	7.9%	2017		
1978	1988	7.8%	1998	8.0%	2008	2.7%	2018		
1979	18.4%	1989	6.3%	1999	8.6%	2009	-2.0%	2019	

BEA for FY 1979-2010 and then regressed from U.S. Nominal GDP, Global Insight, 1st Quarter, Trend Forecast report for FY 2011*-3

HISTORICAL DATA - GRAPHED



HISTORICAL DATA - ANALYSIS

Period	Historical		Mean	Std. Dev.	80% Range	
	Min.	Max.			Lower	Upper
5 Years	-2.0%	7.9%	2.1%	4.0%	-1.7%	6.1%
10 Years	-2.0%	10.7%	4.7%	4.1%	-1.4%	8.9%
Full Period	-2.0%	18.4%	7.9%	4.1%	3.5%	12.5%

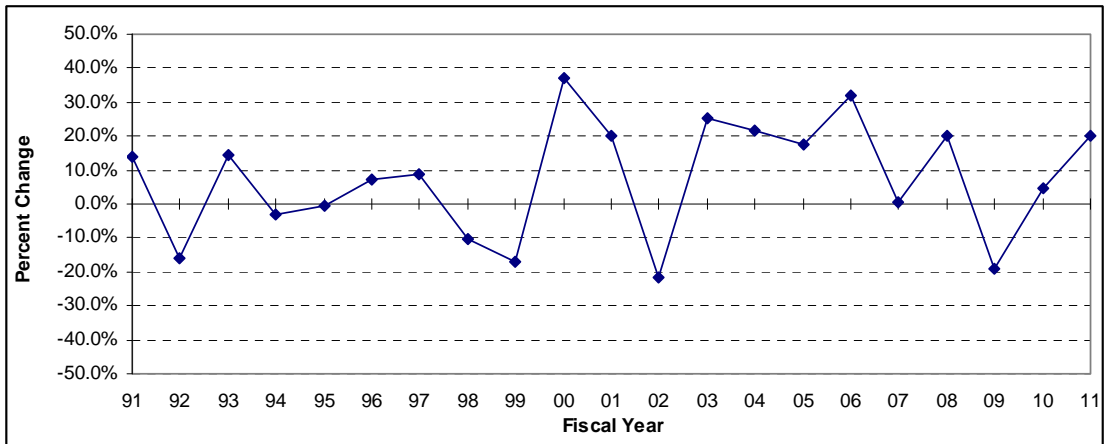
**HISTORICAL DATA
ARIZONA NOMINAL GAS PRICE GROWTH
(Annual Percent Change)**

HISTORICAL DATA BY FISCAL YEAR (July 1 through June 30)

1970	1980	1990	2000	37.2%	2010	4.7%	
1971	1981	1991	13.8%	2001	20.2%	2011	20.1%
1972	1982	1992	-16.0%	2002	-21.9%	2012	
1973	1983	1993	14.2%	2003	25.4%	2013	
1974	1984	1994	-3.3%	2004	21.6%	2014	
1975	1985	-0.3%	1995	-0.5%	2005	17.4%	2015
1976	1986	-9.2%	1996	7.2%	2006	32.1%	2016
1977	1987	-25.2%	1997	9.0%	2007	0.5%	2017
1978	1988	1998	-10.3%	2008	20.2%	2018	
1979	1989	1999	-16.8%	2009	-19.3%	2019	

U.S. Department of Energy (EIA Administration) for FY 1985-2011, and Global Insight, 1st Quarter 2011, Trend Forecast report for FY 2012-31

HISTORICAL DATA - GRAPHED



HISTORICAL DATA - ANALYSIS

Period	Historical		Mean	Std. Dev.	80% Range	
	Min.	Max.			Lower	Upper
5 Years	-19.3%	20.2%	5.3%	16.3%	-11.3%	20.2%
10 Years	-21.9%	32.1%	10.1%	18.6%	-19.5%	26.0%
Full Period	-21.9%	37.2%	7.4%	17.2%	-16.8%	25.4%

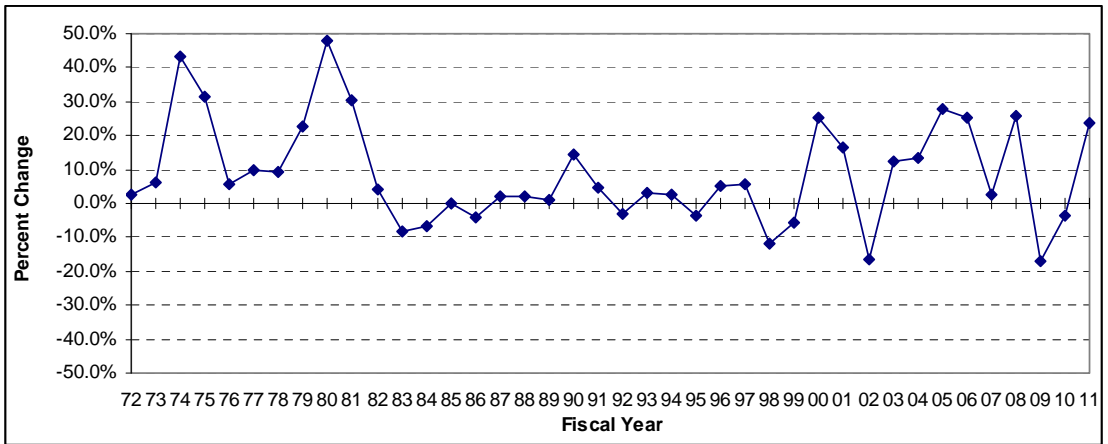
**HISTORICAL DATA
WEST COAST NO. 2 NOMINAL DIESEL PRICE GROWTH
(Annual Percent Change)**

HISTORICAL DATA BY FISCAL YEAR (July 1 through June 30)

1970		1980 48.1%	1990 14.2%	2000 25.0%	2010 -3.4%
1971		1981 30.2%	1991 4.6%	2001 16.4%	2011 23.5%
1972 2.7%	1982 4.3%	1992 -3.2%	2002 -16.4%	2012	
1973 6.4%	1983 -8.0%	1993 3.1%	2003 12.4%	2013	
1974 43.3%	1984 -6.8%	1994 2.7%	2004 13.6%	2014	
1975 31.4%	1985 0.1%	1995 -3.4%	2005 27.8%	2015	
1976 5.8%	1986 -4.0%	1996 4.9%	2006 25.5%	2016	
1977 10.0%	1987 2.1%	1997 5.8%	2007 2.7%	2017	
1978 9.1%	1988 2.3%	1998 -11.8%	2008 25.8%	2018	
1979 22.4%	1989 1.2%	1999 -5.9%	2009 -17.2%	2019	

U.S. Department of Energy (EIA Administration) for FY 1972-2011, and Global Insight, 1st Quarter 2011, Trend Forecast report for FY 2012-31

HISTORICAL DATA - GRAPHED



HISTORICAL DATA - ANALYSIS

Period	Historical		Mean	Std. Dev.	80% Range	
	Min.	Max.			Lower	Upper
5 Years	-17.2%	25.8%	6.3%	18.3%	-11.7%	24.9%
10 Years	-17.2%	27.8%	9.4%	17.2%	-16.5%	26.0%
Full Period	-17.2%	48.1%	8.7%	15.1%	-6.9%	28.1%