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**BEFORE THE ARIZONA CORPORATION COMMISSION**

MARC SPITZER  
Chairman  
WILLIAM A. MUNDELL  
Commissioner  
JEFF HATCH-MILLER  
Commissioner  
MIKE GLEASON  
Commissioner  
KRISTIN K. MAYES  
Commissioner

Arizona Corporation Commission

**DOCKETED**

**JAN 27 2004**

DOCKETED BY NR

IN THE MATTER OF THE APPLICATION  
OF GRAHAM COUNTY UTILITIES, INC. -  
FILING FOR APPROVAL OF A  
PURCHASED GAS ADJUSTOR CREDIT

DOCKET NO. G-02527A-03-0906  
DECISION NO. 66751  
ORDER

Open Meeting  
January 13 and 14, 2004  
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On December 15, 2003, Graham County Utilities, Inc. ("Graham" or "Company") filed for Commission approval of a purchased gas adjustor ("PGA") credit.
2. The filing would implement a credit of \$0.095 per therm.
3. The credit is proposed to be in effect from February 2004 through January 2005, or until the PGA bank balance returns to zero, whichever comes first.
4. Last winter, Graham secured a gas contract with favorable terms. This resulted in substantial overcollection in the PGA balance in 2003 as the \$0.10 band on the PGA's rolling average limited the ability of the PGA rate to follow the lower cost of gas.
5. The overcollected balance in October 2003 was \$470,846.
6. During this period of increased overcollection, Graham anticipated that the overcollected balance would be reduced as a less favorable gas contract was secured for this winter.

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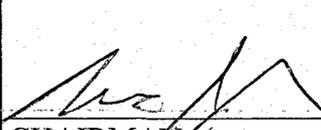
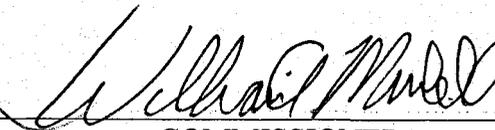
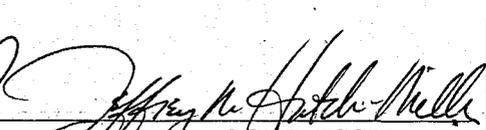
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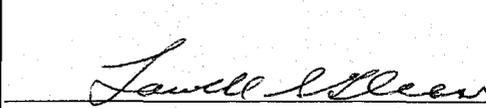
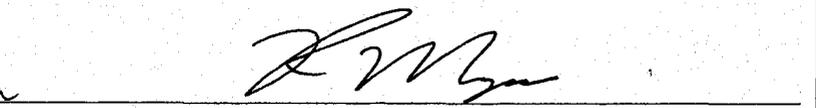
ORDER

IT IS THEREFORE ORDERED that a \$0.095 per therm credit is approved for the period of February 2004 through January 2005.

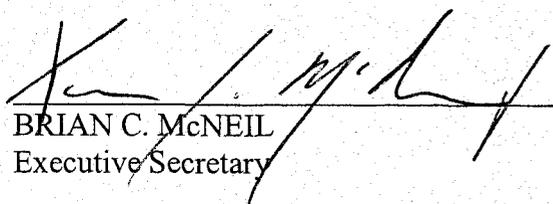
IT IS FURTHER ORDERED that the credit end at such time as the bank balance is reduced to zero (0), should that occur before the end of January 2005.

**BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

		
CHAIRMAN	COMMISSIONER	COMMISSIONER

	
COMMISSIONER	COMMISSIONER

IN WITNESS WHEREOF, I BRIAN C. McNEIL, Executive Secretary of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 27<sup>th</sup> day of January, 2004.



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BRIAN C. McNEIL  
Executive Secretary

DISSENT: \_\_\_\_\_

DISSENT: \_\_\_\_\_

EGJ:SPI:rdp/JDG

1 SERVICE LIST FOR: GRAHAM COUNTY UTILITIES, INC.  
2 DOCKET NO. G-02527A-03-0906

3 Mr. Russ Barney  
4 Finance Manager  
5 Graham County Utilities, Inc.  
6 Post Office Drawer B  
7 Pima, Arizona 85543

8 Mr. Ernest G. Johnson  
9 Director, Utilities Division  
10 Arizona Corporation Commission  
11 1200 West Washington  
12 Phoenix, Arizona 85007

13 Mr. Christopher C. Kempley  
14 Chief Counsel, Legal Division  
15 Arizona Corporation Commission  
16 1200 West Washington  
17 Phoenix, Arizona 85007

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