

ORIGINAL OPEN MEETING AGENDA ITEM



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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

AZ CORP COMMISSION
DOCUMENT CONTROL

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

IN THE MATTER OF THE APPLICATION OF) DOCKET NO. G-02528-05-0687
DUNCAN RURAL SERVICES CORPORATION)
FOR APPROVAL OF ADJUSTMENT TO) CUSTOMER NOTICE
PURCHASED GAS ADJUSTOR SURCHARGE.)

Duncan Rural Services Corporation ("DRSC") hereby files a statement concerning
mailing of notice in this matter.

RESPECTFULLY SUBMITTED this 1st day of November 2005.

By 

John Wallace
Grand Canyon State Electric Cooperative Association
120 North 44th Street, Suite 100
Phoenix, AZ 85034

Original and thirteen (13) copies of
Duncan Rural Services Corporation Customer Notice
filed this 1st day of November, 2005
with:

DOCKET CONTROL
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Postal Pros, Inc
3700 Osuna Rd. NE #708
Albuquerque, NM 87109
Phone: (505) 341-0509 Fax: (505) 341-0519

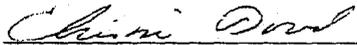
October 28, 2005

Steve Lunt
Duncan Valley Electric Cooperative, Inc.
PO 440
Duncan AZ 85534

Subject: Certification of Mailing

Steve:

This letter will certify that 689 Gas Rate Letters were mailed to Duncan Valley Electric Cooperative, Inc. gas customers. All mailings were done from Postal Pros, Inc. in Albuquerque, New Mexico on October 25, 2005.


Christine Dowd, President

Duncan Rural Services Corporation

222 N. Highway 75
PO Box 440
Duncan AZ 85534

*****AUTOCR**B-001

|||||
ATTAWAY, WILLIS
PO BOX 24
DUNCAN AZ 85534-0024

October 24, 2005

To Our Gas Customers:

RE: Purchased Gas Adjustor Surcharge

Duncan Rural Service Corporation ("DRSC") is the local gas distribution service provider. As such, we purchase gas through the El Paso Pipeline and distribute it to you through our distribution system in DRSC's service territory.

Because the cost of gas varies depending upon the season, availability and other uncontrollable items, the Arizona Corporation Commission authorizes a Purchased Gas Adjustment (PGA) bank account method of tracking the difference between the actual cost and the ACC approved rate.

Nationwide gas costs continue to increase. In January 2005, gas prices were projected to be in the range of \$0.60 to \$0.70 per therm. The current price for San Juan Basin gas from November 2005 through March 2006 is approximately \$1.20 per therm.

Currently, you pay a base cost of gas of \$0.36 per therm plus you receive a PGA adjustment (increase) to your bill of \$0.24 per therm. DRSC has filed a request with the ACC to charge an additional surcharge of \$0.60 per therm starting on December 1, 2005, to cover the actual cost of gas. This would make the total cost of gas \$1.20 per therm. If approved this would increase the average residential customer's monthly winter bill who uses 75 Therms by \$45. The following table shows the result of the surcharge depending upon the monthly gas usage. These amounts do not include sales tax.

Therms-Residential	Present Winter Gas Bill with \$0.24 Adjustment	Proposed Winter Gas Bill with \$0.60 Surcharge	Proposed Change (Increase to Winter Bill)
25	\$41.00	\$56.00	\$15.00
75	\$93.00	\$138.00	\$45.00
100	\$119.00	\$179.00	\$60.00
Therms-Commercial			
500	\$542.50	\$842.50	\$300.00
1000	\$1,062.50	\$1,662.50	\$600.00
2000	\$2,102.50	\$3,302.50	\$1,200.00

If you want to obtain additional information about the Company's application for a proposed surcharge, you can contact DRSC at (928) 359-2503. DRSC has requested that the ACC approve its application for a surcharge at an Open Meeting on November 8, 2005 at 1200 W. Washington, Phoenix. To find out when the actual Open Meeting will be scheduled for this matter or how to comment on the proposed surcharge, you can contact the ACC at <http://www.cc.state.az.us> or by calling 1-800-222-7000.

If you are interested in energy saving tips or DRSC's average pay billing program, please call DRSC at (928) 359-2503 or refer to our website at www.dvec.org.