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BEFORE THE ARIZONA CORPORATION COMMISSION

2006 MAY -5 P 1:03

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COMMISSIONERS

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

AZ CORP COMMISSION  
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF )  
DUNCAN RURAL SERVICES CORPORATION )  
FOR A RATE INCREASE )

DOCKET NO. G-02528A-05-0314

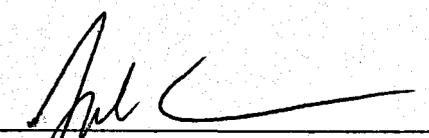
IN THE MATTER OF THE APPLICATION OF )  
DUNCAN RURAL SERVICES CORPORATION )  
FOR APPROVAL OF A LOAN IN THE AMOUNT )  
OF \$400,000 )

DOCKET NO. G-02528A-03-0205

**CUSTOMER EDUCATION**

In compliance with Decision No. 68599 (March 23, 2006), Duncan Rural Services Corporation ("DRSC") hereby files its customer education effort in this matter.

RESPECTFULLY SUBMITTED this 5<sup>th</sup> day of May 2006.

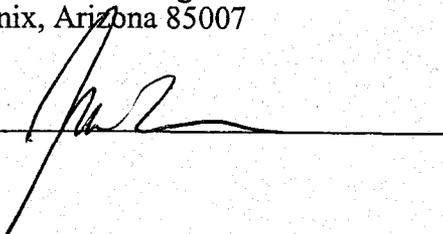
By 

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

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Original and fifteen (15) copies of  
Duncan Rural Services Corporation's Customer Education Effort  
filed this 5<sup>th</sup> day of May, 2006  
with:

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

By  \_\_\_\_\_



**DUNCAN RURAL SERVICES CORPORATION**

PO Box 440  
Duncan AZ 85534

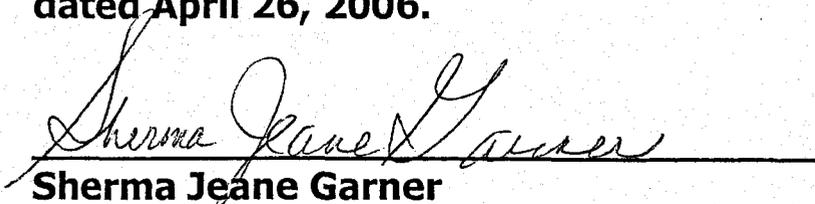
222 North Highway 75  
Duncan AZ 85534

*SAFE, EFFICIENT NATURAL GAS*

Phone: (928) 359-2503.

Fax: (928) 359-2370

**I, Sherma Jeane Garner, state that on April 28, 2006, caused to be deposited in the U. S. Mail the attached customer notification to each Duncan Rural Services Corporation member dated April 26, 2006.**



**Sherma Jeane Garner  
DUNCAN RURAL SERVICES CORPORATION  
Senior Customer Service Representative**

**Received by U. S. Post Office, Duncan, Arizona, on April 28, 2006.**



APR  
28  
2006



# DUNCAN RURAL SERVICES CORPORATION

PO Box 440  
Duncan AZ 85534

222 North Highway 75  
Duncan AZ 85534

**SAFE, EFFICIENT NATURAL GAS**

Phone: (928) 359-2503

Fax: (928) 359-2370

April 26, 2006

Dear Customer,

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. Historically, the Arizona Corporation Commission has established a Monthly Service Charge and a per therm, per month charge for each customer class of a gas utility that recovers the cost of gas purchased from the El Paso Pipeline and all of DRSC's other expenses and appears as a total dollar amount on the gas portion of your bill. Changes in gas costs are passed through to the end consumer through a mechanism called a purchased gas adjustor (PGA). This monthly PGA rate is in addition to the charges described above and has been shown in the lower left section of your utility bill. (See figure to right)

DUNCAN VALLEY ELECTRIC CO-OP v DUNCAN RURAL SERVICES CORP. v SOUTHERN GREENLEE COUNTY TV ASSOCIATION  
PO BOX 440 DUNCAN AZ 85534 PHONE: (928) 359-2503 (928) 428-7894

METER NUMBER	RATE CODE	SERVICE FROM	SERVICE TO	PREVIOUS READING	CURRENT READING	MULT.	USAGE	AMOUNT
8 ELECTRIC		RESIDENCE						
75-438-586	101	11/30/05	12/29/05	32918	33862	1	944	100.78
ENVIRONMENTAL PORTFOLIO SURCHARGE, MANDATED BY CORPORATION COMMISSION								.35
SALES TAX								8.15
								108.93
12 GAS		RESIDENCE						
574-324	110	11/30/05	12/29/05	4476	4548	.905	86	115.85
SALES TAX								7.05
								122.70
13 TV		T V ACCT						
	866	12/31/05	01/31/06	0	0	.905	0	.00
TV BASIC								14.00
								14.00

DUNCAN VALLEY ELECTRIC COOPERATIVE AND DUNCAN RURAL SERVICES WOULD LIKE TO REMIND YOU OF OUR ENERGY EFFICIENCY LOANS. CALL THE OFFICE IF YOU ARE LOOKING TO MAKE YOUR HEATING OR COOLING SYSTEMS MORE EFFICIENT FOR YOUR HOME.

TOTAL PRIOR BALANCE	TOTAL CURRENT CHARGES	TOTAL CHARGES	DUE DATE
.00	243.63	243.63	01/16/06
ELECTRIC PGA RATE	GAS PGA RATE	CONVERSION FACTOR	
.0120000	.7250000	1.01800	

PLEASE PAY THIS AMOUNT >>> 243.63

You were advised in a recent notice that in Decision No. 68599, the Arizona Corporation Commission approved new rates for DRSC that include a Monthly Service Charge, a Distribution Rate, and Monthly Gas Cost Rate (MGCR). That Decision also required DRSC to implement a customer education effort to inform customers how to read their bills in order to reduce any confusion from the proposed change to the PGA. The MGCR will be the mechanism to collect DRSC's purchased gas cost. The MGCR may be increased or decreased monthly to recover changes in gas costs. The Monthly Service Charge and Distribution Rates have been designed to collect all of the costs of owning and operating a gas distribution system.

This change will be reflected on the bill in the following manner:

### Current Bill

TOTAL PRIOR BALANCE	TOTAL CURRENT	TOTAL CHARGES	DUE DATE
.00	243.63	243.63	04/17/06
ELECTRIC PCA RATE	GAS PGA RATE	CONVERSION FACTOR	
.0120000	.7622000	1.01800	

### New Bill

TOTAL PRIOR BALANCE	TOTAL CURRENT	TOTAL CHARGES	DUE DATE
.00	243.63	243.63	04/17/06
ELECTRIC PCA RATE	MONTHLY GAS COST RATE	CONVERSION FACTOR	
.0120000	.7608000	1.01800	

Continued

**To calculate your bill:**

1. Find your rate code and your therms usage on the front of your bill (see figure below)

DUNCAN VALLEY ELECTRIC CO-OP ▾ DUNCAN RURAL SERVICES CORP. ▾ SOUTHERN GREENLEE COUNTY TV ASSOCIATION  
 PO BOX 440 DUNCAN AZ 85534 PHONE: (928) 359-2503 (928) 428-7894

METER NUMBER	RATE CODE	SERVICE FROM	SERVICE TO	PREVIOUS READING	CURRENT READING	MULT.	USAGE	AMOUNT
8 ELECTRIC		RESIDENCE						
75-438-588	101	11/30/05	12/29/05	32918	33862	1	944	100.78
		ENVIRONMENTAL PORTFOLIO SURCHARGE, MANDATED BY CORPORATION COMMISSION						.35
		SALES TAX						8.15
		ACCT#	3768-008	AMOUNT DUE				108.93
12 GAS		RESIDENCE						
574-324	110	11/30/05	12/29/05	4478	4548	.905	66	115.85
		SALES TAX						7.05
		ACCT#	3768-012	AMOUNT DUE				122.70

2. On the back of your bill you will find your rate code in the chart (see example below)

DRSC Distribution Rates as of April 1, 2006

Service – Meter Size

Rate Codes 110, 130, 140

250 cfh and below

\$20.00/billing period service charge, Summer Therms @ \$0.2600/Therm, Winter Therms @ \$0.7300/Therm

251 cfh to 425 cfh

Rate Codes 210, 230, 240

\$30.00/billing period service charge, Summer Therms @ \$0.2600/Therm, Winter Therms @ \$0.7300/Therm

426 cfh to 1000 cfh

Rate Codes 310, 330, 340

\$40.00/billing period service charge, Summer Therms @ \$0.2600/Therm, Winter Therms @ \$.7300/Therm

Summer Rates: April through October

Winter Rates: November through March

3. Perform the calculations as follows (This is a sample calculation on rate code 110 for winter therm rates utilizing the usage figure of 66 therms in the sample bill on the first page):

Monthly Service Charge (from back of bill-DRSC rate chart)		\$20.00
Therm Delivery Charge (from back of bill-DRSC rate chart Winter)	\$0.7300 x 66 therms	+\$48.18
Monthly Gas Cost Charge (from front lower left section of bill)	\$0.7608* x 66 therms	+\$50.21
Total Cost of service		\$118.39**

\* The \$0.7608 per therm charge used in this calculation is for example purposes only

\*\*Taxes will be calculated on this total