

The Morenci Water & Electric Co

401 Burro Alley  
P.O. Box 68

Morenci, AZ 85540  
Telephone (928) 865-2229  
Facsimile (928) 865-5261



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2008 JAN 17 P 12: 25

January 11, 2008

AZ CORP COMMISSION  
DOCKET CONTROL

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

Arizona Corporation Commission  
DOCKETED

JAN 17 2008

Re: Purchase Power Fuel Adjuster  
Docket: E-01049A-97-0677  
Reports for December 2007

DOCKETED BY 

Dear Staff:

Please find enclosed forms FA-1, FA-1A, FA-1B, FA-1C, FA-2, FA-3, and Power Purchase Data for the above referenced month.

- Tucson Electric Power in the amount of \$204,184.75
- Tucson Electric Power in the amount of \$590,397.00
- Tucson Electric Power in the amount of \$53,357.97
- Phelps Dodge Energy Services in the amount of \$7,265,539.40
- Phelps Dodge Energy Services in the amount of \$338,575.44

Please let me know if you have any questions or comments.

Sincerely,



D. L. True  
Superintendent

RB/rb

Enclosures

XC: B. Bozzo, ACC w/encl.  
C. Lee, PDC w/encl  
J. Anderson, ACC w/encl.  
File PPFA 2007Dec

**THE MORENCI WATER & ELECTRIC COMPANY**  
**PURCHASED POWER AND FUEL ADJUSTOR**  
**BANK BALANCE REPORT FA-1**  
**For the Month of December, 2007**

Line			
1.	ENDING BANK BALANCE FROM PREVIOUS MONTH: (Over = Neg, Under = Pos)	\$	<u>(332,916)</u>
2A.	JURISDICTIONAL SALES(Applicable to FUEL ADJ.): (= Total Sales - FA-3)	KWH	<u>2,315,839</u>
2B.	Total Sales(includes Special Contract Sales, shown for computation of unit cost only)	KWH	<u>160,465,701</u>
2C.	Special Contract Sales not subject to PPFA per Decision No. 60807 dated Apr 8 1998	KWH	<u>158,149,862</u>
3.	ACTUAL COST OF PURCHASED POWER:	\$	<u>8,202,177</u>
4.	UNIT COST OF PURCHASED POWER: (Line 3/Line 2B)	\$/KWH	<u>0.051115</u>
5.	AUTHORIZED BASE COST OF PUR. POWER: Per Decision No.54712 Dated 10/10/85	\$/KWH	<u>0.075220</u>
6.	AUTHORIZED PURCHASED POWER ADJUSTOR: Per Decision No.61298 Dated 12/98, Updated Decision No. 61705 Dated 5/99	\$/KWH	<u>(0.019000)</u>
7.	AUTHORIZED PURCHASED POWER ADJUSTOR: Per Decision No.67676 dated 03/05	\$/KWH	<u>0.000000</u>
8.	TOTAL RATE COLLECTED FROM CUSTOMER: (Line 5 + Line 6+ Line 7)	\$/KWH	<u>0.05622</u>
9.	INCREMENTAL DIFFERENCE BETWEEN AUTHORIZED AND ACTUAL RECOVERY: (Line 4 - Line 7)	\$/KWH	<u>(0.005105)</u>
10.	NET CHANGE TO BANK BALANCE: (Line 2A x Line 8) If Line 4 > Line 7 - Under Collected Balance. If Line 4 < Line 7 - Over Collected Balance, neg.	\$	<u>(11,823)</u>
11.	ADJUSTMENTS TO BANK BALANCE: From FA-1A	\$	<u>0</u>
12.	PREAPPROVED DSM COSTS: From FA-1B	\$	<u>0</u>
13.	ENDING BANK BALANCE: (Line 1 + Line 9 + Line 10 + Line 11)	\$	<u>(344,739)</u>

**THE MORENCI WATER & ELECTRIC COMPANY  
PURCHASED POWER AND FUEL ADJUSTOR  
BANK BALANCE REPORT FA-1A  
ADJUSTMENTS TO BANK BALANCE DETAIL  
For the Month of December, 2007**

PLEASE PROVIDE A DETAILED SUMMARY OF THE ADJUSTMENTS THAT THE COMPANY IS CLAIMING THAT AFFECT THE ENDING BALANCE OF THE PURCHASED POWER AND FUEL ADJUSTOR REPORT. EXAMPLES OF ADJUSTMENTS COULD INCLUDE PRIOR PERIOD ADJUSTMENTS FOR BILLING ERRORS OR CORRECTIONS, REFUNDS RECEIVED FROM YOUR SUPPLIER, REFUNDS ORDERED BY THE COMMISSION ETC. ALL ADJUSTMENTS NEED TO BE THOROUGHLY EXPLAINED AND SUPPORTING DOCUMENTATION ATTACHED, IF APPROPRIATE. THE TOTAL OF ALL THE ADJUSTMENTS BEING CLAIMED SHOULD BE ENTERED AT THE BOTTOM OF THIS FORM AND ON FA-1, LINE 10.

ADJUSTMENTS TO BANK BALANCE:  
(Transfer amount to FA-1, Line 10.)

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\$0.00

**THE MORENCI WATER & ELECTRIC COMPANY**  
**PURCHASED POWER AND FUEL ADJUSTOR**  
**BANK BALANCE REPORT FA-1B**  
**PREAPPROVED DSM COST DETAIL**  
 For the Month of December, 2007

PLEASE PROVIDE A DETAIL LISTING OF THE DSM COSTS CLAIMED ON FA-1, LINE 11. DSM COSTS SHOULD BE LISTED BY PROGRAM, AMOUNT AND PERIOD OF TIME WHEN THE FUNDS WERE ACTUALLY SPENT. THE TOTAL DOLLARS SPENT THIS MONTH ON ALL PROGRAMS SHOULD BE ENTERED ON THE LINE PROVIDED AT THE BOTTOM OF THIS PAGE AND ON FA-1, LINE 11.

PROGRAM NAME	APPLICABLE TIME PERIOD	CUMULATIVE COSTS CLAIMED TO DATE	COSTS CLAIMED THIS MONTH
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NONE

TOTAL DSM COSTS CLAIMED THIS MONTH  
 (Transfer amount to FA-1, Line 11.)

\$0.00

**THE MORENCI WATER & ELECTRIC COMPANY**  
**PURCHASED POWER AND FUEL ADJUSTOR**  
**BANK BALANCE REPORT FA-1C**  
**For the Month of December, 2007**

Supplemental report for Decision No. 61298 dated December 1998

Line			
1.	ENDING BANK BALANCE FROM PREVIOUS MONTH: (Over = Neg, Under = Pos)	\$	0
2.	JURISDICTIONAL SALES(Applicable to FUEL ADJ.): (= Total Sales - FA-3)	KWH	0
3.	AUTHORIZED PURCHASED POWER ADJUSTOR: Per Decision No.61298 Dated 12/98	\$/KWH	<u>0.000000</u>
4.	NET CHANGE TO BANK BALANCE: (Line 2 x Line 3)	\$	0
5.	ENDING BANK BALANCE: (Line 1 + Line 5)	\$	0

**THE MORENCI WATER & ELECTRIC COMPANY**  
**PURCHASED POWER AND FUEL ADJUSTOR**  
**GENERAL INFORMATION FA-2**  
**For the Month of December, 2007**

Line

1. COMPANY NAME: THE MORENCI WATER & ELECTRIC COMPANY
2. MAILING ADDRESS: P.O. BOX 68 - MORENCI, AZ. 85540
3. CONTACT PERSON: DENNIS TRUE
4. CONTACT TELEPHONE NUMBER: (928) 865-6219

GENERATION

5.	GAS GENERATION	(\$)	_____	
6.	OIL GENERATION	(\$)	_____	
7.	COAL GENERATION	(\$)	_____	
8.	OTHER GENERATION (Identify)	(\$)	_____	
	TOTAL GENERATION COSTS	(\$)	A.	0

PURCHASED POWER

9.	BASE METER CHARGE	(\$)	_____	
10.	DEMAND CHARGE	(\$)	_____	
11.	ENERGY CHARGE	(\$)	_____	
	TOTAL PURCHASED POWER COSTS (Including Special Contract Per Decision No. 60807)	(\$)	B.	<u>8,202,176.97</u>
12.	TOTAL COST OF GENERATION AND PURCHASED POWER (Total of Lines 8A and 11B)	(\$)		<u>\$8,202,176.97</u>

13.	KWH	(KWH)		
	Generated		0	
	Purchased Special Contract (Per Decision No 60807)		<u>158,149,862</u>	
	Purchased		<u>2,380,928</u>	
	TOTAL KWH GENERATED/PURCHASED			<u>160,530,790</u>
14.	COST PER KWH (Line 12/Line 13)	(\$/KWH)		<u>0.051094</u>
15.	UNACCOUNTED FOR KWH'S			
	Line Loss	(KWH)	<u>1,367,523</u>	
	Own Use	(KWH)	<u>6,776</u>	

**THE MORENCI WATER & ELECTRIC COMPANY  
PURCHASED POWER AND FUEL ADJUSTOR  
GENERAL INFORMATION FA-3  
For the Month of December, 2007**

Line			
1.	<u>SALES (KWH)</u>		
	Residential	<u>1,111,881</u>	
	Commercial - (small)		
	Commercial - (small)		
	Industrial	<u>1,203,958</u>	
	Irrigation		
	Municipal		
	Wholesale		
	Other Sales (Special Contract Sales per Decision No. 60807 Dated April 8, 1998)	<u>158,149,862</u>	
	TOTAL SALES (KWH)		<u>160,465,701</u>
	(Total KWH Sales SHOULD Agree with number on FA-1, Line #2.)		
2.	<u>SALES (\$)</u>		
	Residential	<u>\$123,346.07</u>	
	Commercial - (small)		
	Commercial - (small)		
	Industrial	<u>\$123,587.85</u>	
	Irrigation		
	Municipal		
	Wholesale		
	Other Sales (Special Contract Sales per Decision No. 60807 Dated April 8, 1998)	<u>\$8,345,874.82</u>	
	TOTAL SALES (\$)		<u>\$8,592,808.74</u>
3.	<u>NUMBER OF CUSTOMERS**</u>		
	Residential	<u>1,924</u>	
	Commercial - (small)		
	Commercial - (small)		
	Industrial	<u>252</u>	
	Irrigation		
	Municipal		
	Wholesale		
	Other Sales (Special Contract Sales per Decision No. 60807 Dated April 8, 1998)	<u>1</u>	
	TOTAL CUSTOMERS		<u>2,177</u>

\*\*Use 'Avg' number of customers; Beg # + End # divided by 2.

**THE MORENCI WATER & ELECTRIC COMPANY**  
**Miscellaneous Power Purchase Data**  
**Excludes Special Contract Sales**  
**For the Month of December, 2007**

	<u>K.W.H.</u>	<u>Percent</u>	<u>K.W.</u>
Total Sales	160,465,701	99.2%	
Total Own Usage	6,776	0.0%	
Total System Losses	1,367,523	0.8%	
Total Purchased Energy	161,840,000		
System Losses-Rolling annual average		<u>0.18%</u>	
MWE Billed Peak			N/A
MWE Load Factor as Billed		N/A	
*MWE/PDC Coincidental Peak Demand			N/A
*MWE/PDC Coincidental Load Factor		N/A	
*Per Prem Bahl's Calculations 6/17/91			
MWE Actual Peak Per 3 MWE Totalizers			N/A
MWE Actual Load Factor Per 3 MWE Totalizers		N/A	



**The Energy People**

P.O. Box 711  
 Tucson, Arizona 85702  
 520-745-7170  
 fax 520-770-2003

**INVOICE**

**Morenci Water & Electric Company**  
 Attn: Ms. Roxanne Boling  
 P.O. Box 68  
 Morenci, AZ 85540

Invoice Date: **January 5, 2008**  
**TEP 0311 904**

Description	Charges	Credits	Amount
Energy purchased by: <b>MWE</b> December 2007			
Energy Charge: 74,249 MWh @ 0.00 /MWh	\$ -		<b>\$0.00</b>
<b>Transmission Services</b>			
Transmission 74,249 MWh @ 2.47 /MWh	183,395.03		183,395.03
Ancillary Services:			
Scheduling, System Control, and Dispatch Service 0.25 /MWh	18,562.25		18,562.25
Reactive Supply and Voltage Control 0.03 /MWh	2,227.47		2,227.47
Non-Spin capacity 0 MWh @ 0.00 /MWh		0.00	<b>0.00</b>

**Payments are due the later of the last day of the invoice month or the tenth day after receipt.**

**Amount Due TEP \$ 204,184.75**

Please Wire Transfer Payments to:

**Due Date: January 31, 2008**

Tucson Electric Power Company – Corporate  
**Wells Fargo Bank**  
 ABA 121-000-248  
 Account Number 495-0029116

Payments not received on or before the Due Date are subject to a late charge.

Approved By: \_\_\_\_\_

Checked By: \_\_\_\_\_

Questions? Call Kevin Battaglia at (520) 745-7170 or e-mail [Kbattaglia@tep.com](mailto:Kbattaglia@tep.com)



*The Energy People*

P.O. Box 711  
 Tucson, Arizona 85702  
 520-745-7170  
 fax 520-770-2003

**INVOICE**

**Morenci Water & Electric Company**  
 Attn: Ms. Roxanne Boling  
 P.O. Box 68  
 Morenci, AZ 85540

Invoice Date: **January 5, 2008**  
**TEP 0311 904**

Description	Charges	Credits	Amount
Energy purchased by: <b>MWE</b> December 2007			
Energy Charge:			
Market           9,849    MWh @ 59.94    /MWh	<b>590,397.00</b>		<b>590,397.00</b>
Loss PAYB to EPE    0        MWh @ 0.00    /MWh	<b>0.00</b>		<b>0.00</b>

**Payments are due the later of the last day of the invoice month or the tenth day after receipt.**

**Amount Due TEP**   \$ **590,397.00**

Please Wire Transfer Payments to:

Tucson Electric Power Company – Corporate  
**Wells Fargo Bank**  
 ABA 121-000-248  
 Account Number 495-0029116

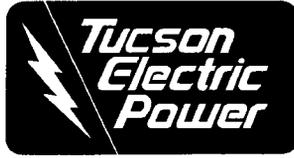
**Due Date:**                   **January 22, 2008**

Payments not received on or before the Due Date are subject to a late charge.

Approved By: \_\_\_\_\_

Checked By: \_\_\_\_\_

Questions? Call Kevin Battaglia at (520) 745-7170 or e-mail [Kbattaglia@tep.com](mailto:Kbattaglia@tep.com)



**The Energy People**

P.O. Box 711  
Tucson, Arizona 85702  
520-745-7170  
520-571-4032

**INVOICE**

**Morenci Water & Electric**  
Attn: Dennis True  
P.O. Box 68  
Morenci, AZ 85540

Invoice Date: **January 4, 2008**  
Customer No: **TEP 0311 MWE 904**

Description	Charges	Credits	Amount
Charges in accordance with Service Schedules "A", "B", "C", "D", "E" and "F" of the Control Area Services Agreement dated August 18, 2004.			
<b>Month of: December 2007</b>			
Control Area Services:			
Administrative 237,174 kW @ 0.0128 / kW	<b>3,035.83</b>		<b>3,035.83</b>
Reactive Supply & Voltage Control 237,174 kW @ 0.1610 / kW	<b>38,185.02</b>		<b>38,185.02</b>
Regulation & Frequency Response 2,725 kW @ 12.0850 / kW	<b>32,931.63</b>		<b>32,931.63</b>
Energy Imbalance - Outside Bandwidth:			
Negative Imbalance 14.46 MWh @ 103.02 / MWh	<b>1,489.82</b>		<b>1,489.82</b>
Positive Imbalance ##### MWh @ ##### / MWh		<b>34,369.33</b>	<b>(34,369.33)</b>
Spinning Reserve 1,000 kW @ 12.0850 / kW	<b>12,085.00</b>		<b>12,085.00</b>
Interruptible Load/Non-Spin 0 kW @ 1.9840 / kW	-		-
Energy Imbalance - Inside Bandwidth - Payment-in-Kind:			
Negative Imbalance 742 MWh			
Positive Imbalance (4,354) MWh			
Net (3,612) MWh			

e-mail to:  
roxanne\_boling@fmi.com

**copy to:**

**Phelps Dodge**  
Attn: Choi Lee  
One North Central Avenue  
Phoenix, Arizona 85004

Payments are due the 15th day after invoice receipt

Amount Due TEP \$ **53,357.97**

Please Wire Transfer Payments to:

Due Date: **January 19, 2008**

Tucson Electric Power Company - Corporate  
**Wells Fargo Bank**  
ABA 121-000-248  
Account Number 495-0029116

Payments not received on or before the  
Due Date are subject to a late charge.

Checked By: \_\_\_\_\_

Approved By: \_\_\_\_\_

Questions? Call Kevin Battaglia at (520) 745-7170 or  
e-mail Kbattaglia@tep.com



**Phelps Dodge Energy Services**  
One North Central Avenue, Phoenix AZ 85004-2306  
(602) 366-8100 Voice  
(602) 366-7315 Facsimilie

**INVOICE**

**Morenci Water & Electric**  
P.O. Box 68  
66 Fairbanks Road  
Morenci, Az. 85540

**Invoice Date: January 7, 2008**

Description	Charges		Credits	Amount
Energy Purchased by MW&E pursuant to : PDES's FERC Electric Tariff, First Revised Volume No. 1, Second Revised Sheet Nos.1-3				
MWH 151,991	\$ 7,265,539.40	\$ 0.04780		\$ 7,265,539.40
LEF 77,742	\$ 4,874,721.60	\$ 0.06270		
PWCC 74,249	\$ 2,390,817.80	\$ 0.03220		
<b>Current Charges</b>				<b>\$ 7,265,539.40</b>

**Due Date: January 18, 2008**

Wire Transfer:  
Bank of America  
Dallas, Texas  
ABA # 111-000-012  
Account # 3752029501  
Phelps Dodge Energy Services



**Phelps Dodge Energy Services**  
One North Central Avenue, Phoenix AZ 85004-2306  
(602) 366-8100 Voice  
(602) 366-7315 Facsimilie

**INVOICE**

**Morenci Water & Electric**  
P.O. Box 68  
66 Fairbanks Road  
Morenci, Az. 85540

**Invoice Date: January 7, 2008**

Description	Charges	Credits	Amount
Services Provided to MW&E pursuant to : PDES's FERC Electric Tariff, First Revised Volume No. 1, Third Revised Sheet Nos.1-2			
MWH \$/kWh			
74,249 0.004560	\$ 338,575.44		\$ 338,575.44
Current Charges			\$ 338,575.44

**Due Date: January 18, 2008**

**Wire Transfer:**

Bank of America  
Dallas, Texas  
ABA # 111-000-012  
Account # 3752029501  
Phelps Dodge Energy Services