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BEFORE THE ARIZONA CORPORATION COMMISSION

MIKE GLEASON  
Chairman  
WILLIAM A. MUNDELL  
Commissioner  
JEFF HATCH-MILLER  
Commissioner  
KRISTIN K. MAYES  
Commissioner  
GARY PIERCE  
Commissioner

Arizona Corporation Commission

DOCKETED

SEP - 3 2008

DOCKETED BY *mm*

IN THE MATTER OF THE APPLICATION )  
OF GRAHAM COUNTY ELECTRIC )  
COOPERATIVE, INC. FOR APPROVAL OF )  
ITS BILL ESTIMATION )  
METHODOLOGIES TARIFF )

DOCKET NO. E-01749A-07-0236

DECISION NO. 70478

ORDER

Open Meeting  
August 26 and 27, 2008  
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Graham County Electric Cooperative, Inc. ("Graham" or "Cooperative") is certificated to provide electric service as a public service corporation in the State of Arizona.

2. On April 11, 2007, Graham filed an Application with the Arizona Corporation Commission ("Commission") for a rate increase.

3. On April 24, 2008, the Commission issued Decision No. 70289, which in part, ordered Graham to revise its tariffs to comply with Staff's recommendation to submit a separate tariff describing its bill estimation methodologies.

4. Pursuant to Decision No. 70289 ("Decision"), on May 14, 2008, Graham filed its Schedule Estimation Methodologies ("Schedule EM") tariff in compliance with the Decision.

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1           5.       Discussions between Graham and Staff ensued, resulting in a consensus draft of  
2 Schedule EM. On May 28, 2008, Graham filed a revised version of Schedule EM that includes all  
3 recommendations made by Staff.

4 **Commission Decision No. 70289**

5           6.       Commission Decision No. 70289 focuses on revenue and rate design matters, but  
6 the Decision also references Graham's bill estimation procedures. Bill estimations are required  
7 when actual meter reads are not attainable. Staff recommended that Graham be required to submit  
8 a separate tariff describing bill estimation procedures that includes, but is not limited to:  
9 methodologies for estimating energy usage (kWh), demand usage (kW), and time-of-use billings  
10 for both energy and demand usage.

11          7.       The Decision ordered Graham to file a separate tariff in accordance with Staff's  
12 recommendations. Staff's recommendations regarding bill estimation methodologies include  
13 conditions under which bills should be estimated, procedures for handling unique situations such  
14 as first and final bills, and procedures that should be followed under explicitly described  
15 conditions. The following table excerpt from the proposed tariff filing summarizes Graham's  
16 proposed estimation methodologies:

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**Graham's Estimation Methodologies Schedule EM**

	<b>Conditions for Estimated Bills</b>	<b>Estimation Procedures</b>
1.	A kWh estimate with at least one year of history for the same customer at the same premise or new customer with at least one year of premise history.	The Customer Information System calculates the estimate using the same month and premise kWh from the prior year.
2.	A kWh estimate with less than 12 months' history for the same customer at the same premise.	The Customer Information System calculates the estimate using the kWh of the preceding month from the same premise.
3.	A kWh estimate with less than 12 months' history for a new customer but with history on the premise.	The Customer Information System calculates the estimate using the kWh of the preceding month from the same premise.
4.	A kWh estimate with no prior month usage history.	The Customer Information System will bill the fixed monthly customer charge only. The kWh will be billed with the next valid read in accordance with the Arizona Administrative Code.
5.	A kW estimate with at least one year of history for the same customer at the same premise or new customer with at least one year of premise history.	The Customer Information System calculates the estimate using the same month and premise kW from the prior year.
6.	A kW estimate with less than 12 months' history for the same customer at the same premise.	The Customer Information System calculates the estimate using the kW of the preceding month from the same premise.
7.	A kW estimate with less than 12 months history for a new customer but with history on the premise.	The Customer Information System calculates the estimate using the kW of the preceding month from the same premise.
8.	A kW estimate with no prior month usage history.	The Customer Information System does not estimate; a service order is issued for a meter technician to obtain a valid read.
9.	A Time-of-Use estimate with at least one year of history for the same customer at the same premise or new customer with at least one year of premise history.	Time-of-Use has two readings, "on-peak" and "off-peak". The Customer Information System calculates the estimate using the same month and premise "on-peak" and "off-peak" kWh reads from the prior year.
10.	A Time-of-Use estimate with less than 12 months' history for the same customer at the same premise.	Time-of-Use has two readings, "on-peak" and "off-peak". The Customer Information System calculates the estimate using the "on-peak" and "off-peak" kWh of the preceding month from the same premise.
11.	A Time-of-Use estimate with less than 12 months history for a new customer but with history on the premise.	Time-of-Use has two readings, "on-peak" and "off-peak". The Customer Information System calculates the estimate using the "on-peak" and "off-peak" kWh of the preceding month from the same premise.
12.	A Time-of-Use estimate with no prior usage history for a new customer at a new premise.	The Customer Information System will bill the fixed monthly customer charge only. The kWh will be billed with the next valid read in accordance with the Arizona Administrative Code.

1 Staff's Recommendations

2 8. Staff has reviewed the Cooperative's tariff filing and recommends approval of  
3 Graham's Schedule EM as revised. The amended filing embodies all of Staff's recommendations,  
4 such as identifying the conditions and methodologies under which electric billings will be  
5 estimated.

6 9. Staff recommends that Graham implement the proposed amended Schedule EM, as  
7 approved, no later than October 1, 2008. The Company should docket, as a compliance item in  
8 this matter, a letter within 15 days of implementation stating that the implementation is complete.

9 10. In addition, Staff recommends that Graham file tariff pages for Schedule EM  
10 consistent with the terms of this Decision within 15 days from the effective date of the Decision.

11 CONCLUSIONS OF LAW

12 1. Graham County Electric Cooperative, Inc. is a public service company within the  
13 meaning of Article XV, Section 2, of the Arizona Constitution.

14 2. The Commission has jurisdiction over Graham County Electric Cooperative, Inc.  
15 and the subject matter of the application.

16 3. Approval of Graham's proposed Schedule EM, as modified, does not constitute a  
17 rate increase as contemplated by A.R.S. Section 40-250.

18 4. The Commission, having reviewed the revised application and Staff's  
19 Memorandum dated August 12, 2008, concludes that it is in the public interest to approve  
20 Schedule EM, as discussed herein.

21 ORDER

22 IT IS THEREFORE ORDERED that the Graham County Electric Cooperative, Inc.  
23 Schedule EM, as discussed herein, be and hereby is approved.

24 IT IS FURTHER ORDERED that Graham County Electric Cooperative, Inc. implement  
25 the bill estimation methodologies, as approved, by October 1, 2008.

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1 IT IS FURTHER ORDERED that Graham County Electric Cooperative, Inc. shall docket,  
2 as a compliance item in this matter, a letter within 15 days after implementation stating that the  
3 implementation is complete.

4 IT IS FURTHER ORDERED that Graham County Electric Cooperative, Inc. shall docket,  
5 as a compliance item in this matter, tariff pages for Schedule EM consistent with the terms of this  
6 Decision within 15 days from the effective date of the Decision.

7 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

8

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

10  
11 *Laura A. Gleason*  
CHAIRMAN

*William A. Munkel*  
COMMISSIONER

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13 *Jeffrey H. Hatch-Miller*  
COMMISSIONER

*[Signature]*  
COMMISSIONER

*Gary L. Quinn*  
COMMISSIONER

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16 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive  
17 Director of the Arizona Corporation Commission, have  
18 hereunto, set my hand and caused the official seal of this  
19 Commission to be affixed at the Capitol, in the City of  
20 Phoenix, this 3rd day of September, 2008.

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*[Signature]*  
BRIAN C. McNEIL  
EXECUTIVE DIRECTOR

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

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

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EGJ:WHM:kdh\KOT

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1 SERVICE LIST FOR: Graham County Electric Cooperative, Inc.  
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