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1 BEFORE THE ARIZONA CORPORATION COMMISSION
2008 DEC -9 A 11:49

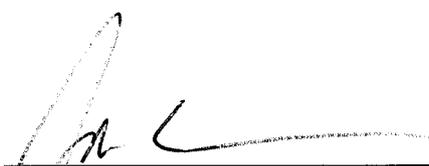
2 COMMISSIONERS

3 MIKE GLEASON, Chairman AZ CORP COMMISSION
4 WILLIAM A. MUNDELL DOCKET CONTROL
5 JEFF HATCH-MILLER
6 KRISTIN K. MAYES
7 GARY PIERCE

6 IN THE MATTER OF THE APPLICATION OF) DOCKET NO. G-02527A-08-0360
7 GRAHAM COUNTY UTILITIES, INC. FOR)
8 APPROVAL OF PURCHASED GAS ADJUSTOR) **COMPLIANCE**
9 SURCHARGE)

10 Graham County Utilities, Inc. ("GCU") hereby files a certification of mailing of its public
11 notice of a new Purchase Gas Adjustor ("PGA") surcharge in compliance with Decision No.
12 70564 dated October 23, 2008.

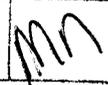
15 RESPECTFULLY SUBMITTED this 9th day of December 2008.

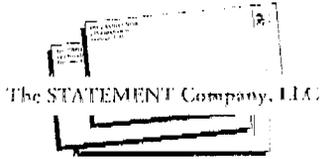
16
17
18 By 
19 John Wallace
20 Grand Canyon State Electric Cooperative Association
21 120 North 44th Street, Suite 100
22 Phoenix, AZ 85034

22 Original and thirteen (13) copies of
23 Graham County Utilities, Inc.'s Certification of Mailing
24 filed this 9th day of December, 2008 with:

24 DOCKET CONTROL
25 Arizona Corporation Commission
26 1200 West Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission
DOCKETED
DEC -9 2008

DOCKETED BY 



For all of your
DATA
E-STATEMENTS
PRINTING
PRESORT
And MAILING NEEDS

712 E. 46th St. • Tucson, AZ 85713 • Phone: 520-903-0779 • Fax: 520-903-0781

16300 W. Glendale Dr. • New Berlin, WI 53151 • Phone: 262-938-0871 • Fax: 262-938-0689

December 5, 2008

Graham County Electric Cooperative, Inc.
9 West Center St.
Pima, AZ 85543

Re: Purchased Gas Adjustor Surcharge, Decision No.70564 10/23/2008

To whom this may concern:

The STATEMENT Company, LLC., mailed 4645 public notice documents referenced above, to customers of Graham County Electric Coop. The mail dates were as listed below.

11/10/2008 1111 pcs.

11/17/2008 1707 pcs.

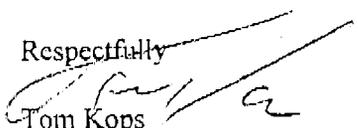
11/21/2008 1043 pcs.

11/24/2008 784 pcs.

Bills and statements are mailed out of our facility located at: 712 E. 46th st., Tucson, AZ 85713

Please call me at 520 903 0779 with any questions regarding these mailings.

Respectfully


Tom Kops

Graham County Utilities, Inc.
 PO Drawer B
 Pima, AZ 85543
 Telephone (928) 485-2451

To Our Natural Gas Customers:

RE: Purchased Gas Adjustor Surcharge, Decision No. 70564, 10/23/2008

Graham County Utilities, Inc. (GCU) is your local natural gas distributor and as such purchases and distributes natural gas to the consumers in GCU's service territory.

On July 16, 2008, GCU filed a request with the Arizona Corporation Commission (ACC) for an additional Purchased Gas Adjustor (PGA) surcharge of \$0.345 per therm to be effective November 1, 2008. The reason for the surcharge was due to the increased cost in natural gas prices over the summer and projected costs for the future. The cost of natural gas varies depending upon a number of uncontrollable factors such as weather and available reserves.

The ACC issued Decision No. 70564 on October 23, 2008 approving a \$0.10 per therm surcharge to take effect on November 1, 2008. The surcharge is approved for a term of one year or until the under collected fuel bank balance is zero, whichever occurs first. ACC authorizes a Purchased Gas Adjustment (PGA) bank account method of tracking and collecting or refunding any difference between the actual cost and the ACC approved base cost of natural gas.

Currently all GCU customers pay a base cost of natural gas in the amount of \$0.59056 per therm. You also pay a PGA adjustment (increase) to your bill, which for November is \$0.22744 per therm (this PGA adjustment changes monthly depending on GCU's cost of gas over the last 12 months. The additional surcharge of \$0.10 per therm would make the total cost of gas approximately \$0.918 per therm. The average household uses approximately 75 therms of natural gas during the winter months. With the new adjustment a residential bill for 75 therms would increase by \$7.50 from \$89.43 to \$96.93.

The table below illustrates the impact this increase will have on consumer utility bills. A "therm" is the unit used to measure usage and appears on your bill under "Usage". These amounts do not include sales tax.

Therms Used-Residential	Winter Gas Bill with \$0.22744 Adjustment (Changes monthly)	Winter Gas Bill with additional \$0.10 Surcharge	Increase
25	\$36.81	\$39.31	\$2.50
75	\$89.43	\$96.93	\$7.50
100	\$115.74	\$125.74	\$10.00
Therms Used-Commercial			
100	\$123.84	\$133.84	\$10.00
500	\$547.22	\$597.22	\$50.00
1000	\$1,076.44	\$1,176.44	\$100.00
2000	\$2,134.88	\$2,334.88	\$200.00

If you have questions or would like additional information regarding the surcharge or the Purchased Gas Adjustor, please contact our office at (928) 485-2451.