

The Morenci Water & Electric Company

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Morenci, Arizona 85540

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AZ CORP COMMISSION
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January 27, 2009

Mr. Brian Bozzo
Utilities Division - Compliance Section
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007
Facsimile (602) 542-2129

Re: *Report of The Morenci Water & Electric Company
Pursuant to A.A.C. R14-2-1613, R14-2-1617G Docket E-01049A-97-0771*

Dear Mr. Bozzo:

Please find enclosed the semi-annual reports pertaining to the Consumer Information Label Docket E-01049A-97-0771 for the period of July 1, 2008 through December 31, 2008.

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

Sincerely,

Ruel A. Rogers, Jr.
Superintendent

Arizona Corporation Commission
DOCKETED

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DOCKETED BY

KRB/krb

Xc: Mike Patten - Roshka, DeWulf & Patten, PLC, Phx
Horst Garz - Freeport-McMoran Copper & Gold
File - MWE.Com\MWE Reports\ACC\ACC R14-2-1613 SQ02

Report Pursuant to R14-2-1613 & R14-2-1617G

The Morenci Water & Electric Company

For the Period July 1, 2008 through
December 31, 2008

Overview: The Morenci Water & Electric Company (MW&E) is a Utility Distribution Company (UDC) that serves approximately 2000 customers in the vicinity of Morenci and Clifton, Arizona. MW&E's unbundled tariff has been submitted to the Commission for approval but has not yet been. As a UDC, MW&E does not provide "competitive" services. To date, because its unbundled tariff has not yet been approved, MW&E has not sold (or been requested to sell) any unbundled services.

Information Required by R14-2-1613.A:

	Standard Offer Service	Unbundled Service
1. TYPES OF SERVICE OFFERED	1. Standard Offer Service for residential and commercial	1. the proposed tariff offers distribution, metering, meter reading, billing and collections
2. SALES (KW, KWH) BY CUSTOMER CLASS	2. Residential: 7,310,864 Commercial: 8,260,329 Industrial: 1,140,918,334	2. None.
3. REVENUES FROM SALES BY CUSTOMER CLASS	3. Residential: \$ 810,999 Commercial: \$ 843,970 Industrial: \$ 82,157,970	3. None
4. NUMBER OF RETAIL CUSTOMERS	4. Residential: 2118 Commercial: 257 Industrial: 2	4. None.

	Standard Offer Service	Unbundled Service
5. RETAIL CONTRACT SALES	5. MW&E has a full service Electric Service Agreement with Freeport McMoRan Morenci with termination on 6 month written notice. <u>Sales (kWh):</u> 1,140,918,334 <u>Revenues:</u> \$ 82,157,970	5. None.
6. REVENUES BY SERVICE TYPE	6. MWE cannot provide this information because its proposed Unbundled Tariff rates have not yet been approved (<i>updated proposed rates were submitted in July 2000</i>).	6. None.
7. VALUE OF ALL ASSETS USED TO SERVE ARIZONA CUSTOMERS AND ACCUMULATED DEPRECIATION	7. <u>Fixed Assets:</u> \$ 21,156,812.58 <u>Depreciation:</u> \$ (6,732,965.58) <u>Net Asset Value:</u> \$14,423,847.00	7. The assets will be the same assets as Standard Offer.
8. ARIZONA ELECTRIC GENERATION PLANTS	8. None.	8. None.
9. NUMBER OF AGGREGATED CUSTOMERS/TOTAL AGGREGATED LOAD	9. None.	9. None.

Consumer Information Label:

Attached is a copy of MWE's current customer information label.

CONSUMER INFORMATION LABEL

R14-2-1617G

The Morenci Water & Electric Company – Standard Offer (tariff)

Generation Price	5.622 cents per kWh
Price Variability	None unless Arizona Corporation Commission approves changes to base generation rate or Purchased Power or Fuel Adjustor rate.
Customer Service Information	Service will be provided in accordance with the Company's approved tariff and Arizona Corporation Commission regulations. Additional information on the Standard Offer service can be obtained by contacting the Company at (928) 865-2229.
Availability	These prices and services are available to commercial and residential customers until the applicable Company tariff is modified.