

**ORIGINAL**

**The Morenci Water & Electric**

401 Burro Alley  
P.O. Box 68  
Morenci, AZ 85540  
Telephone (928) 865-2229  
Facsimile (928) 865-5261



0000101689

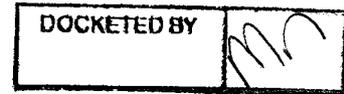
August 14, 2009

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

Arizona Corporation Commission  
**DOCKETED**

AUG 19 2009

Re: Purchase Power Fuel Adjuster  
Docket: E-01049A-97-0677  
Reports for July 2009



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 \$72,140.92
- Tucson Electric Power in the amount of \$246,125.00
- Tucson Electric Power in the amount of \$2,253,403.00
- Phelps Dodge Energy Services in the amount of \$339,264.00
- Phelps Dodge Energy Services in the amount of \$1,840,916.30

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

Sincerely,

Ruel A. Rogers, Jr.  
Superintendent

RAR/krb

Enclosures(13 sets)

XC: B. Bozzo, ACC w/encl.  
H. Garz, FMI w/encl  
B. Keene, ACC w/encl.  
File PPFA 2009

**RECEIVED**  
2009 AUG 19 P 2:40  
AZ CORP COMMISSION  
DOCKET CONTROL

**THE MORENCI WATER & ELECTRIC COMPANY**  
**PURCHASED POWER AND FUEL ADJUSTOR**  
**BANK BALANCE REPORT FA-1**  
**For the Month of July, 2009**

Line			
1.	ENDING BANK BALANCE FROM PREVIOUS MONTH: (Over = Neg, Under = Pos)	\$	<u>(231,480)</u>
2A.	JURISDICTIONAL SALES(Applicable to FUEL ADJ.): (= Total Sales - FA-3)	KWH	<u>3,001,589</u>
2B.	Total Sales(includes Special Contract Sales, shown for computation of unit cost only)	KWH	<u>98,740,518</u>
2C.	Special Contract Sales not subject to PPFA per Decision No. 60807 dated Apr 8 1998	KWH	<u>95,738,929</u>
3.	ACTUAL COST OF PURCHASED POWER:	\$	<u>3,730,319</u>
4.	UNIT COST OF PURCHASED POWER: (Line 3/Line 2B)	\$/KWH	<u>0.037779</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>(0.018441)</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>(55,352)</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>(286,832)</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 July, 2009**

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 July, 2009**

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 July, 2009**

Supplemental report for Decision No. 61298 dated December 1998

Line

1. ENDING BANK BALANCE FROM PREVIOUS MONTH: (Over = Neg, Under = Pos)	\$		<u>0</u>
2. JURISDICTIONAL SALES(Applicable to FUEL ADJ.): (= Total Sales - FA-3)	KWH		<u>0</u>
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)	\$		<u>0</u>
5. ENDING BANK BALANCE: (Line 1 + Line 5)	\$		<u>0</u>

**THE MORENCI WATER & ELECTRIC COMPANY**  
**PURCHASED POWER AND FUEL ADJUSTOR**  
**GENERAL INFORMATION FA-2**  
**For the Month of July, 2009**

Line

1. COMPANY NAME: THE MORENCI WATER & ELECTRIC COMPANY
2. MAILING ADDRESS: P.O. BOX 68 - MORENCI, AZ. 85540
3. CONTACT PERSON: RUEL A. ROGERS, JR.
4. CONTACT TELEPHONE NUMBER: (928) 865-6971

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>3,730,319.02</u>
12.	TOTAL COST OF GENERATION AND PURCHASED POWER (Total of Lines 8A and 11B)	(\$)		<u>\$3,730,319.02</u>

13.	KWH	(KWH)		
	Generated		0	
	Purchased Special Contract (Per Decision No 60807)		<u>95,738,929</u>	
	Purchased		<u>3,730,319</u>	
	TOTAL KWH GENERATED/PURCHASED			<u>99,469,248</u>

14.	COST PER KWH	(\$/KWH)	_____	<u>0.037502</u>
	(Line 12/Line 13)			

15.	UNACCOUNTED FOR KWHS			
	Line Loss	(KWH)	<u>275,256</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 July, 2009**

Line			
1.	<u>SALES (KWH)</u>		
	Residential	<u>1,387,069</u>	
	Commercial - (small)		
	Commercial - (small)		
	Industrial	<u>1,614,520</u>	
	Irrigation		
	Municipal		
	Wholesale		
	Other Sales (Special Contract Sales per Decision No. 60807 Dated April 8, 1998)	<u>95,738,929</u>	
	TOTAL SALES (KWH)		<u><u>98,740,518</u></u>
	(Total KWH Sales SHOULD Agree with number on FA-1, Line #2.)		
2.	<u>SALES (\$)</u>		
	Residential	<u>\$151,990.99</u>	
	Commercial - (small)		
	Commercial - (small)		
	Industrial	<u>\$165,358.84</u>	
	Irrigation		
	Municipal		
	Wholesale		
	Other Sales (Special Contract Sales per Decision No. 60807 Dated April 8, 1998)	<u>\$3,804,629.27</u>	
	TOTAL SALES (\$)		<u><u>\$4,121,979.10</u></u>
3.	<u>NUMBER OF CUSTOMERS**</u>		
	Residential	<u>2,120</u>	
	Commercial - (small)		
	Commercial - (small)		
	Industrial	<u>270</u>	
	Irrigation		
	Municipal		
	Wholesale		
	Other Sales (Special Contract Sales per Decision No. 60807 Dated April 8, 1998)	<u>1</u>	
	TOTAL CUSTOMERS		<u><u>2,391</u></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 July, 2009**

	<u>K.W.H.</u>	<u>Percent</u>	<u>K.W.</u>
Total Sales	98,740,518	99.7%	
Total Own Usage	6,776	0.0%	
Total System Losses	275,256	0.3%	
Total Purchased Energy	99,022,550		
System Losses-Rolling annual average		<u>0.28%</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		



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

**INVOICE**

**Morenci Water & Electric**  
 Attn: Ruel Rogers  
 P.O. Box 68  
 Morenci, AZ 85540

Invoice Date: **August 4, 2009**  
 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: July 2009</b>			
Control Area Services:			
Administrative 189,961 kW @ 0.0128 / kW	<b>2,431.50</b>		<b>2,431.50</b>
Reactive Supply & Voltage Control 189,961 kW @ 0.1610 / kW	<b>30,583.66</b>		<b>30,583.66</b>
Regulation & Frequency Response 2,209 kW @ 12.0850 / kW	<b>26,695.77</b>		<b>26,695.77</b>
Energy Imbalance - Outside Bandwidth:			
Negative Imbalance 110.39 MWh @ 100.00 / MWh	<b>11,039.12</b>		<b>11,039.12</b>
Positive Imbalance (357.608) MWh @ 29.90460 / MWh		<b>10,694.13</b>	<b>(10,694.13)</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 1,451 MWh			
Positive Imbalance (1,590) MWh			
Net (140) MWh			

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

**copy to:**

**Freeport McMoran Copper & Gold, Inc.**  
 Attn: Mike Hughes  
 One North Central Avenue  
 Phoenix, Arizona 85004

**Payments are due the 15th day after invoice receipt**

**Amount Due TEP** \$ **72,140.92**

Please Wire Transfer Payments to:

**Due Date: August 19, 2009**

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) 917-8722 or  
 e-mail Kbattaglia@tep.com



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: **August 1, 2009**  
**TEP 0311 904**

Description	Charges	Credits	Amount
Energy purchased by: <b>MWE</b> July 2009			
Energy Charge:                   0    MWh @    \$0.00    /MWh	\$ -		<b>\$0.00</b>
<b>Transmission Services</b>			
Transmission                   100    MW @   \$2,259.25   MW-Mon	\$225,925.00		\$225,925.00
Ancillary Services:			
Scheduling, System Control, and Dispatch Service           \$161.00   MW-Mon	\$16,100.00		\$16,100.00
Reactive Supply and Voltage Control                           \$41.00   MW-Mon	\$4,100.00		\$4,100.00
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   \$           246,125.00**

Please Wire Transfer Payments to:

**Due Date:                   August 31, 2009**

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



**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: **August 1, 2009**  
**TEP 0311 904**

Description	Charges	Credits	Amount
Energy purchased by: <b>MWE</b> July 2009			
Energy Charge:			
Market Power - Real Time      48,586    MWh @    31.12    /MWh	<b>1,512,051.00</b>		<b>1,512,051.00</b>
Market Power - Daily            0        MWh @    #DIV/0!   /MWh	<b>0.00</b>		<b>-</b>
Forward Purchases            31,200    MWh @    23.76    /MWh	<b>741,352.00</b>		<b>741,352.00</b>
Loss PAYB to EPE                0        MWh @    0.00     /MWh	<b>0.00</b>		<b>0.00</b>
Additional Transmission costs: (PNM, WALC, TEPC)	0.00		<b>0.00</b>
<b>Amount Due TEP</b>			<b>\$ 2,253,403.00</b>

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

Please Wire Transfer Payments to:

**Due Date: August 20, 2009**

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



**FREEPORT-McMoRAN  
COPPER & GOLD**

Freeport-McMoRan Copper & Gold Energy Services, LLC  
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: August 4, 2009**

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	\$ 339,264.00		\$ 339,264.00
<b>Current Charges</b>			<b>\$ 339,264.00</b>

**Due Date: August 18, 2009**

**Wire Transfer:**

Bank of America  
Dallas, Texas  
ABA # 026009593  
Account # 3752029501  
Phelps Dodge Energy Services

