Arizona Corporation Commission
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MEMORANDUM

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2009 DEC 30 P 3: 15
AZ CORP COMMISSION
DOCKET CONTROL

ORIGINAL

TO: THE COMMISSION

FROM: Utilities Division

DATE: December 30, 2009

RE: MORENCI WATER & ELECTRIC COMPANY – APPLICATION FOR AN ADJUSTMENT IN ITS PURCHASED POWER AND FUEL ADJUSTMENT CLAUSE RATE (DOCKET NO. E-01049A-09-0420)

On September 2, 2009, Morenci Water & Electric Company ("Morenci" or "Company") filed a request for an adjustment to its Purchased Power and Fuel Adjustment Clause ("PPFAC" or "adjustor") rate from negative $0.019 per kWh to negative $0.025 per kWh in order to address the current over-collected account balance. Morenci cites reduced gas prices and the resulting reduced wholesale power prices as the reason its account balance has quickly exceeded the over-collected threshold of $200,000. At the time of the application, Morenci indicated that it had an over-collected account balance of $286,832.

*Background*

Decision No. 54712 (Morenci's October 10, 1985 rate case) set a base cost of purchased power at $0.07522 per kWh that is embedded in base rates. A PPFAC mechanism is established to deal with changes in purchased power costs between rate cases. When the actual cost of purchased power exceeds the base cost of power, the PPFAC rate is set to a positive number. However, when actual purchased power costs are lower than the base cost of power, as in Morenci's situation, the PPFAC rate is set to a negative number. The PPFAC account balance tracks the differences between actual purchased power costs and those recovered through the combination of base rates and the PPFAC rate.

In Decision No. 68438 (February 2, 2006), the Commission approved the over-collected threshold level of $200,000 and the under-collected threshold level of $500,000 for Morenci and further ordered that the Company file an application to establish a new PPFAC rate either two months prior to the month the account balance was projected by the Company to reach zero, or by December 31, 2006, whichever occurred first.

In Decision No. 68813 (June 29, 2006), the Commission approved the proposed adjustor rate of negative $0.01900 per kWh to be implemented concurrently with the removal of the temporary adjustor rate surcredit of negative $0.02939 per kWh, with both actions being reflected on bills sent in July 2006. The Commission further ordered Staff to develop alternative adjustor mechanisms to include an alternative formula method that calculates the monthly adjustor rates on an ongoing basis using a 24-month rolling average of Morenci's fuel and

purchased power costs. The Order also stated that Staff should not impose any under-collected triggering threshold or bandwidth with the proposals to be filed in the docket of Morenci's next application for a change in its PPFAC rate or next rate case application, whichever came first.

*Account Balance*

Over- or under-collections are currently tracked and accumulated in an account with a threshold of $200,000 for over-collection and $500,000 for under-collection. The Company's PPFAC account balance has been over-collecting since February 2009 and exceeded the over-collected threshold in July 2009 and has continued to do so. Morenci's account balance as of October 2009 is an over-collected amount of $416,758.

*Morenci's Proposal*

Morenci proposes to change the PPFAC rate from negative $0.019 per kWh to negative $0.025 per kWh for a 12-month period and then revert back to the current PPFAC rate of negative $0.019 per kWh thereafter. Based on its current estimate of power costs, Morenci believes its proposal will reduce the over-collected balance over a 12-month period and that returning to the current PPFAC rate after a 12-month period should avoid any further significant over or under-collection of Morenci's account balance. Attachment 1 is a worksheet illustrating Morenci's proposal for the years 2010 and 2011, based on the Company's forecasts.

The current and proposed PPFAC adjustor rates are both negative as Morenci's actual costs for purchased power continue to be lower than the base cost of power set in Decision No. 54712. Approximately 98 percent of the Company's electric sales are contract sales to its single industrial customer, a copper mine. These sales fall outside the PPFAC because the customer is served under a special contract. The PPFAC mechanism is relevant only to the other two percent of Morenci's sales consisting of 2,080 residential and 266 commercial customers as of October 2009.

*Staff Analysis*

Staff has reviewed Morenci's projections for future purchased power costs, sales, and other estimations used in setting an appropriate new adjustor rate and finds them to be reasonable. Staff has also examined the models used to calculate projected account balance levels into the future and finds the models to be consistent with the methodology Morenci uses to report its monthly PPFAC account balance information, and also consistent with the methodology Staff uses to verify Morenci's account balance calculations.

Staff's analysis is based upon Morenci's models, but is updated with actual data through October 2009. Staff's analysis of Morenci's proposal for changing the PPFAC rate to negative $0.025, if implemented in February 2010, shows the estimated account balance at the end of 2010 to be an over-collected amount of $180,364. If the PPFAC reverts back to the current negative $0.019 in February 2011, the estimated account balance at the end of 2011 would be an

over-collected amount of $44,110. If the PPFAC does not revert back to negative $0.019, Staff estimates the account balance as of the end of 2011 would be an under-collected amount of $114,321. The purpose of this less negative adjustor is to track increasing purchased power costs and to minimize a growing under-collected balance projected for the latter half of 2011.

*Staff Scenario 1*

In order to return the over-collected balance more quickly, Staff proposes a modification to Morenci's proposal by increasing the PPFAC rate to negative $0.027 for a 12-month period instead of the proposed negative $0.025 and keeping the proposal of changing the PPFAC rate back to negative $0.019 after 12 months. With this modification, the estimated account balance at the end 2010 would be an over-collected amount of $127,529. After the PPFAC reverts back to the current negative $0.019 in February 2011, the account balance at the end of 2011 is estimated to be an under-collected amount of $13,196. Attachment 2 is a worksheet illustrating Staff's proposal for the years 2010 and 2011, based on the Company's forecasts.

*Alternative Scenario: 24-Month Rolling Average*

As discussed above in the Background Section, Decision No. 68813 states:

> "It is FUTHER ORDERED that Staff shall develop alternative adjustor mechanisms which shall include an alternative that is based on the 24-month rolling average of Morenci's fuel and purchased power costs and does not impose any under-collection triggering threshold or bandwidth. Staff shall file its proposals in the docket for Morenci's next application for a change in its PPFAC rate or next permanent rate case application, whichever comes first."[1]

As required, Staff calculated monthly PPFAC rates based on the 24-month rolling average of Morenci's average fuel and purchased power costs. Attachment 3 illustrates the use of 24-month rolling average PPFAC and its effect on Morenci's forecasted account balance for the next two years, if used instead of the PPFAC rates proposed by Morenci.

*Staff Scenario 2*

Staff's analysis of the 24-month rolling average PPFAC, if implemented in February 2010, shows the estimated account balance at the end 2010 to be an over-collected amount of $281,619, while continuing to exceed the over-collection threshold. The estimated account balance at the end of 2011 would be an over-collected amount of $74,319. To address the ongoing over-collection, an additional temporary surcredit would repay customers quickly and remedy the over-collection. Staff recommends a temporary surcredit of negative 0.00550 per kWh be implemented from February to December 2010 to provide for reduction of the over-

[1] Docket No. E-01049A-06-0219, *In the Matter of the Application of Morenci Water & Electric Company for an Adjustment in its Purchased Power and Fuel Adjustment Clause Rate,* Page 7.

collection. Attachment 4 illustrates the results of the inclusion of this additional surcredit, with the resulting account balance at the end of 2010 estimated to be an over-collected amount of $136,391. The estimated account balance at the end of 2011 would be an under-collected amount of $70,909.

*Changes to Adjustor Mechanism Limited to Rate Cases*

As required by Decision No. 68813, Staff has developed Scenario 2 to demonstrate the effect of a 24-month rolling average to determine the PPFAC rate. However, a change in Adjustor mechanisms is typically done only in a rate case. Staff does not recommend a mechanism change at this time, only a change in the actual rate as proposed in Staff Scenario 1.

Since Morenci's last rate case was in 1985, Staff recommends that Morenci file a rate case by March 31, 2011, using a 2010 test year. A rate case would, among other things, reset the base cost of purchased power, address cost recovery for energy efficiency, and establish rates that are just, fair, and reasonable for the ratepayers and the Company.

*Residential Customer Impact Analysis*

Staff analyzed the impact of the three proposals discussed above on Morenci's residential customers. Attachment 5 is the worksheet Staff used to calculate the impact on residential customers, using the average usage for each month, based on actual residential usage from November 2008-October 2009.

| Proposal | Estimated Average Annual Savings per Residential Customer | Estimated Average Monthly Savings per Residential Customer |
|---|---|---|
| *Morenci Proposal:* | | |
| PPFAC -.025 2010 | $ 34.50 | $ 2.88 |
| PPFAC -.019 2011 | $ 3.43 | $ 0.29 |
| *Staff Scenario 1:* | | |
| PPFAC -.027 2010 | $ 46.00 | $ 3.83 |
| PPFAC -.019 2011 | $ 4.57 | $ 0.38 |
| *Staff Scenario 2:* | | |
| 24-Month Rolling Avg 2010 | $ 44.13 | $ 3.68 |
| 2011 | $ 19.05 | $ 1.59 |

*Notice*

Morenci has notified Staff that it has published notice in the *Copper Era* on the November 18 and 25, 2009, and provided notice in bill inserts in its November bills. Morenci will publish any new Commission-approved adjustor rate in the local newspaper as soon as possible after Commission approval and before the February 2010 billing. If the proposal to

change the PPFAC in February 2011 is approved, Staff also recommends that additional notice be provided 30 to 45 days prior to February 2011 reminding customers of this change in the PPFAC rate and thus, their rates.

*Staff Recommendations*

1. Staff recommends that a PPFAC rate of negative $0.027 be approved for the period of 12-months starting February 2010.

2. Staff recommends that a PPFAC rate of negative $0.019 be approved to replace the above PPFAC rate after a12-month period, starting February 2011.

3. Staff recommends that Morenci notify its customers of the amount of the PPFAC rate and the potential bill impacts at average monthly levels of kWh use within 30 days of the effective date of this decision.

4. Staff recommends that Morenci notify its customers of the revised PPFAC rate and the potential bill impacts at average monthly levels of kWh use within 30 to 45 days before its February 2011 bill issuance.

5. Staff recommends that Morenci file a rate case by March 31, 2011, using a 2010 test year.

for Steven M. Olea
Director
Utilities Division

SMO:LLM:lhm\JMA

ORIGINATOR: Lori Morrison

Morenci Water and Electric Company's Proposal

**($0.00) = Overcollected Bank Balance**
**$0.00 = Undercollected Bank Balance**

| | | Fcst Jan-10 | Fcst Feb-10 | Fcst Mar-10 | Fcst Apr-10 | Fcst May-10 | Fcst Jun-10 | Fcst Jul-10 | Fcst Aug-10 | Fcst Sep-10 | Fcst Oct-10 | Fcst Nov-10 | Fcst Dec-10 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Ending Bank Balance from Previous Month | (439,298) | (450,899) | (435,672) | (423,409) | (412,649) | (401,837) | (387,041) | (317,991) | (245,115) | (222,352) | (207,483) | (193,697) |
| 4 | Unit Cost of Purchased Power | 0.051031 | 0.056635 | 0.055613 | 0.056310 | 0.055854 | 0.056749 | 0.073225 | 0.073057 | 0.057833 | 0.056297 | 0.056905 | 0.056526 |
| 5 | Authorized Base Cost of Pur. Pow: Per Decision No 54712 Dated 10/10/85 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 |
| 6 | Proposed Purchased Power Fuel Adjustor | (0.01900) | (0.02500) | (0.02500) | (0.02500) | (0.02500) | (0.02500) | (0.02500) | (0.02500) | (0.02500) | (0.02500) | (0.02500) | (0.02500) |
| 7 | Total Rate Collected From Customer | 0.05622 | 0.05022 | 0.05022 | 0.05022 | 0.05022 | 0.05022 | 0.05022 | 0.05022 | 0.05022 | 0.05022 | 0.05022 | 0.05022 |
| 8 | Incremental Difference between authorized and actual recovery: | (0.00519) | 0.00642 | 0.00539 | 0.00609 | 0.00563 | 0.00653 | 0.02300 | 0.02284 | 0.00761 | 0.00608 | 0.00669 | 0.00631 |
| 9 | Net change to Bank balance: | (11,601) | 15,227 | 12,263 | 10,760 | 10,812 | 14,796 | 69,050 | 72,876 | 22,763 | 14,869 | 13,786 | 13,333 |
| 10 | Ending Bank Balance: | (450,899) | (435,672) | (423,409) | (412,649) | (401,837) | (387,041) | (317,991) | (245,115) | (222,352) | (207,483) | (193,697) | (180,364) |

| | | Fcst Jan-11 | Fcst Feb-11 | Fcst Mar-11 | Fcst Apr-11 | Fcst May-11 | Fcst Jun-11 | Fcst Jul-11 | Fcst Aug-11 | Fcst Sep-11 | Fcst Oct-11 | Fcst Nov-11 | Fcst Dec-11 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Ending Bank Balance from Previous Month | (180,364) | (166,396) | (163,077) | (162,572) | (160,880) | (159,990) | (156,801) | (105,627) | (51,748) | (46,623) | (46,365) | (44,809) |
| 4 | Unit Cost of Purchased Power | 0.056468 | 0.057618 | 0.056442 | 0.057178 | 0.056684 | 0.057627 | 0.073269 | 0.073104 | 0.057934 | 0.056325 | 0.056975 | 0.056551 |
| 5 | Authorized Base Cost of Pur. Pow: Per Decision No 54712 Dated 10/10/85 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 |
| 6 | Proposed Purchased Power Fuel Adjustor | (0.02500) | (0.01900) | (0.01900) | (0.01900) | (0.01900) | (0.01900) | (0.01900) | (0.01900) | (0.01900) | (0.01900) | (0.01900) | (0.01900) |
| 7 | Total Rate Collected From Customer | 0.05022 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 |
| 8 | Incremental Difference between authorized and actual recovery: | 0.00625 | 0.00140 | 0.00022 | 0.00096 | 0.00046 | 0.00141 | 0.01705 | 0.01688 | 0.00171 | 0.00011 | 0.00075 | 0.00033 |
| 9 | Net change to Bank balance: | 13,968.21 | 3,318.91 | 505.37 | 1,692.50 | 890.24 | 3,188.95 | 51,174.02 | 53,879.18 | 5,124.57 | 257.59 | 1,555.91 | 699.17 |
| 10 | Ending Bank Balance: | (166,396) | (163,077) | (162,572) | (160,880) | (159,990) | (156,801) | (105,627) | (51,748) | (46,623) | (46,365) | (44,809) | (44,110) |

Staff's Proposal

($0.00) = **Overcollected Bank Balance**
$0.00 = **Undercollected Bank Balance**

| | | Fcst Jan-10 | Fcst Feb-10 | Fcst Mar-10 | Fcst Apr-10 | Fcst May-10 | Fcst Jun-10 | Fcst Jul-10 | Fcst Aug-10 | Fcst Sep-10 | Fcst Oct-10 | Fcst Nov-10 | Fcst Dec-10 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Ending Bank Balance from Previous Month | (439,275) | (450,876) | (430,902) | (414,091) | (399,798) | (385,148) | (365,819) | (290,765) | (211,506) | (182,763) | (163,001) | (145,090) |
| 4 | Unit Cost of Purchased Power | 0.05103 | 0.05664 | 0.05561 | 0.05631 | 0.05585 | 0.05675 | 0.07322 | 0.07306 | 0.05783 | 0.05630 | 0.05691 | 0.05653 |
| 5 | Authorized Base Cost of Pur. Pow: Per Decision No 54712 Dated 10/10/85 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 |
| 6 | Proposed Purchased Power Fuel Adjustor | (0.01900) | (0.02700) | (0.02700) | (0.02700) | (0.02700) | (0.02700) | (0.02700) | (0.02700) | (0.02700) | (0.02700) | (0.02700) | (0.02700) |
| 7 | Total Rate Collected From Customer | 0.05622 | 0.04822 | 0.04822 | 0.04822 | 0.04822 | 0.04822 | 0.04822 | 0.04822 | 0.04822 | 0.04822 | 0.04822 | 0.04822 |
| 8 | Incremental Difference between authorized and actual recovery: | (0.00519) | 0.00842 | 0.00739 | 0.00809 | 0.00763 | 0.00853 | 0.02500 | 0.02484 | 0.00961 | 0.00808 | 0.00869 | 0.00831 |
| 9 | Net change to Bank balance: | (11,601) | 19,974 | 16,811 | 14,293 | 14,650 | 19,329 | 75,054 | 79,259 | 28,743 | 19,762 | 17,911 | 17,561 |
| 10 | Ending Bank Balance: | (450,876) | (430,902) | (414,091) | (399,798) | (385,148) | (365,819) | (290,765) | (211,506) | (182,763) | (163,001) | (145,090) | (127,529) |

| | | Fcst Jan-11 | Fcst Feb-11 | Fcst Mar-11 | Fcst Apr-11 | Fcst May-11 | Fcst Jun-11 | Fcst Jul-11 | Fcst Aug-11 | Fcst Sep-11 | Fcst Oct-11 | Fcst Nov-11 | Fcst Dec-11 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Ending Bank Balance from Previous Month | (127,529) | (109,090) | (105,771) | (105,266) | (103,574) | (102,684) | (99,495) | (48,321) | 5,558 | 10,683 | 10,941 | 12,497 |
| 4 | Unit Cost of Purchased Power | 0.05647 | 0.05762 | 0.05644 | 0.05718 | 0.05668 | 0.05763 | 0.07327 | 0.07310 | 0.05793 | 0.05633 | 0.05697 | 0.05655 |
| 5 | Authorized Base Cost of Pur. Pow: Per Decision No 54712 Dated 10/10/85 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 |
| 6 | Proposed Purchased Power Fuel Adjustor | (0.02700) | (0.01900) | (0.01900) | (0.01900) | (0.01900) | (0.01900) | (0.01900) | (0.01900) | (0.01900) | (0.01900) | (0.01900) | (0.01900) |
| 7 | Total Rate Collected From Customer | 0.04822 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 |
| 8 | Incremental Difference between authorized and actual recovery: | 0.00825 | 0.00140 | 0.00022 | 0.00096 | 0.00046 | 0.00141 | 0.01705 | 0.01688 | 0.00171 | 0.00011 | 0.00075 | 0.00033 |
| 9 | Net change to Bank balance: | 18,439.33 | 3,318.91 | 505.37 | 1,692.50 | 890.24 | 3,188.95 | 51,174.02 | 53,879.18 | 5,124.57 | 257.59 | 1,555.91 | 699.17 |
| 10 | Ending Bank Balance: | (109,090) | (105,771) | (105,266) | (103,574) | (102,684) | (99,495) | (48,321) | 5,558 | 10,683 | 10,941 | 12,497 | 13,196 |

ATTACHMENT 3

24-Month Rolling Average

Morenci Purchased Power and Fuel Adjustor Clause with Additional Credit

| ($0.00) = Overcollected Bank Balance<br>$0.00 = Undercollected Bank Balance | Fcst Jan-10 | Fcst Feb-10 | Fcst Mar-10 | Fcst Apr-10 | Fcst May-10 | Fcst Jun-10 | Fcst Jul-10 | Fcst Aug-10 | Fcst Sep-10 | Fcst Oct-10 | Fcst Nov-10 | Fcst Dec-10 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 Ending Bank Balance from Previous Month | (439,298) | (450,899) | (451,245) | (453,945) | (454,564) | (455,776) | (454,063) | (402,107) | (341,612) | (324,646) | (311,578) | (297,260) |
| 2A Jurisdictional Sales | 2,235,561 | 2,373,537 | 2,273,770 | 1,766,834 | 1,918,999 | 2,266,257 | 3,001,589 | 3,191,158 | 2,990,002 | 2,446,605 | 2,062,149 | 2,114,186 |
| 2B Total Sales(incl Spec Cont) | 82,856,428 | 75,465,911 | 82,254,878 | 79,324,368 | 81,900,107 | 79,823,791 | 82,598,961 | 82,788,530 | 80,163,628 | 82,043,977 | 79,235,775 | 81,711,558 |
| 2C Special Contract Sales (Industrial kWh) | 80,620,867 | 73,092,374 | 79,981,108 | 77,557,534 | 79,981,108 | 77,557,534 | 79,597,372 | 79,597,372 | 77,173,626 | 79,597,372 | 77,173,626 | 79,597,372 |
| 3 Actual Cost of Purchased Power | 4,228,226 | 4,274,037 | 4,574,469 | 4,466,742 | 4,574,469 | 4,529,918 | 6,048,275 | 6,048,275 | 4,636,117 | 4,618,853 | 4,508,943 | 4,618,853 |
| 4 Unit Cost of Purchased Power | 0.05103 | 0.05664 | 0.05561 | 0.05631 | 0.05585 | 0.05675 | 0.07322 | 0.07306 | 0.05783 | 0.05630 | 0.05691 | 0.05653 |
| 5 Authorized Base Cost of Pur. Pow: Per Decision No 54712 Dated 10/10/85 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 |
| 6 24-Month Rolling Purchased Power Fuel Adjustor | (0.01900) | (0.01844) | (0.01842) | (0.01856) | (0.01873) | (0.01923) | (0.01931) | (0.02112) | (0.02306) | (0.02426) | (0.02526) | (0.02609) |
| 7 Total Rate Collected From Customer | 0.05622 | 0.05678 | 0.05680 | 0.05666 | 0.05649 | 0.05599 | 0.05592 | 0.05410 | 0.05216 | 0.05096 | 0.04996 | 0.04913 |
| 8 Incremental Difference between authorized and actual recovery: | (0.00519) | (0.00015) | (0.00119) | (0.00035) | (0.00063) | 0.00076 | 0.01731 | 0.01896 | 0.00567 | 0.00534 | 0.00694 | 0.00740 |
| 9 Net change to Bank balance: | (11,601) | (346) | (2,700) | (619) | (1,212) | 1,713 | 51,956 | 60,495 | 16,966 | 13,068 | 14,318 | 15,641 |
| 10 Ending Bank Balance: | (450,899) | (451,245) | (453,945) | (454,564) | (455,776) | (454,063) | (402,107) | (341,612) | (324,646) | (311,578) | (297,260) | (281,619) |

| | Fcst Jan-11 | Fcst Feb-11 | Fcst Mar-11 | Fcst Apr-11 | Fcst May-11 | Fcst Jun-11 | Fcst Jul-11 | Fcst Aug-11 | Fcst Sep-11 | Fcst Oct-11 | Fcst Nov-11 | Fcst Dec-11 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 Ending Bank Balance from Previous Month | (281,619) | (265,657) | (244,202) | (228,296) | (216,052) | (205,484) | (192,876) | (131,794) | (71,316) | (64,783) | (67,190) | (69,633) |
| 2A Jurisdictional Sales | 2,235,561 | 2,373,537 | 2,273,770 | 1,766,834 | 1,918,999 | 2,266,257 | 3,001,589 | 3,191,158 | 2,990,002 | 2,446,605 | 2,062,149 | 2,114,186 |
| 2B Total Sales(incl Spec Cont) | 83,182,402 | 83,320,378 | 83,220,611 | 82,713,675 | 82,865,840 | 83,213,098 | 83,948,430 | 84,137,999 | 83,936,843 | 83,393,446 | 83,008,990 | 83,061,027 |
| 2C Special Contract Sales (Industrial kWh) | 80,946,841 | 80,946,841 | 80,946,841 | 80,946,841 | 80,946,841 | 80,946,841 | 80,946,841 | 80,946,841 | 80,946,841 | 80,946,841 | 80,946,841 | 80,946,841 |
| 3 Actual Cost of Purchased Power | 4,697,160 | 4,800,778 | 4,697,160 | 4,729,396 | 4,697,160 | 4,795,333 | 6,150,816 | 6,150,816 | 4,862,789 | 4,697,160 | 4,729,396 | 4,697,160 |
| 4 Unit Cost of Purchased Power | 0.05647 | 0.05762 | 0.05644 | 0.05718 | 0.05668 | 0.05763 | 0.07327 | 0.07310 | 0.05793 | 0.05633 | 0.05697 | 0.05655 |
| 5 Authorized Base Cost of Pur. Pow: Per Decision No 54712 Dated 10/10/85 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 |
| 6 24-Month Rolling Purchased Power Fuel Adjustor | (0.02589) | (0.02664) | (0.02577) | (0.02497) | (0.02404) | (0.02316) | (0.02230) | (0.02107) | (0.01947) | (0.01791) | (0.01706) | (0.01645) |
| 7 Total Rate Collected From Customer | 0.04933 | 0.04858 | 0.04945 | 0.05025 | 0.05118 | 0.05206 | 0.05292 | 0.05415 | 0.05575 | 0.05731 | 0.05816 | 0.05877 |
| 8 Incremental Difference between authorized and actual recovery: | 0.00714 | 0.00904 | 0.00700 | 0.00693 | 0.00551 | 0.00556 | 0.02035 | 0.01895 | 0.00218 | (0.00098) | (0.00118) | (0.00222) |
| 9 Net change to Bank balance: | 15,962.33 | 21,455.10 | 15,905.62 | 12,244.03 | 10,567.75 | 12,607.51 | 61,082.27 | 60,478.50 | 6,532.86 | (2,406.76) | (2,442.60) | (4,685.66) |
| 10 Ending Bank Balance: | (265,657) | (244,202) | (228,296) | (216,052) | (205,484) | (192,876) | (131,794) | (71,316) | (64,783) | (67,190) | (69,633) | (74,319) |

ATTACHMENT 4

24-Month Rolling Average

Morenci Purchased Power and Fuel Adjustor Clause with Additional Credit

**($0.00) = Overcollected Bank Balance**
**$0.00 = Undercollected Bank Balance**

| | | Fcst Jan-10 | Fcst Feb-10 | Fcst Mar-10 | Fcst Apr-10 | Fcst May-10 | Fcst Jun-10 | Fcst Jul-10 | Fcst Aug-10 | Fcst Sep-10 | Fcst Oct-10 | Fcst Nov-10 | Fcst Dec-10 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Ending Bank Balance from Previous Month | (439,298) | (450,899) | (438,190) | (428,385) | (419,286) | (409,944) | (395,766) | (327,301) | (249,255) | (215,844) | (189,320) | (163,660) |
| 4 | Unit Cost of Purchased Power | 0.05103 | 0.05664 | 0.05561 | 0.05631 | 0.05585 | 0.05675 | 0.07322 | 0.07306 | 0.05783 | 0.05630 | 0.05691 | 0.05653 |
| 5 | Authorized Base Cost of Pur. Pow: Per Decision No 54712 Dated 10/10/85 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 |
| 6 | 24-Month Rolling Purchased Power Fuel Adjustor | (0.01900) | (0.01844) | (0.01842) | (0.01856) | (0.01873) | (0.01923) | (0.01931) | (0.02112) | (0.02306) | (0.02426) | (0.02526) | (0.02609) |
| 7 | Additional Temporary Credit | 0.00000 | (0.00550) | (0.00550) | (0.00550) | (0.00550) | (0.00550) | (0.00550) | (0.00550) | (0.00550) | (0.00550) | (0.00550) | (0.00550) |
| 8 | Total Rate Collected From Customer | 0.05622 | 0.05128 | 0.05130 | 0.05116 | 0.05099 | 0.05049 | 0.05042 | 0.04860 | 0.04666 | 0.04546 | 0.04446 | 0.04363 |
| 9 | Incremental Difference between authorized and actual recovery: | (0.00519) | 0.00535 | 0.00431 | 0.00515 | 0.00487 | 0.00626 | 0.02281 | 0.02446 | 0.01117 | 0.01084 | 0.01244 | 0.01290 |
| 10 | Net change to Bank balance: | (11,601) | 12,709 | 9,805 | 9,099 | 9,342 | 14,178 | 68,465 | 78,046 | 33,411 | 26,524 | 25,660 | 27,269 |
| 11 | Ending Bank Balance: | (450,899) | (438,190) | (428,385) | (419,286) | (409,944) | (395,766) | (327,301) | (249,255) | (215,844) | (189,320) | (163,660) | (136,391) |

| | | Fcst Jan-11 | Fcst Feb-11 | Fcst Mar-11 | Fcst Apr-11 | Fcst May-11 | Fcst Jun-11 | Fcst Jul-11 | Fcst Aug-11 | Fcst Sep-11 | Fcst Oct-11 | Fcst Nov-11 | Fcst Dec-11 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Ending Bank Balance from Previous Month | (136,391) | (120,429) | (98,974) | (83,068) | (70,824) | (60,256) | (47,648) | 13,434 | 73,912 | 80,445 | 78,038 | 75,595 |
| 4 | Unit Cost of Purchased Power | 0.05647 | 0.05762 | 0.05644 | 0.05718 | 0.05668 | 0.05763 | 0.07327 | 0.07310 | 0.05793 | 0.05633 | 0.05697 | 0.05655 |
| 5 | Authorized Base Cost of Pur. Pow: Per Decision No 54712 Dated 10/10/85 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 |
| 6 | 24-Month Rolling Purchased Power Fuel Adjustor | (0.02589) | (0.02664) | (0.02577) | (0.02497) | (0.02404) | (0.02316) | (0.02230) | (0.02107) | (0.01947) | (0.01791) | (0.01706) | (0.01645) |
| 7 | Total Rate Collected From Customer | 0.04933 | 0.04858 | 0.04945 | 0.05025 | 0.05118 | 0.05206 | 0.05292 | 0.05415 | 0.05575 | 0.05731 | 0.05816 | 0.05877 |
| 8 | Incremental Difference between authorized and actual recovery: | 0.00714 | 0.00904 | 0.00700 | 0.00693 | 0.00551 | 0.00556 | 0.02035 | 0.01895 | 0.00218 | (0.00098) | (0.00118) | (0.00222) |
| 9 | Net change to Bank balance: | 15,962.33 | 21,455.10 | 15,905.62 | 12,244.03 | 10,567.75 | 12,607.51 | 61,082.27 | 60,478.50 | 6,532.86 | (2,406.76) | (2,442.60) | (4,685.66) |
| 10 | Ending Bank Balance: | (120,429) | (98,974) | (83,068) | (70,824) | (60,256) | (47,648) | 13,434 | 73,912 | 80,445 | 78,038 | 75,595 | 70,909 |

Customer Impact Analysis

| COMPARISON OF PROPOSALS: RESIDENTIAL CUSTOMER IMPACT | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | TOTAL | ESTIMATED AVERAGE ANNUAL SAVINGS PER RESIDENTIAL CUSTOMER | ESTIMATED AVERAGE MONTHLY SAVINGS PER RESIDENTIAL CUSTOMER |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Residental Avg kWh Usage per Month: Nov '08 - Oct '09 | 571 | 558 | 512 | 379 | 390 | 474 | 654 | 655 | 667 | 555 | 437 | 469 | | | |
| Total Current Rate Collected from Customer: $ per kWh | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | | | |
| Total for Month | $ 32.10 | $ 31.37 | $ 28.78 | $ 21.31 | $ 21.93 | $ 26.65 | $ 36.77 | $ 36.82 | $ 37.50 | $ 31.20 | $ 24.57 | $ 26.37 | $355.37 | | |
| | | | | | | | | | | | | | | | |
| Proposed Morenci: 2010 PPFAC .025 | 0.05622 | 0.05022 | 0.05022 | 0.05022 | 0.05022 | 0.05022 | 0.05022 | 0.05022 | 0.05022 | 0.05022 | 0.05022 | 0.05022 | | | |
| Total for Month | $ 32.10 | $ 28.02 | $ 25.71 | $ 19.03 | $ 19.59 | $ 23.80 | $ 32.84 | $ 32.89 | $ 33.50 | $ 27.87 | $ 21.95 | $ 23.55 | $320.87 | $ 34.50 | $ 2.88 |
| | | | | | | | | | | | | | | | |
| Proposed Morenci: 2011 PPFAC .019 | 0.05022 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | | | |
| Total for Month | $ 28.68 | $ 31.37 | $ 28.78 | $ 21.31 | $ 21.93 | $ 26.65 | $ 36.77 | $ 36.82 | $ 37.50 | $ 31.20 | $ 24.57 | $ 26.37 | $351.94 | $ 3.43 | $ 0.29 |
| | | | | | | | | | | | | | | | |
| Proposed Staff: 2010 PPFAC .027 | 0.05622 | 0.04822 | 0.04822 | 0.04822 | 0.04822 | 0.04822 | 0.04822 | 0.04822 | 0.04822 | 0.04822 | 0.04822 | 0.04822 | | | |
| Total for Month | $ 32.10 | $ 26.91 | $ 24.69 | $ 18.28 | $ 18.81 | $ 22.86 | $ 31.54 | $ 31.58 | $ 32.16 | $ 26.76 | $ 21.07 | $ 22.62 | $309.37 | $ 46.00 | $ 3.83 |
| | | | | | | | | | | | | | | | |
| Proposed Staff: 2011 PPFAC .019 | 0.04822 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | | | |
| Total for Month | $ 27.53 | $ 31.37 | $ 28.78 | $ 21.31 | $ 21.93 | $ 26.65 | $ 36.77 | $ 36.82 | $ 37.50 | $ 31.20 | $ 24.57 | $ 26.37 | $350.80 | $ 4.57 | $ 0.38 |
| | | | | | | | | | | | | | | | |
| Proposed 24-Month Rolling Average: 2010 | 0.05622 | 0.05128 | 0.05130 | 0.05116 | 0.05099 | 0.05049 | 0.05042 | 0.04860 | 0.04666 | 0.04546 | 0.04446 | 0.04363 | | | |
| Total for Month | $ 32.10 | $ 28.61 | $ 26.27 | $ 19.39 | $ 19.88 | $ 23.93 | $ 32.97 | $ 31.83 | $ 31.12 | $ 25.23 | $ 19.43 | $ 20.46 | $311.24 | $ 44.13 | $ 3.68 |
| | | | | | | | | | | | | | | | |
| Proposed 24-Month Rolling Average: 2011 | 0.04933 | 0.04858 | 0.04945 | 0.05025 | 0.05118 | 0.05206 | 0.05292 | 0.05415 | 0.05575 | 0.05731 | 0.05816 | 0.05877 | | | |
| Total for Month | $ 28.17 | $ 27.11 | $ 25.32 | $ 19.04 | $ 19.96 | $ 24.68 | $ 34.61 | $ 35.47 | $ 37.18 | $ 31.81 | $ 25.42 | $ 27.56 | $336.32 | $ 19.05 | $ 1.59 |

**BEFORE THE ARIZONA CORPORATION COMMISSION**

KRISTIN K. MAYES
Chairman
GARY PIERCE
Commissioner
PAUL NEWMAN
Commissioner
SANDRA D. KENNEDY
Commissioner
BOB STUMP
Commissioner

| | |
|---|---|
| IN THE MATTER OF THE APPLICATION OF MORENCI WATER & ELECTRIC COMPANY FOR AN ADJUSTMENT IN ITS PURCHASED POWER AND FUEL ADJUSTMENT CLAUSE RATE | DOCKET NO. E-01049A-09-0420<br><br>DECISION NO. _____<br><br>ORDER |

Open Meeting
January 12 and 13, 2010
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Morenci Water & Electric Company ("Morenci" or "Company") is certificated to provide electric service as a public service corporation in the State of Arizona.

Introduction

2. On September 2, 2009, Morenci filed a request for an adjustment to its Purchased Power and Fuel Adjustment Clause ("PPFAC" or "adjustor") rate from negative $0.019 per kWh to negative $0.025 per kWh in order to address the current over-collected account balance. Morenci cites reduced gas prices and the resulting reduced wholesale power prices as the reason its account balance has quickly exceeded the over-collected threshold of $200,000. At the time of the application, Morenci indicated that it had an over-collected account balance of $286,832.

Background

3. Decision No. 54712 (Morenci's October 10, 1985 rate case) set a base cost of purchased power at $0.07522 per kWh that is embedded in base rates. A PPFAC mechanism is

established to deal with changes in purchased power costs between rate cases. When the actual cost of purchased power exceeds the base cost of power, the PPFAC rate is set to a positive number. However, when actual purchased power costs are lower than the base cost of power, as in Morenci's situation, the PPFAC rate is set to a negative number. The PPFAC account balance tracks the differences between actual purchased power costs and those recovered through the combination of base rates and the PPFAC rate.

4. In Decision No. 68438 (February 2, 2006), the Commission approved the over-collected threshold level of $200,000 and the under-collected threshold level of $500,000 for Morenci and further ordered that the Company file an application to establish a new PPFAC rate either two months prior to the month the account balance was projected by the Company to reach zero, or by December 31, 2006, whichever occurred first.

5. In Decision No. 68813 (June 29, 2006), the Commission approved the proposed adjustor rate of negative $0.01900 per kWh to be implemented concurrently with the removal of the temporary adjustor rate surcredit of negative $0.02939 per kWh, with both actions being reflected on bills sent in July 2006. The Commission further ordered Staff to develop alternative adjustor mechanisms to include an alternative formula method that calculates the monthly adjustor rates on an ongoing basis using a 24-month rolling average of Morenci's fuel and purchased power costs. The Order also stated that Staff should not impose any under-collected triggering threshold or bandwidth with the proposals to be filed in the docket of Morenci's next application for a change in its PPFAC rate or next rate case application, whichever came first.

Account Balance

6. Over- or under-collections are currently tracked and accumulated in an account with a threshold of $200,000 for over-collection and $500,000 for under-collection. The Company's PPFAC account balance has been over-collecting since February 2009 and exceeded the over-collected threshold in July 2009 and has continued to do so. Morenci's account balance as of October 2009 is an over-collected amount of $416,758.

Morenci's Proposal

7. Morenci proposes to change the PPFAC rate from negative $0.019 per kWh to negative $0.025 per kWh for a 12-month period and then revert back to the current PPFAC rate of negative $0.019 per kWh thereafter. Based on its current estimate of power costs, Morenci believes its proposal will reduce the over-collected balance over a 12-month period and that returning to the current PPFAC rate after a 12-month period should avoid any further significant over or under-collection of Morenci's account balance. Attachment 1 is a worksheet illustrating Morenci's proposal for the years 2010 and 2011, based on the Company's forecasts.

8. The current and proposed PPFAC adjustor rates are both negative as Morenci's actual costs for purchased power continue to be lower than the base cost of power set in Decision No. 54712. Approximately 98 percent of the Company's electric sales are contract sales to its single industrial customer, a copper mine. These sales fall outside the PPFAC because the customer is served under a special contract. The PPFAC mechanism is relevant only to the other two percent of Morenci's sales consisting of 2,080 residential and 266 commercial customers as of October 2009.

Staff's Analysis

9. Staff has reviewed Morenci's projections for future purchased power costs, sales, and other estimations used in setting an appropriate new adjustor rate and finds them to be reasonable. Staff has also examined the models used to calculate projected account balance levels into the future and finds the models to be consistent with the methodology Morenci uses to report its monthly PPFAC account balance information, and also consistent with the methodology Staff uses to verify Morenci's account balance calculations.

10. Staff's analysis is based upon Morenci's models, but is updated with actual data through October 2009. Staff's analysis of Morenci's proposal for changing the PPFAC rate to negative $0.025, if implemented in February 2010, shows the estimated account balance at the end of 2010 to be an over-collected amount of $180,364. If the PPFAC reverts back to the current negative $0.019 in February 2011, the estimated account balance at the end of 2011 would be an over-collected amount of $44,110. If the PPFAC does not revert back to negative $0.019, Staff

estimates the account balance as of the end of 2011 would be an under-collected amount of $114,321. The purpose of this less negative adjustor is to track increasing purchased power costs and to minimize a growing under-collected balance projected for the latter half of 2011.

Staff Scenario 1

11. In order to return the over-collected balance more quickly, Staff proposes a modification to Morenci's proposal by increasing the PPFAC rate to negative $0.027 for a 12-month period instead of the proposed negative $0.025 and keeping the proposal of changing the PPFAC rate back to negative $0.019 after 12 months. With this modification, the estimated account balance at the end 2010 would be an over-collected amount of $127,529. After the PPFAC reverts back to the current negative $0.019 in February 2011, the estimated account balance at the end of 2011 to be an under-collected amount of $13,196. Attachment 2 is a worksheet illustrating Staff's proposal for the years 2010 and 2011, based on the Company's forecasts.

Alternative Scenario: 24-Month Rolling Average

12. As discussed above in the Background Section, Decision No. 68813 states:

> "IT IS FURTHER ORDERED that Staff shall develop alternative adjustor mechanisms which shall include an alternative that is based on the 24-month rolling average of Morenci's fuel and purchased power costs and does not impose any under-collection triggering threshold or bandwidth. Staff shall file its proposals in the docket for Morenci's next application for a change in its PPFAC rate or next permanent rate case application, whichever comes first."[1]

13. As required, Staff calculated monthly PPFAC rates based on the 24-month rolling average of Morenci's average fuel and purchased power costs. Attachment 3 illustrates the use of 24-month rolling average PPFAC and its effect on Morenci's forecasted account balance for the next two years, if used instead of the PPFAC rates proposed by Morenci.

Staff Scenario 2

14. Staff's analysis of the 24-month rolling average PPFAC, if implemented in February 2010, shows the estimated account balance at the end 2010 to be an over-collected

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[1] Docket No. E-01049A-06-0219, *In the Matter of the Application of Morenci Water & Electric Company for an Adjustment in its Purchased Power and Fuel Adjustment Clause Rate,* Page 7.

amount of $281,619, while continuing to exceed the over-collection threshold. The estimated account balance at the end of 2011 would be an over-collected amount of $74,319. To address the ongoing over-collection, an additional temporary surcredit would repay customers quickly and remedy the over-collection. Staff recommends a temporary surcredit of -0.00550 per kWh be implemented from February to December 2010 to provide for reduction of the over-collection. Attachment 4 illustrates the results of the inclusion of this additional surcredit, with the resulting estimated account balance at the end of 2010 would be an over-collected amount of $136,391. The estimated account balance at the end of 2011 would be an under-collected amount of $70,909.

Changes to Adjustor Mechanism Limited to Rate Case

15. As required by Decision No. 68813, Staff has developed Scenario 2 to demonstrate the effect of a 24-month rolling average to determine the PPFAC rate. However, a change in Adjustor mechanisms is typically done only in a rate case. Staff does not recommend a mechanism change at this time, only a change in the actual rate as proposed in Staff Scenario 1.

16. Since Morenci's last rate case was in 1985, Staff recommends that Morenci file a rate case by March 31, 2011, using a 2010 test year. A rate case would, among other things, reset the base cost of purchased power, address cost recovery for energy efficiency, and establish rates that are just, fair, and reasonable for the ratepayers and the Company.

Residential Customer Impact Analysis

17. Staff analyzed the impact of the three proposals discussed above on Morenci's residential customers. Attachment 5 is the worksheet Staff used to calculate the impact on residential customers, using the average usage for each month, based on actual residential usage from November 2008-October 2009.

| Proposal | Estimated Average Annual Savings per Residential Customer | Estimated Average Monthly Savings per Residential Customer |
|---|---|---|
| *Morenci Proposal:* | | |
| PPFAC -.025 2010 | $ 34.50 | $ 2.88 |
| PPFAC -.019 2011 | $ 3.43 | $ 0.29 |
| *Staff Scenario 1:* | | |
| PPFAC -.027 2010 | $ 46.00 | $ 3.83 |

| | | |
|---|---|---|
| PPFAC -.019 2011 | $ 4.57 | $ 0.38 |
| *Staff Scenario 2:* | | |
| 24-Month Rolling Avg 2010 | $ 44.13 | $ 3.68 |
| 2011 | $ 19.05 | $ 1.59 |

Notice

18. Morenci has notified Staff that it has published notice in the *Copper Era* on the November 18 and 25, 2009, and provided notice in bill inserts in its November bills. Morenci will publish any new Commission-approved adjustor rate in the local newspaper as soon as possible after Commission approval and before the February 2010 billing. If the proposal to change the PPFAC in February 2011 is approved, Staff also recommends that additional notice be provided reminding customers of this change in the PPFAC rate and thus, their rates.

Staff's Recommendations

19. Staff has recommended that a PPFAC rate of negative $0.027 be approved for the period of 12-months, starting February 2010.

20. Staff has recommended that a PPFAC rate of negative $0.019 be approved to replace the above PPFAC rate after a 12-month period, starting February 2011.

21. Staff has recommended that Morenci notify its customers of the amount of the PPFAC rate and the potential bill impacts at average monthly levels of kWh use within 30 days of the effective date of this decision.

22. Staff has recommended that Morenci notify its customers of the revised PPFAC rate and the potential bill impacts at average monthly levels of kWh use within 30 to 45 days before its February 2011 bill issuance.

23. Staff recommends that Morenci file a rate case by March 31, 2011, using a 2010 test year.

## CONCLUSIONS OF LAW

1. Morenci is an Arizona public service corporation within the meaning of Article XV, Section 2, of the Arizona Constitution.

2. The Commission has jurisdiction over Morenci and over the subject matter of the application.

3. The Commission, having reviewed the application and Staff's Memorandum dated December 30, 2009, concludes that it is in the public interest to approve the Purchased Power and Fuel Adjustment rates recommended in Staff Scenario 1 for Morenci, as discussed herein.

ORDER

IT IS THEREFORE ORDERED that a PPFAC rate of negative $0.027 for the period of 12-months, starting February 2010 is approved, as discussed herein.

IT IS FURTHER ORDERED that a PPFAC rate of negative $0.019 to replace the above PPFAC rate after a 12-month period, starting February 2011 is approved, as discussed herein.

IT IS FURTHER ORDERED that Morenci Water and Electric Company notify its customers of the amount of the PPFAC rate and the potential bill impacts at average monthly levels of kWh use within 30 days of the effective date of this decision.

IT IS FURTHER ORDERED that Morenci Water and Electric Company notify its customers of the revised PPFAC rate and the potential bill impacts at average monthly levels of kWh use within 30 to 45 days before its February 2011 bill issuance.

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IT IS FURTHER ORDERED that Morenci file a rate case by March 31, 2011, using a 2010 test year.

IT IS FURTHER ORDERED that this decision should become effective immediately.

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

CHAIRMAN COMMISSIONER

COMMISSIONER COMMISSIONER COMMISSIONER

IN WITNESS WHEREOF, I ERNEST G. JOHNSON, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this _____day of _____, 2010.

ERNEST G. JOHNSON
Executive Director

DISSENT: _____

DISSENT: _____

SMO:LLM:lhm\JMA

SERVICE LIST FOR: Morenci Water and Electric Company
DOCKET NO. E-01049A-09-0420

Mr. Michael W. Patten
Roshka, DeWulf & Patten, PLC
One Arizona Center
400 East Van Buren Street, Suite 800
Phoenix, AZ 85004

Mr. Steven M. Olea
Director, Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Ms. Janice M. Alward
Chief Counsel, Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

| ($0.00) = Overcollected Bank Balance<br>$0.00 = Undercollected Bank Balance | Fcst Jan-10 | Fcst Feb-10 | Fcst Mar-10 | Fcst Apr-10 | Fcst May-10 | Fcst Jun-10 | Fcst Jul-10 | Fcst Aug-10 | Fcst Sep-10 | Fcst Oct-10 | Fcst Nov-10 | Fcst Dec-10 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 Ending Bank Balance from Previous Month | (439,298) | (450,899) | (435,672) | (423,409) | (412,649) | (401,837) | (387,041) | (317,991) | (245,115) | (222,352) | (207,483) | (193,697) |
| 4 Unit Cost of Purchased Power | 0.051031 | 0.056635 | 0.055613 | 0.056310 | 0.055854 | 0.056749 | 0.073225 | 0.073057 | 0.057833 | 0.056297 | 0.056905 | 0.056526 |
| 5 Authorized Base Cost of Pur. Pow: Per Decision No 54712 Dated 10/10/85 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 |
| 6 Proposed Purchased Power Fuel Adjustor | (0.01900) | (0.02500) | (0.02500) | (0.02500) | (0.02500) | (0.02500) | (0.02500) | (0.02500) | (0.02500) | (0.02500) | (0.02500) | (0.02500) |
| 7 Total Rate Collected From Customer | 0.05622 | 0.05022 | 0.05022 | 0.05022 | 0.05022 | 0.05022 | 0.05022 | 0.05022 | 0.05022 | 0.05022 | 0.05022 | 0.05022 |
| 8 Incremental Difference between authorized and actual recovery: | (0.00519) | 0.00642 | 0.00539 | 0.00609 | 0.00563 | 0.00653 | 0.02300 | 0.02284 | 0.00761 | 0.00608 | 0.00669 | 0.00631 |
| 9 Net change to Bank balance: | (11,601) | 15,227 | 12,263 | 10,760 | 10,812 | 14,796 | 69,050 | 72,876 | 22,763 | 14,869 | 13,786 | 13,333 |
| 10 Ending Bank Balance: | (450,899) | (435,672) | (423,409) | (412,649) | (401,837) | (387,041) | (317,991) | (245,115) | (222,352) | (207,483) | (193,697) | (180,364) |

| | Fcst Jan-11 | Fcst Feb-11 | Fcst Mar-11 | Fcst Apr-11 | Fcst May-11 | Fcst Jun-11 | Fcst Jul-11 | Fcst Aug-11 | Fcst Sep-11 | Fcst Oct-11 | Fcst Nov-11 | Fcst Dec-11 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 Ending Bank Balance from Previous Month | (180,364) | (166,396) | (163,077) | (162,572) | (160,880) | (159,990) | (156,801) | (105,627) | (51,748) | (46,623) | (46,365) | (44,809) |
| 4 Unit Cost of Purchased Power | 0.056468 | 0.057618 | 0.056442 | 0.057178 | 0.056684 | 0.057627 | 0.073269 | 0.073104 | 0.057934 | 0.056325 | 0.056975 | 0.056551 |
| 5 Authorized Base Cost of Pur. Pow: Per Decision No 54712 Dated 10/10/85 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 |
| 6 Proposed Purchased Power Fuel Adjustor | (0.02500) | (0.01900) | (0.01900) | (0.01900) | (0.01900) | (0.01900) | (0.01900) | (0.01900) | (0.01900) | (0.01900) | (0.01900) | (0.01900) |
| 7 Total Rate Collected From Customer | 0.05022 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 |
| 8 Incremental Difference between authorized and actual recovery: | 0.00625 | 0.00140 | 0.00022 | 0.00096 | 0.00046 | 0.00141 | 0.01705 | 0.01688 | 0.00171 | 0.00011 | 0.00075 | 0.00033 |
| 9 Net change to Bank balance: | 13,968.21 | 3,318.91 | 505.37 | 1,692.50 | 890.24 | 3,188.95 | 51,174.02 | 53,879.18 | 5,124.57 | 257.59 | 1,555.91 | 699.17 |
| 10 Ending Bank Balance: | (166,396) | (163,077) | (162,572) | (160,880) | (159,990) | (156,801) | (105,627) | (51,748) | (46,623) | (46,365) | (44,809) | (44,110) |

Decision No. _____

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| ($0.00) = Overcollected Bank Balance<br>$0.00 = Undercollected Bank Balance | Fcst Jan-10 | Fcst Feb-10 | Fcst Mar-10 | Fcst Apr-10 | Fcst May-10 | Fcst Jun-10 | Fcst Jul-10 | Fcst Aug-10 | Fcst Sep-10 | Fcst Oct-10 | Fcst Nov-10 | Fcst Dec-10 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 Ending Bank Balance from Previous Month | (439,275) | (450,876) | (430,902) | (414,091) | (399,798) | (385,148) | (365,819) | (290,765) | (211,506) | (182,763) | (163,001) | (145,090) |
| 4 Unit Cost of Purchased Power | 0.05103 | 0.05664 | 0.05561 | 0.05631 | 0.05585 | 0.05675 | 0.07322 | 0.07306 | 0.05783 | 0.05630 | 0.05691 | 0.05653 |
| 5 Authorized Base Cost of Pur. Pow: Per Decision No 54712 Dated 10/10/85 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 |
| 6 Proposed Purchased Power Fuel Adjustor | (0.01900) | (0.02700) | (0.02700) | (0.02700) | (0.02700) | (0.02700) | (0.02700) | (0.02700) | (0.02700) | (0.02700) | (0.02700) | (0.02700) |
| 7 Total Rate Collected From Customer | 0.05622 | 0.04822 | 0.04822 | 0.04822 | 0.04822 | 0.04822 | 0.04822 | 0.04822 | 0.04822 | 0.04822 | 0.04822 | 0.04822 |
| 8 Incremental Difference between authorized and actual recovery: | (0.00519) | 0.00842 | 0.00739 | 0.00809 | 0.00763 | 0.00853 | 0.02500 | 0.02484 | 0.00961 | 0.00808 | 0.00869 | 0.00831 |
| 9 Net change to Bank balance: | (11,601) | 19,974 | 16,811 | 14,293 | 14,650 | 19,329 | 75,054 | 79,259 | 28,743 | 19,762 | 17,911 | 17,561 |
| 10 Ending Bank Balance: | (450,876) | (430,902) | (414,091) | (399,798) | (385,148) | (365,819) | (290,765) | (211,506) | (182,763) | (163,001) | (145,090) | (127,529) |

| | Fcst Jan-11 | Fcst Feb-11 | Fcst Mar-11 | Fcst Apr-11 | Fcst May-11 | Fcst Jun-11 | Fcst Jul-11 | Fcst Aug-11 | Fcst Sep-11 | Fcst Oct-11 | Fcst Nov-11 | Fcst Dec-11 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 Ending Bank Balance from Previous Month | (127,529) | (109,090) | (105,771) | (105,266) | (103,574) | (102,684) | (99,495) | (48,321) | 5,558 | 10,683 | 10,941 | 12,497 |
| 4 Unit Cost of Purchased Power | 0.05647 | 0.05762 | 0.05644 | 0.05718 | 0.05668 | 0.05763 | 0.07327 | 0.07310 | 0.05793 | 0.05633 | 0.05697 | 0.05655 |
| 5 Authorized Base Cost of Pur. Pow: Per Decision No 54712 Dated 10/10/85 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 |
| 6 Proposed Purchased Power Fuel Adjustor | (0.02700) | (0.01900) | (0.01900) | (0.01900) | (0.01900) | (0.01900) | (0.01900) | (0.01900) | (0.01900) | (0.01900) | (0.01900) | (0.01900) |
| 7 Total Rate Collected From Customer | 0.04822 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 |
| 8 Incremental Difference between authorized and actual recovery: | 0.00825 | 0.00140 | 0.00022 | 0.00096 | 0.00046 | 0.00141 | 0.01705 | 0.01688 | 0.00171 | 0.00011 | 0.00075 | 0.00033 |
| 9 Net change to Bank balance: | 18,439.33 | 3,318.91 | 505.37 | 1,692.50 | 890.24 | 3,188.95 | 51,174.02 | 53,879.18 | 5,124.57 | 257.59 | 1,555.91 | 699.17 |
| 10 Ending Bank Balance: | (109,090) | (105,771) | (105,266) | (103,574) | (102,684) | (99,495) | (48,321) | 5,558 | 10,683 | 10,941 | 12,497 | 13,196 |

ATTACHMENT 3

24-Month Rolling Average

Morenci Purchased Power and Fuel Adjustor Clause with Additional Credit

| ($0.00) = Overcollected Bank Balance<br>$0.00 = Undercollected Bank Balance | Fcst Jan-10 | Fcst Feb-10 | Fcst Mar-10 | Fcst Apr-10 | Fcst May-10 | Fcst Jun-10 | Fcst Jul-10 | Fcst Aug-10 | Fcst Sep-10 | Fcst Oct-10 | Fcst Nov-10 | Fcst Dec-10 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 Ending Bank Balance from Previous Month | (439,298) | (450,899) | (451,245) | (453,945) | (454,564) | (455,776) | (454,063) | (402,107) | (341,612) | (324,646) | (311,578) | (297,260) |
| 2A Jurisdictional Sales | 2,235,561 | 2,373,537 | 2,273,770 | 1,766,834 | 1,918,999 | 2,266,257 | 3,001,589 | 3,191,158 | 2,990,002 | 2,446,605 | 2,062,149 | 2,114,186 |
| 2B Total Sales(incl Spec Cont) | 82,856,428 | 75,465,911 | 82,254,878 | 79,324,368 | 81,900,107 | 79,823,791 | 82,598,961 | 82,788,530 | 80,163,628 | 82,043,977 | 79,235,775 | 81,711,558 |
| 2C Special Contract Sales (Industrial kWh) | 80,620,867 | 73,092,374 | 79,981,108 | 77,557,534 | 79,981,108 | 77,557,534 | 79,597,372 | 79,597,372 | 77,173,626 | 79,597,372 | 77,173,626 | 79,597,372 |
| 3 Actual Cost of Purchased Power | 4,228,226 | 4,274,037 | 4,574,469 | 4,466,742 | 4,574,469 | 4,529,918 | 6,048,275 | 6,048,275 | 4,636,117 | 4,618,853 | 4,508,943 | 4,618,853 |
| 4 Unit Cost of Purchased Power | 0.05103 | 0.05664 | 0.05561 | 0.05631 | 0.05585 | 0.05675 | 0.07322 | 0.07306 | 0.05783 | 0.05630 | 0.05691 | 0.05653 |
| 5 Authorized Base Cost of Pur. Pow: Per Decision No 54712 Dated 10/10/85 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 |
| 6 24-Month Rolling Purchased Power Fuel Adjustor | (0.01900) | (0.01844) | (0.01842) | (0.01856) | (0.01873) | (0.01923) | (0.01931) | (0.02112) | (0.02306) | (0.02426) | (0.02526) | (0.02609) |
| 7 Total Rate Collected From Customer | 0.05622 | 0.05678 | 0.05680 | 0.05666 | 0.05649 | 0.05599 | 0.05592 | 0.05410 | 0.05216 | 0.05096 | 0.04996 | 0.04913 |
| 8 Incremental Difference between authorized and actual recovery: | (0.00519) | (0.00015) | (0.00119) | (0.00035) | (0.00063) | 0.00076 | 0.01731 | 0.01896 | 0.00567 | 0.00534 | 0.00694 | 0.00740 |
| 9 Net change to Bank balance: | (11,601) | (346) | (2,700) | (619) | (1,212) | 1,713 | 51,956 | 60,495 | 16,966 | 13,068 | 14,318 | 15,641 |
| 10 Ending Bank Balance: | (450,899) | (451,245) | (453,945) | (454,564) | (455,776) | (454,063) | (402,107) | (341,612) | (324,646) | (311,578) | (297,260) | (281,619) |

| | Fcst Jan-11 | Fcst Feb-11 | Fcst Mar-11 | Fcst Apr-11 | Fcst May-11 | Fcst Jun-11 | Fcst Jul-11 | Fcst Aug-11 | Fcst Sep-11 | Fcst Oct-11 | Fcst Nov-11 | Fcst Dec-11 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 Ending Bank Balance from Previous Month | (281,619) | (265,657) | (244,202) | (228,296) | (216,052) | (205,484) | (192,876) | (131,794) | (71,316) | (64,783) | (67,190) | (69,633) |
| 2A Jurisdictional Sales | 2,235,561 | 2,373,537 | 2,273,770 | 1,766,834 | 1,918,999 | 2,266,257 | 3,001,589 | 3,191,158 | 2,990,002 | 2,446,605 | 2,062,149 | 2,114,186 |
| 2B Total Sales(incl Spec Cont) | 83,182,402 | 83,320,378 | 83,220,611 | 82,713,675 | 82,865,840 | 83,213,098 | 83,948,430 | 84,137,999 | 83,936,843 | 83,393,446 | 83,008,990 | 83,061,027 |
| 2C Special Contract Sales (Industrial kWh) | 80,946,841 | 80,946,841 | 80,946,841 | 80,946,841 | 80,946,841 | 80,946,841 | 80,946,841 | 80,946,841 | 80,946,841 | 80,946,841 | 80,946,841 | 80,946,841 |
| 3 Actual Cost of Purchased Power | 4,697,160 | 4,800,778 | 4,697,160 | 4,729,396 | 4,697,160 | 4,795,333 | 6,150,816 | 6,150,816 | 4,862,789 | 4,697,160 | 4,729,396 | 4,697,160 |
| 4 Unit Cost of Purchased Power | 0.05647 | 0.05762 | 0.05644 | 0.05718 | 0.05668 | 0.05763 | 0.07327 | 0.07310 | 0.05793 | 0.05633 | 0.05697 | 0.05655 |
| 5 Authorized Base Cost of Pur. Pow: Per Decision No 54712 Dated 10/10/85 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 |
| 6 24-Month Rolling Purchased Power Fuel Adjustor | (0.02589) | (0.02664) | (0.02577) | (0.02497) | (0.02404) | (0.02316) | (0.02230) | (0.02107) | (0.01947) | (0.01791) | (0.01706) | (0.01645) |
| 7 Total Rate Collected From Customer | 0.04933 | 0.04858 | 0.04945 | 0.05025 | 0.05118 | 0.05206 | 0.05292 | 0.05415 | 0.05575 | 0.05731 | 0.05816 | 0.05877 |
| 8 Incremental Difference between authorized and actual recovery: | 0.00714 | 0.00904 | 0.00700 | 0.00693 | 0.00551 | 0.00556 | 0.02035 | 0.01895 | 0.00218 | (0.00098) | (0.00118) | (0.00222) |
| 9 Net change to Bank balance: | 15,962.33 | 21,455.10 | 15,905.62 | 12,244.03 | 10,567.75 | 12,607.51 | 61,082.27 | 60,478.50 | 6,532.86 | (2,406.76) | (2,442.60) | (4,685.66) |
| 10 Ending Bank Balance: | (265,657) | (244,202) | (228,296) | (216,052) | (205,484) | (192,876) | (131,794) | (71,316) | (64,783) | (67,190) | (69,633) | (74,319) |

Decision No. _____

Docket No. E-01049A-09-0420

ATTACHMENT 4

24-Month Rolling Average

Morenci Purchased Power and Fuel Adjustor Clause with Additional Credit

($0.00) = **Overcollected Bank Balance**
**$0.00 = Undercollected Bank Balance**

| | | Fcst Jan-10 | Fcst Feb-10 | Fcst Mar-10 | Fcst Apr-10 | Fcst May-10 | Fcst Jun-10 | Fcst Jul-10 | Fcst Aug-10 | Fcst Sep-10 | Fcst Oct-10 | Fcst Nov-10 | Fcst Dec-10 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Ending Bank Balance from Previous Month | (439,298) | (450,899) | (438,190) | (428,385) | (419,286) | (409,944) | (395,766) | (327,301) | (249,255) | (215,844) | (189,320) | (163,660) |
| 4 | Unit Cost of Purchased Power | 0.05103 | 0.05664 | 0.05561 | 0.05631 | 0.05585 | 0.05675 | 0.07322 | 0.07306 | 0.05783 | 0.05630 | 0.05691 | 0.05653 |
| 5 | Authorized Base Cost of Pur. Pow: Per Decision No 54712 Dated 10/10/85 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 |
| 6 | 24-Month Rolling Purchased Power Fuel Adjustor | (0.01900) | (0.01844) | (0.01842) | (0.01856) | (0.01873) | (0.01923) | (0.01931) | (0.02112) | (0.02306) | (0.02426) | (0.02526) | (0.02609) |
| 7 | Additional Temporary Credit | 0.00000 | (0.00550) | (0.00550) | (0.00550) | (0.00550) | (0.00550) | (0.00550) | (0.00550) | (0.00550) | (0.00550) | (0.00550) | (0.00550) |
| 8 | Total Rate Collected From Customer | 0.05622 | 0.05128 | 0.05130 | 0.05116 | 0.05099 | 0.05049 | 0.05042 | 0.04860 | 0.04666 | 0.04546 | 0.04446 | 0.04363 |
| 9 | Incremental Difference between authorized and actual recovery: | (0.00519) | 0.00535 | 0.00431 | 0.00515 | 0.00487 | 0.00626 | 0.02281 | 0.02446 | 0.01117 | 0.01084 | 0.01244 | 0.01290 |
| 10 | Net change to Bank balance: | (11,601) | 12,709 | 9,805 | 9,099 | 9,342 | 14,178 | 68,465 | 78,046 | 33,411 | 26,524 | 25,660 | 27,269 |
| 11 | Ending Bank Balance: | (450,899) | (438,190) | (428,385) | (419,286) | (409,944) | (395,766) | (327,301) | (249,255) | (215,844) | (189,320) | (163,660) | (136,391) |

| | | Fcst Jan-11 | Fcst Feb-11 | Fcst Mar-11 | Fcst Apr-11 | Fcst May-11 | Fcst Jun-11 | Fcst Jul-11 | Fcst Aug-11 | Fcst Sep-11 | Fcst Oct-11 | Fcst Nov-11 | Fcst Dec-11 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Ending Bank Balance from Previous Month | (136,391) | (120,429) | (98,974) | (83,068) | (70,824) | (60,256) | (47,648) | 13,434 | 73,912 | 80,445 | 78,038 | 75,595 |
| 4 | Unit Cost of Purchased Power | 0.05647 | 0.05762 | 0.05644 | 0.05718 | 0.05668 | 0.05763 | 0.07327 | 0.07310 | 0.05793 | 0.05633 | 0.05697 | 0.05655 |
| 5 | Authorized Base Cost of Pur. Pow: Per Decision No 54712 Dated 10/10/85 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 | 0.07522 |
| 6 | 24-Month Rolling Purchased Power Fuel Adjustor | (0.02589) | (0.02664) | (0.02577) | (0.02497) | (0.02404) | (0.02316) | (0.02230) | (0.02107) | (0.01947) | (0.01791) | (0.01706) | (0.01645) |
| 7 | Total Rate Collected From Customer | 0.04933 | 0.04858 | 0.04945 | 0.05025 | 0.05118 | 0.05206 | 0.05292 | 0.05415 | 0.05575 | 0.05731 | 0.05816 | 0.05877 |
| 8 | Incremental Difference between authorized and actual recovery: | 0.00714 | 0.00904 | 0.00700 | 0.00693 | 0.00551 | 0.00556 | 0.02035 | 0.01895 | 0.00218 | (0.00098) | (0.00118) | (0.00222) |
| 9 | Net change to Bank balance: | 15,962.33 | 21,455.10 | 15,905.62 | 12,244.03 | 10,567.75 | 12,607.51 | 61,082.27 | 60,478.50 | 6,532.86 | (2,406.76) | (2,442.60) | (4,685.66) |
| 10 | Ending Bank Balance: | (120,429) | (98,974) | (83,068) | (70,824) | (60,256) | (47,648) | 13,434 | 73,912 | 80,445 | 78,038 | 75,595 | 70,909 |

Decision No. _____

Docket No. E-01049A-09-0420

| COMPARISON OF PROPOSALS: RESIDENTIAL CUSTOMER IMPACT | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | TOTAL | ESTIMATED AVERAGE ANNUAL SAVINGS PER RESIDENTIAL CUSTOMER | ESTIMATED AVERAGE MONTHLY SAVINGS PER RESIDENTIAL CUSTOMER |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Residental Avg kWh Usage per Month: Nov '08 - Oct '09 | 571 | 558 | 512 | 379 | 390 | 474 | 654 | 655 | 667 | 555 | 437 | 469 | | | |
| Total Current Rate Collected from Customer: $ per kWh | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | | | |
| Total for Month | $ 32.10 | $ 31.37 | $ 28.78 | $ 21.31 | $ 21.93 | $ 26.65 | $ 36.77 | $ 36.82 | $ 37.50 | $ 31.20 | $ 24.57 | $ 26.37 | $355.37 | | |
| | | | | | | | | | | | | | | | |
| Proposed Morenci: 2010 PPFAC .025 | 0.05622 | 0.05022 | 0.05022 | 0.05022 | 0.05022 | 0.05022 | 0.05022 | 0.05022 | 0.05022 | 0.05022 | 0.05022 | 0.05022 | | | |
| Total for Month | $ 32.10 | $ 28.02 | $ 25.71 | $ 19.03 | $ 19.59 | $ 23.80 | $ 32.84 | $ 32.89 | $ 33.50 | $ 27.87 | $ 21.95 | $ 23.55 | $320.87 | $ 34.50 | $ 2.88 |
| | | | | | | | | | | | | | | | |
| Proposed Morenci: 2011 PPFAC .019 | 0.05022 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | | | |
| Total for Month | $ 28.68 | $ 31.37 | $ 28.78 | $ 21.31 | $ 21.93 | $ 26.65 | $ 36.77 | $ 36.82 | $ 37.50 | $ 31.20 | $ 24.57 | $ 26.37 | $351.94 | $ 3.43 | $ 0.29 |
| | | | | | | | | | | | | | | | |
| Proposed Staff: 2010 PPFAC .027 | 0.05622 | 0.04822 | 0.04822 | 0.04822 | 0.04822 | 0.04822 | 0.04822 | 0.04822 | 0.04822 | 0.04822 | 0.04822 | 0.04822 | | | |
| Total for Month | $ 32.10 | $ 26.91 | $ 24.69 | $ 18.28 | $ 18.81 | $ 22.86 | $ 31.54 | $ 31.58 | $ 32.16 | $ 26.76 | $ 21.07 | $ 22.62 | $309.37 | $ 46.00 | $ 3.83 |
| | | | | | | | | | | | | | | | |
| Proposed Staff: 2011 PPFAC .019 | 0.04822 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | 0.05622 | | | |
| Total for Month | $ 27.53 | $ 31.37 | $ 28.78 | $ 21.31 | $ 21.93 | $ 26.65 | $ 36.77 | $ 36.82 | $ 37.50 | $ 31.20 | $ 24.57 | $ 26.37 | $350.80 | $ 4.57 | $ 0.38 |
| | | | | | | | | | | | | | | | |
| Proposed 24-Month Rolling Average: 2010 | 0.05622 | 0.05128 | 0.05130 | 0.05116 | 0.05099 | 0.05049 | 0.05042 | 0.04860 | 0.04666 | 0.04546 | 0.04446 | 0.04363 | | | |
| Total for Month | $ 32.10 | $ 28.61 | $ 26.27 | $ 19.39 | $ 19.88 | $ 23.93 | $ 32.97 | $ 31.83 | $ 31.12 | $ 25.23 | $ 19.43 | $ 20.46 | $311.24 | $ 44.13 | $ 3.68 |
| | | | | | | | | | | | | | | | |
| Proposed 24-Month Rolling Average: 2011 | 0.04933 | 0.04858 | 0.04945 | 0.05025 | 0.05118 | 0.05206 | 0.05292 | 0.05415 | 0.05575 | 0.05731 | 0.05816 | 0.05877 | | | |
| Total for Month | $ 28.17 | $ 27.11 | $ 25.32 | $ 19.04 | $ 19.96 | $ 24.68 | $ 34.61 | $ 35.47 | $ 37.18 | $ 31.81 | $ 25.42 | $ 27.56 | $336.32 | $ 19.05 | $ 1.59 |

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