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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

DOCKETED

JUL 14 2010

COMMISSIONERS

- KRISTEN K. MAYES, Chairman
- GARY PIERCE
- PAUL NEWMAN
- SANDRA D. KENNEDY
- BOB STUMP

ARIZONA CORPORATION COMMISSION DOCKET CONTROL

DOCKETED BY [Signature]

IN THE MATTER OF THE APPLICATION OF GRAHAM COUNTY UTILITIES, INC. FOR A RATE INCREASE)	DOCKET NO. G-02527A-09-0088
IN THE MATTER OF THE APPLICATION OF GRAHAM COUNTY UTILITIES, INC. GAS DIVISION FOR APPROVAL OF A LOAN)	DOCKET NO. G-02527A-09-0032
IN THE MATTER OF THE APPLICATION OF GRAHAM COUNTY UTILITIES, INC. WATER DIVISION FOR A RATE INCREASE)	DOCKET NO. W-02527A-09-0201
IN THE MATTER OF THE APPLICATION OF GRAHAM COUNTY UTILITIES, INC. WATER DIVISION FOR APPROVAL OF A LOAN)	DOCKET NO. W-02527A-09-0033
IN THE MATTER OF THE APPLICATION OF GRAHAM COUNTY ELECTRIC COOPERATIVE, INC. FOR APPROVAL OF A LOAN GUARANTEE)	DOCKET NO. E-01749A-09-0087

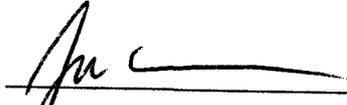
On May 17, 2010, Graham County Utilities, Inc. ("GCU") filed its revised schedules of rates and charges and a proof of revenue for its Gas Division and Water Division in compliance with Decision No. 71690 dated May 3, 2010. After having discussions with Commission Staff, GCU has made revisions and conforming language changes to the section and title that was previously entitled "Rate Schedule MGCR – Monthly Gas Cost Rate" which in this filing has now been entitled "Rate Schedule PGA – Purchased Gas Adjustor". GCU has also removed a typographical error from its Gas Division proof of revenue. GCU would request that the pages that were previously provided be replaced with the pages in this filing.

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RESPECTFULLY SUBMITTED this 13th day of July, 2010.

By  _____

John V. Wallace
Grand Canyon State Electric Cooperative Assn., Inc.
Consultant for Graham County Utilities, Inc.

Original and nineteen (13) copies filed
this 13th day of July, 2010, with:

Docket Control
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

GRAHAM COUNTY UTILITIES, INC. - GAS DIVISION

RATE SCHEDULE PGA – PURCHASED GAS ADJUSTOR

I. Applicability

Applicable to all term sales of gas provided to all customers within the Utility's certificated service area.

II. Gas Adjustment Procedure

The Purchased Gas Adjustor ("PGA") rate will be increased or decreased on a monthly basis to compensate for the difference between the actual cost of natural gas and the amount the Utility recovers for its cost of natural gas. The PGA rate is based on a rolling twelve month average cost, limited by a \$0.15 per therm annual bandwidth. The PGA rate can not vary by more than \$0.15 per therm from any rate in place during the previous twelve months.

III. PGA Bank Balance

The Utility shall establish and maintain a PGA Bank Balance (PGABB). Entries shall be made to this account each month, if appropriate, as follows:

1. A debit or credit entry equal to the difference between (a) the actual purchased gas cost for the month and (b) the amount determined by multiplying the Monthly Gas Cost Rate as set forth on the Statement of Charges in this Tariff by the therms billed during the month under the applicable rate schedules of this Tariff.
2. A debit or credit entry for refunds or payments authorized by the ACC.
3. A debit or credit entry for interest to be applied to over- and under-collected bank balances based on the Three Month Financial Commercial Paper Rate as published by the Federal Reserve as authorized in the ACC in Decision No. 68600 dated March 23, 2006.

IV. Monthly Informational Filings

Each month the Utility shall make a cost of gas informational filing with Commission Staff to include any and all information required by Decision No. 61225.

GRAHAM COUNTY UTILITIES, INC. - GAS DIVISION

RATE SCHEDULE PGA – PURCHASED GAS ADJUSTOR

(Continued)

V. Additional Requirements

A special review is required if the PGABB reaches an over- or under-collection in the amount of \$250,000 for three consecutive months. The Utility must file an application for a PGABB surcharge adjustment upon completing the Monthly Informational Filing that illustrates the threshold has been exceeded or file a notice in the docket explaining why an adjustment is not necessary at this time. The ACC, upon review, may authorize the balance to be amortized through a predetermined surcharge rate included as part of the PGA Rate for a specified period.

VI. Effective Date

This rate schedule is effective for all billings on or after May 1, 2010 as authorized by the ACC in Decision No. 71690 dated May 3, 2010.

**Graham County Utilities Gas Division
Proof of Revenues**

<u>SALES DATA:</u>	<u>THERMS</u>	<u>RATE</u>	<u>DOLLARS</u>	<u>BILLINGS</u>	<u>RATE</u>	<u>DOLLARS</u>	<u>TOTAL \$</u>
RESIDENTIAL	2,054,499	0.345	708,802	57,621	13.00	749,073	1,457,875
IRRIGATION	4,651	0.160	744	79	21.00	1,659	2,403
COMMERCIAL	874,268	0.341	298,125	3,028	24.00	72,672	370,797
TOTAL	<u>2,933,418</u>		<u>1,007,672</u>	<u>60,728</u>		<u>823,404</u>	<u>1,831,076</u>
OTHER OPERATING REVENUES							<u>21,520</u>
TOTAL REVENUE							<u>1,852,596</u>
TEST YEAR GROSS MARGIN							<u>1,367,261</u>
INCREASE							<u>485,335</u>