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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

KRISTEN K. MAYES, Chairman
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2010 SEP 10 A 11: 52

Arizona Corporation Commission

DOCKETED

SEP 10 2010

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 July 7, 2010, Graham County Utilities, Inc. ("GCU") filed its Rules and Regulations for its Gas Division in compliance with Decision No. 71690 dated May 3, 2010. Since that date, GCU has discovered that there was language included in that filing relating to an economic feasibility analysis ("EFA"). An EFA is only completed in cases where a utility must determine the portion of a line extension paid by a utility versus a refundable customer advance. Since Decision 71690 requires GCU's customers to pay 100% of the cost of line extensions through a contribution in aid of construction, an EFA is not necessary.

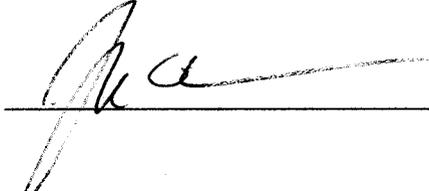
1 In this filing, GCU has deleted the following language in its Rules and Regulations on page 8,
2 under the section entitled "Minimum written agreement requirements", paragraph i;

3 i. A summary of the results of the economic feasibility analysis performed by the utility to determine the
4 amount of advance required from the applicant for the proposed main extension.

5 GCU requests that this page be substituted for the existing page in its Rules and Regulations.

6
7 RESPECTFULLY SUBMITTED this 10th day of September, 2010.

8
9 By _____

10 
11 John V. Wallace
12 Grand Canyon State Electric Cooperative Assn., Inc.
13 Consultant for Graham County Utilities, Inc.

14 **Original** and nineteen (13) copies filed
15 this 10th day of September, 2010, with:

16 Docket Control
17 Arizona Corporation Commission
18 1200 W. Washington
19 Phoenix, AZ 85007
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- b. Proposed service address or location
 - c. Description of requested service
 - d. Description and sketch of the requested main extension
 - e. A cost estimate to include materials, labor, and other costs as necessary
 - f. Payment terms
 - g. A concise explanation of any refunding provisions, if applicable. The refunding provisions shall be as follows:
 - I. Where the number of potential services has been determined by final plats.
 - 1. Each subsequent hookup on the line extension after the first customer shall pay a percentage equal to the total cost estimate divided by the number of lots. This amount shall then be refunded to the first customer provided it has not been five years since the time of payment as outlined in rule C-5.
 - II. Where the number of potential services is not readily available and must be estimated by the Cooperative.
 - 1. Each subsequent hookup on the line extension after the first customer shall pay a percentage of the original cost as determined by the distance from the main to the service location. This amount shall then be refunded equally between the prior customers provided it has not been five years since the time of payment as outlined in rule C-5.
 - h. The utility's estimated start date and completion date for construction of the main extension
2. Each applicant shall be provided with a copy of the written main extension agreement.
- C. Main and Service line extension requirements. Each main line extension shall include the following provisions:
- 1. GCU does not provide a free footage allowance. The applicant shall be responsible for all material, labor, and overhead costs of the main line extension.
 - 2. Line extension measurement shall be along the route of construction required.
 - 3. The timing and methodology by which the utility will refund any aid to construction as additional customers are served off the main extension. The customer may request an annual survey to determine if additional customers have been connected to and are using service from the extension. In no case shall the amount of the refund exceed the amount originally paid.
 - 4. All aid to construction shall be non-interest bearing.
 - 5. All refunding provisions are null and void after five years from the date of payment of the contribution in aid of construction.
- D. Extensions For Residential Subdivision Developments and Mobile Home Parks
- 1. Extensions to the Perimeter of Duly Recorded Real Estate Subdivisions and Mobile Home Parks.
 - a. Gas main extensions will generally be made when mutually agreed upon by the Company and the applicant in areas where the Company does maintain existing facilities for its operating convenience.
 - b. The Applicant shall provide at his expense the trenching, backfilling (including any imported backfill required), compaction, repaving and earth-work in preparation for installation of facilities. At its option, the Company may elect, at the applicants expense, to perform the necessary activities to fulfill the applicants responsibility hereunder provided the expense to the applicant is equal or less than that which would otherwise be borne.
 - 2. Extensions Within Duly Recorded Real Estate Subdivisions and Mobile Home Parks
 - a. Distribution facilities will be constructed by the Company within a duly recorded subdivision or mobile home park in advance of application for service by permanent customers after the Company and the Developer of said subdivision or mobile home park have entered into a written contract which provides for net construction costs to be paid as contributions in aid of construction. Net construction costs shall be all costs furnished by the Company to install such facilities and meters and regulators required including all material, labor, and overhead costs.
 - b. Rights-of-way and easements suitable to the Company must be furnished by the developer at no cost to the Company and in reasonable time to meet service requirements. No facilities shall be installed until the final grades have been established and furnished to the Company. In addition, the easement strips, alleys and streets must be graded to within six (6) inches of final grade by the developer before the Company will commence construction and must be maintained by the developer during construction.
 - 3. There is no free Main and Service Line Extension Footage for Residential Subdivision Developments and Mobile Home Parks.
 - 4. Residential Subdivision Developments and Mobile Home Parks shall be excluded from any refunding provisions except to the individual developer when additional customers have been connected to and are using service from the extension of the main line outside the development.