

ORIGINAL
The Morenci Water & Electric Comp

401 Burro Alley

P.O. Box 68

Morenci, Arizona 85540
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February 28, 2011

Arizona Corporation Commission

DOCKETED

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

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Re: *Annual Report of the Morenci Water & Electric Company
Pursuant to A.A.C. R14-2-1618.D Docket E-01049A-01-0271 Decision #63635
For January 1, 2010 through December 31, 2010*

Dear Mr. Bozzo:

The Morenci Water & Electric Company (MW&E) submits the following report pursuant Docket E-01049A-01-0271, Decision #63635. MW&E sold 1,480,201,662 kWhs to retail customers from January through December 2010. MW&E collected \$53,865.23 from the residential, commercial and industrial customers during 2010 from the Renewable Energy Standard Surcharge. MW&E spent \$54,133.75 from the Renewable Energy Standard Surcharge account for the installation of two Photovoltaic Grid-Tied Power Systems.

MW&E does not generate any power; rather it purchases the power on the wholesale market. MW&E has requested information from its wholesale provider about the percentage of purchased power that would meet the environmental portfolio definition. MW&E has been informed that energy that meets the environmental portfolio is not provided in the total mix of firm and non-firm power purchased by MW&E.

In as much as MW&E does not presently purchase this type of energy, MW&E will work with our providers to determine the availability. If not available, MW&E may seek a temporary waiver for this requirement.

Please contact me if you have any questions or concerns.

Sincerely,

Ruel A. Rogers, Jr.
Superintendent

RAR/vev

cc: Mike Patten – Roshka, DeWulf & Patten, PLC, Phx (via e-mail)
Michael McElrath – Freeport-McMoRan Copper & Gold (via e-mail)
Roy Archer – Freeport-McMoRan Copper & Gold (via e-mail)
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