

OPEN MEETING ITEM



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Executive Director

ORIGINAL



COMMISSIONERS
GARY PIERCE - Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

RECEIVED

ARIZONA CORPORATION COMMISSION

2011 APR 12 P 3:06

DATE: APRIL 12, 2011
DOCKET NO.: E-01049A-09-0420

AZ CORP COMMISSION
DOCKET CONTROL

TO ALL PARTIES:

Enclosed please find the recommendation of Administrative Law Judge Jane Rodda. The recommendation has been filed in the form of an Order on:

MORENCI WATER & ELECTRIC COMPANY
(EXTENSION OF TIME DEADLINE CONTAINED
IN DECISION NO. 71468)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by **4:00** p.m. on or before:

APRIL 21, 2011

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

APRIL 27, 2011 and APRIL 28, 2011

For more information, you may contact Docket Control at (602)542-3477 or the Hearing Division at (602)542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

Arizona Corporation Commission

DOCKETED

APR 12 2011

DOCKETED BY

ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 GARY PIERCE - Chairman
4 BOB STUMP
5 SANDRA D. KENNEDY
6 PAUL NEWMAN
7 BRENDA BURNS

8 IN THE MATTER OF THE APPLICATION OF
9 MORENCI WATER & ELECTRIC COMPANY
10 FOR AN ADJUSTMENT IN ITS PURCHASED
11 POWER AND FUEL ADJUSTMENT CLAUSE
12 RATE.

DOCKET NO. E-01049A-09-0420

DECISION NO. _____

ORDER

13 Open Meeting
14 April 27 & 28, 2011
15 Phoenix, Arizona

16 **BY THE COMMISSION:**

17 * * * * *

18 Having considered the entire record herein and being fully advised in the premises, the
19 Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

20 **FINDINGS OF FACT**

21 1. In Decision No. 71468 (January 26, 2010), the Commission approved the application
22 of Morenci Water & Electric Company ("Morenci" or "Company") for an adjustment in its purchased
23 power and fuel adjustment clause rate.

24 2. Decision No. 71468 ordered Morenci to file a rate case by March 31, 2011, using a
25 2010 test year.

26 3. On March 9, 2011, Morenci filed a "Motion to Extend Time to File Rate Case"
27 seeking a 90 day extension of time, until June 30, 2011, to file the rate case application. The
28 Company stated that it has two divisions (water and electric) that have not filed a rate case since
1983, which requires the Company to review and analyze a great amount of historical information to
make its rate case filing. The Company stated the extension would allow it to prepare cost of service
studies for each division in order to ascertain the proper allocation of costs between its divisions, and
to provide time for researching methods to "mitigate the increases to non-mining customers." The

1 Company also states that it requires additional time to close out its books for the test year.

2 4. On March 31, 2011, the Commission's Utilities Division ("Staff") filed a
3 Memorandum which indicates that after reviewing the filing and additional discussions with
4 Company representatives, Staff recommends that the deadline for filing the rate application be
5 extended until July 29, 2011, with a December 31, 2010, test year. Staff further recommends that no
6 further extensions of time be granted.

7 5. The Company has requested a relatively minor extension of time to file its rate case,
8 which will promote a more thorough and accurate record in the rate case. Under the reported
9 circumstances, the requested relief is reasonable and should be granted.

10 **CONCLUSIONS OF LAW**

11 1. Morenci is a public service corporation within the meaning of Article XV of the
12 Arizona Constitution and A.R.S. Title 40, generally.

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

14 3. For the reasons set forth above, the requested extension of the deadline to file a rate
15 application as required by Decision No. 71468, is in the public interest.

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ORDER

IT IS THEREFORE ORDERED that the deadline for Morenci Water & Electric Company to file a rate application as set forth in Decision No. 71468 is extended until July 29, 2011.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY 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 the Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____, 2011.

ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

DISSENT _____

DISSENT _____

1 SERVICE LIST FOR: MORENCI WATER & ELECTRIC COMPANY

2 DOCKET NO.: E-01049A-09-0420

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