

**ORIGINAL**

**The Morenci Water & Electric C**

401 Burro Alley  
P.O. Box 68  
Morenci, AZ 85540  
Telephone (928) 865-2229  
Facsimile (928) 865-5261



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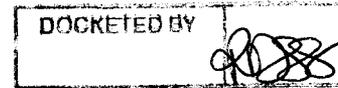
June 20, 2011

Arizona Corporation Commission

**DOCKETED**

JUN 27 2011

Docket Control Center  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007



Re: Purchase Power Fuel Adjuster  
Docket: E-01049A-97-0677, Decision #49576  
Reports for May 2011

Dear Staff:

Please find enclosed forms FA-1, FA-1A, FA-1B, FA-1C, FA-2, FA-3, and Power Purchase Data for the above referenced month.

- Tucson Electric Power in the amount of \$84,069.24
- Tucson Electric Power in the amount of \$246,125.00
- Tucson Electric Power in the amount of \$2,403,510.50
- Freeport McMoRan Copper & Gold Energy Services, LLC in the amount of \$3,053,097.34

Please let me know if you have any questions or concerns.

Sincerely,

Ruel A. Rogers, Jr.  
Superintendent

RAR/vv

Enclosures (13 sets)

cc: B. Bozzo, ACC w/encl.  
M. McElrath, FMI w/encl.  
B. Keene, ACC w/encl.  
File PPFA 2011

**RECEIVED**  
2011 JUN 27 A 10: 01  
AZ CORP COMMISSION  
DOCKET CONTROL

THE MORENCI WATER & ELECTRIC COMPANY  
PURCHASED POWER AND FUEL ADJUSTOR  
BANK BALANCE REPORT FA-1  
For the Month of May, 2011

Line			
1.	ENDING BANK BALANCE FROM PREVIOUS MONTH: (Over = Neg, Under = Pos)	\$	<u>(372,076)</u>
2A.	JURISDICTIONAL SALES(Applicable to FUEL ADJ.); (= Total Sales - FA-3)	KWH	<u>1,988,631</u>
2B.	Total Sales(includes Special Contract Sales, shown for computation of unit cost only)	KWH	<u>121,336,474</u>
2C.	Special Contract Sales not subject to PPFA per Decision No. 66931 ( April 2004) and 69200 (December 2006)	KWH	<u>119,347,843</u>
3.	ACTUAL COST OF PURCHASED POWER:	\$	<u>4,842,906</u>
4.	UNIT COST OF PURCHASED POWER: (Line 3/Line 2B)	\$/KWH	<u>0.039913</u>
5.	AUTHORIZED BASE COST OF PUR. POWER: Per Decision No.54712 Dated 10/10/85	\$/KWH	<u>0.075220</u>
6.	AUTHORIZED PURCHASED POWER ADJUSTOR: Per Decision No. 10-0449 (November 2010)	\$/KWH	<u>(0.051000)</u>
7	TOTAL RATE COLLECTED FROM CUSTOMER: (Line 5 + Line 6+ Line 7)	\$/KWH	<u>0.02422</u>
8	INCREMENTAL DIFFERENCE BETWEEN AUTHORIZED AND ACTUAL RECOVERY: (Line 4 - Line 7)	\$/KWH	<u>0.015693</u>
9	NET CHANGE TO BANK BALANCE: (Line 2A x Line 8) If Line 4 > Line 7 - Under Collected Balance. If Line 4 < Line 7 - Over Collected Balance, neg.	\$	<u>31,208</u>
10	ADJUSTMENTS TO BANK BALANCE: From FA-1A	\$	<u>0</u>
11	PREAPPROVED DSM COSTS: From FA-1B	\$	<u>0</u>
12	ENDING BANK BALANCE: (Line 1 + Line 9 + Line 10 + Line 11)	\$	<u>(340,868)</u>

THE MORENCI WATER & ELECTRIC COMPANY  
PURCHASED POWER AND FUEL ADJUSTOR  
BANK BALANCE REPORT FA-1A  
ADJUSTMENTS TO BANK BALANCE DETAIL  
For the Month of May, 2011

PLEASE PROVIDE A DETAILED SUMMARY OF THE ADJUSTMENTS THAT THE COMPANY IS CLAIMING THAT AFFECT THE ENDING BALANCE OF THE PURCHASED POWER AND FUEL ADJUSTOR REPORT. EXAMPLES OF ADJUSTMENTS COULD INCLUDE PRIOR PERIOD ADJUSTMENTS FOR BILLING ERRORS OR CORRECTIONS, REFUNDS RECEIVED FROM YOUR SUPPLIER, REFUNDS ORDERED BY THE COMMISSION ETC. ALL ADJUSTMENTS NEED TO BE THOROUGHLY EXPLAINED AND SUPPORTING DOCUMENTATION ATTACHED, IF APPROPRIATE. THE TOTAL OF ALL THE ADJUSTMENTS BEING CLAIMED SHOULD BE ENTERED AT THE BOTTOM OF THIS FORM AND ON FA-1, LINE 10.

ADJUSTMENTS TO BANK BALANCE:  
(Transfer amount to FA-1, Line 10.)

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\$0.00

**THE MORENCI WATER & ELECTRIC COMPANY**  
**PURCHASED POWER AND FUEL ADJUSTOR**  
**BANK BALANCE REPORT FA-1B**  
**PREAPPROVED DSM COST DETAIL**  
 For the Month of May, 2011

PLEASE PROVIDE A DETAIL LISTING OF THE DSM COSTS CLAIMED ON FA-1, LINE 11. DSM COSTS SHOULD BE LISTED BY PROGRAM, AMOUNT AND PERIOD OF TIME WHEN THE FUNDS WERE ACTUALLY SPENT. THE TOTAL DOLLARS SPENT THIS MONTH ON ALL PROGRAMS SHOULD BE ENTERED ON THE LINE PROVIDED AT THE BOTTOM OF THIS PAGE AND ON FA-1, LINE 11.

PROGRAM NAME	APPLICABLE TIME PERIOD	CUMULATIVE COSTS CLAIMED TO DATE	COSTS CLAIMED THIS MONTH
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NONE

TOTAL DSM COSTS CLAIMED THIS MONTH  
 (Transfer amount to FA-1, Line 11.)

\$0.00

**THE MORENCI WATER & ELECTRIC COMPANY**  
**PURCHASED POWER AND FUEL ADJUSTOR**  
**BANK BALANCE REPORT FA-1C**  
**For the Month of May, 2011**

Supplemental report for Decision No. 61298 dated December 1998

Line			
1.	ENDING BANK BALANCE FROM PREVIOUS MONTH: (Over = Neg, Under = Pos)	\$	<u>0</u>
2.	JURISDICTIONAL SALES(Applicable to FUEL ADJ.): (= Total Sales - FA-3)	KWH	<u>0</u>
3.	AUTHORIZED PURCHASED POWER ADJUSTOR: Per Decision No.61298 Dated 12/98	\$/KWH	<u>0.000000</u>
4.	NET CHANGE TO BANK BALANCE: (Line 2 x Line 3)	\$	<u>0</u>
5.	ENDING BANK BALANCE: (Line 1 + Line 5)	\$	<u>0</u>

**THE MORENCI WATER & ELECTRIC COMPANY**  
**PURCHASED POWER AND FUEL ADJUSTOR**  
**GENERAL INFORMATION FA-2**  
**For the Month of May, 2011**

Line

1. COMPANY NAME: THE MORENCI WATER & ELECTRIC COMPANY
2. MAILING ADDRESS: P.O. BOX 68 - MORENCI, AZ. 85540
3. CONTACT PERSON: RUEL A. ROGERS, JR.
4. CONTACT TELEPHONE NUMBER: (928) 865-6971

GENERATION

5.	GAS GENERATION	(\$)	_____
6.	OIL GENERATION	(\$)	_____
7.	COAL GENERATION	(\$)	_____
8.	OTHER GENERATION (Identify)	(\$)	_____
	TOTAL GENERATION COSTS	(\$)	A. <u>0</u>

PURCHASED POWER

9.	BASE METER CHARGE	(\$)	_____
10.	DEMAND CHARGE	(\$)	_____
11.	ENERGY CHARGE	(\$)	_____
	TOTAL PURCHASED POWER COSTS (Including Special Contract Per Decision No. 60807)	(\$)	B. <u>4,842,906.34</u>
12.	TOTAL COST OF GENERATION AND PURCHASED POWER (Total of Lines 8A and 11B)	(\$)	<u>\$4,842,906.34</u>

13.	KWH	(KWH)	
	Generated		0
	Purchased Special Contract (Per Decision No 60807)		<u>119,347.843</u>
	Purchased		<u>2,312,571</u>
	TOTAL KWH GENERATED/PURCHASED		<u>121,660,414</u>

14.	COST PER KWH	(\$/KWH)	_____
	(Line 12/Line 13)		<u>0.039807</u>

15.	UNACCOUNTED FOR KWH'S		
	Line Loss	(KWH)	<u>271,845</u>
	Own Use	(KWH)	<u>52,095</u>

**THE MORENCI WATER & ELECTRIC COMPANY**  
**PURCHASED POWER AND FUEL ADJUSTOR**  
**GENERAL INFORMATION FA-3**  
**For the Month of May, 2011**

Line			
1.	<u>SALES (KWH)</u>		
	Residential	959,623	
	Commercial - (small)		
	Commercial - (small)		
	Industrial	1,029,008	
	Irrigation		
	Municipal		
	Wholesale		
	Special Contract Sales per Decision No. 69331( Apr 2004) and 69200 (Dec 2006)	119,347,843	
	TOTAL SALES (KWH)		121,336,474
	(Total KWH Sales SHOULD Agree with number on FA-1, Line #2.)		
2.	<u>SALES (\$)</u>		
	Residential	\$108,583.79	
	Commercial - (small)		
	Commercial - (small)		
	Industrial	\$105,934.82	
	Irrigation		
	Municipal		
	Wholesale		
	Other Sales (Special Contract Sales per Decision No. 60807 Dated April 8, 1998)	\$5,000,458.53	
	TOTAL SALES (\$)		\$5,214,977.14
3.	<u>NUMBER OF CUSTOMERS **</u>		
	Residential	2,033	
	Commercial - (small)		
	Commercial - (small)		
	Industrial	271	
	Irrigation		
	Municipal		
	Wholesale		
	Other Sales (Special Contract Sales per Decision No. 60807 Dated April 8, 1998)	1	
	TOTAL CUSTOMERS		2,305

\*\*Use 'Avg' number of customers; Beg # + End # divided by 2.

**THE MORENCI WATER & ELECTRIC COMPANY**  
**Miscellaneous Power Purchase Data**  
**Excludes Special Contract Sales**  
**For the Month of May, 2011**

	<u>K.W.H.</u>	<u>Percent</u>	<u>K.W.</u>
Total Sales	121,336,474	99.73%	
Total Own Usage	52,095	0.04%	
Total System Losses	<u>271,845</u>	0.22%	
Total Purchased Energy	121,660,414		
System Losses-Rolling annual average		<u>0.15%</u>	
MWE Billed Peak			N/A
MWE Load Factor as Billed		N/A	
*MWE/PDC Coincidental Peak Demand			N/A
*MWE/PDC Coincidental Load Factor		N/A	
*Per Prem Bahl's Calculations 6/17/91			
MWE Actual Peak Per 3 MWE Totalizers			N/A
MWE Actual Load Factor Per 3 MWE Totalizers		N/A	



**The Energy People**

P.O. Box 711 M/S DS204  
 Tucson, Arizona 85702  
 Phone: 520-917-8773  
 Fax: 520-917-8789

**INVOICE**

**Morenci Water & Electric**  
 Attn: Ruel Rogers  
 P.O. Box 68  
 Morenci, AZ 85540

Invoice Date: **June 2, 2011**  
 Customer No: **TEP 0311 MWE 904**

Description	Charges	Credits	Amount
Charges in accordance with Service Schedules "A", "B", "C", "D", "E" and "F" of the Control Area Services Agreement dated August 18, 2004.			
<b>Month of: May 2011</b>			
Control Area Services:			
Administrative 214,190 kW @ 0.0128 /kW	2,741.63		2,741.63
Reactive Supply & Voltage Control 214,190 kW @ 0.1610 /kW	34,484.54		34,484.54
Regulation & Frequency Response 2,542 kW @ 12.0850 /kW	30,720.07		30,720.07
Energy Imbalance - Outside Bandwidth:			
Negative Imbalance 65.35 MWh @ 100.00 /MWh	6,535.48		6,535.48
Positive Imbalance (73,914) MWh @ 33.78900 /MWh		2,497.48	(2,497.48)
Spinning Reserve 1,000 kW @ 12.0850 /kW	12,085.00		12,085.00
Interruptible Load/Non-Spin 0 kW @ 1.9840 /kW	-		-
Energy Imbalance - Inside Bandwidth - Payment-in-Kind:			
Negative Imbalance 1,430 MWh			
Positive Imbalance (1,462) MWh			
Net (32) MWh			

e-mail to:  
 roxanne\_boling@fmi.com

copy to:

**Freeport McMoran Copper & Gold, Inc.**  
 Attn: Mike Hughes  
 One North Central Avenue  
 Phoenix, Arizona 85004

Payments are due the 15th day after invoice receipt

Amount Due TEP \$ **84,069.24**

Please Wire Transfer Payments to:

Due Date: **June 17, 2011**

Tucson Electric Power Company – Corporate  
**Wells Fargo Bank**  
 ABA 121-000-248  
 Account Number 495-0029116

Payments not received on or before the  
 Due Date are subject to a late charge.

Checked By: \_\_\_\_\_

Approved By: \_\_\_\_\_

Questions? Call Shawna Hilman at (520) 917-8716 or  
 e-mail SHilman@tep.com



**The Energy People**

P.O. Box 711  
 Tucson, Arizona 85702  
 520-745-7170  
 fax 520-770-2003

**INVOICE**

**Morenci Water & Electric Company**  
 Attn: Ms. Roxanne Boling  
 P.O. Box 68  
 Morenci, AZ 85540

Invoice Date: **June 1, 2011**  
**TEP 0311 904**

Description	Charges	Credits	Amount
Energy purchased by: <b>MWE</b> May 2011			
Energy Charge:                   0     MWh @   \$0.00    /MWh	\$ -		<b>\$0.00</b>
<b>Transmission Services</b>			
Transmission                   100     MW @   \$2,259.25   MW-Mon	\$225,925.00		\$225,925.00
Ancillary Services:			
Scheduling, System Control, and Dispatch Service           \$161.00   MW-Mon	\$16,100.00		\$16,100.00
Reactive Supply and Voltage Control                           \$41.00   MW-Mon	\$4,100.00		\$4,100.00
Non-Spin capacity               0     MWh @   0.00     /MWh		\$0.00	<b>\$0.00</b>

Payments are due the later of the last day of the invoice month or the tenth day after receipt.

**Amount Due TEP**   \$   **246,125.00**

Please Wire Transfer Payments to:

**Due Date:**                           **June 30, 2011**

Tucson Electric Power Company – Corporate  
**Wells Fargo Bank**  
 ABA 121-000-248  
 Account Number 495-0029116

Payments not received on or before the Due Date are subject to a late charge.

Approved By: \_\_\_\_\_

Checked By: \_\_\_\_\_

Questions? Call Bob Nowak at (520) 917-8776 or e-mail [mnowak@tep.com](mailto:mnowak@tep.com)





**FREPORT-McMoRAN  
COPPER & GOLD**

Freeport-McMoRan Copper & Gold Energy Services, LLC  
 333 North Central Avenue, Phoenix AZ 85004  
 (602) 366-8100 Voice  
 (602) 366-7314 Facsimile

**INVOICE**

Invoice Date: June 1, 2011

Morenci Water & Electric  
 P.O. Box 68  
 66 Fairbanks Road  
 Morenci, Az. 85540

Description	Charges	Credits	Amount
Energy Purchased by MW&E pursuant to : PDES's FERC Electric Tariff, First Revised Volume No. 1, Second Revised Sheet Nos.1-3			
Capacity MW	125	\$ 1,000,000.00	\$ 1,000,000.00
Energy MWh	58,682	\$ 1,856,512.64	\$ 1,856,512.64
var O&M	58,682	\$ 196,584.70	\$ 196,584.70
Current Charges			<b>\$ 3,053,097.34</b>

Due Date: June 15, 2011

Wire Transfer:

Bank of America  
 Dallas, Texas  
 ABA # 026009593  
 Account # 3752029501  
 Freeport-McMoRan Copper & Gold Energy Services