

ORIGINAL  
The Morenci Water & Electric Company

401 Burro Alley

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Morenci, Arizona 85540

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Arizona Corporation Commission

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September 7, 2011

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

Re: *Semi-Annual Report of the Morenci Water & Electric Company*  
*Pursuant to A.A.C. R14-2-1618.D Docket E-01049A-01-0271 Decision #63635*  
*Period: January 1, 2011 through June 30, 2011*

Dear Mr. Bozzo:

The Morenci Water & Electric Company (MW&E) submits the following semi-annual report pursuant to A.C.C. R14-2-1618D, Docket E-01049A-01-0271, Decision #63635 for period January 1, 2011 through June 30, 2011. MW&E sold 832,530,217 kWhs to retail customers and collected \$26,639.58 from residential, commercial and industrial customers from the Renewable Energy Standard Surcharge.

MW&E spent \$75,000 from the Renewable Energy Standard Surcharge account for the installation of a Photovoltaic Grid-Tie Power System.

MW&E does not generate any power; rather it purchases 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.

Although, 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/vv

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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