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ORIGINAL

RECEIVED

1 FENNEMORE CRAIG, P.C.  
 2 A Professional Corporation  
 3 C. Webb Crockett (No. 001361)  
 4 Patrick J. Black (No. 017141)  
 5 3003 North Central Avenue, Suite 2600  
 6 Phoenix, Arizona 85012  
 7 Telephone (602) 916-5000  
 8 Email: [wcrocket@fclaw.com](mailto:wcrocket@fclaw.com)  
 9 Email: [pblack@fclaw.com](mailto:pblack@fclaw.com)

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Arizona Corporation Commission  
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APR 23 2012

10 Attorneys for Freeport-McMoRan Copper & Gold Inc.  
 11 and Arizonans for Electric Choice and Competition

DOCKETED BY

**BEFORE THE ARIZONA CORPORATION COMMISSION**

12 IN THE MATTER OF THE  
 13 APPLICATION OF TUCSON ELECTRIC  
 14 POWER COMPANY TO RESET THE  
 15 PPFAC RATE FOR APRIL 2012 THROUGH  
 16 MARCH 2013

DOCKET NOS. E-01933A-05-0650  
 E-01933A-07-0402

**APPLICATION FOR REHEARING**

17 Pursuant to A.R.S. § 40-253, Freeport-McMoRan Copper & Gold, Inc. (“Freeport-  
 18 McMoRan”) and Arizonans for Electric Choice and Competition (“AECC”) hereby apply  
 19 to the Arizona Corporation Commission (the “Commission”) for a rehearing of Decision  
 20 No. 73086 (April 4, 2012) (“Decision”).

**INTRODUCTION**

21 A. Commission Decision No. 70628 (December 1, 2008) approved the creation  
 22 of the Purchase Power and Fuel Adjustment Clause (“PPFAC”) through which Tucson  
 23 Electric Power Company (“TEP”) is to recover its purchase power and fuel expenses.

24 B. The PPFAC consists of a Forward Component and a True-up Component.

25 1. The Forward Component consists of the forecasted fuel and purchase  
 26 power costs for the year commencing on April 1 and ending on March 31 of the  
 ensuing year, less the average Base Cost of Fuel and Purchase Power reflected in  
 base rates.



1 the newly-approved PPFAC rate (and the accompanying rate impact) by over 40%.

2 6. By taking this approach, the Commission would reasonably balance the  
3 interests of TEP and customers, by mitigating the rate spike on customers associated with  
4 recovery of the PPFAC, while ensuring TEP full recovery of the approved True-up  
5 Component, but simply over a longer period, and thereby provide a just and reasonable  
6 result.

7 **CONCLUSION**

8 Freeport-McMoRan and AECC requests the Commission grant this Application for  
9 Rehearing in order to make the above referenced adjustments.

10 RESPECTFULLY SUBMITTED this 23<sup>rd</sup> day of April, 2012.

11 FENNEMORE CRAIG, P.C.

12  
13 By: 

14 C. Webb Crockett  
15 Patrick J. Black  
16 Attorneys for Freeport-McMoRan Copper  
17 & Gold Inc. and Arizonans for Electric  
18 Choice and Competition

19 **ORIGINAL** and 13 copies filed  
20 this 23<sup>rd</sup> day of April, 2012 with:

21 Docket Control  
22 Arizona Corporation Commission  
23 1200 West Washington Street  
24 Phoenix, Arizona 85007

25 **COPY** of the foregoing hand-delivered/mailed  
26 this 23<sup>rd</sup> day of April, 2012 to:

27 Gary Pierce, Chairman  
28 Arizona Corporation Commission  
29 1200 West Washington Street  
30 Phoenix, AZ 85007-2927

- 1 Paul Newman, Commissioner  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007-2927
- 2
- 3
- 4 Sandra D. Kennedy, Commissioner  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007-2927
- 5
- 6
- 7 Bob Stump, Commissioner  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007-2927
- 8
- 9
- 10 Brenda Burns, Commissioner  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007-2927
- 11
- 12 Janice M. Alward, Chief Counsel  
Janet Wagner, Esq.  
Robin Mitchell, Esq.  
Legal Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007
- 13
- 14
- 15
- 16 Steve Olea, Director  
Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007
- 17
- 18
- 19
- 20 Jane Rodda  
Administrative Law Judge  
Hearing Division  
Arizona Corporation Commission  
400 W. Congress  
Tucson, Arizona 85701
- 21
- 22
- 23
- 24 Phillip J. Dion  
Tucson Electric Power Company  
One South Church Avenue, Suite 200  
Tucson, Arizona 85701
- 25
- 26 ...

- 1 Michael W. Patten  
One Arizona Center  
2 400 East Van Buren Street, Suite 800  
Phoenix, Arizona 85004
- 3
- 4 Daniel Pozefsky  
RUCO  
5 1110 West Washington, Suite 220  
Phoenix, Arizona 85007
- 6
- 7 Michael Grant  
Gallagher & Kennedy, PA  
2575 E. Camelback Road  
8 Phoenix, Arizona 85016
- 9
- 10 Gary Yaquinto  
AUIA  
2100 N. Central Avenue, Suite 210  
Phoenix, Arizona 85004
- 11
- 12 Peter Q. Nyce, Jr.  
General Attorney, Regulatory Law Office  
13 Office of the Judge Advocate General  
Department of the Army  
14 901 N. Stuart Street, Room 713  
Arlington, Virginia 22203-1644
- 15
- 16 Dan Neidlinger  
Neidlinger & Assoc.  
3020 N. 17<sup>th</sup> Drive  
17 Phoenix, Arizona 85015
- 18
- 19 Daniel D. Haws  
OSIA, Attn: ATZS-JAD  
USA Intelligence Center and Ft. Huachuca  
20 Fr. Huachuca, Arizona 85613-6000
- 21
- 22 Nicholas J. Enoch  
Lubin & Enoch, PC  
349 N. Fourth Avenue  
Phoenix, Arizona 85003
- 23
- 24 Timothy M. Hogan  
AZ Center for Law in the Public Interest  
202 E. McDowell Road, Suite 153  
25 Phoenix, Arizona 85004
- 26

- 1 David Berry  
Western Resource Advocates
- 2 PO Box 1064  
Scottsdale, Arizona 85258-1064
- 3
- 4 Eric Guidry  
Energy Program Staff Attorney  
Western Resource Advocates
- 5 2260 Baseline Road, Suite 200  
Boulder, Colorado 80302
- 6
- 7 Jeff Schlegel  
SWEEP
- 8 1167 W. Samalayuca Drive  
Tucson, Arizona 85704
- 9
- 10 Thomas L. Mumaw  
Arizona Public Service Company  
PO Box 53999/MS 8695
- 11 Phoenix, Arizona 85072-3999
- 12
- 13 Michael L. Kurtz  
Kurt J. Boehm  
Boehm, Kurtz & Lowry
- 14 36 E. Seventh Street, Suite 1510  
Cincinnati, Ohio 45202
- 15
- 16 William P. Sullivan  
Curtis, Goodwin, Sullivan,  
Udall & Schwab, PLC
- 17 501 E. Thomas Road  
Phoenix, Arizona 85012
- 18
- 19 John E. O'Hare  
3865 N. Tucson Boulevard  
Tucson, Arizona 85716
- 20
- 21 Cynthia Zwick  
1940 E. Luke Avenue  
Phoenix, Arizona 85016
- 22
- 23 Robert Metli  
Snell & Wilmer, LLP  
One Arizona Center
- 24 400 E. Van Buren  
Phoenix, Arizona 85004
- 25
- 26

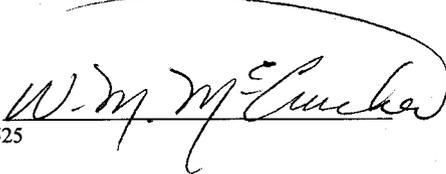
1 Lawrence Robertson  
PO Box 1448  
2 Tubac, Arizona 85646

3 Greg Patterson  
4 916 W. Adams, Suite 3  
Phoenix, Arizona 85018

5 S. David Childers  
6 Low & Childers, PC  
2999 N. 44<sup>th</sup> Street, Suite 250  
7 Phoenix, Arizona 85018

8 Law Offices of Christopher Hitchcock  
PO Box AT  
9 Bisbee, Arizona 85603-0115

10 Billy L. Burtnett  
11 3351 N. Riverbend Circle East  
Tucson, Arizona 85750-2509

12  
13 By:   
14 6942525

15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
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