

ORIGINAL



BEFORE THE ARIZONA CORPORATION

DOCKET CONTROL

2013 JUL 5 PM 1 27

COMMISSIONERS

BOB STUMP, Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

IN THE MATTER OF THE APPLICATION OF) DOCKET NO. G-02527A-05-0670
GRAHAM COUNTY UTILITIES, INC.)
FOR APPROVAL OF PURCHASED GAS)
ADJUSTOR SURCHARGE) **PLAN TO ACQUIRE FIXED**
) **PRICE GAS SUPPLIES**

Graham County Utilities, Inc. Gas Division ("GCU") hereby submits to the Arizona Corporation Commission (the "Commission") its plan to acquire fixed price natural gas supplies in compliance with Decision No. 68298.

RESPECTFULLY SUBMITTED this 5th day of July 2013.

By Than W. Ashby
Than W. Ashby
Office Manager
Graham County Electric Cooperative, Inc.
9 W. Center St.
PO Drawer B
Pima, Arizona 85543

Original and thirteen (13) copies of Graham County Utilities' Plan filed this 5th day of July, 2013 with:

DOCKET CONTROL
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission
DOCKETED
JUL 05 2013

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2013-2014 Plan to acquire fixed price gas supplies (Decision No. 68298)

I. THE GCU PLAN:

Decision No. 68298 requires GCU by June 30th of each year to file a plan indicating any fixed price supplies that it has acquired for the following winter season and how GCU plans to hedge its natural gas supplies prior to the following winter heating season. GCU has been actively preparing this plan and seeking bids for natural gas at a fixed price during the 2013-2014 winter heating season.

To meet its demand for the 2012-2013 heating season, GCU entered into the following fixed price contracts:

- 50% of its estimated purchases at \$4.55 per decatherm that will expire on July 31, 2013.

To meet its demand for the 2013-2014 heating season, GCU has currently entered into a fixed price contract that becomes effective on August 1, 2013 for:

- 50% of its estimated purchases at \$4.32 per decatherm that will expire on July 31, 2014.

GCU has also contracted for the 2014-2016 heating season with an attractive fixed price contract that becomes effective on August 1, 2014 for:

- 50% of its estimated purchases at \$4.35 per decatherm that will expire on May 31, 2016.

GCU's natural gas purchasing philosophy is to have about 50% fixed priced contracts and 50% index priced for its purchased gas before the winter months. GCU will continue to closely monitor the natural gas prices and possibly lock in additional fixed contracts to meet its goal of contracting for 50% or more of its purchased gas for the 2013-2014 winter heating season.