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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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

AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF) DOCKET NO. G-02527A-12-0321
 GRAHAM COUNTY UTILITIES GAS DIVISION)
 INC. FOR A RATE INCREASE)

G-02527A-13-0023

Graham County Utilities, Inc. ("GCU") hereby files a new schedule of rates and charges
 and Rules and Regulations in compliance with the Commission's Decision in the above docket.

RESPECTFULLY SUBMITTED this 31st day of July, 2013.

By Kirk Gray

Kirk Gray
 Graham County Electric Cooperative, Inc. and Graham
 County Utilities, Inc.

Original and thirteen (13) copies filed
 this 31st day of July, 2013, with:

Docket Control
 Arizona Corporation Commission
 1200 W. Washington
 Phoenix, AZ 85007

Arizona Corporation Commission
DOCKETED
 JUL 31 2013

DOCKETED BY NR

**GRAHAM COUNTY UTILITIES, INC.
STATEMENT OF GAS RATES*
EFFECTIVE AUGUST 1, 2013
DOCKET NO. G-02527A-12-0321**

<u>Description</u>	<u>Distribution Rate</u>
Rate Schedule GA – Residential Gas Service	
Monthly Service Availability Charge	\$15.00
Delivery Charge – Per Therm for all gas	\$0.37800
Rate Schedule GB – Commercial Gas Service	
Monthly Service Availability Charge	\$28.00
Delivery Charge – Per Therm for all gas	\$0.36000
Rate Schedule GI – Irrigation Gas Service	
Monthly Service Availability Charge	\$24.00
Delivery Charge – Per Therm for all gas	\$0.18000

* The above rates do not reflect the Purchased Gas Adjustor (PGA) that is subject to adjustment as described in Schedule PGA – Purchased Gas Adjustor. All Charges are subject to adjustment for any applicable taxes or regulatory assessments.

GRAHAM COUNTY UTILITIES, INC.

RATE SCHEDULE GA - RESIDENTIAL GAS SERVICE

I. Availability

Available to all residential customers within the utility's certificated service area where facilities of adequate capacity and pressure are adjacent to the point of delivery.

II. Applicability

Applicable to all gas service supplied through one point of delivery and measured through one meter. Not applicable to temporary, standby, supplementary or resale service.

III. Distribution Rates

The monthly service availability charge and per therm gas delivery charge are set forth in the currently effective Statement of Rates of this Tariff and are incorporated herein by reference.

IV. Purchased Gas Adjustor

The rates specified for this schedule are subject to increases or decreases in the cost of gas purchased in accordance with those provisions set forth in the "Rate Schedule PGA – Purchased Gas Adjustor."

V. Tax Adjustments and Regulatory Assessments

Total monthly sales for gas service are subject to adjustment for all federal, state and local governmental taxes or levies on such sales and any assessments that are or may be imposed by federal or state regulatory agencies on gas utility gross revenues.

VI. Conditions of Service

The terms and conditions for the provision of service to the customer under this rate schedule are subject to the Rules and Regulations of the utility, as approved and modified from time to time by the ACC.

VII. Effective Date

This rate schedule is effective for all billings on or after August 1, 2013 as authorized by the ACC.

GRAHAM COUNTY UTILITIES, INC.

RATE SCHEDULE GB – COMMERCIAL GAS SERVICE

I. Availability

Available to all commercial customers within the utility's certificated service area where facilities of adequate capacity and pressure are adjacent to the point of delivery.

II. Applicability

Applicable to all gas service supplied through one point of delivery and measured through one meter. Not applicable to temporary, standby, supplementary or resale service.

III. Distribution Rates

The monthly service availability charge and per therm gas delivery charge are set forth in the currently effective Statement of Rates of this Tariff and are incorporated herein by reference.

IV. Purchased Gas Adjustor

The rates specified for this schedule are subject to increases or decreases in the cost of gas purchased in accordance with those provisions set forth in the "Rate Schedule PGA – Purchased Gas Adjustor."

V. Tax Adjustments and Regulatory Assessments

Total monthly sales for gas service are subject to adjustment for all federal, state and local governmental taxes or levies on such sales and any assessments that are or may be imposed by federal or state regulatory agencies on gas utility gross revenues.

VI. Conditions of Service

The terms and conditions for the provision of service to the customer under this rate schedule are subject to the Rules and Regulations of the utility, as approved and modified from time to time by the ACC.

VII. Effective Date

This rate schedule is effective for all billings on or after August 1, 2013 as authorized by the ACC.

GRAHAM COUNTY UTILITIES, INC.

RATE SCHEDULE GI – IRRIGATION GAS SERVICE

I. Availability

Available to all irrigation customers within the utility's certificated service area where facilities of adequate capacity and pressure are adjacent to the point of delivery.

II. Applicability

Applicable to all gas service supplied through one point of delivery and measured through one meter. Not applicable to temporary, standby, supplementary or resale service.

III. Distribution Rates

The monthly service availability charge and per therm gas delivery charge are set forth in the currently effective Statement of Rates of this Tariff and are incorporated herein by reference.

IV. Purchased Gas Adjustor

The rates specified for this schedule are subject to increases or decreases in the cost of gas purchased in accordance with those provisions set forth in the "Rate Schedule PGA – Purchased Gas Adjustor."

V. Tax Adjustments and Regulatory Assessments

Total monthly sales for gas service are subject to adjustment for all federal, state and local governmental taxes or levies on such sales and any assessments that are or may be imposed by federal or state regulatory agencies on gas utility gross revenues.

VI. Conditions of Service

The terms and conditions for the provision of service to the customer under this rate schedule are subject to the Rules and Regulations of the utility, as approved and modified from time to time by the ACC.

VII. Effective Date

This rate schedule is effective for all billings on or after August 1, 2013 as authorized by the ACC.

GRAHAM COUNTY UTILITES, INC. - GAS DIVISION

RATE SCHEDULE PGA – PURCHASED GAS ADJUSTOR

I. Applicability

Applicable to all therm sales of gas provided to all customers within the Utility's certificated service area.

II. Gas Adjustment Procedure

The Purchased Gas Adjustor ("PGA") rate will be increased or decreased on a monthly basis to compensate for the difference between the actual cost of natural gas and the amount the Utility recovers for its cost of natural gas. The PGA rate is based on a rolling twelve month average cost, limited by a \$0.15 per therm annual bandwidth. The PGA rate cannot vary by more than \$0.15 per therm from any rate in place during the previous twelve months as authorized by the ACC in Decision No. 71690 dated May 3, 2010.

III. PGA Bank Balance

The Utility shall establish and maintain a PGA Bank Balance (PGABB). Entries shall be made to this account each month, if appropriate, as follows:

1. A debit or credit entry equal to the difference between (a) the actual purchased gas cost for the month and (b) the amount determined by multiplying the Purchased Gas Adjustor Rate as set forth on the Statement of Charges in this Tariff by the therms billed during the month under the applicable rate schedules of this Tariff.
2. A debit or credit entry for refunds or payments authorized by the ACC.
3. A debit or credit entry for interest to be applied to over- and under-collected bank balances based on the Three Month Financial Commercial Paper Rate as published by the Federal Reserve as authorized by the ACC in Decision No. 68600 dated March 23, 2006.

IV. Monthly Informational Filings

Each month the Utility shall make a cost of gas informational filing with Commission Staff to include any and all information required by Decision No. 61225 dated October 30, 1998.

GRAHAM COUNTY UTILITES, INC. - GAS DIVISION

RATE SCHEDULE PGA – PURCHASED GAS ADJUSTOR

(Continued)

V. Additional Requirements

A special review is required if the PGABB reaches an over- or under-collection in the amount of \$250,000 for three consecutive months as authorized by the ACC in Decision No. 71690 dated May 3, 2010. The Utility must file an application for a PGABB surcharge adjustment upon completing the Monthly Informational Filing that illustrates the threshold has been exceeded or file a notice in the docket explaining why an adjustment is not necessary at this time. The ACC, upon review, may authorize the balance to be amortized through a predetermined surcharge rate included as part of the PGA for a specified period.

VI. Effective Date

This rate schedule is effective for all billings on or after August 1, 2013 as authorized by the ACC.

GAS LINE EXTENSION TARIFF

Effective Date: August 1, 2013

Service Lines

A. Customer provided facilities

1. An applicant for services shall be responsible for the safety and maintenance of all customer piping from the point of delivery.
2. Meters shall be installed in a location suitable to the utility where the meters will be safe from street traffic, readily and safely accessible for reading, testing and inspection, and where such activities will cause the least interference and inconvenience to the customer. The customer shall provide, without cost to the utility, at a suitable and easily accessible location, sufficient and proper space for the installation of meters.
3. Where the meter or service line location on the customer's premises is changed at the request of the customer or due to alterations on the customer's premises, the customer shall provide and have installed at his expense all customer piping necessary for relocating the meter and the utility may make a charge for moving the meter and/or service line.
4. An applicant shall be responsible for all labor and material (excluding overhead costs) of the new service line extension.

B. Company Provided Facilities

1. Graham County Utilities, Inc. (GCU) does not provide a free footage allowance. GCU's does not provide any equipment allowance.

Main Extensions

A. General requirements

1. Upon request by an applicant for a main extension, the utility shall prepare, without charge, a preliminary sketch and rough estimates of the cost of installation to be paid by said applicant.
2. Any applicant for a main extension requesting the utility to prepare detailed plans, specifications, or cost estimates may be required to deposit with the utility an amount equal to the estimated cost of preparation. The utility shall upon request, make available within 90 days after receipt of the deposit referred to above, such plans, specifications, or cost estimates of the proposed main extension. Where the

- a) Each subsequent hookup on the line extension after the first customer shall pay a percentage of the original cost as determined by the distance from the main to the service location. This amount shall then be refunded equally between the prior customers provided it has not been five years since the time of payment as outlined in rule C-4.
 - h. The utility's estimated start date and completion date for construction of the main extension.
 2. Each applicant shall be provided with a copy of the written main extension agreement.
- C. Main extension requirements. Each main line extension shall include the following provisions:
1. GCU does not provide a free footage allowance. The applicant shall be responsible for all material and labor (excluding overhead costs) of the main line extension.
 2. The timing and methodology by which the utility will refund any advances in aid of construction as additional customers are served off the main extension. The customer may request an annual survey to determine if additional customers have been connected to and are using service from the extension. In no case shall the amount of the refund exceed the amount originally advanced.
 3. All advances in aid of construction shall be noninterest bearing.
 4. If after five years from the utility's receipt of the advance, the advance has not been totally refunded, the advance shall be considered a contribution in aid of construction and shall no longer be refundable.
- D. Extensions for residential subdivision developments and mobile home parks
1. Extensions to the Perimeter of Duly Recorded Real Estate Subdivisions and Mobile Home Parks.
 - a) Gas main extensions will generally be made when mutually agreed upon by the Company and the applicant in areas where the Company does maintain existing facilities for its operating convenience.
 - b) The Applicant shall provide at his expense the trenching, backfilling (including any imported backfill required), compaction, repaving and earth-work in preparation for installation of facilities. At its option, the Company may elect, at the applicants expense, to perform the necessary activities to fulfill the applicants responsibility hereunder provided the expense to the applicant is equal or less than that which would otherwise be borne.

6. For the purposes of this rule, service establishments are where the customer's facilities are ready and acceptable to the utility and the utility needs only to install or read a meter or turn the service on.

B. Service lines

(Subject to availability of adequate capacity and suitable pressure at the point of beginning of measurement of the extension the Company will extend its distribution facilities as provided hereafter in this section.)

1. Customer provided facilities

- a. An applicant for services shall be responsible for the safety and maintenance of all customer piping from the point of delivery.
- b. Meters shall be installed in a location suitable to the utility where the meters will be safe from street traffic, readily and safely accessible for reading, testing and inspection, and where such activities will cause the least interference and inconvenience to the customer. The customer shall provide, without cost to the utility, at a suitable and easily accessible location, sufficient and proper space for the installation of meters.
- c. Where the meter or service line location on the customer's premises is changed at the request of the customer or due to alterations on the customer's premises, the customer shall provide and have installed at his expense all customer piping necessary for relocating the meter and the utility may make a charge for moving the meter and/or service line.
- d. An applicant shall be responsible for all labor and material (excluding overhead costs) of the new service line extension as a non-refundable contribution in aid of construction.

2. Company provided facilities

- a. Graham County Utilities, Inc. (GCU) does not provide a free footage or equipment allowance.

3. Easements and rights-of-way

- a. Each customer shall grant adequate easement and right-of-way satisfactory to the utility to ensure proper service connection. Failure on the part of the customer to grant adequate easement and right-of-way shall be grounds for the utility to refuse service.
- b. When a utility discovers that a customer or his agent is performing work or has constructed facilities adjacent to or within an easement or right-of-way and such work, construction or facility poses a hazard or is in violation of federal, state or local laws, ordinances, statutes, rules or regulations, or significantly interferes with the utility's access to equipment, the utility shall notify the customer or his agent and shall take whatever actions are necessary to eliminate the hazard, obstruction or violation at the customer's expense.

PART VI. Main extensions

A. General requirements

(Subject to availability of adequate capacity and suitable pressure at the point of beginning of measurement of the extension the Company will extend its distribution facilities as provided hereafter in this section.)

1. Each utility shall file for Commission approval a main extension tariff which incorporates the provisions of this rule and specifically defines the conditions governing main extensions.
2. Upon request by an applicant for a main extension, the utility shall prepare, without charge, a preliminary sketch and rough estimates of the cost of installation to be paid by said applicant.
3. Any applicant for a main extension requesting the utility to prepare detailed plans, specifications, or cost estimates may be required to deposit with the utility an amount equal to the estimated cost of preparation. The utility shall upon request, make available within 90 days after receipt of the deposit referred to above, such plans, specifications, or cost estimates of the proposed main extension. Where the applicant authorizes the utility to proceed with construction of the extension, the deposit shall be credited to the cost of construction; otherwise the deposit shall be nonrefundable. If the extension is to include oversizing of facilities to be done at the utility's expense, appropriate details shall be set forth in the plans, specifications and cost estimate. Subdividers providing the utility with approved plans shall be provided with plans, specifications or cost estimates within 45 days after receipt of the deposit referred to above.
4. All main extension agreements requiring payment by the applicant shall be in writing and signed by each party.
5. The provisions of this rule apply only to those applicants who in the utility's judgment will be permanent customers of the utility. Applications for temporary service shall be governed by the Commission's rules concerning temporary service applications.

B. Minimum written agreement requirements

1. Each main extension agreement shall, at a minimum, include the following information:
 - a. Name and address of applicant(s)

- b. Proposed service address or location
 - c. Description of requested service
 - d. Description and sketch of the requested main extension
 - e. A cost estimate to include materials, labor, and other costs as necessary
 - f. Payment terms
 - g. A concise explanation of any refunding provisions, if applicable. The refunding provisions shall be as follows:
 - I. Where the number of potential services has been determined by final plats.
 - 1. Each subsequent hookup on the line extension after the first customer shall pay a percentage equal to the total cost estimate divided by the number of lots. This amount shall then be refunded to the first customer provided it has not been five years since the time of payment as outlined in rule C-5.
 - II. Where the number of potential services is not readily available and must be estimated by the Cooperative.
 - 1. Each subsequent hookup on the line extension after the first customer shall pay a percentage of the original cost as determined by the distance from the main to the service location. This amount shall then be refunded equally between the prior customers provided it has not been five years since the time of payment as outlined in rule C-5.
 - h. The utility's estimated start date and completion date for construction of the main extension
2. Each applicant shall be provided with a copy of the written main extension agreement.
- C. Main and Service line extension requirements.** Each main line extension shall include the following provisions:
- 1. GCU does not provide a free footage allowance. The applicant shall be responsible for all material and labor (excluding overhead costs) of the main line extension.
 - 2. Line extension measurement shall be along the route of construction required.
 - 3. The timing and methodology by which the utility will refund any aid to construction as additional customers are served off the main extension. The customer may request an annual survey to determine if additional customers have been connected to and are using service from the extension. In no case shall the amount of the refund exceed the amount originally paid.
 - 4. All aid to construction shall be non-interest bearing.
 - 5. All refunding provisions are null and void after five years from the date of payment of the contribution in aid of construction.
- D. Extensions For Residential Subdivision Developments and Mobile Home Parks**
- 1. Extensions to the Perimeter of Duly Recorded Real Estate Subdivisions and Mobile Home Parks.
 - a. Gas main extensions will generally be made when mutually agreed upon by the Company and the applicant in areas where the Company does maintain existing facilities for its operating convenience.
 - b. The Applicant shall provide at his expense the trenching, backfilling (including any imported backfill required), compaction, repaving and earth-work in preparation for installation of facilities. At its option, the Company may elect, at the applicants expense, to perform the necessary activities to fulfill the applicants responsibility hereunder provided the expense to the applicant is equal or less than that which would otherwise be borne.
 - 2. Extensions Within Duly Recorded Real Estate Subdivisions and Mobile Home Parks
 - a. Distribution facilities will be constructed by the Company within a duly recorded subdivision or mobile home park in advance of application for service by permanent customers after the Company and the Developer of said subdivision or mobile home park have entered into a written contract which provides for net construction costs to be paid as contributions in aid of construction. Net construction costs shall be all costs furnished by the Company to install such facilities and meters and regulators required including all material and labor (excluding overhead costs).
 - b. Rights-of-way and easements suitable to the Company must be furnished by the developer at no cost to the Company and in reasonable time to meet service requirements. No facilities shall be installed until the final grades have been established and furnished to the Company. In addition, the easement strips, alleys and streets must be graded to within six (6) inches of final grade by the developer before the Company will commence construction and must be maintained by the developer during construction.
 - 3. There is no free Main and Service Line Extension Footage for Residential Subdivision Developments and Mobile Home Parks.
 - 4. Residential Subdivision Developments and Mobile Home Parks shall be excluded from any refunding provisions except to the individual developer when additional customers have been connected to and are using service from the extension of the main line outside the development.