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Arizona Commission
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ARIZONA CORPORATION COMMISSION

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September 19, 2013

AZ CORP COMMISSION
DOCKET CONTROL

Re: In the matter of the Commission's rulemaking to modify A.A.C. R14-2-103 to update the utility classifications; Docket No. RU-00000A-13-0294

To Arizona Utilities and other Interested Stakeholders:

The Arizona Corporation Commission ("Commission") recently opened the above-referenced docket to consider modifying that portion of A.A.C. R14-2-103 ("Rule 103") that establishes operating revenue thresholds for Class A, B, C, D, and E utilities in Arizona. The revenue thresholds currently established in Rule 103, which were adopted by the Commission in 1992, are as follows:

		Annual Operating Revenue				
		Class A	B	C	D	E
Electric & Gas	Exceeding \$5,000,000	\$1,000,000 to \$5,000,000	\$250,000 to \$999,000	\$50,000 to \$249,999	Less than \$50,000	
Water & Sewer	Exceeding \$5,000,000	\$1,000,000 to \$5,000,000	\$250,000 to \$999,000	\$50,000 to \$249,999	Less than \$50,000	
Telephone	Exceeding \$1,000,000	\$250,000 to \$1,000,000	\$100,000 to \$249,000	\$25,000 to \$99,999	Less than \$25,000	

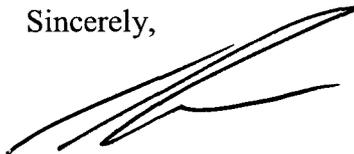
The Commission's Utilities Division ("Staff") is considering recommending a modification of the Rule 103 revenue thresholds to account for inflation, as follows:

		Annual Operating Revenue				
		Class A	B	C	D	E
Electric & Gas	Exceeding \$10,000,000	\$3,000,000 to \$10,000,000	\$1,000,000 to \$2,999,999	\$250,000 to \$999,999	Less than \$250,000	
Water & Sewer	Exceeding \$10,000,000	\$3,000,000 to \$10,000,000	\$1,000,000 to \$2,999,999	\$250,000 to \$999,999	Less than \$250,000	
Telephone	Exceeding \$10,000,000	\$3,000,000 to \$10,000,000	\$1,000,000 to \$2,999,999	\$250,000 to \$999,999	Less than \$250,000	

Staff invites Arizona utilities and other interested stakeholders to provide comments regarding whether the classification thresholds in Rule 103 should be modified and, if so, in what manner. Anyone wishing to provide input may do so by filing comments (an original and 13 copies) in Docket No. RU-00000A-13-0294 on or before October 18, 2013.

Please contact Consumer Services at (602) 542-4251 or 1 (800) 222-7000 with any questions about this letter. Thank you.

Sincerely,

A handwritten signature in black ink, consisting of several overlapping, sweeping lines that form the name 'Steven M. Olea'.

Steven M. Olea
Director
Utilities Division

SMO:JL:red\BH

cc: Docket