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ARIZONA CORPORATION COMMISSION

2014 FEB 24 P 3:49



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Arizona Corporation Commission

DOCKETED

FEB 24 2014

CORP COMMISSION
 February 24 2014
 SECRET CONTROL

ORIGINAL

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Re: In the matter of the Commission's rule-making to modify A.A.C R14-2-103 to update the utility classifications; Docket No. RU-0000A-13-0294; Electronic Letter for Email Blast

To Arizona Utilities and Interested Stakeholders:

The Arizona Corporation Commission ("Commission") opened the above-referenced rulemaking docket to consider modifying that portion of A.A.C. R14-2-103 ("Rule 103") which establishes operating revenue thresholds for Class A, B, C, D, and E utilities in Arizona. The revenue thresholds that are currently reflected 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

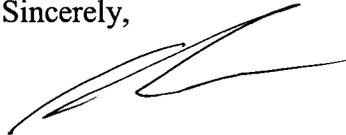
One possible modification to Rule 103 would be to increase the revenue thresholds to account for inflation. For example, Commission Staff ("Staff") may recommend the Commission update the Rule 103 revenue thresholds in the following way.

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 \$999,000	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 mailed a letter on September 19, 2013 to Arizona utilities inviting comments regarding what modifications to Rule 103, if any, Staff should recommend for adoption by the Commission. Staff desires input from interested stakeholders as well and is emailing a pdf version of this letter to stakeholders that receive notice of upcoming Commission open meetings. Parties wishing to provide comments and recommendations may do so by filing their comments (an original and 13 copies) in Docket No. RU-00000A-13-0294 on or before March 12, 2014.

Thank you for your attention to this matter. If you have any questions about this letter, or how you may participate in the rulemaking docket, you may contact Consumer Services at (602) 542-4251 or 1 (800) 222-7000.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven M. Olea". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Steven M. Olea
Director, Utilities Division

SMO:JL:red

cc: Docket