

ORIGINAL

NEW APPLICATION



BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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OCT 06 2014

COMMISSIONERS

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AZ CORP COMMISSION
DOCKET CONTROL

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- GARY PIERCE
- BRENDA BURNS
- BOB BURNS
- SUSAN BITTER SMITH

IN THE MATTER OF THE APPLICATION OF DUNCAN VALLEY ELECTRIC COOPERATIVE, INC. – ELECTRIC DIVISION FOR A DETERMINATION OF THE FAIR VALUE OF ITS PROPERTY FOR RATEMAKING PURPOSES, TO FIX A JUST AND REASONABLE RATE OF RETURN THEREON, TO APPROVE RATES DESIGNED TO DEVELOP SUCH RETURN, AND FOR RELATED APPROVALS.

DOCKET NO. E-01703A-14-0362

REQUEST FOR DOCKET NUMBER AND NOTICE OF FILING PROPOSED FORM OF CUSTOMER NOTICE

On September 5, 2014 Duncan Valley Electric Cooperative, Inc. ("DVEC" or the "Cooperative") delivered to The Arizona Corporation Commission ("Commission") Utilities Division Staff ("Staff") a Request for Pre-Filing Eligibility Review ("Request") pursuant to Arizona Administrative Code ("A.A.C.") R14-2-107(C)(2), as a Rule 107 Rate Case. The Request was submitted via email in electronic format (with formulae intact) per Staff's instruction with a paper copy placed in U.S. Mail the next business day. The Request contained a copy of DVEC's draft application for a rate increase pursuant to A.R.S. § 40-250 and A.A.C. R14-2-107 including, as attachments the information required in A.A.C. R14-2-107(C)(2).

On October 6, 2014, representatives of DVEC met Staff in accordance with A.A.C. R14-2-107(C)(3) to discuss the Cooperative's eligibility under A.A.C. R14-2-107(B) and Staff's comments regarding the Customer Notice previously submitted. DVEC has incorporated Staff's recommendations into the Customer Notice and as approved by Staff the Customer Notice is attached hereto as Attachment 1. The Cooperative intends to mail the Customer Notice to its customers on or about October 7, 2014.

Pursuant to A.A.C. R14-2-107(C)(4), DVEC hereby requests that the Commission establish a docket number for the above-captioned proceeding.

1 RESPECTFULLY SUBMITTED this 6th day of October 2014.

2
3 By:



Steven Lunt
Chief Executive Officer
Duncan Valley Electric Cooperative, Inc.
379597 Az 75
PO Box 440
Duncan, Arizona 85534

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7 ORIGINAL and 13 copies filed
8 this 6th day of October, 2014, with:

9 Docket Control
10 ARIZONA CORPORATION COMMISSION
11 1200 West Washington
12 Phoenix, Arizona 85007

13 COPY of the foregoing hand-delivered
14 this 6th day of October, 2014, to:

15 Lyn Farmer, Chief Administrative Law Judge
16 Hearing Division
17 ARIZONA CORPORATION COMMISSION
18 1200 West Washington Street
19 Phoenix, Arizona 85007

20 Steven M. Olea, Director
21 Utilities Division
22 ARIZONA CORPORATION COMMISSION
23 1200 West Washington Street
24 Phoenix, Arizona 85007

25 Janice M. Alward, Chief Counsel
26 Legal Division
27 ARIZONA CORPORATION COMMISSION
28 1200 West Washington Street
Phoenix, Arizona 85007

Attachment 1

IMPORTANT RATE INCREASE NOTICE - PLEASE READ

Duncan Valley Electric Cooperative ("DVEC" or "Cooperative") has notified the Arizona Corporation Commission ("Commission") that it intends to file a streamlined application ("Streamlined Application") on or about October 27, 2014, to increase its rates and charges pursuant to A.R.S. § 40-250 and A.A.C. R14-2-107 ("Rule 107"), the Commission's rule authorizing the filing of streamlined rate applications for electric and natural gas cooperatives. DVEC is requesting an overall rate increase of \$146,412 or 6% over actual test year total Arizona base revenue (this is the maximum allowed per Rule 107). DVEC states that the rate increase is necessary to recover operating costs. The last general rate increase for DVEC was effective January 1, 2005.

A residential customer with monthly electric consumption of 756 kWh (average usage) will see an increase in his/her bill of \$4.09 per month (from \$76.85 to \$80.94), or 5.32%. A residential customer with monthly electric consumption of 597 kWh (median usage) will see an increase in his/her bill of \$3.44 per month (from \$64.89 to \$68.33), or 5.30%. The proposed percentage increases by rate class over existing base rates are:

Single Phase	5.32%	Three Phase	5.15%
Single Phase Demand	9.00%	Three Phase Demand	9.00%
Single Phase Time-of-Use	9.00%	Private Area Lighting	4.97%
		Public Street & Highway Lighting	5.22%

Processing the Streamlined Application

Rule 107 provides streamlined procedures that should reduce rate case expense for processing rate applications of electric and natural gas cooperatives where (i) the requested increase in total base revenue does not exceed 6% of the actual test year total base revenue; (ii) the change in base revenue generated by any one rate class is no greater than 150% of the overall base revenue increase; (iii) there is no change greater than 25% in the customer charge within a rate schedule for residential customers; and (iv) there is no change in the rate blocks or the percentage relationship of the prices among rate blocks. The rule requires that not sooner than 20 days or later than 50 days after providing this notice to customers, DVEC may file its Streamlined Application to increase rates. Streamlined refers to the fact that such an application will be processed under a shorter time-frame than a rate increase application filed pursuant to A.A.C. R14-2-103 ("Rule 103") and, therefore, receive a less comprehensive (possibly less costly) review/analysis by Commission Staff than a Rule 103 review/analysis. DVEC's Streamlined Application may be approved without a formal evidentiary hearing. However, the Commission may at any time - at the request of Staff, an intervenor, or on its own - require DVEC's rate increase application to be processed pursuant to the more comprehensive Rule 103 requirements. You can view the entire Rule 103 and 107 at http://www.azsos.gov/public_services/Title_14/14-02.htm#ARTICLE_1.

Public Comment and Intervention

A person desiring to object to the Streamlined Application or to request intervention in the rate case must file the objection or the intervention request not later than the date specified below. Within 14 days after the deadline for objections and intervention requests, the Commission's Utilities Division Staff must determine the eligibility and sufficiency of the Streamlined Application under Rule 107.

Written public comments regarding DVEC's Streamlined Application, including objections to it being processed pursuant to the alternative Rule 107 streamlined requirements, may be submitted by mailing a letter referencing Docket No. E-01703A-14-_____ to the Commission's Consumer Services Section at 1200 W. Washington, Phoenix, Arizona 85007, or by e-mail. For a form to use and instructions on how to e-mail comments to the Commission, go to: <http://www.azcc.gov/Divisions/Utilities/forms/PublicCommentForm.pdf>.

Requests to intervene may be filed in Docket No. E-01703A-14-_____ by any person entitled by law to intervene or who is directly and substantially affected by the proceeding. If you require assistance, either to provide public comment or to seek intervention, you may contact the Commission's Consumer Services Section

during normal business hours at 602-542-4251 or 1-800-222-7000 (Phoenix office); or at 520-628-6550 or 1-800-535-0148 (Tucson office); or you may contact DVEC during normal business hours at 928-359-2503 or 800-669-2503. All motions to intervene and all objections to the streamlined Application must be filed on or before November 7, 2014.

The Rule 107 streamlined rate process is available to DVEC only if the Commission receives objections from less than 106 DVEC customers by November 7, 2014. If the Commission receives objections from at least 106 DVEC customers by November 7, 2014, DVEC will not be eligible to use the Rule 107 streamlined process, but will instead need to use the Rule 103 rate increase application process which would involve a formal evidentiary hearing and a more comprehensive review/analysis by Commission Staff.

How You Can View or Obtain a Copy of the Application and Other Filed Documents

A copy of the Streamlined Application is available for public inspection during regular business hours at DVEC's offices located at 379597 Az 75, Duncan, Arizona 85534. A copy of the Streamlined Application is also available at DVEC's website (www.dvec.org). After October 27, 2014, a copy of the Streamlined Application will also be available for public inspection during regular business hours at the Commission's Docket Control Center at 1200 W. Washington Street, Phoenix, Arizona, 85007, in the Commission's Tucson Office at 400 W. Congress, Tucson, Arizona, 85701 and on the Internet via the Commission's website (www.azcc.gov) using the e-Docket function.

DVEC Contact Information

Duncan Valley Electric Cooperative, Inc.
379597 Az 75
PO Box 440
Duncan, Arizona 85534
Phone: 928-359-2503 or 800-669-2503

ADA/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, as well as request this document in an alternative format by contacting the ADA Coordinator, Shaylin Bernal, e-mail SABernal@azcc.gov, voice phone number 602-542-3931. Requests should be made as soon as possible to allow time to arrange the accommodation.