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**BEFORE THE ARIZONA CORPORATION COMMISSION**

COMMISSIONERS

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

Arizona Corporation Commission

**DOCKETED**

JUL 10 2014

2014 JUL 10 PM 2 15  
DOCKET CONTROL

**ORIGINAL**

DOCKETED BY

IN THE MATTER OF THE  
APPLICATION OF TUCSON ELECTRIC  
POWER COMPANY FOR APPROVAL  
OF ITS 2014 ENERGY EFFICIENCY  
IMPLEMENTATION PLAN.

DOCKET NO. E-01933A-13-0183

**NOTICE OF FILING  
CORRESPONDENCE AND  
ATTACHMENTS RELATING TO  
FREEPORT-MCMORAN COPPER &  
GOLD INC.'S REQUEST FOR AN  
EXEMPTION FROM THE ARIZONA  
CORPORATION COMMISSION  
ENERGY EFFICIENCY RULES**

Freeport-McMoRan Copper & Gold Inc. (“Freeport-McMoRan” or “Company”) hereby submits the letter dated July 8, 2014 from Mr. Michael McElrath, Director of Energy Services for Freeport-McMoRan addressed to Ms. Julie McNeely-Kirwan, Public Utilities Analyst for the Arizona Corporation Commission and the Attachments to Tables 1 and 2 referenced in the letter which relate to Freeport-McMoRan’s Request for an Exemption from A.A.C. R14-2-2401, et seq.

RESPECTFULLY SUBMITTED this 10<sup>th</sup> day of July, 2014.

FENNEMORE CRAIG, P.C.

By:

C. Webb Crockett  
Patrick J. Black  
Attorneys for Freeport-McMoRan Copper & Gold Inc. and Arizonans for Electric Choice and Competition

1 ORIGINAL and 13 copies filed  
this 10<sup>th</sup> day of July, 2014 with:

2 Docket Control  
3 Arizona Corporation Commission  
1200 West Washington Street  
4 Phoenix, Arizona 85007

5 COPY of the foregoing hand-delivered/mailed  
6 this 10<sup>th</sup> day of July, 2014 to:

7 Bob Stump, Chairman  
8 Arizona Corporation Commission  
1200 West Washington  
9 Phoenix, Arizona 85007

Trisha Morgan, Aide  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

10 Gary Pierce, Commissioner  
11 Arizona Corporation Commission  
1200 West Washington  
12 Phoenix, Arizona 85007

Eric Van Epps  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

13 Brenda Burns, Commissioner  
14 Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

Kelly Aceto  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

15 Bob Burns, Commissioner  
16 Arizona Corporation Commission  
1200 West Washington  
17 Phoenix, Arizona 85007

Jessica Perry  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

18 Susan Bitter Smith, Commissioner  
19 Arizona Corporation Commission  
1200 West Washington  
20 Phoenix, Arizona 85007

Teresa Tenbrink  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

21 Lyn Farmer  
22 Chief Administrative Law Judge  
Hearing Division  
23 Arizona Corporation Commission  
1200 West Washington  
24 Phoenix, Arizona 85007

Steve Olea, Director  
Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

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Janice Alward  
Chief Counsel Legal Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Bradley S. Carroll  
Kimberly A. Ruht  
Tucson Electric Power Company  
88 East Broadway Blvd., MS HQE910  
P.O. Box 711  
Tucson, Arizona 85702

By:   
9315292/023040.0041

# **ATTACHMENT 1**

**Letter dated July 8, 2014 to Ms. Julie McNeely-Kirwan  
from Mr. Michael McElrath (Freeport-McMoRan)**

Phoenix Corporate Office  
333 N. Central Ave.  
Phoenix, AZ 85004

Michael McElrath  
Director Energy Services  
Telephone: 602-366-8361  
e-mail: michael\_mcelrath@fmi.com

July 8, 2014

Ms. Julie McNeely-Kirwan  
Public Utilities Analyst  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Re: Freeport-McMoRan ("FCX") Energy Efficiency Exemption Request

Dear Ms. McNeely-Kirwan:

Thank you for your patience while we gathered the material to respond to your inquiries. While your requests are simple enough, our responses are complex as most mining related projects we undertake glean a higher percentage of copper recovery from each ton of ore. This increases energy efficiency per pound of copper produced. As a commodity producer, the market sets our sales price, we only control our costs of production and are thus motivated to keep our costs as low as possible.

Below are your questions and our responses:

- How many location accounts above 25MW are there in the area served by APS?  
Please indicate both the location account number and the rate schedule.
  - One account over 25 MW located at Bagdad, AZ, our Bagdad Mine, Account No. 705867280, E-35 rate schedule
- How many location account above 25MW are there in the area served by TEP?  
Please indicate both the location account number and the rate schedule.
  - One account over 25 MW located near Green Valley, AZ, our Sierrita Mine, Account No. 0232600092, LLP90 rate schedule
- Please list the significant energy efficiency measures installed by the Company in Arizona over the last two years. List the level and type of savings, the cost, and the utility service area in which the measure was installed.

- o The APS and TEP tables below detail the projects submitted under the utility self-direction programs. The related utility worksheets are attached for each project.

Utility	FCX Location	Year	Project	Total Project \$	Savings Type	Annual kWh Saved	Rebate \$
APS	Bagdad	2012	Mine Shovel Retrofit	\$107,000	Lighting	173,000	\$107,000
APS	Bagdad	2013	FMI Floatation LED Lighting Costs	\$168,000	Lighting	94,000	\$72,000

Utility	FCX Location	Year	Project	Total Project \$	Savings Type	Annual kWh Saved	Rebate \$	Application *	Custom Incentive Worksheet
TEP	Sierrita	2012	Building Lighting Improvements - Mine Truck Shop	\$21,500	Lighting	115,600	\$9,400	Pending	Pending
TEP	Sierrita	2013	Mill Concentrator Floatation Cells	\$56,300,000	Operating Efficiency	5,900,329	\$590,032.90	*	Yes
TEP	Sierrita	2013	Crusher Upgrades - Dust Collectors	\$16,000,000	Operating Efficiency	14,695,776	\$1,497,759.81	*	Yes
TEP	Sierrita	2013	A-3, B-3 and B-4 Drive Upgrade (Overland Conveyor Upgrade)	\$830,880	Operating Efficiency	1,286,976	\$128,697	Yes	Yes

\* - FCX was unable to locate the Applications for the Mill Concentrator and the Conveyor Upgrade. However, FCX has received the rebates.

- o While not project specific, the table below details the motors we have installed by location and utility since 2012.

All the high efficiency motors referenced in the chart to the right for APS Bagdad and TEP Sierrita have not been included in rebate requests from the utility as documentation requirements are too burdensome.

The Morenci and Safford mines are served by Morenci Water & Electric, which has no ACC mandated energy efficiency program.

Sum of HP		Year			
State	Plant Name	2012	2013	as of Apr '14	Grand Total
Arizona	APS - Bagdad	1,473	4,087	441	6,001
	MW&E - Morenci	53,971	31,165	14,508	99,643
	MW&E - Safford	3,128	3,545	1,058	7,730
	TEP - Sierrita	22,507	18,560	4,767	45,834
Arizona Total		81,078	57,356	20,773	159,207

Sum of Amount Paid		Year			
State	Plant Name	2012	2013	as of Apr '14	Grand Total
Arizona	APS - Bagdad	\$ 189,994	\$ 354,743	\$ 45,858	\$ 590,595
	MW&E - Morenci	\$ 2,667,160	\$ 1,954,899	\$ 683,131	\$ 5,305,191
	MW&E - Safford	\$ 210,245	\$ 144,426	\$ 22,900	\$ 377,571
	TEP - Sierrita	\$ 1,351,345	\$ 1,274,358	\$ 482,025	\$ 3,107,728
Arizona Total		\$ 4,418,744	\$ 3,728,426	\$ 1,233,915	\$ 9,381,085

The following is a quote from FCX's US Motors' representative, Richard Beach, Sr. Territory Manager, Nidec Motor Company, manufacturer of the US Motors brand of electric motors, describing FCX's motor related purchases and how FCX meets or exceeds energy efficiency standards:

"FCX currently holds a motor supply agreement with US Motors. According to Federal guidelines enacted in 2010 and posted by NEMA (National Electrical Manufacturers Association), all Nema frame motors manufactured or imported into the United States will meet "Nema Premium" efficiency levels. These motors are generally up to 500hp and less than 600v. There are no standards for energy efficiency above Nema frames and/or Medium Voltage as motors above these thresholds are usually custom built. Generally, these larger than Nema frame motors are purchased to replace older motors that are not economic to rebuild. These motors are usually more efficient than their older counterparts for a number of reasons. Computer aided design allows us to optimize designs with higher standard efficiencies. We provide higher grade Silicon laminations, with more copper in the slots. Better higher efficiency bearings and more efficient air flow through the motor to have resulted in higher motor efficiencies. On the other side the old motor has been rewound many times and generally has worn out over time, including breakdown of insulation. This results in FCX is replacing an old inefficient motor with a higher efficient motor over time.

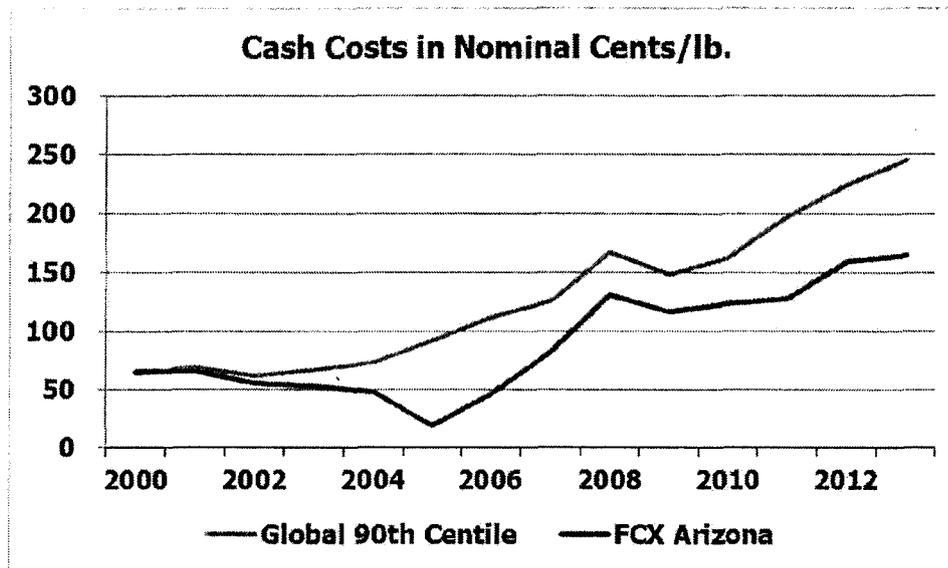
Note: The Energy Independence and Security Act of 2007 (EISA) went into effect on December 19, 2010. Certain motors "manufactured (alone or as a component of another piece of equipment)" were required to have nominal full load efficiencies defined in NEMA MG-1 (2006). Motors manufactured after December 19, 2010, were to comply with that law. NEMA MG 1-2011 is the current standard. Specifically, the new legislation restates the definition of General Purpose Electric Motors as defined in 10 CFR 431 from the Energy Policy and Conservation Act of 1992 (EPCA), classifies these motors as Subtype I, and also defines a new category of General Purpose Motors, Subtype II, as motors incorporating design elements of a general purpose motors (Subtype I). New regulations are pending for 2015."

- Provide the same information for any planned energy efficiency installations. Include, also, the anticipated completion date.

Utility	FCX Location	Year	Project	Total Project \$	Savings Type	Annual kWh Saved	Rebate \$
APS	Bagdad	2014	Rougher Floatation Circuit Replacement	\$65,700,000	Electrical, Maintenance	TBD	TBD
MW&E	Morenci	2014	Morenci Mill Expansion	\$1.86Billion	New Installation	NA	NA

- In the application, Freeport-McMoRan states that it has "historically budgeted some \$10 million annually on energy-related technology." Is "energy-related technology" a synonym for "energy efficiency"? If not, what does the Company mean by this term?
  - FCX has patents and patent applications around technology that consumes less energy per pound of copper produced than the process it replaces. Mining is a composite of energy intensive processes to produce pure copper from copper ore. The historic \$10 million annual budget is spent seeking ways to more efficiently produce copper in the conduct of our mining processes.
- Is it correct to state that Freeport-McMoRan reported \$63.47 in total assets for 2013?
  - Yes, FCX reported \$63.473 billion in assets as of 12/31/2013.

- With respect to the first bullet, below, please indicate whether the installed measures are more efficient than the industry standard.
  - The chart below reflects the positive results of our efforts to become more efficient at FCX's Arizona mines compared to other mines in the world.



Source: WoodMackenzie Historical Data, Jun '14

As the WoodMackenzie graph above depicts our Arizona mines have been reducing the cost per pound of producing copper relative to other mines in the world. It is also important to note that our Arizona mines have a lower percentage of copper in the ore than the world wide average, so the fact that we still have a lower operating cost than average again demonstrates our focus on energy related technology has been effective.

From our responses to your inquiries it should be clear that FCX is not the average utility customer. Our Sierrita mine, for example, has over 14 square miles of distribution system behind the TEP meter. This 14 square mile distribution system is required to supply all the mine processes. Our processes do not require sub-metering at every load center to meter power consumed for the 6-7 necessary mining processes in producing copper, as we manage the resulting material flows (ore, crushed rock, water and/or solution, or tailings to name some). This is a factor in FCX not being able to claim utility rebates on all of our high efficiency motor rebates, or process improvements under the utility self-direction programs. FCX measures efficiency improvements under the industry standards of total cost per pound of copper produced. Electrical power is an important input to all these processes, but is not tracked individually at each load. Think of each of our mines as a car. When you change the headlights on a car to LED headlights, without additional investment or test equipment, it would be nearly impossible to accurately calculate the additional gas mileage the car gets because the alternator is not working as hard to supply the LED lights with power.

Metrics over a short time period is another factor in qualifying our process improvements for the utility. Each mine pit may be a mile deep and several miles long. The ore grade, ore type, and ore hardness is not the same throughout the pit. We have 5 or more shovels operating at various locations in the pit at all times, thus the ore being processed is not the same ore grade, ore type, or ore hardness day-to-day. It is not economic to have the 3<sup>rd</sup> party engineer review a long period of history and compare to an extended time period after we make a process change to quantify the kWh saved. Think of our various ore grades and ore types as the weather in Phoenix. On average our temperature is some 73 degrees, but hardly any given day is average. FCX makes process changes on the average ore grade and ore type. It takes a long time to prove saving given the daily fluctuations in the ore grade and ore type.

Please feel free to contact me if you require additional information or have questions on the material above.

Sincerely,

A handwritten signature in black ink that reads "Michael McElrath". The signature is written in a cursive, flowing style.

Michael McElrath

Direct phone: 602 366 8361

# **ATTACHMENT 2**

**Table 1**

# Custom Application Form Retrofit

APS Application #

## Customer Information

<b>Application Type</b> Retrofit		Pre-Notification <input checked="" type="checkbox"/>	Final Application <input type="checkbox"/>	
Submission Date: 06/25/12		Submission Date:		
Estimated Completion Date: 07/15/12		Project Completion Date:		
<b>Name of Project</b>	Bagdad Mine Shovel Lighting Upgrade to LED Lighting		<b>Business Type</b> <small>(Click and select below)</small> Industrial	
<b>Name of Organization</b>	Freeport MCMoran Copper & Gold Inc.		Tax Status <small>(Select status at right)                  Corporation, Tax-Exempt, Other</small> Corporation (incl. Inc, PC, etc.)	
<b>Federal Taxpayer ID Number</b>	Name as it appears on your APS bill Freeport MCMoran Copper & Gold Inc.	APS Account Number 512616284	K-12 School College / University Office Retail Restaurant Hotel / Motel Medical Grocery Warehouse Industrial Miscellaneous Data Center	
<b>Name of Contact Person at Organization</b>	LeRoy Miera	Telephone # 928-633-3261		Ext #
<b>Title</b>	Engineering Manager	Email Address LeRoy_Miera@FMI.com		Paperless Notices No, send notices to the customer and contractor(s) via US Postal service mail.
<b>Address where Measures Installed</b>	FMI Bagdad Mine			City, State, Zip (Measures Installed) Bagdad, Az 86321
<b>Mailing Address</b>	Same As Above	P.O. Box 245		
<b>City, State, Zip (Mailing Address)</b>	Bagdad, Az 86321		Is this a Government entity? No	

Contractor Information			<input type="checkbox"/> I would like to be considered for financing under the National Bank of Arizona financing option <small>(please complete 3rd Party Payment page)</small>
	Contractor / Vendor (primary contact)	Associated Contractor / Vendor	Est. Square Footage N/A
<b>Company Name</b>	FMI Maintenance Staff		Building Age <small>(Click and select below)</small> Pre-1970
<b>Contact Person</b>	LeRoy Miera		Pre-1970 1970 - 1989 1990 - 2000 2001 - present
<b>Telephone #</b>	928-633-3261		
<b>Mailing Address City, State, Zip</b>	PO Box 245, Bagdad, Az 86321		
<b>Email Address</b>	LeRoy_Miera@FMI.com		
Incentive Check Information			
<b>Issue Incentive Check to:</b> <small>(check only one)</small>	<input checked="" type="checkbox"/> Send to Customer listed above.	<input type="checkbox"/> I request that the incentive check be issued to the third party indicated on the Third-Party Payment page.	

Please indicate below if your organization intends to file for tax incentives related to the measures in this application.  No

Please indicate below if your organization will receive grants (e.g. ARRA, state funds) related to the measures in this application.  No

Please complete the following section. By signing this agreement I attest that I understand and agree to abide by all program terms and conditions.

Customer Signature	\$107,311.53 Total Project Cost
Print Name	\$107,311.53 Total Incentive Requested
Date	

Please print out, sign, and return with Pre-Notification Application. For Final Applications, sign and submit after all equipment has been installed.





Solutions  
for Business

## Self Direction Notification

### Customer Information

**Name on APS Account:** Freeport McMoRan Bagdad Inc.,

**APS Main Account #:** 512616284

**Billing Street Address:** 100 Main St.

**Billing City & ZIP:** Bagdad AZ, 86321

### Project Description

Upgrade to replace existing exterior mercury vapor lighting, exterior incandescent lighting and interior fluorescent lighting to LED lighting on P&H mining shovel #8 Serial #55275.

Upgrade to replace existing exterior mercury vapor lighting and exterior incandescent lighting on P&H mining shovel #10 Serial #4149, shovel #11 Serial #4166, shovel #21 Serial #55268 and shovel #22 Serial #54855. This is for 5 shovels.

<b>Estimated Annual kWh Project Savings</b>	<u>172,781</u>
<b>Estimated Incremental Project Cost</b>	<u>\$107,311.53</u>
<b>Estimated Total Project Cost</b>	<u>\$107,311.53</u>
<b>Estimated Construction Start Date</b>	<u>January 2, 2012</u>
<b>Estimated Date of Operation</b>	<u>October 26, 2012</u>

This form must meet the requirements of the Self Direction Terms & Conditions.

I agree to the Terms & Conditions associated with electing the Self Direction option of the APS Solutions for Business Demand Side Management (DSM) Program. Projects must be cost effective and meet the same requirements as APS Solutions for Business DSM projects.

x Clinton D. Gray 12-7-12  
 Signature Date  
 Clinton D. Gray Mine Electric Supervisor  
 Print Name Job Title  
 928-633-3411 clinton\_gray@fmi.com  
 Phone # Email Address

# Custom Application Form New Construction

APS Application #

Custom  Information

<b>New Construction</b>	<b>Pre-Notification</b>	<b>Final Application</b>
<b>Application Type</b>	<b>Submission Date:</b> Industrial	<b>Submission Date:</b> 11/27/13
	<b>Estimated Completion Date:</b> Corporation (incl. Inc, PC, etc.)	<b>Project Completion Date:</b> 11/01/13

<b>Name of Project</b>	Bagdad Mine Flotation Cell Exterior LED Lighting		<b>Business Type</b> (Click and select below)
<b>Name of Organization</b> <small>No. send notices to the customer and contractor(s) via US Postal service mail.</small>	Moran Copper & Gold Inc.		K-12 School College / University Office Retail Restaurant Hotel / Motel Medical Grocery Warehouse Industrial Miscellaneous Data Center
<b>Federal Taxpayer ID Number</b>	<b>Tax Status</b> <small>(Select status at right) Corporation, Tax-Exempt, Other</small>	<b>APS Account Number</b> 512616284	
<b>Name as it appears on your APS bill</b> <small>Same As Above</small>	Freeport MCMoran Copper & Gold Inc.		
<b>Name of Contact Person at Organization</b>	Thomas R. Knudsen	<b>Telephone #</b> 366-7488 <b>Ext #</b>	
<b>Title</b>	Manager - Energy	<b>Email Address</b> thomas_knudsen@fmi.com	
<b>Paperless Notices</b>			
<b>Address where Measures Installed</b>	FMI Bagdad Mine		
<b>City, State, Zip (Measures Installed)</b>	Bagdad, Az 86321		
<b>Mailing Address</b>	P.O. Box 245		<b>Is this a Government entity?</b>
<b>City, State, Zip (Mailing Address)</b>	Bagdad, Az 86321		I would like to be considered for financing under the National Bank of Arizona financing option <small>(please complete 3rd Party Payment page)</small>

Contractor Information		
	Contractor / Vendor (primary contact)	Associated Contractor / Vendor
<b>Company Name</b>		
<b>Contact Person</b>		
<b>Telephone #</b>		
<b>Mailing Address</b>		
<b>City, State, Zip</b>		
<b>Email Address</b>		

Incentive Check Information		
<b>Issue Incentive Check to:</b> <small>(check only one)</small>	Send to Customer listed above.	I request that the incentive check be issued to the third party indicated on the Third-Party Payment page.
		Building Age (Click and select below)  Pre-1970 1970 - 1989 1990 - 2000 2001 - present

Please indicate below if your organization intends to file for tax incentives related to the measures in this application.

Please indicate below if your organization will receive grants (e.g. ARRA, state funds) related to the measures in this application.

Please complete the following section. By signing this agreement I attest that I understand and agree to abide by all program terms and conditions.

Customer Signature	\$168,418.00
Print Name	Total Project Cost
Date	\$71,814.00
	Total Incentive Requested

Please print out, sign, and return with Pre-Notification Application. For Final Applications, sign and submit after all equipment has been installed.





## Self Direction Notification

### Customer Information

**Name on APS Account:** Freeport-McMoRan Bagdad, Inc.  
**APS Main Account #:** 512616284  
**Billing Street Address:** 100 Main Street  
**Billing City & ZIP:** Bagdad, AZ 86321

### Project Description

Freeport has completed construction of a new mine processing facility (flotation cells) and elected to install LEDs in place of HID fixtures for the exterior lighting. The exterior lighting at this facility is subject to extreme operating conditions, such as very high vibration which can cause premature failure of filament-based lamps. This consideration resulted in elevated maintenance savings realized throughout the life of the LED fixtures. The incremental cost for the project is based on the difference between the total installed cost of the LED fixtures relative to the HID fixtures.

<b>Estimated Annual kWh Project Savings</b>	94,096
<b>Estimated Incremental Project Cost</b>	\$71,814.00
<b>Estimated Total Project Cost</b>	\$71,814.00
<b>Estimated Construction Start Date</b>	08/01/13
<b>Estimated Date of Operation</b>	11/01/13

This form must meet the requirements of the Self Direction Terms & Conditions.

I agree to the Terms & Conditions associated with electing the Self Direction option of the APS Solutions for Business Demand Side Management (DSM) Program. Projects must be cost effective and meet the same requirements as APS Solutions for Business DSM projects.

**X** \_\_\_\_\_  
 Signature Date

\_\_\_\_\_  
 Print Name Job Title

\_\_\_\_\_  
 Phone # Email Address

# **ATTACHMENT 3**

## **Table 2**

**NOTE: There are no applications available for the Mill Concentrator Flotation Cells and the Crusher Upgrades. The application for the building lighting improvements – mine truck shop are pending with TEP and unavailable.**

# Custom Incentive Worksheet

## TEP Large Business Program

Please attach supporting documents as described in the specifications.

Item 1	Description	Rebate: \$0.10 /kWh		
Sierrita 's existing rougher flotation system, together with its electrical infrastructure, is near the end of its useful life. Routine maintenance is no longer sufficient to to preserve efficient operations. The mechanical and electrical control systems are technologically obsolete and inefficient. The main element of this project is replacement of the 439 existing rougher flotation cells with 20 large tank cells. The replacement flotation system requires much less maintenance, consumes substantially less electrical power and provides higher copper and molybdenum recovery	<b>Annual kWh Savings</b>	5,900,329	<b>Rebate Subtotal</b>  \$590,032.90	
	<b>kW Savings</b>	683.0		
	<b>Annual Oper. Hrs</b>	8,760		
	<b>Measure Cost</b>	\$56,300,000.00		
	<i>Enter Operating Schedule and Days Closed Below</i>			
	Day of Week	Start Time		End Time
Monday	12:00 AM	12:00 AM	24	
Tuesday	12:00 AM	12:00 AM	24	
Wednesday	12:00 AM	12:00 AM	24	
Thursday	12:00 AM	12:00 AM	24	
Friday	12:00 AM	12:00 AM	24	
Saturday	12:00 AM	12:00 AM	24	
Sunday	12:00 AM	12:00 AM	24	
		0	Days Closed per Year	
		0.00	Weeks Closed per Year	
		Weeks/Year	<b>52.14</b>	
		Hours/Week	<b>168.0</b>	
		Calculated Hours/Year	<b>8,760.0</b>	

Item 2	Description	Rebate: \$0.10 /kWh		
	<b>Annual kWh Savings</b>		<b>Rebate Subtotal</b>	
	<b>kW Savings</b>			
	<b>Annual Oper. Hrs</b>			
	<b>Measure Cost</b>			
	<i>Enter Operating Schedule and Days Closed Below</i>			
	Day of Week	Start Time		End Time
Monday			0	
Tuesday			0	
Wednesday			0	
Thursday			0	
Friday			0	
Saturday			0	
Sunday			0	
		0	Days Closed per Year	
		0.00	Weeks Closed per Year	
		Weeks/Year	<b>0.00</b>	
		Hours/Week	<b>0.0</b>	
		Calculated Hours/Year	<b>0.0</b>	

<b>Project Completion Date</b>
October 30, 2012

**Page 1 Custom Rebate SubTotal**  
**Custom Rebate Total**

\$590,032.90
\$590,032.90

# Custom Incentive Worksheet

## TEP Large Business Program

Please attach supporting documents as described in the specifications.

Item 1	Description	Rebate: \$0.10 /kWh
<b>Sierrita current secondary and tertiary crushers are 37 years old and not longer supported by their manufacturer Allis Chalmers. Sierrita is requesting the purchase of 27 cartridge type dust collectors, nine CH880 Sandvick crushers and nine new 10 x 20 discharge screens for the Sierrita crushing facility. As a result of the environmental permitting, Sierrita cannot replace its hydrocone crushers without upgrading its dust collectors. This project is recommended for immediate funding and implementation to prevent lost production resulting from the lack of manufacturer support</b>	<b>Annual kWh Savings</b>	<b>Rebate Subtotal</b>
	14,695,776	<b>\$1,469,577.60</b>
	<b>kW Savings</b>	
	1,678.0	
	<b>Annual Oper. Hrs</b>	
	8,760	
<b>Measure Cost</b>		
	\$16,000,000.00	
<i>Enter Operating Schedule and Days Closed Below</i>		
Day of Week	Start Time	End Time
Monday	12:00 AM	12:00 AM
Tuesday	12:00 AM	12:00 AM
Wednesday	12:00 AM	12:00 AM
Thursday	12:00 AM	12:00 AM
Friday	12:00 AM	12:00 AM
Saturday	12:00 AM	12:00 AM
Sunday	12:00 AM	12:00 AM
	Total Hours	
	24	0 Days Closed per Year
	24	0.00 Weeks Closed per Year
	24	Weeks/Year <b>52.14</b>
	24	Hours/Week <b>168.0</b>
	24	Calculated Hours/Year <b>8,760.0</b>
	24	

Item 2	Description	Rebate: \$0.10 /kWh
	<b>Annual kWh Savings</b>	<b>Rebate Subtotal</b>
	<b>kW Savings</b>	
	<b>Annual Oper. Hrs</b>	
	<b>Measure Cost</b>	
<i>Enter Operating Schedule and Days Closed Below</i>		
Day of Week	Start Time	End Time
Monday		
Tuesday		
Wednesday		
Thursday		
Friday		
Saturday		
Sunday		
	Total Hours	
	0	Days Closed per Year
	0	0.00 Weeks Closed per Year
	0	Weeks/Year <b>0.00</b>
	0	Hours/Week <b>0.0</b>
	0	Calculated Hours/Year <b>0.0</b>
	0	

<b>Project Completion Date</b>
Oct-31-2012

<b>Page 1 Custom Rebate SubTotal</b>	<b>\$1,469,577.60</b>
<b>Custom Rebate Total</b>	<b>\$1,469,577.60</b>

# Custom Incentive Worksheet

## TEP Large Business Program

Please attach supporting documents as described in the specifications.

Item 1	Description	Rebate: \$0.10 /kWh										
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 60%;">Annual kWh Savings</th> <th style="width: 40%;">Rebate Subtotal</th> </tr> <tr> <td style="text-align: center;">1,286,976</td> <td rowspan="6" style="text-align: center; vertical-align: middle;">\$128,697.60</td> </tr> <tr> <th>kW Savings</th> </tr> <tr> <td style="text-align: center;">149.0</td> </tr> <tr> <th>Annual Oper. Hrs</th> </tr> <tr> <td style="text-align: center;">8,640</td> </tr> <tr> <th>Measure Cost</th> </tr> <tr> <td style="text-align: center;">\$830,880.00</td> </tr> </table>	Annual kWh Savings	Rebate Subtotal	1,286,976	\$128,697.60	kW Savings	149.0	Annual Oper. Hrs	8,640	Measure Cost	\$830,880.00
Annual kWh Savings	Rebate Subtotal											
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kW Savings												
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Measure Cost												
\$830,880.00												

*Enter Operating Schedule and Days Closed Below*

Day of Week	Start Time	End Time	Total Hours		
Monday			0	<input type="text"/>	Days Closed per Year
Tuesday			0	0.00	Weeks Closed per Year
Wednesday			0		
Thursday			0	Weeks/Year	<b>0.00</b>
Friday			0	Hours/Week	<b>0.0</b>
Saturday			0	Calculated Hours/Year	<b>0.0</b>
Sunday			0		

Item 2	Description	Rebate: \$0.10 /kWh										
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 60%;">Annual kWh Savings</th> <th style="width: 40%;">Rebate Subtotal</th> </tr> <tr> <td style="text-align: center;"> </td> <td rowspan="6" style="text-align: center; vertical-align: middle;"> </td> </tr> <tr> <th>kW Savings</th> </tr> <tr> <td style="text-align: center;"> </td> </tr> <tr> <th>Annual Oper. Hrs</th> </tr> <tr> <td style="text-align: center;"> </td> </tr> <tr> <th>Measure Cost</th> </tr> <tr> <td style="text-align: center;"> </td> </tr> </table>	Annual kWh Savings	Rebate Subtotal			kW Savings		Annual Oper. Hrs		Measure Cost	
Annual kWh Savings	Rebate Subtotal											
kW Savings												
Annual Oper. Hrs												
Measure Cost												

*Enter Operating Schedule and Days Closed Below*

Day of Week	Start Time	End Time	Total Hours		
Monday			0	<input type="text"/>	Days Closed per Year
Tuesday			0	0.00	Weeks Closed per Year
Wednesday			0		
Thursday			0	Weeks/Year	<b>0.00</b>
Friday			0	Hours/Week	<b>0.0</b>
Saturday			0	Calculated Hours/Year	<b>0.0</b>
Sunday			0		

<b>Project Completion Date</b>

<b>Page 1 Custom Rebate SubTotal</b>	\$128,697.60
<b>Custom Rebate Total</b>	\$128,697.60

# TEP Large Business Program - Rebate Application

TEP Application #

Pre-Notification  Submission Date:

Final Application  Submission Date:

## Customer Information

Name of Project	FCX Sierrita Overland Conveyor Upgrade		
Name of Organization	Freeport McMoRan	<b>Business Type</b> <small>(Click on the cell below and select building type)</small>  Other Industrial  College / University Grocery Hotel / Motel K-12 School Medical Miscellaneous Office Other Industrial Process Industrial Restaurant Retail Warehouse	
Taxpayer ID Number	841019004		
	<b>Tax Status</b> <small>(Click on the cell to the right and select tax status)                  Corporation, Tax-Exempt, Other</small>		<b>Corporation (incl. INC, LLC, PC, etc.)</b>
Name as it appears on your TEP bill	Freeport- McMoran Sierrita Inc.		
TEP Account Number	02326900092		
Name of Contact Person at Organization	Jesus "Manny" Murguia		Telephone # 520-393-2047
Title	Reliability Engineer		Fax #
Email Address	jesus_murguia@fmi.com		
Address where Measures Installed	6200 W. Duval Mine Rd		Est. Square Footage
City, State, Zip (Measures Installed)	Green Valley, Arizona 85622		
Mailing Address	6200 W. Duval Mine Rd PO Box 527		
City, State, Zip (Mailing Address)	Green Valley, Arizona 85622		

## Contractor Information

		<b>Building Age</b> <small>(Click on the cell below and select building age)</small>  Pre-1970 1970 - 1990 1990 - 2000 2000 - present
Company Name		
Contact Person		Contractor Phone #
Mailing Address City, State, Zip		
Email Address		Contractor Fax #

## Rebate Check Information

Trade Ally Name		Trade Ally Signature
Issue Rebate Check to: (check only one)	<input checked="" type="checkbox"/> Send to Customer listed above. <input type="checkbox"/> I request that the rebate check be issued to the third party indicated below.	
Customer Signature <small>(Required for third party payment)</small>		
Name of Third Party <small>(Organization receiving check)</small>		Telephone #
Name of Contact Person at Third Party		Fax #
Title		
Third Party Mailing Address		<b>HVAC Type</b> <small>(Click on the cell below and select HVAC cooling system)</small>  Chiller Package Units Combination
Email Address		
Third Party Taxpayer ID Number		<b>Tax Status</b> <small>(Click on the cell to the right and select tax status)                  Corporation, Exempt, Individual, Partnership</small>