

The Morenci Water & Electric

401 Burro Alley
P.O. Box 68
Morenci, AZ 85540
Telephone (928) 865-2229
Facsimile (928) 865-5261



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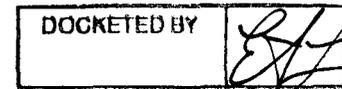
ORIGINAL

July 16, 2014

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Arizona Corporation Commission
DOCKETED

JUL 22 2014



Re: Purchase Power Fuel Adjuster
Docket: E-01049A-11-0300, Docket: W-01049A-11-0311
Reports for June 2014

Dear Staff:

Please find enclosed forms FA-1, FA-1A, FA-1B, FA-1C, FA-2, FA-3, PPFAC6 and Power Purchase Data for the above referenced month.

- Tucson Electric Power in the amount of \$125,076.85
- Tucson Electric Power in the amount of \$96,063.68
- Tucson Electric Power in the amount of \$4,392,502.32
- Freeport McMoRan Copper & Gold Energy Services, LLC in the amount of \$3,706,037.60

Please contact me if you have any questions or concerns.

Sincerely,

Ruel A. Rogers, Jr.
Superintendent

RAR/rm
Enclosures (13 sets)

cc: B. Bozzo, ACC w/encl.
M. McElrath, FMI w/encl.
B. Keene, ACC w/encl.
File PPFA 2014

RECEIVED
2014 JUL 22 A 11:04
AZ CORP COMMISSION
DOCKET CONTROL

MORENCI WATER & ELECTRIC COMPANY
Schedule PPFAC 6
Frozen Bank Account Recovery Worksheet

MONTH	BEGINNING BANK BALANCE	KWH SALES	SURCHARGE RECOVERY AT \$0.00451 PER KWH	ENDING BANK BALANCE
Balance as of December 31, 2013	207,418	2,665,896	12,023	195,394
Balance as of January 2014	195,394	3,141,984	14,170	181,224
Balance as of February 2014	181,224	2,933,815	13,232	167,993
Balance as of March 2014	167,993	2,579,125	11,632	156,361
Balance as of April 2014	156,361	2,371,502	10,695	145,665
Balance as of May 2014	145,665	2,803,347	12,643	133,022
Balance as of June 2014	133,022	3,820,341	17,230	115,792

THE MORENCI WATER & ELECTRIC COMPANY
PURCHASED POWER AND FUEL ADJUSTOR
BANK BALANCE REPORT FA-1
For the Month of June, 2014

Line			
1.	ENDING BANK BALANCE FROM PREVIOUS MONTH: (Over = Neg, Under = Pos)	\$	<u>111,722</u>
2A.	JURISDICTIONAL SALES(Applicable to FUEL ADJ.): (= Total Sales - FA-3)	KWH	<u>3,820,341</u>
2B.	Total Sales(includes Special Contract Sales, shown for computation of unit cost only)	KWH	<u>165,878,445</u>
2C.	Special Contract Sales not subject to PPFA per Decision No. 66931 (April 2004) and 69200 (December 2006)	KWH	<u>162,058,104</u>
3.	ACTUAL COST OF PURCHASED POWER:	\$	<u>8,177,391</u>
4.	UNIT COST OF PURCHASED POWER: (Line 3/Line 2B)	\$/KWH	<u>0.049297</u>
5.	AUTHORIZED BASE COST OF PUR. POWER: Per Decision No. 73737 Dated 02/20/13	\$/KWH	<u>0.050000</u>
6.	AUTHORIZED PURCHASED POWER ADJUSTOR: Per Decision No. 73737 dated 02/20/13	\$/KWH	<u>0.000570</u>
7.	TOTAL RATE COLLECTED FROM CUSTOMER: (Line 5 + Line 6+ Line 7)	\$/KWH	<u>0.05057</u>
8.	INCREMENTAL DIFFERENCE BETWEEN AUTHORIZED AND ACTUAL RECOVERY: (Line 4 - Line 7)	\$/KWH	<u>(0.001273)</u>
9.	NET CHANGE TO BANK BALANCE: (Line 2A x Line 8) If Line 4 > Line 7 - Under Collected Balance. If Line 4 < Line 7 - Over Collected Balance, neg.	\$	<u>(4,861)</u>
10.	ADJUSTMENTS TO BANK BALANCE: From FA-1A	\$	<u>0</u>
11.	PREAPPROVED DSM COSTS: From FA-1B	\$	<u>0</u>
12.	ENDING BANK BALANCE: (Line 1 + Line 9 + Line 10 + Line 11)	\$	<u>106,861</u>
13.	PLUS: FROZEN BANK BALANCE See Attached PPFAC - 6	\$	<u>115,792</u>
14.	TOTAL COMBINED BANK BALANCE		<u>222,653</u>

**THE MORENCI WATER & ELECTRIC COMPANY
PURCHASED POWER AND FUEL ADJUSTOR
BANK BALANCE REPORT FA-1A
ADJUSTMENTS TO BANK BALANCE DETAIL
For the Month of June, 2014**

PLEASE PROVIDE A DETAILED SUMMARY OF THE ADJUSTMENTS THAT THE COMPANY IS CLAIMING THAT AFFECT THE ENDING BALANCE OF THE PURCHASED POWER AND FUEL ADJUSTOR REPORT. EXAMPLES OF ADJUSTMENTS COULD INCLUDE PRIOR PERIOD ADJUSTMENTS FOR BILLING ERRORS OR CORRECTIONS, REFUNDS RECEIVED FROM YOUR SUPPLIER, REFUNDS ORDERED BY THE COMMISSION ETC. ALL ADJUSTMENTS NEED TO BE THOROUGHLY EXPLAINED AND SUPPORTING DOCUMENTATION ATTACHED, IF APPROPRIATE. THE TOTAL OF ALL THE ADJUSTMENTS BEING CLAIMED SHOULD BE ENTERED AT THE BOTTOM OF THIS FORM AND ON FA-1, LINE 10.

ADJUSTMENTS TO BANK BALANCE:
(Transfer amount to FA-1, Line 10.)

\$0.00

THE MORENCI WATER & ELECTRIC COMPANY
PURCHASED POWER AND FUEL ADJUSTOR
BANK BALANCE REPORT FA-1B
PREAPPROVED DSM COST DETAIL
For the Month of June, 2014

PLEASE PROVIDE A DETAIL LISTING OF THE DSM COSTS CLAIMED ON FA-1, LINE 11. DSM COSTS SHOULD BE LISTED BY PROGRAM, AMOUNT AND PERIOD OF TIME WHEN THE FUNDS WERE ACTUALLY SPENT. THE TOTAL DOLLARS SPENT THIS MONTH ON ALL PROGRAMS SHOULD BE ENTERED ON THE LINE PROVIDED AT THE BOTTOM OF THIS PAGE AND ON FA-1, LINE 11.

PROGRAM NAME	APPLICABLE TIME PERIOD	CUMULATIVE COSTS CLAIMED TO DATE	COSTS CLAIMED THIS MONTH
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NONE

TOTAL DSM COSTS CLAIMED THIS MONTH
 (Transfer amount to FA-1, Line 11.)

\$0.00

THE MORENCI WATER & ELECTRIC COMPANY
PURCHASED POWER AND FUEL ADJUSTOR
BANK BALANCE REPORT FA-1C
For the Month of June, 2014

Supplemental report for Decision No. 61298 dated December 1998

Line

1.	ENDING BANK BALANCE FROM PREVIOUS MONTH: (Over = Neg, Under = Pos)	\$		<u>0</u>
2.	JURISDICTIONAL SALES(Applicable to FUEL ADJ.): (= Total Sales - FA-3)	KWH		<u>0</u>
3.	AUTHORIZED PURCHASED POWER ADJUSTOR: Per Decision No.61298 Dated 12/98	\$/KWH		<u>0.000000</u>
4.	NET CHANGE TO BANK BALANCE: (Line 2 x Line 3)	\$		<u>0</u>
5.	ENDING BANK BALANCE: (Line 1 + Line 5)	\$		<u>0</u>

THE MORENCI WATER & ELECTRIC COMPANY
PURCHASED POWER AND FUEL ADJUSTOR
GENERAL INFORMATION FA-2
For the Month of June, 2014

Line

1. COMPANY NAME: THE MORENCI WATER & ELECTRIC COMPANY
2. MAILING ADDRESS: P.O. BOX 68 - MORENCI, AZ. 85540
3. CONTACT PERSON: RUEL A. ROGERS, JR.
4. CONTACT TELEPHONE NUMBER: (928) 865-6971

GENERATION

5.	GAS GENERATION	(\$)		
6.	OIL GENERATION	(\$)		
7.	COAL GENERATION	(\$)		
8.	OTHER GENERATION (Identify)	(\$)		
	TOTAL GENERATION COSTS	(\$)	A.	0

PURCHASED POWER

9.	BASE METER CHARGE	(\$)		
10.	DEMAND CHARGE	(\$)		
11.	ENERGY CHARGE	(\$)		
	TOTAL PURCHASED POWER COSTS (Including Special Contract Per Decision No. 60807)	(\$)	B.	<u>8,177,391.47</u>
12.	TOTAL COST OF GENERATION AND PURCHASED POWER (Total of Lines 8A and 11B)	(\$)		<u>\$8,177,391.47</u>
13.	KWH	(KWH)		
	Generated		0	
	Purchased Special Contract (Per Decision No 60807)		<u>162,058,104</u>	
	Purchased		<u>4,066,317</u>	
	TOTAL KWH GENERATED/PURCHASED			<u>166,124,421</u>
14.	COST PER KWH (Line 12/Line 13)	(\$/KWH)		<u>0.049224</u>
15.	UNACCOUNTED FOR KWH'S			
	Line Loss	(KWH)	<u>188,677</u>	
	Own Use	(KWH)	<u>57,299</u>	

THE MORENCI WATER & ELECTRIC COMPANY
PURCHASED POWER AND FUEL ADJUSTOR
GENERAL INFORMATION FA-3
For the Month of June, 2014

Line			
1.	<u>SALES (KWH)</u>		
	Residential	<u>1,950,292</u>	
	Commercial - (small)		
	Commercial - (small)		
	Industrial	<u>1,870,049</u>	
	Irrigation		
	Municipal		
	Wholesale		
	Special Contract Sales per Decision No. 69331(Apr 2004) and 69200 (Dec 2006)	<u>162,058,104</u>	
	TOTAL SALES (KWH)		<u><u>165,878,445</u></u>
	(Total KWH Sales SHOULD Agree with number on FA-1, Line #2.)		
2.	<u>SALES (\$)</u>		
	Residential	<u>\$161,511.96</u>	
	Commercial - (small)		
	Commercial - (small)		
	Industrial	<u>\$146,038.33</u>	
	Irrigation		
	Municipal		
	Wholesale		
	Other Sales (Special Contract Sales per Decision No. 60807 Dated April 8, 1998)	<u>\$7,688,050.27</u>	
	TOTAL SALES (\$)		<u><u>\$7,995,600.56</u></u>
3.	<u>NUMBER OF CUSTOMERS**</u>		
	Residential	<u>2,401</u>	
	Commercial - (small)		
	Commercial - (small)		
	Industrial	<u>393</u>	
	Irrigation		
	Municipal		
	Wholesale		
	Other Sales (Special Contract Sales per Decision No. 60807 Dated April 8, 1998)	<u>2</u>	
	TOTAL CUSTOMERS		<u><u>2,796</u></u>

**Use 'Avg' number of customers; Beg # + End # divided by 2.

THE MORENCI WATER & ELECTRIC COMPANY
Miscellaneous Power Purchase Data
Excludes Special Contract Sales
For the Month of June, 2014

	<u>K.W.H.</u>	<u>Percent</u>	<u>K.W.</u>
Total Sales	165,878,445	99.85%	
Total Own Usage	57,299	0.03%	
Total System Losses	<u>188,677</u>	0.11%	
Total Purchased Energy	166,124,421		
System Losses-Rolling annual average		<u>0.09%</u>	
MWE Billed Peak			N/A
MWE Load Factor as Billed	N/A		
*MWE/PDC Coincidental Peak Demand			N/A
*MWE/PDC Coincidental Load Factor	N/A		
*Per Prem Bahl's Calculations 6/17/91			
MWE Actual Peak Per 3 MWE Totalizers			N/A
MWE Actual Load Factor Per 3 MWE Totalizers	N/A		

Morenci Water and Electric Company
 Morenci Power Invoice/Actual
 BILLING PERIOD: JUNE 2014

Freeport-McMoRan Morenci, Inc.
 4521 U. S. Hwy 191
 Morenci Az. 85540

	Demand	\$/KW	Energy	\$/Kwh	Total	Avg \$/Kwh
TEP Invoice Mgnt. Fees/other Transmission					\$ 177,095.98	
FMIES Service Charge					0.00	
MW&E Energy Portfolio					0.00	
FMIES Luna Energy			69,571,000		3,706,037.60	
TEP Market			115,035,000		4,392,502.32	
TEP Short Term Contract			-		0.00	
SWTC Transmission other energy			-		0.00	
TEP Control Area Services					\$ 96,063.68	
Total Energy Delivered			<u>184,606,000</u>		<u>\$ 8,371,699.58</u>	<u>\$ 0.045349</u>
Energy to MW&E			4,066,317		\$ 184,403.41	
Energy to FXC Safford			18,481,579		838,121.13	
Energy to FXC Morenci			<u>162,058,104</u>		<u>\$ 7,349,175.04</u>	
Energy Delivered to Morenci (\$)			<u>166,124,421</u>		\$ 7,533,578.45	
SWTC Transmission-Morenci					0.00	
Adjustments to prior invoices (SWTC)					0.00	
Total Energy --Morenci			<u>166,124,421</u>		<u>\$ 7,533,578.45</u>	<u>\$ 0.045349</u>
Total Energy --Morenci per kwh				\$ 0.045349		
Markup by MW&E				0.000350		
Energy Sold to Morenci			162,058,104	\$ 0.045699	\$ 7,405,893.29	
Morenci Water and Electric Transmission			162,058,104	\$ 0.001738	281,656.98	
MW&E Service Charge					500.00	
Adjustments to prior invoices (MW&E)					0.00	
Energy Cost					\$ <u>7,688,050.27</u>	0.047440
Sales Tax @ 6.1%					\$ 468,971.07	
ACC Assessment			\$ 7,688,050.27	\$ 0.002500	19,220.13	
RESS					\$ 500.00	
Energy Efficiency Surcharge					\$ 650.00	
Invoice to Morenci			<u>162,058,104</u>		<u>\$ 8,177,391.47</u>	<u>0.050460</u>
Total Generation			0		\$ -	0
Total Power Cost to FCX Morenci			<u>162,058,104</u>		<u>\$ 8,177,391.47</u>	<u>0.050460</u>

Verified By _____

Invoice #: 06302014
 Due date: 7/21/2014
 Terms: Paid on receipt

REFERENCE# _____
 PO# _____

Morenci Water and Electric Company
 Safford Power Invoice/Actual
 BILLING PERIOD: JUNE 2014

Freeport-McMoRan Safford. Inc.

Safford Az.

	Demand	\$/KW	Energy	\$/Kwh	Total	Avg \$/Kwh
TEP Invoice Mgmt. Fees/other Transmission					\$ 177,095.98	
FMIES Service Charge					0.00	
MW&E Energy Portfolio					0.00	
FMIES Luna Energy			69,571,000		3,706,037.60	
TEP Market			115,035,000		4,392,502.32	
TEP Short Term Contract					0.00	
SWTC Transmission other energy					0.00	
TEP Control Area Services					\$ 96,063.68	
Total Energy Delivered			<u>184,606,000</u>		<u>\$ 8,371,699.58</u>	\$ 0.045349
Energy to MW&E			4,066,317		\$ 184,403.41	
Energy to FXC Safford			18,481,579		838,121.13	
Energy to FXC Morenci			162,058,104		\$ 7,349,175.04	
Energy Delivered to Safford (\$)			18,481,579		\$ 838,121.13	
SWTC Transmission-Safford					91,368.16	
Total Energy --Safford			<u>18,481,579</u>		<u>\$ 929,489.29</u>	\$ 0.050293
Total Energy --Morenci per kwh				\$ 0.050293		
Markup by MW&E				\$ 0.000350		
Energy Sold to Safford			18,481,579	\$ 0.050643	\$ 935,962.61	
Franchise Agreement GCEC			18,481,579	\$ 0.000350	6,468.55	
Adjustments to prior invoices					0.00	
MW&E Service Charge					500.00	
Adjustments to prior invoices (MW&E)					0.00	
Energy Cost			18,481,579		\$ 942,931.16	\$ 0.051020
Sales Tax @ 6.1%					\$ 57,518.80	
Sales Tax Non - Exempt 8% of Cost at @ 6.1%					4,601.50	
Safford SX						
Sales Tax Credit @ 6.1%	18,481,579		18,481,579		(57,518.80)	
ACC Assessment			\$ 942,931.16	\$ 0.002500	2,357.33	
RESS Fee					\$ 500.00	
Energy Efficiency Surcharge					\$ 650.00	
Invoice to Safford			<u>18,481,579</u>		<u>\$ 951,039.99</u>	\$ 0.051459
Total Power Cost to FCX Safford			<u>18,481,579</u>		<u>\$ 951,039.99</u>	\$ 0.051459

Verified By _____