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AZ CORP COMMISSION
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MEMORANDUM

TO: Docket Control Center

FROM: Steven M. Olea
Director
Utilities Division

DATE: July 2, 2015

RE: GRAHAM COUNTY UTILITIES, INC. - REQUEST FOR EXTENSION OF COMPLIANCE DEADLINE (DOCKET NO. W-02527A-06-0505 - DECISION NO. 69245)

In Decision No. 69245, dated January 19, 2007, the Arizona Corporation Commission ("ACC" or "Commission") approved the application for long term debt of Graham County Utilities ("GCU" or "Company").

As part of Decision No. 69245, the Commission ordered GCU to:

"[File] a rate application no later than June 30th of the year subsequent to any fiscal year in which the equity goal is not achieved."

On June 15, 2015, Graham County docketed a request for an extension of time until September 30, 2015 to file a rate application. The Company confirmed a rate application is required when a two percent equity increase requirement is not met in a fiscal year. The application further confirmed that Company failed to reach the requirement for the fiscal year ending September 30, 2014. Graham County also provided the following as rationale for the extension of time:

"ACC Decision No. 69245 requires that the Rate Application be filed by June 30th. GCU has utilized internal Staff to prepare all Rate Applications in order to save GCU member's money, instead of hiring consultants to prepare the Rater Applications. The GCU Finance Manager has filed all previous Rate Applications, in addition to other duties required of the Finance Manager. GCU and Graham County Electric Cooperative, Inc. initiated a software conversion project in October of 2014, which is still ongoing and is expected to be completed in August of 2015 which required a substantial time commitment from GCU's accounting and finance Staff."

Based on the application and all of the above, Staff recommends that Commission approve an extension of time until September 30, 2015 for GCU to file a rate case.

SMO:BKB:nr

Originator: Brian K. Bozzo

Arizona Corporation Commission
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SERVICE LIST FOR: GRAHAM COUNTY UTILITIES, INC.
DOCKET NO. DOCKET NO. W-02527A-06-0505

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