

ORIGINAL



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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION  
DOCKET CONTROL

COMMISSIONERS

- SUSAN BITTER SMITH – CHAIRMAN
- DOUG LITTLE
- TOM FORESE
- BOB BURNS
- BOB STUMP

IN THE MATTER OF THE APPLICATION  
 OF GRAHAM COUNTY UTILITIES, INC. –  
 GAS 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. G-02527A-15-0319

**NOTICE OF MAILING CUSTOMER  
NOTICE**

On September 9, 2015 Graham County Utilities, Inc. – Gas Division (“GCU” or the  
 “Cooperative”) caused a notice to be mailed to its customers via First Class Mail stating that the  
 Cooperative intends to file a streamlined rate case on or about September 30, 2015, to increase rates  
 and charges pursuant to A.R.S. § 40-250 and A.A.C. R 14-2-107, the Arizona Corporation  
 Commission’s rule authorizing the filing of streamlined rate applications by electric and natural gas  
 cooperatives. GCU contracted with D & L Printing to perform the mailing. Attached hereto as  
 Exhibit A is a copy of the Certification of Mailing and customer notice, evidencing completion of the  
 mailing of the customer notice in accordance with A.A.C. R 14-2-107(D).

RESPECTFULLY SUBMITTED this 21<sup>st</sup> day of September 2015.

By:

*Kirk Gray*  
 \_\_\_\_\_  
 Kirk Gray  
 Assistant General Manager  
 Graham County Utilities, Inc.  
 9 West Center Street  
 PO Drawer B  
 Pima, Arizona 85543

Arizona Corporation Commission

**DOCKETED**

SEP 21 2015

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ORIGINAL and 13 copies filed  
this 21st day of September, 2015, with:

Docket Control  
ARIZONA CORPORATION COMMISSION  
1200 West Washington  
Phoenix, Arizona 85007

COPY of the foregoing hand-delivered  
this 21st day of September, 2015, to:

Dwight Nodes, Chief Administrative Law Judge  
Hearing Division  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007

Thomas M. Broderick, Director  
Utilities Division  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007

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

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# **Exhibit A**

United States Postal Service  
**Postage Statement—First-Class Mail and  
 First-Class Package Service**

Post Office Note Mail Arrival Date & Time  
 (For Post Office Use Only)

28756

Use this form for First-Class Mail and First-Class Package Service.

Mailer	Permit Holder's Name and Address and Email Address, if Any D & L Printing 1219 East Broadway Rd Phoenix, AZ 85040	Telephone 602-792-9108	Name and Address of Mailing Agent (if other than permit holder) One Stop Mail 304 S Price Rd Tampa, AZ 85281 rony@onestopmail.net	Telephone 802-233-3003	Name and Address of Mail Owner (if other than permit holder) D & L Printing 1219 East Broadway Rd Phoenix, AZ 85040 Graham County Utilities
	DARS Cust. Ref. No. N/A CPID: N/A		CRID: 291287A		CRID: N/A

Mailing	Post Office of Mailing PHOENIX AZ 85026	Processing Category <input checked="" type="checkbox"/> Letter <input type="checkbox"/> Flat <input type="checkbox"/> Parcel	Parcels Only Hold For Pickup HPU No. of Pieces	Mailer's Mailing Date 05/09/2015	Facility Agency Code N/A	Statement Sec. No. 32111	No. and Type of Containers 10 - 11MM Trays 9 - 7MM Trays
	Type of Postage <input checked="" type="checkbox"/> Permit Mail <input type="checkbox"/> Pre-cancelled Stamp <input type="checkbox"/> Metered	Weight of a Single Piece 0.0231 pounds	Combined Mailing <input type="checkbox"/> Single Class	3SF Transaction ID#	Total Pieces 4,708	Customer Generated Electronic Labels <input type="checkbox"/> Sg/Ctr	

Postage	Permit # 1599	For Mail Enclosed Within Another Class <input type="checkbox"/> Standard Mail <input type="checkbox"/> Bound Printed Matter	<input type="checkbox"/> Periodic <input type="checkbox"/> Library Mail <input type="checkbox"/> Media Mail	For Automation Price Pieces, Enter Date of Address Matching and Coding 09/04/2015	Mark Update Method: <input type="checkbox"/> ACS <input type="checkbox"/> Animate Method	<input type="checkbox"/> OneClass ACS <input type="checkbox"/> Multiple <input type="checkbox"/> No Alternative Address Format	108.9865	
	Letter or Flat-size envelopes contain: <input type="checkbox"/> Round Trip DVD/CD or other disk		Parts Completed (Select all that apply) <input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E <input type="checkbox"/> NSA		This is a Political Campaign Mailing Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		Subtotal Postage (Add parts totals) \$1,365.19	
	This is an Official Election Mail Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		1		Price at Which Postage Affixed (Check one). Complete if the mailing includes pieces bearing metered/PC Postage or precanceled stamps <input type="checkbox"/> Correct <input type="checkbox"/> Lowest <input type="checkbox"/> Neither		Postage Affixed	
	Incentive/Discount Flat Dollar Amount		-		Fee Flat Dollar Amount		+	
	Permit #		Net Postage Due (Line 1 -/- Lines 2, 3, 4)		\$1,365.19			

USPS Use Only	Additional postage required for metered mail	Total Actual Postage

Incentive/Discount Claimed: \_\_\_\_\_ Type of Fee \_\_\_\_\_

The mailer's signature certifies acceptance of liability for and agreement to pay any revenue deficiencies assessed on this mailing, subject to appeal, if an agent signs this form. The agent certifies that he or she is authorized to sign on behalf of the mailer and that the mailer is bound by the certification and agrees to pay any deficiencies. In addition, agents may be liable for any deficiencies resulting from mailers' failure to provide accurate, truthful, and complete information on this form and the supporting documentation, including fines and imprisonment.

Signature of Mailer or Agent: \_\_\_\_\_ Printed Name of Mailer or Agent (Signing Form): Jason Smith Telephone: 602-233-3003

USPS Use Only To be completed by Post Office Staff	Number of Pieces 4,708	Number of Pieces 4,708	Number of Pieces 4,708
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**IMPORTANT RATE INCREASE NOTICE - PLEASE READ**

Graham County Utilities, Inc. – Gas Division ("GCU") has notified the Arizona Corporation Commission ("Commission") that it intends to file a streamlined application ("Streamlined Application") on or about September 30, 2015, 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. GCU is requesting an overall rate increase of \$114,237 or 6% over actual test year total base revenue (this is the maximum allowed per Rule 107). GCU's test year for this rate filing is year ending December 31, 2014. GCU states that the rate increase is necessary to recover operating costs. The last general rate increase for GCU was effective August 1, 2013.

A residential customer with monthly natural gas consumption of 59 therms (average usage) in the winter will see an increase in his/her bill of \$1.30 per month (from \$37.30 to \$38.60), or 3.5%. A residential customer with monthly natural gas consumption of 46 therms (median usage) in the winter will see an increase in his/her bill of \$1.30 per month (from \$32.39 to \$33.69), or 4%.

All of the proposed Residential customer increase will be in the monthly customer charge. A decrease in usage by a residential customer will *not* lessen the increase from this rate proposal.

The proposed increases by rate class over existing base rates are:

	\$ Increase in Mo. System Charge	\$ Increase in per Therm Charge	% Increase for Average Usage	% Increase for Median Usage
Residential*	\$1.30	0.00	3.5%	4%
Commercial**	\$5.60	0.02	7.6%	11.7%
Irrigation***	\$3.55	0.01	7.5%	8.2%

\* Residential data are based on highest usage months during the winter

\*\* Commercial data are based on an annual average

\*\*\* Irrigation data are based on highest usage months during the summer

**The Rule 107 streamlined rate process is available to GCU only if the Commission receives objections from less than 237 GCU customers by October 13, 2015. If the Commission receives objections from at least 237 GCU customers by October 13, 2015, GCU 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.**

**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, GCU 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. GCU'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 GCU'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://apps.azsos.gov/public\\_services/Title\\_14/14-02.pdf](http://apps.azsos.gov/public_services/Title_14/14-02.pdf).

### **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 GCU'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. G-02527A-15-0319 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://eservice.azcc.gov/Utilities/PublicComment>.

Requests to intervene may be filed in Docket No. G-02527A-15-0319 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 520-628-6550 or 1-800-535-0148 (Tucson office); or you may contact GCU during normal business hours at 928-485-2451. All motions to intervene and all objections to the Streamlined Application must be filed on or before October 13, 2015.

### **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 GCU's offices located at 9 West Center Street, Pima, Arizona 85543. A copy of the Streamlined Application is also available at GCU's website ([www.gce.coop](http://www.gce.coop)). After September 30, 2015, 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](http://www.azcc.gov)) using the e-Docket function.

### **GCU Contact Information**

Graham County Utilities, Inc.  
9 West Center Street  
PO Drawer B  
Pima, Arizona 85543  
Phone: 928-485-2451

### **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](mailto:SABernal@azcc.gov), voice phone number 602-542-3931. Requests should be made as soon as possible to allow time to arrange the accommodation.