

ORIGINAL

OPEN MEETING



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MEMORANDUM

RECEIVED

Arizona Corporation Commission

DOCKETED

2015 NOV 20 A 10: 22

TO: THE COMMISSION

NOV 20 2015

AZ CORP COMMISSION
DOCKET CONTROL

FROM: Utilities Division

DATE: November 20, 2015

DOCKETED BY

RE: IN THE MATTER OF THE APPLICATION OF MORENCI WATER AND ELECTRIC COMPANY - ELECTRIC DIVISION - FOR APPROVAL OF ITS 2016-2017 ENERGY EFFICIENCY IMPLEMENTATION PLAN AND REQUEST FOR PARTIAL WAIVERS (DOCKET NO. E-01049A-15-0167)

On May 28, 2015, Morenci Water and Electric Company ("Morenci" or "Company") filed its proposed 2016-2017 Energy Efficiency Implementation Plan ("EE Plan") in compliance with the Arizona Administrative Code Electric Energy Efficiency Standards § R14-2-2401 through § R14-2-2419 ("EE Rules"). Morenci's previous EE Plan was approved for 2014-2015 in Decision No. 74368 dated February 26, 2014.

In addition to its proposed 2016-2017 EE Plan, Morenci also requested to continue partial waivers to exclude at least through 2017: 1) the energy sales (mining load) to Freeport-McMoRan Copper & Gold, Inc. mining sites (at both Morenci and Safford) from the calculation of the Energy Efficiency Standard specified in the Arizona Administrative Code ("A.A.C.") § R14-2-2404; and 2) Morenci from the EE Rules standards for the remaining non-mining load. Decision Nos. 73090 and 74368 previously approved these waivers.

Finally, Morenci requests that the Arizona Corporation Commission ("Commission") approve maintaining its current Energy Efficiency Adjustor Mechanism ("EEAM") rates and charges.

EE PLAN OVERVIEW

Morenci is proposing to continue all of its 2014-2015 EE programs for its 2016-2017 Implementation Plan. Morenci's proposed EE Plan includes:

- Compact Fluorescent Lamp ("CFL") Program.
- Appliance Recycling Program.
- Low Income Weatherization ("LIW") Program.
- Education & Outreach Program.

The Company proposes to maintain the same rates used for its EEAM that the Commission approved for cost recovery in Decision No. 74368, except to reduce the set surcharge for mining operations from \$650 to \$600 per month.

CFL Program

Morenci's CFL program is intended to increase use and expand the availability of energy efficient CFLs in its service territory. Staff calculated this program's Benefit/Cost ("B/C") ratio as 2.69. Morenci will continue to purchase and distribute CFLs to customers from its office and at events within its service territory and provide information about the benefits and safe and proper disposal of CFLs. During the 2014 timeframe, Morenci gave out 1,250 CFLs at a cost of \$3,914.73. As of July 31, 2015, Morenci has distributed 990 CFLs at a cost of \$3,907.12.

Recently, other Arizona electric utilities such as Tucson Electric Power have included offering residential light-emitting diode ("LED") lamps as part of their EE plan as LED technology represents the most efficient lamp technology currently available. As the Morenci CFL Program appears to be successful, Staff suggests Morenci take the opportunity to begin exploring the incorporation of offering LED lamps to customers in a cost-efficient manner.

Appliance Recycling Program

Morenci's appliance recycling program is intended to encourage the removal of old or second inefficient refrigerators and freezers to reduce energy consumption and keep inefficient appliances out of the used market. Staff calculated this program's B/C ratio as 3.30. In its previous plan, Morenci reported that as of May 1, 2013, it had secured a Phoenix-based contractor to perform pick-up and disposal service. However, this contractor subsequently determined it would not be cost-effective for it to perform this service in Morenci's territory. Instead, Morenci has now set up a process with Morenci Mine to handle the pick-up, storage and disposal of appliances. As of July 31, 2015, no customers have used this program and Morenci has incurred no costs for this program.

LIW Program

Morenci's LIW program is designed to help low-income customers reduce energy consumption with residential weatherization measures. The program is administered through the Southeastern Community Action Program ("SEACAP"). SEACAP representatives consult with eligible homeowners and provide weatherization services, which are in turn funded by Morenci. SEACAP receives no "up front" funding from Morenci and would only receive funds after the completion of weatherization work. Morenci informs its customers about the LIW program as well as providing information about SEACAP. Currently, no customers have used this program, and Morenci has incurred no costs for this program. After lowering Morenci's proposed per unit cost from \$3,000.00 to \$2,250.00, Staff calculated this program's B/C ratio as 0.96. Staff believes the LIW program would reach a B/C ratio of 1.0 if environmental benefits were monetized.

Despite the lack of customer participation, Staff believes it is in the public interest for Morenci to maintain this program in case an applicant in Morenci's service territory qualifies. But because of the lack of customer participation, Staff contacted a representative from the Arizona Community Action Association who offered the following suggestions Morenci could explore and/or possibly adopt in order to stimulate participation:

- Reach out to Southwest Gas Corporation to partner efforts to identify potential eligible customers.
- Support weatherization without United States Department of Energy Weatherization Assistance Program money. This would allow customers whose homes were weatherized after September 30, 1994, to receive assistance. Work with SEACAP to combine Morenci, Southwest Gas Corporation and Utility Repair, Replacement and Deposit funds.
- Work with Morenci Mine, the landlord for the town of Morenci, to find eligible residents in company housing. A family of four would qualify with an income of \$48,500 per year. As a landlord, Morenci Mine might know the age and quality of the housing stock as well as tenants' energy bills, and thus be able to connect high-usage customers with weatherization services.
- Work closely with faith communities and nonprofits in the area that would likely know of families in need of weatherization such as Saints Philip & James Episcopal Church in Morenci, the American Legion post in Clifton and the Clifton/Morenci Food Bank.

Education and Outreach Program

Morenci's education and outreach program is designed to communicate the benefits of energy efficiency and the availability of its EE programs to customers. The program provides informational material to residential and commercial customers, in addition to an energy usage education program for schools in Morenci's service territory. Morenci makes educational materials available at its office as well as providing a bill insert.

MEASUREMENT AND VERIFICATION

Morenci's 2016-2017 EE Plan includes programs that have been fully implemented. To ensure that the programs included in its proposed EE Plan are meeting the projected goals and objectives, Morenci will continue to monitor and evaluate each of the programs. Morenci's measurement and verification includes the following methods, although it is not limited to those described below:

- CFL Program: Morenci will track the number of CFLs and estimated kWh savings per lamp type distributed. Using these data, Morenci will aggregate savings, benefits and costs.
- Appliance Recycling Program: Morenci will track the number of appliances recycled, and if possible track the specifications of those appliances and those of the units replacing the recycled units. Using these data, Morenci will aggregate savings, benefits and costs.

- **LIW Program:** Morenci will work with SEACAP to collect the necessary data to track the effectiveness of this program. This includes the number of homes weatherized and measures used to reduce energy consumption. As with its other programs, Morenci will aggregate savings, benefits and costs.
- **Education and Outreach Program:** Morenci will pursue customer feedback as to the program's effectiveness in influencing enhanced energy efficiency. Morenci will also solicit feedback from schools as to the effectiveness of the educational materials.

If the Company finds any Commission-approved program or measure is no longer cost-effective, the Company should file, in this docket, a letter stating that the program or measure will be discontinued.

ENERGY EFFICIENCY ADJUSTOR MECHANISM

The EEAM was approved in Decision No. 73737 on February 20, 2013. The EEAM allows Morenci to recover the costs associated with the implementation of its EE programs, and is designed to do so during the same year funds are expended. Morenci has proposed to roll over any funds not expended to subsequent years. Morenci also requests the rates and charges for the EEAM remain in effect for the two years its EE plan is effective.

Morenci seeks no change in its residential and non-residential EEAM rates. Morenci currently recovers a monthly assessment from mining operations at both Safford and Morenci, even though the two sites' energy sales are presently waived in calculating EE requirements. Morenci proposes lowering the mining operations surcharge from \$650 per month to \$600 per month.

As part of Decision No. 73737, Morenci is required to maintain a bank balance for EE funds, and report that balance in every EE Implementation Plan it files. As of April 30, 2015, Morenci reports this amount as \$64,299.12.

In summary, Morenci would like to use the rates below:

- \$0.000245 per kWh per month for residential and non-mining non-residential customers.
- \$600 per month from mining operations at each mining site.

The table below outlines the estimated amounts to be collected for EE implementation in 2016-2017 based on the proposed rates.

Table 1
Morenci's Proposed Adjustor Rates

Rate Class	Proposed Rate	Average Use	Estimated Monthly Total	Estimated Annual Total	Percentage Breakdown
Residential	\$0.000245 per kWh	604 kWh	\$348.64 (\$0.148 x 2,356 customers)	\$4,183.69	18.17%
Non-Residential	\$0.000245 per kWh	4,723 kWh	\$370.28 (\$1.16 x 320 customers)	\$4,443.40	19.30%
Mining Operations	\$600 monthly from each	N/A	\$1,200.00 (\$600 x 2 customers)	\$14,400.00	62.53%
Total				\$23,027.09	100%

A summary of the budget, by program, can be seen in the table below along with Staff's recommendation on the budget for 2016-2017. Based on past experience, Morenci has lowered the budget slightly for the Education and Outreach program and slightly increased the budget for the CFL program. Based on Morenci anticipating approximately five (5) customers annually in its service territory can benefit from the LIW program at a cost of \$3,000 per customer, Morenci has lowered the budget for this program accordingly. However, as mentioned previously, Staff's calculations using Morenci's proposed \$3,000 cost per customer for the LIW program found the LIW program non-cost effective. Therefore, Staff proposes lowering the budget for this program even further to \$2,250 per customer.

Table 2
MORENCI WATER AND ELECTRIC
2016-2017 EE PLAN BUDGET

	<u>Morenci Current Annual Budget</u>	<u>Morenci Proposed Annual Budget</u>	<u>Staff Proposed Annual Budget</u>
	<u>2014-15</u>	<u>2016-17</u>	<u>2016-17</u>
CFL Program	\$3,800	\$3,950	\$3,950
Appliance Recycling Program	\$1,750	\$1,750	\$1,750
Low Income Weatherization Program	\$16,500	\$15,500	\$11,250
Education and Outreach	\$1,050	\$500	\$500
Total Operating Cost	\$23,100	\$21,700	\$17,450

RECOMMENDATIONS

Staff recommends that Morenci continue with its EE programs at Staff's proposed budget.

Also, given that Morenci reports a bank balance as of April 30, 2015, of \$64,299.12—approximately three (3) years of funding for the EE programs at Morenci's proposed budget of

\$21,700 or 3.7 years at Staff's proposed budget—and indicates as of yet no participation in the Appliance Recycling and LIW programs—Staff recommends lowering the EEAM rates to zero.

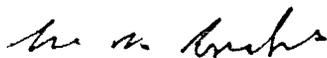
Table 3
Staff's Proposed Adjustor Rates

Rate Class	Proposed Rate	Average Use	Estimated Monthly Total	Estimated Annual Total
Residential	\$0.00 per kWh	604 kWh	\$0.00	\$0.00
Non-Residential	\$0.00 per kWh	4,723 kWh	\$0.00	\$0.00
Mining Operations	\$0.00 monthly from each	N/A	\$0.00	\$0.00
Total			\$0.00	\$0.00

In addition, Staff recommends Morenci's 2016-2017 EE Plan as specified herein remain in effect until Morenci's EE fund bank balance reaches the Staff proposed budget amount of \$17,450. Upon reaching this balance, Staff recommends Morenci file with the Commission an application to reset the EEAM rate. As the time it may take for Morenci to reach the proposed bank balance may exceed two years, Staff recommends Morenci be granted a waiver of A.A.C. § R14-2-2405.A., which requires an affected utility to file its implementation plan at least every two years.

Further, as the unique circumstances in Morenci's service territory have not changed subsequent to its previous Implementation Plan, Staff recommends that the proposed waivers for the exclusion of mining load from the calculation of the Energy Efficiency Standard and Morenci from the EE rules standards for the remaining non-mining load be approved.

Finally, Staff further recommends Morenci file, as a compliance item in this docket, a revised Energy Efficiency Surcharge Schedule consistent with the Decision in this case within fifteen (15) days of the effective date of the Decision.



Thomas M. Broderick
Director
Utilities Division

TMB:MAC:red\RWG

ORIGINATOR: Matt Connolly

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BEFORE THE ARIZONA CORPORATION COMMISSION

- SUSAN BITTER SMITH
Chairman
- BOB STUMP
Commissioner
- BOB BURNS
Commissioner
- DOUG LITTLE
Commissioner
- TOM FORESE
Commissioner

IN THE MATTER OF THE APPLICATION)
 OF MORENCI WATER AND ELECTRIC)
 COMPANY-ELECTRIC DIVISION- FOR)
 APPROVAL OF ITS 2016-2017 ENERGY)
 EFFICIENCY IMPLEMENTATION PLAN)
 AND REQUEST FOR PARTIAL WAIVERS)

DOCKET NO. E-01049A-15-0167
 DECISION NO. _____
ORDER

Open Meeting
 December 8 and 9, 2015
 Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Morenci Water and Electric Company ("Morenci" or "Company") is certificated to provide electricity as a public service corporation in the State of Arizona.
2. On May 28, 2015, Morenci filed its proposed 2016-2017 Energy Efficiency Implementation Plan ("EE Plan") in compliance with the Arizona Administrative Code Electric Energy Efficiency Standards § R14-2-2401 through § R14-2-2419 ("EE Rules"). Morenci's previous EE Plan was approved for 2014-2015 in Decision No. 74368 dated February 26, 2014.
3. In addition to its proposed 2016-2017 EE Plan, Morenci has also requested to continue partial waivers to exclude at least through 2017: 1) the energy sales (mining load) to Freeport-McMoRan Copper & Gold, Inc. mining sites (at both Morenci and Safford) from the calculation of the Energy Efficiency Standard specified in Arizona Administrative Code ("A.A.C.") § R14-2-2404; and 2) Morenci from the EE Rules standards for the remaining non-mining load. Decision Nos. 73090 and 74368 previously approved these waivers.

1 3. Finally, Morenci requests that the Arizona Corporation Commission (“Commission”)
2 approve maintaining its current Energy Efficiency Adjustor Mechanism (“EEAM”) rates and charges.

3 **EE Plan Overview**

4 4. Morenci is proposing to continue all of its 2014-2015 EE programs for its 2016-2017
5 Implementation Plan. Morenci’s proposed EE Plan includes:

- 6 • Compact Fluorescent Lamp (“CFL”) Program.
- 7 • Appliance Recycling Program.
- 8 • Low Income Weatherization (“LIW”) Program.
- 9 • Education & Outreach Program.

10 5. The Company proposes to maintain the same rates used for its EEAM that the
11 Commission approved for cost recovery in Decision No. 74368, except to reduce the set surcharge for
12 mining operations from \$650 to \$600 per month.

13 *CFL Program*

14 6. Morenci’s CFL program is intended to increase use and expand the availability of
15 energy efficient CFLs in its service territory. Staff calculated this program’s Benefit/Cost (“B/C”)
16 ratio as 2.69. Morenci will continue to purchase and distribute CFLs to customers from its office and
17 at events within its service territory and provide information about the benefits and safe and proper
18 disposal of CFLs. During the 2014 timeframe, Morenci gave out 1,250 CFLs at a cost of \$3,914.73.
19 As of July 31, 2015, Morenci has distributed 990 CFLs at a cost of \$3,907.12.

20 7. Recently, other Arizona electric utilities such as Tucson Electric Power have included
21 offering residential light-emitted diode (“LED”) lamps as part of their EE plan as LED technology
22 represents the most efficient lamp technology currently available. As the Morenci CFL Program
23 appears to be successful, Staff suggests Morenci take the opportunity to begin exploring the
24 incorporation of offering LED lamps to customers in a cost-efficient manner.

25 *Appliance Recycling Program*

26 8. Morenci’s appliance recycling program is intended to encourage the removal of old or
27 second inefficient refrigerators and freezers to reduce energy consumption and keep inefficient
28 appliances out of the used market. Staff calculated this program’s B/C ratio as 3.30. In its previous

1 plan, Morenci reported that as of May 1, 2013, it had secured a Phoenix-based contractor to perform
2 pick-up and disposal service. However, this contractor subsequently determined it would not be cost-
3 effective for it to perform this service in Morenci's territory. Instead, Morenci has now set up a
4 process with Morenci Mine to handle the pick-up, storage and disposal of appliances. As of July 31,
5 2015, no customers have used this program and Morenci has incurred no costs for this program.

6 *LIW Program*

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8 consumption with residential weatherization measures. The program is administered through the
9 Southeastern Arizona Community Action Program ("SEACAP"). SEACAP representatives consult
10 with eligible homeowners and provide weatherization services, which are in turn funded by Morenci.
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13 providing information about SEACAP. Currently, no customers have used this program, and
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15 from \$3,000.00 to \$2,250.00, Staff calculated this program's B/C ratio as 0.96. Staff believes that the
16 LIW program would reach a B/C ratio of 1.0 if environmental benefits were monetized.

17 10. Despite the lack of customer participation, Staff believes it is in the public interest for
18 Morenci to maintain this program in case an applicant in Morenci's service territory qualifies. But
19 because of the lack of customer participation, Staff contacted a representative from the Arizona
20 Community Action Association who offered the following suggestions Morenci could explore and/or
21 possibly adopt in order to stimulate participation:

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23 potential eligible customers.
- 24 • Support weatherization without United States Department of Energy
25 Weatherization Assistance Program money. This would allow customers
26 whose homes were weatherized after September 30, 1994, to receive assistance.
27 Work with SEACAP to combine Morenci, Southwest Gas Corporation and
28 Utility Repair, Replacement and Deposit funds.

- 1 • Work with Morenci Mine, the landlord for the town of Morenci, to find
2 eligible residents in company housing. A family of four would qualify with an
3 income of \$48,500 per year. As a landlord, Morenci Mine might know the age
4 and quality of the housing stock as well as tenants' energy bills, and thus be
5 able to connect high-usage customers with weatherization services.
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7 likely know of families in need of weatherization such as Saints Philip & James
8 Episcopal Church in Morenci, the American Legion post in Clifton and the
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10 *Education and Outreach Program*

11 11. Morenci's education and outreach program is designed to communicate the benefits of
12 energy efficiency and the availability of its EE programs to customers. The program provides
13 informational material to residential and commercial customers, in addition to an energy usage
14 education program for schools in Morenci's service territory. Morenci makes educational materials
15 available at its office as well as providing a bill insert.

16 **Measurement and Verification**

17 12. Morenci's 2016-2017 EE Plan includes programs that have been fully implemented.
18 To ensure that the programs included in its proposed EE Plan are meeting the projected goals and
19 objectives, Morenci will continue to monitor and evaluate each of the programs. Morenci's
20 measurement and verification includes the following methods, although it is not limited to those
21 described below:

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23 savings per lamp type distributed. Using these data, Morenci will aggregate
24 savings, benefits and costs.
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26 recycled, and if possible track the specifications of those appliances and those
27 of the units replacing the recycled units. Using these data, it will aggregate
28 savings and other benefits.

- 1 • LIW Program: Morenci will work with SEACAP to collect the necessary data
2 to track the effectiveness of this program. This includes the number of homes
3 weatherized and measures used to reduce energy consumption. As with its
4 other programs, Morenci will aggregate savings, benefits and costs.
- 5 • Education and Outreach Program: Morenci will pursue customer feedback as
6 to the program's effectiveness in influencing enhanced energy efficiency.
7 Morenci will also solicit feedback from schools as to the effectiveness of the
8 educational materials.

9 13. If the Company finds any Commission-approved program or measure is no longer
10 cost-effective, the Company should file, in this docket, a letter stating that the program or measure
11 will be discontinued.

12 **Energy Efficiency Adjustor Mechanism**

13 14. The EEAM was approved in Decision No. 73737 on February 20, 2013. The EEAM
14 allows Morenci to recover the costs associated with the implementation of its EE programs, and is
15 designed to do so during the same year funds are expended. Morenci has proposed to roll over any
16 funds not expended to subsequent years. Morenci also requests the rates and charges for the EEAM
17 remain in effect for the two years its EE plan is effective.

18 15. Morenci seeks no change in its residential and non-residential EEAM rates. Morenci
19 currently recovers a monthly assessment from mining operations at both Safford and Morenci, even
20 though the two sites' energy sales are presently waived in calculating EE requirements. Morenci
21 proposes lowering the mining operations surcharge from \$650 per month to \$600 per month.

22 16. As part of Decision No. 73737, Morenci is required to maintain a bank balance for EE
23 funds, and report that balance in every EE Implementation Plan it files. As of April 30, 2015,
24 Morenci reports this amount as \$64,299.12.

25 17. In summary, Morenci would like to use the rates below:

- 26 • \$0.000245 per kWh per month for residential and non-mining non-residential
27 customers.
- 28 • \$600 per month from mining operations at each mining site.

18. The table below outlines the estimated amounts to be collected for EE implementation in 2016-2017 based on the proposed rates.

Table 1

Morenci's Proposed Adjustor Rates

Rate Class	Proposed Rate	Average Use	Estimated Monthly Total	Estimated Annual Total	Percentage Breakdown
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Mining Operations	\$600 monthly from each	N/A	\$1,200.00 (\$600 x 2 customers)	\$14,400.00	62.53%
Total				\$23,027.09	100%

19. A summary of the budget, by program, can be seen in the table below along with Staff's recommendation on the budget for 2016-2017. Based on past experience, Morenci has lowered the budget slightly for the Education and Outreach program and slightly increased the budget for the CFL program. Based on Morenci anticipating approximately five (5) customers annually in its service territory can benefit from the LIW program at a cost of \$3,000 per customer, Morenci has lowered the budget for this program accordingly. However, as mentioned previously, Staff's calculations using Morenci's proposed \$3,000 cost per customer for the LIW program found the LIW program non-cost effective. Therefore, Staff proposes lowering the budget for this program even further to \$2,250 per customer.

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Table 2
MORENCI WATER AND ELECTRIC
2016-2017 EE PLAN BUDGET

	<u>Morenci Current Annual Budget</u>	<u>Morenci Proposed Annual Budget</u>	<u>Staff Proposed Annual Budget</u>
	<u>2014-15</u>	<u>2016-17</u>	<u>2016-17</u>
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Appliance Recycling Program	\$1,750	\$1,750	\$1,750
Low Income Weatherization Program	\$16,500	\$15,500	\$11,250
Education and Outreach	\$1,050	\$500	\$500
Total Operating Cost	\$23,100	\$21,700	\$17,450

Recommendations

20. Staff has recommended that Morenci continue with its EE programs at Staff's proposed budget.

21. Also, given that Morenci reports a bank balance as of April 30, 2015 of \$64,299.12—approximately three (3) years of funding for the EE programs at Morenci's proposed budget of \$21,700 or 3.7 years at Staff's proposed budget—and indicates as of yet no participation in the Appliance Recycling and LIW programs—Staff has recommended lowering the EEAM rates to zero.

Table 3
Staff's Proposed Adjustor Rates

Rate Class	Proposed Rate	Average Use	Estimated Monthly Total	Estimated Annual Total
Residential	\$0.00 per kWh	604 kWh	\$0.00	\$0.00
Non-Residential	\$0.00 per kWh	4,723 kWh	\$0.00	\$0.00
Mining Operations	\$0.00 monthly from each	N/A	\$0.00	\$0.00
Total			\$0.00	\$0.00

22. In addition, Staff has recommended Morenci's 2016-2017 EE Plan as specified herein remain in effect until Morenci's EE fund bank balance reaches the Staff proposed budget amount of \$17,450. Upon reaching this balance, Staff has recommended Morenci file with the Commission an application to reset the EEAM rate. As the time it may take for Morenci to reach the proposed bank

1 balance may exceed two years, Staff has recommended Morenci be granted a waiver of A.A.C. § R14-
2 2-2405.A., which requires an affected utility to file its implementation plan at least every two years.

3 23. Further, as the unique circumstances in Morenci’s service territory have not changed
4 subsequent to its previous Implementation Plan, Staff has recommended that the proposed waivers
5 for the exclusion of mining load from the calculation of the Energy Efficiency Standard and Morenci
6 from the EE rules standards for the remaining non-mining load be approved.

7 24. Finally, Staff has further recommended Morenci file, as a compliance item in this
8 docket, a revised Energy Efficiency Surcharge Schedule consistent with the Decision in this case
9 within fifteen (15) days of the effective date of the Decision.

10 CONCLUSIONS OF LAW

11 1. Morenci Water and Electric Company is an Arizona public service corporation within
12 the meaning of Article XV, Section 2, of the Arizona Constitution.

13 2. The Commission has jurisdiction over Morenci and over the subject matter of the
14 application.

15 3. The Commission, having reviewed the filing and Staff’s Memorandum dated
16 November 24, 2015, concludes that it is in the public interest to approve Morenci Water and Electric
17 Company’s 2015-2016 Energy Efficiency Implementation Plan as proposed and discussed herein.

18 ORDER

19 IT IS THEREFORE ORDERED that Morenci Water and Electric Company’s 2016-2017
20 Energy Efficiency Implementation Plan is approved as discussed herein.

21 IT IS FURTHER ORDERED that Morenci Water and Electric Company shall continue with
22 its energy efficiency programs using the Staff-recommended budget and Energy Efficiency Adjustor
23 Mechanism rates.

24 IT IS FURTHER ORDERED that Morenci Water and Electric Company’s 2016-2017 Energy
25 Efficiency Implementation Plan as specified herein shall remain in effect until Morenci’s Energy
26 Efficiency fund bank balance reaches the Staff budget amount of \$17,450.

27 ...

28 ...

1 IT IS FURTHER ORDERED that upon reaching an Energy Efficiency Fund bank balance of
2 \$17,450, Morenci Water and Electric Company shall file with the Commission an application to reset
3 the Energy Efficiency Adjustor Mechanism rate.

4 IT IS FURTHER ORDERED that Morenci Water and Electric Company file, as a
5 compliance item in this docket, a revised Energy Efficiency Surcharge Schedule consistent with the
6 Decision in this case within fifteen (15) days of the effective date of the Decision.

7 IT IS FURTHER ORDERED that Morenci Water and Electric Company be granted a waiver
8 of A.A.C. § R14-2-2405.A., which requires an affected utility to file its implementation plan at least
9 every two years.

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IT IS FURTHER ORDERED that waivers for the exclusion of mining load from the calculation of the Energy Efficiency Standard and Morenci from the Energy Efficiency rules standards for the remaining non-mining load are hereby approved.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN	COMMISSIONER
COMMISSIONER	COMMISSIONER
COMMISSIONER	COMMISSIONER

IN WITNESS WHEREOF, I, JODI JERICH, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____, 2015.

JODI JERICH
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

TMB:MAC:red\RWG

1 SERVICE LIST FOR: MORENCI WATER AND ELECTRIC COMPANY
2 DOCKET NO. E-01049A-15-0167

3 Mr. Jason D. Gellman
4 Snell & Willmer, LLP
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