

ORIGINAL

OPEN MEETING



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MEMORANDUM

Arizona Corporation Commission

DOCKETED

MAY 31 2016

RECEIVED

2016 MAY 31 A 9 12

TO: THE COMMISSION

FROM: Utilities Division

DATE: May 31, 2016

DOCKETED BY

AZ CORP COMMISSION
DOCKET CONTROL

RE: IN THE MATTER OF THE APPLICATION OF MORENCI WATER AND ELECTRIC COMPANY - ELECTRIC DIVISION - FOR A REDUCTION IN THE RENEWABLE ENERGY STANDARD AND TARIFF SURCHARGE (DOCKET NO. E-01049A-16-0072)

BACKGROUND

On March 1, 2016, Morenci Water and Electric Company ("MWE" or "Company") filed an application for a reduction in the Renewable Energy Standard and Tariff ("REST") surcharge.

Commission Decision No. 75457 (February 11, 2016) granted a waiver of the Annual Renewable Energy Requirement for MWE's REST Plan years 2015 and 2016. Because of the waiver, Decision No. 75457 also reflected a budget reduction for MWE. The REST Plan budget was reduced by \$52,975 for 2015 and by \$63,370 for 2016.

In addition, Decision No. 75457 required MWE to file with the Commission, within 30 days of the effective date of the Decision, an application to reduce the REST surcharge to reflect the budget reduction that the waiver provided. In response, the Company submitted this application to reduce the surcharge from the existing \$0.004 per kilowatt-hour ("kWh") to \$0.000 per kWh.

ANALYSIS AND RECOMMENDATIONS

Since Decision No. 75457 reduced MWE's annual REST budget to \$1,000, it is appropriate to reduce the REST surcharge. Staff recommends that MWE's proposed reduction in its REST surcharge from \$0.004 per kWh to \$0.000 per kWh be approved.

Staff further recommends that MWE should file in Docket Control a revised REST tariff consistent with the Decision in this case, within 30 days of the effective date of the Decision.

THE COMMISSION

May 31, 2016

Page 2

In addition, Staff recommends that, beginning in 2016, MWE file its annual REST compliance reports in a docket to be opened by Staff.



Thomas M. Broderick

Director

Utilities Division

TMB:JJP:red\CHH

ORIGINATOR: Jeffrey Pasquinelli

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BEFORE THE ARIZONA CORPORATION COMMISSION

DOUG LITTLE
Chairman
BOB STUMP
Commissioner
BOB BURNS
Commissioner
TOM FORESE
Commissioner
ANDY TOBIN
Commissioner

IN THE MATTER OF THE APPLICATION
OF MORENCI WATER AND ELECTRIC
COMPANY - ELECTRIC DIVISION FOR A
REDUCTION IN THE RENEWABLE
ENERGY STANDARD AND TARIFF
SURCHARGE.

DOCKET NO. E-01049A-16-0072
DECISION NO. _____
ORDER

Open Meeting
June 14 and June 15, 2016
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Morenci Water and Electric Company ("MWE" or "Company") is certificated to provide electricity as a public service corporation in the state of Arizona.

Background

1. On March 1, 2016, MWE filed an application for a reduction in the Renewable Energy Standard and Tariff ("REST") surcharge.

2. The Arizona Corporation Commission ("Commission") Decision No. 75457 (February 11, 2016) granted a waiver of the Annual Renewable Energy Requirement for MWE's REST Plan years 2015 and 2016. Because of the waiver, Decision No. 75457 also reflected a budget reduction for MWE. The REST Plan budget was reduced by \$52,975 for 2015 and by \$63,370 for 2016.

3. In addition, Decision No. 75457 required MWE to file with the Commission, within 30 days of the effective date of the Decision, an application to reduce the REST surcharge to reflect

1 the budget reduction that the waiver provided. In response, the Company submitted this application
2 to reduce the surcharge from the existing \$0.004 per kilowatt-hour ("kWh") to \$0.000 per kWh.

3 **Analysis and Recommendations**

4 4. Since Decision No. 75457 reduced MWE's annual REST budget to \$1,000, it is
5 appropriate to reduce the REST surcharge. Staff has recommended that MWE's proposed reduction
6 in its REST surcharge from \$0.004 per kWh to \$0.000 per kWh, be approved.

7 5. Staff has further recommended that MWE should file in Docket Control a revised
8 REST tariff consistent with the Decision in this case, within 15 days of the effective date of the
9 Decision.

10 6. In addition, Staff has recommended that, beginning in 2016, MWE file its annual
11 REST compliance reports in a docket to be opened by Staff.

12 CONCLUSIONS OF LAW

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

15 2. The Commission has jurisdiction over Morenci Water and Electric Company and over
16 the subject matter of the application.

17 3. The Commission, having reviewed Staff's memorandum dated May 31, 2016,
18 concludes that it is in the public interest to approve the Morenci Water and Electric Company
19 Renewable Energy Standard Tariff surcharge as discussed herein.

20 ORDER

21 IT IS THEREFORE ORDERED that Morenci Water and Electric Company's proposed
22 reduction in its Renewable Energy Standard and Tariff surcharge from \$0.004 per kWh to \$0.000 per
23 kWh is approved.

24 IT IS FURTHER ORDERED that Morenci Water and Electric Company file in Docket
25 Control a revised REST tariff consistent with the Decision in this case, within 30 days of the effective
26 date of the Decision.

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IT IS FURTHER ORDERED that, beginning in 2016, MWE file its annual REST compliance reports in a docket to be opened by Staff.

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

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN

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 _____, 2016.

JODI JERICH
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

TMB:JJP:red/CHH

1 SERVICE LIST FOR: Morenci Water and Electric Company
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