

PUBLIC NOTICE OF GRAHAM COUNTY ELECTRIC COOPERATIVE’S STREAMLINED RATE APPLICATION – WATER AND ELECTRIC DIVISIONS

Important Rate Change Notice – Please Read

Graham County Electric Cooperative (“GCEC” or “Cooperative”) has notified the Arizona Corporation Commission (“Commission”) that it intends to file a streamlined rate application (“Streamlined Rate Application”) for its water division (“GCEC Water”) and electric division (“GCEC Electric”) on or about January 17, 2024, to change 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 cooperative utilities. For electric members, GCEC is requesting an overall rate increase of \$975,415 or 6.0% over adjusted test year total revenues. For water members, GCEC is requesting an overall rate increase of \$121,661 or 6.0% over adjusted test year total revenues. GCEC’s test year for this rate filing is year ending August 31, 2024. GCEC states that the rate increase is necessary to ensure the necessary income to cover operating expenses and infrastructure investments, produce margins sufficient to comply with GCEC’s financial covenants, and address short-term cash flow needs. The last general rate increase for GCEC Electric was effective May 2024. The last general rate increase for GCEC Water was effective October 2023.

GCEC Electric customers with monthly energy consumption of 786 kWh (average use) will see an increase of 7.90 per month, or 7.01%.

The proposed percentage increases by rate class over existing rates are set forth below:

	\$ Increase in Monthly Service Charge	\$ Increase in per kWh Billing Demand Charge	\$ Increase in per kWh for all Energy Charges	% Increase for Average Usage	% Increase for Median Usage
Residential	\$7.90	N/A	N/A	7.01%	8.38%
General Service and Small Commercial	\$10.18	N/A	N/A	4.59%	13.55%
Irrigation	\$14.44	N/A	N/A	6.63%	7.76%
Large Commercial and Gins	\$19.00	N/A	N/A	0.44%	2.39%
Small Security Light	\$2.13	N/A	N/A	17.89%	N/A
Large Security Lights	\$2.43	N/A	N/A	2.54%	N/A
Street Lighting	N/A	N/A	\$0.00986	10.00%	N/A

GCEC Water customers with monthly water consumption of 8,819 gallons (average use) will see an increase of 5.07 per month, or 6.14%.

The proposed percentage increases by rate class over existing rates are set forth below:

Customer Class	% Increase for Average Usage
Residential	6.14%
Commercial	7.10%
Resale	0.63%

Processing the Streamlined Application

Rule 107 provides streamlined procedures that should reduce rate case expense for processing rate applications of electric, natural gas or affiliated water 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 35% 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. Rule 107 requires that within 20 days after providing this notice to customers, GCEC shall file its Streamlined Rate Application. A customer may file an objection or request for intervention to the Streamlined Application within 30 days of the date this notice is mailed to customers. “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. GCEC’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 GCEC’s Streamlined Rate Application to be processed pursuant to the more comprehensive requirements of A.A.C. R14-2-103. You can view the entire Rules 103 and 107 at https://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 7 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 GCEC’s Streamlined Application, including objections to it being processed pursuant to the alterative Rule 107 streamlined requirements, may be submitted by mailing a letter referencing **Docket Nos. E-01749A-24-0272 or W-01749A-24-0272** to the Commission’s Consumer Services Section at 1200 W. Washington, Phoenix, Arizona 85007, or electronic submission by going to the website: www.azcc.gov clicking on “Meetings & Cases” and then "Make a Public Comment in a Docket". **Anyone requiring assistance may contact the Consumer Services Section at (602) 542-4251 or (800) 222-7000.**

Requests to intervene may be filed in Docket Nos. **E-01749A-24-0272** or **W-01749A-24-0272** by any person entitled by law to intervene or who is directly and substantially affected by the proceeding. For a form to use and instruction on how to electronically file, go to <https://www.azcc.gov/hearing/how-to-intervene-in-a-case>. If you require assistance, 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 you may contact GCEC as indicated below during normal business hours. All motions to intervene and all objections to the Streamlined Rate Application must be filed on or before February 6, 2025.

The A.A.C. R14-2-107 streamlined rate process is available to GCEC only if the Commission receives objections from less than 1,000 of GCECs customer accounts by February 6, 2025. If the Commission receives objections from at least 1,000 GCEC customer accounts by February 6, 2025, GCEC will not be eligible to use the streamlined rate process but will instead need to use the likely more costly rate application process pursuant to A.A.C. R14-2-103 which would involve a formal evidentiary hearing and a more comprehensive review/analysis by Commission Staff.

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 GCEC's offices located at 9 West Center Street, Pima, AZ 85543. A copy of the Streamlined Application is also available at GCEC's website (<https://www.gce.coop/>). By January 17, 2024, 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 as 400 W. Congress, Tucson, Arizona, 85701 and on the Internet via the Commission's website (www.azcc.gov) using the e-Docket function.

GCEC Contact Information

GCEC may be contacted by phone at 928-485-2451 or in person at 9 West Center Street, Pima, AZ 85543 during regular business hours.

ADA/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its proceedings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, and may request this document in an alternative format, by contacting the Commission at UtilitiesDiv@azcc.gov, voice phone number (602) 542-4251. Requests should be made as early as possible and no later than 48 hours in advance to allow time to arrange the accommodation.