

ANNUAL REPORT

Of

Company Name: Morenci Water and Electric Company - Electric
PO Box 68
0
Mailing Address: Morenci AZ
85540
Docket No.: E-01049A
For the Year Ended: 12/31/24

RECEIVED BY EMAIL
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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ELECTRIC

To

Arizona Corporation Commission

Due on April 15th

Email: Util-Compliance@azcc.gov, mail or deliver the completed Annual Report to:

Arizona Corporation Commission
Compliance Section - Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Application Type: Original Filing
Application Date: 4/14/2025

ARIZONA CORPORATION COMMISSION
ELECTRIC UTILITY ANNUAL REPORT
COMPANY INFORMATION

For the Calendar Year Ended: 12/31/24

Company/Business Name:	Morenci Water and Electric Company - Electric				
Mailing Address:	PO Box 68				
City:	Morenci	State:	Arizona	Zip Code:	85540
Telephone Number:	928-865-6264	Fax Number:			
Email:	dmedina@fmi.com				

Regulatory and On-Site Manager Contact					
Name:	Francis R. McAllister, Jr.				
Title:	President				
Telephone No. :	602-618-3974				
Address:	333 N Central Ave				
City:	Phoenix	State:	Arizona	Zip Code:	85004
Email:	fmcallis@fmi.com				

Statutory Agent					
Name:	Registered Agent Solutions, Inc.				
Title:					
Telephone No. :					
Address:	300 W. Clarendon Ave., Suite 240				
City:	Phoenix	State:	Arizona	Zip Code:	85013
Email:					

Attorney					
Name:	Michael Patten				
Title:	Attorney				
Telephone No. :	602-290-4131				
Address:	One East Washington Street Suite 2700				
City:	Phoeniz	State:	Arizona	Zip Code:	85004
Email:	mpatten@swlaw.com				

Attorney					
Name:					
Title:					
Telephone No. :					
Address:					
City:		State:		Zip Code:	
Email:					

Ownership: C Corporation (C) (Other than Association/Co-op)

Counties Served: Greenlee

Important changes during the year

No	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year?
	If yes, please provide specific details in the box below.

No	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
	If yes, please provide specific details in the box below.

Morenci Water and Electric Company - Electric
ELECTRIC UTILITY ANNUAL REPORT
AUTHORIZED SERVICES AND STATISTICAL INFORMATION
12/31/24

SERVICES AUTHORIZED TO PROVIDE

Yes	Electric
Yes	Investor Owned Electric
No	Rural Electric Cooperative
Yes	Utility Distributed Company
No	Electric Service Provider
N/A	Transmission Service Provider
N/A	Meter Service Provider
N/A	Meter Reading Service Provider
N/A	Billing and Collection
N/A	Ancillary Services
N/A	Generation Provider
N/A	Aggregator/Broker

N/A Other (Specify)

STATISTICAL INFORMATION

Retail Information

	Number of Arizona Customers	Number of kWh Sold in Arizona
Residential	2,252	21,078,284
Commercial	389	16,741,601
Industrial	2	2,702,495,856
Public Street and Highway Lighting	0	0
Irrigation	0	0
Total Retail	2,643	2,740,315,741

Wholesale Information

	Number of Customers	Number of kWh Sold
Resale	0	0
Short-term Sales (duration of less than one-year)	0	0
Total Wholesale	0	0

Total Sold	2,740,315,741
Maximum Peak Load	364,656
Distribution System Losses	5,580,152
Distribution Losses	0.00%
Transmission Losses	0.00%
System Average Interruption Duration Index (SAIDI)	262
Customer Average Interruption Duration Index (CAIDI)	52
System Average Interruption Frequency Index (SAIFI)	5

UTILITY PLANT IN SERVICE (ELECTRIC)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
Intangible Plant							
301	Organization	\$0	\$0	\$0	\$0	\$0	\$0
302	Franchises and consents	0	0	0	0	0	0
303	Miscellaneous intangible plan	0	0	0	0	0	0
Steam Production							
310	Land and land rights	0	0	0	0	0	0
311	Structures and improvements	0	0	0	0	0	0
312	Boiler plant equipment	0	0	0	0	0	0
313	Engines and engine-driven generator	0	0	0	0	0	0
314	Turbogenerator units	0	0	0	0	0	0
315	Accessory electric equipment	0	0	0	0	0	0
316	Miscellaneous power plant equipment	0	0	0	0	0	0
317	Asset retirement costs	0	0	0	0	0	0
Nuclear Production							
320	Land and land rights	0	0	0	0	0	0
321	Structures and improvements	0	0	0	0	0	0
322	Reactor plant equipment	0	0	0	0	0	0
323	Turbogenerator units	0	0	0	0	0	0
324	Accessory electric equipment	0	0	0	0	0	0
325	Miscellaneous power plant equipment	0	0	0	0	0	0
326	Asset retirement costs	0	0	0	0	0	0
Hydraulic Production							
330	Land and land rights	0	0	0	0	0	0
331	Structures and improvements	0	0	0	0	0	0
332	Reservoirs, dams and waterways	0	0	0	0	0	0
333	Water wheels, turbines and generators	0	0	0	0	0	0
334	Accessory electric equipment	0	0	0	0	0	0
335	Miscellaneous power plant equipment	0	0	0	0	0	0
336	Roads, railroads and bridges	0	0	0	0	0	0
337	Asset retirement costs	0	0	0	0	0	0
Other Production							
340	Land and land rights	0	0	0	0	0	0
341	Structures and improvements	0	0	0	0	0	0
342	Fuel holders, producers, and accessories	0	0	0	0	0	0
343	Prime movers	0	0	0	0	0	0
344	Generators	26,894	0	0	26,894	6,499	20,394
345	Accessory electric equipment	0	0	0	0	0	0
346	Miscellaneous power plant equipment	0	0	0	0	0	0
347	Asset retirement costs	0	0	0	0	0	0
348	Energy Storage Equipment-Production	0	0	0	0	0	0
Transmission Plant							
350	Land and land rights	0	0	0	0	0	0
352	Structures and improvements	2,340,605	0	0	2,340,605	1,014,040	1,326,565
353	Station equipment	5,018,021	0	0	5,018,021	2,658,436	2,359,585
354	Towers and fixtures	133,955	0	0	133,955	75,660	58,295
355	Poles and fixtures	1,823,693	0	0	1,823,693	1,278,681	545,012
356	Overhead conductors and devices	2,614,128	0	0	2,614,128	1,362,279	1,251,849
357	Underground conduit	45,337	0	0	45,337	30,603	14,735
358	Underground conductors and devices	55,754	0	0	55,754	42,704	13,050
359	Road and trails	776,927	0	0	776,927	363,130	413,798
359.1	Asset retirement costs for transmission plan	0	0	0	0	0	0
Distribution Plant							
360	Land and land rights	0	0	0	0	0	0
361	Structures and improvements	63,726	0	0	63,726	63,726	0
362	Station equipment	1,095,559	0	0	1,095,559	425,963	669,596
363	Storage battery equipment	0	0	0	0	0	0
364	Poles, towers and fixtures	1,284,127	0	0	1,284,127	763,637	520,489
365	Overhead conductors and devices	731,192	0	0	731,192	346,806	384,386
366	Underground conduit	5,864,989	0	0	5,864,989	1,550,861	4,314,128
367	Underground conductors and devices	695,048	0	0	695,048	171,280	523,768
368	Line transformers	9,103,826	0	0	9,103,826	4,106,258	4,997,569
369	Services	326,224	0	0	326,224	194,037	132,187
370	Meters	288,310	0	0	288,310	153,268	135,042
371	Installations on customers' premises	194,000	0	0	194,000	173,035	20,965
372	Leased property on customers' premises	0	0	0	0	0	0
373	Street lighting and signal system	0	0	0	0	0	0
374	Asset retirement costs for distribution plan	0	0	0	0	0	0
Regional Transmission and Market Operation Plant							
380	Land and land rights	0	0	0	0	0	0
381	Structures and improvements	0	0	0	0	0	0
382	Computer hardware	0	0	0	0	0	0
383	Computer software	0	0	0	0	0	0
384	Communications equipment	0	0	0	0	0	0
385	Miscellaneous regional transmission and market operation plan	0	0	0	0	0	0
386	Asset retirement costs for regional transmission and market operation plan	0	0	0	0	0	0
General Plant							
389	Land and land rights	147,483	0	0	147,483	0	147,483
390	Structures and improvements	90,803	0	0	90,803	61,153	29,651
391	Office furniture and equipment	28,551	0	0	28,551	23,715	4,835
392	Transportation equipment	1,505,090	0	0	1,505,090	1,408,512	96,578
393	Stores equipment	0	0	0	0	0	0
394	Tools, shop and garage equipment	301,344	0	0	301,344	137,572	163,771
395	Laboratory equipment	27,212	0	0	27,212	13,748	13,464
396	Power operated equipment	143,774	0	0	143,774	52,717	91,057
397	Communications equipment	72,269	0	0	72,269	60,147	12,122
398	Miscellaneous equipment	6,103	0	0	6,103	6,103	0
399	Other tangible property	0	0	0	0	0	0
399.1	Asset retirement costs for general plan	0	0	0	0	0	0
	Totals	\$34,804,943	\$0	\$0	\$34,804,943	\$16,544,571	\$18,260,372

DEPRECIATION EXPENSE FOR THE CURRENT YEAR (ELECTRIC)								
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non- depreciable Plant	Depreciation Percentages	Depreciation Expense
Intangible Plant								
301	Organization	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
302	Franchises and consents	0	0	0	0	0	0.00%	0
303	Miscellaneous intangible plant	0	0	0	0	0	0.00%	0
Steam Production								
310	Land and land rights	0	0	0	0	0	0.00%	0
311	Structures and improvements	0	0	0	0	0	0.00%	0
312	Boiler plant equipment	0	0	0	0	0	0.00%	0
313	Engines and engine-driven generators	0	0	0	0	0	0.00%	0
314	Turbogenerator units	0	0	0	0	0	0.00%	0
315	Accessory electric equipment	0	0	0	0	0	0.00%	0
316	Miscellaneous power plant equipment	0	0	0	0	0	0.00%	0
317	Asset retirement costs	0	0	0	0	0	0.00%	0
Nuclear Production								
320	Land and land rights	0	0	0	0	0	0.00%	0
321	Structures and improvements	0	0	0	0	0	0.00%	0
322	Reactor plant equipment	0	0	0	0	0	0.00%	0
323	Turbogenerator units	0	0	0	0	0	0.00%	0
324	Accessory electric equipment	0	0	0	0	0	0.00%	0
325	Miscellaneous power plant equipment	0	0	0	0	0	0.00%	0
326	Asset retirement costs	0	0	0	0	0	0.00%	0
Hydraulic Production								
330	Land and land rights	0	0	0	0	0	0.00%	0
331	Structures and improvements	0	0	0	0	0	0.00%	0
332	Reservoirs, dams and waterways	0	0	0	0	0	0.00%	0
333	Water wheels, turbines and generators	0	0	0	0	0	0.00%	0
334	Accessory electric equipment	0	0	0	0	0	0.00%	0
335	Miscellaneous power plant equipment	0	0	0	0	0	0.00%	0
336	Roads, railroads and bridges	0	0	0	0	0	0.00%	0
337	Asset retirement costs	0	0	0	0	0	0.00%	0
Other Production								
340	Land and land rights	0	0	0	0	0	0.00%	0
341	Structures and improvements	0	0	0	0	0	0.00%	0
342	Fuel holders, producers, and accessories	0	0	0	0	0	0.00%	0
343	Prime movers	0	0	0	0	0	0.00%	0
344	Generators	26,894	0	0	26,894	5,603	4.21%	896
345	Accessory electric equipment	0	0	0	0	0	0.00%	0
346	Miscellaneous power plant equipment	0	0	0	0	0	0.00%	0
347	Asset retirement costs	0	0	0	0	0	0.00%	0
348	Energy Storage Equipment-Production	0	0	0	0	0	0.00%	0
Transmission Plant								
350	Land and land rights	0	0	0	0	0	0.00%	0
352	Structures and improvements	2,340,605	0	0	2,340,605	960,525	3.88%	53,515
353	Station equipment	5,018,021	0	0	5,018,021	2,525,401	5.34%	133,035
354	Towers and fixtures	133,955	0	0	133,955	71,939	6.00%	3,721
355	Poles and fixtures	1,823,693	0	0	1,823,693	1,215,795	10.34%	62,886
356	Overhead conductors and devices	2,614,128	0	0	2,614,128	1,295,178	5.09%	67,101
357	Underground conduit	45,337	0	0	45,337	28,336	13.33%	2,267
358	Underground conductors and devices	55,754	0	0	55,754	41,433	8.87%	1,271
359	Road and trails	776,927	0	0	776,927	343,456	4.54%	19,674
359.1	Asset retirement costs for transmission plant	0	0	0	0	0	0.00%	0
Distribution Plant								
360	Land and land rights	0	0	0	0	0	0.00%	0
361	Structures and improvements	63,726	0	0	63,726	63,726	0.00%	0
362	Station equipment	1,095,559	0	0	1,095,559	393,240	4.66%	32,723
363	Storage battery equipment	0	0	0	0	0	0.00%	0
364	Poles, towers and fixtures	1,284,127	0	0	1,284,127	728,767	6.28%	34,870
365	Overhead conductors and devices	731,192	0	0	731,192	324,444	5.50%	22,362
366	Underground conduit	5,864,989	0	0	5,864,989	1,354,368	4.36%	196,493
367	Underground conductors and devices	695,048	0	0	695,048	148,045	4.25%	23,235
368	Line transformers	9,103,826	0	0	9,103,826	3,801,418	5.75%	304,840
369	Services	326,224	0	0	326,224	184,948	6.43%	9,089
370	Meters	288,310	0	0	288,310	143,779	6.57%	9,489
371	Installations on customers' premises	194,000	0	0	194,000	168,376	18.18%	4,659
372	Leased property on customers' premises	0	0	0	0	0	0.00%	0
373	Street lighting and signal systems	0	0	0	0	0	0.00%	0
374	Asset retirement costs for distribution plant	0	0	0	0	0	0.00%	0
Regional Transmission and Market Operation Plant								
380	Land and land rights	0	0	0	0	0	0.00%	0
381	Structures and improvements	0	0	0	0	0	0.00%	0
382	Computer hardware	0	0	0	0	0	0.00%	0
383	Computer software	0	0	0	0	0	0.00%	0
384	Communications equipment	0	0	0	0	0	0.00%	0
385	Miscellaneous regional transmission and market operation plant	0	0	0	0	0	0.00%	0
386	Asset retirement costs for regional transmission and market operation plant	0	0	0	0	0	0.00%	0
General Plant								
389	Land and land rights	147,483	0	0	147,483	0	0.00%	0
390	Structures and improvements	90,803	0	0	90,803	58,129	9.25%	3,023
391	Office furniture and equipment	28,551	0	0	28,551	23,260	8.60%	455
392	Transportation equipment	1,505,090	0	0	1,505,090	1,328,048	45.45%	80,464
393	Stores equipment	0	0	0	0	0	0.00%	0
394	Tools, shop and garage equipment	301,344	0	0	301,344	127,160	5.98%	10,412
395	Laboratory equipment	27,212	0	0	27,212	12,809	6.52%	939
396	Power operated equipment	143,774	0	0	143,774	43,132	9.52%	9,585
397	Communications equipment	72,269	0	0	72,269	57,647	17.09%	2,499
398	Miscellaneous equipment	6,103	0	0	6,103	6,103	0.00%	0
399	Other tangible property	0	0	0	0	0	0.00%	0
399.1	Asset retirement costs for general plant	0	0	0	0	0	0.00%	0
	Depreciation expense	\$34,804,943	\$0	\$0	\$34,804,943	\$15,455,066		\$1,089,505

Morenci Water and Electric Company - Electric
ELECTRIC UTILITY ANNUAL REPORT
BALANCE SHEET ASSETS
12/31/24

BALANCE SHEET ASSETS			
Assets and Other Debits		Balance at Beginning of Year (2024)	Balance at End of Year (2024)
Utility Plant			
Plant in service		\$34,804,943	\$34,804,943
Accumulated depreciation and amortization		(15,455,066)	(16,544,571)
Construction work in progress		3,495,923	10,867,791
Palo Verde sale leaseback (net of accumulated amortization)		0	0
Nuclear fuel (net of accumulate amortization)		0	0
Total Utility Plant		\$22,845,800	\$29,128,163
Other Property and Investments			
Non-utility property (net)		0	0
Investments in associated companies/organizations		0	0
Investments in subsidiary companies/organizations		0	0
Nuclear decommissioning trust		0	0
Other investments		0	0
Total Other Property and Investments		\$0	\$0
Current and Accrued Assets			
Cash and cash equivalents		\$299,883	126053.66
Customer and other receivables		119,586	95,360
Accounts receivable		9,010,183	11,217,535
Allowance for doubtful accounts		52,260	74,448
Materials and supplies (at average cost)		485,097	560,630
Notes receivable (related party due within one year)		0	0
Fossil fuel (at average cost)		0	0
Regulatory assets		0	0
Deferred debits		0	0
Other current assets		0	0
Total Fixed Assets		\$9,967,009	\$12,074,027
Total Assets and Other Debits		\$32,812,809	\$41,202,190

Morenci Water and Electric Company - Electric
ELECTRIC UTILITY ANNUAL REPORT
BALANCE SHEET LIABILITIES AND OWNERS EQUITY
12/31/24

BALANCE SHEET LIABILITIES AND OWNERS EQUITY			
Liabilities and Other Credits		Balance at Beginning of Year (2024)	Balance at End of Year (2024)
Current Liabilities			
Accounts payable		\$835,861	\$559,245
Customer/Member deposits		4,641	9,229
Current maturities of Long-Term Debt		0	0
Accrued expenses		0	0
Accrued taxes		552,048	407,559
Accrued interest		0	0
Notes payable to associated companies		11,575,293	13,196,004
Short-term borrowing		0	0
Common dividends payable		0	0
Other regulatory liabilities		0	0
Liabilities for asset retirement		0	0
Other current liabilities		15,387	28,456
Total Current Liabilities		\$12,983,231	\$14,200,493
Long Term Debt			
Long-Term Debt		\$0	\$0
Deferred Credits			
Deferred income tax		\$0	\$0
Regulatory liabilities		0	831,777
Accumulated deferred investment tax credits		0	0
Liabilities for assest retirements		0	0
Liabilities for pension benefits		0	0
Customer advances		0	0
Coal mine reclamation		0	0
Deferred revenues		0	0
Construction advances		7,318,603	7,318,603
Deferred investment tax credit		(1,356,003)	(1,592,379)
Unrecognized tax benefits		0	0
Other deferred credits		0	0
Total Deferred Credits		\$5,962,600	\$6,558,000
Total Liabilites		\$18,945,830	\$20,758,493
Capital Accounts			
Common stock		\$706,908	\$1,006,266
Additional paid-in capital		6,555,778	6,555,778
Retained earnings		0	0
Memberships		0	0
Patronage capital		0	0
Accumulated other comprehensive		6,604,294	12,881,654
Total Capital		\$13,866,979	\$20,443,697
Total Liabilities and Capital		\$32,812,809	\$41,202,190

Note: Total liabilities and Capital must match total assets for the beginning and end of the year!

Morenci Water and Electric Company - Electric
ELECTRIC UTILITY ANNUAL REPORT
ELECTRIC COMPARATIVE INCOME STATEMENT
12/31/24

ELECTRIC COMPARATIVE INCOME STATEMENT			
Account No.	Calendar Year	Last Year 01/01/2023 - 12/31/2023	Current Year 01/01/2024 - 12/31/2024
	Operating Revenue		
440	Residential sales	\$2,872,882	\$3,244,063
442	Commercial and industrial sales	181,162,780	127,784,310
444	Public street and highway lighting	0	0
445	Other sales to public authorities	0	0
446	Sales to railroads and railways	0	0
447	Sales for resale	0	0
448	Interdepartmental sales	0	0
449	Other sales	0	0
449.1	Provision for rate refunds	0	0
	Total Revenues	\$184,035,662	\$131,028,373
	Operating Expenses		
Steam Power Generation			
500	Operation supervision and engineering	\$0	\$0
501	Fuel	0	0
502	Steam expenses	0	0
503	Steam from other sources	0	0
504	Steam transferred-Credit	0	0
505	Electric expenses	0	0
506	Miscellaneous steam power expense	0	0
507	Rents	0	0
508	Operation supplies and expenses	0	0
509	Allowances	0	0
510	Maintenance supervision and engineering	0	0
511	Maintenance of structures	0	0
512	Maintenance of boiler plant	0	0
513	Maintenance of electric plant	0	0
514	Maintenance of miscellaneous steam plant	0	0
515	Maintenance of steam production plant	0	0
Other Power Supply Expense			
555	Purchased Power	177,520,166	124,996,594
Customer Accounts Expense			
904	Uncollectible accounts	10,581	11,953
Operation Administrative and General Expenses			
920	Administrative and general salaries	0	937,584
921	Office supplies and expenses	0	30,634
923	Outside services employed	636,322	331,575
926	Employee pensions and benefits	0	171,677
930.2	Miscellaneous general expenses	(473,073)	(9,463)
931	Rents	3,931	4,547
933	Transportation Expenses	36,218	24,081
935	Maintenance of general plant	0	470,289
403	Depreciation Expense	1,157,532	1,089,505
408	Taxes Other Than Income	0	0
408.11	Property Taxes	164,146	157,396
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$179,055,822	\$128,216,372
	Operating Income / (Loss)	\$4,979,840	\$2,812,001
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$0	\$0
	Net Income / (Loss)	\$4,979,840	\$2,812,001

Total number of employees	8	8
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Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Morenci Water and Electric Company - Electric
ELECTRIC UTILITY ANNUAL REPORT
UTILITY SHUTOFFS / DISCONNECTS
12/31/24

UTILITY SHUTOFFS / DISCONNECTS			
Month	Termination without Notice R14-2-211.B	Termination with Notice R14-2- 211.C	Other
January	0	0	0
February	0	0	0
March	0	3	0
April	0	2	0
May	0	1	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	7	0
Total	0	13	0

Other (description):

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Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.