

ORIGINAL



0000001858

BEFORE THE ARIZONA CORPORATION COMMISSION

300F

2004 APR 14 P 2: 27

COMMISSIONERS

MARC SPITZER -- Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
MIKE GLEASON
KRISTIN K. MAYS

AZ CORP COMMISSION
DOCUMENT CONTROL

Arizona Corporation Commission

DOCKETED

APR 14 2004

DOCKETED BY

**IN THE MATTER OF THE APPLICATION OF
PINE WATER COMPANY FOR A
DETERMINATION OF THE CURRENT FAIR
VALUE OF ITS UTILITY PLANT AND
PROPERTY AND FOR INCREASES IN ITS
RATES AND CAHRGSE BASED TEHREON FOR
UTILITY SERVICE AND FOR APPROVAL TO
INCUR LONG-TERM DEBT**

Docket No. W-03512A-03-0279

**NOTICE OF FILING OF TYPICAL
BILL ANALYSIS AND CORRECTED
STAFF EXHIBIT S-8.**

On May 1, 2003, Pine Water Company filed with the Arizona Corporation Commission ("Commission") an application for a determination of the current fair value of its utility plant and property, a rate increase and for approval of long-term debt.

On April 2, 2004 all parties to the case with the exception of intervenor Mr. Robert M. Cassaro entered into a settlement agreement which the signatory parties believe settles all material issues in the case. On April 2, 2004, a hearing considering the settlement agreement was convened. During the course of that hearing the Commission Utilities Division ("Staff") provided a Typical Bill Analysis ("Analysis") which was marked Staff Exhibit S-8. Staff explained that the high number of seasonal Pine customers resulted in many meters experiencing zero usage, skewing the averages and median usage numbers downward. An Analysis with the zero usage numbers backed out was requested. That analysis is provided here as attachment A.

.....

.....

.....

.....

1 During its compilation of attachment A, Staff discovered its compilation of S-8 was in error. A
2 corrected S-8 is provided here as attachment B.

3 RESPECTFULLY SUBMITTED this 14th day of April, 2004.

4 ARIZONA CORPORATION COMMISSION

5
6 By: 

7 Gary H. Horton
8 Attorney, Legal Division
9 1200 West Washington Street
10 Phoenix, Arizona 85007
11 (602) 542-6026

12 Original and 13 copies of the foregoing filed
13 this 14th day of April, 2004, with:

14 Docket Control
15 Arizona Corporation Commission
16 1200 West Washington
17 Phoenix, Arizona 85007

18 Copy of the foregoing mailed this 14th day
19 of April, 2004, to:

20 Jay L. Shapiro
21 Patrick J. Black
22 Fennemore Craig
23 3003 N. Central, Suite 2600
24 Phoenix, AZ 85012
25 Attorneys for Pine Water Company

26 John G. Gliege
27 P. O. Box 1388
28 Flagstaff, AZ 86002-1388
Attorney for Pine-Strawberry

John O. Breninger
P. O. Box 2096
3475 Whispering Pines Road
Pine, AZ 85544-2096

Robert M. Cassaro
P. O. Box 1522
Pine, AZ 85544

27 
28

ATTACHMENT A

TYPICAL BILL ANALYSIS

General Service 5/8 X 3/4 - Inch Meter - 14A Winter
OLD E & R SYSTEM
WITHOUT ZERO BILLS

Average Number of Customers: 1,497
Average No. of Customers W/O zero bills: 1,099

<u>Company Proposed</u>	<u>Gallons</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
Average Usage	2,722	\$19.80	\$23.84	\$4.04	20.4%
Median Usage	1,351	\$19.57	\$23.55	\$3.98	20.3%
 <u>Staff Proposed</u>					
Average Usage	2,722	\$19.80	\$20.02	\$0.22	1.1%
Median Usage	1,351	\$19.57	\$19.75	\$0.18	0.9%

Present & Proposed Rates (Without Taxes)
General Service 5/8 X 3/4 - Inch Meter - 14A Winter

<u>Gallons Consumption</u>	<u>Present Rates</u>	<u>Company Proposed Rates</u>	<u>% Increase</u>	<u>Staff Proposed Rates</u>	<u>% Increase</u>
-	\$ 18.45	\$ 22.14	20.0%	\$ 18.45	0.0%
1,000	21.85	26.42	20.9%	22.40	2.5%
2,000	25.25	30.70	21.6%	26.35	4.4%
3,000	28.65	38.20	33.3%	31.31	9.3%
4,000	32.05	45.70	42.6%	36.27	13.2%
5,000	38.00	53.20	40.0%	41.23	8.5%
6,000	43.95	60.70	38.1%	46.19	5.1%
7,000	49.90	68.20	36.7%	52.19	4.6%
8,000	55.85	75.70	35.5%	58.19	4.2%
9,000	61.80	87.20	41.1%	64.19	3.9%
10,000	67.75	98.70	45.7%	70.19	3.6%
15,000	97.50	156.20	60.2%	100.19	2.8%
20,000	127.25	213.70	67.9%	130.19	2.3%
25,000	157.00	271.20	72.7%	160.19	2.0%
50,000	305.75	558.70	82.7%	310.19	1.5%
75,000	454.50	846.20	86.2%	460.19	1.3%
100,000	603.25	1,133.70	87.9%	610.19	1.2%

TYPICAL BILL ANALYSIS

General Service 5/8 X 3/4 - Inch Meter - 14A Summer
OLD E & R SYSTEM
WITHOUT ZERO BILLS

Average Number of Customers: 1,510
Average No. of Customers W/O zero bills: 1,284

<u>Company Proposed</u>	<u>Gallons</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
Average Usage	3,269	\$20.12	\$24.99	\$4.87	24.2%
Median Usage	1,418	\$19.92	\$24.65	\$4.73	23.7%
<u>Staff Proposed</u>					
Average Usage	3,269	\$20.12	\$21.40	\$1.28	6.3%
Median Usage	1,418	\$19.92	\$21.05	\$1.13	5.6%

Present & Proposed Rates (Without Taxes)
General Service 5/8 X 3/4 - Inch Meter - 14A Summer

<u>Gallons Consumption</u>	<u>Present Rates</u>	<u>Company Proposed Rates</u>	<u>% Increase</u>	<u>Staff Proposed Rates</u>	<u>% Increase</u>
-	\$ 18.45	\$ 22.14	20.0%	\$ 18.45	0.0%
1,000	21.85	27.94	27.9%	24.45	11.9%
2,000	25.25	33.74	33.6%	30.45	20.6%
3,000	28.65	43.88	53.2%	37.45	30.7%
4,000	32.05	54.02	68.5%	44.45	38.7%
5,000	38.00	64.16	68.8%	51.45	35.4%
6,000	43.95	74.30	69.1%	58.45	33.0%
7,000	49.90	84.44	69.2%	66.45	33.2%
8,000	55.85	94.58	69.3%	74.45	33.3%
9,000	61.80	108.72	75.9%	82.45	33.4%
10,000	67.75	122.86	81.3%	90.45	33.5%
15,000	97.50	193.56	98.5%	130.45	33.8%
20,000	127.25	264.26	107.7%	170.45	33.9%
25,000	157.00	334.96	113.4%	210.45	34.0%
50,000	305.75	688.46	125.2%	410.45	34.2%
75,000	454.50	1,041.96	129.3%	610.45	34.3%
100,000	603.25	1,395.46	131.3%	810.45	34.3%

TYPICAL BILL ANALYSIS

General Service 5/8 X 3/4 - Inch Meter - 14B Winter
Williamson System
WITHOUT ZERO BILLS

Average Number of Customers: 360
Average No. of Customers W/O zero bills: 295

<u>Company Proposed</u>	<u>Gallons</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
Average Usage	2,091	\$21.84	\$24.01	\$2.17	10.0%
Median Usage	486	\$21.70	\$23.84	\$2.14	9.9%
<u>Staff Proposed</u>					
Average Usage	2,091	\$21.84	\$20.18	(\$1.66)	-7.6%
Median Usage	486	\$21.70	\$20.02	(\$1.68)	-7.7%

Present & Proposed Rates (Without Taxes)
General Service 5/8 X 3/4 - Inch Meter - 14B Winter

<u>Gallons Consumption</u>	<u>Present Rates</u>	<u>Company Proposed Rates</u>	<u>% Increase</u>	<u>Staff Proposed Rates</u>	<u>% Increase</u>
-	\$ 20.35	\$ 22.14	8.8%	\$ 18.45	-9.3%
1,000	23.75	26.42	11.2%	22.40	-5.7%
2,000	27.15	30.70	13.1%	26.35	-2.9%
3,000	30.55	38.20	25.0%	31.31	2.5%
4,000	33.95	45.70	34.6%	36.27	6.8%
5,000	39.90	53.20	33.3%	41.23	3.3%
6,000	45.85	60.70	32.4%	46.19	0.7%
7,000	51.80	68.20	31.7%	52.19	0.8%
8,000	57.75	75.70	31.1%	58.19	0.8%
9,000	63.70	87.20	36.9%	64.19	0.8%
10,000	69.65	98.70	41.7%	70.19	0.8%
15,000	99.40	156.20	57.1%	100.19	0.8%
20,000	129.15	213.70	65.5%	130.19	0.8%
25,000	158.90	271.20	70.7%	160.19	0.8%
50,000	307.65	558.70	81.6%	310.19	0.8%
75,000	456.40	846.20	85.4%	460.19	0.8%
100,000	605.15	1,133.70	87.3%	610.19	0.8%

TYPICAL BILL ANALYSIS

General Service 5/8 X 3/4 - Inch Meter - 14B Summer
Williamson System
WITHOUT ZERO BILLS

Average Number of Customers: 360
Average No. of Customers W/O zero bills: 312

<u>Company Proposed</u>	<u>Gallons</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
Average Usage	3,029	\$22.05	\$25.04	\$2.99	13.6%
Median Usage	598	\$21.87	\$24.74	\$2.87	13.1%
<u>Staff Proposed</u>					
Average Usage	3,029	\$22.05	\$21.46	(\$0.60)	-2.7%
Median Usage	598	\$21.87	\$21.14	(\$0.73)	-3.4%

Present & Proposed Rates (Without Taxes)
General Service 5/8 X 3/4 - Inch Meter - 14B Summer

<u>Gallons Consumption</u>	<u>Present Rates</u>	<u>Company Proposed Rates</u>	<u>% Increase</u>	<u>Staff Proposed Rates</u>	<u>% Increase</u>
-	\$ 20.35	\$ 22.14	8.8%	\$ 18.45	-9.3%
1,000	23.75	27.94	17.6%	24.45	2.9%
2,000	27.15	33.74	24.3%	30.45	12.2%
3,000	30.55	43.88	43.6%	37.45	22.6%
4,000	33.95	54.02	59.1%	44.45	30.9%
5,000	39.90	64.16	60.8%	51.45	28.9%
6,000	45.85	74.30	62.1%	58.45	27.5%
7,000	51.80	84.44	63.0%	66.45	28.3%
8,000	57.75	94.58	63.8%	74.45	28.9%
9,000	63.70	104.72	64.4%	82.45	29.4%
10,000	69.65	114.86	64.9%	90.45	29.9%
15,000	99.40	185.56	86.7%	130.45	31.2%
20,000	129.15	256.26	98.4%	170.45	32.0%
25,000	158.90	326.96	105.8%	210.45	32.4%
50,000	307.65	680.46	121.2%	410.45	33.4%
75,000	456.40	1,033.96	126.5%	610.45	33.8%
100,000	605.15	1,387.46	129.3%	810.45	33.9%

ATTACHMENT B

TYPICAL BILL ANALYSIS

General Service 5/8 X 3/4 - Inch Meter - 14A Winter
OLD E & R SYSTEM
WITH ZERO BILLS INCLUDED

Average Number of Customers: 1,497

<u>Company Proposed</u>	<u>Gallons</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
Average Usage	2,000	\$19.80	\$23.84	\$4.04	20.4%
Median Usage	453	\$19.57	\$23.55	\$3.98	20.3%
<u>Staff Proposed</u>					
Average Usage	2,000	\$19.80	\$20.02	\$0.22	1.1%
Median Usage	453	\$19.57	\$19.75	\$0.18	0.9%

Present & Proposed Rates (Without Taxes)
General Service 5/8 X 3/4 - Inch Meter - 14A Winter

<u>Gallons Consumption</u>	<u>Present Rates</u>	<u>Company Proposed Rates</u>	<u>% Increase</u>	<u>Staff Proposed Rates</u>	<u>% Increase</u>
-	\$ 18.45	\$ 22.14	20.0%	\$ 18.45	0.0%
1,000	21.85	26.42	20.9%	22.40	2.5%
2,000	25.25	30.70	21.6%	26.35	4.4%
3,000	28.65	38.20	33.3%	31.31	9.3%
4,000	32.05	45.70	42.6%	36.27	13.2%
5,000	38.00	53.20	40.0%	41.23	8.5%
6,000	43.95	60.70	38.1%	46.19	5.1%
7,000	49.90	68.20	36.7%	52.19	4.6%
8,000	55.85	75.70	35.5%	58.19	4.2%
9,000	61.80	87.20	41.1%	64.19	3.9%
10,000	67.75	98.70	45.7%	70.19	3.6%
15,000	97.50	156.20	60.2%	100.19	2.8%
20,000	127.25	213.70	67.9%	130.19	2.3%
25,000	157.00	271.20	72.7%	160.19	2.0%
50,000	305.75	558.70	82.7%	310.19	1.5%
75,000	454.50	846.20	86.2%	460.19	1.3%
100,000	603.25	1,133.70	87.9%	610.19	1.2%

TYPICAL BILL ANALYSIS

General Service 5/8 X 3/4 - Inch Meter - 14A Summer
OLD E & R SYSTEM
WITH ZERO BILLS INCLUDED

Average Number of Customers: 1,510

<u>Company Proposed</u>	<u>Gallons</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
Average Usage	2,780	\$20.12	\$24.99	\$4.87	24.2%
Median Usage	1,250	\$19.92	\$24.65	\$4.73	23.7%
<u>Staff Proposed</u>					
Average Usage	2,780	\$20.12	\$21.40	\$1.28	6.3%
Median Usage	1,250	\$19.92	\$21.05	\$1.13	5.6%

Present & Proposed Rates (Without Taxes)
General Service 5/8 X 3/4 - Inch Meter - 14A Summer

<u>Gallons Consumption</u>	<u>Present Rates</u>	<u>Company Proposed Rates</u>	<u>% Increase</u>	<u>Staff Proposed Rates</u>	<u>% Increase</u>
-	\$ 18.45	\$ 22.14	20.0%	\$ 18.45	0.0%
1,000	21.85	27.94	27.9%	24.45	11.9%
2,000	25.25	33.74	33.6%	30.45	20.6%
3,000	28.65	43.88	53.2%	37.45	30.7%
4,000	32.05	54.02	68.5%	44.45	38.7%
5,000	38.00	64.16	68.8%	51.45	35.4%
6,000	43.95	74.30	69.1%	58.45	33.0%
7,000	49.90	84.44	69.2%	66.45	33.2%
8,000	55.85	94.58	69.3%	74.45	33.3%
9,000	61.80	108.72	75.9%	82.45	33.4%
10,000	67.75	122.86	81.3%	90.45	33.5%
15,000	97.50	193.56	98.5%	130.45	33.8%
20,000	127.25	264.26	107.7%	170.45	33.9%
25,000	157.00	334.96	113.4%	210.45	34.0%
50,000	305.75	688.46	125.2%	410.45	34.2%
75,000	454.50	1,041.96	129.3%	610.45	34.3%
100,000	603.25	1,395.46	131.3%	810.45	34.3%

TYPICAL BILL ANALYSIS

General Service 5/8 X 3/4 - Inch Meter - 14B Winter
Williamson System
WITH ZERO BILLS INCLUDED

Average Number of Customers: 360

<u>Company Proposed</u>	<u>Gallons</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
Average Usage	1,712	\$21.84	\$24.01	\$2.17	10.0%
Median Usage	415	\$21.70	\$23.84	\$2.14	9.9%
<u>Staff Proposed</u>					
Average Usage	1,712	\$21.84	\$20.18	(\$1.66)	-7.6%
Median Usage	415	\$21.70	\$20.02	(\$1.68)	-7.7%

Present & Proposed Rates (Without Taxes)
General Service 5/8 X 3/4 - Inch Meter - 14B Winter

<u>Gallons Consumption</u>	<u>Present Rates</u>	<u>Company Proposed Rates</u>	<u>% Increase</u>	<u>Staff Proposed Rates</u>	<u>% Increase</u>
-	\$ 20.35	\$ 22.14	8.8%	\$ 18.45	-9.3%
1,000	23.75	26.42	11.2%	22.40	-5.7%
2,000	27.15	30.70	13.1%	26.35	-2.9%
3,000	30.55	38.20	25.0%	31.31	2.5%
4,000	33.95	45.70	34.6%	36.27	6.8%
5,000	39.90	53.20	33.3%	41.23	3.3%
6,000	45.85	60.70	32.4%	46.19	0.7%
7,000	51.80	68.20	31.7%	52.19	0.8%
8,000	57.75	75.70	31.1%	58.19	0.8%
9,000	63.70	87.20	36.9%	64.19	0.8%
10,000	69.65	98.70	41.7%	70.19	0.8%
15,000	99.40	156.20	57.1%	100.19	0.8%
20,000	129.15	213.70	65.5%	130.19	0.8%
25,000	158.90	271.20	70.7%	160.19	0.8%
50,000	307.65	558.70	81.6%	310.19	0.8%
75,000	456.40	846.20	85.4%	460.19	0.8%
100,000	605.15	1,133.70	87.3%	610.19	0.8%

TYPICAL BILL ANALYSIS

General Service 5/8 X 3/4 - Inch Meter - 14B Summer
Williamson System
WITH ZERO BILLS INCLUDED

Average Number of Customers: 360

<u>Company Proposed</u>	<u>Gallons</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
Average Usage	2,630	\$22.05	\$25.04	\$2.99	13.6%
Median Usage	505	\$21.87	\$24.74	\$2.87	13.1%
<u>Staff Proposed</u>					
Average Usage	2,630	\$22.05	\$21.46	(\$0.60)	-2.7%
Median Usage	505	\$21.87	\$21.14	(\$0.73)	-3.4%

Present & Proposed Rates (Without Taxes)
General Service 5/8 X 3/4 - Inch Meter - 14B Summer

<u>Gallons Consumption</u>	<u>Present Rates</u>	<u>Company Proposed Rates</u>	<u>% Increase</u>	<u>Staff Proposed Rates</u>	<u>% Increase</u>
-	\$ 20.35	\$ 22.14	8.8%	\$ 18.45	-9.3%
1,000	23.75	27.94	17.6%	24.45	2.9%
2,000	27.15	33.74	24.3%	30.45	12.2%
3,000	30.55	43.88	43.6%	37.45	22.6%
4,000	33.95	54.02	59.1%	44.45	30.9%
5,000	39.90	64.16	60.8%	51.45	28.9%
6,000	45.85	74.30	62.1%	58.45	27.5%
7,000	51.80	84.44	63.0%	66.45	28.3%
8,000	57.75	94.58	63.8%	74.45	28.9%
9,000	63.70	104.72	64.4%	82.45	29.4%
10,000	69.65	114.86	64.9%	90.45	29.9%
15,000	99.40	185.56	86.7%	130.45	31.2%
20,000	129.15	256.26	98.4%	170.45	32.0%
25,000	158.90	326.96	105.8%	210.45	32.4%
50,000	307.65	680.46	121.2%	410.45	33.4%
75,000	456.40	1,033.96	126.5%	610.45	33.8%
100,000	605.15	1,387.46	129.3%	810.45	33.9%