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BEFORE THE ARIZONA CORPORATION CO.

COMMISSIONERS

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

IN THE MATTER OF THE APPLICATION OF
CORONADO UTILITIES, INC., FOR A
CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE WASTEWATER
SERVICE IN PINAL COUNTY, ARIZONA.

DOCKET NO. SW-04305A-05-0086

IN THE MATTER OF THE APPLICATION OF
CORONADO UTILITIES, INC., AN ARIZONA
CORPORATION, FOR AUTHORITY TO ISSUE
SHORT AND LONG-TERM DEBT
INSTRUMENTS IN CONNECTION WITH
FINANCING THE ACQUISITION OF THE
WASTEWATER UTILITY PLANT OF BHP
COPPER, INC. AND CONSTRUCTING
IMPROVEMENTS THERETO.

DOCKET NO. SW-04305A-05-0087

NOTICE OF FILING LATE-FILED
EXHIBIT

At the hearing on June 29, 2005, Staff was directed to filed a Revised Plan A, Revised Plan B,
and a proof of revenue. The above items are attached as Exhibit S-3.

RESPECTFULLY SUBMITTED this 13th day of July, 2005.

David Ronald

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The original and thirteen (13) copies
of the foregoing were filed this
13th day of July, 2005 with:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Copy of the foregoing were mailed this
13th day of July, 2005 to:

...

AZ CORP COMMISSION
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18 Angela L. Bennett, Secretary to
19 David M. Ronald

RATE DESIGN

PLAN A

Monthly Customer Charges

-Proposed Rates-

	Company	Staff
Residential	\$42.00	\$48.63
Commercial	65.00	\$7.50
Mobile Home Park	5.00	\$7.50
School	N/A	\$7.50

Volumetric Rates

Commercial - per 100 gallons of water usage	\$0.4200	\$1.1548
Mobile Home Park - per 100 gallons of water usage	0.4200	0.5938
School - per 100 gallons of water usage	0.4200	0.3122

Effluent Sales

Per 1,000 Gallons for General Irrigation	\$0.15	\$0.15
Per Acre Foot (or 325,851 gallons) for General Irrigation	N/A	\$48.88

PLAN B - ALTERNATIVE RATE DESIGN¹

Monthly Customer Charges - Based on Water Meter Size

-Proposed Rates-

	Company	Staff
5/8" x 3/4" Meter - Mobile Home Parks, Per Customer	N/A	35.41
5/8" x 3/4" Meter	N/A	48.63
3/4" Meter	N/A	72.95
1" Meter	N/A	121.58
1½" Meter	N/A	243.15
2" Meter	N/A	389.04
3" Meter	N/A	729.45
4" Meter	N/A	1,215.75
6" Meter	N/A	2,431.50

¹ If Company cannot obtain a signed formal agreement with AWC for monthly water usage.



RATE DESIGN (Cont.)

Service Installation Charges

-Proposed Rates-	
Company	Staff
Cost (a)	Cost

Service Charges

-Proposed Rates-	
Company	Staff
\$25.00	\$25.00
**	**
50.00	35.00
***	***
*	*
25.00	25.00
1.50%	1.50%
1.50%	1.50%

Establishment of Service (a)
 Re-establishment of Service
 Reconnection/Delinquent
 Minimum Deposit
 Deposit Interest
 NSF Check Charge
 Late Payment Penalty (Per Month)
 Deferred Payment
 All revenue related taxes will be charged customers

Main Extension and additional facilities agreements

Cost (a)	Cost
----------	------

(a) Cost to include parts, labor, overhead, and all applicable taxes, including income tax.

* Per Commission Rules (R14-2-403.B)

** Months off system times the minimum (R14-2-403.D)

*** Two Times Monthly Bill

Note No. 1: Usage rate for trailer park customers during April through September will be based on previous winter use averages (October through March). Winter rates will be based on monthly actual water usage (October through March).

Note No. 2: If a new customer is added during any of the summer months, its usage rate calculation will be based on the "park average" - defined as the average monthly usage during the winter months at that specific trailer park.

Note No. 3: For any customer being billed volumetrically, water meters that can be shown to be "irrigation only" will be excluded from the tariff calculations.

Proof of Revenues - Plan A

CURRENT RATES:

Residential			(3rd Year) Revenue
Monthly Customer Charge:	\$48.63	RESIDENTIAL REVENUE:	Staff Proposed
Cost Per 100 Gallons	\$0.00000	Monthly Customer Charge: (\$730,018 / 15,012 annual bills)	\$730,018
Total Gallons Used (in 100's):	0	Volumetric Revenue	\$0
Total Billings: (1,251 cust x 12 months)	15,012	Total Res. Revenue:	\$730,018

Mobile Home Park -

Flat Rate Per Unit - 6 Mo. - Summer (\$9,523 / 287)	\$33.18	MOBILE HOME PARK	
Flat Rate Units (Number of occupied lots)	287	Flat Rate Revenue - Summer (\$33.18 per unit x 287 units x 6 months)	\$57,140
Monthly Customer Charge: (2 Cust x 6 Months)	\$7.50	Monthly Customer Charge - Winter: (\$7.50 x 12)	\$90
Cost Per 100 Gallons - Winter	\$0.59380	Volumetric Revenue - Winter (\$0.59380 x \$96,084 winter gallons)	\$57,055
Total Gallons Used - Winter (in 100's):	96,084	Total Mobile Park Revenue:	\$114,285
Billing - Winter (2 Parks x 6 Mo.)	12		
Typical Usage per Customer (in 100's)	56	Mobile Home Typical Bill - Per Cust	\$33.19

Commercial

Monthly Customer Charge:	\$7.50	COMMERCIAL	
Cost Per 100 Gallons	\$1.15484	Monthly Customer Charge:	\$29,520
Total Gallons Used (in 100's):	51,612	Volumetric Revenue	\$59,604
Total Billings:	3,936	Total Commercial Revenue:	\$89,124
Typical Usage per Customer (in 100's)	122	Commercial Typical Bill	\$148.01

Schools

Monthly Customer Charge:	\$7.50	SCHOOLS	
Cost Per 100 Gallons	\$0.31216	Monthly Customer Charge:	\$180
Total Gallons Used (in 100's):	45,309	Volumetric Revenue	\$14,143
Total Billings:	24	Total Schools Revenue:	\$14,323
Typical Usage per Customer (in 100's)	1,095	Schools Typical Bill	\$349.31

TOTAL GALLONS USED:

193,005

TOTAL METERED REV.:

947,750

TOTAL % DIFFERENCE:

Establ. Fees & Effluent Sales \$17,638

Actual Total Revenue Generated from Proposed Rates \$965,388

114100			
\$ 57,050	96,084	0.5938	\$ 57,050
0.5938	16,014	9,508.33	
		15.00	
		6	
		57,050.00	
		114,100	
		113,920	
		180	

PROOF OF REVENUES - PLAN B

Line No. **SEWER FLOW ALLOCATIONS - 3rd YEAR**

1	Cost Allocated to pumping effluent to Golf Course:	\$13,315
2	Total Year 3 Projected Flows (Avg: Annual gpd):	280,616
3		
4		
5		
6	Residential	220,176
7	Commercial	22,400
8	Trailer Parks	34,440
9	Schools	3,600
10	Total Year 3 Projected Flows (Avg: Annual gpd):	280,616

	[A] Cost Allocation Percentages	[B] Staffs Proposed Revenue	[C] Customer Class Revenue Allocation Col A x Col B	[D] Calculation of Annual Bills	[E] 5/8" x 3/4" Monthly Customer Charge Col C / Col D	[F] AWWA/NARUC Multiplier	[G] Monthly Customer Charges	[H] Annual Bills From Col D	[I] Annual Revenue Col G x Col H
11	5/8" x 3/4" Meter - Residential	\$947,655	\$730,018	1,251 x 12 = 15,012	\$48.63	1.00	48.63	15,012	\$730,018.22
12	1" Meter - Commercial	\$947,655	\$89,124	56 x 12 = 672	\$33.16	2.50	121.57	672	\$81,696.68
13	5/8" x 3/4" Meter - Trailer Parks	\$947,655	\$114,190	287 x 12 = 3,444		1.00	33.16	3,444	\$114,189.68
14	2" Meter - Schools	\$947,655	\$14,323	3 x 12 = 36		8.00	389.03	36	\$14,005.15
15									\$939,909.73
16									(\$947,655.00)
17									(\$7,745.27)

RECOMMENDED RATES - PLAN B

	[J] Monthly Customer Charges	[K] Annual Bills From Col D, Line 12	[L] Annual Revenue Col J x Col K
18	5/8" x 3/4" Meter - Residential	48.63	\$730,033.56
19	1" Meter - Commercial	121.57	\$81,695.04
20	5/8" x 3/4" Meter - Trailer Parks	35.41	\$121,952.04
21	2" Meter - Schools	389.03	\$14,005.08
22			36
23			\$947,685.72
24			Staff Recommended Revenue
25			
26			