



BEFORE THE ARIZONA CORPORATION COMMISSION
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COMMISSIONERS

JEFF HATCH-MILLER, Chairman
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2006 JAN 18 | A 11: 50

AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF THE
APPLICATION OF WHY UTILITY
COMPANY, INC. FOR A RATE
INCREASE

DOCKET NO. W-02052A-05-0529

DOCKET NO. W-02052A-05-0528

IN THE MATTER OF THE
APPLICATION OF WHY UTILITY
COMPANY, INC. FOR APPROVAL
OF FINANCING

FILING OF REVISED SCHEDULES

Snell & Wilmer
LLP
LAW OFFICES
One Arizona Center, 400 E. Van Buren
Phoenix, Arizona 85004-2202
(602) 382-6000

Why Utility Company, Inc. ("Why Utility" or "Company") hereby submits its revised schedule of adjusted revenues and expenses and corresponding rate schedules pursuant to the January 10, 2006 Procedural Order ("Procedural Order") issued in this matter.

The Procedural Order noted that the Company requested in its December 29, 2005 Response to the Staff Report ("Company's Response") that the Commission approve a revenue requirement of \$38,936. The Procedural Order correctly noted that this amount "does not appear to match the revenue requested in the Application." After review of the Company's Response, it appears this discrepancy is due to the inadvertent omission of the word "increase" in the Company's Response. The Company requests that the Commission approve a revenue requirement increase of \$38,936 for a total revenue requirement of \$75,000 as set forth in its Rate Application.

Therefore, Page 3, line 23 through Page 4, line 4 of the Company's Response should have read as follows:

"Based upon the Company's calculations, it has proposed a revenue *increase* in the amount of \$38,936, based upon an average charge of \$49.38 per month. (See Why Utility Company Financing Application, USDA-RD Letter, April 11, 2005). In contrast,

1 Staff is recommending revenue *increase* of \$31,971, based upon a typical residential bill
2 of \$32.45. The \$6,965 deficit jeopardizes the Company's ability to close on the
3 financing with the USDA-RD. The Company must somehow make up the revenue
4 shortfall or risk a denial of crucial and necessary funding to upgrade the water system to
5 comply with the new arsenic standards.

6 Based upon the foregoing, the Company respectfully requests that the revenue
7 requirement of **\$75,000** be approved as set forth in the Company's Rate Application."

8 RESPECTFULLY SUBMITTED this 18th day of January, 2006.

9 SNELL & WILMER L.L.P.

10
11 By: 
12 Kimberly A. Grouse
13 Robert J. Metli
14 One Arizona Center
15 400 East Van Buren
16 Phoenix AZ 85004-2202
17 Attorneys for Why Utility Company, Inc.

18 ORIGINAL and 13 copies filed this
19 18th day of January, 2006, with:

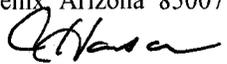
20 Docket Control
21 Arizona Corporation Commission
22 1200 West Washington
23 Phoenix, AZ 85007

24 COPY hand-delivered this 18th
25 day of January, 2006, to:

26 Mr. Ernest G. Johnson
27 Director, Utilities Division
28 Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Ms. Jane L. Rodda
Administrative Law Judge
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Mr. Christopher C. Kempley
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007



Why Utility Co., Inc.

Docket No. W-02052A-05-0528 and W-02052A-05-0529

Test Year Ended December 31, 2004

SCHEDULE OF ADJUSTED REVENUES AND EXPENSES

	- Proposed Rates -	
	Company	Staff
Revenues:		
Metered Water Revenue	\$74,020	\$62,000
Unmetered Water Revenue	600	5,655
Other Water Revenues	380	380
	<hr/>	
Total Operating Revenue	\$75,000	\$68,035
Operating Expenses:		
Operation and Maintenance	\$49,747	\$49,747
Depreciation	12,105*	2,270
Property and Other Taxes	4,509	4,509
Income Tax	0	0
	<hr/>	
Total Operating Expense	\$66,361	\$56,526
	<hr/>	
Operating Income	\$8,639	\$11,509
Rate Base O.C.L.D.	\$409,460	\$23,064
Rate of Return – O.C.L.D.	2.11%	49.90%
Operating Margin	11.52%	16.92%

* Depreciation is based on a 1½ year service life for pumping equipment put into service in 2004.

\$18,158 ÷ 1.5 = \$12,105/year.

Why Utility Co., Inc.

Docket No. W-02052A-05-0528 and W-02052A-05-0529

Test Year Ended December 31, 2004

REVENUE SUMMARY BY METER SIZE/CATEGORY

REVENUE SOURCE	PRESENT RATES	STAFF PROPOSED	COMPANY AMENDED
5/8" x 3/4" Residential	\$ 21,041.80	\$ 40,880.45	\$ 48,484.03
5/8" x 3/4" Commercial	3,290.20	6,617.30	7,628.10
1 1/2"	542.50	1,293.88	1,561.50
2"	5,419.40	13,123.35	16,334.95
Total Metered Water Rev	\$ 30,293.90	\$ 61,914.98	\$ 74,008.58
Unmetered Water Revenue	\$ 5,655.00	\$ 5,655.00	\$ 600.00
Other Revenue	380.00	380.00	380.00
Total Revenue	\$ 36,328.90	\$ 67,949.98	\$ 74,988.58
	Target Revenue	\$ 68,035.00	\$ 75,000.00
	Diff	\$ 85.02	\$ 11.42

Why Utility Co., Inc.

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Test Year Ended December 31, 2004

RATE DESIGN

Monthly Usage Charge	Present	Proposed Rates	
	Rates	Staff	Co - Amend
5/8" x 3/4" Meter - Residential	\$ 19.00	\$ 22.50	\$ 28.75
5/8" x 3/4" Meter - Commercial	21.00	27.50	33.00
1" Meter	23.00	32.00	40.00
1½" Meter	25.00	35.00	50.00
2" Meter	27.00	40.00	65.00
3" Meter	31.00	120.00	120.00
4" Meter	N/A	220.00	220.00
6" Meter	N/A	450.00	450.00
Gallons Included in Minimum	9,000	0	0
Commodity Rate:			
<u>5/8 x 3/4 Inch Meter - Residential</u>			
Excess of Minimum - per 1,000 gallons	\$ 1.00	N/A	N/A
Excess of Minimum - per 1,000 gallons (0-3,000 Gallons)	N/A	\$ 1.25	\$ 1.50
Excess of Minimum - per 1,000 gallons (3,001-10,000 Gallons)	N/A	2.00	2.25
Excess of Minimum - per 1,000 gallons (Over 10,000 Gallons)	N/A	2.75	3.00
Commodity Rate:			
<u>5/8 x 3/4 Inch Meter - Commercial</u>			
Excess of Minimum - per 1,000 gallons	\$ 1.00	N/A	N/A
Excess of Minimum - per 1,000 gallons (0-10,000 Gallons)	N/A	\$ 2.00	\$ 2.25
Excess of Minimum - per 1,000 gallons (Over 10,000 Gallons)	N/A	2.75	3.00
Commodity Rate:			
<u>1 1/2 Inch Meter</u>			
Excess of Minimum - per 1,000 gallons	\$ 1.00	N/A	N/A
Excess of Minimum - per 1,000 gallons (0-10,000 Gallons)	N/A	\$ 2.00	\$ 2.25
Excess of Minimum - per 1,000 gallons (Over 10,000 Gallons)	N/A	2.75	3.00
Commodity Rate:			
<u>2 Inch Meter</u>			
Excess of Minimum - per 1,000 gallons	\$ 1.00	N/A	N/A
Excess of Minimum - per 1,000 gallons (0-10,000 Gallons)	N/A	\$ 2.00	\$ 2.25
Excess of Minimum - per 1,000 gallons (Over 10,000 Gallons)	N/A	2.75	3.00