

SUN CITY TAXPAYERS ASSOCIATION
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SUN CITY, AZ 85351

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December 3, 2003

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THE ACTION GROUP
"Guardian of Sun City's Pocketbook"

Sun City Taxpayers is a 501 (c) 4 non-profit organization.

AZ CORP COMMISSION
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Arizona Corporation Commission
Docket Control
1200 W. Washington Street
Phoenix, AZ 85507

Arizona Corporation Commission
DOCKETED

WS-01303A-02-0867
WS-01303A-02-0868
WS-01303A-02-0869
WS-01303A-02-0870
W-01303A-02-0908

DOCKET: W-01303A-02-0868

DEC - 3 2003

SUBJECT: Intervenor Communication

DOCKETED BY

Dear Commissioners and fellow Intervenors,

The Sun City Taxpayers Association (SCTA) is an intervenor in the aforementioned docket, we have reviewed the written materials submitted to date and participated in the ACC sponsored Public Comment session held in Sun City on November 12, 2003. This letter is to offer our support of the efforts of both the ACC Utility Division and RUCO staff in their review, analysis and recommendations to date in this docket as well as to offer some additional information for your consideration.

The SCTA has taken an active interest in the rate applications, past and present, submitted to the ACC by the parent companies of the Sun City Water Company and the Sun City Sewer Company. Sun City has over 40,000 residents that occupy over 29,000 individual residences that can be single-family homes, condominiums, garden apartments, assisted living facilities, etc. We represent 16,000 of those residents and under our charter it is our responsibility to protect them from unnecessary or unfair rate increases.

As part of our review of the above docket, the SCTA conducted a practical analysis using information submitted under the docket along with actual water bills to illustrate the impact of the proposed increases on a Sun City resident.

A PRACTICAL ANALYSIS

SCTA President, Ray Dare, has been a condominium chairperson for over 18 years. His analysis of water usage within his own 24-unit condominium is what peaked his interest in the water rates charged by the Sun City Water Company. For budgeting purposes within his condominium, he has had to develop a spreadsheet that would allocate to each individual unit their share of the monthly water bill. Using this spreadsheet, Ray was able to input the proposed increase as submitted by the Sun City Water Company, along with the proposals from ACC and RUCO to visually depict the impact of the proposed rate increases for his own condominium. He also collected water usage data from a single family residence, inserted it into the spreadsheet along with the proposed rate increases, in an effort to view the impact on a single family residence. Please refer to the materials attached to this letter.

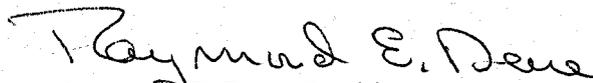
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Page Two

CONCLUSION

As a result of our analysis, we concluded that a two-tiered rate would be more cost effective for Sun City residents. A three-tiered rate, although rooted in the need for water conservation, would cost residents more for the same amount of water used than in the two-tiered rate. We believe that Sun City residents are conservative in their water usage and shouldn't be penalized by the use of a three-tiered rate structure. Most Sun City residents live on fixed incomes with annual increases significantly less than what Sun City Water Company, or even the ACC or RUCO are proposing, so the SCTA has a preference for a two-tiered rate structure rather than a three-tiered.

Please consider this information in your deliberations on the aforementioned docket. We look forward to the forthcoming hearings and appreciate your participation in this process.

Yours very truly,


Raymond E. Dare, President
Sun City Taxpayers Association

Attachments

SUN CITY PROPOSED RATE CHANGE

IMPACT ON UNIT RESIDENT WATER COST

SUN CITY WATER COST

<u>Monthly Base Rate</u>	<u>Customer Class</u>	<u>Present</u>	<u>Water Company</u>	<u>ACC Staff</u>	<u>RUCO</u>
Resident Monthly	5/8" & 3/4"	\$5.00	\$9.43	\$6.59	\$6.30
Condo Monthly	1 1/2"	\$28.00	\$52.78	\$36.93	\$32.59

WATER TIER RATES PER THOUSAND GALLONS

<u>PRESENT RATES</u>		<u>WATER COMPANY</u>				<u>ACC STAFF</u>			<u>RUCO</u>								
<u>TIER</u>		<u>TIER</u>				<u>TIER</u>			<u>TIER</u>								
<u>ONE</u>	<u>TWO</u>	<u>ONE</u>	<u>TWO</u>	<u>ONE</u>	<u>TWO</u>	<u>THREE</u>	<u>ONE</u>	<u>TWO</u>									
<u>RATE</u>	<u>LIMIT</u>	<u>RATE</u>	<u>LIMIT</u>	<u>RATE</u>	<u>LIMIT</u>	<u>RATE</u>	<u>LIMIT</u>	<u>RATE</u>	<u>LIMIT</u>								
\$0.73	8k	\$0.92	over 8k	\$1.38	8K	\$1.73	over 8K	\$0.78	0-4K	\$1.17	4 to 100k	\$1.39	over 100k	\$0.92	8K	\$1.16	over 8K

Note; Limits are expressed by Gallons in thousands. ie; 8K equals 8,000 Gallons

SUN CITY WASTEWATER DISTRICT

The Sun City Rates per Month are; "present cost" \$12.87, "Water Company proposed" \$14.48, "RUCO proposed" \$10.70 and "ACC proposed" \$10.82.

Note; ACC Staff and RUCO Wastewater rate compared to the present rate is an Approximately a reduction of 16%.

Ray E Dare

A-24- UNIT CONDOMINIUM ASSOCIATION

IMPACT ON CONDOMINIUM WATER COST

The comparison cost study represented here is the cost billed to 24 units of a condominium association of actual water used in the year 2000. The cost is compared to a rate increase proposed by the RWE Arizona American Water Co. The increase is counter proposed by the Arizona Corporation Commission (ACC) and the Residential User Utility Office (RUCO).

There are three (3) options for Sun City appraisal as shown in Bar Graphs form;

“S3” (PWR-RWE 2 Tier Rate) Water Co. Bar Graph “S4” (ACC 3 Tier Rate) ACC Staff

“S5” (RUCO 2 Tier Rate) RUCO Staff

- Bar-S1 on all Charts shows the actual present cost to deliver water excluding the Maricopa Water District surcharge. The rate is a two (2) tiered rate structure with a Monthly Base Rate of \$28.00 with a 1st tier of 8K gal at \$0.73 per K gal and a 2nd tier of “over 8K” gal at \$ 0.92 per K gal.
- Bar-S2 on all Charts shows the cost to deliver water at rates set (\$1.21 per water user) for delivery to the Maricopa Water District (MWD), a water holding cost debit passed to the customer as an interim settlement of the pipeline concept
- Bar-S3 on all Charts shows the cost to deliver water at rates proposed by the RWE Arizona American Water Company Sun City Water Works. The rate is a two (2) tiered rate structure of a Monthly Base Rate of \$52.78 with the 1st tier of 8K gal at \$1.38 per K gal and 2nd tier of “over 8K” gal at \$1.73 per K gallon.
- Bar-S4 on all Charts shows the cost to deliver water proposed by Arizona Corporation Commission (ACC) Staff. The rate is a three (3) tiered rate structure of a Monthly Base Rate of \$6.59 with the 1st tier of 4K gal at \$0.78 per K gal 2nd tier of “over 4K” to upper limit of 100K at \$1.17 per K gal and a 3rd tier of “over 100k” gal of \$1.39 per K gal..
- Bar-S5 on all Charts shows the cost to deliver water proposed by the Residential Utility Consumer Office (RUCO) staff. The rate is a two (2) tiered rate structure of a Monthly Base Rate of \$6.30 with the 1st tier of 8K gal of \$0.92 and a 2nd tier of “over 8K“ gal of \$1.16 per K gal.

SUMMARY

The Charts are based on actual water consumption as recorded and billed by the water company for six meters supplying water to the condominium association.

The Charts are;

1 - Resident unit - cost per month

3 - Association - cost per acre-foot

2 -Resident unit - cost per year

4 - Association - cost per year.

SUN CITY WASTEWATER DISTRICT

The Sun City per month rates are; “present cost” \$12.87, “water company proposed” \$14.48, “RUCO proposed” \$10.70 and “ACC proposed” \$10.82. Both RUCO and ACC Staff proposal is an approximate 16% reduction in cost.

NOTE

The results shown in the accompanying charts are conservative. The associated fees and taxes charged due to rate increases of Bar S3, S4, and Bar S5 are not included.

Ray E Dare

S5 ACC YEAR 2003 RATE CASE		Billing Month	1/2000	2/2000	3/2000	4/2000	5/2000
CONDOMINIUM ASSOCIATION		Usage Month	12/1999	1/2000	2/2000	3/2000	4/2000
RUCO TESTIMONY		WATER USAGE COST	\$491.35	\$524.58	\$612.43	\$704.82	\$747.92
BASE RATE 1.5" DIA METER \$35.03		SEWER USAGE COST	\$256.80	\$256.80	\$256.80	\$256.80	\$256.80
*1st TIER 0 TO 8K- \$0.92 per K Gal		Billing Month	7/2000	8/2000	9/2000	10/2000	11/2000
2nd TIER OVER *8K \$1.16 per K Gal		Usage Month	6/2000	7/2000	8/2000	9/2000	10/2000
		WATER USAGE COST	\$1,147.35	\$953.93	\$854.14	\$930.52	\$993.32
		SEWER USAGE COST	\$256.98	\$256.98	\$256.98	\$256.98	\$256.98
2000 WATER USAGE	(TO DATE)	Meter A 10709	Meter B 10725	Meter C 10745	Meter D 10817	Meter E 10845	
QUANTITY GALLONS	(THOUSANDS)	901	893	1010	897	909	
COST PER GALLON	(ACTUALS)	\$1.66	\$1.67	\$1.62	\$1.67	\$1.66	
ACCUMULATED COST PER METER	(ACTUALS)	\$1,499.19	\$1,489.45	\$1,633.59	\$1,494.39	\$1,509.16	
COST PER METER / MONTH	(CALCULATED)	\$374.80	\$372.36	\$408.40	\$373.60	\$377.29	
BUDGET PER UNIT OWNER / MONTH	(CALCULATED)	\$31.23	\$31.03	\$34.03	\$31.13	\$31.44	
ACCUMULATED USAGE AND COST OF (6) METERS PER MONTH FOR 2000	AVG GAL PER YEAR IN THOUSANDS	Totals per Year	Gallons Converted to Acre Feet per Year	Acre Foot per Resident Unit per yr	Condo Assoc Cost per Acre-Foot per Year	Resident Unit Cost per Year	
GALLONS and / or ACRE FEET	472	5668	17.39	0.72			
COST for (6 METERS)	(ACTUALS)	\$9,318.49			\$535.72	\$388.27	
2000 SEWER USAGE	DECREASE 26% (TO DATE)	Meter-A @10709	Meter-B @10725	Meter-C @10745	Meter-D @10817	Meter-E @10845	
ACCUMULATED COST PER METER	(ACTUALS)	\$513.78	\$513.78	\$513.78	\$513.78	\$513.78	
ACCUMULATED COST PER UNIT OWNER	(ACTUALS)	\$128.45	\$128.45	\$128.45	\$128.45	\$128.45	
MONTHLY BUDGET PER UNIT OWNER	(ACTUALS)	\$10.70	\$10.70	\$10.70	\$10.70	\$10.70	
ACCUMULATIVE BILLING COST PER YEAR	(ACTUALS)	\$3,082.68					
2000 WATER/SEWER	(METER TO DATE)	\$2,012.97	\$2,003.23	\$2,147.37	\$2,008.17	\$2,022.94	
ACCUMULATIVE BILLING	(TOTAL TO DATE)	\$12,401.17					
RUCO PROPOSED RATE AT MINUS 16% PER YEAR.		\$2,589.45				\$107.89	

S4 ACC YEAR 2003 RATE CASE
CONDOMINIUM ASSOCIATION
ACC STAFF TESTIMONY
 Formulae is Base + 4K gal cost = "\$40.05
 1.5" DIA METER \$36.93
 *1st TIER 0 TO 4K- \$0.78 per K Gal
 2nd TIER 4 TO 100K \$1.17 per K Gal
 3rd TIER OVER 100K \$1.39 per K Gal

Billing Month	1/2000	2/2000	3/2000	4/2000	5/2000	
Usage Month	12/1999	1/2000	2/2000	3/2000	4/2000	
WATER USAGE COST	\$521.97	\$555.47	\$643.97	\$737.11	\$780.56	
SEWER USAGE COST	\$259.68	\$259.68	\$259.68	\$259.68	\$259.68	
Billing Month	7/2000	8/2000	9/2000	10/2000	11/2000	
Usage Month	6/2000	7/2000	8/2000	9/2000	10/2000	
WATER USAGE COST	\$1,394.29	\$1,021.18	\$897.40	\$995.14	\$1,087.73	
SEWER USAGE COST	\$259.86	\$259.86	\$259.86	\$259.86	\$259.86	
2000 WATER USAGE	(TO DATE)	Meter A 10709	Meter B 10725	Meter C 10745	Meter D 10817	Meter E 10845
QUANTITY GALLONS	(THOUSANDS)	901	893	1010	897	909
COST PER GALLON	(ACTUALS)	\$1.78	\$1.77	\$1.77	\$1.82	\$1.76
ACCUMULATED COST PER METER	(ACTUALS)	\$1,603.64	\$1,581.52	\$1,782.95	\$1,631.64	\$1,602.61
COST PER METER / MONTH	(CALCULATED)	\$400.91	\$395.38	\$445.74	\$407.91	\$400.65
BUDGET PER UNIT OWNER / MONTH	(CALCULATED)	\$33.41	\$32.95	\$37.14	\$33.99	\$33.39
ACCUMULATED USAGE AND COST OF (6) METERS PER MONTH FOR 2000 (RATE CHANGE ONLY)	AVG GAL PER YEAR IN THOUSANDS	Totals per Year	Gallons Converted to Acre Feet per Year	Acre Foot per Resident Unit per yr	Condo Assoc Cost per Acre-Foot per Year	Resident Unit Cost per Year
GALLONS and / or ACRE FEET	472	5668	17.39	0.72		
COST for (6 METERS)	(ACTUALS)	\$10,075.41			\$579.23	\$419.81
2000 SEWER USAGE	DECREASE 16% (TO DATE)	Meter-A @10709	Meter-B @10725	Meter-C @10745	Meter-D @10817	Meter-E @10845
ACCUMULATED COST PER METER	(ACTUALS)	\$519.54	\$519.54	\$519.54	\$519.54	\$519.54
ACCUMULATED COST PER UNIT OWNER	(ACTUALS)	\$129.89	\$129.89	\$129.89	\$129.89	\$129.89
MONTHLY BUDGET PER UNIT OWNER	(ACTUALS)	\$10.82	\$10.82	\$10.82	\$10.82	\$10.82
ACCUMULATIVE BILLING COST PER YEAR	(ACTUALS)	\$3,117.24				
2000 WATER/SEWER	(METER TO DATE)	\$2,123.18	\$2,101.06	\$2,302.49	\$2,151.18	\$2,122.15
ACCUMULATIVE BILLING	(TOTAL TO DATE)	\$13,192.65				

S3 ACC YEAR 2003 RATE CASE
CONDOMINIUM ASSOCIATION

WATER COMPANY TESTIMONY
 BASE RATE 1.5" DIA METER \$52.78
 *1st TIER 0 TO 8K- \$1.38 per K Gal
 2nd TIER OVER *8K \$1.73 per K Gal

	Billing Month	1/1/2000	2/1/2000	3/1/2000	4/1/2000	5/1/2000
	Usage Month	12/1/1999	1/1/2000	2/1/2000	3/1/2000	4/1/2000
WATER USAGE COST		\$745.15	\$793.77	\$921.47	\$1,056.61	\$1,119.66
SEWER USAGE COST		\$385.92	\$385.92	\$385.92	\$385.92	\$385.92
	Billing Month	7/1/2000	8/1/2000	9/1/2000	10/1/2000	11/1/2000
	Usage Month	6/1/2000	7/1/2000	8/1/2000	9/1/2000	10/1/2000
WATER USAGE COST		\$1,703.77	\$1,420.86	\$1,274.90	\$1,386.62	\$1,478.49
SEWER USAGE COST		\$386.10	\$386.10	\$386.10	\$386.10	\$386.10
2000 WATER USAGE	(TO DATE)	Meter A	Meter B	Meter C	Meter D	Meter E
		10709	10725	10745	10817	10845
QUANTITY GALLONS	(THOUSANDS)	901	893	1010	897	909
COST PER GALLON	(ACTUALS)	\$2.49	\$2.50	\$2.42	\$2.49	\$2.49
ACCUMULATED COST PER METER	(ACTUALS)	\$2,244.48	\$2,230.08	\$2,440.91	\$2,237.30	\$2,258.91
COST PER METER / MONTH	(CALCULATED)	\$561.12	\$557.52	\$610.23	\$559.33	\$564.73
BUDGET PER UNIT OWNER / MONTH	(CALCULATED)	\$46.76	\$46.46	\$50.85	\$46.61	\$47.06
ACCUMULATED USAGE AND COST OF (6) METERS PER MONTH FOR 2000 (RATE CHANGE ONLY)	AVG GAL PER YEAR IN THOUSANDS	Totals per Year	Gallons Converted to Acre Feet per Year	Acre Foot per Resident Unit per yr	Condo Assoc Cost per Acre-Foot per Year	Resident Unit Cost per Year
GALLONS and / or ACRE FEET	472	5868	17.39	0.72		
COST for (6 METERS)	(ACTUALS)	\$13,939.07			\$801.35	\$580.79
2000 SEWER USAGE	\$0.00 (TO DATE)	Meter-A @10709	Meter-B @10725	Meter-C @10745	Meter-D @10817	Meter-E @10845
ACCUMULATED COST PER METER	(ACTUALS)	\$772.02	\$772.02	\$772.02	\$772.02	\$772.02
ACCUMULATED COST PER UNIT OWNER	(ACTUALS)	\$193.01	\$193.01	\$193.01	\$193.01	\$193.01
MONTHLY BUDGET PER UNIT OWNER	(ACTUALS)	\$16.08	\$16.08	\$16.08	\$16.08	\$16.08
ACCUMULATIVE BILLING COST PER YEAR	(ACTUALS)	\$4,632.12				
2000 WATER/SEWER	(METER TO DATE)	\$3,018.50	\$3,002.10	\$3,212.93	\$3,009.32	\$3,030.93
ACCUMULATIVE BILLING	(TOTAL TO DATE)	\$18,571.19				

S2 YEAR 2000 & PRESENT RATE
CONDOMINIUM ASSOCIATION
 CITIZENS UTILITY SUN CITY WATER
 BASE RATE 1.5" DIA METER \$28.00
 *1st TIER 0 TO 8K- \$0.73 per K Gal
 2nd TIER OVER *8K \$0.92 per K Gal
 MARICOPA WATER DISTRICT
 PLUS \$1.21 HOLDING COST TRANSFER

Billing Month	1/2000	2/2000	3/2000	4/2000	5/2000
Usage Month	12/1999	1/2000	2/2000	3/2000	4/2000
WATER USAGE COST	\$437.17	\$463.92	\$534.92	\$609.31	\$644.01
SEWER USAGE COST	\$309.36	\$309.36	\$309.36	\$309.36	\$309.36
Billing Month	7/2000	8/2000	9/2000	10/2000	11/2000
Usage Month	6/2000	7/2000	8/2000	9/2000	10/2000
WATER USAGE COST	\$965.68	\$809.94	\$729.59	\$791.09	\$841.65
SEWER USAGE COST	\$309.54	\$309.54	\$309.54	\$309.54	\$309.54

2000 WATER USAGE	(TO DATE)	Meter A 10709	Meter B 10725	Meter C 10745	Meter D 10817	Meter E 10845
QUANTITY GALLONS	(THOUSANDS)	901	893	1010	897	909
COST PER GALLON	(ACTUALS)	\$1.43	\$1.44	\$1.39	\$1.43	\$1.43
ACCUMULATED COST PER METER	(ACTUALS)	\$1,290.75	\$1,282.83	\$1,398.89	\$1,286.81	\$1,298.70
COST PER METER / MONTH	(CALCULATED)	\$322.69	\$320.71	\$349.72	\$321.70	\$324.68
BUDGET PER UNIT OWNER / MONTH	(CALCULATED)	\$26.89	\$26.73	\$29.14	\$26.81	\$27.06
ACCUMULATED USAGE AND COST OF (6) METERS PER MONTH FOR 2000	AVG GAL PER YEAR IN THOUSANDS	Totals per Year	Gallons Converted to Acre Feet per Year	Acre Foot per Resident Unit per yr	Condo Assoc Cost per Acre Foot per Year	Resident Unit Cost per Year
GALLONS and / or ACRE FEET	472	5668	17.39	0.72		
COST for (6 METERS)	(ACTUALS)	\$8,004.47			\$460.17	\$333.52

2000 SEWER USAGE	(TO DATE)	Meter-A @10709	Meter-B @10725	Meter-C @10745	Meter-D @10817	Meter-E @10845
ACCUMULATED COST PER METER	(ACTUALS)	\$618.90	\$618.90	\$618.90	\$618.90	\$618.90
ACCUMULATED COST PER UNIT OWNER	(ACTUALS)	\$154.73	\$154.73	\$154.73	\$154.73	\$154.73
MONTHLY BUDGET PER UNIT OWNER	(ACTUALS)	\$12.89	\$12.89	\$12.89	\$12.89	\$12.89
ACCUMULATIVE BILLING COST PER YEAR	(ACTUALS)	\$3,713.40				
2000 WATER/SEWER	(METER TO DATE)	\$1,909.65	\$1,901.73	\$2,017.79	\$1,905.71	\$1,917.60
ACCUMULATIVE BILLING	(TOTAL TO DATE)	\$11,717.87				

S1 YEAR 2000 & PRESENT RATE
CONDOMINIUM ASSOCIATION

WATER USAGE AND COST
BASE RATE 1.5" DIA METER \$28.00
*1st TIER 0 TO 8K- \$0.73 per K Gal
2nd TIER OVER *8K \$0.92 per K Gal

Billing Month	1/2000	2/2000	3/2000	4/2000	5/2000
Usage Month	12/1999	1/2000	2/2000	3/2000	4/2000
WATER USAGE COST	\$408.13	\$434.88	\$505.88	\$580.27	\$614.97
SEWER USAGE COST	\$309.36	\$309.36	\$309.36	\$309.36	\$309.36
Billing Month	7/2000	8/2000	9/2000	10/2000	11/2000
Usage Month	6/2000	7/2000	8/2000	9/2000	10/2000
WATER USAGE COST	\$936.64	\$780.90	\$700.55	\$762.05	\$812.61
SEWER USAGE COST	\$309.54	\$309.54	\$309.54	\$309.54	\$309.54

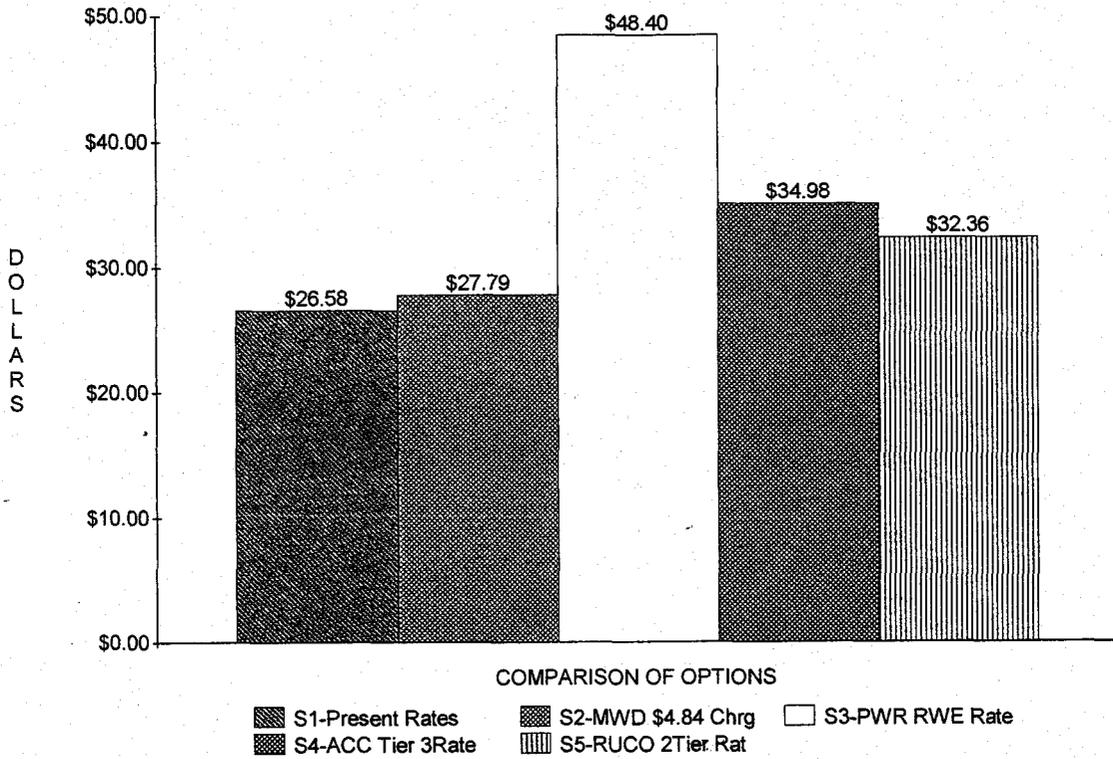
2000 WATER USAGE	(TO DATE)	Meter A 10709	Meter B 10725	Meter C 10745	Meter D 10817	Meter E 10845
QUANTITY GALLONS	(THOUSANDS)	901	893	1010	897	909
COST PER GALLON	(ACTUALS)	\$1.37	\$1.37	\$1.33	\$1.37	\$1.36
ACCUMULATED COST PER METER	(ACTUALS)	\$1,232.67	\$1,224.75	\$1,340.81	\$1,228.73	\$1,240.62
COST PER METER / MONTH	(CALCULATED)	\$308.17	\$306.19	\$335.20	\$307.18	\$310.16
BUDGET PER UNIT OWNER / MONTH	(CALCULATED)	\$25.68	\$25.52	\$27.93	\$25.60	\$25.85

ACCUMULATED USAGE AND COST OF (6) METERS PER MONTH FOR 2000	AVG GAL PER YEAR IN THOUSANDS	Totals per Year	Gallons Converted to Acre Feet per Year	Acre Foot per Resident Unit per yr	Condo Assoc Cost per Acre Foot per Year	Resident Unit Cost per Year
GALLONS and / or ACRE FEET	472	5668	17.39	0.72		
COST for (6 METERS)	(ACTUALS)	\$7,655.99			\$440.14	\$319.00

2000 SEWER USAGE	(TO DATE)	Meter-A @10709	Meter-B @10725	Meter-C @10745	Meter-D @10817	Meter-E @10845
ACCUMULATED COST PER METER	(ACTUALS)	\$618.90	\$618.90	\$618.90	\$618.90	\$618.90
ACCUMULATED COST PER UNIT OWNER	(ACTUALS)	\$154.73	\$154.73	\$154.73	\$154.73	\$154.73
MONTHLY BUDGET PER UNIT OWNER	(ACTUALS)	\$12.89	\$12.89	\$12.89	\$12.89	\$12.89
ACCUMULATIVE BILLING COST PER YEAR	(ACTUALS)	\$3,713.40				
2000 WATER/SEWER	(METER TO DATE)	\$1,851.57	\$1,843.65	\$1,959.71	\$1,847.63	\$1,859.52
ACCUMULATIVE BILLING	(TOTAL TO DATE)	\$11,369.39				

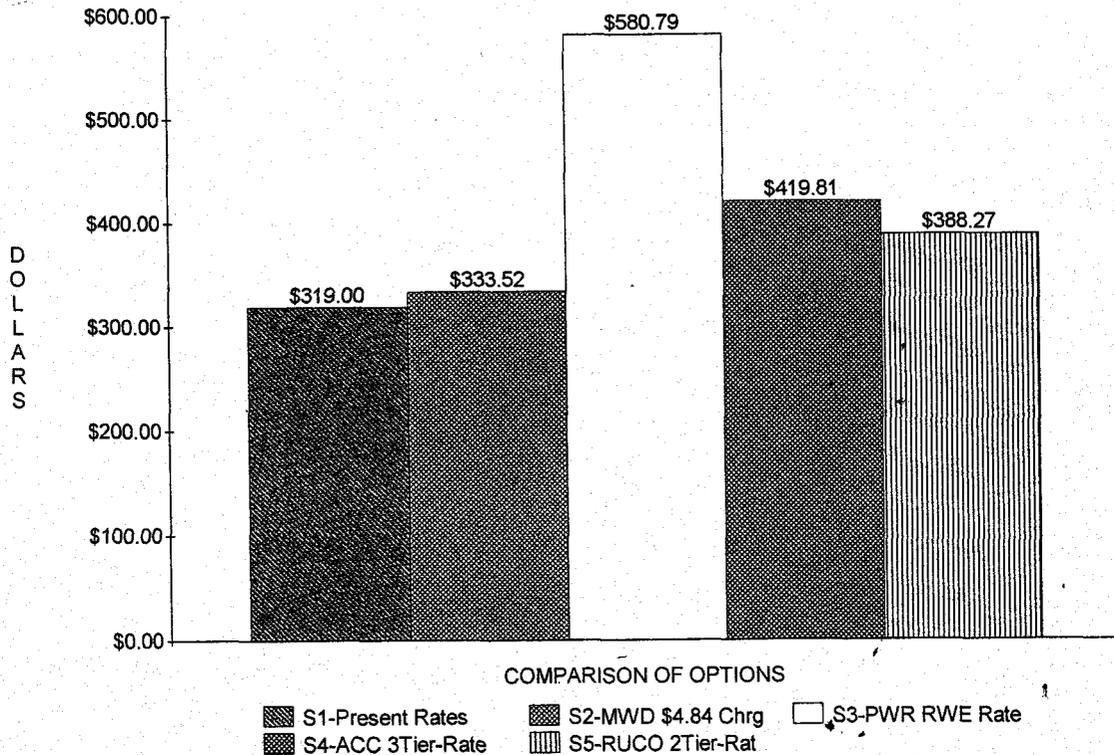
A 24 UNIT CONDO ASSOC WATER RATE STUDY

CHART 1 - RESIDENT UNIT- COST PER MONTH



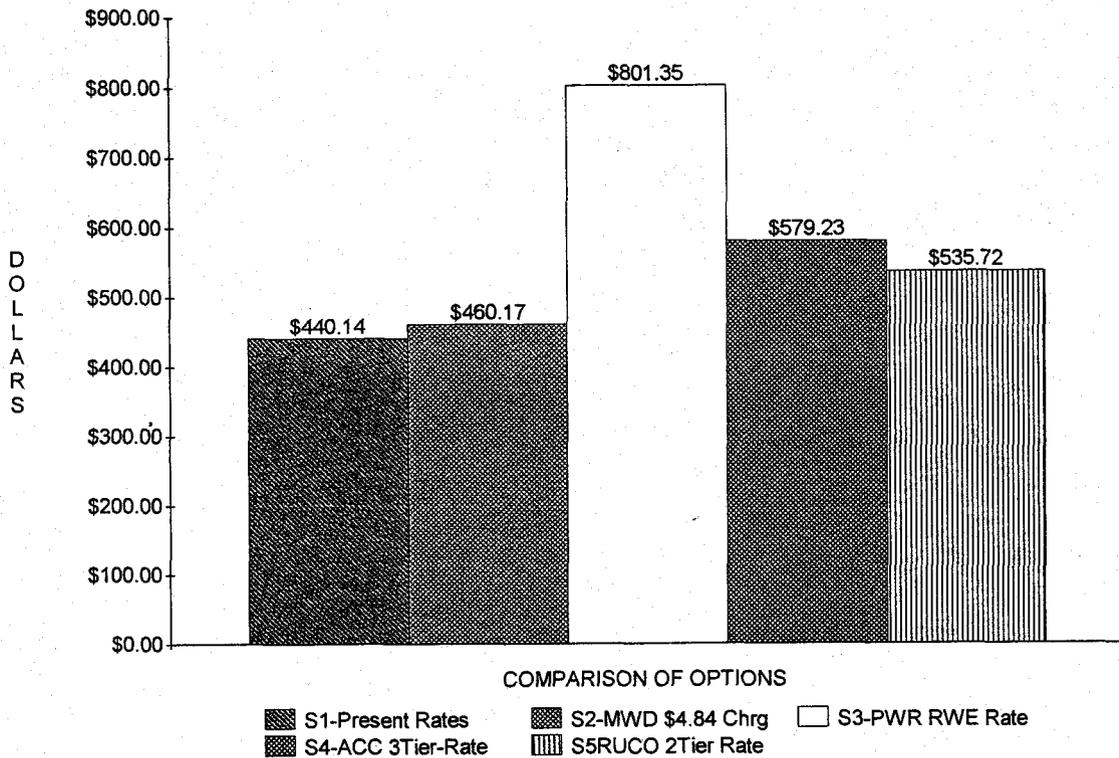
A 24 UNIT CONDO ASSOC WATER RATE STUDY

CHART 2 - RESIDENT UNIT - COST PER YEAR



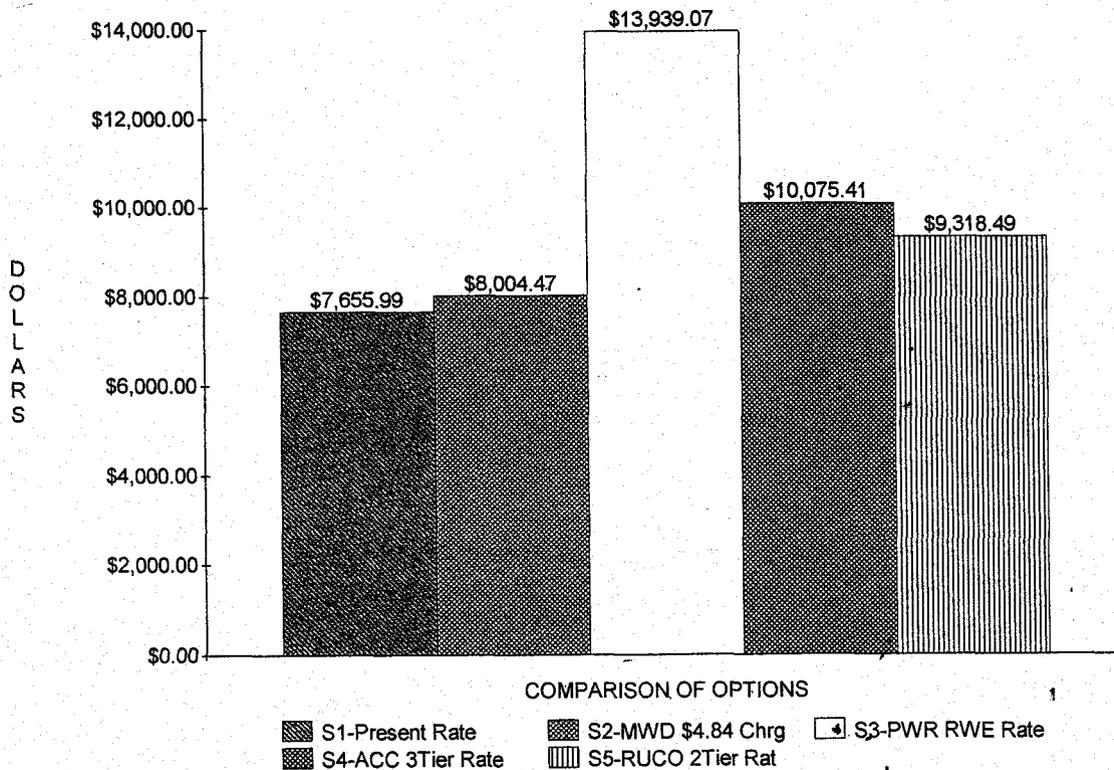
A 24 UNIT CONDO ASSOC WATER RATE STUDY

CHART 3 - ASSOC. - COST PER ACRE-FOOT



A 24 UNIT CONDO ASSOC WATER RATE STUDY

CHART 4 - ASSOCIATION - COST PER YEAR



A SINGLE UNIT RESIDENT

IMPACT ON UNIT RESIDENT WATER COST

The comparison cost study represented here is the cost billed to a single unit resident of actual water used in the year 2000.. The cost is compared to a rate increase proposed by the RWE Arizona American Water Co. The increase is counter proposed by the Arizona Corporation Commission (ACC) and the Residential User Utility Office (RUCO).

There are three (3) options for Sun City appraisal is shown in Bar Graphs form as follows;

“S3” (PWR-RWE 2 Tier Rate) Water Co. Bar Graph “S4” (ACC 3 Tier Rate) ACC Staff

“S5” (RUCO 2 Tier Rate) RUCO Staff

- Bar-S1 on all Charts show the actual present cost to deliver water excluding the Maricopa Water District surcharge. The chart shows a two (2) tiered rate structure with a Monthly Base Rate of \$5.00 with a 1st tier of 8K gal at \$0.73 per K gal and a 2nd tier of “over 8K” gal at \$ 0.92 per K gal.
- Bar-S2 on all Charts show the cost to deliver water at rates set (\$1.21 per water user) for delivery to the Maricopa Water District (MWD) a water holding cost debit passed to the customer as an interim settlement of the pipeline concept
- Bar-S3 on all Charts show the cost to deliver water at rates proposed by the RWE Arizona American Water Company Sun City Water Works . The rate is a two (2) tiered rate structure of a Monthly Base Rate of \$9.43 with the 1st tier of 8K gal at \$1.38 per K gal and 2nd tier of “over 8K” gal at \$1.73 per K gal..
- Bar-S4 on all Charts show the cost to deliver water at rates proposed by Arizona Corporation Commission (ACC) Staff. The rate is a three (3) tiered rate structure of a Monthly Base Rate of \$6.59 with the 1st tier of 4K gal at \$0.78 per K gal 2nd tier of “over 4K” to upper limit of 100K at \$1.17 per K gal and a 3rd tier of “over 100k” gal of \$1.39 per K gal..
- Bar-S5 on all Charts show the cost to deliver water at rates proposed by the Residential Utility Consumer Office (RUCO) staff. The rate is a two (2) tiered rate structure of a Monthly Base Rate of \$6.30 with the 1st tier of 8K gal of \$0.92 and a 2nd tier of “over 8K“ gal of \$1.16 per K gal.

SUMMARY

The Charts are based on actual water consumption as recorded and billed by the water company for supplying water to a single family resident with total gallons per Year of 101,000 gallons.

The Charts are;

Chart 1 - Resident cost per month, Chart 2 - Resident cost per year Chart 3 - Resident cost per acre-foot

SUN CITY WASTEWATER DISTRICT

The Sun City per month rates are; “present cost” \$12.87, “water company proposed” \$14.48, “RUCO proposed” \$10.70 and “ACC proposed” \$10.82. Both RUCO and ACC Staff proposal is an approximate 16% reduction in cost.

NOTE

The results shown in the accompanying charts are conservative. The associated fees and taxes charged due to rate increases of Bar S3, S4, and Bar S5 are not included.

Ray E Dare

S1 YEAR 2000 & PRESENT RATE
SUN CITY SINGLE RESIDENT
 CITIZENS UTILITY SUN CITY WATER
 WATER USAGE AND COST
 BASE RATE .75" DIA METER \$5.00
 *1st TIER 0 TO 8K- \$0.73 per K Gal
 2nd TIER OVER *8K \$0.92 per K Gal

Billing Month	1/2000	2/2000	3/2000	4/2000	5/2000	6/2000
Usage Month	12/1999	1/2000	2/2000	3/2000	4/2000	5/2000
WATER USAGE COST	\$10.83	\$10.04	\$10.11	\$14.66	\$10.23	\$14.66
SEWER USAGE COST	\$12.89	\$12.89	\$12.89	\$12.89	\$12.89	\$12.89
Billing Month	7/2000	8/2000	9/2000	10/2000	11/2000	12/2000
Usage Month	6/2000	7/2000	8/2000	9/2000	10/2000	11/2000
WATER USAGE COST	\$15.66	\$14.67	\$12.67	\$11.68	\$10.96	\$11.54
SEWER USAGE COST	\$12.89	\$12.89	\$12.89	\$12.89	\$12.89	\$12.89

2000 WATER USAGE	(TO DATE)	Meter
QUANTITY GALLONS	(THOUSANDS)	101
COST PER THOUSAND GALLONS	(ACTUALS)	\$1.46
ACCUMULATED COST PER METER	(ACTUALS)	\$147.71
OWNER BUDGET PER MONTH	(CALCULATED)	\$12.31

ACCUMULATED USAGE AND COST PER MONTH FOR,2000	AVG GAL PER YEAR IN THOUSANDS	Totals per Year	Gallons Converted to Acre Feet per Year	Acre Foot per Resident Unit per yr	Resident Unit Cost per Acre Foot per Year	Resident Unit Cost per Year	Monthly Budget Projection
GALLONS and / or ACRE FEET	8	101	0.31	0.31			
AND COST	(ACTUALS)	\$147.71			\$476.55	\$147.71	\$12.31

2000 SEWER USAGE	(TO DATE)	Meter
COST PER METER	(ACTUALS)	\$154.68
MONTHLY BUDGET PER UNIT OWNER	(ACTUALS)	\$12.89
ACCUMULATIVE BILLING COST PER YEAR	(ACTUALS)	\$154.68
2000 WATER/SEWER	(METER TO DATE)	\$302.39
ACCUMULATIVE BILLING	(TOTAL TO DATE)	\$302.39

**S2 YEAR 2000 & PRESENT RATE
SUN CITY SINGLE RESIDENT**

CITIZENS UTILITY SUN CITY WATER
BASE RATE .75" DIA METER \$5.00
*1st TIER 0 TO 8K- \$0.73 per K Gal
2nd TIER OVER *8K \$0.92 per K Gal
MARICOPA WATER DISTRICT
PLUS \$1.21 HOLDING COST TRANSFER

Billing Month	1/2000	2/2000	3/2000	4/2000	5/2000	6/2000
Usage Month	12/1999	1/2000	2/2000	3/2000	4/2000	5/2000
WATER USAGE COST	\$12.04	\$11.25	\$11.32	\$15.87	\$11.44	\$15.87
SEWER USAGE COST	\$12.89	\$12.89	\$12.89	\$12.89	\$12.89	\$12.89
Billing Month	7/2000	8/2000	9/2000	10/2000	11/2000	12/2000
Usage Month	6/2000	7/2000	8/2000	9/2000	10/2000	11/2000
WATER USAGE COST	\$16.87	\$15.88	\$13.88	\$12.89	\$12.17	\$12.75
SEWER USAGE COST	\$12.92	\$12.92	\$12.92	\$12.92	\$12.92	\$12.92

2000 WATER USAGE	(TO DATE)	Meter 10514
QUANTITY GALLONS	(THOUSANDS)	101
COST PER THOUSAND GALLONS	(ACTUALS)	\$1.61
ACCUMULATED COST PER METER	(ACTUALS)	\$162.23
OWNER BUDGET PER MONTH	(CALCULATED)	\$13.52

ACCUMULATED USAGE AND COST PER MONTH FOR 2000	AVG GAL PER YEAR IN THOUSANDS	Totals per Year	Gallons Converted to Acre Feet per Year	Acre Foot per Resident Unit per yr	Resident Unit Cost per Acre Foot per Year	Resident Unit Cost per Year	Monthly Budget Projection
GALLONS and / or ACRE FEET	8	101	0.31	0.31			
AND COST	(ACTUALS)	\$162.23			\$523.39	\$162.23	\$13.52

2000 SEWER USAGE	(TO DATE)	Meter 10514
COST PER METER	(ACTUALS)	\$154.86
MONTHLY BUDGET PER UNIT OWNER	(ACTUALS)	\$12.91
ACCUMULATIVE BILLING COST PER YEAR	(ACTUALS)	\$154.86
2000 WATER/SEWER	(METER TO DATE)	\$317.09
ACCUMULATIVE BILLING	(TOTAL TO DATE)	\$317.09

**S3 ACC YEAR 2003 RATE CASE
SUN CITY SINGLE RESIDENT**

WATER COMPANY TESTIMONY
 BASE RATE .75" DIA METER \$9.43
 *1st TIER 0 TO 8K- \$1.38 per K Gal
 2nd TIER OVER *8K \$1.73 per K Gal

Billing Month	1/2000	2/2000	3/2000	4/2000	5/2000	6/2000
Usage Month	12/1999	1/2000	2/2000	3/2000	4/2000	5/2000
WATER USAGE COST	\$22.74	\$21.30	\$21.37	\$29.65	\$21.49	\$29.65
SEWER USAGE COST	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Billing Month	7/2000	8/2000	9/2000	10/2000	11/2000	12/2000
Usage Month	6/2000	7/2000	8/2000	9/2000	10/2000	11/2000
WATER USAGE COST	\$31.46	\$29.66	\$26.04	\$24.24	\$22.87	\$23.45
SEWER USAGE COST	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03

2000 WATER USAGE	(TO DATE)	Meter 10514
QUANTITY GALLONS	(THOUSANDS)	101
COST PER THOUSAND GALLONS	(ACTUALS)	\$3.01
ACCUMULATED COST PER METER	(ACTUALS)	\$303.94
OWNER BUDGET PER MONTH	(CALCULATED)	\$25.33

ACCUMULATED USAGE AND COST PER MONTH FOR 2000	AVG GAL PER YEAR IN THOUSANDS	Totals per Year	Gallons Converted to Acre Feet per Year	Acre Foot per Resident Unit per yr	Resident Unit Cost per Acre Foot per Year	Resident Unit Cost per Year	Monthly Budget Projection
GALLONS and / or ACRE FEET	8	101	0.31	0.31			
AND COST	(ACTUALS)	\$303.94			\$980.58	\$303.94	\$25.33

2000 SEWER USAGE	(TO DATE)	Meter 10514
COST PER METER	(ACTUALS)	\$0.18
MONTHLY BUDGET PER UNIT OWNER	(ACTUALS)	\$0.02
ACCUMULATIVE BILLING COST PER YEAR	(ACTUALS)	\$0.18
2000 WATER/SEWER	(METER TO DATE)	\$304.12
ACCUMULATIVE BILLING	(TOTAL TO DATE)	\$304.12

**S4 ACC YEAR 2003 RATE CASE
SUN CITY SINGLE RESIDENT
ACC STAFF TESTIMONY**

*Formulae uses Base + 4K gal cost @\$9.71
BASE RATE .75" DIA METER \$6.59
*1st TIER 0 TO 4K- \$0.78 per K Gal
2nd TIER 4 TO 100K \$1.17 per K Gal
3rd TIER OVER 100K \$1.39 per K Gal

Billing Month	1/2000	2/2000	3/2000	4/2000	5/2000	6/2000
Usage Month	12/1999	1/2000	2/2000	3/2000	4/2000	5/2000
WATER USAGE COST	\$13.94	\$12.71	\$12.78	\$18.96	\$12.90	\$18.96
SEWER USAGE COST	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Billing Month	7/2000	8/2000	9/2000	10/2000	11/2000	12/2000
Usage Month	6/2000	7/2000	8/2000	9/2000	10/2000	11/2000
WATER USAGE COST	\$20.21	\$18.97	\$16.47	\$15.23	\$14.07	\$14.65
SEWER USAGE COST	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03

2000 WATER USAGE	(TO DATE)	Meter 10514
QUANTITY GALLONS	(THOUSANDS)	101
COST PER THOUSAND GALLONS	(ACTUALS)	\$1.88
ACCUMULATED COST PER METER	(ACTUALS)	\$189.85
OWNER BUDGET PER MONTH	(CALCULATED)	\$15.82

ACCUMULATED USAGE AND COST PER MONTH FOR 2000	AVG GAL PER YEAR IN THOUSANDS	Totals per Year	Gallons Converted to Acre Feet per Year	Acre Foot per Resident Unit per yr	Resident Unit Cost per Acre Foot per Year	Resident Unit Cost per Year	Monthly Budget Projection
GALLONS and / or ACRE FEET AND COST	8	101	0.31	0.31			
	(ACTUALS)	\$189.85			\$612.50	\$189.85	\$15.82

2000 SEWER USAGE	(TO DATE)	Meter 10514
COST PER METER	(ACTUALS)	\$0.18
MONTHLY BUDGET PER UNIT OWNER	(ACTUALS)	\$0.02
ACCUMULATIVE BILLING COST PER YEAR	(ACTUALS)	\$0.18
2000 WATER/SEWER	(METER TO DATE)	\$190.03
ACCUMULATIVE BILLING	(TOTAL TO DATE)	\$190.03

**S5 ACC YEAR 2003 RATE CASE
SUN CITY SINGLE RESIDENT**

RUCO TESTIMONY

BASE RATE .75" DIA METER \$6.30

*1st TIER 0 TO 8K- \$0.92 per K Gal

2nd TIER OVER *8K \$1.16 per K Gal

Billing Month	1/2000	2/2000	3/2000	4/2000	5/2000	6/2000
Usage Month	12/1999	1/2000	2/2000	3/2000	4/2000	5/2000
WATER USAGE COST	\$13.46	\$12.48	\$12.55	\$18.20	\$12.67	\$18.20
SEWER USAGE COST	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Billing Month	7/2000	8/2000	9/2000	10/2000	11/2000	12/2000
Usage Month	6/2000	7/2000	8/2000	9/2000	10/2000	11/2000
WATER USAGE COST	\$19.44	\$18.21	\$15.73	\$14.50	\$13.59	\$14.17
SEWER USAGE COST	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03

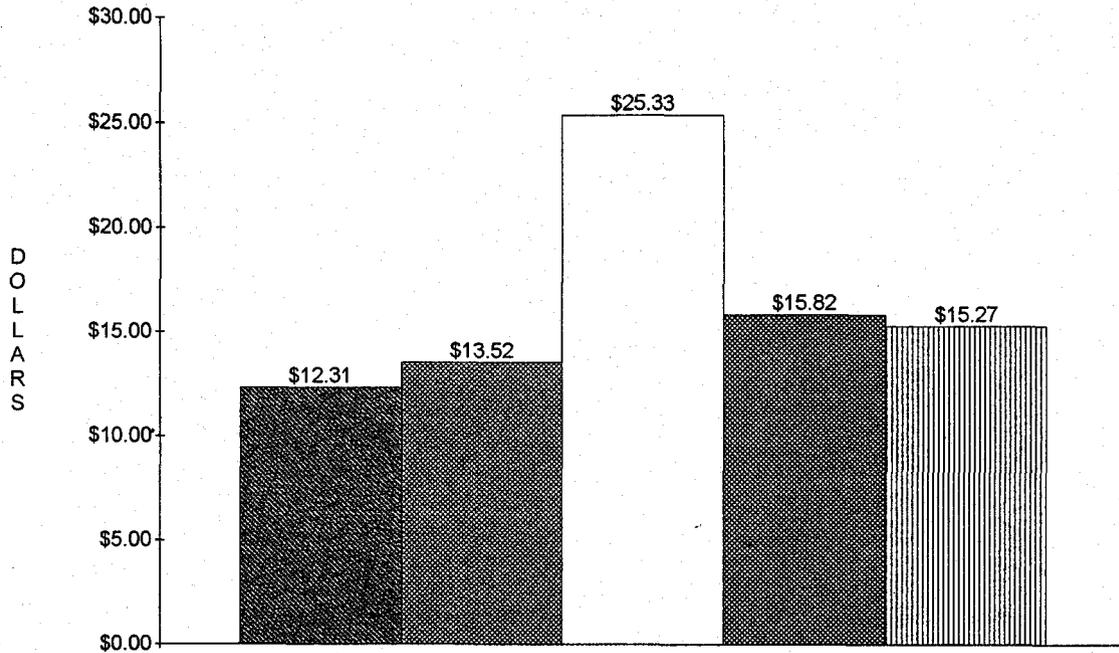
2000 WATER USAGE	(TO DATE)	Meter 10514
QUANTITY GALLONS	(THOUSANDS)	101
COST PER THOUSAND GALLONS	(ACTUALS)	\$1.81
ACCUMULATED COST PER METER	(ACTUALS)	\$183.20
OWNER BUDGET PER MONTH	(CALCULATED)	\$15.27

ACCUMULATED USAGE AND COST PER MONTH FOR 2000	AVG GAL PER YEAR IN THOUSANDS	Totals per Year	Gallons Converted to Acre Feet per Year	Acre Foot per Resident Unit per yr	Resident Unit Cost per Acre Foot per Year	Resident Unit Cost per Year	Monthly Budget Projection
GALLONS and / or ACRE FEET	8	101	0.31	0.31			
AND COST	(ACTUALS)	\$183.20			\$591.05	\$183.20	\$15.27

2000 SEWER USAGE	(TO DATE)	Meter 10514
COST PER METER	(ACTUALS)	\$0.18
MONTHLY BUDGET PER UNIT OWNER	(ACTUALS)	\$0.02
ACCUMULATIVE BILLING COST PER YEAR	(ACTUALS)	\$0.18
2000 WATER/SEWER	(METER TO DATE)	\$183.38
ACCUMULATIVE BILLING	(TOTAL TO DATE)	\$183.38

A SINGLE RESIDENT WATER RATE STUDY

CHART 1-GRAY RESIDENT UNIT - PER MONTH

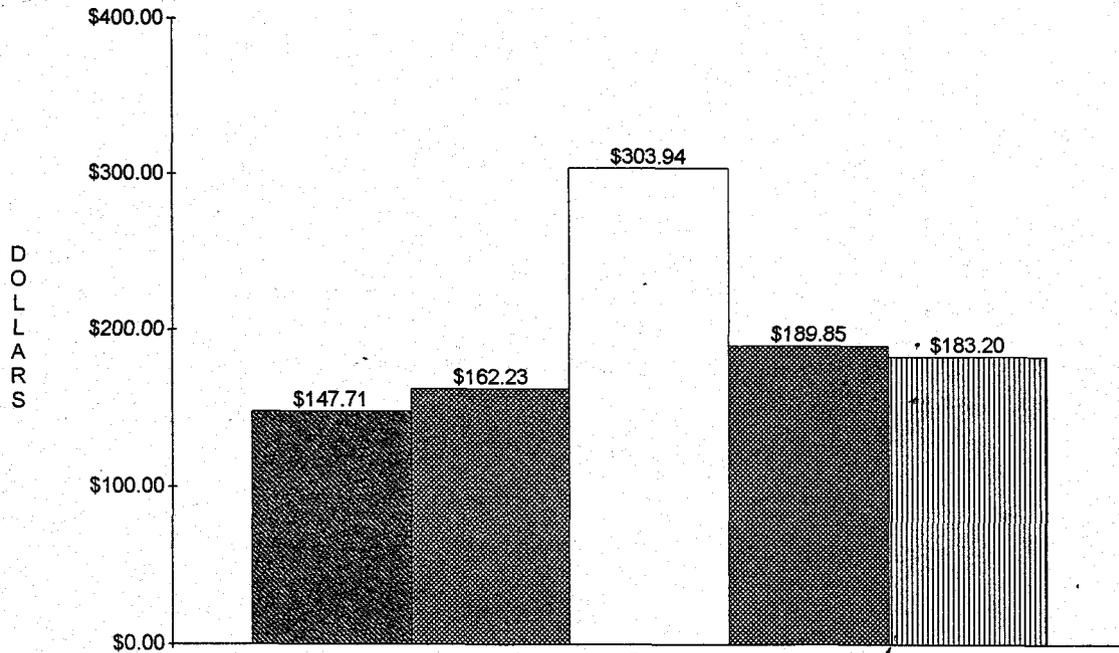


COMPARISON OF SUN CITY "CAP" OPTIONS

- S1-Present Rates ■ S2-MWD \$1.21 Chrg □ S3-PWR RWE Rate
- S4-ACC 3Tier Rate ▨ S5-RUCO 2Tier Rat

A SINGLE RESIDENT WATER RATE STUDY

CHART 2- GRAY RESIDENT - PER YEAR



COMPARISON OF SUN CITY "CAP" OPTIONS

- S1-Present Rate ■ S2-MWD \$1.21 Chrg □ S3-PWR RWE Rate
- S4-ACC 3Tier Rate ▨ S5-RUCO 2Tier Rat

A SINGLE RESIDENT WATER RATE STUDY

CHART 3 - GRAY RESIDENT - \$ / ACREFOOT

