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BEFORE THE ARIZONA CORPORATION COMMISSION

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

Arizona Corporation Commission

DOCKETED

JUL-20 2006

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IN THE MATTER OF THE APPLICATION OF
WILLOW SPRINGS UTILITIES, LLC. FOR A
CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE WATER AND
WASTEWATER SERVICE IN PINAL COUNTY,
ARIZONA.

DOCKET NO. WS-20432A-05-0874

**NOTICE OF LATE FILED
EXHIBIT**

The Utilities Division ("Staff") hereby provides notice of Late Filed Exhibit of Water Division's Projected Income Statements, Schedule JRM-1 Revised; Schedule of Recommended Rates and Charges, JRM-6; and Typical Bill Analysis. These revisions were necessary for the Water Division because Staff had inadvertently included income tax figures in their original Staff Report that were not appropriate for a corporation organized as a limited liability company. Revisions were not necessary for the Wastewater Division because the income tax computations included in the original Staff Report were accurate.

RESPECTFULLY SUBMITTED this 20th day of July, 2006.

Linda Fisher
Attorney, Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

AZ CORP COMMISSION
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The original and thirteen (13) copies
of the foregoing were filed this
20th day of July, 2006 with:

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

Copies of the foregoing were mailed
this 20th day of July, 2006 to:

Richard L. Sallquist
SALLQUIST, DRUMMOND & O'CONNOR, P.C.
4500 South Lakeshore Drive, Suite 339
Tempe, Arizona 85282



WILLOW SPRINGS UTILITY COMPANY
DOCKET NO.: SW-20432A-05-00874
PROJECTED INCOME STATEMENTS
WATER DIVISION - ACC FORM CS-2

Schedule JRM-1
Revised

	Year 1	Year 2	Year 3	Year 4	Year 5
Average Number of:					
Residential Customers	25.0	250.0	650.0	1,050.0	1,450.0
Commercial Customers	-	5.0	17.5	32.5	50.0
Irrigation - Sewer Utility	0.5	1.0	1.0	1.0	1.0
School	-	-	0.5	1.0	1.0
Revenues:					
Residential	\$ 16,456	\$ 164,559	\$ 427,853	\$ 691,148	\$ 954,442
Commercial	-	8,171	28,598	53,110	81,708
Irrigation - Sewer Utility	121,749	103,097	66,287	28,656	-
School	-	-	47,019	94,038	94,038
Other Revenues - Est. of Service	1,530	12,300	12,480	12,450	12,600
Total Revenues	\$ 139,735	\$ 288,127	\$ 582,237	\$ 879,402	\$ 1,142,788
Operating Expenses:					
Salaries & Wages	\$ 68,500	\$ 70,555	\$ 72,672	\$ 74,852	\$ 77,097
Purchased Water	-	-	-	-	-
Power Costs	37,369	33,816	39,097	65,646	87,620
Water Testing and Chemicals	6,255	11,050	14,180	17,375	20,675
Repairs and Maintenance	2,000	6,000	9,000	12,000	15,000
Office Supplies Expense	5,900	17,180	35,048	53,006	71,036
Outside Services	50,900	59,600	74,901	90,304	105,793
Rents	3,000	3,090	3,183	3,278	3,377
Transportation Expense	2,500	2,575	2,652	2,732	2,814
Taxes Other than Property and Income	-	-	-	-	-
Depreciation Expense	113,748	234,841	258,436	292,011	331,445
Health and Life Insurance	-	-	-	-	-
Income Taxes	50	50	50	50	50
Property Taxes	7,517	8,872	15,951	28,864	45,448
Miscellaneous Expenses	13,400	13,652	13,912	14,179	14,454
Total Operating Expenses	\$ 311,139	\$ 461,281	\$ 539,082	\$ 654,297	\$ 774,809
Operating Income (Loss)	\$ (171,404)	\$ (173,154)	\$ 43,155	\$ 225,105	\$ 367,979
Original Cost Rate Base	\$ 5,324,032	\$ 5,043,551	\$ 4,861,395	\$ 4,662,292	\$ 4,556,235
Return on Rate Base	-3.22%	-3.43%	0.89%	4.83%	8.08%

WILLOW SPRINGS UTILITY COMPANY
DOCKET NO.: SW-20432A-05-0874
SCHEDULE OF RECOMMENDED RATES AND CHARGES
WATER DIVISION

Schedule JRM-6
Page 1 of 2
Revised

	Company Proposed	Staff Recommended
Monthly Minimum for Water Service:		
Residential & Commercial Service		
5/8 x 3/4 Inch	\$ 28.00	\$ 28.00
3/4 Inch	28.00	28.00
1 Inch	70.00	70.00
1 1/2 Inch	140.00	140.00
2 Inch	224.00	224.00
3 Inch	448.00	448.00
4 Inch	700.00	700.00
6 Inch	1,400.00	1,400.00
8 Inch	2,240.00	2,240.00
10 Inch	3,220.00	3,220.00
12 Inch	6,020.00	6,020.00
Commodity Rates by Meter Size for Water Service:		
5/8 x 3/4 Inch and 3/4 Inch - Residential		
Per 1,000 Gallons		
From 1 to 4,000 Gallons	\$ 2.50	\$ 2.30
From 4,001 to 9,000 Gallons	3.50	3.50
Over 9,000 Gallons	4.50	4.50
5/8 x 3/4 Inch and 3/4 Inch - Commercial		
Per 1,000 Gallons		
From 1 to 4,000 Gallons	\$ 2.50	N/A
From 4,001 to 9,000 Gallons	3.50	N/A
Over 9,000 Gallons	4.50	N/A
From 1 to 9,000 Gallons	N/A	3.50
Over 9,000 Gallons	N/A	4.50
1 Inch - All Customers		
Per 1,000 Gallons		
From 1 to 10,000 Gallons	\$ 2.50	N/A
From 10,001 to 22,500 Gallons	3.50	N/A
Over 22,500 Gallons	4.50	N/A
From 1 to 40,000 Gallons	N/A	3.50
Over 40,000 Gallons	N/A	4.50
1 1/2 Inch - All Customers		
Per 1,000 Gallons		
From 1 to 20,000 Gallons	\$ 2.50	N/A
From 20,001 to 45,000 Gallons	3.50	N/A
Over 45,000 Gallons	4.50	N/A
From 1 to 80,000 Gallons	N/A	3.50
Over 80,000 Gallons	N/A	4.50
2 Inch - All Customers		
Per 1,000 Gallons		
From 1 to 32,000 Gallons	\$ 2.50	N/A
From 32,001 to 72,000 Gallons	3.50	N/A
Over 72,000 Gallons	4.50	N/A
From 1 to 125,000 Gallons	N/A	3.50
Over 125,000 Gallons	N/A	4.50
2 Inch - School		
Per 1,000 Gallons		
From 1 to 100,000 Gallons	\$ 2.50	\$ 2.50
From 100,001 to 500,000 Gallons	3.50	3.50
Over 500,000 Gallons	4.50	4.50
3 Inch - All Customers		
Per 1,000 Gallons		
From 1 to 7,000 Gallons	\$ 2.50	N/A
From 7,001 to 144,000 Gallons	3.50	N/A
Over 144,000 Gallons	4.50	N/A
From 1 to 225,000 Gallons	N/A	3.50
Over 225,000 Gallons	N/A	4.50

WILLOW SPRINGS UTILITY COMPANY
 DOCKET NO.: SW-20432A-05-0874
 SCHEDULE OF RECOMMENDED RATES AND CHARGES
 WATER DIVISION

Schedule JRM-6
 Page 2 of 2
Revised

4 Inch - All Customers			
Per 1,000 Gallons			
From 1 to 7,000 Gallons	\$ 2.50		N/A
From 7,001 to 225,000 Gallons	3.50		N/A
Over 225,000 Gallons	4.50		N/A
From 1 to 325,000 Gallons	N/A		3.50
Over 325,000 Gallons	N/A		4.50
6 Inch - All Customers			
Per 1,000 Gallons			
From 1 to 7,000 Gallons	\$ 2.50		N/A
From 7,001 to 450,000 Gallons	3.50		N/A
Over 450,000 Gallons	4.50		N/A
From 1 to 600,000 Gallons	N/A		3.50
Over 600,000 Gallons	N/A		4.50
8 Inch - All Customers			
Per 1,000 Gallons			
From 1 to 7,000 Gallons	\$ 2.50		N/A
From 7,001 to 720,000 Gallons	3.50		N/A
Over 720,000 Gallons	4.50		N/A
From 1 to 1,000,000 Gallons	N/A		3.50
Over 1,000,000 Gallons	N/A		4.50
10 Inch - All Customers			
Per 1,000 Gallons			
From 1 to 7,000 Gallons	\$ 2.50		N/A
From 7,001 to 1,035,000 Gallons	3.50		N/A
Over 1,035,000 Gallons	4.50		N/A
From 1 to 1,300,000 Gallons	N/A		3.50
Over 1,300,000 Gallons	N/A		4.50
12 Inch - All Customers			
Per 1,000 Gallons			
From 1 to 7,000 Gallons	\$ 2.50		N/A
From 7,001 to 1,935,000 Gallons	3.50		N/A
Over 1,935,000 Gallons	4.50		N/A
From 1 to 2,250,000 Gallons	N/A		3.50
Over 2,250,000 Gallons	N/A		4.50
Irrigation Water Sales to Sewer Utility (No other customer qualifies for this tariff)			
Per 1,000 Gallons			
All Usage	\$ 1.50		1.50
Construction Water			
Per 1,000 Gallons			
All Usage	\$ 3.00		3.00
Other Rates and Charges:			
Establishment of Service - Regular Hours	\$ 30.00	\$ 30.00	
Establishment of Service - After Hours	50.00	50.00	
Re-establishment of Service (Within 12 Months)	(1)	(1)	
Reconnection - Delinquent	50.00	50.00	
Meter Reread - If Correct	30.00	30.00	
Meter Test - If Correct	30.00	30.00	
Customer Deposit	(2)	(2)	
Deposit Interest	3.50%	(2)	
NSF Check Charge	30.00	25.00	
Late Payment Penalty - Per Month	1.50%	1.50%	
Deferred Payment Interest - Per Month	1.50%	1.50%	
Main Extensions/Additional Facilities	Cost	Cost	
Revenue Taxes & Assessments	(3)	(3)	

Notes:

- (1) Per Rule R14-2-603D - Months off system times the minimum charge.
- (2) Per Rule R14-2-603B
- (3) Per Rule R14-2-608D

WILLOW SPRINGS UTILITY COMPANY
DOCKET NO.: SW-20432A-05-0874

Typical Bill Analysis
General Service 5/8 x 3/4-Inch Meter

Company Proposed	Gallons	Proposed Rates
Average Usage	9,034	\$ 55.65
Staff Recommended		
Average Usage	9,034	\$ 54.85

Present & Proposed Rates (Without Taxes)
General Service 5/8 x 3/4-Inch Meter

Gallons Consumption	Company Proposed Rates	Staff Recommended Rates
-	\$ 28.00	\$ 28.00
1,000	30.50	30.30
2,000	33.00	32.60
3,000	35.50	34.90
4,000	38.00	37.20
5,000	41.50	40.70
6,000	45.00	44.20
7,000	48.50	47.70
8,000	52.00	51.20
9,000	55.50	54.70
10,000	60.00	59.20
11,000	64.50	63.70
12,000	69.00	68.20
13,000	73.50	72.70
14,000	78.00	77.20
15,000	82.50	81.70
16,000	87.00	86.20
17,000	91.50	90.70
18,000	96.00	95.20
19,000	100.50	99.70
20,000	105.00	104.20
25,000	127.50	126.70
30,000	150.00	149.20
35,000	172.50	171.70
40,000	195.00	194.20
45,000	217.50	216.70
50,000	240.00	239.20
75,000	352.50	351.70
100,000	465.00	464.20