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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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IN THE MATTER OF THE APPLICATION OF  
GLOBAL WATER-PICACHO COVE UTILITIES  
COMPANY FOR A CERTIFICATE OF  
CONVENIENCE AND NECESSITY

DOCKET NO. SW-20494A-06-0769

IN THE MATTER OF THE APPLICATION OF  
GLOBAL WATER-PICACHO COVE WATER  
COMPANY FOR A CERTIFICATE OF  
CONVENIENCE AND NECESSITY

DOCKET NO. W-20495A-06-0769

STAFF'S REVISED RATE  
DESIGN SCHEDULES

In accordance with a telephone conference on February 7, 2008, with the Administrative Law Judge and the Company, Staff files its revised rate design schedules and explanation of the changes to the schedules.

RESPECTULLY submitted this 14<sup>th</sup> day of February, 2008.

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1 Original and fifteen (15) copies  
of the foregoing were filed this  
2 14<sup>th</sup> day of February, 2008 with:

3 Docket Control  
Arizona Corporation Commission  
4 1200 West Washington Street  
Phoenix, Arizona 85007

5  
6 Copy of the foregoing mailed this  
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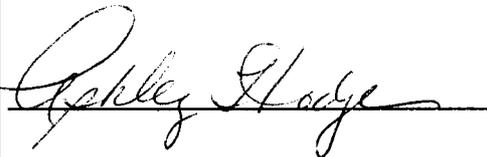
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**SUPPLEMENTAL FILING FOR  
GLOBAL WATER - PICACHO COVE UTILITIES COMPANY AND  
GLOBAL WATER - PICACHO COVE WATER COMPANY  
APPLICATIONS FOR NEW CERTIFICATES OF CONVENIENCE  
AND NECESSITY  
DOCKET NOS. W-20494A-06-0769 & SW-20495A-06-0769**

In response to questions raised in a procedural conference, Staff has prepared a supplement to its Staff report filed on November 21, 2007. The supplement revises the rate design schedules of Global Water – Picacho Cove Utilities Company (“Picacho Utilities”) and Global Water – Picacho Cove Water Company (“Picacho Water”) to incorporate changes that were identified during the hearing and to address subsequent questions raised by the administrative law judge.

**Revisions to Picacho Water (2/2008 Revised Schedule CSB-W5)**

The revisions to Picacho Water’s rate design schedules are attached on the 2/2008 Revised Schedule CSB-W5. The revisions are as follows:

1. Staff changed the heading in the top upper left corner from “Test Year Ended: Fifth Year of Operation” to “Projected Fifth Year of Operation.
2. Staff changed the heading in the top upper right corner from “Corrected Schedule CSB-W5” to “2/2008 Revised Schedule CSB-W5”.
3. Staff added the phrase “Water Only” to the heading in the center of the page.
4. Under the “Commodity Charges” section, Staff changed the heading from “5/8-Inch x 3/4-Inch Meters, Residential” to “5/8-Inch x 3/4-Inch Meters & 3/4 - Inch, Residential”.
5. Under the “Commodity Charges” section Staff added the description of “Residential, Commercial, and Industrial” to the 1-Inch to 6-Inch Meter headings.
6. Under the “Service Charges” section, Staff added a “Re-establishment of Service Charge” of \$30 to more closely reflect the charges as filed by the Company.
7. Under the “Service Charges” section, Staff added footnote (e) to “Re-establishment of Service Charge” to show that Staff does not recommend a flat fee for this charge as, according to Commission Rule of “Months off system times monthly minimum,” the amount may vary.

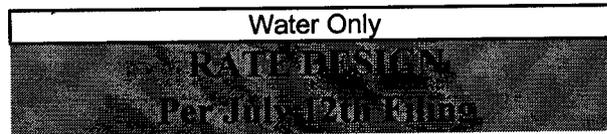
8. Under the "Service Charges" section, Staff changed the "Disconnection of Water Utility Service" from \$25 to \$0 as Staff does not recommend that customers be charged if they are disconnected by the Company.
9. Under the "Service Charges" section, Staff changed the descriptive name of "Late Payment Penalty – per month" to "Late Payment Charge for Delinquent Bills – per month" to more closely reflect the name as filed by the Company..
10. Under the "Service Charges" section, Staff added footnote (c) to show that Staff considers the "Late Payment Charge for Delinquent Bills – per month" charge a duplication of the "Late Charge – Per Month".
11. Under the "Service Charges" section, "Re-establ of Serv., After Hours (Within 12 Months)," Staff removed the "\*\*\*" footnote and added footnote (d) to show that the \$50 after hours charge is in addition to the re-establishment of service charge.

#### **Revisions to Picacho Utilities (2/2008 Revised Schedule CSB-WW5)**

The revisions to Picacho Utilities's rate design schedules are attached on the 2/2008 Revised Schedule CSB-WW5. The revisions are as follows:

1. Staff changed the heading in the top upper left corner from "Test Year Ended: Fifth Year of Operation" to "Projected Fifth Year of Operation.
2. Staff changed the heading in the top upper right corner from "Corrected Schedule CSB-WW5" to "2/2008 Revised Schedule CSB-WW5".
3. Staff added the phrase "Wastewater Only" to the heading in the center of the page.
4. For the monthly customer charges, Staff changed the descriptive heading from "Residential Service – per month" to "Monthly Customer Charges – Flat Rate." Staff also removed the zeros and changed the monthly customer charges to those that were originally filed on 11-21-2007. Staff also revised those rates so that the cents are rounded (e.g., \$0.00, 0.25, 0.50, 0.75).
5. Under the "Service Charges" section, Staff removed added "After Hours Charge, flat rate" to reflect Staff's recommendation that this charge be a flat rate rather than an hourly charge.

6. Under the "Service Charges" section, Staff removed the "Disconnection of Water Utility Service" as this was not originally filed by the Company and was inadvertently included by Staff.
7. Under the "Service Charges" section, Staff added footnote (b) to show that Staff considers the "Late Payment Charge for Delinquent Bills – per month" charge a duplication of the "Late Charge – Per Month".
8. Under the "Service Charges" section, Staff added footnote (c) to show that Staff considers the "Late Payment Charge for Delinquent Bills – per month" charge a duplication of the "Late Charge – Per Month".
9. Under the "Service Charges" section, Staff changed the "\*" and "\*\*\*" footnotes to reflect the wastewater rules.



**Monthly Customer Charges**

- 5/8" x 3/4" Meter
- 3/4" Meter
- 1" Meter
- 1½" Meter
- 2" Meter
- 3" Meter
- 4" Meter
- 6" Meter

Proposed Rates	
Company	Staff
\$29.50	\$27.00
29.50	27.00
73.75	73.75
147.50	147.50
236.00	236.00
472.00	472.00
737.50	737.50
1,475.00	1,475.00

Gallons Included in Monthly Customer Charge

0 0

**Commodity Charges - Per 1,000 Gallons of Usage**

**5/8-Inch x 3/4-Inch & 3/4-Inch Meters, Residential**

0 to 5,500 gallons	\$3.50	n/a
5,501 to 7,000 gallons	\$4.00	n/a
7,001 and above gallons	\$5.00	n/a
0 to 3,000 gallons	n/a	\$ 2.50
3,001 to 8,000 gallons	n/a	\$ 4.00
8,001 and above gallons	n/a	\$ 5.00

**5/8-Inch x 3/4-Inch Meters, Commercial and Industrial**

0 to 8,000 gallons	\$4.00	\$ 4.00
8,001 and above gallons	\$5.00	\$ 5.00

**3/4-Inch Meters, Commercial and Industrial**

0 to 8,000 gallons	\$4.00	\$ 4.00
8,001 and above gallons	\$5.00	\$ 5.00

**1-Inch Meters, Residential, Commercial and Industrial**

0 to 25,000 gallons	\$4.00	\$ 4.00
25,001 and above gallons	\$5.00	\$ 5.00

**1 1/2 - Inch Meters, Residential, Commercial and Industrial**

0 to 50,000 gallons	\$4.00	\$ 4.00
50,001 to and above gallons	\$5.00	\$ 5.00

**2-Inch Meters, Residential, Commercial and Industrial**

0 to 80,000 gallons	\$4.00	\$ 4.00
80,001 and above gallons	\$5.00	\$ 5.00



**Commodity Charges - Per 1,000 Gallons of Usage**

**3-Inch Meters, Residential, Commercial and Industrial**  
 0 to 150,000 gallons  
 150,001 and above gallons

-Proposed Rates-	
Company	Staff

\$4.00	\$	4.00
\$5.00	\$	5.00

**4-Inch Meters, Residential, Commercial and Industrial**  
 0 to 250,000 gallons  
 250,001 and above gallons

\$4.00	\$	4.00
\$5.00	\$	5.00

**6-Inch Meters, Residential, Commercial and Industrial**  
 0 to 500,000 gallons  
 500,001 and above gallons

\$4.00	\$	4.00
\$5.00	\$	5.00

**Service Line and Meter Installation Charges**

5/8" x 3/4" Meter  
 3/4" Meter  
 1" Meter  
 1½" Meter  
 2" Meter (Turbine)  
 2" Meter (Compound)  
 3" Meter (Turbine)  
 3" Meter (Compound)  
 4" Meter (Turbine)  
 4" Meter (Compound)  
 6" Meter (Turbine)  
 6" Meter (Compound)

Company	Staff Proposed			
	Proposed	Services	Meters	Total
\$	400	\$ 355	\$ 85	\$ 440
	440	355	165	520
	500	405	205	610
	715	440	415	855
	1,170	600	915	1,515
	1,700	600	1,640	2,240
	1,585	775	1,420	2,195
	2,190	815	2,215	3,030
	2,540	1,110	2,250	3,360
	3,215	1,170	3,145	4,315
	4,815	1,670	4,445	6,115
	6,270	1,710	6,180	7,890

Water Only  
**RATE DESIGN**  
Continued

**Service Charges**

	-Proposed Rates-	
	Company	Staff
Establishment, During Normal Business Hours	\$ 30.00	\$ 30.00
Establishment, After Hours	50.00	50.00
Re-establ. of Serv., During Normal Business Hrs (Within 12 Months)	30.00	(e)
Re-establ. of Serv., During Normal Business Hrs (Within 12 Months)	**	**
Re-establ. of Serv., After Hours (Within 12 Months)	50.00	50.00 (d)
Reconnection, During Normal Business Hours	30.00	30.00
Reconnection, After Hours	50.00	50.00
Disconnection of Water Utility Service	25.00	0.00
Meter Test (If Correct)	20.00	20.00
Customer Deposit (Residential & Nonresidential)	*	*
Deposit Interest	*	*
NSF Check Charge	35.00	35.00
Deferred Payment (Per Month)	1.50%	1.50%
Late Payment Charge for Delinquent Bills (Per Month)	1.50%	(c)
Meter Re-Read (If Correct)	25.00	25.00
Customer Requested Meter Relocation	(a)	(a)
Late Charge Per Month	1.50%	1.50%
Fire Sprinkler, Monthly Service Charge	N/A	(b)

All revenue related taxes will be charged customers.

**Rules and Regulations**

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. Arizona Corporation Commission Rules will be controlling of Company procedures, unless specific Commission Orders provide otherwise.

- \* Per Commission Rules (R14-2-403B)
- \*\* Per Rule R14-2-403.D - Months off system times monthly minimum
- (a) Cost to include parts, labor, overhead, and all applicable taxes, including income tax if applicable
- (b) One percent (1%) of monthly minimum for a comparable sized meter connection, but no less than \$5.00 per month. The service charge for fire sprinklers is only applicable for service lines separate and distinct from the primary water service line.
- (c) Staff considers this charge a duplication of the "Late Charge Per Month"
- (d) The \$50 after hours charge is a flat rate and is in addition to the re-establishment of service charge.
- (e) Staff does not recommend a flat fee for this charge as according to Commission Rule of "Months off system times monthly minimum," the amount may vary.



**Monthly Customer Charges - Flat Rate**

5/8" x 3/4" Meter  
3/4" Meter  
1" Meter  
1½" Meter  
2" Meter  
3" Meter  
4" Meter  
6" Meter

Proposed Rates	
Company	Staff

\$ 62.00	\$80.00
\$ 62.00	\$80.00
\$ 155.00	\$200.25
\$ 310.00	\$400.50
\$ 496.00	\$640.75
\$ 992.00	\$1,201.25
\$ 1,550.00	\$2,002.00
\$ 3,100.00	\$4,004.25

**Effluent Sales**

Treated Effluent per acre foot (for general irrigation)	\$ 900.00	\$ 900.00
Treated Effluent per 1,000 gallons (for general irrigation)	\$ 2.76	\$ 2.76

**Service Charges**

Establishment, During Normal Business Hours  
Establishment, After Hours  
Re-establ. of Service (Within 12 Months)  
Reconnection of service  
After Hours Charge, per hour  
After Hours Charge, flat rate  
Minimum Security Deposit (Two Times Monthly Bill)  
NSF Check Charge  
Late Payment Charge for Delinquent Bills  
Deferred Finance Payment Charge  
Main Extension and Additional Facilities Agreements  
Deferred Payment  
Late Charge Per Month

Proposed Rates	
Company	Staff

\$ 30.00	\$30.00
50.00	50.00
**	**
30.00	30.00
50.00	0.00
N/A	50.00
*	*
35.00	35.00
1.50%	(b)
1.50%	(c)
(a)	(a)
1.50%	1.50%
1.50%	1.50%

**Rules and Regulations**

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. Arizona Corporation Commission Rules will be controlling of Company procedures, unless specific Commission Orders provide otherwise.

\* Per Commission Rules (R14-2-603B)

\*\* Per Rule R14-2-603.D - Months off system times monthly minimum

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

(b) Staff considers this charge to be a duplication of the "Late Charge Per Month"

(c) Staff considers this charge to be a duplication of the "Deferred Payment" charge