



0000081805

ORIGINAL

MEMORANDUM

TO: Docket Control
FROM: Ernest G. Johnson
for Director
Utilities Division

DATE: February 15, 2008

RE: RESPONSE TO LIVCO WATER COMPANY'S OBJECTIONS TO THE STAFF REPORT (DOCKET NOS. W-02121A-07-0506 AND W-02121A-07-0688).

On February 1, 2008, pursuant to a procedural order dated January 24, 2008, Staff responded to Livco Water Company's ("Company") objections to the Staff Report. The Administrative Law Judge asked Staff to "include an explanation of its proposed rate design which treats 5/8 inch and 3/4 inch residential and commercial customers differently (i.e., does not impose commodity charges on commercial customers for the first 3,000 gallons of usage)." Staff would like to make one clarification to its response to the Company's objection.

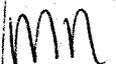
Commercial 5/8 inch and 3/4 inch customers are still charged a commodity rate of \$2.00 per 1,000 gallons for the first 3,000 gallons; this was not correctly reflected in Staff's revised schedule JMM-4. Commercial 5/8 and 3/4 inch customers should be charged a first tier rate of \$2.00 per 1,000 gallons for the first 10,000 gallons and a second tier rate of \$2.40 per 1,000 gallons for gallon usage over 10,000 gallons. Attached is a revised page 1 of 2 for Schedule JMM-4 incorporating these clarifications.

EGJ:JMM:red

Originator: Jeffrey M. Michlik

Arizona Corporation Commission
DOCKETED

FEB 15 2008

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DOCKET CONTROL

Service List for: Livco Water Company
Docket Nos. W-02121A-07-0506 and W-02121A-07-0688

Mrs. Jenni Wicks
Manager/Authorized Representative
Livco Water Company
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Concho, Arizona 85924

Mr. Thomas J. Bourassa, CPA
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Mr. Ernest G. Johnson
Director, Utilities Division
Arizona Corporation Commission
1200 West Washington Street
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Ms. Lyn Farmer
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1200 West Washington Street
Phoenix, Arizona 85007

LIVCO WATER COMPANY

Docket Nos. W-2121A-07-0506 and W-02121A-07-0688
 Test Year Ended December 31, 2006

Revised Schedule JMM-4
 Page 1 of 2

RATE DESIGN

Monthly Usage Charge	Present	-Proposed Rates-	
	Rates	Company	Staff
5/8" x 3/4" Meter	\$11.00	\$16.74	\$15.50
3/4" Meter	11.00	\$16.74	\$17.75
1" Meter	14.00	\$21.31	\$27.00
1 1/2" Meter	20.00	\$30.44	\$50.00
2" Meter	50.00	\$76.10	\$88.00
3" Meter	116.00	\$176.55	\$248.00
4" Meter	181.00	\$275.48	\$387.50
6" Meter	362.00	\$550.96	\$775.00
2" Old Concho Townsite Interconnect	120.00	\$182.64	\$124.00
Gallons Included in Minimum	\$0.00	\$0.00	\$0.00
Gallons Included in Minimum - Old Concho Townsite	\$0.00	\$0.00	\$0.00
<u>Commodity Rate (per 1,000 gallons):</u>			
<u>5/8 x 3/4 Inch Meters to 1 1/2 Inch Meters</u>			
Up to 4,000 gallons	\$1.10	\$1.67	N/A
4,001 to 10,000 gallons	\$1.50	\$2.28	N/A
Over 10,000 gallons	\$1.65	\$2.51	N/A
<u>2 Inch and Larger Meters</u>			
Up to 50,000 gallons	1.10	1.67	N/A
50,001 to 100,000 gallons	1.50	2.28	N/A
Over 100,000 gallons	1.65	2.51	N/A
<u>Old Concho Interconnect</u>			
Excess of Minimum per 50,000 gallons	1.10	1.67	N/A
50,001 to 100,000 gallons	1.50	2.28	N/A
Over 100,000 gallons	1.65	2.51	N/A
<u>5/8 x 3/4 Inch (Residential)</u>			
Up to 3,000 gallons	1.10	1.67	1.25
3,000 to 10,000 gallons	1.50	2.28	2.00
Over 10,000 gallons	1.65	2.51	2.40
<u>5/8 x 3/4 Inch (Commercial)</u>			
Up to 3,000 gallons	1.10	1.67	2.00
3,000 to 10,000 gallons	1.50	2.28	2.00
Over 10,000 gallons	1.65	2.51	2.40
<u>3/4 Inch (Residential)</u>			
Up to 3,000 gallons	1.10	1.67	1.25
3,000 to 10,000 gallons	1.50	2.28	2.00
Over 10,000 gallons	1.65	2.51	2.40
<u>3/4 Inch (Commercial)</u>			
Up to 3,000 gallons	1.10	1.67	2.00
3,000 to 10,000 gallons	1.50	2.28	2.00
Over 10,000 gallons	1.65	2.51	2.40
<u>1 Inch (Residential and Commercial)</u>			
Up to 30,000 gallons	N/A	N/A	2.00
Over 30,000 gallons	N/A	N/A	2.40
<u>1 1/2 Inch (Residential and Commercial)</u>			
Up to 80,000 gallons	N/A	N/A	2.00
Over 80,000 gallons	N/A	N/A	2.40