

ORIGINAL

OPEN MEETING ITEM



0000089920

COMMISSIONERS
MIKE GLEASON - Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE



BRIAN C. McNEIL
Executive Director

ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission
DOCKETED

DATE: OCTOBER 24, 2008

DOCKET NOS: WS-04047A-07-0700 AND WS-04047A-07-0708

OCT 24 2008

TO ALL PARTIES:

DOCKETED BY

Enclosed please find the recommendation of Administrative Law Judge Sarah N. Harpring. The recommendation has been filed in the form of an Order on:

FISHER'S LANDING WATER AND SEWER WORKS, LLC
(RATES)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by **4:00** p.m. on or before:

NOVEMBER 3, 2008

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Working Session and Open Meeting to be held on:

NOVEMBER 12, 2008 AND NOVEMBER 13, 2008

For more information, you may contact Docket Control at (602)542-3477 or the Hearing Division at (602)542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

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EXECUTIVE DIRECTOR

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

- MIKE GLEASON - Chairman
- WILLIAM A. MUNDELL
- JEFF HATCH-MILLER
- KRISTIN K. MAYES
- GARY PIERCE

| |
|---|
| <p>IN THE MATTER OF THE APPLICATION OF FISHER'S LANDING WATER AND SEWER WORKS, LLC, FOR APPROVAL OF A RATE APPLICATION FOR WATER COMPANIES WITH ANNUAL GROSS OPERATING REVENUES (INCLUDING REQUESTED RATE RELIEF) OF LESS THAN \$250,000.</p> |
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DOCKET NO. WS-04047A-07-0700

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| <p>IN THE MATTER OF THE APPLICATION OF FISHER'S LANDING WATER AND SEWER WORKS, LLC, FOR APPROVAL OF A RATE APPLICATION FOR WASTEWATER COMPANIES WITH ANNUAL GROSS OPERATING REVENUES (INCLUDING REQUESTED RATE RELIEF) OF LESS THAN \$250,000.</p> |
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DOCKET NO. WS-04047A-07-0708

DECISION NO. _____

ORDER

Open Meeting
November 12 and 13, 2008
Phoenix, Arizona

BY THE COMMISSION:

On December 19, 2007, Fisher's Landing Water and Sewer Works, LLC, ("Company") filed with the Arizona Corporation Commission ("Commission"), in the above-captioned dockets, separate applications for an increase in water rates and wastewater rates.

On January 22, 2008, the Commission's Utilities Division ("Staff") filed a Letter of Insufficiency in each docket.

On February 15, February 27, and February 28, 2008, the Company filed additional information in the water rate case. On February 27, 2008, the Company filed additional information in the wastewater rate case.

On March 24, 2008, Staff filed a Letter of Sufficiency in each docket, informing the Company that each application had met the requirements of Arizona Administrative Code ("A.A.C.")

1 R14-2-103 and classifying the Company as a Class D utility for both water and wastewater.

2 On April 29, 2008, Staff filed a Motion to Suspend Time Clock in each docket. Staff stated
3 therein that the Company had requested an extension of time to provide responses to Staff's first set
4 of data requests, issued at the same time as the Letters of Sufficiency, and that Staff thus needed
5 additional time to prepare its Staff Reports in the dockets. Staff requested that the time clock for the
6 Staff Report in each docket be suspended in light of the Company's need for additional time.

7 On May 19, 2008, a Procedural Order was issued granting Staff's request to suspend the time
8 clock in each docket and consolidating the dockets.

9 On July 25, 2008, Staff issued a Staff Report in each docket, in which Staff recommended
10 approval of Staff's recommended rates and charges. The Company did not file a response to either
11 Staff Report.

12 * * * * *

13 Having considered the entire record herein and being fully advised in the premises, the
14 Commission finds, concludes, and orders that:

15 **FINDINGS OF FACT**

16 1. The Company is an Arizona limited liability company engaged in the business of
17 providing water service and wastewater service in an area of approximately 2.25 square miles located
18 along the Colorado River approximately 30 miles northeast of Yuma, in Yuma County, Arizona. The
19 service area includes 70 private residences; a mobile home park with 157 spaces; a mobile home park
20 with 114 spaces; a campground with 66 spaces; a small mobile home area with seven mobile homes;
21 and five small commercial sites, including a Rural Metro fire station; the office of Fisher's Landing,
22 Inc.; a small convenience store; a restaurant/bar; and a public restroom/laundry facility. The
23 individual sites within the campground, mobile home parks, and small mobile home area near the
24 convenience store are not separately metered.

25 2. Fisher's Landing, Inc. ("Fisher's Landing"), which owns 98.99 percent of the equity in
26 the Company, also owns the two mobile home parks, the campground, and four of the five
27 commercial sites served. The remaining partners in the Company own 100 percent of the stock in
28 Fisher's Landing.

1 3. The Company's present rates and charges for water service and wastewater service
2 were approved in Decision No. 64998 (June 26, 2002),¹ which also granted the Company its
3 Certificate of Convenience and Necessity ("CC&N"). The Decision states that Fisher's Landing is a
4 resort and concession business operating and providing water and sewer service on state trust land on
5 the Colorado River through a commercial lease with the Arizona State Land Department ("ASLD").²
6 Per the Decision, ASLD had requested, as a condition of a new long-term lease application, that
7 Fisher's Landing provide water and sewer services to neighboring areas, including the Martinez Lake
8 Resort and a number of private land owners. Fisher's Landing formed the Company to obtain a
9 CC&N to provide such services.

10 4. The commercial lease with the ASLD had a term of June 1, 1997, to May 31, 2007,
11 and has not been extended, although Fisher's Landing applied for a long-term lease in 2003.
12 According to the Staff Report, the ASLD intends to sell by auction some or all of the land on which
13 the Company is operating. The Company continues to use the land under the lease's holdover
14 provisions³ and is currently in negotiations with the ASLD.

15 5. The Company filed its water rate application and sewer rate application in two
16 separate dockets on December 19, 2007. The two dockets were consolidated, and their time clock
17 suspended, by a Procedural Order issued on May 19, 2008.

18 6. The Company provided notice of both rate applications to its customers by mail on
19 December 18, 2007. No customer comments have been received by the Commission in response to
20

21 ¹ Decision No. 64998 was subsequently amended by two Procedural Orders, dated July 2 and 25, 2002. Decision No.
22 64998 required the Company to file a rate case for water service and wastewater service by July 31, 2006, based on a
23 2005 test year. The Company initially filed a rate application, for water service only, on July 9, 2007, in Docket No. WS-
24 04047A-07-0417. Staff issued a Letter of Deficiency as to that rate application on August 8, 2007, and requested therein
25 that the Company file rate applications for both water service and sewer service as required by Decision No. 64998. On
26 December 19, 2007, the Company filed, in the two dockets that have been consolidated in this matter, the two rate
27 applications that are the subject of this Decision. On January 28, 2008, in response to a Staff Motion, a Procedural Order
28 was issued administratively closing Docket No. WS-04047A-07-0417.

² The lease has ASLD Commercial Lease No. 03-101133.

³ Regarding holding over, the lease states:

26 18.1 Prohibition. There shall not be any holding over by Lessee or any assignee or sublessee,
27 upon the expiration or cancellation of this Lease for any reason. If nevertheless there be any
28 holding over by Lessee or any assignee or sublessee, the holding over shall give rise to a tenancy
at the sufferance of Lessor upon the same terms and conditions as are provided for herein with a
rent for the holdover period commensurate with, but in no event less than, the previous year's rent.

1 the applications.

2 7. Staff conducted an investigation of the Company's proposed rates and charges for
3 water and sewer service and filed Staff Reports on the applications on July 25, 2008.

4 8. According to the Staff Reports, no formal complaints, informal complaints, inquiries,
5 or opinions have been filed regarding the Company within the past three years. Staff also indicates
6 that the Company's billing formats for water and sewer services comply with Commission rules and
7 that the Company is current on its property tax obligations. Staff states that the Company has no
8 outstanding Commission compliance issues.

9 **Water Service**

10 9. During the test year ended December 31, 2006, the Company served approximately
11 420 water customers through 78 meters—74 customers through individual meters and 346 customers
12 through four master meters serving the campground, the two mobile home parks, and the small
13 mobile home area near the convenience store.

14 10. According to the Staff Report, average and median water usage by residential
15 customers during the test year were 14,860 gallons per month and 1,881 gallons per month,
16 respectively.

17 11. The water rates and charges for the Company at present, as proposed in the
18 application, and as recommended by Staff, are as follows:

19 **RATE DESIGN FOR WATER**

| | Present Rates | Proposed Rates | | |
|----|-------------------------------------|----------------|--------------|----------|
| | | <u>Company</u> | <u>Staff</u> | |
| 20 | <u>MONTHLY USAGE CHARGE:</u> | | | |
| 21 | | | | |
| 22 | 5/8" x 3/4" Meter – Residential | \$12.00 | \$ 17.00 | \$ 10.00 |
| 23 | 5/8" x 3/4" Meter – Commercial | 50.00 | 50.00 | 10.00 |
| 24 | 3/4" Meter – Residential | 12.00 | 17.00 | 15.00 |
| 25 | 3/4" Meter – Commercial | 50.00 | 50.00 | 15.00 |
| 26 | 1" Meter – Residential | 12.00 | 17.00 | 25.00 |
| 27 | 1" Meter – Commercial | 50.00 | 50.00 | 25.00 |
| 28 | 1 1/2" Meter – Residential | 12.00 | 17.00 | 50.00 |
| | 1 1/2" Meter – Commercial | 50.00 | 75.00 | 50.00 |

| | | | | |
|----|--|-------|--------|--------|
| 1 | 2" Meter – Residential | 12.00 | 17.00 | 80.00 |
| 2 | 2" Meter – Commercial | 50.00 | 85.00 | 80.00 |
| 3 | 3" Meter – Residential | 12.00 | 17.00 | 160.00 |
| 4 | 3" Meter – Commercial | 50.00 | 100.00 | 160.00 |
| 5 | 4" Meter – Residential | 12.00 | 17.00 | 250.00 |
| 6 | 4" Meter – Commercial | 50.00 | 150.00 | 250.00 |
| 7 | 6" Meter – Residential | 12.00 | 17.00 | 500.00 |
| 8 | 6" Meter – Commercial | 50.00 | 250.00 | 500.00 |
| 9 | Gallons Included in Minimum | 0 | 15,000 | 0 |
| 10 | <u>Commodity Charge (Per 1,000 Gallons)</u> | | | |
| 11 | <u>5/8" x 3/4" Meter – Residential</u> | | | |
| 12 | Over 15,000 gallons | N/A | \$2.00 | N/A |
| 13 | 1 to 3,000 gallons | N/A | N/A | \$1.00 |
| 14 | 3,001 to 10,000 gallons | N/A | N/A | 1.80 |
| 15 | Over 10,000 gallons | N/A | N/A | 2.10 |
| 16 | <u>5/8" x 3/4" Meter – Commercial</u> | | | |
| 17 | 15,001 to 50,000 gallons | N/A | \$7.50 | N/A |
| 18 | Over 50,000 gallons | N/A | 9.00 | N/A |
| 19 | 1 to 3,000 gallons | N/A | N/A | \$1.00 |
| 20 | 3,001 to 10,000 gallons | N/A | N/A | 1.80 |
| 21 | Over 10,000 gallons | N/A | N/A | 2.10 |
| 22 | <u>3/4" Meter – Residential</u> | | | |
| 23 | Over 15,000 gallons | N/A | \$2.00 | N/A |
| 24 | 1 to 10,000 gallons | N/A | N/A | \$1.80 |
| 25 | Over 10,000 gallons | N/A | N/A | 2.10 |
| 26 | <u>3/4" Meter – Commercial</u> | | | |
| 27 | 15,001 to 50,000 gallons | N/A | \$7.50 | N/A |
| 28 | Over 50,000 gallons | N/A | 9.00 | N/A |
| 29 | 1 to 10,000 gallons | N/A | N/A | \$1.80 |
| 30 | Over 10,000 gallons | N/A | N/A | 2.10 |
| 31 | <u>1" Meter – Residential</u> | | | |
| 32 | Over 15,000 gallons | N/A | \$2.00 | N/A |
| 33 | 1 to 30,000 gallons | N/A | N/A | \$1.80 |
| 34 | Over 30,000 gallons | N/A | N/A | 2.10 |
| 35 | <u>1" Meter – Commercial</u> | | | |
| 36 | 15,001 to 50,000 gallons | N/A | \$7.50 | N/A |

| | | | | |
|----|---------------------------------|-----|--------|--------|
| 1 | Over 50,000 gallons | N/A | 9.00 | N/A |
| | 1 to 30,000 gallons | N/A | N/A | \$1.80 |
| 2 | Over 30,000 gallons | N/A | N/A | 2.10 |
| 3 | <u>1 ½" Meter – Residential</u> | | | |
| | Over 15,000 gallons | N/A | \$2.00 | N/A |
| 4 | 1 to 110,000 gallons | N/A | N/A | \$1.80 |
| 5 | Over 110,000 gallons | N/A | N/A | 2.10 |
| 6 | <u>1 ½" Meter – Commercial</u> | | | |
| | 15,001 to 50,000 gallons | N/A | \$7.50 | N/A |
| 7 | Over 50,000 gallons | N/A | 9.00 | N/A |
| | 1 to 110,000 gallons | N/A | N/A | \$1.80 |
| 8 | Over 110,000 gallons | N/A | N/A | 2.10 |
| 9 | <u>2" Meter – Residential</u> | | | |
| 10 | Over 15,000 gallons | N/A | \$2.00 | N/A |
| | 1 to 205,000 gallons | N/A | N/A | \$1.80 |
| 11 | Over 205,000 gallons | N/A | N/A | 2.10 |
| 12 | <u>2" Meter – Commercial</u> | | | |
| 13 | 15,001 to 50,000 gallons | N/A | \$7.50 | N/A |
| | Over 50,000 gallons | N/A | 9.00 | N/A |
| 14 | 1 to 205,000 gallons | N/A | N/A | \$1.80 |
| 15 | Over 205,000 gallons | N/A | N/A | 2.10 |
| 16 | <u>3" Meter – Residential</u> | | | |
| | Over 15,000 gallons | N/A | \$2.00 | N/A |
| 17 | 1 to 220,000 gallons | N/A | N/A | \$1.80 |
| | Over 220,000 gallons | N/A | N/A | 2.10 |
| 18 | <u>3" Meter – Commercial</u> | | | |
| 19 | 15,001 to 50,000 gallons | N/A | \$7.50 | N/A |
| | Over 50,000 gallons | N/A | 9.00 | N/A |
| 20 | 1 to 220,000 gallons | N/A | N/A | \$1.80 |
| 21 | Over 220,000 gallons | N/A | N/A | 2.10 |
| 22 | <u>4" Meter – Residential</u> | | | |
| | Over 15,000 gallons | N/A | \$2.00 | N/A |
| 23 | 1 to 350,000 gallons | N/A | N/A | \$1.80 |
| 24 | Over 350,000 gallons | N/A | N/A | 2.10 |
| 25 | <u>4" Meter – Commercial</u> | | | |
| | 15,001 to 50,000 gallons | N/A | \$7.50 | N/A |
| 26 | Over 50,000 gallons | N/A | 9.00 | N/A |
| | 1 to 350,000 gallons | N/A | N/A | \$1.80 |
| 27 | Over 350,000 gallons | N/A | N/A | 2.10 |
| 28 | | | | |

| | | | | |
|---|-------------------------------|-----|--------|--------|
| 1 | <u>6" Meter – Residential</u> | | | |
| | Over 15,000 gallons | N/A | \$2.00 | N/A |
| 2 | 1 to 450,000 gallons | N/A | N/A | \$1.80 |
| | Over 450,000 gallons | N/A | N/A | 2.10 |
| 3 | <u>6" Meter – Commercial</u> | | | |
| 4 | 15,001 to 50,000 gallons | N/A | \$7.50 | N/A |
| 5 | Over 50,000 gallons | N/A | 9.00 | N/A |
| | 1 to 450,000 gallons | N/A | N/A | \$1.80 |
| 6 | Over 450,000 gallons | N/A | N/A | 2.10 |

| | <u>Present</u> | | <u>Company</u> | | <u>Staff Recommended</u> | | |
|--|---------------------|---------------------------|---------------------|---------------------------|--------------------------|---------------------------|----------|
| <u>Service Line and Meter Installation</u> | <u>Service Line</u> | <u>Meter Installation</u> | <u>Service Line</u> | <u>Meter Installation</u> | <u>Service Line</u> | <u>Meter Installation</u> | |
| 10 | 5/8" x 3/4" Meter | \$ 325.00 | \$ 75.00 | \$ 390.00 | \$ 90.00 | \$ 390.00 | \$ 90.00 |
| 11 | 3/4" Meter | 325.00 | 145.00 | 390.00 | 175.00 | 390.00 | 175.00 |
| | 1" Meter | 375.00 | 175.00 | 450.00 | 210.00 | 450.00 | 210.00 |
| 12 | 1 1/2" Meter | 400.00 | 385.00 | 480.00 | 460.00 | 480.00 | 460.00 |
| 13 | 2" Meter | 500.00 | 875.00 | 600.00 | 1,050.00 | 600.00 | 1,050.00 |
| | 3" Meter | 655.00 | 1,320.00 | 785.00 | 1,585.00 | 785.00 | 1,585.00 |
| 14 | 4" Meter | 950.00 | 2,090.00 | 1,140.00 | 2,510.00 | 1,140.00 | 2,510.00 |
| | 6" Meter | 1,430.00 | 4,205.00 | 1,715.00 | 5,045.00 | 1,715.00 | 5,045.00 |

SERVICE CHARGE:

| | | | | |
|----|---|---------|---------|---------|
| 17 | Establishment | \$30.00 | \$30.00 | \$30.00 |
| | Establishment (After Hours) | 45.00 | 50.00 | 45.00 |
| 18 | Reconnection (Delinquent) | 35.00 | 40.00 | 35.00 |
| 19 | Reconnection (Delinquent) (After Hours) | 35.00 | 50.00 | 50.00 |
| 20 | Meter Test (If Correct) | 30.00 | 70.00 | 30.00 |
| | Deposit | * | 50.00 | * |
| 21 | Deposit Interest | * | * | * |
| | Reestablishment (Within 12 Months) | ** | ** | ** |
| 22 | NSF Check | \$25.00 | \$30.00 | \$25.00 |
| | Deferred Payment (Per Month) | 1.50% | 1.50% | 1.50% |
| 23 | Meter Re-read (If Correct) | \$25.00 | \$25.00 | \$25.00 |
| 24 | Late Payment Charge-Per Month | N/A | 10.00% | 1.50% |

Monthly Service Charge for Fire Sprinkler:

| | | | | |
|----|-----------------|-----|-----|-----|
| 25 | 4" or Smaller | *** | N/A | *** |
| 26 | 6" | *** | N/A | *** |
| | 8" | *** | N/A | *** |
| 27 | 10" | *** | N/A | *** |
| 28 | Larger than 10" | *** | N/A | *** |

1 * Per Commission rule A.A.C. R-14-2-403(B).

2 ** Months off system times the monthly minimum per Commission rule A.A.C. R14-2-403(D).

3 *** 1% of Monthly Minimum for a Comparable Size Meter Connection, but no less than
4 \$5.00 per month. The Service Charge for Fire Sprinklers is only applicable for service
5 lines separate and distinct from the primary water service line.

6 12. Staff determined the Company's original cost rate base ("OCRB") for water services
7 to be \$122,932. This is a \$2,975 increase to the Company's proposed OCRB of \$119,957, resulting
8 from Staff's inclusion of a cash working capital component based on the formula method. Staff's
9 proposed adjustment to rate base is reasonable and will be adopted.

10 13. The Company did not propose a separate fair value rate base ("FVRB"). We find that
11 the Company's FVRB is equal to its OCRB.

12 14. The Company shows test year total operating revenue of \$62,733; total operating
13 expense of \$35,340; operating income of \$27,393; and an OCRB of \$119,957. This results in a rate
14 of return on OCRB of 22.84% and an operating margin of 43.67%.

15 15. Staff's recommended adjustments would result in test year total operating revenue of
16 \$220,164; total operating expense of \$34,618; operating income of \$185,546; and an OCRB of
17 \$122,932. This would result in a rate of return on OCRB of 150.93% and an operating margin of
18 84.28%.

19 16. The Company has been including in the bills for the mobile home parks and
20 campground a flat monthly residential customer charge for each mobile home park space and each
21 campground space, although these spaces are not separately metered or separately billed for service.⁴
22 The Company's application shows that, during the test year, only one bill was prepared each month
23 for each master meter, but that the campground's bill included charges for 70 residential customers
24 each month; Fisher's Landing Mobile Home Park's bill included charges for 126 residential
25 customers each month; and Pruitt City Mobile Home Park's bill included charges for 161 residential
26 customers each month.⁵ The application also states that the five commercial sites identified by the

27 ⁴ The Company's tariff does not explain this, and it is not apparent from reviewing the Company's tariff.

28 ⁵ The Company acknowledged in the application that billing errors had been made and that these numbers should have been 66, 114, and 157.

1 Company⁶ were erroneously billed at the residential rate each month, an error that the Company
2 stated will be corrected.

3 17. In its adjustments to the test year figures, Staff recommends that all of the Company's
4 revenue be recharacterized as unmetered revenue, as the Company does not have a metered tariff.
5 Staff also recommends that each mobile home park space and each campground space be
6 recharacterized as commercial and thus charged the commercial customer charge. These adjustments
7 result in Staff's adding \$157,431 to the Company's unmetered water revenue, bringing the total
8 operating revenue for the test year to \$220,164. Staff states that the Company has mischarged its
9 commercial customers \$12 per month instead of \$50 per month.⁷

10 18. The Staff Report from the Company's initial CC&N case in 2002 ("2002 Staff
11 Report") explains why the Company has been billing for the individual mobile home park spaces and
12 campground spaces served by the master meters at the residential rate.⁸ In the 2002 CC&N docket,
13 the Company requested a CC&N to provide water service in an area that was being served by
14 Fisher's Landing. At the time, Fisher's Landing was charging approximately 393 customers for
15 water service by including a flat monthly charge as a component of rent. None of the customers were
16 metered at the time. The Company proposed to eliminate the water service charge from the rental
17 fees and instead provide a separate water bill. In the 2002 Staff Report, Staff recommended that the
18 Company's proposed rate structure, based on a flat monthly rate per customer, be adopted because
19 the Company did not yet have any meters. Staff did not recommend a pricing distinction between
20 commercial and residential customers. Staff also recommended that meters be installed for all
21 customers by December 31, 2004, and that meters be read on a monthly basis starting January 1,
22 2005. In a subsequent filing in the 2002 Docket,⁹ Staff revised its recommended rates to a \$12 flat
23 charge for residential customers and a \$50 flat charge for commercial customers. Per Decision
24 No. 64998, Staff also ultimately recommended that the Company install meters for "approximately

25 ⁶ The Company identified as commercial the Rural Metro fire station, the Fisher's Landing office, the convenience store,
26 a restaurant/bar, and a public restroom/laundry facility.

27 ⁷ Staff calculated the total as follows "[(847 residential bills X \$12) + (350 customers X 12 months X \$50)] = \$220,164."

28 ⁸ Official notice is taken of the contents of the Staff Report for Docket No. WS-04047A-01-0713, dated February 12,
2002.

⁹ Official notice is taken of the contents of the Notice of Filing, including attachments, made by Staff in Docket No. WS-
04047A-01-0713 on March 21, 2002.

1 72 of its customers including 64 private meters, 3 meters for the trailer parks and 5 meters for the
2 commercial customers, no later than December 31, 2004,” and that the rest of the approximately
3 400 customers be allowed to remain unmetered, as Staff recognized that it was cost prohibitive to
4 meter customers in mobile homes or RV trailers.¹⁰ Staff’s ultimate recommendations as to metering
5 and rates were adopted in the Decision.

6 19. Nothing in the 2002 Staff Report, Staff’s subsequent Notice of Filing, or Decision No.
7 64998 indicates that either Staff or the Commission intended for the unmetered mobile home park
8 space customers and campground space customers to be characterized and billed as commercial
9 customers. To the contrary, Staff’s revised pro forma income statement in the CC&N docket¹¹
10 indicates that those customers were characterized as residential customers. Thus, Staff’s
11 recommended adjustment to unmetered water revenue will be modified to maintain the
12 characterization of these customers as residential. As a result, the Company’s unmetered water
13 revenue for the test year is adjusted to \$72,692, as shown on Exhibit A attached hereto.

14 20. With adjusted test year total operating revenue of \$72,692 and Staff’s total operating
15 expense figure of \$34,618, operating income becomes \$38,074. This results in a 30.97 percent rate of
16 return on Staff’s OCRB of \$122,932, and an operating margin of 52.38 percent.

17 21. Staff reduced operating expenses by \$722 through removing a small charitable
18 contribution and reducing water testing expenses to reflect an average ongoing normalized level of
19 water testing expense. Staff’s proposed adjustment to operating expenses is reasonable and will be
20 adopted.

21 22. The water rates and charges proposed by the Company would produce total operating
22 revenue of \$123,104 and total operating expenses of \$35,340, resulting in operating income of
23 \$87,764 or a 71.39 percent rate of return on OCRB of \$122,932, and an operating margin of
24 71.29 percent.

25
26
27 ¹⁰ Decision No. 64998 (June 26, 2002), at 8. The Decision also states in a footnote that the Company is required to
install meters, by December 31, 2004, for all subsequent private and commercial customers connected to the system,
except for customers residing in mobile homes or RV trailers. Decision No. 64998 was subsequently amended by two
Procedural Orders, issued July 2 and July 25, 2002, to correct an omission in the rate design in the Order.

28 ¹¹ This was included with Staff’s Notice of Filing, referenced above.

1 23. The water rates and charges Staff recommends would produce total operating revenue
2 of \$48,140 and total operating expenses of \$34,618, resulting in operating income of \$13,523 or an
3 11 percent rate of return on OCRB and an operating margin of 28.09 percent. Staff states that this
4 recommended revenue is sufficient to cover the Company's operating, maintenance, and capital costs.

5 24. The Company's proposed rates and charges would increase the average and median
6 monthly residential 5/8" x 3/4" customer water bill by 41.7 percent, from \$12.00 to \$17.00.

7 25. Staff's recommended rates and charges would increase the average monthly
8 residential 5/8" x 3/4" customer water bill by 198.4 percent, from \$12.00 to \$35.81, and would
9 decrease the median monthly customer water bill by 1.0 percent, from \$12.00 to \$11.88.

10 26. As Staff indicates, the Commission established the present rate structure, based on flat
11 rates, in the absence of metered billing determinants. Because Staff believes that flat rates are less
12 efficient at assigning costs to customers than are volumetric rates that also recognize variances in
13 meter size, Staff recommends a new rate structure that is based on volumetric use and that
14 differentiates among meter sizes. Staff's recommended rate design does not differentiate between
15 residential and commercial customers. Staff's rate design also discontinues the prior practice of
16 assessing monthly customer charges for the mobile home park spaces and campground spaces. Staff
17 acknowledges that its recommended rate design is a significant change.

18 27. We agree with Staff that it is appropriate to use a rate design based on volumetric use.
19 We also agree that it is appropriate to discontinue the prior practice of imposing separate customer
20 charges for mobile home park spaces and campground spaces and that it is appropriate to cease
21 distinguishing between residential and commercial customers, particularly when faced with the
22 somewhat mixed use found in the area served by the Company. Thus, we adopt Staff's
23 recommended rates and charges for water.

24 28. According to the Staff Report, the Company has submitted documentation from the
25 Arizona Department of Environmental Quality ("ADEQ") stating that the Company's system has no
26 deficiencies and is delivering water that meets the water quality standards of A.A.C. Title 18,
27 Chapter 4.

28

1 29. Staff states that the Company has a water loss of 2.1 percent, which is within
2 acceptable limits, and that the Company has an approved curtailment plan tariff and an approved
3 backflow prevention tariff.

4 30. Staff states that the Company is not located in an Active Management Area and thus is
5 not subject to Arizona Department of Water Resources reporting and conservation requirements.

6 31. Staff has determined that the Company's water system has adequate production, but
7 lacks adequate storage capacity to serve its existing customer base. Staff states that, based on data
8 provided by the Company, the system's total production capacity is 125 gallons per minute ("GPM"),
9 and its storage capacity is 10,000 gallons. Based on 420 service connections, Staff has concluded
10 that the water system lacks adequate storage capacity. Staff noted that Decision No. 64998 required
11 the Company to submit a plan for increasing its storage capacity within 365 days after the effective
12 date of that Decision. Staff states that the Company filed a copy of an ADEQ Approval to Construct
13 ("ATC") for a 100,000 gallon storage facility, issued on December 5, 2006. Staff states that, on
14 January 3, 2007, the Company submitted to ASLD an application for permission to place the
15 improvements on the leased trust land on which it operates. According to Staff, ASLD denied the
16 Company's application, in part because the Company's lease had expired and ASLD intends to put
17 some or all of the trust land up for auction. Staff states that ADEQ has granted the Company an
18 extension of time, until December 5, 2008, to begin construction under the ATC.

19 32. Staff states that the Company has not provided total customer counts in its annual
20 reports. Thus, Staff was unable to project growth using historical annual growth rates. Based on the
21 400 customers reported in the 2002 docket and the 420 customers reported for the test year in this
22 docket, however, Staff calculated a growth rate of approximately five customers per year. Thus, Staff
23 estimates that the Company's system could have over 445 customers by 2012.

24 33. Staff reports that the Company is subject to mandatory participation in the Monitoring
25 Assistance Program, which is required for water systems serving fewer than 10,000 persons
26 (approximately 3,300 service connections).

27

28

1 34. Staff states that the Company was required by Decision No. 64998 to use new
2 depreciation rates, but that the Company has deviated from those requirements for certain plant
3 accounts. Staff stated that the Company has not provided specific reasons for these deviations.

4 35. Staff recommends that Staff's recommended rates and charges be adopted and further
5 recommends:

- 6 (a) That the Company collect from its customers a proportionate share of any
7 privilege, sales, or use tax per A.A.C. R14-2-409(D)(5);
- 8 (b) That the Company be required to file with Docket Control, as a compliance
9 item in this docket, by December 31, 2009, a copy of an ADEQ Approval of
10 Construction for additional storage facilities with a minimum capacity of at
11 least 40,000 gallons;
- 12 (c) That the Commission authorize the depreciation rates shown in Table D of
13 Staff's Engineering Report;
- 14 (d) That the Company charge its customers in accordance with its authorized
15 tariffs;
- 16 (e) That the Company be required to file with Docket Control, as a compliance
17 item in this docket, within 30 days after issuance of the Decision in this matter,
18 a schedule of all approved rates and charges; and
- 19 (f) That the Company specify in its annual reports, beginning with the 2008
20 annual report filed in 2009, the total number of its customers.

21 36. Staff's recommendations listed in Findings of Fact No. 35 are reasonable and should
22 be adopted.

23 **Wastewater Service**

24 37. During the test year, the Company provided sewer service to 325 customers.
25 According to Staff's Engineering Report, the Company has 331 sewer customers: 1 private
26 residence;¹² 46 campground spaces;¹³ 157 mobile home park spaces, 1 laundry facility, and
27

28 ¹² The other 69 private residences are served by individual septic systems.

¹³ The other 20 campground spaces do not have sewer connections.

1 1 restroom at the Pruitt City Mobile Home Park; 114 mobile home park spaces at the Fisher's
 2 Landing Mobile Home Park; the 7 mobile homes near the convenience store; the convenience
 3 store/restaurant/bar facility; the Rural Metro fire station; the public restroom/laundry facility at the
 4 campground; and the Fisher's Landing office.

5 38. The wastewater treatment rates and charges for the Company at present, as proposed
 6 in the application, and as recommended by Staff are as follows:

7 **RATE DESIGN FOR WASTEWATER**

| 8 | Present Rates | Company | Proposed Rates Staff | |
|----|---|----------|-------------------------|-----------|
| 9 | <u>MONTHLY USAGE CHARGE:</u> | | | |
| 10 | Residential (All Sizes, Flat Rate) | \$20.00 | \$30.00 | \$14.58 |
| 11 | Commercial (All Sizes, Flat Rate) | 50.00 | 80.00 | 36.45 |
| 12 | <u>Service Lateral Installation Charges</u> | | | |
| 13 | 4-inch Lateral | \$350.00 | \$500.00 | \$ 500.00 |
| 14 | 6-inch Lateral | 350.00 | 0.00 | 1,125.00 |
| 15 | 8-inch Later | 350.00 | 0.00 | 2,000.00 |
| 16 | <u>SERVICE CHARGE:</u> | | | |
| 17 | Establishment | \$30.00 | \$40.00 | \$30.00 |
| 18 | Establishment (After Hours) | 30.00 | 50.00 | 45.00 |
| 19 | Reconnection (Delinquent) | 35.00 | 50.00 | 35.00 |
| 20 | Deposit | 50.00 | 70.00 | * |
| 21 | Deposit Interest | * | * | * |
| 22 | Re-establishment (Within 12 Months) | \$50.00 | \$70.00 | ** |
| 23 | NSF Check | 25.00 | 30.00 | 25.00 |
| 24 | Deferred Payment | N/A | 1.50% | 1.50% |
| 25 | Late Payment Charge – Per Month | \$5.00 | \$10.00 | 1.50% |

26 * Per Commission rule A.A.C. R-14-2-603(B).
 27 ** Months off system times the monthly minimum per Commission rule A.A.C. R14-2-
 28 603(D).

29 39. Staff determined the Company's OCRB for sewer services to be \$273,034. This is a
 30 \$1,758 increase to the Company's proposed OCRB of \$271,276, resulting from Staff's inclusion of a
 31 cash working capital component of \$2,035 based on the formula method and Staff's addition of \$277
 32 in accumulated depreciation. Staff's proposed adjustments to rate base are reasonable and will be
 33 adopted.

1 40. The Company did not propose a separate FVRB. We find that the Company's FVRB
2 is equal to its OCRB.

3 41. The Company shows test year total operating revenue of \$79,680; total operating
4 expense of \$28,984; operating income of \$50,696; and an OCRB of \$271,276. This results in a rate
5 of return on OCRB of 18.69 percent and an operating margin of 63.62 percent.

6 42. Staff's adjustments result in test year total operating revenue of \$79,800; total
7 operating expense of \$29,004; operating income of \$50,796; and an OCRB of \$273,034. This results
8 in a rate of return on OCRB of 18.60 percent and an operating margin of 63.65 percent.

9 43. Staff increased total operating revenue by \$120 based on test year billing
10 determinants. Staff's proposed adjustment is reasonable and will be adopted.

11 44. Staff increased operating expenses by \$20 to reflect Staff's recommended depreciation
12 rates to Staff's recommended plant, as the Company had included only one-half of the annual
13 depreciation expense for plant added in the test year. Staff's proposed adjustment to operating
14 expenses is reasonable and will be adopted.

15 45. The sewer rates and charges proposed by the Company would produce total operating
16 revenue of \$120,000 and total operating expenses of \$28,984, resulting in operating income of
17 \$91,016 or a 33.34 percent rate of return on Staff's OCRB of \$273,034, and an operating margin of
18 75.85 percent.

19 46. The sewer rates and charges Staff recommends would produce total operating revenue
20 of \$58,193 and total operating expenses of \$28,159, resulting in operating income of \$30,034 or an
21 11 percent rate of return on OCRB and an operating margin of 51.61 percent. Staff states that this
22 recommended revenue is sufficient to cover the Company's operating, maintenance, and capital costs.

23 47. The Company's proposed rates and charges would increase the monthly sewer bill for
24 a residential customer served by a general service 4-inch lateral by 50 percent, from \$20.00 to
25 \$30.00, and would increase the monthly sewer bill for a commercial customer served by a general
26 service 4-inch lateral by 60 percent, from \$50.00 to \$80.00.

27 48. Staff's proposed rates and charges would decrease the monthly sewer bill for a
28 residential customer served by a general service 4-inch lateral by 27 percent, from \$20.00 to \$14.58,

1 and would decrease the monthly sewer bill for a commercial customer served by a general service 4-
2 inch lateral by 27 percent, from \$50.00 to \$36.45.

3 49. According to the Staff Report, the Company has submitted documentation from
4 ADEQ stating that the Company's wastewater system is in compliance with ADEQ's rules and
5 regulations.

6 50. Staff states that the Company has not provided customer numbers in its annual reports.
7 Thus, Staff was unable to project growth using historical annual growth rates. Staff states that the
8 Company is planning to connect approximately 110 customers from the Martinez Lake Sewer
9 Company ("Martinez") to its wastewater treatment facilities in the near future and referenced
10 Decision No. 68234 (October 25, 2005). Based on the anticipated addition of those customers, Staff
11 estimates that the system could have more than 440 customers in its service area by 2012.

12 51. Decision No. 68234 found that the wastewater to be collected by Martinez would be
13 transported through Martinez's collection system to the Company's system and that the Company has
14 sufficient capacity to treat the wastewater from Martinez's customers. According to the Decision,
15 Martinez projected that approximately 200 residential properties would be provided with wastewater
16 service after the first five years of development (by approximately late 2010). The Decision also
17 found that the Company had contracted with Martinez to treat its wastewater in return for a one-time
18 hook-up fee of \$8,000 and \$2.50 per 1,000 gallons for wastewater treatment.¹⁴

19 52. Staff used an estimated 150 gallons per day ("GPD") per connection and determined
20 that the Company's 75,000 GPD plant could serve up to 500 connections. Staff concluded that the
21 wastewater system is adequate to serve the present customer base and reasonable growth.

22 53. Staff states that the Company was required by Decision No. 64998 to use new
23 depreciation rates, but that the Company has deviated from those requirements for certain plant
24 accounts. Staff states that the Company has not provided specific reasons for these deviations.

25 54. Staff recommends that Staff's recommended rates and charges be adopted and further
26 recommends:

27 _____
28 ¹⁴ There was no indication in the application that the Company had received any revenue under this contract during the test year.

- 1 (a) That the Company collect from its customers a proportionate share of any
2 privilege, sales, or use tax per A.A.C. R14-2-608(D)(5);
- 3 (b) That the Company be required to file with Docket Control, as a compliance
4 item in this docket, within 30 days after the Decision in this matter is issued, a
5 schedule of all approved rates and charges;
- 6 (c) That the Company charge its customers in accordance with its authorized
7 tariffs;
- 8 (d) That the Commission authorize the depreciation rates shown in Table C of
9 Staff's Engineering Report;
- 10 (e) That the Company install a measuring device in its wastewater system and
11 report its recorded wastewater flow in future annual reports, beginning with the
12 2008 annual report due in April 2009; and
- 13 (f) That the Company specify the total number of its customers in future annual
14 reports, beginning with the 2008 annual report due in April 2009.

15 55. Staff's recommendations listed in Findings of Fact No. 54 are reasonable and should
16 be adopted.

17 **Property Taxes**

18 56. Because an allowance for the Company's property tax expense is included in the
19 Company's rates and will be collected from its customers, the Commission seeks assurances from the
20 Company that any taxes collected from ratepayers have been remitted to the appropriate taxing
21 authority. It has come to the Commission's attention that a number of water and wastewater
22 companies have been unwilling or unable to fulfill their obligations to pay the taxes that were
23 collected from ratepayers, some for as many as 20 years. It is reasonable, therefore, that as a
24 preventive measure, the Company annually file, as part of its annual report, an affidavit with the
25 Utilities Division attesting that the Company is current in paying its property taxes in Arizona.

26 **Potential Sale of Land**

27 57. We are concerned about what may occur if the ASLD sells any or all of the land upon
28 which the Company is operating to an entity other than the Company. Thus, we believe that it is

1 appropriate to require the Company to provide the Commission with written notice if it learns that the
2 ASLD has scheduled an auction or taken any other action toward proceeding with the sale of any
3 portion of the land upon which the Company is currently operating.

4 **CONCLUSIONS OF LAW**

5 1. The Company is a public service corporation within the meaning of Article XV of the
6 Arizona Constitution and A.R.S. §§ 40-250 and 40-251.

7 2. The Commission has jurisdiction over the Company and the subject matter of the
8 applications.

9 3. Notice of the applications was provided in accordance with the law.

10 4. Under the circumstances described herein, the rates and charges proposed by Staff and
11 authorized hereinafter are just and reasonable and should be approved without a hearing.

12 5. Staff's recommendations set forth in Findings of Fact Nos. 35 and 54 are reasonable
13 and should be adopted.

14 6. Based on our findings and in light of Staff's recommendations, no hearing is
15 necessary.

16 **ORDER**

17 IT IS THEREFORE ORDERED that Fisher's Landing Water and Sewer Works, LLC, is
18 hereby directed to file with Docket Control, as a compliance item in this docket, on or before
19 December 1, 2008, revised rate schedules setting forth the following water and wastewater rates and
20 charges:

21 **RATES FOR WATER**

22 **MONTHLY USAGE CHARGE**

| | | |
|----|-------------------------|----------|
| 23 | 5/8" x 3/4" Meter – All | \$ 10.00 |
| 24 | 3/4" Meter – All | 15.00 |
| | 1" Meter – All | 25.00 |
| 25 | 1 1/2" Meter – All | 50.00 |
| | 2" Meter – All | 80.00 |
| 26 | 3" Meter – All | 160.00 |
| | 4" Meter – All | 250.00 |
| 27 | 6" Meter – All | 500.00 |
| 28 | | |

1 **Commodity Rates (Per 1,000 Gallons)**

| | | |
|----|--------------------------------|--------|
| 2 | <u>5/8" x 3/4" Meter - All</u> | |
| | 1 to 3,000 gallons | \$1.00 |
| 3 | 3,001 to 10,000 gallons | 1.80 |
| | Over 10,000 gallons | 2.10 |
| 4 | | |
| 5 | <u>3/4" Meter - All</u> | |
| | 1 to 10,000 gallons | \$1.80 |
| 6 | Over 10,000 gallons | 2.10 |
| 7 | <u>1" Meter - All</u> | |
| | 1 to 30,000 gallons | \$1.80 |
| 8 | Over 30,000 gallons | 2.10 |
| 9 | | |
| 10 | <u>1 1/2" Meter - All</u> | |
| | 1 to 110,000 gallons | \$1.80 |
| | Over 110,000 gallons | 2.10 |
| 11 | | |
| 12 | <u>2" Meter - All</u> | |
| | 1 to 205,000 gallons | \$1.80 |
| 13 | Over 205,000 gallons | 2.10 |
| 14 | <u>3" Meter - All</u> | |
| | 1 to 220,000 gallons | \$1.80 |
| 15 | Over 220,000 gallons | 2.10 |
| 16 | <u>4" Meter - All</u> | |
| | 1 to 350,000 gallons | \$1.80 |
| 17 | Over 350,000 gallons | 2.10 |
| 18 | | |
| 19 | <u>6" Meter - All</u> | |
| | 1 to 450,000 gallons | \$1.80 |
| 20 | Over 450,000 gallons | 2.10 |

21 **SERVICE LINE AND METER INSTALLATION CHARGES:**

22 (Refundable pursuant to A.A.C. R14-2-405)

| | <u>Service Line</u> | <u>Meter</u> | <u>Total</u> |
|----|---------------------|---------------------|--------------|
| | <u>Charge</u> | <u>Installation</u> | |
| 23 | 5/8" x 3/4" Meter | \$ 390.00 | \$ 480.00 |
| 24 | 3/4" Meter | 390.00 | 565.00 |
| 25 | 1" Meter | 450.00 | 660.00 |
| | 1 1/2" Meter | 480.00 | 940.00 |
| 26 | 2" Meter | 600.00 | 1,650.00 |
| | 3" Meter | 785.00 | 2,370.00 |
| 27 | 4" Meter | 1,140.00 | 3,650.00 |
| 28 | 6" Meter | 1,715.00 | 6,760.00 |

SERVICE CHARGES

| | |
|---|---------|
| Establishment | \$30.00 |
| Establishment (After Hours) | 45.00 |
| Reconnection (Delinquent) | 35.00 |
| Reconnection (Delinquent) (After Hours) | 50.00 |
| Meter Test (If Correct) | 30.00 |
| Deposit | * |
| Deposit Interest | * |
| Re-establishment (Within 12 Months) | ** |
| NSF Check | \$25.00 |
| Deferred Payment | 1.50% |
| Meter Re-read (If Correct) | \$25.00 |
| Late Payment Charge-Per Month | 1.50% |

Monthly Service Charge for Fire Sprinkler:

| | |
|-----------------|-----|
| 4" or Smaller | *** |
| 6" | *** |
| 8" | *** |
| 10" | *** |
| Larger than 10" | *** |

* Per Commission rule A.A.C. R-14-2-403(B).

** Months off system times the monthly minimum per Commission rule A.A.C. R14-2-403(D).

*** 1% of Monthly Minimum for a Comparable Size 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.

RATES FOR WASTEWATER**MONTHLY USAGE CHARGE**

| | |
|------------------------------------|---------|
| Residential (All Sizes, Flat Rate) | \$14.58 |
| Commercial (All Sizes, Flat Rate) | 36.45 |

Service Lateral Installation Charges

| | |
|----------------|-----------|
| 4-inch Lateral | \$ 500.00 |
| 6-inch Lateral | 1,125.00 |
| 8-inch Later | 2,000.00 |

SERVICE CHARGE

| | |
|-----------------------------|---------|
| Establishment | \$30.00 |
| Establishment (After Hours) | 45.00 |

| | | |
|---|-------------------------------------|-------|
| 1 | Reconnection (Delinquent) | 35.00 |
| | Deposit | * |
| 2 | Deposit Interest | * |
| | Re-establishment (Within 12 Months) | *** |
| 3 | NSF Check | 25.00 |
| | Deferred Payment | 1.50% |
| 4 | Late Payment Charge – Per Month | 1.50% |

5 * Per Commission rule A.A.C. R-14-2-603(B).
 6 ** Months off system times the monthly minimum per Commission rule A.A.C.
 7 R14-2-603(D).

8 IT IS FURTHER ORDERED that Fisher’s Landing Water and Sewer Works, LLC shall
 9 notify its customers of the water and wastewater rates and charges approved hereinafter and their
 10 effective date by means of an insert in their next monthly billings and file copies of the notices with
 11 the Commission’s Docket Control, as a compliance item in this docket, when the notices are sent to
 12 its customers.

13 IT IS FURTHER ORDERED that the above water and wastewater rates and charges shall be
 14 effective for all services provided on and after December 1, 2008.

15 IT IS FURTHER ORDERED that Fisher’s Landing Water and Sewer Works, LLC shall
 16 comply with Staff’s recommendations as set forth in Findings of Fact Nos. 35 and 54.

17 IT IS FURTHER ORDERED that Fisher’s Landing Water and Sewer Works, LLC shall
 18 annually file, as part of its annual report, an affidavit with the Utilities Division attesting that it is
 19 current in paying its property taxes in Arizona.

20 ...
 21 ...
 22 ...
 23 ...
 24 ...
 25 ...
 26 ...
 27 ...
 28 ...

1 IT IS FURTHER ORDERED that Fisher's Landing Water and Sewer Works, LLC shall,
2 within 30 days after receiving notice that the Arizona State Land Department has scheduled an
3 auction or taken any other action toward proceeding with the sale of any portion of the land upon
4 which Fisher's Landing Water and Sewer Works, LLC is currently operating, file with the
5 Commission's Docket Control, as a compliance item in this docket, written notice of such action by
6 the Arizona State Land Department, including a copy of any document/s received from the Arizona
7 State Land Department regarding such action.

8 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

9 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

10
11
12 CHAIRMAN _____ COMMISSIONER _____

13
14 COMMISSIONER _____ COMMISSIONER _____ COMMISSIONER _____

15
16 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive
17 Director of the Arizona Corporation Commission, have
18 hereunto set my hand and caused the official seal of the
19 Commission to be affixed at the Capitol, in the City of Phoenix,
20 this _____ day of _____, 2008.

21 _____
22 BRIAN C. McNEIL
23 EXECUTIVE DIRECTOR

24 DISSENT _____

25 DISSENT _____

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SERVICE LIST FOR:

FISHER'S LANDING WATER AND SEWER
WORKS, LLC

DOCKET NOS.:

WS-04047A-07-0700 AND WS-04047A-07-0708

Don Fisher
FISHER'S LANDING WATER
AND SEWER WORKS, LLC
P.O. Box 72188
Yuma, AZ 85365

Janice Alward, Chief Counsel
Legal Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, AZ 85007

Ernest G. Johnson, Director
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington
Phoenix, AZ 85007

EXHIBIT "A"

Exhibit A, Docket No. WS-04047A-07-0700 et al.

| Location Served | Customer Type | Number of Customers | Rate per Month | Total Per Month | Total for the Year |
|-------------------------------------|----------------------|----------------------------|-----------------------|------------------------|---------------------------|
| Private Homes | Residential | 70 | \$12 | \$840.00 | \$10,080 |
| Pruitt City MHP | Residential | 159 ¹ | \$12 | \$1908.00 | \$22,896 |
| Fisher's Landing MHP | Residential | 114 | \$12 | \$1368.00 | \$16,416 |
| Campground | Residential | 68 ² | \$12 | \$816.00 | \$9,792 |
| Mobile Homes Near Convenience Store | Residential | 7 | \$12 | \$84.00 | \$1,008 |
| Rural Metro Fire Station | Commercial | 1 | \$50 | \$50.00 | \$2,500 |
| Fisher's Landing Office | Commercial | 1 | \$50 | \$50.00 | \$2,500 |
| Convenience Store | Commercial | 1 | \$50 | \$50.00 | \$2,500 |
| Restaurant/Bar | Commercial | 1 | \$50 | \$50.00 | \$2,500 |
| Public Restroom/Laundry | Commercial | 1 | \$50 | \$50.00 | \$2,500 |
| Total for the Year | | | | | \$72,692.00 |

¹ 157 spaces, 1 laundry room, 1 restroom

² 66 spaces, 1 laundry room, 1 restroom