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AZ CORP COMMISSION
DOCKET CONTROL

MAYES PROPOSED AMENDMENT #1

Arizona Corporation Commission

DOCKETED

TIME/DATE PREPARED: November 6, 2008/

NOV -7 2008

COMPANY: Groom Creek Water Users' Association.

AGENDA ITEM NO.: U-12

DOCKETED BY

DOCKET NOS.: W-01865A-07-0384 and W-01865A-07-0385

OPEN MEETING: DATE: November 12 & 13, 2008

Page 18, Line 11:

DELETE: "71. We find Staff's proposed rate design reasonable and will adopt it."

Page 19, line 3:

After "recommendations" INSERT "in Findings of Fact No. 75."

Page 19, Line 3: INSERT new Findings of Fact No. 76 and No. 77:

"76. Although Groom Creek's water system is clearly in need of substantial replacements, improvements and additions, the Commission is concerned that immediately adopting rates to fund Groom Creek's entire proposed \$1.6 million capital improvement project could lead to rate shock for consumers. To mitigate rate shock, we believe a two-step approach should be adopted to phase in rates. Under Phase I, Groom Creek will be allowed to increase its rates, in accordance with Staff's proposed rate design as set forth in the January 31, 2008 Staff Report, to fund \$500,000 for a portion of its capital improvement projects. In addition, Phase I rates should include Service Line and Meter Installation Charges as recommended by Staff in Findings of Fact No. 52. The Phase I rates will go into effect on January 1, 2009. Under Phase II, Groom Creek will be allowed to further increase its rates, consistent with the rate design described in Findings of Fact No. 52, to fund its remaining capital improvement projects. The Phase II rates will go into effect on January 1, 2010. Further, Groom Creek shall be authorized to finance a total amount not to exceed \$1.6 million for the two phases. The rate increase for each phase described above shall be preceded by a 30 day advance notice to Groom Creek customers."

"77. In Phase I, we will adopt Staff's recommended rates which will produce total operating revenues of \$118,879, and operating income of \$79,525, for a 253.38 percent return on FVRB. In Phase II, we will adopt Staff's recommended rates which will

produce total operating revenues of \$222,369, and operating income of \$176,843, for a 556.86 percent return on FVRB. This phased in approach will result in rates that are just and reasonable.

Renumber Findings of Fact to conform.

Page 20, Line 3:

DELETE: "CONCLUSIS"

INSERT: "CONCLUSIONS"

Page 21, Line 2: INSERT NEW ORDERING PARAGRAPHS:

" IT IS THEREFORE ORDERED that Groom Creek Water Users Association shall utilize a two-step approach to phase in rates to fund its \$1.6 million capital improvement projects.

IT IS FURTHER ORDERED that Groom Creek Water Users Association shall file by December 1, 2008, revised Phase I rate schedules setting forth the following rates and charges:

MONTHLY USAGE CHARGE:

(Zero gallons included in minimum)

5/8" x 3/4" Meter	\$ 22.50
3/4" Meter	33.75
1" Meter	56.25
1-1/2" Meter	112.50
2" Meter	180.00
3" Meter	360.00
4" Meter	562.00
6" Meter	1,125.00

5/8" x 3/4" Meter

0 - 3,000 gallons	\$ 4.43
3,001 - 10,000 gallons	6.65
Over 10,000 gallons	16.00

3/4" Meter

0 - 3,000 gallons	\$ 4.43
3,001 - 10,000 gallons	6.65
Over 10,000 gallons	16.00

1" Meter

0 - 12,000 gallons	6.65
Over 12,000 gallons	16.00

1-1/2" Meter

0 – 18,000 gallons 6.65
 Over 18,000 gallons 16.00

2" Meter

0 – 25,000 gallons 6.65
 Over 25,000 gallons 16.00

3" Meter

0 – 43,000 gallons 6.65
 Over 43,000 gallons 16.00

4" Meter

0 – 63,000 gallons 6.65
 Over 63,000 gallons 16.00

6" Meter

0 – 123,000 gallons \$ 6.65
 Over 123,000 gallons 16.00

SERVICE LINE AND METER INSTALLATION CHARGES:
 (Refundable pursuant to A.A.C. R14-2-405)

	<u>Service Line Charge</u>	<u>Meter Charge</u>	<u>Total Charge</u>
5/8 x 3/4" Meter	\$ 1,700.00	\$ 300.00	\$ 2,000.00
3/4" Meter	1,700.00	380.00	2,080.00
1" Meter	1,750.00	420.00	2,170.00
1-1/2" Meter	1,785.00	630.00	2,415.00
2" Meter	1,945.00	1,130.00	3,075.00
3" Meter	2,120.00	1,635.00	3,755.00
4" Meter	2,485.00	2,515.00	5,000.00
6" Meter	3,045.00	4,710.00	7,755.00

SERVICE CHARGES:

Service Line Charge

Establishment	\$ 30.00
Establishment (After Hours)	40.00
Reconnection (Delinquent)	30.00
Meter Test (If Correct)	25.00
Deposit	*
Deposit Interest Per Annum	*
Reestablishment (Within 12 Months)	**
NSF Check	25.00
Deferred Payment (Per Month)	1.50%
Meter Re-Read (If Correct)	25.00
Late Payment Charge (Per Month)	1.50%

FIRE SPRINKLER MONTHLY SERVICE CHARGE :

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

- * Per Commission rule A.A.C. R-14-2-403(B).
- ** Number of months off system times the Monthly Minimum, per Commission rule A.A.C. R14-2-403(D).
- *** 1.00% of Monthly Minimum for a Comparable Sized meter Connection, but no less than \$5 per month. The Service Charge for Fire Sprinklers is only applicable for service lines separate and distinct from the primary water service line."

Page 22, lines 22: INSERT NEW ORDERING PARAGRAPHS:

"IT IS FURTHER ORDERED that the above Phase I rates and charges shall be effective for all service provided on or after January 1, 2009."

"IT IS FURTHER ORDERED that Groom Creek Water Users Association shall filed by December 1, 2009, revised Phase II rate schedules setting forth the following rates and charges:"

MONTHLY USAGE CHARGE:

(Zero gallons included in minimum)

5/8" x 3/4" Meter	\$ 50.00
3/4" Meter	50.00
1" Meter	125.00
1-1/2" Meter	250.00
2" Meter	400.00
3" Meter	800.00
4" Meter	1,250.00
6" Meter	2,500.00
<u>5/8" x 3/4" Meter</u>	
0 - 3,000 gallons	\$ 11.00
3,001 - 6,000 gallons	13.00
6,001 - 10,000 gallons	15.50
Over 10,000 gallons	31.00
<u>3/4" Meter</u>	
0 - 3,000 gallons	\$ 11.00
3,001 - 6,000 gallons	13.00
6,001 - 10,000 gallons	15.50
Over 10,000 gallons	31.00
<u>1" Meter</u>	
0 - 12,000 gallons	\$ 15.50
Over 12,000 gallons	31.00
<u>1-1/2" Meter</u>	
0 - 18,000 gallons	\$ 15.50
Over 18,000 gallons	31.00
<u>2" Meter</u>	
0 - 25,000 gallons	\$ 15.50
Over 25,000 gallons	31.00

3" Meter

0 – 43,000 gallons	\$ 15.50
Over 43,000 gallons	31.00

4" Meter

0 – 63,000 gallons	\$ 15.50
Over 63,000 gallons	31.00

6" Meter

0 – 123,000 gallons	\$ 15.50
Over 123,000 gallons	31.00

SERVICE LINE AND METER INSTALLATION CHARGES:
(Refundable pursuant to A.A.C. R14-2-405)

	Service Line Charge	Meter Charge	Total Charge
5/8 x 3/4" Meter	\$ 1,700.00	\$ 300.00	\$ 2,000.00
3/4" Meter	1,700.00	380.00	2,080.00
1" Meter	1,750.00	420.00	2,170.00
1-1/2" Meter	1,785.00	630.00	2,415.00
2" Meter	1,945.00	1,130.00	3,075.00
3" Meter	2,120.00	1,635.00	3,755.00
4" Meter	2,485.00	2,515.00	5,000.00
6" Meter	3,045.00	4,710.00	7,755.00

SERVICE CHARGES:

	Service Line Charge
Establishment	\$ 30.00
Establishment (After Hours)	40.00
Reconnection (Delinquent)	30.00
Meter Test (If Correct)	25.00
Deposit	*
Deposit Interest Per Annum	*
Reestablishment (Within 12 Months)	**
NSF Check	25.00
Deferred Payment (Per Month)	1.50%
Meter Re-Read (If Correct)	25.00
Late Payment Charge (Per Month)	1.50%

FIRE SPRINKLER MONTHLY SERVICE CHARGE :

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

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

** Number of months off system times the Monthly Minimum, per Commission rule A.A.C. R14-2-403(D).

*** 1.00% of Monthly Minimum for a Comparable Sized meter Connection, but no less than \$5 per month. The Service Charge for

Fire Sprinklers is only applicable for service lines separate and distinct from the primary water service line.”

INSERT NEW ORDERING PARAGRAPH:

“IT IS FURTHER ORDERED that the above Phase II rates and charges shall be effective for all service provided on or after January 1, 2010.”

Make all conforming changes.