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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION  
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COMMISSIONERS

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

IN THE MATTER OF THE APPLICATION OF  
ICR WATER USERS ASSOCIATION, INC.  
FOR A PERMANENT RATE INCREASE.

DOCKET NO. W-02824A-07-0388

**NOTICE OF FILING OF DIRECT  
TESTIMONY**

On September 26, 2008, Administrative Law Judge Marc E. Stern issued a Procedural Order setting deadlines for the filing of testimony. Arizona Corporation Commission ("ACC") Utilities Division Staff ("Staff") was directed to file an Amended Staff Report or direct testimony of its witnesses on or before November 14, 2008.

Pursuant to that order, Staff hereby provides the testimony of the following witness:

- 1. Mr. Charles R. Mylhusen

Any exhibits referred to within any testimony have been attached to the individual testimony.

RESPECTFULLY SUBMITTED this 14<sup>th</sup> day of November, 2008.

Kevin O. Torrey  
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Arizona Corporation Commission  
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1 Original and thirteen (13) copies  
2 of the foregoing were filed this  
3 14<sup>th</sup> day of November, 2008 with:

4 Docket Control  
5 Arizona Corporation Commission  
6 1200 West Washington Street  
7 Phoenix, Arizona 85007

8 Copy of the foregoing mailed this  
9 14<sup>th</sup> day of November, 2008 to:

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**DIRECT  
TESTIMONY**

**OF**

**CHARLES R. MYHLHOUSEN**

**DOCKET NO. W-02824A-07-0388**

**IN THE MATTER OF THE APPLICATION OF  
ICR WATER USERS ASSOCIATION FOR  
DETERMINATION OF THE CURRENT FAIR  
VALUE OF ITS UTILITY PLANT AND PROPERTY  
AND FOR INCREASES IN ITS RATES AND  
CHARGES FOR UTILITY SERVICES**

**NOVEMBER 14, 2008**

**BEFORE THE ARIZONA CORPORATION COMMISSION**

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

IN THE MATTER OF THE APPLICATION OF )  
ICR WATER USERS ASSOCIATION, FOR )  
DETERMINATION OF THE CURRENT FAIR )  
VALUE OF ITS UTILITY PLANT AND )  
PROPERTY AND FOR INCREASES IN ITS )  
RATES AND CHARGES FOR UTILITY )  
SERVICES )  
\_\_\_\_\_ )

DOCKET NO. W-02824A-07-0388

DIRECT  
TESTIMONY  
OF  
CHARLES R. MYHLHOUSEN  
PUBLIC UTILITIES ANALYST III  
UTILITIES DIVISION  
ARIZONA CORPORATION COMMISSION

NOVEMBER 14, 2008

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**EXECUTIVE SUMMARY**  
**ICR WATER USERS ASSOCIATION**  
**DOCKET NO. W-02824A-07-0388**

ICR Water Users Association ("ICR" or "Company") is an Arizona non-profit member-owned domestic water provider in Yavapai County. The Company is located approximately 12 miles northwest of Prescott, Arizona and serves a portion of Yavapai County. ICR is an Arizona non-profit corporation, and the members/customers elect a board of directors who manage and operate the Company through its by-laws. The Company served approximately 364 customers during the test year ended December 31, 2006. The Company's current rates were approved in Decision No. 64008, dated August 30, 2002. This is the first rate application filed by the Company since the approval of the original certificate of convenience and necessity.

The Company's supplemental testimony docketed October 15, 2008, proposes rates that would produce operating revenue of \$445,855 resulting in operating income of \$49,044 for an 11.00 percent operating margin. The Company's supplemental testimony proposal would increase annual operating revenue by \$53,905 or 13.75 percent over adjusted test year revenues of \$391,950. Under the Company's proposed rate, the typical residential 5/8 inch meter customers consuming the median of 4,500 gallons per month would experience a \$4.05 or 13.57 percent increase in their monthly bill from \$29.80 to \$33.85.

Staff concurs with the Company's supplemental testimony regarding total operating revenue of \$445,855 resulting in operating income of \$49,044 for an 11.00 percent operating margin. Staff's supplemental testimony recommended rate design would increase the typical residential 5/8 inch meter customer consuming the median of 4,500 gallons per month, by \$3.40 or 11.41 percent in their monthly bill from \$29.80 to \$33.20.

Staff recommends approval of its rates and charges as shown on Schedule CRM-13.

Staff further recommends a provision be included in the Company's tariff to allow for the flow-through of all appropriate state and local taxes as provided for in A.A.C. Rule 14-2-409(D)(5).

Staff further recommends that the land for the three wells be transferred and deeded to ICR.

Staff further recommends that the Commission deny approval of the Water Service Agreement.

1 **INTRODUCTION**

2 **Q. Please state your name, occupation, and business address.**

3 A. My name is Charles R. Myhlhousen. I am a Public Utilities Analyst III employed by the  
4 Arizona Corporation Commission (“ACC” or “Commission”) in the Utilities Division  
5 (“Staff”). My business address is 1200 West Washington Street, Phoenix, Arizona 85007.  
6

7 **Q. Are you the same Charles R. Myhlhousen who filed direct testimony in this case?**

8 A. Yes, I am.  
9

10 **Q. What is the purpose of your supplemental testimony in this proceeding?**

11 A. The purpose of my supplemental testimony in this proceeding is to respond, on behalf of  
12 Staff, to the Company’s additional information submitted October 15, 2008.  
13

14 **Q. What issues will you address?**

15 A. Staff will address rate base, operating income, revenue requirement, basis for operating  
16 income determination, Mr. Robert Busch’s supplemental testimony, the water service  
17 agreement, and rate design.  
18

19 **Q. Please explain how Staff’s supplemental testimony is organized.**

20 A. Staff’s supplemental testimony is generally organized to present the issues in the same  
21 sequence as stated above.  
22

23 **SUMMARY OF TESTIMONY AND RECOMMENDATIONS**

24 **Q. Please summarize the Company’s filing.**

25 A. The Company’s supplemental testimony proposes rates that would produce operating  
26 revenue of \$445,855 resulting in operating income of \$49,044 for an 11.00 percent

1 operating margin. The Company's supplemental testimony proposal would increase  
2 annual operating revenues by \$53,905 or 13.75 percent over adjusted test year revenues of  
3 \$391,950.

4  
5 **Q. Please summarize Staff's recommendations.**

6 A. Staff concurs with the Company's supplemental testimony proposed total operating  
7 revenue of \$445,855 and operating income of \$49,044 for an 11.00 percent operating  
8 margin.

9  
10 **RATE BASE**

11 **Q. Please review the rate base recommendations addressed in this testimony.**

12 A. The Company has adopted Staff's recommended rate base adjustments as filed in Staff's  
13 direct testimony Schedules CRM -3 and CRM-4.

14  
15 **OPERATING INCOME**

16 **Q. How did the Company derive the proposed revenue increase in its supplemental**  
17 **testimony?**

18 A. The Company started with its rebuttal adjusted test year revenues of \$268,047 and  
19 expenses of \$303,105. The Company proposed proforma adjustments to other water  
20 revenue for a decrease of \$51,123 and an increase of \$175,026, for a net increase of  
21 \$123,903; an increase in purchased power expense of \$79,492; an increase in regulatory  
22 Commission rate expense of \$10,000 and an increase in property taxes of \$4,214. The  
23 adjusted test year revenue is \$391,950 and expenses of \$396,811 result in an operating  
24 loss of \$4,861. The proposed revenue increase is \$53,905 or 13.75 percent over adjusted  
25 test year revenues of \$391,950 for proposed revenue of \$445,855. This will provide an  
26 operating margin of 11.00 percent.

1 **Q. What are the results of Staff's analysis of test year revenues, expenses and operating**  
2 **income/loss?**

3 A. Staff concurs with the Company's supplemental analysis that reflects adjusted test year  
4 revenues of \$391,950, expenses of \$396,811 and an operating loss of \$4,861 as shown on  
5 the Company's Supplemental Exhibit 1, Schedule C-1.  
6

7 **Q. Please review the Company's adjustments to operating revenues, expenses and**  
8 **Staff's recommendations.**

9 A. Proforma adjustment Revenue Annualization – is from the Company's rebuttal testimony  
10 Exhibit Rebuttal Schedule C-2 page 2. The Company decreased the revenue annualization  
11 by \$219. Staff concurs with this adjustment.  
12

13 Proforma adjustment Other Water Revenue – The Company's supplemental proforma  
14 adjustments number 1 and 4 decrease other water revenue of \$53,403, by \$51,123 to  
15 remove expense reimbursement the Company will no longer receive. Also Other Water  
16 Revenue is increased by \$175,026. The \$175,026 consists of two parts. The first part is a  
17 commodity charge of \$1.00 per 1,000 gallons of water sold to the Talking Rock Golf Club  
18 ("TRGC") of 125,076 millions gallons in 2006. The second part is a reservation charge of  
19 \$50,000 paid by TRGC. The adjusted test year revenues are \$391,950. The Company's  
20 proposed rates will increase revenue in the amount of \$53,905, from \$391,950 to  
21 \$445,855. See Company's Supplemental Exhibit 1, Schedule C-1 page 1 and the  
22 Company's supplemental testimony pages 4 and 5. Staff concurs with the Company.  
23

24 Proforma adjustment Purchased Power – The Company's supplemental proforma  
25 adjustment number 2 increases purchased power by \$79,492 from \$16,239 to \$95,731.  
26 TRGC will no longer pay the cost of electric power used by the Company. See the

1 Company's supplemental Exhibit 1, Schedule C-1 and supplemental exhibit 1, Schedule  
2 C-2, page 2. Also see the Company's supplemental testimony, page 6 adjustment number  
3 2. Staff concurs with the Company.  
4

5 Proforma adjustment Regulatory Commission Expense – The Company's supplemental  
6 proforma adjustment number 5 increases regulatory Commission expense by \$110,000,  
7 from \$60,000 to \$150,000. The Company proposes to amortize the \$150,000 over five  
8 years which would increase the expense in the test year by \$10,000, from \$20,000 to  
9 \$30,000. This increase is necessary because of the additional issues raised in the rate case.  
10 See the Company's supplemental exhibit 1, Schedule C-1 page 1 and supplemental exhibit  
11 1, Schedule C-2 page 5. Also see the Company's supplemental testimony pages 6 and 7.  
12

13 Staff's concurs with the Company's increase because of the issues that have been raised in  
14 this rate case, however the expense is not a capital expenditure and should not be  
15 amortized. Expenses are normalized. Staff recommends that this expense be normalized.  
16

17 Proforma adjustment Property Taxes – The Company's supplemental proforma adjustment  
18 number 3 increases property taxes by \$4,214 from \$11,160 to \$15,374. This increase is  
19 necessary because of the Company's proposed increase in revenue. See the Company's  
20 supplemental exhibit 1, Schedule C-1, page 1 and supplemental exhibit 2, Schedule C-2,  
21 page 3. Staff concurs with the Company.  
22

23 The Company has included in its adjusted test year revenue and expenses Staff's direct  
24 testimony recommended adjustments to revenue and expenses, so Staff made no other  
25 adjustments in this testimony. See Staff direct testimony Schedules CRM-1 through  
26 CRM-5.

1 **REVENUE REQUIREMENT**

2 **Q. Would you please summarize the Company's proposed revenue requirement?**

3 A. The Company's supplemental filing proposes annual revenues of \$445,855, an increase of  
4 \$53,905 or 13.75 percent over adjusted test year revenues of \$391,950. See Company's  
5 supplemental exhibit 1, Schedule C-1, page 1. Staff concurs with the Company.

6

7 **BASIS FOR OPERATING INCOME DETERMINATION**

8 **Q. Why does Staff not recommend a rate of return?**

9 A. This is a non-profit corporation. A rate of return is based on rate base and would allow the  
10 Company a return on its investment. The Commission generally uses operating margin to  
11 determine revenue requirement for non-profit corporations.

12

13 **Q. What is the appropriate method to determine the Company's operating income and  
14 revenue requirement?**

15 A. Operating income should be calculated by applying the recommended operating margin.  
16 Operating margin equals operating income divided by revenue, expressed as a percentage.  
17 The percentage represents the amount of each dollar of revenue that results in operating  
18 income.

19

20 **Q. What is the appropriate operating margin for ICR?**

21 A. The appropriate operating margin is 11.00 percent. This will produce sufficient revenue to  
22 cover operating expenses and an operating income of \$49,044.

23

24 **Q. Who provided TRGC water for the golf course and lake in the test year 2006?**

25 A. The golf course is not owned or operated by ICR. The golf course receives water from  
26 two sources. Effluent water is received from the IRC Sanitary District in the amount of

1           9,920,819 gallons for year 2006. TRGC used 125,026,000 gallons of ground water in year  
2           2006 for which no tariff rate was paid.

3

4           **ROBERT BUSCH TESTIMONY**

5           **Q.     Did Staff review Robert Busch's supplemental testimony?**

6           A.     Yes, Staff did.

7

8           **Q.     Does Staff agree with Robert Busch's supplemental testimony?**

9           A.     No, Staff does not agree.

10

11          **Q.     Please explain why Staff is not in agreement with Robert Busch's supplemental**  
12          **testimony?**

13          A.     Mr. Busch proposes that the Commission accept the water service agreement ("WSA") as  
14          it is written. The agreement leaves the Talking Rock Parties ("TRP") in control of ICR  
15          water delivery to TRGC and what ICR can and cannot do in respect to TRGC and TRP.

16

17          **WATER SERVICE AGREEMENT**

18          **Q.     Did Staff review the WSA?**

19          A.     Yes, Staff did.

20

21          **Q.     Does Staff agree with the WSA?**

22          A.     No, Staff does not agree.

1 **Q. Please explain why Staff is not in agreement with the WSA.**

2 A. The WSA takes the Commission out of regulating the Company as to conditions of service  
3 for TRGC and the charge for the water sold to TRGC. This would not be in the public  
4 interest.

5  
6 The WSA would also only transfer the third well to ICR if the Commission approved the  
7 WSA. The WSA would only transfer wells but not the land on which they are located.  
8 ICR would only receive perpetual right to enter the well field property and the TRP would  
9 retain ownership of the real property upon which the Talking Rock Wells are located (“the  
10 Well Field Property”).

11  
12 The WSA states the amount that TRP shall pay for the water delivered by ICR which  
13 under the WSA would consist of a system reservation charge which would terminate after  
14 ten (10) years and a commodity charge, which would be subject to annual adjustment  
15 based on the consumers’ price index (“CPI”).

16  
17 Staff believes the third well should be transferred to the Company since the golf club  
18 receives the majority of water pumped by all three wells. The WSA states ICR would  
19 only have perpetual right to enter the well field property and not own the land. Staff  
20 believes that the land associated with the three wells should be transferred and deeded to  
21 ICR.

22  
23 The WSA states that within thirty (30) days of the approval of the WSA by the  
24 Commission, the TRP shall convey to ICR and ICR shall accept from the TRP all utility  
25 infrastructure constructed to serve TRGC which has not been transferred. Staff believes

1 that this transfer should not be based on the approval of the WSA but be transferred within  
2 thirty (30) days after a Decision is issued in this matter.

3

4 Staff does not agree with the provisions of the WSA. Staff recommends that the WSA be  
5 denied by the Commission.

6

7 **RATE DESIGN**

8 **Q Have you prepared a schedule summarizing the present, Company proposed, and**  
9 **Staff recommended rates and service charges?**

10 A. Yes. A summary of the present rates, Company proposed, and Staff recommended rates  
11 and service charges are provided on supplemental Schedule CRM-13.

12

13 **Q. Would you please summarize the current rate design?**

14 A. The present monthly minimum charges by meter sizes are as follows: 5/8 x 3/4 inch  
15 \$20.00, 3/4 inch, \$20.00 1 inch \$50.00, 1 1/2 inch \$100.00, 2 inch \$160.00, 3 inch  
16 \$300.00, 4 inch \$500.00, 6 inch \$1,000.00. The monthly minimum charge for each meter  
17 size includes 1,000 gallons. The present commodity rate has one tier. The tier is \$2.80  
18 per 1,000 gallons which also includes construction or bulk gallons.

19

20 **Q. Would you please summarize the Company's proposed rate design?**

21 A. The Company's proposed monthly minimum charges by meter size are as follows: 5/8 x  
22 3/4 inch \$21.50, 3/4 inch \$38.75, 1 inch \$53.75; 1 1/2 inch \$127.50, 2 inch \$172.00, 3  
23 inch \$209.60, 4 inch \$637.50, 6 inch \$1,275.00. No gallons are included in the minimum  
24 charge. The Company proposes an inverted three-tier commodity rate, for the 5/8 x 3/4  
25 inch and 3/4 inch meter sizes with break over points for both meter sizes being for tier one  
26 at 4,000 gallons, tier two at 9,000 gallons and tier three all gallons over 9,000 gallons. All

1 other meter sizes would have two tiers with different break over points. The first, second  
2 and third tier rates for the 5/8 x3/4 inch and 3/4 inch meters are \$2.66, \$3.41 and \$4.41 per  
3 thousand gallons, respectively.

4  
5 The construction, bulk and standpipe proposed commodity rate has been increased to  
6 \$4.41 per thousand gallons so that they would be charged the second tier commodity  
7 charge which is proposed for large users. There would be no minimum monthly charge.

8  
9 The Company proposes a special turf rate for TRGC of \$1.00 per 1,000 gallons with no  
10 monthly minimum charge. The commodity charge would be subject to increase each year  
11 by the Company based on the government CPI.

12  
13 **Q. Would you please summarize Staff's recommended rate design?**

14 **A.** Staff recommends monthly minimum charges by meter size as follows: 5/8 x3/4 inch  
15 \$20.00, 3/4 inch \$20.00, 1 inch \$50.00; 1 1/2 inch \$100.00, 2 inch \$160.00, 3 inch  
16 \$300.00, 4 inch \$500.00, 6 inch \$1,000.00. No gallons are included in the monthly  
17 minimum charge. Staff recommends an inverted tier rate design that consists of three-tiers  
18 for the 5/8 x 3/4 inch meter and the 3/4 inch meter with break over points for both meter  
19 sizes being at 4,000 gallons for tier one, at 9,000 gallons for tier two and all gallons over  
20 9,000 gallons for tier three. All other meter sizes would have two tiers with different  
21 break over points. The first, second and third tier rates are \$2.80, \$4.00 and \$5.00 per  
22 thousand gallons, respectively. Efficiency in water use is encouraged by producing a  
23 higher customer bill with increased consumption or use of a larger meter. The  
24 construction, bulk and standpipe commodity rate has been increased to \$5.00 per thousand  
25 gallons so that customers would be charged the second tier commodity charge which is  
26 recommended for large users. There would be no minimum monthly charge for this class.

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See schedule CRM-13. A typical bill analysis is provided for the average and median use under Company's present, Company proposed, and Staff recommended rates as presented on Schedule CRM-14.

Staff is recommending a special commodity rate for the TRGC turf rate which includes the monthly minimum charge, commodity rate, and the reservation charge at \$1.40 per 1,000 gallons. Staff recommends this rate because the golf course is an extremely large user of water and it is replacing the reimbursement for expenses that the golf course has been paying and will no longer pay.

Staff's recommendation would allow the Commission to set the tariff rate rather than the Company proposal that would increase the commodity tariff rate yearly based on the government consumer's price index and be set by the Company without the Commission's approval.

**Q. What is the rate impact on a typical 5/8 x 3/4 inch meter residential customer?**

A. The median usage of residential 5/8 x 3/4 inch meter customers is 4,500 gallons per month. With the Company's proposal, the median residential customers using 4,500 gallons per month would experience a \$4.05 or 13.57 percent increase in their monthly bill from \$29.80 to \$33.85. With Staff's recommendation a median residential customer would experience a \$3.40 or 11.41 percent increase in his/her monthly bill from \$29.80 to \$33.20.

The Company is proposing a minimum monthly charge of \$21.50. Staff is recommending a minimum monthly charge of \$20.00. See Schedule CRM-14.

1 **Q. Did Staff review the Company's proposed Meter and Service Line Charges and other**  
2 **service charges?**

3 A. Yes. Staff concurs with the Company except for its proposed late fee charge of \$5.00  
4 minimum or 1.5 percent of unpaid balance whichever is greater. Staff is recommending  
5 1.5 percent of the unpaid balance per month which has been approved by the Commission  
6 in prior rate case decisions. See Schedule CRM-13.

7

8 **Q. Did the Company propose a service charge fire for sprinklers?**

9 A. No.

10

11 **Q. Did Staff recommend a service charge for fire sprinklers?**

12 A. Yes. See Schedule CRM-13.

13

14 **RECOMMENDATIONS**

15 **Q. What is Staff recommending?**

16 A. Staff recommends approval of its rates and charges as shown on Schedule CRM-13.

17

18 Staff further recommends a provision be included in the Company's tariff to allow for the  
19 flow-through of all appropriate state and local taxes as provided for in A.A.C. Rule 14-2-  
20 409(D)(5).

21

22 Staff further recommends that the land for the three wells be transferred and deeded to  
23 ICR.

24

25 Staff further recommends that the Water Service Agreement to not be approved by the  
26 Commission.

1 **Q. Does this conclude your supplemental testimony?**

2 A. Yes, it does.

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

Company Proposed	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	7,085	\$ 37.04	\$ 42.66	\$ 5.62	15.18%
Median Usage	4,500	\$ 29.80	\$ 33.85	\$ 4.05	13.57%
<b>Staff Recommended</b>					
Average Usage	7,085	\$ 37.04	\$ 43.54	\$ 6.50	17.55%
Median Usage	4,500	\$ 29.80	\$ 33.20	\$ 3.40	11.41%

Consumption	Rates	Rates	Increase	Rates	Increase
-	\$ 20.00	\$ 25.50	27.50%	\$ 26.20	31.00%
1,000	22.80	29.33	28.63%	28.85	26.51%
2,000	25.60	33.16	29.52%	31.49	23.01%
3,000	28.40	36.99	30.24%	34.14	20.19%
4,000	31.20	40.82	30.83%	36.78	17.88%
5,000	34.00	44.65	31.32%	40.74	19.82%
6,000	36.80	48.48	31.73%	44.70	21.47%
7,000	39.60	52.31	32.09%	48.66	22.88%
8,000	42.40	56.14	32.40%	52.62	24.10%
9,000	45.20	59.97	32.67%	56.58	25.18%
7,085	39.84	52.63	32.12%	49.00	22.99%
10,000	48.00	63.80	32.91%	61.32	27.75%
11,000	50.80	67.63	33.12%	66.06	30.04%
12,000	53.60	71.46	33.32%	70.80	32.10%
13,000	56.40	75.29	33.49%	75.54	33.94%
14,000	59.20	79.12	33.64%	80.29	35.62%
15,000	62.00	82.95	33.79%	85.03	37.14%
16,000	64.80	86.78	33.92%	89.77	38.53%
17,000	67.60	90.61	34.03%	94.51	39.80%
18,000	70.40	94.44	34.14%	99.25	40.98%
19,000	73.20	98.27	34.25%	103.99	42.06%
20,000	76.00	102.10	34.34%	108.73	43.07%
25,000	90.00	121.25	34.72%	132.44	47.15%
30,000	104.00	140.40	35.00%	156.14	50.14%
35,000	118.00	159.55	35.21%	179.85	52.41%
40,000	132.00	178.70	35.38%	203.55	54.21%
45,000	146.00	197.85	35.51%	227.26	55.65%
50,000	160.00	217.00	35.62%	250.96	56.85%
75,000	230.00	312.75	35.98%	369.49	60.65%
100,000	300.00	408.50	36.17%	488.01	62.67%

**RATE DESIGN**

	Present Rates	Company Proposed Rates	Staff Recommended Rates
<b>Monthly Usage Charge</b>			
5/8 x 3/4" Meter	\$ 20.00	\$ 21.50	\$ 20.00
3/4" Meter	20.00	38.75	20.00
1" Meter	50.00	53.75	50.00
1½" Meter	100.00	127.50	100.00
2" Meter	160.00	172.00	160.00
3" Meter	300.00	209.60	300.00
4" Meter	500.00	637.50	500.00
6" Meter	1,000.00	1,275.00	1,000.00
Gallons included in Minimum	1,000	0	0
<b>Commodity Rates</b>			
<b>All meter sizes</b>			
Per 1,000 gallons in excess of gallons in monthly minimum	\$ 2.80	n/a	n/a
<b>5/8 x 3/4 Inch Meter</b>			
Tier 1 zero gallon to 4,000 gallons	n/a	2.66	2.80
Tier 2 4,001 gallons to 9,000 gallons	n/a	3.41	4.00
Tier 3 All gallons over 9,000 gallons	n/a	4.41	5.00
<b>3/4 Inch Meter</b>			
Tier 1 zero gallon to 4,000 gallons	n/a	\$ 2.66	2.80
Tier 2 4,001 gallons to 9,000 gallons	n/a	\$ 3.41	4.00
Tier 3 All gallons over 9,000 gallons	n/a	\$ 4.41	5.00
<b>1 Inch Meter</b>			
Tier 1 Up to 22,500 gallons	n/a	\$ 3.41	4.00
Tier 2 Over 22,500 gallons	n/a	4.41	5.00
<b>1.5 Inch Meter</b>			
Tier 1 Up to 45,000 gallons	n/a	\$ 3.41	4.00
Tier 2 Over 45,000 gallons	n/a	\$ 4.41	5.00
<b>2 Inch Meter</b>			
Tier 1 Up to 22,500 gallons	n/a	\$ 3.41	4.00
Tier 2 Over 22,500 gallons	n/a	\$ 4.41	5.00
<b>3 Inch Meter</b>			
Tier 1 Up to 144,000 gallons	n/a	\$ 3.41	4.00
Tier 2 Over 144,000 gallons	n/a	4.41	5.00

<b>4 Inch Meter</b>			
Tier 1 Up to 225,000 gallons	n/a	\$ 3.41	4.00
Tier 2 Over 225,000 gallons	n/a	4.41	5.00
<b>6 Inch Meter</b>			
Tier 1 Up to 450,000 gallons	n/a	\$ 3.41	4.00
Tier 2 Over 450,000 gallons	n/a	4.41	5.00
<b>Golf Course per 1,000 gallons</b>	n/a	1.00	1.40
<b>Standpipe/Construction/Bulk, per 1,000 gallons - all gallons.</b>	\$2.80	\$ 4.41	5.00

Service Line and Meter Installation Charges	Present	COMPANY PROPOSED			STAFF RECOMMENDED		
		Service Line Charge	Meter Installation	Total Proposed	Service Line Charge	Meter Installation	Total Recommended
5/8" x 3/4" Meter	\$ 250.00	\$ 385.00	\$ 135.00	\$ 520.00	\$ 385.00	\$ 135.00	\$ 520.00
3/4" Meter	\$ 250.00	\$ 385.00	\$ 215.00	\$ 600.00	\$ 385.00	\$ 215.00	\$ 600.00
1" Meter	\$ 300.00	\$ 435.00	\$ 255.00	\$ 690.00	\$ 435.00	\$ 255.00	\$ 690.00
1½" Meter	\$ 450.00	\$ 470.00	\$ 465.00	\$ 935.00	\$ 470.00	\$ 465.00	\$ 935.00
2" Turbine Meter	\$ 625.00	\$ 630.00	\$ 965.00	\$ 1,595.00	\$ 630.00	\$ 965.00	\$ 1,595.00
2" Compound Meter	\$ 625.00	\$ 630.00	\$ 1,690.00	\$ 2,320.00	\$ 630.00	\$ 1,690.00	\$ 2,320.00
3" Turbine Meter	\$ 825.00	\$ 805.00	\$ 1,470.00	\$ 2,275.00	\$ 805.00	\$ 1,470.00	\$ 2,275.00
3" Compound Meter	\$ 825.00	\$ 845.00	\$ 2,265.00	\$ 3,110.00	\$ 845.00	\$ 2,265.00	\$ 3,110.00
4" Turbine Meter	\$ 1,450.00	\$ 1,170.00	\$ 2,350.00	\$ 3,520.00	\$ 1,170.00	\$ 2,350.00	\$ 3,520.00
4" Compound Meter	\$ 1,450.00	\$ 1,230.00	\$ 3,245.00	\$ 4,475.00	\$ 1,230.00	\$ 3,245.00	\$ 4,475.00
6" Turbine Meter	\$ 3,100.00	\$ 1,730.00	\$ 4,545.00	\$ 6,275.00	\$ 1,730.00	\$ 4,545.00	\$ 6,275.00
6" Compound Meter	\$ 3,100.00	\$ 1,770.00	\$ 6,280.00	\$ 8,050.00	\$ 1,770.00	\$ 6,280.00	\$ 8,050.00
8 Inch	n/a	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost
10 Inch	n/a	At cost	At cost	At cost	At cost	At cost	At cost
12 Inch	n/a	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost

Service Charges	Present	Company Proposed	Staff Recommended
Establishment	\$ 25.00	\$ 25.00	\$ 25.00
Establishment (After Hours)	50.00	50.00	50.00
Reconnection (Delinquent)	20.00	20.00	20.00
Reconnection (After Hours)	n/a	40.00	40.00
Meter Test (Calibration or leak deception)	20.00	20.00	20.00
Deposit Requirement( Residential/ Commercial) (1)	per rule	per rule	*
Deposit Interest (2)	per rule	per rule	6.00%
Re-Establishment (Within 12 Months) (3)	per rule	per rule	**
NSF Check	15.00	15.00	15.00
Deferred Payment Per Month 1.5 %	1.50%	1.50%	1.50%
Meter Re-Read (If Correct)	10.00	10.00	10.00
Late Charge per Month	(a)	(a)	***

Monthly Service Charge for Fire Sprinkler	Present	Company Proposed	Staff Recommended
4 inch or Smaller	n/a	n/a	****
6 inch	n/a	n/a	****
8 inch	n/a	n/a	****
10 inch	n/a	n/a	****
Larger than 10 inch	n/a	n/a	****

**Company Proposed**

- 1 Per Rule Deposit (R-14-2-403.B)
- 2 Per Rule Deposit Interest (R-14-2-403.B.3)
- 3 Per Rule Reestablishment (14-2-403.D.1)

(a) \$5.00 minimum or 1.5% of unpaid balance whichever is greater.

**Staff Recommended**

- \* Per rule R14-2-403.B
- \*\* Months off system time the minimum (R-14-2-403.D)
- \*\*\* 1.5 percent of the unpaid balance per month.
- \*\*\*\* 100 percent 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.