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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS AGUA FRIA WATER DISTRICT, HAVASU WATER DISTRICT, MOHAVE WATER DISTRICT, PARADISE VALLEY WATER DISTRICT, SUN CITY WEST WATER DISTRICT AND TUBAC WATER DISTRICT.

DOCKET NO. W-01303A-08-0227

Arizona Corporation Commission
DOCKETED

JAN 20 2009

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS MOHAVE WASTEWATER DISTRICT.

DOCKET NO. SW-01303A-08-0227

NOTICE OF FILING
RATE DESIGN AND COST OF SERVICE
TESTIMONY

Staff of the Arizona Corporation Commission ("Staff") hereby files the Rate Design Testimony of Steve M. Olea, Steve Irvine, and Marvin E. Millsap of the Utilities Division in the above-referenced matter.

RESPECTFULLY SUBMITTED this 20th day of January, 2009.

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20th day of January, 2009 with:

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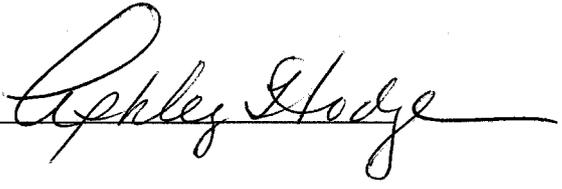
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BEFORE THE ARIZONA CORPORATION COMMISSION

KRISTIN K. MAYES
Chairman
GARY PIERCE
Commissioner
PAUL NEWMAN
Commissioner
SANDRA D. KENNEDY
Commissioner
BOB STUMP
Commissioner

IN THE MATTER OF THE APPLICATION OF) DOCKET NO. W-01303A-08-0227
ARIZONA-AMERICAN WATER COMPANY)
FOR DETERMINATION OF THE CURRENT)
FAIR VALUE OF ITS UTILITY PLANT AND)
PROPERTY AND FOR INCREASES IN ITS)
RATES AND CHARGES BASED THEREON)
FOR UTILITY SERVICE BY ITS AGUA FRIA)
WATER DISTRICT, HAVASU WATER)
DISTRICT, MOHAVE WATER DISTRICT,)
PARADISE VALLEY WATER DISTRICT, AND)
TUBAC WATER DISTRICT)

IN THE MATTER OF THE APPLICATION OF) DOCKET NO. SW-01303A-08-0227
ARIZONA-AMERICAN WATER COMPANY)
FOR DETERMINATION OF THE CURRENT)
FAIR VALUE OF ITS UTILITY PLANT AND)
PROPERTY AND FOR INCREASES IN ITS)
RATES AND CHARGES BASED THEREON)
FOR UTILITY SERVICE BY ITS MOHAVE)
WASTEWATER DISTRICT)

DIRECT

TESTIMONY

OF

STEVEN M. OLEA

ASSISTANT DIRECTOR
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

JANUARY 20, 2009

1 **INTRODUCTION**

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

3 A. Steven M. Olea, 1200 West Washington, Phoenix, Arizona, 85007.

4
5 **Q. By whom and in what capacity are you employed?**

6 A. I am employed by the Arizona Corporation Commission ("Commission") as the Assistant
7 Director for the Utilities Division ("Division").

8
9 **Q. Please state your educational background.**

10 A. I graduated from Arizona State University ("ASU") in 1976 with a Bachelors Degree in Civil
11 Engineering. From 1976 to 1978, I obtained 47 graduate hours of credit in Environmental
12 Engineering at ASU.

13
14 **Q. Please state your pertinent work experience.**

15 A. From April 1978 to October 1978, I worked for the Engineering Services Section of the
16 Bureau of Air Quality Control in the Arizona Department of Health Services ("ADHS"). My
17 responsibilities were to inspect air pollution sources to determine compliance with ADHS
18 rules and regulations.

19
20 From November 1978 to July 1982, I was with the Technical Review Unit of the Bureau of
21 Water Quality Control ("BWQC") in ADHS (this is now part of the Arizona Department of
22 Environmental Quality ["ADEQ"]). My responsibilities were to review water and
23 wastewater construction plans for compliance with ADHS rules, regulations, and
24 Engineering Bulletins.

1 From July 1982 to August 1983, I was with the Central Regional Office, BWQC, ADHS.
2 My responsibilities were to conduct construction inspections of water and wastewater
3 facilities to determine compliance with plans approved by the Technical Review Unit. I also
4 performed routine operation and maintenance inspections to determine compliance with
5 ADHS rules and regulations, and compliance with United States Environmental Protection
6 Agency requirements.

7
8 From August 1983 to August 1986, I was a Utilities Consultant/Water-Wastewater Engineer
9 with the Division. My responsibilities were to provide engineering analyses of Commission
10 regulated water and wastewater utilities for rate cases, financing cases, and consumer
11 complaint cases. I also provided testimony at hearings for those cases.

12
13 From August 1986 to August 1990, I was the Engineering Supervisor for the Division. My
14 primary responsibility was to oversee the activities of the Engineering Section, which
15 included one technician and eight Utilities Consultants. The Utilities Consultants included
16 one Telecommunications Engineer, three Electrical Engineers, and four Water-Wastewater
17 Engineers. I also assisted the Chief Engineer and performed some of the same tasks as I did
18 as a Utilities Consultant.

19
20 In August 1990, I was promoted to the position of Chief Engineer. My duties were
21 somewhat the same as when I was the Engineering Supervisor, except that now I was less
22 involved with the day-to-day supervision of the Engineering Staff and more involved with
23 the administrative and policy aspects of the Engineering Section.

1 In April 2000, I was promoted to my present position as one of two Assistant Directors of the
2 Division. In this position, I assist the Division Director in the policy aspects of the Division.
3 I am primarily responsible for matters dealing with water and energy.

4

5 **I. PURPOSE**

6 **Q. What was your assignment in this case?**

7 A. My assignment was to review the Cost of Service Study ("COSS") performed by Arizona-
8 American Water Company ("AZ-American" or "Company").

9

10 **Q. What is the purpose of this prefiled testimony?**

11 A. This testimony will discuss my review of AZ-American's COSS and present the results of
12 that review along with Staff's recommendations.

13

14 **Q. Have you reviewed or prepared COSSs in the past as part of your duties at the
15 Commission?**

16 A. Yes, I have prepared and/or reviewed COSSs for water, sewer, electric and natural gas
17 utilities. Some of these cases include Arizona Water Company rate cases (Docket Nos.
18 U-1445-85-037 & U-1445-91-227), Arizona Sierra Utility Company (Docket No. U-2140-
19 87-219), Graham County Electric Cooperative (Docket No. U-1749-92-298), Sulphur
20 Springs Valley Electric Cooperative (Docket No. U-1575-92-220), and Southwest Gas
21 Corporation (Docket No. U-1551-86-300). This is not an all-inclusive listing.

1 **Q. Was rate design part of your assignment?**

2 A. No. Rate design should not be confused with COSS. A COSS is the allocation of only costs
3 to each customer class. Rate design is basically the allocation of revenues to each customer
4 class. The COSS is only one of many factors that is considered when allocating revenues.
5 Once the revenue allocation is completed, then specific rates are designed to collect those
6 revenues. Staff's rate design witness in this case is Mr. Marvin Millsap.

7

8 **COST OF SERVICE STUDY**

9 **Q. What is a Cost of Service Study?**

10 A. In very simple terms, a COSS is an estimation of cost-causation by customer class, i.e. how
11 much does it cost the utility to provide its service to each specific customer class. The reason
12 for determining the costs incurred by the utility to serve each customer class is to assist in
13 allocating the revenue requirement for each customer class.

14

15 For each utility, there are several generally accepted methods for conducting a COSS. There
16 is no one "correct" COSS method, but rather a range of reasonable alternatives. This is not to
17 suggest that COSSs are arbitrary; some allocations are clearly more reasonable than others.
18 This is the reason a COSS should only be used as a general guide and as one of several
19 considerations in allocating revenue requirements and designing rates.

20

21 **Q. What was the process you used in reviewing the Company's COSS?**

22 A. I began by reviewing the overall cost of service methodology used by the Company. I then
23 looked at specific items with in the COSS.

1 **Q. Did you conduct a separate independent COSS?**

2 A. No, I did not.

3
4 **Q. What are Staff's findings regarding the overall cost of service methodology used by the**
5 **Company in this case?**

6 A. The two most generally accepted COSS methods used in the water industry are the Base-
7 Extra Capacity Method and the Commodity-Demand Method as outlined in the American
8 Water Works Association Manual M1, "Principles of Water Rates, Fees, and Charges". For
9 this case, the Company chose the method which I have usually used in the past, which is the
10 Commodity-Demand Method. The Commodity-Demand Method breaks the costs of
11 providing water service into four primary cost components: commodity costs (costs that tend
12 to vary with the amount of water), demand costs (costs associated with peak use/demand),
13 customer costs (costs not associated with water use, e.g., billing) and direct fire protection
14 costs. I find the Company's use of the Commodity-Demand Method in this case to be
15 appropriate.

16
17 **Q. Do you have any specific comments regarding the Company's COSS?**

18 A. Yes, despite the fact that Staff finds the Company's specific method of COSS to be
19 appropriate, Staff believes that little weight should be given to the COSS in this case. The
20 basic reason is that any COSS is only as reliable as the inputs used in the study. For any
21 COSS, one of the primary inputs is the usage data. For a water COSS, that would be the
22 water usage data, i.e., average use and peak use.

1 In this particular case, Staff is concerned about the water use data that were used by the
2 Company, due to the fact that Staff had many issues regarding the water use data provided to
3 Staff's Engineering Section. As an example, for the Paradise Valley Water System, the
4 Company's application showed that the gallons of water pumped (in thousands) were
5 3,154,381. After questioning by Staff, the Company revised this figure several months later
6 to 3,403,548 gallons. The Paradise Valley Water System usage data are those with which
7 Staff had the least difficulty.

8
9 The system with the largest change in water use data throughout Staff's review of this case
10 was Mohave Water District's Arizona Gateway System. In June 2008, the 2007 water use
11 data provided to Staff showed the water produced at 8,685,000 gallons and the water sold at
12 9,392,000 gallons. In other words, this system was selling over eight percent more water
13 than it was producing. In September 2008, the 2007 data provided to Staff showed water
14 sold at 5,646,000 gallons. With water produced at 8,685,000 gallons, this is a water loss of
15 approximately thirty-five percent (35%). In November 2008, the 2007 water sold data
16 provided to Staff was at 8,496,000 gallons. With water produced at 8,685,000 gallons, this is
17 a water loss of just over two percent (2%).

18
19 **Q. Why are the water use data critical in a COSS?**

20 **A.** The water use data are used to develop the commodity and demand allocation factors
21 necessary to spread the costs to the different customer classes, e.g. residential, commercial.
22 Therefore, if the water use data are incorrect or unreliable, then the allocation factors derived
23 from such data are equally as incorrect or unreliable.

1 **Q. Do you have any further comments regarding the water use data used in the**
2 **Company's COSS?**

3 A. Yes, the water use figures used in the Company's COSS do not match those provided to
4 Staff. For example, in the Paradise Valley Water System, the data provided to Staff show
5 that water pumped for the test year to be 3,403,548,000 gallons, which equates to 9,324,789
6 gallons per day ("GPD"). The average GPD shown in the Company's COSS is 9,144,000,
7 which equates to 3,337,560,000 gallons. This is almost a two percent (2%) difference.
8 Although, this may not seem significant, the water use numbers used by the Company in its
9 COSS and those provided to Staff should not be different at all.

10
11 Another concern of Staff's is the water lost. Several of the Company's systems had
12 excessive water loss, i.e., over ten percent (10%). (Please see testimony of Staff witness
13 Dorothy Hains.) It is my understanding that in deriving the maximum day demand and
14 maximum hour demand, the Company relied on the gallons pumped data. For those systems
15 with excessive water loss, this would place the responsibility of the lost water on the
16 customers rather than on the Company.

17
18 **Q. Are the facts that Staff is recommending that the Commission give little or no weight to**
19 **the Company's COSS and that Staff did not perform an independent COSS present a**
20 **problem with allocating revenues and developing an appropriate rate design in this**
21 **case?**

22 A. This would be a problem if in this case either Staff or the Company wanted to propose a
23 revenue allocation or rate design that was very different from the existing. However, both

1 Staff and the Company are proposing to use the same basic revenue allocation and rate
2 design that the Company has today.

3
4 **Q. Does Staff have any further recommendations with regard to the Company's COSS?**

5 A. Staff would strongly recommend that in the Company's next rate case, if it provides a COSS,
6 that it be required to ensure that the water use figures provided to Staff and those it uses in its
7 COSS are identical. If in the next application Staff finds this not to be the case, Staff should
8 be ordered to find the application insufficient. In addition, the water use figures provided to
9 Staff must be accurate. If during its review of the Company's filing, Staff finds the water use
10 data to be inaccurate, Staff should be ordered to file its findings in the docket and the Hearing
11 Division should be required to suspend the timeclock in the proceeding until the Company
12 provides the data required by Staff.

13
14 **Q. Does this conclude your direct testimony?**

15 A. Yes, it does.

BEFORE THE ARIZONA CORPORATION COMMISSION

KRISTIN K. MAYES
Chairman
GARY PIERCE
Commissioner
PAUL NEWMAN
Commissioner
SANDRA D. KENNEDY
Commissioner
BOB STUMP
Commissioner

IN THE MATTER OF THE APPLICATION OF)
ARIZONA-AMERICAN WATER COMPANY)
AN ARIZONA CORPORATION, FOR A)
DETERMINATION OF THE CURRENT FAIR)
VALUE OF ITS UTILITY PLANT AND)
PROPERTY AND FOR INCREASES IN ITS)
RATES AND CHARGES BASED THEREON)
FOR UTILITY SERVICE BY ITS MOHAVE)
WASTEWATER DISTRICT)
_____)

DOCKET NO. SW-01303A-08-0227

DIRECT
TESTIMONY
OF
STEVE IRVINE
PUBLIC UTILITIES ANALYST IV
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

JANUARY 20, 2009

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EXECUTIVE SUMMARY
ARIZONA-AMERICAN WATER COMPANY
DOCKET NO. SW-01303A-08-0227

On May 1, 2008, Arizona-American Water Company ("Arizona-American" or "Company") filed a general rate application. Arizona-American is a for-profit company providing water and wastewater service to customers throughout the State of Arizona. The Company's current filing requests permanent rates for six water systems and one wastewater system. The testimony of Mr. Steve Irvine presents Staff's recommended rate design for the Mohave Wastewater District ("Mohave") with approximately 1,235 customers in the area south of Bullhead City.

The present rate design is based largely on flat monthly rates. Commercial customers in the Gateway area pay a volumetric rate in addition to a flat monthly rate. Effluent is also sold with volumetric pricing.

Mohave's proposed rate design is a continuation of the rate design adopted in the prior rate case. Mohave's proposed rates spread the proposed increase in revenue across all the customer classes. The increase is accomplished by increasing monthly usage charges and commodity charges. The Company recommends no changes to miscellaneous service charges, but recommends that service line connection charges change from a stated cost to an at cost rate with the money being paid as a refundable advance-in-aid-of-construction.

Staff's recommended revenue requirement of \$796,161 represents an increase of \$0, or 0.00 percent. Because there is no change to revenue requirement, Staff recommends that the presently approved rates remain in place. Staff recommends adoption of the Company's proposed changes for Service Line Connection Charges.

The Company proposes an increase of \$40.15 or 80.87 percent increase in the monthly usage charge, from \$49.65 to \$89.80. Staff recommends an increase of \$0.00 or 0.00 percent increase in the monthly usage charge, maintaining the charge at \$49.65.

1 **INTRODUCTION**

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

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

6
7 **Q. Briefly describe your responsibilities as a Public Utilities Analyst.**

8 A. In my capacity as a Public Utilities Analyst, I conduct studies to estimate the cost of
9 capital component used to determine the overall revenue requirement in rate proceedings,
10 design rates to generate the revenue requirement in rate proceedings and perform other
11 econometric analyses.

12
13 **Q. Please describe your educational background and professional experience.**

14 A. In 1994, I graduated from Arizona State University, receiving a Bachelor of Science
15 degree in Business Marketing. In 1997, I received a Masters degree in Public
16 Administration from Arizona State University. I began employment with the Commission
17 in May of 2001 and have worked in the Utilities Division since September of 2002.

18
19 **Q. What is the scope of your testimony in this case?**

20 A. Arizona-American Water Company (“Arizona-American” or “Company”) is a for-profit
21 public service company providing water and wastewater service to customers throughout
22 the State of Arizona. On May 1, 2008, Arizona-American filed a general rate application
23 requesting permanent rates for six water systems and one wastewater system. My
24 testimony provides Staff’s recommended rate design for the Mohave Wastewater District
25 (“Mohave”) that serves approximately 1,200 customers in the area south of Bullhead City.

26

1 **Q. Have you reviewed the application submitted by Arizona-American in this case?**

2 A. Yes.

3

4 **SUMMARY OF TESTIMONY AND RECOMMENDATIONS**

5 **Q. Briefly summarize how your rate design testimony is organized.**

6 A. Staff's rate design testimony is organized to present a discussion of the present rates, the
7 Company's proposed rates, and Staff's recommended rates for Mohave. Schedules SPI-1
8 and SPI-2 are provided to further describe Staff's rate design.

9

10 ***Present Rate Design***

11 **Q. Please provide an overview of the Company's present rates.**

12 A. The following is a general description of the present rate design. Details of the rate
13 designs are presented on Staff's Direct Testimony Schedule SPI-1. The present rate design
14 is based largely on flat monthly rates. Commercial customers in the Gateway area pay a
15 volumetric rate in addition to a flat monthly rate. Effluent rates are based on volumetric
16 pricing.

17

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

20 A. Yes. A summary of the present, Company proposed, and Staff recommended rates and
21 service charges are provided on Schedule SPI-1.

22

23 ***Proposed Rate Design***

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

25 A. Mohave's proposed rate design is a continuation of the rate design adopted in the prior
26 rate case. The Company's proposed rates spread the proposed increase in revenue across

1 all the customer classes. The increase is accomplished by increasing monthly usage
2 charges and commodity charges. The Company recommends no changes to miscellaneous
3 service charges, but recommends that service line connection charges change from a stated
4 cost to an at cost rate with the money being paid as a refundable advance-in-aid-of-
5 construction.

6
7 **Q. Would you please summarize Staff's recommended rate design?**

8 A. Staff's recommended revenue requirement of \$796,161 represents an increase of \$0, or
9 0.00 percent. Because there is no change to revenue requirement, Staff recommends that
10 the presently approved rates remain in place. However, Staff recommends adoption of the
11 changes proposed by the Company for Service Line Connection Charges. Discussion of
12 this recommendation is included in the testimony of Staff witness Dorothy Haines. As
13 Service Line Connection Charges are advances-in-aid-of-construction, changes to their
14 rates have no effect on the revenue requirement in this case.

15
16 **Q. Has Staff prepared a typical bill analysis to reflect the effects of the proposed and
17 recommended rate changes?**

18 A. Yes. The typical bill analysis is shown in Schedule SPI-2. The Company proposes an
19 increase of \$40.15, or 80.87 percent, in the monthly usage charge from \$49.65 to \$89.80.
20 Staff recommends an increase of \$0.00 or 0.00 percent increase in the monthly usage
21 charge, maintaining the charge at \$49.65. Staff is not recommending an alternative rate
22 design using commodity rates for the wastewater district as the customer base is different
23 for the water and wastewater districts. Without access to the water usage data for the
24 wastewater district customers, it is difficult to develop a rate design based on customer
25 water usage. Because of this, Staff recommends a flat rate design for the wastewater
26 district.

- 1 **Q. Does this conclude your Direct Testimony?**
- 2 **A. Yes, it does.**

RATE DESIGN

Monthly Usage Charge	Present	Company Proposed Rates	Staff Recommended Rates
Residential (Per ERU)	\$ 49.65	\$ 89.80	\$ 49.65
Commercial (Per ERU)	49.65	89.80	49.65
Public Authority (Per ERU)	49.65	89.80	49.65
Large Commercial	64.00	115.75	64.00
Commodity Charge			
Residential	\$ -	\$ -	\$ -
Commercial	-	-	-
Public Authority	-	-	-
Large Commercial	2.00	8.00	2.00
Effluent (Per Acre Foot)			
0 to 24	\$ 200.00	\$ 250.00	\$ 200.00
25 to 99	200.00	250.00	200.00
100 to 199	200.00	250.00	200.00
200 & Above	200.00	250.00	200.00
Service Line Connection Charges (Non-Refundable)			
Residential	\$ 250.00	Cost	Cost
Commercial	250.00	Cost	Cost
School	250.00	Cost	Cost
Multiple Dwelling	Cost	Cost	Cost
Mobile Home Park	Cost	Cost	Cost
Effluent	250.00	Cost	Cost
Treatment Plant Availability Fee			
Per New Connection	\$ 785.00	\$ 785.00	\$ 785.00
Service Charges:			
Establishment	\$ 20.00	\$ 20.00	\$ 20.00
Establishment (After Hours)	30.00	30.00	30.00
Reconnection (Delinquent)	30.00	30.00	30.00
Deposit	*	*	*
Deposit Interest	*	*	*
Re-Establishment (With-in 12 Months)	**	**	**
NSF Check	25.00	25.00	25.00
Late Payment Charge	***	***	***

* Per Commission Rules (R-14-2-603.B)

** Months off system times minimum (R14-2-603.D)

*** Per Commissions Rules (R14-2-608.D)

TYPICAL BILL ANALYSIS AVERAGE AND MEDIAN COST COMPARISONS

LINE NO.	CUSTOMER CLASS	CURRENT RATES			
		AVERAGE		MEDIAN	
		USAGE	DOLLARS	USAGE	DOLLARS
1	Residential		\$ 49.65		\$ 49.65
2	Commerical		\$ 49.65		\$ 49.65
3	Public Authority		\$ 49.65		\$ 49.65
4	Large Commercial	214,945	\$ 493.89	* see note below	

LINE NO.	CUSTOMER CLASS	COMPANY RECOMMENDED					
		AVERAGE			MEDIAN		
		AVERAGE	CHANGE	PERCENT	MEDIAN	CHANGE	PERCENT
5	Residential	\$ 89.80	\$ 40.15	80.87%	\$ 89.80	\$ 40.15	80.87%
6	Commerical	\$ 89.80	\$ 40.15	80.87%	\$ 89.80	\$ 40.15	80.87%
7	Public Authority	\$ 89.80	\$ 40.15	80.87%	\$ 89.80	\$ 40.15	80.87%
8	Large Commercial	\$ 1,835.31	\$ 1,341.42	271.60%	* see note below		

LINE NO.	CUSTOMER CLASS	STAFF RECOMMENDED					
		AVERAGE			MEDIAN		
		AVERAGE	CHANGE	PERCENT	MEDIAN	CHANGE	PERCENT
9	Residential	\$ 49.65	\$ -	0.00%	\$ 49.65	\$ -	0.00%
10	Commerical	\$ 49.65	\$ -	0.00%	\$ 49.65	\$ -	0.00%
11	Public Authority	\$ 49.65	\$ -	0.00%	\$ 49.65	\$ -	0.00%
12	Large Commercial	\$ 493.89	\$ -	0.00%	* see note below		

* Median Large Commercial figures omitted as there are only 2 test year Large Commercial customers

BEFORE THE ARIZONA CORPORATION COMMISSION

KRISTIN K. MAYES

Chairman

GARY PIERCE

Commissioner

SANDRA D. KENNEDY

Commissioner

PAUL NEWMAN

Commissioner

BOB STUMP

Commissioner

IN THE MATTER OF THE APPLICATION OF)
ARIZONA-AMERICAN WATER COMPANY,)
AN ARIZONA CORPORATION, FOR A)
DETERMINATION OF THE CURRENT FAIR)
VALUE OF ITS UTILITY PLANT AND)
PROPERTY AND FOR INCREASES IN ITS)
RATES AND CHARGES BASED THEREON)
FOR UTILITY SERVICE BY ITS AGUA FRIA)
WATER DISTRICT, HAVASU WATER)
DISTRICT, MOHAVE WATER DISTRICT,)
PARADISE VALLEY WATER DISTRICT, SUN)
CITY WEST WATER DISTRICT AND TUBAC)
WATER DISTRICT.)

DOCKET NO. W-01303A-08-0227

DIRECT

TESTIMONY

OF

MARVIN E. MILLSAP

PUBLIC UTILITIES ANALYST IV

UTILITIES DIVISION

ARIZONA CORPORATION COMMISSION

JANUARY 20, 2009

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EXECUTIVE SUMMARY
ARIZONA-AMERICAN WATER COMPANY, INC.
DOCKET NO. W-01303A-08-0227

Arizona-American Water Company ("AAWC" or "Company") is a certificated Arizona public service corporation that provided water utility service in various communities throughout the state. On May 1, 2008, AAWC filed an application for a permanent rate increase. This filing originally included 10 of the Company's systems but the Company withdrew 3 of them, leaving 7 systems. The Company utilized a test year ended December 31, 2007.

Agua Fria Water District:

Staff's recommended rates would have a residential 5/8 x 3/4 inch meter customer consuming the average usage of 7,400 gallons per month paying \$31.47, or \$7.32 more than the current \$24.16 for a 30.28 percent increase. By comparison, a residential 5/8 x 3/4-inch meter customer consuming the average usage of 7,400 gallons per month under the Company's proposed rates would be billed \$38.48, or \$14.32 more than the current \$24.16 for a 59.28 percent increase.

Havasu Water District:

Staff's recommended rates would have a residential 5/8 x 3/4 inch meter customer consuming the average usage of 9,705 gallons per month paying \$51.61, or \$15.02 more than the current \$36.59 for a 41.06 percent increase. By comparison, a residential 5/8 x 3/4-inch meter customer consuming the average usage of 9,705 gallons per month under the Company's proposed rates would be billed \$68.07, or \$31.48 more than the current \$36.59 for an 86.04 percent increase.

Mohave Water District:

Staff's recommended rates would have a residential 5/8 x 3/4 inch meter customer consuming the average usage of 8,073 gallons per month paying \$18.40, or \$0.96 more than the current \$17.44 for a 5.49 percent increase. By comparison, a residential 5/8 x 3/4-inch meter customer consuming the average usage of 8,073 gallons per month under the Company's proposed rates would be billed \$24.50, or \$7.06 more than the current \$17.44 for a 40.46 percent increase.

Paradise Valley Water District:

Staff's recommended rates would have a residential 5/8 x 3/4 inch meter customer consuming the average usage of 20,493 gallons per month paying \$58.12, or \$8.93 more than the current \$49.20 for a 18.14 percent increase. By comparison, a residential 5/8 x 3/4-inch meter customer consuming the average usage of 20,493 gallons per month under the Company's proposed rates would be billed \$70.54, or \$21.34 more than the current \$49.20 for a 43.37 percent increase.

Sun City West Water District:

Staff's recommended rates would have a residential 5/8 x 3/4 inch meter customer consuming the average usage of 6,704 gallons per month paying \$32.01, or \$12.49 more than the current \$19.51 for a 64.01 percent increase. By comparison, a residential 5/8 x 3/4-inch meter customer consuming the average usage of 6,704 gallons per month under the Company's proposed rates would be billed \$35.09, or \$15.58 more than the current \$19.51 for a 79.83 percent increase.

Tubac Water District:

Staff's recommended rates would have a residential 5/8 x 3/4 inch meter customer consuming the average usage of 11,797 gallons per month paying \$70.19, or \$20.73 more than the current \$49.46 for a 41.90 percent increase. By comparison, a residential 5/8 x 3/4-inch meter customer consuming the average usage of 11,797 gallons per month under the Company's proposed rates would be billed \$85.44, or \$35.97 more than the current \$49.46 for a 72.73 percent increase.

Staff recommends approval of its rates and charges.

1 **INTRODUCTION**

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

3 A. My name is Marvin E. Millsap. I am a Public Utilities Analyst IV 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. Briefly describe your responsibilities as a Public Utilities Analyst IV.**

8 A. In my capacity as a Public Utilities Analyst IV, I analyze and examine accounting,
9 financial, statistical and other information and prepare reports based on my analyses that
10 present Staff's recommendations to the Commission on utility revenue requirements, rate
11 design and other matters.
12

13 **Q. Please describe your educational background and professional experience.**

14 A. In 1991, I received a Masters degree in Business Administration, with a major in
15 management. My studies included courses in economics, finance, research, information
16 systems, entrepreneurship and marketing. In 1970, I graduated from Arizona State
17 University, receiving a Bachelor of Science degree in Accounting. I am a Certified Public
18 Accountant licensed to practice Public Accounting with the Arizona State Board of
19 Accountancy. I have previously been licensed to practice Public Accounting with the
20 Kansas and South Carolina State Boards of Accountancy. In addition, I am a Certified
21 Government Financial Manager ("CGFM") as designated by the Association of
22 Government Accountants ("AGA"). I have attended various seminars and classes on such
23 subjects as accounting, auditing, financial reporting, management of people and
24 organizations, taxation, financing of water and wastewater systems and utility regulatory
25 issues sponsored by the National Association of Regulatory Utility Commissioners',
26 American Institute of Certified Public Accountants and the AGA. I am a member of the

1 American Institute of Certified Public Accountants and the Association of Government
2 Accountants. I have also attained the designations of "Competent Communicator" and
3 "Competent Leader" with Toastmasters, International.

4
5 I joined the Commission as a Public Utilities Analyst in October of 2007. Previously, I
6 was employed by the Kansas Corporation Commission from May 1993 to May 1997, as a
7 Managing Regulatory Utility Auditor and the Arizona Corporation Commission from
8 November 1989 through May 1993, first as a Utilities Auditor and subsequently as a Rate
9 Analyst and Senior Rate Analyst. In May 1997, I began working as a Senior Auditor with
10 the Federal Communications Commission in Washington, DC, and subsequently became a
11 Public Utilities Specialist with the Western Area Power Administration in Phoenix where I
12 worked in Power Marketing and purchased power contract management. Most recently I
13 worked for the U. S. State Department in Charleston, SC, as a Post Allotment Accountant
14 and assisted with training of the Budget and Finance Staff at several Embassies in Europe,
15 Africa and South America.

16
17 Prior to accepting State regulatory positions, I was employed with national and local
18 Certified Public Accounting firms for approximately 12 years performing financial and
19 operational audits, as well as providing tax and accounting services. Additionally, I was
20 involved with municipal electric, natural gas, water and waste water utility system operations
21 and accounting for approximately 8 years at the City of Mesa and the Town of Wickenburg,
22 Arizona. My experience includes being Chief Financial Officer of a construction company
23 and a real estate development company, as well as managing commercial and residential
24 construction projects. I have also been a Business Law instructor for the Lambers CPA
25 Review Course.

26

1 **Q. Have you previously testified as an expert witness?**

2 A. Yes. I have testified before the Kansas Corporation Commission in several electric and gas
3 utilities' rate cases, and regarding telecommunications issues. In addition, I have testified
4 before the Arizona Corporation Commission. I have also testified as an expert witness before
5 the Interstate Commerce Commission.

6
7 **Q. What is the scope of your testimony in this case?**

8 A. I am presenting Staff's testimony and schedules addressing rate design of the six water
9 systems included in this case.

10

11 **Q. What is the basis of your testimony in this case?**

12 A. A regulatory audit of the Company's application and records was performed by Staff. The
13 regulatory audit consisted of examining and testing financial information, accounting
14 records, and other supporting documentation and verifying that the accounting principles
15 applied were in accordance with the Commission adopted National Association of
16 Regulatory Utility Commissioners ("NARUC") Uniform System of Accounts ("USOA").

17

18 **RATE DESIGN**

19 *Agua Fria Water District*

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

22 A. Yes. A summary of the present, Company proposed, and Staff recommended rates and
23 service charges for the Agua Fria, Havasu, Mohave, Paradise Valley, Sun City West and
24 Tubac Districts, or water systems, are provided on Schedule MEM-1 for each district.

25

1 **Q. Would you please summarize the present rate design for the Agua Fria Water**
2 **District?**

3 A. The present monthly minimum charges by meter size are as follows: 5/8 x 3/4-inch \$10.45;
4 1-inch \$26.74; 1 1/2-inch \$55.90; 2-inch \$83.84; 3-inch \$164.02; 4-inch \$220.63; 6-inch
5 \$425.22. This district does not have 8-inch, 10-inch or 12-inch meters. No gallons are
6 included in the monthly minimum charge. The present residential commodity rate is
7 \$1.53 per thousand gallons for zero to 4,000 gallons, \$2.22 per thousand gallons for 4,001
8 to 13,000 gallons, and \$2.65 per thousand gallons for any consumption over 13,000
9 gallons. The present commercial commodity rate tiers vary by meter size, but are
10 generally \$2.22 per thousand gallons for the first tier, and \$2.65 per thousand gallons for
11 any consumption over the first tier.

12
13 The monthly charge for fire sprinkler service varies depending on meter size. There are
14 zero gallons included in the monthly minimum charge.

15
16 **Q. Would you please summarize the Company's proposed rate design for the Agua Fria**
17 **Water District?**

18 A. The Company's proposed monthly minimum charges by meter size are as follows: 5/8 x
19 3/4-inch \$15.00; 1-inch \$38.38; 1 1/2-inch \$80.24; 2-inch \$120.34; 3-inch \$235.44; 4-inch
20 \$316.99; 6-inch \$610.36. This district does not have 8-inch, 10-inch or 12-inch meters.
21 Zero gallons are included in the monthly minimum charge. The Company proposes a
22 residential commodity rate of \$2.926 per thousand gallons for zero to 4,000 gallons,
23 \$3.463 per thousand gallons for 4,001 to 13,000 gallons, and \$3.670 per thousand gallons
24 for any consumption over 13,000 gallons. The proposed commercial and industrial
25 commodity rate tiers vary by meter size, but are generally \$3.463 per thousand gallons for
26 the first tier, and \$3.670 per thousand gallons for any consumption over the first tier.

1 The proposed monthly charge for fire sprinkler service varies by meter size. There are
2 zero gallons included in the monthly minimum charge.

3
4 **Q. Would you please summarize Staff's recommended rate design for the Agua Fria**
5 **Water District?**

6 A. Yes. Staff recommends Staff's rates and charges presented on Schedule MEM-1. Briefly,
7 Staff's recommended monthly minimum charges by meter size are as follows: 5/8 x 3/4-
8 inch \$14.55; 1-inch \$36.38; 1 1/2-inch \$72.75; 2-inch \$116.40; 3-inch \$232.80; 4-inch
9 \$363.75; 6-inch \$727.50; 8-inch \$1,164.00; 10-inch \$1,673.25; and 12-inch \$3,128.25.
10 Zero gallons are included in the monthly minimum charge. Staff recommends an inverted
11 tier rate design that consists of three tiers for the residential commodity rate of \$2.02 per
12 thousand gallons for zero to 4,000 gallons, \$2.60 per thousand gallons for 4,001 to 13,000
13 gallons, and \$3.10 per thousand gallons for any consumption over 13,000 gallons. The
14 additional tier for the residential 5/8 x 3/4-inch meters is for the first 4,000 gallons, an
15 estimate of residential non-discretionary use. Except for the 4,000 gallon break-over point
16 for the non-discretionary tier, break-over points increase by meter size. Staff's
17 recommended commercial commodity rate tiers vary by meter size, but are generally
18 \$2.60 per thousand gallons for the first tier, and \$3.10 per thousand gallons for any
19 consumption over the first tier.

20
21 Efficiency in water use is encouraged by producing a higher customer bill with increased
22 consumption or use of a larger meter. A typical bill analysis for residential 5/8 x 3/4 inch
23 meter customers is provided in Schedule MEM-2.

24

1 **Q. What is the rate impact on a 5/8 x 3/4-inch meter residential customer using an**
2 **average consumption of 7,400 gallons?**

3 A. The average usage of residential 5/8 x 3/4-inch meter customers is 7,400 gallons per month.
4 The average residential 5/8 x 3/4-inch meter customer would experience a \$14.32 or 59.28
5 percent increase in his/her monthly bill from \$24.16 to \$38.38 under the Company's
6 proposed rates and a \$7.32 or 30.28 percent increase in his/her monthly bill from \$24.16
7 to \$31.47 under Staff's recommended rates. Please see Staff's Schedule MEM-2, typical
8 bill analysis for residential 5/8 x 3/4 inch meter customers.

9
10 ***Havasu Water District***

11 **Q. Would you please summarize the present rate design for the Havasu Water District?**

12 A. The present monthly minimum charges by meter size are as follows: 5/8 x 3/4-inch \$17.40;
13 1-inch \$29.84; 2-inch \$58.91; 3-inch \$80.15; 4-inch \$101.39. This district does not have
14 1 1/2-inch, 6-inch, 8-inch, 10-inch or 12-inch meters. No gallons are included in the
15 monthly minimum charge. The present residential commodity rate is \$1.68 per thousand
16 gallons for zero to 4,000 gallons, \$2.19 per thousand gallons for 4,001 to 13,000 gallons,
17 and \$2.50 per thousand gallons for any consumption over 13,000 gallons. The present
18 commercial commodity rate tiers vary by meter size, but are generally \$2.10 per thousand
19 gallons for the first tier, and \$2.50 per thousand gallons for any consumption over the first
20 tier.

21
22 **Q. Would you please summarize the Company's proposed rate design for the Havasu**
23 **Water District?**

24 A. The Company's proposed monthly minimum charges by meter size are as follows: 5/8 x
25 3/4-inch \$28.00; 1-inch \$48.18; 2-inch \$94.80; 3-inch \$128.98; 4-inch \$163.16. This
26 district does not have 1 1/2-inch, 6-inch, 8-inch, 10-inch or 12-inch meters. Zero gallons

1 are included in the monthly minimum charge. The Company proposes a residential
2 commodity rate of \$4.033 per thousand gallons for zero to 4,000 gallons, \$4.196 per
3 thousand gallons for 4,001 to 13,000 gallons, and \$4.555 per thousand gallons for any
4 consumption over 13,000 gallons. The proposed commercial commodity rate tiers vary by
5 meter size, but are generally \$4.196 per thousand gallons for the first tier, and \$4.555 per
6 thousand gallons for any consumption over the first tier.

7
8 **Q. Would you please summarize Staff's recommended rate design for the Havasu**
9 **Water District?**

10 A. Yes. Staff recommends Staff's rates and charges presented on Schedule MEM-1. Briefly,
11 Staff's recommended monthly minimum charges by meter size are as follows: 5/8 x 3/4-
12 inch \$24.54; 1-inch \$61.36; 1 1/2-inch \$122.71; 2-inch \$196.34; 3-inch \$392.68; 4-inch
13 \$613.57; 6-inch \$1,227.14; 8-inch \$1,963.42 10-inch \$2,822.41; and 12-inch \$5,276.68.
14 Zero gallons are included in the monthly minimum charge. Staff recommends an inverted
15 tier rate design that consists of three tiers for the residential commodity rate of \$2.37 per
16 thousand gallons for zero to 4,000 gallons, \$3.08 per thousand gallons for 4,001 to 13,000
17 gallons, and \$3.53 per thousand gallons for any consumption over 13,000 gallons. The
18 additional tier for the residential 5/8 x 3/4-inch meters is for the first 4,000 gallons, an
19 estimate of residential non-discretionary use. Except for the 4,000 gallon break-over point
20 for the non-discretionary tier, break-over points increase by meter size. Staff's
21 recommended commercial commodity rate tiers vary by meter size, but are generally
22 \$3.08 per thousand gallons for the first tier, and \$3.53 per thousand gallons for any
23 consumption over the first tier.

1 Efficiency in water use is encouraged by producing a higher customer bill with increased
2 consumption or use of a larger meter. A typical bill analysis for residential 5/8 x 3/4 inch
3 meter customers is provided in Schedule MEM-2.

4
5 **Q. What is the rate impact on a 5/8-inch x 3/4-inch meter residential customer using an**
6 **average consumption of 9,705 gallons?**

7 A. The average usage of residential 5/8 x 3/4-inch meter customers is 9,705 gallons per month.
8 The average residential 5/8 x 3/4-inch meter customer would experience a \$31.48 or 86.04
9 percent increase in his/her monthly bill from \$36.59 to \$68.07 under the Company's
10 proposed rates and a \$15.02 or 41.06 percent increase in his/her monthly bill from \$36.59
11 to \$51.61 under Staff's recommended rates. Please see Staff's Schedule MEM-2, typical
12 bill analysis for residential 5/8 x 3/4 inch meter customers.

13
14 ***Mohave Water District***

15 **Q. Would you please summarize the present rate design for the Mohave Water District?**

16 A. The present monthly minimum charges by meter size are as follows: 5/8 x 3/4-inch \$8.75;
17 1-inch \$21.25; 1 1/2-inch \$42.50; 2-inch \$68.00; 3-inch \$136.00; 4-inch \$215.00; 6-inch
18 \$425.00. In addition to these rates for the Bullhead system, the Havasu system has the
19 following monthly minimum charges: 2-inch \$39.68 and 4-inch \$68.64. This district does
20 not have 8-inch, 10-inch or 12-inch meters. No gallons are included in the monthly
21 minimum charge. The present residential commodity rate is \$0.85 per thousand gallons
22 for zero to 4,000 gallons, \$1.30 per thousand gallons for 4,001 to 13,000 gallons, and
23 \$1.50 per thousand gallons for any consumption over 13,000 gallons. The present
24 commercial commodity rate tiers vary by meter size, but are generally \$1.30 per thousand
25 gallons for the first tier, and \$1.50 per thousand gallons for any consumption over the first
26 tier for the Bullhead system. The present commercial commodity rate tiers for the Havasu

1 system are generally \$1.55 per thousand gallons for the first tier, and \$1.87 per thousand
2 gallons for any consumption over the first tier.

3
4 The monthly charge for fire sprinkler service varies depending on meter size. There are
5 zero gallons included in the monthly minimum charge.

6
7 **Q. Would you please summarize the Company's proposed rate design for the Mohave**
8 **Water District?**

9 A. The Company's proposed monthly minimum charges by meter size are as follows: 5/8 x
10 3/4-inch \$12.00; 1-inch \$29.14; 1 1/2-inch \$58.29; 2-inch \$93.26; 3-inch \$188.51; 4-inch
11 \$294.86; 6-inch \$582.86. In addition to these proposed rates for the Bullhead system, the
12 Havasu system has the following proposed monthly minimum charges: 2-inch \$54.69 and
13 4-inch \$94.13. This district does not have 8-inch, 10-inch or 12-inch meters. Zero gallons
14 are included in the monthly minimum charge. The Company proposes a residential
15 commodity rate of \$1.471 per thousand gallons for zero to 4,000 gallons, \$1.625 per
16 thousand gallons for 4,001 to 13,000 gallons, and \$1.744 per thousand gallons for any
17 consumption over 13,000 gallons. The proposed commercial commodity rate tiers vary by
18 meter size, but are generally \$1.625 per thousand gallons for the first tier, and \$1.744 per
19 thousand gallons for any consumption over the first tier for the Bullhead system. The
20 proposed commercial commodity rate tiers for the Havasu system are generally \$1.944 per
21 thousand gallons for the first tier, and \$2.174 per thousand gallons for any consumption
22 over the first tier.

23
24 The proposed monthly charge for fire sprinkler service varies by meter size. There are
25 zero gallons included in the monthly minimum charge.

26

1 **Q. Would you please summarize Staff's recommended rate design for the Mohave**
2 **Water District?**

3 A. Yes. Staff recommends Staff's rates and charges presented on Schedule MEM-1. Briefly,
4 Staff's recommended monthly minimum charges by meter size are as follows: 5/8 x 3/4-
5 inch \$9.10; 1-inch \$22.75; 1 1/2-inch \$45.60; 2-inch \$72.80; 3-inch \$145.60; 4-inch
6 \$227.50; 6-inch \$455.00; 8-inch \$728.00; 10-inch \$1,046.50; and 12-inch \$1,956.50. In
7 addition to these recommended rates for the Bullhead system, the Havasu system has the
8 following recommended monthly minimum charges: 2-inch \$41.52 and 4-inch \$71.45.
9 Zero gallons are included in the monthly minimum charge. Staff recommends an inverted
10 tier rate design that consists of three tiers for the residential commodity rate of \$0.90 per
11 thousand gallons for zero to 4,000 gallons, \$1.40 per thousand gallons for 4,001 to 13,000
12 gallons, and \$1.66 per thousand gallons for any consumption over 13,000 gallons. The
13 additional tier for the residential 5/8 x 3/4-inch meters is for the first 4,000 gallons, an
14 estimate of residential non-discretionary use. Except for the 4,000 gallon break-over point
15 for the non-discretionary tier, break-over points increase by meter size. Staff's
16 recommended commercial commodity rate tiers vary by meter size, but are generally
17 \$1.40 per thousand gallons for the first tier, and \$1.66 per thousand gallons for any
18 consumption over the first tier for the Bullhead system. The proposed commercial
19 commodity rate tiers for the Havasu system are generally \$1.60 per thousand gallons for
20 the first tier, and \$1.94 per thousand gallons for any consumption over the first tier.

21
22 Efficiency in water use is encouraged by producing a higher customer bill with increased
23 consumption or use of a larger meter. A typical bill analysis for residential 5/8 x 3/4 inch
24 meter customers is provided in Schedule MEM-2.
25

1 **Q. What is the rate impact on a 5/8 x 3/4-inch meter residential customer using an**
2 **average consumption of 8,073 gallons?**

3 A. The average usage of residential 5/8 x 3/4-inch meter customers is 8,073 gallons per month.
4 The average residential 5/8 x 3/4-inch meter customer would experience a \$7.06 or 40.46
5 percent increase in his/her monthly bill from \$17.44 to \$24.50 under the Company's
6 proposed rates and a \$0.96 or 5.49 percent increase in his/her monthly bill from \$17.44 to
7 \$18.40 under Staff's recommended rates. Please see Staff's Schedule MEM-2, typical bill
8 analysis for residential 5/8 x 3/4 inch meter customers.

9
10 ***Paradise Valley Water District***

11 **Q. Would you please summarize the present rate design for the Paradise Valley Water**
12 **District?**

13 A. The present monthly minimum charges by meter size are as follows: 5/8 x 3/4-inch \$24.34;
14 3/4-inch \$25.18; 1-inch \$40.60; 1 1/2-inch \$81.98; 2-inch \$130.65; 3-inch \$242.09; 4-inch
15 \$402.85; 6-inch \$806.97. This district does not have 8-inch, 10-inch or 12-inch meters.
16 No gallons are included in the monthly minimum charge. The present residential
17 commodity rate is \$1.213 per thousand gallons for zero to 25,000 gallons, \$2.103 per
18 thousand gallons for 25,001 to 80,000 gallons, and \$2.633 per thousand gallons for any
19 consumption over 80,000 gallons. The present commercial commodity rate tiers vary by
20 meter size, but are generally \$2.103 per thousand gallons for the first tier, and \$2.633 per
21 thousand gallons for any consumption over the first tier.

22
23 The monthly charge for fire sprinkler service varies depending on meter size. There are
24 zero gallons included in the monthly minimum charge.

25

1 **Q. Would you please summarize the Company's proposed rate design for the Paradise**
2 **Valley Water District?**

3 A. The Company's proposed monthly minimum charges by meter size are as follows: 5/8 x
4 3/4-inch \$28.00; 3/4-inch \$28.97; 1-inch \$46.71; 1 1/2-inch \$94.31; 2-inch \$150.30; 3-inch
5 \$278.49; 4-inch \$463.43; 6-inch \$928.31. This district does not have 8-inch, 10-inch or
6 12-inch meters. Zero gallons are included in the monthly minimum charge. The
7 Company proposes a residential commodity rate of \$1.288 per thousand gallons for zero
8 to 4,000 gallons, \$2.233 per thousand gallons for 4,001 to 20,000 gallons, \$2.796 per
9 thousand gallons for 20,001 to 65,000 gallons, \$3.359 per thousand gallons for 65,001 to
10 125,000 and \$3.879 per thousand gallons for any consumption over 125,000 gallons. The
11 proposed commercial commodity rate tiers vary by meter size, but are generally \$2.233
12 per thousand gallons for the first tier, and \$2.980 per thousand gallons for any
13 consumption over the first tier.

14
15 The proposed monthly charge for fire sprinkler service varies by meter size. There are
16 zero gallons included in the monthly minimum charge.

17
18 **Q. Would you please summarize Staff's recommended rate design for the Paradise**
19 **Valley Water District?**

20 A. Yes. Staff recommends Staff's rates and charges presented on Schedule MEM-1. Briefly,
21 Staff's recommended monthly minimum charges by meter size are as follows: 5/8 x 3/4-
22 inch \$28.00; 3/4-inch \$28.95; 1-inch \$55.00; 1 1/2-inch \$107.00; 2-inch \$170.00; 3-inch
23 \$293.00; 4-inch \$488.00; 6-inch \$976.00; 8-inch \$2,256.61; 10-inch \$3,243.88; and 12-
24 inch \$6,064.64. Zero gallons are included in the monthly minimum charge. Staff
25 recommends an inverted tier rate design that consists of three tiers for the residential
26 commodity rate of \$1.47 per thousand gallons for zero to 25,000 gallons, \$2.55 per

1 thousand gallons for 25,001 to 80,000 gallons, and \$3.12 per thousand gallons for any
2 consumption over 80,000 gallons. Staff's recommended commercial commodity rate tiers
3 vary by meter size, but are generally \$2.55 per thousand gallons for the first tier, and
4 \$3.12 per thousand gallons for any consumption over the first tier.

5
6 Efficiency in water use is encouraged by producing a higher customer bill with increased
7 consumption or use of a larger meter. Staff did not adopt the Company's proposed five
8 tier methodology because the increments between the tiers were not large enough to get
9 the customers' attention. A typical bill analysis for residential 5/8 x 3/4 inch meter
10 customers is provided in Schedule MEM-2.

11
12 **Q. What is the rate impact on a 5/8 x 3/4-inch meter residential customer using an**
13 **average consumption of 20,493 gallons?**

14 **A.** The average usage of residential 5/8 x 3/4-inch meter customers is 20,493 gallons per
15 month. The average residential 5/8 x 3/4-inch meter customer would experience a \$21.34
16 or 43.37 percent increase in his/her monthly bill from \$49.20 to \$70.54 under the
17 Company's proposed rates and a \$8.93 or 18.14 percent increase in his/her monthly bill
18 from \$49.20 to \$58.12 under Staff's recommended rates. Please see Staff's Schedule
19 MEM-2, typical bill analysis for residential 5/8 x 3/4 inch meter customers.

20
21 ***Sun City West Water District***

22 **Q. Would you please summarize the present rate design for the Sun City West Water**
23 **District?**

24 **A.** The present monthly minimum charges by meter size are as follows: 5/8 x 3/4-inch \$9.57;
25 1-inch \$24.40; 1 1/2-inch \$52.28; 2-inch \$76.68; 3-inch \$132.43; 4-inch \$196.90; 6-inch
26 \$270.08. This district does not have 3/4-inch, 8-inch, 10-inch or 12-inch meters. No

1 gallons are included in the monthly minimum charge. The present residential commodity
2 rate is \$1.31 per thousand gallons for zero to 4,000 gallons, \$1.74 per thousand gallons for
3 4,001 to 15,000 gallons, and \$2.01 per thousand gallons for any consumption over 15,000
4 gallons. The present commercial commodity rate tiers vary by meter size, but are
5 generally \$1.74 per thousand gallons for the first tier, and \$2.01 per thousand gallons for
6 any consumption over the first tier.

7
8 The monthly charge for fire sprinkler service varies depending on meter size. There are
9 zero gallons included in the monthly minimum charge.

10
11 **Q. Would you please summarize the Company's proposed rate design for the Sun City**
12 **West Water District?**

13 A. The Company's proposed monthly minimum charges by meter size are as follows: 5/8 x
14 3/4-inch \$15.00; 1-inch \$38.24; 1 1/2-inch \$81.94; 2-inch \$120.19; 3-inch \$207.57; 4-inch
15 \$308.62; 6-inch \$423.32. This district does not have 3/4-inch, 8-inch, 10-inch or 12-inch
16 meters. Zero gallons are included in the monthly minimum charge. The Company
17 proposes a residential commodity rate of \$2.880 per thousand gallons for zero to 4,000
18 gallons, \$3.171 per thousand gallons for 4,001 to 15,000 gallons, and \$3.413 per thousand
19 gallons for any consumption over 15,000 gallons. The proposed commercial commodity
20 rate tiers vary by meter size, but are generally \$3.171 per thousand gallons for the first
21 tier, and \$3.413 per thousand gallons for any consumption over the first tier.

22
23 The proposed monthly charge for fire sprinkler service varies by meter size. There are
24 zero gallons included in the monthly minimum charge.

25

1 **Q. Would you please summarize Staff's recommended rate design for the Sun City West**
2 **Water District?**

3 A. Yes. Staff recommends Staff's rates and charges presented on Schedule MEM-1. Briefly,
4 Staff's recommended monthly minimum charges by meter size are as follows: 5/8 x 3/4-
5 inch \$15.30; 1-inch \$38.25; 1 1/2-inch \$76.50; 2-inch \$122.40; 3-inch \$244.80; 4-inch
6 \$382.50; 6-inch \$765.00; 8-inch \$1224.00; 10-inch \$1,759.50; and 12-inch \$3,289.50.
7 This district does not have 3/4-inch meters. Zero gallons are included in the monthly
8 minimum charge. Staff recommends an inverted tier rate design that consists of three tiers
9 for the residential commodity rate of \$2.25 per thousand gallons for zero to 4,000 gallons,
10 \$2.85 per thousand gallons for 4,001 to 15,000 gallons, and \$3.40 per thousand gallons for
11 any consumption over 15,000 gallons. The additional tier for the residential 5/8 x 3/4-inch
12 meters is for the first 4,000 gallons, an estimate of residential non-discretionary use.
13 Except for the 4,000 gallon break-over point for the non-discretionary tier, break-over
14 points increase by meter size. Staff's recommended commercial commodity rate tiers
15 vary by meter size, but are generally \$2.85 per thousand gallons for the first tier, and
16 \$3.40 per thousand gallons for any consumption over the first tier.

17
18 Efficiency in water use is encouraged by producing a higher customer bill with increased
19 consumption or use of a larger meter. A typical bill analysis for residential 5/8 x 3/4 inch
20 meter customers is provided in Schedule MEM-2.

21
22 **Q. What is the rate impact on a 5/8 x 3/4-inch meter residential customer using an**
23 **average consumption of 6,704 gallons?**

24 A. The average usage of residential 5/8 x 3/4-inch meter customers is 6,704 gallons per month.
25 The average residential 5/8 x 3/4-inch meter customer would experience a \$15.58 or 79.83
26 percent increase in his/her monthly bill from \$19.51 to \$35.09 under the Company's

1 proposed rates and a \$12.49 or 64.01 percent increase in his/her monthly bill from \$19.51
2 to \$32.01 under Staff's recommended rates. Please see Staff's Schedule MEM-2, typical
3 bill analysis for residential 5/8 x 3/4 inch meter customers.
4

5 ***Tubac Water District***

6 **Q. Would you please summarize the present rate design for the Tubac Water District?**

7 A. The present monthly minimum charges by meter size are as follows: 5/8 x 3/4-inch \$19.68;
8 1-inch \$29.63; 1 1/2-inch \$59.26; 2-inch \$97.49; 3-inch \$115.65. This district does not
9 have 3/4-inch meters nor 4-inch through 12-inch meters. No gallons are included in the
10 monthly minimum charge. The present residential commodity rate is \$1.89 per thousand
11 gallons for zero to 4,000 gallons, \$2.85 per thousand gallons for 4,001 to 20,000 gallons,
12 and \$3.41 per thousand gallons for any consumption over 20,000 gallons. The present
13 commercial commodity rate tiers vary by meter size, but are generally \$2.85 per thousand
14 gallons for the first tier, and \$3.41 per thousand gallons for any consumption over the first
15 tier.
16

17 **Q. Would you please summarize the Company's proposed rate design for the Tubac**
18 **Water District?**

19 A. The Company's proposed monthly minimum charges by meter size are as follows: 5/8 x
20 3/4-inch \$32.50; 1-inch \$48.63; 1 1/2-inch \$97.86; 2-inch \$161.00; 3-inch \$190.99. This
21 district does not have 3/4-inch meters nor 4-inch through 12-inch meters. Zero gallons are
22 included in the monthly minimum charge. The Company proposes a residential
23 commodity rate of \$3.780 per thousand gallons for zero to 4,000 gallons, \$4.850 per
24 thousand gallons for 4,001 to 20,000 gallons, and \$4.950 per thousand gallons for any
25 consumption over 20,000 gallons. The proposed commercial commodity rate tiers vary by

1 meter size, but are generally \$4.850 per thousand gallons for the first tier, and \$4.950 per
2 thousand gallons for any consumption over the first tier.

3
4 **Q. Would you please summarize Staff's recommended rate design for the Tubac Water**
5 **District?**

6 A. Yes. Staff recommends Staff's rates and charges presented on Schedule MEM-1. Briefly,
7 Staff's recommended monthly minimum charges by meter size are as follows: 5/8 x 3/4-
8 inch \$28.73; 1-inch \$71.83; 1 1/2-inch \$143.66; 2-inch \$229.86; 3-inch \$459.72; 4-inch
9 \$718.32; 6-inch \$1,436.64; 8-inch \$2,298.62; 10-inch \$3,304.27; and 12-inch \$6,177.55.
10 This district does not have 3/4-inch meters. Zero gallons are included in the monthly
11 minimum charge. Staff recommends an inverted tier rate design that consists of three tiers
12 for the residential commodity rate of \$2.76 per thousand gallons for zero to 4,000 gallons,
13 \$3.90 per thousand gallons for 4,001 to 20,000 gallons, and \$4.98 per thousand gallons for
14 any consumption over 20,000 gallons. The additional tier for the residential 5/8 x 3/4-inch
15 meters is for the first 4,000 gallons, an estimate of residential non-discretionary use.
16 Except for the 4,000 gallon break-over point for the non-discretionary tier, break-over
17 points increase by meter size. Staff's recommended commercial commodity rate tiers
18 vary by meter size, but are generally \$3.90 per thousand gallons for the first tier, and
19 \$4.98 per thousand gallons for any consumption over the first tier.

20
21 Efficiency in water use is encouraged by producing a higher customer bill with increased
22 consumption or use of a larger meter. A typical bill analysis for residential 5/8 x 3/4 inch
23 meter customers is provided in Schedule MEM-2.
24

1 **Q. What is the rate impact on a 5/8 x 3/4-inch meter residential customer using an**
2 **average consumption of 11,797 gallons?**

3 A. The average usage of residential 5/8 x 3/4-inch meter customers is 11,797 gallons per
4 month. The average residential 5/8 x 3/4-inch meter customer would experience a \$35.97
5 or 72.73 percent increase in his/her monthly bill from \$49.46 to \$85.44 under the
6 Company's proposed rates and a \$20.73 or 41.90 percent increase in his/her monthly bill
7 from \$49.46 to \$70.19 under Staff's recommended rates. Please see Staff's Schedule
8 MEM-2, typical bill analysis for residential 5/8 x 3/4 inch meter customers.

9
10 **Q. Does this conclude your direct testimony?**

11 A. Yes, it does.

RATE DESIGN

Line No.		Present Rates	Company Proposed	Staff Recommended	
1	<u>Monthly Minimum</u>				
2	5/8 x 3/4-inch Meter	\$ 10.45	\$ 15.00	\$ 14.55	
3	1-inch Meter	\$ 26.74	\$ 38.38	\$ 36.38	
4	1 1/2-inch Meter	\$ 55.90	\$ 80.24	\$ 72.75	
5	2-inch Meter	\$ 83.84	\$ 120.34	\$ 116.40	
6	3-inch Meter	\$ 164.02	\$ 235.44	\$ 232.80	
7	4-inch Meter	\$ 220.63	\$ 316.69	\$ 363.75	
8	6-inch Meter	\$ 425.22	\$ 610.36	\$ 727.50	
9	8-inch Meter	N/A	N/A	\$ 1,164.00	
10	10-inch Meter	N/A	N/A	\$ 1,673.25	
11	12-inch Meter	N/A	N/A	\$ 3,128.25	
12					
13	Other Public Entities - State Prison	\$ 191.75	\$ 275.24	\$ 222.43	
14					
15	<u>Monthly Service Charge for Fire Sprinkler</u>				
16	4-inch Meter	\$ 27.25	\$ 49.60	\$ 31.64	
17	6-inch Meter	\$ 40.86	\$ 74.37	\$ 47.40	
18	8-inch Meter	\$ 54.48	\$ 99.15	\$ 63.20	
19	12-inch Meter	\$ 163.44	\$ 297.48	\$ 189.59	
20					
21					
22	<u>Gallons in the Minimum</u>				
23					
24					
25	<u>Commodity Rates</u>		<u>Per 1,000 Gallons</u>		
26	<u>(Residential, Commercial, Industrial)</u>				
27		<u>Block</u>			
28	5/8 x 3/4-inch Meter Residential	0 - 4,000 Gallons	\$ 1.53	\$ 2.926	\$ 2.02
29		4,001 - 13,000 Gallons	\$ 2.22	\$ 3.463	\$ 2.60
30		Over 13,000 Gallons	\$ 2.65	\$ 3.670	\$ 3.10
31					
32	5/8 x 3/4-inch Meter Commercial	0 to 13,000 Gallons	\$ 2.22	\$ 3.463	\$ 2.60
33		Over 13,000 Gallons	\$ 2.65	\$ 3.670	\$ 3.10
34					
35	1-inch Meter:	0 to 45,000 Gallons	\$ 2.22	\$ 3.463	\$ 2.60
36		Over 45,000 Gallons	\$ 2.65	\$ 3.670	\$ 3.10
37					
38	1 1/2-inch Meter:	0 to 100,000 Gallons	\$ 2.22	\$ 3.463	\$ 2.60
39		Over 100,000 Gallons	\$ 2.65	\$ 3.670	\$ 3.10
40					
41	2-inch Meter	0 to 150,000 Gallons	\$ 2.22	\$ 3.463	\$ 2.60
42		Over 150,000 Gallons	\$ 2.65	\$ 3.670	\$ 3.10
43					
44	3-inch Meter	0 to 300,000 Gallons	\$ 2.22	\$ 3.463	\$ 2.60
45		Over 300,000 Gallons	\$ 2.65	\$ 3.670	\$ 3.10
46					
47	4-inch Meter	0 to 400,000 Gallons	\$ 2.22	\$ 3.463	\$ 2.60
48		Over 400,000 Gallons	\$ 2.65	\$ 3.670	\$ 3.10
49					
50	6-inch Meter	0 to 800,000 Gallons	\$ 2.22	\$ 3.463	\$ 2.60
51		Over 800,000 Gallons	\$ 2.65	\$ 3.670	\$ 3.10
52					
53	8-inch Meter	0 to 1,125,000 Gallons	\$ 2.22	\$ 3.463	\$ 2.60
54		Over 1,125,000 Gallons	\$ 2.65	\$ 3.670	\$ 3.10
55					
56	10-inch Meter	0 to 1,500,000 Gallons	\$ 2.22	\$ 3.463	\$ 2.60
57		Over 1,500,000 Gallons	\$ 2.65	\$ 3.670	\$ 3.10
58					
59	12-inch Meter	0 to 2,250,000 Gallons	\$ 2.22	\$ 3.463	\$ 2.60
60		Over 2,250,000 Gallons	\$ 2.65	\$ 3.670	\$ 3.10
61					
62	Arizona Water Contract	0 to 8,000 Gallons	\$ 1.78	\$ 2.926	\$ 2.02
63		Over 8,000 Gallons	\$ 2.24	\$ 3.463	\$ 2.60
64					
65	Other Public Entities - State Prison	All Gallons	\$ 1.93	\$ 3.463	\$ 2.24
66					
67	OWU - PI Surprise	All Gallons	\$ 1.00	\$ 1.00	\$ 1.20
68					
69	<u>Private Fire Service</u>	All Gallons	\$ 1.38	\$ 1.38	\$ 1.38
70					
71	<u>Irrigation/Bulk - Raw</u>	All Gallons	\$ 0.50	\$ 1.000	\$ 2.60
72					
73	<u>Irrigation - Non Potable</u>	All Gallons	\$ 0.62	\$ 1.240	\$ 2.60
74					
75					

	Present Rates	Company Proposed	Staff Recommended
76 Service Charges			
77 Establishment Re-establishment and/reconnection of Service:			
78 Regular Hours	\$ 30.00	\$ 30.00	\$ 30.00
79 After Hours	\$ 40.00	\$ 40.00	\$ 40.00
80 Water Meter Test (If Correct)	\$ 10.00	\$ 81.00	\$ 81.00
81 Meter Re-Read (If Correct)	\$ 5.00	\$ 5.00	\$ 5.00
82 NSF Check Charge	\$ 10.00	\$ 10.00	\$ 10.00
83 Late Fee Charge	1.5% Per Mon	1.5% Per Mont	1.5% Per Month
84 Deferred Payment Finance Charge	N/A	N/A	N/A
85 Deposit Requirements Residential	**	**	**
86 Deposit Requirements Non-Residential	**	**	**
87 Deposit Interest	***	***	***
88			
89 ** Residential - two times the average bill. Non-residential - two and one-half times the estimated maximum bill.			
90			
91 *** Interest per [Per ACC Rule 14-2-403(B)]			
92			
93			
94			
95			
96			
97			
98			
99			

	Present Service Line Charge	Present Meter Installation Charge	Total Present Charge	Company Proposed Service Line Charge	Company Proposed Meter Installation Charge	Company Total Proposed Charge	Staff Recommended Service Line Charge	Staff Recommended Meter Installation Charge	Staff Total Recommended Charge
100 Meter and Service Line Installation Charges									
101 5/8 x 3/4-inch Meter	\$ 370.00	\$ 130.00	\$ 500.00	Actual Cost	Actual Cost	Actual Cost	\$ 445.00	\$ 155.00	\$ 600.00
102 3/4-inch Meter	\$ 370.00	\$ 205.00	\$ 575.00	Actual Cost	Actual Cost	Actual Cost	\$ 445.00	\$ 255.00	\$ 700.00
103 1-inch Meter	\$ 420.00	\$ 240.00	\$ 660.00	Actual Cost	Actual Cost	Actual Cost	\$ 495.00	\$ 315.00	\$ 810.00
104 1 1/2-inch Meter	\$ 450.00	\$ 450.00	\$ 900.00	Actual Cost	Actual Cost	Actual Cost	\$ 550.00	\$ 525.00	\$ 1,075.00
105 2-inch Turbine Meter	\$ 580.00	\$ 945.00	\$ 1,525.00	Actual Cost	Actual Cost	Actual Cost	\$ 830.00	\$ 1,045.00	\$ 1,875.00
106 2-inch Compound Meter	\$ 580.00	\$ 1,640.00	\$ 2,220.00	Actual Cost	Actual Cost	Actual Cost	\$ 830.00	\$ 1,890.00	\$ 2,720.00
107 3-inch Turbine Meter	\$ 745.00	\$ 1,420.00	\$ 2,165.00	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
108 3-inch Compound Meter	\$ 785.00	\$ 2,195.00	\$ 2,980.00	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
109 4-inch Turbine Meter	\$ 1,090.00	\$ 2,270.00	\$ 3,360.00	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
110 4-inch Compound Meter	\$ 1,120.00	\$ 3,145.00	\$ 4,265.00	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
111 6-inch Turbine Meter	\$ 1,610.00	\$ 4,425.00	\$ 6,035.00	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
112 6-inch Compound Meter	\$ 1,630.00	\$ 6,120.00	\$ 7,750.00	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
113 8-inch or Larger	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
114									

115 An applicant for water service shall pay to the Company, as a refundable advance in aid of construction the full cost to provide the new service line and meter.

116 IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM IT CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE TAX. PER COMMISSION RULE 14-2-009(D)(5).

117
 118 ALL ADVANCES AND/OR CONTRIBUTIONS ARE TO INCLUDE LABOR, MATERIALS, OVERHEADS, AND ALL APPLICABLE TAXES, INCLUDING ALL GROSS-UP TAXES FOR INCOME TAXES, IF APPLICABLE.

121

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	7,400	\$ 24.16	\$ 38.48	\$ 14.32	59.28%
Median Usage	N/A				
Staff Recommended					
Average Usage	7,400	\$ 24.16	\$ 31.47	\$ 7.32	30.28%
Median Usage	N/A				

Present & Proposed Rates (Without Taxes)
 General Service 5/8 x 3/4-Inch Meter

Gallons	Present Rates	Company Proposed Rates	% Increase	Staff Recommended Rates	% Increase
Consumption	\$ 10.45	\$ 15.00	43.54%	\$ 14.55	39.23%
1,000	11.99	17.93	49.51%	16.57	38.17%
2,000	13.53	20.85	54.12%	18.58	37.35%
3,000	15.07	23.78	57.78%	20.60	36.69%
4,000	16.61	26.70	60.77%	22.61	36.18%
5,000	18.83	30.17	60.21%	25.22	33.94%
6,000	21.05	33.63	59.76%	27.82	32.19%
7,000	23.27	37.09	59.40%	30.43	30.78%
8,000	25.49	40.55	59.11%	33.03	29.61%
9,000	27.71	44.02	58.86%	35.64	28.62%
7,400	24.16	38.48	59.28%	31.47	30.28%
10,000	29.93	47.48	58.65%	38.24	27.79%
11,000	32.15	50.94	58.46%	40.85	27.07%
12,000	34.37	54.41	58.30%	43.45	26.44%
13,000	36.59	57.87	58.17%	46.06	25.89%
14,000	39.23	61.54	58.85%	49.16	25.30%
15,000	41.88	65.21	55.70%	52.26	24.78%
16,000	44.53	68.88	54.69%	55.38	24.33%
17,000	47.17	72.55	53.79%	58.46	23.92%
18,000	49.82	76.22	52.98%	61.56	23.58%
19,000	52.47	79.89	52.26%	64.66	23.24%
20,000	55.12	83.56	51.61%	67.76	22.95%
25,000	68.35	101.91	49.10%	83.26	21.82%
30,000	81.58	120.26	47.40%	98.76	21.06%
35,000	94.82	138.60	46.18%	114.27	20.51%
40,000	108.05	156.95	45.26%	129.77	20.10%
45,000	121.29	175.30	44.54%	145.27	19.77%
50,000	134.52	193.65	43.96%	160.77	19.51%
75,000	200.69	285.40	42.21%	238.28	18.73%
100,000	266.86	377.14	41.33%	315.78	18.33%

RATE DESIGN

Line No.		Present Rates	Company Proposed	Staff Recommended
1	<u>Monthly Minimum</u>			
2	5/8 x 3/4-inch Meter	\$ 17.40	\$ 28.00	\$ 24.54
3	1-inch Meter	\$ 29.84	\$ 48.18	\$ 61.36
4	1 1/2-inch Meter	N/A	N/A	\$ 122.71
5	2-inch Meter	\$ 58.91	\$ 94.80	\$ 196.34
6	3-inch Meter	\$ 80.15	\$ 128.98	\$ 392.68
7	4-inch Meter	\$ 101.39	\$ 163.16	\$ 613.57
8	6-inch Meter	N/A	N/A	\$ 1,227.14
9	8-inch Meter	N/A	N/A	\$ 1,963.42
10	10-inch Meter	N/A	N/A	\$ 2,822.41
11	12-inch Meter	N/A	N/A	\$ 5,276.68
12				
13	6-inch, or smaller, Meter for Apartments, RV Parks and Resorts	\$ 8.70	\$ 14.00	\$ 13.00
14				
15				
16	<u>Gallons in the Minimum</u>			
17				
18				
19	<u>Commodity Rates</u>			
20	<u>(Residential and Commercial)</u>			
21				
			<u>Per 1,000 Gallons</u>	
22	5/8 x 3/4-inch Meter Residential			
23				
24				
25				
26	5/8 x 3/4-inch Meter Commercial and Indus			
27				
28				
29	1-inch Meter:			
30				
31				
32	1 1/2-inch Meter:			
33				
34				
35	2-inch Meter			
36				
37				
38	3-inch Meter			
39				
40				
41	4-inch Meter			
42				
43				
44	6-inch Meter			
45				
46				
47	8-inch Meter			
48				
49				
50	10-inch Meter			
51				
52				
53	12-inch Meter			
54				
55				
56				

	Present Rates	Company Proposed	Staff Recommended
57 Service Charges			
58 Establishment Re-establishment and/or reconnection of Service:			
59 Regular Hours	\$ 25.00	\$ 25.00	\$ 25.00
60 After Hours	\$ 34.00	\$ 34.00	\$ 34.00
61 Water Meter Test (If Correct)	\$ 10.00	\$ 10.00	\$ 10.00
62 Meter Re-Read (If Correct)	\$ 5.00	\$ 5.00	\$ 5.00
63 NSF Check Charge	\$ 10.00	\$ 10.00	\$ 25.00
64 Late Fee Charge	N/A	N/A	1.5% Per Month
65 Deferred Payment Finance Charge	N/A	N/A	1.5% Per Month
66 Deposit Requirements Residential	**	**	**
67 Deposit Requirements Non-Residential	**	**	**
68 Deposit Interest	***	***	***

70
71 ** Residential - two times the average bill. Non-residential - two and one-half times the estimated maximum bill.

72
73 *** Interest per [Per ACC Rule 14-2-403(B)]

	Present Service Line Charge	Present Meter Installation Charge	Total Present Charge	Proposed Service Line Charge	Proposed Meter Installation Charge	(a) Total Proposed Charge	Staff Proposed Service Line Charge	Staff Proposed Meter Installation Charge	Staff Total Proposed Charge
74 Meter and Service Line Installation Charges									
75 5/8 x 3/4-inch Meter	\$ 370.00	\$ 130.00	\$ 500.00	Actual Cost	Actual Cost	Actual Cost	\$ 445.00	\$ 155.00	\$ 600.00
76 3/4-inch Meter	\$ 370.00	\$ 205.00	\$ 575.00	Actual Cost	Actual Cost	Actual Cost	\$ 445.00	\$ 255.00	\$ 700.00
77 1-inch Meter	\$ 420.00	\$ 240.00	\$ 660.00	Actual Cost	Actual Cost	Actual Cost	\$ 495.00	\$ 315.00	\$ 810.00
78 1 1/2-inch Meter	\$ 450.00	\$ 450.00	\$ 900.00	Actual Cost	Actual Cost	Actual Cost	\$ 550.00	\$ 525.00	\$ 1,075.00
79 2-inch Turbine Meter	\$ 580.00	\$ 945.00	\$ 1,525.00	Actual Cost	Actual Cost	Actual Cost	\$ 830.00	\$ 1,045.00	\$ 1,875.00
80 2-inch Compound Meter	\$ 580.00	\$ 1,640.00	\$ 2,220.00	Actual Cost	Actual Cost	Actual Cost	\$ 830.00	\$ 1,890.00	\$ 2,720.00
81 3-inch Turbine Meter	\$ 745.00	\$ 1,420.00	\$ 2,165.00	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
82 3-inch Compound Meter	\$ 465.00	\$ 2,195.00	\$ 2,660.00	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
83 4-inch Turbine Meter	\$ 1,090.00	\$ 2,270.00	\$ 3,360.00	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
84 4-inch Compound Meter	\$ 1,120.00	\$ 3,145.00	\$ 4,265.00	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
85 6-inch Turbine Meter	\$ 1,610.00	\$ 4,425.00	\$ 6,035.00	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
86 6-inch Compound Meter	\$ 1,630.00	\$ 6,120.00	\$ 7,750.00	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
87 8-inch or Larger	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost

88 An applicant for water service shall pay to the Company, as a refundable advance in aid of construction the full cost to provide the new service line and meter.

89
90 IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM IT CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE TAX. PER COMMISSION RULE 14-2-409D(5).

91
92 ALL ADVANCES AND/OR CONTRIBUTIONS ARE TO INCLUDE LABOR, MATERIALS, OVERHEADS, AND ALL APPLICABLE TAXES, INCLUDING

93
94 ALL GROSS-UP TAXES FOR INCOME TAXES, IF APPLICABLE.

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	9,705	\$ 36.59	\$ 68.07	\$ 31.48	86.04%
Median Usage	N/A				
Staff Recommended					
Average Usage	9,705	\$ 36.59	\$ 51.61	\$ 15.02	41.06%
Median Usage	N/A				

Present & Proposed Rates (Without Taxes)
 General Service 5/8 x 3/4-Inch Meter

Gallons	Present Rates	Company Proposed Rates	% Increase	Staff Recommended Rates	% Increase
Consumption					
-	\$ 17.40	\$ 28.00	60.92%	\$ 24.54	41.05%
1,000	19.08	32.03	67.88%	26.91	41.05%
2,000	20.76	36.07	73.72%	29.28	41.05%
3,000	22.44	40.10	78.68%	31.65	41.05%
4,000	24.12	44.13	82.95%	34.02	41.05%
5,000	26.31	48.33	83.71%	37.11	41.05%
6,000	28.49	52.52	84.34%	40.19	41.05%
7,000	30.68	56.72	84.89%	43.27	41.05%
8,000	32.86	60.91	85.36%	46.35	41.05%
9,000	35.05	65.11	85.77%	49.44	41.06%
9,705	36.59	68.07	86.04%	51.61	41.06%
10,000	37.23	69.30	86.14%	52.52	41.06%
11,000	39.42	73.50	86.46%	55.60	41.06%
12,000	41.60	77.69	86.76%	58.68	41.06%
13,000	43.79	81.89	87.02%	61.77	41.06%
14,000	46.29	86.45	86.76%	65.29	41.06%
15,000	48.79	91.00	86.52%	68.82	41.06%
16,000	51.29	95.56	86.31%	72.35	41.06%
17,000	53.79	100.11	86.12%	75.87	41.06%
18,000	56.29	104.67	85.95%	79.40	41.06%
19,000	58.79	109.22	85.79%	82.93	41.06%
20,000	61.29	113.78	85.64%	86.45	41.06%
25,000	73.79	136.56	85.06%	104.09	41.06%
30,000	86.29	159.33	84.65%	121.72	41.06%
35,000	98.79	182.11	84.34%	139.35	41.06%
40,000	111.29	204.89	84.10%	156.98	41.06%
45,000	123.79	227.66	83.90%	174.62	41.06%
50,000	136.30	250.44	83.75%	192.26	41.06%
75,000	198.80	364.33	83.26%	280.43	41.06%
100,000	261.31	478.21	83.01%	368.60	41.06%

RATE DESIGN

Line No.	Monthly Minimum	System	Present	Company	Staff
			Rates	Proposed	Recommended
1	5/8 x 3/4-inch Meter	Bullhead	\$ 8.75	\$ 12.00	\$ 9.10
2	1-inch Meter	Bullhead	\$ 21.25	\$ 29.14	\$ 22.75
3	1 1/2-inch Meter	Bullhead	\$ 42.50	\$ 58.29	\$ 45.50
4	2-inch Meter	Bullhead	\$ 68.00	\$ 93.26	\$ 72.80
5	2-inch Meter	Havasu	\$ 39.68	\$ 54.69	\$ 41.52
5	3-inch Meter	Bullhead	\$ 136.00	\$ 188.51	\$ 145.60
6	4-inch Meter	Bullhead	\$ 215.00	\$ 294.86	\$ 227.50
7	4-inch Meter	Havasu	\$ 68.64	\$ 94.13	\$ 71.45
8	6-inch Meter	Bullhead	\$ 425.00	\$ 582.86	\$ 455.00
9	8-inch Meter	Bullhead	N/A	N/A	\$ 728.00
10	10-inch Meter	Bullhead	N/A	N/A	\$ 1,046.50
11	12-inch Meter	Bullhead	N/A	N/A	\$ 1,956.50
12					
13					
14	<u>Monthly Service Charge for Fire Sprinkler</u>				
15	2-inch Meter No Usage		\$ 3.23	\$ 9.69	\$ 3.36
16	4-inch Meter No Usage		\$ 6.45	\$ 19.35	\$ 6.71
17	6-inch Meter No Usage		\$ 9.68	\$ 29.04	\$ 10.08
18	8-inch Meter No Usage		\$ 12.91	\$ 38.76	\$ 13.49
19	10-inch Meter No Usage		\$ 16.13	\$ 48.39	\$ 16.79
20	Hydrant No Usage		\$ 8.22	\$ 24.66	\$ 8.56
21					
22					
23	<u>Gallons in the Minimum</u>				
24					
25					
26	<u>Commodity Rates</u>				
27	(Residential, Commercial, Industrial)	Block		Per 1,000 Gallons	
28					
29	5/8 x 3/4-inch Meter Residential	0 - 4,000 Gallons	\$ 0.85	\$ 1.471	\$ 0.90
30		4,001 -10,000 Gallons	\$ 1.30	\$ 1.625	\$ 1.40
31		Over 10,000 Gallons	\$ 1.50	\$ 1.744	\$ 1.66
32					
33	5/8 x 3/4-inch Meter - Apartment	0 to 10,000 Gallons	\$ 1.30	\$ 1.625	\$ 1.40
34		Over 10,000 Gallons	\$ 1.50	\$ 1.744	\$ 1.66
35					
36					
37	1-inch Meter:	0 to 25,000 Gallons	\$ 1.30	\$ 1.625	\$ 1.40
38		Over 25,000 Gallons	\$ 1.50	\$ 1.744	\$ 1.66
39					
40	1 1/2-inch Meter:	0 to 50,000 Gallons	\$ 1.30	\$ 1.625	\$ 1.40
41		Over 50,000 Gallons	\$ 1.50	\$ 1.744	\$ 1.66
42					
43	2-inch Meter - Havasu	0 to 60,000 Gallons	\$ 1.55	\$ 1.944	\$ 1.60
44		Over 60,000 Gallons	\$ 1.87	\$ 2.174	\$ 1.94
45					
46	2-inch Meter	0 to 80,000 Gallons	\$ 1.30	\$ 1.625	\$ 1.40
47		Over 80,000 Gallons	\$ 1.50	\$ 1.744	\$ 1.66
48					
49	3-inch Meter	0 to 150,000 Gallons	\$ 1.30	\$ 1.625	\$ 1.40
50		Over 150,000 Gallons	\$ 1.50	\$ 1.744	\$ 1.66
51					
52	4-inch Meter - Havasu	0 to 110,000 Gallons	\$ 1.55	\$ 1.944	\$ 1.60
53		Over 110,000 Gallons	\$ 1.87	\$ 2.174	\$ 1.94
54					
55	4-inch Meter	0 to 250,000 Gallons	\$ 1.30	\$ 1.625	\$ 1.40
56		Over 250,000 Gallons	\$ 1.50	\$ 1.744	\$ 1.66
57					
58	6-inch Meter	0 to 500,000 Gallons	\$ 1.30	\$ 1.625	\$ 1.40
59		Over 500,000 Gallons	\$ 1.50	\$ 1.744	\$ 1.66
60					
61	8-inch Meter	0 to 1,125,000 Gallons	N/A	N/A	\$ 1.40
62		Over 1,125,000 Gallons	N/A	N/A	\$ 1.66
63					
64	10-inch Meter	0 to 1,500,000 Gallons	N/A	N/A	\$ 1.40
65		Over 1,500,000 Gallons	N/A	N/A	\$ 1.66
66					
67	12-inch Meter	0 to 2,250,000 Gallons	N/A	N/A	\$ 1.40
68		Over 2,250,000 Gallons	N/A	N/A	\$ 1.66
69					
70	Other Public Authorities - Monthly base charge per above meter size	All Usage	\$ 1.355	\$ 1.694	\$ 1.40

	Present Rates	Company Proposed	Staff Recommended
67			
68 Service Charges			
69 Establishment or re-establishment of Service:			
70 Including Sewer Service	\$ 25.00	\$ 25.00	\$ 25.00
71 No Including Sewer Service	\$ 20.00	\$ 20.00	\$ 20.00
72 Reconnection of Service (Delinquent):			
73 Regular Hours	\$ 25.00	\$ 35.00	\$ 35.00
74 After Hours	\$ 40.00	\$ 50.00	\$ 50.00
75 Water Meter Test (If Correct)	\$ 25.00	\$ 35.00	\$ 35.00
76 Meter Re-Read (If Correct)	\$ 25.00	\$ 25.00	\$ 25.00
77 NSF Check Charge	\$ 25.00	\$ 25.00	\$ 25.00
78 Late Fee Charge	N/A	N/A	1.5% Per Month
79 Deferred Payment Finance Charge	N/A	N/A	1.5% Per Month
80 Deposit Requirements Residential	N/A	N/A	*
81 Deposit Requirements Non-Residential	N/A	N/A	*
82 Deposit Interest	N/A	N/A	**

* Residential - two times the average bill. Non-residential - two and one-half times the estimated maximum bill.

** Interest per [Per ACC Rule 14-2-403(B)]

	Present Service Line Charge	Present Meter Installation Charge	Total Present Charge	Proposed Service Line Charge	Proposed Meter Installation Charge	(a) Total Proposed Charge	Staff Proposed Service Line Charge	Proposed Meter Installation Charge	Staff Total Proposed Charge
83									
84									
85									
86									
87									
88									
89									
90									
91									
92 Meter and Service Line Installation Charges									
93 5/8 x 3/4-inch Meter	\$ 370.00	\$ 130.00	\$ 500.00	\$ 370.00	\$ 130.00	\$ 500.00	\$ 370.00	\$ 130.00	\$ 500.00
94 3/4-inch Meter	\$ 370.00	\$ 205.00	\$ 575.00	\$ 370.00	\$ 205.00	\$ 575.00	\$ 370.00	\$ 205.00	\$ 575.00
95 1-inch Meter	\$ 420.00	\$ 240.00	\$ 660.00	\$ 420.00	\$ 240.00	\$ 660.00	\$ 420.00	\$ 240.00	\$ 660.00
96 1 1/2-inch Meter	\$ 450.00	\$ 450.00	\$ 900.00	\$ 450.00	\$ 450.00	\$ 900.00	\$ 450.00	\$ 450.00	\$ 900.00
97 2-inch Turbine Meter	\$ 580.00	\$ 945.00	\$ 1,525.00	\$ 580.00	\$ 945.00	\$ 1,525.00	\$ 580.00	\$ 945.00	\$ 1,525.00
98 2-inch Compound Meter	\$ 580.00	\$ 1,640.00	\$ 2,220.00	\$ 580.00	\$ 1,640.00	\$ 2,220.00	\$ 580.00	\$ 1,640.00	\$ 2,220.00
99 3-inch Turbine Meter	\$ 745.00	\$ 1,420.00	\$ 2,165.00	\$ 745.00	\$ 1,420.00	\$ 2,165.00	\$ 745.00	\$ 1,420.00	\$ 2,165.00
100 3-inch Compound Meter	\$ 465.00	\$ 2,195.00	\$ 2,660.00	\$ 465.00	\$ 2,195.00	\$ 2,660.00	\$ 465.00	\$ 2,195.00	\$ 2,660.00
101 4-inch Turbine Meter	\$ 1,090.00	\$ 2,270.00	\$ 3,360.00	\$ 1,090.00	\$ 2,270.00	\$ 3,360.00	\$ 1,090.00	\$ 2,270.00	\$ 3,360.00
102 4-inch Compound Meter	\$ 1,120.00	\$ 3,145.00	\$ 4,265.00	\$ 1,120.00	\$ 3,145.00	\$ 4,265.00	\$ 1,120.00	\$ 3,145.00	\$ 4,265.00
103 6-inch Turbine Meter	\$ 1,610.00	\$ 4,425.00	\$ 6,035.00	\$ 1,610.00	\$ 4,425.00	\$ 6,035.00	\$ 1,610.00	\$ 4,425.00	\$ 6,035.00
104 6-inch Compound Meter	\$ 1,630.00	\$ 6,120.00	\$ 7,750.00	\$ 1,630.00	\$ 6,120.00	\$ 7,750.00	\$ 1,630.00	\$ 6,120.00	\$ 7,750.00
105 8-inch or Larger	N/A	N/A	N/A	N/A	N/A	N/A	Actual Cost	Actual Cost	Actual Cost

106
107 IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM IT CUSTOMERS A PROPORTIONATE SHARE
108 OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE TAX. PER COMMISSION RULE 14-2-409D(5).
109
110 ALL ADVANCES AND/OR CONTRIBUTIONS ARE TO INCLUDE LABOR, MATERIALS, OVERHEADS, AND ALL APPLICABLE TAXES, INCLUDING
111 ALL GROSS-UP TAXES FOR INCOME TAXES, IF APPLICABLE.

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	8,073	\$ 17.44	\$ 24.50	\$ 7.06	40.46%
Median Usage	N/A				
Staff Recommended					
Average Usage	8,073	\$ 17.44	\$ 18.40	\$ 0.96	5.49%
Median Usage	N/A				
Consumption	Rates	Rates	Increase	Rates	Increase
-	\$ 8.75	\$ 12.00	37.14%	\$ 9.10	4.00%
1,000	9.60	13.47	40.32%	10.00	4.17%
2,000	10.45	14.94	42.99%	10.90	4.31%
3,000	11.30	16.41	45.25%	11.80	4.42%
4,000	12.15	17.88	47.19%	12.70	4.53%
5,000	13.45	19.51	45.05%	14.10	4.83%
6,000	14.75	21.13	43.28%	15.50	5.08%
7,000	16.05	22.76	41.80%	16.90	5.30%
8,000	17.35	24.38	40.54%	18.30	5.48%
8,073	17.44	24.50	40.46%	18.40	5.49%
9,000	18.65	26.01	39.46%	19.70	5.63%
10,000	19.95	27.63	38.52%	21.10	5.78%
11,000	21.45	29.38	36.96%	22.76	6.11%
12,000	22.95	31.12	35.61%	24.42	6.41%
13,000	24.45	32.87	34.42%	26.08	6.67%
14,000	25.95	34.61	33.37%	27.74	6.90%
15,000	27.45	36.35	32.44%	29.40	7.10%
16,000	28.95	38.10	31.80%	31.06	7.29%
17,000	30.45	39.84	30.84%	32.72	7.45%
18,000	31.95	41.59	30.16%	34.38	7.61%
19,000	33.45	43.33	29.54%	36.04	7.74%
20,000	34.95	45.07	28.97%	37.70	7.87%
25,000	42.45	53.79	26.72%	46.00	8.08%
30,000	49.95	62.51	25.15%	54.30	8.71%
35,000	57.45	71.23	23.99%	62.60	8.96%
40,000	64.95	79.95	23.10%	70.90	9.16%
45,000	72.45	88.67	22.39%	79.20	9.32%
50,000	79.95	97.39	21.82%	87.50	9.44%
75,000	117.45	140.99	20.05%	129.00	9.63%
100,000	154.95	184.59	19.13%	170.50	10.04%

RATE DESIGN

Line No.		Present Rates	Company Proposed	Staff Recommended	
1	Monthly Minimum				
2	5/8 x 3/4-inch Meter	\$ 24.34	\$ 28.00	\$ 28.00	
3	3/4-inch Meter	\$ 25.18	\$ 28.97	\$ 28.95	
4	1-inch Meter	\$ 40.60	\$ 46.71	\$ 55.00	
5	1 1/2-inch Meter	\$ 81.98	\$ 94.31	\$ 107.00	
6	2-inch Meter	\$ 130.65	\$ 150.30	\$ 170.00	
7	3-inch Meter	\$ 242.09	\$ 278.49	\$ 293.00	
8	4-inch Meter	\$ 402.85	\$ 463.43	\$ 488.00	
9	6-inch Meter	\$ 806.97	\$ 928.31	\$ 976.00	
10	8-inch Meter	N/A	N/A	\$ 2,256.61	
11	10-inch Meter	N/A	N/A	\$ 3,243.88	
12	12-inch Meter	N/A	N/A	\$ 6,064.64	
13					
14	Monthly Service Charge for Fire Sprinkler	\$ 5.00	\$ 25.00	\$ 10.00	
15					
16	Gallons in the Minimum				
17					
18	Commodity Rates		Per 1,000 Gallons		
19	(Residential, Commercial, Industrial)	Block			
20					
21	5/8 x 3/4-inch Meter Residential	0 - 25,000 Gallons	\$ 1.213	1.47	
22		25,001 - 80,000 Gallons	\$ 2.103	2.55	
23		Over 80,000 Gallons	\$ 2.633	3.12	
24		0 - 4,000 Gallons	\$ 1.288		
25		4,001 - 20,000 Gallons	\$ 2.233		
26		20,001 - 65,000 Gallons	\$ 2.796		
27		65,001 - 125,000 Gallons	\$ 3.359		
28		Over 125,000 Gallons	\$ 3.879		
29	3/4-inch Meter Residential	0 - 25,000 Gallons	\$ 1.213	1.47	
30		25,001 - 80,000 Gallons	\$ 2.103	2.55	
31		Over 80,000 Gallons	\$ 2.633	3.12	
32		0 - 4,000 Gallons	\$ 1.288		
33		4,001 - 20,000 Gallons	\$ 2.233		
34		20,001 - 65,000 Gallons	\$ 2.796		
35		65,001 - 125,000 Gallons	\$ 3.359		
36		Over 125,000 Gallons	\$ 3.879		
37					
38					
39	1-inch Meter Residential	0 - 25,000 Gallons	\$ 1.213	1.47	
40		25,001 - 80,000 Gallons	\$ 2.103	2.55	
41		Over 80,000 Gallons	\$ 2.633	3.12	
42		0 - 4,000 Gallons	\$ 1.288		
43		4,001 - 20,000 Gallons	\$ 2.233		
44		20,001 - 65,000 Gallons	\$ 2.796		
45		65,001 - 125,000 Gallons	\$ 3.359		
46		Over 125,000 Gallons	\$ 3.879		
47					
48	1-1/2-inch Meter Residential	0 - 25,000 Gallons	\$ 1.213	1.47	
49		25,001 - 80,000 Gallons	\$ 2.103	2.55	
50		Over 80,000 Gallons	\$ 2.633	3.12	
51		0 - 4,000 Gallons	\$ 1.288		
52		4,001 - 20,000 Gallons	\$ 2.233		
53		20,001 - 65,000 Gallons	\$ 2.796		
54		65,001 - 125,000 Gallons	\$ 3.359		
55		Over 125,000 Gallons	\$ 3.879		
56					
57	2-inch Meter Residential	0 - 25,000 Gallons	\$ 1.213	1.47	
58		25,001 - 80,000 Gallons	\$ 2.103	2.55	
59		Over 80,000 Gallons	\$ 2.633	3.12	
60		0 - 4,000 Gallons	\$ 1.288		
61		4,001 - 20,000 Gallons	\$ 2.233		
62		20,001 - 65,000 Gallons	\$ 2.796		
63		65,001 - 125,000 Gallons	\$ 3.359		
64		Over 125,000 Gallons	\$ 3.879		
65					
66	5/8-inch Meter Commercial	0 to 400,000 Gallons	\$ 1.723	\$ 2.233	\$ 2.08
67		Over 400,000 Gallons	\$ 2.013	\$ 2.980	\$ 2.43
68					
69	3/4-inch Meter Commercial	0 to 400,000 Gallons	\$ 1.723	\$ 2.233	\$ 2.08
70		Over 400,000 Gallons	\$ 2.013	\$ 2.980	\$ 2.43
71					
72	1-inch Meter Commercial	0 to 400,000 Gallons	\$ 1.723	\$ 2.233	\$ 2.08
73		Over 400,000 Gallons	\$ 2.013	\$ 2.980	\$ 2.43
74					
75	1 1/2-inch Meter Commercial:	0 to 400,000 Gallons	\$ 1.723	\$ 2.233	\$ 2.08
76		Over 400,000 Gallons	\$ 2.013	\$ 2.980	\$ 2.43
77					
78	2-inch Meter	0 to 400,000 Gallons	\$ 1.723	\$ 2.233	\$ 2.08
79		Over 400,000 Gallons	\$ 2.013	\$ 2.980	\$ 2.43
80					
81	3-inch Meter	0 to 400,000 Gallons	\$ 1.723	\$ 2.233	\$ 2.08
82		Over 400,000 Gallons	\$ 2.013	\$ 2.980	\$ 2.43
83					
84	4-inch Meter	0 to 400,000 Gallons	\$ 1.723	\$ 2.233	\$ 2.08
85		Over 400,000 Gallons	\$ 2.013	\$ 2.980	\$ 2.43
86					
87	6-inch Meter	0 to 400,000 Gallons	\$ 1.723	\$ 2.233	\$ 2.08
88		Over 400,000 Gallons	\$ 2.013	\$ 2.980	\$ 2.43
89					
90	3-inch Meter Turf Customer	All Gallons	\$ 1.453	\$ 1.883	\$ 1.76
91					
92	4-inch Meter Turf Customer	All Gallons	\$ 1.453	\$ 1.883	\$ 1.76
93					
94	6-inch Meter Paradise Valley Country Club	All Gallons	\$ 1.235	\$ 1.828	\$ 1.56
95					
96	Other Public Authorities - Monthly				
97	base charge per above meter size	All Usage	\$ 1.913	\$ 2.832	\$ 2.01
98					

	Present Rates	Company Proposed	Staff Recommended
99			
100 <u>Service Charges</u>			
101 Establishment of Service:			
102 Regular Hours	\$ 20.00	\$ 20.00	\$ 20.00
103 After Hours	\$ 40.00	\$ 40.00	\$ 40.00
104 Re-establishment of Service within 12 Months:			
105 Monthly Minimum times Months Disconnected			
106 From the Water System [Per ACC Rule 14-2-403(D)]			
107 Reconnection of Service (Delinquent):			
108 Regular Hours	\$ 30.00	\$ 30.00	\$ 30.00
109 After Hours	\$ 60.00	\$ 60.00	\$ 60.00
110 Water Meter Test (If Correct)	\$ 15.00	\$ 15.00	\$ 15.00
111 Meter Re-Read (If Correct)	\$ 10.00	\$ 10.00	\$ 10.00
112 NSF Check Charge	\$ 12.00	\$ 12.00	\$ 12.00
113 Late Fee Charge	1.5% Per Month	1.5% Per Month	1.5% Per Month
114 Deposit Requirements Residential	**	**	**
115 Deposit Requirements Non-Residential	**	**	**
116 Deposit Interest	***	***	***

117
 118 ** Residential - two times the average bill. Non-residential - two and one-half times the estimated maximum bill.

119
 120 *** Interest per [Per ACC Rule 14-2-403(B)]

	Total Present Charge	Total Proposed Charge	Staff Proposed Service Line Charge	Staff Proposed Meter Installation Charge	Staff Total Proposed Charge
121					
122					
123					
124					
125					
126					
127 <u>Meter and Service Line Installation Charges</u>					
128 5/8 x 3/4-inch Meter	\$ 480.00	Actual Cost	\$ 445.00	\$ 155.00	\$ 600.00
129 3/4-inch Meter	\$ 560.00	Actual Cost	\$ 445.00	\$ 255.00	\$ 700.00
130 1-inch Meter	\$ 650.00	Actual Cost	\$ 495.00	\$ 315.00	\$ 810.00
131 1 1/2-inch Meter	\$ 895.00	Actual Cost	\$ 550.00	\$ 525.00	\$ 1,075.00
132 2-inch Meter	\$ 1,555.00	Actual Cost	\$ 830.00	\$ 1,045.00	\$ 1,875.00
133 3-inch Meter	\$ 2,235.00	Actual Cost	Actual Cost	Actual Cost	Actual Cost
134 4-inch Meter	\$ 3,440.00	Actual Cost	Actual Cost	Actual Cost	Actual Cost
135 6-inch Turbine Meter	\$ 6,195.00	Actual Cost	Actual Cost	Actual Cost	Actual Cost
136 Over 6-inch	N/A	Actual Cost	Actual Cost	Actual Cost	Actual Cost

137
 138
 139 IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM IT CUSTOMERS A PROPORTIONATE SHARE
 140 OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE TAX. PER COMMISSION RULE 14-2-409D(5).

141
 142 ALL ADVANCES AND/OR CONTRIBUTIONS ARE TO INCLUDE LABOR, MATERIALS, OVERHEADS, AND ALL APPLICABLE TAXES, INCLUDING
 143 ALL GROSS-UP TAXES FOR INCOME TAXES, IF APPLICABLE.

144

Typical Bill Analysis
 General Service 3/4-Inch Meter

Company Proposed	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	20,493	\$ 49.20	\$ 70.54	\$ 21.34	43.37%
Median Usage	N/A				
Staff Recommended					
Average Usage	20,493	\$ 49.20	\$ 58.12	\$ 8.93	18.14%
Median Usage	N/A				

Present & Proposed Rates (Without Taxes)
 General Service 3/4-Inch Meter

Gallons Consumption	Company Proposed		% Increase	Staff Recommended	
	Present Rates	Proposed Rates		Recommended Rates	% Increase
-	\$ 24.34	\$ 28.00	15.04%	\$ 28.00	15.04%
1,000	25.55	29.29	14.62%	29.47	15.33%
2,000	26.77	30.58	14.23%	30.94	15.59%
3,000	27.98	31.86	13.89%	32.41	15.84%
4,000	29.19	33.15	13.57%	33.88	15.06%
5,000	30.41	35.39	16.38%	35.35	16.28%
6,000	31.62	37.62	18.98%	36.82	16.45%
7,000	32.83	39.85	21.38%	38.29	16.63%
8,000	34.04	42.08	23.62%	39.76	16.79%
9,000	35.26	44.32	25.70%	41.23	16.94%
20,493	49.20	70.54	43.37%	58.12	18.14%
10,000	36.47	46.55	27.64%	42.70	17.08%
11,000	37.68	48.78	29.46%	44.17	17.21%
12,000	38.90	51.02	31.16%	45.64	17.34%
13,000	40.11	53.25	32.76%	47.11	17.45%
14,000	41.32	55.48	34.27%	48.58	17.58%
15,000	42.54	57.72	35.69%	50.05	17.67%
16,000	43.75	59.95	37.03%	51.52	17.77%
17,000	44.96	62.18	38.30%	52.99	17.86%
18,000	46.17	64.41	39.50%	54.46	17.95%
19,000	47.39	66.65	40.64%	55.93	18.03%
20,000	48.60	68.88	41.73%	57.40	18.11%
25,000	54.67	85.68	56.73%	64.75	18.45%
30,000	65.18	102.47	57.21%	77.55	18.98%
35,000	75.70	119.27	57.56%	90.35	19.36%
40,000	86.21	136.06	57.82%	103.15	19.65%
45,000	96.73	152.86	58.03%	115.95	19.88%
50,000	107.24	169.65	58.20%	128.75	20.06%
75,000	159.82	253.63	58.70%	192.75	20.61%
100,000	210.99	337.60	60.01%	267.95	27.00%

	Present Rates	Company Proposed	Staff Recommended
60			
61			
62 Service Charges			
63 Establishment Re-establishment and/or reconnection of Service:			
64 Regular Hours	\$ 30.00	\$ 30.00	\$ 30.00
65 After Hours	\$ 40.00	\$ 40.00	\$ 40.00
66 Water Meter Test (If Correct)	\$ 10.00	\$ 81.00	\$ 10.00
67 Meter Re-Read (If Correct)	\$ 5.00	\$ 5.00	\$ 5.00
68 NSF Check Charge	\$ 10.00	\$ 10.00	\$ 25.00
69 Late Fee Charge	1.5% Per Month	1.5% Per Month	1.5% Per Month
70 Deposit Requirements Residential	**	**	**
71 Deposit Requirements Non-Residential	***	***	***
72 Deposit Interest			

** Residential - two times the average bill. Non-residential - two and one-half times the estimated maximum bill.

*** Interest per [Per ACC Rule 14-2-403(B)]

	Present Service Line Charge	Present Meter Installation Charge	Total Present Charge	Proposed Service Line Charge	Proposed Meter Installation Charge	(a) Total Proposed Charge	Staff Proposed Service Line Charge	Staff Proposed Meter Installation Charge	Staff Total Proposed Charge
83 Meter and Service Line Installation Charges									
84 5/8 x 3/4-inch Meter	\$ 370.00	\$ 130.00	\$ 500.00	\$ 370.00	\$ 130.00	\$ 500.00	\$ 370.00	\$ 130.00	\$ 500.00
85 3/4-inch Meter	\$ 370.00	\$ 205.00	\$ 575.00	\$ 370.00	\$ 205.00	\$ 575.00	\$ 370.00	\$ 205.00	\$ 575.00
86 1-inch Meter	\$ 420.00	\$ 240.00	\$ 660.00	\$ 420.00	\$ 240.00	\$ 660.00	\$ 420.00	\$ 240.00	\$ 660.00
87 1 1/2-inch Meter	\$ 450.00	\$ 450.00	\$ 900.00	\$ 450.00	\$ 450.00	\$ 900.00	\$ 450.00	\$ 450.00	\$ 900.00
88 2-inch Turbine Meter	\$ 580.00	\$ 945.00	\$ 1,525.00	\$ 580.00	\$ 945.00	\$ 1,525.00	\$ 580.00	\$ 945.00	\$ 1,525.00
89 2-inch Compound Meter	\$ 580.00	\$ 1,640.00	\$ 2,220.00	\$ 580.00	\$ 1,640.00	\$ 2,220.00	\$ 580.00	\$ 1,640.00	\$ 2,220.00
90 3-inch Turbine Meter	\$ 745.00	\$ 1,420.00	\$ 2,165.00	\$ 745.00	\$ 1,420.00	\$ 2,165.00	\$ 745.00	\$ 1,420.00	\$ 2,165.00
91 3-inch Compound Meter	\$ 485.00	\$ 2,195.00	\$ 2,680.00	\$ 485.00	\$ 2,195.00	\$ 2,680.00	\$ 485.00	\$ 2,195.00	\$ 2,680.00
92 4-inch Turbine Meter	\$ 1,090.00	\$ 2,270.00	\$ 3,360.00	\$ 1,090.00	\$ 2,270.00	\$ 3,360.00	\$ 1,090.00	\$ 2,270.00	\$ 3,360.00
93 4-inch Compound Meter	\$ 1,120.00	\$ 3,145.00	\$ 4,265.00	\$ 1,120.00	\$ 3,145.00	\$ 4,265.00	\$ 1,120.00	\$ 3,145.00	\$ 4,265.00
94 6-inch Turbine Meter	\$ 1,610.00	\$ 4,425.00	\$ 6,035.00	\$ 1,610.00	\$ 4,425.00	\$ 6,035.00	\$ 1,610.00	\$ 4,425.00	\$ 6,035.00
95 6-inch Compound Meter	\$ 1,630.00	\$ 6,120.00	\$ 7,750.00	\$ 1,630.00	\$ 6,120.00	\$ 7,750.00	\$ 1,630.00	\$ 6,120.00	\$ 7,750.00
96 8-inch or Larger	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost

98 IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM IT CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE TAX. PER COMMISSION RULE 14-2-409D(5).

101 ALL ADVANCES AND/OR CONTRIBUTIONS ARE TO INCLUDE LABOR, MATERIALS, OVERHEADS, AND ALL APPLICABLE TAXES, INCLUDING 102 ALL GROSS-UP TAXES FOR INCOME TAXES, IF APPLICABLE.

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	6,704	\$ 19.51	\$ 35.09	\$ 15.58	79.83%
Median Usage	N/A				
Staff Recommended					
Average Usage	6,704	\$ 19.51	\$ 32.01	\$ 12.49	64.01%
Median Usage	N/A				

Present & Proposed Rates (Without Taxes)
General Service 5/8 x 3/4-Inch Meter

Gallons Consumption	Present Rates	Company Proposed		Staff Recommended	
		Rates	% Increase	Rates	% Increase
-	\$ 9.57	\$ 15.00	56.74%	\$ 15.30	59.87%
1,000	10.88	17.88	64.34%	17.55	61.31%
2,000	12.19	20.76	70.30%	19.80	62.43%
3,000	13.50	23.64	75.11%	22.05	63.33%
4,000	14.81	26.52	79.07%	24.30	64.08%
5,000	16.55	29.69	79.40%	27.15	64.05%
6,000	18.29	32.86	79.67%	30.00	64.02%
7,000	20.03	36.03	79.90%	32.85	64.00%
8,000	21.77	39.20	80.08%	35.70	63.89%
9,000	23.51	42.38	80.24%	38.55	63.87%
6,704	19.51	35.09	79.83%	32.01	64.01%
10,000	25.25	45.55	80.38%	41.40	63.96%
11,000	26.99	48.72	80.50%	44.25	63.95%
12,000	28.73	51.89	80.61%	47.10	63.94%
13,000	30.47	55.06	80.70%	49.95	63.93%
14,000	32.21	58.23	80.78%	52.80	63.92%
15,000	33.95	61.40	80.86%	55.65	63.92%
16,000	35.96	64.81	80.24%	59.05	64.21%
17,000	37.97	68.23	79.69%	62.45	64.47%
18,000	39.98	71.64	79.19%	65.85	64.71%
19,000	41.99	75.05	78.74%	69.25	64.92%
20,000	44.00	78.47	78.33%	72.65	65.11%
25,000	54.05	95.53	76.75%	89.65	65.86%
30,000	64.10	112.60	75.66%	108.65	66.88%
35,000	74.15	129.66	74.86%	123.65	66.76%
40,000	84.20	146.73	74.26%	140.65	67.04%
45,000	94.25	163.79	73.78%	157.65	67.27%
50,000	104.30	180.86	73.40%	174.65	67.45%
75,000	154.55	266.18	72.23%	259.65	68.00%
100,000	204.80	351.51	71.63%	344.65	68.29%

RATE DESIGN

Line No.		Present Rates	Company Proposed	Staff Recommended	
1	<u>Monthly Minimum</u>				
2	5/8 x 3/4-inch Meter	\$ 19.68	\$ 32.50	\$ 28.73	
3	1-inch Meter	\$ 29.63	\$ 48.63	\$ 71.83	
4	1 1/2-inch Meter	\$ 59.26	\$ 97.86	\$ 143.66	
5	2-inch Meter	\$ 97.49	\$ 161.00	\$ 229.86	
6	3-inch Meter	\$ 115.65	\$ 190.99	\$ 459.72	
7	4-inch Meter	\$ 169.18	N/A	\$ 718.32	
8	6-inch Meter	\$ 231.30	N/A	\$ 1,436.64	
9	8-inch Meter	\$ 1,577.08	N/A	\$ 2,298.62	
10	10-inch Meter	N/A	N/A	\$ 3,304.27	
11	12-inch Meter	N/A	N/A	\$ 6,177.55	
12					
13					
14	<u>Gallons in the Minimum</u>				
15					
16					
17	<u>Commodity Rates</u>		<u>Per 1,000 Gallons</u>		
18	(Residential and Commercial)				
19		Block			
20	5/8 x 3/4-inch Meter Residential	0 - 4,000 Gallons	\$ 1.89	\$ 3.780	\$ 2.76
21		4,001 - 20,000 Gallons	\$ 2.85	\$ 4.850	\$ 3.90
22		Over 20,000 Gallons	\$ 3.41	\$ 4.950	\$ 4.98
23					
24	5/8 x 3/4-inch Meter Commercial	0 to 20,000 Gallons	\$ 2.85	\$ 4.85	\$ 3.90
25		Over 20,000 Gallons	\$ 3.41	\$ 4.95	\$ 4.98
26					
27	1-inch Meter:	0 to 35,000 Gallons	\$ 2.85	\$ 4.85	\$ 3.90
28		Over 35,000 Gallons	\$ 3.41	\$ 4.95	\$ 4.98
29					
30	1 1/2-inch Meter:	0 to 85,000 Gallons	\$ 2.85	\$ 4.85	\$ 3.90
31		Over 85,000 Gallons	\$ 3.41	\$ 4.95	\$ 4.98
32					
33	2-inch Meter	0 to 150,000 Gallons	\$ 2.85	\$ 4.85	\$ 3.90
34		Over 150,000 Gallons	\$ 3.41	\$ 4.95	\$ 4.98
35					
36	3-inch Meter	0 to 175,000 Gallons	\$ 2.85	\$ 4.85	\$ 3.90
37		Over 175,000 Gallons	\$ 3.41	\$ 4.95	\$ 4.98
38					
39	4-inch Meter	0 to 250,000 Gallons	\$ 2.85	N/A	\$ 3.90
40		Over 250,000 Gallons	\$ 3.41	N/A	\$ 4.98
41					
42	6-inch Meter	0 to 350,000 Gallons	\$ 2.85	N/A	\$ 3.90
43		Over 350,000 Gallons	\$ 3.41	N/A	\$ 4.98
44					
45	8-inch Meter	0 to 900,000 Gallons	\$ 2.85	N/A	\$ 3.90
46		Over 900,000 Gallons	\$ 3.41	N/A	\$ 4.98
47					
48	10-inch Meter	0 to 1,500,000 Gallons	N/A	N/A	\$ 3.90
49		Over 1,500,000 Gallons	N/A	N/A	\$ 4.98
50					
51	12-inch Meter	0 to 2,250,000 Gallons	N/A	N/A	\$ 3.90
52		Over 2,250,000 Gallons	N/A	N/A	\$ 4.98
53					
54					

	Present Rates	Company Proposed	Staff Recommended
55 Service Charges			
56 Establishment Re-establishment and/or reconnection of Service:			
57 Regular Hours	\$ 30.00	\$ 30.00	\$ 30.00
58 After Hours	\$ 45.00	\$ 45.00	\$ 45.00
59 Water Meter Test (If Correct)	\$ 10.00	\$ 10.00	\$ 10.00
60 Meter Re-Read (If Correct)	\$ 5.00	\$ 5.00	\$ 5.00
61 NSF Check Charge	\$ 10.00	\$ 10.00	\$ 25.00
62 Late Fee Charge	N/A	N/A	1.5% Per Month
63 Deferred Payment Finance Charge	N/A	N/A	1.5% Per Month
64 Deposit Requirements Residential	**	**	**
65 Deposit Requirements Non-Residential	***	***	***
66 Deposit Interest	***	***	***

68 ** Residential - two times the average bill. Non-residential - two and one-half times the estimated maximum bill.

69 *** Interest per [Per ACC Rule 14-2-403(B)]

	Present Service Line Charge	Present Meter Installation Charge	Total Present Charge	Proposed Service Line Charge	Proposed Meter Installation Charge	(a) Total Proposed Charge	Staff Proposed Service Line Charge	Staff Proposed Meter Installation Charge	Staff Total Proposed Charge
70 Meter and Service Line Installation Charges									
71 5/8 x 3/4-inch Meter	\$ 370.00	\$ 130.00	\$ 500.00	Actual Cost	Actual Cost	Actual Cost	\$ 445.00	\$ 155.00	\$ 600.00
72 3/4-inch Meter	\$ 370.00	\$ 205.00	\$ 575.00	Actual Cost	Actual Cost	Actual Cost	\$ 445.00	\$ 255.00	\$ 700.00
73 1-inch Meter	\$ 420.00	\$ 240.00	\$ 660.00	Actual Cost	Actual Cost	Actual Cost	\$ 495.00	\$ 315.00	\$ 810.00
74 1 1/2-inch Meter	\$ 450.00	\$ 450.00	\$ 900.00	Actual Cost	Actual Cost	Actual Cost	\$ 550.00	\$ 525.00	\$ 1,075.00
75 2-inch Turbine Meter	\$ 580.00	\$ 945.00	\$ 1,525.00	Actual Cost	Actual Cost	Actual Cost	\$ 830.00	\$ 1,045.00	\$ 1,875.00
76 2-inch Compound Meter	\$ 580.00	\$ 1,640.00	\$ 2,220.00	Actual Cost	Actual Cost	Actual Cost	\$ 830.00	\$ 1,890.00	\$ 2,720.00
77 3-inch Turbine Meter	\$ 745.00	\$ 1,420.00	\$ 2,165.00	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
78 3-inch Compound Meter	\$ 485.00	\$ 2,195.00	\$ 2,680.00	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
79 4-inch Turbine Meter	\$ 1,090.00	\$ 2,270.00	\$ 3,360.00	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
80 4-inch Compound Meter	\$ 1,120.00	\$ 3,145.00	\$ 4,265.00	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
81 6-inch Turbine Meter	\$ 1,810.00	\$ 4,425.00	\$ 6,035.00	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
82 6-inch Compound Meter	\$ 1,630.00	\$ 6,120.00	\$ 7,750.00	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
83 8-inch or Larger	At Cost	At Cost	At Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost

84 An applicant for water service shall pay to the Company, as a refundable advance in aid of construction the full cost to provide the new service line and meter.

85 IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM IT CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE TAX. PER COMMISSION RULE 14-2-409D(5).

86 ALL ADVANCES AND/OR CONTRIBUTIONS ARE TO INCLUDE LABOR, MATERIALS, OVERHEADS, AND ALL APPLICABLE TAXES, INCLUDING ALL GROSS-UP TAXES FOR INCOME TAXES, IF APPLICABLE.

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	11,797	\$ 49.46	\$ 85.44	\$ 35.97	72.73%
Median Usage	N/A				
Staff Recommended					
Average Usage	11,797	\$ 49.46	\$ 70.19	\$ 20.73	41.90%
Median Usage	N/A				

Present & Proposed Rates (Without Taxes)
 General Service 5/8 x 3/4-Inch Meter

Gallons	Present Rates	Company Proposed Rates	% Increase	Staff Recommended Rates	% Increase
Consumption					
	\$ 19.68	\$ 32.50	65.14%	\$ 28.73	46.00%
1,000	21.57	36.28	68.20%	31.49	46.00%
2,000	23.46	40.06	70.76%	34.25	46.00%
3,000	25.35	43.84	72.94%	37.01	46.00%
4,000	27.24	47.62	74.82%	39.77	46.00%
5,000	30.09	52.47	74.38%	43.67	45.14%
6,000	32.94	57.32	74.01%	47.57	44.42%
7,000	35.79	62.17	73.71%	51.47	43.82%
8,000	38.64	67.02	73.45%	55.37	43.31%
9,000	41.49	71.87	73.22%	59.28	42.87%
11,797	49.46	85.44	72.73%	70.19	41.90%
10,000	44.34	76.72	73.03%	63.18	42.48%
11,000	47.19	81.57	72.85%	67.08	42.14%
12,000	50.04	86.42	72.70%	70.98	41.84%
13,000	52.89	91.27	72.57%	74.88	41.58%
14,000	55.74	96.12	72.44%	78.78	41.34%
15,000	58.59	100.97	72.33%	82.68	41.12%
16,000	61.44	105.82	72.23%	86.58	40.92%
17,000	64.29	110.67	72.14%	90.48	40.74%
18,000	67.14	115.52	72.06%	94.38	40.58%
19,000	69.99	120.37	71.98%	98.29	40.43%
20,000	72.84	125.22	71.91%	102.19	40.29%
25,000	89.89	149.97	66.84%	127.08	41.37%
30,000	106.94	174.72	63.38%	151.97	42.11%
35,000	123.99	199.47	60.88%	176.87	42.64%
40,000	141.04	224.22	58.98%	201.76	43.05%
45,000	158.09	248.97	57.49%	226.65	43.37%
50,000	175.14	273.72	56.29%	251.54	43.62%
75,000	260.39	397.47	52.64%	376.01	44.40%
100,000	345.64	521.22	50.80%	500.47	44.80%