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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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

2009 AUG 12 P 4: 01

AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF ARIZONA WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY, AND FOR ADJUSTMENTS TO ITS RATES AND CHARGES FOR UTILITY SERVICE AND FOR CERTAIN RELATED APPROVALS BASED THEREON.

DOCKET NO. W-01445A-08-0440

STAFF'S NOTICE OF FILING
SURREBUTTAL TESTIMONY

Staff of the Arizona Corporation Commission ("Staff") hereby files the Surrebuttal Testimony of Staff Witness Jeffery Michlik in the above-referenced matter.

RESPECTFULLY SUBMITTED this 12th day of August, 2009.

Wesley C. Van Cleve, Staff Counsel
 Legal Division
 Arizona Corporation Commission
 1200 West Washington Street
 Phoenix, Arizona 85007
 (602) 542-3402

Original and thirteen (13) copies of the foregoing were filed this 12th day of August, 2009 with:

Docket Control
 Arizona Corporation Commission
 1200 West Washington Street
 Phoenix, Arizona 85007

Arizona Corporation Commission
DOCKETED

AUG 12 2009

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1 Copy of the foregoing mailed this
2 12th day of August, 2009 to:

3 Robert W. Geake
4 ARIZONA WATER COMPANY
5 Post Office Box 29006
6 Phoenix, Arizona 85038-9006

7 Norman D. James
8 Jay L. Shapiro
9 FENNEMORE CRAIG
10 3003 North Central Avenue, Suite 2600
11 Phoenix, Arizona 85012

12 Michelle L. Wood
13 RUCO
14 1110 West Washington, Suite 220
15 Phoenix, Arizona 85007

16 Nicholas J. Enoch
17 Jarrett J. Haskovec
18 LUBIN & ENOCH, P.C.
19 349 North Fourth Avenue
20 Phoenix, Arizona 85003

21 Michele Van Quathem
22 RYLEY, CARLOCK & APPLEWHITE
23 One North Central Avenue, Suite 1200
24 Phoenix, Arizona 85004-4417

25
26
27
28
29 Roseann Osorio

(RATE DESIGN)

SURREBUTTAL

TESTIMONY

OF

JEFFREY M. MICHLIK

DOCKET NO. W-01445A-08-0440

**IN THE MATTER OF THE APPLICATION OF
ARIZONA WATER COMPANY, AN ARIZONA
CORPORATION, FOR A DETERMINATION
OF THE FAIR VALUE OF ITS UTILITY PLANT
AND PROPERTY AND FOR ADJUSTMENT TO
ITS RATES AND CHARGES FOR UTILITY
SERVICE AND FOR CERTAIN RELATED
APPROVALS BASED THEREON**

AUGUST 12, 2009

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 WATER COMPANY, AN ARIZONA)
CORPORATION, FOR A DETERMINATION OF)
THE CURRENT FAIR VALUE OF ITS UTILITY)
PLANT AND PROPERTY AND FOR INCREASE)
IN ITS WATER RATES AND CHARGES FOR)
UTILITY SERVICES)
_____)

DOCKET NO. W-01445A-08-0440

(RATE DESIGN)

SURREBUTTAL

TESTIMONY

OF

JEFFREY M. MICHLIK

PUBLIC UTILITIES ANALYST V

UTILITIES DIVISION

ARIZONA CORPORATION COMMISSION

AUGUST 12, 2009

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SURREBUTTAL SCHEDULES

Eastern Group

Superstition Water System

Consolidated Rate Design.....	JMM-1
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Miami Water System

Consolidated Rate Design.....	JMM-1
Consolidated Typical Residential Bill Analysis	JMM-2

**EXECUTIVE SUMMARY
ARIZONA WATER COMPANY
DOCKET NO. W-01445A-08-0440**

The surrebuttal testimony of Staff Witness Jeffrey M. Michlik considers the revised revenue requirements for the Superstition Water System and makes changes to the rates recommended in his direct testimony for this system. Staff also addresses the appropriateness of using inverted tiers on customer classes, and other issues raised in Mr. Reiker's rebuttal testimony.

Eastern Group

Superstition Water System:

The typical 5/8 x 3/4-inch meter residential customers with a median usage of 5,403 gallons living in Apache Junction would experience an \$11.25 or 48.55 percent increase in their monthly bill from \$23.18 to \$34.43 under the Company's proposed rates. Under Staff's recommended rates, customers would experience a \$6.37 or 27.49 percent increase in their monthly bill from \$23.18 to \$29.55. As an alternative, Staff has provided stand-alone rates in lieu of consolidation.

The typical 5/8 x 3/4-inch meter residential customers with a median usage of 5,403 gallons living in Superior would experience a \$10.00 or 40.96 percent increase in their monthly bill from \$24.43 to \$34.43 under the Company's proposed rates. Under Staff's recommended rates, customers would experience a \$4.93 or 20.18 percent increase in their monthly bill from \$24.43 to \$29.35. As an alternative, Staff has provided stand-alone rates in lieu of consolidation.

Miami Water System:

The typical 5/8 x 3/4-inch meter residential customers with a median usage of 4,457 gallons would experience a \$1.96 or 6.65 percent increase in their monthly bill from \$29.43 to \$31.39 under the Company's proposed rates. Under Staff's recommended rates, customers would experience a \$2.87 or 9.73 percent decrease in their monthly bill from \$29.43 to \$26.57. A typical bill analysis is provided on Schedule JMM-2.

1 **INTRODUCTION**

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

3 A. My name is Jeffrey M. Michlik. I am a Public Utilities Analyst V employed by the
4 Arizona Corporation Commission ("ACC" or "Commission") in the Utilities Division
5 ("Staff"). My business address is 1200 West Washington Street, Phoenix, Arizona 85007.
6

7 **Q. Are you the same Jeffrey M. Michlik who filed direct testimony in this case?**

8 A. Yes, I am.
9

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

11 A. The purpose of my surrebuttal testimony in this proceeding is to respond, on behalf of
12 Staff, to the rebuttal testimony of Arizona Water Company ("Company") witnesses, Mr.
13 Joel M. Reiker, on rate design.
14

15 **Q. Did you attempt to address every issue the Company raised in its rebuttal testimony?**

16 A. No. Staff limited its discussion to the specific issues as outlined below. Staff's lack of
17 response to any issue in this proceeding should not be construed as an agreement with the
18 Company's position in its rebuttal testimony; rather where there is no response, Staff
19 relies on its original direct testimony.
20

21 **REVENUE REQUIREMENT**

22 **Q. Did Staff's revenue requirement change for any of the Company's systems?**

23 A. Yes. The revenue requirement for the Superstition Water System increased.
24

25 **Q. Did Staff recommend rate consolidation of the Superstition Water System with any
26 other Systems?**

27 A. Yes. Staff recommended consolidation of the Superstition and Miami Water Systems.
28

29 **Q. As a result, what adjustment did Staff make to rate design for the Superstition and
30 Miami Water Systems?**

31 A. Staff increased the third tier from \$4.1650 to \$4.2020.

1 **Q. Would you please summarize Staff's revised rate design for the Superstition and**
2 **Miami Water Systems?**

3 A. Staff's recommended rates and charges are presented on Schedule JMM-1. Staff's
4 recommended monthly minimum charges by meter size are as follows: 5/8 x 3/4-inch
5 \$17.00; 1-inch \$42.50; 2-inch \$136.00; 3-inch \$272.00; 4-inch \$425.00; 6-inch \$850.00;
6 8-inch \$1,360.00; and 10-inch \$1,955.00. Zero gallons are included in the monthly
7 minimum charge. Staff recommends an inverted tier rate design that consists of three tiers
8 for the 5/8 x 3/4-inch meter residential with a commodity rate of \$1.660 per thousand
9 gallons for zero to 3,000 gallons, \$3.1500 per thousand gallons for 3,001 to 10,000
10 gallons, and \$4.2020 per thousand gallons for any consumption over 10,000 gallons.
11 Staff's recommended larger residential, commercial, and industrial commodity rates have
12 two tiers and vary by meter size, set at \$3.1500 per thousand gallons for the first tier and
13 \$4.2020 per thousand gallons for any consumption over the first tier. Staff recommends a
14 flat commodity rate of \$4.2020 per 1,000 gallons for resale water customers and a flat
15 commodity rate of \$4.2020 per 1,000 gallons for construction water users. Staff
16 recommends increasing the monthly charge for fire sprinkler service to the greater of
17 \$10.00 or 2 percent of the monthly minimum charge for that meter size.

18
19 **Q. What is the rate impact on a typical 5/8 x 3/4-inch meter residential customer in**
20 **Apache Junction?**

21 A. The typical 5/8 x 3/4-inch meter residential customers with a median usage of 5,403
22 gallons would experience an \$11.25 or 48.55 percent increase in their monthly bill from
23 \$23.18 to \$34.43 under the Company's proposed rates. Under Staff's recommended rates,
24 customers would experience a \$6.37 or 27.49 percent increase in their monthly bill from
25 \$23.18 to \$29.55. A typical bill analysis is provided on Schedule JMM-2.

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

3 A. The typical 5/8 x 3/4-inch meter residential customers with a median usage of 5,403
4 gallons would experience a \$10.00 or 40.96 percent increase in their monthly bill from
5 \$24.43 to \$34.43 under the Company's proposed rates. Under Staff's recommended rates,
6 customers would experience a \$4.93 or 20.18 percent increase in their monthly bill from
7 \$24.43 to \$29.35. A typical bill analysis is provided on Schedule JMM-2.

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

11 A. The typical 5/8 x 3/4-inch meter residential customers with a median usage of 4,457
12 gallons would experience a \$1.96 or 6.65 percent increase in their monthly bill from
13 \$29.43 to \$31.39 under the Company's proposed rates. Under Staff's recommended rates,
14 customers would experience a \$2.87 or 9.73 percent decrease in their monthly bill from
15 \$29.43 to \$26.57. A typical bill analysis is provided on Schedule JMM-2.

16
17 **Q. Did Staff present an alternative rate design to show the rate impact on the**
18 **Superstition Water System if the Superstition and Miami Water Systems were not**
19 **consolidated?**

20 A. Yes. As an alternative, Staff's Superstition stand-alone rates and charges are presented on
21 Schedule JMM-3. Staff's monthly minimum charges by meter size are as follows: 5/8 x
22 3/4-inch \$16.35; 1-inch \$40.88; 2-inch \$130.80; 3-inch \$261.60; 4-inch \$408.75; 6-inch
23 \$817.50; 8-inch \$1,308.00; and 10-inch \$1,880.25. Zero gallons are included in the
24 monthly minimum charge. Staff uses an inverted tier rate design that consists of three
25 tiers for the 5/8 x 3/4-inch meter residential with a commodity rate of \$1.9800 per
26 thousand gallons for zero to 3,000 gallons, \$2.9730 per thousand gallons for 3,001 to

1 10,000 gallons, and \$3.5580 per thousand gallons for any consumption over 10,000
2 gallons. Staff's larger residential, commercial, and industrial commodity rates have two
3 tiers and vary by meter size, set at \$2.9730 per thousand gallons for the first tier and
4 \$3.5580 per thousand gallons for any consumption over the first tier. Staff uses a flat
5 commodity rate of \$3.5580 per 1,000 gallons for resale water customers and a flat
6 commodity rate of \$3.5580 per 1,000 gallons for construction water users. Staff
7 recommends increasing the monthly charge for fire sprinkler service to the greater of
8 \$10.00 or 2 percent of the monthly minimum charge for that meter size.

9
10 **Q. What is the rate impact on a typical 5/8 x 3/4-inch meter residential customer, using**
11 **this alternative rate design for Apache Junction?**

12 A. The typical 5/8 x 3/4-inch meter residential customers with a median usage of 5,403
13 gallons would experience an \$11.25 or 48.55 percent increase in their monthly bill from
14 \$23.18 to \$34.43 under the Company's proposed rates. Under Staff's recommended rates,
15 customers would experience a \$6.26 or 26.99 percent increase in their monthly bill from
16 \$23.18 to \$29.43. A typical bill analysis is provided on Schedule JMM-4.

17
18 **Q. What is the rate impact on a typical 5/8 x 3/4-inch meter residential customer, using**
19 **this alternative rate design for Superior?**

20 A. The typical 5/8 x 3/4-inch meter residential customers with a median usage of 5,403
21 gallons would experience a \$10.00 or 40.96 percent increase in their monthly bill from
22 \$24.43 to \$34.43 under the Company's proposed rates. Under Staff's recommended rates,
23 customers would experience a \$5.01 or 20.50 percent increase in their monthly bill from
24 \$24.43 to \$29.43. A typical bill analysis is provided on Schedule JMM-4.

1 **RATE DESIGN**

2 **Q. Is rate design synonymous to COSS?**

3 A. No. Rate design should not be confused with COSS. A COSS is the allocation of costs to
4 each customer class. Rate design involves the allocation of revenues to each customer
5 class along with the development of the particular rate to achieve that revenue. The COSS
6 is only one of many factors that is considered when allocating revenues.

7
8 **Q. Should the COSS be the sole factor used when developing a rate design?**

9 A. No. The COSS should only be used as a general guide and as one of several considerations
10 when designing rates.

11
12 **Q. If Staff did not rely solely on the COSS for developing rates, what other factors did
13 Staff consider?**

14 A. In addition to using the results of the COSS as a general guideline, Staff also considered
15 factors such as promotion of efficient water usage, gradualism in rate increase to mitigate
16 rate shock, and uniformity of rates between customer classes.

17
18 **Q. How did Staff use the COSS as a guide in its rate design?**

19 A. Staff utilized the COSS as a basic tool, starting point or first step in its rate design.
20 However, due to the other factors cited above, Staff also incorporated these changes into
21 its rate design.

22
23 **INDUSTRIAL CUSTOMERS**

24 **Q. Does Staff believe that it is inappropriate to use a flat rate on industrial customers?**

25 A. Yes.

26
27 **Q. Why?**

28 A. Because Staff believes water is a finite and precious resource. A flat rate not only provides
29 no price incentive to conserve water, but it does not recognize the value associated with
30 the use of large amounts of this scarce resource.

1 **Q. Can you provide an example?**

2 A. Yes. As an illustration, Staff will look at the Casa Grande system.

3

4 **Q. What rates did the Company propose in that system for its 5/8 x 3/4 inch industrial**
5 **customers?**

6 A. The Company proposed a \$10.48 monthly minimum and a flat rate per thousand gallons of
7 \$1.6430.

8

9 **Q. What revised rates did the Company propose for its 5/8 x 3/4 inch residential**
10 **customers?**

11 A. The Company proposed a \$17.25 monthly minimum and an inverted tier structure of
12 \$1.5200 for the first 3,000 gallons, \$1.9000 for gallons between 3,001 gallons and 10,000
13 gallons, and \$2.3750 for any gallons over 10,000.

14

15 **Q. What price signal is the Company sending?**

16 A. Besides the obvious inequity between the monthly minimum charges; For the residential
17 customer, the price signal is - using more water will cost more on a per gallon basis. For
18 the industrial customer, the price signal is - the use of more water will cost the same on a
19 per gallon basis.

20

21 The Company's proposed rate structure tells the residential customer that water is a
22 valuable and scarce resource, and that with increasing water usage, the customer will pay
23 an increasingly higher price for this valuable commodity. This structure informs the
24 residential customer of the value of water and, at the same time, provides an additional
25 financial incentive to conserve.

26

27 On the other hand, the Company's proposed structure for industrial customers, some of
28 which are the Company's largest users, provides a rate that remains the same, no matter
29 how much water the customer uses. Such a structure seems to disregard the inherent value
30 of water as a scarce resource, and provides no additional financial incentive to use water
31 more efficiently.

1 **INVERTED RATES**

2 **Q. Please comment on Mr. Reiker's statement that the rates proposed by Staff and**
3 **adopted by the Commission in recent years actually result in declining customer**
4 **usage.**

5 **A. Mr. Reiker has pointed out that some of its residential systems that use tiered rates are**
6 **experiencing decreased water usage. However, the Company has failed to identify other**
7 **factors that could contribute to a reduction of water usage such as the record increase in**
8 **the number of foreclosures of residential homes in Arizona.**

9
10 **ELIMINATION OF THE BASIC CHARGE FOR CONSTRUCTION WATER AND**
11 **WATER FOR RESALE**

12 **Q. Why is Staff eliminating the monthly minimum or basic charge for construction**
13 **water and water for resale?**

14 **A. It is Staff's belief that a monthly minimum charge should only apply to a customer who**
15 **owns a permanent meter. In most cases the meter for bulk water sales is not permanently**
16 **installed on the water line and is used by several customers.**

17
18 **Q. But didn't the Commission approve a similar monthly minimum charge in the**
19 **Company's last case, as well as in other cases?**

20 **A. Yes. However, Staff has re-evaluated this issue and, on a going-forward basis will**
21 **recommend that monthly minimum charges for bulk water users be eliminated.**

22
23 **EFFECTS OF SURCHARGES ON TYPICAL BILL ANALYSIS**

24 **Q. Are Staff's typical bill analyses inaccurate and somewhat misleading as Mr. Reiker**
25 **states?**

26 **A. No. The Company claims Staff should include the arsenic surcharge, which is a separate**
27 **charge, in the present monthly minimum rate.**

1 **Q. Did Staff leave out the Arsenic Cost Recovery Surcharges (“ACRS”) when**
2 **computing the 5/8 x 3/4 inch typical bill increase?**

3 A. Yes, in order to not mislead customers. Staff used only the monthly minimum and tiers
4 rates authorized in the last decision. Staff compared them to the Company’s proposed
5 monthly minimum and tier rates, and Staff’s recommended monthly minimum and tier
6 rates.

7

8 **CONSOLIDATION**

9 **Q. Has the Company voiced its concerns about the consolidation of several of its**
10 **systems?**

11 A. Yes. The Company is concerned that under full consolidation, several of the Company’s
12 systems would experience higher increases or decreases than under a partial consolidation
13 rate design.

14

15 **Q. Didn’t the Company propose to consolidate several of its systems?**

16 A. Yes.

17

18 **Q. What is the difference between the Company’s consolidation proposal and Staff’s?**

19 A. Staff has taken a rapid consolidation stance, and recommended full consolidation of all
20 systems that the Company proposed to consolidate. The Company, on the other hand, has
21 recommended only partial consolidation of several systems. The Company proposes that,
22 in those systems, only the monthly minimum charges are consolidated at this time and that
23 the commodity charges be consolidated in a future rate case.

24

25 As with most cases when the rates are consolidated, some rates increase that would not
26 have increased otherwise, while other rates decrease, that would have otherwise increased.
27 Staff believes that the rate consolidations it has proposed are beneficial to customers in the
28 long term.

29

30 **Q. Does this conclude your surrebuttal testimony?**

31 A. Yes.

ARIZONA WATER COMPANY
EASTERN GROUP:
SUPERSTITION

Line No.	Customer Class	Basic Service Charge		Break-Over Points		Commodity Charge	
		Company Present Rate	Staff Recommended Rate	Company Present	Staff Recommended	Company Present Rate	Staff Recommended Rate
1	Residential 5/8 x 3/4 -inch	\$ 12.54	\$ 19.00	10	3	varies	\$ 2,570.00
2				25	10	varies	3,213.00
3				999999	999999	varies	4,016.00
4	Residential 1-inch	34.30	47.50	10	30	varies	3,150.00
5				25	999999	varies	4,016.00
6				999999	999999	varies	n/a
7	Residential 2-inch	120.20	152.00	10	125	varies	3,213.00
8				25	999999	varies	4,016.00
9				999999	999999	varies	n/a
10	Residential 3-inch	236.03	304.00	10	300	varies	3,213.00
11				25	999999	varies	4,016.00
12				999999	999999	varies	n/a
13	Residential 4-inch	480.25	475.00	10	490	varies	3,213.00
14				25	999999	varies	4,016.00
15				999999	999999	varies	n/a
16	Residential 6-inch	774.01	950.00	10	925	varies	3,213.00
17				25	999999	varies	4,016.00
18				999999	999999	varies	n/a
19	Residential 8-inch	926.15	1,520.00	10	1500	varies	3,213.00
20				25	999999	varies	4,016.00
21				999999	999999	varies	n/a
22	Residential 10-inch	1,157.69	3,040.00	10	3000	varies	3,213.00
23				25	999999	varies	4,016.00
24				999999	999999	varies	n/a
25	Commercial 5/8 x 3/4 -inch	12.54	20.00	10	10	varies	3,441.00
26				25	999999	varies	4,301.00
27				999999	999999	varies	n/a
28	Commercial 1-inch	34.30	50.00	10	40	varies	3,441.00
29				25	999999	varies	4,301.00
30				999999	999999	varies	n/a
31	Commercial 2-inch	120.20	160.00	10	125	varies	3,441.00
32				25	999999	varies	4,301.00
33				999999	999999	varies	n/a
34	Commercial 3-inch	236.03	320.00	10	300	varies	3,441.00
35				25	999999	varies	4,301.00
36				999999	999999	varies	n/a
37	Commercial 4-inch	480.25	500.00	10	490	varies	3,441.00
38				25	999999	varies	4,301.00
39				999999	999999	varies	n/a
40	Commercial 6-inch	774.01	1,000.00	10	925	varies	3,441.00
41				25	999999	varies	4,301.00
42				999999	999999	varies	n/a
43	Commercial 8-inch	926.15	1,600.00	10	1500	varies	3,441.00
44				25	999999	varies	4,301.00
45				999999	999999	varies	n/a
46	Commercial 10-inch	1,157.69	3,200.00	10	3000	varies	3,441.00
47				25	999999	varies	4,301.00
48				999999	999999	varies	n/a

Supersession - Consolidated

[A] [B] [C] [D] [E] [F] [G] [H] [I]

Line No.	Customer Class	Basic Service Charge		Company Present Rate	Company Proposed Rate	Staff Recommended Rate	Break-Over Points		Company Present Rate	Company Proposed Rate	Staff Recommended Rate	Commodity Charge	
		Company Present Rate	Staff Recommended Rate				Company Present Rate	Staff Recommended Rate				Company Present Rate	Staff Recommended Rate
1	Industrial 5/8 x 3/4 inch	\$ 12.54	\$ 20.00	\$ 17.00			Tier One Breakover (M Gal): 10 Tier Two Breakover (M Gal): 25 Tier Three Breakover (M Gal): 999999	10 25 999999	10 25 999999	10 25 999999	10 25 999999	\$ 3.8500	\$ 3.1500
2							Tier One Breakover (M Gal): 10 Tier Two Breakover (M Gal): 25 Tier Three Breakover (M Gal): 999999	10 25 999999	10 25 999999	10 25 999999	10 25 999999	n/a	4.2020
3	Industrial 1-inch	34.30	40.00	42.50			Tier One Breakover (M Gal): 10 Tier Two Breakover (M Gal): 25 Tier Three Breakover (M Gal): 999999	10 25 999999	10 25 999999	10 25 999999	10 25 999999	3.8500	3.1500
4							Tier One Breakover (M Gal): 10 Tier Two Breakover (M Gal): 25 Tier Three Breakover (M Gal): 999999	10 25 999999	10 25 999999	10 25 999999	10 25 999999	n/a	4.2020
5	Industrial 2-inch	120.20	200.00	136.00			Tier One Breakover (M Gal): 10 Tier Two Breakover (M Gal): 25 Tier Three Breakover (M Gal): 999999	10 25 999999	10 25 999999	10 25 999999	10 25 999999	3.8500	3.1500
6							Tier One Breakover (M Gal): 10 Tier Two Breakover (M Gal): 25 Tier Three Breakover (M Gal): 999999	10 25 999999	10 25 999999	10 25 999999	10 25 999999	n/a	4.2020
7	Industrial 3-inch	236.03	320.00	272.00			Tier One Breakover (M Gal): 10 Tier Two Breakover (M Gal): 25 Tier Three Breakover (M Gal): 999999	10 25 999999	10 25 999999	10 25 999999	10 25 999999	3.8500	3.1500
8							Tier One Breakover (M Gal): 10 Tier Two Breakover (M Gal): 25 Tier Three Breakover (M Gal): 999999	10 25 999999	10 25 999999	10 25 999999	10 25 999999	n/a	4.2020
9	Industrial 4-inch	480.25	500.00	425.00			Tier One Breakover (M Gal): 10 Tier Two Breakover (M Gal): 25 Tier Three Breakover (M Gal): 999999	10 25 999999	10 25 999999	10 25 999999	10 25 999999	3.8500	3.1500
10							Tier One Breakover (M Gal): 10 Tier Two Breakover (M Gal): 25 Tier Three Breakover (M Gal): 999999	10 25 999999	10 25 999999	10 25 999999	10 25 999999	n/a	4.2020
11	Industrial 5-inch	774.01	1,000.00	850.00			Tier One Breakover (M Gal): 10 Tier Two Breakover (M Gal): 25 Tier Three Breakover (M Gal): 999999	10 25 999999	10 25 999999	10 25 999999	10 25 999999	3.8500	3.1500
12							Tier One Breakover (M Gal): 10 Tier Two Breakover (M Gal): 25 Tier Three Breakover (M Gal): 999999	10 25 999999	10 25 999999	10 25 999999	10 25 999999	n/a	4.2020
13	Industrial 6-inch	926.15	1,600.00	1,360.00			Tier One Breakover (M Gal): 10 Tier Two Breakover (M Gal): 25 Tier Three Breakover (M Gal): 999999	10 25 999999	10 25 999999	10 25 999999	10 25 999999	3.8500	3.1500
14							Tier One Breakover (M Gal): 10 Tier Two Breakover (M Gal): 25 Tier Three Breakover (M Gal): 999999	10 25 999999	10 25 999999	10 25 999999	10 25 999999	n/a	4.2020
15	Industrial 8-inch	1,157.69	3,200.00	1,955.00			Tier One Breakover (M Gal): 10 Tier Two Breakover (M Gal): 25 Tier Three Breakover (M Gal): 999999	10 25 999999	10 25 999999	10 25 999999	10 25 999999	3.8500	3.1500
16							Tier One Breakover (M Gal): 10 Tier Two Breakover (M Gal): 25 Tier Three Breakover (M Gal): 999999	10 25 999999	10 25 999999	10 25 999999	10 25 999999	n/a	4.2020
17	Private Fire Service 5/8-inch service	5.00	25.00	10.00								n/a	n/a
18	1-inch service	5.00	25.00	10.00								n/a	n/a
19	2-inch service	5.00	25.00	10.00								n/a	n/a
20	3-inch service	5.00	25.00	10.00								n/a	n/a
21	4-inch service	5.00	25.00	10.00								n/a	n/a
22	6-inch service	7.74	25.00	17.00								n/a	n/a
23	8-inch service	9.26	25.00	27.20								n/a	n/a
24	10-inch service	11.56	25.00	39.10								n/a	n/a
25	Other Water Revenues												
26	Public Fire Hydrant	n/a	n/a	n/a									
27	Construction Water (2-inch)	120.20	160.00				No. Gallons / .25 (quarter) Tier One Breakover (M Gal): 25 Tier Two Breakover (M Gal): 999999 Tier Three Breakover (M Gal): 999999	25 999999 999999	25 999999 999999	25 999999 999999	25 999999 999999	70.8752	72.2927
28							Tier One Breakover (M Gal): 10 Tier Two Breakover (M Gal): 25 Tier Three Breakover (M Gal): 999999	10 25 999999	10 25 999999	10 25 999999	10 25 999999	3.4410	4.2020
29	Construction Water (3-inch)	236.03	320.00				Tier One Breakover (M Gal): 10 Tier Two Breakover (M Gal): 25 Tier Three Breakover (M Gal): 999999	10 25 999999	10 25 999999	10 25 999999	10 25 999999	3.4410	4.2020
30							Tier One Breakover (M Gal): 10 Tier Two Breakover (M Gal): 25 Tier Three Breakover (M Gal): 999999	10 25 999999	10 25 999999	10 25 999999	10 25 999999	n/a	4.2020
31	Construction Water (4-inch)	480.25	500.00				Tier One Breakover (M Gal): 10 Tier Two Breakover (M Gal): 25 Tier Three Breakover (M Gal): 999999	10 25 999999	10 25 999999	10 25 999999	10 25 999999	3.4410	4.2020
32							Tier One Breakover (M Gal): 10 Tier Two Breakover (M Gal): 25 Tier Three Breakover (M Gal): 999999	10 25 999999	10 25 999999	10 25 999999	10 25 999999	n/a	4.2020
33	Sales for Resale (2-inch)	n/a	160.00				Tier One Breakover (M Gal): 10 Tier Two Breakover (M Gal): 25 Tier Three Breakover (M Gal): 999999	10 25 999999	10 25 999999	10 25 999999	10 25 999999	3.8500	4.2020
34							Tier One Breakover (M Gal): 10 Tier Two Breakover (M Gal): 25 Tier Three Breakover (M Gal): 999999	10 25 999999	10 25 999999	10 25 999999	10 25 999999	n/a	4.2020
35	Sales for Resale (3-inch)	n/a	320.00				Tier One Breakover (M Gal): 10 Tier Two Breakover (M Gal): 25 Tier Three Breakover (M Gal): 999999	10 25 999999	10 25 999999	10 25 999999	10 25 999999	3.8500	4.2020
36							Tier One Breakover (M Gal): 10 Tier Two Breakover (M Gal): 25 Tier Three Breakover (M Gal): 999999	10 25 999999	10 25 999999	10 25 999999	10 25 999999	n/a	4.2020
37	Sales for Resale (6-inch)	n/a	1,000.00				Tier One Breakover (M Gal): 10 Tier Two Breakover (M Gal): 25 Tier Three Breakover (M Gal): 999999	10 25 999999	10 25 999999	10 25 999999	10 25 999999	3.8500	4.2020
38							Tier One Breakover (M Gal): 10 Tier Two Breakover (M Gal): 25 Tier Three Breakover (M Gal): 999999	10 25 999999	10 25 999999	10 25 999999	10 25 999999	n/a	4.2020

Superstition - Consolidated - Apache Junction
Typical Bill Analysis
Residential 5/8 x 3/4 Inch Meters

Company Proposed	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	7,358	\$ 27.03	\$ 40.71	\$ 13.69	50.64%
Median Usage	5,403	\$ 23.18	\$ 34.43	\$ 11.25	48.55%
Staff Recommended					
Average Usage	7,358	\$ 27.03	\$ 35.71	\$ 8.68	32.12%
Median Usage	5,403	\$ 23.18	\$ 29.55	\$ 6.37	27.49%

Present & Proposed Rates (Without Taxes)
Residential 5/8 x 3/4 Inch Meters

Gallons Consumption	Present Rates	Company Proposed Rates	% Increase	Staff Recommended Rates	% Increase
-	\$ 12.54	\$ 19.00	51.52%	\$ 17.00	35.57%
1,000	14.51	21.57	48.67%	18.66	28.61%
2,000	16.48	24.14	46.50%	20.32	23.32%
3,000	18.45	26.71	44.80%	21.98	19.16%
4,000	20.42	29.92	46.57%	25.13	23.09%
5,000	22.38	33.14	48.03%	28.28	26.34%
6,000	24.35	36.35	49.26%	31.43	29.06%
7,000	26.32	39.56	50.30%	34.58	31.37%
8,000	28.29	42.78	51.20%	37.73	33.37%
9,000	30.26	45.99	51.98%	40.88	35.10%
10,000	32.23	49.20	52.67%	44.03	36.62%
11,000	34.69	53.22	53.41%	48.23	39.04%
12,000	37.15	57.23	54.06%	52.43	41.14%
13,000	39.61	61.25	54.63%	56.64	42.98%
14,000	42.07	65.27	55.13%	60.84	44.60%
15,000	44.53	69.28	55.57%	65.04	46.05%
16,000	46.99	73.30	55.97%	69.24	47.34%
17,000	49.46	77.31	56.33%	73.44	48.51%
18,000	51.92	81.33	56.65%	77.65	49.56%
19,000	54.38	85.35	56.95%	81.85	50.52%
20,000	56.84	89.36	57.22%	86.05	51.40%
25,000	69.14	109.44	58.28%	107.06	54.84%
30,000	83.91	129.52	54.36%	128.07	52.63%
35,000	98.68	149.60	51.61%	149.08	51.08%
40,000	113.44	169.68	49.58%	170.09	49.94%
45,000	128.21	189.76	48.01%	191.10	49.06%
50,000	142.97	209.84	46.77%	212.11	48.36%
75,000	216.80	310.24	43.10%	317.16	46.29%
100,000	290.63	410.64	41.29%	422.21	45.27%

Superstition - Consolidated - Superior
Typical Bill Analysis
Residential 5/8 x 3/4 Inch Meters

Company Proposed	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	7,358	\$ 28.73	\$ 40.71	\$ 11.98	41.72%
Median Usage	5,403	\$ 24.43	\$ 34.43	\$ 10.00	40.96%
Staff Recommended					
Average Usage	7,358	\$ 28.73	\$ 35.35	\$ 6.63	23.07%
Median Usage	5,403	\$ 24.43	\$ 29.35	\$ 4.93	20.18%

Present & Proposed Rates (Without Taxes)
Residential 5/8 x 3/4 Inch Meters

Gallons Consumption	Present Rates	Company Proposed Rates	% Increase	Staff Recommended Rates	% Increase
-	\$ 12.54	\$ 19.00	51.52%	\$ 17.00	35.57%
1,000	14.74	21.57	46.34%	18.66	26.59%
2,000	16.94	24.14	42.50%	20.32	19.95%
3,000	19.14	26.71	39.55%	21.98	14.84%
4,000	21.34	29.92	40.22%	25.05	17.38%
5,000	23.54	33.14	40.76%	28.12	19.45%
6,000	25.74	36.35	41.22%	31.19	21.16%
7,000	27.94	39.56	41.60%	34.26	22.61%
8,000	30.14	42.78	41.92%	37.33	23.84%
9,000	32.34	45.99	42.20%	40.39	24.90%
10,000	34.54	49.20	42.45%	43.46	25.83%
11,000	37.29	53.22	42.71%	47.63	27.74%
12,000	40.04	57.23	42.94%	51.80	29.38%
13,000	42.79	61.25	43.14%	55.97	30.81%
14,000	45.54	65.27	43.31%	60.14	32.07%
15,000	48.29	69.28	43.47%	64.31	33.18%
16,000	51.04	73.30	43.61%	68.48	34.18%
17,000	53.79	77.31	43.73%	72.65	35.07%
18,000	56.54	81.33	43.84%	76.82	35.87%
19,000	59.29	85.35	43.95%	80.99	36.60%
20,000	62.04	89.36	44.04%	85.16	37.27%
25,000	75.79	109.44	44.40%	106.01	39.88%
30,000	92.29	129.52	40.34%	126.86	37.46%
35,000	108.79	149.60	37.51%	147.71	35.78%
40,000	125.29	169.68	35.43%	168.56	34.54%
45,000	141.79	189.76	33.83%	189.41	33.59%
50,000	158.29	209.84	32.57%	210.26	32.83%
75,000	240.79	310.24	28.84%	314.51	30.62%
100,000	323.29	410.64	27.02%	418.76	29.53%

Line No.	Customer Class	Basic Service Charge			Break-Over Points	Commodity Charge					
		Company Present Rate	Company Proposed Rate	Staff Recommended Rate		Company Present Rate	Company Proposed Rate	Staff Recommended Rate			
1	Residential 5/8 x 3/4 -inch	\$ 12.54	\$ 19.00	\$ 16.35	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	3	10	3	varies	\$ 2,570.00	\$ 1,980.00
2	Residential 1-inch	34.30	47.50	40.88	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	10	10	10	varies	3,213.00	2,873.00
3	Residential 1-inch	34.30	47.50	40.88	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	10	10	10	varies	3,213.00	2,873.00
4	Residential 1-inch	34.30	47.50	40.88	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	10	10	10	varies	3,213.00	2,873.00
5	Residential 2-inch	120.20	152.00	130.80	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	125	125	125	varies	4,016.00	3,558.00
6	Residential 2-inch	120.20	152.00	130.80	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	125	125	125	varies	4,016.00	3,558.00
7	Residential 2-inch	120.20	152.00	130.80	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	125	125	125	varies	4,016.00	3,558.00
8	Residential 3-inch	236.03	304.00	261.60	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	300	300	280	varies	3,213.00	2,973.00
9	Residential 3-inch	236.03	304.00	261.60	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	300	300	280	varies	3,213.00	2,973.00
10	Residential 3-inch	236.03	304.00	261.60	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	300	300	280	varies	3,213.00	2,973.00
11	Residential 4-inch	480.25	475.00	408.75	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	450	450	450	varies	4,016.00	3,558.00
12	Residential 4-inch	480.25	475.00	408.75	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	450	450	450	varies	4,016.00	3,558.00
13	Residential 4-inch	480.25	475.00	408.75	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	450	450	450	varies	4,016.00	3,558.00
14	Residential 4-inch	480.25	475.00	408.75	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	450	450	450	varies	4,016.00	3,558.00
15	Residential 4-inch	480.25	475.00	408.75	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	450	450	450	varies	4,016.00	3,558.00
16	Residential 6-inch	774.01	950.00	817.50	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	925	925	925	varies	3,213.00	2,973.00
17	Residential 6-inch	774.01	950.00	817.50	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	925	925	925	varies	3,213.00	2,973.00
18	Residential 6-inch	774.01	950.00	817.50	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	925	925	925	varies	3,213.00	2,973.00
19	Residential 8-inch	926.15	1,520.00	1,308.00	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	1500	1500	1,500	varies	3,213.00	2,973.00
20	Residential 8-inch	926.15	1,520.00	1,308.00	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	1500	1500	1,500	varies	3,213.00	2,973.00
21	Residential 8-inch	926.15	1,520.00	1,308.00	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	1500	1500	1,500	varies	3,213.00	2,973.00
22	Residential 10-inch	1,157.69	3,040.00	1,880.25	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	3000	3000	2,100	varies	3,213.00	2,973.00
23	Residential 10-inch	1,157.69	3,040.00	1,880.25	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	3000	3000	2,100	varies	3,213.00	2,973.00
24	Residential 10-inch	1,157.69	3,040.00	1,880.25	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	3000	3000	2,100	varies	3,213.00	2,973.00
25	Commercial 5/8 x 3/4 -inch	12.54	20.00	16.35	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	10	10	10	varies	4,301.00	3,558.00
26	Commercial 5/8 x 3/4 -inch	12.54	20.00	16.35	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	10	10	10	varies	4,301.00	3,558.00
27	Commercial 5/8 x 3/4 -inch	12.54	20.00	16.35	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	10	10	10	varies	4,301.00	3,558.00
28	Commercial 1-inch	34.30	50.00	40.88	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	40	40	35	varies	3,441.00	2,973.00
29	Commercial 1-inch	34.30	50.00	40.88	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	40	40	35	varies	3,441.00	2,973.00
30	Commercial 1-inch	34.30	50.00	40.88	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	40	40	35	varies	3,441.00	2,973.00
31	Commercial 2-inch	120.20	160.00	130.80	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	125	125	125	varies	4,301.00	3,558.00
32	Commercial 2-inch	120.20	160.00	130.80	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	125	125	125	varies	4,301.00	3,558.00
33	Commercial 2-inch	120.20	160.00	130.80	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	125	125	125	varies	4,301.00	3,558.00
34	Commercial 3-inch	236.03	320.00	261.60	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	300	300	280	varies	3,441.00	2,973.00
35	Commercial 3-inch	236.03	320.00	261.60	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	300	300	280	varies	3,441.00	2,973.00
36	Commercial 3-inch	236.03	320.00	261.60	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	300	300	280	varies	3,441.00	2,973.00
37	Commercial 4-inch	480.25	500.00	408.75	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	450	450	450	varies	4,301.00	3,558.00
38	Commercial 4-inch	480.25	500.00	408.75	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	450	450	450	varies	4,301.00	3,558.00
39	Commercial 4-inch	480.25	500.00	408.75	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	450	450	450	varies	4,301.00	3,558.00
40	Commercial 6-inch	774.01	1,000.00	817.50	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	925	925	925	varies	3,441.00	2,973.00
41	Commercial 6-inch	774.01	1,000.00	817.50	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	925	925	925	varies	3,441.00	2,973.00
42	Commercial 6-inch	774.01	1,000.00	817.50	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	925	925	925	varies	3,441.00	2,973.00
43	Commercial 8-inch	926.15	1,600.00	1,308.00	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	1500	1500	1,500	varies	4,301.00	3,558.00
44	Commercial 8-inch	926.15	1,600.00	1,308.00	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	1500	1500	1,500	varies	4,301.00	3,558.00
45	Commercial 8-inch	926.15	1,600.00	1,308.00	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	1500	1500	1,500	varies	4,301.00	3,558.00
46	Commercial 10-inch	1,157.69	3,200.00	1,880.25	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	3000	3000	2,100	varies	3,441.00	2,973.00
47	Commercial 10-inch	1,157.69	3,200.00	1,880.25	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	3000	3000	2,100	varies	3,441.00	2,973.00
48	Commercial 10-inch	1,157.69	3,200.00	1,880.25	Tier One Breakover (M Gall): 10 Tier Two Breakover (M Gall): 25	3000	3000	2,100	varies	3,441.00	2,973.00

Line No.	Customer Class	Basic Service Charge			Break-Over Points	Commodity Charge				
		Company Present Rate	Company Proposed Rate	Staff Recommended Rate		Company Present Rate	Company Proposed Rate	Staff Recommended Rate		
1	Industrial 5/8 x 3/4 -inch	\$ 12.54	\$ 20.00	\$ 16.35	Tier One Breakover (M Gall): Tier Two Breakover (M Gall): Tier Three Breakover (M Gall):	10 9999999 9999999	10 9999999 9999999	varies \$ 3,850 n/a	\$ 3,850 n/a	\$ 2,9730 3,5580 n/a
2	Industrial 1-1/2-inch	34.30	40.00	40.88	Tier One Breakover (M Gall): Tier Two Breakover (M Gall): Tier Three Breakover (M Gall):	10 9999999 9999999	10 9999999 9999999	varies \$ 3,850 n/a	\$ 3,850 n/a	\$ 2,9730 3,5580 n/a
3	Industrial 2-inch	120.20	200.00	130.80	Tier One Breakover (M Gall): Tier Two Breakover (M Gall): Tier Three Breakover (M Gall):	10 9999999 9999999	10 9999999 9999999	varies \$ 3,850 n/a	\$ 3,850 n/a	\$ 2,9730 3,5580 n/a
4	Industrial 3-inch	236.03	320.00	261.60	Tier One Breakover (M Gall): Tier Two Breakover (M Gall): Tier Three Breakover (M Gall):	10 9999999 9999999	10 9999999 9999999	varies \$ 3,850 n/a	\$ 3,850 n/a	\$ 2,9730 3,5580 n/a
5	Industrial 4-inch	480.25	500.00	408.75	Tier One Breakover (M Gall): Tier Two Breakover (M Gall): Tier Three Breakover (M Gall):	10 9999999 9999999	10 9999999 9999999	varies \$ 3,850 n/a	\$ 3,850 n/a	\$ 2,9730 3,5580 n/a
6	Industrial 6-inch	774.01	1,000.00	817.50	Tier One Breakover (M Gall): Tier Two Breakover (M Gall): Tier Three Breakover (M Gall):	10 9999999 9999999	10 9999999 9999999	varies \$ 3,850 n/a	\$ 3,850 n/a	\$ 2,9730 3,5580 n/a
7	Industrial 8-inch	926.15	1,600.00	1,308.00	Tier One Breakover (M Gall): Tier Two Breakover (M Gall): Tier Three Breakover (M Gall):	10 9999999 9999999	10 9999999 9999999	varies \$ 3,850 n/a	\$ 3,850 n/a	\$ 2,9730 3,5580 n/a
8	Industrial 10-inch	1,157.69	3,200.00	1,880.25	Tier One Breakover (M Gall): Tier Two Breakover (M Gall): Tier Three Breakover (M Gall):	10 9999999 9999999	10 9999999 9999999	varies \$ 3,850 n/a	\$ 3,850 n/a	\$ 2,9730 3,5580 n/a
9	Private Fire Service	5.00	25.00	10.00	5/8-inch service			n/a	n/a	n/a
10		5.00	25.00	10.00	1-inch service			n/a	n/a	n/a
11		5.00	25.00	10.00	2-inch service			n/a	n/a	n/a
12		5.00	25.00	10.00	3-inch service			n/a	n/a	n/a
13		5.00	25.00	10.00	4-inch service			n/a	n/a	n/a
14		7.74	25.00	18.35	6-inch service			n/a	n/a	n/a
15		9.26	25.00	26.16	8-inch service			n/a	n/a	n/a
16		11.58	25.00	37.61	10-inch service			n/a	n/a	n/a
17	Other Water Revenues	n/a	n/a	n/a				n/a	n/a	n/a
18	Public Fire Hydrant	n/a	n/a	n/a				n/a	n/a	n/a
19	Coin Machines	120.20	160.00	-	No. Gallons / \$.25 (quarter)			89.00	70.8752	76.5967
20	Construction Water (2-inch)	236.03	320.00	-	Tier One Breakover (M Gall): Tier Two Breakover (M Gall): Tier Three Breakover (M Gall):	25 9999999 9999999	100 9999999 9999999	varies \$ 3,4410 n/a	\$ 3,4410 n/a	\$ 3,5580 3,5580 n/a
21	Construction Water (3-inch)	480.25	500.00	-	Tier One Breakover (M Gall): Tier Two Breakover (M Gall): Tier Three Breakover (M Gall):	165 9999999 9999999	200 9999999 9999999	varies \$ 3,4410 n/a	\$ 3,4410 n/a	\$ 3,5580 3,5580 n/a
22	Construction Water (4-inch)	160.00	160.00	-	Tier One Breakover (M Gall): Tier Two Breakover (M Gall): Tier Three Breakover (M Gall):	325 9999999 9999999	325 9999999 9999999	varies \$ 4,3010 n/a	\$ 4,3010 n/a	\$ 3,5580 3,5580 n/a
23	Sales for Resale (2-inch)	n/a	160.00	-	Tier One Breakover (M Gall): Tier Two Breakover (M Gall): Tier Three Breakover (M Gall):	9999999 9999999 9999999	9999999 9999999 9999999	n/a \$ 3,8500 n/a	n/a \$ 3,8500 n/a	n/a 3,5580 n/a
24	Sales for Resale (3-inch)	n/a	320.00	-	Tier One Breakover (M Gall): Tier Two Breakover (M Gall): Tier Three Breakover (M Gall):	9999999 9999999 9999999	9999999 9999999 9999999	n/a \$ 3,8500 n/a	n/a \$ 3,8500 n/a	n/a 3,5580 n/a
25	Sales for Resale (4-inch)	n/a	1,000.00	-	Tier One Breakover (M Gall): Tier Two Breakover (M Gall): Tier Three Breakover (M Gall):	9999999 9999999 9999999	9999999 9999999 9999999	n/a \$ 3,8500 n/a	n/a \$ 3,8500 n/a	n/a 3,5580 n/a

Superstition - Apache Junction
Typical Bill Analysis
Residential 5/8 x 3/4 Inch Meters

Company Proposed	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	7,358	\$ 27.03	\$ 40.71	\$ 13.69	50.64%
Median Usage	5,403	\$ 23.18	\$ 34.43	\$ 11.25	48.55%
Staff Recommended					
Average Usage	7,358	\$ 27.03	\$ 35.25	\$ 8.22	30.41%
Median Usage	5,403	\$ 23.18	\$ 29.43	\$ 6.26	26.99%

Present & Proposed Rates (Without Taxes)
Residential 5/8 x 3/4 Inch Meters

Gallons Consumption	Present Rates	Company Proposed Rates	% Increase	Staff Recommended Rates	% Increase
-	\$ 12.54	\$ 19.00	51.52%	\$ 16.35	30.38%
1,000	14.51	21.57	48.67%	18.33	26.34%
2,000	16.48	24.14	46.50%	20.31	23.26%
3,000	18.45	26.71	44.80%	22.29	20.84%
4,000	20.42	29.28	46.57%	25.26	23.75%
5,000	22.38	33.14	48.03%	28.24	26.14%
6,000	24.35	36.35	49.26%	31.21	28.15%
7,000	26.32	39.56	50.30%	34.18	29.86%
8,000	28.29	42.78	51.20%	37.16	31.33%
9,000	30.26	45.99	51.98%	40.13	32.61%
10,000	32.23	49.20	52.67%	43.10	33.74%
11,000	34.19	53.22	53.41%	46.66	34.51%
12,000	37.15	57.23	54.06%	50.22	35.17%
13,000	39.61	61.25	54.63%	53.78	35.76%
14,000	42.07	65.27	55.13%	57.33	36.27%
15,000	44.53	69.28	55.57%	60.89	36.73%
16,000	46.99	73.30	55.97%	64.45	37.14%
17,000	49.46	77.31	56.33%	68.01	37.51%
18,000	51.92	81.33	56.65%	71.57	37.85%
19,000	54.38	85.35	56.95%	75.12	38.15%
20,000	56.84	89.36	57.22%	78.68	38.43%
25,000	69.14	109.44	58.28%	96.47	39.52%
30,000	83.91	129.52	54.36%	114.26	36.17%
35,000	98.68	149.60	51.61%	132.05	33.82%
40,000	113.44	169.68	49.58%	149.84	32.09%
45,000	128.21	189.76	48.01%	167.63	30.75%
50,000	142.97	209.84	46.77%	185.42	29.69%
75,000	216.80	310.24	43.10%	274.37	26.55%
100,000	290.63	410.64	41.29%	363.32	25.01%

Superstition - Superior
Typical Bill Analysis
Residential 5/8 x 3/4 Inch Meters

Company Proposed	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	7,358	\$ 28.73	\$ 40.71	\$ 11.98	41.72%
Median Usage	5,403	\$ 24.43	\$ 34.43	\$ 10.00	40.96%
Staff Recommended					
Average Usage	7,358	\$ 28.73	\$ 35.25	\$ 6.52	22.69%
Median Usage	5,403	\$ 24.43	\$ 29.43	\$ 5.01	20.50%

Present & Proposed Rates (Without Taxes)
Residential 5/8 x 3/4 Inch Meters

Gallons Consumption	Present Rates	Company Proposed Rates	% Increase	Staff Recommended Rates	% Increase
-	\$ 12.54	\$ 19.00	51.52%	\$ 16.35	30.38%
1,000	14.74	21.57	46.34%	18.33	24.36%
2,000	16.94	24.14	42.50%	20.31	19.89%
3,000	19.14	26.71	39.55%	22.29	16.46%
4,000	21.34	29.92	40.22%	25.26	18.38%
5,000	23.54	33.14	40.76%	28.24	19.95%
6,000	25.74	36.35	41.22%	31.21	21.25%
7,000	27.94	39.56	41.60%	34.18	22.34%
8,000	30.14	42.78	41.92%	37.16	23.27%
9,000	32.34	45.99	42.20%	40.13	24.08%
10,000	34.54	49.20	42.45%	43.10	24.79%
11,000	37.29	53.22	42.71%	46.66	25.12%
12,000	40.04	57.23	42.94%	50.22	25.42%
13,000	42.79	61.25	43.14%	53.78	25.67%
14,000	45.54	65.27	43.31%	57.33	25.90%
15,000	48.29	69.28	43.47%	60.89	26.09%
16,000	51.04	73.30	43.61%	64.45	26.27%
17,000	53.79	77.31	43.73%	68.01	26.43%
18,000	56.54	81.33	43.84%	71.57	26.57%
19,000	59.29	85.35	43.95%	75.12	26.70%
20,000	62.04	89.36	44.04%	78.68	26.82%
25,000	75.79	109.44	44.40%	96.47	27.29%
30,000	92.29	129.52	40.34%	114.26	23.81%
35,000	108.79	149.60	37.51%	132.05	21.38%
40,000	125.29	169.68	35.43%	149.84	19.60%
45,000	141.79	189.76	33.83%	167.63	18.22%
50,000	158.29	209.84	32.57%	185.42	17.14%
75,000	240.79	310.24	28.84%	274.37	13.95%
100,000	323.29	410.64	27.02%	363.32	12.38%

ARIZONA WATER COMPANY
EASTERN GROUP:
MIAMI

Line No.	Customer Class	Basic Service Charge			Break-Over Points			Commodity Charge		
		Company Present Rate	Company Proposed Rate	Staff Recommended Rate	Company Present Rate	Company Proposed Rate	Staff Recommended Rate	Company Present Rate	Company Proposed Rate	Staff Recommended Rate
1	Industrial 5/8 x 3/4 -inch	\$ 15.44	\$ 20.00	\$ 17.00	Tier One Breakover (M Gall): Tier Two Breakover (M Gall): Tier Three Breakover (M Gall):	10 25 999999	10 999999 999999	\$ 3,140.00 \$ 3,850.00 \$ 3,850.00	\$ 3,850.00	\$ 3,150.00
2	Industrial 1-inch	38.87	40.00	42.50	Tier One Breakover (M Gall): Tier Two Breakover (M Gall): Tier Three Breakover (M Gall):	10 25 999999	10 999999 999999	\$ 3,140.00 \$ 3,850.00 \$ 3,850.00	\$ 3,850.00	\$ 3,150.00
3	Industrial 2-inch	129.86	200.00	136.00	Tier One Breakover (M Gall): Tier Two Breakover (M Gall): Tier Three Breakover (M Gall):	10 25 999999	10 999999 999999	\$ 3,140.00 \$ 3,850.00 \$ 3,850.00	\$ 3,850.00	\$ 3,150.00
4	Industrial 3-inch	248.35	320.00	272.00	Tier One Breakover (M Gall): Tier Two Breakover (M Gall): Tier Three Breakover (M Gall):	10 25 999999	10 999999 999999	\$ 3,140.00 \$ 3,850.00 \$ 3,850.00	\$ 3,850.00	\$ 3,150.00
5	Industrial 4-inch	497.76	500.00	425.00	Tier One Breakover (M Gall): Tier Two Breakover (M Gall): Tier Three Breakover (M Gall):	10 25 999999	10 999999 999999	\$ 3,140.00 \$ 3,850.00 \$ 3,850.00	\$ 3,850.00	\$ 3,150.00
6	Industrial 6-inch	875.28	1,000.00	850.00	Tier One Breakover (M Gall): Tier Two Breakover (M Gall): Tier Three Breakover (M Gall):	10 25 999999	10 999999 999999	\$ 3,140.00 \$ 3,850.00 \$ 3,850.00	\$ 3,850.00	\$ 3,150.00
7	Industrial 8-inch	1,163.12	1,600.00	1,360.00	Tier One Breakover (M Gall): Tier Two Breakover (M Gall): Tier Three Breakover (M Gall):	10 25 999999	10 999999 999999	\$ 3,140.00 \$ 3,850.00 \$ 3,850.00	\$ 3,850.00	\$ 3,150.00
8	Industrial 10-inch	1,305.25	3,200.00	1,955.00	Tier One Breakover (M Gall): Tier Two Breakover (M Gall): Tier Three Breakover (M Gall):	10 25 999999	10 999999 999999	\$ 3,140.00 \$ 3,850.00 \$ 3,850.00	\$ 3,850.00	\$ 3,150.00
9	Private Fire Service	5.00	25.00	10.00				n/a	n/a	n/a
10	1-inch service	5.00	25.00	10.00				n/a	n/a	n/a
11	2-inch service	5.00	25.00	10.00				n/a	n/a	n/a
12	3-inch service	5.00	25.00	10.00				n/a	n/a	n/a
13	4-inch service	5.00	25.00	10.00				n/a	n/a	n/a
14	6-inch service	8.75	25.00	17.00				n/a	n/a	n/a
15	8-inch service	11.63	25.00	27.20				n/a	n/a	n/a
16	10-inch service	13.05	25.00	39.10				n/a	n/a	n/a
17	Other Water Revenues	n/a	n/a	n/a				n/a	n/a	n/a
18	Public Fire Hydrant	n/a	n/a	n/a				n/a	n/a	n/a
19	Coin Machines	n/a	n/a	n/a				n/a	n/a	n/a
20	Construction Water (2-inch)	129.86	160.00	-	Tier One Breakover (M Gall): Tier Two Breakover (M Gall): Tier Three Breakover (M Gall):	10 25 999999	10 999999 999999	\$ 3,140.00 \$ 3,850.00 \$ 3,850.00	\$ 3,850.00	\$ 4,200.00
21	Construction Water (3-inch)	248.35	320.00	-	Tier One Breakover (M Gall): Tier Two Breakover (M Gall): Tier Three Breakover (M Gall):	10 25 999999	10 999999 999999	\$ 3,140.00 \$ 3,850.00 \$ 3,850.00	\$ 3,850.00	\$ 4,200.00
22	Construction Water (4-inch)	497.76	500.00	-	Tier One Breakover (M Gall): Tier Two Breakover (M Gall): Tier Three Breakover (M Gall):	10 25 999999	10 999999 999999	\$ 3,140.00 \$ 3,850.00 \$ 3,850.00	\$ 3,850.00	\$ 4,200.00
23	Sales for Resale (2-inch)	n/a	160.00	-	Tier One Breakover (M Gall): Tier Two Breakover (M Gall): Tier Three Breakover (M Gall):	n/a n/a n/a	n/a n/a n/a	n/a	n/a	n/a
24	Sales for Resale (3-inch)	n/a	320.00	-	Tier One Breakover (M Gall): Tier Two Breakover (M Gall): Tier Three Breakover (M Gall):	n/a n/a n/a	n/a n/a n/a	n/a	n/a	n/a
25	Sales for Resale (4-inch)	n/a	500.00	-	Tier One Breakover (M Gall): Tier Two Breakover (M Gall): Tier Three Breakover (M Gall):	n/a n/a n/a	n/a n/a n/a	n/a	n/a	n/a
26	Sales for Resale (6-inch)	n/a	1,000.00	-	Tier One Breakover (M Gall): Tier Two Breakover (M Gall): Tier Three Breakover (M Gall):	n/a n/a n/a	n/a n/a n/a	n/a	n/a	n/a

**Miami - Consolidated
Typical Bill Analysis
Residential 5/8 x 3/4 Inch Meters**

Company Proposed	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	5,995	\$ 34.26	\$ 36.33	\$ 2.07	6.04%
Median Usage	4,457	\$ 29.43	\$ 31.39	\$ 1.96	6.65%
Staff Recommended					
Average Usage	5,995	\$ 34.26	\$ 31.41	\$ (2.85)	-8.32%
Median Usage	4,457	\$ 29.43	\$ 26.57	\$ (2.87)	-9.73%

**Present & Proposed Rates (Without Taxes)
Residential 5/8 x 3/4 Inch Meters**

Gallons Consumption	Present Rates	Company Proposed Rates	% Increase	Staff Recommended Rates	% Increase
-	\$ 15.44	\$ 19.00	23.06%	\$ 17.00	10.10%
1,000	18.58	21.57	16.09%	18.66	0.43%
2,000	21.72	24.14	11.14%	20.32	-6.45%
3,000	24.86	26.71	7.44%	21.98	-11.58%
4,000	28.00	29.92	6.87%	25.13	-10.25%
5,000	31.14	33.14	6.41%	28.28	-9.18%
6,000	34.28	36.35	6.04%	31.43	-8.31%
7,000	37.42	39.56	5.72%	34.58	-7.59%
8,000	40.56	42.78	5.46%	37.73	-6.98%
9,000	43.70	45.99	5.24%	40.88	-6.45%
10,000	46.84	49.20	5.04%	44.03	-6.00%
11,000	50.77	53.22	4.83%	48.23	-4.99%
12,000	54.69	57.23	4.65%	52.43	-4.13%
13,000	58.62	61.25	4.49%	56.64	-3.38%
14,000	62.54	65.27	4.36%	60.84	-2.72%
15,000	66.47	69.28	4.24%	65.04	-2.14%
16,000	70.39	73.30	4.13%	69.24	-1.63%
17,000	74.32	77.31	4.03%	73.44	-1.17%
18,000	78.24	81.33	3.95%	77.65	-0.76%
19,000	82.17	85.35	3.87%	81.85	-0.39%
20,000	86.09	89.36	3.80%	86.05	-0.05%
25,000	105.72	109.44	3.52%	107.06	1.27%
30,000	129.27	129.52	0.20%	128.07	-0.92%
35,000	152.82	149.60	-2.10%	149.08	-2.44%
40,000	176.37	169.68	-3.79%	170.09	-3.56%
45,000	199.92	189.76	-5.08%	191.10	-4.41%
50,000	223.47	209.84	-6.10%	212.11	-5.08%
75,000	341.22	310.24	-9.08%	317.16	-7.05%
100,000	458.97	410.64	-10.53%	422.21	-8.01%