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BEFORE THE ARIZONA CORPORATION C

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Arizona Corporation Commission

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8 IN THE MATTER OF THE APPLICATION OF
9 DS WATER COMPANY FOR APPROVAL OF
10 A RATE INCREASE.

DOCKET NO. W-04049A-08-0339

**STAFF'S RESPONSE TO DS WATER
COMPANY'S EXPLANATION
REGARDING APPARENT CHARGE
DISCREPANCIES BETWEEN THE
CHARGES AUTHORIZED IN DECISION
NO. 65977 AND THE CHARGES ON FILE
IN THE CURRENT TARIFF**

11
12 **Background**

13 On July 3, 2008, DS Water Company ("DSWC" or "Company") filed with the Arizona
14 Corporation Commission ("Commission") an application for a rate increase. On September 28,
15 2009, a Procedural Order was issued requiring DSWC to file an explanation regarding discrepancies
16 between DSWC's current tariff and Decision No. 65977 (June 17, 2003) as to the monthly minimum
17 charges for 3" meters, 4" meters, and 6" meters and the service line and meter charge for 6" meters.

18 On October 19, 2009, DSWC filed a document explaining that the 3", 4", and 6" meter
19 monthly minimum charges shown in its application had been changed in response to a deficiency
20 letter from Commission Utilities Division Staff ("Staff"), although the charges do not match
21 DSWC's records or Decision No. 65977. DSWC also stated that it has not had any 3", 4", or 6"
22 meter connections. Also on October 19, 2009, Wayne Hansen filed a document titled "motion to
23 intervene," but it was unclear whether Mr. Hansen desired to participate as an intervenor or only to
24 provide public comment, and whether Mr. Hansen desired a formal evidentiary hearing to be held.

25 On October 20, 2009, another Procedural Order was issued that, among other things, directed
26 Mr. Hansen to file a document by October 30, 2009, clarifying his position, and directed Staff file a
27 document by November 13, 2009, responding to both Mr. Hansen's October 30th filing and
28 DSWC's October 19th filing. Staff was to include in its response why it required DSWC to change

1 its rate application and why certain of DSWC's current tariffed charges do not conform to Decision
2 No. 65977. Pursuant to that Order, Staff now makes the instant filing.

3
4 **Response to Mr. Hansen's Filing**

5 To date, Docket Control does not show receipt of any filing by Mr. Hansen since his
6 document filed on October 19. Therefore, there is nothing to which Staff can respond.

7
8 **Response to DSWC's Explanation Regarding Apparent Charge Discrepancies**

9 As part of Staff's routine sufficiency evaluation when an application is initially received,
10 Staff compares the present charges as submitted in the application with the charges that were
11 approved in the Commission's last decision setting rates for that company. Although DSWC states
12 that the charges as submitted in its original application reflected those charges as approved in
13 Decision No. 65977, this is not correct. Upon Staff's initial comparison of the rates, Staff found that
14 the 3", 4", and 6" meter monthly minimum charges shown in DSWC's rate application and those
15 approved in Decision No. 65977 did not match. Consequently, Staff directed the Company to
16 change those charges to comply with the Decision.

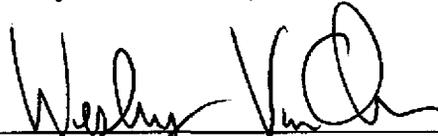
17 Unfortunately, at that time, the assigned Staff analyst did not compare those charges with the
18 currently-filed tariff. It was subsequently discovered that the service line and meter charge for the
19 6" meter also did not conform to the Decision. The assigned Consumer Services representative
20 attempted to contact the Company in July and August of 2009 regarding the discrepancies, but did
21 not get a response from the Company.

22 Decision No. 65977 was issued June 17, 2003, and the Company filed its original compliance
23 tariff on July 15, 2003. A review of the docket reveals that Staff apparently took issue with certain
24 provisions of the Hook-up Fee tariff, which DSWC revised and the Company resubmitted its
25 compliance tariff on March 30, 2003. The compliance tariff included the previously-mentioned
26 discrepancies, which were submitted at the Company's originally-proposed rates, rather than at the
27 approved rates. However, there is no indication that Staff discovered those discrepancies in its
28

1 review of the tariff. It appears that the discrepancies have gone unnoticed until this current rate
2 application.

3 Staff proposes to correct the discrepancies in its recommendations in this rate case and, as
4 noted by the Company, DSWC has not had any 3", 4", or 6" meter connections.

5 RESPECTFULLY SUBMITTED this 13th day of November, 2009.

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8 _____
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10 Attorney, Legal Division
11 Arizona Corporation Commission
12 1200 West Washington Street
13 Phoenix, Arizona 85007
14 (602) 542-3402

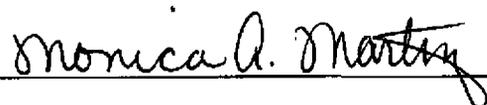
11 Original and thirteen (13) copies
12 of the foregoing were filed this
13 13th day of November 2009, with:

13 Docket Control
14 Arizona Corporation Commission
15 1200 West Washington Street
16 Phoenix, Arizona 85007

16 Copy of the foregoing mailed this
17 13th day of November 2009, to:

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26 
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