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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 NOV 30 P 2: 06

AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
GLOBAL WATER - PALO VERDE UTILITIES
COMPANY FOR THE ESTABLISHMENT OF JUST AND
REASONABLE RATES AND CHARGES FOR UTILITY
SERVICE DESIGNED TO REALIZE A REASONABLE
RATE OF RETURN ON THE FAIR VALUE OF ITS
PROPERTY THROUGHOUT THE STATE OF ARIZONA

DOCKET NO. SW-20445A-09-0077

IN THE MATTER OF THE APPLICATION OF
VALENCIA WATER COMPANY - GREATER
BUCKEYE DIVISION FOR THE ESTABLISHMENT OF
JUST AND REASONABLE RATES AND CHARGES FOR
UTILITY SERVICE DESIGNED TO REALIZE A
REASONABLE RATE OF RETURN ON THE FAIR
VALUE OF ITS PROPERTY THROUGHOUT THE
STATE OF ARIZONA

DOCKET NO. W-02451A-09-0078

IN THE MATTER OF THE APPLICATION OF
WILLOW VALLEY WATER CO. FOR THE
ESTABLISHMENT OF JUST AND REASONABLE
RATES AND CHARGES FOR UTILITY SERVICE
DESIGNED TO REALIZE A REASONABLE RATE OF
RETURN ON THE FAIR VALUE OF ITS PROPERTY
THROUGHOUT THE STATE OF ARIZONA

DOCKET NO. W-01732A-09-0079

IN THE MATTER OF THE APPLICATION OF
GLOBAL WATER - SANTA CRUZ WATER COMPANY
FOR THE ESTABLISHMENT OF JUST AND
REASONABLE RATES AND CHARGES FOR UTILITY
SERVICE DESIGNED TO REALIZE A REASONABLE
RATE OF RETURN ON THE FAIR VALUE OF ITS
PROPERTY THROUGHOUT THE STATE OF ARIZONA

DOCKET NO. W-20446A-09-0080

IN THE MATTER OF THE APPLICATION OF
WATER UTILITY OF GREATER TONOPAH FOR
THE ESTABLISHMENT OF JUST AND REASONABLE
RATES AND CHARGES FOR UTILITY SERVICE
DESIGNED TO REALIZE A REASONABLE RATE OF
RETURN ON THE FAIR VALUE OF ITS PROPERTY
THROUGHOUT THE STATE OF ARIZONA

DOCKET NO. W-02450A-09-0081

**NOTICE OF FILING
RATE DESIGN REBUTTAL
TESTIMONY**

Arizona Corporation Commission

DOCKETED

NOV 30 2009

DOCKETED BY

1 IN THE MATTER OF THE APPLICATION OF
2 VALENCIA WATER COMPANY – TOWN DIVISION
3 FOR THE ESTABLISHMENT OF JUST AND
4 REASONABLE RATES AND CHARGES FOR UTILITY
5 SERVICE DESIGNED TO REALIZE A REASONABLE
6 RATE OF RETURN ON THE FAIR VALUE OF ITS
7 PROPERTY THROUGHOUT THE STATE OF ARIZONA

DOCKET NO. W-01212A-09-0082

**NOTICE OF FILING
RATE DESIGN REBUTTAL
TESTIMONY**

8 Global Water – Palo Verde Utilities Company, Global Water – Santa Cruz Water
9 Company, Valencia Water Company – Town Division, Valencia Water Company – Greater
10 Buckeye Division, Water Utility of Greater Tonopah and Willow Valley Water Co. (collectively,
11 the “Global Utilities”) file the Rate Design Rebuttal Testimony of Graham S. Symmonds,
12 Matthew J. Rowell and Jamie Moe.

13 RESPECTFULLY SUBMITTED this 30th day of November 2009.

14 ROSHKA DEWULF & PATTEN, PLC

15 By Timothy J. Sabo

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23 Original +13 copies of the foregoing
24 filed this 30th day of November 2009, with:

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**Symmonds Rate Design
Rebuttal Testimony**

DOCKET NOs. SW-02445A-09-0077 *et al.*

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**Rate Design Rebuttal Testimony
of
Graham Symmonds**

November 30, 2009

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I. Introduction.

Q. Can you describe your testimony?

A. In this rebuttal testimony, I describe why we continue to believe that the Rebate Threshold Rate structure, consisting of a volumetric rebate, six-tiers and a rebate of volumetric charges is the best way to encourage conservation in our service areas. I also describe what I believe are shortcomings with the proposed rate designs from Staff and discuss my position on miscellaneous fees and charges.

Q. In your opinion, what are the basic benefits of the Rebate Threshold Rate structure as originally proposed in your Direct Testimony?

A. The Rebate Threshold Rate structure, or RTR, was designed as a mechanism to achieve two goals: conservation of water, and establishment of clear price signals with respect to consumer habits intended to modify consumer behavior.. The inverted-tier structure is, I believe, only a first foray into conservation-oriented rates. The inverted tier structure does have large volume consumers paying higher costs. However, I felt there were serious shortcomings in the basic inverted-tier system. First, the tiers lack granularity. By this I mean that the point at which costs get higher, are generally too low, and the range of the tiers are too broad. These factors combine to make the consumers more aware of the costs of water, but do not create a sufficient incentive to really achieve conservation. What the inverted rate structure does is punish excessive use, which helps make customers water-conscious, but is not the same as *incenting* conservation.

By that I mean that the feedback to customers is negative – do this or else (we will make you pay more money). The result is that people are less inclined to really participate in conservation.

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Q. How does the RTR overcome these hurdles?

A. This rate design places the control, and the benefits, of conservation in the hands of the customers. People are motivated to conserve for a number of different reasons, a desire to reduce resource consumption, a desire to conserve for future generations, a desire to be more socially and environmentally conscious, and to save money. Global Water works to strengthen people’s desire to conserve for altruistic reasons. However, we recognize that at the household level, decisions are driven primarily on economic factors. We derived the RTR to reflect these realities.

With the RTR design, lower use results in lower consumer costs while ensuring the utility’s finances remain sound. Further, it places the ultimate control of costs well within the management capabilities of the consumer.

The six-tier system provides ample opportunity for all customers – even large consumers – to manage their consumption to control costs. That is because the additional tiers mean that a lower tier is “within reach” for customers. In contrast, in a three-tier system, some customers will be too far away from the tier breakpoint to make conservation efforts economically worthwhile. An easy example is a large family – they may be motivated to conserve but simply have too much intrinsic demand to reach a lower tier that may be several thousand gallons away. The volumetric rebate allows people to participate financially in our joint utility-consumer conservation efforts. And retaining the higher monthly minimum charge ensures that the utility is not placed in a financially compromised position.

We should also note that changing behavior is a complex task involving a multitude of channels. Thomas Dietz, et al described this situation in a recent publication in the

1 *Proceedings of the National Academy of Sciences*. While specifically referring to
2 behavioral changes associated with carbon reduction, the applicability to water conservation
3 is equally as strong:

4 Single policy tools have been notably ineffective in reducing household energy
5 consumption. Mass media appeals and informational programs can change attitudes
6 and increase knowledge, but they normally fail to change behavior because they do
7 not make the desired actions any easier or more financially attractive. Financial
8 incentives alone typically fall far short of producing cost minimizing behavior—a
9 phenomenon commonly known as the energy efficiency gap. However, *interventions*
10 *that combine appeals, information, financial incentives, informal social influences,*
11 *and efforts to reduce the transaction costs of taking the desired actions have*
12 *demonstrated synergistic effects beyond the additive effects of single policy tools*
13 (emphasis added).¹

14
15 It is clear from the study that it is important to use a combination of education, information
16 and incentive packages to change behavior. The Rebate Threshold Rate achieves the
17 financial incentive to change. Global's AMR/AMI technologies provide direct feedback to
18 consumers on their usage. Another recent study completed by California State University
19 indicated that through the provision of instantaneous feedback on water consumption,
20 average water consumption reductions in the order of 14% can be achieved.²

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25 ¹ "Household actions can provide a behavioral wedge to rapidly reduce US carbon emissions" Thomas Dietz, Gerald T.
26 Gardner, Jonathan Gilligan, Paul C. Stern, and Michael P. Vandenbergh. Published online before print October 26,
2009, doi: 10.1073/pnas.0908738106 PNAS November 3, 2009 vol. 106 no. 44 18452-18456.

www.pnas.org/cgi/doi/10.1073/pnas.0908738106

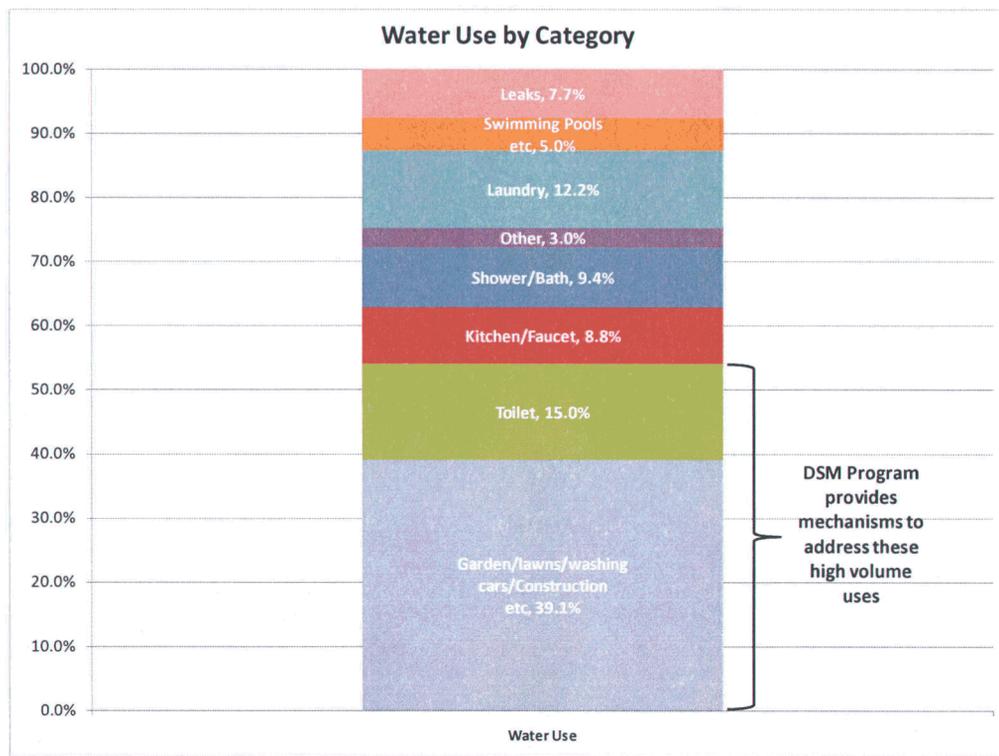
27 ² "Water Conservation Pilot", Wesley Schultz, Warren DeCianni and Alexis Roldan, California State University, San
Marcos

1 We designed the Rebate Threshold Rate and our personal and media messaging to achieve
2 one goal: changing human behavior to achieve water conservation. And by providing
3 positive reinforcement of human activity, we will effect change in behavior.
4

5 **Q. How about people who cannot get below the rebate threshold, maybe due to household
6 size?**

7 **A.** We have recognized that certain households may have difficulty achieving the rebate
8 threshold. As a result, we developed and proposed a Demand-side Management program to
9 allow conservation to be a reality for them as well (my Rebuttal Testimony filed on
10 November 20, 2009).
11

12 We know that the majority of household water use is outside the home, or is used for
13 flushing toilets³ (see figure below). Global's proposed Demand-side Management program
14 can address both these high volume uses.
15



27 ³ Adapted from U.S. Environmental Protection Agency, <http://www.epa.gov/watersense/pubs/indoor.htm>, accessed 24 November 2009.

1 **COMMENTS ON RUCO RATE DESIGN**

2 **Q. Do you agree with Mr. Rigsby's assessment of the Rebate Threshold Rate structure?**

3 A. First, we are pleased that RUCO has supported both the increased monthly fee concept, and
4 the granularity of six tiers. These facets will increase the ability for water conservation.
5 However, Mr. Rigsby's characterization of the Rebate Threshold Rate as being incapable of
6 effecting meaningful water conservation is unfounded.

7
8 **Q. Can you expand on that?**

9 A. Yes. Mr. Rigsby has a number of comments on the effectiveness of the RTR. I'd like to
10 address each in turn:

11
12 Mr. Rigsby states that the RTR:

13 " ... will not save ratepayers money, because all the rates will be artificially
14 increased in order to provide funds for the rebates."⁴

15
16 Mr. Rigsby speaks about customers in the aggregate. But customers respond to price signals
17 in **their** bill, not bills of others. The RTR creates an incentive for each consumer to reduce
18 consumption, and to require those who consume large volumes of water to pay higher costs.
19 If customers respond to this incentive and conserve, they will certainly "save money". And
20 if they do not conserve, yes, they will pay more – as they should. In order to generate the
21 required revenue, larger volumetric users will cover that cost. I do not believe that this is
22 "artificially" increasing other rates. It is placing the costs of consumption on higher users
23 and is an appropriate financial signal to send. In fact, larger volumetric rates are always
24 intended to cover the lower volumetric rates in an inverted multiple-tier rate design thus
25 invalidating Mr. Rigsby's argument. The rates are designed to promote conservation and
26

27

⁴ Rigsby Rate Design Direct Testimony, Page 9, Lines 6-8.

1 provide the Company with the required revenues; this is no different in that regard than with
2 any other rate design.

3
4 Mr. Rigsby continues:

5 “...the proposal will not properly incent conservation because rebates are
6 awarded to all customers who consume less than the median amount,
7 regardless whether those customers have always been below the median
8 point prior to the implementation of the rebate program.”⁵

9
10 The RTR is based on the average residential water consumption for the area. Consumers
11 who historically consume less than the average should not be penalized for the efforts they
12 have taken to date. By that I mean that low volume consumers should be encouraged to
13 continue to do what they are doing – the rebate portion of the RTR does this. Additionally,
14 by the same measure, any inverted tier rate design most benefits those who consume less,
15 this is not a phenomenon created by the RTR.

16
17 Finally, Mr. Rigsby states:

18 “Furthermore, rebates would not be given to those high use customers who
19 demonstrably reduce their consumption, yet still fall above the median
20 amount.”⁶

21
22 The RTR is designed as a conservation tool which can provide significant economic
23 incentive to low volume users. The consumption patterns in the Global service areas
24 indicate that the majority of consumption is residential. As a result it makes sense to focus
25 conservation efforts where consumption actually exists.

26
27 ⁵ Rigsby Rate Design Direct Testimony, Page 9, Lines 8-12.

⁶ Rigsby Rate Design Direct Testimony, Page 9, Lines 12-14.

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Volumetric Consumption by Category⁷

	Residential	Commercial	Irrigation	Construction
Santa Cruz	74.2%	3.2%	21.4%	1.1%
VWC-TD	56.9%	8.5%	30.9%	3.7%
VWC-GBD	99.0%	0.5%	0.16%	0.3%
WVWC	93.1%	3.4%	3.4%	0.0%
WUGT	79.3%	1.6%	16%	3.1%

That is not to say that large single users are exempt from additional Company support. Global has developed a Demand-Side Management program to assist all users – including large irrigation users – in their conservation efforts. This DSM program was detailed in my Rebuttal Testimony.

Further, the RTR encourages conservation by way of increased costs at higher tiers. Therefore an incentive to conserve is built in by having large-scale volumetric users recognize that at the higher tiers they are paying a premium for water. Reducing their use will directly impact their bills.

⁷ Data from consumption September 2008 to August 2009.

1 COMMENTS ON STAFF RATE DESIGN

2
3 **Q. Do you believe that the Staff Rate Design incents conservation?**

4 A. No. We must recognize that we have the opportunity to take conservation out of the “feel
5 good” category, and into the “financial” category. Provided with information and financial
6 incentives, the consumer can take control of their consumption and see real financial
7 benefits. As has been shown, we must use a multitude of messaging and avenues to change
8 customer behavior.

9
10 The inverted-tier rate designs were the first step to conservation – making usage count in the
11 cost of utility service. I believe that now is the time to make people keenly aware of
12 consumption as a metric, and to allow those that actively conserve to be rewarded
13 financially. This is the basis of the Rebate Threshold Rate.

14
15 Staff’s recommended and alternative rate designs, in my opinion, simply maintain the status
16 quo, and will do little to provide the incentive to conserve.

17
18 **Q. Can you provide an example?**

19 A. Staff’s recommended and alternate rate designs include a non-potable rate of \$1.39/1000
20 gallons and \$0.86/1000 gallons respectively for Santa Cruz, while adopting Palo Verde’s
21 recommendation of \$2.00/1000 gallons for recycled water. Under this scenario, the
22 incentive is to use groundwater rather than potable water. In response to Global Data
23 Request 3.8, Staff stated that they will file amended schedules to address this discrepancy in
24 surrebuttal testimony. While we would expect that the Staff proposed rates for non-potable
25 water would increase, the proposed changes are not known. We must ensure that recycled
26 water is financially attractive compared to groundwater, while at the same time recognizing
27 the all water has value, and not make one class of water so cheap so as to lead to its waste.

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Q. Do you have any other observations?

A. Under Staff's rate design, for any given meter size higher consumption does mean higher charges. However, if we look at the volumetric or commodity charges, I believe that there is the potential for mixed messages or inciting the wrong action.

The Staff proposal provides the potential for large users to pay less for a given volume than would a residential user.

Q. Can you show that?

A. Consider the use of 15,000 gallons in one month. As shown below, under Staff's rate design, a residential customer would have a volumetric charge of \$42.05, while a 1" (any class) customer would have a volumetric charge of \$41.25.

3/4" Residential Meter

Monthly Consumption

15000 gallons

Tiers			Billable Volume	Cost
0	3000	1.85	3000	\$ 5.55
3001	10000	2.75	7000	\$ 19.25
10001	9999999	3.45	5000	\$ 17.25

Total Volumetric

Costs \$ 42.05

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1" All Classes

Monthly Consumption 15000 gallons

Tiers		Billable Volume	Cost
0	55000	2.75	15000 \$ 41.25
55001	99999999	3.45	0 \$ -

Total Volumetric

Costs \$ 41.25

While I recognize there is a difference in the monthly fee amounts, I do not believe that large meter users should pay less for their water than others. At a minimum the rates should be equivalent. The RTR achieves this by providing equivalent rates across all classes.

Q. What are the implications of such a design?

A. I believe that this residential subsidy of larger meter users is not fair. There's just no reason why the non-residential customers should be given less of an incentive to conserve than the residential customers.

Q. Does the RTR suffer from the same fate?

A. No. As all classes of consumer are equal in the RTR, there is no difference in the volumetric rates.

Q. What is Staff's position on the fixed portion of the rates?

A. From a review of Staff's rate design, it appears to me that increased fixed charges were not considered.

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Q. What are the benefits of increased fixed charges?

A. Increasing the portion of the revenue requirement to be made up from the monthly minimum gives the utility much greater flexibility in offering incentives for conservation. In our case, it is a key element in the RTR structure.

Q. What is Staff's basis for rejection of the RTR?

A. The status quo. Staff readily admits that there are no studies or analyses that they relied upon to reject the RTR and have relied on past experience and judgment.⁸ The fact that no company in Arizona has ever proposed something like the RTR suggests that experience is a non-factor in deciding the benefits of the RTR.

Q. Mr. Eaddy states that a three-tier rate structure is preferred, and bases this decision on simplicity and ease of calculation. Do you agree?

A. No. The whole point of the six-tier rate design is to provide incentives to conserve. By offering a number of "gates", through which the consumer has the option of passing through, or not, the control of the consumer's volumetric costs lies squarely in the hands of the consumer. In the case of a three-tier system, those gates are passed too quickly and with little fanfare. The incentive to conserve through the traditional three-tier price points is lost after 10,000 gallons. With our six-tier design, customers have an incentive to think about different water price points through 25,000 gallons.

Q. But isn't simpler better for the consumer?

A. I would agree that the consumer needs to understand the mechanics of a rate structure. However, implying that simplicity should override conservation goals is not right.

⁸ See response to Data Request Global 3.1 and 3.2.

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I also believe that the consumer can understand the RTR structure – through education and public outreach. Something that Global is particularly good at.

Q. Staff points out that the change may be too drastic. What are your thoughts?

A. I don't agree. In many ways a "step-function" change will encourage people to get involved and understand the changes. Incremental changes sometimes occur too gradually – the result is that their potential benefits are diluted. We recognize the benefit of gradualism when it applies to items such as phased-in rates and changes in policy. When there is a direct consumer benefit – especially if it is financial – then gradualism does the customer a disservice.

Q. So you are confident that the consumer would be able to understand the RTR?

A. Definitely. We have a model that would allow the consumer to model their usage and determine the costs. We have AMR/AMI technology that will provide instantaneous feedback to the consumer on their consumption. We have a proven ability in "moving the needle" with our education and outreach activities.

Q. What do you conclude?

A. In my opinion, I have confidence in our consumers' abilities to comprehend the RTR structure, and that they will embrace it as a means of controlling their costs. Further, I conclude that combining information with financial incentive will result in conservation on a scale not heretofore seen in Arizona.

1 **CONSTRUCTION METERS**

2
3 **Q. In response to Global Data Request 3.7, Staff suggests that construction water users**
4 **are unlike other users and do not have individually assigned meters. Do you agree?**

5 A. No. We require all construction water users to have an individual meter. They are assigned
6 a specific meter with an integral backflow prevention device. They are established as
7 customers in our billing system, and receive bills accordingly. In most cases, construction
8 meters remain in the use of the construction customer for several months as development or
9 construction activity progresses.

10
11 **Q. So should construction customers have a monthly fee?**

12 A. Yes. They use the meters for a significant amount of time. Further, the provision of a 2”
13 construction meter can place tremendous instantaneous demands on the distribution system.
14 In fact a 2” meter can draw a continuous flow of 160 GPM⁹, which would be the equivalent
15 of 275 homes (based on a peak hour demand of 0.58 GPM¹⁰).

16
17 The fixed monthly fee assists the utility in providing this “capacity” to the construction
18 customer.

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25 ⁹ AWWA Standard C700

26 ¹⁰ If the average annual demand from a single family dwelling is 250 gallons per day, the peak hour flow can be
calculated as follows:

- 27
1. Average Day Flow = 250 gallons per unit per day
 2. Maximum Day Flow = 495 gallons per unit per day (250 x 1.8 + 10% for potential line losses)
 3. Peak Hour Flow = 0.58 GPM per unit (1.7 x Max Day Flow)

1 **MISCELLANEOUS FEES AND CHARGES**

2
3 **Q. In response to Global Data Request 3.9, Staff claims that no justification was provided**
4 **to support an increase in the Miscellaneous Service Charges. Would you agree?**

5 A. No. In our responses to Staff Data Requests, we provided a detailed breakdown of the costs
6 involved in performing these activities. Staff has chosen to ignore that data in order to
7 retain “customary” charges, based on a claim that there was insufficient data.

8
9 **Q. Can you recount your data?**

10 A. We provided the following data to Staff:

11
12 **ESTABLISHMENT FEES**

13 The current fees associated with Account Establishment at the Global Utilities range from
14 \$25 to \$35. The rate application harmonizes these charges and recommends that the fee be
15 established at \$50 for all utilities.

16
17 While we have not prepared a formal “cost of service” study for this fee, we reviewed the
18 fundamental costs associated with performing these functions.

19
20 The process of account establishment involves the following steps:

- 21 1. Key data into the Customer Information System (CIS)
22 2. Receive payment and deposit (if applicable)
23 3. Confirm validity of payment
24 4. Prepare work order to connect service
25 5. Print work orders
26 6. Dispatch Field technician to site
27 7. Open off valve

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- 8. Confirm flow is not excessive (which could indicate a leak or open valve at the residence)
- 9. Complete work order
- 10. Update CIS

In addition, as there is no fee for terminating service at the customer's request, the costs associated with performing that activity must also be recovered in this line item. The costs associated with this process are primarily incurred in labor expenses:

Establishment Fee Analysis

Customer Service Representative (CSR) Staff Time	\$11.00	(based on average time spent in activity)
CSR Supervisory Activities and Quality Control	\$ 6.50	(based on 30% of CSR time at Supervisor rates)
Field Service Representative (FSR) Staff Time	\$20.00	(based on time spent performing these services)
FSR Supervisory Activities and Quality Control	\$12.00	(based on 30% of FSR time at Supervisor rates)
Vehicle Costs	\$ 2.00	(based on vehicle expense dedicated to this
		_____ process)
Total	<u>\$ 51.50</u>	

AFTER HOURS FEES

The costs associated with reconnecting a service after hours are substantially higher than during normal working hours as an on-call person is required to perform the work. In those cases the labor costs are a minimum of 1.5x the normal costs, and travel time must be factored in to the cost. On-call operations staff are paid from the time they leave to attend at a site for work during off hours.

Under these circumstances, a fee of twice the normal fee is appropriate.

1 **RECONNECT FEES**

2 The current fees associated with a service reconnect at the Global Utilities range from \$30 to
3 \$35. The rate application harmonizes these charges and recommends that the fee be
4 established at \$75 for all utilities.

5
6 This fee is designed to recover costs associated with both the disconnect process and the
7 reconnect process and is intended to shift the costs associated with delinquent parties from
8 the customer base to the offenders themselves.

9
10 The following steps must be performed:

- 11 1. Identify delinquent accounts
- 12 2. Issue Disconnect Notice (mail, printing etc)
- 13 3. Interactive Voice Response (IVR) file uploads
- 14 4. Prepare physical disconnect list
- 15 5. Prepare disconnect work orders
- 16 6. Print work orders
- 17 7. Dispatch Field Service Representative to site
- 18 8. Shut off valve
- 19 9. Complete work order
- 20 10. Update CIS
- 21 11. Receive payment
- 22 12. Confirm validity of payment
- 23 13. Prepare reconnect work order
- 24 14. Print work orders
- 25 15. Field technician to site (travel)
- 26 16. Open off valve
- 27 17. Complete work order

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18. Update CIS

Reconnect Fee Analysis

Accounting Services to Manage Delinquent Account	\$ 6.00	(based on average time spent in activity)
Accounting Supervisory Activities	\$ 2.00	(based on 30% of CSR time at Supervisor rates)
Prepare disconnect and Printing/Mailing etc	\$ 7.00	(based on time spent performing these services)
Customer Service Representative (CSR) Staff Time	\$18.00	(based on 30% of FSR time at Supervisor rates)
CSR Supervisory Activities and Quality Control	\$ 10.70	(based on 30% of CSR time at Supervisor rates)
Field Service Representative (FSR) Staff Time	\$20.00	(based on time spent performing these services)
FSR Supervisory Activities and Quality Control	\$12.00	(based on 30% of FSR time at Supervisor rates)
Vehicle Costs	\$ 2.00	(based on vehicle expense dedicated to this process)
Total	<u>\$ 77.70</u>	

NSF FEES

NSF Fees are determined to allow recovery of both the direct costs and fees associated with the presentation of a dishonored check. Under ARS 44-6852, "the holder, payee or assignee of the holder or payee of a dishonored check, draft, order or note may charge and collect from the maker or drawer a service fee of not more than twenty-five dollars plus any actual charges assessed by the financial institution of the holder, payee or assignee of the holder or payee as a result of the dishonored instrument."

In the case of the Global Utilities, Wells Fargo charges the following fees for NSF Items:

1. Returned Item Charge Back	\$3.75
2. Return item redeposit fee	\$1.75
3. Return item subscription fees	\$0.65
Total =	\$6.15

1 The internal management of a dishonored check requires several steps that would not be
2 completed in the absence of an NSF check. These include:

- 3 1. Reviewing the NSF report from the bank
- 4 2. Investigating each account concerned in the Customer Information System (CIS)
- 5 3. Calling the customer to attempt to prevent a disconnect situation.
- 6 4. Initiating action to process the returned check on the account, including manually
7 reversing the payment and manually applying fees.
- 8 5. Issuing a letter to the customer notifying them of the NSF item.
- 9 6. Reconciliation of adjustments in CIS with the accounting system and daily bank
10 statements.

11
12 Accordingly, we believe that a charge of \$30 per dishonored check is appropriate.

13
14 **Q. Do you believe these Miscellaneous Service Charges should be increased?**

15 **A. Yes.**

16
17 **Q. In response to Global Data Request 3.10, Staff indicates that they are supportive of
18 some of the miscellaneous charges, and do not support others. Can you comment?**

19 **A.** We are pleased that Staff has supported some of the proposed charges. To be clear, most of
20 these miscellaneous fees and charges are not charges that the “typical” consumer would ever
21 be subject to. Normal, law-abiding customers should not have to cover the full costs of
22 water theft or intentional damage to utility property. The bad actors who commit these acts
23 should be responsible for the costs. We are using these charges to discourage people from
24 water theft, utility property damage and any potential deleterious impact of consumers’
25 activities on the quality of recycled water. A “typical” consumer will never see the majority
26 of these fees or charges.

1 With respect to the general fees, Meter Exchange Fee, and Hydrant Deposit Fee, we are
2 simply seeking codification of practices.

3
4 My specific comments are detailed below.

5
6 **Q. Please discuss the Meter Exchange Fee.**

7 A. We have reviewed the language Staff proposed¹¹ and can agree.

8
9 It should be noted as well that we have proposed in our Rebuttal Testimony that Global
10 implement a Demand-side Management Program.¹² Under qualifying conditions, a meter
11 exchange may be funded from that program, and hence no recovery from the consumer may
12 be necessary.

13
14 **Q. Please discuss the Water Theft Charge.**

15 A. Staff recommends that the charge be denied.

16
17 **Q. What reason does Staff give?**

18 A. Staff refers to A.A.C. R14-2-410.B. (Rule 410)¹³ That rule allows for the disconnection of a
19 customer without notice if:

20 The utility has evidence of meter tampering or fraud; or

21 There is unauthorized resale or use of utility services.¹⁴

22
23 Critically, however, our proposed Water Theft Charge would be levied against non-
24 customers (e.g theft from a hydrant). The Water Theft Charge serves two purposes: it

25
26 ¹¹ Staff Response to Global 3.10.a.

¹² Details of the proposed Global Demand-side Management program were provided in the rebuttal testimony of Graham Symmonds submitted on 20 November 2009.

¹³ Supplemental Response to Data Request Global 3.10.

¹⁴ Arizona Administrative Code R14-2-410.B.

1 discourages “jumpering” of consumer meters; and it allows for recovery of costs associated
2 with theft from hydrants (typically not utility customers). Because Rule 410 does not apply
3 to non-customers, it is not applicable and does not serve as a deterrent. Moreover, even for
4 customers, Rule 410 is permissive – it allows a utility to terminate service, but it does not
5 forbid other actions, certainly not actions approved in a tariff as we are requesting here.

6
7 It is my opinion that Rule 410 does not provide any disincentive to prevent water theft save
8 for a disconnect fee. Clearly the customer has already been disconnected, otherwise there
9 would be no need for the customer to steal water. There is no incentive for the customer to
10 pay a reconnect fee if all he has to do is cut the lock, or jumper the meter. The utility,
11 however, incurs substantial labor and administrative costs associated with these activities.

12
13 **Q. Can you provide an example?**

14 A. At Santa Cruz’s current rates, stealing 2,000 gallons of water with a water truck is “worth”
15 \$5.20. The real costs to the utility are much higher, and include tracking theft,
16 administration of offense (police reports, documentation etc), and the potential for backflow
17 of contamination into our systems. In addition, Rule 410 is applicable to utility customers
18 only, so could not be applied to *large-scale theft from non-customers*.

19
20 These charges are designed as for cost recovery and to act as a deterrent. In the absence of
21 covering the real costs of the event, we continue to recommend that the Water Theft Charge
22 is appropriate.

23
24 **Q. Is water theft really a problem?**

25 A. Yes. It is not uncommon for construction companies to steal construction water from a
26 hydrant without paying for it.

1 **Q. Please discuss the Hydrant Meter Deposit Charge.**

2 A. We concur with Staff's assessment¹⁵ that the Deposit should reflect the actual equipment
3 costs.

4
5 **Q. Please discuss the Lock/Security Tab Cutting Charge.**

6 A. Staff refers to Rule 410 as a reason to not adopt our proposed Lock/Security Tab Cutting
7 Charge.¹⁶ But again that rule only applies to customers. Only non-customers would have to
8 cut a lock.

9
10 In addition, I note that A.A.C. R14-2-407.B.4 states: "Each customer shall be responsible
11 for payment for any equipment damage resulting from unauthorized breaking of seals,
12 interfering, tampering or bypassing the utility meter." Under this rule, the utility should be
13 allowed to recover the real costs of responding to this type of event (material plus labor).
14 Our proposed water theft tariff is appropriate under this rule.

15
16 **Q. Please discuss the proposed Source Control Tariff and Charges.**

17 A. Staff agrees with our proposed \$250 violation of source control tariff.¹⁷

18
19 **Q. Please discuss the Unauthorized Discharge Fee.**

20 A. The Unauthorized Discharge Fee is a fee designed to prevent and deter illegal dumping into
21 our sewer system. In many ways it is a complement to the Source Control Tariff and
22 Charges. In this case, however, it is a fee not levied against a commercial customer, but a
23 charge against an illegal discharge of septic tank or grease trap residue. This fee is an order
24 of magnitude greater than the Source Control Tariff because the effects on a water

25
26 _____
27 ¹⁵ Staff Revised Response to Global Data Request 3.10.c.

¹⁶ Staff Revised Response to Global Data Request 3.10.d.

¹⁷ Staff Revised Response to Global Data Request 3.10.e.

1 reclamation plant can be both immediate and long-lasting. This is not the case with a
2 Source Control Violation.

3
4 For instance, if one considers that a septic truck may hold in the order of 2000 gallons of
5 septage, with a Biochemical Oxygen Demand (BOD) of 30,000 mg/L, that volume has the
6 same biological loading impact as 200,000 gallons of municipal wastewater. Treatment
7 plants not specifically designed to handle septage suffer dramatic variations in settleability
8 and effluent quality under these types of loading.

9
10 Accordingly, the Unauthorized Discharge Tariff is appropriate because it reflects the greater
11 damage caused by unauthorized discharges.

12
13 **Q. Please discuss the deposit interest issue.**

14 **A.** Staff recommends that Deposit Interest remain a 6% (AAC R14-2-403.B.3). This interest
15 rate bears no relation to any current market interest rate. In effect, the utility loses money by
16 taking a deposit. The purpose of the deposit is not to cost either the customer or the utility
17 money. Rather the purpose is to ensure payment, thus preventing one customer from
18 shifting their cost of service to responsible, paying customers. That purpose is not served by
19 an unnecessarily high interest rate. A market-based interest rate will ensure that the
20 customer is appropriately compensated for the time value of their deposit money.
21 Therefore, as a compromise, I propose that the deposit interest rate be set at the equivalent
22 of a 1 year CD at the time the deposit is made. This will be fair to both the customer and the
23 utility.

**Rowell Rate Design
Rebuttal Testimony**

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DOCKET NOs. SW-02445A-09-0077 *et al.*

**Rate Design Rebuttal Testimony
of
Matthew J. Rowell**

November 30, 2009

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I. Introduction.

Q. What is the purpose of your testimony?

A. This testimony compares Global’s proposal to consolidate the rates of WUGT, Greater Buckeye and Town Division with the criteria laid out by Staff in Docket No. W-10303A-08-0227. My testimony also responds to Staff’s and RUCO’s recommendations to reject the consolidation proposal. Finally, I show the impacts on typical residential customers of the consolidation proposal.

II. Staff’s Rate Consolidation Criteria.

Q. Since filing your direct testimony has anything been filed with the Commission that is relevant to Global’s consolidation idea?

A. Yes, on March 13, 2009 Mr. Elijah O. Abinah filed surrebuttal testimony on behalf of Staff in the Arizona-American rate case (Docket No. W-10303A-08-0227) which directly addressed the concept of rate consolidation. In that testimony Mr. Abinah laid out a list of criteria that should be considered when evaluating a rate consolidation proposal.

Q. How does Global’s proposal for consolidation of the West Valley utilities compare to Staff’s criteria laid out in Mr. Abinah’s testimony?

A. I believe Global’s proposal compares quite favorably with Staff’s criteria. Staff listed the following criteria for evaluating consolidation proposals:

- Public health and safety
- Proximity and location
- Community of interest
- Economies of scale/rate case expense
- Price shock/mitigation

- Public policy
- Other jurisdictions

Q. Please discuss the public health and safety factor.

A. Staff presents a hypothetical example of a small utility that needs to substantially upgrade its system in order to “alleviate health or public safety issues such as water quality.” Staff points out that with few customers to bear the costs of such an investment, the rate increase associated with such improvements could be quite large for the individual customers of the small utility. However, if the small system were consolidated with one or more other systems the rate impact would be mitigated because the cost of the necessary investments can be spread across many more customers.¹ Staff’s hypothetical example is remarkably similar to the actual circumstances faced by Global’s West Valley utilities. Water Utility of Greater Tonopah (“WUGT”) has a small number of customers (about 350). The WUGT systems have required substantial upgrades, including arsenic and fluoride removal systems, and other infrastructure mandated by Commission decisions (e.g. a secondary water source for WUGT’s Sun Valley system). Without consolidation, rate recovery for these improvements falls entirely on these few customers. Combined, the three West Valley utilities have 6,000 customers, and the infrastructure costs can be spread across this larger customer base.

Staff also states that “One of the most valuable outcomes of consolidated rates is that it allows the purchase of these systems by larger, more stable companies who can in turn spread this investment over a much larger customer base.”² We agree with Staff on this point, rate consolidation makes the purchase of small utilities much more attractive because it avoids the rate shock problems associated with making necessary upgrades to small systems.

¹ Surrebuttal Testimony of Elijah O. Abinah, Docket Nos. W-01303A-08-0227 et al., page 9 line 26.

² Ibid, page 9, line 2.

1 **Q. Please discuss the proximity factor.**
2 A. Staff believes that proximity is an important but not necessary factor in evaluating a
3 consolidation proposal. Additionally, Staff believes that physical interconnection should
4 be required when technically and financially feasible. Valencia's Greater Buckeye
5 Division and Town Division are both located in or near Buckeye in the West Valley.
6 WUGT's service territory is located in Tonopah about twenty miles west of Buckeye. All
7 three of the utilities are served by operators from Global's west valley regional center in
8 Buckeye.. So the three utilities are in the same general area and share the same employees.
9 While these three utilities are in relative proximity to each other, interconnection of their
10 systems is not technically or financially feasible. In fact, there are separate public water
11 systems *within* each utility that are not physically interconnected. Interestingly the rates of
12 the separate public water systems within each utility are consolidated.

13
14 **Q. Please discuss the community of interest factor.**
15 A. Staff indicates that consideration of a "community of interest" should also influence
16 decisions regarding consolidation. For instance, Staff suggests that whether the relevant
17 "districts/systems have a common interest such as, schools, hospitals, recreational parks,
18 churches, etc."³ should be considered when deciding whether those systems should be
19 consolidated. A community of interest exists amongst the three utilities' service areas as
20 they use common recreational and medical facilities. In fact, most amenities (other than
21 schools) require travel into the Buckeye area (or even further into the Phoenix metro area.)

22
23 **Q. Please discuss the economies of scale / rate case expense factor.**
24 A. Staff asserts that the potential for economies of scale in rate case expense and other areas is
25 a factor to consider when evaluating consolidation proposals. There are definitely
26 economies of scale associated with these three utilities. In terms of rate case expense,

27

³ Ibid, page 9, lines 16-20.

1 putting together one consolidated set of rate case schedules instead of three separate ones
2 would save a considerable amount of time and effort. This reduction in time and effort
3 applies to the Staff and interveners as well as the utility. My experience assisting Global
4 personnel putting this rate case filing together allows me to testify from first-hand
5 knowledge that consolidating these three systems would result in a significant reduction in
6 time and effort in future rate cases. In addition to rate case expense, these three utilities
7 achieve economies of scale in operations as well. As I stated above, all three of the
8 utilities are served out of Global's west valley regional center in Buckeye.

9
10 **Q. Please discuss the price shock / rate mitigation factor.**

11 A. Staff posits that the potential for price shock and mitigation efforts should be considered
12 when evaluating consolidation proposals.⁴ Global's consolidation proposal will
13 substantially mitigate the impact of the rate increase on WUGT's customers while having a
14 much less dramatic effect on Valencia – Greater Buckeye Division's and Valencia's –
15 Town Division's customers. See section IV below for further discussion of this topic.

16
17 **Q. Please discuss the public policy factor.**

18 A. Staff asserts that public policy considerations should be considered when evaluating
19 consolidation proposals. Specifically, Staff cites three "key public benefits" arising from
20 rate consolidation⁵ and all three of these benefits apply to Global's current proposal:

- 21 1. The opportunity for efficient consolidation of small troubled water
22 companies, some of which may be some distance from other companies'
23 current foot print.

24
25
26
27

⁴ Ibid page 10 lines 4-22.

⁵ Ibid page 11 lines 1-13.

1 The three utilities involved were all undercapitalized and in need of improvements when
2 purchased by Global. Rate consolidation will promote future consolidation of similar
3 systems.

- 4 2. The ability to minimize severe price shocks experienced by one or two
5 communities as a new facility or major upgrade is undertaken.

6 Global's consolidation proposal is specifically intended to mitigate the rate shock for
7 WUGT's customers (discussed further below.)

- 8 3. Improving the effectiveness of certain key programs such as low income
9 tariffs by including resources from across the state.

10 Global's proposed low income tariff (discussed in the Rebuttal Testimony of Mr.
11 Symmonds) is designed to operate across all the Global Utilities. Therefore, it will be
12 largely unaffected by the outcome of the rate consolidation proposal. Without cross-utility
13 subsidies, the low income tariff would be untenable for smaller utilities like WUGT.

14
15 Also, Global's tiered rate structure will be easier to administer and educational material
16 will be easier to prepare and disseminate with one set of rates rather than three.

17
18 While it was not specifically identified as a public policy factor by Staff, Global believes
19 that in cases where the utilities rely on a common aquifer and must jointly coordinate water
20 use there is a strong public policy factor supporting consolidation.

21
22 **Q. Please discuss the other jurisdictions & municipalities factor.**

23 **A.** Staff suggests that examining other jurisdictions' treatment of rate consolidation is
24 appropriate.⁶ The issue of rate consolidation for water utilities has been reviewed by
25
26

27

⁶ Ibid page 11 lines 15-16.

1 NARUC and in 2005 rate consolidation was adopted as a “best practice” by the NARUC
2 board of directors.⁷

3
4 **Q. Are there other aspects of the Arizona-American rate case that are relevant to**
5 **Global’s consolidation proposal?**

6 A. Yes. In its Decision in the Arizona-American docket the Commission specifically
7 recognized the benefits of rate consolidation and held the docket open to allow for a
8 discussion of rate consolidation. Also, Staff was directed to propose at least one
9 consolidation proposal in Arizona-American’s “next rate case.” This shows a clear and
10 positive interest in consolidation by the Commission. Therefore, the issue should be given
11 due consideration in this case.

12
13 **III. Response to Staff’s and RUCO’s Direct Testimony.**

14
15 **Q. Please discuss Staff’s position on Global’s rate consolidation proposal.**

16 A. Staff’s rejection of the consolidation proposal stems from Staff’s recommended revenue
17 requirements for the three utilities. Staff states that: “A benefit of that subsidization can be
18 that spreading costs among the customers of larger systems helps to mitigate a significant
19 rate impact to customers of smaller systems.”⁸ Under Global’s recommended revenue
20 requirements the consolidation proposal would have this benefit: WUGT’s (the smallest of
21 the three companies) 240% stand-alone revenue increase would be significantly mitigated
22 through consolidation with Valencia’s Greater Buckeye and Town Divisions. But under
23 Staff’s recommended revenue requirements (which strip WUGT of its rate base), WUGT
24 actually receives a revenue decrease. Under Staff’s proposed revenue requirements

25
26 ⁷ *Resolution Supporting Consideration of Regulatory Policies Deemed as “Best Practices”*, Sponsored by the
27 Committee on Water, Adopted by the NARUC Board of Directors, July 27 2005. Available at:
http://www.naruc.org/Resolutions/BestPractices_s0705.pdf.

⁸ Direct Testimony of Crystal Brown, page 29 lines 21-22.

1 Global's consolidation proposal would result in WUGT and the Greater Buckeye Division
2 subsidizing the Town Division (the largest of the three companies). Since Staff did not file
3 a consolidated rate design, we cannot determine the extent of such subsidization.

4 However, if Global's revenue requirement (or a similar revenue requirement) is adopted,
5 the rate consolidation of WUGT, Greater Buckeye and Town Division would provide the
6 benefits that Staff recognizes.

7
8 **Q. What is RUCO's position on Global's rate consolidation proposal?**

9 A. RUCO opposes the consolidation proposal because they believe that the small number of
10 WUGT customers implies that there will likely never be an opportunity for reciprocity.
11 That is, RUCO believes that it is unlikely that WUGT customers will ever subsidize
12 Greater Buckeye and/or Town Division plant additions in the future.⁹ In other words,
13 RUCO is opposed to consolidation where the goal is to "to mitigate the rate increase of the
14 smaller system by having the larger system pay more than its fair share."¹⁰

15
16 **Q. How do you respond to RUCO's position on the consolidation proposal?**

17 A. First, I am unaware of the potential for future reciprocity being used to evaluate
18 consolidation proposals. Staff does not cite the potential for reciprocity as a factor in
19 evaluating consolidation either in this case or in the Arizona-American testimony
20 discussed above. Generally, the point of consolidation is for larger systems to subsidize
21 smaller ones. In an environment where growth is static, the smaller systems would never
22 be in a position to subsidize the larger ones. Thus, if the potential for reciprocity is a
23 determining factor, almost all consolidation proposals would be rejected.

24
25
26
27 ⁹ Rate Design Testimony of William A. Rigsby, page 4 line 21.

¹⁰ Rate Design Testimony of William A. Rigsby, page 5 lines 14-16.

1 Second, the WUGT system has a greater potential for growth than Greater Buckeye and
2 Town Division. The Belmont (and other) developments are located within WUGT's
3 CC&N area. These developments could bring substantial customer growth to WUGT over
4 the next decade. The Commission recognized the potential for growth in WUGT's service
5 territory in Docket No. W-02450A-06-0626. Additionally, the Town Division is land
6 locked and thus has no potential to extend its CC&N boundaries. The Greater Buckeye
7 Division does have some growth potential but current projections indicate substantially
8 more growth in WUGT's service territory. If, as expected, WUGT's customer base grows
9 at a faster rate than Greater Buckeye's and Town Division's it will eventually catch up to
10 their customer levels. Thus, at some point in the future, WUGT may be in a position to
11 provide a subsidy to Greater Buckeye and Town Division.

12
13 **IV. Impacts of the Consolidation Proposal.**

14
15 **Q. Has Staff provided an analysis of the customer impact of the consolidated rate
16 proposal?**

17 **A.** Not really. At Page 9 of her Direct Testimony, Staff witness Crystal Brown presents a
18 table showing Staff's recommended percent increase under consolidated rates to be
19 45.72% for each of the three utilities. This 45.72% increase under consolidated rates does
20 not demonstrate the actual customer impact for each system or the overall revenue increase
21 for *each* system. The 45.72% is the overall required increase in revenues for all three
22 utilities *combined*. Thus, Staff's analysis does not demonstrate the actual impact to
23 customers of any of the utilities under consolidated rates, nor if there is any derived benefit
24 or detriment from consolidating rates. Consolidated and unconsolidated rate designs
25 would need to be developed in order to perform an actual comparison of rates. This rate
26 design comparison is necessary to truly see each company's average customer bill impact
27

1 to determine if there is or is not reasonable benefit derived from the implementation of
2 consolidation.

3
4 **Q. Has Global developed consolidated and unconsolidated rate designs that can be used
5 for comparison purposes?**

6 A. Global did provide such comparative rate designs with its Direct Testimony (see Schedule
7 H-4.) The following tables summarize the impact of Global's requested rate increase on
8 residential customers (5/8" meters) with average consumption with and without
9 consolidation. Table 1 shows the rate impact on the three companies without
10 consolidation:

11
12 **Table 1 Rate Impact 5/8" Residential Customers No Consolidation¹¹**

	Present Rates	Unconsolidated Increase	Unconsolidated % Increase
Town Division	\$29.64	\$10.33	34.9%
Greater Buckeye	\$40.94	\$10.67	26.1%
WUGT	\$47.62	\$52.21	109.6%

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18 As can be seen, WUGT's customers will experience a substantial rate increase absent
19 consolidation.

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¹¹ Source: Schedule H-4 Typical Bill Analysis.

1 Table 2 below shows the rate impact on the three companies with consolidation:

2 **Table 2 Rate Impact 5/8" Residential Customers *With* Consolidation**

3

	Present Rates	Consolidated Increase	Consolidated % Increase
4 Town Division	\$29.64	\$15.1	50.9%
5 Greater Buckeye	\$40.94	\$18.95	46.3%
6 WUGT	\$47.62	\$7.62	16.0%

7

8 So with consolidation the impact on WUGT's customers is mitigated substantially.

9

10 Table 3 below shows the difference between the consolidated and unconsolidated rate

11 designs:

12 **Table 3 Difference Between Consolidated and Unconsolidated Increases for 5/8" Residential Customers**

13

	Consolidate Rate Increase	Unconsolidated Rate Increase	Difference
14 Town Division	\$15.10	\$10.33	\$4.77
15 Greater Buckeye	\$18.95	\$10.67	\$8.28
16 WUGT	\$7.62	\$52.21	(\$44.59)

17

18 Table 3 shows that the benefits to each WUGT customer from consolidation far exceed the

19 costs of each Greater Buckeye and Town Division customer.

20

21 **Q. Please summarize your testimony.**

22 **A.** My testimony demonstrates that Global's proposed rate consolidation proposal should be

23 approved based on Staff's proposed criteria for evaluating such proposals. I have

24 explained that Staff's rejection of the proposal is a result of Staff's proposed revenue

25 requirement (which strips WUGT of its rate base – a point we contested in our Rebuttal

26

27

1 testimony¹²) and not a result of any problems inherent in the rate design proposal itself. I
2 have also explained that RUCO's use of potential reciprocity as a criterion for evaluating
3 consolidation proposals would result in the rejection of almost all such proposals.
4 However, WUGT's potential for relative growth means there is a potential for reciprocity
5 in this case. Finally, I have shown that consolidation's benefit to each WUGT customer
6 far exceeds the cost to each Greater Buckeye Division and Town Division customer. For
7 all these reasons Global continues to recommend that its proposed consolidation of
8 WUGT, Greater Buckeye and Town Division be approved by the Commission.
9

10 **Q. Does this conclude your rate design testimony?**

11 **A. Yes.**
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¹² See Rebuttal Testimony of Matt Rowell, 20 November 2009

**Moe Rate Design
Rebuttal Testimony**

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DOCKET NOs. SW-02445A-09-0077 *et al.*

**Rate Design Rebuttal Testimony
of
Jamie Moe**

November 30, 2009

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I. Introduction.....1

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I. Introduction.

Q. Can you state the purpose of your testimony in this filing?

A. I introduce the H Schedules, which illustrate updated rates to meet the Company's proposed rebuttal revenue requirements for each utility, as well as a revised Schedule A-1 which includes the revenue impact on customer classes. The change in revenue requirement is due to the Company's proposed adjustments to rate base and operating income and expenses as detailed in the Moe rebuttal testimony.

Q. Please provide the Company's updated revenue requirement for each utility.

A. The revenue requirement per the rebuttal filing for each utility is as follows:

Palo Verde	\$15,602,936
Santa Cruz	12,933,524
Valencia, Town	4,649,122
Valencia, GBD	488,871
WUGT	882,733
Willow Valley	940,634

Q. Please provide the new rates.

A. The new rates for each utility are shown on Schedule H-3. The typical bill analysis for each utility is shown on Schedule H-4.

Q. Does this conclude your testimony?

A. Yes.

**Moe – Rate Design
Rebuttal Schedules**

Moe

Rate Design Rebuttal Schedule

PVUC

Global Water - Palo Verde Utilities Company - Rebuttal Schedules
 Test Year Ended December 31, 2008
 Classification - Present and Proposed Rates

Schedule H-1

Line No.	Customer Classification	[A] Present Rates Adjusted Sch. H-2 Col. E	[B] Proposed Rates Sch. H-2 Col. F	[C] Proposed Increase Amount	[D] %
1					
2	Residential	\$ 5,939,712	\$ 13,331,259	\$ 7,391,548	124.4%
3	Commercial	187,752	438,421	250,669	133.5%
4	Recycled	170,556	1,118,549	947,993	555.8%
5					
6	Total Water Revenues	<u>\$ 6,298,020</u>	<u>\$ 14,888,229</u>	<u>\$ 8,590,209</u>	136.4%
7					
8	Miscellaneous Revenues (Sch. C-1, L3)	339,704	713,079		
9					
10	Total Operating Revenues	<u>\$ 6,637,724</u>	<u>\$ 15,601,308</u>		
11					
12					
13	Pro Forma Adjustments	(122,612)			
14	Subtotal (L10 + L14)	<u>\$ 6,515,112</u>			
15					
16	Total Gen. Ledger Operating Revenues				
17	Test Year Ended 12/31/2008 (Sch. C-1, L5)	<u>6,521,201</u>			
18	Unreconciled Difference (L14 - L17)	(6,088)			
19	%	-0.09%			
20					
21	Target Revenue Requirement (Sch. C-1, Ln. 5)		<u>15,602,936</u>		
22	Difference (L10 - L21)		(1,628)		
23	%		-0.01%		
24					
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Global Water - Palo Verde Utilities Company - Rebudget Schedules
Test Year Ended December 31, 2008
Analysis of Revenue by Detailed Class

Line No.	Class of Service	Average Number of Customers	Average Consumption	Bill Count Water Revenues				General Ledger Water Revenues						
				[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
				Present Rates	Adjusted Present Rates	Proposed Rates	Proposed Increase	T.Y. Ended	Revenue Adjustments	Adjusted G.L. Revenues	Unreconciled Difference			
				[C]	[C + D]	[F]	[F - E]	12/31/2008	[J]	[K]	[L - K]	%		
1	5/8" Residential	1,719	N/A	\$ 680,559	\$ 680,559	\$ 1,503,417	\$ 822,858	\$ 5,905,989	\$ 136,934	\$ 6,042,922	\$ (103,211)	-1.71%		
2	3/4" Residential *	13,210	N/A	5,231,028	5,136,013	11,555,816	6,419,803	187,862	(14,322)	173,540	14,212	8.19%		
3	1" Residential	123	N/A	121,523	121,523	268,454	146,932	171,749	-	171,749	(1,194)	-0.69%		
4	1.5" Residential	1	N/A	825	825	1,823	998	\$ 6,265,600	\$ 122,612	\$ 6,388,212	\$ (90,192)	-1.41%		
5	2" Residential	1	N/A	792	792	1,750	958							
6	5/8" Commercial	4	N/A	1,353	1,353	2,989	1,636							
7	3/4" Commercial	4	N/A	1,452	1,452	3,208	1,756							
8	1" Commercial	17	N/A	16,005	16,005	35,357	19,352							
9	1.5" Commercial	25	N/A	48,015	48,015	106,070	58,055							
10	2" Commercial *	35	N/A	108,240	97,530	239,112	141,582							
11	3" Commercial	2	N/A	12,672	12,672	27,894	15,322							
12	4" Commercial	2	N/A	10,725	10,725	23,693	12,968							
13	Recycled	9	N/A	170,556	170,556	1,118,549	947,993							
14	Totals	15,152	6.873	\$ 6,403,744	\$ 6,288,020	\$ 14,888,229	\$ 8,590,209							
15	Total Residential	15,054	N/A	\$ 6,034,727	\$ 5,939,712	\$ 13,331,259	\$ 7,391,548							
16	Total Commercial	89	N/A	198,462	187,752	438,421	250,669							
17	Recycled	9	5.501,235	170,556	170,556	1,118,549	947,993							
18	Totals	15,152	6.873	\$ 6,403,744	\$ 6,288,020	\$ 14,888,229	\$ 8,590,209							
19	Miscellaneous Revenue (Sch. C-1)			339,704	339,704	713,079	373,375							
20	Total Revenue Generated			\$ 6,743,448	\$ 6,627,724	\$ 15,601,308	\$ 8,963,584							
21	Target Revenue Requirement (Sch. C-1)			\$ 6,743,448	\$ 6,627,724	\$ 15,601,308	\$ 8,963,584							
22	Over/(Short)			\$ -	\$ -	\$ -	\$ -							

* Adjustments for Pro-Rated Bills not Accounted for in Bill Count applied in Col. D for reconciliation, no revenue impact

Average Pro-Rated Bill Period - 13 Days (Remove 17 Days)	Pro-Rated Min.	Avg. Pro-Rated Min.	Adjustment
Residential	5,081	18.70	(95,015)
Commercial	90	119.00	(10,710)

Reconciliation from Bill Count Present Revenues to General Ledger - same as above, but demonstrates unadjusted reconciliation including pro-rated bills for residential and commercial. Other classes left as demonstrated above.

Residential	\$ 6,034,727	Commercial	198,462
	(95,015)		(10,710)
General Ledger	\$ 5,939,712	Unreconciled Difference	\$ 187,752
	\$ 5,905,989		187,862
	\$ 33,723		(110)

Global Water - Palo Verde Utilities Company - Rebuttal Schedules
 Test Year Ended December 31, 2008
 Calculation of Change in Miscellaneous Service Charge revenue

Line No.		Current	Proposed	Increase	Test Year Charges	Revenue Increase
1						
2	Establishment	\$ 25.00	\$ 50.00	\$ 25.00	6,819	\$ 170,475
3	After Hours	50.00	100.00	50.00	341	17,050.00
4	Reconnect	30.00	75.00	45.00	3,867	174,015
5	NSF Fees	15.00	30.00	15.00	789	11,835
6						
7	Proposed Misc. Service Charge Increase					<u>\$ 373,375</u>
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Monthly Minimum Charges:

Meter Size (All Classes)	Basic Service Charge		
	Present	Proposed	Change
5/8" Meter	\$ 33.00	\$ 72.90	\$ 39.90
3/4" Meter	33.00	72.90	39.90
1" Meter	82.50	182.25	99.75
1.5" Meter	165.00	364.50	199.50
2" Meter	264.00	583.20	319.20
3" Meter	528.00	1,166.40	638.40
4" Meter	825.00	1,822.50	997.50
6" Meter	1,650.00	3,645.00	1,995.00
8" Meter	N/A	7,290.00	N/A

Note: See Sch. H-3, Page 2 for proposed phase in of rates.

Commodity Rate Charges:

Pressurized Recycled Water - All Meter Sizes and Classes	Rate Block		Volumetric Charge (per 1,000 gallons)		
	Present	Proposed	Present	Proposed	Change
Tier One Breakover	N/A	N/A	N/A	N/A	N/A
Tier Two Breakover	N/A	N/A	N/A	N/A	N/A
Tier Three Breakover	N/A	N/A	N/A	N/A	N/A
Tier Four Breakover	N/A	N/A	N/A	N/A	N/A
Tier Five Breakover	N/A	N/A	N/A	N/A	N/A
Tier Six Breakover	N/A	N/A	N/A	N/A	N/A

Non-Potable Water - All Meter Sizes and Classes	Volumetric Charge		
	Present	Proposed	Change
All Gallons (Per Acre Foot)	\$ 100.00	\$ 651.70	\$ 551.70
All Gallons (Per 1,000 Gallons)	N/A	2.00	N/A

Miscellaneous Service Charges	Present	Proposed
Establishment of Service	\$ 25.00	\$ 50.00
Establishment of Service (After Hours)	-	100.00
Re-establishment of Service (Within 12 Months)	*	*
Reconnection of Service (Delinquent)	30.00	75.00
Reconnection of Service - After Hours (Delinquent)	N/A	100.00
Meter Move at Customer Request	N/A	Cost
After Hours Service Charge, Per Hour	50.00	50.00
Deposit	***	***
Meter Re-Read (If Correct)	N/A	30.00
Meter Test Fee (If Correct)	N/A	50.00
NSF Check	10.00	30.00
Late Payment Charge (Per Month)	1.50%	Greater of 1.5% or \$5.00
Deferred Payment Charge (Per Month)	1.50%	Greater of 1.5% or \$3.50

* Number of Months off System times the monthly minimum per A.A.C. R14-2-603(D).

** Cost to include parts, labor, overhead and all applicable taxes.

*** Per A.A.C. R14-2-603(B).

Proposed Phase In Rates

Meter Size (All Classes)	Basic Service Charge			
	Present	Year 1	Year 2	Year 3
5/8" Meter	\$ 33.00	\$ 45.33	\$ 58.16	\$ 72.90
3/4" Meter	33.00	45.33	58.16	72.90
1" Meter	82.50	113.33	145.40	182.25
1.5" Meter	165.00	226.65	290.80	364.50
2" Meter	264.00	362.64	465.28	583.20
3" Meter	528.00	725.28	930.56	1,166.40
4" Meter	825.00	1,133.25	1,454.00	1,822.50
6" Meter	1,650.00	2,266.50	2,908.00	3,645.00
8" Meter	N/A	4,533.00	5,816.00	7,290.00

Global Water - Palo Verde Utilities Company - Rebuttal Schedules
 Test Year Ended December 31, 2008
 Typical Bill Analysis

Schedule H-4

Class of Service	Average Monthly Consumption	Present Rates	Proposed Rates	Proposed Increase	
				Amount	%
5/8" Residential	N/A	\$ 33.00	\$ 72.90	\$ 39.90	120.91%
3/4" Residential	N/A	33.00	72.90	39.90	120.91%
1" Residential	N/A	82.50	182.25	99.75	120.91%
1.5" Residential	N/A	165.00	364.50	199.50	120.91%
2" Residential	N/A	264.00	583.20	319.20	120.91%
5/8" Commercial	N/A	33.00	72.90	39.90	120.91%
3/4" Commercial	N/A	33.00	72.90	39.90	120.91%
1" Commercial	N/A	82.50	182.25	99.75	120.91%
1.5" Commercial	N/A	165.00	364.50	199.50	120.91%
2" Commercial	N/A	264.00	583.20	319.20	120.91%
3" Commercial	N/A	528.00	1,166.40	638.40	120.91%
4" Commercial	N/A	825.00	1,822.50	997.50	120.91%
2" Construction		276.98	583.20	306.22	110.55%
3" Construction		81.83	1,166.40	1,084.57	1325.38%
4" Construction		120.24	1,822.50	1,702.26	1415.72%
8" Construction		2,051.80	7,290.00	5,238.20	255.30%
2" Lake		264.00	583.20	319.20	120.91%
Recycled	5,501,235	2,033.51	13,301.66	11,268.15	554.12%

Moe

Rate Design Rebuttal Schedule

SCWC

Global Water - Santa Cruz Water Company - Rebuttal Schedules

Schedule H-1

Test Year Ended December 31, 2008
 Classification - Present and Proposed Rates

Line No.	Customer Classification	[A] Present Rates Adjusted		[B] Proposed Rates		[C] Proposed Increase Amount	[D] %
		Sch. H-2 Col. E	Sch. H-2 Col. F	Sch. H-2 Col. F			
1	Residential	\$ 7,185,159	\$ 8,420,104		\$ 1,234,945	17.2%	
2	Commercial	282,162	423,168		141,007	50.0%	
3	Irrigation	1,279,833	2,147,038		867,205	67.8%	
4	Construction	159,412	378,786		219,374	N/A	
5	Lake	27,607	48,701		21,094	76.4%	
6	Non-Potable	116,258	762,244		645,985	555.6%	
7							
8	Total Water Revenues	<u>\$ 9,050,430</u>	<u>\$ 12,180,041</u>		<u>\$ 3,129,611</u>	34.6%	
9							
10	Miscellaneous Revenues (Sch. C-1, L4)	<u>365,946</u>	<u>752,151</u>				
11							
12	Total Operating Revenues	<u>\$ 9,416,375</u>	<u>\$ 12,932,191</u>				
13							
14							
15	Pro Forma Adjustments	<u>(299,141)</u>					
16	Subtotal (L12 + L15)	<u>\$ 9,117,234</u>					
17							
18	Total Gen. Ledger Operating Revenues						
19	Test Year Ended 12/31/2008 (Sch. C-1, L5)	<u>9,110,720</u>					
20	Unreconciled Difference (L16 - L19)	<u>6,514</u>					
21	%	0.07%					
22							
23	Target Revenue Requirement (Sch. C-1, L5)		<u>12,933,524</u>				
24	Difference (L11 - L23)		<u>(1,333)</u>				
25	%		-0.01%				
26							
27							
28							
29							
30							
31							
32							

Global Water - Santa Cruz Water Company - Rebundled Schedules
Test Year Ended December 31, 2008
Analysis of Revenue by Detailed Class

Line No.	Class of Service	Average Number of Customers	Average Consumption	Bill Count Water Revenues			General Ledger Water Revenues			Unreconciled Difference [E - K]	%
				Present Rates	Adjusted Present Rates [C + D]	Proposed Rates	T.Y. Ended 12/31/2008	Revenue Adjustments [J]	Adjusted G.L. Revenues [I + J]		
1	5/8" Residential	1,719	7,827	\$ 885,065	\$ -	\$ 1,022,336	\$ 137,271	\$ 15,514		15.51%	
2	3/4" Residential	13,210	6,474	6,262,340	(71,981)	6,190,359	1,067,051	17,244		17.24%	
3	1" Residential	123	5,533	110,091	(1,789)	108,302	30,108	27,806		27.80%	
4	1.5" Residential	1	2,100	642	-	840	198	N/A		N/A	
5	2" Residential	1	791	791	-	1,108	317	40,124		40.12%	
6	5/8" Commercial	4	68,256	8,195	-	13,588	5,394	65,834		65.83%	
7	3/4" Commercial	4	7,920	1,922	-	2,746	824	42,894		42.89%	
8	1" Commercial	17	10,083	16,717	-	22,283	5,566	33,306		33.30%	
9	1.5" Commercial	25	49,357	73,177	-	107,712	34,535	47,194		47.19%	
10	2" Commercial	35	71,888	157,699	(2,550)	237,641	82,492	53,174		53.17%	
11	3" Commercial	2	130,875	17,704	-	26,622	8,918	50,374		50.37%	
12	4" Commercial	2	35,731	9,299	-	12,577	3,278	35,254		35.25%	
13	5/8" Irrigation	1	7,750	170	-	201	31	18,044		18.04%	
14	3/4" Irrigation	10	10,457	5,859	-	7,982	2,123	36,234		36.23%	
15	1" Irrigation	7	10,267	6,560	-	8,560	2,001	30,504		30.50%	
16	1.5" Irrigation	7	93,538	47,914	-	75,435	27,521	57,444		57.44%	
17	2" Irrigation	25	339,209	162,406	-	260,363	97,957	60,324		60.32%	
18	4" Irrigation	1	1,815,250	21,368	-	37,641	16,273	76,154		76.15%	
19	5/8" HOA	14	2,826	5,069	-	6,497	1,428	28,174		28.17%	
20	3/4" HOA	21	11,613	12,968	-	17,099	4,131	31,854		31.85%	
21	1" HOA	11	46,236	22,232	-	22,232	11,622	52,284		52.28%	
22	1.5" HOA	16	197,454	116,467	-	196,502	80,035	68,774		68.77%	
23	2" HOA	59	338,683	753,707	-	1,283,790	530,083	70,334		70.33%	
24	3" HOA	1	1,065,833	38,023	-	66,604	28,581	75,174		75.17%	
25	4" HOA	2	1,523,421	87,090	-	153,512	65,421	75,124		75.12%	
26	2" Construction	42	76,940	138,215	-	303,246	165,031	N/A		N/A	
27	3" Construction	3	22,731	2,128	-	16,385	14,258	N/A		N/A	
28	4" Construction	1	33,400	601	-	4,818	4,216	N/A		N/A	
29	8" Construction	1	569,944	18,468	-	54,337	35,869	N/A		N/A	
30	2" Lake	1	807,917	27,607	-	48,701	21,094	76,414		76.41%	
31	Non-Potable	5	6,559,703	116,258	-	762,244	645,985	555,654		55.56%	
32	Totals	15,371	9,160	\$ 9,136,750	(76,320)	\$ 9,050,430	\$ 12,180,041	\$ 3,129,611		34.58%	
33	Total Residential	15,054	6,620	\$ 7,258,929	(73,770)	\$ 7,185,159	\$ 1,234,945	\$ 17,194		17.19%	
34	Total Commercial	89	51,709	284,712	(2,550)	282,162	423,168	141,007		49.97%	
35	Total Irrigation	175	186,953	1,279,833	-	2,147,038	867,205	67,764		67.76%	
36	Total Construction	47	82,154	159,412	-	378,786	219,374	N/A		N/A	
37	Total Lake	1	807,917	27,607	-	48,701	21,094	76,414		76.41%	
38	Non-Potable	5	6,559,703	116,258	-	762,244	645,985	555,654		55.56%	
39	Totals	15,371	9,160	\$ 9,136,750	(76,320)	\$ 9,050,430	\$ 12,180,041	\$ 3,129,611		34.58%	
41	Miscellaneous Revenue (Sch. C-1)			385,946		752,151	386,205	105,544		105.54%	
42	Total Revenue Generated			\$ 12,932,191		\$ 12,932,191					
43	Target Revenue Requirement (Sch. C-1)										
44	Over/(Short)							(1,333)			
45											
46											
47	* Adjustments for Pro-Rated Bills not Accounted for in Bill Count applied in Col. D for reconciliation, no revenue impact										
48	Average Pro-Rated Bill Period - 13 Days (Remove 17 Days)										
49	Pro-Rated Bills	5081									
50	Residential	14									
51	Commercial	28									
52											
53											
54											
55											
56											
57											
58											

General Ledger Water Revenues		Unreconciled Difference	
T.Y. Ended 12/31/2008	Revenue Adjustments [J]	Adjusted G.L. Revenues [I + J]	[E - K]
\$ 7,120,475	\$ 161,178	\$ 7,281,653	\$ (96,494)
278,248	(21,448)	256,800	25,362
1,324,387	(68,535)	1,255,852	13,981
137,002	155,753	292,754	(133,343)
27,577	-	27,577	30
54,067	62,194	116,261	(2)
\$ 8,941,755	\$ 299,141	\$ 9,240,896	\$ (190,166)

* \$62,194 adjustment to Non-Potable is transfer of Non-Potable irrigation and construction usage.

Reconciliation from Bill Count Present Revenues to General Ledger - same as above, but demonstrates unadjusted reconciliation including pro-rated bills for residential and commercial. Other classes left as demonstrated above.	
Residential	Commercial
\$ 7,258,929	\$ 284,712
(71,981)	(2,550)
\$ 7,186,948	\$ 282,162
\$ 7,120,475	\$ 278,248
\$ 66,473	\$ 3,913

General Ledger Unreconciled Difference

Global Water - Santa Cruz Water Company - Rebuttal Schedules

Test Year Ended December 31, 2008

Calculation of Change in Miscellaneous Service Charge revenue

Schedule H-2

Page 2 of 2

Line No.		Current	Proposed	Increase	Test Year Charges	Revenue Increase
1						
2	Establishment	\$ 25.00	\$ 50.00	\$ 25.00	6,891	\$ 172,275
3	After Hours	50.00	100.00	50.00	630	31,500
4	Reconnect	30.00	75.00	45.00	3,878	174,510
5	NSF Fees	15.00	30.00	15.00	528	7,920
6						
7	Proposed Misc. Service Charge Increase					<u>\$ 386,205</u>
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Monthly Minimum Charges:

Meter Size (All Classes)	Basic Service Charge		
	Present	Proposed	Change
5/8" Meter	\$ 25.00	\$ 33.35	\$ 8.35
3/4" Meter	25.00	33.35	8.35
1" Meter	62.50	83.38	20.88
1.5" Meter	125.00	166.75	41.75
2" Meter	200.00	266.80	66.80
3" Meter	400.00	533.60	133.60
4" Meter	625.00	833.75	208.75
6" Meter	1,250.00	1,667.50	417.50
8" Meter	N/A	3,335.00	N/A
Construction	N/A	Same as Above	N/A

Commodity Rate Charges:

Potable Water - All Meter Sizes and Classes (In 1,000's of Gallons)	Rate Block		Volumetric Charge (per 1,000 gallons)		
	Present	Proposed	Present	Proposed	Change
Tier One Breakover	1	1	\$ -	\$ 1.00	varies
Tier Two Breakover	999,999,999	5	2.60	2.25	varies
Tier Three Breakover	N/A	10	N/A	2.50	varies
Tier Four Breakover	N/A	18	N/A	3.00	varies
Tier Five Breakover	N/A	25	N/A	3.75	varies
Tier Six Breakover	N/A	999,999,999	N/A	4.75	varies
Construction/Standpipe (In 1,000's of Gallons)					
Tier One Breakover	999,999,999	1	\$ 3.60	\$ 1.00	varies
Tier Two Breakover	N/A	5	N/A	2.25	varies
Tier Three Breakover	N/A	10	N/A	2.50	varies
Tier Four Breakover	N/A	18	N/A	3.00	varies
Tier Five Breakover	N/A	25	N/A	3.75	varies
Tier Six Breakover	N/A	999,999,999	N/A	4.75	varies
All Meter Sizes and Classes					
Conservation Rebate Threshold ("CBT")	N/A	7,001 gallons			
Commodity rate rebate applied if consumption is below the CBT	N/A	65%			

Non-Potable Water - All Meter Sizes and Classes	Volumetric Charge		
	Present	Proposed	Change
All Gallons (Per Acre Foot)	N/A	\$ 651.70	N/A
All Gallons (Per 1,000 Gallons)	N/A	2.00	N/A

Service Line & Meter Installation Charges ¹	Present	Proposed	Change
	5/8" Meter	\$ 400.00	\$ 600.00
3/4" Meter	440.00	700.00	260.00
1" Meter	500.00	810.00	310.00
1.5" Meter	715.00	1,075.00	360.00
2" Turbo	1,170.00	1,875.00	705.00
2" Compound	1,700.00	2,720.00	1,020.00
3" Turbo	1,585.00	2,715.00	1,130.00
3" Compound	2,190.00	3,710.00	1,520.00
4" Turbo	2,540.00	4,160.00	1,620.00
4" Compound	3,215.00	5,315.00	2,100.00
6" Turbo	4,815.00	7,235.00	2,420.00
6" Compound	6,270.00	9,250.00	2,980.00
8" Turbo	N/A	Cost	N/A
8" Compound	N/A	Cost	N/A
¹ Costs for boring under a highway or pavement are additional at actual cost	N/A	Cost	N/A

Miscellaneous Service Charges	Present	Proposed
	Establishment of Service	\$ 25.00
Establishment of Service (After Hours)	50.00	100.00
Re-establishment of Service (Within 12 Months)	*	*
Reconnection of Service (Delinquent)	30.00	75.00
Reconnection of Service - After Hours (Delinquent)	N/A	100.00
Meter Move at Customer Request	**	Per AAC R14-2-405.B.5
After Hours Service Charge, Per Hour	---	50.00
Deposit	---	---
Meter Re-Read (If Correct)	15.00	30.00
Meter Test Fee (If Correct)	-	50.00
NSF Check	10.00	30.00
Late Payment Charge (Per Month)	1.50%	Greater of 1.5% or \$5.00
Deferred Payment Charge (Per Month)	1.50%	Greater of 1.5% or \$3.50

* Number of Months off System times the monthly minimum per A.A.C. R14-2-403(D).
 ** Cost to include parts, labor, overhead and all applicable taxes.
 *** Per A.A.C. R14-2-403(B).

Global Water - Santa Cruz Water Company - Rebuttal Schedules
 Test Year Ended December 31, 2008
 Typical Bill Analysis

Schedule H-4

Class of Service	Average Monthly Consumption	Present Rates	Proposed Rates	Proposed Increase	
				Amount	%
5/8" Residential	7,827	\$ 42.75	\$ 50.42	\$ 7.67	17.94%
3/4" Residential	6,474	39.23	38.14	(1.09)	-2.78%
1" Residential	5,533	74.29	87.34	13.06	17.58%
1.5" Residential	2,100	127.86	167.97	40.11	31.37%
2" Residential	25,000	262.40	339.55	77.15	29.40%
5/8" Commercial	68,256	199.87	311.57	111.70	55.89%
3/4" Commercial	7,920	42.99	50.65	7.66	17.81%
1" Commercial	10,003	85.91	105.88	19.98	23.25%
1.5" Commercial	49,557	251.25	356.14	104.90	41.75%
2" Commercial	71,888	384.31	562.27	177.96	46.31%
3" Commercial	130,875	737.68	1,109.26	371.58	50.37%
4" Commercial	35,731	715.30	957.47	242.17	33.86%
5/8" Irrigation	7,750	42.55	50.23	7.68	18.04%
3/4" Irrigation	10,457	49.59	57.22	7.63	15.39%
1" Irrigation	10,267	86.59	106.68	20.08	23.19%
1.5" Irrigation	93,538	365.60	565.06	199.46	54.56%
2" Irrigation	139,209	559.34	882.04	322.70	57.69%
4" Irrigation	1,815,250	5,342.05	9,410.19	4,068.14	76.15%
5/8" HOA	2,826	29.75	35.14	5.39	18.12%
3/4" HOA	11,613	52.59	60.69	8.10	15.39%
1" HOA	46,236	180.11	256.99	76.88	42.69%
1.5" HOA	197,454	635.78	1,058.65	422.88	66.51%
2" HOA	338,683	1,077.98	1,829.54	751.57	69.72%
3" HOA	1,065,833	3,168.57	5,550.31	2,381.74	75.17%
4" HOA	1,523,421	4,583.29	8,024.00	3,440.71	75.07%
2" Construction	76,940	276.98	586.26	309.28	111.66%
3" Construction	22,731	81.83	597.84	516.01	630.58%
4" Construction	33,400	120.24	946.40	826.16	687.09%
8" Construction	569,944	2,051.80	5,996.24	3,944.44	192.24%
2" Lake	807,917	2,300.58	4,058.40	1,757.82	76.41%
Raw	6,887,445	2,013.10	13,202.78	11,189.68	555.84%

Moe

Rate Design Rebuttal Schedule

VWC-TD

Valencia Water Company, Town Division - Rebuttal Schedules
 Test Year Ended December 31, 2008
 Classification - Present and Proposed Rates

Schedule H-1

Line No.	Customer Classification	[A] Present Rates Adjusted		[B] Proposed Rates		[C] Proposed Increase Amount	[D] %
		Sch. H-2 Col. E	Sch. H-2 Col. F	Sch. H-2 Col. F			
1							
2	Residential	\$ 1,832,801	\$ 2,794,910		\$ 962,109	52.5%	
3	Commercial	194,370	298,571		104,201	53.6%	
4	Irrigation	635,427	969,172		333,746	52.5%	
5	Construction	143,654	232,930		89,277	N/A	
6							
7	Total Water Revenues	<u>\$ 2,806,251</u>	<u>\$ 4,295,584</u>		<u>\$ 1,489,333</u>	53.1%	
8							
9	Miscellaneous Revenues (Sch. C-1, L4)	234,483	352,293				
10							
11	Total Operating Revenues	<u>\$ 3,040,734</u>	<u>\$ 4,647,877</u>				
12							
13							
14							
15	Pro Forma Adjustments	(143,041)					
16	Subtotal (L11 + L15)	<u>\$ 2,897,693</u>					
17							
18	Total Gen. Ledger Operating Revenues						
19	Test Year Ended 12/31/2008 (Sch. C-1, L5)	<u>2,894,421</u>					
20	Unreconciled Difference (L16 - L19)	3,272					
21	%	0.11%					
22							
23	Target Revenue Requirement (Sch. C-1, L5)		<u>4,649,122</u>				
24	Difference (L11 - L23)		(1,245)				
25	%		-0.03%				
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
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38							
39							
40							

Valencia Water Company, Town Division - Rebursal Schedules
Test Year Ended December 31, 2008
Analysis of Revenue by Detailed Class

Line No.	Class of Service	Average Number of Customers	Average Consumption	Present Rates		Adjusted Present Rates		Proposed Rates		Proposed Increase [F - E]	%	[H]	[I]	[J]	[K]	[L]	[M]
				Present Rates	Adjustments Sch. C-2,3 & N-2	Adjusted Present Rates [C + D]	Proposed Rates	Proposed Increase [F - E]									
1	5/8" Residential, TD	4,661	5,917	\$ 1,657,328	\$ 19,447	\$ 1,676,776	\$ 2,543,028	\$ 866,253	51.66%								
2	3/4" Residential, TD	99	4,925	34,233	-	34,233	51,279	17,046	49.79%								
3	1" Residential, TD	75	7,715	53,549	-	53,549	40,712	12,837	24.16%								
4	2" Residential, TD	15	84,875	68,243	-	68,243	106,340	38,097	55.83%								
5	5/8" Commercial, TD	14	9,009	6,513	-	6,513	9,929	3,416	52.45%								
6	3/4" Commercial, TD	1	5,957	222	-	222	-	-	0.00%								
7	1" Commercial, TD	4	64,551	8,663	-	8,663	13,105	4,442	51.28%								
8	1.5" Commercial, TD	2	62,029	4,291	-	4,291	6,839	2,548	59.38%								
9	2" Commercial, TD	21	162,979	148,502	3,747	152,249	228,646	76,397	50.18%								
10	3" Commercial, TD	2	154,432	14,667	-	14,667	22,897	8,230	55.46%								
11	4" Commercial, TD	1	1,333	4,223	-	4,223	5,306	1,083	25.18%								
12	6" Commercial, TD	1	3,000	1,543	-	1,543	2,366	823	53.35%								
13	8" Commercial, TD	6	7,002	4,745	-	4,745	7,172	2,427	34.53%								
14	12" Commercial, TD	2	93,583	7,334	-	7,334	10,922	3,588	48.91%								
15	1.5" Irrigation, TD	1	128,886	28,901	-	28,901	44,794	15,893	54.98%								
16	2" Irrigation, TD	28	168,826	204,049	-	204,049	312,952	108,903	53.37%								
17	3" Irrigation, TD	1	2,786	4,956	-	4,956	12,411	7,455	150.43%								
18	4" Irrigation, TD	11	151,019	57,839	-	57,839	82,848	25,009	43.24%								
19	1" HOA, TD	20	47,345	40,114	-	40,114	61,944	21,830	54.42%								
20	1.5" HOA, TD	5	141,264	25,388	-	25,388	39,068	13,680	53.88%								
21	2" HOA, TD	28	195,393	240,004	-	240,004	364,660	124,656	51.94%								
22	3" HOA, TD	1	770,100	12,137	-	12,137	18,802	6,665	54.91%								
23	4" HOA, TD	15	184,112	119,538	-	119,538	183,313	63,775	N/A								
24	3" Construction, TD	2	96,500	8,153	-	8,153	15,405	7,252	N/A								
25	4" Construction, TD	1	33,050	7,945	-	7,945	10,009	2,064	N/A								
26	8" Construction, TD	1	315,900	8,017	-	8,017	24,203	16,186	N/A								
27	Totals	5,024	10,247	\$ 2,783,057	\$ 23,194	\$ 2,806,251	\$ 4,285,564	\$ 1,489,313	53.07%								
28	Total Residential	4,850	6,067	\$ 1,813,354	\$ 19,447	\$ 1,832,801	\$ 2,794,910	\$ 962,109	52.49%								
29	Total Commercial	46	94,972	\$ 190,623	\$ 3,747	\$ 194,370	\$ 288,571	\$ 104,201	53.61%								
30	Total Irrigation	109	142,910	\$ 635,427	\$ -	\$ 635,427	\$ 969,172	\$ 333,745	52.52%								
31	Total Construction	19	173,560	\$ 143,654	\$ -	\$ 143,654	\$ 232,930	\$ 89,277	N/A								
32	Totals	5,024	10,247	\$ 2,783,057	\$ 23,194	\$ 2,806,251	\$ 4,285,564	\$ 1,489,313	53.07%								
33	Miscellaneous Revenue (Sch. C-1)			\$ 234,483	\$ -	\$ 234,483	\$ 352,293	\$ 117,810	50.24%								
34	Total Revenue Generated			\$ 4,647,877	\$ -	\$ 4,647,877	\$ 6,648,122	\$ 1,990,245	42.84%								
35	Target Revenue Requirement (Sch. C-1)			\$ -	\$ -	\$ -	\$ -	\$ -									
36	Over/(Short)			\$ -	\$ -	\$ -	\$ -	\$ -									

T.Y. Ended 12/31/2008	General Ledger Water Revenues		Unreconciled Difference [E - K]
	Revenue Adjustments Sch. C-2,1 & C-2,3	Adjusted G.L. Revenues [I + J]	
\$ 1,837,781	\$ 7,531	\$ 1,845,312	\$ (12,511)
198,854	(8,144)	190,710	3,660
632,489	-	632,489	0.46%
135,924	143,654	279,578	(143,654)
\$ 2,805,047	\$ 143,041	\$ 2,948,088	(141,837)

Bill Count - Present Rates	General Ledger		Unreconciled Difference
	Residential	Commercial	
\$ 1,813,354	\$ -	\$ 150,623	
32,822	-	3,747	
(13,385)	-	-	
\$ 1,832,801	\$ 194,370	\$ 1,638,431	
\$ 1,837,781	\$ 198,654	\$ (4,884)	

Reconciliation from Bill Count Present Revenues to General Ledger - same as above, but demonstrates unadjusted reconciliation including pro-rated bills for residential and commercial. Other classes left as demonstrated above.

Bill Count - Present Rates
 Bill Count - Present Rates
 Bill Count - Present Rates
 Pro-Rated Bill Adjustment

General Ledger
 Unreconciled Difference

* Adjustment for Credits not accounted for in Bill Count - \$(887) applied to 5/8" Res TD, Col. D
 Adjustment for Jan - March Billing - Usage billed was rounded down to nearest 1,000, understates bill count - \$37,466 Col. D
 Adjustments for Pro-Rated Bills not Accounted for in Bill Count applied in Col. D for reconciliation, no revenue impact
 Average Pro-Rated Bill Period - 13 Days (Remove 17 Days)

Valencia Water Company, Town Division - Rebuttal Schedules

Schedule H-2

Test Year Ended December 31, 2008

Page 2 of 2

Calculation of Change in Miscellaneous Service Charge revenue

Line No.		Current	Proposed	Increase	Test Year Charges	Revenue Increase
1						
2	Establishment	\$ 30.00	\$ 50.00	\$ 20.00	2,531	\$ 50,620
3	After Hours	45.00	100.00	55.00	14	770.00
4	Reconnect	30.00	75.00	45.00	1,407	63,315
5	NSF Fees	15.00	30.00	15.00	207	3,105
6						
7	Proposed Misc. Service Charge Increase					<u>\$ 117,810</u>
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Valencia Water Company, Town Division - Rebuttal Schedules
 Test Year Ended December 31, 2008
 Changes in Representative Rate Schedules

Schedule H-3

Monthly Minimum Charges:

Meter Size (All Classes)	Basic Service Charge		
	Present	Proposed	Change
5/8" Meter	\$ 13.00	\$ 35.35	\$ 22.35
3/4" Meter	15.00	35.35	20.35
1" Meter	37.50	88.38	50.88
1.5" Meter	75.00	176.75	101.75
2" Meter	145.00	282.80	137.80
3" Meter	225.00	565.60	340.60
4" Meter	700.00	883.75	183.75
6" Meter	700.00	1,767.50	1,067.50
8" Meter	N/A	3,535.00	N/A
Fire Sprinkler Service	*	N/A	N/A

* 1% of Monthly Minimum for a Comparable Sized Meter Connection, but no less than \$5.00 per month.

Commodity Rate Charges:

Potable Water - All Meter Sizes and Classes (In 1,000's of Gallons)	Rate Block		Volumetric Charge (per 1,000 gallons)		
	Present	Proposed	Present	Proposed	Change
Tier One Breakover	999,999,999	1	\$ 2.86	\$ 1.00	varies
Tier Two Breakover	N/A	5	N/A	2.10	varies
Tier Three Breakover	N/A	10	N/A	2.30	varies
Tier Four Breakover	N/A	18	N/A	2.75	varies
Tier Five Breakover	N/A	25	N/A	3.20	varies
Tier Six Breakover	N/A	999,999,999	N/A	4.20	varies
Conservation Rebate Threshold ("CBT")	N/A	6,701 gallons			
Commodity rate rebate applied if consumption is below the CBT:	N/A	59%			

Service Line & Meter Installation Charges ¹

	Present	Proposed	Change
5/8" Meter	\$ 360.00	\$ 600.00	\$ 240.00
3/4" Meter	360.00	700.00	340.00
1" Meter	400.00	810.00	410.00
1.5" Meter	630.00	1,075.00	445.00
2" Turbo	880.00	1,875.00	995.00
2" Compound	880.00	2,720.00	1,840.00
3" Turbo	1,040.00	2,715.00	1,675.00
3" Compound	1,040.00	3,710.00	2,670.00
4" Turbo	2,890.00	4,160.00	1,270.00
4" Compound	2,890.00	5,315.00	2,425.00
6" Turbo	4,020.00	7,235.00	3,215.00
6" Compound	4,020.00	9,250.00	5,230.00
8" Turbo	N/A	Cost	N/A
8" Compound	N/A	Cost	N/A
Plus actual road crossing charges	Cost	N/A	N/A
¹ Costs for boring under a highway or pavement are additional at actual cost	N/A	Cost	N/A

Miscellaneous Service Charges

	Present	Proposed
Establishment of Service	\$ 30.00	\$ 50.00
Establishment of Service - After Hours	45.00	100.00
Re-establishment of Service (Within 12 Months)	*	*
Reconnection of Service (Delinquent)	30.00	75.00
Reconnection of Service - After Hours (Delinquent)	N/A	100.00
Meter Move at Customer Request	**	Per AAC R14-2-405.B.5
After Hours Service Charge, Per Hour	-	50.00
Deposit	***	***
Meter Re-Read (If Correct)	25.00	30.00
Meter Test Fee (If Correct)	35.00	50.00
NSF Check	15.00	30.00
Late Payment Charge (Per Month)	Greater of 1.5% or \$5.00	Greater of 1.5% or \$5.00
Deferred Payment Charge (Per Month)	Greater of 1.5% or \$3.50	Greater of 1.5% or \$3.50

* Number of Months off System times the monthly minimum per A.A.C. R14-2-403(D).

** Cost to include parts, labor, overhead and all applicable taxes.

*** Per A.A.C. R14-2-403(B).

Valencia Water Company, Town Division - Rebuttal Schedules

Schedule H-4

Test Year Ended December 31, 2008

Typical Bill Analysis

Description	Average Monthly Consumption	Present Rates	Proposed Rates	Proposed Increase	
				Amount	%
5/8" Residential, TD	5,817	\$ 29.64	\$ 39.97	\$ 10.34	34.88%
3/4" Residential, TD	4,925	29.08	39.14	10.05	34.57%
1" Residential, TD	7,715	59.57	104.02	44.45	74.63%
2" Residential, TD	84,875	387.74	599.58	211.83	54.63%
5/8" Commercial, TD	9,009	38.77	53.97	15.21	39.22%
3/4" Commercial, TD	5,857	31.75	40.01	8.26	26.02%
1" Commercial, TD	64,551	222.12	319.79	97.67	43.97%
1.5" Commercial, TD	62,029	252.40	397.57	145.17	57.51%
2" Commercial, TD	162,979	611.12	927.61	316.49	51.79%
3" Commercial, TD	154,432	666.68	1,174.51	507.84	76.17%
4" Commercial, TD	1,333	703.81	884.45	180.63	25.66%
6" Commercial, TD	3,000	708.58	1,769.63	1,061.05	149.74%
5/8" Irrigation, TD	70,022	213.26	289.74	76.48	35.86%
1" Irrigation, TD	93,583	305.15	441.73	136.58	44.76%
1.5" Irrigation, TD	126,886	437.90	669.97	232.08	53.00%
2" Irrigation, TD	168,826	627.84	952.17	324.33	51.66%
6" Irrigation, TD	2,786	707.97	1,769.45	1,061.48	149.93%
5/8" HOA, TD	151,019	444.92	629.93	185.02	41.58%
1" HOA, TD	47,345	172.91	247.52	74.62	43.15%
1.5" HOA, TD	141,264	479.02	730.36	251.34	52.47%
2" HOA, TD	195,393	703.82	1,063.75	359.93	51.14%
3" HOA, TD	770,100	2,427.49	3,760.32	1,332.83	54.91%
2" Construction, TD	184,112	671.56	1,016.37	344.81	51.34%
3" Construction, TD	99,500	509.57	943.80	434.23	85.21%
4" Construction, TD	33,050	794.52	982.86	188.34	23.70%
8" Construction, TD	315,900	1,603.47	4,822.08	3,218.61	200.73%

Moe
Rebuttal Schedule
VWC-GBD

Valencia Water Company, Greater Buckeye Division - Rebuttal Schedules
 Test Year Ended December 31, 2008
 Classification - Present and Proposed Rates

Schedule H-1

Line No.	Customer Classification	[A]	[B]	[C]	[D]
		Present Rates Adjusted Sch. H-2 Col. E	Proposed Rates Sch. H-2 Col. F	Proposed Increase Amount	%
1					
2	Residential	\$ 336,334	\$ 418,242	\$ 81,908	24.4%
3	Commercial	528	709	181	34.3%
4	Irrigation	696	1,097	402	57.7%
5	Construction	29,459	45,226	15,768	N/A
6					
7	Total Water Revenues	<u>\$ 367,016</u>	<u>\$ 465,275</u>	<u>\$ 98,258</u>	26.8%
8					
9	Miscellaneous Revenues (Sch. C-1, L4)	14,039	24,189		
10					
11	Total Operating Revenues	<u>\$ 381,055</u>	<u>\$ 489,464</u>		
12					
13					
14					
15	Pro Forma Adjustments	(43,655)			
16	Subtotal (L11 + L15)	<u>\$ 337,400</u>			
17					
18	Total Gen. Ledger Operating Revenues				
19	Test Year Ended 12/31/2008 (Sch. C-1, L5)	<u>336,819</u>			
20	Unreconciled Difference (L16 - L19)	581			
21	%	0.17%			
22					
23	Target Revenue Requirement (Sch. C-1, L5)		<u>488,871</u>		
24	Difference (L11 - L23)		593		
25	%		0.12%		
26					
27					
28					
29					
30					
31					
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33					
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35					
36					
37					
38					
39					
40					

Valencia Water Company, Greater Buckeye Division - Rebuttal Schedules
Test Year Ended December 31, 2009
Analysis of Revenue by Detailed Class

Line No.	Class of Service	Average Number of Customers	Average Consumption	Bill Count Water Revenues			General Ledger Water Revenues			Unreconciled Difference [E - K]	%		
				[A]	[B]	[C]	[D]	[E]	[F]			[G]	[H]
				Present Rates	Adjusted Present Rates [C + D]	Proposed Rates	Adjustments Sch. C-2,3 & Notes	Present Rates	Proposed Rates	Revenue Adjustments Sch. C-2,1 & C-2,3 [I + J]	T.Y. Ended 12/31/2008	Unreconciled Difference [E - K]	
1	5/8" Residential, GBD	504	9,068	\$ 260,317	\$ 259,725	\$ 313,943	\$ (1,092)	\$ 259,725	\$ 313,943	\$ 54,218	\$ 20,899	\$ (15,838)	-4.50%
2	3/4" Residential, GBD	58	10,239	32,751	32,751	38,690	-	32,751	38,690	5,939	18,144	31	6.28%
3	1" Residential, GBD	53	9,740	43,859	43,859	65,610	-	43,859	65,610	21,751	48,599	26	3.84%
4	5/8" Commercial, GBD	2	7,267	553	528	709	(25)	528	709	181	34,26%	26	46.86%
5	1" HOA, GBD	1	6,417	696	696	1,097	-	696	1,097	402	57,72%	26	-10.21%
6	2" Construction, GBD	2	659,600	29,459	29,459	45,226	-	29,459	45,226	15,768	N/A		
7	Totals	620	10,543	\$ 988,133	\$ 987,016	\$ 1,465,275	\$ (1,116)	\$ 987,016	\$ 1,465,275	\$ 58,258	\$ 26,77%		
8	Total Residential	615	9,236	\$ 337,626	\$ 336,334	\$ 418,242	\$ (1,092)	\$ 336,334	\$ 418,242	\$ 81,908	\$ 24,35%	\$ (15,838)	-4.50%
9	Total Commercial	2	7,267	553	528	709	(25)	528	709	181	34,26%	31	6.28%
10	Total Irrigation	1	6,417	696	696	1,097	-	696	1,097	402	57,72%	26	3.84%
11	Total Construction	2	659,600	29,459	29,459	45,226	-	29,459	45,226	15,768	N/A	26	46.86%
12	Totals	620	10,543	\$ 988,133	\$ 987,016	\$ 1,465,275	\$ (1,116)	\$ 987,016	\$ 1,465,275	\$ 58,258	\$ 26,77%	\$ (41,753)	-10.21%
13	Miscellaneous Revenue (Sch. C-1)			14,039	14,039	24,189	-	14,039	24,189	10,150	72.30%		
14	Total Revenue Generated			\$ 485,464	\$ 485,464	\$ 485,671		\$ 485,464	\$ 485,671	\$ 207			
15	Target Revenue Requirement (Sch. C-1)			\$ 485,671	\$ 485,671	\$ 485,671		\$ 485,671	\$ 485,671	\$ -			
16	Over/Short			\$ -	\$ -	\$ -		\$ -	\$ -	\$ -			

* Adjustments for Pro-Rated Bills not Accounted for in Bill Count applied in Col. D for reconciliation, no revenue impact
Average Pro-Rated Bill Period - 13 Days (Remove 17 Days)
Pro-Rated Bills: Residential 89, Commercial 2
Avg. Pro-Rated Min. Adjustment: Residential 12.27, Commercial 12.27

Reconciliation from Bill Count Present Revenues to General Ledger - same as above, but demonstrates left as demonstrated above.
Bill Count - Present Rates: Residential 337,426, Commercial 553
Act. Adjustments - Sch. C2, p2: Residential (1,092), Commercial (25)
Pro-Rated Bill Adjustment: Residential 336,334, Commercial 528
General Ledger: Residential 337,975, Commercial 497
Unreconciled Difference: Residential (1,641), Commercial 31

Valencia Water Company, Greater Buckeye Division - Rebuttal Schedules
 Test Year Ended December 31, 2008
 Calculation of Change in Miscellaneous Service Charge revenue

Line No.		Current	Proposed	Increase	Test Year Charges	Revenue Increase
1						
2	Establishment	\$ 30.00	\$ 50.00	\$ 20.00	116	\$ 2,320
3	After Hours	40.00	100.00	60.00	-	-
4	Reconnect	30.00	75.00	45.00	165	7,425
5	NSF Fees	15.00	30.00	15.00	27	405
6						
7	Proposed Misc. Service Charge Increase					<u>\$ 10,150</u>
8						
9						
10						
11						
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40						

Monthly Minimum Charges:

Meter Size (All Classes)	Basic Service Charge		
	Present	Proposed	Change
5/8" Meter	\$ 16.00	\$ 33.25	\$ 17.25
3/4" Meter	16.00	33.25	17.25
1" Meter	40.00	83.13	43.13
1.5" Meter	80.00	166.25	86.25
2" Meter	128.00	266.00	138.00
3" Meter	240.00	532.00	292.00
4" Meter	400.00	831.25	431.25
6" Meter	820.00	1,662.50	842.50
8" Meter	N/A	3,325.00	N/A
Construction/Standpipe	150.00	Same as Above	N/A

Commodity Rate Charges:

Potable Water - All Meter Sizes and Classes (In 1,000's of Gallons)	Rate Block		Volumetric Charge (per 1,000 gallons)		
	Present	Proposed	Present	Proposed	Change
Tier One Breakover	12	1	\$ 2.75	\$ 1.00	varies
Tier Two Breakover	999,999,999	5	3.75	2.00	varies
Tier Three Breakover	N/A	10	N/A	2.30	varies
Tier Four Breakover	N/A	18	N/A	2.75	varies
Tier Five Breakover	N/A	25	N/A	3.20	varies
Tier Six Breakover	N/A	999,999,999	N/A	4.20	varies
Conservation Rebate Threshold ("CBT")	N/A	9,001 gallons			
Commodity rate rebate applied if consumption is below the CBT:	N/A	45%			

Service Line & Meter Installation Charges ¹

	Present	Proposed	Change
5/8" Meter	\$ 485.00	\$ 600.00	\$ 115.00
3/4" Meter	485.00	700.00	215.00
1" Meter	570.00	810.00	240.00
1.5" Meter	740.00	1,075.00	335.00
2" Turbo	1,235.00	1,875.00	640.00
2" Compound	1,235.00	2,720.00	1,485.00
3" Turbo	2,340.00	2,715.00	375.00
3" Compound	2,340.00	3,710.00	1,370.00
4" Turbo	2,700.00	4,160.00	1,460.00
4" Compound	2,700.00	5,315.00	2,615.00
6" Turbo	5,035.00	7,235.00	2,200.00
6" Compound	5,035.00	9,250.00	4,215.00
8" Turbo	N/A	Cost	N/A
8" Compound	N/A	Cost	N/A
¹ Costs for boring under a highway or pavement are additional at actual cost	Cost	Cost	-

Miscellaneous Service Charges

	Present	Proposed
Establishment of Service	\$ 30.00	\$ 50.00
Establishment of Service (After Hours)	40.00	100.00
Re-establishment of Service (Within 12 Months)	*	*
Reconnection of Service (Delinquent)	30.00	75.00
Reconnection of Service - After Hours (Delinquent)	N/A	100.00
Meter Move at Customer Request	**	Per AAC R14-2-405.B.5
After Hours Service Charge, Per Hour	-	50.00
Deposit	***	***
Meter Re-Read (If Correct)	20.00	30.00
Meter Test Fee (If Correct)	30.00	50.00
NSF Check	15.00	30.00
Late Payment Charge (Per Month)	1.50%	Greater of 1.5% or \$5.00
Deferred Payment Charge (Per Month)	1.50%	Greater of 1.5% or \$3.50

* Number of Months off System times the monthly minimum per A.A.C. R14-2-403(D).

** Cost to include parts, labor, overhead and all applicable taxes.

*** Per A.A.C. R14-2-403(B).

Valencia Water Company, Greater Buckeye Division - Rebuttal Schedules
 Test Year Ended December 31, 2008
 Typical Bill Analysis

Schedule H-4

Description	Average Monthly Consumption	Present Rates	Proposed Rates	Proposed Increase	
				Amount	%
5/8" Residential, GBD	9,068	40.94	51.61	10.67	26.06%
3/4" Residential, GBD	10,239	44.16	54.41	10.25	23.21%
1" Residential, GBD	9,740	66.79	103.03	36.24	54.27%
5/8" Commercial, GBD	7,267	35.98	41.07	5.08	14.13%
1" HOA, GBD	6,417	57.65	89.87	32.22	55.90%
2" Construction, GBD	659,600	2,611.50	2,996.22	384.72	14.73%

Moe
Rebuttal Schedule
WUGT

Water Utility of Greater Tonopah, Inc. - Rebuttal Schedules
 Test Year Ended December 31, 2008
 Classification - Present and Proposed Rates

Schedule H-1

Line No.	Customer Classification	[A] Present Rates Adjusted		[B] Proposed Rates		[C] Proposed Increase Amount	[D] %
		Sch. H-2 Col. E	Col. E	Sch. H-2 Col. F	Col. F		
1							
2	Residential	\$	189,834	\$	568,280	\$ 378,445	199.4%
3	Commercial		15,171		60,089	44,919	296.1%
4	Irrigation		45,056		238,673	193,617	429.7%
5	Construction		-		-	-	N/A
6							
7	Total Water Revenues	\$	<u>250,061</u>	\$	<u>867,042</u>	\$ <u>616,981</u>	246.7%
8							
9	Miscellaneous Revenues (Sch. C-1, L4)		9,103		14,978		
10							
11	Total Operating Revenues	\$	<u>259,164</u>	\$	<u>882,020</u>		
12							
13							
14							
15	Pro Forma Adjustments		-				
16	Subtotal (L11 + L15)	\$	<u>259,164</u>				
17							
18	Total Gen. Ledger Operating Revenues						
19	Test Year Ended 12/31/2008 (Sch. C-1, L5)		<u>259,304</u>				
20	Unreconciled Difference (L16 - L19)		(140)				
21	%		-0.05%				
22							
23	Target Revenue Requirement (Sch. C-1, L5)				<u>882,733</u>		
24	Difference (L11 - L23)				(713)		
25	%				-0.08%		
26							
27							
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Water Utility of Greater Tonopah, Inc. - Rebuttal Schedules
Test Year Ended December 31, 2008
Analysis of Revenue by Detailed Class

Line No.	Class of Service	Average Number of Customers	Average Consumption	Bill Count Water Revenues			General Ledger Water Revenues			Unreconciled Difference [E - K]	%		
				[A]	[B]	[C]	[D]	[E]	[F]			[G]	[H]
				Present Rates	Adjusted Present Rates [C + D]	Proposed Rates	Present Rates	Adjusted Present Rates [I + J]	Revenue Adjustments	T.Y. Ended 12/31/2008			
1	5/8" Residential	316	7,346	\$ 177,618	\$ 177,618	\$ 526,761	\$ 526,761	\$ 348,144	\$ 197,888	\$ 197,888	\$ (8,054)	-4.07%	
2	3/4" Residential	4	8,000	2,451	2,451	6,442	6,442	3,990	-	16,691	(1,520)	-9.11%	
3	1" Residential	11	6,998	9,148	9,148	32,739	32,739	23,591	-	40,217	4,838	12.03%	
4	1.5" Residential	1	14,778	618	618	2,338	2,338	1,721	-	16,955	(21,691)	-100.00%	
5	3/8" Commercial	3	1,892	1,892	1,892	3,139	3,139	2,469	-	-	-	-	
6	1" Commercial	2	14,528	2,192	2,192	8,230	8,230	5,114	-	-	-	-	
7	1.5" Commercial	2	14,778	2,192	2,192	8,230	8,230	5,114	-	-	-	-	
8	6" Commercial	2	298,292	40,785	40,785	221,161	221,161	180,378	-	-	-	-	
9	2" Irrigation	1	18,583	4,270	4,270	17,512	17,512	13,241	-	-	-	-	
10	3" Irrigation	1	41,386	-	-	-	-	-	-	-	-	-	
11	2" Construction	4	41,386	-	-	-	-	-	-	-	-	-	
12	Totals	346	9,479	\$ 250,061	\$ 250,061	\$ 867,042	\$ 867,042	\$ 616,981	\$ 271,752	\$ 271,752	\$ (21,691)	-7.98%	
13	Totals	346	9,479	\$ 250,061	\$ 250,061	\$ 867,042	\$ 867,042	\$ 616,981	\$ 271,752	\$ 271,752	\$ (21,691)	-7.98%	
14	Totals	346	9,479	\$ 250,061	\$ 250,061	\$ 867,042	\$ 867,042	\$ 616,981	\$ 271,752	\$ 271,752	\$ (21,691)	-7.98%	
15	Total Residential	332	7,353	\$ 189,834	\$ 189,834	\$ 568,280	\$ 568,280	\$ 378,445	\$ 197,888	\$ 197,888	\$ (8,054)	-4.07%	
16	Total Commercial	7	9,273	15,171	15,171	60,089	60,089	44,919	16,691	16,691	(1,520)	-9.11%	
17	Total Irrigation	3	205,056	45,056	45,056	238,673	238,673	193,617	40,217	40,217	4,838	12.03%	
18	Total Construction	4	41,386	-	-	-	-	-	-	-	-	-	
19	Totals	346	9,479	\$ 250,061	\$ 250,061	\$ 867,042	\$ 867,042	\$ 616,981	\$ 271,752	\$ 271,752	\$ (21,691)	-7.98%	
20	Miscellaneous Revenue (Sch. C-1)			9,103	9,103	14,978	14,978	5,875	-	-	-	-	
21	Total Revenue Generated			9,103	9,103	14,978	14,978	5,875	-	-	-	-	
22	Target Revenue Requirement (Sch. C-1)					882,020	882,020						
23	Over/(Short)					(713)	(713)						
24													
25													
26													
27													
28													
29													
30													
31													
32	Residential												
33	Commercial												
34													
35													
36													
37													

* Adjustment for Pro-Rated Bills not Accounted for in Bill Count - \$(580) applied to 5/8" Res. Col. D

* Adjustments for Pro-Rated Bills not Accounted for in Bill Count applied in Col. D for reconciliation, no revenue impact

Average Pro-Rated Bill Period - 13 Days (Remove 17 Days)

Pro-Rated Bills	Avg. Pro-Rated Min.	Adjustment
Residential	56	(675)
Commercial	-	-
		(675)

Reconciliation from Bill Count Present Revenues to General Ledger - same as above, but demonstrates unadjusted reconciliation including pro-rated bills for residential and commercial. Other classes left as demonstrated above.

Residential	Commercial
\$ 189,834	\$ 15,171
(575)	-
\$ 189,259	\$ 15,171
\$ 197,888	\$ 16,691
(6,629)	(1,520)
\$ 191,259	\$ 15,171

General Ledger Unreconciled Difference

Water Utility of Greater Tonopah, Inc. - Rebuttal Schedules
 Test Year Ended December 31, 2008
 Calculation of Change in Miscellaneous Service Charge revenue

Line No.		Current	Proposed	Increase	Test Year Charges	Revenue Increase
1						
2	Establishment	\$ 30.00	\$ 50.00	\$ 20.00	58	\$ 1,160
3	After Hours	45.00	100.00	55.00	-	-
4	Reconnect	30.00	75.00	45.00	99	4,455
5	Meter Test	30.00	50.00	20.00	1	20
6	NSF Fees	15.00	30.00	15.00	16	240
7						
8	Proposed Misc. Service Charge Increase					<u>\$ 5,875</u>
9						
10						
11						
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Monthly Minimum Charges:

Meter Size (All Classes)	Basic Service Charge		
	Present	Proposed	Change
5/8" Meter	\$ 17.50	\$ 75.00	\$ 57.50
3/4" Meter	17.50	75.00	57.50
1" Meter	45.00	187.50	142.50
1.5" Meter	85.00	375.00	290.00
2" Meter	145.00	600.00	455.00
3" Meter	270.00	1,200.00	930.00
4" Meter	450.00	1,875.00	1,425.00
6" Meter	900.00	3,750.00	2,850.00
8" Meter	N/A	7,500.00	N/A

Commodity Rate Charges:

Potable Water - All Meter Sizes and Classes (In 1,000's of Gallons)	Rate Block		Volumetric Charge (per 1,000 gallons)		
	Present	Proposed	Present	Proposed	Change
Tier One Breakover	12	1	\$ 4.10	\$ 1.00	varies
Tier Two Breakover	999,999,999	5	5.25	4.00	varies
Tier Three Breakover	N/A	10	N/A	12.00	varies
Tier Four Breakover	N/A	18	N/A	16.00	varies
Tier Five Breakover	N/A	25	N/A	23.50	varies
Tier Six Breakover	N/A	999,999,999	N/A	29.94	varies
Construction/Standpipe (in 1,000's of Gallons)					
Tier One Breakover	999,999,999	1	\$ 4.10	\$ 1.00	varies
Tier Two Breakover	N/A	5	N/A	4.00	varies
Tier Three Breakover	N/A	10	N/A	12.00	varies
Tier Four Breakover	N/A	18	N/A	16.00	varies
Tier Five Breakover	N/A	25	N/A	23.50	varies
Tier Six Breakover	N/A	999,999,999	N/A	29.94	varies
All Meter Sizes and Classes					
Conservation Rebate Threshold ("CBT")	N/A	7,401 gallons			
Commodity rate rebate applied if consumption is below the CBT	N/A	45%			

Service Line & Meter Installation Charges¹

	Present	Proposed	Change
5/8" Meter	\$ 485.00	\$ 600.00	\$ 115.00
3/4" Meter	485.00	700.00	215.00
1" Meter	570.00	810.00	240.00
1.5" Meter	775.00	1,075.00	300.00
2" Turbo	1,900.00	1,875.00	(25.00)
2" Compound	1,900.00	2,720.00	820.00
3" Turbo	2,490.00	2,715.00	225.00
3" Compound	2,490.00	3,710.00	1,220.00
4" Turbo	3,615.00	4,160.00	545.00
4" Compound	3,615.00	5,315.00	1,700.00
6" Turbo	6,810.00	7,235.00	425.00
6" Compound	6,810.00	9,250.00	2,440.00
8" Turbo	N/A	Cost	N/A
8" Compound	N/A	Cost	N/A

¹ Costs for boring under highway or pavement are additional at cost

Miscellaneous Service Charges

	Present	Proposed
Establishment of Service	\$ 25.00	\$ 50.00
Establishment of Service (After Hours)	50.00	100.00
Re-establishment of Service (Within 12 Months)	*	*
Reconnection of Service (Delinquent)	30.00	75.00
Reconnection of Service - After Hours (Delinquent)	N/A	100.00
Meter Move at Customer Request	**	Per AAC R14-2-405.B.5
After Hours Service Charge, Per Hour	-	50.00
Deposit	***	***
Meter Re-Read (If Correct)	15.00	30.00
Meter Test Fee (If Correct)	-	50.00
NSF Check	10.00	30.00
Late Payment Charge (Per Month)	1.50%	Greater of 1.5% or \$5.00
Deferred Payment Charge (Per Month)	1.50%	Greater of 1.5% or \$3.50

* Number of Months off System times the monthly minimum per A.A.C. R14-2-403(D).

** Cost to include parts, labor, overhead and all applicable taxes.

*** Per A.A.C. R14-2-403(B).

Water Utility of Greater Tonopah
 Test Year Ended December 31, 2008
 Typical Bill Analysis

Schedule H-4

Description	Average Monthly Consumption	Present Rates	Proposed Rates	Proposed Increase	
				Amount	%
5/8" Residential	7,346	\$ 47.62	99.83	\$ 52.21	109.65%
3/4" Residential	8,000	50.30	128.00	77.70	154.47%
1" Residential	6,898	73.28	209.38	136.10	185.71%
1.5" Residential	25,667	205.95	764.46	558.51	271.19%
5/8" Commercial	7,852	49.69	126.22	76.53	154.01%
1" Commercial	14,889	109.37	342.72	233.35	213.36%
1.5" Commercial	14,778	148.78	528.44	379.66	255.17%
6" Commercial	-	900.00	3,750.00	2,850.00	316.67%
2" Irrigation	298,292	1,697.23	9,151.85	7,454.62	439.22%
3" Irrigation	18,583	353.76	1,418.71	1,064.95	301.04%
2" Construction	41,386	314.68	1,460.11	1,145.43	363.99%

Moe

Rate Design Rebuttal Schedule

WVWC

Willow Valley Water Company, Inc. - Rebuttal Schedules
 Test Year Ended December 31, 2008
 Classification - Present and Proposed Rates

Schedule H-1

Line No.	Customer Classification	[A] Present Rates Adjusted		[B] Proposed Rates		[C] Proposed Increase Amount	[D] %
		Sch. H-2 Col. E	Sch. H-2 Col. F	Sch. H-2 Col. F	Sch. H-2 Col. F		
1							
2	Residential	\$ 422,409	\$ 797,342		\$ 374,933	88.8%	
3	Commercial	19,367	77,865		58,498	302.0%	
4	Irrigation	12,835	40,241		27,406	213.5%	
5	Construction	-	-		-	N/A	
6							
7	Total Water Revenues	<u>\$ 454,612</u>	<u>\$ 915,448</u>		<u>\$ 460,836</u>	101.4%	
8							
9	Miscellaneous Revenues (Sch. C-1, L4)	19,743	25,453				
10							
11	Total Operating Revenues	<u>\$ 474,355</u>	<u>\$ 940,901</u>				
12							
13							
14							
15	Pro Forma Adjustments	-					
16	Subtotal (L11 + L15)	<u>\$ 474,355</u>					
17							
18	Total Gen. Ledger Operating Revenues						
19	Test Year Ended 12/31/2008 (Sch. C-1, L5)	<u>473,527</u>					
20	Unreconciled Difference (L16 - L19)	828					
21	%	0.17%					
22							
23	Target Revenue Requirement (Sch. C-1, L5)		<u>940,634</u>				
24	Difference (L11 - L23)		267				
25	%		0.03%				
26							
27							
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40							

Willow Valley Water Company, Inc. - Rebuttal Schedules
 Test Year Ended December 31, 2008
 Calculation of Change in Miscellaneous Service Charge revenue

Line No.		Current	Proposed	Increase	Test Year Charges	Revenue Increase
1						
2	Establishment	\$ 35.00	\$ 50.00	\$ 15.00	137	\$ 2,055
3	After Hours	45.00	100.00	55.00	2	110.00
4	Reconnect	35.00	75.00	40.00	80	3,200
5	Meter Re-Read	20.00	30.00	10.00	3	30
6	NSF Fees	15.00	30.00	15.00	21	315
7						
8	Proposed Misc. Service Charge Increase					<u>\$ 5,710</u>
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Monthly Minimum Charges:

Meter Size (All Classes)	Basic Service Charge		
	Present	Proposed	Change
5/8" Meter	\$ 16.25	\$ 29.65	\$ 13.40
3/4" Meter	22.25	29.65	7.40
1" Meter	37.25	74.13	36.88
1.5" Meter	45.00	148.25	103.25
2" Meter	105.00	237.20	132.20
3" Meter	150.00	474.40	324.40
4" Meter	200.00	741.25	541.25
6" Meter	300.00	1,482.50	1,182.50
8" Meter	N/A	2,965.00	N/A
Fire Sprinkler Service	*	N/A	N/A

* 1% of Monthly Minimum for a Comparable Sized Meter Connection, but no less than \$5.00 per month

Commodity Rate Charges:

Potable Water - All Meter Sizes and Classes (In 1,000's of Gallons)	Rate Block		Volumetric Charge (per 1,000 gallons)		
	Present	Proposed	Present	Proposed	Change
Tier One Breakover	8	1	\$ 1.10	\$ 1.00	varies
Tier Two Breakover	999,999,999	5	1.70	2.60	varies
Tier Three Breakover	N/A	10	N/A	2.85	varies
Tier Four Breakover	N/A	18	N/A	3.50	varies
Tier Five Breakover	N/A	25	N/A	4.50	varies
Tier Six Breakover	N/A	999,999,999	N/A	5.45	varies
Construction/Standpipe (In 1,000's of Gallons)					
Tier One Breakover	999,999,999	-	\$ 2.00	\$ 1.00	varies
Tier Two Breakover	N/A	-	N/A	2.60	varies
Tier Three Breakover	N/A	-	N/A	2.85	varies
Tier Four Breakover	N/A	-	N/A	3.50	varies
Tier Five Breakover	N/A	-	N/A	4.50	varies
Tier Six Breakover	N/A	999,999,999	N/A	5.45	varies
All Meter Sizes and Classes					
Conservation Rebate Threshold ("CBT")	N/A	6,401 gallons			
Commodity rate rebate applied if consumption is below the CBT	N/A	45%			

Service Line & Meter Installation Charges¹

	Present	Proposed	Change
5/8" Meter	\$ 445.00	\$ 600.00	\$ 155.00
3/4" Meter	515.00	700.00	185.00
1" Meter	590.00	810.00	220.00
1.5" Meter	820.00	1,075.00	255.00
2" Turbo	1,380.00	1,875.00	495.00
2" Compound	1,380.00	2,720.00	1,340.00
3" Turbo	1,935.00	2,715.00	780.00
3" Compound	1,935.00	3,710.00	1,775.00
4" Turbo	3,030.00	4,160.00	1,130.00
4" Compound	3,030.00	5,315.00	2,285.00
6" Turbo	5,535.00	7,235.00	1,700.00
6" Compound	5,535.00	9,250.00	3,715.00
8" Turbo	N/A	Cost	N/A
8" Compound	N/A	Cost	N/A

Plus actual road crossing charges

¹ Costs for boring under highway or pavement are additional at cost

Miscellaneous Service Charges

	Present	Proposed
Establishment of Service	\$ 35.00	\$ 50.00
Establishment of Service (After Hours)	45.00	100.00
Re-establishment of Service (Within 12 Months)	*	*
Reconnection of Service (Delinquent)	35.00	75.00
Reconnection of Service - After Hours (Delinquent)	N/A	100.00
Meter Move at Customer Request	**	Per AAC R14-2-405.B.5
After Hours Service Charge, Per Hour	45.00	50.00
Deposit	***	***
Meter Re-Read (If Correct)	20.00	30.00
Meter Test Fee (If Correct)	30.00	50.00
NSF Check	15.00	30.00
Late Payment Charge (Per Month)	Greater of 1.5% or \$5.00	Greater of 1.5% or \$5.00
Deferred Payment Charge (Per Month)	1.50%	Greater of 1.5% or \$3.50
Damage Charge	****	****

* Number of Months off System times the monthly minimum per A.A.C. R14-2-403(D).

** Cost to include parts, labor, overhead and all applicable taxes.

*** Per A.A.C. R14-2-403(B).

**** Per A.A.C. R14-2-407(B).

Willow Valley Water Company
 Test Year Ended December 31, 2008
 Typical Bill Analysis

Schedule H-4

Description	Average Monthly Consumption	Present Rates	Proposed Rates	Proposed Increase	
				Amount	%
5/8" Residential	5,142	\$ 21.91	\$ 36.14	\$ 14.24	64.99%
3/4" Residential	4,317	27.00	34.94	7.94	29.43%
1" Residential	9,396	48.42	98.05	49.63	102.49%
5/8" Commercial	2,375	18.86	32.17	13.30	70.53%
3/4" Commercial	35,222	77.33	170.51	93.18	120.50%
1" Commercial	11,628	52.22	105.47	53.26	101.99%
1" Commercial NT	48,833	115.47	289.17	173.70	150.43%
1.5" Commercial	18,000	70.80	201.90	131.10	185.17%
1.5" Commercial NT	72,500	163.45	492.28	328.83	201.18%
6" Commercial	4,750	305.23	1,488.41	1,183.19	387.64%
6" Commercial NT	8,750	310.08	1,504.59	1,194.51	385.23%
Fire Line Commercial NT	1,083	6.19	0.67	(5.52)	-89.19%
2" Irrigation	61,083	204.04	519.00	314.96	154.36%
4" Irrigation	150,583	451.19	1,510.83	1,059.64	234.85%
4" Irrigation NT	3,750	204.13	745.73	541.61	265.33%
2" Construction	-	105.00	237.20	132.20	125.90%
3" Construction	8,000	158.80	494.35	335.55	211.30%

Moe

**Rate Design Rebuttal Schedule
Consolidated West Valley**

Global Water - West Valley Consolidation - Rebuttal Schedules
 Test Year Ended December 31, 2008
 Computation of Increase in Gross Revenue Requirement

Schedule A-1

Line No.	DESCRIPTION	AS FILED				REBUTTAL				
		Original Cost - As Filed		Fair Value - As Filed		Original Cost - Rebuttal		Fair Value - Rebuttal		
1	Adjusted Rate Base		\$ 7,767,334	\$ 7,767,334		\$ 7,902,833	\$ 7,902,833			
2										
3	Adjusted Operating Income (Loss)		\$ (769,680)	\$ (769,680)		\$ (749,161)	\$ (749,161)			
4										
5	Current Rate of Return (L3 / L1)		-9.91%	-9.91%		-9.48%	-9.48%			
6										
7	Required Operating Income (L9 * L1)		\$ 761,975	\$ 761,975		\$ 683,595	\$ 683,595			
8										
9	Required Rate of Return		9.81%	9.81%		8.65%	8.65%			
10										
11	Operating Income Deficiency (L7 - L3)		\$ 1,531,656	\$ 1,531,656		\$ 1,432,756	\$ 1,432,756			
12										
13	Gross Revenue Conversion Factor		1.645086	1.645086		1.650886	1.650886			
14										
15	Increase in Gross Revenue Requirements		\$ 2,519,705	\$ 2,519,705		\$ 2,365,317	\$ 2,365,317			
16										
17										
18	Customer Classification	Present Rates	Proposed Rates	Dollar Increase	Percent Increase	Present Rates	Proposed Rates	Dollar Increase	Percent Increase	
19										
20										
21	Residential	\$ 2,337,526	\$ 4,025,160	\$ 1,687,634	72.20%	\$ 2,368,497	\$ 3,803,379	\$ 1,434,882	60.58%	
22	Commercial	218,219	404,307	186,088	85.28%	210,941	367,828	156,987	74.42%	
23	Irrigation	681,178	1,182,841	501,663	73.65%	681,178	1,156,980	475,802	69.85%	
24	Construction	-	-	-	N/A	186,958	316,154	129,195	N/A	
25										
26	Total of Water Revenues	\$ 3,238,923	\$ 5,612,307	\$ 2,375,384	73.38%	\$ 3,447,574	\$ 5,644,441	\$ 2,196,867	63.72%	
27										
28	Miscellaneous Revenues	257,625	391,460	133,835	51.95%	257,625	391,460	133,835	51.95%	
29										
30	Total Operating Revenues	\$ 3,494,548	\$ 6,003,767	\$ 2,509,219	71.80%	\$ 3,705,199	\$ 6,035,901	\$ 2,330,702	62.90%	
31										
32										
33										
34	<u>Supporting Schedules:</u>									
35	B-1									
36	C-1									
37	C-3									
38	H-1									
39										
40										

Global Water - West Valley Consolidation - Rebuttal Schedules
 Test Year Ended December 31, 2008
 Classification - Present and Proposed Rates

Schedule H-1

Line No.	Customer Classification	[A] Present Rates Adjusted		[B] Proposed Rates		[C] Proposed Increase Amount	[D] %
		Sch. H-2 Col. E	Sch. H-2 Col. F	Sch. H-2 Col. F			
1	Residential	\$ 2,368,497	\$ 3,803,379		\$ 1,434,882	60.6%	
2	Commercial	210,941	367,928		156,987	74.4%	
3	Irrigation	681,178	1,156,980		475,802	69.8%	
4	Construction	186,958	316,154		129,195	N/A	
5							
6	Total Water Revenues	<u>\$ 3,447,574</u>	<u>\$ 5,644,441</u>		<u>\$ 2,196,867</u>	63.7%	
7							
8	Miscellaneous Revenues (Sch. C-1, L4)	257,625	391,460				
9							
10	Total Operating Revenues	<u>\$ 3,705,199</u>	<u>\$ 6,035,901</u>				
11							
12							
13							
14	Pro Forma Adjustments	(186,696)					
15	Subtotal (L10 + L14)	<u>\$ 3,518,503</u>					
16							
17	Total Gen. Ledger Operating Revenues						
18	Test Year Ended 12/31/2008 (Sch. C-1, L5)	<u>3,483,606</u>					
19	Unreconciled Difference (L15 - L18)	34,897					
20	%	0.99%					
21							
22	Target Revenue Requirement (Sch. C-1, L5)		<u>6,035,619</u>				
23	Difference (L10 - L22)		282				
24	%		0.00%				
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							

Global Water - West Valley Consolidation - Rebatal Schedules
Test Year Ended December 31, 2008
Analysis of Revenue by Detailed Class

Line	Class of Service	Average Number of Customers	Average Consumption	Present Rates	Adjustments Sch. C2.3 & Notes	Aggregated Present Rates (C-D)	Proposed Rates	Increase (F-E)	%	General Ledger Water Revenues			Unreconciled Difference (E-K)	%
										T.Y. Ended 12/31/2008	Revenue Adjustments Sch. C2.1 & C2.3 (I-J)	Adjusted G.L. Revenues (K)		
1	5/8" Residential, TD	4,661	5,617	\$ 1,657,328	\$ 19,447	\$ 1,676,776	\$ 2,814,712	\$ 1,137,937	67.86%					
2	3/4" Residential, TD	99	4,925	34,233	-	34,233	56,602	22,369	65.34%					
3	1" Residential, TD	75	7,715	53,549	-	53,549	49,755	48,755	92.91%					
4	2" Residential, TD	15	84,875	68,243	-	68,243	118,659	51,416	75.34%					
5	5/8" Commercial, TD	14	9,009	6,513	3,747	10,259	855	855	8.34%					
6	3/4" Commercial, TD	1	5,857	8,374	-	8,374	152	152	0.00%					
7	1" Commercial, TD	2	8,374	14,976	-	14,976	316	316	0.00%					
8	1.5" Commercial, TD	4	62,028	4,381	-	4,381	3,431	3,431	76.85%					
9	2" Commercial, TD	21	182,879	148,502	-	148,502	260,165	111,663	75.18%					
10	3" Commercial, TD	2	154,432	14,667	-	14,667	29,083	14,416	88.29%					
11	4" Commercial, TD	1	1,333	4,223	-	4,223	1,489	1,489	0.00%					
12	6" Commercial, TD	1	3,000	3,543	-	3,543	5,998	5,998	168.30%					
13	5/8" Irrigation, TD	6	70,022	14,715	-	14,715	24,017	9,302	63.22%					
14	1" Irrigation, TD	2	93,583	7,324	-	7,324	5,217	5,217	71.23%					
15	1.5" Irrigation, TD	128,686	28,801	28,801	-	28,801	22,284	22,284	77.00%					
16	2" Irrigation, TD	19,848	20,945	20,945	-	20,945	15,224	15,224	72.73%					
17	6" Irrigation, TD	1	7,766	4,956	-	4,956	8,424	8,424	169.87%					
18	5/8" HOA, TD	11	151,019	57,839	-	57,839	96,059	38,220	66.08%					
19	1" HOA, TD	20	47,345	40,114	-	40,114	30,328	30,328	75.60%					
20	1.5" HOA, TD	5	141,264	25,388	-	25,388	44,690	19,302	76.03%					
21	2" HOA, TD	29	195,383	240,004	-	240,004	416,120	176,116	73.38%					
22	3" HOA, TD	1	770,100	12,137	-	12,137	21,617	9,480	78.11%					
23	2" Construction, TD	15	184,112	118,538	-	118,538	208,964	89,426	N/A					
24	3" Construction, TD	2	83,526	6,828	-	6,828	17,166	10,338	N/A					
25	4" Construction, TD	2	39,560	7,945	-	7,945	10,866	2,921	N/A					
26	6" Construction, TD	1	315,900	8,017	-	8,017	18,822	10,805	N/A					
27	5/8" Residential, GBD	504	9,068	260,817	(807)	260,010	368,852	108,843	41.86%					
28	3/4" Residential, GBD	58	10,239	32,751	-	32,751	45,553	12,802	39.09%					
29	1" Residential, GBD	53	9,740	43,859	-	43,859	76,172	32,313	73.68%					
30	5/8" Commercial, GBD	2	7,267	953	(18)	535	829	295	55.09%					
31	1" HOA, GBD	1	6,417	995	-	995	1,285	290	64.75%					
32	2" Construction, GBD	659,500	28,458	28,458	-	28,458	52,503	24,045	N/A					
33	3" Construction, GBD	18,824	18,824	18,824	(575)	18,249	20,523	1,274	6.98%					
34	3/4" Residential, GT	6,000	2,451	2,451	-	2,451	7,220	4,769	8.96%					
35	1" Residential, GT	6,888	9,700	9,700	-	9,700	13,669	3,969	41.23%					
36	1.5" Residential, GT	14,778	618	618	-	618	821	203	N/A					
37	5/8" Commercial, GT	3	1,355	1,355	-	1,355	32	2,344	2.34%					
38	1" Commercial, GT	1	14,869	989	-	989	1,223	235	23.72%					
39	1.5" Commercial, GT	2	2,862	2,862	-	2,862	2,898	36	1.27%					
40	6" Commercial, GT	1	10,800	10,800	-	10,800	22,860	12,060	111.67%					
41	1" Irrigation, GT	2	298,282	40,165	-	40,165	41,366	1,201	1.42%					
42	1.5" Irrigation, GT	1	14,583	3,270	-	3,270	3,951	681	87.17%					
43	2" Construction, GT	4	41,386	13,646	-	13,646	-	(13,646)	N/A					
44	Totals	5,580	10,234	\$ 3,425,781	\$ 21,794	\$ 3,447,574	\$ 5,844,441	\$ 2,196,867	63.72%					
45	Total Residential	5,797	6,477	\$ 2,350,432	\$ 18,065	\$ 2,368,497	\$ 3,803,379	\$ 1,434,882	60.58%					
46	Total Commercial	55	83,116	207,133	3,728	210,941	367,928	156,987	74.42%					
47	Total Irrigation	113	143,371	681,178	-	681,178	1,156,980	475,802	68.55%					
48	Total Construction	25	179,063	186,538	-	186,538	316,154	129,616	N/A					
49	Totals	5,889	10,234	\$ 3,423,181	\$ 21,794	\$ 3,444,974	\$ 5,844,441	\$ 2,196,867	63.72%					
50	Miscellaneous Revenue (Sch. C-1)			257,625	-	257,625	391,460	133,835	51.95%					
51	Total Revenue Generated						\$ 6,035,901							
52	Target Revenue Requirement (Sch. C-1)						\$ 6,035,919							
53	Over/(Short)						\$ 282							

General Ledger Water Revenues		Unreconciled Difference	
T.Y. Ended 12/31/2008	Revenue Adjustments Sch. C2.1 & C2.3 (I-J)	Adjusted G.L. Revenues (K)	Unreconciled Difference (E-K) (L)
\$ 2,373,644	\$ -	\$ 2,373,644	\$ (5,147)
216,042	-	216,042	(5,101)
673,376	-	673,376	7,802
178,851	-	178,851	8,107
\$ 3,441,913	\$ -	\$ 3,441,913	\$ 3,661

Bill Count Water Revenues		Proposed Increase	
Present Rates (C-D)	Proposed Rates (F)	Increase (F-E)	% (H)
\$ 1,676,776	\$ 2,814,712	\$ 1,137,937	67.86%
34,233	56,602	22,369	65.34%
53,549	49,755	48,755	92.91%
68,243	118,659	51,416	75.34%
6,513	10,259	855	8.34%
8,374	152	152	0.00%
14,976	316	316	0.00%
4,381	3,431	3,431	76.85%
148,502	260,165	111,663	75.18%
14,667	29,083	14,416	88.29%
4,223	5,722	1,489	0.00%
3,543	5,998	5,998	168.30%
14,715	24,017	9,302	63.22%
7,324	5,217	5,217	71.23%
28,801	22,284	22,284	77.00%
20,945	15,224	15,224	72.73%
4,956	8,424	8,424	169.87%
57,839	38,220	38,220	66.08%
40,114	30,328	30,328	75.60%
25,388	44,690	19,302	76.03%
240,004	416,120	176,116	73.38%
12,137	21,617	9,480	78.11%
118,538	208,964	89,426	N/A
6,828	17,166	10,338	N/A
7,945	10,866	2,921	N/A
8,017	18,822	10,805	N/A
260,010	368,852	108,843	41.86%
32,751	45,553	12,802	39.09%
43,859	76,172	32,313	73.68%
535	829	295	55.09%
995	1,285	290	64.75%
28,458	52,503	24,045	N/A
18,249	20,523	1,274	6.98%
2,451	7,220	4,769	8.96%
9,700	13,669	3,969	41.23%
618	821	203	N/A
1,355	1,418	32	2.34%
989	1,223	235	23.72%
2,862	2,898	36	1.27%
10,800	12,060	1,260	11.67%
40,165	41,366	1,201	1.42%
3,270	3,951	681	87.17%
13,646	-	(13,646)	N/A
\$ 3,423,181	\$ 5,844,441	\$ 2,196,867	63.72%

General Ledger		Unreconciled Difference	
T.Y. Ended 12/31/2008	Revenue Adjustments Sch. C2.1 & C2.3 (I-J)	Adjusted G.L. Revenues (K)	Unreconciled Difference (E-K) (L)
\$ 2,373,644	\$ -	\$ 2,373,644	\$ (5,147)
216,042	-	216,042	(5,101)
673,376	-	673,376	7,802
178,851	-	178,851	8,107
\$ 3,441,913	\$ -	\$ 3,441,913	\$ 3,661

Bill Count Present Revenues to General Ledger - same as above, but demonstrates unapportioned recommendation including pro-rated bills for residential and commercial. Other classes let as demonstrated above.		General Ledger	
Residential	Commercial	Residential	Commercial
\$ 2,350,432	\$ 207,213	\$ 2,350,432	\$ 207,213
32,832	3,747	32,832	3,747
(14,767)	(18)	(14,767)	(18)
\$ 2,368,497	\$ 210,941	\$ 2,368,497	\$ 210,941
\$ (5,147)	\$ (5,101)	\$ (5,147)	\$ (5,101)

* Adjustment for Credits not accounted for in Bill Count - \$(887) applied to 5/8" Res. TD, Col. D
 * Adjustment for Jim - March Billing, Usage billed was rounded down to nearest 1,000, understates bill count - \$37,466 Col. D
 * Adjustments for Pro-Rated Bills not accounted for in Bill Count applied in Col. D for reconciliation, no revenue impact
 * Average Pro-Rated Bill Period - 15 Days (Remove 17 Days)
 * Pro-Rated Bills Avg. Pro-Rated Mn. Adjustment (13,385)
 * Residential (1,817)
 * Commercial (13,385)

Line	Class of Service	Average Number of Customers	Average Consumption	Present Rates	Adjustments Sch. C2.3 & Notes	Aggregated Present Rates (C-D)	Proposed Rates	Increase (F-E)	%
58	Valencia, Town Division	89	9.07	(807)					
59	Valencia, Greater Buckeye Div.	2	9.07	(18)					
60	Greater Tonopah	58	9.82	(575)					

Global Water - West Valley Consolidation - Rebuttal Schedules
 Test Year Ended December 31, 2008
 Calculation of Change in Miscellaneous Service Charge Revenue

Line No.		Current	Proposed	Increase	Test Year Charges	Revenue Increase
1						
2	Valencia, Town Division					
3	Establishment	\$ 30.00	\$ 50.00	\$ 20.00	2,531	\$ 50,620
4	After Hours	45.00	100.00	55.00	14	770
5	Reconnect	30.00	75.00	45.00	1,407	63,315
6	NSF Fees	15.00	30.00	15.00	207	3,105
7						
8						<u>\$ 117,810</u>
9						
10	Valencia, Greater Buckeye Division					
11	Establishment	\$ 30.00	\$ 50.00	\$ 20.00	116	\$ 2,320
12	After Hours	40.00	100.00	60.00	-	-
13	Reconnect	30.00	75.00	45.00	165	7,425
14	NSF Fees	15.00	30.00	15.00	27	405
15						
16						<u>\$ 10,150</u>
17						
18	Water Utility of Greater Tonopah					
19	Establishment	\$ 30.00	\$ 50.00	\$ 20.00	58	\$ 1,160
20	After Hours	45.00	100.00	55.00	-	-
21	Reconnect	30.00	75.00	45.00	99	4,455
22	Meter Test	30.00	50.00	20.00	1	20
23	NSF Fees	15.00	30.00	15.00	16	240
24						
25						<u>\$ 5,875</u>
26						
27						
28	Proposed Misc. Service Charge Increase					<u>\$ 133,835</u>
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						

Monthly Minimum Charges:

Meter Size (All Classes)	Basic Service Charge		
	Present	Proposed	Change
5/8" Meter	\$ 13.00	\$ 38.10	\$ 25.10
3/4" Meter	25.00	38.10	13.10
1" Meter	37.50	95.25	57.75
1.5" Meter	75.00	190.50	115.50
2" Meter	145.00	304.80	159.80
3" Meter	225.00	609.60	384.60
4" Meter	700.00	952.50	252.50
6" Meter	700.00	1,905.00	1,205.00
8" Meter	N/A	3,810.00	N/A
Fire Sprinkler Service	*	N/A	N/A

* 1% of Monthly Minimum for a Comparable Sized Meter Connection, but no less than \$5.00 per month.

Commodity Rate Charges:

Potable Water - All Meter Sizes and Classes (In 1,000's of Gallons)	Rate Block		Volumetric Charge (per 1,000 gallons)		
	Present	Proposed	Present	Proposed	Change
Tier One Breakover	999,999,999	1	\$ 2.86	\$ 1.00	varies
Tier Two Breakover	N/A	5	N/A	2.45	varies
Tier Three Breakover	N/A	10	N/A	2.70	varies
Tier Four Breakover	N/A	18	N/A	3.25	varies
Tier Five Breakover	N/A	25	N/A	3.93	varies
Tier Six Breakover	N/A	999,999,999	N/A	4.88	varies
Conservation Rebate Threshold ("CBT")	N/A	7,001 gallons			
Commodity rate rebate applied if consumption is below the CBT:	N/A	49%			

Service Line & Meter Installation Charges ¹

	Present	Proposed	Change
5/8" Meter	\$ 360.00	\$ 600.00	\$ 240.00
3/4" Meter	360.00	700.00	340.00
1" Meter	400.00	810.00	410.00
1.5" Meter	630.00	1,075.00	445.00
2" Turbo	880.00	1,875.00	995.00
2" Compound	880.00	2,720.00	1,840.00
3" Turbo	1,040.00	2,715.00	1,675.00
3" Compound	1,040.00	3,710.00	2,670.00
4" Turbo	2,890.00	4,160.00	1,270.00
4" Compound	2,890.00	5,315.00	2,425.00
6" Turbo	4,020.00	7,235.00	3,215.00
6" Compound	4,020.00	9,250.00	5,230.00
8" Turbo	N/A	Cost	N/A
8" Compound	N/A	Cost	N/A
Plus actual road crossing charges	Cost	N/A	N/A
¹ Costs for boring under a highway or pavement are additional at actual cost	N/A	Cost	N/A

Miscellaneous Service Charges

	Present	Proposed
Establishment of Service	\$ 30.00	\$ 50.00
Establishment of Service (After Hours)	45.00	100.00
Re-establishment of Service (Within 12 Months)	*	*
Reconnection of Service (Delinquent)	30.00	75.00
Reconnection of Service - After Hours (Delinquent)	N/A	100.00
Meter Move at Customer Request	**	Per AAC R14-2-405.B.5
After Hours Service Charge, Per Hour	-	50.00
Deposit	***	***
Meter Re-Read (If Correct)	25.00	30.00
Meter Test Fee (If Correct)	35.00	50.00
NSF Check	15.00	30.00
Late Payment Charge (Per Month)	Greater of 1.5% or \$5.00	Greater of 1.5% or \$5.00
Deferred Payment Charge (Per Month)	Greater of 1.5% or \$3.50	Greater of 1.5% or \$3.50

* Number of Months off System times the monthly minimum per A.A.C. R14-2-403(D).

** Cost to include parts, labor, overhead and all applicable taxes.

*** Per A.A.C. R14-2-403(B).

Monthly Minimum Charges:

Meter Size (All Classes)	Basic Service Charge		
	Present	Proposed	Change
5/8" Meter	\$ 16.00	\$ 38.10	\$ 22.10
3/4" Meter	16.00	38.10	22.10
1" Meter	40.00	95.25	55.25
1.5" Meter	80.00	190.50	110.50
2" Meter	128.00	304.80	176.80
3" Meter	240.00	609.60	369.60
4" Meter	400.00	952.50	552.50
6" Meter	820.00	1,905.00	1,085.00
8" Meter	N/A	3,810.00	N/A
Construction/Standpipe	150.00	Same as Above	N/A

Commodity Rate Charges:

Potable Water - All Meter Sizes and Classes (In 1,000's of Gallons)	Rate Block		Volumetric Charge (per 1,000 gallons)		
	Present	Proposed	Present	Proposed	Change
Tier One Breakover	12	1	\$ 2.75	\$ 1.00	varies
Tier Two Breakover	999,999,999	5	3.75	2.45	varies
Tier Three Breakover	N/A	10	N/A	2.70	varies
Tier Four Breakover	N/A	18	N/A	3.25	varies
Tier Five Breakover	N/A	25	N/A	3.93	varies
Tier Six Breakover	N/A	999,999,999	N/A	4.88	varies
Conservation Rebate Threshold ("CBT")	N/A	7,001 gallons			
Commodity rate rebate applied if consumption is below the CBT:	N/A	49%			

Service Line & Meter Installation Charges ¹

	Present	Proposed	Change
5/8" Meter	\$ 485.00	\$ 600.00	\$ 115.00
3/4" Meter	485.00	700.00	215.00
1" Meter	570.00	810.00	240.00
1.5" Meter	740.00	1,075.00	335.00
2" Turbo	1,235.00	1,875.00	640.00
2" Compound	1,235.00	2,720.00	1,485.00
3" Turbo	2,340.00	2,715.00	375.00
3" Compound	2,340.00	3,710.00	1,370.00
4" Turbo	2,700.00	4,160.00	1,460.00
4" Compound	2,700.00	5,315.00	2,615.00
6" Turbo	5,035.00	7,235.00	2,200.00
6" Compound	5,035.00	9,250.00	4,215.00
8" Turbo	N/A	Cost	N/A
8" Compound	N/A	Cost	N/A
¹ Costs for boring under a highway or pavement are additional at actual cost	Cost	Cost	-

Miscellaneous Service Charges

	Present	Proposed
Establishment of Service	\$ 30.00	\$ 50.00
Establishment of Service (After Hours)	40.00	100.00
Re-establishment of Service (Within 12 Months)	*	*
Reconnection of Service (Delinquent)	30.00	75.00
Reconnection of Service - After Hours (Delinquent)	N/A	100.00
Meter Move at Customer Request	**	Per AAC R14-2-405.B.5
After Hours Service Charge, Per Hour	-	50.00
Deposit	***	***
Meter Re-Read (If Correct)	20.00	30.00
Meter Test Fee (If Correct)	30.00	50.00
NSF Check	15.00	30.00
Late Payment Charge (Per Month)	1.50%	Greater of 1.5% or \$5.00
Deferred Payment Charge (Per Month)	1.50%	Greater of 1.5% or \$3.50

* Number of Months off System times the monthly minimum per A.A.C. R14-2-403(D).

** Cost to include parts, labor, overhead and all applicable taxes.

*** Per A.A.C. R14-2-403(B).

Monthly Minimum Charges:

Meter Size (All Classes)	Basic Service Charge		
	Present	Proposed	Change
5/8" Meter	\$ 17.50	\$ 38.10	\$ 20.60
3/4" Meter	17.50	38.10	20.60
1" Meter	45.00	95.25	50.25
1.5" Meter	85.00	190.50	105.50
2" Meter	145.00	304.80	159.80
3" Meter	270.00	609.60	339.60
4" Meter	450.00	952.50	502.50
6" Meter	900.00	1,905.00	1,005.00
8" Meter	N/A	3,810.00	N/A

Commodity Rate Charges:

Potable Water - All Meter Sizes and Classes (In 1,000's of Gallons)	Rate Block		Volumetric Charge (per 1,000 gallons)		
	Present	Proposed	Present	Proposed	Change
Tier One Breakover	12	1	\$ 4.10	\$ 1.00	varies
Tier Two Breakover	999,999,999	5	5.25	2.45	varies
Tier Three Breakover	N/A	10	N/A	2.70	varies
Tier Four Breakover	N/A	18	N/A	3.25	varies
Tier Five Breakover	N/A	25	N/A	3.93	varies
Tier Six Breakover	N/A	999,999,999	N/A	4.88	varies
Construction/Standpipe					
Tier One Breakover	999,999,999	1	\$ 4.10	\$ 1.00	varies
Tier Two Breakover	N/A	5	N/A	2.45	varies
Tier Three Breakover	N/A	10	N/A	2.70	varies
Tier Four Breakover	N/A	18	N/A	3.25	varies
Tier Five Breakover	N/A	25	N/A	3.93	varies
Tier Six Breakover	N/A	999,999,999	N/A	4.88	varies
All Meter Sizes and Classes					
Conservation Rebate Threshold ("CBT")	N/A	7,001 gallons			
Commodity rate rebate applied if consumption is below the CBT:	N/A	49%			

Service Line & Meter Installation Charges ¹

	Present	Proposed	Change
5/8" Meter	\$ 485.00	\$ 600.00	\$ 115.00
3/4" Meter	485.00	700.00	215.00
1" Meter	570.00	810.00	240.00
1.5" Meter	775.00	1,075.00	300.00
2" Turbo	1,900.00	1,875.00	(25.00)
2" Compound	1,900.00	2,720.00	820.00
3" Turbo	2,490.00	2,715.00	225.00
3" Compound	2,490.00	3,710.00	1,220.00
4" Turbo	3,615.00	4,160.00	545.00
4" Compound	3,615.00	5,315.00	1,700.00
6" Turbo	6,810.00	7,235.00	425.00
6" Compound	6,810.00	9,250.00	2,440.00
8" Turbo	N/A	Cost	N/A
8" Compound	N/A	Cost	N/A
¹ Costs for boring under highway or pavement are additional at cost	Cost	Cost	-

Miscellaneous Service Charges

	Present	Proposed
Establishment of Service	\$ 30.00	\$ 50.00
Establishment of Service (After Hours)	45.00	100.00
Re-establishment of Service (Within 12 Months)	*	*
Reconnection of Service (Delinquent)	30.00	75.00
Reconnection of Service - After Hours (Delinquent)	N/A	100.00
Meter Move at Customer Request	**	Per AAC R14-2-405.B.5
After Hours Service Charge, Per Hour	-	50.00
Deposit	***	***
Meter Re-Read (If Correct)	20.00	30.00
Meter Test Fee (If Correct)	-	50.00
NSF Check	15.00	30.00
Late Payment Charge (Per Month)	\$ 3.00	Greater of 1.5% or \$5.00
Deferred Payment Charge (Per Month)	1.50%	Greater of 1.5% or \$3.50

* Number of Months off System times the monthly minimum per A.A.C. R14-2-403(D).
 ** Cost to include parts, labor, overhead and all applicable taxes.
 *** Per A.A.C. R14-2-403(B).

Global Water - West Valley Consolidation - Rebuttal Schedules
 Test Year Ended December 31, 2008
 Typical Bill Analysis

Schedule H-4

Description	Average Monthly Consumption	Present Rates	Unconsol. Proposed Rates	Unconsol. % Increase	Consolidated Proposed Rates	Consolidated Proposed Increase	
						Amount	%
5/8" Residential, TD	5,817	\$ 29.64	\$ 39.97	34.9%	\$ 44.73	\$ 15.10	50.94%
3/4" Residential, TD	4,925	29.08	39.14	34.6%	43.51	14.43	49.61%
1" Residential, TD	7,715	59.57	104.02	74.6%	113.38	53.82	90.35%
2" Residential, TD	84,875	387.74	599.58	54.6%	674.80	287.06	74.03%
5/8" Commercial, TD	9,009	38.77	53.97	39.2%	59.72	20.96	54.06%
3/4" Commercial, TD	5,857	31.75	40.01	26.0%	44.79	13.04	41.06%
1" Commercial, TD	64,551	222.12	319.79	44.0%	366.07	143.95	64.81%
1.5" Commercial, TD	62,029	252.40	397.57	57.5%	449.01	196.61	77.89%
2" Commercial, TD	162,979	611.12	927.61	51.8%	1,055.95	444.83	72.79%
3" Commercial, TD	154,432	666.68	1,174.51	76.2%	1,319.04	652.36	97.85%
4" Commercial, TD	1,333	703.81	884.45	25.7%	953.43	249.61	35.47%
6" Commercial, TD	3,000	708.58	1,769.63	149.7%	1,908.01	1,199.43	169.27%
5/8" Irrigation, TD	70,022	213.26	289.74	35.9%	335.62	122.35	57.37%
1" Irrigation, TD	93,583	305.15	441.73	44.8%	507.75	202.60	66.39%
1.5" Irrigation, TD	126,886	437.90	669.97	53.0%	765.52	327.62	74.82%
2" Irrigation, TD	168,826	627.84	952.17	51.7%	1,084.48	456.64	72.73%
6" Irrigation, TD	2,786	707.97	1,769.45	149.9%	1,907.74	1,199.77	169.47%
5/8" HOA, TD	151,019	444.92	629.93	41.6%	730.88	285.97	64.27%
1" HOA, TD	47,345	172.91	247.52	43.2%	282.10	109.20	63.15%
1.5" HOA, TD	141,264	479.02	730.36	52.5%	835.68	356.66	74.46%
2" HOA, TD	195,393	703.82	1,063.75	51.1%	1,214.13	510.30	72.50%
3" HOA, TD	770,100	2,427.49	3,760.32	54.9%	4,323.50	1,896.01	78.11%
2" Construction, TD	184,112	671.56	1,016.37	51.3%	1,159.08	487.52	72.59%
3" Construction, TD	99,500	509.57	943.80	85.2%	1,050.97	541.40	106.25%
4" Construction, TD	33,050	794.52	982.86	23.7%	1,069.59	275.07	34.62%
8" Construction, TD	315,900	1,603.47	4,822.08	200.7%	5,307.40	3,703.93	230.99%
5/8" Residential, GBD	9,068	40.94	51.61	26.1%	59.88	18.95	46.28%
3/4" Residential, GBD	10,239	44.16	54.41	23.2%	63.18	19.02	43.07%
1" Residential, GBD	9,740	66.79	103.03	54.3%	118.85	52.06	77.96%
5/8" Commercial, GBD	7,267	35.98	41.07	14.1%	55.02	19.04	52.90%
1" HOA, GBD	6,417	57.65	89.87	55.9%	102.71	45.06	78.17%
2" Construction, GBD	659,600	2,611.50	2,996.22	14.7%	3,479.46	867.96	33.24%
5/8" Residential, GT	7,346	47.62	99.83	109.7%	55.23	7.62	15.99%
3/4" Residential, GT	8,000	50.30	128.00	154.5%	57.00	6.70	13.32%
1" Residential, GT	6,898	73.28	209.38	185.7%	103.37	30.09	41.06%
1.5" Residential, GT	25,667	205.95	764.46	271.2%	271.56	65.61	31.86%
5/8" Commercial, GT	7,852	49.69	126.22	154.0%	56.60	6.91	13.90%
1" Commercial, GT	14,889	109.37	342.72	213.4%	135.44	26.07	23.84%
1.5" Commercial, GT	14,778	148.78	528.44	255.2%	230.33	81.54	54.81%
6" Commercial, GT	-	900.00	3,750.00	316.7%	1,905.00	1,005.00	111.67%
2" Irrigation, GT	298,292	1,697.23	9,151.85	439.2%	1,716.27	19.04	1.12%
3" Irrigation, GT	18,583	353.76	1,418.71	301.0%	662.19	308.43	87.19%
2" Construction, GT	41,386	314.68	1,460.11	364.0%	462.58	147.89	47.00%

TD - Valencia, Town District
 GBD - Valencia, Greater Buckeye District
 GT - WUGT