

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

OPEN MEETING ITEM



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ARIZONA CORPORATION COMMISSION

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DATE: JANUARY 19, 2010

DOCKET NO.: W-02304A-08-0590

TO ALL PARTIES:

Enclosed please find the recommendation of Administrative Law Judge Belinda A. Martin. The recommendation has been filed in the form of an Opinion and Order on:

COMMUNITY WATER COMPANY OF GREEN VALLEY
(RATES)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by **4:00** p.m. on or before:

JANUARY 28, 2010

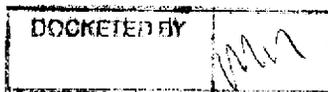
The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

FEBRUARY 2, 2010 AND FEBRUARY 3, 2010

For more information, you may contact Docket Control at (602) 542-3477 or the Hearing Division at (602) 542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

Arizona Corporation Commission
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1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 KRISTIN K. MAYES, Chairman
4 GARY PIERCE
5 PAUL NEWMAN
6 SANDRA D. KENNEDY
7 BOB STUMP

7 IN THE MATTER OF THE APPLICATION OF
8 COMMUNITY WATER COMPANY OF GREEN
9 VALLEY FOR A DETERMINATION OF THE
10 CURRENT FAIR VALUE OF ITS UTILITY
PROPERTY AND FOR AN INCREASE IN ITS
WATER RATES AND CHARGES FOR UTILITY
SERVICES.

DOCKET NO. W-02304A-08-0590

DECISION NO. _____

OPINION AND ORDER

11 DATES OF HEARING: October 23, 2009 (Pre-Hearing Conference); and
12 October 28, 2009 (Evidentiary Hearing)

13 PLACE OF HEARING: Tucson, Arizona

14 ADMINISTRATIVE LAW JUDGE: Belinda A. Martin

15 APPEARANCES: Mr. Jason D. Gellman, ROSHKA, DEWULF &
16 PATTEN, PLC, on behalf of Community Water
Company of Green Valley; and

17 Mr. Wesley C. Van Cleve, Staff Attorney, Legal
Division, on behalf of the Utilities Division of the
Arizona Corporation Commission.

18 **BY THE COMMISSION:**

19 **PROCEDURAL HISTORY**

20 Community Water Company of Green Valley ("CWCGV" or "Company") is a member-
21 owned, non-profit water utility cooperative located in an unincorporated portion of Pima County and
22 the Town of Sahuarita.

23 On December 9, 2008, CCWGV filed with the Arizona Corporation Commission
24 ("Commission") an application for a determination of the current fair value of its utility property and
25 for an increase in its rates and charges for water utility service provided to customers in the
26 Company's certificated service area ("Application"). As part of its Application, the Company filed
27 supporting schedules and the Direct Testimony of its witnesses, Arturo Gabaldon, who is CWCGV's
28 president, and Thomas Bourassa, the Company's financial analyst.

1 On December 22, 2008, the Company filed a supplement to its Application.

2 On January 8, 2009, the Commission's Utilities Division Staff ("Staff") filed a Letter of
3 Insufficiency stating that the Application did not meet the sufficiency requirements outlined in
4 Arizona Administrative Code ("A.A.C.") R14-2-103.

5 On January 19, 2009, the Company filed its response to Staff's Insufficiency Letter.

6 On February 11, 2009, Staff filed a letter indicating the Company's Application was
7 sufficient, and classifying CWCGV as a Class B utility.

8 By Procedural Order issued February 19, 2009, the hearing was scheduled to commence on
9 October 28, 2009, and the Company was directed to mail to customers and publish notice of the
10 hearing date, and other procedural timelines were established.

11 On April 14, 2009, the Company filed its Affidavit of Publication and Mailing of the Public
12 Notice. In response to the Public Notice, one customer filed a comment opposed to the Company's
13 requested rate increase.

14 On July 15, 2009, CWCGV filed a Water Provider Compliance Status Report and a copy of a
15 Total GPCD Program to Modified Non-Per Capita Conservation Program Transition Agreement from
16 the Arizona Department of Water Resources ("ADWR").

17 On August 11, 2009, Staff filed the Direct Testimony of Pedro Chavez, a public analyst for
18 the Commission, and Jian Liu, a utility engineer for the Commission.

19 On September 8, 2009, CWCGV filed the Rebuttal Testimony of Mr. Gabaldon and Mr.
20 Bourassa.

21 On September 28, 2009, Staff filed the Surrebuttal Testimony of Mr. Chavez and Mr. Liu.

22 On October 13, 2009, CWCGV filed the Rejoinder Testimony of Mr. Gabaldon and Mr.
23 Bourassa.

24 On October 23, 2009, a prehearing conference was held to discuss scheduling of witnesses
25 and other procedural matters related to the hearing.

26 The hearing was held on October 28, 2009, as scheduled. At the hearing, both the Company
27 and Staff were represented by counsel. No members of the public appeared to provide comment. At
28 the conclusion of the hearing, post-hearing briefs and reply briefs were ordered to be filed on a

1 schedule agreed to by the parties.

2 On November 9, 2009, the Company filed a Refund Proposal regarding its plan to refund an
3 overcharge of CWCGV's construction customers.

4 On November 24, 2009, CWCGV and Staff filed their respective initial post-hearing briefs.

5 On December 8, 2009, CWCGV and Staff filed their respective reply briefs.

6 OVERVIEW OF APPLICATION

7 During the test year ending December 31, 2007, CWCGV provided water utility service to
8 approximately 12,000 customers, the vast majority of which are residential retirees¹, in an
9 unincorporated portion of Pima County and in the Town of Sahuarita. The Company's existing rates
10 and charges were established in Decision No. 69205 (December 21, 2006).

11 CWCGV proposes that the Commission adopt rates that would result in an overall increase in
12 revenues of 26.58 percent. Staff recommends a revenue increase of 26.27 percent. A summary of the
13 parties' final revenue requirement positions follows:

	<u>Company Proposed²</u>	<u>Staff Proposed³</u>
15 ORIGINAL COST ⁴		
16 Adjusted Rate Base	\$7,504,829	\$6,991,408
17 Adjusted Operating Inc.	(229,566)	(208,360)
18 Current Rate of Return	-3.06%	-2.98%
19 Rec. Operating Margin	15.00%	15.00%
20 Req'd Operating Inc.	573,759	569,764
21 Rec. Operating Inc.	803,315	778,124
22 Rev. Conver. Factor	1.0000	1.0157
23 Rec. Op. Rev. Inc.	803,315	790,351
24 Adjusted TY Rev.	3,021,743	3,008,077
25 Rec. Ann. Op. Rev	3,825,058	3,798,428
26 Req'd Inc. in Rev. (%)	26.58%	26.27%
27 Rate of Return	7.65%	8.15%

28 These numbers demonstrate that the Company and Staff are close in many of their
calculations; however, a number of issues remain in dispute between CWCGV and Staff. The first,

¹ Transcript of October 28, 2009, Hearing, page 25-26.

² Rejoinder Testimony of Thomas Bourassa (admitted as Exhibit A-7), Rejoinder Schedule A-1, page 1.

³ Staff's Closing Brief, Final Schedule PMC1. The Original Cost numbers for the Cooperative used by Staff in its Final Schedule PMC-1 are those proposed by the Cooperative in its Direct Testimony of Thomas Bourassa, rather than those proposed in the Company's Rejoinder Schedules.

⁴ The Cooperative's Original Cost Rate Base ("OCRB") is the same as its Fair Value Rate Base ("FVRB"). Exhibit A-7, page 3-4.

1 and most contentious, is Staff's treatment of construction work-in-progress ("CWIP") as
 2 contributions in aid of construction ("CIAC"), in rate base calculations. Next, Staff and the Company
 3 disagree as to whether CWCGV's construction customers should be charged a monthly minimum fee.
 4 Third, there is a divergence between the Company's proposed rate structure and that of Staff. The
 5 final issue is CWCGV's disagreement with certain of Staff's recommended miscellaneous service
 6 charges, such as deposit interest and call out charges. Each of these issues is discussed below.

7 **Rate Base, CIAC and CWIP**

8 As noted above, CWCGV proposes a FVRB of \$7,504,829. Staff proposes an adjusted FVRB
 9 of \$6,991,408, based on adjustments to accumulated depreciation and CIAC.

10 The parties remain at odds over the appropriate rate base treatment of \$537,551 of CIAC
 11 associated with CWIP. According to CWCGV, a mismatch would be created if the Commission
 12 were to adopt Staff's recommendation to deduct CIAC related to CWIP from the Company's rate
 13 base because there is currently no corresponding plant-in-service, thus effecting rate base, revenues
 14 and expenses.⁵ In its Initial Post-Hearing Brief, the Company summarized its overall position as
 15 follows:

16 Both the Company and Staff properly deduct \$14,578,352 of CIAC from net plant in
 17 service (to determine the amount of rate base) because that amount of CIAC is related to
 18 plant in service and serving customers. But Staff deducts an additional \$537,531 of
 19 CIAC from net plant-in-service. That amount of CIAC relates to CWIP and does not
 20 relate to net plant-in-service. By doing so, Staff does not allow any return [on] an
 21 additional \$537,531 that funded plant *presently* in service and that was not advanced or
 22 contributed. In other words, there is \$537,531 that was provided by the "investors" (*i.e.*,
 the Company's member-customers) that the Company will not earn a return on. As Mr.
 Bourassa stated during the October 28, 2009, hearing, this *understates* the earnings
 because Staff's adjustment includes half of the ratemaking treatment and because the
 plant related to the \$537,531 is not included in the rate base calculation. This results in
 negative impacts to the Company's cash flow.

23 As Mr. Bourassa explained in his pre-filed Rebuttal Testimony, a fundamental tenet of
 24 ratemaking is that CIAC in rate base should be revenue neutral. The utility should not
 25 earn a return on any CIAC-funded plant. CIAC is amortized to offset the depreciation
 26 expense related to CIAC-funded plant in rate base. This results in zero impact on
 27 expenses—in addition to no return on rate base. The balance is preserved.

25 ...

26 ...

27

28 ⁵ Rebuttal Testimony of Thomas J. Bourassa (admitted as Exhibit A-6), page 5.

1 Including CIAC related to CWIP in rate base without the corresponding plant knocks it
2 out of balance and results in a non-revenue-neutral adjustment. This is because CIAC
3 related to CWIP is still amortized without the corresponding depreciation expense to keep
4 the adjustment revenue neutral...⁶

5 Additionally, the Company refers to two recent rate cases in which Staff agreed to remove
6 CIAC related to plant deemed not to be used and useful, either as plant determined to be excess
7 capacity or plant held for future use ("PHFFU").⁷ The Company asserts that, by definition, CWIP is
8 not used and useful, and, therefore, the CWIP, like excess capacity plant and PHFFU, should be
9 removed from plant-in-service, and the associated CIAC should be taken out of rate base
10 calculations.⁸

11 Staff recommends that CIAC associated with CWIP should remain in rate base calculations.
12 According to Staff, any other treatment is a departure from traditional rate-making practices.⁹ Staff
13 asserts that CWIP is distinguishable from excess capacity plant or PHFFU because there has not been
14 a determination as to whether the future plant to be constructed using CWIP funds is used and useful,
15 and the Company acknowledges this difference.¹⁰

16 Staff also noted that during Mr. Bourassa's testimony, he admitted that the construction being
17 paid for with the CWIP funds in this case is now completed and in service.¹¹ Staff asserts that if the
18 Company had waited until the construction was completed before filing a rate case, the CIAC/CWIP
19 issue would not exist.¹² Staff further notes that the Company admitted that its asserted mismatch will
20 be corrected when CWCGV files its next rate case.¹³

21 The Commission recently considered the specific question of whether CIAC associated with
22 CWIP should be removed from rate base. In Decision No.71410 (December 8, 2009),¹⁴ the water
23 company in that case asserted similar arguments regarding CWIP as those of CWCGV. That

24 ⁶ CWCGV's Initial Post-Hearing Brief, pages 3-4 (footnotes omitted, emphasis original).

25 ⁷ Tr., at 167-172 (regarding the Surrebuttal Testimony of Crystal Brown in Docket No. W-03478A-05-0801, and the Surrebuttal Testimony of Jeffrey Michlik in Docket No. WD-02987A-08-0180.)

26 ⁸ Tr., at 106-107.

27 ⁹ Direct Testimony of Pedro Chaves (admitted as Exhibit S-3), page 6.

28 ¹⁰ Tr., at 106-107.

¹¹ Tr., at 122-123.

¹² Staff's Reply Brief, page 2.

¹³ Tr., at 108-109.

¹⁴ Decision No. 71410 (December 8, 2009), Docket Nos. W01303A-08-0227 and SW01303A-08-0227.

1 Decision noted the idea that the CIAC associated with CWIP should be removed from rate base is
 2 “contrary to traditional ratemaking practices and contrary to the National Association of Regulatory
 3 Commissioners (“NARUC”) definition of CIAC, which does not distinguish between CIAC
 4 associated with CWIP and CIAC associated with plant-in-service.”¹⁵ In that Decision the
 5 Commission concluded that the evidence presented by the company was not persuasive enough to
 6 compel the Commission to depart from the traditional rate-making treatment of deducting CIAC from
 7 rate base. We reach the same conclusion here and we adopt Staff’s adjustments. We find Staff’s
 8 recommendation of a \$6,991,408 rate base is reasonable and should be adopted as the Company’s
 9 FVRB in this proceeding.

10 Rate Design

11 Set forth below are the current, Company proposed, and Staff proposed rates and charges
 12 according to their respective revenue requirement and rate design recommendations.¹⁶

	Present	Company	Staff
	<u>Rates</u>	<u>Proposed</u>	<u>Recommended</u>
14 <u>MONTHLY USAGE CHARGE:</u>			
15 5/8” x 3/4” Meter (All Classes)	\$11.00	\$13.21	\$13.00
16 3/4” Meter (All Classes)	11.00	13.21	13.00
17 1” Meter (All Classes)	20.00	24.02	24.00
18 1-1/2” Meter (All Classes)	33.00	39.63	40.00
19 2” Meter (All Classes)	55.00	66.06	67.00
20 3” Meter (All Classes)	87.00	105.09	105.00
21 4” Meter (All Classes)	330.00	396.00	400.00
22 6” Meter (All Classes)	550.00	660.55	650.00
23 8” Meter (All Classes)	900.00	1,080.90	1,000.00
24 Construction Water – All Sized Meters	-	Minimum depends on meter size	-
25 <u>COMMODITY CHARGES</u>			
26 <u>5/8x 3/4-Inch Meter (Residential)</u>			
27 0 to 3,000 Gallons	\$1.25	\$1.54	\$1.30
28 3,001 to 10,000 Gallons	1.82	2.45	2.50
Over 10,000 Gallons	2.20	3.00	3.42
29 <u>3/4-Inch Meter (Residential)</u>			
30 0 to 3,000 Gallons	1.25	1.54	1.30
31 3,001 to 10,000 Gallons	1.82	2.45	2.50

¹⁵ Decision No. 71410, page 27.

¹⁶ Staff’s Closing Brief, Final Schedule PMC-14.

1	Over 10,000 Gallons	2.20	3.00	3.42
2	<u>5/8-Inch Meter (Commercial/Residential and Commercial)</u>			
3	1 to 10,000 Gallons	1.82	2.45	2.50
4	Over 10,000 Gallons	2.20	3.00	3.42
5	<u>1-Inch Meter (Res., Comm., Res/Comm.)</u>			
6	0 to 24,000 Gallons	1.82	2.45	N/A
7	Over 24,000 Gallons	2.20	3.00	N/A
8	0 to 21,000 Gallons	N/A	N/A	2.50
9	Over 21,000 Gallons	N/A	N/A	3.42
10	<u>1 1/2-Inch Meter (Res., Comm.)</u>			
11	0 to 50,000 Gallons	1.82	2.45	N/A
12	Over 50,000 Gallons	2.20	3.00	N/A
13	0 to 35,000 Gallons	N/A	N/A	2.50
14	Over 35,000 Gallons	N/A	N/A	3.42
15	<u>2-Inch Meter (Res., Comm., Res/Comm.)</u>			
16	0 – 100,000 Gallons	1.82	2.45	N/A
17	Over 100,000 Gallons	2.20	3.00	N/A
18	0 to 63,000 Gallons	N/A	N/A	2.50
19	Over 63,000 Gallons	N/A	N/A	3.42
20	<u>3-Inch Meter (Res., Comm.)</u>			
21	0 to 180,000 Gallons	1.82	2.45	N/A
22	Over 180,000 Gallons	2.20	3.300	N/A
23	0 to 103,000 Gallons	N/A	N/A	2.50
24	Over 103,000 Gallons	N/A	N/A	3.42
25	<u>4-Inch Meter (Res., Comm.)</u>			
26	0 – 380,000 Gallons	1.82	2.45	N/A
27	Over 380,000 Gallons	2.20	3.00	N/A
28	0 to 424,000 Gallons	N/A	N/A	2.50
29	Over 424,000 Gallons	N/A	N/A	3.42
30	<u>6-Inch Meter (Res., Comm.)</u>			
31	0 – 800,000 Gallons	1.82	2.45	N/A
32	Over 800,000 Gallons	2.20	3.00	N/A
33	0 to 680,000 Gallons	N/A	N/A	2.50
34	Over 680,000 Gallons	N/A	N/A	3.42
35	<u>8-Inch Meter (Res. Comm.)</u>			
36	0 to 1,250,000 Gallons	1.82	2.45	N/A
37	Over 1,250,000 Gallons	2.20	3.00	N/A
38	0 to 1,050,000 Gallons	N/A	N/A	2.50
39	Over 1,050,000 Gallons	N/A	N/A	3.42
40	<u>Construction Water (All Meter Sizes)</u>			
41	Excess of Minimum – per 1,000 Gallons			
42	All Gallons	2.50	3.00	3.42
43	<u>Standpipe – Fire Hydrants</u>			
44	All Gallons	N/A	N/A	N/A

	Present Total	Company Proposed			Staff Recommended		
		Service Line	Meter Installation	Total	Service Line	Meter Installation	Total
1							
2	5/8" x 3/4 " Meter \$ 520.00	\$ 445.00	\$ 238.00	\$ 683.00	\$ 445.00	\$ 155.00	\$ 600.00
3	3/4 " Meter 600.00	445.00	255.00	700.00	445.00	225.00	700.00
	1" Meter 690.00	495.00	315.00	810.00	495.00	315.00	810.00
	1-1/2" Meter 935.00	550.00	525.00	1,075.00	550.00	525.00	1,075.00
4	2" Turbine Meter 1,595.00	830.00	1,045.00	1,875.00	830.00	1,045.00	1,875.00
	2" Compound Meter 2,320.00	830.00	1,890.00	2,720.00	830.00	1,890.00	2,720.00
5	3" Turbine Meter 2,275.00	1,045.00	1,670.00	2,715.00	1,045.00	1,670.00	2,715.00
6	3" Compound Meter 3,110.00	1,165.00	2,545.00	3,710.00	1,165.00	2,545.00	3,170.00
7	4" Turbine Meter 3,520.00	1,490.00	1,737.00	3,227.00	1,490.00	1,737.00	3,227.00
	4" Compound Meter 4,475.00	1,670.00	3,645.00	5,315.00	1,670.00	3,645.00	5,315.00
8	6" Turbine Meter 6,275.00	2,210.00	3,766.00	5,976.00	2,210.00	3,766.00	5,976.00
9	6" Compound Meter 8,050.00	2,330.00	6,920.00	9,250.00	2,330.00	6,920.00	9,250.00
10	8" Cost	Cost	Cost	Cost	Cost	Cost	Cost
	10" Cost	Cost	Cost	Cost	Cost	Cost	Cost
	12" Cost	Cost	Cost	Cost	Cost	Cost	Cost

	Present Rates	Company Proposed	Staff Recommended
12	<u>SERVICE CHARGES:</u>		
13	Establishment \$25.00	\$35.00	\$25.00
	Establishment (After Hours) 35.00	35.00	35.00
14	Reconnection (Delinquent) 25.00	70.00	25.00
	Reconnection (Delinquent - After hours) 35.00	70.00	35.00
15	Turn On/Off Fee (After Hours) 10.00	See Call Out	10.00
	Turn On/Off Fee (Sunday/Holiday) 20.00	See Call Out	20.00
16	Call out charge - After hours See Turn On/Off	70.00	10.00
17	Call out charge - Holiday See Turn On/Off	140.00	20.00
	Service Charge during business hours N/T	N/T	N/T
18	Service Charge after business hours N/T	N/T	N/T
	Meter Test 20.00	35.00	20.00
19	Deposit Requirement (Residential) (a)	2%	(a)
20	Deposit Requirement (Non Residential Meter) (a)	2%	(a)
21	Hydrant Meter Deposit:*		
	5/8" x 3/4 " Meter \$135.00	\$155.00	\$155.00
22	3/4 " Meter 215.00	255.00	255.00
	1" Meter 255.00	315.00	315.00
23	1-1/2" Meter 465.00	525.00	525.00
24	2" Turbine Meter 965.00	1,045.00	1,045.00
	2" Compound Meter 1,690.00	1,890.00	1,890.00
25	3" Turbine Meter 1,470.00	1,670.00	1,670.00
	3" Compound Meter 2,265.00	2,545.00	2,545.00
26	4" Turbine Meter 2,350.00	1,737.00	1,737.00
	4" Compound Meter 3,245.00	3,645.00	3,645.00
27	6" Turbine Meter 4,545.00	3,766.00	3,766.00
28	6" Compound Meter 6,280.00	6,920.00	6,920.00

	Cost	Cost	Cost
1 8"	Cost	Cost	Cost
10"	Cost	Cost	Cost
2 12"	Cost	Cost	Cost
Deposit Interest	6.00%**	2.00%**	6.00%**
3 Re-Establishment (Within 12 Months)	(b)	(b)	(b)
Re-Establishment (After hours)	(b)	(c)	(b)
4 NSF Check	\$25.00	\$35.00	\$25.00
5 Deferred Payment, Per Month	0.00%	1.50%	1.50%
Meter Re-Read (If Correct)	10.00	25.00	10.00
6 Charge of Moving Customer Meter – Customer requested per Rule R14-2-405B	20.00	Cost	20.00
7 After hours service charge, per Rule R14- 2-403D	10.00	Cost	10.00
8 Late Charge per month	1.50%	1.50%	1.50%
9 Meter Tampering Charge	Cost	Cost	Cost
Meter Box "Cut Lock" Charge	Cost	Cost	Cost
10 Payment via Visa Charge Card (Cost up to 6.00% service charge on bill paid)	Cost	Cost	Cost
11 N/T=No Tariff			
12 <u>Monthly Service Charge for Fire</u>			
13 <u>Sprinkler</u>			
Less than 6"	\$10.00	\$10.00	\$10.00
14 Less than 8"	15.00	15.00	15.00
Less than 10"	22.50	22.50	22.50
15 Less than 12"	33.75	33.75	33.75

16 * Shall be refunded in its entirety upon return of the undamaged meter.

17 ** Per Commission Rules (R14-2-403B).

18 (a) Residential – two times the average bill. Non-residential – two and one-half times the average bill.

19 (b) Minimum charge times number of months disconnected.

20 (c) \$100 Plus \$12.50 times months of system.

21 In addition to the collection regular rates, the utility will collect from its customers a proportionate share of any privilege, sales, use, and franchise tax. Per Commission Rule (14-2-409.D.5). All advances and/or contributions are to include labor, materials, overheads and all applicable taxes. Cost to include labor, materials and parts overheads and all applicable taxes.

22 Another disputed issue between the Company and Staff involves the appropriate rate design to
23 be employed in this case. As indicated in the above rate chart, CWCGV's proposed rate design is
24 similar to Staff's to the extent that both include inverted three-tier commodity rates for residential
25 customers, and a two-tier inverted design for commercial, industrial, and irrigation customers served
26 by 5/8-inch through 8-inch meters. In addition, both CWCGV and Staff recommend the same break-
27 over points for 5/8-inch x 3/4-inch meters, and 3/4-inch residential meters.

1 For a residential customer served by a 5/8-inch x 3/4-inch meter with average usage of 4,898
 2 gallons per month, the current monthly charges are \$18.20. Under the Company's proposed rates, a
 3 customer with the same average usage would experience an increase of \$4.28 per month, or 23.49
 4 percent, to \$22.48. For a residential customer with a median usage of 3,500 gallons per month, the
 5 current monthly charges are \$15.66. The Company's proposal would increase this current monthly
 6 bill by \$3.40, or 21.68 percent, to \$19.06.

7 An average usage customer under Staff's recommended rates would experience an increase of
 8 \$3.44 per month, or 18.90 percent, to \$21.65. Staff's recommendation would increase the median
 9 usage customer's monthly bill by \$2.49, or 15.90 percent, to \$18.15.

10 The primary point of disagreement between the parties in the area of rate design is the
 11 proposed break-over points for commercial customers. As indicated above, the Company proposes
 12 an inverted two-tier rate design for non-residential customers, and uses the same break over points as
 13 were established in the prior rate case.¹⁷ CWCGV argues that Staff's rate design shifts too much of
 14 the revenue generation burden onto commercial customers.¹⁸ The Company allows that its rate
 15 design also shifts more of the burden to commercial customers, but at a more gradual rate than that of
 16 Staff.¹⁹

17 Although Staff's rate design in this matter differs from that adopted in CWCGV's previous
 18 rate case, Staff states that rate design is not static in nature; it evolves "based on the circumstances
 19 that exist in each case to achieve the goal of promoting the efficient use of water while allowing the
 20 Company the opportunity to earn its revenue requirement."²⁰

21 According to Staff, the Company's rate design allocates a larger portion of the revenue
 22 generation to the monthly minimum charge; \$13.21 to Staff's recommendation of \$13.00.²¹ Staff
 23 notes that the vast majority of the customers are residential,²² many of whom are retirees on a fixed
 24 income.²³ Staff believes that the Company builds more revenue recovery into what the Company

25 ¹⁷ Tr., at 112-113.

26 ¹⁸ Exhibit A-6, at 13.

27 ¹⁹ *Id.*, at 13-14.

28 ²⁰ Staff's Closing Brief, page 8.

²¹ Tr., at 114-115.

²² Tr., at 21.

²³ Tr., at 25-26.

1 acknowledges is the lowest, non-discretionary tier,²⁴ and Staff concludes that “the Company’s
 2 proposal shifts recovery of revenue to the fixed monthly minimum and the non-discretionary tier.”²⁵
 3 Staff asserts its proposal adopts a lower monthly minimum charge and allocates a lower commodity
 4 rate to the first, non-discretionary tier, but still promotes the efficient use of water, all while allowing
 5 the Company to reach its revenue requirement.²⁶

6 We find that Staff’s recommended rate design strikes the more reasonable balance between
 7 encouraging conservation of water through its break over point structure, and protects revenue
 8 stability through collection of revenues through monthly minimum charges. Staff’s recommended
 9 rates and charges are reasonable and shall be approved.

10 **Construction Customer Monthly Minimum Charges**

11 During the pendency of the rate case, Staff and the Company discovered that CWCGV had
 12 been charging its construction customers a monthly minimum charge, contrary to the tariff currently
 13 in place. Once the Company learned of the error, it ceased charging these customers a monthly
 14 minimum charge, and Staff and CWCGV agreed that the construction customers shall be refunded
 15 the full amount of the overcharges, which total approximately \$22,500.²⁷ The Company attached to
 16 its Initial Post-Hearing Brief a proposed letter to its construction customers explaining the
 17 overcharge, for inclusion with a refund, and provided the data to Staff so that Staff could verify the
 18 Company’s calculations.²⁸

19 We believe it reasonable to require CWCGV to file with Docket Control, as a compliance
 20 item in this docket, no later than May 31, 2010, an Affidavit of Refund indicating that all affected
 21 customers have been reimbursed, and listing the total amount refunded.

22 The Company requests that going forward, it should be permitted to charge its construction
 23 customers a minimum monthly charge. According to CWCGV, it incurs costs on these accounts
 24 because it must read the meter and send out bills, even at zero usage.²⁹ Additionally, the Company

25 _____
 26 ²⁴ Tr., at 114-115.

27 ²⁵ Staff’s Closing Brief, page 9.

28 ²⁶ *Id.*

29 ²⁷ CWCGV’s Reply Brief, page 10.

²⁸ CWCGV’s Initial Post-Hearing Brief, page 8.

²⁹ Tr., at 41.

1 asserts that without a monthly minimum charge, the customers will be less inclined to return the
2 meter.³⁰ Additionally, the Company points out that “[w]hile Staff argues that the deposit [on the
3 meter] would serve as an incentive for these customers to return meters, the Company believes that
4 generous six-percent interest on customer deposits Staff continues to endorse will off-set whatever
5 incentive there is to return those meters.”³¹ (*The issue of deposit interest is discussed below.*)

6 The Company agreed that, although it is permitted to collect a deposit on the meters, it
7 currently does not do so.³² Further, CWCGV admits that it has not had a problem with construction
8 meter customers not returning the meters when they are done with them, or when requested by the
9 Company to return them.³³ Mr. Gabaldon testified that CWCGV currently does not have an issue
10 with construction customers retaining the meters when not using them.³⁴

11 Staff recommends that the Commission not adopt the Company’s proposed construction
12 customer monthly minimum charge. According to Staff, CWCGV’s current commodity rate for
13 construction water is \$2.50. Staff is recommending a \$3.42 commodity charge for construction
14 water. Staff asserts that under its proposed rates and charges, which represent the highest commodity
15 rates for water, the rates for construction water use and the use of a hydrant meter deposit will
16 adequately allow the Company to recoup any costs it incurs in reading the meter and processing a
17 monthly bill.³⁵ Staff’s assertion that adoption of a higher commodity rate will allow the Company to
18 collect any bill processing costs does not account for how the Company will recoup those costs
19 should a construction customer retain a meter with zero usage and then eventually turn in the meter
20 without any additional usage.

21 In order to allow CWCGV to recover its costs associated with bill processing for its
22 construction customers, we believe it reasonable to allow the Company to charge its construction
23 customers the same minimum monthly service charge as it charges for its permanent meters of the
24 equivalent size. Because we are adopting the imposition of a monthly minimum service charge for
25

26 ³⁰ Rebuttal Testimony of Arturo Gabaldon (admitted as Exhibit A-3), page 6-7.

27 ³¹ CWCGV’s Reply Brief, page 11, citing Exhibit A-4, page 2.

28 ³² Tr., at 41.

³³ Tr., at 67.

³⁴ Tr., at 66-67.

³⁵ Surrebuttal Testimony of Pedro Chaves (admitted as Exhibit S-4), page 2.

1 construction customers, we find that adopting Staff's recommended commodity charge of \$3.42, in
 2 addition to a monthly minimum, would lead to an overcharge to the customers. As such, we adopt
 3 the following construction water rates for all meter sizes: 0 to 1,050,000 Gallons—\$2.50, and over
 4 1,050,000—\$3.42. The break over points we adopt are reflected in Staff's rates for the largest meter
 5 size. We believe that this rate structure will encourage the construction companies to conserve water
 6 while allowing the Company to meet its revenue requirements.

7 Miscellaneous Service Charges

8 Deposit Interest

9 In its Application, the Company requests that the Commission approve a decrease to the
 10 interest rate it must pay on customer deposits it holds from six percent to two percent. In support of
 11 this request, CWCGV notes that the interest rates currently provided by banks on certificates of
 12 deposits are substantially lower than six percent.³⁶ The Company asserts that, although A.A.C. R14-
 13 2-403(B)(3) allows a deposit interest rate of six percent, a company may request a different rate.³⁷

14 Staff does not recommend approval of the Company's request. Staff notes that CWCGV held
 15 no customer deposits at the end of the test year.³⁸ Additionally, Staff states that CWCGV has the
 16 option of recovering any amounts paid in interest on customer deposits as an expense item.³⁹ Staff
 17 asserts its recommendation of a six percent deposit interest is reasonable and normal and should be
 18 adopted.

19 We note that, because interest fluctuates, deposit interest has not historically been altered to
 20 match current interest rates. Staff concludes that the Company has not demonstrated that the six
 21 percent interest rate listed in A.A.C. R14-2-403(B)(3) is burdensome to CWCGV and recommends
 22 retention of a six percent deposit interest. Staff's recommendation is reasonable and shall be adopted.

23 Call-out Charges

24 In its Application, the Company requested an increase to a number of miscellaneous service
 25 charges. Among the requested service charges, CWCGV proposes a tariff for an after hours call-out
 26

27 ³⁶ Tr., at 128-129.

³⁷ Tr., at 129.

³⁸ Exhibit S-4, page 6.

28 ³⁹ Tr., at 190.

1 charge of \$70, and for a Sunday and holiday call-out charge of \$140. Staff recommended call-out
2 charges of \$10 and \$20 respectively.

3 In support of its requested call-out fees, the Company testified that the service personnel who
4 respond to after hours calls cost CWCGV an average of \$35 per hour,⁴⁰ and CWCGV's personnel
5 policy requires that the individuals be paid for a minimum of two hours, regardless of how long a
6 service call actually takes.⁴¹ For Sundays and holidays, policy requires that the service personnel
7 receive double time at a minimum of two hours.⁴² Accordingly, the Company requests an after-hours
8 call-out fee of \$70 and Sunday and holidays call-out fee of \$140. CWCGV asserts that these fees
9 reflect its actual cost to perform such services for its customers and places the costs for these services
10 on the cost-causers.⁴³

11 Staff believes that the Company has not presented sufficient evidence to justify such
12 substantial fees. Staff notes that CWCGV admitted that it did not perform any analysis or provide
13 any data that shows the actual costs or the average actual time spent on the service calls to support the
14 Company's proposed fees of \$70 and \$140.⁴⁴ As such, Staff recommends adoption of its proposed
15 rates.

16 We agree with Staff that the Company did not present any data demonstrating its actual cost
17 or average length of time to provide call-out service after hours and on Sundays and holidays, but
18 based on Mr. Gabaldon's testimony, we believe it is reasonable to assume that CWCGV's actual cost
19 for these services, however long they take, is more than \$10 or \$20. As such, we adopt service
20 charges for an after-hours call-out of \$35, and for a Sunday and holiday call-out of \$50.

21 Additionally, we note that in the Rebuttal Testimony of Mr. Gabaldon, CWCGV seeks to
22 have the terms "Call Out Charges (After Hours/Saturday)," and "Call Out Charges
23 (Sunday/Holiday)" take the place of the terms currently in the tariff as "Turn On/Off Fee/After
24 Hours" and "Turn On/Off Fee/Sunday/Holiday," respectively.⁴⁵ We adopt the Company's requested
25

26 ⁴⁰ Tr., at 76, 80.

⁴¹ Tr., at 84.

⁴² Exhibit A-3, page 8, and Rejoinder Testimony of Arturo Gabaldon (admitted as Exhibit A-4), page 4.

⁴³ Tr., at 82.

⁴⁴ Tr., at 84

⁴⁵ Exhibit A-3, page 7.

1 change.

2 * * * * *

3 Having considered the entire record herein and being fully advised in the premises, the
4 Commission finds, concludes, and orders that:

5 **FINDINGS OF FACT**

6 1. On December 9, 2008, CWCGV filed with the Commission its Application for a
7 determination of the current fair value of its utility property and for an increase in its rates and
8 charges for water utility service provided to customers in the Company's certificated service area.

9 2. On December 22, 2008, the Company filed a supplement to its Application.

10 3. On January 8, 2009, Staff filed a Letter of Insufficiency stating that the application did
11 not meet the sufficiency requirements outlined in A.A.C. R14-2-103.

12 4. On January 19, 2009, the Company filed its response to Staff's Insufficiency Letter.

13 5. On February 11, 2009, Staff filed a letter indicating the Company's rate application
14 was sufficient, and classifying the Company as a Class B utility.

15 6. By Procedural Order issued February 19, 2009, the hearing was scheduled to
16 commence on October 18, 2009, the Company was directed to mail to customers and publish notice
17 of the hearing date, and other procedural timelines were established.

18 7. On April 14, 2009, the Company filed its Affidavits of Publication and Mailing of the
19 Public Notice. In response to the Public Notice, one customer filed a comment opposed to the
20 Company's requested rate increase.

21 8. On July 15, 2009, CWCGV filed a Water Provider Compliance Status Report and a
22 copy of a Total GPD Program to Modified Non-Per Capita Conservation Program Transition
23 Agreement from ADWR.

24 9. On August 11, 2009, Staff filed the Direct Testimony of Pedro Chaves and Jian Liu.

25 10. On September 8, 2009, CWCGV filed the Rebuttal Testimony of Mr. Gabaldon and
26 Mr. Bourassa.

27 11. On September 28, 2009, Staff filed the Surrebuttal Testimony of Mr. Chaves and Mr.
28 Liu.

1 12. On October 13, 2009, CWCGV filed the Rejoinder testimony of Mr. Gabaldon and
2 Mr. Bourassa.

3 13. On October 23, 2009, a pre-hearing conference was held to discuss scheduling of
4 witnesses and other procedural matter related to the hearing.

5 14. The hearing was held on October 28, 2009, as scheduled. At the hearing, both the
6 Company and Staff were represented by counsel. No members of the public appeared to provide
7 comment. At the conclusion of the hearing, post-hearing briefs and reply briefs were ordered to be
8 filed on a schedule agreed to by the parties.

9 15. On November 9, 2009, the Company filed a Refund Proposal regarding its plan to
10 refund an overcharge of CWCGV's construction customers.

11 16. On November 24, 2009, CWCGV and Staff filed their respective initial post-hearing
12 briefs.

13 17. On December 8, 2009, CWCGV and Staff filed their respective reply briefs.

14 18. CWCGV proposes that the Commission adopt rates that would result in an overall
15 increase in revenues of 26.58 percent. CWCGV seeks a revenue requirement of \$3,825,058 based on
16 a FVRB that is the same as to the Company's proposed OCRB of \$7,504,829. The Company
17 recommends operating margin of 15 percent and a rate of return of 7.65%.

18 19. Staff proposes rates that would result in an overall increase in revenues of 26.27
19 percent. Staff recommends a revenue requirement of \$3,798,428 based on a FVRB of \$6,991,408
20 and Staff also proposes a 15 percent operating margin and a rate of return of 8.15%.

21 20. For purposes of this proceeding, we determine that CWCGV has a FVRB and OCRB
22 of \$6,991,408.

23 21. We find that Staff's recommended annual operating revenue of \$3,798,428, based on a
24 15 percent operating margin and a rate of return of 8.15%, is reasonable and should be adopted.

25 22. Staff's recommended rate design, as described above, is reasonable and should be
26 adopted except for the following charges: The service charge for Call-Out/After Hours shall be \$35
27 and the service charge for Call-Out/Sunday/Holidays shall be \$50 and these terms shall supersede the
28 terms "Turn On/Off Fee/After Hours" and "Turn On/Off Fee/Sunday/Holiday" in the tariff. The

1 Construction Water Monthly Usage Charge shall be charged according to the corresponding meter
2 size charge for permanent meter customers, and the Construction Water Commodity Charge for 0 to
3 1,050,000 gallons shall be \$2.50, and over 1,050,000 shall be \$3.42.

4 23. Adoption of Staff's recommended revenue requirement and rate design will result in a
5 rate increase for a residential customer served by a 5/8-inch x 3/4-inch meter, with average usage of
6 4,898 gallons per month, of \$3.44 per month, or 18.90 percent, and a rate increase of \$2.49, or 15.90
7 percent for a median usage residential customer using 3,500 gallons per month.

8 24. It is reasonable to require CWCGV to submit an Affidavit of Refund with Docket
9 Control, as a compliance item in this docket, no later than May 28, 2010, indicating that all refunds
10 due to construction customers have been remitted, and listing the total amount of refunds.

11 25. The Arizona Department of Environmental Quality has determined that this system
12 has no deficiencies and is currently delivering water than meets water quality standards required by
13 the A.A.C. Title 18, chapter 4.

14 26. CWCGV is located in the Tucson Active Management Area and is subject to AMA
15 reporting and conservation requirements. ADWR reports that the Company is in compliance with its
16 monitoring and reporting requirements.

17 27. There are no outstanding Commission compliance issues.

18 28. Engineering Staff recommends that CWCGV use the depreciation rates by individual
19 NARUC category, as set forth in Table F-1 (attached hereto as Exhibit A) on a going forward basis.

20 CONCLUSIONS OF LAW

21 1. CWCGV is a public service corporation within the meaning of Article XV of the
22 Arizona Constitution and A.R.S. §§40-250, 40-251, and 40-367.

23 2. The Commission has jurisdiction over CWCGV and the subject matter contained in
24 the Company's rate Application.

25 3. The rates and charges established herein are just and reasonable and in the public
26 interest.

27 4. Staff's recommendations, as modified, and as set forth in Findings of Fact No. 21, 22
28 and 28, as well Finding of Fact No. 24, are reasonable and should be adopted.

ORDER

IT IS THEREFORE ORDERED that Community Water Company of Green Valley is hereby authorized and directed to file with the Commission, on or before February 26, 2010, revised schedules of rates and charges consistent with the discussion herein, as set forth below.

MONTHLY USAGE CHARGE:

5/8" x 3/4" Meter (All Classes)	\$13.00
3/4" Meter (All Classes)	13.00
1" Meter (All Classes)	24.00
1-1/2" Meter (All Classes)	40.00
2" Meter (All Classes)	67.00
3" Meter (All Classes)	105.00
4" Meter (All Classes)	400.00
6" Meter (All Classes)	650.00
8" Meter (All Classes)	1,000.00
Construction Water	According to meter size charges listed above

COMMODITY CHARGES:**5/8x 3/4-Inch Meter (Residential)**

0 to 3,000 Gallons	\$1.30
3,001 to 10,000 Gallons	2.50
Over 10,000 Gallons	3.42

3/4-Inch Meter (Residential)

0 to 3,000 Gallons	1.30
3,001 to 10,000 Gallons	2.50
Over 10,000 Gallons	3.42

**5/8-Inch Meter (Commercial/Residential
and Commercial)**

1 to 10,000 Gallons	2.50
Over 10,000 Gallons	3.42

1-Inch Meter (Res., Comm., Res/Comm.)

0 to 21,000 Gallons	2.50
Over 21,000 Gallons	3.42

1 1/2-Inch Meter (Res., Comm.)

0 to 35,000 Gallons	2.50
Over 35,000 Gallons	3.42

2-Inch Meter (Res., Comm., Res/Comm.)

0 to 63,000 Gallons	2.50
Over 63,000 Gallons	3.42

3-Inch Meter (Res., Comm.)

0 to 103,000 Gallons	2.50
Over 103,000 Gallons	3.42

4-Inch Meter (Res., Comm.)

1 0 to 424,000 Gallons 2.50
 2 Over 424,000 Gallons 3.42

6-Inch Meter (Res., Comm.)

3 0 to 680,000 Gallons 2.50
 4 Over 680,000 Gallons 3.42

8-Inch Meter (Res. Comm.)

5 0 to 1,050,000 Gallons 2.50
 6 Over 1,050,000 Gallons 3.42

Construction Water (All Meter Sizes)

7 0 to 1,050,000 Gallons 2.50
 8 Over 1,050,000 Gallons 3.42

SERVICE LINE AND METER INSTALLATION CHARGES:

	Service Line	Meter Installation	Total	
9				
10	5/8" x 3/4 " Meter	\$ 445.00	\$ 155.00	\$ 600.00
	3/4 " Meter	445.00	225.00	700.00
11	1" Meter	495.00	315.00	810.00
	1-1/2" Meter	550.00	525.00	1,075.00
12	2" Turbine Meter	830.00	1,045.00	1,875.00
	2" Compound Meter	830.00	1,890.00	2,720.00
13	3" Turbine Meter	1,045.00	1,670.00	2,715.00
	3" Compound Meter	1,165.00	2,545.00	3,170.00
14	4" Turbine Meter	1,490.00	1,737.00	3,227.00
	4" Compound Meter	1,670.00	3,645.00	5,315.00
15	6" Turbine Meter	2,210.00	3,766.00	5,976.00
16	6" Compound Meter	2,330.00	6,920.00	9,250.00
17	8" Cost	Cost	Cost	Cost
	10" Cost	Cost	Cost	Cost
18	12" Cost	Cost	Cost	Cost

SERVICE CHARGES:

19	Establishment	\$25.00
20	Establishment (After Hours)	35.00
21	Reconnection (Delinquent)	25.00
	Reconnection (Delinquent - After hours)	35.00
22	Call out charge (After hours/Saturday)	35.00
	Call out charge (Sunday/Holiday)	50.00
23	Meter Test	20.00
	Deposit Requirement (Residential)	(a)
24	Deposit Requirement (Non Residential Meter)	(a)
25	Hydrant Meter Deposit:*	
26	5/8" x 3/4 " Meter	\$155.00
	3/4 " Meter	255.00
27	1" Meter	315.00
28	1-1/2" Meter	525.00

1	2" Turbine Meter	1,045.00
	2" Compound Meter	1,890.00
2	3" Turbine Meter	1,670.00
	3" Compound Meter	2,545.00
3	4" Turbine Meter	1,737.00
	4" Compound Meter	3,645.00
4	6" Turbine Meter	3,766.00
	6" Compound Meter	6,920.00
5	8"	Cost
	10"	Cost
6	12"	Cost
7	Deposit Interest	6.00%**
	Re-Establishment (Within 12 Months)	(b)
8	Re-Establishment (After hours)	(b)
	NSF Check	\$25.00
9	Deferred Payment, Per Month	1.50%
10	Meter Re-Read (If Correct)	10.00
	Charge of Moving Customer Meter –	20.00
11	Customer requested per Rule R14-2-405B	
	After hours service charge, per Rule R14-2-403D	10.00
12		
13	Late Charge per month	1.50%
	Meter Tampering Charge	Cost
14	Meter Box "Cut Lock" Charge	Cost
	Payment via Visa Charge Card (Cost up to	Cost
15	6.00% service charge on bill paid)	
16	<u>Monthly Service Charge for Fire Sprinkler:</u>	
17	Less than 6"	\$10.00
	Less than 8"	15.00
18	Less than 10"	22.50
	Less than 12"	33.75

- 19
- 20 * Shall be refunded in its entirety upon return of the undamaged meter.
- 21 ** Per Commission Rules (R14-2-403B).
- 22 (a) Residential – two times the average bill. Non-residential – two and one-half times the average bill.
- 23 (b) Minimum charge times number of months disconnected.

24 In addition to the collection regular rates, the utility will collect from its customers a proportionate share of any privilege, sales, use, and franchise tax. Per Commission Rule (14-2-409.D.5). All advances and/or contributions are to include labor, materials, overheads and all applicable taxes. Cost to include labor, materials and parts overheads and all applicable taxes.

25 IT IS FURTHER ORDERED that the revised schedules of rates and charges shall be effective

26 for all service rendered on and after March 1, 2010.

27 IT IS FURTHER ORDERED that Community Water Company of Green Valley shall notify

28

1 its customers of the revised schedules of rates and charges authorized herein by means of an insert in
2 its next regularly scheduled billing, or by separate mailing, in a form acceptable to Staff.

3 IT IS FURTHER ORDERED that Community Water Company of Green Valley shall file
4 with Docket Control, as a compliance item in this docket, no later than May 28, 2010, an Affidavit of
5 Refund indicating that all refunds due to construction customers have been remitted, and listing the
6 total amount of refunds.

7 IT IS FURTHER ORDERED that Community Water Company of Green Valley shall use the
8 Depreciation Table, attached hereto as Exhibit A, on a going forward basis.

9 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

10 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

11
12
13 CHAIRMAN

COMMISSIONER

14
15 COMMISSIONER

COMMISSIONER

COMMISSIONER

16
17 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
18 Executive Director of the Arizona Corporation Commission,
19 have hereunto set my hand and caused the official seal of the
20 Commission to be affixed at the Capitol, in the City of Phoenix,
21 this _____ day of _____, 2010.

22 _____
ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

23 DISSENT _____

24
25 DISSENT _____

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SERVICE LIST FOR:

COMMUNITY WATER COMPANY OF GREEN VALLEY

DOCKET NO.:

W-02304A-08-0590

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EXHIBIT "A"

Table F-1. Depreciation Rates

NARUC Acct. No.	Depreciable Plant	Average Service Life (Years)	Annual Accrual Rate (%)
304	Structures & Improvements	30	3.33
305	Collecting & Impounding Reservoirs	40	2.50
306	Lake, River, Canal Intakes	40	2.50
307	Wells & Springs	30	3.33
308	Infiltration Galleries	15	6.67
309	Raw Water Supply Mains	50	2.00
310	Power Generation Equipment	20	5.00
311	Pumping Equipment	8	12.5
320	Water Treatment Equipment		
320.1	Water Treatment Plants	30	3.33
320.2	Solution Chemical Feeders	5	20.0
330	Distribution Reservoirs & Standpipes		
330.1	Storage Tanks	45	2.22
330.2	Pressure Tanks	20	5.00
331	Transmission & Distribution Mains	50	2.00
333	Services	30	3.33
334	Meters	12	8.33
335	Hydrants	50	2.00
336	Backflow Prevention Devices	15	6.67
339	Other Plant & Misc Equipment	15	6.67
340	Office Furniture & Equipment	15	6.67
340.1	Computers & Software	5	20.00
341	Transportation Equipment	5	20.00
342	Stores Equipment	25	4.00
343	Tools, Shop & Garage Equipment	20	5.00
344	Laboratory Equipment	10	10.00
345	Power Operated Equipment	20	5.00
346	Communication Equipment	10	10.00
347	Miscellaneous Equipment	10	10.00
348	Other Tangible Plant	10	10.00