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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

KRISTIN K. MAYES, Chairman

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PAUL NEWMAN

SANDRA D. KENNEDY

BOB STUMP

IN THE MATTER OF THE APPLICATION OF BELLA VISTA WATER CO., INC., AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANTS AND PROPERTY AND FOR INCREASES IN ITS WATER RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON.

DOCKET NO. W-02465A-09-0411

IN THE MATTER OF THE APPLICATION OF NORTHERN SUNRISE WATER COMPANY, INC., AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANTS AND PROPERTY AND FOR INCREASES IN ITS WATER RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON.

DOCKET NO. W-20453A-09-0412

IN THE MATTER OF THE APPLICATION OF SOUTHERN SUNRISE WATER COMPANY, INC., AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANTS AND PROPERTY AND FOR INCREASES IN ITS WATER RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON.

DOCKET NO. W-20454A-09-0413

Arizona Corporation Commission
DOCKETED

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IN THE MATTER OF THE JOINT APPLICATION OF BELLA VISTA WATER CO., INC., NORTHERN SUNRISE WATER COMPANY, INC., AND SOUTHERN SUNRISE WATER COMPANY, INC. FOR APPROVAL OF AUTHORITY TO CONSOLIDATE OPERATIONS, AND FOR THE TRANSFER OF UTILITY ASSETS TO BELLA VISTA WATER CO., INC., PURSUANT TO ARIZONA REVISED STATUTES 4-285.

DOCKET NO. W-02465A-09-0414

DOCKET NO. W-20453A-09-0414

DOCKET NO. W-20454A-09-0414

**STAFF'S NOTICE OF FILING
WITNESS SUMMARY**

The Utilities Division of the Arizona Corporation Commission ("Staff") hereby files the Witness Summary of Staff witness Crystal S. Brown in the above-referenced matter.

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RESPECTFULLY SUBMITTED this 20th day of July, 2010.


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Bridget Humphrey, Staff Attorney
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Arizona Corporation Commission
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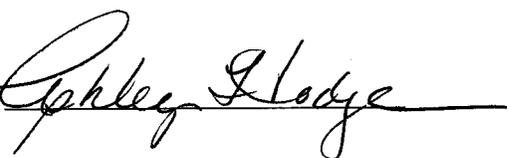
Original and thirteen (13) copies
of the foregoing were filed this
20th day of July, 2010 with:

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

Copies of the foregoing were mailed
this 20th day of July, 2010 to:

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SUMMARY OF TESTIMONY
BELLA VISTA WATER COMPANY, INC.
NORTHERN SUNRISE WATER COMPANY, INC., AND
SOUTHERN SUNRISE WATER COMPANY
DOCKET NOS. W-02465A-09-0411, ET AL.

I will appear on behalf of the Arizona Corporation Commission Staff and will testify concerning Staff's position and recommendations regarding Bella Vista Water Company, Inc. ("Bella Vista"), Northern Sunrise Water Company, Inc. ("Northern Sunrise"), Southern Sunrise Water Company, Inc. ("Southern Sunrise"), collectively "Algonquin Companies." The following is a summary of Staff's testimony:

Staff recommends the following:

Consolidation (Bella Vista, Northern Sunrise, Southern Sunrise)

Staff recommends a \$442,372 or 10.63 percent revenue increase from \$4,162,136 to \$4,604,508. Staff's recommended revenue increase would produce an operating income of \$706,390 for an 8.80 percent rate of return on an OCRB of \$8,027,155.

For Bella Vista, the typical 5/8-inch x 3/4-inch meter residential customer with a median usage of 4,500 gallons would experience a \$1.27 or a 6.53 percent decrease in his monthly bill, from \$19.37 to \$18.10, under Staff's surrebuttal rates. A typical bill analysis is provided on surrebuttal Schedule CSB-8 RD, page 1.

For Northern Sunrise, the typical 5/8-inch x 3/4-inch meter residential customer with a median usage of 4,500 gallons would experience a \$21.90 or a 54.75 percent decrease in his monthly bill, from \$40.00 to \$18.10, under Staff's surrebuttal rates. A typical bill analysis is provided on surrebuttal Schedule CSB-8 RD, page 2.

For Southern Sunrise, the typical 5/8-inch x 3/4-inch meter residential customer with a median usage of 4,500 gallons would experience a \$21.90 or a 54.75 percent decrease in his monthly bill, from \$40.00 to \$18.10, under Staff's surrebuttal rates. A typical bill analysis is provided on surrebuttal Schedule CSB-8 RD, page 3.

Staff is recommending consolidated rates for the Algonquin Companies. However, if the Commission were to adopt stand-alone rates for the Algonquin Companies, Staff would recommend the following:

Bella Vista

Staff recommends a \$166,411 or 4.72 percent revenue increase from \$3,526,033 to \$3,692,444. Staff's recommended revenue increase would produce an operating income of \$535,716 for an 8.80 percent rate of return on an OCRB of \$6,087,677.

The typical 5/8-inch x 3/4-inch meter residential customer with a median usage of 4,500 gallons would experience a \$2.13 or a 10.98 percent increase in his monthly bill, from \$19.37 to \$21.49, under Staff's surrebuttal rates. A typical bill analysis is provided on surrebuttal Schedule CSB-2 RD.

Northern Sunrise

Staff recommends a \$165,724 or 86.33 percent revenue increase from \$191,966 to \$357,691. Staff's recommended revenue increase would produce an operating income of \$56,530 for an 8.80 percent rate of return on an OCRB of \$642,392.

The typical 5/8-inch x 3/4-inch meter residential customer with a median usage of 4,500 gallons would experience a \$31.45 or a 78.63 percent increase in his monthly bill, from \$40.00 to \$71.45, under Staff's surrebuttal rates. A typical bill analysis is provided on surrebuttal Schedule CSB-4 RD.

Southern Sunrise

Staff recommends a \$140,492 or 31.63 percent revenue increase from \$444,136 to 584,629. Staff's recommended revenue increase would produce an operating income of \$114,144 for an 8.80 percent rate of return on an OCRB of \$1,297,087.

The typical 5/8-inch x 3/4-inch meter residential customer with a median usage of 4,500 gallons would experience a \$11.23 or a 28.06 percent increase in his monthly bill, from \$40.00 to \$51.23, under Staff's surrebuttal rates. A typical bill analysis is provided on surrebuttal Schedule CSB-6 RD.