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5
6 **BEFORE THE ARIZONA CORPORATION COMMISSION**

7
8 IN THE MATTER OF THE APPLICATION
OF LITCHFIELD PARK SERVICE
9 COMPANY, AN ARIZONA
CORPORATION, FOR A
10 DETERMINATION OF THE FAIR VALUE
OF ITS UTILITY PLANTS AND
11 PROPERTY AND FOR INCREASES IN ITS
WASTEWATER RATES AND CHARGES
12 FOR UTILITY SERVICE BASED
THEREON.

DOCKET NO: SW-01428A-09-0103

13
14 IN THE MATTER OF THE APPLICATION
OF LITCHFIELD PARK SERVICE
COMPANY, AN ARIZONA
15 CORPORATION, FOR A
DETERMINATION OF THE FAIR VALUE
16 OF ITS UTILITY PLANTS AND
PROPERTY AND FOR INCREASES IN ITS
17 WATER RATES AND CHARGES FOR
UTILITY SERVICE BASED THEREON.

DOCKET NO: W-01427A-09-0104

18
19 IN THE MATTER OF THE APPLICATION
OF LITCHFIELD PARK SERVICE
COMPANY, AN ARIZONA
20 CORPORATION, FOR AUTHORITY (1) TO
ISSUE EVIDENCE OF INDEBTEDNESS IN
21 AN AMOUNT NOT TO EXCEED \$1,755,000
IN CONNECTION WITH (A) THE
22 CONSTRUCTION OF TWO RECHARGE
WELL INFRASTRUCTURE
23 IMPROVEMENTS AND (2) TO
ENCUMBER ITS REAL PROPERTY AND
24 PLANT AS SECURITY FOR SUCH
INDEBTEDNESS.

DOCKET NO. W-01427A-09-0116

Arizona Corporation Commission

DOCKETED

NOV 15 2010

DOCKETED BY

1 IN THE MATTER OF THE APPLICATION
2 OF LITCHFIELD PARK SERVICE
3 COMPANY, AN ARIZONA
4 CORPORATION, FOR AUTHORITY (1) TO
5 ISSUE EVIDENCE OF INDEBTEDNESS IN
6 AN AMOUNT NOT TO EXCEED \$1,170,000
7 IN CONNECTION WITH (A) THE
8 CONSTRUCTION OF ONE 200 KW ROOF
9 MOUNTED SOLAR GENERATOR
10 INFRASTRUCTURE IMPROVEMENTS
11 AND (2) TO ENCUMBER ITS REAL
12 PROPERTY AND PLANT AS SECURITY
13 FOR SUCH INDEBTEDNESS.

DOCKET NO. W-01427A-09-0120

NOTICE OF FILING

8 Litchfield Park Service Company hereby files this Notice of Filing information on
9 bill impacts. The schedules included as Attachments A-E contain the information
10 requested by the Commission at the Open Meeting on October 19 and 20, 2010 relating to
11 rate design, water usage, customer counts and the impacts of an increased revenue
12 requirement. The Company provides a description and explanation of the attached
13 schedules below.

14 **ATTACHMENT A: ROO RATES/REVENUES BY CUSTOMER LOCATION**

15 Attachment A contains H-1 and H-2 schedules for LPSCO's water division
16 broken down by customer location, including a revenue summary, average usage and
17 average bills, median usage and median bills, customer counts and gallons sold using the
18 ROO's revenue requirement and rate design. In response to requests by Commissioners
19 Pierce and Newman, these schedules include a break down by location (*i.e.*, City of
20 Litchfield Park, City of Goodyear, Avondale and Maricopa County). Notably, the rates
21 shown on these schedules do not reflect any phase-in of rates.

22 Schedule H-2, page 1.1 shows average water consumption data for LPSCO's
23 customers by location. As shown on that schedule, City of Litchfield Park 1-inch
24 residential customers have an average monthly usage of 20,022 gallons during the test
25 year compared to City of Goodyear 1-inch residential customers at 10,590 gallons, and
26 County 1-inch residential customers at 15,583 gallons. As shown on Schedule H-2,

1 page 2.1, City of Litchfield Park 1-inch metered customers also have a higher median
2 usage of 13,000 gallons of water per month compared to 8,000 gallons/month for City of
3 Goodyear customers and 12,000 gallons/month for County customers with 1-inch meters.

4 Schedule H-2, page 3.1 is a customer count summary for LPSCO's water division
5 by location. As shown on that schedule, there were 1,732 City of Litchfield Park 1-inch
6 residential customers at the end of the test year, which comprised 33.34% of the total 1-
7 inch residential customers. There were 2,666 City of Goodyear 1-inch residential
8 customers (51.32%) and 797 County 1-inch residential customers (15.34%) at the end of
9 the test year.

10 Schedule H-2, page 4.1 contains a summary of gallons sold by customer location.
11 In terms of total water usage, City of Litchfield Park 1-inch residential customers used
12 422,602,000 gallons during the test year, or 46.45% of the total water usage for the 1-inch
13 residential customers. The City of Goodyear 1-inch residential customers used
14 335,108,000 gallons of water during the test year (36.84% of the total gallons sold), which
15 means that City of Litchfield Park 1-inch residential customers used 1.26 times the total
16 gallons used by City of Goodyear 1-inch residential customers. The County 1-inch
17 residential customers used 152,015,000 gallons of water during the test year or (16.71% of
18 the total gallons sold), which is approximately 45% of the amount of water used by City
19 of Goodyear 1-inch residential customers and 36% the amount of water used by City of
20 Litchfield Park 1-inch residential customers.

21 As set forth on these schedules, the City of Litchfield Park 1-inch customers
22 comprised 33.34% of the total number of LPSCO's 1-inch residential customers, but City
23 of Litchfield Park customers used 46.45% of the total water sold to 1-inch residential
24 customers and used 1.26 times the amount of water used by City of Goodyear 1-inch
25 residential customers, who comprise 51.32% of LPSCO's total number of 1-inch
26 residential customers. Similarly, County 1-inch customers, who comprise 15.34% of the

1 total number of 1-inch residential customers, used 16.71% of the total water sold to 1-inch
2 customers or roughly 36% the amount of water used by City of Litchfield Park 1-inch
3 residential customers. Both City of Litchfield Park and County 1-inch metered customers
4 have significantly higher average monthly usage than the City of Goodyear 1-inch
5 customers as discussed above.

6 **ATTACHMENT B: RATE COMPARISON OF ROO v. MAYES AMENDMENT 3**

7 Attachment B is a comparison of rates for LPSCO's water and wastewater
8 divisions under the ROO (at 8.7% WACC) and proposed Mayes Amendment 3 (at 7.5%
9 WACC). If proposed Mayes Amendment 3 is adopted and LPSCO is authorized a return
10 on equity of only 7.74%, the Company's annual revenues would be reduced by
11 \$1,250,000 per year, translating to nearly \$60,000 per month of lost revenue or more than
12 \$700,000 annually for the water division, and for the wastewater division, the revenue loss
13 would be roughly \$46,000 per month or about \$550,000 per year. The total revenue
14 decrease would be \$1,250,000. That total revenue loss would equal nearly 6% of
15 LPSCO's total water and wastewater revenues authorized in the ROO. On the other hand,
16 the average wastewater customer would pay only \$2.32 less per month if the Mayes
17 amendment is adopted, once rates are fully phased in.¹ The average 3/4-inch and 1-inch
18 residential water customers would realize a monthly savings of \$1.93 and \$3.32,
19 respectively, if Mayes Amendment 3 is adopted.

20 **ATTACHMENT C: RATE COMPARISON OF MAYES AMENDMENT 3**

21 Attachment C is a comparison of present and proposed rates under Mayes
22

23 ¹ LPSCO believes that adoption of Mayes Amendment 3 would violate LPSCO's rights under federal and
24 Arizona law as articulated in decisions like *Litchfield Park Serv. Co. v. Ariz. Corp. Comm'n*, 178 Ariz.
25 431, 874 P.2d 988 (App. 1994), *Bluefield Waterworks & Improvement Co. v. Pub. Serv. Comm'n*, 262
26 U.S. 679, 692-93 (1923) and *Fed. Power Comm'n v. Hope Natural Gas*, 320 U.S. 591, 603 (1944) because
that amendment fails to provide rates comparable to similar companies in the same jurisdiction in the same
economy at the same time; and also because it would preclude LPSCO from recovering sufficient revenue
to pay operating expenses and operate with a reasonable margin. LPSCO has filed a separate Bench Brief
addressing those legal issues concurrently with this notice of filing.

1 Amendment 3 using the rate design contained in the ROO (after completion of the rate
2 phase-in). In **Attachment C**, the Company has reduced the monthly minimums and the
3 commodity rates by the same percentage in order to achieve the lower revenue
4 requirement that would be approved under the lower ROE and WACC with Mayes
5 Amendment 3. **Attachment C** also includes the wastewater rate design resulting from the
6 revenue requirement under proposed Mayes Amendment 3. Again, LPSCO reduced the
7 monthly charges and the commodity rates by the same percentage in order to achieve the
8 lower revenue requirement. The Commission requested this information to further
9 evaluate the impact of Mayes' proposed Amendment 3.

10 **ATTACHMENT D: COMPARISON OF RATE DESIGN TIERS**

11 **Attachment D** is a comparison of water usage patterns for LPSCO's 1-inch
12 residential customers in the test-year under the ROO's rate design as compared to the City
13 of Litchfield Park's post-ROO proposed rate design. The City of Litchfield Park's new
14 proposal for the 1-inch residential customers decreases both the number of bills and
15 gallons that would be subject to the third tier commodity rate when going from the rate
16 design tiers under the ROO. In other words the City of Litchfield Park's proposal
17 undermines the primary economic signal to discourage excessive consumption.

18 Under the ROO, the rate design tiers are:

- 19 • Tier One: 1 to 4,000 gallons a month
- 20 • Tier Two: 4,001 to 13,000 gallons a month, and
- 21 • Tier Three: 13,000+ gallons a month.

22 Under the City of Litchfield Park's rate design, those tiers would become:

- 23 • Tier One: 1 to 5,000 gallons a month,
- 24 • Tier Two: 5,001 to 40,000 gallons a month, and
- 25 • Tier Three: 40,000+ gallons a month.

26

1 Under the City of Litchfield Park's rate design, the percentage of 1-inch residential
2 customer bills in the third tier drops from nearly 37% to about 5% of the total bills, and
3 the percentage of gallons subject to third tier commodity rates for the 1-inch residential
4 customers drops from nearly 38% to about 8%.² Expanding the first tier from 1-4,000
5 gallons under the ROO's rate design to 1-5,000 gallons as proposed by the City of
6 Litchfield Park, and expanding the second tier from 4,001-13,000 gallons under the ROO
7 to 5,001- 40,000 gallons as proposed by City of Litchfield Park will generate a revenue
8 shortfall of approximately \$325,000, assuming the monthly minimums and the commodity
9 rates set forth in the ROO remain the same. The message to customers will be very
10 simple: feel free to keep using much more water than any other city in the Phoenix AMA
11 because other customers are subsidizing your higher usage.

12 **ATTACHMENT E: COMPARISON OF ROO V. STAFF RATE DESIGNS**

13 **Attachment E** is a bill comparison for 1-inch residential customers under the
14 ROO's rate design compared to Staff's proposed alternative rate designs³ using both
15 average and median water use. Staff addressed the revenue shortfalls arising from the
16 City of Litchfield Park's newly proposed rate design by modifying the basic rate design
17 set forth in the ROO.⁴ Staff presents several alternatives that are distinguished primarily

18 ² The Company did try to set the second and third tier commodity rates under the City of Litchfield Park's
19 new rate design proposal for only the 1-inch residential rate, leaving all other commodity rates the same;
20 however, making up the revenue loss from expanding the second tier gallons results in an excessively high
21 third tier rate. Also, there is a problem with cross-over of bill amounts with the other meter sizes. Thus,
as a practical matter, all of the commodity rates would need to change, not just those for the 1-inch
residential, and the result would be that other customers would subsidize the change in the 1-inch
residential design.

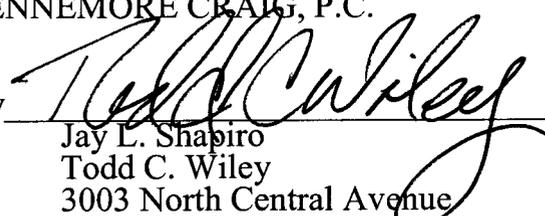
22 ³ See Staff filing dated November 1, 2010 which includes: Schedule JMM-A1 (for the break-over points
23 for 1-inch residential of 1 to 5,000 gallons for tier 1, 5,001 gallons to 20,000 gallons for tier 2, and over
24 20,000 gallons for tier 3); Schedule JMM-B1 (for the break-over points for 1-inch residential of 1 to 5,000
25 gallons for tier 1, 5,001 gallons to 30,000 gallons for tier 2, and over 30,000 gallons for tier); Schedule
JMM-C1 (for the break-over points for 1-inch residential of 1 to 5,000 gallons for tier 1, 5,001 gallons to
40,000 gallons for tier 2, and over 40,000 gallons for tier 3), and Schedule JMM-D1 (the break-over points
for 1-inch residential are 1 to 5,000 gallons for tier 1, 5,001 gallons to 50,000 gallons for tier 2 and over
50,000 gallons for tier 3).

26 ⁴ In the Staff proposed alternative rate designs, Staff has: 1) reduced the monthly minimums for all meter
sizes and classes; 2) set the first tier commodity rate at \$1.00 for the 1-inch and smaller residential meters;

1 by the third tier break-over points for the 1-inch residential customers at 20,000 gallons,
2 30,000 gallons, 40,000 gallons, and 50,000 gallons. The primary change Staff made to the
3 basic rate design set forth in the ROO is lowering the monthly minimums and an increase
4 in the second and third tier commodity rates. That results in a shift of revenue recovery
5 away from the monthly minimums to the commodity rates.

6 DATED this 15th day of November, 2010.

7 FENNEMORE CRAIG, P.C.

8
9 By 

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Phoenix, Arizona 85012
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Company

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11
12
13
14 **ORIGINAL** and thirteen (13) copies
of the foregoing were filed
15 this 15th day of November, 2010, with:

16 Docket Control
Arizona Corporation Commission
1200 W. Washington Street
17 Phoenix, AZ 85007

18
19 **Copy of the foregoing was hand delivered**
this 15th day of November, 2010 to:

20 Chairman Kristin K. Mayes
Arizona Corporation Commission
1200 W. Washington Street
21 Phoenix, AZ 85007
22

23
24 3) modified (generally increased) the commodity rates for the second and third tier for the 1-inch and
smaller residential meters (the first and second tier commodity rates for the small commercial, industrial
25 and irrigation meters and larger meters (all classes) are the same as the second and third tier commodity
rates of the 1-inch and smaller residential customers); and 4) changed the break-over points for the 1-inch,
26 1 1/2-inch and 2-inch meter sizes.

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Arizona Corporation Commission
2 1200 W. Washington Street
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Copy of the foregoing mailed/mailed
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ATTACHMENT A

LPSCO - Water Division - ROO Rates - By Location
 Test Year Ended September 30, 2008
 Revenue Summary
 With Annualized Revenues to Year End Number of Customers

Exhibit
 Schedule H-1
 Page 3

Line No.	Meter Size	Class	Location	Revenue Annualization				Additional Bills	Additional Gallons to be Pumped (In 1,000's)
				Present Revenues	Proposed Revenues	Dollar Change	Percent Change		
5	5/8x3/4 Inch	Residential	Litchfield Park	\$ (64)	\$ (112)	\$ (47)	0.00%	(6)	(27)
6			Goodyear	-	-	-	0.00%	-	-
7			Avondale	-	-	-	0.00%	-	-
8			County	-	-	-	0.00%	-	-
9		Subtotal		\$ (64)	\$ (112)	\$ (47)	0.00%	(6)	(27)
11	3/4 Inch	Residential	Litchfield Park	\$ (10,157)	\$ (16,838)	\$ (6,681)	0.00%	(480)	(5,495)
12			Goodyear	4,451	6,895	2,443	54.88%	273	2,121
13			Avondale	-	-	-	0.00%	-	-
14			County	(4,179)	(6,791)	(2,611)	0.00%	(211)	(2,199)
15		Subtotal		\$ (9,885)	\$ (16,734)	\$ (6,849)	0.00%	(418)	(5,573)
17	1 Inch	Residential	Litchfield Park	\$ (12,092)	\$ (20,542)	\$ (8,449)	0.00%	(323)	(6,139)
18			Goodyear	8,011	12,399	4,388	54.77%	347	2,822
19			Avondale	-	-	-	0.00%	-	-
20			County	(6,374)	(10,503)	(4,129)	0.00%	(191)	(3,042)
21		Subtotal		\$ (10,455)	\$ (18,646)	\$ (8,191)	0.00%	(167)	(6,358)
23	1.5 Inch	Residential	Litchfield Park	\$ -	\$ -	\$ -	0.00%	-	-
24			Goodyear	-	-	-	0.00%	-	-
25			Avondale	-	-	-	0.00%	-	-
26			County	-	-	-	0.00%	-	-
27		Subtotal		\$ -	\$ -	\$ -	0.00%	-	-
29	2 Inch	Residential	Litchfield Park	\$ 13,657	\$ 23,165	\$ 9,508	69.62%	88	6,729
30			Goodyear	13,118	19,899	6,781	51.69%	119	5,047
31			Avondale	-	-	-	0.00%	-	-
32			County	(15,477)	(27,188)	(11,711)	0.00%	(88)	(8,108)
33		Subtotal		\$ 11,299	\$ 15,876	\$ 4,578	40.52%	119	3,669
35	4 Inch	Residential	Litchfield Park	\$ -	\$ -	\$ -	0.00%	-	-
36			Goodyear	-	-	-	0.00%	-	-
37			Avondale	-	-	-	0.00%	-	-
38			County	-	-	-	0.00%	-	-
39		Subtotal		\$ -	\$ -	\$ -	0.00%	-	-
42	Subtotal	Residential		\$ (9,106)	\$ (19,616)	\$ (10,510)	115.42%	(944)	(16,578)

LPSCO - Water Division - ROO Rates - By Location
 Test Year Ended September 30, 2008
 Revenue Summary
 With Annualized Revenues to Year End Number of Customers

Exhibit
 Schedule H-1
 Page 4

Line No.	<u>Present Revenues</u>	<u>Proposed Revenues</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Percent of Present Water Revenues</u>	<u>Percent of Proposed Water Revenues</u>
1						
2						
3 Subtotal Metered Revenues	\$ 6,722,718	\$ 11,709,105	\$ 4,986,387	74.17%	97.73%	98.61%
4 Subtotal Revenue Annualization	15,290	19,870	4,580	29.96%	0.22%	0.17%
5 Total Metered Revenues	\$ 6,738,007	\$ 11,728,975	\$ 4,990,967	74.07%	97.95%	98.78%
6						
7 Misc. Revenues	\$ 127,522	\$ 127,522	-	0.00%	1.85%	1.07%
8 Reconciling Amount to GL	13,180	17,199	4,019	30.49%	0.19%	0.14%
9 Total Water Revenues	\$ 6,878,709	\$ 11,873,695	\$ 4,994,986	72.62%	100.00%	100.00%
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LPSCO - Water Division - ROO Rates - By Location
 Test Year Ended September 30, 2008
 Customer Summary

Exhibit
 Schedule H-2
 Page 1.2

Line No.	Meter Size, Class	Location	(a)	Average Consumption	Average Bill		Proposed Increase	
			Average Number of Customers at 9/30/2008		Present Rates	Proposed Rates	Dollar Amount	Percent Amount
1	5/8x3/4 Inch Commercial	Litchfield Park	17	11,962	\$ 20.29	\$ 38.14	17.86	88.00%
2		Goodyear	116	4,943	\$ 11.05	\$ 22.28	11.23	101.60%
3		Avondale	3	-	\$ 6.75	\$ 12.54	5.79	85.78%
4		County	11	540	\$ 7.22	\$ 13.60	6.38	88.42%
5		Subtotal	148					
6								
7	3/4 Inch Commercial	Litchfield Park	11	6,719	\$ 14.92	25.78	10.86	72.78%
8		Goodyear	42	8,404	\$ 17.14	29.09	11.95	69.72%
9		Avondale	3	9,265	\$ 18.28	30.79	12.51	68.45%
10		County	1	1,750	\$ 9.82	15.99	6.17	62.76%
11		Subtotal	57					
12								
13	1 Inch Commercial	Litchfield Park	30	18,964	37.38	63.49	26.11	69.84%
14		Goodyear	52	9,546	24.95	44.94	19.98	80.10%
15		Avondale	1	79,333	117.07	244.12	127.05	108.53%
16		County	-	-	14.60	26.13	11.53	78.97%
17		Subtotal	83					
18								
19	1.5 Inch Commercial	Litchfield Park	15	73,490	123.36	242.27	118.92	96.40%
20		Goodyear	23	80,753	132.94	264.14	131.19	98.68%
21		Avondale	3	59,861	105.37	201.25	95.89	91.00%
22		County	6	4,682	32.67	61.49	28.82	88.21%
23		Subtotal	46					
24								
25	2 Inch Commercial	Litchfield Park	41	45,835	114.75	173.92	59.16	51.56%
26		Goodyear	168	73,140	150.79	251.77	100.98	66.96%
27		Avondale	6	62,667	136.97	220.25	83.28	60.80%
28		County	17	44,185	112.57	170.67	58.09	51.60%
29		Subtotal	232					
30								
31	4 Inch Commercial	Litchfield Park	2	408,146	670.75	1,302.65	631.90	94.21%
32		Goodyear	6	427,188	695.89	1,359.97	664.08	95.43%
33		Avondale	-	-	132.00	261.33	129.33	97.98%
34		County	1	-	132.00	261.33	129.33	97.98%
35		Subtotal	8					
36								
37	10 Inch Commercial	Litchfield Park	1	861,500	1,464.93	2,899.26	1,434.33	97.91%
38								
39								
40								
41	Subtotal	Commercial	575					
42								
43	5/8 Inch Irrigation	All Locations	3	18,722	\$ 29.21	\$ 58.49	29.28	100.23%
44	3/4 Inch Irrigation	All Locations	115	15,176	26.08	47.82	21.74	83.34%
45	1 Inch Irrigation	All Locations	215	34,762	58.24	109.97	51.73	88.83%
46	1.5 Inch Irrigation	All Locations	86	88,340	142.96	286.97	144.01	100.74%
47	2 Inch Irrigation	All Locations	234	204,389	324.04	646.83	322.79	99.61%
48	4 Inch Irrigation	All Locations	8	724,899	1,086.62	2,256.08	1,169.46	107.62%
49		Subtotal	661					
50								
51	Hydrant	All Locations	23	120,247	\$ 400.62	\$ 361.94	(38.67)	-9.65%
52	Bulk Water	Goodyear	2	12,574,167	16,820.65	19,362.25	2,541.60	15.11%
53								
54		Total	15,594					
55								

(a) Average number of customers of less than one (1), indicates that less than 12 bills were issued during the year.

LPSCO - Water Division - ROO Rates - By Location
 Test Year Ended September 30, 2008
 Customer Summary

Exhibit
 Schedule H-2
 Page 2.2

Line No.	Meter Size, Class	Location	(a)	Median Consumption	Median Bill		Proposed Increase	
			Average Number of Customers at 9/30/2008		Present Rates	Proposed Rates	Dollar Amount	Percent Amount
1	5/8x3/4 Inch Commercial	Litchfield Park	17	-	\$ 6.75	\$ 12.54	5.79	85.78%
2		Goodyear	116	-	\$ 6.75	\$ 12.54	5.79	85.78%
3		Avondale	3	-	\$ 6.75	\$ 12.54	5.79	85.78%
4		County	11	-	\$ 6.75	\$ 12.54	5.79	85.78%
5			148					
6								
7	3/4 Inch Commercial	Litchfield Park	11	2,000	10.04	16.48	6.44	64.14%
8		Goodyear	42	1,000	9.17	14.51	5.34	58.23%
9		Avondale	3	-	8.30	12.54	4.24	51.08%
10		County	1	-	8.30	12.54	4.24	51.08%
11		Subtotal	57					
12								
13	1 Inch Commercial	Litchfield Park	30	11,000	26.87	47.80	20.93	77.89%
14		Goodyear	52	4,000	18.08	34.01	15.93	88.11%
15		Avondale	1	80,000	117.95	246.13	128.18	108.67%
16		County	-	11,000	26.87	47.80	20.93	77.89%
17		Subtotal	83					
18								
19	1.5 Inch Commercial	Litchfield Park	15	38,000	76.51	135.45	58.94	77.04%
20		Goodyear	23	59,000	104.23	198.66	94.43	90.60%
21		Avondale	3	47,500	89.05	164.05	75.00	84.22%
22		County	6	3,000	31.21	58.18	26.97	86.41%
23		Subtotal	46					
24								
25	2 Inch Commercial	Litchfield Park	41	14,000	72.73	111.20	38.47	52.89%
26		Goodyear	168	24,000	85.93	130.90	44.97	52.33%
27		Avondale	6	67,500	143.35	234.80	91.45	63.79%
28		County	17	24,000	85.93	130.90	44.97	52.33%
29		Subtotal	232					
30								
31	4 Inch Commercial	Litchfield Park	2	235,050	442.27	781.63	339.36	76.73%
32		Goodyear	6	370,500	621.06	1,189.34	568.28	91.50%
33		Avondale	-	-	132.00	261.33	129.33	97.98%
34		County	1	-	132.00	261.33	129.33	97.98%
35		Subtotal	8					
36								
37	10 Inch Commercial		1	820,500	1,410.81	2,818.49	1,407.68	99.78%
38								
39								
40								
41	Subtotal	Commercial	575					
42								
43	5/8 Inch Irrigation	All Locations	3	5,000	\$ 11.10	\$ 22.39	11.29	101.71%
44	3/4 Inch Irrigation	All Locations	115	6,000	13.97	24.36	10.39	74.37%
45	1 Inch Irrigation	All Locations	215	17,000	34.79	59.62	24.83	71.37%
46	1.5 Inch Irrigation	All Locations	86	50,000	92.35	171.57	79.22	85.78%
47	2 Inch Irrigation	All Locations	234	123,000	216.61	401.85	185.24	85.52%
48	4 Inch Irrigation	All Locations	8	463,002	740.91	1,467.77	726.85	98.10%
49		Subtotal	661					
50								
51	Hydrant	All Locations	23	27,000	\$ 167.50	\$ 81.27	(86.23)	-51.48%
52	Bulk Water	Goodyear	2	11,056,000	14,816.67	17,085.00	2,268.33	15.31%
53								
54		Total	15,594					

(a) Average number of customers of less than one (1), indicates that less than 12 bills were issued during the year.

LPSCO - Water Division - ROO Rates - By Location
 Gallons Sold Summary in 1,000's
 Test Year Ended September 30, 2008

Exhibit
 Schedule H-2
 Page 4.2

Line No.	Meter Size	Class	Location	Month of Oct-07	Month of Nov-07	Month of Dec-07	Month of Jan-08	Month of Feb-08	Month of Mar-08	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Total Year	Percent of Total Water Usage	Percent of Total Gallons in Class	
1	5/8x3/4 Inch	Commercial	Litchfield Park																
2			Goodyear	3	2	1	7	1	4	11	2	18	12	13	6,186	638	2,428	2,500	0.07%
3			Avondale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,895	0.20%
4			County	-	-	-	-	-	-	-	-	-	-	-	-	-	-	68	0.00%
5		Subtotal		3	3	9	7	9	4	37	20	27	27	6,186	638	2,510	9,463	68	0.00%
6																			0.27%
7	3/4 Inch	Commercial	Litchfield Park																
8			Goodyear	300	379	126	142	126	173	210	390	285	116	122	209	907	4,269	907	0.12%
9			Avondale	37	67	26	26	25	20	28	23	27	22	8	6	315	452	393	0.03%
10			County	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21	0.01%
11		Subtotal		368	483	190	195	180	254	300	502	388	1,437	576	629	5,512	629	5,512	0.00%
12	1 Inch	Commercial	Litchfield Park																
13			Goodyear	667	661	367	384	367	367	399	595	617	751	887	755	6,827	6,827	6,827	0.19%
14			Avondale	570	574	295	316	295	271	339	472	657	820	641	5,928	5,928	5,928	0.17%	
15			County	91	86	67	76	67	83	64	93	87	77	70	91	952	952	952	0.03%
16		Subtotal		1,328	1,321	729	786	729	721	802	1,160	1,361	1,508	1,777	1,487	13,707	13,707	13,707	0.00%
17																			
18	1.5 Inch	Commercial	Litchfield Park																
19			Goodyear	1,003	1,702	604	755	604	555	687	1,269	1,197	1,532	1,549	1,330	12,787	12,787	12,787	0.36%
20			Avondale	1,954	1,927	1,590	1,754	1,590	1,716	1,774	1,968	2,042	1,779	1,699	2,214	22,207	22,207	22,207	0.63%
21			County	358	108	36	79	36	23	33	226	209	251	390	406	2,155	2,155	2,155	0.06%
22		Subtotal		24	29	32	20	32	27	34	24	24	22	37	309	309	309	309	0.01%
23				3,339	3,766	2,262	2,608	2,262	2,321	2,522	3,497	3,472	3,584	3,875	3,950	37,458	37,458	37,458	1.06%
24	2 Inch	Commercial	Litchfield Park																
25			Goodyear	1,851	2,105	1,543	1,320	1,543	1,510	1,746	2,197	1,764	2,248	2,117	2,607	22,551	22,551	22,551	0.64%
26			Avondale	12,125	13,933	10,387	9,216	10,387	8,091	9,971	13,632	13,259	15,111	15,693	15,488	147,303	147,303	147,303	4.18%
27			County	473	374	244	264	244	213	351	426	505	412	538	468	4,512	4,512	4,512	0.13%
28		Subtotal		15,151	17,258	12,963	11,535	12,963	10,538	12,804	17,164	16,221	18,630	19,541	18,656	183,424	183,424	183,424	5.20%
29																			
30	4 Inch	Commercial	Litchfield Park																
31			Goodyear	183	567	295	232	295	314	493	645	1,550	1,767	1,802	1,632	9,795	9,795	9,795	0.28%
32			Avondale	2,891	2,892	1,540	1,502	1,540	1,438	2,154	2,272	3,013	3,259	3,451	3,524	29,476	29,476	29,476	0.84%
33			County	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
34		Subtotal		3,074	3,479	1,835	1,734	1,835	1,752	2,647	2,917	4,563	5,026	5,253	5,156	39,271	39,271	39,271	1.11%
35																			
36																			
37	10 Inch	Commercial	Litchfield Park																
38			Goodyear	2,263	939	195	93	197	279	743	898	664	1,340	1,033	1,694	10,338	10,338	10,338	0.29%
39			Avondale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40		Subtotal		25,526	27,249	18,183	16,958	18,183	15,869	19,855	26,158	26,696	37,719	32,693	34,082	299,174	299,174	299,174	8.49%
41	5/8 Inch	Irrigation	Litchfield Park																
42			Goodyear	18	25	7	4	7	7	10	21	89	319	126	41	674	674	674	0.02%
43			Avondale	1,796	2,488	1,036	856	1,036	895	1,190	1,629	1,933	2,194	2,981	2,654	20,988	20,988	20,988	0.60%
44			County	9,780	10,271	4,810	5,117	4,810	4,897	5,296	6,784	6,900	8,690	11,094	11,273	89,722	89,722	89,722	2.55%
45	1.5 Inch	Irrigation	Litchfield Park																
46			Goodyear	8,562	9,338	3,829	3,845	3,829	3,661	5,088	7,026	8,444	11,308	13,640	13,135	91,608	91,608	91,608	2.60%
47			Avondale	56,566	66,223	19,336	18,076	19,336	23,645	34,007	54,660	63,520	77,683	82,125	57,726	572,903	572,903	572,903	16.25%
48			County	7,277	7,883	2,669	2,669	2,669	2,993	4,745	7,370	7,033	9,628	9,628	5,690	69,590	69,590	69,590	1.97%
49		Subtotal		83,999	96,228	31,587	30,567	31,587	36,198	50,336	77,690	87,919	109,159	119,594	90,519	845,486	845,486	845,486	23.99%
50																			
51	Hydrant		Litchfield Park																
52			Goodyear	4,225	4,702	3,062	1,174	3,062	2,084	2,643	3,592	2,387	2,464	1,605	1,577	32,587	32,587	32,587	0.92%
53			Avondale	6,354	20,369	30,502	10,598	30,502	18,409	25,832	34,505	38,722	31,631	20,777	33,579	301,780	301,780	301,780	8.56%
54		Totals		296,837	343,584	209,151	181,038	209,056	194,746	243,417	336,239	339,159	395,621	403,801	372,425	3,524,673	3,524,673	3,524,673	100.00%

ATTACHMENT B

ATTACHMENT C

LPSCO - Water Division -Mayes #3 (7.5% ROR)
 Test Year Ended September 30, 2008
 Present and Proposed Rates

Exhibit
 Schedule H-3
 Page 1

Line No.	Monthly Usage Charge for: Meter Size (All Classes):	Present Rates	Proposed Rates	Change	Percent Change
1	5/8 Inch	\$ 6.75	\$ 11.71	\$ 4.96	73.48%
2	3/4 Inch	8.30	11.71	3.41	41.08%
3	1 Inch - Residential	14.60	21.96	7.36	50.41%
4	1 Inch - Com., Irr.	14.60	24.39	9.79	67.05%
5	1 1/2 Inch	28.60	48.79	20.19	70.59%
6	2 Inch	56.50	78.06	21.56	38.16%
7	3 Inch	NT	156.13	156.13	
8	4 Inch	132.00	243.95	111.95	84.81%
9	6 Inch	NT	487.89	487.89	
10	8 Inch	225.00	805.02	580.02	257.79%
11	8 Inch Bulk	NT	501.00	501.00	
12	10 Inch	330.00	1,122.16	792.16	240.05%
13	12 Inch	450.00	2,097.95	1,647.95	366.21%
14					
15	Construction - Hydrants	\$ 100.00	by meter size		
16					
17	Gallons In Minimum (All Meter Sizes and Classes)				
18					
19					
20	Commodity Rates				
21	(Residential, Commercial, Industrial)				
22			(Per 1,000 gallons)		
23	All Meter Sizes (except Construction)		Present Rate	Proposed Rate	
24			\$ 0.87	N/A	
25			\$ 1.32	N/A	
26					
27	5/8 Inch and 3/4 Inch Meter - Residential				
28					
29					
30					
31	5/8 Inch and 3/4 Inch Meter Com., Irr.				
32					
33					
34	1 Inch Meter - Residential				
35					
36					
37					
38	1 Inch Meter - Com., Irr.				
39					
40					
41	1.5 Inch Meter - All Classes except Constr.				
42					
43					
44					

NT = No Tariff

LPSCO - Water Division - Mayes #3 (7.5% ROR)
Test Year Ended September 30, 2008
Present and Proposed Rates

Line No.	Commodity Rates (Residential, Commercial, Industrial)	Block	Present Rate (Per 1,000 gallons)	Proposed Rate
1				
2				
3				
4				
5	2 Inch Meter - All Classes except Constr.	1 gallons to 50,000 gallons over 50,000 gallons	N/A N/A	1.84 2.81
6				
7	3 Inch Meter - All Classes except Constr.	1 gallons to 120,000 gallons over 120,000 gallons	N/A N/A	1.84 2.81
8				
9				
10				
11	4 Inch Meter - All Classes except Constr.	1 gallons to 180,000 gallons over 180,000 gallons	N/A N/A	1.84 2.81
12				
13				
14	6 Inch Meter - All Classes except Constr.	1 gallons to 360,000 gallons over 360,000 gallons	N/A N/A	1.84 2.81
15				
16				
17	8 Inch Meter - All Classes except Constr.	1 gallons to 670,000 gallons over 670,000 gallons	N/A N/A	1.84 2.81
18				
19				
20	10 Inch Meter - All Classes except Constr.	1 gallons to 940,000 gallons over 940,000 gallons	N/A N/A	1.84 2.81
21				
22				
23	12 Inch Meter - All Classes except Constr.	1 gallons to 1,660,000 gallons over 1,660,000 gallons	N/A N/A	1.84 2.81
24				
25				
26				
27	Bulk Water	All Gallons	N/A	1.50
28				
29				
30	Construction - Hydrants	All gallons	\$ 2.50	\$ 2.81
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				

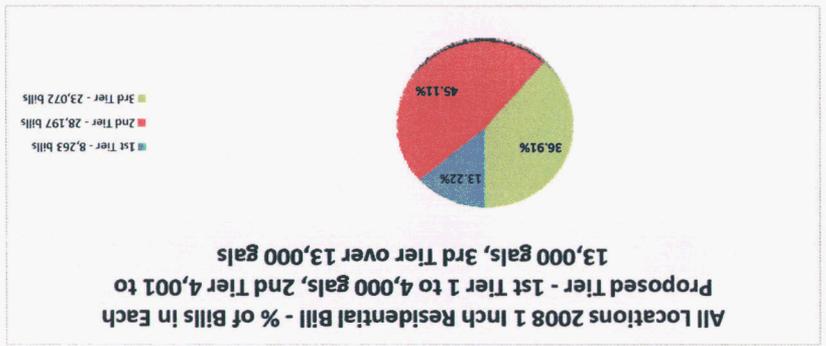
LPSCo - Wastewater Division - Mayes #3 (7.5% ROR)
 Present and Proposed Rates
 Test Year Ended September 30, 2008

Exhibit
 Schedule H-3
 Page 1

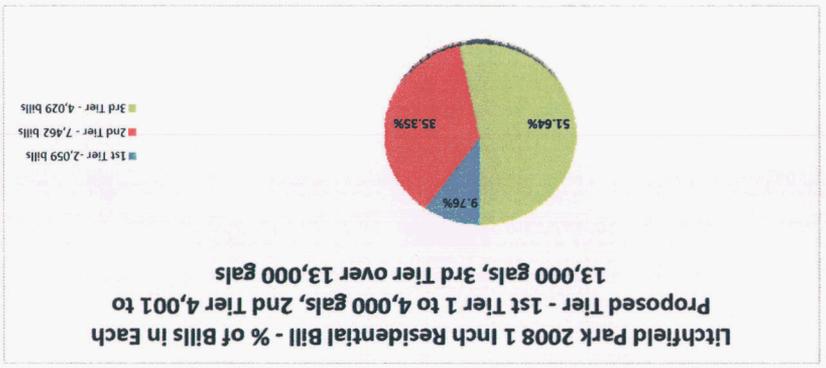
Line No.		<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Change</u>
1				
2	<u>Customer Classification</u>			
3				
4	Monthly Charge for:			
5	Monthly Residential Service	\$ 27.20	\$ 38.63	42.02%
6				
7	Multi-Unit Housing - Monthly per Unit	\$ 25.25	\$ 35.86	42.02%
8				
9	Commercial:			
10	Small Commercial - Monthly Service	\$ 46.00	\$ 65.33	42.02%
11	Measured Service:			
12	Regular Domestic:			
13	Monthly Service Charge	\$ 25.75	\$ 36.57	42.02%
14	Rate Per 1,000 Gallons of Water	\$ 2.25	\$ 3.20	42.22%
15				
16	Restaurant, Motels, Grocery Stores & Dry Cleaning Estab. ¹			
17	Monthly Service Charge	\$ 25.75	\$ 36.57	42.02%
18	Rate Per 1,000 Gallons of Water	\$ 3.00	\$ 4.26	42.00%
19				
20	Wigwam Resort:			
21	Monthly Rate - Per Unit	\$ 25.25	\$ 35.86	42.02%
22	Main Building - Per Month	\$ 1,000.00	\$ 1,420.13	42.01%
23				
24	Schools - Monthly Service Rates:			
25	Elementary Schools	\$ 680.00	\$ 965.69	42.01%
26	Middle Schools	\$ 800.00	\$ 1,136.11	42.01%
27	High Schools	\$ 800.00	\$ 1,136.11	42.01%
28	Community College	\$ 1,240.00	\$ 1,760.96	42.01%
29				
30	Effluent ²	Market	Market	0.00%
31				
32	¹ Motels without restuarants charged multi-unit monthly rate.			
33	² Market Rate - Maximum effluent rate shall not exceed \$430 per acre foot based on a potable water rate of \$1.32 per thousand			
34	gallons.			
35				

ATTACHMENT D

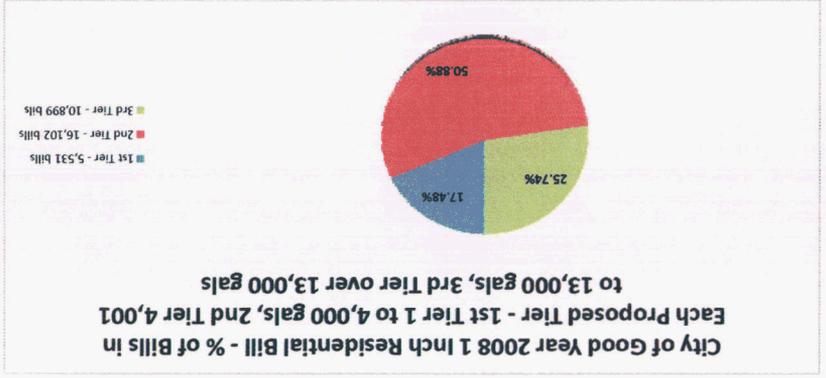
ALL LOCATIONS



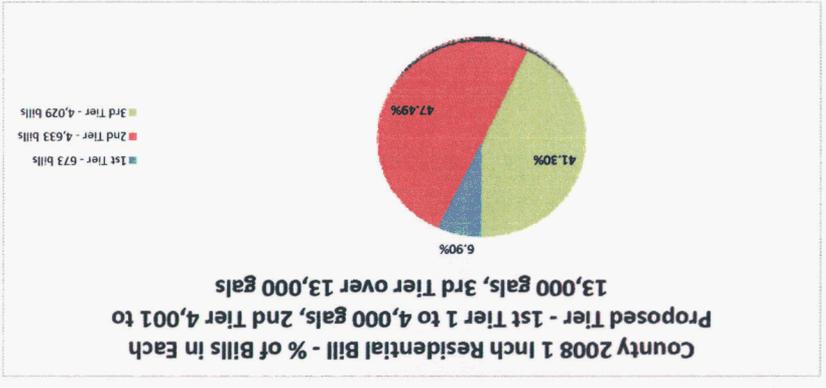
Litchfield Park



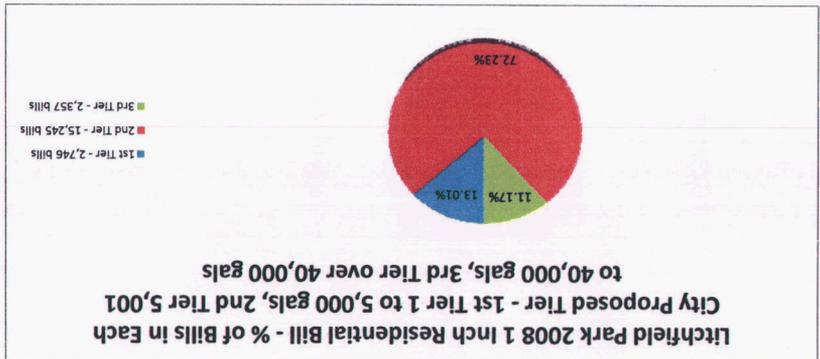
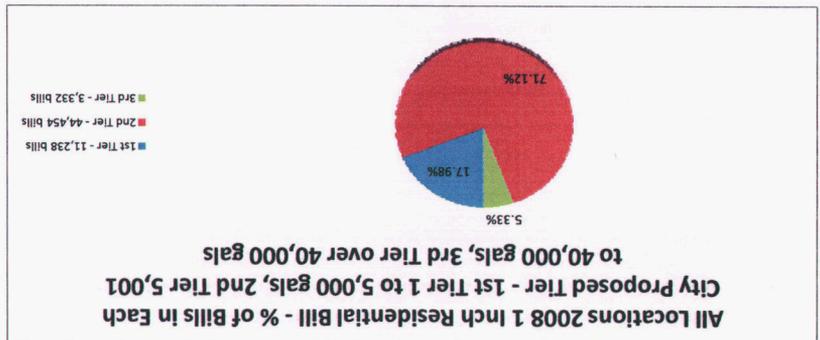
Goodyear



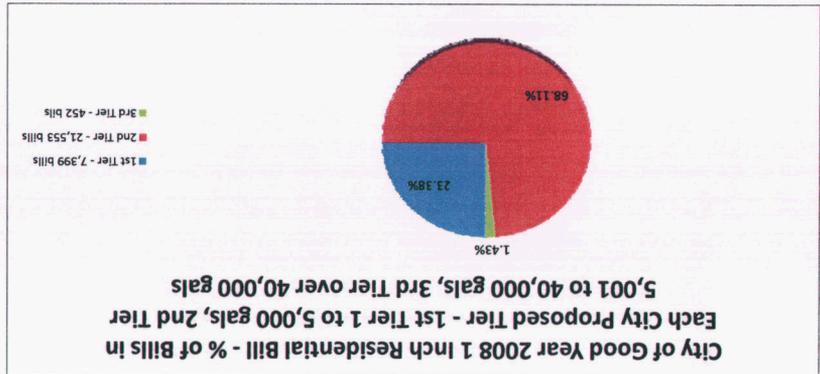
County



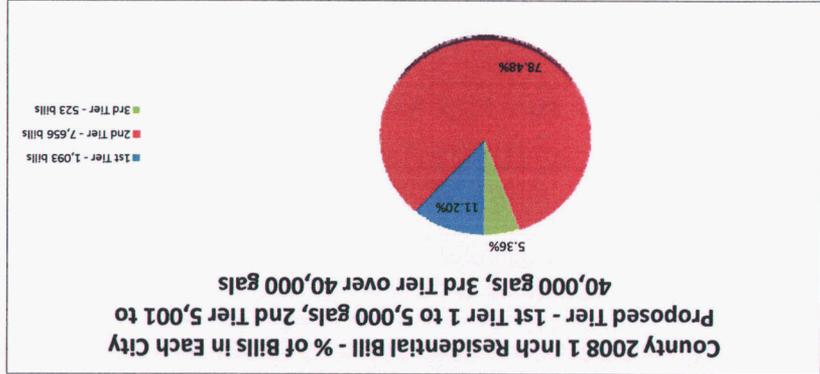
ALL LOCATIONS



Litchfield Park

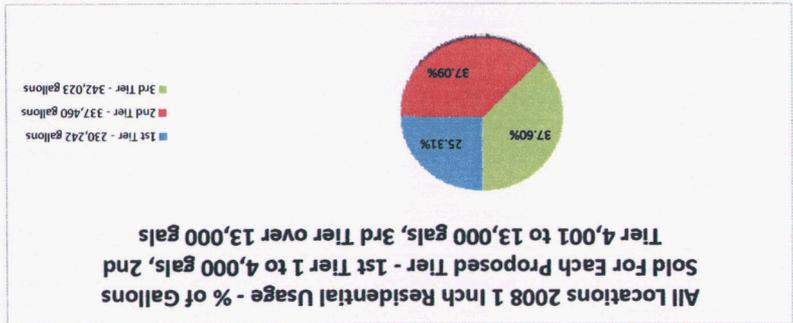


Goodyear

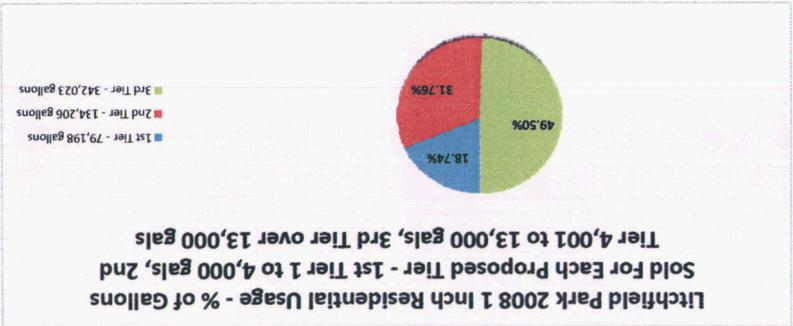


County

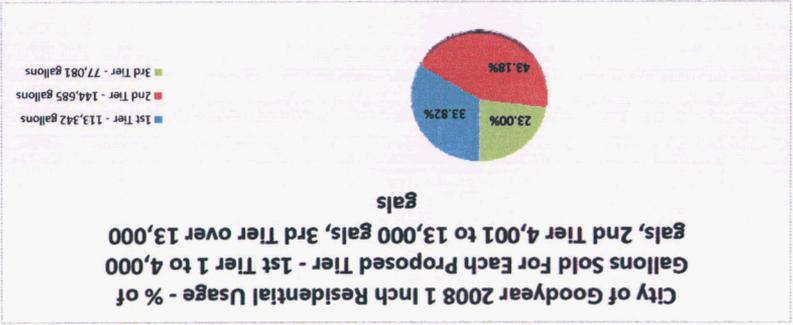
ALL LOCATIONS



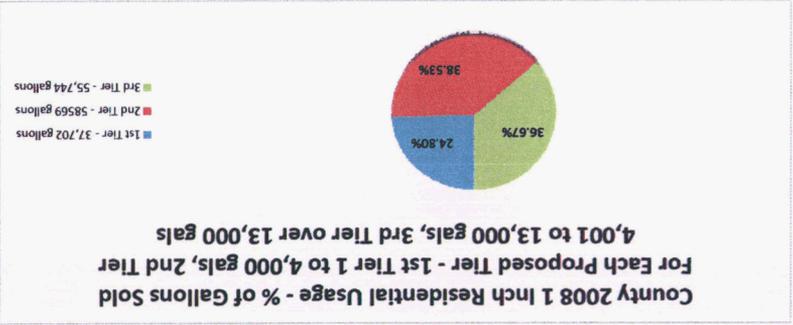
Litchfield Park



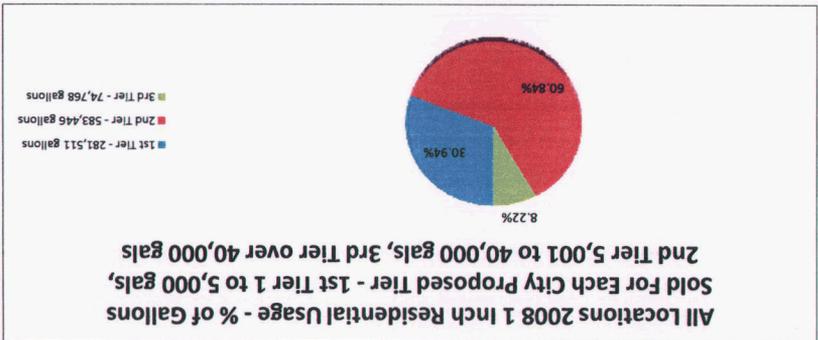
Goodyear



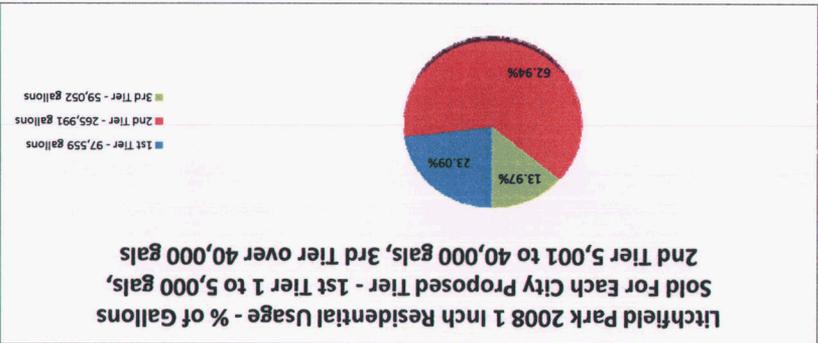
County



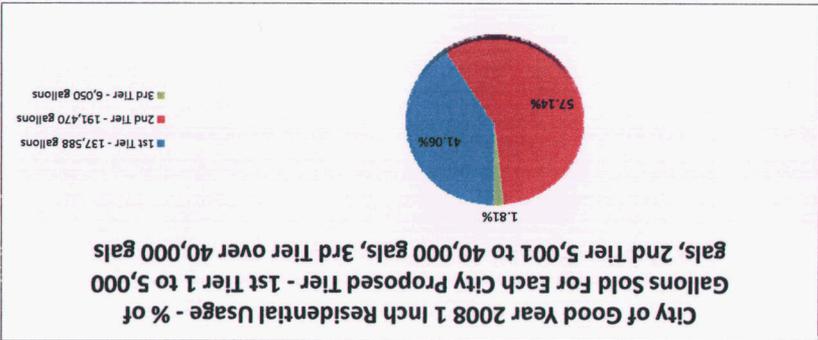
ALL LOCATIONS



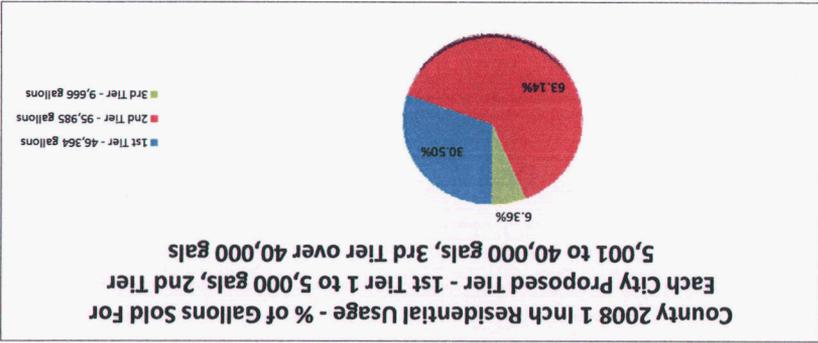
Litchfield Park



Goodyear



County



ATTACHMENT E

Litchfield Park Service Company
Test Year Ended September 30, 2008
Bill Comparison - 1 Inch Metered Residential Customers
ROO Rate Design vs. Staff Alternative Rate Designs

Line No.	Average Number of Customers at September 30, 2008	Average Usage (gallons)	Bill under ROO Rate Design (4,000 gallon and 13,000 gallon break-over points)	Bill under Staff Proposed Rate Design (JMM-A1) ¹ (5,000 gallon and 20,000 gallon break-over points)	Difference
7	1,759	20,022	\$66.59	\$61.17	(\$5.42)
8	2,637	10,590	\$40.70	\$40.30	(\$0.40)
9	-	-	\$0.00	\$0.00	\$0.00
10	813	15,583	\$53.23	\$51.34	(\$1.89)
11	5,209	14,556	\$50.13	\$49.07	(\$1.06)
12					
13					
14					
15					
16					
17					
18					
19	1,759	20,022	\$66.59	\$64.15	(\$2.43)
20	2,637	10,590	\$40.70	\$41.42	\$0.72
21	-	-	\$0.00	\$0.00	\$0.00
22	813	15,583	\$53.23	\$53.46	\$0.23
23	5,209	14,556	\$50.13	\$50.98	\$0.85
24					
25					
26					
27					
28					
29					
30					
31	1,759	20,022	\$66.59	\$66.26	(\$0.33)
32	2,637	10,590	\$40.70	\$42.20	\$1.50
33	-	-	\$0.00	\$0.00	\$0.00
34	813	15,583	\$53.23	\$54.94	\$1.71
35	5,209	14,556	\$50.13	\$52.32	\$2.19
36					
37					
38					
39					
40					
41					
42					
43	1,759	20,022	\$66.59	\$67.16	\$0.57
44	2,637	10,590	\$40.70	\$42.54	\$1.84
45	-	-	\$0.00	\$0.00	\$0.00
46	813	15,583	\$53.23	\$55.57	\$2.35
47	5,209	14,556	\$50.13	\$52.89	\$2.76
48					
49					
50					

¹ As filed on November 1, 2010.

Litchfield Park Service Company
 Test Year Ended September 30, 2008
 Bill Comparison - 1 Inch Metered Residential Customers
 ROO Rate Design vs. Staff Alternative Rate Designs

Line No.	Average Number of Customers at September 30, 2008	Median Usage (gallons)	Bill under ROO Rate Design (4,000 gallon and 13,000 gallon break-over points)	Bill under Staff Proposed Rate Design (JMM-A1) ¹ (5,000 gallon and 20,000 gallon break-over points)	Difference
6	42	13,000	\$45.45	\$45.63	\$0.18
7	3	8,000	\$35.60	\$34.58	(\$1.02)
8	1	-	\$0.00	\$0.00	\$0.00
9	57	-	\$43.48	\$43.42	(\$0.06)
10	5,209	10,000	\$39.54	\$39.00	(\$0.54)
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13					
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16					
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18					
19	42	13,000	\$45.45	\$47.23	\$1.78
20	3	8,000	\$35.60	\$35.18	(\$0.42)
21	1	-	\$0.00	\$0.00	\$0.00
22	57	-	\$43.48	\$44.82	\$1.34
23	5,209	10,000	\$39.54	\$40.00	\$0.46
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31	42	13,000	\$45.45	\$48.35	\$2.90
32	3	8,000	\$35.60	\$35.60	\$0.00
33	1	-	\$0.00	\$0.00	\$0.00
34	57	-	\$43.48	\$45.80	\$2.32
35	5,209	10,000	\$39.54	\$40.70	\$1.16
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43	42	13,000	\$45.45	\$48.63	\$3.38
44	3	8,000	\$35.60	\$35.78	\$0.18
45	1	-	\$0.00	\$0.00	\$0.00
46	57	-	\$43.48	\$46.22	\$2.74
47	5,209	10,000	\$39.54	\$41.00	\$1.46
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¹ As filed on November 1, 2010.