

ORIGINAL

ARIZONA CORPORATION COMMISSION
Docket Control Center
1200 W. Washington St.
Phoenix, AZ. 85007



0000124991

COVER LETTER

DOCKET NO. W-02476A-10-0495

Bradshaw Water Company mailed the attached customer "Re-Notification" to all current customers on May 3, 2011, thru the U.S. Postal Service.

Arizona Corporation Commission
DOCKETED

MAY 3 2011

DOCKETED BY	
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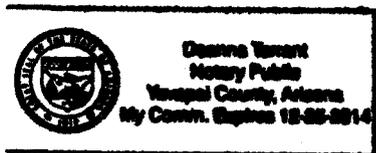
Don Bohler

Bradshaw Water Company
Owner

State of Arizona }
County of Maricopa } ss:

This instrument was acknowledged before me this 3rd day of May, 2011, by Don Bohler in witness wherewith set my hand and official seal.

Diana Jarant Notary Public



RECEIVED
2011 MAY -3 A 11:46
ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

May 2, 2010

IT IS FURTHER ORDERED that Bradshaw Water Company, Inc. shall, by May 9, 2011, send to each of its current customers, by first class mail, the following notice, along with a copy of Schedule CSB-4 and a copy of Schedule CSB-5 from Staff Report:

**SUPPLEMENTAL CUSTOMER NOTIFICATION
BRADSHAW WATER COMPANY., INC. RATE APPLICATION
DOCKET NO. W-02476A-10-0495**

Bradshaw Water Company, Inc. ("Bradshaw") has filed with the Arizona Corporation Commission ("Commission") an application for a permanent rate adjustment using a test year (TY") ending December 31, 2009. Bradshaw's rate application requests a rate increase of \$11,251 or 8.54% over Bradshaw's TY operating revenues of \$131,813. Bradshaw has reported a TY operating loss of \$65,627.

On April 7, 2011 the Commission's Utilities Division (Staff") issued a Staff Report analyzing Bradshaw's rate application and making recommendations. In the Staff Report, Staff recommends that Staff's recommended rates and charges be approved for Bradshaw and that Bradshaw be required to re-notify its customers because the Staff -recommended rates are higher than those requested by Bradshaw. Staff explained that although Bradshaw requested a rate increase of \$11,251, Bradshaw's proposed rate design actually would result in an increase of 21,783 or 16.53 percent, over Bradshaw's TY revenue of \$131,813. Staff recommends an increase of \$51,808 or 38.95 percent, over Staff-adjusted TY revenue of \$133,026. Staff asserted that this would produce operating income of \$25,110, for an 8% rate of return on Bradshaw's original cost rate base (OCRB") of \$313,874. Schedules showing Bradshaw's current rates and charges, Bradshaw's proposed rates and charges, and Staff's recommended rates and charges are attached hereto for review.

Staff also recommends that Bradshaw be authorized to implement a purchased water cost recovery adjustor mechanism, to allow Bradshaw to impose a surcharge, to be calculated annually, to recover any additional costs incurred due to changes in the gallonage charges imposed by Prescott Valley Water District.

Bradshaw's rate application and the Staff Report are available for inspection during regular business hours at the office of the Commission at 1200 W. Washington St., Phoenix, Az 85007, and at the Bradshaw's office at 4750 N Tonto Circle, Prescott Valley, Az 86314. All documents filed in this matter are also available for review in the e-Docket area of the Commission's website (<http://edocket.azcc.gov/edocket>) under Docket No. W-02467A-10-0495.

Customer input is an important part of the Commission's analysis of the requested adjustment and is a factor in determining whether a hearing will be conducted. Customers should bring to the Commissions attention any questions or concerns related to Bradshaw Water, including any questions or concerns regarding service, billing procedures, or other factors important in determining the reasonableness of rates and charges. Customers may have the right to intervene in this matter. Any customer wishing to communicate with the Commission, or to request information on intervention in the proceeding, should contact the Commission's Consumer Services Section at 800-222-7000 (outside Phoenix local calling area) or 602-542-4251 (inside Phoenix local calling area). Customers may also contact the Tucson office of the Commission at 800-535-0148 (outside Tucson local calling area) or 520-628-6555 (inside Tucson local calling).

Customers are advised that the Commission may act upon Bradshaw's rate application without a hearing. Regardless of whether a hearing is held, customer comments submitted in writing will be placed in the office file, which the Commission reviews before making its final decision on the rate application. It is important that customers contact the Commission within 15 days after receiving this notice so that the Commission can consider any customer comments and concerns in determining the outcome of the rate application.

IT IS FURTHER ORDERED that Bradshaw Water Company, Inc. shall by May 16, 2011, file with the Commission's Docket Control certification that the above notice has been mailed to its customers, along with a complete copy of the form of notice provided with attachments.

Bradshaw Water Co., Inc

Enclosed CSB4 & CSB5

RATE DESIGN

	Present	Company	Staff
	Rates	Proposed	Recommended
Monthly Customer Charge:			
5/8" x 3/4" Meter	\$33.00	\$37.00	38.00
3/4" Meter	33.00	37.00	38.00
1" Meter with fire sprinkler	33.00	33.00	38.00
1" Meter	82.50	82.50	100.00
1 1/2" Meter	165.00	165.00	200.00
2" Meter	264.00	264.00	320.00
3" Meter	495.00	495.00	640.00
4" Meter	825.00	825.00	1,000.00
6" Meter	1,650.00	1,650.00	2,000.00
Gallons Included in Monthly Customer Charge:	0	0	0
Per 1,000 Gallons for 0 to 4,000 Gallons	\$4.50	\$5.30	\$6.00
Per 1,000 Gallons for 4,001 to 8,000 Gallons	\$5.75	\$6.71	\$9.00
Per 1,000 Gallons for Gallons in Excess of 8,000	\$6.75	\$8.00	\$15.55

	Present	Company	Staff Recommended		
	Rates	Proposed	Services	Meters	Total
Service Line and Meter Installation Charges					
5/8" x 3/4" Meter	\$350.00	\$2,500.00	\$445.00	\$155.00	\$600.00
3/4" Meter	400.00	2,500.00	445.00	255.00	\$700.00
1" Meter	500.00	2,500.00	495.00	315.00	\$810.00
1 1/2" Meter	750.00	2,500.00	550.00	525.00	\$1,075.00
2" Meter	1,500.00	1,500.00	830.00	1,045.00	\$1,875.00
3" Meter	1,975.00	1,975.00	1,045.00	1,670.00	\$2,715.00
4" Meter	3,040.00	3,040.00	1,490.00	2,670.00	\$4,160.00
6" Meter	7,290.00	7,290.00	2,210.00	5,025.00	\$7,235.00

Service Charges			
Establishment	\$60.00	\$60.00	\$60.00
Establishment (After Hours)	90.00	90.00	Discontinued
Reconnection (Delinquent)	60.00	60.00	60.00
Reconnection (Delinquent) After Hours	N/A	75.00	Discontinued
After Hours Charge (Flat Rate)	N/A	N/A	50.00
Meter Test (If Correct)	50.00	50.00	50.00
Deposit	*	66.00	*
Deposit Interest	*	1.00%	6.00%
Re-Establishment (Within 12 Months)	**	35.00	**
NSF Check	25.00	25.00	25.00
Deferred Payment (Per Month)	1.50%	1.50%	1.50%
Meter Re-Read (If Correct)	20.00	20.00	20.00
Late Fee (Per Month)	1.50%	1.50%	1.50%
Purchased Water Contract Connection Charge	N/A	N/A	\$100
Impact Fee	N/A	1,650.00	(a)
Monthly Service Charge for Fire Sprinkler			
4" or Smaller	***	***	***
6"	***	***	***
8"	***	***	***
10"	***	***	***
Larger than 10"	***	***	***

(a) - Staff recommends denial.

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

** Months off system times the minimum (R14-2-403.D)

*** 1.00% of Monthly Minimum for a Comparable Sized Meter Connection, but no less than \$5.00 per month. The Service Charge for Fire Sprinklers is only applicable for service lines separate and distinct from the primary water service line.

TYPICAL BILL ANALYSIS
General Service 5/8 X 3/4 - Inch Meter

Average Number of Customers: 163

<u>Company Proposed</u>	<u>Gallons</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
Average Usage	6,043	\$62.79	\$71.97	\$9.18	14.6%
Median Usage	4,415	\$ 53.38	\$ 60.98	\$7.60	14.2%
<u>Staff Recommended</u>					
Average Usage	6,043	\$62.79	\$80.39	\$17.60	28.0%
Median Usage	4,415	\$53.38	\$65.73	\$12.35	23.1%

Present & Proposed Rates (Without Taxes)
General Service 5/8 X 3/4 - Inch Meter

<u>Gallons Consumption</u>	<u>Present Rates</u>	<u>Company Proposed Rates</u>	<u>% Increase</u>	<u>Staff Recommended Rates</u>	<u>% Increase</u>
0	\$33.00	\$37.00	12.1%	\$38.00	15.2%
1,000	37.50	42.30	12.8%	44.00	17.3%
2,000	42.00	47.60	13.3%	50.00	19.0%
3,000	46.50	52.90	13.8%	56.00	20.4%
4,000	51.00	58.20	14.1%	62.00	21.6%
5,000	56.75	64.91	14.4%	71.00	25.1%
6,000	62.50	71.62	14.6%	80.00	28.0%
7,000	69.25	79.62	15.0%	89.00	28.5%
8,000	76.00	87.62	15.3%	98.00	28.9%
9,000	82.75	95.62	15.6%	113.55	37.2%
10,000	89.50	103.62	15.8%	129.10	44.2%
15,000	123.25	143.62	16.5%	206.85	67.8%
20,000	157.00	183.62	17.0%	284.60	81.3%
25,000	190.75	223.62	17.2%	362.35	90.0%
50,000	359.50	423.62	17.8%	751.10	108.9%
75,000	528.25	623.62	18.1%	1,139.85	115.8%
100,000	697.00	823.62	18.2%	1,528.60	119.3%
125,000	865.75	1,023.62	18.2%	1,917.35	121.5%
150,000	1,034.50	1,223.62	18.3%	2,306.10	122.9%
175,000	1,203.25	1,423.62	18.3%	2,694.85	124.0%
200,000	1,372.00	1,623.62	18.3%	3,083.60	124.8%