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BEFORE THE ARIZONA CORPORATION

COMMISSIONERS

GARY PIERCE, Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

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IN THE MATTER OF THE APPLICATION OF
MORENCI WATER AND ELECTRIC COMPANY
FOR APPROVAL OF A RATE INCREASE.

DOCKET NO. E-01049A-11-0300

IN THE MATTER OF THE APPLICATION OF
MORENCI WATER AND ELECTRIC COMPANY
FOR THE ESTABLISHMENT OF JUST AND
REASONABLE RATES FOR ITS WATER
DEPARTMENT.

DOCKET NO. W-01049A-11-0311

**STAFF'S NOTICE OF FILING
SURREBUTTAL TESTIMONY**

The Utilities Division ("Staff") of the Arizona Corporation Commission ("Commission") hereby files the Surrebuttal Testimony of Staff witnesses Julie McNeely-Kirwan, Jian Liu and D. Bentley Erdwurm in the above-referenced matter.

RESPECTFULLY SUBMITTED this 24th day of October, 2012.

Robin R. Mitchell, Staff Attorney
Maureen A. Scott, Senior Staff Counsel
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007
(602) 542-3402

Original and thirteen (13) copies of the foregoing were filed this 24th day of October, 2012 with:

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

Arizona Corporation Commission

DOCKETED

OCT 24 2012

DOCKETED [Signature]

1 Copies of the foregoing were mailed
2 this 24th day of October, 2012 to:

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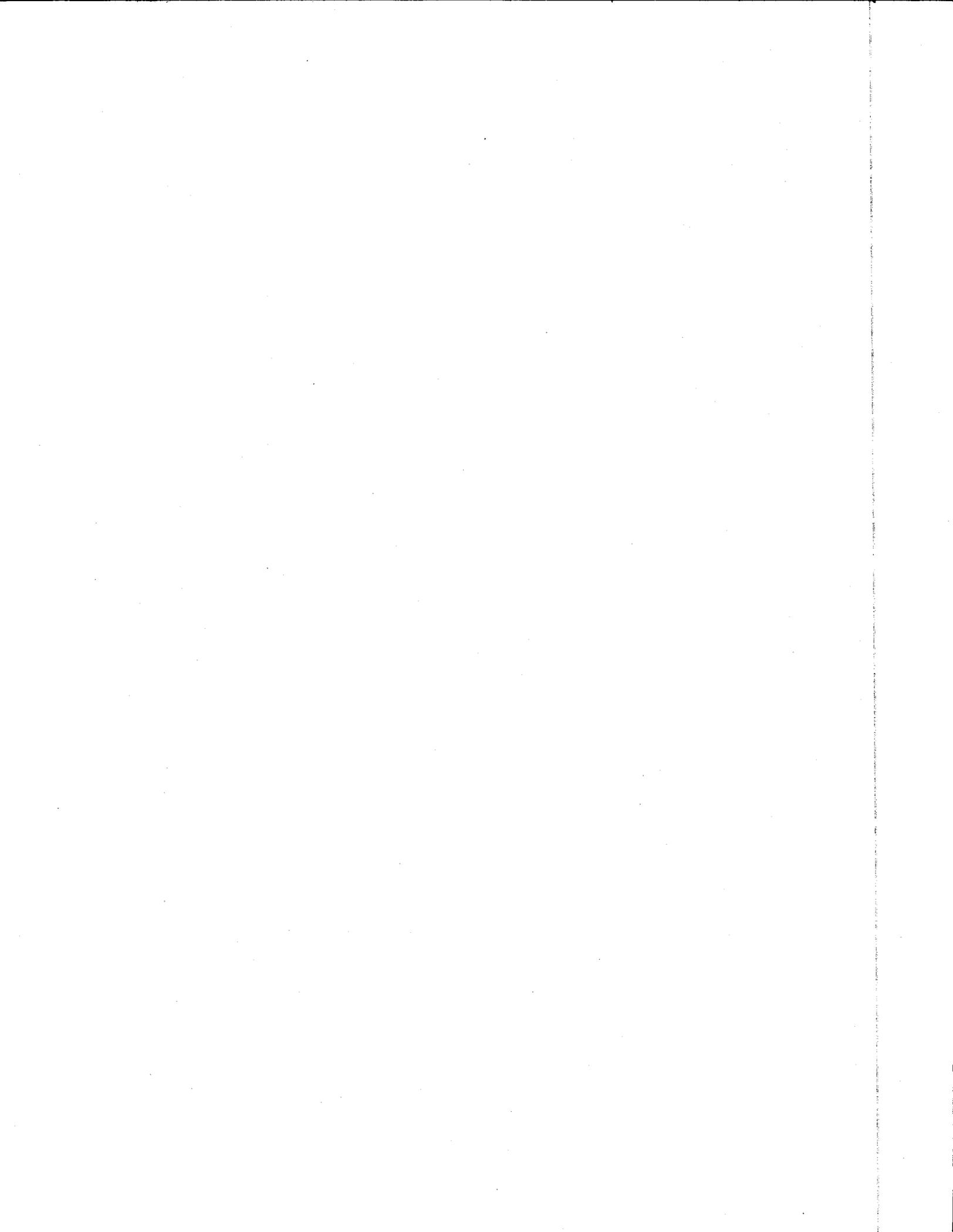
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BEFORE THE ARIZONA CORPORATION COMMISSION

GARY PIERCE
Chairman
BOB STUMP
Commissioner
SANDRA D. KENNEDY
Commissioner
PAUL NEWMAN
Commissioner
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Commissioner

IN THE MATTER OF THE APPLICATION OF)
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DEPARTMENT.)

DOCKET NO. W-01049A-11-0311

SURREBUTTAL

TESTIMONY

OF

JULIE MCNEELY-KIRWAN

PUBLIC UTILITIES ANALYST IV

UTILITIES DIVISION

ARIZONA CORPORATION COMMISSION

OCTOBER 24, 2012

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**EXECUTIVE SUMMARY
MORENCI WATER & ELECTRIC COMPANY
DOCKET NOS. E-01049A-11-0300 AND W-01049A-11-0311**

Staff will respond to the Company's Rebuttal Testimony regarding the interest rate on customer deposits, the Renewable Energy Standard Tariff ("REST"), the Energy Efficiency Surcharge ("EES"), and the proposed separate surcharge to resolve the current approximately \$300,000 under-collection for fuel and purchased power costs.

1 **INTRODUCTION**

2 **Q. Please state your name, occupation, and business address.**

3 A. My name is Julie McNeely-Kirwan. I am a Public Utilities Analyst IV employed by the
4 Arizona Corporation Commission (“ACC” or “Commission”) in the Utilities Division
5 (“Staff”). My business address is 1200 West Washington Street, Phoenix, Arizona 85007.

6
7 **Q. Have you previously submitted testimony in this proceeding?**

8 A. Yes. I submitted Direct Testimony in this proceeding concerning the following topics:
9 base cost of purchased power, the Energy Efficiency adjustor mechanism, the Renewable
10 Energy adjustor mechanism, Rate Design, Other Rates and Charges, Line Extension and
11 Service Line and Meter Advance Policies, Rules and Regulations, the Purchased Power
12 and Fuel Adjustment Clause (“PPFAC”), and the Plan of Administration for Morenci
13 Water and Electric (“Morenci” or “the Company”).

14
15 **SCOPE OF TESTIMONY**

16 **Q. What will you address in your Surrebuttal Testimony?**

17 A. Staff will respond to the Company’s Rebuttal Testimony regarding the interest rate on
18 customer deposits, the Renewable Energy Standard Tariff (“REST”), the Energy
19 Efficiency Surcharge (“EES”), implementation of the PPFAC and the proposed separate
20 surcharge to resolve the current approximately \$300,000 under-collection for fuel and
21 purchased power costs.

22

1 **INTEREST RATE ON CUSTOMER DEPOSITS**

2 **Q. Does Staff agree that the interest rate on customer deposits should be decreased from**
3 **6 percent to 2 percent for the Company's electric customers?**

4 A. Yes. Staff has discussed this issue with the Company and concluded that it would be
5 reasonable to decrease the interest rate on deposits for this case. Accordingly, Staff
6 recommends that the interest rate on customer deposits for the electric utility be set at 2
7 percent for this case.

8
9 **Q. Do the Commission's regulations governing electric utilities allow it to approve an**
10 **interest rate other than 6 percent?**

11 A. Yes. R14-2-203 B(3) does not set a specific interest rate for customer deposits on electric
12 service. The language of the rule states that "[d]eposits shall be interest bearing; the
13 interest rate and method of calculation shall be filed with and approved by the
14 Commission in a tariff proceeding."

15
16 **RENEWABLE ENERGY AND ENERGY EFFICIENCY ADJUSTOR MECHANISMS**

17 **Q. Will the rate and caps (if any) for the REST and EES remain as they are until the**
18 **Commission approves any changes?**

19 A. Yes. The existing EES would remain as approved by the Commission until the
20 Commission approves changes. The existing REST surcharge rate and caps would also
21 remain as approved by the Commission until the Commission approves changes.

22
23 **Q. Will the adjustor mechanisms operate in the same manner as the tariffs are currently**
24 **operating, subject to future changes in subsequent proceedings?**

25 A. Yes. The adjustor mechanisms would operate in the same manner as the existing tariffs
26 until further order of the Commission.

1 **IMPLEMENTATION OF THE NEW PPFAC RATE**

2 **Q. Please discuss the implementation of the new PPFAC rate.**

3 A. The initial PPFAC rate should be set within the rate case and take effect at the same time
4 as the other new rates set by the Commission. The initial PPFAC rate should be based on
5 updated information provided by the Company at the hearing, so the Commission can
6 include the new rate in its Decision. This new PPFAC rate will replace the negative
7 \$0.03449 adjustor rate currently in place.

8
9 **RECOVERY OF CURRENT UNDER-COLLECTED BALANCE**

10 **Q. Please discuss recovery of Morenci's current, approximately \$300,000, under-**
11 **collected balance for fuel and purchased power costs.**

12 A. The current under-collected balance should be frozen and recovered through a surcharge
13 separate from that created for the new PPFAC mechanism. This rate should be based on
14 updated information provided by the Company at the hearing, so the Commission can
15 include the surcharge rate in its Decision. The surcharge would take effect at the same
16 time as the other new rates set by the Commission. To distinguish this surcharge from the
17 new PPFAC rate, Staff will refer it as the "Frozen Balance Surcharge" or "FB Surcharge."

18
19 **Q. Over what approximate period should the frozen under-collected balance be**
20 **recovered and how long should it be in place?**

21 A. Staff recommends that the FB Surcharge should be calculated to recover the frozen
22 balance over approximately 24 months. Once the frozen, under-collected balance
23 decreases to zero, the FB Surcharge should cease to exist.

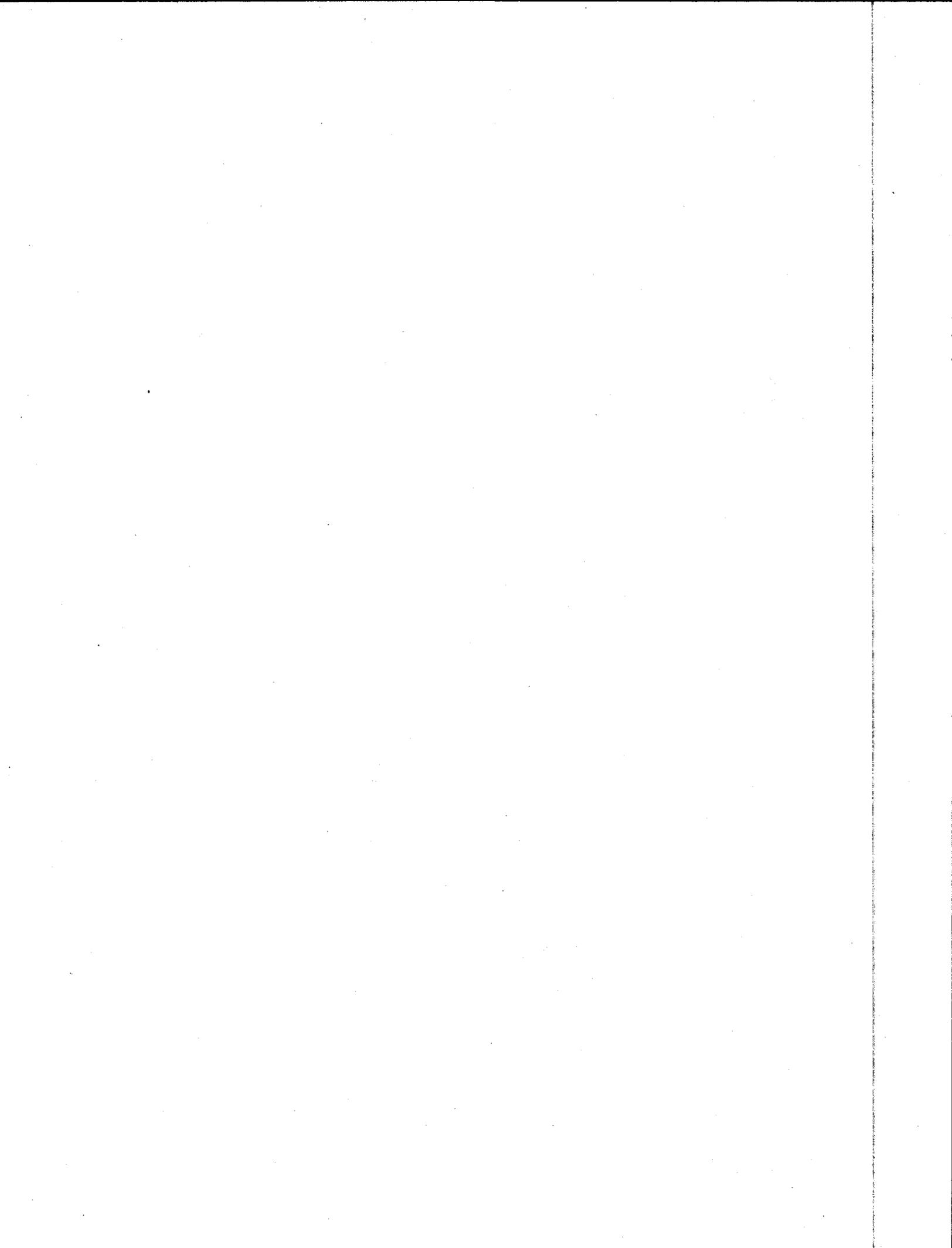
1 **SUMMARY OF RECOMMENDATIONS**

- 2 • Staff recommends that the interest rate on electric utility customer deposits be
3 reduced from 6 percent to 2 percent.
- 4 • Staff recommends that the EE and REST tariffs become adjustor mechanisms and
5 that the rates should remain as approved by the Commission.
- 6 • Staff recommends that the initial PPFAC rate be set within this rate case Decision
7 and take effect at the same time as the other new rates set by the Commission. The
8 initial PPFAC rate should be based on updated information provided by the
9 Company at the hearing, so the Commission can include it in the Decision. This
10 new PPFAC rate would replace the negative \$0.03449 adjustor rate currently in
11 place.
- 12 • Staff recommends that the current under-collected balance should be frozen and
13 recovered through a surcharge separate from that created for the new PPFAC
14 mechanism. This rate should be based on updated information provided by the
15 Company at the hearing so the Commission can include the surcharge rate in its
16 Decision. The surcharge would take effect at the same time as the other new rates
17 set by the Commission.
- 18 • Staff recommends that the FB Surcharge should be calculated in order to recover
19 the frozen balance over approximately 24 months. Once the frozen, under-
20 collected balance decreases to zero, the FB Surcharge should cease to exist.

21

22 **Q. Does this conclude your Surrebuttal Testimony?**

23 **A. Yes, it does.**



BEFORE THE ARIZONA CORPORATION COMMISSION

GARY PIERCE
Chairman
BOB STUMP
Commissioner
SANDRA D. KENNEDY
Commissioner
PAUL NEWMAN
Commissioner
BRENDA BURNS
Commissioner

IN THE MATTER OF THE APPLICATION OF) DOCKET NO. E-01049A-11-0300
MORENCI WATER & ELECTRIC COMPANY)
FOR APPROVAL OF A RATE INCREASE.)
_____)

IN THE MATTER OF THE APPLICATION OF) DOCKET NO. W-01049A-11-0311
MORENCI WATER & ELECTRIC COMPANY)
FOR THE ESTABLISHMENT OF JUST AND)
REASONABLE RATES FOR ITS WATER)
DEPARTMENT.)

SURREBUTTAL

TESTIMONY

OF

JIAN W. LIU

UTILITIES ENGINEER

UTILITIES DIVISION

ARIZONA CORPORATION COMMISSION

OCTOBER 24, 2012

EXECUTIVE SUMMARY
MORENCI WATER AND ELECTRIC COMPANY
DOCKET NOS. E-01049A-11-0300 AND W-01049A-11-0311

Morenci Water and Electric Company (“MWE” or “the Company”) has agreed to implement three BMPs in accordance with the tariffs available on the Commission’s website. MWE does not believe it should be required to implement two (2) more BMPs for a total of five BMPs as Staff recommends because of “significant additional expense”. Staff believes there are additional BMPs that the Company can select that should not result in significant additional expense to implement.

Staff continues to recommend that MWE be required to file with Docket Control, as a compliance item in this docket, within 90 days of the effective date of this Decision, at least five Best Management Practices (“BMPs”) in the form of tariffs that substantially conform to the templates created by Staff for the Commission’s review and consideration.

1 **INTRODUCTION**

2 **Q. Please state your name, occupation, and business address.**

3 A. My name is Jian W. Liu. My job title is Water/Wastewater Engineer. My place of
4 employment is the Arizona Corporation Commission (“Commission”), Utilities Division
5 (“Staff”), 1200 West Washington Street, Phoenix, Arizona 85007.

6

7 **Q. Are you the same Jian W. Liu who filed Direct Testimony in this case?**

8 A. Yes, I am.

9

10 **Q. What is the purpose of your Surrebuttal Testimony in this proceeding?**

11 A. The purpose of my Surrebuttal Testimony in this proceeding is to respond, on behalf of
12 Staff, to Morenci Water and Electric Company’s (“MWE” or “the Company”) Rebuttal
13 Testimony received on September 24, 2012, regarding Best Management Practices
14 (“BMPs”). The Company has agreed to implement three BMPs in accordance with the
15 tariffs available on the Commission’s website:

16

17 BMP 3.6. - Customer High-Use Water Use Inquiry Resolution Tariff.

18 BMP 3.7. - Customer High-Use Water Use Notification Tariff.

19 BMP 5.2. - Water System Tampering Tariff.

20

21 MWE does not believe it should be required to implement two (2) more BMPs for a total
22 of five BMPs as Staff recommends in its direct testimony because of “significant
23 additional expense”.

24

1 **Q. Are there additional BMPs that the Company can select that should not result in**
2 **significant additional expense?**

3 A. Yes. The Public Education Program Tariff and several of the Category 1: Public
4 Awareness/Public Education BMPs would qualify. One or more of the Category 4:
5 Physical System Evaluation and Improvement Tariffs may also prove to be cost effective
6 because the Company probably already has program(s) in place that match these BMPs.
7 For example, most companies already have a meter repair and/or replacement program in
8 place that is similar to that described in the BMP 4.2 Tariff and is related to A.A.C R14-2-
9 408.E.

10
11 Staff believes that the Company should be able to select from these BMP Tariffs two that
12 will result in little or no additional cost for the Company to implement.

13
14 **Q. Based on the Company's Rebuttal Testimony, has Staff's recommendation regarding**
15 **the BMPs changed?**

16 A. No. Staff still recommends that MWE be required to file with Docket Control, as a
17 compliance item in this docket, within 90 days of the effective date of this Decision, at
18 least five BMPs in the form of tariffs that substantially conform to the templates created
19 by Staff for the Commission's review and consideration. The templates created by Staff
20 are available on the Commission's website at
21 <http://www.azcc.gov/Divisions/Utilities/forms.asp>. The Company may request cost
22 recovery of actual costs associated with the BMPs implemented in its next general rate
23 application.

24

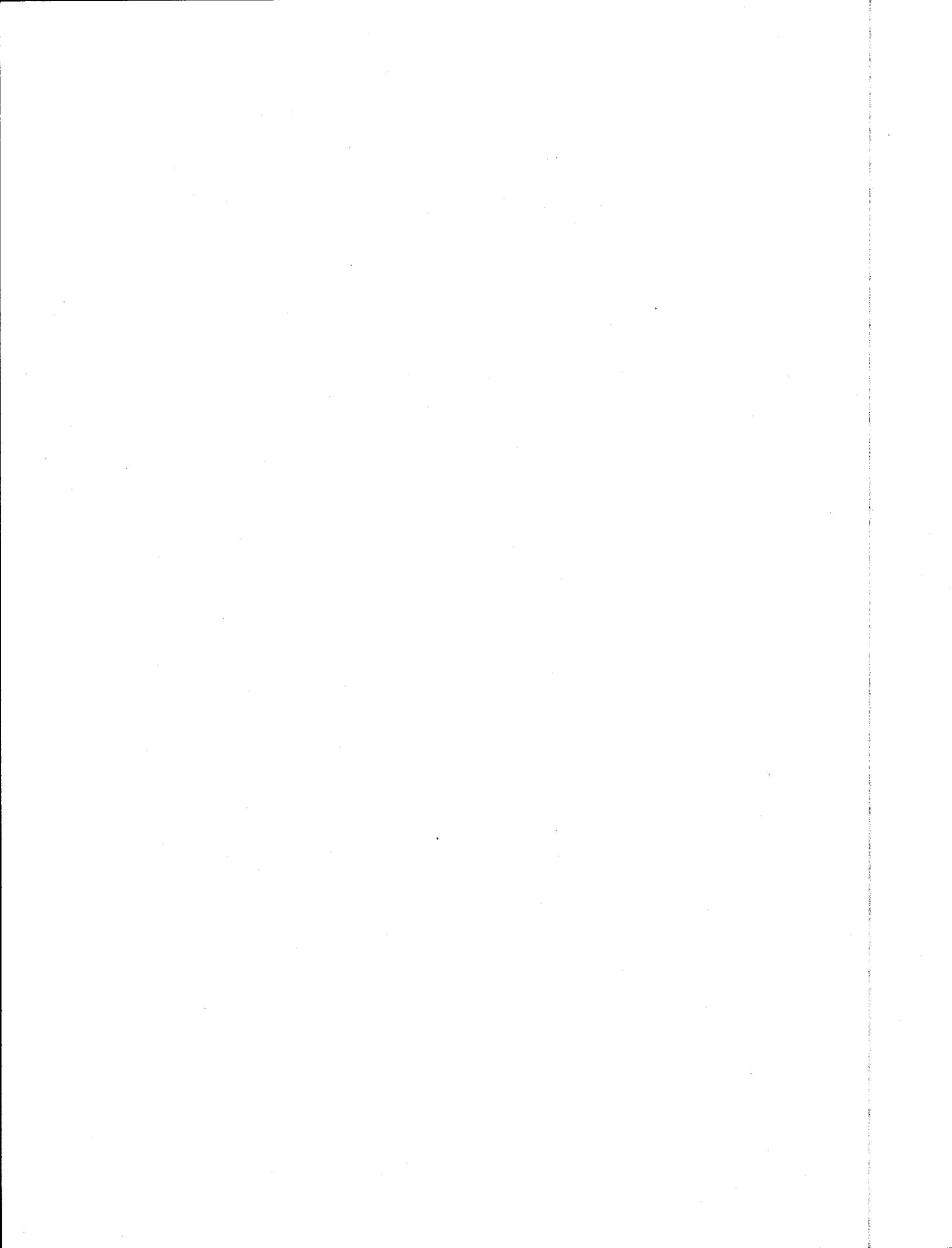
1 **Q. Did you attempt to address every issue the Company raised in its Rebuttal**
2 **Testimony?**

3 A. No. Staff limited its discussion to the specific issue as outlined above. Staff's lack of
4 response to any issue in this proceeding should not be construed as agreement with the
5 Company's position in its Rebuttal Testimony; rather where there is no response, Staff
6 relies on its original Direct Testimony.

7

8 **Q. Does this conclude your Surrebuttal Testimony?**

9 A. Yes, it does.



BEFORE THE ARIZONA CORPORATION COMMISSION

GARY PIERCE

Chairman

BOB STUMP

Commissioner

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IN THE MATTER OF THE APPLICATION OF)
MORENCI WATER & ELECTRIC COMPANY)
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DOCKET NO. E-01049A-11-0300

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IN THE MATTER OF THE APPLICATION OF)
MORENCI WATER & ELECTRIC COMPANY)
FOR THE ESTABLISHMENT OF JUST AND)
REASONABLE RATES FOR ITS WATER)
DEPARTMENT)
_____)

DOCKET NO. W-01049A-11-0311

SURREBUTTAL

TESTIMONY

(RATE DESIGN – WATER)

OF

BENTLEY ERDWURM

PUBLIC UTILITIES ANALYST

UTILITIES DIVISION

ARIZONA CORPORATION COMMISSION

OCTOBER 24, 2012

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EXECUTIVE SUMMARY
MORENCI WATER AND ELECTRIC COMPANY
DOCKET NO. E-01049A-11-0300 AND W-01049A-11-0311

This Surrebuttal Testimony includes revised Arizona Corporation Commission Utilities Division (“Staff”) recommendations for the Water Department of Morenci Water and Electric Company (“Morenci” or “Company”) related to rate design, and to Other Rates and Charges. After the filing of Direct Testimony in this proceeding, Staff met with Company representatives. The Company indicated that it had concerns about the impact on customers of Staff’s rate design changes recommended in Direct Testimony. Staff believes that its rate design proposals in Direct Testimony are cost justified and promote economically efficient use of scarce water resources; however, Staff also acknowledges that its proposals in Direct Testimony result in substantial changes to rate structure. Staff’s rate design presented in this Surrebuttal Testimony is a compromise between the initial Company and Staff positions. Staff’s Surrebuttal recommendation mitigates customer impacts (relative to Staff’s Direct Testimony position) while moving to a more inverted design (relative to the Company position).

1 **I. INTRODUCTION**

2 **Q. Please state your name, occupation, and business address.**

3 A. My name is Bentley Erdwurm. I am employed by the Arizona Corporation Commission
4 (“ACC” or “Commission”) in the Utilities Division (“Staff”). My business address is
5 1200 West Washington Street, Phoenix, Arizona 85007.
6

7 **Q. Did you also present Direct Testimony in this proceeding?**

8 A. Yes.
9

10 **Q. What is the scope of your Surrebuttal Testimony in this case?**

11 A. I am presenting Staff’s analysis and revised recommendations regarding rate design for
12 the Morenci Water & Electric Company’s (“Morenci” or “Company”) water systems,
13 which serve Morenci customers and Clifton customers under separate tariffs.
14 Additionally, I am addressing the interest paid by the Company on customer deposits, as
15 applicable to water customers.
16

17 **II. RATE DESIGN**

18 **Q. How do your recommendations presented herein differ from those presented in your**
19 **Direct Testimony?**

20 A. To mitigate bill impacts on certain larger customers served by a meter of a specific size,
21 Staff recommends increasing the first tier price (applicable to the lowest level of usage)
22 from \$0.55 per thousand gallons (as recommended in Staff’s Direct Testimony) to \$0.85
23 per thousand gallons. The second tier price has been reduced from \$1.69 to \$1.60 per
24 thousand gallons and the third tier price has been reduced from \$2.27 to \$2.18 per
25 thousand gallons for customers in the town of Morenci under Step 1 of the increase. Staff
26 has retained its Direct Testimony positions for monthly basic service charges, the price

1 differential between the second and third tiers and the flat rate structure for industrial
2 customers. Both the Company and Staff are recommending that Morenci and Clifton
3 customers continue to be served under separate rate structures and that the rate increase be
4 phased in over three steps. In summary, Staff rate design recommendations presented
5 herein balances the goals of promoting the economically efficient use of Arizona's scarce
6 water resources and tempering the level of some of the largest percentage bill increases.

7
8 **Q. Why does Staff focus on the level of the first tier price in the Surrebuttal rate design**
9 **recommendations?**

10 A. Company witness Dan Neidlinger indicated in meetings between Staff and the Company
11 that he views the \$0.55 first tier price (per thousand gallons) as too low relative to other
12 charges. Staff proposed this relatively low first tier price to avoid "rate shock" to the
13 smallest users associated with both Staff and the Company's recommendation to eliminate
14 - either immediately (Staff's proposal) or in phases (Company's proposal) - the practice of
15 including up to the first 3,000 gallons of monthly water use in the basic service charge.
16 Currently, a customer pays no additional charge when he increases usage from zero to
17 3,000 gallons per month. The first 3,000 gallons of water appears free, so there is less
18 incentive to use water wisely. Embedding water use in the basic service charge sends a
19 false price signal that reducing water use from 3,000 gallons to 2,000 gallons (or to 1,000
20 or zero) provides no benefit to the system. Efficient pricing requires that the price of any
21 product should reflect additional costs incurred to supply the product. Staff feels strongly
22 that the free water use in the basic service charge should be eliminated. Staff's Surrebuttal
23 recommendation (1) immediately eliminates embedded water usage in the basic service
24 charge, (2) promotes "gradualism" through mitigating some of the largest percentage bill
25 impacts, (3) retains an adequate incentive to promote the economically efficient use of
26 water, and (4) can serve as an initial step in the movement to a more inverted structure.

1 **Q. Did Staff also consider modifications to the basic service charges, block sizes and the**
2 **differential between the second and third tier prices?**

3 A. The modifications were considered; however, Staff concludes that its positions in Direct
4 Testimony are appropriate and any changes to the basic service charges, tier sizes and the
5 price differential between the second and third tiers would be contrary to cost-based
6 ratemaking. Staff-proposed basic service charges are tied to meter size and are cost-based.
7 The Staff-proposed 8,000 gallons allocated to the combined first tier (3,000 gallons) and
8 second tier (5,000 gallons) for 5/8 inch meters approximates the average usage for 5/8
9 inch metered customers. Basic service charges, block sizes and the price differential are
10 interrelated; therefore, maintaining basic service charges (and/or tier sizes) at Staff-
11 recommended Direct Testimony levels necessarily dictates that tier sizes and price
12 differentials (between second and third tiers) also be maintained. Finally, Staff
13 recommended tier sizes and price differentials have been coordinated to eliminate
14 opportunities for a customer to “game the system” and request an unnecessarily large
15 meter solely to qualify to purchase more gallons at a lower price per unit.

16
17 **Q. What factors influence Staff’s Surrebuttal rate design recommendations?**

18 A. In addition to sending price signals that encourage the efficient use of water, Staff
19 considered cost-of-service, the ability of customers to understand the rate design, usage
20 trends, potential impacts of the rate design on the Company and the matching of revenue
21 generated and costs incurred to provide service, customer impacts, and the ability of low-
22 income and fixed-income customers to afford a level of service sufficient for basic needs.
23 Staff’s Surrebuttal rate design recommendations acknowledge key goals of both the
24 Company’s and Staff’s Direct Testimony rate designs through blending “gradualism” of
25 the Company’s position with the economic efficiency of the Staff position.

1 **Q. Did you prepare a summary of the Company's proposed rates and Staff's**
2 **recommended rates from this Surrebuttal Testimony?**

3 A. Yes. Schedules DBE-1, DBE-2 and DBE-3 present a summary of the Company's and
4 Staff's proposed rates, along with details on tiers for Step 1, Step 2, and Step 3,
5 respectively.

6

7 **Q. Did Staff prepare typical bill analyses?**

8 A. Yes. Schedule DBE-5 shows present and proposed monthly bills under Staff
9 recommended rates from this Surrebuttal Testimony. Company-proposed (from Direct
10 Testimony) results were provided in Staff's Direct Testimony as Schedule DBE-4.

11

12 **Q. Did Staff prepare analyses of revenue recovery by meter size?**

13 A. Yes. Schedule DBE-6, Schedule DBE-7 and Schedule DBE-8 show the expected
14 revenues for the Morenci and Clifton portions of the Company's water systems resulting
15 from the application of rates (Company Direct and Staff Surrebuttal) to billing
16 determinants (number of bills and usage by tier). Rates are designed to produce revenues
17 matching the Staff Direct Testimony levels.

18

19 **Q. What is Staff's recommendation on interest paid by the Company on customer**
20 **deposits as applicable to water customers as proposed by the Company?**

21 A. Due to current interest rates and to be consistent with the Company's electric division,
22 Staff will accept the Company's proposal for this case.

23

24 **Q. Does this conclude your Surrebuttal Testimony?**

25 A. Yes, it does.

----- STEP 1 -----

STEP 1 WATER RATE RECOMMENDATIONS - CURRENT AND PROPOSED WATER RATES

5/8" - 3/4" Meters:		MORENCI	CLIFTON	1" Meters:		MORENCI	CLIFTON
Current Rate:				Current Rate:			
Monthly Basic Service Charge - Incl. 3,000 Gal.	\$ 10.00	\$ 10.00	\$ 10.00	Monthly Basic Service Charge - Incl. 3,000 Gal.	\$ 10.00	\$ 10.00	\$ 10.00
Commodity - Per 1,000 Gal. Over 3,000	\$ 1.94	\$ 1.94	\$ 1.63	Commodity - Per 1,000 Gal. Over 3,000	\$ 1.94	\$ 1.94	\$ 1.63
Company Proposed Rate:				Company Proposed Rate:			
Monthly BSC - Incl. 2,000 Gal.	\$ 10.00	\$ 10.00	\$ 10.00	Monthly BSC - Incl. 2,000 Gal.	\$ 10.00	\$ 10.00	\$ 10.00
Commodity - Per 1,000 Gal.:				Commodity - Per 1,000 Gal.:			
0-2,000 Gal.	no charge	no charge	no charge	0-2,000 Gal.	no charge	no charge	no charge
2,001-10,000 Gal.	\$ 1.95	\$ 1.65	\$ 1.65	2,001-10,000 Gal.	\$ 1.95	\$ 1.65	\$ 1.65
Over 10,000 Gal.	\$ 2.20	\$ 2.00	\$ 2.00	Over 10,000 Gal.	\$ 2.20	\$ 2.00	\$ 2.00
Staff Proposed Rate:				Staff Proposed Rate:			
Monthly BSC - No usage incl.	\$ 9.50	\$ 9.50	\$ 9.50	Monthly BSC - No usage incl.	\$ 10.50	\$ 10.50	\$ 10.50
Commodity - Per 1,000 Gal.:				Commodity - Per 1,000 Gal.:			
0-3,000 Gal.	\$ 0.85	\$ 0.85	\$ 0.85	0-3,000 Gal.	\$ 0.85	\$ 0.85	\$ 0.85
3,001-8,000 Gal.	\$ 1.60	\$ 1.36	\$ 1.36	3,001-10,000 Gal.	\$ 1.60	\$ 1.36	\$ 1.36
Over 8,000 Gal.	\$ 2.18	\$ 1.94	\$ 1.94	Over 10,000 Gal.	\$ 2.18	\$ 1.94	\$ 1.94
1 1/2" Meters:		MORENCI	CLIFTON	2" Meters:		MORENCI	CLIFTON
Current Rate:				Current Rate:			
Monthly Basic Service Charge - Incl. 3,000 Gal.	\$ 10.00	\$ 10.00	\$ 10.00	Monthly Basic Service Charge - Incl. 3,000 Gal.	\$ 10.00	\$ 10.00	\$ 10.00
Commodity - Per 1,000 Gal. Over 3,000	\$ 1.94	\$ 1.94	\$ 1.63	Commodity - Per 1,000 Gal. Over 3,000	\$ 1.94	\$ 1.94	\$ 1.63
Company Proposed Rate:				Company Proposed Rate:			
Monthly BSC - Incl. 2,000 Gal.	\$ 15.00	\$ 15.00	\$ 15.00	Monthly BSC - Incl. 2,000 Gal.	\$ 20.00	\$ 20.00	\$ 20.00
Commodity - Per 1,000 Gal.:				Commodity - Per 1,000 Gal.:			
0-2,000 Gal.	no charge	no charge	no charge	0-2,000 Gal.	no charge	no charge	no charge
2,001-50,000 Gal.	\$ 1.95	\$ 1.65	\$ 1.65	2,001-100,000 Gal.	\$ 1.95	\$ 1.65	\$ 1.65
Over 50,000 Gal.	\$ 2.20	\$ 2.00	\$ 2.00	Over 100,000 Gal.	\$ 2.20	\$ 2.00	\$ 2.00
Staff Proposed Rate:				Staff Proposed Rate:			
Monthly BSC - No usage incl.	\$ 26.25	\$ 26.25	\$ 26.25	Monthly BSC - No usage incl.	\$ 42.75	\$ 42.75	\$ 42.75
Commodity - Per 1,000 Gal.:				Commodity - Per 1,000 Gal.:			
0-3,000 Gal.	\$ 0.85	\$ 0.85	\$ 0.85	0-3,000 Gal.	\$ 0.85	\$ 0.85	\$ 0.85
3,001-37,000 Gal.	\$ 1.60	\$ 1.36	\$ 1.36	3,001-65,000 Gal.	\$ 1.60	\$ 1.36	\$ 1.36
Over 37,000 Gal.	\$ 2.18	\$ 1.94	\$ 1.94	Over 65,000 Gal.	\$ 2.18	\$ 1.94	\$ 1.94

----- STEP 1 -----

STEP 1 WATER RATE RECOMMENDATIONS - CURRENT AND PROPOSED WATER RATES

3" Meters:	MORENCI	CLIFTON	4" Meters:	MORENCI	CLIFTON
Current Rate:			Current Rate:		
Monthly Basic Service Charge - Incl. 3,000 Gal.	\$10.00	\$10.00	Monthly Basic Service Charge - Incl. 3,000 Gal.	\$10.00	NO CURRENT
Commodity - Per 1,000 Gal. Over 3,000	\$1.94	\$1.63	Commodity - Per 1,000 Gal. Over 3,000	\$1.94	NO CURRENT
Company Proposed Rate:			Company Proposed Rate:		
Monthly BSC - Incl. 2,000 Gal.	\$35.00	\$30.00	Monthly BSC - Incl. 2,000 Gal.	\$45.00	NO CURRENT
Commodity - Per 1,000 Gal.:			Commodity - Per 1,000 Gal.:		
0-2,000 Gal.	no charge	no charge	0-2,000 Gal.	no charge	NO CURRENT
2,001-100,000 Gal.	\$1.95	\$1.65	2,000-100,000 Gal.	\$1.95	NO CURRENT
Over 100,000 Gal.	\$2.20	\$2.00	Over 100,000 Gal.	\$2.20	NO CURRENT
Staff Proposed Rate:			Staff Proposed Rate:		
Monthly BSC - No usage incl.	\$67.75	\$67.75	Monthly BSC - No usage incl.	\$87.75	\$87.75
Commodity - Per 1,000 Gal.:			Commodity - Per 1,000 Gal.:		
0-3,000 Gal.	\$0.85	\$0.85	0-3,000 Gal.	\$0.85	\$0.85
3,001-108,000 Gal.	\$1.60	\$1.36	3,001-142,000 Gal.	\$1.60	\$1.36
Over 108,000 Gal.	\$2.18	\$1.94	Over 142,000 Gal.	\$2.18	\$1.94
Industrial Water Sales:			6" Meters:		
Current Rate:			Current Rate:		
Commodity Per 1,000 Gal.	\$ 0.50	N/A	Monthly Basic Service Charge - Incl. 3,000 Gal.	\$10.00	NO CURRENT
Company Proposed Rate:			Commodity - Per 1,000 Gal. Over 3,000	\$1.94	NO CURRENT
Staff Proposed Rate:			Company Proposed Rate:		
Commodity Per 1,000 Gal.	\$ 0.5500	N/A	Monthly BSC - Incl. 2,000 Gal.	\$55.00	NO CURRENT
Staff Proposed Rate:			Commodity - Per 1,000 Gal.:		
Staff Proposed Rate:			0-2,000 Gal.	no charge	NO CURRENT
Commodity Per 1,000 Gal.	\$ 0.5500	N/A	2,000-100,000 Gal.	\$1.95	NO CURRENT
			Over 100,000 Gal.	\$2.20	NO CURRENT
			Staff Proposed Rate:		
			Monthly BSC - No usage incl.	\$147.75	\$147.75
			Commodity - Per 1,000 Gal.:		
			0-3,000 Gal.	\$0.85	\$0.85
			3,001-245,000 Gal.	\$1.60	\$1.36
			Over 245,000 Gal.	\$2.18	\$1.94

----- STEP 2 -----

STEP 2 WATER RATE RECOMMENDATIONS - CURRENT AND PROPOSED WATER RATES

5/8" - 3/4" Meters:		MORENCI	CLIFTON	1" Meters:		MORENCI	CLIFTON
Current Rate:				Current Rate:			
Monthly BSC - Incl. 3,000 Gal.	\$	10.00	\$ 10.00	Monthly BSC - Incl. 3,000 Gal.		\$10.00	\$10.00
Commodity - Per 1,000 Gal. Over 3,000	\$	1.94	\$ 1.63	Commodity - Per 1,000 Gal. Over 3,000		\$1.94	\$1.63
Company Proposed Rate:				Company Proposed Rate:			
Monthly BSC - Incl. 1,000 Gal.	\$	10.00	\$ 10.00	Monthly BSC - Incl. 1,000 Gal.		\$10.00	\$10.00
Commodity - Per 1,000 Gal.:				Commodity - Per 1,000 Gal.:			
0-1,000 Gal.		no charge	no charge	0-1,000 Gal.		no charge	no charge
1,001-10,000 Gal.	\$	2.00	\$ 1.70	1,001-10,000 Gal.		\$2.00	\$1.70
Over 10,000 Gal.	\$	2.46	\$ 2.20	Over 10,000 Gal.		\$2.46	\$2.20
Staff Proposed Rate:				Staff Proposed Rate:			
Monthly BSC - No usage incl.	\$	9.75	\$ 9.75	Monthly BSC - No usage incl.		\$10.75	\$10.75
Commodity - Per 1,000 Gal.:				Commodity - Per 1,000 Gal.:			
0-3,000 Gal.	\$	0.85	\$ 0.85	0-3,000 Gal.		\$0.85	\$0.85
3,001-8,000 Gal.	\$	1.96	\$ 1.69	3,001-10,000 Gal.		\$1.96	\$1.69
Over 8,000 Gal.	\$	2.54	\$ 2.27	Over 10,000 Gal.		\$2.54	\$2.27
1 1/2" Meters:		MORENCI	CLIFTON	2" Meters:		MORENCI	CLIFTON
Current Rate:				Current Rate:			
Monthly BSC - Incl. 3,000 Gal.	\$	10.00	\$10.00	Monthly BSC - Incl. 3,000 Gal.		\$10.00	\$10.00
Commodity - Per 1,000 Gal. Over 3,000	\$	1.94	\$1.63	Commodity - Per 1,000 Gal. Over 3,000		\$1.94	\$1.63
Company Proposed Rate:				Company Proposed Rate:			
Monthly BSC - Incl. 1,000 Gal.	\$	25.00	\$25.00	Monthly BSC - Incl. 1,000 Gal.		\$28.00	\$33.00
Commodity - Per 1,000 Gal.:				Commodity - Per 1,000 Gal.:			
0-1,000 Gal.	\$	0.00	no charge	0-1,000 Gal.		no charge	no charge
1,001-50,000 Gal.	\$	2.00	\$1.70	1,001-100,000 Gal.		\$2.00	\$1.70
Over 50,000 Gal.	\$	2.46	\$2.20	Over 100,000 Gal.		\$2.46	\$2.20
Staff Proposed Rate:				Staff Proposed Rate:			
Monthly BSC - No usage incl.	\$	26.50	\$26.50	Monthly BSC - No usage incl.		\$43.00	\$43.00
Commodity - Per 1,000 Gal.:				Commodity - Per 1,000 Gal.:			
0-3,000 Gal.	\$	0.85	\$0.85	0-3,000 Gal.		\$0.85	\$0.85
3,001-37,000 Gal.	\$	1.96	\$1.69	3,001-65,000 Gal.		\$1.96	\$1.69
Over 37,000 Gal.	\$	2.54	\$2.27	Over 65,000 Gal.		\$2.54	\$2.27

----- STEP 2 -----

STEP 2 WATER RATE RECOMMENDATIONS - CURRENT AND PROPOSED WATER RATES

3" Meters:		MORENCI	CLIFTON	4" Meters:		MORENCI	CLIFTON
Current Rate:				Current Rate:			
Monthly BSC - Incl. 3,000 Gal.		\$10.00	\$10.00	Monthly BSC - Incl. 3,000 Gal.		\$10.00	NO CURRENT
Commodity - Per 1,000 Gal. Over 3,000		\$1.94	\$1.63	Commodity - Per 1,000 Gal. Over 3,000		\$1.94	NO CURRENT
Company Proposed Rate:				Company Proposed Rate:			
Monthly BSC - Incl. 1,000 Gal.		\$49.00	\$49.00	Monthly BSC - Incl. 1,000 Gal.		\$70.00	NO CURRENT
Commodity - Per 1,000 Gal.:				Commodity - Per 1,000 Gal.:			
0-1,000 Gal.		no charge	no charge	0-1,000 Gal.		no charge	NO CURRENT
1,001-100,000 Gal.		\$2.00	\$1.70	1,001-100,000 Gal.		\$2.00	NO CURRENT
Over 100,000 Gal.		\$2.46	\$2.20	Over 100,000 Gal.		\$2.46	NO CURRENT
Staff Proposed Rate:				Staff Proposed Rate:			
Monthly BSC - No usage incl.		\$68.00	\$68.00	Monthly BSC - No usage incl.		\$88.00	\$88.00
Commodity - Per 1,000 Gal.:				Commodity - Per 1,000 Gal.:			
0-3,000 Gal.		\$0.85	\$0.85	0-3,000 Gal.		\$0.85	\$0.85
3,001-108,000 Gal.		\$1.96	\$1.69	3,001-142,000 Gal.		\$1.96	\$1.69
Over 108,000 Gal.		\$2.54	\$2.27	Over 142,000 Gal.		\$2.54	\$2.27
Industrial Water Sales:				6" Meters:			
Current Rate:				Current Rate:			
Commodity Per 1,000 Gal.		\$ 0.50	N/A	Monthly BSC - Incl. 3,000 Gal.		\$10.00	NO CURRENT
Company Proposed Rate:				Commodity - Per 1,000 Gal. Over 3,000		\$1.94	NO CURRENT
Staff Proposed Rate:				Company Proposed Rate:			
Commodity Per 1,000 Gal.		\$ 0.6050	N/A	Monthly BSC - Incl. 1,000 Gal.		\$80.00	NO CURRENT
Staff Proposed Rate:				Commodity - Per 1,000 Gal.:			
Staff Proposed Rate:				0-1,000 Gal.		no charge	NO CURRENT
Commodity Per 1,000 Gal.		\$ 0.6050	N/A	1,001-100,000 Gal.		\$2.00	NO CURRENT
Staff Proposed Rate:				Over 100,000 Gal.		\$2.46	NO CURRENT
Commodity Per 1,000 Gal.		\$ 0.6050	N/A	Staff Proposed Rate:			
Staff Proposed Rate:				Monthly BSC - No usage incl.		\$148.00	\$148.00
Commodity Per 1,000 Gal.		\$ 0.6050	N/A	Commodity - Per 1,000 Gal.:			
				0-3,000 Gal.		\$0.85	\$0.85
				3,001-245,000 Gal.		\$1.96	\$1.69
				Over 245,000 Gal.		\$2.54	\$2.27

----- STEP 3 -----

STEP 3 WATER RATE RECOMMENDATIONS - CURRENT AND PROPOSED WATER RATES

5/8" - 3/4" Meters:		MORENCI	CLIFTON	1" Meters:		MORENCI	CLIFTON
Current Rate:				Current Rate:			
Monthly BSC - Incl. 3,000 Gal.	\$ 10.00	\$	\$ 10.00	Monthly BSC - Incl. 3,000 Gal.	\$10.00	\$	\$10.00
Commodity - Per 1,000 Gal. Over 3,000	\$ 1.94	\$	\$ 1.63	Commodity - Per 1,000 Gal. Over 3,000	\$1.94	\$	\$1.63
Company Proposed Rate:				Company Proposed Rate:			
Monthly BSC - No usage incl.	\$ 10.00	\$	\$ 10.00	Monthly BSC - No usage incl.	\$10.00	\$	\$10.00
Commodity - Per 1,000 Gal.:				Commodity - Per 1,000 Gal.:			
First 10,000 Gal.	\$ 2.05	\$	\$ 1.75	First 10,000 Gal.	\$2.05	\$	\$1.75
Over 10,000 Gal.	\$ 2.57	\$	\$ 2.40	Over 10,000 Gal.	\$2.57	\$	\$2.40
Staff Proposed Rate:				Staff Proposed Rate:			
Monthly BSC - No usage incl.	\$ 10.00	\$	\$ 10.00	Monthly BSC - No usage incl.	\$11.00	\$	\$11.00
Commodity - Per 1,000 Gal.:				Commodity - Per 1,000 Gal.:			
0-3,000 Gal.	\$ 0.85	\$	\$ 0.85	0-3,000 Gal.	\$0.85	\$	\$0.85
3,001-8,000 Gal.	\$ 2.27	\$	\$ 2.03	3,001-10,000 Gal.	\$2.27	\$	\$2.03
Over 8,000 Gal.	\$ 2.85	\$	\$ 2.61	Over 10,000 Gal.	\$2.85	\$	\$2.61
1 1/2" Meters:				2" Meters:			
Current Rate:				Current Rate:			
Monthly BSC - Incl. 3,000 Gal.	\$10.00	\$	\$10.00	Monthly BSC - Incl. 3,000 Gal.	\$10.00	\$	\$10.00
Commodity - Per 1,000 Gal. Over 3,000	\$1.94	\$	\$1.63	Commodity - Per 1,000 Gal. Over 3,000	\$1.94	\$	\$1.63
Company Proposed Rate:				Company Proposed Rate:			
Monthly BSC - No usage incl.	\$30.00	\$	\$35.00	Monthly BSC - No usage incl.	\$34.00	\$	\$42.00
Commodity - Per 1,000 Gal.:				Commodity - Per 1,000 Gal.:			
First 50,000 Gal.	\$2.05	\$	\$1.75	First 100,000 Gal.	\$2.05	\$	\$1.75
Over 50,000 Gal.	\$2.57	\$	\$2.40	Over 100,000 Gal.	\$2.57	\$	\$2.40
Staff Proposed Rate:				Staff Proposed Rate:			
Monthly BSC - No usage incl.	\$26.75	\$	\$26.75	Monthly BSC - No usage incl.	\$43.25	\$	\$30.17
Commodity - Per 1,000 Gal.:				Commodity - Per 1,000 Gal.:			
0-3,000 Gal.	\$0.85	\$	\$0.85	0-3,000 Gal.	\$0.85	\$	\$0.85
3,001-37,000 Gal.	\$2.27	\$	\$2.03	3,001-65,000 Gal.	\$2.27	\$	\$1.87
Over 37,000 Gal.	\$2.85	\$	\$2.61	Over 65,000 Gal.	\$2.85	\$	\$2.47

----- STEP 3 -----

STEP 3 WATER RATE RECOMMENDATIONS - CURRENT AND PROPOSED WATER RATES

3" Meters:	MORENCI	CLIFTON	4" Meters:	MORENCI	CLIFTON
Current Rate:			Current Rate:		
Monthly BSC - Incl. 3,000 Gal.	\$10.00	\$10.00	Monthly BSC - Incl. 3,000 Gal.	\$10.00	NO CURRENT
Commodity - Per 1,000 Gal. Over 3,000	\$1.94	\$1.63	Commodity - Per 1,000 Gal. Over 3,000	\$1.94	NO CURRENT
Company Proposed Rate:			Company Proposed Rate:		
Monthly BSC - No usage incl.	\$60.00	\$60.00	Monthly BSC - No usage incl.	\$76.00	NO CURRENT
Commodity - Per 1,000 Gal.:			Commodity - Per 1,000 Gal.:		
First 100,000 Gal.	\$2.05	\$1.75	First 100,000 Gal.	\$2.05	NO CURRENT
Over 100,000 Gal.	\$2.57	\$2.40	Over 100,000 Gal.	\$2.57	NO CURRENT
Staff Proposed Rate:			Staff Proposed Rate:		
Monthly BSC - No usage incl.	\$68.25	\$68.25	Monthly BSC - No usage incl.	\$88.25	\$88.25
Commodity - Per 1,000 Gal.:			Commodity - Per 1,000 Gal.:		
0-3,000 Gal.	\$0.85	\$0.85	0-3,000 Gal.	\$0.85	\$0.85
3,001-108,000 Gal.	\$2.27	\$2.03	3,001-142,000 Gal.	\$2.27	\$2.03
Over 108,000 Gal.	\$2.85	\$2.61	Over 142,000 Gal.	\$2.85	\$2.61
Industrial Water Sales:			6" Meters:		
Current Rate:			Current Rate:		
Commodity Per 1,000 Gal.	\$ 0.50	N/A	Monthly BSC - Incl. 3,000 Gal.	\$10.00	NO CURRENT
Company Proposed Rate:			Commodity - Per 1,000 Gal. Over 3,000	\$1.94	NO CURRENT
Staff Proposed Rate:	\$ 0.6655	N/A	Company Proposed Rate:		
Commodity Per 1,000 Gal.	\$ 0.6655	N/A	Monthly BSC - No usage incl.	\$100.00	NO CURRENT
Staff Proposed Rate:			Commodity - Per 1,000 Gal.:		
Staff Proposed Rate:	\$ 0.6655	N/A	First 100,000 Gal.	\$2.05	NO CURRENT
Commodity Per 1,000 Gal.	\$ 0.6655	N/A	Over 100,000 Gal.	\$2.57	NO CURRENT
			Staff Proposed Rate:		
			Monthly BSC - No usage incl.	\$148.25	\$148.25
			Commodity - Per 1,000 Gal.:		
			0-3,000 Gal.	\$0.85	\$0.85
			3,001-245,000 Gal.	\$2.27	\$2.03
			Over 245,000 Gal.	\$2.85	\$2.61

		STEP ONE				STEP TWO				STEP THREE			
		STAFF		PERCENT INCREASE		STAFF		PERCENT INCREASE		STAFF		PERCENT INCREASE	
METER SIZE	MONTHLY USAGE - GALLONS	PRESENT RATES	PROPOSED RATES	PERCENT INCREASE	STAFF STEP 1 PROPOSED RATES	STAFF STEP 2 PROPOSED RATES	STAFF STEP 1 PROPOSED RATES	PERCENT INCREASE FROM PRESENT RATES	STAFF STEP 2 PROPOSED RATES	PERCENT INCREASE FROM PRESENT RATES	STAFF STEP 3 PROPOSED RATES	STAFF STEP 2 PROPOSED RATES	PERCENT INCREASE FROM PRESENT RATES
5/8" Meters:	0	\$10.00	\$9.50	-5.00%	\$9.75	\$9.75	2.63%	-2.50%	\$10.00	2.56%	\$10.00	2.56%	0.00%
	1,000	\$10.00	\$10.35	3.50%	\$10.60	\$10.60	2.42%	6.00%	\$10.85	2.36%	\$10.85	2.36%	8.50%
	2,000	\$10.00	\$11.20	12.00%	\$11.45	\$11.45	2.23%	14.50%	\$11.70	2.18%	\$11.70	2.18%	17.00%
	3,000	\$10.00	\$12.05	20.50%	\$12.30	\$12.30	2.07%	23.00%	\$12.55	2.03%	\$12.55	2.03%	25.50%
	4,000	\$11.94	\$13.65	14.28%	\$14.26	\$14.26	4.50%	19.42%	\$14.82	3.93%	\$14.82	3.93%	24.12%
	5,000	\$13.88	\$15.24	9.80%	\$16.22	\$16.22	6.42%	16.84%	\$17.08	5.32%	\$17.08	5.32%	23.05%
	6,000	\$15.82	\$16.84	6.42%	\$18.18	\$18.18	7.97%	14.90%	\$19.35	6.45%	\$19.35	6.45%	22.31%
	7,000	\$17.76	\$18.43	3.77%	\$20.14	\$20.14	9.26%	13.38%	\$21.62	7.37%	\$21.62	7.37%	21.73%
	8,000	\$19.70	\$20.03	1.65%	\$22.10	\$22.10	10.34%	12.16%	\$23.89	8.12%	\$23.89	8.12%	21.27%
	9,000	\$21.64	\$22.20	2.59%	\$24.63	\$24.63	10.96%	13.84%	\$26.73	8.51%	\$26.73	8.51%	23.52%
	10,000	\$23.58	\$24.38	3.37%	\$27.17	\$27.17	11.48%	15.24%	\$29.58	8.86%	\$29.58	8.86%	25.45%
	15,000	\$33.28	\$35.25	5.92%	\$39.87	\$39.87	13.10%	19.80%	\$43.81	9.89%	\$43.81	9.89%	31.64%
	20,000	\$42.98	\$46.13	7.32%	\$52.56	\$52.56	13.96%	22.30%	\$58.05	10.44%	\$58.05	10.44%	35.06%
	25,000	\$52.68	\$57.00	8.20%	\$65.26	\$65.26	14.49%	23.88%	\$72.28	10.76%	\$72.28	10.76%	37.21%
	30,000	\$62.38	\$67.88	8.81%	\$77.95	\$77.95	14.85%	24.96%	\$86.52	10.99%	\$86.52	10.99%	38.70%
Average Usage	8,675	\$21.01	\$21.49	2.29%	\$23.81	\$23.81	10.80%	13.33%	\$25.81	8.39%	\$25.81	8.39%	22.83%
Median Usage	5,000	\$13.88	\$15.24	9.80%	\$16.22	\$16.22	6.42%	16.84%	\$17.08	5.32%	\$17.08	5.32%	23.05%
Rounded Avg Usage	9,000	\$21.64	\$22.20	2.59%	\$24.63	\$24.63	10.96%	13.84%	\$26.73	8.51%	\$26.73	8.51%	23.52%
Octiles													
1st (1/8 of bills <=)	0	\$10.00	\$9.50	-5.00%	\$9.75	\$9.75	2.63%	-2.50%	\$10.00	2.56%	\$10.00	2.56%	0.00%
2nd (1/4 of bills < or =)	2,000	\$10.00	\$11.20	12.00%	\$11.45	\$11.45	2.23%	14.50%	\$11.70	2.18%	\$11.70	2.18%	17.00%
3rd (3/8 of bills < or =)	4,000	\$11.94	\$13.65	14.28%	\$14.26	\$14.26	4.50%	19.42%	\$14.82	3.93%	\$14.82	3.93%	24.12%
4th (1/2 of bills < or =)	5,000	\$13.88	\$15.24	9.80%	\$16.22	\$16.22	6.42%	16.84%	\$17.08	5.32%	\$17.08	5.32%	23.05%
5th (5/8 of bills < or =)	7,000	\$17.76	\$18.43	3.77%	\$20.14	\$20.14	9.26%	13.38%	\$21.62	7.37%	\$21.62	7.37%	21.73%
6th (3/4 of bills < or =)	10,000	\$23.58	\$24.38	3.37%	\$27.17	\$27.17	11.48%	15.24%	\$29.58	8.86%	\$29.58	8.86%	25.45%
7th (7/8 of bills < or =)	15,000	\$33.28	\$35.25	5.92%	\$39.87	\$39.87	13.10%	19.80%	\$43.81	9.89%	\$43.81	9.89%	31.64%

NOTE: Bills Exclude Revenue Taxes

5/8" Meters:

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Staff Proposal

		STEP ONE				STEP TWO				STEP THREE			
		STAFF		PERCENT INCREASE		STAFF		PERCENT INCREASE FROM		STAFF		PERCENT INCREASE FROM	
METER SIZE	MONTHLY USAGE - GALLONS	PRESENT RATES	PROPOSED RATES	PERCENT INCREASE	STAFF STEP 1	STAFF STEP 2	PROPOSED RATES	STAFF STEP 1	PERCENT INCREASE FROM	STAFF STEP 2	STAFF STEP 3	PROPOSED RATES	PERCENT INCREASE FROM
1" Meters:	0	\$10.00	\$10.50	5.00%	\$10.75	\$10.75	2.38%	7.50%	\$11.00	2.33%	\$11.00	2.33%	10.00%
	1,000	\$10.00	\$11.35	13.50%	\$11.60	\$11.60	2.20%	16.00%	\$11.85	2.16%	\$11.85	2.16%	18.50%
	3,000	\$10.00	\$13.05	30.50%	\$13.30	\$13.30	1.92%	33.00%	\$13.55	1.88%	\$13.55	1.88%	35.50%
	5,000	\$13.88	\$16.24	17.00%	\$17.22	\$17.22	6.02%	24.05%	\$18.08	5.01%	\$18.08	5.01%	30.26%
	7,000	\$17.76	\$19.43	9.40%	\$21.14	\$21.14	8.78%	19.01%	\$22.62	7.02%	\$22.62	7.02%	27.36%
	10,000	\$23.58	\$24.22	2.69%	\$27.01	\$27.01	11.55%	14.56%	\$29.42	8.91%	\$29.42	8.91%	24.77%
	15,000	\$33.28	\$35.09	5.44%	\$39.71	\$39.71	13.16%	19.31%	\$43.65	9.93%	\$43.65	9.93%	31.16%
	25,000	\$52.68	\$56.84	7.90%	\$65.10	\$65.10	14.53%	23.57%	\$72.12	10.79%	\$72.12	10.79%	36.90%
	50,000	\$101.18	\$111.22	9.92%	\$128.57	\$128.57	15.61%	27.07%	\$143.30	11.45%	\$143.30	11.45%	41.63%
	75,000	\$149.68	\$165.59	10.63%	\$192.05	\$192.05	15.98%	28.31%	\$214.47	11.68%	\$214.47	11.68%	43.29%
Average Usage	26,733	\$56.04	\$60.61	8.15%	\$69.50	\$69.50	14.67%	24.01%	\$77.06	10.88%	\$77.06	10.88%	37.50%
Median Usage	4,500	\$12.91	\$15.44	19.62%	\$16.24	\$16.24	5.15%	25.78%	\$16.95	4.38%	\$16.95	4.38%	31.29%
Rounded Avg Usage	27,000	\$56.56	\$61.19	8.19%	\$70.18	\$70.18	14.69%	24.07%	\$77.82	10.89%	\$77.82	10.89%	37.59%
Ocrites													
1st (1/8 of bills <=)	0	\$10.00	\$10.50	5.00%	\$10.75	\$10.75	2.38%	7.50%	\$11.00	2.33%	\$11.00	2.33%	10.00%
2nd (1/4 of bills < or =)	0	\$10.00	\$10.50	5.00%	\$10.75	\$10.75	2.38%	7.50%	\$11.00	2.33%	\$11.00	2.33%	10.00%
3rd (3/8 of bills < or =)	1,000	\$10.00	\$11.35	13.50%	\$11.60	\$11.60	2.20%	16.00%	\$11.85	2.16%	\$11.85	2.16%	18.50%
4th (1/2 of bills < or =)	4,000	\$11.94	\$14.65	22.65%	\$15.26	\$15.26	4.19%	27.80%	\$15.82	3.68%	\$15.82	3.68%	32.50%
5th (5/8 of bills < or =)	8,000	\$19.70	\$21.03	6.73%	\$23.10	\$23.10	9.85%	17.23%	\$24.89	7.77%	\$24.89	7.77%	26.35%
6th (3/4 of bills < or =)	18,000	\$39.10	\$41.62	6.43%	\$47.33	\$47.33	13.72%	21.04%	\$52.20	10.30%	\$52.20	10.30%	33.50%
7th (7/8 of bills < or =)	51,000	\$103.12	\$113.39	9.96%	\$131.11	\$131.11	15.63%	27.15%	\$146.15	11.47%	\$146.15	11.47%	41.73%

NOTE: Bills Exclude Revenue Taxes

1" Meters:

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Staff Proposal

		STEP ONE				STEP TWO				STEP THREE			
		STAFF STEP 1 PROPOSED RATES	PERCENT INCREASE	STAFF STEP 2 PROPOSED RATES	PERCENT INCREASE from STAFF STEP 1 PROPOSED RATES	STAFF STEP 2 PROPOSED RATES	PERCENT INCREASE FROM STAFF STEP 1 PROPOSED RATES	STAFF STEP 3 PROPOSED RATES	PERCENT INCREASE FROM STAFF STEP 2 PROPOSED RATES	STAFF STEP 2 PROPOSED RATES	PERCENT INCREASE FROM STAFF STEP 2 PROPOSED RATES	STAFF STEP 3 PROPOSED RATES	PERCENT INCREASE FROM STAFF STEP 3 PROPOSED RATES
METER SIZE	MONTHLY USAGE - GALLONS	PRESENT RATES	PERCENT INCREASE	STAFF STEP 1 PROPOSED RATES	PERCENT INCREASE	STAFF STEP 2 PROPOSED RATES	PERCENT INCREASE from STAFF STEP 1 PROPOSED RATES	STAFF STEP 2 PROPOSED RATES	PERCENT INCREASE FROM STAFF STEP 1 PROPOSED RATES	STAFF STEP 3 PROPOSED RATES	PERCENT INCREASE FROM STAFF STEP 2 PROPOSED RATES	STAFF STEP 3 PROPOSED RATES	PERCENT INCREASE FROM STAFF STEP 3 PROPOSED RATES
1 1/2" Meters:	0	\$10.00	162.50%	\$26.25	162.50%	\$26.50	0.95%	\$26.50	165.00%	\$26.75	0.94%	\$26.75	167.50%
	10,000	\$23.58	69.49%	\$39.97	69.49%	\$42.76	7.00%	\$42.76	81.35%	\$45.17	5.63%	\$45.17	91.56%
	20,000	\$42.98	30.10%	\$55.92	30.10%	\$62.35	11.51%	\$62.35	45.07%	\$67.84	8.80%	\$67.84	57.84%
	30,000	\$62.38	15.21%	\$71.87	15.21%	\$81.94	14.02%	\$81.94	31.36%	\$90.51	10.45%	\$90.51	45.09%
	40,000	\$81.78	9.51%	\$89.56	9.51%	\$103.27	15.32%	\$103.27	26.28%	\$114.92	11.28%	\$114.92	40.52%
	50,000	\$101.18	10.01%	\$111.31	10.01%	\$128.66	15.59%	\$128.66	27.16%	\$143.39	11.45%	\$143.39	41.72%
	75,000	\$149.68	10.69%	\$165.68	10.69%	\$192.14	15.97%	\$192.14	28.37%	\$214.56	11.67%	\$214.56	43.35%
	100,000	\$198.18	11.04%	\$220.06	11.04%	\$255.61	16.16%	\$255.61	28.98%	\$285.74	11.79%	\$285.74	44.18%
	125,000	\$246.68	11.25%	\$274.43	11.25%	\$319.09	16.27%	\$319.09	29.35%	\$356.91	11.85%	\$356.91	44.69%
	150,000	\$295.18	11.39%	\$328.81	11.39%	\$382.56	16.35%	\$382.56	29.60%	\$428.09	11.90%	\$428.09	45.03%
Average Usage	68,508	\$137.09	10.56%	\$151.56	10.56%	\$175.65	15.90%	\$175.65	28.14%	\$196.08	11.63%	\$196.08	43.03%
Median Usage	15,000	\$33.28	44.05%	\$47.94	44.05%	\$52.56	9.63%	\$52.56	57.93%	\$56.50	7.50%	\$56.50	69.77%
Rounded Avg Usage	69,000	\$138.04	10.57%	\$152.63	10.57%	\$176.90	15.90%	\$176.90	28.15%	\$197.48	11.63%	\$197.48	43.06%
Octiles													
1st (1/8 of bills <=)	0	\$10.00	162.50%	\$26.25	162.50%	\$26.50	0.95%	\$26.50	165.00%	\$26.75	0.94%	\$26.75	167.50%
2nd (1/4 of bills < or =)	6,000	\$15.82	112.29%	\$33.59	112.29%	\$34.93	4.00%	\$34.93	120.78%	\$36.10	3.36%	\$36.10	128.19%
3rd (3/8 of bills < or =)	13,000	\$29.40	52.21%	\$44.75	52.21%	\$48.64	8.69%	\$48.64	65.44%	\$51.97	6.85%	\$51.97	76.77%
4th (1/2 of bills < or =)	15,000	\$33.28	44.05%	\$47.94	44.05%	\$52.56	9.63%	\$52.56	57.93%	\$56.50	7.50%	\$56.50	69.77%
5th (5/8 of bills < or =)	52,000	\$105.06	10.08%	\$115.66	10.08%	\$133.74	15.64%	\$133.74	27.30%	\$149.08	11.47%	\$149.08	41.90%
6th (3/4 of bills < or =)	87,000	\$172.96	10.88%	\$191.78	10.88%	\$222.61	16.07%	\$222.61	28.70%	\$248.73	11.74%	\$248.73	43.81%
7th (7/8 of bills < or =)	130,000	\$256.38	11.28%	\$285.31	11.28%	\$331.78	16.29%	\$331.78	29.41%	\$371.15	11.87%	\$371.15	44.77%

NOTE: Bills Exclude Revenue Taxes

1 1/2" Meters:

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Staff Proposal

BILL COMPARISON - STAFF		STEP ONE				STEP TWO				STEP THREE				
METER SIZE	MONTHLY USAGE - GALLONS	STAFF STEP 1		PERCENT INCREASE	STAFF STEP 2		PERCENT INCREASE FROM	STAFF STEP 3		PERCENT INCREASE FROM	STAFF STEP 2		PERCENT INCREASE FROM	
		PRESENT RATES	PROPOSED RATES		PROPOSED RATES	PROPOSED RATES		PROPOSED RATES	PROPOSED RATES		PROPOSED RATES	PROPOSED RATES		
NOTE: Bills Exclude Revenue Taxes														
2" Meters:	0	\$10.00	\$42.75	327.50%	\$43.00	0.58%	330.00%	\$43.25	0.58%	332.50%	\$43.25	0.58%	332.50%	
	10,000	\$23.58	\$56.47	139.46%	\$59.26	4.96%	151.33%	\$61.67	4.06%	161.54%	\$61.67	4.06%	161.54%	
	20,000	\$42.98	\$72.42	68.49%	\$78.85	8.89%	83.46%	\$84.34	6.96%	96.23%	\$84.34	6.96%	96.23%	
	30,000	\$62.38	\$88.37	41.66%	\$98.44	11.40%	57.81%	\$107.01	8.70%	71.55%	\$107.01	8.70%	71.55%	
	40,000	\$81.78	\$104.32	27.56%	\$118.03	13.15%	44.33%	\$129.68	9.87%	58.57%	\$129.68	9.87%	58.57%	
	50,000	\$101.18	\$120.27	18.86%	\$137.62	14.43%	36.02%	\$152.35	10.70%	50.57%	\$152.35	10.70%	50.57%	
	75,000	\$149.68	\$165.94	10.86%	\$192.40	15.94%	28.54%	\$214.82	11.65%	43.52%	\$214.82	11.65%	43.52%	
	100,000	\$198.18	\$220.32	11.17%	\$255.87	16.14%	29.11%	\$286.00	11.77%	44.31%	\$286.00	11.77%	44.31%	
	125,000	\$246.68	\$274.69	11.35%	\$319.35	16.26%	29.46%	\$357.17	11.84%	44.79%	\$357.17	11.84%	44.79%	
	150,000	\$295.18	\$329.07	11.48%	\$382.82	16.34%	29.69%	\$428.35	11.89%	45.11%	\$428.35	11.89%	45.11%	
Average Usage	38,988	\$79.82	\$102.70	28.67%	\$116.05	13.00%	45.40%	\$127.38	9.76%	59.59%	\$127.38	9.76%	59.59%	
Median Usage	14,000	\$31.34	\$62.85	100.53%	\$67.10	6.77%	114.10%	\$70.74	5.43%	125.72%	\$70.74	5.43%	125.72%	
Rounded Avg Usage	39,000	\$79.84	\$102.72	28.66%	\$116.07	13.00%	45.38%	\$127.41	9.77%	59.58%	\$127.41	9.77%	59.58%	
Ocrites														
1st (1/8 of bills <=)	1,000	\$10.00	\$43.60	336.00%	\$43.85	0.57%	338.50%	\$44.10	0.57%	341.00%	\$44.10	0.57%	341.00%	
2nd (1/4 of bills < or =)	3,000	\$10.00	\$45.30	353.00%	\$45.55	0.55%	355.50%	\$45.80	0.55%	358.00%	\$45.80	0.55%	358.00%	
3rd (3/8 of bills < or =)	8,000	\$19.70	\$53.28	170.43%	\$55.35	3.89%	180.94%	\$57.14	3.24%	190.05%	\$57.14	3.24%	190.05%	
4th (1/2 of bills < or =)	12,000	\$27.46	\$59.66	117.24%	\$63.18	5.91%	130.08%	\$66.20	4.78%	141.08%	\$66.20	4.78%	141.08%	
5th (5/8 of bills < or =)	21,000	\$44.92	\$74.01	64.76%	\$80.81	9.19%	79.90%	\$86.61	7.17%	92.81%	\$86.61	7.17%	92.81%	
6th (3/4 of bills < or =)	49,000	\$99.24	\$118.67	19.58%	\$135.66	14.32%	36.70%	\$150.08	10.63%	51.23%	\$150.08	10.63%	51.23%	
7th (7/8 of bills < or =)	108,000	\$213.70	\$237.72	11.24%	\$276.19	16.18%	29.24%	\$308.78	11.80%	44.49%	\$308.78	11.80%	44.49%	

NOTE: Bills Exclude Revenue Taxes

2" Meters:

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Staff Proposal

Ocrites

BILL COMPARISON - STAFF		STEP ONE				STEP TWO				STEP THREE			
METER SIZE	MONTHLY USAGE - GALLONS	PRESENT RATES	STAFF PROPOSED RATES	PERCENT INCREASE	STAFF STEP 1 PROPOSED RATES	STAFF STEP 2 PROPOSED RATES	STAFF STEP 3 PROPOSED RATES	PERCENT INCREASE FROM PRESENT RATES	PERCENT INCREASE FROM PRESENT RATES	STAFF STEP 1 PROPOSED RATES	STAFF STEP 2 PROPOSED RATES	STAFF STEP 3 PROPOSED RATES	PERCENT INCREASE FROM PRESENT RATES
3" Meters:	0	\$10.00	\$67.75	577.50%	\$68.00	\$68.00	\$68.25	0.37%	580.00%	\$68.00	\$68.25	\$68.25	0.37%
	20,000	\$42.98	\$97.42	126.65%	\$103.85	\$103.85	\$109.34	6.61%	141.63%	\$103.85	\$109.34	\$109.34	5.28%
	40,000	\$81.78	\$129.32	58.13%	\$143.03	\$143.03	\$154.68	10.61%	74.90%	\$143.03	\$154.68	\$154.68	8.14%
	60,000	\$120.58	\$161.22	33.70%	\$182.21	\$182.21	\$200.02	13.02%	51.11%	\$182.21	\$200.02	\$200.02	9.77%
	80,000	\$159.38	\$193.12	21.17%	\$221.39	\$221.39	\$245.36	14.64%	38.91%	\$221.39	\$245.36	\$245.36	10.83%
	100,000	\$198.18	\$225.02	13.54%	\$260.57	\$260.57	\$290.70	15.80%	31.48%	\$260.57	\$290.70	\$290.70	11.56%
	125,000	\$246.68	\$274.75	11.38%	\$319.41	\$319.41	\$357.23	16.25%	29.48%	\$319.41	\$357.23	\$357.23	11.84%
	150,000	\$295.18	\$329.13	11.50%	\$382.88	\$382.88	\$428.41	16.33%	29.71%	\$382.88	\$428.41	\$428.41	11.89%
	200,000	\$392.18	\$437.88	11.65%	\$509.83	\$509.83	\$570.76	16.43%	30.00%	\$509.83	\$570.76	\$570.76	11.95%
	300,000	\$586.18	\$655.38	11.80%	\$763.73	\$763.73	\$855.46	16.53%	30.29%	\$763.73	\$855.46	\$855.46	12.01%
Average Usage	176,050	\$345.72	\$385.78	11.59%	\$449.02	\$449.02	\$502.57	16.39%	29.88%	\$449.02	\$502.57	\$502.57	11.92%
Median Usage	56,000	\$112.82	\$154.84	37.24%	\$174.38	\$174.38	\$190.95	12.62%	54.56%	\$174.38	\$190.95	\$190.95	9.50%
Rounded Avg Usage	176,000	\$345.62	\$385.68	11.59%	\$448.90	\$448.90	\$502.43	16.39%	29.88%	\$448.90	\$502.43	\$502.43	11.93%
Octiles													
1st (1/8 of bills <=)	15,000	\$33.28	\$89.44	168.75%	\$94.06	\$94.06	\$98.00	5.16%	182.63%	\$94.06	\$98.00	\$98.00	4.19%
2nd (1/4 of bills < or =)	27,000	\$56.56	\$108.58	91.97%	\$117.57	\$117.57	\$125.21	8.28%	107.86%	\$117.57	\$125.21	\$125.21	6.50%
3rd (3/8 of bills < or =)	36,000	\$74.02	\$122.94	66.08%	\$135.20	\$135.20	\$145.61	9.97%	82.65%	\$135.20	\$145.61	\$145.61	7.70%
4th (1/2 of bills < or =)	56,000	\$112.82	\$154.84	37.24%	\$174.38	\$174.38	\$190.95	12.62%	54.56%	\$174.38	\$190.95	\$190.95	9.50%
5th (5/8 of bills < or =)	124,000	\$244.74	\$272.58	11.37%	\$316.87	\$316.87	\$354.39	16.25%	29.47%	\$316.87	\$354.39	\$354.39	11.84%
6th (3/4 of bills < or =)	205,000	\$401.88	\$448.75	11.66%	\$522.53	\$522.53	\$584.99	16.44%	30.02%	\$522.53	\$584.99	\$584.99	11.95%
7th (7/8 of bills < or =)	286,000	\$559.02	\$624.93	11.79%	\$728.19	\$728.19	\$815.60	16.52%	30.26%	\$728.19	\$815.60	\$815.60	12.00%

NOTE: Bills Exclude Revenue Taxes

3" Meters:

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Staff Proposal

		STEP ONE				STEP TWO				STEP THREE				
		STAFF		PERCENT INCREASE		STAFF		PERCENT INCREASE from		STAFF		PERCENT INCREASE FROM		
METER SIZE	MONTHLY USAGE - GALLONS	PRESENT RATES	PROPOSED RATES	PERCENT INCREASE	STAFF STEP 1	PROPOSED RATES	STAFF STEP 2	PROPOSED RATES	STAFF STEP 1	PROPOSED RATES	STAFF STEP 3	PROPOSED RATES	STAFF STEP 2	PROPOSED RATES
4" Meters:	0	\$10.00	\$87.75	777.50%	\$88.00	\$88.00	\$88.25	0.28%	780.00%	\$88.25	\$88.25	\$88.25	0.28%	782.50%
	10,000	\$23.58	\$101.47	330.30%	\$104.26	\$104.26	\$106.67	2.76%	342.17%	\$106.67	\$106.67	\$106.67	2.31%	352.37%
	20,000	\$42.98	\$117.42	173.19%	\$123.85	\$123.85	\$129.34	5.48%	188.16%	\$129.34	\$129.34	\$129.34	4.43%	200.93%
	30,000	\$62.38	\$133.37	113.79%	\$143.44	\$143.44	\$152.01	7.56%	129.95%	\$152.01	\$152.01	\$152.01	5.97%	143.68%
	40,000	\$81.78	\$149.32	82.58%	\$163.03	\$163.03	\$174.68	9.19%	99.36%	\$174.68	\$174.68	\$174.68	7.14%	113.60%
	50,000	\$101.18	\$165.27	63.34%	\$182.62	\$182.62	\$197.35	10.50%	80.49%	\$197.35	\$197.35	\$197.35	8.06%	95.05%
	75,000	\$149.68	\$205.14	37.05%	\$231.60	\$231.60	\$254.02	12.90%	54.73%	\$254.02	\$254.02	\$254.02	9.68%	69.71%
	100,000	\$198.18	\$245.02	23.63%	\$280.57	\$280.57	\$310.70	14.51%	41.57%	\$310.70	\$310.70	\$310.70	10.74%	56.78%
	125,000	\$246.68	\$284.89	15.49%	\$329.55	\$329.55	\$367.37	15.68%	33.59%	\$367.37	\$367.37	\$367.37	11.48%	48.93%
	150,000	\$295.18	\$329.41	11.59%	\$383.16	\$383.16	\$428.69	16.32%	29.81%	\$428.69	\$428.69	\$428.69	11.88%	45.23%
Average Usage	38,988	\$79.82	\$147.70	85.05%	\$161.05	\$161.05	\$172.38	9.04%	101.78%	\$172.38	\$172.38	\$172.38	7.03%	115.97%
Median Usage	14,000	\$31.34	\$107.85	244.11%	\$112.10	\$112.10	\$115.74	3.94%	257.69%	\$115.74	\$115.74	\$115.74	3.25%	269.30%
Rounded Avg Usage	39,000	\$79.84	\$147.72	85.02%	\$161.07	\$161.07	\$172.41	9.04%	101.75%	\$172.41	\$172.41	\$172.41	7.04%	115.94%

NOTE: Bills Exclude Revenue Taxes

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Staff Proposal

BILL COMPARISON - STAFF		STEP ONE				STEP TWO				STEP THREE			
METER SIZE	MONTHLY USAGE - GALLONS	STAFF STEP 1		STAFF STEP 2		STAFF STEP 1		STAFF STEP 2		STAFF STEP 3		STAFF STEP 2	
		PRESENT RATES	PROPOSED RATES	PERCENT INCREASE	PERCENT INCREASE	PROPOSED RATES							
	0	\$10.00	\$147.75	1377.50%	\$148.00	0.17%	1380.00%	\$148.25	0.17%	1382.50%			
	20,000	\$42.98	\$177.42	312.79%	\$183.85	3.63%	327.76%	\$189.34	2.98%	340.53%			
	40,000	\$81.78	\$209.32	155.95%	\$223.03	6.55%	172.72%	\$234.68	5.22%	186.97%			
	60,000	\$120.58	\$241.22	100.05%	\$262.21	8.71%	117.46%	\$280.02	6.79%	132.23%			
	80,000	\$159.38	\$273.12	71.36%	\$301.39	10.35%	89.10%	\$325.36	7.95%	104.14%			
	100,000	\$198.18	\$305.02	53.91%	\$340.57	11.66%	71.85%	\$370.70	8.85%	87.05%			
	125,000	\$246.68	\$344.89	39.81%	\$389.55	12.95%	57.92%	\$427.37	9.71%	73.25%			
	150,000	\$295.18	\$384.77	30.35%	\$438.52	13.97%	48.56%	\$484.05	10.38%	63.98%			
	175,000	\$343.68	\$424.64	23.56%	\$487.50	14.80%	41.85%	\$540.72	10.92%	57.33%			
	200,000	\$392.18	\$464.52	18.44%	\$536.47	15.49%	36.79%	\$597.40	11.36%	52.33%			
Average Usage	176,050	\$345.72	\$426.31	23.31%	\$489.55	14.83%	41.61%	\$543.10	10.94%	57.09%			
Median Usage	60,000	\$120.58	\$241.22	100.05%	\$262.21	8.71%	117.46%	\$280.02	6.79%	132.23%			
Rounded Avg Usage	176,000	\$345.62	\$426.24	23.32%	\$489.46	14.83%	41.62%	\$542.99	10.94%	57.11%			

NOTE: Bills Exclude Revenue Taxes

6" Meters:

Morenci

Staff Proposal

BILL COMPARISON - STAFF		STEP ONE				STEP TWO				STEP THREE			
METER SIZE	MONTHLY USAGE - GALLONS	STAFF	PERCENT INCREASE	STAFF	PERCENT INCREASE	STAFF	PERCENT INCREASE	STAFF	PERCENT INCREASE	STAFF	PERCENT INCREASE	STAFF	PERCENT INCREASE
		STEP 1 PROPOSED RATES	FROM STEP 1 PROPOSED RATES	STEP 2 PROPOSED RATES	FROM STEP 2 PROPOSED RATES	STEP 3 PROPOSED RATES	FROM STEP 3 PROPOSED RATES	PROPOSED RATES	FROM PROPOSED RATES	PROPOSED RATES	FROM PROPOSED RATES	PROPOSED RATES	FROM PROPOSED RATES
NOTE: Bills Exclude Revenue Taxes													
	0	\$10.00	162.50%	\$26.25	0.95%	\$26.50	165.00%	\$26.75	0.94%	\$26.75	167.50%	\$26.75	167.50%
	10,000	\$21.41	78.82%	\$38.29	6.83%	\$40.90	91.03%	\$43.49	6.33%	\$43.49	103.12%	\$43.49	103.12%
	20,000	\$37.71	52.84%	\$57.64	10.40%	\$63.63	68.74%	\$69.56	9.32%	\$69.56	84.46%	\$69.56	84.46%
	30,000	\$54.01	42.54%	\$76.99	12.18%	\$86.36	59.90%	\$95.63	10.73%	\$95.63	77.06%	\$95.63	77.06%
	40,000	\$70.31	37.01%	\$96.34	13.24%	\$109.09	55.16%	\$121.70	11.56%	\$121.70	73.09%	\$121.70	73.09%
	50,000	\$86.61	33.57%	\$115.69	13.95%	\$131.82	52.20%	\$147.77	12.10%	\$147.77	70.61%	\$147.77	70.61%
	75,000	\$127.36	28.82%	\$164.06	14.99%	\$188.65	48.12%	\$212.94	12.88%	\$212.94	67.20%	\$212.94	67.20%
	100,000	\$168.11	26.37%	\$212.44	15.55%	\$245.47	46.02%	\$278.12	13.30%	\$278.12	65.44%	\$278.12	65.44%
	125,000	\$208.86	24.87%	\$260.81	15.91%	\$302.30	44.74%	\$343.29	13.56%	\$343.29	64.37%	\$343.29	64.37%
	150,000	\$249.61	23.87%	\$309.19	16.15%	\$359.12	43.87%	\$408.47	13.74%	\$408.47	63.64%	\$408.47	63.64%
	38,450	\$67.78	37.70%	\$93.34	13.11%	\$105.57	55.75%	\$117.66	11.45%	\$117.66	73.58%	\$117.66	73.58%
	30,000	\$54.01	42.54%	\$76.99	12.18%	\$86.36	59.90%	\$95.63	10.73%	\$95.63	77.06%	\$95.63	77.06%
	38,000	\$67.05	37.90%	\$92.47	13.07%	\$104.55	55.93%	\$116.49	11.42%	\$116.49	73.73%	\$116.49	73.73%
	12,000	\$24.67	70.88%	\$42.16	7.82%	\$45.45	84.23%	\$48.70	7.16%	\$48.70	97.42%	\$48.70	97.42%
	22,000	\$40.97	50.12%	\$61.51	10.85%	\$68.18	66.41%	\$74.77	9.67%	\$74.77	82.51%	\$74.77	82.51%
	28,000	\$50.75	44.07%	\$73.12	11.91%	\$81.82	61.22%	\$90.42	10.50%	\$90.42	78.16%	\$90.42	78.16%
	35,000	\$62.16	39.41%	\$86.66	12.77%	\$97.73	57.22%	\$108.66	11.19%	\$108.66	74.81%	\$108.66	74.81%
	38,000	\$67.05	37.90%	\$92.47	13.07%	\$104.55	55.93%	\$116.49	11.42%	\$116.49	73.73%	\$116.49	73.73%
	42,000	\$73.57	36.20%	\$100.21	13.41%	\$113.64	54.47%	\$126.91	11.68%	\$126.91	72.51%	\$126.91	72.51%
	52,000	\$89.87	33.03%	\$119.56	14.06%	\$136.37	51.74%	\$152.98	12.18%	\$152.98	70.23%	\$152.98	70.23%
	Ortiles												
	1st (1/8 of bills <=)												
	2nd (1/4 of bills < or =)												
	3rd (3/8 of bills < or =)												
	4th (1/2 of bills < or =)												
	5th (5/8 of bills < or =)												
	6th (3/4 of bills < or =)												
	7th (7/8 of bills < or =)												

1 1/2" Meters:

Clifton

Staff Proposal

Morenci Water & Electric Company - Water Department
Docket No. W-01049A-11-0311
Test Year Ended December 31, 2010

SUMMARY OF REVENUES AT PRESENT AND PROPOSED RATES / COMPANY & STAFF PROPOSALS

METER SIZE	AVG NO. OF CUST	MONTHLY USAGE - GAL.	PRESENT REVENUES (1)	COMPANY PROPOSAL			STAFF PROPOSAL		
				STEP 1 PROPOSED REVENUES (2)	STEP 1 \$ INCREASE W/ COMPANY PROPOSAL	STEP 1 % INCREASE W/ COMPANY PROPOSAL	STEP 1 PROPOSED REVENUES (2)	STEP 1 \$ INCREASE W/ STAFF PROPOSAL	STEP 1 % INCREASE W/ STAFF PROPOSAL
MORENCI									
Residential & Commercial Water Sales:									
5/8" Meters	1,215	8,675	\$321,210	\$353,213	\$32,003	9.96%	\$342,127	\$20,917	6.51%
1" Meters	13	26,733	\$8,657	\$9,733	\$1,076	12.43%	\$9,673	\$1,016	11.74%
1 1/2" Meters	1	68,508	\$1,656	\$202	\$202	12.20%	\$1,922	\$266	16.06%
2" Meters	40	38,989	\$38,808	\$45,248	\$6,440	16.59%	\$53,420	\$14,612	37.65%
3" Meters	8	176,050	\$32,861	\$38,231	\$5,370	16.34%	\$38,988	\$6,127	18.65%
4" Meters	2	379	\$240	\$1,080	\$840	350.00%	\$2,106	\$1,866	777.50%
6" Meters	1	0	\$120	\$660	\$540	450.00%	\$1,773	\$1,653	1377.50%
Total R&C Sales	1,280		\$403,552	\$450,023	\$46,471	11.52%	\$450,009	\$46,457	11.51%
Industrial Water Sales			\$156,872.00	\$172,559.00	\$15,687.00	10.00%	\$172,559	\$15,687	10.00%
Other Water Revenues			22,772	22,772	\$0.00	0.00%	22,772	-	0.00%
Total Water Revenues			\$583,196.00	\$645,354.00	\$62,158.00	10.66%	\$645,340	\$62,144.16	10.66%
CLIFTON									
Residential & Commercial Water Sales:									
5/8" Meters	624	7,268	\$136,281.00	\$150,762.00	\$14,481.00	10.63%	\$148,197	\$11,916	8.74%
3/4" Meters	4	6,925	619	664	\$45.00	7.27%	653	34	5.44%
1" Meters	19	7,979	4,478	4,967	\$489.00	10.92%	4,800	322	7.19%
1 1/2" Meters	1	38,450	813	912	\$99.00	12.18%	973	160	19.62%
2" Meters	12	64,883	16,130	19,070	\$2,940.00	18.23%	21,582	5,452	33.80%
3" Meters	3	103,328	6,247	7,541	\$1,294.00	20.71%	8,102	1,855	29.70%
Total R&C Sales	663		\$164,568.00	\$183,916.00	\$19,348.00	11.76%	\$184,306	\$19,738.35	11.99%
Other Water Revenues			10,050	10,050	\$0.00	0.00%	10,050	-	0.00%
Total Water Revenues			\$174,618.00	\$193,966.00	\$19,348.00	11.08%	\$194,356	\$19,738.35	11.30%
Total Co R&C Sales			\$568,120	\$633,939	\$65,819	11.59%	\$634,315	\$66,195	11.65%
Total Industrial			\$156,872	\$172,559	\$15,687	10.00%	\$172,559	\$15,687	10.00%
Total Other Water Revenues			\$32,822	\$32,822	-	0.00%	\$32,822	-	0.00%
Grand Total Water Revenues			\$757,814	\$839,320	\$81,506	10.76%	\$839,697	\$81,883	10.81%

NOTES:
(1) Adjusted Revenues Excluding Jobbing Revenues & Hydrant Maintenance Charges
(2) at Step 1 Rates

SUMMARY OF REVENUES AT PRESENT AND PROPOSED RATES / COMPANY & STAFF PROPOSALS

METER SIZE	AVG NO. OF CUST	MONTHLY USAGE - GAL.	PRESENT REVENUES (1)	COMPANY PROPOSAL			STAFF PROPOSAL		
				STEP 2 PROPOSED REVENUES (2)	STEP 2 \$ INCREASE W/ COMPANY PROPOSAL	STEP 2 % INCREASE W/ COMPANY PROPOSAL	STEP 2 PROPOSED REVENUES (2)	STEP 2 \$ INCREASE W/ STAFF PROPOSAL	STEP 2 % INCREASE W/ STAFF PROPOSAL
MORENCI									
Residential & Commercial Water Sales:									
5/8" Meters	1,215	8,675	\$321,210.00	\$388,333.00	\$67,123.00	20.90%	\$ 375,795	\$ 54,585	16.99%
1" Meters	13	26,733	8,657	10,801	2,144	24.77%	\$ 11,047	\$ 2,390	27.60%
1 1/2" Meters	1	68,508	1,656	2,114	458	27.66%	\$ 2,187	\$ 531	32.09%
2" Meters	40	38,989	38,808	51,610	12,802	32.99%	\$ 59,940	\$ 21,132	54.45%
3" Meters	8	176,050	32,861	42,822	9,961	30.31%	\$ 44,934	\$ 12,073	36.74%
4" Meters	2	379	240	1,680	1,440	600.00%	\$ 2,112	\$ 1,872	780.00%
6" Meters	1	0	120	1,080	960	800.00%	\$ 1,896	\$ 1,776	1480.00%
Total R&C Sales	1,280		\$403,552.00	\$498,440.00	\$94,888.00	23.51%	\$ 497,911	\$94,358.76	23.38%
Industrial Water Sales			\$156,872.00	189,815	\$32,943.00	21.00%	\$ 189,815	\$ 32,943	21.00%
Other Water Revenues			22,772	22,772	\$0.00	0.00%	\$ 22,772	\$ -	0.00%
Total Water Revenues			\$583,196.00	\$711,027.00	\$127,831.00	21.92%	\$ 710,498	\$127,301.88	21.83%
CLIFTON									
Residential & Commercial Water Sales:									
5/8" Meters	624	7,268	\$136,281.00	\$164,906.00	\$28,625.00	21.00%	\$ 162,620	\$ 26,339	19.33%
3/4" Meters	4	6,925	619	746	\$127.00	20.52%	\$ 717	\$ 98	15.86%
1" Meters	19	7,979	4,478	5,372	\$894.00	19.96%	\$ 5,263	\$ 785	17.53%
1 1/2" Meters	1	38,450	813	1,079	\$266.00	32.72%	\$ 1,118	\$ 305	37.49%
2" Meters	12	64,883	16,130	22,102	\$5,972.00	37.02%	\$ 24,638	\$ 8,508	52.75%
3" Meters	3	103,328	6,247	8,666	\$2,419.00	38.72%	\$ 9,321	\$ 3,074	49.21%
Total R&C Sales	663		\$164,568.00	\$202,871.00	\$38,303.00	23.27%	\$ 203,677	\$39,108.82	23.76%
Other Water Revenues			10,050	10,050	\$0.00	0.00%	\$ 10,050	\$ -	0.00%
Total Water Revenues			\$174,618.00	\$212,921.00	\$38,303.00	21.94%	\$ 213,727	\$39,108.82	22.40%
Total Co R&C Sales			\$ 568,120	\$ 701,311	\$ 133,191	23.44%	\$ 701,588	\$ 133,468	23.49%
Total Industrial			\$ 156,872	\$ 189,815	\$ 32,943	21.00%	\$ 189,815	\$ 32,943	21.00%
Total Other Water Revenues			\$ 32,822	\$ 32,822	\$ -	0.00%	\$ 32,822	\$ -	0.00%
Grand Total Water Revenues			\$ 757,814	\$ 923,948	\$ 166,134	21.92%	\$ 924,225	\$ 166,411	21.96%

SUMMARY OF REVENUES AT PRESENT AND PROPOSED RATES / COMPANY & STAFF PROPOSALS

METER SIZE	AVG NO. OF CUST	MONTHLY USAGE - GAL.	PRESENT REVENUES (1)	COMPANY PROPOSAL			STAFF PROPOSAL		
				STEP 3 PROPOSED REVENUES (2)	STEP 3 INCREASE W/ COMPANY PROPOSAL	STEP 3 % INCREASE W/ COMPANY PROPOSAL	STEP 3 PROPOSED REVENUES (2)	STEP 3 INCREASE W/ STAFF PROPOSAL	STEP 3 % INCREASE W/ STAFF PROPOSAL
MORENCI									
Residential & Commercial Water Sales:									
5/8" Meters	1,215	8,675	\$321,210.00	\$426,191.00	\$104,981.00	32.68%	\$ 410,518	\$ 89,308	27.80%
1" Meters	13	26,733	8,657	\$11,425.00	\$2,768.00	31.97%	\$ 12,225	\$ 3,568	41.22%
1 1/2" Meters	1	68,508	1,656	\$2,263.00	\$607.00	36.65%	\$ 2,433	\$ 777	46.92%
2" Meters	40	38,989	38,808	\$56,545.00	\$17,737.00	45.70%	\$ 65,474	\$ 26,666	68.71%
3" Meters	8	176,050	32,861	\$45,550.00	\$12,689.00	38.61%	\$ 50,407	\$ 17,546	53.39%
4" Meters	2	379	240	\$1,824.00	\$1,584.00	660.00%	\$ 2,118	\$ 1,878	782.50%
6" Meters	1	0	120	\$1,200.00	\$1,080.00	900.00%	\$ 1,779	\$ 1,659	1382.50%
Total R&C Sales	1,280		\$403,552.00	\$544,998.00	\$141,446.00	35.05%	\$ 544,954	\$141,402.13	35.04%
Industrial Water Sales									
			\$156,872.00	\$208,797.00	\$51,925.00	33.10%	\$ 208,797	\$ 51,925	33.10%
			22,772	\$22,772.00	\$0.00	0.00%	\$ 22,772	\$ -	0.00%
Total Water Revenues			\$583,196.00	\$776,567.00	\$193,371.00	33.16%	\$ 776,523	\$193,326.76	33.15%
CLIFTON									
Residential & Commercial Water Sales:									
5/8" Meters	624	7,268	\$136,281.00	\$180,837.00	\$44,556.00	32.69%	\$ 177,118	\$ 40,837	29.97%
3/4" Meters	4	6,925	619	\$803.00	\$184.00	29.73%	\$ 737	\$ 118	19.06%
1" Meters	19	7,979	4,478	\$5,860.00	\$1,382.00	30.86%	\$ 5,729	\$ 1,251	27.94%
1 1/2" Meters	1	38,450	813	\$1,254.00	\$441.00	54.24%	\$ 1,271	\$ 458	56.30%
2" Meters	12	64,883	16,130	\$24,593.00	\$8,463.00	52.47%	\$ 27,711	\$ 11,581	71.80%
3" Meters	3	103,328	6,247	\$9,512.00	\$3,265.00	52.27%	\$ 10,547	\$ 4,300	68.84%
Total R&C Sales	663		\$164,568.00	\$222,859.00	\$58,291.00	35.42%	\$ 223,114	\$58,545.55	35.58%
			10,050	\$10,050.00	\$0.00	0.00%	\$ 10,050	\$ -	0.00%
Total Water Revenues			\$174,618.00	\$232,909.00	\$58,291.00	33.38%	\$ 233,164	\$58,545.55	33.53%
Total Co R&C Sales									
			\$ 568,120	\$ 767,857	\$ 199,737	35.16%	\$ 768,068	\$ 199,948	35.19%
Total Industrial									
			\$ 156,872	\$ 208,797	\$ 51,925	33.10%	\$ 208,797	\$ 51,925	33.10%
Total Other Water Revenues									
			\$ 32,822	\$ 32,822	\$ -	0.00%	\$ 32,822	\$ -	0.00%
Grand Total Water Revenues			\$ 757,814	\$ 1,009,476	\$ 251,662	33.21%	\$ 1,009,686	\$ 251,872	33.24%