



0000144338

BEFORE THE ARIZONA CORPORATION COMMISSION

1  
2  
3  
4  
5  
6  
7

BOB STUMP  
Chairman  
GARY PIERCE  
Commissioner  
BRENDA BURNS  
Commissioner  
BOB BURNS  
Commissioner  
SUSAN BITTER SMITH  
Commissioner

Arizona Corporation Commission

DOCKETED

APR 18 2013

DOCKETED BY [Signature]

8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS ANTHEM WATER DISTRICT AND ITS SUN CITY WATER DISTRICT

DOCKET NO. W-01303A-09-0343

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS ANTHEM/AGUA FRIA WASTEWATER DISTRICT, ITS SUN CITY WASTEWATER DISTRICT AND ITS SUN CITY WEST WASTEWATER DISTRICT

DOCKET NO. SW-01303A-09-0343

ORDER CLARIFYING DECISION NO. 73227

DECISION NO. 73837

ORDER

22  
23

Open Meeting  
April 9 and 10, 2013  
Phoenix, Arizona

24

BY THE COMMISSION:

25

FINDINGS OF FACT

26  
27  
28

1. On September 10, 2012, EPCOR Water Arizona, Inc. ("EPCOR"), Anthem Community Council ("Anthem"), Verrado Community Association ("Verrado"), DMB White Tank LLC ("DMB"), Russell Ranch Homeowners' Association, Inc. ("Russell Ranch"), the

1 Residential Utilities Consumers Office (“RUCO”), and the Utilities Division Staff (“Staff”) filed a  
2 Joint Request for Clarification and/or Reconsideration (Amendment) of Decision Nos. 73227  
3 (“Deconsolidation Order”), 72047 (Original Rate Order) and 72320 (Order Extending Time to  
4 Implement Winter Average Rates). Decision No. 73227 was ambiguous as to whether the Arizona  
5 Corporation Commission (“Commission”) intended to adopt the deconsolidation rate design  
6 proposed by Anthem in the Deconsolidation proceeding or the Winter Average Rate (“WAR”) design  
7 adopted in Decision No. 72047; implementation of which was extended in Decision No.  
8 72320.

9       2.       At its Open Meeting of October 4, 2012, the Commission considered this request,  
10 and extended the deadline for implementation of WAR design contained in Decision No. 72320 to  
11 June 1, 2014.

12       3.       Also at the Open Meeting of October 4, 2012, the Staff was asked to file the  
13 Typical Bill Analysis (“TBA”) to show the bill impacts of implementing WAR on the  
14 deconsolidated rates for the Anthem and Agua Fria wastewater systems. Under a WAR design,  
15 wastewater bills would be based on the average water consumption during three winter months, as  
16 reflected in water bills rendered in January, February, and March. The volumetric component of  
17 subsequent wastewater bills would be based on the average water use during the three month  
18 winter period, and this average winter use becomes the basis of the volumetric component of the  
19 bills rendered for the 12 month period beginning on or after the following June 1.

20       4.       Staff has prepared the attached schedules GWB-1 through GWB-4 to show the  
21 effects of the revenue transition plan approved in Decision No. 73227 (see page 32, lines 4  
22 through7). These schedules show the TBAs with and without the corresponding effects of WAR  
23 on the transitional rates, as shown on Schedules GWB 1 and GWB-3. In addition, Staff has also  
24 calculated for Commission consideration the TBAs using monthly minimums at half the amounts  
25 currently authorized, as shown on Schedules GWB-2 and GWB-4.

26       5.       Typical bill amounts are shown for respective usage levels. However, the amounts  
27 are not necessarily comparable from column to column because the volumetric basis used for  
28 WAR rates may or may not equal or even approximate the water usage in any given month.

1           6.       Schedules GWB-1 and GWB-2 relate to Anthem Wastewater and Schedules GWB-  
2 3 and GWB-4 relate to Agua Fria Wastewater. Further explanation of the amounts shown in  
3 Columns [A] through [I] on the schedules are:

4           Column [A] – These are the amounts for water consumption used as the basis for a bill in  
5 an instant month or the volumetric basis used on a WAR basis.

6           Column [B] – These typical bill amounts reflect the rates currently authorized through  
7 January 1, 2014.

8           Column [C] – These typical bill amounts reflect the rates currently authorized through  
9 January 1, 2014, but on a WAR basis with no limits on the volumetric component of the  
10 customers' bills.

11           Column [D] – These typical bill amounts reflect Step 1 of the revenue transition plan for  
12 the rates currently authorized from January 1, 2013, through December 31, 2013.

13           Column [E] – These typical bill amounts reflect Step 1 of the revenue transition plan for  
14 the rates currently authorized from January 1, 2013, through December 31, 2013, billed on  
15 a WAR basis. The effects of WAR would first appear on Step 1 bills rendered on or after  
16 June 1, 2013.

17           Column [F] – These typical bill amounts reflect Step 2 of the revenue transition plan for the  
18 rates currently authorized from January 1, 2014, through December 31, 2014.

19           Column [G] – These typical bill amounts reflect Step 2 of the revenue transition plan for  
20 the rates currently authorized from January 1, 2014, through December 31, 2014, billed on  
21 a WAR basis. The effects of WAR would first appear on Step 2 bills rendered on or after  
22 June 1, 2014.

23           Column [H] – These typical bill amounts reflect Step 3 of the revenue transition plan for  
24 the rates currently authorized from January 1, 2015, and beyond.

25           Column [I] – These typical bill amounts reflect Step 3 of the revenue transition plan for the  
26 rates currently authorized from January 1, 2015, and beyond billed on a WAR basis. The  
27 effects of WAR would first appear on Step 3 bills rendered on or after June 1, 2015.

28           7.       In the event that a WAR design is implemented, Staff recommends that the  
following concerns be addressed:

- a. If there is no usage during any of the three winter months, then the customer's bill should be based on the system average for all residential customers during the applicable period. Similarly, new customers with no history should also use the system average for all residential customers during the applicable period.

- 1           b. If there is only one water bill during the winter period, the water volume on that  
2           sole bill should be the basis of the winter average wastewater rate beginning the  
3           following June 1.
- 4           c. If there are only two water bills during the winter period, the average water  
5           volume used during those two months should be the basis of the winter average  
6           wastewater rate beginning the following June 1.
- 7           d. If any bill during any applicable winter month is for less than 25 days or more  
8           than 35 days, the daily usage shall be converted to an equivalent 30 day (or  
9           monthly) usage and this resulting equivalent shall be used as the basis of WAR  
10          for that month.
- 11          e. There shall be a mechanism to address situations where a customer believes that  
12          his/her winter water usage is abnormally high. Staff has attached a sample form  
13          that could be used by customers for this purpose (see Exhibit B).

14          8. Staff has had several discussions with the parties to this case to discuss the issues,  
15          particularly the issue of which rate design should be recommended to the Commission. Although  
16          WARs were widely discussed during this case and even approved by the Commission in its  
17          original Decision for this case (Decision No. 72047), Staff believes that the Deconsolidation Order  
18          (Decision No. 73227) was ambiguous on this point and that with deconsolidated districts, the  
19          Commission should clarify that the rates it is approving are those that were developed and  
20          submitted by the Anthem Community Council and its witness Mr. Dan Neidlinger (copy attached  
21          as Exhibit A) which were specifically designed for the deconsolidated Districts.

- 22          9. The primary reasons for Staff's recommendation to use the Exhibit A rates are:
- 23           a. That these rates provide for a clear and orderly transition to full  
24           deconsolidation,
- 25           b. These rates are not as complicated as WAR and therefore, easier to explain to  
26           customers,
- 27           c. These residential rates have a cap at 7,000 gallons of water usage, thereby,  
28           eliminating the chance of extremely high bills due to excessive outdoor water  
            use, leaks, pool filling, etc.,
- d. The 7,000 gallon cap would avoid the need for EPCOR to implement a  
            mechanism to address situations where a customer believes that his/her winter  
            water usage is abnormally high, thereby saving EPCOR what could be  
            considerable time, effort and expense dealing with these type situations, and

1 e. Save Staff time for the same reason.

2 10. After reviewing the WAR rates developed by Staff and upon further consideration  
3 the Joint Motion and Staff's recommendation above to use Exhibit A rates (the Neidlinger rate  
4 design), the Commission clarifies that the rates contained in Exhibit A attached hereto are the  
5 authorized rates for the deconsolidated Anthem and Agua Fria Wastewater Districts. The  
6 Commission further clarifies that the WAR was not intended for use in the deconsolidated  
7 Districts and any requirements pertaining to the WAR contained in any Commission orders are  
8 superseded by the requirements of this Order.

9 **CONCLUSIONS OF LAW**

10 1. EPCOR Water Arizona, Inc. is a public service corporation with the meaning of  
11 Article XV of the Arizona Constitution Sections 40-252, 40-250, and 40-367.

12 2. The Commission has jurisdiction over EPCOR Water Arizona and the subject  
13 matter of the Joint Motion.

14 3. To the extent that the action herein is an amendment of Decision Nos. 73227  
15 pursuant to A.R.S. 40-252, notice and an opportunity to be heard has been given in the manner  
16 prescribed by law.

17 4. The Motion for Clarification and/or Reconsideration (Amendment) filed on  
18 September 10, 2012, by EPCOR, Anthem, Verrado, DMB, Russell Ranch, RUCO and Staff is In  
19 the public interest and should be granted.

20 5. The Commission clarifies that the rates contained in Exhibit A hereto (which are  
21 not based on a winter average rare design) are the authorized rates for the deconsolidated Anthem  
22 and Agua Fria Wastewater Districts.

23 6. EPCOR Water Arizona. should be directed to file revised tariffs and rates  
24 consistent with the rates contained in Exhibit A hereto.

25 **ORDER**

26 IT IS THEREFORE ORDERED that the Parties Motion for Clarification and/or  
27 Reconsideration (Amendment) is granted. The Commission clarifies that the rates contained in

28 ...

1 Exhibit A hereto (which are not based on a winter average design) are the authorized rates for the  
2 deconsolidated Anthem and Agua Fria Wastewater Districts.

3 IT IS FURTHER ORDERED that any requirements pertaining to implementation of the  
4 Winter Average Rate design contained in any other Commission orders are superseded by the  
5 requirements contained in this Order.

6 IT IS FURTHER ORDERED that EPCOR Water Arizona is hereby directed to  
7 immediately file with the Commission within 10 days of the date of this Order a revised schedules  
8 of rates and charges consistent with Exhibit A and the findings herein.

9 IT IS FURTHER ORDERD that EPCOR Water Arizona shall notify its affected  
10 customers of the revised schedules of rates and charges authorized herein by means of an insert to  
11 its next regularly scheduled billing and by posting on its website, in a form approved by the  
12 Commission's Utilities Division Staff.

13 ...  
14 ...  
15 ...  
16 ...  
17 ...  
18 ...  
19 ...  
20 ...  
21 ...  
22 ...  
23 ...  
24 ...  
25 ...  
26 ...  
27 ...  
28 ...

1 IT IS FURTHER ORDERED that Decision No. 73227 shall remain in effect in all other  
2 respects.

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

4  
5 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

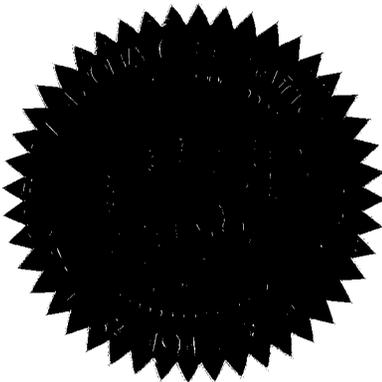
6  
7   
CHAIRMAN

8   
COMMISSIONER

9   
10 COMMISSIONER

11   
COMMISSIONER

12   
COMMISSIONER



13 IN WITNESS WHEREOF, I, JODI JERICH, Executive  
14 Director of the Arizona Corporation Commission, have  
15 hereunto, set my hand and caused the official seal of this  
16 Commission to be affixed at the Capitol, in the City of  
17 Phoenix, this 18<sup>th</sup> day of April, 2013.

18   
JODI JERICH  
EXECUTIVE DIRECTOR

19 DISSENT: \_\_\_\_\_

20  
21 DISSENT: \_\_\_\_\_

22 SMO:GWB:lhM\MAS  
23  
24  
25  
26  
27  
28

1 SERVICE LIST FOR: ARIZONA-AMERICAN WATER COMPANY  
2 DOCKET NOS. W-01303A-09-0343 AND SW-01303A-09-0343

3 Thomas H. Campbell	Bradley J. Herrema
4 Michael T. Hallam	Robert J. Saperstein
5 Lewis and Roca LLP	Brownstein Hyatt Farber Schreck, LLP
6 40 North Central Avenue, Suite 1900	21 East Carrillo Street
7 Phoenix, Arizona 85004	Santa Barbara, California 93101
8	
9 Craig A. Marks	Andrew M. Miller, Esq.
10 Craig A. Marks, PLC	Town of Paradise Valley
11 10645 North Tatum Blvd, Suite 200-676	6401 East Lincoln Drive
12 Phoenix, Arizona 85028	Paradise Valley, Arizona 85253
13	
14 Judith M. Dworkin	Norman D. James
15 Roxanne S. Gallagher	Fennemore Craig, PC
16 Sacks Tierney PA	3003 North Central Avenue, Suite 2600
17 4250 North Drinkwater Blvd, 4 <sup>th</sup> Floor	Phoenix, Arizona 85012
18 Scottsdale, Arizona 85251-3693	
19	
20 Daniel Pozefsky	Larry D. Woods
21 Chief Counsel	15141 West Horseman Lane
22 Residential Utility Consumer Office	Sun City West, Arizona 85375
23 1110 West Washington Street, Suite 220	
24 Phoenix, Arizona 85007	Joan S. Burke, Esq.
25	Law Office of Joan S. Burke
26 Lawrence V. Robertson, Jr.	1650 North First Avenue
27 Post Office Box 1448	Phoenix, Arizona 85003
28 Tubac, Arizona 85646-1448	
	Scottsdale Citizens for Sustainable Water
	7322 East Cactus Wren Road
	Scottsdale, Arizona 85250-4526
	Lynn M. Krupnik
	Ekmark & Ekmark, LLC
	6720 North Scottsdale Road, Suite 261
	Scottsdale, Arizona 85253
	Michele L. Van Quathem
	Ryley Carlock & Applewhite
	One North Central Avenue, Suite 1200
	Phoenix, Arizona 85004-4417
	George M. Turner
	President, Board of Directors
	Russell Ranch Homeowners' Association, Inc.
	Post Office Box 12560
	Glendale, Arizona 85318
	Frederick G. Botha
	Mary L. Botha
	23024 North Giovota Drive
	Sun City West, Arizona 85375

- 1 Tammy Ryan  
Andy Terrey
- 2 City of Phoenix  
Water Services Department
- 3 200 West Washington, 9<sup>th</sup> Floor  
Phoenix, Arizona 85003-1611
- 4
- 5 Cynthia Campbell  
Assistant City Attorney  
Office of the City Attorney
- 6 200 West Washington, Suite 1300  
Phoenix, Arizona 85003-1611
- 7
- 8 Chad R. Kaffer  
Troy Stratman, Esq.
- 9 Mack Drucker & Watson, PLC  
3200 North Central Avenue, Suite 1200
- 10 Phoenix, Arizona 85012
- 11 Jason D. Gellman  
Roshka, DeWulf & Patten, PLC
- 12 400 East Van Buren Street, Suite 800  
Phoenix, Arizona 85004
- 13
- 14 Mr. Steven M. Olea  
Director, Utilities Division  
Arizona Corporation Commission
- 15 1200 West Washington Street  
Phoenix, Arizona 85007
- 16
- 17 Ms. Janice M. Alward  
Chief Counsel, Legal Division  
Arizona Corporation Commission
- 18 1200 West Washington Street  
Phoenix, Arizona 85007
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28



ARIZONA-AMERICAN WATER COMPANY  
 ANTHEM/AGUA FRIA WASTEWATER DISTRICT  
 DOCKET NO. SW-01303A-09-0343

DECONSOLIDATION PROCEEDING  
 PROPOSED WASTEWATER RATES - ANTHEM

DESCRIPTION	PRESENT RATES	STEP 1 RATES	STEP 2 RATES	STEP 3 RATES (1)
ANTHEM:				
Residential:				
Monthly Usage Charge	\$39.84	\$36.56	\$33.28	\$30.00
Per 1,000 Gallons - First 7,000 Gallons	\$4.9946	\$4.5797	\$4.1649	\$3.7500
Commercial - 5/8" Meters:				
Monthly Usage Charge	\$44.48	\$39.65	\$34.83	\$30.00
Per 1,000 Gallons - First 10,000 Gallons	\$5.5760	\$4.9673	\$4.3587	\$3.7500
Commercial - 3/4" Meters:				
Monthly Usage Charge	\$66.72	\$59.48	\$52.24	\$45.00
Per 1,000 Gallons - First 15,000 Gallons	\$5.5760	\$4.9673	\$4.3587	\$3.7500
Commercial - 1" Meters:				
Monthly Usage Charge	\$89.06	\$79.39	\$69.73	\$60.06
Per 1,000 Gallons - First 15,000 Gallons	\$5.5760	\$4.9673	\$4.3587	\$3.7500
Commercial - Large:				
Monthly Usage Charge	\$178.05	\$158.73	\$139.41	\$120.09
Per 1,000 Gallons - All Gallons	\$5.5760	\$4.9673	\$4.3587	\$3.7500
Wholesale - Phoenix - Per 1,000 Gallons	\$5.5760	\$4.8573	\$4.1387	\$3.4200
Effluent - Per 1,000 Gallons	\$0.77	\$0.77	\$0.77	\$0.77

## NOTE:

(1) Step 3 Rates are the equal to Staff and Company's proposed rates shown on Exhibit A-2.

ARIZONA-AMERICAN WATER COMPANY  
 ANTHEM/AGUA FRIA WASTEWATER DISTRICT  
 DOCKET NO. SW-01303A-09-0343

DECONSOLIDATION PROCEEDING  
 PROPOSED WASTEWATER RATES - AGUA FRIA

DESCRIPTION	PRESENT RATES	STEP 1 RATES	STEP 2 RATES	STEP 3 RATES (1)
<del>ANTHEM: AGUA FRIA</del>				
Residential:				
Monthly Usage Charge	\$39.84	\$48.60	\$57.36	\$66.12
Per 1,000 Gallons - First 7,000 Gallons	\$4.9946	\$5.9864	\$6.9782	\$7.9700
Commercial - 5/8" Meters:				
Monthly Usage Charge	\$44.48	\$51.69	\$58.91	\$66.12
Per 1,000 Gallons - First 10,000 Gallons	\$5.5760	\$6.3740	\$7.1720	\$7.9700
Commercial - 3/4" Meters:				
Monthly Usage Charge	\$66.72	\$77.54	\$88.36	\$99.18
Per 1,000 Gallons - First 15,000 Gallons	\$5.5760	\$6.3740	\$7.1720	\$7.9700
Commercial - 1" Meters:				
Monthly Usage Charge	\$89.06	\$103.50	\$117.95	\$132.39
Per 1,000 Gallons - First 15,000 Gallons	\$5.5760	\$6.3740	\$7.1720	\$7.9700
Commercial - Large:				
Monthly Usage Charge	\$178.05	\$206.93	\$235.80	\$264.68
Per 1,000 Gallons - All Gallons	\$5.5760	\$6.3740	\$7.1720	\$7.9700
Effluent - Per 1,000 Gallons	\$0.77	\$0.77	\$0.77	\$0.77

## NOTE:

(1) Step 3 Rates are the equal to Staff and Company's proposed rates shown on Exhibit A-2.

**REQUEST FOR  
WASTEWATER FEE ADJUSTMENT**

Name on Account:(Last) \_\_\_\_\_ (First) \_\_\_\_\_

Service Address: \_\_\_\_\_

Account Number: \_\_\_\_\_

Daytime Phone Number: \_\_\_\_\_ Work/cell: \_\_\_\_\_

The purpose of this form is to allow EPCOR's wastewater customers the opportunity to appeal their wastewater bill due to an unusual amount of outdoor water use experienced during the billing months of January, February and March (i.e., pool filling/repairs, water leaks, etc.). You may be eligible for a wastewater fee adjustment. Your appeal will be reviewed and upon approval your wastewater fee will be recalculated and will appear on your next bill or after the July recalculation. **This request must be submitted during the month of April.**

**LEAKS REPAIRED:**

Please include receipts of materials purchased and/or work completed during **January, February or March** and the date of the repair: \_\_\_\_/\_\_\_\_/2013

**POOL FILLED OR REPAIRS MADE:**

Please include the date the pool was filled and the number of gallons used to fill pool:

Date filled: \_\_\_\_/\_\_\_\_/2013      Gallons used: \_\_\_\_\_

Other reasons for excessive water use with all available information.

The above information is accurate to the best of my knowledge. I understand the information I provide is subject to verification, and if there are errors, I will be charged for incorrect allowances not previously billed.

SIGNATURE: \_\_\_\_\_  
(Customer of Record)

DATE: \_\_\_\_\_

Questions should be directed to EPCOR WATER, xxx-xxx-xxxx.

Decision No. 73837

Steps 1, 2, and 3  
 Currently Authorized and Winter Average Rates (WAR)  
 Present & Proposed Rates (Without Taxes)  
 Residential Service

Consumption/WAR Basis	[A] Currently Authorized Until Jan 1, 2014		[B] Hypothetical WAR Until Jan 1, 2014		[C] STEP 1 1/1/13 to 12/31/13 As Authorized		[D] STEP 1 1/1/13 to 12/31/13 Hypothetical WAR*		[E] STEP 2 1/1/14 to 12/31/14 As Authorized		[F] STEP 2 1/1/14 to 12/31/14 WAR*		[G] STEP 3 1/1/15 & beyond As Authorized		[H] STEP 3 1/1/15 & beyond WAR*	
	Rates	Rates	Rates	Rates	Rates	Rates	Rates	Rates	Rates	Rates	Rates	Rates	Rates	Rates	Rates	Rates
1,000	39.94	44.83	39.94	45.18	36.56	41.14	36.56	41.35	33.28	37.44	33.28	37.52	30.00	30.00	30.00	30.00
2,000	49.83	50.51	45.18	50.51	45.72	46.13	46.13	46.13	41.61	41.75	41.75	37.50	33.75	33.69	37.37	33.69
3,000	54.82	55.85	50.30	55.85	50.30	50.92	50.92	50.92	45.77	45.99	45.99	41.25	41.06	41.06	41.06	41.06
4,000	59.82	61.19	54.88	61.19	54.88	59.46	59.46	59.46	49.94	54.10	54.10	48.44	48.44	48.44	48.44	48.44
5,000	64.81	66.53	59.82	66.53	59.82	64.04	64.04	64.04	54.47	58.27	58.27	52.12	52.12	52.12	52.12	52.12
6,000	69.81	71.86	64.81	71.86	64.81	69.81	69.81	69.81	58.27	62.94	62.94	55.81	55.81	55.81	55.81	55.81
7,000	74.80	77.20	69.81	77.20	69.81	74.80	74.80	74.80	62.94	67.18	67.18	59.50	59.50	59.50	59.50	59.50
8,000	79.80	82.54	74.80	82.54	74.80	79.80	79.80	79.80	67.18	71.41	71.41	63.18	63.18	63.18	63.18	63.18
9,000	84.80	87.87	79.80	87.87	79.80	84.80	84.80	84.80	71.41	75.65	75.65	66.87	66.87	66.87	66.87	66.87
10,000	89.80	93.21	84.80	93.21	84.80	89.80	89.80	89.80	75.65	79.89	79.89	70.56	70.56	70.56	70.56	70.56
11,000	94.80	98.55	89.80	98.55	89.80	94.80	94.80	94.80	79.89	84.12	84.12	74.24	74.24	74.24	74.24	74.24
12,000	99.80	103.88	94.80	103.88	94.80	99.80	99.80	99.80	84.12	88.36	88.36	77.93	77.93	77.93	77.93	77.93
13,000	104.80	109.22	99.80	109.22	99.80	104.80	104.80	104.80	88.36	92.60	92.60	81.62	81.62	81.62	81.62	81.62
14,000	109.80	114.56	104.80	114.56	104.80	109.80	109.80	109.80	92.60	96.84	96.84	85.31	85.31	85.31	85.31	85.31
15,000	114.80	119.90	109.80	119.90	109.80	114.80	114.80	114.80	96.84	101.07	101.07	88.99	88.99	88.99	88.99	88.99
16,000	119.80	125.23	114.80	125.23	114.80	119.80	119.80	119.80	101.07	105.31	105.31	92.68	92.68	92.68	92.68	92.68
17,000	124.80	130.57	119.80	130.57	119.80	124.80	124.80	124.80	105.31	109.55	109.55	96.37	96.37	96.37	96.37	96.37
18,000	129.80	135.91	124.80	135.91	124.80	129.80	129.80	129.80	109.55	113.78	113.78	100.05	100.05	100.05	100.05	100.05
19,000	134.80	141.24	129.80	141.24	129.80	134.80	134.80	134.80	113.78	118.02	118.02	103.74	103.74	103.74	103.74	103.74
20,000	139.80	146.58	134.80	146.58	134.80	139.80	139.80	139.80	118.02	122.26	122.26	107.43	107.43	107.43	107.43	107.43
25,000	174.80	173.27	174.80	173.27	174.80	174.80	174.80	174.80	156.24	156.24	156.24	122.18	122.18	122.18	122.18	122.18
30,000	209.80	199.95	209.80	199.95	209.80	209.80	209.80	209.80	190.17	190.17	190.17	140.61	140.61	140.61	140.61	140.61
35,000	244.80	226.64	244.80	226.64	244.80	244.80	244.80	244.80	224.11	224.11	224.11	159.05	159.05	159.05	159.05	159.05
40,000	279.80	253.32	279.80	253.32	279.80	279.80	279.80	279.80	258.04	258.04	258.04	177.48	177.48	177.48	177.48	177.48
45,000	314.80	280.01	314.80	280.01	314.80	314.80	314.80	314.80	291.97	291.97	291.97	195.92	195.92	195.92	195.92	195.92
50,000	349.80	306.69	349.80	306.69	349.80	349.80	349.80	349.80	325.91	325.91	325.91	214.35	214.35	214.35	214.35	214.35
75,000	454.80	440.12	454.80	440.12	454.80	454.80	454.80	454.80	359.84	359.84	359.84	232.78	232.78	232.78	232.78	232.78
100,000	559.80	573.54	559.80	573.54	559.80	559.80	559.80	559.80	456.98	456.98	456.98	291.12	291.12	291.12	291.12	291.12

Average Usage\*\* (5814 Gallons) 68.88 70.87 63.19 64.39 57.49 57.91 51.80 51.44  
 Median Usage\*\* (7000 Gallons) 74.80 77.20 68.62 70.07 62.43 62.94 56.25 55.81

\* Note: The effects of WAR do not appear on the customers' bills until June 1 following the implementation date.

\*\* Average and Median Usages are based on instant gallons, not WAR amounts

ARIZONA AMERICAN - Anthem Wastewater  
 Docket No. SW-01303A-09-0343  
 Test Year Ended December 31, 2008

WAR WITH  
 HALF OFF MONTHLY MINIMUMS

Schedule GWB-2

Steps 1, 2, and 3  
 Currently Authorized and Winter Average Rates (WAR)  
 Present & Proposed Rates (Without Taxes)  
 Residential Service

Gallons Consumption/WAR Basis	[A]		[B]		[C]		[E]		[F]		[G]		[H]		[I]	
	Currently Authorized Until Jan 1, 2014 Rates	Hypothetical WAR Until Jan 1, 2014 Rates	STEP 1 1/1/13 to 12/31/13 Hypothetical WAR* Rates	STEP 2 1/1/14 to 12/31/14 As Authorized Rates	STEP 2 1/1/14 to 12/31/14 WAR* Rates	STEP 3 1/1/15 & Beyond As Authorized Rates	STEP 3 1/1/15 & Beyond WAR* Rates									
1,000	39.84	28.86	18.28	26.37	37.44	16.64	30.00	15.00								
2,000	44.83	37.80	26.37	34.46	41.61	23.89	33.75	21.40								
3,000	54.82	46.74	42.56	45.77	54.10	31.13	37.50	27.80								
4,000	59.82	55.68	50.65	49.94	60.11	38.38	41.25	34.20								
5,000	64.81	64.62	58.74	54.10	67.36	45.62	45.00	40.60								
6,000	69.81	73.55	66.83	58.27	74.60	52.87	52.50	47.00								
7,000	74.80	82.49	74.92	62.43	81.85	60.11	58.25	53.39								
8,000	74.80	91.43	83.02	62.43	88.09	67.36	56.25	59.79								
9,000	74.80	100.37	91.11	62.43	96.34	74.60	56.25	66.19								
10,000	74.80	109.31	99.20	62.43	103.58	81.85	56.25	72.59								
11,000	74.80	118.25	107.29	62.43	110.83	88.09	56.25	78.99								
12,000	74.80	127.19	115.38	62.43	118.07	96.34	56.25	85.39								
13,000	74.80	136.13	123.48	62.43	125.32	103.58	56.25	91.79								
14,000	74.80	145.07	131.57	62.43	132.56	110.83	56.25	98.19								
15,000	74.80	154.01	139.66	62.43	139.81	118.07	56.25	104.59								
16,000	74.80	162.94	147.75	62.43	147.05	125.32	56.25	110.99								
17,000	74.80	171.88	155.84	62.43	154.30	132.56	56.25	117.38								
18,000	74.80	180.82	163.94	62.43	161.54	139.81	56.25	123.78								
19,000	74.80	189.76	172.03	62.43	168.79	147.05	56.25	130.18								
20,000	74.80	198.70	180.12	62.43	176.03	154.30	56.25	136.58								
25,000	74.80	243.40	220.58	62.43	197.77	181.54	56.25	142.98								
30,000	74.80	288.09	261.04	62.43	233.99	197.77	56.25	174.98								
35,000	74.80	332.79	301.50	62.43	270.22	233.99	56.25	206.97								
40,000	74.80	377.48	341.96	62.43	306.44	270.22	56.25	238.97								
45,000	74.80	422.18	382.42	62.43	342.67	306.44	56.25	270.96								
50,000	74.80	466.87	422.88	62.43	378.89	342.67	56.25	302.96								
75,000	74.80	690.35	625.18	62.43	560.02	560.02	56.25	494.83								
100,000	74.80	913.82	827.48	62.43	741.14	741.14	56.25	654.90								

Average Usage\*\* (5814 Gallons) 68.88 71.89 65.33 57.49 58.76 51.80 52.20  
 Median Usage\*\* (7000 Gallons) 74.80 82.49 74.92 62.43 67.36 56.25 59.79

\*\* Note: The effects of WAR do not appear on the customers' bills until June 1 following the implementation date.  
 \*\* Average and Median Usages are based on instant gallons, not WAR amounts

ARIZONA AMERICAN - Agua Fria Wastewater  
 Docket No. SW-01303A-09-0343  
 Test Year Ended December 31, 2008

Schedule GMB-3

Steps 1, 2, and 3  
 Currently Authorized and Winter Average Rates (WAR)  
 Present & Proposed Rates (Without Taxes)  
 Residential Service

Gallons Consumption/WAR Basis	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
	Currently Authorized Until Jan 1, 2014 Rates	Hypothetical WAR Until Jan 1, 2014 Rates	STEP 1 1/1/13 to 12/31/13 As Authorized Rates	STEP 1 1/1/13 to 12/31/13 Hypothetical WAR* Rates	STEP 2 1/1/14 to 12/31/14 As Authorized Rates	STEP 2 1/1/14 to 12/31/14 WAR* Rates	STEP 3 1/1/15 & beyond As Authorized Rates	STEP 3 1/1/15 & beyond WAR* Rates	
1,000	39.84	39.84	48.60	48.60	57.36	57.36	66.12	66.12	
2,000	44.83	44.83	54.59	55.91	64.34	65.86	74.09	75.82	
3,000	49.83	49.83	60.57	63.22	71.32	74.36	82.06	85.51	
4,000	54.82	54.82	66.56	70.53	78.29	82.87	90.03	95.21	
5,000	59.82	59.82	72.55	77.84	85.27	91.37	98.00	104.90	
6,000	64.81	64.81	78.53	85.15	92.25	99.87	105.97	114.60	
7,000	69.81	69.81	84.52	92.46	99.23	108.37	113.94	124.29	
8,000	74.80	74.80	90.50	99.77	106.21	116.87	121.91	133.99	
9,000	79.80	79.80	96.49	107.08	113.09	125.38	129.91	143.68	
10,000	84.80	84.80	103.28	114.39	120.21	133.88	137.91	153.38	
11,000	89.80	89.80	110.07	121.70	127.32	142.38	145.91	163.07	
12,000	94.80	94.80	116.86	129.01	134.43	150.88	153.91	172.77	
13,000	99.80	99.80	123.65	136.32	141.54	159.38	161.91	182.46	
14,000	104.80	104.80	130.44	143.63	148.65	167.89	169.91	192.16	
15,000	109.80	109.80	137.23	150.94	155.76	176.39	177.91	201.85	
16,000	114.80	114.80	144.02	158.25	162.87	184.89	185.91	211.55	
17,000	119.80	119.80	150.81	165.56	170.38	193.39	193.91	221.24	
18,000	124.80	124.80	157.60	172.87	177.89	201.89	201.91	230.94	
19,000	129.80	129.80	164.39	180.18	185.40	210.40	209.91	240.63	
20,000	134.80	134.80	171.18	187.49	192.91	218.90	217.91	250.33	
25,000	174.80	174.80	223.35	231.35	246.21	269.91	269.91	308.50	
30,000	214.80	214.80	275.52	283.52	300.21	321.42	321.42	366.97	
35,000	254.80	254.80	327.69	335.69	352.51	372.93	372.93	425.44	
40,000	294.80	294.80	379.86	387.86	404.81	424.44	424.44	483.92	
45,000	334.80	334.80	432.03	440.03	457.11	476.95	476.95	542.40	
50,000	374.80	374.80	484.20	492.20	509.41	529.46	529.46	600.87	
75,000	714.80	714.80	1,004.54	1,004.54	1,004.54	1,004.54	1,004.54	1,004.54	
100,000	1,429.60	1,429.60	2,009.08	2,009.08	2,009.08	2,009.08	2,009.08	2,009.08	

Average Usage\*\*  
 (5297 Gallons) 66.30 72.24 80.31 87.32 94.32 102.40 108.34 117.47

Median Usage\*\*  
 (7000 Gallons) 74.80 82.66 90.50 99.77 106.21 116.87 121.91 133.99

\* Note: The effects of WAR do not appear on the customers' bills until June 1 following the implementation date.

\*\* Average and Median Usages are based on instant gallons, not WAR amounts

ARIZONA AMERICAN - Agua Fria Wastewater  
 Docket No. SW-01303A-09-0343  
 Test Year Ended December 31, 2008

WAR WITH  
 HALF OFF MONTHLY MINIMUMS

Schedule GWB-4

Steps 1, 2, and 3  
 Currently Authorized and Winter Average Rates (WAR)  
 Present & Proposed Rates (W/Inflor Taxes)  
 Residential Service

Consumption/WAR Basis	Gallons		STEP 1		STEP 2		STEP 3	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	Currently Authorized Rates Until Jan 1, 2014	Hypothetical WAR Rates Until Jan 1, 2014	1/1/13 to 12/31/13 As Authorized Rates	1/1/13 to 12/31/13 Hypothetical WAR* Rates	1/1/14 to 12/31/14 As Authorized Rates	1/1/14 to 12/31/14 WAR* Rates	1/1/15 & beyond As Authorized Rates	1/1/15 & beyond WAR* Rates
1,000	39.84	19.92	48.60	24.30	57.36	28.68	66.12	33.06
2,000	44.83	30.36	54.59	36.89	64.34	43.41	74.09	49.94
3,000	49.83	40.81	60.57	49.48	71.32	58.14	82.06	66.81
4,000	54.82	51.25	66.56	62.06	78.29	72.88	90.03	83.69
5,000	59.82	61.70	72.55	74.65	85.27	87.61	98.00	100.56
6,000	64.81	72.14	78.53	87.24	92.25	102.34	105.97	117.44
7,000	69.81	82.58	84.52	99.83	99.23	117.07	113.94	134.31
8,000	74.80	93.03	90.50	112.42	106.21	131.80	121.91	151.19
9,000	74.80	103.47	90.50	125.00	106.21	146.54	121.91	168.06
10,000	74.80	113.92	90.50	137.59	106.21	161.27	121.91	184.94
11,000	74.80	124.36	90.50	150.18	106.21	176.00	121.91	201.81
12,000	74.80	134.80	90.50	162.77	106.21	190.73	121.91	218.69
13,000	74.80	145.25	90.50	175.36	106.21	205.46	121.91	235.56
14,000	74.80	155.69	90.50	187.94	106.21	220.20	121.91	252.44
15,000	74.80	166.14	90.50	200.53	106.21	234.93	121.91	269.31
16,000	74.80	176.58	90.50	213.12	106.21	249.66	121.91	286.19
17,000	74.80	187.02	90.50	225.71	106.21	264.39	121.91	303.06
18,000	74.80	197.47	90.50	238.30	106.21	279.12	121.91	319.94
19,000	74.80	207.91	90.50	250.88	106.21	293.86	121.91	336.81
20,000	74.80	218.36	90.50	263.47	106.21	308.59	121.91	353.69
25,000	74.80	228.80	90.50	276.06	106.21	323.32	121.91	370.56
30,000	74.80	281.02	90.50	339.00	106.21	396.98	121.91	454.94
35,000	74.80	333.24	90.50	401.94	106.21	470.64	121.91	539.31
40,000	74.80	385.46	90.50	464.88	106.21	544.30	121.91	623.69
45,000	74.80	437.68	90.50	527.82	106.21	617.96	121.91	708.06
50,000	74.80	489.90	90.50	590.76	106.21	691.62	121.91	792.44
75,000	74.80	542.12	90.50	653.70	106.21	765.28	121.91	876.81
100,000	74.80	603.22	90.50	716.64	106.21	838.94	121.91	961.19
Average Usage** (5297 Gallons)	66.30	75.24	80.31	90.98	94.32	106.72	108.34	122.45
Median Usage** (7000 Gallons)	74.80	93.03	90.50	112.42	106.21	131.80	121.91	151.19

\* Note: The effects of WAR do not appear on the customers' bills until June 1 following the implementation date.

\*\* Average and Median Usages are based on instant gallons, not WAR amounts