

1 ORIGINAL

BEFORE THE ARIZONA CORPORATIO

RECEIVED



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Arizona Corporation Commission
DOCKETED

JUL 9 8 2013

DOCKETED BY [Signature]

2 COMMISSIONERS
3 BOB STUMP - Chairman
4 GARY PIERCE
5 BRENDA BURNS
6 BOB BURNS
7 SUSAN BITTER SMITH

2013 JUL -8 A 11:43

AZ CORP COMMISSION
DOCKET CONTROL

8 IN THE MATTER OF THE APPLICATION OF
9 CORDES LAKES WATER COMPANY FOR
10 APPROVAL OF A RATE INCREASE.

DOCKET NO. W-02060A-12-0356

JOINT STIPULATION

11 The Utilities Division ("Staff") of the Arizona Corporation Commission ("Commission") and
12 Cordes Lakes Water Company ("Company") file this joint stipulation resolving several areas and
13 final schedules that reflect those resolutions.

14 Prior to the evidentiary portion of the proceeding on June 13, 2013, the Company and Staff, at
15 the suggestion of the Administrative Law Judge, entered into discussions to resolve certain issues that
16 had arisen based on the prefiled testimony in this docket. Following these discussions, the parties
17 indicated that they had reached a resolution on the issues which had arisen in the proceeding, and it
18 was indicated that after a brief continuance a Joint Stipulation which addresses the relevant issues
19 would be filed.

20 In summary, Staff and the Company agree to an increase in revenue of \$27,182 (6.46 percent)
21 over test year revenue of \$420,536. Test year revenues result in a loss of \$6,213, and expenses of
22 \$426,750. Staff and the Company agree to proposed revenues of \$447,718 and expenses of \$432,966
23 for an operating income of \$14,752 and a 9.0 percent rate of return on stipulated FVRB and OCRB
24 of \$163,913. This level of revenue provides an operating margin of 3.3%. Recommended rates
25 increase the typical 5/8 x 3/4-inch meter residential water bill with a median usage of 3,088 by \$.90
(4.53 percent) from \$19.78 to \$20.67.

26 During the hearing that commenced on June 13, 2013, Staff placed into the record, certain
27 areas of agreement between Staff and the Company. These areas are memorialized as follows:

28 ...

1 **I. REVENUE REQUIREMENT AND RATE BASE.**

2 A. Post Test Year Plant: The Company and Staff agree to the inclusion into rate base of
3 \$16,324.

4 B. Capitalization: Staff and the Company agree that Staff's rate base adjustment no. 3
5 which originally totaled negative \$11,818 will be negative \$8,085 reflecting Staff's
6 agreement to capitalize certain expenditures it previously considered to be expenses.

7 **II. OPERATING INCOME STATEMENT.**

8 A. Staff and the Company agree to Bad Debt of \$2,528 and a 1.2965 gross revenue
9 conversion factor which includes an uncollectable component of 0.4745%.

10 B. Staff and the Company agree to an increase in Purchase Power Expense of \$917 to
11 reflect the increase in APS' rates.

12 C. Outside Services Accounting: Staff and the Company agree to an adjustment of \$6,340
13 to reflect the Company's procurement of outside accounting services.

14 **III. RATE DESIGN**

15 The Company and Staff agree to the rate design as reflected in the attached schedule.

16 **IV. COST OF CAPITAL.**

17 A. The Company and Staff agree to a return on equity of 9.0. The Company's capital
18 structure is 100% equity.

19 **V. FINANCING.**

20 The Company has agreed to file an application for financing approval for certain
21 improvements relating to water loss, in 6 months from the date of a Commission order in this matter.
22 Staff and the Company agree that the Company may seek financing from a lender of its choice, on the
23 condition that any interest rate assessed would be within 2% of the interest rate assessed by the Water
24 Infrastructure Finance Authority. Staff and Company agree that the docket should be left open for the
25 inclusion of a surcharge sufficient to provide a 1.50 Debt Service Coverage Ratio ("DSC"), which
26 will be placed within the monthly minimum.

27 ...

28 ...

1 **VI. CC&N EXTENSION.**

2 Cordes Lakes is currently providing service to customers outside its Certificate of
3 Convenience and Necessity ("CC&N") in the Southwest Quarter of the Northwest Quarter of Section
4 24, Township 11 North, Range 2 East of the Gila and Salt River Base and Meridian, Yavapai County,
5 Arizona. The Company agrees that it will file an application to extend its CC&N to include this area
6 within 180 days of the date of a decision in this matter

7 **VII. ENGINEERING ISSUES.**

8 A. Staff recommends that the Company closely monitor its water system to ensure that
9 pump over-cycling does not occur due to inadequate pressure tank capacity. The
10 Company agrees that prior to filing its next rate case, it will review the sizing of its
11 pressure tanks and file, with the Commission's Docket Control as a compliance item
12 in this docket, the results of its review including actions the Company plans to take to
13 prevent pump over-cycling.

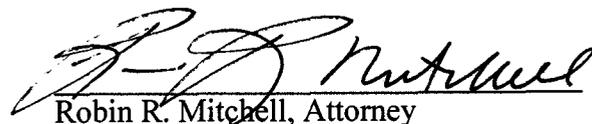
14 B. The Company agrees that it will file with Docket Control, as a compliance item in this
15 docket and within 45 days of the effective date of a decision in this proceeding, at least
16 five BMPs in the form of tariffs that substantially conform to the templates created by
17 Staff for Commission's review and consideration.

18 **VIII. BOOKS AND RECORDS.**

19 The Company agrees that it will keep its books and records in accordance with the National
20 Association of Regulatory Utility Commissioners Uniform System of Accounts.

21 The schedules reflecting the foregoing are attached.

22 RESPECTFULLY SUBMITTED this 8th day of July, 2013.

23
24 

25 Robin R. Mitchell, Attorney
26 Legal Division
27 Arizona Corporation Commission
28 1200 West Washington Street
Phoenix, Arizona 85007
(602) 542-3402

 WITH PERMISSION FOR

Patrick J. Black, Esq.
FENNEMORE CRAIG, P.C.
2394 E. Camelback Road, Ste. 600
Phoenix, Arizona 85016-3429
Attorneys for Cordes Lakes Water Company
(602) 916-5000

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9 Original and thirteen (13) copies
10 of the foregoing were filed this
8th day of July, 2013 with:

11 Docket Control
12 Arizona Corporation Commission
13 1200 West Washington Street
Phoenix, Arizona 85007

14 Copies of the foregoing were mailed
15 this 8th day of July, 2013 to:

16 Patrick J. Black, Esq.
17 FENNEMORE CRAIG, P.C.
18 2394 E. Camelback Road, Ste. 600
Phoenix, Arizona 85016-3429
Attorneys for Cordes Lakes Water Company

19 Neil Folkman
20 Cordes Lakes Water Company
2501 East Palo Verde
Phoenix, Arizona 85016

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SCHEDULES

SETTLEMENT TESTIMONY OF Mary J. Rimback

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REVENUE REQUIREMENT

LINE NO.	DESCRIPTION	(A) COMPANY ORIGINAL COST	(B) STAFF ORIGINAL COST
1	Adjusted Rate Base	\$ 496,789	\$ 163,913
2	Adjusted Operating Income (Loss) ¹	\$ (17,373)	\$ (6,213)
3	Current Rate of Return (L2 / L1) ²	0.00%	-3.79%
4	Required Rate of Return	8.00%	9.00%
5	Required Operating Income (L4 * L1) ^{3,4}	\$ 37,000	\$ 14,752
6	Operating Income Deficiency (L5 - L2) ⁵	\$ 68,000	\$ 20,965
7	Gross Revenue Conversion Factor	None	1.2965
8	Required Revenue Increase (L7 * L6) ⁶	\$ 77,000	\$ 27,182
9	Adjusted Test Year Revenue	\$ 403,993	\$ 420,536
10	Proposed Annual Revenue (L8 + L9) ⁷	\$ 498,366	\$ 447,718
11	Required Increase in Revenue (%)	19.06%	6.46%

References:

Column (A): Company Schedule B-1 Rate Base, Revised E-2 (9/24/2012) Income Statement
Column (B): Staff Schedule MJR-3 & MJR-12

¹ The Company's application (Schedule A-1) uses Net Income as Operating Income.

² The Company's rate of return, as filed, is not a mathematical product of Operating Income divided by rate base.

³ Rate base (\$496,789) times ROR (8.0%) equals \$39,743.

⁴ The Company requests a \$30,000 water loss repair surcharge and a \$10,000 meter replacement surcharge.

⁵ The Company's amount is not mathematically correct.

⁶ The Company's amount is the total of Required Operating Income and both surcharges (\$37,000 + \$30,000 + \$10,000). However, the Company's request for a \$30,000 water loss surcharge only extends for two years and the \$10,000 meter replacement surcharge only extends for three years.

⁷ Company's amount represents test year revenue (\$403,993) plus adjusted operating loss (\$17,373) plus required operating income (\$37,000) plus annual water loss surcharge (\$30,000) plus annual meter replacement surcharge (\$10,000).

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	(A)	(B)	(C)	(D)
<u>Calculation of Gross Revenue Conversion Factor:</u>					
1	Revenue	100.0000%			
2	Uncollectible Factor (Line 11)	0.4745%			
3	Revenues (L1 - L2)	99.5255%			
4	Combined Federal and State Tax Rate (Line 17) + Property Tax Factor (Line 22)	22.3951%			
5	Subtotal (L3 - L4)	77.1304%			
6	Revenue Conversion Factor (L1 / L5)	1.296505			
<u>Calculation of Uncollectible Factor:</u>					
7	Unity	100.0000%			
8	Combined Federal and State Tax Rate (Line 17)	20.9228%			
9	One Minus Combined Income Tax Rate (L7 - L8)	79.0772%			
10	Uncollectible Rate	0.6000%			
11	Uncollectible Factor (L9 * L10)	0.4745%			
<u>Calculation of Effective Tax Rate:</u>					
12	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
13	Arizona State Income Tax Rate	6.9680%			
14	Federal Taxable Income (L12 - L13)	93.0320%			
15	Applicable Federal Income Tax Rate (Line 53)	15.0000%			
16	Effective Federal Income Tax Rate (L14 x L15)	13.9548%			
17	Combined Federal and State Income Tax Rate (L13 + L16)	20.9228%			
<u>Calculation of Effective Property Tax Factor</u>					
18	Unity	100.0000%			
19	Combined Federal and State Tax Rate (Line 17)	20.9228%			
20	One Minus Combined Income Tax Rate (L18 - L19)	79.0772%			
21	Property Tax Factor (MJR-17, L24)	1.8618%			
22	Effective Property Tax Factor (L 21 * L 22)	1.4723%			
23	Combined Federal and State Tax and Property Tax Rate (L17+L22)		22.3951%		
24	Required Operating Income (Schedule MJR-1, Line 5)	\$ 14,752			
25	Adjusted Test Year Operating Income (Loss) (Schedule MJR-12, Line 40)	\$ (6,213)			
26	Required Increase in Operating Income (L24 - L25)		\$ 20,965		
27	Income Taxes on Recommended Revenue (Col. (D), L52)	\$ 3,903			
28	Income Taxes on Test Year Revenue (Col. (B), L52)	\$ (1,644)			
29	Required Increase in Revenue to Provide for Income Taxes (L27 - L28)		\$ 5,547		
30	Recommended Revenue Requirement (Schedule MJR-1, Line 10)	\$ 447,718			
31	Uncollectible Rate (Line 10)	0.6000%			
32	Uncollectible Expense on Recommended Revenue (L24 * L25)	\$ 2,686			
33	Adjusted Test Year Uncollectible Expense	\$ 2,523			
34	Required Increase in Revenue to Provide for Uncollectible Exp. (L32 - L33)		\$ 163		
35	Property Tax with Recommended Revenue (MJR-18, L19)	\$ 23,935			
36	Property Tax on Test Year Revenue (MJR-18, L 16)	\$ 23,429			
37	Increase in Property Tax Due to Increase in Revenue (MJR-18, L22)		\$ 506		
38	Total Required Increase in Revenue (L26 + L29 + L34+L37)		\$ 27,182		
<u>Calculation of Income Tax:</u>					
		Test Year		STAFF Recommended	
39	Revenue (Schedule MJR-12, Col.(C), Line 5 & Sch. MJR-1, Col. (B), Line 10)	\$ 420,536	\$ 27,182	\$ 447,718	
40	Operating Expenses Excluding Income Taxes	\$ 428,394		\$ 429,063	
41	Synchronized Interest (L47)	\$ -		\$ -	
42	Arizona Taxable Income (L36 - L317- L38)	\$ (7,857)		\$ 18,655	
43	Arizona State income Tax Rate	6.9680%		6.9680%	
44	Arizona Income Tax (L39 x L40)		\$ (547)	\$ -	\$ 1,300
45	Federal Taxable Income (L42- L43)	\$ (7,310)		\$ 17,355	
46	Federal Tax on First Income Bracket (\$1 - \$50,000) @ 15%	\$ (1,096)		\$ 2,603	
47	Federal Tax on Second Income Bracket (\$50,001 - \$75,000) @ 25%	\$ -		\$ -	
48	Federal Tax on Third Income Bracket (\$75,001 - \$100,000) @ 34%	\$ -		\$ -	
49	Federal Tax on Fourth Income Bracket (\$100,001 - \$335,000) @ 39%	\$ -		\$ -	
50	Federal Tax on Fifth Income Bracket (\$335,001 - \$10,000,000) @ 34%	\$ -		\$ -	
51	Total Federal Income Tax	\$ (1,096)		\$ 2,603	
52	Combined Federal and State Income Tax (L44 + L51)	\$ (1,644)		\$ 3,903	
53	Applicable Federal Income Tax Rate [Col. (D), L51 - Col. (B), L51] / [Col. (C), L45 - Col. (A), L45]				15.0000%
<u>Calculation of Interest Synchronization:</u>					
54	Rate Base (Schedule MJR-3, Col. (C), Line 17)	\$ 163,913			
55	Weighted Average Cost of Debt	0.00%			
56	Synchronized Interest (L54 X L56)	\$ -			

RATE BASE - ORIGINAL COST

LINE	(A) COMPANY AS	(B) STAFF	(C) STAFF AS	
<u>NO.</u>	<u>FILED</u>	<u>ADJUSTMENTS</u>	<u>REF</u> <u>ADJUSTED</u>	
1	Plant in Service	\$ 601,634	\$ 555,446	\$ 1,157,080
2	Less: Accumulated Depreciation	139,712	756,683	896,395
3	Net Plant in Service	<u>\$ 461,922</u>	<u>\$ (201,238)</u>	<u>\$ 260,684</u>
<u>LESS:</u>				
4	Contributions in Aid of Construction (CIAC)	\$ -	\$ 76,247	\$ 76,247
5	Less: Accumulated Amortization	-	18,755	18,755
6	Net CIAC	-	57,492	57,492
7	Advances in Aid of Construction (AIAC)	21,110	-	21,110
8	Customer Deposits	18,170	-	18,170
9	Deterred Income Tax Liabilites	-	-	-
<u>ADD:</u>				
10	Unamortized Finance Charges	-	-	-
11	Deferred Tax Assets	-	-	-
12	Working Capital	74,147	(74,147)	-
17	Original Cost Rate Base	<u>\$ 496,789</u>	<u>\$ (332,876)</u>	<u>\$ 163,913</u>

References:

Column (A), Company Schedule B-1,
Column (B): Schedule MJR-4
Column (C): Column (A) + Column (B)

SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS

LINE NO.	ACCT. NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) Rec & Res Land ADJ #1 Ref. Sch. M.J.R. 5	(C) Used & Useful ADJ #2 Ref. Sch. M.J.R. 6	(D) Net Plant Additions ADJ #3 Ref. Sch. M.J.R. 7	(E) Acc Depr ADJ #4 Ref. Sch. M.J.R. 8	(F) Recognize CIAC ADJ #5 Ref. Sch. M.J.R. 9	(G) Working Capital ADJ #6 Ref. Sch. M.J.R. 10	(H) Post TY Plant ADJ #7 Ref. Sch. M.J.R. 11	(I) STR/FIF ADJUSTED
PLANT IN SERVICE											
1	301	Organization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	302	Franchises	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights	35,665	(35,665)	-	-	-	-	-	-	-
4	304	Structures & Improvements	6,657	-	-	-	-	-	-	-	6,657
5	305	Collecting & Impounding Reservoirs	-	-	-	-	-	-	-	-	-
6	306	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	-	-	-
7	307	Wells and Springs	-	-	-	-	-	-	-	-	-
8	308	Infiltration Galleries and Tunnels	167,348	-	-	-	-	-	-	-	167,348
9	309	Supply Mains	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment	-	-	-	-	-	-	-	-	-
11	311	Pumping Equipment	-	-	-	-	-	-	-	-	-
12	320	Water Treatment Plant	26,588	-	-	-	-	-	-	16,324	42,912
13	330	Distribution Reservoirs & Standpipes	-	-	-	-	-	-	-	-	-
14	331	Transmission & Distribution Mains	141,632	-	562,840	-	-	-	-	-	141,632
15	333	Services	15,099	-	19,350	-	-	-	-	-	581,937
16	334	Meeters & Meter Installation	70,842	-	-	(12,292)	-	-	-	-	58,550
17	335	Hydrants	-	-	-	-	-	-	-	-	-
18	336	Backflow Prevention Devices	-	-	-	-	-	-	-	-	-
19	338	Other Plant & Misc. Equipment	69,315	-	-	1,235	-	-	-	-	60,550
20	340	Office Furniture & Equipment	7,027	-	-	(926)	-	-	-	-	6,101
21	341	Transportation Equipment	71,461	-	-	-	-	-	-	-	71,461
22	342	Tools, Ship & Garage Equipment	-	-	-	-	-	-	-	-	-
23	343	Laboratory Equipment	-	-	-	-	-	-	-	-	-
24	344	Power Operated Equipment	-	-	-	-	-	-	-	-	-
25	345	Communication Equipment	-	-	-	-	-	-	-	-	-
26	346	Miscellaneous Equipment	-	-	-	-	-	-	-	-	-
27	347	Other Tangible Plant	-	-	582	-	-	-	-	-	582
28	348		-	-	-	-	-	-	-	-	-
29	349		-	-	-	-	-	-	-	-	-
30			601,634	(35,665)	582,872	(8,065)	-	-	-	16,324	1,157,080
31											
32		Add:									
33		Post Test Year Plant									
34		General Office Plant Allocation									
35		Less:									
36											
37											
38											
39		Total Plant In Service	\$ 601,634	\$ (35,665)	\$ 582,872	\$ (8,065)	\$ -	\$ -	\$ -	\$ 16,324	\$ 1,157,080
40		Less: Accumulated Depreciation	139,712	-	-	-	756,683	-	-	-	896,385
41											
42		Net Plant In Service (159 - L 60)	\$ 461,922	\$ (35,665)	\$ 582,872	\$ (8,065)	\$ (756,683)	\$ -	\$ -	\$ 16,324	\$ 260,694
43		LESS:									
44		Contributions in Aid of Construction (CIAC)						76,247			76,247
45		Less: Accumulated Amortization						18,755			18,755
46		Net CIAC (125 - 126)						57,492			57,492
47		Advances in Aid of Construction (AIAC)	21,110								21,110
48		Customer Deposits	16,170								16,170
49		Deferred Tax Liabilities									
50											
51											
52		ADD:									
53		Unamortized Finance Charges									
54		Deferred Tax Assets									
55		Working Capital	74,147						(74,147)		
56											
57		Original Cost Rate Base	\$ 496,789	\$ (35,665)	\$ 582,872	\$ (8,065)	\$ (756,683)	\$ (57,492)	\$ (74,147)	\$ 16,324	\$ 163,913

CORDES LAKES WATER COMPANY
Docket No. W-02060A-12-0356
Test Year Ended December 31, 2011

Settlement MJR - 5

RATE BASE ADJUSTMENT #1 - REMOVE NON-USED AND USEFUL LAND

<u>Line No.</u>	<u>DESCRIPTION</u>	<u>[A] COMPANY PROPOSED</u>	<u>[B] STAFF ADJUSTMENTS</u>	<u>[C] STAFF RECOMMENDED</u>
1	Land	\$ 35,665	\$ (35,665)	\$ -

References:

Col [A]: Company Schedule B-1
Col [B]: Col [C] - Col [A]
Col [C]: MJR Testimony

CORDES LAKES WATER COMPANY
 Docket No. W-02060A-12-0356
 Test Year Ended December 31, 2011

Settlement MJR-6

RATE BASE ADJUSTMENT #2 REINSTATE USED AND USEFULL PLANT

LINE NO.	ACCT NO.	DESCRIPTION	[A]	[B]	[C]
			COMPANY 2006 Balance AS FILED	Decision No. 70170 STAFF ADJUSTMENTS	STAFF RECOMMENDED
1	311	Pumping Equipment	\$ 10,558	\$ -	\$ 10,558
2	331	Transmission & Distribution Mains	9,444	562,940	572,384
3	333	Services	-	19,350	19,350
4	347	Miscellaneous Equipment	-	582	582
5		Totals	\$ 20,002	\$ 582,872	\$ 602,874

[A]: Company Schedule E-5 and Detail 11/8/2012
 [B]: Col [C] - Col [A]
 [C]:MJR Testimony

CORDES LAKES WATER COMPANY
 Docket No. W-02060A-12-0356
 Test Year Ended December 31, 2011

Settlement MJR-7

RATE BASE ADJUSTMENT #3 NET PLANT ADDITIONS

LINE NO.	ACCT NO.	DESCRIPTION	[A]	[B]	[C]
			COMPANY Additions 11/8/2012	STAFF ADJUSTMENTS	STAFF RECOMMENDED
1	331	Transmission & Distribution Mains	\$ 5,655	\$ 3,898	\$ 9,553
2	334	Meters & Meter Installation	35,253	(12,292)	22,961
3	339	Other Plant & Misc. Equipment	5,166	1,235	6,401
4	340	Office Furniture & Equipment	2,537	(926)	1,611
5		Totals	\$ 48,611	\$ (8,085)	\$ 40,526

[A]: Company Schedule E-5 and Detail provided 11/8/2012
 [B]: Col [C] - Col [A]
 [C]:MJR Testimony

CORDES LAKES WATER COMPANY
Docket No. W-02060A-12-0356
Test Year Ended December 31, 2011

Settlement MJR-8

RATE BASE ADJUSTMENT #4 - ACCUMULATED DEPRECIATION

LINE NO.	DESCRIPTION	[A] COMPANY PROPOSED	[B] STAFF ADJUSTMENTS	[C] STAFF RECOMMENDED
1	Accumulated Depreciation	\$ 139,712	\$ 756,683	\$ 896,395

References:

Col [A]: Company Schedule B-1

Col [B]: Col [C] - Col [A]

Col [C]: MJR Testimony

CORDES LAKES WATER COMPANY
Docket No. W-02060A-12-0356
Test Year Ended December 31, 2011

Settlement MJR-9

RATE BASE ADJUSTMENT #5 - CIAC AND ACCUMULATED AMORTIZATION OF CIAC

LINE NO.	DESCRIPTION	[A] COMPANY PROPOSED	[B] STAFF ADJUSTMENTS	[C] STAFF RECOMMENDED
1	Contributions in aid of construction	\$ -	\$ 76,247	\$ 76,247
2	Accumulated Amortization of CIAC	\$ -	\$ 18,755	\$ 18,755

References:

Col [A]: Company Schedule B-1

Col [B]: Col [C] - Col [A]

Col [C]: Decision 70170

CORDES LAKES WATER COMPANY
Docket No. W-02060A-12-0356
Test Year Ended December 31, 2011

Settlement MJR-10

RATE BASE ADJUSTMENT #6 - WORKING CAPITAL ALLOWANCE

<u>LINE</u> <u>NO.</u>	<u>DESCRIPTION</u>	<u>[A]</u> <u>COMPANY</u> <u>PROPOSED</u>	<u>[B]</u> <u>STAFF</u> <u>ADJUSTMENTS</u>	<u>[C]</u> <u>STAFF</u> <u>RECOMMENDED</u>
1	Working Capital Allowance	\$ 74,147	\$ (74,147)	\$ -

References:

Col [A]: Company Schedule B-1

Col [B]: Col [C] - Col [A]

Col [C]: MJR Testimony

CORDES LAKES WATER COMPANY
Docket No. W-02060A-12-0356
Test Year Ended December 31, 2011

Settlement MJR-11

RATE BASE ADJUSTMENT #7 - POST TEST YEAR PLANT

<u>LINE</u> <u>NO.</u>	<u>DESCRIPTION</u>	<u>[A]</u> <u>COMPANY</u> <u>PROPOSED</u>	<u>[B]</u> <u>STAFF</u> <u>ADJUSTMENTS</u>	<u>[C]</u> <u>STAFF</u> <u>RECOMMENDED</u>
1	311 Pumping Equipment	\$ 26,588	\$ 16,324	\$42,912
2	Accumulated Depreciation--Application	\$0	\$0	\$0

References:

Col [A]: Company Schedule B-1

Col [B]: Company Testimony

Col [C]: Col [A] + Col [B]

OPERATING INCOME STATEMENT - ADJUSTED TEST YEAR AND STAFF RECOMMENDED

Settlement MJR-12

LINE NO.	DESCRIPTION	[A] COMPANY ADJUSTED TEST YEAR AS FILED	[B] STAFF TEST YEAR ADJUSTMENTS	[C] STAFF TEST YEAR AS ADJUSTED	[D] STAFF PROPOSED CHANGES	[E] STAFF RECOMMENDED
1	<u>REVENUES:</u>					
2	Metered Water Sales	\$ 403,353	\$ 9,093	\$ 412,446	\$ 27,182	\$ 439,628
3	Received for Contract Labor	167,692	(167,692)	-	-	-
4	Miscellaneous Revenue	640	7,450	8,090	-	8,090
5	Total Operating Revenues	\$ 571,685	\$ (151,149)	\$ 420,536	\$ 27,182	\$ 447,718
6	<u>OPERATING EXPENSES:</u>					
7	Payroll	\$ 309,095	\$ (167,692)	\$ 141,403	\$ -	\$ 141,403
8	Contract Labor	10,312	-	10,312	-	10,312
9	Employee Benefits	29,422	-	29,422	-	29,422
10	Purchased Power	31,723	917	32,640	-	32,640
11	Repairs and Maintenance	12,650	1,012	13,662	-	13,662
12	Office Supplies and Expense	14,491	-	14,491	-	14,491
13	Outside Sevices - Accounting	3,660	6,340	10,000	-	10,000
17	Outside Sevices - Billing Services	24,118	-	24,118	-	24,118
18	Outside Sevices - Computer Programming	3,511	-	3,511	-	3,511
19	Water Testing	1,806	4,052	5,858	-	5,858
20	Rents	28,150	-	28,150	-	28,150
21	Transportation Expenses	8,995	-	8,995	-	8,995
22	Insurance - General Liability	33,033	-	33,033	-	33,033
23	Insurance - Health and Life	14,936	-	14,936	-	14,936
24	Rate Case Expense	-	6,000	6,000	-	6,000
25	Regulatory Expense	-	-	-	-	-
26	Misc Expense - Permits	2,000	-	2,000	-	2,000
27	Misc Expense - Travel	-	-	-	-	-
28	Misc. Expenses - Utilities except Electricity	3,391	-	3,391	-	3,391
29	Misc. Expenses - Bank Charges	1,304	2,528	3,832	163	3,995
30	Misc. Expenses - Payroll Services	859	-	859	-	859
31	Depreciation Expense	37,195	(20,068)	17,127	-	17,127
32	Payroll Taxes	175	-	175	-	175
33	Taxes other than Income (Sales Tax)	-	-	-	-	-
34	Property Taxes	18,187	5,242	23,429	506	23,935
35	Income Tax	45	(1,689)	(1,644)	5,547	3,903
36	Interest Income	-	-	-	-	-
37	Interest Expense	-	1,050	1,050	-	1,050
38						
39	Total Operating Expenses	\$ 589,058	\$ (162,308)	\$ 426,750	\$ 6,216	\$ 432,966
40	Operating Income (Loss)	\$ (17,373)	\$ 11,160	\$ (6,213)	\$ 20,965	\$ 14,752

References:

Column (A): Company Revised Schedule E-2, 11/8/2012

Column (B): Schedule Surrebuttal MJR-12

Column (C): Column (A) + Column (B)

Column (D): Surrebuttal Schedules MJR-1 and MJR-2

Column (E): Column (C) + Column (D)

SUMMARY OF OPERATING INCOME STATEMENT ADJUSTMENTS - TEST YEAR

LINE NO.	DESCRIPTION	COMPANY AS FILED 89242012	(A) IN	(B) CONTRACT LABOR ADJ. (RM. SCH. MUR. 14)	(C) REPAIRS & MAINT ADJ. (RM. SCH. MUR. 15)	(D) MISCELLANEOUS ADJ. (RM. SCH. MUR. 16)	(E) OTHER CHG ADJ. (RM. SCH. MUR. 17)	(F) OTHER CHG ADJ. (RM. SCH. MUR. 18)	(G) INC. TAX ADJ. (RM. SCH. MUR. 19)	(H) WATER TESTING ADJ. (RM. SCH. MUR. 20)	(I) UNRECOVERED REV ADJ. (RM. SCH. MUR. 21)	(J) CUSTOMER DEP ADJ. (RM. SCH. MUR. 22)	(K) RATE CHG ADJ. (RM. SCH. MUR. 23)	(L) OUTSIDE ACQ SVCS ADJ. (RM. SCH. MUR. 24)	(M) PURCHASED POWER ADJ. (RM. SCH. MUR. 25)	(N) PURCHASED POWER ADJ. (RM. SCH. MUR. 26)	(O) STAFF ADJUSTED	
1	REVENUES:																	
2	Measured Revenue	\$ 403,353																
3	Other Water Revenue	187,692																
4	Other Water Revenue	(187,692)																
5	Total Operating Revenues	\$ 571,625	\$ 571,625	\$ 571,625	\$ 571,625	\$ 571,625	\$ 571,625	\$ 571,625	\$ 571,625	\$ 571,625	\$ 571,625	\$ 571,625	\$ 571,625	\$ 571,625	\$ 571,625	\$ 571,625	\$ 571,625	\$ 571,625
6	OPERATING EXPENSES:																	
7	Payroll	\$ 328,098																
8	Contract Labor	10,312																
9	Employee Benefits	29,422																
10	Repairs and Maintenance	31,723																
11	Office Supplies and Expenses	14,491																
12	Outside Services - Accounting	3,850																
13	Outside Services - Computer	2,518																
14	Outside Services - Computer Programming	1,806																
15	Water Testing	28,150																
16	Travel	33,033																
17	Medical Insurance	14,836																
18	Health Insurance	2,000																
19	Miscellaneous Expenses	3,391																
20	Miscellaneous - Travel	1,859																
21	Miscellaneous - Utilities except Electricity	859																
22	Miscellaneous - Payroll Services	37,185																
23	Depreciation Expense	175																
24	Payroll Taxes	18,137																
25	Provision for Income Taxes	45																
26	Income Tax																	
27	Interest Expense																	
28	Total Operating Expenses	\$ 589,058																
29	Operating Income (Loss)	\$ (17,433)	\$ (17,433)	\$ (17,433)	\$ (17,433)	\$ (17,433)	\$ (17,433)	\$ (17,433)	\$ (17,433)	\$ (17,433)	\$ (17,433)	\$ (17,433)	\$ (17,433)	\$ (17,433)	\$ (17,433)	\$ (17,433)	\$ (17,433)	\$ (17,433)

Reference:

Column (A): Company Revised Schedule E-2, 11/02/2012

CORDES LAKES WATER COMPANY
Docket No. W-02060A-12-0356
Test Year Ended December 31, 2011

Settlement MJR-14

OPERATING INCOME ADJUSTMENT #1 - REMOVE NON-UTILITY REVENUES AND EXPENSES FOR CONTRACT LABOR

<u>LINE</u> <u>NO.</u>	<u>DESCRIPTION</u>	<u>[A]</u> <u>COMPANY</u> <u>PROPOSED</u>	<u>[B]</u> <u>STAFF</u> <u>ADJUSTMENTS</u>	<u>[C]</u> <u>STAFF</u> <u>RECOMMENDED</u>
1	Contract Labor Revenue	\$ 167,692	\$ (167,692)	\$ -
2	Payroll	\$ 167,692	(167,692)	\$ -
3	Operating Income Affect	\$ -	\$ -	\$ -

References:

Col [A]: Company Schedule E-2
Col [B]: Col [C] - Col [A]
Col [C]: MJR Testimony

CORDES LAKES WATER COMPANY
Docket No. W-02060A-12-0356
Test Year Ended December 31, 2011

Settlement MJR-15

OPERATING INCOME ADJUSTMENT #2 - NORMALIZATION OF REPAIRS & MAINTENANCE EXPENSES

LINE NO.	DESCRIPTION	[A] COMPANY PROPOSED	[B] STAFF ADJUSTMENTS	[C] STAFF RECOMMENDED
1	Repairs & Maintenance	\$ 12,650	\$ 1,012	\$ 13,662
2	Repairs & Maintenance - Company's Test Year: 2011			\$ 12,650
3	Repairs & Maintenance - 2010 Annual Stmt			17,221
4	Repairs & Maintenance - 2009 Annual Stmt			11,116
5	Repairs & Maintenance expenses, past three years			\$ 40,987
6	Average Repair & Maintenance expense (line 5/3)			\$ 13,662

References:

Col [A]: Company Schedule C-1

Col [B]: Col [C] - Col [A]

Col [C]: Normalized Repairs & Maintenance Expense Col [C] L6.

CORDES LAKES WATER COMPANY
 Docket No. W-02060A-12-0356
 Test Year Ended December 31, 2011

Settlement MJR-16

OPERATING INCOME ADJUSTMENT #3 - METERED REVENUE

LINE NO.	DESCRIPTION	[A] COMPANY PROPOSED	[B] STAFF ADJUSTMENTS	[C] STAFF RECOMMENDED
1	Metered Revenue	\$ 403,353	\$ 9,093	\$ 412,446

References:

Col [A]: Company Schedule E-2 Revised 9/24/2012
 Col [B]: Col [C] - Col [A]
 Col [C]: MJR Testimony

<u>Bill Count Revenue</u>	
3/4 inch Meter	\$ 404,597
1 inch Meter	2,397
2 inch Meter	5,452
Subtotal	\$ 412,446

OPERATING INCOME ADJUSTMENT #4 - DEPRECIATION EXPENSE

Line No.	ACCT NO.	DESCRIPTION	[A] AMOUNT	Depreciable Amount	[B] Projected RATE	[C] EXPENSE
Plant In Service						
1	301	Organization	\$ -	\$ -	0.00%	\$ -
2	302	Franchises	-	-	0.00%	-
3	303	Land and Land Rights	-	-	0.00%	-
4	304	Structures & Improvements	6,657	4,400	3.33%	147
5	305	Collecting & Impounding Reservoirs	-	-	2.50%	-
6	306	Lakes, Rivers, Other Intakes	-	-	2.50%	-
7	307	Wells and Springs	167,348	151,979	3.33%	5,061
8	308	Infiltration Galleries and Tunnels	-	-	6.67%	-
9	309	Supply Mains	-	-	2.00%	-
10	310	Power Generation Equipment	-	-	5.00%	-
11	311	Pumping Equipment	42,912	32,354	12.50%	4,044
12	320	Water Treatment Plant	-	-	3.33%	-
13	330	Distribution Reservoirs & Standpipes	141,632	94,458	2.22%	2,097
14	331	Transmission & Distribution Mains	581,937	19,442	2.00%	389
15	333	Services	19,350	-	3.33%	-
16	334	Meters & Meter Installation	58,550	50,811	8.33%	4,233
17	335	Hydrants	-	-	2.00%	-
18	336	Backflow Prevention Devices	-	-	6.67%	-
19	339	Other Plant & Misc. Equipment	60,550	60,550	6.67%	4,039
20	340	Office Furniture & Equipment	6,101	6,101	6.67%	407
21	341	Transportation Equipment	71,461	2,412	20.00%	482
22	342	Stores Equipment	-	-	4.00%	-
23	343	Tools, Ship & Garage Equipment	-	-	5.00%	-
24	344	Laboratory Equipment	-	-	10.00%	-
25	345	Power Operated Equipment	-	-	5.00%	-
26	346	Communication Equipment	-	-	10.00%	-
27	347	Miscellaneous Equipment	582	-	10.00%	-
28	348	Other Tangible Plant	-	-	0.00%	-
29		Subtotal General	\$ 1,157,080	\$ 422,507		\$ 20,898
30		Less: Non- depreciable Account(s) (L3)	-	-		-
31		Depreciable Plant (L29-L30)	\$ 1,157,080	\$ 422,507		
32		Contributions-in-Aid-of-Construction (CIAC) Per Decision No. 54526 (1/28/1985) - Not Amortized	\$ 76,247			
33		Composite Depreciation/Amortization Rate	4.95%			
34		Less: Amortization of CIAC (L32 x L33)				\$ 3,771
35		Depreciation Expense - STAFF [Col. (C), L29 - L34]				\$ 17,127

LINE NO.	DESCRIPTION	[A] COMPANY PROPOSED	[B] STAFF ADJUSTMENT	[C] STAFF RECOMMENDED
36	Depreciation Expense	\$ 37,195	\$ (20,068)	\$ 17,127

References:
Col [A]: MJR-4
Col [B]: Decision No. 70170 and updated Plant Schedules
Col [C]: MJR Testimony

CORDES LAKES WATER COMPANY
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Settlement MJR-18

OPERATING INCOME ADJUSTMENT #5 - PROPERTY TAXES

LINE NO.	Property Tax Calculation	(C)	
		STAFF AS ADJUSTED	STAFF RECOMMENDED
1	Staff Adjusted Test Year Revenues - 2011	\$ 420,536	\$ 420,536
2	Weight Factor	2	2
3	Subtotal (Line 1 * Line 2)	841,073	\$ 841,073
4	Staff Recommended Revenue, Per Schedule MJR-1	420,536	\$ 447,718
5	Subtotal (Line 4 + Line 5)	1,261,609	1,288,791
6	Number of Years	3	3
7	Three Year Average (Line 5 / Line 6)	420,536	429,597
8	Department of Revenue Multiplier	2	2
9	Revenue Base Value (Line 7 * Line 8)	841,073	859,194
10	Plus: 10% of CWIP -	-	-
11	Less: Net Book Value of Licensed Vehicles	2,171	2,171
12	Full Cash Value (Line 9 + Line 10 - Line 11)	838,902	\$ 857,023
13	Assessment Ratio	20.0%	20.0%
14	Assessment Value (Line 12 * Line 13)	167,780	\$ 171,405
15	Composite Property Tax Rate	13.9638%	13.9638%
16	Staff Test Year Adjusted Property Tax (Line 14 * Line 15)	\$ 23,429	\$ -
17	Company Proposed Property Tax	18,187	
18	Staff Test Year Adjustment (Line 16-Line 17)	\$ 5,242	
19	Property Tax - Staff Recommended Revenue (Line 14 * Line 15)		\$ 23,935
20	Staff Test Year Adjusted Property Tax Expense (Line 16)		\$ 23,429
21	Increase in Property Tax Expense Due to Increase in Revenue Requirement		\$ 506
22	Increase to Property Tax Expense		\$ 506
23	Increase in Revenue Requirement		27,182
24	Increase to Property Tax per Dollar Increase in Revenue (Line 22/Line 23)		1.861840%

CORDES LAKES WATER COMPANY
Docket No. W-02060A-12-0356
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Settlement MJR-19

OPERATING INCOME ADJUSTMENT #6 - TEST YEAR INCOME TAXES

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>[A] COMPANY PROPOSED</u>	<u>[B] STAFF ADJUSTMENTS</u>	<u>[C] STAFF RECOMMENDED</u>
1	Income Tax Expense	<u>\$ 45</u>	<u>\$ (1,689)</u>	<u>\$ (1,644)</u>

References:

Col [A]: Company Schedule E-2 Revised 9/24/2012

Col [B]: Col [C] - Col [A]

Col [C]: Schedule MJR-2, Line 43

CORDES LAKES WATER COMPANY
Docket No. W-02060A-12-0356
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Settlement MJR-20

OPERATING INCOME ADJUSTMENT #7 WATER TESTING

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>[A] COMPANY PROPOSED</u>	<u>[B] STAFF ADJUSTMENTS</u>	<u>[C] STAFF RECOMMENDED</u>
1	Water Testing Expense	<u>\$ 1,806</u>	<u>\$ 4,052</u>	<u>\$ 5,858</u>

References:

Col [A]: Company Schedule E-2
Col [B]: Col [C] - Col [A]
Col [C]: Engineering Report

CORDES LAKES WATER COMPANY
 Docket No. W-02060A-12-0356
 Test Year Ended December 31, 2011

Settlement MJR-21

OPERATING INCOME ADJUSTMENT #8 - NON-METERED REVENUE FEES

LINE NO.	DESCRIPTION	[A] COMPANY PROPOSED 9/24/2012	[B] STAFF ADJUSTMENTS	[C] STAFF RECOMMENDED
1	Misc Income Net	\$ 640	\$ (640)	\$ -
2	Establishment	-	\$ 6,825	6,825
3	Reconnection	-	\$ 1,045	1,045
4	After Hours Reconnection	-	\$ 150	150
5	Re-Establishment	-	\$ 70	70
6		\$ 640	\$ 7,450	\$ 8,090

	COMPANY Revised 8/17/2012
Misc Income Net	\$ -
Establishment	6,825
Reconnection	1,045
After Hours Reconnection	150
Re-Establishment	70

References:

Col [A]: Company Schedule A-2 (B)

Col [B]: Col [C] - Col [A]

Col [C]: Schedule Column A plus Column B

CORDES LAKES WATER COMPANY
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Test Year Ended December 31, 2011

Settlement MJR-22

OPERATING INCOME ADJUSTMENT #9 - INTEREST ON CUSTOMER DEPOSITS

LINE		[A]	[B]	[C]
<u>NO.</u>	<u>DESCRIPTION</u>	<u>COMPANY PROPOSED</u>	<u>STAFF ADJUSTMENTS</u>	<u>STAFF RECOMMENDED</u>
1	Interest on Customer Deposits	<u>\$ -</u>	<u>\$ 1,050</u>	<u>\$ 1,050</u>

References:

Col [A]: Company Schedule A-2 (B)

Col [B]: Col [C] - Col [A]

Col [C]: MJR Testimony

CORDES LAKES WATER COMPANY
Docket No. W-02060A-12-0356
Test Year Ended December 31, 2011

Settlement MJR-23

OPERATING INCOME ADJUSTMENT #10 - RATE CASE EXPENSE

LINE		[A]	[B]	[C]
<u>NO.</u>	<u>DESCRIPTION</u>	<u>COMPANY PROPOSED</u>	<u>STAFF ADJUSTMENTS</u>	<u>STAFF RECOMMENDED</u>
1	Rate Case Expense	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ 6,000</u>

References:

Col [A]: Company Schedule E-2

Col [B]: Col [C] - Col [A]

Col [C]: MJR Surrebuttal Testimony

CORDES LAKES WATER COMPANY
Docket No. W-02060A-12-0356
Test Year Ended December 31, 2011

Settlement MJR-24

OPERATING INCOME ADJUSTMENT #11 - OUTSIDE ACCOUNTING SERVICES

LINE		[A]	[B]	[C]
<u>NO.</u>	<u>DESCRIPTION</u>	<u>COMPANY</u> <u>PROPOSED</u>	<u>STAFF</u> <u>ADJUSTMENTS</u>	<u>STAFF</u> <u>RECOMMENDED</u>
1	Outside Sevices - Accounting	<u>\$ 3,660</u>	<u>\$ 6,340</u>	<u>\$ 10,000</u>

References:

Col [A]: Company Schedule E-2

Col [B]: Col [C] - Col [A]

Col [C]: MJR Surrebuttal Testimony

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Docket No. W-02060A-12-0356
Test Year Ended December 31, 2011

Settlement MJR-25

OPERATING INCOME ADJUSTMENT #12 - BAD DEBT EXPENSE

LINE		[A]	[B]	[C]
<u>NO.</u>	<u>DESCRIPTION</u>	<u>COMPANY PROPOSED</u>	<u>STAFF ADJUSTMENTS</u>	<u>STAFF RECOMMENDED</u>
1	Misc. Expense - Bank Charges	\$ 1,304	\$ -	\$ 1,304
2	Bad Debt Expense	-	2,528	2,528
3	Total	<u>\$ 1,304</u>	<u>\$ 2,528</u>	<u>\$ 3,832</u>

References:

Col [A]: Company Schedule E-2

Col [B]: Col [C] - Col [A]

Col [C]: Settlement

CORDES LAKES WATER COMPANY
Docket No. W-02060A-12-0356
Test Year Ended December 31, 2011

Settlement MJR-26

OPERATING INCOME ADJUSTMENT #13 - PURCHASED POWER EXPENSE

LINE NO.	DESCRIPTION	[A] <u>COMPANY PROPOSED</u>	[B] <u>STAFF ADJUSTMENTS</u>	[C] <u>STAFF RECOMMENDED</u>
1	Purchased power	\$ 31,723	\$ 917	\$ 32,640
2				
3	Total	<u>\$ 31,723</u>	<u>\$ 917</u>	<u>\$ 32,640</u>

References:

Col [A]: Company Schedule E-2
Col [B]: Col [C] - Col [A]
Col [C]: Settlement

RATE DESIGN

Monthly Usage Charge	Present	-Proposed Rates-	
	Rates	Company	Staff
5/8" x 3/4" Meter	N/A	N/A	N/A
3/4" Meter	\$ 11.00	\$ 13.50	\$ 11.75
1" Meter	19.50	24.50	19.50
1½" Meter	39.00	48.75	39.25
2" Meter	62.50	78.00	62.50
3" Meter	125.00	156.00	125.00
4" Meter	220.00	275.00	195.00
6" Meter	390.00	485.00	390.00
8" Meter	N/A	N/A	N/A
10" Meter	N/A	N/A	N/A
12" Meter	N/A	N/A	N/A
Gallons included in Minimum	0	0	0
<u>Commodity Rate Charge</u>			
<i>3/4" Meter</i>			
<i>Company</i>			
Tier 1	From 0 to 3,000 gallons	2.80	3.30
Tier 2	From 3,001 to 8,000 gallons	4.30	5.25
Tier 3	Over 8,000 gallons	5.00	6.00
<i>Staff</i>			
Tier 1	From 0 to 3,000 gallons		2.85
Tier 2	From 3,001 to 8,000 gallons		4.25
Tier 3	Over 8,000 gallons		6.50
<i>1" Meter</i>			
<i>Company</i>			
Tier 1	From 0 to 18,000 gallons	4.30	5.25
Tier 2	Over 18,000 gallons	5.00	6.00
<i>Staff</i>			
Tier 1	From 0 to 10,000 gallons		4.25
Tier 2	Over 10,000 gallons		6.50
<i>1½" Meter</i>			
<i>Company</i>			
Tier 1	From 0 to 43,500 gallons	4.30	5.25
Tier 2	Over 43,500 gallons	5.00	6.00
<i>Staff</i>			
Tier 1	From 0 to 17,000 gallons		4.25
Tier 2	Over 17,000 gallons		6.50
<i>2" Meter</i>			
<i>Company</i>			
Tier 1	From 0 to 75,000 gallons	4.30	5.25
Tier 2	Over 75,000 gallons	5.00	6.00
<i>Staff</i>			
Tier 1	From 0 to 26,000 gallons		4.25
Tier 2	Over 26,000 gallons		6.50
<i>3" Meter</i>			
<i>Company</i>			
Tier 1	From 0 to 160,000 gallons	4.30	5.25
Tier 2	Over 160,000 gallons	5.00	6.00
<i>Staff</i>			
Tier 1	From 0 to 50,000 gallons		4.25
Tier 2	Over 50,000 gallons		6.50
<i>4" Meter</i>			
<i>Company</i>			
Tier 1	From 0 to 290,000 gallons	4.30	5.25
Tier 2	Over 290,000 gallons	5.00	6.00
<i>Staff</i>			
Tier 1	From 0 to 75,000 gallons		4.25
Tier 2	Over 75,000 gallons		6.50
<i>6" Meter</i>			
<i>Company</i>			
Tier 1	From 0 to 530,000 gallons	4.30	5.25
Tier 2	Over 530,000 gallons	5.00	6.00
<i>Staff</i>			
Tier 1	From 0 to 150,000 gallons		4.25
Tier 2	Over 150,000 gallons		6.50

RATE DESIGN

Service Line and Meter Installation Charges			Service		Total	
			Line	Meter Installation		
5/8" x 3/4" Meter		N/T	N/T	N/T	N/T	
3/4" Meter		520.00	Same as Staff	426.00	198.00	624.00
1" Meter		610.00	Same as Staff	486.00	246.00	732.00
1½" Meter		855.00	Same as Staff	528.00	498.00	1,026.00
2" Meter		1,515.00	Same as Staff	720.00	1,098.00	1,818.00
3" Meter		2,195.00	Same as Staff	930.00	1,764.00	2,694.00
4" Meter		3,360.00	Same as Staff	1,332.00	2,700.00	4,032.00
6" Meter		6,115.00	Same as Staff	2,000.00	5,350.00	7,350.00

Service Charges			
Establishment	\$25.00	\$30.00	\$30.00
Establishment (After Hours)	\$35.00	\$40.00	NT
Reconnection (Delinquent)	\$15.00	\$20.00	\$20.00
Reconnection (Delinquent) After Hours	\$25.00	\$30.00	NT
NSF Check	\$12.50	\$15.00	\$15.00
Meter Re-Read (If Correct)	\$10.00	\$12.00	\$12.00
Meter Test (If Correct)	\$25.00	\$30.00	\$30.00
Deferred Payment (per Month)	1.5%	1.5%	***
Deposit Amount	*	*	*
Deposit Interest	*	*	*
Re-Establishment (Within 12 Months)	**	**	**
Late Fee (per Month)	1.5%	1.5%	***
Road Cutting or Boring	Cost	Cost	Cost
After Hours Service Charge (Customer Request)	N/T	N/T	\$35.00

NT = No Tariff

Monthly Service Charge for Fire Sprinkler			
4" or Smaller	\$0.00	\$0.00	****
6"	0.00	0.00	****
8"	0.00	0.00	****
10"	0.00	0.00	****
Larger than 10"	0.00	0.00	****

- * Per Commission Rules (R14-2-403.B)
- ** Months off system times the minimum (R14-2-403.D)
- *** 1.5% on the unpaid balance per month
- **** 2.00% of Monthly Minimum for a Comparable Sized Meter Connection, but no less than \$10.00 per month. The Service Charge for Fire Sprinklers is only applicable for service lines separate and distinct from the primary water service line.

TYPICAL BILL ANALYSIS
General Service 3/4 - Inch Meter

Average Number of Customers: 1,291

<u>Company Proposed</u>	<u>Gallons</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
Average Usage	4,169	\$24.42	\$29.54	\$5.11	20.92%
Median Usage	3,088	\$19.78	\$23.86	\$4.08	20.65%
<u>Staff Recommend</u>					
Average Usage	4,169	\$24.42	\$25.27	\$0.84	3.45%
Median Usage	3,088	\$19.78	\$20.67	\$0.90	4.53%

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

<u>Gallons Consumption</u>	<u>Present Rates</u>	<u>Company Proposed Rates</u>	<u>% Increase</u>	<u>Staff Proposed Rates</u>	<u>% Increase</u>
0	\$11.00	\$13.50	22.73%	\$11.75	6.82%
1,000	13.80	16.80	21.74%	14.60	5.80%
2,000	16.60	20.10	21.08%	17.45	5.12%
3,000	19.40	23.40	20.62%	20.30	4.64%
4,000	23.70	28.65	20.89%	24.55	3.59%
5,000	28.00	33.90	21.07%	28.80	2.86%
6,000	32.30	39.15	21.21%	33.05	2.32%
7,000	36.60	44.40	21.31%	37.30	1.91%
8,000	40.90	49.65	21.39%	41.55	1.59%
9,000	45.90	55.65	21.24%	48.05	4.68%
10,000	50.90	61.65	21.12%	54.55	7.17%
15,000	75.90	91.65	20.75%	87.05	14.69%
20,000	100.90	121.65	20.56%	119.55	18.48%
25,000	125.90	151.65	20.45%	152.05	20.77%
50,000	250.90	301.65	20.23%	314.55	25.37%
75,000	375.90	451.65	20.15%	477.05	26.91%
100,000	500.90	601.65	20.11%	639.55	27.68%
125,000	625.90	751.65	20.09%	802.05	28.14%
150,000	750.90	901.65	20.08%	964.55	28.45%
175,000	875.90	1,051.65	20.07%	1,127.05	28.67%
200,000	1,000.90	1,201.65	20.06%	1,289.55	28.84%