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BEFORE THE ARIZONA CORPORATION

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AZ CORP COMMISSION
DOCKET CONTROL

COMMISSIONERS

- BOB STUMP - Chairman
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IN THE MATTER OF THE APPLICATION OF VALENCIA WATER COMPANY – TOWN DIVISION FOR THE ESTABLISHMENT OF JUST AND REASONABLE RATES AND CHARGES FOR UTILITY SERVICE DESIGNED TO REALIZE A REASONABLE RATE OF RETURN ON THE FAIR VALUE OF ITS PROPERTY THROUGHOUT THE STATE OF ARIZONA.

DOCKET NO. W-01212A-12-0309

IN THE MATTER OF THE APPLICATION OF GLOBAL WATER – PALO VERDE UTILITIES COMPANY FOR THE ESTABLISHMENT OF JUST AND REASONABLE RATES AND CHARGES FOR UTILITY SERVICE DESIGNED TO REALIZE A REASONABLE RATE OF RETURN ON THE FAIR VALUE OF ITS PROPERTY THROUGHOUT THE STATE OF ARIZONA.

DOCKET NO. SW-20445A-12-0310

Arizona Corporation Commission

DOCKETED

OCT 04 2013

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IN THE MATTER OF THE APPLICATION OF WATER UTILITY OF NORTHERN SCOTTSDALE, INC. FOR APPROVAL OF A RATE INCREASE.

DOCKET NO. W-03720A-12-0311

IN THE MATTER OF THE APPLICATION OF WATER UTILITY OF GREATER TONOPAH, INC. FOR THE ESTABLISHMENT OF JUST AND REASONABLE RATES AND CHARGES FOR UTILITY SERVICE DESIGNED TO REALIZE A REASONABLE RATE OF RETURN ON THE FAIR VALUE OF ITS PROPERTY THROUGHOUT THE STATE OF ARIZONA.

DOCKET NO. W-02450A-12-0312

IN THE MATTER OF THE APPLICATION OF VALENCIA WATER COMPANY – GREATER BUCKEYE DIVISION FOR THE ESTABLISHMENT OF JUST AND REASONABLE RATES AND CHARGES FOR UTILITY SERVICE DESIGNED TO REALIZE A REASONABLE RATE OF RETURN ON THE FAIR VALUE OF ITS PROPERTY THROUGHOUT THE STATE OF ARIZONA.

DOCKET NO. W-02451A-12-0313

1 IN THE MATTER OF THE APPLICATION OF
2 GLOBAL WATER – SANTA CRUZ WATER
3 COMPANY FOR THE ESTABLISHMENT OF JUST
4 AND REASONABLE RATES AND CHARGES FOR
5 UTILITY SERVICE DESIGNED TO REALIZE A
6 REASONABLE RATE OF RETURN ON THE FAIR
7 VALUE OF ITS PROPERTY THROUGHOUT THE
8 STATE OF ARIZONA.

DOCKET NO. W-20446A-12-0314

6 IN THE MATTER OF THE APPLICATION OF
7 WILLOW VALLEY WATER COMPANY FOR THE
8 ESTABLISHMENT OF JUST AND REASONABLE
9 RATES AND CHARGES FOR UTILITY SERVICE
10 DESIGNED TO REALIZE A REASONABLE RATE
11 OF RETURN ON THE FAIR VALUE OF ITS
12 PROPERTY THROUGHOUT THE STATE OF
13 ARIZONA.

DOCKET NO. W-01732A-12-0315

**NOTICE OF FILING RATE
SCHEDULES INCLUDING SYSTEMS
BENEFITS CHARGE**

11 At the hearing on September 19, 2013, Staff of the Arizona Corporation Commission
12 (“Staff”), the Global Applicants and the Residential Utility Consumer Office (“RUCO”)¹ agreed to
13 work together on a schedule that showed the revenue requirements and associated rate impacts of the
14 Systems Benefit Charge (“SIB”) for each year of the anticipated SIB investments for Willow Valley.
15 At the hearing, Staff noted that it had issues with the calculations done by both RUCO and the Global
16 Applicants. Staff, RUCO and the Global Applicants have subsequently met and come to an
17 agreement on the attached tables to reflect the rate impact of the SIB for Willow Valley.

18 The attached schedules show the revenue impacts for the SIB investments as indicated. Also
19 attached are the expected surcharges for all meter sizes and the bill impacts for the 5/8 x 3/4”
20 residential customers with median usage both per the settlement and with and without the SIB.

21 Further, consistent with how the estimated impacts are done in previous cases adopting the
22 SIB, the calculations used on the attached schedules use the same customer counts as were used in
23 the test year for Willow Valley. However, as the SIB methodology provides for recognition and
24 subsequent ‘true up’ of over and under collections, the most current customer count information will
25 be used in future calculations to minimize any over or under collections that may occur. We also

26 _____
27 ¹ While RUCO worked with the Staff and Company to develop the rate impacts associated with the
28 SIB for Willow Valley, this should not be construed as an agreement by RUCO to the SIB itself.
RUCO continues to oppose the SIB.

1 note that the attached schedules do not contemplate any retirements associated with SIB additions,
2 but in practice, retirements associated with any SIB investments will also be considered in
3 determining the future revenue requirements on the (net) SIB activity. Finally, the test year rate case
4 model is used to calculate the SIB revenue requirements, less any efficiency credits, and this same
5 model would be used for any recalculations.

6 RESPECTFULLY SUBMITTED this 4th day of October, 2013.

7
8 

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17 Original and thirteen (13) copies
18 of the foregoing filed this 4th day
19 of October, 2013, with:

20 Docket Control
21 Arizona Corporation Commission
22 1200 West Washington Street
23 Phoenix, Arizona 85007

24 Copy of the foregoing mailed this
25 4th day of October, 2013 to:

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	2015	2016	2017	2018	2019
SIB GROSS INVESTMENT	\$ 211,491	\$ 171,022	\$ 145,040	\$ 133,701	\$ 214,979
CUMULATIVE GROSS INVESTMENT	\$ 211,491	\$ 382,513	\$ 527,553	\$ 661,254	\$ 876,233
REV INCREASES SETTLEMENT AMOUNTS, NO SIB	\$ 202,135	\$ 404,269	\$ 404,269	\$ 404,269	\$ 404,269
REV INCREASES SETTLEMENT AMOUNTS, WITH SIB	\$ 229,478	\$ 453,125	\$ 470,792	\$ 486,582	\$ 512,501
OVERALL INCREASE FOR SIB	\$ 27,343	\$ 48,856	\$ 66,523	\$ 82,313	\$ 108,232
LESS EFFICIENCY CREDIT	\$ (1,367)	\$ (2,443)	\$ (3,326)	\$ (4,116)	\$ (5,412)
ADDITIONAL REV FOR SIB, LESS EFF. CREDIT	\$ 25,976	\$ 46,413	\$ 63,197	\$ 78,197	\$ 102,820
INCREMENTAL REV FOR SIB, LESS EFF. CREDIT	\$ 25,976	\$ 20,437	\$ 16,784	\$ 15,001	\$ 24,623
TEST YEAR REVENUES	\$ 702,652	\$ 702,652	\$ 702,652	\$ 702,652	\$ 702,652
INCREASE W/O SIB	28.77%	57.53%	57.53%	57.53%	57.53%
INCREASE WITH SIB	32.46%	64.14%	66.53%	68.66%	72.17%

	SURCHARGES *				
	2015	2016	2017	2018	2019
5/8" Residential	\$ 1.21	\$ 2.17	\$ 2.95	\$ 3.65	\$ 4.80
3/4" Residential	\$ 1.82	\$ 3.25	\$ 4.42	\$ 5.47	\$ 7.20
1" Residential	\$ 3.03	\$ 5.42	\$ 7.37	\$ 9.12	\$ 12.00
5/8" Commercial	\$ 1.21	\$ 2.17	\$ 2.95	\$ 3.65	\$ 4.80
1" Commercial	\$ 3.03	\$ 5.42	\$ 7.37	\$ 9.12	\$ 12.00
1.5" Commercial	\$ 6.06	\$ 10.83	\$ 14.75	\$ 18.25	\$ 23.99
2" Commercial	\$ 9.70	\$ 17.33	\$ 23.60	\$ 29.20	\$ 38.39
6" Commercial	\$ 60.62	\$ 108.31	\$ 147.48	\$ 182.48	\$ 239.94
1" Irrigation	\$ 3.03	\$ 5.42	\$ 7.37	\$ 9.12	\$ 12.00
2" Irrigation	\$ 9.70	\$ 17.33	\$ 23.60	\$ 29.20	\$ 38.39
4" Irrigation	\$ 30.31	\$ 54.16	\$ 73.74	\$ 91.24	\$ 119.97
3" Hydrant	\$ 19.40	\$ 34.66	\$ 47.19	\$ 58.39	\$ 76.78
MEDIAN BILL IMPACTS FOR 5/8 X 3/4" CUSTOMERS					
TBA's ** without SIB	\$ 30.57	\$ 37.03	\$ 37.03	\$ 37.03	\$ 37.03
Previous Year Bill	\$ 24.40	\$ 30.57	\$ 37.03	\$ 37.03	\$ 37.03
increase over previous year	\$ 6.17	\$ 6.46	\$ -	\$ -	\$ -
% increase over previous year	25.3%	21.1%	0.0%	0.0%	0.0%
TBA's ** without SIB	30.57	37.03	37.03	37.03	37.03
SIB SURCHARGE	\$ 1.21	\$ 2.17	\$ 2.95	\$ 3.65	\$ 4.80
TBA's with SIB	\$ 31.78	\$ 39.20	\$ 39.98	\$ 40.68	\$ 41.83
Previous Year Bill	\$ 24.40	\$ 31.78	\$ 39.20	\$ 39.98	\$ 40.68
increase over previous year	\$ 7.38	\$ 7.41	\$ 0.78	\$ 0.70	\$ 1.15
% increase over previous year	30.3%	23.3%	2.0%	1.8%	2.8%
* Surcharges represent cumulative amounts, after 2015					
** TBA's are Typical Bill Analyses (in this case, for the median customer with a 5/8 x 3/4" meter)					