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AZ CORP COMMISSION
DOCKET CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

9 BOB STUMP, CHAIRMAN
10 GARY PIERCE
11 BRENDA BURNS
12 SUSAN BITTER SMITH
13 BOB BURNS

Arizona Corporation Commission

DOCKETED

OCT 29 2013

DOCKETED BY

13 IN THE MATTER OF THE APPLICATION
14 OF SANDARIO WATER COMPANY, INC.
15 FOR AUTHORITY TO INCUR LONG-
16 TERM DEBT.

DOCKET NO. W-01831A-12-0467

W-01831A-12-0372

SANDARIO'S STATEMENT RE
IMPACT OF PARTIAL
SETTLEMENT ON POSITIONS IN
RATE CASE

18 As requested by the Court, Sandario Water Company ("Sandario" or "Company")
19 hereby submits its statement regarding the financial impact of the partial settlement
20 between the Company and Staff.
21

22 As noted in the Notice of Partial Settlement (Sept. 16, 2013), Sandario and Staff
23 resolved three issues during settlement discussions: (1) project completion date; (2) loan
24 authorization amount; and (3) income tax recovery. The project completion date has no
25 impact on proposed rates. Assuming the loan will be paid through a surcharge
26 mechanism that will be confirmed by the Commission following the execution of the
27
28

1 loan, which is now common, the loan authorization amount has no impact on rates either.
2 Accordingly, only the income tax recovery agreement will impact rates.
3

4 To resolve the issue, Sandario accepted Staff's position that the taxes would
5 amount to \$6,248. The Company proposes generating this revenue from the 328
6 customers by simply adding \$1.59 to the Company's proposed monthly minimum
7 charges, which would result in the following:
8

9 Monthly Minimum Charges	10 Proposed Rates
11 5/8 by 3/4 inch meter	\$16.59
12 3/4 inch meter	\$24.09
13 1 inch meter	\$39.09
14 1.5 inch meter	\$76.59
15 2 inch meter	\$121.59
16 3 inch meter	\$241.59
17 4 inch meter	\$376.59
18 6 inch meter	\$751.59

19 This straightforward adjustment is a reasonable way to ensure recovery of the income tax
20 liability.
21

22 DATED this 29th day of October, 2013.

23 **MOYES SELLERS & HENDRICKS**

24 

Steve Wene

25 Filed with Docket Control this
26 29th day of October, 2013.

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