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BEFORE THE ARIZONA CORPORATION

COMMISSIONERS

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

Arizona Corporation Commission
DOCKETED

MAR 19 2014

DOCKETED BY nr

IN THE MATTER OF THE APPLICATION OF
LITTLE PARK WATER COMPANY, INC. FOR
A PERMANENT RATE INCREASE.

DOCKET NO. W-02192A-13-0336

DECISION NO. 74399

ORDER

Open Meeting
March 11 and 12, 2014
Phoenix, Arizona

BY THE COMMISSION:

* * * * *

Having considered the entire record herein and being fully advised in the premises, the Arizona Corporation Commission (“Commission”) finds, concludes, and orders that:

FINDINGS OF FACT

Procedural History

1. On October 4, 2013, Little Park Water Company, Inc. (“Little Park” or “Company”) filed with the Arizona Corporation Commission (“Commission”) an application for a permanent increase in its water rates and charges (the “Application”). The same date, Little Park filed certification that on October 1, 2013, it mailed notice of its proposed rates and charges to its customers.

2. On October 25, 2013, Little Park filed an Amendment to its Application concerning its electricity use.

3. On November 1, 2013, the Commission’s Utilities Division (“Staff”) filed a Notice of Sufficiency informing Little Park that its Application was sufficient pursuant to Arizona Administrative Code (“A.A.C”) R14-2-103, and classifying the Company as a Class D utility.

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1 4. On January 15, 2014, Staff filed a Staff Report recommending that the rates and
2 charges proposed by Staff be approved.

3 5. On January 27, 2014, Little Park filed Comments to the Staff Report.

4 6. The Commission received nine telephonic protests to the Application in response to
5 the public notice.

6 **Company Background**

7 7. Little Park is an Arizona “C” corporation, providing public water utility service in an
8 area located between Sedona and the Village of Oak Creek, in Yavapai County, Arizona. Little Park
9 is owned by Big Park Water Company (“Big Park”) a nearby public service corporation.

10 8. The Company’s certificated area covers 0.8 square miles (approximately 488 acres).
11 The Company operates two active wells, two arsenic removal systems, three storage tanks with a total
12 storage capacity of 27,600 gallons, four booster pumps, two pressure tanks, and a distribution system.
13 The Little Park system is interconnected with that of Big Park, and Little Park purchases water from
14 Big Park when needed.

15 9. During the test year ended June 30, 2013 (“TY”), Little Park served 73 metered
16 customers, of which 33 were served by 5/8” x 3/4” meters, 10 served by 3/4” meters, 29 served by 1”
17 meters, and one served by a 4” meter.

18 10. The average and median water usage for the 5/8” x 3/4” meters during the TY were
19 13,230 and 7,712 gallons per month, respectively.

20 11. Staff reports that there were no complaints filed against the Company from February,
21 2010, through December 20, 2013, except for the contacts from customers opposed to the requested
22 rate relief.

23 12. In the TY, the Company had a water loss of 2.8 percent, which is within the acceptable
24 limit of 10 percent. Staff found that the Company has adequate production and storage capacity to
25 serve the existing customer base and for reasonable growth.

26 13. The Commission’s Compliance Section database shows that there are no delinquent
27 Commission compliance items for the Company. The Company is in good standing with the
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1 Commission's Corporations Division. Staff reports that the Company is current on its property and
2 sales tax payments.

3 14. Little Park is not located in an Arizona Department of Water Resources ("ADWR")
4 Active Management Area ("AMA"). ADWR has determined that Little Park is in compliance with
5 ADWR requirements governing water providers and/or community water systems.

6 15. The Arizona Department of Environmental Quality ("ADEQ") reports that the
7 Company is currently delivering water which meets the water quality standards required by 40 CFR
8 141 (National Primary Drinking Water Regulations) and A.A.C., Title 18, Chapter 4.

9 16. Staff recommends that that the Company file with the Commission's Docket Control,
10 as a compliance item in this docket, within 90 days of the effective date of a Decision in this
11 proceeding, at least three Best Management Practices ("BMPs") in the form of tariffs that
12 substantially conform to the templates created by Staff for the Commission's review and
13 consideration. The templates created by Staff are available on the Commission's website at
14 <http://www.azcc.gov/Divisions/Utilities/forms.asp>. Staff further recommends that a maximum of two
15 BMPs may come from the "Public Awareness/Public Relations" or "Education and Training"
16 categories. Staff states that the Company may request recovery of the actual costs associated with the
17 implementation of these BMPs in its next general rate case application.

18 17. The Company agrees to implement three BMP tariffs as recommended, but notes that
19 the Staff Report does not provide recovery of the costs associated with these tariffs in this
20 proceeding.¹

21 **Rate Request**

22 18. Little Park's current rates and charges were approved in Decision No. 71840 (August
23 10, 2010).

24 19. Little Park states that it is seeking the current rate increase because the Company is not
25 generating the level of revenues that was authorized in its last rate case. Little Park states that
26 Decision No. 71840 authorized revenues of \$81,915, but that in the years ended June 30, 2012, and
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28 ¹ Comments to the Staff Report.

1 2013, the Company's revenues were \$75,679 and \$72,654, respectively. The Company states that
 2 although there was some growth in its service area (one 5/8 inch meter and four 1 inch meters), water
 3 sales were lower than expected, which the Company attributes in part to conservation from the
 4 inverted tiered rates. In addition, the Company states that it has experienced increased expenses, and
 5 that since the last rate case, it has incurred costs related to arsenic media replacement which were not
 6 reflected in the last case, as well as other costs related to the operation and maintenance of the arsenic
 7 treatment facilities. The Company seeks a 17 percent operating margin which it asserts will provide a
 8 debt service coverage ("DSC") ratio of 1.61.²

9 20. In its Application, Little Park reported TY revenues of \$72,654 and adjusted TY
 10 operating expenses of \$78,565, resulting in an operating loss of \$5,911, for no return on its reported
 11 original cost rate base ("OCRB") of \$113,227.

12 21. Little Park proposes to increase revenues by \$29,491, or 40.6 percent, from \$72,654 to
 13 \$102,145, to produce operating income of \$17,378, a 15.35 percent rate of return on a rate base of
 14 \$113,227, and a 17.01 percent operating margin.

15 22. Staff's review resulted in TY operating revenues of \$74,446 and total operating
 16 expenses of \$76,717, producing a TY operating loss of \$2,271 for no return on a Staff-adjusted
 17 OCRB of \$97,839.

18 23. Staff recommends a revenue increase of \$15,061, or 20.2 percent, for total revenues of
 19 \$89,507, which after adjusted operating expenses of \$79,954, results in operating income of \$9,553, a
 20 9.76 percent rate of return on an OCRB of \$97,839, and a 10.67 percent operating margin.

21 24. Staff's adjustments decreased the Company's proposed rate base by \$15,388, from
 22 \$113,227 to \$97,839. Staff's rate base adjustments included the following:

23 (a) Decreasing the franchises account by \$769, from \$10,091 to \$9,322, to reflect the
 24 \$140 balance established in Decision No. 71840 (the last rate case) and a \$9,182 increase in
 25 franchises supported by documentation;

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 28 ² Application at 4.

1 (b) Decreasing pumping equipment by \$14,762, from \$64,315 to \$49,553, to reflect
2 the \$39,050 balance established in Decision No. 71840, a \$24,782 increase supported by
3 documentation, and \$14,279 in plant retirements;

4 (c) Decreasing water treatment plant by \$2,532, from \$267,091 to \$264,559, to reflect
5 the \$264,559 balance established in Decision No. 71840 and disallowance of \$2,532 in capitalized
6 interest on an unauthorized loan;

7 (d) Decreasing transmission and distribution mains by \$3,936, from \$665,859 to
8 \$661,923, to reflect the \$661,923 balance established in Decision No. 71840 and the disallowance of
9 \$3,936 associated with the Camp Eagle Project which is not used and useful;

10 (e) Increasing other plant and miscellaneous equipment by \$1,662, from 0 to \$1,662,
11 to reflect the balance established in Decision No. 71840, and decreasing miscellaneous equipment by
12 \$1,662, from \$1,662 to \$0;

13 (f) Decreasing accumulated depreciation by \$6,823, from \$422,820 to \$415,997, to
14 reflect the balance established in Decision No. 71480 and Staff's adjustments to plant in service
15 balances; and

16 (g) Decreasing cash working capital by \$212, from \$5,669 to \$5,457 as a result of
17 applying the formula method for establishing a working capital balance and Staff's adjustments to the
18 Company's operating and maintenance expenses.

19 25. In its Comments to the Staff Report, Little Park disagreed with the removal from the
20 water treatment equipment account of \$2,532 associated with the capitalized interest. The Company
21 claims the interest represents the allowance for funds used during construction ("AFUDC").
22 According to the Company, there is no dispute that Little Park incurred AFUDC, and that the
23 Commission allowed AFUDC in the prior rate case plant costs. The Company asserts that there may
24 have been a dispute over whether the short-term construction financing provided by Big Park should
25 have been authorized, but the AFUDC was incurred and should be allowed.³

26 ³ In Decision No. 72667 (November 17, 2011), the Commission authorized Little Park to incur long-term debt in an
27 amount not to exceed \$140,000, at no more than 7 percent interest per year for the purpose of financing the existing
28 arsenic treatment facilities by repaying a bridge loan from Big Park. According to the discussion in Decision No. 72667,
Little Park had obtained a loan from its parent, Big Park, to install the arsenic treatment facilities, expecting the loan to be
repaid from arsenic hook-up fees in less than a year. The Company believed that as a short-term loan, it would not require

1 26. Staff's beginning balance for water treatment plant in this case is \$264,559, which is
2 the same as in the last rate case.⁴ There have been no additions recorded to the water treatment plant
3 account since the last rate Decision. Accordingly, there has been no construction work in progress to
4 which AFUDC would be applied. Therefore, we adopt an OCRB of \$97,839, as recommended by
5 Staff.

6 27. The Company did not provide Reconstruction Cost New less Depreciation rate base
7 data. Based on the foregoing, we find that Little Park's fair value rate base ("FVRB") is \$97,939,
8 which is the same as its OCRB.

9 **Operating Income**

10 28. Staff's adjustments to TY operating revenue increased total revenue by \$1,792, from
11 \$72,654 to \$74,446. Staff's adjustments included increasing metered water revenue by \$1,248 and
12 "other water revenue" by \$544.

13 29. Staff adjustments to TY operating expenses decreased TY total expenses by a net of
14 \$1,847, from \$78,564 to \$76,717. Staff's adjustments included:

15 (a) Decreasing repairs and maintenance expense by \$126, from \$13,475 to
16 \$13,349, to conform to the supporting documentation provided by the Company;

17 (b) Decreasing rate case expense by \$1,000, from \$3,500 to \$2,500. Staff utilized a
18 \$7,500 rate case expense and normalized it over three years. Staff based its recommendation on the
19 \$7,500 total rate case expense and normalization period of three years authorized in the last rate
20 case, and Staff's belief that the current rate case involved less effort than the previous case because
21 it has only been three years since that prior case;⁵

22 (c) Decreasing miscellaneous expense by \$618, from \$837 to \$219, to conform
23 with supporting documentation;

24 (d) Decreasing depreciation expense by \$1,905, from \$20,111 to \$18,206, to
25 reflect application of Staff's recommended depreciation rates to Staff's recommended plant
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27 Commission approval. The hook-up fees did not materialize as expected, apparently due to the cancellation of a major
line extension project.

28 ⁴ Staff Report schedule DRE-2 in Docket No. W-02192-09-0531.

⁵ The last rate case was the first one in 19 years.

1 balances. Staff recommends that the Company be ordered to use the depreciation rates presented in
2 Table B of the Engineering Report attached to the Staff Report;

3 (e) Increasing property tax expense by \$157, from \$2,544 to \$2,701, based on a
4 modified version of the Arizona Department of Revenue's property tax method; and

5 (f) Increasing income taxes by \$1,596, from negative \$3,553 to negative \$1,957,
6 to reflect Staff's calculation of income taxes based on synchronized interest and Staff's adjustments
7 to operating revenue and expenses.

8 30. The Company's Comments to the Staff Report did not dispute Staff's adjustments to
9 TY revenues or operating expenses. Staff's adjustments to operating revenues and expenses are
10 reasonable and we adopt them.

11 31. Based on the foregoing we find that in the TY, Little Park had an operating loss of
12 \$2,271, based on total operating revenue of \$74,446 and total adjusted operating expenses of
13 \$76,717.

14 **Revenue Requirement**

15 32. Staff recommends total operating revenue of \$89,507, an increase of \$15,061, or 20.23
16 percent over TY revenues. Staff's recommended total revenue level provides operating income of
17 \$9,553, a 9.76 percent rate of return on the FVRB, and would yield a cash flow after debt service of
18 \$15,723, and an operating margin of 10.67 percent.⁶

19 33. In Decision No. 72667, the Commission authorized Little Park to borrow up to
20 \$140,000 at an interest rate not to exceed 7 percent per annum. Little Park's rate application
21 indicates that it obtained a loan from Southwest Bank with an interest rate of 6 percent, and with an
22 outstanding balance of \$134,658. The reported annual interest expense is \$7,926, and principal
23 obligation of \$4,109.24. The loan matures December 1, 2018.

24 34. In its Comments to the Staff Report, the Company argues that the operating margin
25 recommended by Staff is too low, and that after paying the interest expense on its long-term debt,
26 the Company would have a net income of only \$1,650, which it claims would not provide a
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28 ⁶ Staff Report at Schedule PNT-6.

1 sufficient cushion to weather even a modest fluctuation in revenues or expenses. Furthermore, based
2 on its experience after its last rate case, the Company believes that it is unlikely that it will generate
3 the authorized revenues. The Company claims that its TY revenues are “nearly \$10,000 lower than
4 the authorized revenues in the prior rate case.”⁷ The Company argues that the combination of lower
5 than authorized revenues, plus higher expenses, will lead to further losses and necessitate filing a
6 rate case sooner than the anticipated three years. The Company believes that it is not in the public
7 interest to approve rates that will cause it not to recover its costs of service and to incur operating
8 losses.

9 35. We find that a rate of return on FVRB of 12.5 percent is reasonable. This results in a
10 revenue requirement of \$92,893, an increase of \$18,447, or 24.8 percent over TY revenues of
11 \$74,446.

12 36. There is no indication that Staff’s recommended rates would lead to operating losses.
13 The prior rate case was the first rate case since 1991, and was the first time the Company
14 implemented tiered rates. The most dramatic effect of the conservation oriented rates would
15 naturally be felt after such a structural change. Further, the operating costs of the arsenic treatment
16 facilities installed in 2009 were not known or fully captured in the last rate case which used a test
17 year of June 30, 2009. The additional expenses are captured in this proceeding, and the Company
18 has not provided any evidence that the adjusted TY expenses are not reasonable. The Company’s
19 focus on net income in its objection to Staff’s recommended revenue level does not take into account
20 the non-cash expense associated with depreciation expense that is being recovered in rates. Staff’s
21 recommended revenue results in an annual cash flow after debt service of \$15,723. After accounting
22 for the Company’s Refunds of Advances in Aid of Construction, the Company would have an
23 unencumbered cash flow of \$9,666. Staff revenue recommendation results in an operating margin of
24 10.56 percent and a DSC of 2.40 before taxes, and 2.31 after taxes.⁸ The Company does not
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26 ⁷ Comments to Staff Report at 2. Decision No. 71840 authorized total revenues of \$81,915, compared to TY revenues of
\$74,446 adopted in this proceeding. The difference is \$7,469. The Company appears to be comparing TY revenues as
27 presented in its Application before Staff’s adjustments. The Company did not dispute Staff’s adjustments.

28 ⁸ Staff Report at Schedule PNT-6. The Company claims that its revenue level results in a DSC of 1.6, however, using the
revenues and adjusted expenses contained in the Application and the Commission’s methodology for calculating DSC,
(Operating Income + Depreciation + Income Tax) ÷ (Principal + Interest), produce a DSC of 3.3.

1 anticipate significant capital improvements over the next three years.⁹ Under the facts as presented,
 2 Staff's recommended revenue level is sufficient to cover the Company's operating expenses and
 3 provide funds for contingencies. Consequently, we adopt Staff's recommended revenue level.

4 **Rate Design**

5 37. Little Park's current rates and charges, those proposed in the Application, and as
 6 recommended by Staff are as follows

<u>MONTHLY USAGE CHARGES:</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	
		<u>Company</u>	<u>Staff</u>
5/8" x 3/4" Meter	\$ 16.00	\$ 24.00	\$ 19.50
3/4" Meter	24.00	36.00	30.00
1" Meter	40.00	60.00	49.00
1-1/2" Meter	80.00	120.00	97.00
2" Meter	128.00	192.00	156.00
3" Meter	256.00	384.00	312.00
4" Meter	400.00	600.00	488.00
6" Meter	800.00	1,200.00	975.00
Gallons in Minimum	0	0	0
<u>COMMODITY RATES (Per 1,000 Gallons):</u>			
<u>1" Meter and Smaller (Residential)</u>			
First 3,000 gallons	\$1.70	\$ 2.25	\$ 1.75
3,001 to 10,000 gallons	2.60	3.40	3.00
Over 10,000 gallons	3.10	4.15	4.08
<u>1" Meter (Non-Residential)</u>			
First 32,000 gallons	2.60	3.40	N/A
Over 32,000 gallons	3.10	4.15	N/A
First 26,000 gallons	N/A	N/A	3.00
Over 26,000 gallons	N/A	N/A	4.08
<u>1 1/2" Meter (All Classes)</u>			
First 106,000 gallons	2.60	3.40	N/A
Over 106,000 gallons	3.10	4.15	N/A
First 69,000 gallons	N/A	N/A	3.00
Over 69,000 gallons	N/A	N/A	4.08
<u>2" Meter (All Classes)</u>			
First 195,000 gallons	2.60	3.40	N/A
Over 195,000 gallons	3.10	4.15	N/A
First 120,000 gallons	N/A	N/A	3.00
Over 120,000 gallons	N/A	N/A	4.08
<u>3" Meter (All Classes)</u>			
First 434,000 gallons	2.60	3.40	N/A
Over 434,000 gallons	3.10	4.15	N/A

28 ⁹ Application at 3.

1	First 260,000 gallons	N/A	N/A	3.00
2	Over 260,000 gallons	N/A	N/A	4.08
3	<u>4" Meter (All Classes)</u>			
	First 545,000 gallons	2.60	3.40	N/A
4	Over 545,000 gallons	3.10	4.15	N/A
	First 420,000 gallons	N/A	N/A	3.00
5	Over 420,000 gallons	N/A	N/A	4.08
6	<u>6" Meter (All Classes)</u>			
	First 755,000 gallons	2.60	3.40	3.00
7	Over 755,000 gallons	3.10	4.15	4.08
8	<u>Standpipe, Bulk Water</u>			
	Per 1,000 gallons	3.10	4.15	4.08

11 Little Park and Staff both proposed that the Company retain its existing Service Line and
 12 Meter Charges as follows:

13	<u>Service Line and Meter Installation Charges</u>	<u>Service Line Charges</u>	<u>Meter Charges</u>	<u>TOTAL</u>
14	5/8" x 3/4" Meter	\$ 445.00	\$ 155.00	\$ 600.00
15	3/4" Meter	445.00	255.00	700.00
	1" Meter	cost	Cost	cost
	1-1/2" Meter	cost	cost	cost
16	2" Turbine	cost	cost	cost
	2" Compound	cost	cost	cost
17	3" Turbine	cost	cost	cost
	3" Compound	cost	cost	cost
18	4" Turbine	cost	cost	cost
	4" Compound	cost	cost	cost
19	6" Turbine	cost	cost	cost
	6" Compound	cost	cost	cost

20	<u>SERVICE CHARGES:</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	
			<u>Company</u>	<u>Staff</u>
21	Establishment	\$ 20.00	\$ 20.00	\$ 20.00
22	Establishment (After Hours)	40.00	Remove	N/A
	Reestablishment (within 12 months)	*	*	*
23	Reconnection (Delinquent)	\$ 20.00	\$ 20.00	\$ 20.00
	Meter Test (If Correct)	30.00	30.00	30.00
24	Deposit	**	**	**
	Deposit Interest (Per Annum)	**	**	**
25	NSF Check	\$ 15.00	\$ 15.00	\$ 15.00
	Deferred Payment (Per Month)	1.5%	1.5%	1.5%
26	Meter Re-read (If Correct)	\$ 15.00	\$ 15.00	\$ 15.00
	Late Payment Charge (Per Month)	1.5%	1.5%	1.5%
27	Moving Customer Meter (Customer Request)	At Cost	At Cost	At Cost

1 After Hours Service Charge \$50.00 \$50.00 \$50.00
 2 (at customers request)

3 Fire Sprinkler *** **

4 * Number of months off system times the monthly minimum per Commission Rule
 A.A.C. R14-2-403(D).

5 ** Per Commission Rule A.A.C. R14-2-403(B).

6 *** 2.0 percent of Monthly Minimum for a comparable sized meter connection, but no less
 than \$10 per month. The service charge for fire sprinklers is only applicable for service
 lines separate and distinct from the primary water service line.

7 All items billed at cost shall include labor, materials, and parts and all applicable taxes.

8 38. Staff recommends that the Company be ordered to file, within 30 days after the
 9 effective date of this Decision, with the Commission's Docket Control, a tariff schedule of its
 10 approved rates and charges.

11 39. Staff and the Company both propose rate structures that include a three tier inverted
 12 inclining block structure for the 1 inch and smaller meters serving residential customers and two tiers
 13 for the non-residential and larger meter sizes. They propose different rates and different break-over
 14 points for the tiers based on their revenue proposals and theories of rate design.

15 40. Little Park's proposed revenues and rate schedule would increase the average 5/8" x 3/4"
 16 meter bill with an average usage of 13,230 gallons by \$18.64, or 37.8 percent, from \$49.31 to \$67.95,
 17 and increase the median (7,712 gallons) monthly customer bill by \$13.42, or 40.24 percent, from
 18 \$33.35 to \$46.77.

19 41. Staff's recommended rates would increase the average 5/8" x 3/4" meter monthly bill
 20 by \$9.62, or 19.51 percent, from \$49.31 to \$58.93; and increase the median monthly customer bill by
 21 \$5.53, or 16.58 percent, from \$33.35 to \$38.88.

22 42. The Company strongly disagreed with Staff's recommended rate design because
 23 according to the Company it recovers "less than 33 percent of revenues" from the monthly service
 24 charge and keeps the first tier commodity rate relatively low which requires more revenue recovery
 25 from the higher priced commodity rates. The Company argues that Staff's rate design will lead to
 26 higher revenue instability. The Company believes that its inability to earn the revenue level
 27 authorized in the last rate case was due to water conservation that significantly impacted revenues.

28 43. Under Staff's recommended rates, approximately 39.8 percent of total metered

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2 revenues is derived from the monthly charge; an additional 20.6 percent derives from the first tier
3 rates. We find that Staff's rate structure is reasonable and promotes rate stability while still giving
4 ratepayers some control over their bills. We increase Staff's recommended monthly minimum
5 charges to recover the additional revenues approved herein. Under the rates approved herein, the
6 median 5/8 x 3/4 inch meter, using 7,712 gallons a month, will increase \$7.24 from \$33.35 to \$40.59.

7 44. We also approve the parties' recommended service line and meter charges and
8 miscellaneous charges.

9 **Miscellaneous**

10 45. We will not require the Company to implement any BMPs at this time.

11 46. Because an allowance for property tax expense of the Company is included in the
12 Company's rates and will be collected from its customers, the Commission seeks assurances from the
13 Company that any taxes collected from ratepayers have been remitted to the appropriate taxing
14 authority. It has come to the Commission's attention that a number of water companies have been
15 unwilling or unable to fulfill their obligations to pay the taxes that were collected from ratepayers,
16 some for as many as 20 years. It is reasonable, therefore, that as a preventive measure, the Company
17 shall annually file, as part of its Annual Report, an affidavit with the Utilities Division attesting that
18 the Company is current in paying its property taxes in Arizona.

19 **CONCLUSIONS OF LAW**

20 1. Little Park is a public service corporation within the meaning of Article XV of the
21 Arizona Constitution and A.R.S. §§ 40-250 and 40-251.

22 2. The Commission has jurisdiction over Little Park and the subject matter of the
23 application.

24 3. Notice of the application was provided in the manner prescribed by law.

25 4. Under the circumstances discussed herein, the rates, charges and conditions of service
26 authorized herein are just and reasonable.

27 **ORDER**

28 IT IS THEREFORE ORDERED that Little Park Water Company, Inc. is hereby directed to

1 file, with Docket Control, as a compliance item in this docket, on or before on or before April 1,
2 2014, revised rates schedule setting forth the following rates and charges:

3 MONTHLY USAGE CHARGES:

4	5/8" x 3/4" Meter	\$ 21.21
	3/4" Meter	32.00
5	1" Meter	54.50
	1-1/2" Meter	105.00
6	2" Meter	168.00
	3" Meter	336.00
7	4" Meter	525.00
	6" Meter	1,050.00

8 COMMODITY RATES (Per 1,000 Gallons):

9 1" Meter and Smaller (Residential)

10	First 3,000 gallons	\$ 1.75
	3,001 – 10,000 gallons	3.00
11	Over 10,000 gallons	4.08

12 1" Meter (Non-Residential)

13	First 26,000 gallons	3.00
	Over 26,000 gallons	4.08

14 1 1/2" Meter (All Classes)

15	First 69,000 gallons	3.00
	Over 69,000 gallons	4.08

16 2" Meter (All Classes)

17	First 120,000 gallons	3.00
	Over 120,000 gallons	4.08

18 3" Meter (All Classes)

19	First 260,000	3.00
	Over 260,000	4.08

20 4" Meter (All Classes)

21	First 420,000 gallons	3.00
	Over 420,000 gallons	4.08

22 6" Meter (All Classes)

23	First 755,000 gallons	3.00
	Over 755,000 gallons	4.08

24 Standpipe, Bulk Water

25	Per 1,000 gallons	4.08
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1 Service Line and Meter Installation Charges:
(Refundable Pursuant to A.A.C. R14-2-405)

	<u>Service Line Charge</u>	<u>Meter Charges</u>	<u>TOTAL</u>
3 5/8" x 3/4" Meter	\$ 445.00	\$ 155.00	\$ 600.00
4 3/4" Meter	445.00	255.00	700.00
5 1" Meter	cost	cost	cost
6 1-1/2" Meter	cost	cost	cost
7 2" Meter	cost	cost	cost
8 3" Meter	cost	cost	cost
9 4" Meter	cost	cost	cost
10 6" Meter	cost	cost	cost

8 SERVICE CHARGES:

9 Establishment	\$ 20.00
10 Reestablishment (within 12 months)	*
11 Reconnection (Delinquent)	20.00
12 Meter Test (If Correct)	30.00
13 Deposit	**
14 Deposit Interest (Per Annum)	**
15 Re-establishment (Within 12 Months)	**
16 NSF Check	\$15.00
Deferred Payment(Per Month)	1.5%
17 Meter Re-read (If Correct)	\$15.00
18 Late Payment Charge Per Month	1.5%
19 Moving Customer Meter (Customer Request)	At Cost
20 After Hours Service Charge (at customer request)	\$50.00
21 Fire Sprinkler	***

17 * Number of months off system times the monthly minimum per Commission Rule A.A.C. R14-2-403(D).

18 ** Per Commission Rule A.A.C. R14-2-403(B).

19 **** 2.0 percent of Monthly Minimum for a comparable sized meter connection, but no less than \$10 per month. The service charge for fire sprinklers is only applicable for service lines separate and distinct from the primary water service line.

20 All items billed at cost shall include labor, materials, and parts and all applicable taxes.

21 IT IS FURTHER ORDERED that Little Park Water Company, Inc. shall notify its customers
22 of the rates and charges authorized hereinafter and the effective date of same by means of an insert, in
23 a form acceptable to Staff, in its next monthly bill or by separate mailing and file copies of the notice
24 when sent to its customers with the Commission's Docket Control, as a compliance item in this
25 docket.

26 IT IS FURTHER ORDERED that in addition to the collection of its regular rates and charges,
27 Little Park Water Company, Inc., shall collect from its customers their proportionate share of any
28

1 privilege, sales or use tax as provided in A.A.C. R14-2-409(D).

2 IT IS FURTHER ORDERED that Little Park Water Company, Inc. shall use the depreciation
3 rates presented in Table B of the Engineering Report attached to the Staff Report in this matter.

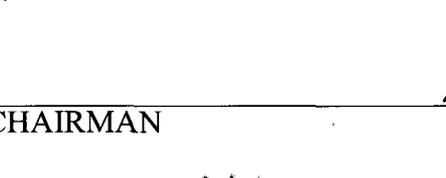
4 IT IS FURTHER ORDERED that Little Park Water Company, Inc. shall annually file as part
5 of its Annual Report, an affidavit with the Utilities Division attesting that the Company is current in
6 paying its property taxes in Arizona.

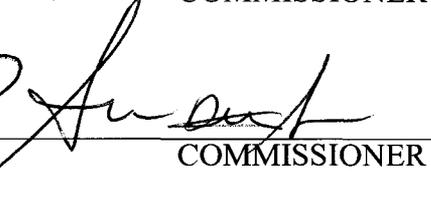
7 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

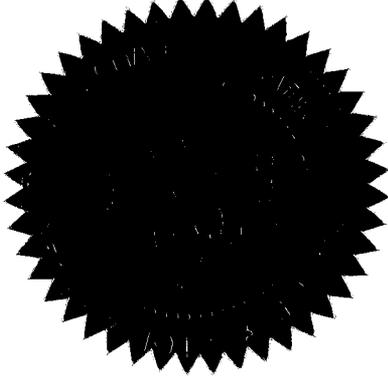
8 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

9
10
11 CHAIRMAN 


COMMISSIONER

12
13 CHAIRMAN 

 
COMMISSIONER COMMISSIONER



15 IN WITNESS WHEREOF, I, JODI A. JERICH, Executive
16 Director of the Arizona Corporation Commission, have
17 hereunto set my hand and caused the official seal of the
Commission to be affixed at the Capitol, in the City of Phoenix,
this 19th day of March, 2014.

18
19
20 
JODI A. JERICH
EXECUTIVE DIRECTOR

21
22 DISSENT 

23
24 DISSENT _____
25 JLR:tv

1 SERVICE LIST FOR: LITTLE PARK WATER COMPANY, INC.

2 DOCKET NO.: W-02192A-13-0336

3

4 Steven Gudovic
5 Little Park Water Company, Inc.
6 45 Castle Rock Road, Suite 4
7 Sedona, AZ 86351

8 Janice Alward, Chief Counsel
9 Legal Division
10 ARIZONA CORPORATION COMMISSION
11 1200 West Washington
12 Phoenix, AZ 85007

13 Steven M. Olea, Director
14 Utilities Division
15 ARIZONA CORPORATION COMMISSION
16 1200 West Washington
17 Phoenix, AZ 85007

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