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BEFORE THE ARIZONA CORPORATION COMMISSION

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BOB BURNS
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TOM FORESE

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AZ CORP COMMISSION
DOCKET CONTROL

ORIGINAL

IN THE MATTER OF THE APPLICATION OF
EPCOR WATER ARIZONA, INC., 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 FOR UTILITY
SERVICE BY ITS MOHAVE WATER DISTRICT,
PARADISE VALLEY WATER DISTRICT, SUN
CITY WATER DISTRICT, TUBAC WATER
DISTRICT, AND MOHAVE WASTEWATER
DISTRICT.

DOCKET NO. WS-01303A-14-0010

**STAFF'S NOTICE OF FILING OF
REVISED SURREBUTTAL
TESTIMONY**

The Utilities Division ("Staff") of the Arizona Corporation Commission ("Commission") hereby files the revised Surrebuttal rate design testimony of Staff witness Briton A. Baxter in the above-referenced matter.

RESPECTFULLY SUBMITTED this 19th day of March, 2015.

Robin R. Mitchell
Matthew Laudone
Attorneys, Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007
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Arizona Corporation Commission

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MAR 19 2015

Original and thirteen (13) copies of the foregoing filed this 19th day of March, 2015, with:

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

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1 Copy of the foregoing emailed on this
19th day of March, 2015, to:

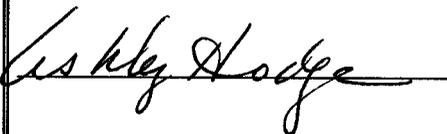
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BEFORE THE ARIZONA CORPORATION COMMISSION

SUSAN BITTER SMITH
Chairman
BOB BURNS
Commissioner
BOB STUMP
Commissioner
DOUG LITTLE
Commissioner
TOM FORESE
Commissioner

IN THE MATTER OF THE APPLICATION OF)
EPCOR WATER ARIZONA INC. FOR A)
DETERMINATION OF THE CURRENT)
FAIR VALUE OF ITS UTILITY PLANT AND)
PROPERTY AND FOR AN INCREASES IN)
ITS RATES AND CHARGES FOR UTILITY)
SERVICE BY ITS MOHAVE WATER DISTRICT,)
PARADISE VALLEY WATER DISTRICT, SUN)
CITY WATER DISTRICT, TUBAC WATER)
DISTRICT AND MOHAVE WASTEWATER)
DISTRICT)
_____)

DOCKET NO. WS-01303A-14-0010

RATE DESIGN
REVISED SURREBUTTAL
TESTIMONY
OF
BRITON BAXTER
PUBLIC UTILITIES ANALYST IV
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

MARCH 19, 2015

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**EXECUTIVE SUMMARY
EPCOR WATER ARIZONA INC.
DOCKET NO. WS-01303A-14-0010**

The revised surrebuttal testimony of Staff witness Briton A. Baxter addresses the rate design and bill impact changes for the four water districts included in the current EPCOR Water Arizona Inc. ("EPCOR" or "Company") rate application. These changes address Staff's recommendation concerning the declining use adjustment, revenue annualization and the treatment of the low income overcollection for Mohave Water and Sun City Water. Staff has also made minor corrections to the rate design for Mohave Wastewater to reflect the Company's proposed rates as of the Company's amended filing of October 14, 2015.

Water Districts

Mohave Water District:

The Company's proposed rates would increase the typical 5/8-inch meter residential bill with median usage of 5,000 gallons from \$17.32 to \$25.19, for an increase of \$7.87 or 45.44 percent. Staff's recommended rates would increase the typical 5/8-inch meter residential bill with a median usage of 5,000 gallons from \$17.32 to \$21.37, for an increase of \$4.05 or 23.36 percent.

Paradise Valley Water District:

The Company's proposed rates would increase the typical 5/8-inch meter residential bill with median usage of 10,000 gallons from \$36.65 to \$39.76, for an increase of \$3.11 or 8.50 percent. Staff's recommended rates would have no impact to the typical 5/8-inch meter residential bill.

Sun City Water District:

The Company's proposed rates would increase the typical 5/8-inch meter residential bill with median usage of 6,000 gallons from \$15.72 to \$19.17, for an increase of \$3.45 or 21.98 percent. Staff's recommended rates would increase the typical 5/8-inch meter residential bill with a median usage of 6,000 gallons from \$15.72 to \$17.40, for an increase of \$1.68 or 10.71 percent.

Tubac Water District:

The Company's proposed rates would increase the typical 5/8-inch meter residential bill with median usage of 5,000 gallons from \$36.40 to \$77.89, for an increase of \$41.49 or 113.98 percent. Staff's recommended rates would increase the typical 5/8-inch meter residential bill with a median usage of 5,000 gallons from \$36.40 to \$56.76, for an increase of \$20.36 or 55.92 percent.

Staff recommends approval of its recommended rates and charges for all districts as shown on the attached schedules.

1 **INTRODUCTION**

2 **Q. Please state your name, occupation, and business address.**

3 A. My name is Briton A. Baxter. I am a Public Utilities Analyst IV employed by the Arizona
4 Corporation Commission (“ACC” or “Commission”) in the Utilities Division (“Staff”). My
5 business address is 1200 West Washington Street, Phoenix, Arizona 85007.

6
7 **Q. Are you the same Briton A. Baxter who previously submitted surrebuttal testimony in
8 this case?**

9 A. Yes I am.

10
11 **Q. What is the scope of your testimony in this case?**

12 A. I am presenting Staff’s recommended rate designs for the EPCOR Water Arizona, Inc.
13 (“EPCOR” or “Company”) applications for permanent increases in its rates and charges in its
14 Mohave Water District, Paradise Valley Water District, Sun City Water District, and Tubac
15 Water District. As a result of positions presented during the hearing and subsequent internal
16 discussions by Staff, this testimony presents Staff’s updated rate design to reflect the revised
17 surrebuttal position of Staff in relation to the declining usage adjustment. This only impacts
18 the four water districts. The rate design has been set using Staff’s revenue requirement
19 reflected in Staff’s surrebuttal testimony and does not take in to account any adjustments
20 Staff discussed during the hearing. The final schedules will change to reflect the corrections
21 discussed by Staff during the hearing and Staff’s final position on the issues in the case. Staff
22 has also made corrections to the rate design schedule for Mohave Wastewater to reflect the
23 Company’s proposed rates as reflected in the Company’s filing of October 14, 2014.

24

1 **RATE DESIGN**

2 **Q. Did Staff change the rate design from its surrebuttal testimony?**

3 A. Yes. The Company's position was that Staff's rate design did not properly account for the
4 declining usage that the Company made to test year revenues and that Staff accepted. Staff
5 now agrees that the rate design as presented in its surrebuttal testimony did not correctly
6 adjust for declining usage and the low income over collections. In addition, Staff also
7 adjusted the rate design to correctly account for revenue annualization.

8
9 **Q. Please explain the adjustment to rate design that Staff made in the revised surrebuttal
10 schedules?**

11 A. Staff has adjusted the consumption portion of the billing determinants to reflect the amount
12 of decreased usage. On page 4 of the Company's H-1 schedules, the Company calculated for
13 Mohave Water a 1.83 percent decrease, for Paradise Valley Water a 0.37 percent decrease; for
14 Sun City Water a 1.18 percent decrease, and for Tubac Water, a 3.50 percent decrease. These
15 calculations are based on the impact of declining usage to total revenues. Staff believes it is
16 more appropriate to adjust rate design based on the decrease in commodity revenue.
17 Therefore, Staff has calculated a declining usage rate based on commodity revenues for
18 Mohave Water resulting in a 3.14 percent decrease, for Paradise Valley Water, resulting in a
19 0.52 percent decrease; for Sun City Water, resulting in a 1.86 percent decrease, and for Tubac
20 Water, resulting in a 6.70 percent decrease applied to the commodity portion only.

21
22 **Q. How did Staff adjust rate design to account for declining usage?**

23 A. For Mohave Water, Sun City Water and Tubac Water, Staff placed all of the increase into the
24 monthly minimum. For Paradise Valley Water, Staff placed all of the increase into the two
25 highest tiers of the commodity rates.

26

1 **Q. Did Staff include the revised rate design and typical bill analysis in revised surrebuttal**
2 **schedules?**

3 A. Yes.
4

5 **MONTHLY MINIMUM**

6 **Q. What is the impact on the monthly minimum for Mohave Water?**

7 A. In Staff's surrebuttal testimony, rates were set so that 41.13 percent of revenues were
8 recovered from the monthly minimum. In the revised surrebuttal rate design, 42.63 percent
9 of revenues are to be recovered from the monthly minimum.
10

11 **Q. What is the impact on the monthly minimum for Paradise Valley Water?**

12 A. Paradise Valley Water had the lowest declining usage rate of the four water districts in this
13 filing and as such the adjustment for declining usage was minimal and had no impact on the
14 monthly minimum. Therefore, Staff chose to apply the adjustment to the commodity rates,
15 specifically, the two highest tiers.
16

17 **Q. What is the impact on the monthly minimum for Sun City Water?**

18 A. In Staff's surrebuttal testimony, rates were set so that 37.30 percent of revenues were
19 recovered from the monthly minimum. In the revised surrebuttal rate design, 38.36 percent
20 of revenues are to be recovered from the monthly minimum.
21

22 **Q. What is the impact on the monthly minimum for Tubac Water?**

23 A. In Staff's surrebuttal testimony, rates were set so that 37.51 percent of revenues were
24 recovered from the monthly minimum. In the revised surrebuttal rate design, 42.15 percent
25 of revenues are to be recovered from the monthly minimum.
26

1 **BILL IMPACT**

2 **Q. What is the rate impact on a typical 5/8 x 3/4-inch meter residential customer in**
3 **Mohave Water?**

4 A. The Company's proposed rates would increase the typical 5/8-inch meter residential bill with
5 median usage of 5,000 gallons from \$17.32 to \$25.19, for an increase of \$7.87 or 45.44
6 percent. Staff's recommended rates would increase the typical 5/8-inch meter residential bill
7 with a median usage of 5,000 gallons from \$17.32 to \$21.37, for an increase of \$4.05 or 23.36
8 percent.

9
10 **Q. What is the rate impact on a typical 5/8 x 3/4-inch meter residential customer in**
11 **Paradise Valley Water?**

12 A. The Company's proposed rates would increase the typical 5/8-inch meter residential bill with
13 median usage of 10,000 gallons from \$36.65 to \$39.76, for an increase of \$3.11 or 8.50
14 percent. Staff's recommended rates would have no impact on the typical 5/8-inch meter
15 residential bill.

16
17 **Q. What is the rate impact on a typical 5/8 x 3/4-inch meter residential customer in Sun**
18 **City Water?**

19 A. The Company's proposed rates would increase the typical 5/8-inch meter residential bill with
20 median usage of 6,000 gallons from \$15.72 to \$19.17, for an increase of \$3.45 or 21.98
21 percent. Staff's recommended rates would increase the typical 5/8-inch meter residential bill
22 with a median usage of 6,000 gallons from \$15.72 to \$17.40, for an increase of \$1.68 or 10.71
23 percent.

24

1 **Q. What is the rate impact on a typical 5/8 x 3/4-inch meter residential customer in**
2 **Tubac Water?**

3 A. The Company's proposed rates would increase the typical 5/8-inch meter residential bill with
4 median usage of 5,000 gallons from \$36.40 to \$77.89, for an increase of \$41.49 or 113.98
5 percent. Staff's recommended rates would increase the typical 5/8-inch meter residential bill
6 with a median usage of 5,000 gallons from \$36.40 to \$56.76, for an increase of \$20.36 or
7 55.92 percent.

8
9 **Q. Does this conclude your testimony?**

10 A. Yes, it does.

RATE DESIGN

Monthly Usage Charge	Present Rates	Company Proposed Rates	Staff Recommended Rates
Meter Size (All Classes):			
5/8 x 3/4" Meter - Residential Low Income	\$6.00	\$9.33	\$8.04
5/8 x 3/4" Meter	11.00	15.54	13.40
3/4" Meter	11.00	15.54	20.10
3/4" Meter - Apartment	NT	15.54	20.10
1" Meter	27.50	38.86	33.50
1 1/2" Meter	55.00	77.72	67.00
2" Meter	88.00	124.34	107.20
3" Meter	176.00	248.69	214.40
4" Meter	275.00	388.58	335.00
6" Meter	550.00	777.15	670.00
8" Meter	880.00	1,243.44	1,072.00
10" Meter	1,265.00	1,787.45	1,541.00
12" Meter	2,365.00	3,341.75	2,881.00
BHC Veterans	11.00	15.54	13.40
Fire 2"	\$5.00	\$6.03	\$6.03
Fire 4"	10.00	12.07	12.07
Fire 6"	15.00	18.10	18.10
Fire 8"	20.00	24.13	24.13
Fire 10"	25.00	30.16	30.16
Private Hydrant	12.32	14.86	14.86
Public Hydrant	12.32	14.86	14.83
Public Sprinkler Head	0.73	0.88	0.88

Commodity Rates-Per 1,000 Gallons

5/8 x 3/4" & 3/4" Meter (Residential)			
First 3,000 Gallons	\$0.8800	\$1.5500	\$1.1220
From 3,001 to 10,000 Gallons	1.8400	2.5000	2.3000
Over 10,000 Gallons	3.0000	3.2250	3.7600
5/8 x 3/4" & 3/4" Meter (Commercial & Industrial)			
First 10,000 Gallons	\$1.8400	\$2.5000	\$2.3000
Over 10,000 Gallons	3.0000	3.2250	\$3.7600
3/4" Meter (Apartment)			
First 10,000 Gallons	N/A	\$2.5000	
Over 10,000 Gallons	N/A	3.2250	
1" Meter (Res., Apt., Comm., & Ind.)			
First 15,000 Gallons	\$1.8400	\$2.5000	\$2.3000
Over 15,000 Gallons	3.0000	3.2250	\$3.7600
1 1/2" Meter (Res., Apt., Comm., & Ind.)			
First 30,000 Gallons	\$1.8400	\$2.5000	\$2.3000
Over 30,000 Gallons	3.0000	3.2250	\$3.7600
2" Meter (Res., Apt., Comm., & Ind.)			
First 50,000 Gallons	\$1.8400	\$2.50	\$2.3000
Over 50,000 Gallons	3.0000	3.2250	\$3.7600
3" Meter (Res., Apt., Comm., & Ind.)			
First 100,000 Gallons	\$1.8400	\$2.5000	\$2.3000
Over 100,000 Gallons	3.0000	3.2250	3.7600
4" Meter (Res., Apt., Comm., & Ind.)			
First 150,000 Gallons	\$1.8400	\$2.5000	\$2.3000
Over 150,000 Gallons	3.0000	3.2250	3.7600
6" Meter (Res., Apt., Comm., & Ind.)			
First 300,000 Gallons	\$1.8400	\$2.5000	\$2.3000
Over 300,000 Gallons	3.0000	3.2250	3.7600
8" Meter (Res., Apt., Comm., & Ind.)			
First 500,000 Gallons	\$1.8400	\$2.5000	\$2.3000
Over 500,000 Gallons	3.0000	3.2250	3.7600
10" Meter (Res., Apt., Comm., & Ind.)			
First 750,000 Gallons	\$1.8400	\$2.5000	\$2.3000
Over 750,000 Gallons	3.0000	3.2250	3.7600

EPCOR Water Company
 Docket No. WS-01303A-14-0010
 Test Year Ended June 30, 2014
 Mohave Water District

Revised Surrebuttal Schedule BAB-2

Typical Bill Analysis
 General Service 5/8 x 3/4-Inch Meter

Company Proposed	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	6,800	\$20.63	\$29.69	\$9.06	43.90%
Median Usage	5,000	\$17.32	\$25.19	\$7.87	45.44%
Staff Recommended					
Average Usage	6,800	\$20.63	\$25.51	\$4.87	23.62%
Median Usage	5,000	\$17.32	\$21.37	\$4.05	23.36%

Present & Proposed Rates (Without Taxes)
 General Service 5/8 x 3/4-Inch Meter

Gallons Consumption	Present Rates	Company Proposed		Staff Recommended	
		Rates	Increase	Rates	Increase
-	\$11.00	\$15.54	41.27%	\$13.40	21.82%
1,000	11.88	17.09	43.86%	14.52	22.24%
2,000	12.76	18.64	46.08%	15.64	22.60%
3,000	13.64	20.19	48.02%	16.77	22.92%
4,000	15.48	22.69	46.58%	19.07	23.17%
5,000	17.32	25.19	45.44%	21.37	23.36%
6,000	19.16	27.69	44.52%	23.67	23.52%
7,000	21.00	30.19	43.76%	25.97	23.65%
8,000	22.84	32.69	43.13%	28.27	23.76%
9,000	24.68	35.19	42.59%	30.57	23.85%
10,000	26.52	37.69	42.12%	32.87	23.93%
11,000	29.73	40.97	37.83%	36.68	23.38%
12,000	32.93	44.26	34.38%	40.49	22.93%
13,000	36.14	47.54	31.54%	44.30	22.57%
14,000	39.35	50.82	29.17%	48.11	22.26%
15,000	42.55	54.11	27.15%	51.92	22.00%
16,000	45.76	57.39	25.41%	55.73	21.78%
17,000	48.97	60.67	23.90%	59.54	21.59%
18,000	52.17	63.95	22.58%	63.35	21.42%
19,000	55.38	67.24	21.41%	67.16	21.27%
20,000	58.59	70.52	20.37%	70.97	21.13%
25,000	74.62	86.94	16.51%	90.02	20.64%
30,000	90.65	103.35	14.01%	109.07	20.32%
35,000	106.69	119.77	12.26%	128.12	20.09%
40,000	122.72	136.18	10.97%	147.17	19.92%
45,000	138.75	152.60	9.98%	166.22	19.80%
50,000	154.78	169.01	9.19%	185.27	19.70%
75,000	234.95	251.09	6.87%	280.52	19.40%
100,000	315.11	333.16	5.73%	375.78	19.25%

EPCOR Water Arizona, Inc.
 Docket No. WS-01303A-14-0010
 Test Year Ended June 30, 2013
 Paradise Valley Water District

Revised Surrebuttal Schedule BAB-2

Typical Bill Analysis
 General Service 5/8 x 3/4-Inch Meter

Company Propose	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	19,271	\$52.30	\$56.76	\$4.47	8.54%
Median Usage	10,000	\$36.65	\$39.76	\$3.11	8.50%
Staff Recommended					
Average Usage	19,271	\$52.30	\$52.30	\$0.00	0.00%
Median Usage	10,000	\$36.65	\$36.65	\$0.00	0.00%

Present & Proposed Rates (Without Taxes)
 General Service 5/8 x 3/4-Inch Meter

Gallons Consumption	Present	Company Proposed		Staff Recommended	
	Rates	Rates	Increase	Rates	Increase
-	25.15	27.27	8.43%	25.15	0.00%
1,000	26.20	28.41	8.44%	26.20	0.00%
2,000	27.25	29.55	8.45%	27.25	0.00%
3,000	28.30	30.69	8.45%	28.30	0.00%
4,000	29.35	31.83	8.46%	29.35	0.00%
5,000	30.40	32.97	8.47%	30.40	0.00%
6,000	31.65	34.33	8.47%	31.65	0.00%
7,000	32.90	35.69	8.48%	32.90	0.00%
8,000	34.15	37.05	8.49%	34.15	0.00%
9,000	35.40	38.41	8.49%	35.40	0.00%
10,000	36.65	39.76	8.50%	36.65	0.00%
11,000	37.90	41.12	8.50%	37.90	0.00%
12,000	39.15	42.48	8.51%	39.15	0.00%
13,000	40.40	43.84	8.51%	40.40	0.00%
14,000	41.65	45.20	8.52%	41.65	0.00%
15,000	42.90	46.56	8.52%	42.90	0.00%
16,000	45.10	48.95	8.53%	45.10	0.00%
17,000	47.30	51.34	8.53%	47.30	0.00%
18,000	49.50	53.73	8.54%	49.50	0.00%
19,000	51.70	56.12	8.54%	51.70	0.00%
20,000	53.90	58.51	8.55%	53.90	0.00%
25,000	64.90	70.46	8.56%	64.90	0.00%
30,000	75.90	82.41	8.58%	75.90	0.00%
35,000	86.90	94.36	8.59%	86.90	0.00%
40,000	97.90	106.31	8.59%	97.90	0.00%
45,000	117.90	128.04	8.60%	118.01	0.09%
50,000	137.90	149.77	8.61%	138.11	0.15%
75,000	237.90	258.42	8.63%	238.64	0.31%
100,000	347.50	377.67	8.68%	351.12	1.04%

RATE DESIGN			
Monthly Usage Charge	Present	Company Proposed Rates	Staff Recommended Rates
Meter Size (All Classes):			
5/8 x 3/4" Meter Residential Low Income	\$4.38	\$6.42	\$5.85
5/8 x 3/4" Meter	8.76	10.70	9.75
3/4" Meter	8.76	10.70	14.63
1" Meter	21.89	26.76	24.38
1 1/2" Meter	43.78	53.52	48.75
2" Meter	70.05	85.64	78.00
3" Meter	140.10	171.28	156.00
4" Meter	218.90	267.62	243.75
6" Meter	437.81	535.24	487.50
8" Meter	700.50	856.38	780.00
Public Interruptible - Peoria	8.16	9.97	10.00
Irrigation - 2"	77.59	94.81	85.00
Irrigation - Raw	-	-	-
Private Fire 3"	9.73	10.81	10.81
Private Fire 4"	9.73	10.81	10.81
Private Fire 6"	9.73	10.81	10.81
Private Fire 8"	14.01	15.57	15.57
Private Fire 10"	20.14	22.38	22.38
Private Hydrant - Peoria	8.22	9.13	9.13
Commodity Charge-Per 1,000 gallons			
5/8 x 3/4", 3/4" & 1" Meter (Residential)			
First 1,000 gallons	\$0.7297	\$0.7500	\$0.7500
From 1,001 to 3,000 gallons	1.0702	1.3702	1.2000
From 3,001 to 9,000 gallons	1.3621	1.6602	1.5000
From 9,001 to 12,000 gallons	1.6539	1.9002	1.9000
Over 12,000 gallons	1.9896	2.1202	2.2621
5/8 x 3/4" & 3/4" (Commercial)			
First 9,000 gallons	\$1.3621	\$1.8302	\$1.5000
Over 9,000 gallons	1.9896	2.1202	2.2621
1" Meter (Commercial)			
First 20,000 gallons	\$1.3621	\$1.8302	\$1.5000
Over 20,000 gallons	1.9896	2.1202	2.2621
1 1/2" Meter (Residential)			
First 1,000 gallons	\$0.7297	N/A	N/A
From 1,001 to 3,000 gallons	1.0702	N/A	N/A
From 3,001 to 9,000 gallons	1.3621	N/A	N/A
From 9,001 to 12,000 gallons	1.6539	N/A	N/A
Over 12,000 gallons	1.9896	N/A	N/A
1 1/2" Meter (Residential)			
First 40,000 gallons	N/A	\$1.8002	\$1.5000
Over 40,000 gallons	N/A	2.0102	2.2621
1 1/2" Meter (Commercial)			
First 40,000 gallons	\$1.3621	\$1.8002	1.5000
Over 40,000 gallons	1.9896	2.0102	2.2621
2" Meter (Residential)			
First 1,000 gallons	\$0.7297	N/A	N/A
From 1,001 to 3,000 gallons	1.0702	N/A	N/A
From 3,001 to 9,000 gallons	1.3621	N/A	N/A
From 9,001 to 12,000 gallons	1.6539	N/A	N/A
Over 12,000 gallons	1.9896	N/A	N/A
2" Meter (Residential)			
First 64,000 gallons	N/A	\$1.8002	\$1.5000
Over 64,000 gallons	N/A	2.0102	2.2621
2" Meter (Commercial)			
First 64,000 gallons	\$1.3621	\$1.8002	\$1.5000
Over 64,000 gallons	1.9896	2.0102	2.2621
3" Meter (Residential)			
First 1,000 gallons	\$0.7297	N/A	N/A
From 1,001 to 3,000 gallons	1.0702	N/A	N/A
From 3,001 to 9,000 gallons	1.3621	N/A	N/A
From 9,001 to 12,000 gallons	1.6539	N/A	N/A
Over 12,000 gallons	1.9896	N/A	N/A
3" Meter (Residential)			
First 131,000 gallons	N/A	\$1.8002	\$1.5000
Over 131,000 gallons	N/A	2.0102	2.2621
3" Meter (Commercial)			
First 131,000 gallons	\$1.3621	\$1.8002	\$1.5000
Over 131,000 gallons	1.9896	2.0102	2.2621
4" Meter (Residential)			
First 1,000 gallons	\$0.7297	N/A	N/A
From 1,001 to 3,000 gallons	1.0702	N/A	N/A
From 3,001 to 9,000 gallons	1.3621	N/A	N/A
From 9,001 to 12,000 gallons	1.6539	N/A	N/A
Over 12,000 gallons	1.9896	N/A	N/A
4" Meter (Residential)			
First 205,000 gallons	N/A	\$1.8002	\$1.5000
Over 205,000 gallons	N/A	2.0102	2.2621
4" Meter (Commercial)			
First 205,000 gallons	\$1.3621	\$1.8002	\$1.5000
Over 205,000 gallons	1.9896	2.0102	2.2621

Typical Bill Analysis
General Service 5/8 x 3/4-Inch Meter

Company Propose	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	7,203	\$17.36	\$21.17	\$3.81	21.97%
Median Usage	6,000	\$15.72	\$19.17	\$3.45	21.98%
Staff Recommended					
Average Usage	7,203	\$17.36	\$19.20	\$1.85	10.66%
Median Usage	6,000	\$15.72	\$17.40	\$1.68	10.71%

Present & Proposed Rates (Without Taxes)
General Service 5/8 x 3/4-Inch Meter

Gallons Consumption	Present	Company Proposed		Staff Recommended	
	Rates	Rates	Increase	Rates	Increase
-	\$8.76	\$10.70	22.15%	\$9.75	11.30%
1,000	9.49	11.45	20.66%	10.50	10.65%
2,000	10.56	12.82	21.40%	11.70	10.80%
3,000	11.63	14.19	22.01%	12.90	10.92%
4,000	12.99	15.85	22.00%	14.40	10.84%
5,000	14.35	17.51	21.99%	15.90	10.77%
6,000	15.72	19.17	21.98%	17.40	10.71%
7,000	17.08	20.83	21.97%	18.90	10.67%
8,000	18.44	22.49	21.97%	20.40	10.63%
9,000	19.80	24.15	21.96%	21.90	10.59%
10,000	22.50	27.42	21.89%	25.00	11.13%
11,000	25.19	30.69	21.84%	28.10	11.55%
12,000	27.89	33.96	21.80%	31.20	11.89%
13,000	30.97	37.48	21.00%	34.68	11.98%
14,000	34.06	40.99	20.35%	38.16	12.06%
15,000	37.14	44.50	19.81%	41.65	12.13%
16,000	40.23	48.01	19.35%	45.13	12.18%
17,000	43.31	51.52	18.96%	48.61	12.23%
18,000	46.40	55.04	18.62%	52.09	12.27%
19,000	49.49	58.55	18.32%	55.58	12.31%
20,000	52.57	62.06	18.05%	59.06	12.34%
25,000	68.00	79.62	17.09%	76.47	12.46%
30,000	83.43	97.19	16.49%	93.88	12.53%
35,000	98.86	114.75	16.07%	111.30	12.58%
40,000	114.29	132.31	15.77%	128.71	12.62%
45,000	129.72	149.87	15.54%	146.12	12.65%
50,000	145.15	167.43	15.36%	163.53	12.67%
75,000	222.29	255.24	14.82%	250.59	12.73%
100,000	299.44	343.05	14.57%	337.65	12.76%

RATE DESIGN

Monthly Usage Charge	Present Rates	Company Proposed Rates	Staff Recommended Rates
Meter Size (All Classes):			
5/8 x 3/4" Residential Low Income	N/A	\$28.94	\$21.58
5/8 x 3/4" Meter	\$24.70	48.24	35.96
3/4" Meter	24.70	48.24	53.94
1" Meter	74.10	120.60	89.90
1 1/2" Meter	144.38	241.20	179.80
2" Meter	230.53	385.91	287.68
3" Meter	461.00	771.83	575.36
4" Meter	722.00	1,205.98	899.00
6" Meter	1,440.00	2,411.96	1,798.00
8" Meter	2,305.00	3,859.13	2,876.80
10" Meter	3,320.00	5,547.50	4,135.40
12" Meter	6,208.00	10,371.41	7,731.40
Commodity Rates-Per 1,000 Gallons			
5/8 x 3/4" & 3/4" Meter (Residential)			
First 3,000 Gallons	\$1.9000	\$5.3300	\$3.3350
From 3,001 to 10,000 Gallons	3.0000	6.8300	5.3950
From 10,001 to 20,000 Gallons	4.0000	8.1800	7.8500
Over 20,000 Gallons	6.0000	9.3800	9.5380
5/8 x 3/4" & 3/4" Meter (Commercial)			
First 20,000 Gallons	\$4.0000	\$7.6800	\$7.8500
Over 20,000 Gallons	6.0000	9.3800	9.5380
1" Meter (Res. & Comm.)			
First 35,000 Gallons	\$4.0000	\$7.6800	\$7.8500
Over 35,000 Gallons	6.0000	9.3800	9.5380
1 1/2" Meter (Res. & Comm.)			
First 85,000 Gallons	\$4.0000	\$7.6800	\$7.8500
Over 85,000 Gallons	6.0000	9.3800	9.5380
2" Meter (Res. & Comm.)			
First 150,000 Gallons	\$4.0000	\$7.6800	\$7.8500
Over 150,000 Gallons	6.0000	9.3800	9.5380
3" Meter (Res. & Comm.)			
First 175,000 Gallons	\$4.0000	\$7.6800	\$7.8500
Over 175,000 Gallons	6.0000	9.3800	9.5380
4" Meter (Res. & Comm.)			
First 250,000 Gallons	\$4.0000	\$7.6800	\$7.8500
Over 250,000 Gallons	6.0000	9.3800	9.5380
6" Meter (Res. & Comm.)			
First 350,000 Gallons	\$4.0000	\$7.6800	\$7.8500
Over 350,000 Gallons	6.0000	9.3800	9.5380
8" Meter (Res. & Comm.)			
First 900,000 Gallons	\$4.0000	\$7.6800	\$7.8500
Over 900,000 Gallons	6.0000	9.3800	9.5380
10" Meter (Res. & Comm.)			
First 1,500,000 Gallons	\$4.0000	\$7.6800	\$7.8500
Over 1,500,000 Gallons	6.0000	9.3800	9.5380
12" Meter (Res. & Comm.)			
First 2,250,000 Gallons	\$4.0000	\$7.6800	\$7.8500
Over 2,250,000 Gallons	6.0000	9.3800	9.5380
Low Income Surcharge*	N/A	\$0.6810	\$0.5074

* The surcharge will be added to the highest commodity rate (residential and commercial customers only), and will change upon the Company's annual reconciliation of number of participants and top tier usage.

EPCOR Water Arizona, Inc.
 Docket No. WS-01303A-14-0010
 Test Year Ended June 30, 2013
 Tubac Water District

Revised Surrebuttal Schedule BAB-2

Typical Bill Analysis
 General Service 5/8 x 3/4-Inch Meter

Company Proposed	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	8,348	\$46.44	\$100.76	\$54.31	116.94%
Median Usage	5,000	\$36.40	\$77.89	\$41.49	113.98%
Staff Recommended					
Average Usage	8,348	\$46.44	\$74.82	\$28.37	61.09%
Median Usage	5,000	\$36.40	\$56.76	\$20.36	55.92%

Present & Proposed Rates (Without Taxes)
 General Service 5/8 x 3/4-Inch Meter

Gallons Consumption	Present	Company Proposed		Staff Recommended	
	Rates	Rates	Increase	Rates	Increase
-	\$24.70	\$48.24	95.30%	\$35.96	45.59%
1,000	26.60	53.57	101.39%	39.30	47.73%
2,000	28.50	58.90	106.67%	42.63	49.58%
3,000	30.40	64.23	111.28%	45.97	51.20%
4,000	33.40	71.06	112.75%	51.36	53.77%
5,000	36.40	77.89	113.98%	56.76	55.92%
6,000	39.40	84.72	115.03%	62.15	57.74%
7,000	42.40	91.55	115.92%	67.55	59.30%
8,000	45.40	98.38	116.70%	72.94	60.66%
9,000	48.40	105.21	117.38%	78.34	61.85%
10,000	51.40	112.04	117.98%	83.73	62.90%
11,000	55.40	120.22	117.00%	91.58	65.31%
12,000	59.40	128.40	116.16%	99.43	67.39%
13,000	63.40	136.58	115.43%	107.28	69.21%
14,000	67.40	144.76	114.78%	115.13	70.82%
15,000	71.40	152.94	114.20%	122.98	72.24%
16,000	75.40	161.12	113.69%	130.83	73.51%
17,000	79.40	169.30	113.22%	138.68	74.66%
18,000	83.40	177.48	112.81%	146.53	75.70%
19,000	87.40	185.66	112.43%	154.38	76.64%
20,000	91.40	193.84	112.08%	162.23	77.49%
25,000	121.40	244.15	101.11%	212.46	75.01%
30,000	151.40	294.45	94.48%	262.68	73.50%
35,000	181.40	344.76	90.05%	312.91	72.50%
40,000	211.40	395.06	86.88%	363.14	71.78%
45,000	241.40	445.37	84.49%	413.37	71.24%
50,000	271.40	495.67	82.63%	463.59	70.82%
75,000	421.40	747.20	77.31%	714.73	69.61%
100,000	571.40	998.72	74.78%	965.86	69.03%

RATE DESIGN

Monthly Service Charge	Present	Company Proposed Rates	Staff Recommended Rates
Residential (per ERU)	\$56.55	82.00	75.99
Commercial (per ERU)	56.55	82.00	75.99
OPA (per ERU)	56.55	82.00	75.99
Large Commercial	72.89	105.69	93.99
Commodity Charge - Per 1,000 Gallons			
Residential (per ERU)	-	-	-
Commercial (per ERU)	-	-	-
OPA (per ERU)	-	-	-
Large Commercial	\$2.2800	\$3.3100	\$2.9880
Effluent (Per Acre Foot)			
0 to 24	\$227.79	\$227.79	\$227.79
25 to 99	227.79	227.79	227.79
200 to 199	227.79	227.79	227.79
200 & Above	227.79	227.79	227.79
Other Service Charges			
Establishment or Reestablishment of Service			\$35.00
Regular Hours	\$20.00	\$35.00	Remove from Tariff
After Hours	\$30.00	\$65.00	Remove from Tariff
Reconnection of Service (Delinquent)	\$30.00		\$35.00
Regular Hours	N/A	\$35.00	Remove from Tariff
After Hours	N/A	\$65.00	Remove from Tariff
Deposit	(a)	(a)	(a)
Deposit Interest	(a)	(a)	(a)
NSF Check	\$25.00	\$25.00	\$25.00
Deferred Payment (per month)	N/A	1.5% per month	1.5% per month
Late Payment Fee (per month)	1.5% per month	1.5% per month	1.5% per month
After hour service charge (b)	N/A	N/A	\$30.00

(a) Per Commission Rules (R14-2-603.B)

(b) After Hours Service : After regular working hours, on Saturdays, Sundays or holidays if at the customer's request or for the customer's convenience.

In addition to the collection of regular rates, the utility will collect from its customers a proportionate share of any privilege, sales, use, and franchise tax. Per commission rule 14-2-609D(5).

Service Line Connection Charges

	Current Charges	Proposed Charges	Staff Recommended Charges
Residential	Actual Cost	Actual Cost	Actual Cost
Commercial	Actual Cost	Actual Cost	Actual Cost
School	Actual Cost	Actual Cost	Actual Cost
Multiple Dwelling	Actual Cost	Actual Cost	Actual Cost
Mobile Home park	Actual Cost	Actual Cost	Actual Cost
Effluent	Actual Cost	Actual Cost	Actual Cost

Treatment Plant Hook-Up Fee

	Current Charges	Proposed Charges	Staff Recommended Charges
4 Inch Connection	\$785.00	\$785.00	\$785.00
6 Inch Connection	1,570.00	1,570.00	1,570.00
8 Inch Connection	2,748.00	2,748.00	2,748.00

EPCOR Water Arizona, Inc.
Docket No. WS-01303A-14-0010
Test Year Ended June 30, 2013.
Mohave Wastewater District

Revised Surrebuttal Schedule BAB-2

Typical Bill Analysis
Residential

<u>Company Proposed</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
	\$56.55	\$82.00	\$25.45	45.00%
<u>Staff Recommended</u>				
	\$56.55	\$75.99	\$19.44	34.38%