

OPEN MEETING ITEM



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COMMISSIONERS
SUSAN BITTER SMITH - Chairman
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE

ORIGINAL



ARIZONA CORPORATION COMMISSION

RECEIVED
AZ CORP. COMMISSION
DOCKET CONTROL

2015 AUG 24 PM 2 55

DATE: AUGUST 24, 2015
DOCKET NO.: WS-01678A-14-0424 and WS-01678A-14-0425

TO ALL PARTIES:

Enclosed please find the recommendation of Administrative Law Judge Belinda Martin. The recommendation has been filed in the form of an Order on:

BACA FLOAT WATER COMPANY, INC.
(RATES)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by **4:00** p.m. on or before:

SEPTEMBER 2, 2015

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

SEPTEMBER 8, 2015 AND SEPTEMBER 9, 2015

For more information, you may contact Docket Control at (602) 542-3477 or the Hearing Division at (602) 542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

Arizona Corporation Commission

DOCKETED

AUG 24 2015

DOCKETED BY TV

JODI JERICH
EXECUTIVE DIRECTOR

1200 WEST WASHINGTON STREET; PHOENIX, ARIZONA 85007-2927 / 400 WEST CONGRESS STREET; TUCSON, ARIZONA 85701-1347

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This document is available in alternative formats by contacting Shaylin Bernal, ADA Coordinator, voice phone number 602-542-3931, E-mail SABernal@azcc.gov.

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 SUSAN BITTER SMITH – Chairman
4 BOB STUMP
5 BOB BURNS
6 TOM FORESE
7 DOUG LITTLE

8 IN THE MATTER OF THE APPLICATION OF
9 BACA FLOAT WATER COMPANY, INC. –
10 SEWER DIVISION, FOR A PERMANENT RATE
11 INCREASE.

DOCKET NO. WS-01678A-14-0424

12 IN THE MATTER OF THE APPLICATION OF
13 BACA FLOAT WATER COMPANY, INC. FOR A
14 PERMANENT WATER RATE INCREASE.

DOCKET NO. WS-01678A-14-0425

DECISION NO. _____

ORDER

15 Open Meeting
16 September 8 and 9, 2015
17 Phoenix, Arizona

18 **BY THE COMMISSION:**

19 * * * * *

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

22 FINDINGS OF FACT

23 Procedural History

24 1. Baca Float Water Company, Inc. is an Arizona ‘C’ corporation engaged in the
25 business of providing water and wastewater service to customers in Tubac, Santa Cruz County,
26 Arizona.

27 2. On December 30, 2014, Baca Float Water Company, Inc. (“BFWC”) filed with the
28 Commission an application for a permanent water rate increase under Docket No. WS-01678A-14-
0425 (“Water Rates Application”).

3. Also on December 30, 2014, Baca Float Water Company – Sewer Division (“BFSD”) filed with the Commission an application for a permanent sewer rate increase under Docket No. WS-

1 01678A-14-0424 (“Sewer Rates Application” and together with the Water Rates Application, the
2 “Applications.” BFWC and BFSDD shall be collectively referred to as the “Company.”)

3 4. The Company notified its customers of the proposed rates and charges for water and
4 wastewater by first class U.S. mail on December 30, 2015. No customer comments were filed in
5 response to the notices.

6 5. On January 12, 2015, BFSDD docketed additional information for the Sewer Rates
7 Application.

8 6. On January 26, 2015, the Commission’s Utilities Division Staff (“Staff”) issued a
9 Letter of Sufficiency indicating that the Applications met the sufficiency requirements of Arizona
10 Administrative Code (“A.A.C.”) R14-2-103, and classifying the Company as a Class D utility.

11 7. On March 27, 2015, the Company filed a request to consolidate the two dockets.

12 8. Docket Nos. WS-01678A-14-0424 and WS-01678A-14-0425 were consolidated by a
13 Procedural Order issued April 10, 2015, and certain filing deadlines were set.

14 9. On May 1, 2015, Staff filed its Staff Report recommending approval of Staff’s
15 recommended rates and charges, subject to certain conditions.

16 10. The Company filed its Response to Commission Staff Report on May 13, 2015,
17 objecting to certain Staff conclusions and recommendations. The Company supplemented its
18 Response on May 22, 2015.

19 11. On May 26, 2015, a Procedural Order was issued directing the parties to address
20 issues raised in the Staff Report and Company Response, and extending the time clock to September
21 11, 2015.

22 12. Staff submitted its Response to the Procedural Order on June 15, 2015, and the
23 Company filed its Reply on July 1, 2015.

24 **WATER RATES APPLICATION**

25 **Water System Background**

26 13. BFWC’s water system is comprised of two wells with a total capacity of 375 gallons
27 per minute (“gpm”), an arsenic treatment system, a chlorination system, three storage tanks holding
28

1 160,000 gallons of water, a pressure tank, two booster pumps, 421 meters, and a distribution system.
2 Staff concluded that BFWC's current production and storage capacity is adequate to serve the present
3 customer base and reasonable growth.

4 14. BFWC is within the Arizona Department of Water Resources' ("ADWR") Santa Cruz
5 Active Management Area. ADWR issued a compliance status report dated July 28, 2015, indicating
6 that BFWC is in compliance with departmental requirements governing water providers and/or
7 community water systems.¹

8 15. Staff stated it received an Arizona Department of Environmental Quality ("ADEQ")
9 Compliance Status Report from the Company, dated March 5, 2015, indicating that there are no
10 major deficiencies and ADEQ has determined that the Company's system, PWS #12-037, is in
11 compliance with ADEQ regulations and is currently delivering water that meets the water quality
12 standards required by 40 CFR 141 and A.A.C., Title 18, Chapter 4.

13 16. Staff stated that Baca Float has no outstanding compliance issues, is in good standing
14 with the Commission's Corporation Division, and is current on its property tax and sales tax. Staff
15 also stated that from January 1, 2012 through March 25, 2015, there were no customer complaints
16 filed against BFWC.

17 17. BFWC has Commission-approved Backflow and Curtailment tariffs.

18 18. Staff noted that BFWC's test year water loss was 11.81 percent and recommended that
19 BFWC be required to prepare a water loss reduction report.

20 19. On May 22, 2015, BFWC filed an updated Water Use Data Sheet for the 2013 test
21 year. BFWC observed that the water pumped amounts included in the Water Rates Application were
22 overstated due to duplication of pumping data, and BFWC's water loss was below ten percent. As
23 such, BFWC believes that Staff's recommendation is unnecessary. Staff did not dispute in its
24 Response that the new data was incorrect.

25
26
27 ¹ Staff noted in the Staff Report that, at the time BFWC submitted its Water Rates Application, ADWR reported BFWC
28 was non-compliant for failure to file its system water plan on time. Accordingly, Staff recommended that any authorized
increase should not become effective until BFWC docketed an ADWR Compliance Status Report indicating BFWC is in
compliance with ADWR requirements. BFWC has now met this recommended condition due to its July 28, 2015, filing.

1 20. Based on the information provided by BFWC, we will not require it to prepare a water
2 loss reduction report at this time.

3 21. Staff also recommended that BFWC be required to adopt three Best Management
4 Practices ("BMPs") tariffs.

5 22. In its Response to the Staff Report, BFWC objected to this recommendation, noting
6 that because it is within ADWR's Santa Cruz AMA, BMPs are an unnecessary administrative burden
7 on a company of BFWC's size.

8 23. Because BFWC is within ADWR's Santa Cruz AMA and subject to ADWR's
9 regulation, we believe it is unnecessary to require BFWC to submit BMPs at this time.

10 24. In Decision No. 69949 (October 30, 2007), the Commission ordered the Company to
11 file annually, as part of its Annual Report, an affidavit with the Utilities Division attesting that it is
12 current on paying its property taxes. We believe it is reasonable to require the Company to continue
13 to file the property tax affidavit.

14 **Water Rates and Charges**

15 25. BFWC's current rates and charges were established in Decision No. 71907
16 (September 28, 2010).

17 26. During the test year ended December 31, 2013, BFWC served approximately 400
18 customers. Average and median usages on the 5/8-inch x 3/4-inch meters during the test year were
19 approximately 4,000 and 3,000 gallons per month, respectively.

20 27. The rates and charges for BFWC at present, as proposed by BFWC, and as
21 recommended by Staff are as follows:

<u>MONTHLY USAGE CHARGE:</u>	<u>Present</u>	<u>Company</u>	<u>Staff</u>
	<u>Rates</u>	<u>Proposed</u>	<u>Proposed</u>
<u>All Classes</u>			
24 5/8" x 3/4" Meter	\$15.00	\$21.00	\$22.50
25 3/4" Meter	22.50	31.50	22.50
26 1" Meter	37.50	52.50	50.00
27 1 1/2" Meter	75.00	105.00	N/A ²
2" Meter	120.00	168.00	125.50
3" Meter	240.00	336.00	375.00

28 ² Staff did not propose a charge for the 1-1/2" Meter.

1	4" Meter	375.00	525.00	550.50
	6" Meter	750.00	1,050.00	1,225.00

2 **COMMODITY RATES:**
3 **(per 1,000 Gallons)**

4 **5/8" x 3/4" Meter (Residential)**

5	0 to 3,000 gallons	\$3.25	\$4.35	\$5.15
	3,001 to 10 gallons	4.90	6.63	7.00
6	Over 10,000 gallons	5.85	8.18	8.50

7 **3/4" Meter (Residential)**

8	0 to 3,000 gallons	\$3.25	\$4.35	\$5.15
	3,001 to 10,000 gallons	4.90	6.63	7.00
9	Over 10,000 gallons	5.85	8.18	8.50

10 **5/8" x 3/4" Meter (Non-Residential)**

11	0 to 10,000 gallons	\$4.90	\$6.63	\$7.00
	Over 10,000 gallons	5.85	8.18	8.50

12 **3/4" Meter (Non-Residential)**

13	0 to 10,000 gallons	\$4.90	\$6.63	\$7.00
	Over 10,000 gallons	5.85	8.18	8.50

14 **1" Meter (All Classes)**

15	0 to 16,000 gallons	\$4.90	\$6.63	\$7.00
16	Over 16,000 gallons	5.85	8.18	8.50

17 **1-1/2" Meter**

18	0 to 48,000 gallons	\$4.90	\$6.63	\$7.00
	Over 48,000 gallons	5.85	8.18	8.50

19 **2" Meter**

20	0 to 90,000 gallons	\$4.90	\$6.63	\$7.00
	Over 90,000 gallons	5.85	8.18	8.50

21 **3" Meter**

22	0 to 160,000 gallons	\$4.90	\$6.63	\$7.00
23	Over 160,000 gallons	5.85	8.18	8.50

24 **4" Meter**

25	0 to 285,000 gallons	\$4.90	\$6.63	\$7.00
	Over 285,000 gallons	5.85	8.18	8.50

26 **6" Meter**

27	0 to 640,000 gallons	\$4.90	\$6.63	\$7.00
28	Over 640,000 gallons	5.85	8.18	8.50

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Bulk Water

Per 1000 gallons \$5.85 \$8.18 \$8.50

SERVICE LINE AND METER INSTALLATION CHARGES:
Refundable Pursuant to A.A.C. R14-2-405

Company and Staff Recommended

	<u>Current Meter Charge</u>	<u>Service Line Charge</u>	<u>Meter Charge</u>	<u>Total Charge</u>
5/8" x 3/4" Meter	\$ 90.00	\$ 445.00	\$ 155.00	\$ 600.00
3/4" Meter	140.00	455.00	255.00	700.00
1" Meter	205.00	495.00	315.00	810.00
1-1/2" Meter	335.00	550.00	525.00	1,075.00
2" Meter	575.00	830.00	1,890.00	2,720.00
3" Meter	925.00	1,165.00	2,545.00	3,710.00
4" Meter	1,635.00	1,670.00	3,645.00	5,315.00
6" Meter	3,725.00	2,330.00	6,920.00	9,250.00
Over 6-inch	N/A	At Cost	At Cost	At Cost

SERVICE CHARGES:

	<u>Present Charges</u>	<u>Company Proposed Charges</u>	<u>Staff Recommended Charges</u>
Establishment	\$20.00	\$30.00	\$25.00
Establishment (After Hours)	30.00	N/A	N/A
Reconnection (Delinquent)	30.00	\$40.00	\$35.00
Reconnection (Delinquent and After Hours)	50.00	N/A	N/A
After Hour Service Charge (at customer's request)	N/A	\$35.00	\$35.00
Meter Test (if correct)	30.00	40.00	30.00
Deposit	*	*	*
Deposit Interest	*	*	*
Re-Establishment (Within 12 Months)	**	**	**
NSF Check	\$25.00	\$30.00	\$25.00(a)
Deferred Payment, Per Month	1.50%	1.50%	1.50%
Meter Re-Read (If Correct)	\$10.00	\$20.00	\$15.00
Late Fee	1.50%	1.50%	1.50%

Monthly Service Charge for Fire Sprinklers

4" or Smaller	***
6"	***
8"	***
10"	***
Larger than 10"	***

(a) BFWC may only charge one NSF fee when customers are billed for water and wastewater services on one bill.

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

1 ** Months off system times the monthly minimum (A.A.C. R14-2-403(D)).

2 *** 2.00% of monthly minimum for a comparable sized meter connection, but no less than \$10.00 per month.
3 The service charge for fire sprinklers is only applicable for service lines separate and distinct from the
4 primary water service line.

5 28. Staff determined BFWC's original cost rate base, which is the same as its fair value
6 rate base ("FVRB"), to be \$245,743. This is a \$627 decrease to Baca Float's proposed FVRB of
7 \$246,370, based primarily upon Staff's adjustment cash working capital. Staff's proposed rate base
8 adjustment is reasonable and we find BFWC's FVRB to be \$245,743.

9 29. BFWC and Staff agreed that test year operating revenues were \$ 207,887. We find this
10 reasonable and we adopt \$207,887 as BFWC's test year operating revenues.

11 30. BFWC and Staff agreed on test year operating expenses of \$240,048. This resulted in
12 a test year operating loss of \$32,161.

13 31. In the Procedural Order issued May 26, 2015, the parties were asked whether the
14 income tax expense allowance for each division should be calculated separately, or determined on a
15 combined basis.

16 32. Staff responded that the tax calculations for each division should be determined on a
17 stand-alone basis so that tax calculations are based on the costs of providing service to the ratepayers
18 of that particular division. Staff also believed a combined calculation could lead to cross-
19 subsidization. However, Staff stated it did not know whether utilization of a stand-alone calculation
20 would understate the Company's overall tax liability.

21 33. The Company contended that stand-alone tax calculations would result in an
22 understatement of total income tax expense, noting that, when considered separately, each division
23 did not meet the \$50,000 threshold for a higher tax bracket; when combined, they do. The Company
24 asserts that cross-subsidization is not an issue in this instance because both divisions are regulated by
25 the Commission and for practical purposes the two divisions are the same entity using the same EIN.

26 34. In this instance, we believe it is reasonable to calculate the income tax expense for
27 BFWC and BFSD on a combined basis. We believe the income tax allowance for BFWC should be
28 based on the relative proportion of the divisions' rate bases.

1 35. Accordingly, we find the test year income tax allowance for BFWC should be adjusted
2 by \$1,405, from \$6,685 to \$8,900, resulting in a test year operating expense of \$241,453. The test
3 year operating loss for BFWC is therefore \$33,566.

4 36. With our adjustments to test year operating expenses based on consolidation of the
5 divisions for income tax purposes, we find that BFWC requires revenues of \$287,328, which is a
6 \$79,441 increase over test year revenues, or 38.21 percent. After operating expenses of \$258,329,
7 BFWC would have operating income of \$28,998, for a return on FVRB of 11.8 percent.

8 37. The adopted rates would increase the average monthly residential customer bill (4,000
9 gallons, on a 5/8-inch x 3/4-inch meter) by \$16.30, or 54.9 percent, from \$29.65 to \$45.95, and would
10 increase the median monthly residential customer bill (3,000 gallons, on a 5/8-inch x 3/4-inch meter)
11 by \$14.20, or 57.4 percent, from \$24.75 to \$38.95.

12 38. BFWC did not object to Staff's recommended service line and meter installation
13 charges and service charges. We believe Staff's recommended service line and meter installation
14 charges and service charges are reasonable and we adopt them.

15 39. Staff recommends that BFWC file with the Commission a schedule of its approved
16 rates and charges no later than 30 days from the effective date of this Decision.

17 40. Staff recommends that BFWC be authorized to collect from its customers a
18 proportionate share of any privilege, sales or use tax as provided for in A.A.C. R-14-2-409(D).

19 41. Staff also recommends that BFWC adopt the typical and customary depreciation rates
20 as set forth in Table H-1, Section H of the Engineering Report, attached to the Staff Report as
21 Attachment A.

22 42. We find that Staff's recommendations are reasonable and should be adopted.

23 **Wastewater System Background**

24 43. BFSD's sewer system consists of 94 septic tank effluent pumping systems, sewer
25 collection mains and a sewage treatment system capable of treating up to 100,000 gallons per day.
26 The treated effluent is sent to either a habitat pond or a storage pond. Staff concluded that BFSD has
27 adequate wastewater treatment capacity to serve the existing customer base and reasonable growth.

28

1 44. ADEQ issued a Compliance Status Report dated August 4, 2015, stating: "Based upon
2 the data submitted by the facility, ADEQ has determined that as of this date, the facility was not in
3 violation at a level at which ADEQ would take action or issue a Notice of Opportunity to Correct or
4 Notice of Violation... ." ³ We direct BFSM to file in this docket, as a compliance item, any
5 subsequent notice of violation ("NOV") issued by ADEQ within 10 days of issuance of the NOV,
6 until a Decision is filed in BFSM's next rate case.

7 **Wastewater Rates and Charges**

8 45. BFSM's current rates and charges were established in Decision No. 72637 (October
9 14, 2011). During the test year ended December 31, 2013, BFSM served approximately 400
10 customers.

11 46. The sewer rates and charges for BFSM at present, as proposed by BFSM in its
12 Application, and as recommended by Staff are as follows:

<u>MONTHLY RATES:</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	
		<u>Company</u>	<u>Staff</u>
Residential	\$ 54.00	\$ 66.00	\$ 61.50
Commercial	90.00	109.43	100.00
<u>Effluent Sales (Per 1,000 gallons):</u>			
All gallons of usage	\$ 3.27	\$ 3.27	\$ 3.27

18 **SERVICE LATERAL INSTALLATION CHARGES:**

<u>Meter Sizes:</u>	<u>Present Charges</u>	<u>Company</u>	<u>Staff</u>
		<u>Proposed Charges</u>	<u>Recommended Charges</u>
4-inch	\$ 800.00	\$ 900.00	\$ 900.00
6-inch	1,000.00	1,150.00	1,150.00
8-inch	1,200.00	1,400.00	1,400.00
10-inch	1,400.00	1,650.00	1,650.00
12-inch	1,600.00	2,000.00	2,000.00

25 ...

26 ³ Staff noted in the Staff Report that, at the time BFWC submitted its Sewer Rates Application, ADEQ reported BFWC
27 had self-monitoring report deficiencies. Accordingly, Staff recommended that any authorized increase should not become
28 effective until BFWC docketed an ADEQ Compliance Status Report indicating BFWC is in compliance with ADEQ
requirements. BFWC has now sufficiently met this recommended condition, based on the August 4, 2015, filing by
ADEQ.

SERVICE CHARGES:

	<u>Present</u> <u>Charges</u>	<u>Proposed Charges</u>	
		<u>Company</u>	<u>Staff</u>
Establishment	\$20.00	\$25.00	\$25.00
After Hours Service Charge	50.00	50.00	50.00
Reconnection (Delinquent)	\$30.00	35.00	35.00
Deposit	*	*	*
Deposit Interest	*	*	*
Re-Establishment (Within 12 Months)	**	**	**
NSF Check	\$25.00	\$30.00	\$25.00 (a)
Deferred Payment	1.50%	1.50%	1.50%
Late Payment Penalty	1.50%	1.50%	1.50%

(a) BFSD may only charge one NSF fee when customers are billed for water and wastewater services on one bill.

* Per Commission Rule A.A.C. R14-2-603(B).

** Months off systems times the monthly minimum (A.A.C. R14-2-603(B)).

47. Staff determined BFSD's FVRB to be \$173,975, which is a \$20 decrease to BFSD's proposed FVRB of \$173,995, due to Staff's adjustment to cash working capital.

48. We find that Staff's adjustment is reasonable and we adopt \$173,975 as BFSD's FVRB.

49. Staff and BFSD agreed on test year operating revenues of \$249,991. We find the test year operating revenues to be reasonable and we adopt it.

50. Staff and BFSD agreed on test year operating expenses of \$262,295, resulting in a test year operating loss of \$12,304.

51. As noted above, we believe it is reasonable in this case to combine the divisions for the purpose of income tax allowance. BFSD's income tax calculation should be based on the relative proportion of the rate bases. Accordingly, the test year income tax allowance should be adjusted by \$1,637, from \$3,095 to \$4,732, resulting in test year operating expenses of \$260,658. The test year operating loss for BFSD is therefore \$10,677.

52. The rates and charges proposed by BFSD would produce operating revenues of \$304,991, an increase of \$55,000, or 22.0 percent, over test year revenues, and operating expenses of \$274,111, resulting in operating income of \$30,880, for a 17.7 percent return on FVRB.

53. The rates and charges Staff recommended would produce operating revenues of

1 \$284,131, an increase of \$34,140, or 13.7 percent, over adjusted test year revenues, and operating
2 expenses of \$269,630, resulting in operating income of \$14,501 for an 8.34 percent return on FVRB.

3 54. We believe Staff's 8.34 percent return on FVRB is comparatively low for a company
4 with no access to the capital markets and high operating leverage, and we believe an upward
5 adjustment to the rate of return is appropriate in this case.

6 55. Accordingly, we find that an appropriate return on FVRB is 15 percent.⁴ The adopted
7 rate design will provide \$304,889 in operating revenues, a \$54,898 increase, or 21.96 percent, over
8 test year revenues. After operating expenses of \$278,793, BFSB will have operating income of
9 \$26,096.

10 56. The adopted rates would increase the residential monthly service rate by \$11.97, or
11 22.1 percent, from \$54.00 to \$65.97.

12 57. We find that Staff's Service Lateral Installation Charges and Service Charges are
13 reasonable and should be adopted.

14 58. Staff recommends that BFSB be ordered to file with Docket Control, within 30 days
15 after the effective date of the Decision in this matter, as a compliance item in this docket, a tariff
16 schedule of its new rates and charges.

17 59. Staff recommends that BFSB be authorized to collect from its customers a
18 proportionate share of any privilege, sales, or use tax as provided for in A.A.C. R14-2-409(D).

19 60. Staff also recommends that BFSB adopt the typical and customary depreciation rates
20 as set forth in Table H-1, Section H of the Engineering Report, that is attached to the Staff Report as
21 Attachment B.

22 61. We find that Staff's recommendations are reasonable and should be adopted, with the
23 modifications discussed herein.

24 CONCLUSIONS OF LAW

25 1. The Company is a public service corporation within the meaning of Article XV of the
26 Arizona Constitution and A.R.S. §§ 40-250 and 40-251.

27 _____
28 ⁴ The level of expenses relative to rate base is higher for BFSB than for BFWC, which shows higher risk, justifying a higher rate of return.

1	<u>1" Meter (All Classes)</u>	
	0 to 16,000 gallons	7.00
2	Over 16,000 gallons	8.50
3	<u>1-1/2" Meter</u>	
	0 to 48,000 gallons	7.00
4	Over 48,000 gallons	8.50
5	<u>2" Meter</u>	
6	0 to 90,000 gallons	7.00
	Over 90,000 gallons	8.50
7		
8	<u>3" Meter</u>	
	0 to 160,000 gallons	7.00
9	Over 160,000 gallons	8.50
10	<u>4" Meter</u>	
	0 to 285,000 gallons	7.00
11	Over 285,000 gallons	8.50
12	<u>6" Meter</u>	
13	0 to 640,000 gallons	7.00
	Over 640,000 gallons	8.50
14		
15	<u>Bulk Water</u>	
	Per 1000 gallons	8.50

SERVICE LINE AND METER INSTALLATION CHARGES:
Refundable Pursuant to A.A.C. R14-2-405

	Service Line	Meter	Total
	<u>Charge</u>	<u>Charge</u>	<u>Charge</u>
19	5/8" x 3/4" Meter	\$ 445.00	\$ 600.00
20	3/4" Meter	455.00	700.00
	1" Meter	495.00	810.00
21	1-1/2" Meter	550.00	1,075.00
	2" Meter	830.00	2,720.00
22	3" Meter	1,165.00	3,710.00
	4" Meter	1,670.00	5,315.00
23	6" Meter	2,330.00	9,250.00
24	Over 6-inch	At Cost	At Cost

25 ...
 26 ...
 27 ...
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1 **SERVICE CHARGES:**

2	Establishment	\$25.00
3	Reconnection (Delinquent)	35.00
4	After Hour Service Charge (at customers request)	35.00
5	Meter Test (if correct)	\$30.00
6	Deposit	*
6	Deposit Interest	*
7	Re-Establishment (Within 12 Months)	**
7	NSF Check	\$25.00(a)
8	Deferred Payment, Per Month	1.50%
8	Meter Re-Read (If Correct)	\$15.00
9	Late Fee	1.50%

- 10 (a) Baca Float may only charge one NSF fee when customers are billed for water and wastewater services on one bill.
- 11 * Per Commission Rule A.A.C. R14-2-403(B).
- 12 ** Months off system times the monthly minimum (A.A.C. R14-2-403(D)).
- 13 *** 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.

14 IT IS FURTHER ORDERED that Baca Float Water Company, Inc. is authorized to collect
 15 from its customers a proportionate share of any privilege, sales or use tax as provided for in A.A.C.
 16 R-14-2-409(D).

17 IT IS FURTHER ORDERED that the above rates and charges shall be effective for all service
 18 provided on and after October 1, 2015.

19 IT IS FURTHER ORDERED that Baca Float Water Company, Inc. shall notify its customers
 20 of the authorized rates and charges, and their effective date, in a form acceptable to the Commission's
 21 Utilities Division Staff, by means of an insert in the Company's next regularly scheduled billing.

22 IT IS FURTHER ORDERED that Baca Float Water Company, Inc. shall adopt the typical and
 23 customary depreciation rates as set forth in Table H-1, Section H of the Engineering Report, attached
 24 to the Staff Report as Attachment A.

25 IT FURTHER ORDERED that Baca Float Water Company, Inc. - Sewer Division is hereby
 26 directed to file with Docket Control by September 30, 2015, as a compliance item in this docket,
 27 revised wastewater tariffs setting forth the following authorized rates and charges:
 28

MONTHLY RATES:

Residential	\$ 65.97
Commercial	109.95

Effluent Sales (Per 1,000 gallons):

All gallons of usage	\$3.27
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SERVICE LATERAL INSTALLATION CHARGES:**Meter Sizes:**

4-inch	\$ 900.00
6-inch	1,150.00
8-inch	1,400.00
10-inch	1,650.00
12-inch	2,000.00

SERVICE CHARGES:

Establishment	\$25.00
After Hours Service Charge	50.00
Reconnection (Delinquent)	35.00
Deposit	*
Deposit Interest	*
Re-Establishment (Within 12 Months)	**
NSF Check	\$25.00 (a)
Deferred Payment	1.50%
Late Payment Penalty	1.50%

(a) Baca Float may only charge one NSF fee when customers are billed for water and wastewater services on one bill.

* Per Commission Rule A.A.C. R14-2-603(B).

** Months off systems times the monthly minimum (A.A.C. R14-2-603.B).

IT IS FURTHER ORDERED that in addition to collection of its regular rates and charges, Baca Float Water Company, Inc. – Sewer Division shall collect from its customers a proportionate share of any privilege, sales or use tax per A.A.C. R14-2-409(D).

IT IS FURTHER ORDERED that the rates and charges set forth above shall be effective for all services rendered by Baca Float Water Company, Inc. – Sewer Division on and after October 1, 2015.

IT IS FURTHER ORDERED that Baca Float Water Company, Inc. – Sewer Division shall notify its customers of the authorized rates and charges, and their effective date, and in a form acceptable to the Commission's Utilities Division Staff, by means of an insert in its next regularly

1 scheduled billing.

2 IT IS FURTHER ORDERED that Baca Float Water Company, Inc. – Sewer Division shall
3 adopt the typical and customary depreciation rates as set forth in Table H-1, Section H of the
4 Engineering Report, attached to the Staff Report as Attachment B.

5 IT IS FURTHER ORDERED that Baca Float Water Company, Inc. – Sewer Division shall
6 file in this docket, as a compliance item, any subsequent NOV issued by ADEQ within 10 days of
7 issuance of the NOV, until a Decision is filed in Baca Float Water Company, Inc. – Sewer Division’s
8 next rate case.

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1 IT IS FURTHER ORDERED that Baca Float Water Company, Inc. shall continue to file
2 annually, as part of its Utilities Annual Report, an affidavit with the Utilities Division attesting that
3 Baca Float Water Company, Inc. is current in paying its property taxes in Arizona.

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

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.
6

7
8 CHAIRMAN

COMMISSIONER

9
10 COMMISSIONER

COMMISSIONER

COMMISSIONER

11 IN WITNESS WHEREOF, I, JODI JERICH, Executive
12 Director of the Arizona Corporation Commission, have
13 hereunto set my hand and caused the official seal of the
14 Commission to be affixed at the Capitol, in the City of Phoenix,
15 this _____ day of _____ 2015.

16 _____
17 JODI JERICH
18 EXECUTIVE DIRECTOR

19 DISSENT _____

20
21 DISSENT _____
22 BAM/tv(ru)

1 SERVICE LIST FOR:

BACA FLOAT WATER COMPANY, INC.

2 DOCKET NO.

WS-01678A-14-0424 and WS-01678A-14-0425

3

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13 Thomas Broderick, Director
14 Utilities Division
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17 Phoenix, AZ 85007

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