

ORIGINAL

OPEN MEETING ITEM



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BEFORE THE ARIZONA CORPORATION CC

COMMISSIONERS

DOUG LITTLE - CHAIRMAN
BOB STUMP
BOB BURNS
TOM FORESE
ANDY TOBIN

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AZ CORP COMMISSION
DOCKET CONTROL

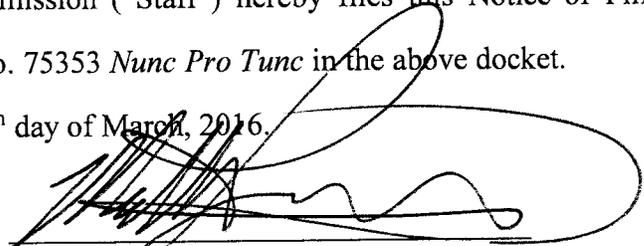
IN THE MATTER OF THE APPLICATION OF
UTILITY SOURCE, LLC, AN ARIZONA
CORPORATION, FOR A DETERMINATION
OF THE FAIR VALUE OF ITS UTILITY
PLANTS AND PROPERTY AND FOR
INCREASES IN ITS CHARGES FOR UTILITY
SERVICE BASED THEREON.

DOCKET NO. WS-04235A-13-0331

**STAFF'S NOTICE OF FILING PROPOSED
ORDER CORRECTING ERROR IN
DECISION NO. 75353 NUNC PRO TUNC**

Staff of the Arizona Corporation Commission ("Staff") hereby files this Notice of Filing Proposed Order Correcting Error in Decision No. 75353 *Nunc Pro Tunc* in the above docket.

RESPECTFULLY SUBMITTED this 8th day of March, 2016.


Wesley C. Van Cleve
Matthew Laudone
Attorneys, Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007
(602) 542-3402

**Original and Eighteen (18) copies of
the foregoing filed this 8th day of
March, 2016, with:**

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

Arizona Corporation Commission

DOCKETED

MAR 08 2016

**Copy of the foregoing mailed this
8th day of March, 2016, to:**

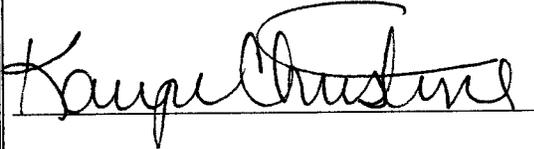
Steve Wene, Esq.
MOYES SELLERS & HENDRICKS, LTD
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BEFORE THE ARIZONA CORPORATION COMMISSION

DOUG LITTLE
Chairman
BOB STUMP
Commissioner
BOB BURNS
Commissioner
TOM FORESE
Commissioner
ANDY TOBIN
Commissioner

IN THE MATTER OF THE APPLICATION)
OF UTILITY SOURCE, LLC, AN ARIZONA)
CORPORATION, FOR A)
DETERMINATION OF THE FAIR VALUE)
OF ITS UTILITY PLANTS AND)
PROPERTY AND FOR INCREASES IN ITS)
WATER AND WASTEWATER RATES)
AND CHARGES FOR UTILITY SERVICES)
BASED THEREON.)

DOCKET NO. WS-04235A-13-0331
DECISION NO. _____
ORDER CORRECTING ERROR IN
DECISION NO. 75353
NUNC PRO TUNC

Open Meeting
April 12 and 13, 2016
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

1. On December 17, 2015 the Commission issued Decision No. 75353 that authorized the increase in Water and Wastewater rates for Utility Source, LLC.
2. The Settlement Agreement filed on November 5, 2015, that resulted in Decision No. 75353 inadvertently failed to include the Service Line and Meter Installation Charges and Service Charges proposed in the original Recommended Opinion and Order ("ROO") issued on August 24, 2015.
3. The Parties agree that the Service Line and Meter Installation Charges and Service charges should have been included in the settlement agreement with the attached schedules JLK W-21 page 3 of 3, and JLK WW-19.

CONCLUSIONS OF LAW

1
2 1. The Company is a public water service corporation within the meaning of Article XV
3 of the Arizona Constitution and A.R.S. §§ 40-250 and 40-252.

4 2. The Commission has jurisdiction over the Company and the subject matter of the
5 application.

6 3. Decision No. 75353 should be corrected, *Nunc Pro Tunc* to add Schedule JLK W-21
7 page 3 of 3, and Schedule JLK WW-19.

ORDER

8
9 IT IS THEREFORE ORDERED that Decision No. 75353 is hereby corrected *Nunc Pro Tunc*
10 to add Schedule JLK W-21 page 3 of 3, and Schedule JLK WW-19 attached hereto.

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

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

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15 CHAIRMAN

COMMISSIONER

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18 COMMISSIONER

COMMISSIONER

COMMISSIONER

19 IN WITNESS WHEREOF, I, JODI JERICH, Executive
20 Director of the Arizona Corporation Commission, have
21 hereunto, set my hand and caused the official seal of this
22 Commission to be affixed at the Capitol, in the City of
23 Phoenix, this _____ day of _____, 2016.

24 _____
JODI JERICH
EXECUTIVE DIRECTOR

25
26 DISSENT: _____

27
28 DISSENT: _____

- 1 SERVICE LIST FOR: UTILITY SOURCE, LLC.
- 2 DOCKET NO.: WS-04235A-13-0331
- 3 Steve Wene, Esq.
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- 19 Mr. Dwight Nodes
- 20 Chief Administrative Law Judge, Hearing Division
- 21 Arizona Corporation Commission
- 22 1200 West Washington Street
- 23 Phoenix, AZ 85007
- 24 Mr. Thomas M. Broderick
- 25 Director, Utilities Division
- 26 Arizona Corporation Commission
- 27 1200 West Washington Street
- 28 Phoenix, Arizona 85007
- Ms. Janice M. Alward
- Chief Counsel, Legal Division
- Arizona Corporation Commission
- 1200 West Washington Street
- Phoenix, Arizona 85007

Monthly Usage Charge	Company		Staff
	Present	Proposed Rates	Recommended Rates
Other Service Charges			
Establishment	\$ 20.00	\$ 20.00	\$ 30.00
Establishment (After Hours)	\$ 40.00	Removed	N/T
Reconnection (Delinquent)	\$ 50.00	\$ 50.00	\$ 50.00
Reconnection (Delinquent) - After Hours	\$ 40.00	Removed	N/T
Deposit	*	*	*
Deposit Interest	**	**	**
Reestablishment (within 12 months)	***	***	***
NSF Check	\$ 20.00	\$ 20.00	\$ 20.00
Late Payment Penalty (Per Month)	1.50%	1.50%	1.50%
Deferred Payment (Per Month)	1.50%	1.50%	1.50%
After Hours Service Calls - Per Hour	\$ 40.00	\$ 40.00	N/T
After Hours Service Charge	\$ 40.00	\$ 40.00	\$ 40.00
Moving Customer Meter (at customer request)	Cost	Cost	Cost

* Per Commission Rule A.A.C. R-14-2-603(B)
 ** Per Commission Rule A.A.C. R-14-2-603(B)
 *** Per Commission Rule A.A.C. R-14-2-603(D) - Months off the system times the monthly minimum.

Service Size	Service and Meter Installation Charges			Staff			
	Total Present Charge	Proposed Service Line	Proposed Meter	Total Proposed Charge	Recommended Service Line	Recommended Meter Installation	Total Recommended Charge
5/8 x 3/4 Inch	\$ 520	\$ 385	\$ 135	\$ 520	\$ 415	\$ 105	\$ 520
3/4 Inch	575	415	205	620	415	205	620
1 Inch	660	465	265	730	465	265	730
1 1/2 Inch	900	520	475	995	520	475	995
2 Inch Turbo	1,525	800	995	1,795	800	995	1,795
2 Inch Compound	2,320	800	1,840	2,640	800	1,840	2,640
3 Inch Turbo	2,275	1,015	1,620	2,635	1,015	1,620	2,635
3 Inch Compound	3,110	1,135	2,495	3,630	1,135	2,495	3,630
4 Inch Turbo	3,360	1,430	2,570	4,000	1,430	2,570	4,000
4 Inch Compound	4,475	1,610	3,545	5,155	1,610	3,545	5,155
6 Inch Turbo	6,035	2,150	4,925	7,075	2,150	4,925	7,075
6 Inch Compound	8,050	2,270	6,820	9,090	2,270	6,820	9,090
1 1/2 Inch	\$ 675.00	\$ 550.00	\$ 675.00	\$ 1,225.00	\$ 550.00	\$ 675.00	\$ 1,225.00
2 Inch Turbo	N/A	\$ 830.00	\$ 1,195.00	\$ 2,025.00	\$ 830.00	\$ 1,195.00	\$ 2,025.00
2 Inch Compound	\$ 1,660.00	\$ 830.00	\$ 2,040.00	\$ 2,870.00	\$ 830.00	\$ 2,040.00	\$ 2,870.00
3 Inch Turbo	N/A	\$ 1,045.00	\$ 1,820.00	\$ 2,865.00	\$ 1,045.00	\$ 1,820.00	\$ 2,865.00
3 Inch Compound	\$ 2,150.00	\$ 1,165.00	\$ 2,604.00	\$ 3,769.00	\$ 1,165.00	\$ 2,604.00	\$ 3,769.00
4 Inch Turbo	N/A	\$ 1,490.00	\$ 2,820.00	\$ 4,310.00	\$ 1,490.00	\$ 2,820.00	\$ 4,310.00
4 Inch Compound	\$ 3,135.00	\$ 1,670.00	\$ 3,795.00	\$ 5,465.00	\$ 1,670.00	\$ 3,795.00	\$ 5,465.00
6 Inch Turbo	N/A	\$ 2,210.00	\$ 5,175.00	\$ 7,385.00	\$ 2,210.00	\$ 5,175.00	\$ 7,385.00
6 Inch Compound	\$ 6,190.00	\$ 2,330.00	\$ 7,070.00	\$ 9,400.00	\$ 2,330.00	\$ 7,070.00	\$ 9,400.00

Monthly Usage Charge	Present	Company Proposed Rates	Staff Recommended Rates
Meter Size (All Classes):			
5/8 x 3/4 Inch	N/A	\$ 53.00	\$ 50.00
3/4 Inch	N/A	53.00	65.00
1 Inch	N/A	132.50	150.00
1 1/2 Inch	N/A	265.00	350.00
2 Inch	N/A	424.00	400.00
3 Inch	N/A	848.00	600.00
4 Inch	N/A	1,325.00	800.00
6 Inch	N/A	2,650.00	1,000.00

Commodity Charge - Per 1,000 Gallons

	Present	Company Proposed Rates	Staff Recommended Rates
Residential	\$ 5.84	\$ 5.31	\$0.00
Commercial and Industrial:			
Car washes, laundromats, Commercial, Manufact	5.71	5.20	11.61
Hotels, Motels	7.66	6.97	11.61
Restaurants	9.46	8.61	11.61
Industrial Laundries	8.39	7.63	11.61
Waste haulers	171.20	155.79	11.61
Restuarant Grease	149.80	136.32	11.61
Treatment Plant Sludge	171.20	155.79	11.61
Mud Sump Waste	535.00	486.85	11.61

	Present	Company Proposed Rates	Staff Recommended Rates
Establishment	\$ 20.00	\$ 20.00	\$ 30.00
Establishment (After Hours)	\$ 40.00	\$ -	No Tariff
Reconnection (Delinquent)	\$ 50.00	\$ 50.00	\$ 50.00
Reconnection (Delinquent) - After Hours	\$ 40.00	\$ -	No Tariff
Deposit	*	*	*
Deposit Interest	**	**	**
Reestablishment (within 12 months)	***	***	***
NSF Check	\$ 20.00	\$ 20.00	\$ 20.00
Late Payment Penalty (Per Month)	1.50%	1.50%	1.50%
Deferred Payment (Per Month)	1.50%	1.50%	1.50%
Service Calls - Per Hour/After Hours(a)	\$ 40.00	\$ 40.00	No Tariff
After Hours Service Charge	\$ 40.00	\$ 40.00	\$ 40.00

* Per Commission Rule A.A.C. R-14-2-603(B)

** Per Commission Rule A.A.C. R-14-2-603(B)

*** Per Commission Rule A.A.C. R-14-2-603(D) - Months off the system times the monthly minimum.

Service and Meter Installation Charges

Service Size	Total Present Charge	Proposed Service Line Charge	Proposed Meter Insallation Charge	Total Proposed Charge	Recommended Service Line Charge	Recommended Meter Insallation Charge	Total Recommended Charge
5/8 x 3/4 Inch	\$ 520	\$ 385	\$ 135	\$ 520	\$ 415	\$ 105	\$ 520.00
3/4 Inch	575	415	205	620	415	205	620
1 Inch	660	465	265	730	465	265	730
1 1/2 Inch	900	520	475	995	520	475	995
2 Inch Turbine	1,525	800	995	1,795	800	995	1,795
2 Inch Compound	2,320	800	1,840	2,640	800	1,840	2,640
3 Inch Turbine	2,275	1,015	1,620	2,635	1,015	1,620	2,635
3 Inch Compound	3,110	1,135	2,495	3,630	1,135	2,495	3,630
4 Inch Turbine	3,360	1,430	2,570	4,000	1,430	2,570	4,000
4 Inch Compound	4,475	1,610	3,545	5,155	1,610	3,545	5,155
6 Inch Turbine	6,035	2,150	4,925	7,075	2,150	4,925	7,075
6 Inch Compound	8,050	2,270	6,820	9,090	2,270	6,820	9,090

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Rates

MONTHLY USAGE CHARGE:

(All Classes)

5/8" x 3/4" Meter	\$27.30
3/4" Meter	27.30
1" Meter	68.25
1 1/2" Meter	136.50
2" Meter	218.40
3" Meter	436.80
4" Meter	682.50
6" Meter	1,365.00

COMMODITY CHARGE:

(per 1,000 gallons)

(all usage)

5/8" x 3/4" Meter – Residential	\$10.00
5/8" x 3/4" Meter – Non-residential	9.78
3/4" Meter – Residential	10.00
3/4" Meter – Non-residential	9.78
1" Meter – All Classes	9.78
1 1/2" Meter – All Classes	9.78
2" Meter – All Classes	9.78
3" Meter – All Classes	9.78
4" Meter – All Classes	9.78
6" Meter – All Classes	9.78

182. Under these authorized rates, the typical residential 3/4-inch bill with a median usage of 3,500 gallons would increase from \$20.44 to \$62.30, an increase of \$41.86, or 204.79 percent.

C. Miscellaneous Service and Installation Charges

183. Staff recommends adoption of its Service Line and Meter Installation Charges and Service Charges for the Water and Wastewater Divisions.¹⁴⁹ The parties did not object to Staff's recommended charges. We find that Staff's recommended charges are reasonable and approve the following Service Line and Meter Installation Charges and Service Charges:

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¹⁴⁹ Staff Final Sch. at JLKW-21 and JLKWW-19.

SERVICE LINE AND METER INSTALLATION CHARGES:

	<u>Service Line</u>	<u>Meter</u> <u>Installation</u>	<u>Total</u>	
	<u>Charge</u>	<u>Charge</u>		
4	5/8" x 3/4" Meter	\$415	\$105	\$520
5	3/4" Meter	415	205	620
6	1" Meter	465	265	730
7	1 1/2" Meter	520	475	995
8	2" Meter/ Turbo	800	995	1,795
9	2" Meter/ Compound	800	1,840	2,640
10	3" Meter/ Turbo	1,015	1,620	2,635
11	3" Meter/ Compound	1,135	2,495	3,630
12	4" Meter/ Turbo	1,430	2,570	4,000
13	4" Meter/ Compound	1,610	3,545	5,155
14	6" Meter/ Turbo	2,150	4,925	7,075
15	6" Meter/ Compound	2,270	6,820	9,090

SERVICE CHARGES:

13	Establishment	\$20.00
14	Re-Establishment (Within 12 Months)	(a)
15	Reconnection (Delinquent)	\$50.00
16	Meter Test (If Correct)	\$20.00
17	Deposit	(b)
18	Deposit Interest	(b)
19	NSF Check	\$20.00
20	Late Payment Penalty (Per month)	1.50%
21	Deferred Payment (Per month)	1.50%
22	Meter Reread (If Correct)	\$10.00
23	After Hours Service Charge	\$40.00
24	Moving Meter at Customer Request	Cost

(a) Minimum charge times number of full months off the system per A.A.C. R14-2-403(D), R14-2-603(D).

(b) Per A.A.C. R14-2-403(B), R14-2-603(B).

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 A.A.C. R14-2-409(D)(5), R14-2-608(D)(5).

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