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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS  
DOUG LITTLE, Chairman  
BOB STUMP  
BOB BURNS  
TOM FORESE  
ANDY TOBIN

IN THE MATTER OF THE APPLICATION OF  
LIBERTY UTILITIES (BELLA VISTA WATER)  
CORP., AN ARIZONA CORPORATION, FOR  
A DETERMINATION OF THE FAIR VALUE  
OF ITS UTILITY PLANTS AND PROPERTY  
AND FOR INCREASES IN ITS WATER  
RATES AND CHARGES FOR UTILITY  
SERVICE BASED THEREON.

Docket No. W-02465A-15-0367

IN THE MATTER OF THE APPLICATION OF  
LIBERTY UTILITIES (BELLA VISTA WATER)  
CORP., AN ARIZONA CORPORATION, FOR  
AUTHORITY TO ISSUE EVIDENCE OF  
INDEBTEDNESS IN AN AMOUNT NOT TO  
EXCEED \$4,700,000.

Docket No. W-02465A-15-0370

IN THE MATTER OF THE APPLICATION OF  
LIBERTY UTILITIES (RIO RICO WATER &  
SEWER) CORP., 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 SERVICE BASED THEREON.

Docket No. WS-02676A-15-0368

IN THE MATTER OF THE APPLICATION OF  
LIBERTY UTILITIES (RIO RICO WATER &  
SEWER) CORP., AN ARIZONA  
CORPORATION, FOR AUTHORITY TO  
ISSUE EVIDENCE OF INDEBTEDNESS IN  
AN AMOUNT NOT TO EXCEED \$8,900,000.

Docket No. WS-02676A-15-0371

Arizona Corporation Commission

DOCKETED

MAY 31 2016

DOCKETED BY *[Signature]*

1 **NOTICE OF FILING**

2 The Residential Utility Consumer Office ("RUCO") hereby provides notice of filing  
3 the Direct Testimony of Timothy Coley on Rate Design, in the above referenced matter.

4 RESPECTFULLY SUBMITTED this 31st day of May, 2016.

5   
6 Daniel W. Pozefsky  
7 Chief Counsel

8 AN ORIGINAL AND THIRTEEN COPIES  
9 of the foregoing filed this 31st day  
10 of May, 2016 with:

11 Docket Control  
12 Arizona Corporation Commission  
13 1200 West Washington  
14 Phoenix, Arizona 85007

15 COPIES of the foregoing hand delivered/  
16 mailed this 31st day of May, 2016 to:

17 Dwight Nodes  
18 Hearing Division  
19 Arizona Corporation Commission  
20 1200 West Washington  
21 Phoenix, Arizona 85007

Jay L. Shapiro  
Shapiro Law Firm, P.C.  
1819 E. Morten Avenue, Suite 280  
Phoenix, Arizona 85020  
Attorney for Liberty Utilities

22 Janice Alward, Chief Counsel  
23 Legal Division  
24 Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

Todd C. Wiley  
Liberty Utilities  
12725 W. Indian School Rd, Suite D-101  
Avondale, Arizona 85392

Thomas Broderick, Director  
Utilities Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

Greg Patterson  
Munger Chadwick  
916 W. Adams, Suite 3  
Phoenix, Arizona 85007  
Attorneys for Western Infrastructure  
Sustainability Effort

1 Roger C. Decker  
2 Udall Shumway PLC  
3 1138 N. Alma School Rd, Suite 101  
4 Mesa, Arizona 85201  
5 Attorneys for Santa Cruz Valley USD #35

6 By Cheryl Fraulob  
7 Cheryl Fraulob

LIBERTY UTILITIES  
(BELLA VISTA WATER & RIO RICO WATER & SEWER)  
DOCKET NOS. W-02465A-15-0367 et al.

DIRECT TESTIMONY  
OF  
TIMOTHY COLEY  
ON  
RATE DESIGN

ON BEHALF OF THE  
RESIDENTIAL UTILITY CONSUMER OFFICE

MAY 31, 2016

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1  
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3                                   **EXECUTIVE SUMMARY**  
4                                   **LIBERTY UTILITIES CORP**  
5                                   **DOCKET NO. W-02465A-15-0367 et al.**

6 Liberty Utilities Corp or Liberty Utilities South (“LU South” or “Company”) filed three  
7 separate rate Applications on October 28, 2015 for three of its Arizona operating systems.  
8 LU South’s three operating systems as filed included Bella Vista Water, Rio Rico Water,  
9 and Rio Rico Sewer. The three separate rate Applications were consolidated under the  
10 single Docket No. W-02465A-15-0367 et al. for administrative purposes. Liberty Utilities  
11 is a for profit and certificated Arizona public service corporation that provides water and  
12 wastewater utility service to various communities throughout the State of Arizona. The  
13 Company filed Applications for a permanent rate increases for its Bella Vista Water, Rio  
14 Rico Water, and Rio Rico Sewer systems. The three systems corporate business office  
15 is located at 12725 West Indian School Road, Suite D-101, Avondale, Arizona 85392.

16  
17 RUCO recommends approval of its rate design for the Bella Vista Water, Rio Rico Water,  
18 and Rio Rico Sewer systems as follows:

19  
20 **Bella Vista Water System:**

21 The Company-proposed rates would increase the monthly bill for a typical 5/8 x 3/4-Inch  
22 meter residential customer, with an average usage of 5,914 gallons, by \$8.30 or 33.18  
23 percent, from \$25.03 to \$33.34. Under the RUCO-recommended rate design for  
24 permanent rates, the monthly bill for a typical residential customer would increase by  
25 \$2.51, or 10.01 percent, from \$25.03 to \$27.54.

26  
27 **Rio Rico Water System:**

28 The Company-proposed rates would increase the monthly bill for a typical 5/8 x 3/4-Inch  
29 meter residential customer, with an average usage of 6,829 gallons, by \$7.16 or 22.83  
30 percent, from \$31.34 to \$38.50. Under the RUCO-recommended rate design for  
31 permanent rates, the monthly bill for a typical residential customer would increase by  
32 \$2.54, or 8.10 percent, from \$31.34 to \$33.88.

33  
34 **Rio Rico Sewer System:**

35 The Company-proposed rates would increase the monthly bill for a typical 5/8 x 3/4-Inch  
36 water meter residential customer, with an average water usage of 6,829 gallons, by \$5.83  
37 or 11.90 percent, from \$49.00 to \$54.83. Under the RUCO-recommended rate design for  
38 permanent rates, the monthly bill for a typical residential customer would decrease by  
39 \$1.48, or -3.02 percent, from \$49.00 to \$47.52.

1 I. **INTRODUCTION,**

2

3 **Q. Please state your name, title, and business address.**

4 A. My name is Timothy J. Coley. I am a Public Utilities Analyst V employed by the  
5 Arizona Residential Utility Consumer Office (“RUCO”). My business address is  
6 1110 West Washington Street, Suite 220, Phoenix, Arizona 85007.

7

8 **Q. Are you the same Timothy J. Coley who has filed direct testimony pertaining**  
9 **to rate base, operating income, and revenue requirement on behalf of RUCO**  
10 **on May 23, 2016 in this docket for Liberty Utilities’ permanent rate**  
11 **application?**

12 A. Yes.

13

14 II. **BACKGROUND**

15 **Q. Please describe the Company and background of the current rate case.**

16 A. Liberty Utilities Corp or Liberty Utilities South (“LU South” or “Company”) three  
17 operating systems as filed are classified as an Arizona “C” Corporation. The  
18 Company is a for profit and certificated Arizona public service corporation that  
19 provides water and wastewater utility service to various communities throughout  
20 the State of Arizona. On October 28, 2015, the Company filed three separate  
21 Applications for a permanent rate increase for its Bella Vista Water, Rio Rico  
22 Water, and Rio Rico Sewer systems, which were consolidated under Docket No.  
23 W-02465A-15-0367 et al. for administrative purposes. LU South’s corporate

1 business office is located at 12725 West Indian School Road, Suite D-101,  
2 Avondale, Arizona 85392.

3  
4 **Q. Please briefly describe the current rate design structure for the three**  
5 **systems?**

6 A. The present rate design is based on monthly minimum charges that increase by  
7 meter size and tiered commodity rate charges per one-thousand gallons  
8 consumed. There are currently several customer classifications; residential, multi-  
9 tenant apartments, commercial, hydrants, fire sprinklers, and other public authority  
10 users such as schools districts.

11  
12 The two water systems, Bella Vista and Rio Rico, have a three-tier commodity rate  
13 designs for the 5/8 x 3/4-Inch metered residential customers. The remaining  
14 customers have monthly minimum based on meter size and two-tiered commodity  
15 rate designs. Rio Rico Sewer's 5/8 x 3/4-Inch residential customers have a flat  
16 monthly minimum rate design with no commodity charges based on water usage.  
17 The other sewer system customer classifications (i.e. commercial, industrial, and  
18 schools) have flat monthly minimums based on water meter sizes in addition to a  
19 commodity charge for water usage over 7,000 gallons per month. The present  
20 commodity charge for these customer classifications is \$5.00 for any amount of  
21 water usage in excess of 7,000 gallons per month.

22

23

1 **Q. Has the Company proposed any significant changes to the present rate**  
2 **design structure?**

3 A. No. The only change the Company proposes is to increase commodity from \$5.00  
4 to \$7.00 for any water usage over 7,000 gallons per month for the Rio Rico Sewer  
5 customers that are presently being charged a commodity usage charge. The  
6 remaining customer classifications will not experience any changes other than the  
7 increase/decrease in the revenue requirements.

8  
9 **Q. Is RUCO recommending any changes to the present rate design structure?**

10 A. RUCO is not recommending any significant changes to the rate design. However,  
11 RUCO is recommending a slightly higher first-tier charge from a percentage basis  
12 for the two water systems and a lower amount of revenue achieved through the  
13 monthly minimum charge than that proposed by the Company. RUCO's  
14 recommendation is aimed to create greater revenue stability for the Company  
15 moving forward.

16  
17 **III. RATE DESIGN**

18 **Q. Have you prepared schedules summarizing the Company's present and**  
19 **proposed rates compared to RUCO's recommended rates and charges?**

20 A. Yes. RUCO has presented its recommended rates in the attached Rate Design  
21 Schedules TJC-1. A brief summary of the Company-present, Company-proposed,  
22 and RUCO-recommended rates for the 5/8 x 3/4-inch residential customer for each  
23 system is presented below.

1 **Bella Vista Water:**

2 **Q. Would you please summarize the present rate design for the 5/8 x 3/4-inch**  
3 **residential customer?**

4 A. The present monthly minimum charge for a 5/8 x 3/4-inch residential customer is  
5 \$15.00. No gallons are included in the monthly minimum charge. The residential  
6 water commodity rate for the 5/8 x 3/4-inch residential customer is \$1.45 per  
7 thousand gallons for 1 to 4,000 gallons, \$2.21 per thousand gallons for 4,001 to  
8 10,000 gallons, and \$2.72 per thousand gallons for any consumption over 10,000  
9 gallons.

10  
11 **Q. Would you please summarize the Company's proposed rate design for the**  
12 **5/8 x 3/4-inch residential customer?**

13 A. The Company-proposed monthly minimum charge for a 5/8 x 3/4-inch residential  
14 customer is \$19.20. No gallons are included in the monthly minimum charge. The  
15 residential water commodity rate for the 5/8 x 3/4-inch residential customer is  
16 \$2.0663 per thousand gallons for 1 to 4,000 gallons, \$3.0663 per thousand gallons  
17 for 4,001 to 10,000 gallons, and \$3.8163 per thousand gallons for any consumption  
18 over 10,000 gallons.

19  
20 **Q. Would you please summarize RUCO's recommended rate design for the 5/8**  
21 **x 3/4-inch residential customer?**

22 A. RUCO recommends a monthly minimum charge for a 5/8 x 3/4-inch residential  
23 customer of \$15.75. No gallons are included in the monthly minimum charge.

1 RUCO recommends the residential water commodity rate for the 5/8 x 3/4-inch  
2 residential customer of \$1.75 per thousand gallons for 1 to 4,000 gallons, \$2.50  
3 per thousand gallons for 4,001 to 10,000 gallons, and \$3.1750 per thousand  
4 gallons for any consumption over 10,000 gallons.

5

6 **Rio Rico Water:**

7 **Q. Would you please summarize the present rate design for the 5/8 x 3/4-inch**  
8 **residential customer?**

9 A. The present monthly minimum charge for a 5/8 x 3/4-inch residential customer is  
10 \$15.46. No gallons are included in the monthly minimum charge. The residential  
11 water commodity rate for the 5/8 x 3/4-inch residential customer is \$1.49 per  
12 thousand gallons for 1 to 3,000 gallons, \$2.98 per thousand gallons for 3,001 to  
13 9,000 gallons, and \$3.49 per thousand gallons for any consumption over 9,000  
14 gallons.

15

16 **Q. Would you please summarize the Company's proposed rate design for the**  
17 **5/8 x 3/4-inch residential customer?**

18 A. The Company-proposed monthly minimum charge for a 5/8 x 3/4-inch residential  
19 customer is \$18.90. No gallons are included in the monthly minimum charge. The  
20 residential water commodity rate for the 5/8 x 3/4-inch residential customer is  
21 \$1.944450 per thousand gallons for 1 to 3,000 gallons, \$3.594450 per thousand  
22 gallons for 3,001 to 9,000 gallons, and \$4.344450 per thousand gallons for any  
23 consumption over 9,000 gallons.

1 **Q. Would you please summarize RUCO's recommended rate design for the 5/8**  
2 **x 3/4-inch residential customer?**

3 A. RUCO recommends a monthly minimum charge for a 5/8 x 3/4-inch residential  
4 customer of \$17.00. No gallons are included in the monthly minimum charge.  
5 RUCO recommends the residential water commodity rate for the 5/8 x 3/4-inch  
6 residential customer of \$1.67 per thousand gallons for 1 to 3,000 gallons, \$3.10  
7 per thousand gallons for 3,001 to 9,000 gallons, and \$3.77 per thousand gallons  
8 for any consumption over 9,000 gallons.

9

10 **Rio Rico Sewer:**

11 **Q. Would you please summarize the present rate design for the 5/8 x 3/4-inch**  
12 **residential customer?**

13 A. The present monthly minimum charge for a 5/8 x 3/4-inch residential customer is  
14 \$49.00. There are no gallons included in the monthly minimum charge. There is  
15 also no commodity charge for the residential customers.

16

17 **Q. Would you please summarize the Company's proposed rate design for the**  
18 **5/8 x 3/4-inch residential customer?**

19 A. The Company-proposed monthly minimum charge for a 5/8 x 3/4-inch residential  
20 customer is \$54.8310. There are no gallons included in the monthly minimum  
21 charge. Again, there is no commodity charge for the residential customers.

22

1 **Q. Would you please summarize RUCO's recommended rate design for the 5/8**  
2 **x 3/4-inch residential customer?**

3 A. RUCO recommends a monthly minimum charge for a 5/8 x 3/4-inch residential  
4 customer of \$47.5202. RUCO does not recommend any commodity charge for the  
5 residential customers either.

6  
7 **IV. TYPICAL BILL ANALYSIS**

8 **Q. Have you prepared a residential typical bill analysis that shows the impact**  
9 **of both the Company's and RUCO's recommended rates for each of the**  
10 **Company's districts?**

11 A. Yes. RUCO has presented its typical bill analysis in Schedules TJC-2 and has  
12 summarized the results for each system as discussed below.

13  
14 **Bella Vista Water:** The Company-proposed rates would increase the monthly bill  
15 for a typical 5/8 x 3/4-inch meter residential customer, with an average usage of  
16 5,914 gallons, by \$8.30 or 33.18 percent, from \$25.03 to \$33.34. Under the RUCO-  
17 recommended rate design for permanent rates, the monthly bill for a typical  
18 residential customer would increase by \$2.51, or 10.01 percent, from \$25.03 to  
19 \$27.54.

20  
21 **Rio Rico Water:** The Company-proposed rates would increase the monthly bill for  
22 a typical 5/8 x 3/4-inch meter residential customer, with an average usage of 6,829  
23 gallons, by \$7.16 or 22.83 percent, from \$31.34 to \$38.50. Under the RUCO-

1 recommended rate design for permanent rates, the monthly bill for a typical  
2 residential customer would increase by \$2.54, or 8.10 percent, from \$31.34 to  
3 \$33.88.

4  
5 **Rio Rico Sewer:** The Company-proposed rates would increase the flat monthly  
6 bill for a typical 5/8 x 3/4-inch meter residential customer by \$5.8310 or 11.90  
7 percent, from \$49.00 to \$54.8310. Under the RUCO-recommended rate design for  
8 permanent rates, the monthly bill for a typical residential customer would decrease  
9 by \$1.48, or (3.02) percent, from \$49.00 to \$47.52.

10

11 **Q. Does this conclude your rate design direct testimony?**

12 **A.** Yes, it does.

# **BELLA VISTA WATER**

Rate Design

Monthly Usage Charge	Present	Company Proposed Rates	RUCO Recommended Rates
<u>Meter Size (All Classes):</u>			
5/8 Inch	\$ 15.00	\$ 19.20	\$ 15.75
3/4 Inch	15.0000	28.8000	23.6250
1 Inch	35.0000	48.0000	39.3750
1 1/2 Inch	70.0000	96.0000	78.7500
2 Inch	120.0000	153.6000	126.0000
3 Inch	240.0000	307.2000	252.0000
4 Inch	375.0000	480.0000	393.7500
6 Inch	750.0000	960.0000	787.5000
8 Inch	1,200.0000	1,536.0000	1,260.0000
10 Inch	NT	2,208.0000	1,811.2500
12 Inch	NT	4,128.0000	3,386.2500
Hydrant Bulk Sales - 3 Inch	\$ 240.00	\$ 307.20	\$ 252.00
Fire Lines up to 4 Inch	\$ 10.00	\$ 10.00	\$ 10.00
Fire Lines 6 Inch	15.00	15.00	15.00
Fire Lines 8 Inch	35.00	35.00	35.00
<u>Commodity Charge - Per 1,000 Gallons</u>			
<u>5/8 Inch (Residential)</u>			
First 4,000 gallons	\$ 1.4500	\$ 2.0663	\$ 1.7500
4,001 to 10,000 gallons	2.2100	3.0663	2.5000
Over 10,000 gallons	2.7200	3.8163	3.1750
<u>5/8 Inch (Non-Residential)</u>			
First 4,000 gallons	2.2100	3.0663	2.5000
Over 4,000 gallons	2.7200	3.8163	3.1750
<u>3/4 Inch (Residential)</u>			
First 4,000 gallons	1.4500	2.0663	1.7500
4,001 to 10,000 gallons	2.2100	3.0663	2.5000
Over 10,000 gallons	2.7200	3.8163	3.1750
<u>3/4 Inch (Non-Residential)</u>			
First 4,000 gallons	2.2100	3.0663	2.5000
Over 4,000 gallons	2.7200	3.8163	3.1750
<u>1 Inch (Residential, Commerical, Industrial)</u>			
First 10,000 gallons	2.2100	3.0663	2.5000
Over 10,000 gallons	2.7200	3.8163	3.1750
<u>1 1/2 Inch (Residential, Commerical, Industrial)</u>			
First 26,000 gallons	2.2100	3.0663	2.5000
Over 26,000 gallons	2.7200	3.8163	3.1750

Rate Design

<u>2 Inch (Residential, Commercial, Industrial)</u>			
First 45,000 gallons	2.2100	3.0663	2.5000
Over 45,000 gallons	2.7200	3.8163	3.1750
<u>3 Inch (Residential, Commercial, Industrial)</u>			
First 98,000 gallons	2.2100	3.0663	2.5000
Over 98,000 gallons	2.7200	3.8163	3.1750
<u>4 Inch (Residential, Commercial, Industrial)</u>			
First 158,000 gallons	2.2100	3.0663	2.5000
Over 158,000 gallons	2.7200	3.8163	3.1750
<u>6 Inch (Residential, Commercial, Industrial)</u>			
First 327,000 gallons	2.2100	3.0663	2.5000
Over 327,000 gallons	2.7200	3.8163	3.1750
<u>8 Inch (Residential, Commercial, Industrial)</u>			
First 584,000 gallons	2.2100	3.0663	2.5000
Over 584,000 gallons	2.7200	3.8163	3.1750
<u>10 Inch (Residential, Commercial, Industrial)</u>			
First 870,000 gallons	N/A	3.0663	2.5000
Over 870,000 gallons	N/A	3.8163	3.1750
<u>12 Inch (Residential, Commercial, Industrial)</u>			
First 1,500,000 gallons	N/A	3.0663	2.5000
Over 1,500,000 gallons	N/A	3.8163	3.1750
<u>Standpipe 3" Hydrant (Bulk)</u>			
All Usage	2.7200	3.8163	3.1750
<u>Fire Lines Up to 4 Inch</u>			
All Usage	-	-	-
<u>Fire Lines 6 Inch</u>			
All Usage	-	-	-
<u>Fire Lines 8 Inch</u>			
All Usage	-	-	-

**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	5,914	\$ 25.03	\$ 33.34	\$ 8.30	33.18%
Median Usage	4,500	21.91	29.00	\$ 7.09	32.38%
<b>RUCO Recommended</b>					
Average Usage	5,914	\$ 25.03	\$ 27.54	\$ 2.51	10.01%
Median Usage	4,500	21.91	24.00	\$ 2.10	9.56%

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

Gallons Consumption	Present Rates	Company Proposed Rates	% Increase	RUCO Recommended Rates	%
-	\$ 15.00	\$ 19.20	28.00%	\$ 15.75	5.00%
1,000	\$ 16.45	\$ 21.27	29.28%	\$ 17.50	6.38%
2,000	\$ 17.90	\$ 23.33	30.35%	\$ 19.25	7.54%
3,000	\$ 19.35	\$ 25.40	31.26%	\$ 21.00	8.53%
4,000	\$ 20.80	\$ 27.47	32.04%	\$ 22.75	9.38%
5,000	\$ 23.01	\$ 30.53	32.69%	\$ 25.25	9.73%
6,000	\$ 25.22	\$ 33.60	33.22%	\$ 27.75	10.03%
7,000	\$ 27.43	\$ 36.66	33.66%	\$ 30.25	10.28%
8,000	\$ 29.64	\$ 39.73	34.04%	\$ 32.75	10.49%
9,000	\$ 31.85	\$ 42.80	34.37%	\$ 35.25	10.68%
10,000	\$ 34.06	\$ 45.86	34.65%	\$ 37.75	10.83%
11,000	\$ 36.78	\$ 49.68	35.07%	\$ 40.93	11.27%
12,000	\$ 39.50	\$ 53.50	35.43%	\$ 44.10	11.65%
13,000	\$ 42.22	\$ 57.31	35.74%	\$ 47.28	11.97%
14,000	\$ 44.94	\$ 61.13	36.02%	\$ 50.45	12.26%
15,000	\$ 47.66	\$ 64.94	36.26%	\$ 53.63	12.52%
16,000	\$ 50.38	\$ 68.76	36.48%	\$ 56.80	12.74%
17,000	\$ 53.10	\$ 72.58	36.68%	\$ 59.98	12.95%
18,000	\$ 55.82	\$ 76.39	36.86%	\$ 63.15	13.13%
19,000	\$ 58.54	\$ 80.21	37.02%	\$ 66.33	13.30%
20,000	\$ 61.26	\$ 84.03	37.16%	\$ 69.50	13.45%
25,000	\$ 74.86	\$ 103.11	37.73%	\$ 85.38	14.05%
30,000	\$ 88.46	\$ 122.19	38.13%	\$ 101.25	14.46%
35,000	\$ 102.06	\$ 141.27	38.42%	\$ 117.13	14.76%
40,000	\$ 115.66	\$ 160.35	38.64%	\$ 133.00	14.99%
45,000	\$ 129.26	\$ 179.43	38.81%	\$ 148.88	15.17%
50,000	\$ 142.86	\$ 198.51	38.96%	\$ 164.75	15.32%
75,000	\$ 210.86	\$ 293.92	39.39%	\$ 244.13	15.78%
100,000	\$ 278.86	\$ 389.33	39.61%	\$ 323.50	16.01%

**RIO RICO WATER**

Rate Design

Monthly Usage Charge	Present	Company Proposed Rates	RUCO Recommended Rates
<u>Meter Size (All Classes):</u>			
5/8 Inch	\$ 15.46	\$ 18.90	\$ 17.00
3/4 Inch	23.1900	28.3500	25.5000
1 Inch	38.6500	47.2500	42.5000
1 1/2 Inch	77.3000	94.5000	85.0000
2 Inch	123.6800	151.2000	136.0000
3 Inch	247.3600	302.4000	272.0000
4 Inch	366.5000	472.5000	425.0000
6 Inch	773.0000	945.0000	850.0000
8 Inch	1,236.8000	1,512.0000	1,360.0000
10 Inch	1,777.9000	2,173.5000	1,955.0000
12 Inch	3,323.9000	4,063.5000	3,655.0000
<u>Schools:</u>			
Monthly Usage Charge	95% of Above		
Hydrant Bulk Sales - 6 Inch Morning Star Ranch	\$ 549.00	\$ 671.00	\$ 650.00
Fire Lines Up to 8 Inch	\$ 5.00	\$ 5.00	\$ 5.00
Fire Lines 10 Inch	-	-	-
Fire Lines 12 Inch	-	-	-
<u>Commodity Charge - Per 1,000 Gallons</u>			
<u>5/8 Inch (Residential)</u>			
First 3,000 gallons	\$ 1.4900	\$ 1.944450	\$ 1.6700
3,001 to 9,000 gallons	2.9800	3.594450	3.1000
Over 9,000 gallons	3.4900	4.344450	3.7700
<u>5/8 Inch (Non-Residential)</u>			
First 3,000 gallons	1.4900	1.944450	1.6700
3,001 to 9,000 gallons	2.9800	3.594450	3.1000
Over 9,000 gallons	3.4900	4.344450	3.7700
<u>3/4 Inch (Residential)</u>			
First 4,000 gallons	2.9800	3.594450	3.1000
Over 4,000 gallons	3.4900	4.344450	3.7700
<u>3/4 Inch (Non-Residential)</u>			
First 4,000 gallons	2.9800	3.594450	3.1000
Over 4,000 gallons	3.4900	4.344450	3.7700
<u>1 Inch (Residential, Commercial, Industrial)</u>			
First 23,000 gallons	2.9800	3.594450	3.1000
Over 23,000 gallons	3.4900	4.344450	3.7700
<u>1 1/2 Inch (Residential, Commercial, Industrial)</u>			
First 45,000 gallons	2.9800	3.594450	3.1000
Over 45,000 gallons	3.4900	4.344450	3.7700

Rate Design

<u>2 Inch (Residential, Commercial, Industrial)</u>			
First 72,000 gallons	2.9800	3.594450	3.1000
Over 72,000 gallons	3.4900	4.344450	3.7700
<u>3 Inch (Residential, Commercial, Industrial)</u>			
First 144,000 gallons	2.9800	3.594450	3.1000
Over 144,000 gallons	3.4900	4.344450	3.7700
<u>4 Inch (Residential, Commercial, Industrial)</u>			
First 225,000 gallons	2.9800	3.594450	3.1000
Over 225,000 gallons	3.4900	4.344450	3.7700
<u>6 Inch (Residential, Commercial, Industrial)</u>			
First 450,000 gallons	2.9800	3.594450	3.1000
Over 450,000 gallons	3.4900	4.344450	3.7700
<u>8 Inch (Residential, Commercial, Industrial)</u>			
First 720,000 gallons	2.9800	3.594450	3.1000
Over 720,000 gallons	3.4900	4.344450	3.7700
<u>10 Inch (Residential, Commercial, Industrial)</u>			
First 1,025,000 gallons	2.9800	3.594450	3.1000
Over 1,025,000 gallons	3.4900	4.344450	3.7700
<u>12 Inch (Residential, Commercial, Industrial)</u>			
First 1,025,000 gallons	2.9800	3.594450	3.1000
Over 1,025,000 gallons	3.4900	4.344450	3.7700
<u>Schools:</u>			
Commodity Charges	95% of Above	95% of Above	95% of Above
<u>Standpipe 6" Hydrant (Bulk - Morning Star Ranch)</u>			
All Usage	4.7900	5.644450	5.0000
<u>Fire Lines Up to 8 Inch</u>			
All Usage	-	-	-
<u>Fire Lines 10 Inch</u>			
All Usage	-	-	-
<u>Fire Lines 12 Inch</u>			
All Usage	-	-	-

**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	6,829	\$ 31.34	\$ 38.50	\$ 7.16	22.83%
Median Usage	5,000	25.89	31.92	\$ 6.03	23.30%
<b>RUCO Recommended</b>					
Average Usage	6,829	\$ 31.34	\$ 33.88	\$ 2.54	8.10%
Median Usage	5,000	25.89	28.21	\$ 2.32	8.96%

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

Gallons Consumption	Present Rates	Company Proposed Rates	% Increase	RUCO Recommended Rates	% Increase
-	\$ 15.46	\$ 18.90	22.25%	\$ 17.00	9.96%
1,000	\$ 16.95	\$ 20.84	22.98%	\$ 18.67	10.15%
2,000	\$ 18.44	\$ 22.79	23.58%	\$ 20.34	10.30%
3,000	\$ 19.93	\$ 24.73	24.10%	\$ 22.01	10.44%
4,000	\$ 22.91	\$ 28.33	23.65%	\$ 25.11	9.60%
5,000	\$ 25.89	\$ 31.92	23.30%	\$ 28.21	8.96%
6,000	\$ 28.87	\$ 35.52	23.02%	\$ 31.31	8.45%
7,000	\$ 31.85	\$ 39.11	22.80%	\$ 34.41	8.04%
8,000	\$ 34.83	\$ 42.71	22.61%	\$ 37.51	7.69%
9,000	\$ 37.81	\$ 46.30	22.45%	\$ 40.61	7.41%
10,000	\$ 41.30	\$ 50.64	22.63%	\$ 44.38	7.46%
11,000	\$ 44.79	\$ 54.99	22.77%	\$ 48.15	7.50%
12,000	\$ 48.28	\$ 59.33	22.89%	\$ 51.92	7.54%
13,000	\$ 51.77	\$ 63.68	23.00%	\$ 55.69	7.57%
14,000	\$ 55.26	\$ 68.02	23.10%	\$ 59.46	7.60%
15,000	\$ 58.75	\$ 72.37	23.18%	\$ 63.23	7.63%
16,000	\$ 62.24	\$ 76.71	23.25%	\$ 67.00	7.65%
17,000	\$ 65.73	\$ 81.06	23.32%	\$ 70.77	7.67%
18,000	\$ 69.22	\$ 85.40	23.37%	\$ 74.54	7.69%
19,000	\$ 72.71	\$ 89.74	23.43%	\$ 78.31	7.70%
20,000	\$ 76.20	\$ 94.09	23.48%	\$ 82.08	7.72%
25,000	\$ 93.65	\$ 115.81	23.66%	\$ 100.93	7.77%
30,000	\$ 111.10	\$ 137.53	23.79%	\$ 119.78	7.81%
35,000	\$ 128.55	\$ 159.26	23.89%	\$ 138.63	7.84%
40,000	\$ 146.00	\$ 180.98	23.96%	\$ 157.48	7.86%
45,000	\$ 163.45	\$ 202.70	24.01%	\$ 176.33	7.88%
50,000	\$ 180.90	\$ 224.42	24.06%	\$ 195.18	7.89%
75,000	\$ 268.15	\$ 333.03	24.20%	\$ 289.43	7.94%
100,000	\$ 355.40	\$ 441.65	24.27%	\$ 383.68	7.96%

# **RIO RICO SEWER**

Rate Design

Monthly Usage Charge	Present	Company Proposed Rates	RUCO Recommended Rates
<u>Meter Size (All Classes):</u>			
5/8 Inch	\$ 49.00	\$ 54.8310	\$ 47.5202
3/4 Inch	56.5000	63.2235	54.7937
1 Inch	69.1000	77.3229	67.0132
1 1/2 Inch	102.0000	114.1380	98.9196
2 Inch	141.5000	158.3385	137.2267
3 Inch	246.5000	275.8335	239.0557
4 Inch	365.4000	408.8826	354.3649
6 Inch	694.4000	777.0336	673.4291
8 Inch	1,057.7800	1,183.6558	1,025.8350
10 Inch	1,585.0700	1,773.6933	1,537.2009
12 Inch	2,254.0800	2,522.3155	2,186.0068
<u>Schools:</u>			
Monthly Usage Charge	95% of Above	95% of Above	95% of Above
Fire Lines Up to 8 Inch	\$ -	\$ -	\$ -
Fire Lines 10 Inch	-	-	-
Fire Lines 12 Inch	-	-	-
<u>Commodity Charge - Per 1,000 Gallons</u>			
<u>Commercial and Multi-Tenant Only:</u>			
First 7,000 gallons	\$ -	\$ -	\$ -
Over 7,000 gallons	5.0000	7.000000	5.250000

**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	-	\$ 49.00	\$ 54.83	\$ 5.83	11.90%
Median Usage	-	49.00	54.83	\$ 5.83	11.90%
<b>RUCO Recommended</b>					
Average Usage	-	\$ 49.00	\$ 47.52	\$ (1.48)	-3.02%
Median Usage	-	49.00	47.52	\$ (1.48)	-3.02%

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

Gallons Consumption	Present Rates	Company Proposed Rates	% Increase	RUCO Recommended Rates	%
-	\$ 49.00	\$ 54.83	11.90%	\$ 47.52	-3.02%
1,000	\$ 49.00	\$ 54.83	11.90%	\$ 47.52	-3.02%
2,000	\$ 49.00	\$ 54.83	11.90%	\$ 47.52	-3.02%
3,000	\$ 49.00	\$ 54.83	11.90%	\$ 47.52	-3.02%
4,000	\$ 49.00	\$ 54.83	11.90%	\$ 47.52	-3.02%
5,000	\$ 49.00	\$ 54.83	11.90%	\$ 47.52	-3.02%
6,000	\$ 49.00	\$ 54.83	11.90%	\$ 47.52	-3.02%
7,000	\$ 49.00	\$ 54.83	11.90%	\$ 47.52	-3.02%
8,000	\$ 49.00	\$ 54.83	11.90%	\$ 47.52	-3.02%
9,000	\$ 49.00	\$ 54.83	11.90%	\$ 47.52	-3.02%
10,000	\$ 49.00	\$ 54.83	11.90%	\$ 47.52	-3.02%
11,000	\$ 49.00	\$ 54.83	11.90%	\$ 47.52	-3.02%
12,000	\$ 49.00	\$ 54.83	11.90%	\$ 47.52	-3.02%
13,000	\$ 49.00	\$ 54.83	11.90%	\$ 47.52	-3.02%
14,000	\$ 49.00	\$ 54.83	11.90%	\$ 47.52	-3.02%
15,000	\$ 49.00	\$ 54.83	11.90%	\$ 47.52	-3.02%
16,000	\$ 49.00	\$ 54.83	11.90%	\$ 47.52	-3.02%
17,000	\$ 49.00	\$ 54.83	11.90%	\$ 47.52	-3.02%
18,000	\$ 49.00	\$ 54.83	11.90%	\$ 47.52	-3.02%
19,000	\$ 49.00	\$ 54.83	11.90%	\$ 47.52	-3.02%
20,000	\$ 49.00	\$ 54.83	11.90%	\$ 47.52	-3.02%
25,000	\$ 49.00	\$ 54.83	11.90%	\$ 47.52	-3.02%
30,000	\$ 49.00	\$ 54.83	11.90%	\$ 47.52	-3.02%
35,000	\$ 49.00	\$ 54.83	11.90%	\$ 47.52	-3.02%
40,000	\$ 49.00	\$ 54.83	11.90%	\$ 47.52	-3.02%
45,000	\$ 49.00	\$ 54.83	11.90%	\$ 47.52	-3.02%
50,000	\$ 49.00	\$ 54.83	11.90%	\$ 47.52	-3.02%
75,000	\$ 49.00	\$ 54.83	11.90%	\$ 47.52	-3.02%
100,000	\$ 49.00	\$ 54.83	11.90%	\$ 47.52	-3.02%