

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

OPEN MEETING ITEM



0000173804

Executive Director

ORIGINAL

ARIZONA CORPORATION COMMISSION

DATE: OCTOBER 5, 2016

Arizona Corporation Commission

DOCKETED

DOCKET NO.: W-01392A-16-0161

OCT 05 2016

TO ALL PARTIES:

DOCKETED BY *Ng*

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

OAK CREEK WATER COMPANY, NO. 1
(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:

OCTOBER 14, 2016

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:

OCTOBER 27, 2016 AND OCTOBER 28, 2016

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.

Jodi A. Jerich
JODI A. JERICH
EXECUTIVE DIRECTOR

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On this 5th day of October, 2016, the following document was filed with Docket Control as a Recommended Order from the Hearing Division, and copies of the document were mailed on behalf of the Hearing Division to the following who have not consented to email service. On this date or as soon as possible thereafter, the Commission's eDocket program will automatically email a link to the filed document to the following who have consented to email service.

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By:



Debbi Person
Assistant to Marc E. Stern

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 DOUG LITTLE – Chairman
4 BOB STUMP
5 BOB BURNS
6 TOM FORESE
7 ANDY TOBIN

8 IN THE MATTER OF THE APPLICATION OF OAK
9 CREEK WATER COMPANY, NO. 1 FOR A
10 PERMANENT RATE INCREASE.

DOCKET NO. W-01392A-16-0161

DECISION NO. _____

ORDER

11 Open Meeting
12 October 27 and 28, 2016
13 Phoenix, Arizona

14 **BY THE COMMISSION:**

15 On May 20, 2016, Oak Creek Water Company, No. 1. (“Company” or “Applicant”) filed with
16 the Arizona Corporation Commission (“Commission”) an application for an increase in its permanent
17 rates and charges.¹

18 On June 20, 2016, the Commission’s Utilities Division (“Staff”) issued a Notice of Sufficiency
19 pursuant to A.A.C. R14-3-103, and classified the Company as a Class D utility.

20 On August 25, 2016, the Company filed certification that it had provided notice to its customers
21 of the proposed increase in its rates and charges.

22 On September 6, 2016, Staff filed its report which recommends that the Commission approve
23 Staff’s recommended rates and charges.

24 On September 23, 2016, the Company filed a response to the Staff Report and stated that it
25 supports the Staff Report with one exception.

26 * * * * *

27 Having considered the entire record herein and being fully advised in the premises, the
28 Commission finds, concludes, and orders that:

...

¹The Company filed an amendment to its application on June 17, 2016.

FINDINGS OF FACT

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1. Pursuant to authority granted by the Commission, Applicant is a Class D non-profit corporation engaged in the business of providing public water service to approximately a one square mile area located west of the City of Sedona, near the Sedona Airport in Yavapai County, Arizona.

2. Applicant’s present rates and charges for water were approved in Decision No. 70622 (November 19, 2008).

3. On May 20, 2016, the Company filed an application requesting authority to increase its rates and charges for water service.

4. The Company is seeking an increase in its rates and charges because its current rates have been in effect since December 2008, and due to the increased costs of maintaining and updating its aging infrastructure and facilities. Additionally, the Company cites increased regulatory expenses and the rising cost of electricity required to pump and distribute water to its customers.

5. On August 25, 2016, the Company filed certification that it has provided public notice of the application by mailing notice to its customers.

6. Staff conducted an investigation of Applicant’s proposed rates and charges for water service and, on September 6, 2016, filed its Staff Report on the Company’s rate request. Staff recommended that the Commission approve Staff’s recommended rates and charges.

7. On September 23, 2016, the Company filed its Response to the Staff Report and stated that it supports Staff’s recommendations with one exception. The Company stated that it “identifies all 5/8 x 3/4-inch metered customers and 3/4 inch metered customers as 3/4-inch metered customers.” Due to this factor, Applicant requested that Staff’s recommended monthly fixed charge of \$9.75 for the 5/8 x 3/4-inch meter size be increased to the same as the recommended charge of \$14.55 for the 3/4-inch meter size. The Company explained that the current rates for both meter sizes are the same as authorized in Decision No. 76022, and the Company has never classified the two meter sizes separately as there was no reason to do so. The Company presently does not know the exact number of 5/8 x 3/4-inch meters on its system and cannot provide a separate bill count “so that rates can be designed to generate the revenue requirement using the lower 5/8 x 3/4-inch monthly charge.” Further, the Company indicated that it is willing to separately identify its 5/8 x 3/4-inch metered customers in its next rate case and

1 supports an order from the Commission which requires it to do so.

2 8. On September 27, 2016, Staff filed a Reply to the Company's Response and indicates
3 that Staff agrees with the Company's request. Staff further recommended that the Company be required
4 to separately identify its 5/8 x 3/4-inch metered customers in its next rate case.

5 9. During the Test Year ended June 30, 2015 ("TY"), Applicant served approximately 478
6 customers, the majority of which are residential users, who are served by 3/4-inch meters.

7 10. Average and median water usage by residential users during the TY was 6,576 and 4,298
8 gallons per month, respectively.

9 11. The water rates and charges for Applicant at present, as proposed by Applicant, and as
10 recommended by Staff are as follows:

	<u>Present Rates</u>	<u>Proposed Rates Company</u>	<u>Staff</u>
<u>MONTHLY USAGE CHARGES:</u>			
14 5/8" x 3/4" Meter	\$8.00	\$13.20	\$14.45
15 3/4" Meter	8.00	13.20	14.55
16 1" Meter	10.99	18.13	24.30
17 1 1/2" Meter	14.17	23.38	48.45
18 2" Meter	18.51	30.54	77.55
19 3" Meter	26.31	43.41	145.50
20 4" Meter	41.64	68.71	242.55
21 6" Meter	55.52	91.61	484.95
22 8" Meter	0.00	0.00	775.95
23 10" Meter	0.00	0.00	1,115.55
24 12" Meter	0.00	0.00	2,085.45
*Note 1: Multi-Unit Monthly Charge is a 3/4 inch meter charge times the number of units			
<u>IRRIGATION:</u>			
25 1" Meter	0.00	0.00	\$24.30
26 1 1/2" Meter	0.00	0.00	48.45
27 2" Meter	0.00	0.00	77.55
28 3" Meter	0.00	0.00	145.50
4" Meter	0.00	0.00	242.55
6" Meter	0.00	0.00	484.95
8" Meter	0.00	0.00	775.95
10" Meter	0.00	0.00	1,115.55
12" Meter	0.00	0.00	2,085.45
Gallons included in minimum	0	0	0

GALLONAGE CHARGES:
(per 1,000 gallons)

5/8" x 3/4" & 3/4" Meter- Residential

0 to 4,000 gallons	\$1.73	\$1.80	\$1.75
4,001 to 10,000 gallons	2.40	3.50	3.20
Over 10,000 gallons	2.88	4.20	3.70

5/8" x 3/4" & 3/4" Meter- Commercial, Irrigation & Industrial

0 to 12,500 gallons	2.40	3.50	
Over 12,500 gallons	2.88	4.20	
0 to 12,000 gallons			3.20
Over 12,000 gallons			3.70

1" Meter - Residential

0 to 4,000 gallons	1.73	1.80	
4,001 to 12,500 gallons	2.40	3.50	
Over 12,500 gallons	2.88	4.20	

0 to 4,000 gallons			1.75
4,001 to 15,000 gallons			3.20
Over 15,000 gallons			3.70

1" Meter - Commercial, Irrigation & Industrial

First 12,500 gallons	2.40	3.50	
Over 12,500 gallons	2.88	4.20	
First 15,000 gallons			3.20
Over 15,000 gallons			3.70

1 1/2" Meter - Residential

0 to 4,000 gallons	1.75	1.80	1.75
4,001 to 25,000 gallons	2.40	3.50	3.20
Over 25,000 gallons	2.88	4.20	3.70

1 1/2" Meter - Commercial, Irrigation & Industrial

First 25,000 gallons	2.40	3.50	3.20
Over 25,000 gallons	2.88	4.20	3.70

2" Meter - Residential, Commercial, Irrigation & Industrial

First 40,000 gallons	2.40	3.50	3.20
Over 40,000 gallons	2.88	4.20	3.70

3" Meter - Residential, Commercial, Irrigation & Industrial

First 80,000 gallons	2.40	3.50	3.20
Over 80,000 gallons	2.88	4.20	3.70

4" Meter - Residential, Commercial, Irrigation & Industrial

First 125,000 gallons	\$2.40	\$3.50	\$3.20
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1	Over 125,000 gallons	2.88	4.20	3.70
2	<u>6" Meter – Residential, Commercial, Irrigation & Industrial</u>			
3	First 250,000 gallons	2.40	3.50	3.20
3	Over 250,000 gallons	2.88	4.20	3.70
4	<u>8" Meter – Residential, Commercial, Irrigation & Industrial</u>			
5	First 500,000 gallons	0.00	0.00	3.20
6	Over 500,000 gallons	0.00	0.00	3.70
7	<u>10" Meter – Residential, Commercial, Irrigation & Industrial</u>			
8	First 750,000 gallons	0.00	0.00	3.20
8	Over 750,000 gallons	0.00	0.00	3.70
9	<u>12" Meter – Residential, Commercial, Irrigation & Industrial</u>			
10	First 1,250,000 gallons	0.00	0.00	3.20
11	Over 1,250,000 gallons	0.00	0.00	3.70
12	<u>Multi-Unit (Number of Units times 10,000)</u>			
12	Gallons included in minimum (Per 1,000 gallons)	0	0	0
13	From 0 to number of units times 10,000 Gallons	\$2.40	\$3.50	\$3.20
14	Over number of units times 10,000 Gallons	2.88	4.20	3.70
15	<u>STANDPIPE – BULK WATER, CONSTRUCTION</u>			
16	Gallons included in minimum (Per 1,000 gallons)	0	0	0
17	All Gallons	\$2.88	\$4.20	\$3.70

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

	<u>Present</u>		<u>Company Proposed</u>			<u>Staff Recommended</u>				
	Current Service Line Charges	Current Meter Charges	Current Total for both Meter & Service Line Installation	Company Proposed Service Line Charges	Company Proposed Meter Charges	Company Proposed Total Charges	Service Line Charges (Road Crossing not required)	Meter Charges (Road Crossing Not Required)	Total Charges (Road Crossing Not Required)	
23	5/8" x 3/4 " Meter	\$ 340.00	\$ 75.00	\$ 415.00	\$ 500.00	\$150.00	\$650.00	\$500.00	\$150.00	\$ 650.00
	3/4 " Meter	340.00	135.00	475.00	500.00	175.00	675.00	500.00	175.00	675.00
	1" Meter	390.00	160.00	550.00	550.00	250.00	800.00	550.00	250.00	800.00
24	1-1/2" Meter	420.00	365.00	785.00	600.00	500.00	1,100.00	600.00	500.00	1,100.00
	2" Compound Meter	550.00	825.00	1,375.00	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost
	3" Compound Meter	750.00	1,260.00	1,975.00	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost
25	4" Compound Meter	1,030.00	2,010.00	3,040.00	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost
	6" Compound Meter	1,550.00	4,085.00	5,635.00	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost
26	Over 6-Inch	0.00	0.00	0.00	0.00	0.00	0.00	At Cost	At Cost	At Cost

27
 28 Present Company Staff

	<u>Rates</u>	<u>Proposed</u>	<u>Recommended</u>	
<u>SERVICE CHARGES:</u>				
1	Establishment	\$35.00	\$50.00	\$35.00
2	Establishment (After Hours)	50.00	Removed	Removed
3	Reconnection (Delinquent)	50.00	50.00	50.00
4	Meter Test (If Correct)	30.00	50.00	30.00
5	Deposit	*	*	*
6	Deposit Interest	**	**	**
7	Reestablishment (Within 12 Months)	****	****	****
8	NSF Check	25.00	30.00	25.00
9	Deferred Payment	***	***	***
10	Meter Re-Read (If Correct)	20.00	30.00	20.00
11	Late Payment Penalty	5.00	10.00	5.00
12	Moving Customer Meter (Customer Request)	At Cost	At Cost	At Cost
13	After Hours Service Charge	50.00	75.00	50.00
14	<u>MONTHLY SERVICE CHARGE FOR FIRE SPRINKLERS:</u>			
15	4" or Smaller	\$0.00	\$0.00	*****
16	6"	0.00	0.00	*****
17	8"	0.00	0.00	*****
18	10"	0.00	0.00	*****
19	Larger than 10"	0.00	0.00	*****

- * Per Commission Rule A.A.C. R14-2-403(B)(7).
- ** Per Commission Rule A.A.C. R14-2-403(B)(3).
- *** 1.50% of the unpaid balance
- **** Number of months off systems times the monthly minimum per Commission Rule A.A.C. R14-2-403(D).
- ***** 2% of the monthly minimum for a comparable sized meter connection, but no less than \$10 per month. The service charge for fire sprinklers is only applicable for service lines separate and distinct from primary water service lines separate and distinct from primary water service line.

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

12. Pursuant to the Staff Report, Applicant's fair value rate base ("FVRB") is determined to be \$932,821, which is the same as its original cost rate base. In determining the Company's FVRB, Staff made 11 adjustments to the Company's proposed FVRB, decreasing it by \$45,604. Staff reclassified plant in service to the appropriate accounts, removed unsupported plant, properly recorded

1 retirements and reclassified plant in service to property held for future use.

2 13. Staff decreased Applicant's TY operating expenses by \$8,661, from \$390,508 to
3 \$381,847, primarily due to a \$5,629 adjustment to general liability insurance expense and a \$1,546
4 adjustment to miscellaneous expense. Staff also decreased depreciation expense by \$1,486.

5 14. Applicant's present water rates and charges produced operating revenue of \$316,030
6 and adjusted operating expenses of \$381,847, which resulted in an operating loss of \$65,817 for the
7 TY.

8 15. The water rates and charges recommended by Staff, and as agreed to by the Company,
9 would produce adjusted operating revenues of \$451,308 and adjusted operating expenses of \$383,612,
10 resulting in net operating income of \$67,696, or a 7.26 percent rate of return on FVRB, and which
11 equates to an operating margin of 15.00 percent.

12 16. Staff is recommending an increase in the operating revenue for the Company because
13 although the Company operates as a not-for-profit corporation, Staff's recommended operating income
14 level of \$67,696 which, when coupled with depreciation of \$59,033, will provide the Company with a
15 total cash flow of \$126,729 that will enable the Company to meet normal operating expenses, to make
16 recommended repairs to the system, and to fund other contingencies such as the completion of a fencing
17 project at Applicant's Well No. 2/Well No. 3 combined site to prevent trespassing and/or damage to
18 the wellsites.

19 17. Staff is recommending an increase of \$135,278, or a 42.81 percent revenue increase
20 over adjusted TY revenues of \$316,030.

21 18. Staff's recommended rates would increase the average monthly metered customer water
22 bill by \$8.69, or 41.2 percent, from \$21.10 to \$29.79, and would increase the median monthly metered
23 customer water bill by \$6.87, or 43.9 percent, from \$15.63 to \$22.50.

24 19. According to the Staff Report, although the Applicant is in good standing with the
25 Corporations Division of the Commission, it has not filed its 2015 Annual Report.

26 20. Additionally, Staff states that the Company is in non-compliance with Commission
27 Decision No. 71252 (September 3, 2009) that approved an Off-site Hook-up Fee ("OSHF") tariff for
28 Applicant which required the Company to file an annual status report relative to its OSHF beginning

1 January 31, 2010, until the OSHF tariff is no longer in effect.

2 21. The Company is current on the payment of its property and sales tax payments.

3 22. The Company is in compliance with the requirements of the Arizona Department of
4 Environmental Quality ("ADEQ") and is providing water which meets the requirements of the Safe
5 Drinking Water Act; however, the Company is not in compliance with the requirements of the Arizona
6 Department of Water Resources ("ADWR") reporting requirements.

7 23. The Commission has previously approved the Company's Curtailment tariff and its
8 Backflow Prevention tariff.

9 24. In addition to recommending approval of its recommended rates and charges, Staff is
10 recommending the Commission order the following:

- 11 • that the Company, as a compliance item in this proceeding, notify its customers
12 of the authorized rates and charges approved by the Commission, and their
13 effective date, in a form acceptable to Staff, by means of an insert in its next
14 regular scheduled billing and file copies with Docket Control within 10 days of
15 the date notice is sent to customers;
- 16 • that the Company file with the Commission a schedule of its approved rates and
17 charges within 30 days after the date the Decision in this matter is issued;
- 18 • that the Company adopt the depreciation rates shown in Exhibit 6 of the
19 Engineering Report;
- 20 • that in addition to collection of its regular rates and charges, the Company collect
21 from its customers a proportionate share of any privilege, sales or use tax, per
22 A.A.C. R14-2-409(D)(5);
- 23 • that the Company continue to monitor the water loss in the system and repair all
24 leaks when discovered;
- 25 • that the Company continue to coordinate the reading of its well meter and active
26 customer service meters on a monthly basis and report this data in its
27 Commission Annual Report going forward;
- 28 • that the Company collect data needed to accurately complete the Water Use Data
Sheet form contained in the Annual Report;
- that if the annual water loss at any time before the next rate case is greater than
10 percent, the Company shall develop a plan to reduce water loss to less than
10 percent, or prepare a report containing a detailed analysis and explanation
demonstrating why a water loss reduction to 10 percent or less is not feasible or
cost effective;
- that the Company file the water loss reduction plan or detailed analysis as part
of its next rate application;
- that the Company file with the Commission required Annual Reports on a timely
basis;
- that the currently unfiled 2015 Annual Report be filed within 30 days of the
effective date of a Decision in this proceeding;
- that the Company file with Docket Control, as a compliance item in this docket,
within 90 days of the effective date of a Decision in this proceeding, a
Compliance Status Report indicating that the Company is in compliance with
ADWR requirements;
- that the Company file with Docket Control, as a compliance item in this docket,
within 30 days of the effective date of a Decision in this proceeding, the required

annual OSHF annual status reports for 2010 through 2015;

- that the Company continue to file these annual OSHF status reports until the OSHF tariff is no longer in effect;
- that the Company complete the fence installation at the location of Well Nos. 2 and 3 by December 31, 2016; and
- that the Company file, with Docket Control, as a compliance item in this docket, within 60 days of the effective date of a Decision in this proceeding, an affidavit stating that the fence around Well Nos. 2 and 3 has been completed.

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

26. Based upon our review of the record, we find that Staff's proposed rates and additional recommendations are reasonable and should be adopted.

CONCLUSIONS OF LAW

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

2. The Commission has jurisdiction over Applicant and of the subject matter of the application.

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

4. Based on the record, the rates and charges proposed by Staff and authorized hereinafter are just and reasonable.

5. Staff's recommendations set forth in Findings of Fact No. 24, are reasonable and should be adopted.

ORDER

IT IS THEREFORE ORDERED that Oak Creek Water Company, No. 1. is hereby directed to file with Docket Control within 30 days of the effective date of this Decision, a revised rate schedule setting forth the following rates and charges:

MONTHLY USAGE CHARGES:

5/8" x 3/4" Meter	\$14.45
3/4" Meter	14.55
1" Meter	24.30
1 1/2" Meter	48.45
2" Meter	77.55
3" Meter	145.50
4" Meter	242.55
6" Meter	484.95
8" Meter	775.95
10" Meter	1,115.55
12" Meter	2,085.45

*Note 1: Multi-Unit Monthly Charge is a 3/4 inch meter charge times the number of units

IRRIGATION:

1" Meter	\$24.30
1 1/2" Meter	48.45
2" Meter	77.55
3" Meter	145.50
4" Meter	242.55
6" Meter	484.95
8" Meter	775.95
10" Meter	1,115.55
12" Meter	2,085.45
Gallons included in minimum	0

GALLONAGE CHARGES:**(Per 1,000 gallons)****5/8" x 3/4" & 3/4" Meter- Residential**

0 to 4,000 gallons	\$1.75
4,001 to 10,000 gallons	3.20
Over 10,000 gallons	3.70

5/8" x 3/4" & 3/4" Meter- Commercial, Irrigation & Industrial

0 to 12,500 gallons	
Over 12,500 gallons	
0 to 12,000 gallons	3.20
Over 12,000 gallons	3.70

1" Meter - Residential

0 to 4,000 gallons	\$1.75
4,001 to 15,000 gallons	3.20
Over 15,000 gallons	3.70

1	<u>1" Meter – Commercial, Irrigation & Industrial</u>	
2	First 15,000 gallons	3.20
	Over 15,000 gallons	3.70
3	<u>1 1/2" Meter - Residential</u>	
4	0 to 4,000 gallons	1.75
	4,001 to 25,000 gallons	3.20
5	Over 25,000 gallons	3.70
6	<u>1 1/2" Meter – Commercial, Irrigation & Industrial</u>	
7	First 25,000 gallons	3.20
	Over 25,000 gallons	3.70
8	<u>2" Meter – Residential, Commercial, Irrigation & Industrial</u>	
9	First 40,000 gallons	3.20
10	Over 40,000 gallons	3.70
11	<u>3" Meter – Residential, Commercial, Irrigation & Industrial</u>	
12	First 80,000 gallons	3.20
	Over 80,000 gallons	3.70
13	<u>4" Meter – Residential, Commercial, Irrigation & Industrial</u>	
14	First 125,000 gallons	3.20
15	Over 125,000 gallons	3.70
16	<u>6" Meter – Residential, Commercial, Irrigation & Industrial</u>	
17	First 250,000 gallons	3.20
	Over 250,000 gallons	3.70
18	<u>8" Meter – Residential, Commercial, Irrigation & Industrial</u>	
19	First 500,000 gallons	3.20
20	Over 500,000 gallons	3.70
21	<u>10" Meter – Residential, Commercial, Irrigation & Industrial</u>	
22	First 750,000 gallons	3.20
	Over 750,000 gallons	3.70
23	<u>12" Meter – Residential, Commercial, Irrigation & Industrial</u>	
24	First 1,250,000 gallons	3.20
25	Over 1,250,000 gallons	3.70
26	<u>Multi-Unit (Number of Units times 10,000)</u>	
27	Gallons included in minimum (Per 1,000 gallons)	0
28	From 0 to number of units times 10,000 Gallons	\$3.20
	Over number of units times 10,000 Gallons	3.70

1 **STANDPIPE – BULK WATER,**
 2 **CONSTRUCTION**

3 Gallons included in minimum 0
 (Per 1,000 gallons)
 4 All Gallons \$3.70

5 **SERVICE LINE AND METER INSTALLATION CHARGES:**
 6 **(Refundable pursuant to A.A.C. R14-2-405)**

	Service Line Charges (Road Crossing not required)	Meter Charges (Road Crossing Not Required)	Total Charges (Road Crossing Not Required)	
7				
8				
9				
10	5/8" x 3/4 " Meter	\$500.00	\$150.00	\$ 650.00
11	3/4 " Meter	500.00	175.00	675.00
12	1" Meter	550.00	250.00	800.00
13	1-1/2" Meter	600.00	500.00	1,100.00
14	2" Compound Meter	At Cost	At Cost	At Cost
15	3" Compound Meter	At Cost	At Cost	At Cost
16	4" Compound Meter	At Cost	At Cost	At Cost
17	6" Compound Meter	At Cost	At Cost	At Cost
18	Over 6-Inch	At Cost	At Cost	At Cost

19 **SERVICE CHARGES:**

20	Establishment	\$35.00
21	Establishment (After Hours)	Removed
22	Reconnection (Delinquent)	50.00
23	Meter Test (If Correct)	30.00
24	Deposit	*
25	Deposit Interest	**
26	Reestablishment (Within 12 Months)	****
27	NSF Check	25.00
28	Deferred Payment	***
29	Meter Re-Read (If Correct)	20.00
30	Late Payment Penalty	5.00
31	Moving Customer Meter (Customer Request)	At Cost
32	After Hours Service Charge	50.00

33 **MONTHLY SERVICE CHARGE FOR FIRE**
 34 **SPRINKLERS:**

35	4" or Smaller	*****
36	6"	*****
37	8"	*****
38	10"	*****

Larger than 10"

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- * Per Commission Rule A.A.C. R14-2-403(B)(7).
- ** Per Commission Rule A.A.C. R14-2-403(B)(3)
- *** 1.50% of the unpaid balance
- **** Number of months off system times the monthly minimum per Commission Rule R14-2-403(D).
- ***** 2% of the monthly minimum for a comparable sized meter connection, but no less than \$10 per month. The service charge for fire sprinklers is only applicable for service lines separate and distinct from primary water service lines separate and distinct from primary water service line.

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

IT IS FURTHER ORDERED that Oak Creek Water Company, No. 1 shall notify its customers of the water rates and charges approved herein and their effective date by means of an insert in its next monthly billing in a form acceptable to Staff, and shall file a copy of the notice when sent to its customers with Docket Control as a compliance item in this docket, within 10 days of the date notice is sent to customers.

IT IS FURTHER ORDERED that the above water rates and charges shall be effective for all services provided during the Company's next regular billing cycle.

IT IS FURTHER ORDERED that Oak Creek Water Company, No. 1, is hereby directed to comply with Staff's recommendations as set forth in Findings of Fact No. 24.

IT IS FURTHER ORDERED that Oak Creek Water Company, No. 1, in addition to the collection of its regular rates and charges, shall collect from its customers their proportionate share of any privilege, sale, or use tax as provided for in A.A.C. R14-2-409(D).

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1 IT IS FURTHER ORDERED, that Oak Creek Water Company, No. 1. shall annually file, as
2 part of its Annual Report, an affidavit with the Utilities Division attesting that the Company is current
3 in paying its property tax in Arizona.

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

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.
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8 CHAIRMAN LITTLE COMMISSIONER STUMP

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10 COMMISSIONER FORESE COMMISSIONER TOBIN COMMISSIONER BURNS
11

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

15
16 JODI A. JERICH
17 EXECUTIVE DIRECTOR
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19 DISSENT _____

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21 DISSENT _____
MES:dp
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1 SERVICE LIST FOR:

OAK CREEK WATER COMPANY, NO. 1

2 DOCKET NO.:

W-01392A-16-0161

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20 **Consented to Service by Email**

21 Thomas Broderick, Director
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27 **Consented to Service by Email**

28