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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Arizona Corporation Commission

DOCKETED

JUL 30 2014

BOB STUMP - Chairman  
GARY PIERCE  
BRENDA BURNS  
BOB BURNS  
SUSAN BITTER SMITH

DOCKETED BY  
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IN THE MATTER OF THE APPLICATION OF  
CHAPARRAL CITY WATER COMPANY FOR A  
DETERMINATION OF THE CURRENT FAIR  
VALUE OF ITS UTILITY PLANT AND  
PROPERTY AND FOR INCREASE IN ITS RATES  
AND CHARGES BASED THEREON.

DOCKET NO. W-02113A-13-0118

DECISION NO. 74585

**ORDER NUNC PRO TUNC**  
**CORRECTING ERRORS IN**  
**DECISION NO. 74568**

Open Meeting  
July 22 and 23, 2014  
Phoenix, Arizona

BY THE COMMISSION:

\* \* \* \* \*

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

**FINDINGS OF FACT**

1. On April 26, 2013, Chaparral City Water Company ("CCWC" or "Company") filed the above-captioned rate application with the Arizona Corporation Commission ("Commission").
2. On June 20, 2014, the Commission issued Decision No. 74568, setting new rates for CCWC. On June 25, 2014, CCWC filed a Request for Order Nunc Pro Tunc ("Request"). CCWC stated that based on its review, the rate design in Exhibit C to Decision No. 74568 under-recovers the Decision's authorized revenue by approximately \$250,000. CCWC stated that if an Order Nunc Pro Tunc correcting the errors was considered and approved at the Commission's July 22-23 Open Meeting, CCWC would not request a surcharge to address the shortfall in revenue stemming from the incorrect rate design. CCWC requested that the Order Nunc Pro Tunc specify

1 that the corrected rates will become effective immediately upon the Decision’s effective date, and  
2 that the revised rates will apply to all bills issued after such effective date.

3 3. In the Request, CCWC expressed a concern that Exhibit C to Decision No. 74568 did  
4 not include the authorized \$0.0573 per thousand gallons charge in the third tier commodity charge for  
5 residential and commercial customers to fund the low income program. CCWC requested that the  
6 \$0.0573 be delineated separately in the corrected rate design.

7 4. The Request pointed out typographical errors appearing in Exhibit C to Decision No.  
8 74568 in regard to the incorrect designation of “All Classes” as opposed to the correct designation  
9 “Residential and Commercial Classes,” and stated that “Irrigation and Hydrants – All Meter Sizes”  
10 should be corrected to “Irrigation, Hydrants and Fire Sprinklers.”

11 5. The Request also pointed out a typographical error appearing in Exhibit C to Decision  
12 No. 74568 in regard to the Service Line Charge for the 1 1/2 inch meter, which should read \$470  
13 instead of \$570.

14 6. On June 26, 2014, a Procedural Order was issued. The Procedural Order recognized  
15 that the monthly minimum charges and commodity charges in the rate design set forth in Exhibit C to  
16 Decision No. 74568 require correction with an Order Nunc Pro Tunc. The Procedural Order stated  
17 that the correction is necessary due to a clerical error that resulted in the development of a rate design  
18 that produces approximately \$273,000 less revenue than the Decision authorized. The Procedural  
19 Order provided a corrected rate design and directed the parties to comment on it.

20 7. In addition to providing the corrected rate design, the Procedural Order acknowledged  
21 that the typographical errors pointed out in the Request should be corrected, and that the Order Nunc  
22 Pro Tunc should specify that the corrected rates will become effective immediately upon the effective  
23 date of the Order Nunc Pro Tunc, applicable to all bills issued after such effective date.

24 8. The Procedural Order clarified that the authorized \$0.0573 to fund the low income  
25 program was included in the calculation of the third tier commodity rate in Exhibit C to Decision No.  
26 74568, and in the corrected rate design in the Procedural Order.

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1           10.    On June 27, 2014, CCWC docketed a filing indicating that it had reviewed the new  
2 rates and other revisions set forth in the June 26, 2014 Procedural Order, and that it has no further  
3 comments or proposed revisions thereto.

4           11.    Exhibit C to Decision No. 74568 requires correction due to a clerical error that  
5 resulted in the development of a rate design that produces approximately \$273,000 less revenue than  
6 Decision No. 74568 authorized.

7           12.    The rate design provided in the June 26, 2014 Procedural Order correctly recovers the  
8 revenue authorized by Decision No. 74568.

9           13.    Exhibit 1, attached hereto, includes the corrected rate design provided in the June 26,  
10 2014 Procedural Order, as well as correction of the typographical errors pointed out in CCWC's  
11 Request.

12           14.    Exhibit C to Decision No. 74568 should be replaced with the schedule of rates and  
13 charges appearing in Exhibit 1.

14           15.    Decision No. 74568 should also be corrected, nunc pro tunc, to reflect that under the  
15 authorized rates, an average usage (7,870 gallons per month) residential customer with a 3/4 inch  
16 meter will experience an increase in rates of \$7.68, from \$37.85 to \$45.53, or 20.29 percent.

17           16.    As the June 26, 2014 Procedural Order stated, the lack of a separately-delineated low  
18 income recovery item within the third tier commodity rate was not due to a clerical error, and a  
19 separate delineation would therefore not appropriately be included in an Order Nunc Pro Tunc.  
20 CCWC may choose, however, to bifurcate the \$0.0573 from the remaining third tier commodity rate  
21 amount when it files its conforming tariff following the issuance of this Decision, or to otherwise  
22 indicate on its tariff that the third tier commodity rate includes a \$0.0573 per thousand gallons charge  
23 in the third tier commodity rate to fund the authorized low income program.

24           17.    The corrected rates and charges appearing in Exhibit 1 should become effective  
25 immediately upon the effective date of this Decision, and should apply to all bills issued after such  
26 effective date.

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**CONCLUSIONS OF LAW**

1. CCWC is a public service corporation within the meaning of Article XV of the Arizona Constitution and A.R.S. Title 40.

2. The Commission has jurisdiction over CCWC and the subject matter of this proceeding.

3. It is reasonable and in the public interest to correct, nunc pro tunc, the clerical errors in Exhibit C to Decision No. 74568 by replacing Exhibit C with the corrected schedule of rates and charges attached hereto as Exhibit 1.

4. It is reasonable and in the public interest that the corrected rates become effective immediately upon the effective date of this Order Nunc Pro Tunc, and apply to all bills issued after such effective date.

**ORDER**

IT IS THEREFORE ORDERED that Decision No. 74568 is hereby corrected, nunc pro tunc, by replacing Exhibit C with the corrected schedule of rates and charges attached hereto as Exhibit 1.


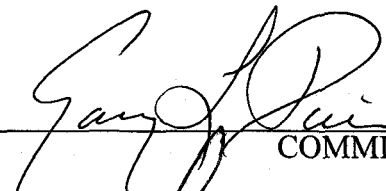
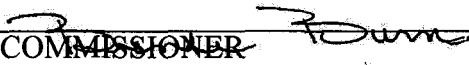

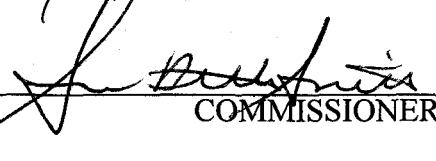
IT IS FURTHER ORDERED that the rates and charges set forth in Exhibit 1 shall be effective immediately upon the effective date of this Decision, and shall apply to all bills issued after the effective date of this Decision.

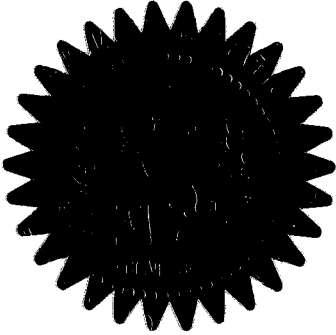
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1 IT IS FURTHER ORDERED that Decision No. 74568 is hereby corrected, nunc pro tunc, to  
2 reflect that under the rates authorized in Decision No. 74568, an average usage (7,870 gallons per  
3 month) residential customer with a 3/4 inch meter will experience an increase in rates of \$7.68, from  
4 \$37.85 to \$45.53, or 20.29 percent.


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

6 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

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8	CHAIRMAN		COMMISSIONER
9		<b>EXCUSED</b>	
10		COMM. BURNS	
11			
12	COMMISSIONER	COMMISSIONER	COMMISSIONER



13 IN WITNESS WHEREOF, I, JODI JERICH, Executive  
14 Director of the Arizona Corporation Commission, have  
15 hereunto set my hand and caused the official seal of the  
16 Commission to be affixed at the Capitol, in the City of Phoenix,  
17 this 30<sup>th</sup> day of July 2014.

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JODI JERICH  
EXECUTIVE DIRECTOR

19 DISSENT \_\_\_\_\_

21 DISSENT \_\_\_\_\_

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1 SERVICE LIST FOR: CHAPARRAL CITY WATER COMPANY

2 DOCKET NO.: W-02113A-13-0118

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# EXHIBIT 1



**MONTHLY MINIMUM CHARGE (All Classes):**

3/4" Meter	\$	20.40
3/4" Meter Residential Low Income		12.90
1" Meter		34.75
1" Meter Residential Low Income		27.25
1 1/2" Meter		69.25
2" Meter		111.00
3" Meter		222.00
4" Meter		346.75
6" Meter		693.50
8" Meter		1,109.75
10" Meter		1,595.25
12" Meter		2,982.50

Fire Sprinkler Service - All Meter and Valve Sizes \*

\* 2.00 percent of monthly minimum for a comparable size 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.

**COMMODITY CHARGE – Per 1,000 Gallons:****3/4-Inch Meter – Residential and Commercial**

0 gallons to 3,000 gallons	\$	2.45
3,001 gallons to 9,000 gallons		3.65
Over 9,000 gallons		4.50

**1-Inch Meter – Residential and Commercial**

0 gallons to 24,000 gallons	\$	3.65
Over 24,000 gallons		4.50

**1 1/2-Inch Meter – Residential and Commercial**

0 gallons to 60,000 gallons	\$	3.65
Over 60,000 gallons		4.50

**2-Inch Meter – Residential and Commercial**

0 gallons to 100,000 gallons	\$	3.65
Over 100,000 gallons		4.50

**3-Inch Meter – Residential and Commercial**

0 gallons to 225,000 gallons	\$	3.65
Over 225,000 gallons		4.50

**4-Inch Meter – Residential and Commercial**

0 gallons to 350,000 gallons	\$	3.65
Over 350,000 gallons		4.50

**6-Inch Meter – Residential and Commercial**

0 gallons to 725,000 gallons	\$	3.65
Over 725,000 gallons		4.50

**8-Inch Meter – Residential and Commercial**

0 gallons to 1,125,000 gallons	\$	3.65
Over 1,125,000 gallons		4.50

**10-Inch Meter – Residential and Commercial**

0 gallons to 1,500,000 gallons	\$	3.65
Over 1,500,000 gallons		4.50

**12-Inch Meter – Residential and Commercial**

0 gallons to 2,250,000 gallons	\$	3.65
Over 2,250,000 gallons		4.50

**Irrigation, Hydrants and Fire Sprinklers**

All Usage	\$	3.65
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**SERVICE LINE AND METER INSTALLATION CHARGES:**

(Refundable Pursuant to A.A.C. R14-2-405)

	Service Line	Meter Installation	Total
5/8" x 3/4" Meter	\$385.00	\$135.00	\$520.00
3/4" Meter	385.00	195.00	580.00
1" Meter	435.00	234.00	669.00
1 1/2" Meter	470.00	367.00	837.00
2" Turbine Meter	At Cost	At Cost	At Cost
2" Compound Meter	At Cost	At Cost	At Cost
3" Turbine Meter	At Cost	At Cost	At Cost
3" Compound Meter	At Cost	At Cost	At Cost
4" Turbine Meter	At Cost	At Cost	At Cost
4" Compound Meter	At Cost	At Cost	At Cost
6" Turbine Meter	At Cost	At Cost	At Cost
6" Compound Meter	At Cost	At Cost	At Cost
8" & Larger Meters	At Cost	At Cost	At Cost
Fire Sprinkler Service - All Meter and Valve Sizes			At Cost

**MISCELLANEOUS SERVICE CHARGES:**

Establishment	\$	30.00
Re-Establishment (Within 12 Months)		(a)
Reconnection (Delinquent)	\$	35.00
Meter Test (if correct)		35.00
Meter Re-read (if correct)		10.00
Moving Meter at Customer Request		At Cost
Deposit		(b)
Deposit Interest		6.00%
NSF Check	\$	25.00
Late Payment Penalty, Per Month		1.50%
Deferred Payment, Per Month		1.50%
After Hours Service Charge*	\$	50.00

(a) Number of full months off the system times the monthly minimum, per A.A.C. R14-2-403(D).

(b) Per A.A.C. R14-2-403(B). Residential - two times the average monthly bill. Non-residential - two and one half times the average monthly bill.

\* For work performed on the customer's property after hours, at customer's request. In addition to the charge for any utility service provided.

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).