

1 average concentrations of arsenic, fluorides, and total dissolved solids. However, preliminary  
 2 sampling indicates that fluoride concentrations will be within the Maximum Contaminant Level of  
 3 4.0 mg/l. Although Staff indicated that arsenic concentrations are not yet known, at hearing Mr.  
 4 Poulos testified that two nearby wells of Picacho Water Company have recorded arsenic levels of 16  
 5 and 22 parts per billion ("ppb"). Santa Rosa built into its capital cost estimates arsenic removal  
 6 expenses associated with achieving the new federal guidelines (effective in 2006) of 10 ppb of  
 7 arsenic. Santa Rosa's estimates are based on the assumption that its wells will encounter arsenic  
 8 readings similar to those recorded by Picacho Water Company (Tr. 22-23).

9 11. Pursuant to the Commission's rules, SRWC provided five-year projections for plant  
 10 values, operating revenues and expenses, and number of customers. Such projections are necessary  
 11 to establish rates for new companies due to the lack of historical data. Staff reviewed SRWC's  
 12 projections and recommended that the Commission find SRWC's fair value rate base to be  
 13 \$3,918,169.

14 12. SRWC proposed an initial residential/commercial rate composed of a \$15.00 base rate  
 15 and a single tier \$3.95 commodity rate per 1,000 gallons. Staff agreed with the Company's base rate  
 16 but recommended a three-tier inverted block commodity rate structure, to encourage conservation  
 17 efforts. Staff's recommended rates would generate an average water bill of \$57.38, which is  
 18 comparable to SRWC's proposed average customer bill. SRWC's proposed rates and charges, and  
 19 Staff's recommended rates and charges, are as follows:

	Proposed Rates	
	<u>Company</u>	<u>Staff</u>
<u>MONTHLY USAGE CHARGE:</u>		
22 5/8" x 3/4" Meter	\$15.00	\$15.00
23 3/4" Meter	15.00	15.00
24 1" Meter	22.00	22.00
25 1 1/2" Meter	33.00	33.00
26 2" Meter	44.00	44.00
27 3" Meter	0.00	66.00
28 4" Meter	88.00	88.00
6" Meter	176.00	176.00
8" 6" Meter	200.00	200.00
10" 6" Meter	200.00	200.00

1	Gallons included in minimum	0	0
2	Commodity Charge per 1,000 gallons:		
3	From 0 to 8,000 Gallons	\$3.95	\$3.75
4	From 8,001 to 20,000	3.95	4.50
	In excess of 20,000	3.95	5.25
5	<u>SERVICE LINE AND METER</u>		
6	<u>INSTALLATION CHARGES</u>		
7	5/8" x 3/4" Meter	\$0.00	0.00
8	3/4" Meter	0.00	0.00
9	1" Meter	0.00	0.00
10	1 1/2" Meter	0.00	0.00
11	2" Meter (compound)	0.00	0.00
12	3" Meter (compound)	0.00	0.00
13	4" Meter (compound)	0.00	0.00
14	6" Meter (turbo)	0.00	0.00
15	6" Meter (compound)	0.00	0.00
16	<u>SERVICE CHARGE:</u>		
17	Establishment	\$30.00	\$30.00
18	Establishment (After Hours)	37.50	37.50
19	Reconnection (Delinquent)	25.00	25.00
20	Meter Test (If Correct)	35.00	35.00
21	Deposit	*	*
22	Deposit Interest	*	*
23	Re-establishment (Within 12 Months)	**	**
24	NSF Check	15.00	15.00
25	Deferred Payment	1.50%	1.50%
26		Per month of	Per month of
27		unpaid balance	unpaid balance
28	Meter Reread (If Correct)	25.00	25.00
29	Late Payment Penalty (per month)	0.00%	1.5%
30	Main Extension	Cost	Cost
31	<u>MONTHLY SERVICE CHARGE FOR FIRE</u>		
32	<u>SPRINKLER:</u>		
33	4" or smaller	***	***
34	6"	***	***
35	8"	***	***
36	10"	***	***
37	Larger than 10"	***	***