



Rate Case Expense Surcharge

Background

Decision Number 78644 approved \$500,000 in rate case expense to be collected over two years through a Rate Case Expense Surcharge. Decision Number 78644 found that “(A) flat rate surcharge that increases with meter size that divides the rate case expense evenly between all customers throughout the utilities (water and wastewater) involved in this matter having customers would be most reasonable.”¹

Surcharge Amounts

Table 1 Rate Case Expense Surcharges

5/8X3/4 Inch	\$0.35
3/4 Inch	0.35
1 Inch	0.87
1 1/2 Inch	1.74
2 Inch	2.78
3 Inch	5.22
4 Inch	8.69
6 Inch	17.39
8 Inch	27.82
10 inch	34.78
Flat Rate IRR ²	332.53

¹ Decision Number 78644 at page 148, lines 23-26.

² GW– Turner only. GW – Turner is a special case because GW-Turner’s 949 flat rate irrigation customers are billed collectively through the HOA. The collective surcharge is equivalent to the \$0.35 surcharge for 5/8” by 3/4” customers multiplied by 949.

Effective Date:
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Docket No: SW-20445A-20-0214 et. al.
ACC Approval:

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Phoenix, AZ 85027



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Basis of Surcharges

The above surcharges were calculated as follows:

1. The total amount to be collected, \$500,000, was divided by 24 months to come up with a monthly collection amount of \$20,833.
2. Then, the total number of equivalent 5/8” by 3/4” customers was calculated based on customer counts by meter size (from July 2022) for each utility with customers and standard NARUC meter multipliers. The total number of 5/8” by 3/4” equivalent customers is 59,902.
3. The monthly collection amount of \$20,833 was divided by the total number of equivalent 5/8” by 3/4” customers. This results in a surcharge of \$0.35 per equivalent 5/8” by 3/4” customer per month.
4. NARUC meter multipliers were applied to the \$0.35 to calculate the surcharge for other meter sizes.³

The attached Schedules 1 and 2 detail this calculation.

Utilities Subject to Rate Case Expense Surcharge

The surcharges listed in Table 1 above apply to the following utilities.

After Consolidation	Before Consolidation
GW-Santa Cruz (Pinal County Water Utility)	GW-Santa Cruz
	Global Water – Red Rock Water Merger, Inc. [received Pinal County water assets from GW-Red Rock]
	GW-Picacho Water

³ Because the overwhelming majority of our customers are on 3/4” meters and 3/4” customers’ rates are the same as 5/8” by 3/4” customers’, we have used a meter multiplier of 1 for 3/4” customers.

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After Consolidation	Before Consolidation
GW-Palo Verde (Pinal County Wastewater Utility)	GW-Palo Verde
	Global Water – Red Rock Wastewater Merger Inc. [received Pinal County wastewater assets from GW-Red Rock]
	GW-Picacho Utilities
GW-Belmont (Maricopa County Water Utility) (renamed from GW-Tonopah)	GW-Tonopah
	GW-Eagletail
	GW-Scottsdale
GW-Hassayampa (Maricopa County Wastewater Utility)	GW-Hassayampa
	GW-Balterra
GW-Turner	GW-Turner
Global Water—Red Rock Water Company, Inc. (renamed from GW-Red Rock Utilities Company, Inc.)	GW-Red Rock (Pima County Water Assets)

Surcharge Commencement and Termination

The surcharges listed in Table 1 will take effect on the first day of next month following the effective date of the Commission Order approving the surcharges. The surcharges

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listed in Table 1 will terminate automatically after two years or when a total of \$500,000 is collected whichever is sooner.

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