

**PUBLIC NOTICE OF MESCAL LAKES WATER SYSTEMS, INC.'S  
RATE APPLICATION  
DOCKET NO. W-02472A-22-0119**

Mescal Lakes Water Systems, Inc. has applied to the Arizona Corporation Commission for an adjustment in rates. The current rates have been in effect since July 2019. An increase in rates is necessary at this time due to number of years since the last rate increase and the associated cost increases during that time. Based on the Company's un-audited Test Year results, Mescal Lakes Water Systems, Inc. realized an operating loss of \$3,737. The Company is requesting a revenue increase of \$54,000 or 24.22% of total revenues. Please see the attached Schedules 7 and 8 of the Company's application for the current and proposed rates.

The Application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street and at Mescal Lakes Water Systems, Inc., 2015 North Forbes, Suite 107, Tucson, AZ 85745, (800) 315-5333. **Please be advised that the rates and charges ultimately approved by the Commission may be higher or lower than the rates and charges requested in the Application.**

Customer input is an important part of the Commission's analysis of the requested adjustment and is a factor in determining whether a hearing will be conducted. Customers should bring to the Commission's attention any questions or concerns related to the Company's Application, including service, billing procedures or other factors important in determining the reasonableness of charges. Customers may have the right to intervene in this matter. Customers wishing to communicate with the Commission, or request information on intervention in the proceeding, should contact the Commission's Consumer Services Section at 800-222-7000 (if located outside the Phoenix local calling area) or 602-542-4251 in the Phoenix local calling area. Written public comments may be submitted by mailing a letter referencing **Docket No. W-02472A-22-0119** to the Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by submitting comments on the Commission's website ([www.azcc.gov](http://www.azcc.gov)) by clicking on "Cases and Open Meetings" and "Make a Public Comment in a Docket".

If you do not intervene in this proceeding, you will receive no further notice of the proceedings in this docket unless you sign up to Follow the Docket. However, all documents filed in this docket are available online (usually within 24 hours after docketing) at the Commission's website ([www.azcc.gov](http://www.azcc.gov)) using the e-Docket function. Information on how to Follow a Docket is available on the Commission's website by clicking on "Cases and Open Meetings" and "Follow a Docket or Document Type."

Customers are advised that the Commission may act upon the Application without a hearing. Regardless of whether a formal hearing is held, customer comments submitted in writing will be

placed in the office file, which the Commission reviews prior to making its final decision on the Application. It is important that customers contact the Commission within 15 days of the receipt of this notice so that the Commission's Staff can consider customer comments and concerns in developing its recommendations to the Commission.

**CURRENT AND PROPOSED RATES**

**MONTHLY USAGE CHARGES:**

Meter Size	Customer Class	CURRENT RATES		PROPOSED RATES	
		Rate	Gallons Included	Rate	Gallons Included
5/8" x 3/4" Meter	All	\$ 16.50	0	\$ 21.20	0
3/4" Meter	All	16.50	0	31.80	0
1" Meter	All	35.00	0	53.00	0
1-1/2" Meter	All	40.00	0	106.00	0
2" Meter	All	50.00	0	169.60	0
3" Meter	All	60.00	0	339.20	0
4" Meter	All	100.00	0	530.00	0
6" Meter	All	230.00	0	1,060.00	0
8" Meter	All	N/A	N/A	1,696.00	0
10" Meter	All	N/A	N/A	2,438.00	0

**COMMODITY RATE CHARGE: (per 1,000 gallons)**

	CURRENT RATES			PROPOSED RATES		
	RATES	Gallons		RATES	Gallons	
		FROM	TO		FROM	TO
<b>Monthly Usage Charges</b>						
Per 1,000 Gallons						
Commodity Charge	\$ 3.50	All Gallons		N/A	N/A	N/A
Bulk Water	4.50	All Gallons		\$ 5.34	All Gallons	
<b>5/8" x 3/4" Meter - All Classes</b>						
Tier 1	N/A	N/A	N/A	\$ 3.43	0	3,000
Tier 2	N/A	N/A	N/A	4.50	3,001	10,000
Tier 3	N/A	N/A	N/A	5.34	Gallons in excess of 10,000	
<b>3/4" Meter - All Classes</b>						
Tier 1	N/A	N/A	N/A	\$ 3.43	0	3,000
Tier 2	N/A	N/A	N/A	4.50	3,001	10,000
Tier 3	N/A	N/A	N/A	5.34	Gallons in excess of 10,000	
<b>1" Meter - All Classes</b>						
Tier 1	N/A	N/A	N/A	\$ 4.50	0	25,000
Tier 2	N/A	N/A	N/A	5.34	Gallons in excess of 25,000	
<b>1 1/2" Meter - All Classes</b>						
Tier 1	N/A	N/A	N/A	\$ 4.50	0	50,000
Tier 2	N/A	N/A	N/A	5.34	Gallons in excess of 50,000	
<b>2" Meter - All Classes</b>						
Tier 1	N/A	N/A	N/A	\$ 4.50	0	80,000
Tier 2	N/A	N/A	N/A	5.34	Gallons in excess of 80,000	
<b>3" Meter - All Classes</b>						
Tier 1	N/A	N/A	N/A	\$ 4.50	0	160,000
Tier 2	N/A	N/A	N/A	5.34	Gallons in excess of 160,000	
<b>4" Meter - All Classes</b>						
Tier 1	N/A	N/A	N/A	\$ 4.50	0	250,000
Tier 2	N/A	N/A	N/A	5.34	Gallons in excess of 250,000	
<b>6" Meter - All Classes</b>						
Tier 1	N/A	N/A	N/A	\$ 4.50	0	500,000
Tier 2	N/A	N/A	N/A	5.34	Gallons in excess of 500,000	
<b>8" Meter - All Classes</b>						
Tier 1	N/A	N/A	N/A	\$ 4.50	0	800,000
Tier 2	N/A	N/A	N/A	5.34	Gallons in excess of 800,000	
<b>10" Meter - All Classes</b>						
Tier 1	N/A	N/A	N/A	\$ 4.50	0	1,150,000
Tier 2	N/A	N/A	N/A	5.34	Gallons in excess of 1,150,000	

**TYPICAL BILL ANALYSIS**

5/8 x 3/4-inch Meter

Average Number of Customers: 516

Usage	Gallons	Present Rates	Proposed Rates	Dollar Incr. From Current	Percent Increase
Average Usage	5,158	\$ 34.55	\$ 41.21	\$ 6.66	19.27%
Median Usage	3,480	\$ 28.68	\$ 33.66	\$ 4.98	17.36%

**Present & Proposed Rates (Without Taxes)**

5/8 x 3/4-inch Meter

Gallons	Present Rates	Company Proposed	Increase Amount	Increase %
-	\$ 16.50	\$ 21.20	\$ 4.70	28.48%
1,000	20.00	24.63	4.63	23.15%
2,000	23.50	28.06	4.56	19.40%
3,000	27.00	31.49	4.49	16.63%
4,000	30.50	35.99	5.49	18.00%
5,000	34.00	40.49	6.49	19.09%
6,000	37.50	44.99	7.49	19.97%
7,000	41.00	49.49	8.49	20.71%
8,000	44.50	53.99	9.49	21.33%
9,000	48.00	58.49	10.49	21.85%
10,000	51.50	62.99	11.49	22.31%
15,000	69.00	89.69	20.69	29.99%
20,000	90.00	116.39	26.39	29.32%
25,000	111.00	143.09	32.09	28.91%
50,000	202.00	276.59	74.59	36.93%
75,000	293.00	410.09	117.09	39.96%
100,000	384.00	543.59	159.59	41.56%
125,000	475.00	677.09	202.09	42.55%
150,000	566.00	810.59	244.59	43.21%
175,000	657.00	944.09	287.09	43.70%
200,000	748.00	1,077.59	329.59	44.06%

**CURRENT AND PROPOSED SERVICE CHARGES**

**SERVICE LINE AND METER INSTALLATION CHARGES**

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

METER SIZE	CURRENT CHARGES	COMPANY PROPOSED		
	Total Charge	Service Line Charge	Meter Charge	Total Charge
5/8" x 3/4" Meter	\$ 400.00	\$ 565.00	\$ 158.00	\$ 723.00
3/4" Meter	450.00	565.00	260.00	825.00
1" Meter	500.00	629.00	321.00	950.00
1-1/2" Meter	715.00	699.00	536.00	1,235.00
2" Meter - Turbine	1,170.00	1,054.00	1,066.00	2,120.00
2" Meter - Compound	N/A	1,054.00	1,928.00	2,982.00
3" Meter - Turbine	\$ 1,585.00	1,327.00	1,703.00	3,030.00
3" Meter - Compound	N/A	1,480.00	2,596.00	4,076.00
4" Meter - Turbine	\$ 2,540.00	1,892.00	2,723.00	4,615.00
4" Meter - Compound	N/A	2,121.00	3,718.00	5,839.00
6" Meter - Turbine	\$ 4,815.00	2,807.00	5,126.00	7,933.00
6" Meter - Compound	N/A	2,959.00	7,058.00	10,017.00
8" Meter - Turbine	N/A	At Cost	At Cost	At Cost
10" Meter - Turbine	N/A	At Cost	At Cost	At Cost
12" Meter - Turbine	N/A	At Cost	At Cost	At Cost
Road Cut (if needed)	N/A	At Cost	N/A	At Cost

SERVICE CHARGES:	CURRENT CHARGES	PROPOSED CHARGES
Establishment	\$ 25.00	\$ 40.00
Establishment (After Hours)	35.00	N/A
Reconnection (Delinquent)	25.00	\$ 40.00
After Hours Requests - Hourly Service Charge	N/A	\$ 50.00
Meter Test (If Correct)	\$ 40.00	40.00
Deposit	*	*
Deposit Interest	*	*
Re-Establishment (Within 12 Months)	**	**
NSF Check	\$ 15.00	\$ 25.00
Deferred Payment (Per Month)	1.50%	1.50%
Meter Re-Read (If Correct)	\$ 20.00	\$ 30.00
Late Fee (Per Month)	1.50%	***

**Monthly Service Charges for Fire Sprinkler**

4" or Smaller	****	****
6"	****	****
8"	****	****
10"	****	****
Larger Than 10"	****	****

- \* Per A.A.C. R14-2-403(B)
- \*\* Months off system times the minimum (R14-2-403.D)
- \*\*\* The greater of \$5.00 or 1.5% of the balance due.
- \*\*\*\* 1 percent of monthly minimum for a comparable sized meter connection, but no less than \$5.00 per month. The service harges for fire spinklers is only applicable for service lines separate and distinct from the primary water service line.

*In addition to the collection of its regular rates and charges, the utility shall collect from its customers a proportionate share of any privilege, sales, or use tax per A.A.C. R14-2-409(D).*