

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF NEW MEXICO WATER)
SERVICE COMPANY'S APPLICATION FOR)
APPROVALS OF REVISED RATES)
PURSUANT TO ADVICE NOTICE NO. 23,)
FOURTEENTH REVISED RATE NOS. 1, 2,)
AND 4 AND FIRST REVISED RATE NO. 5)
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NEW MEXICO WATER SERVICE COMPANY,)
)
APPLICANT.)
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_____)

Case No. _____

DIRECT TESTIMONY

OF

GREGORY D. SHIMANSKY

**ON BEHALF OF
NEW MEXICO WATER SERVICE COMPANY**

June 26, 2026

NMPRC CASE NO.

**DIRECT TESTIMONY OF GREGORY D. SHIMANSKY
ON BEHALF OF
NEW MEXICO WATER SERVICE COMPANY**

I. INTRODUCTION AND SUMMARY

Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.

A. My name is Gregory D. Shimansky. I am the Director of Home States Rates and Regulatory Affairs for California Water Service Group (“Cal Water”, or “Group”), the parent company of New Mexico Water Service Company (“New Mexico Water”, “NMWSC”, or “Company”). My responsibilities include overseeing rate implementation and regulatory compliance for New Mexico Water, Washington Water Service Company, Hawaii Water Service Company, and Texas Water Service Company, collectively known as the “Home States.”¹ My business mailing address is 1720 North First Street, San Jose, California 95112.

Q. WHAT IS CALIFORNIA WATER SERVICE GROUP?

A. CalWater is a publicly traded company whose principal business is the ownership of the common stocks of water and wastewater companies. Group consists of five subsidiaries, California Water Service Company (“CWSC”), Hawaii Water Service Company (“HWSC”), New Mexico Water, Washington Water Service Company (“WWSC”), and Texas Water Service Company (“TWS”). The selection of the names not only conveys the relationship of the operating subsidiaries within Group but also shows a statewide interest and commitment to water and wastewater utility operations in each of those particular states, as well as Group’s emphasis on service to our customers, employees and the communities we serve.

¹ On February 26, 2026, California Water Services Group announced the acquisition of water and wastewater systems in Oregon and Nevada. Those systems will be rolled in on a go forward basis effective upon close of that transaction.

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ON BEHALF OF
NEW MEXICO WATER SERVICE COMPANY**

1 **Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND**
2 **PROFESSIONAL EXPERIENCE.**

3 A. I earned a Bachelor of Arts in Economics from the University of California, Los Angeles
4 in June 1993. I earned a Master of Science in Management, with concentrations in Finance
5 and Marketing, from Purdue University in May 1998. I began my employment with Cal
6 Water in May 2024. I also serve as Faculty for the National Association of Regulatory
7 Utility Commissioners (“NARUC”) as a Rate School instructor and coach. Prior to joining
8 Cal Water, I worked for Indiana American Water, Inc. for six years as the Director of Rates
9 and Regulatory over Indiana, Michigan (prior to the sale of the unit), and Iowa (on an
10 interim basis). Prior to that, I was employed by Sempra Energy from June 2003 through
11 August 2018 as the General Rate Case Program Manager for both San Diego Gas &
12 Electric and Southern California Gas Company.

13 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS**
14 **PROCEEDING?**

15 A. The purpose of my testimony is to explain the Company’s need to change rates for the
16 NMWSC sewer system in the Rio Sewer District (“Rio sewer system”), to explain the
17 history around customer rate filings for the Rio sewer system, to explain the Company’s
18 position as it pertains to the proposed update to the Connection Fee, to summarize the
19 revenue requirement being asked for in this proceeding, and to present the rates and tariffs
20 associated with this proposal.

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1 **Q. WAS THIS TESTIMONY DEVELOPED BY YOU OR BY INDIVIDUALS UNDER**
2 **YOUR DIRECTION?**

3 A. Yes. Everything in this testimony was developed by me, employees under my direction, or
4 by external consultants whose work was done under my direction and review.

5 **Q. ARE YOU AN ATTORNEY?**

6 A. No. Nor should my testimony be construed as offering any legal opinions or interpretations.
7 My testimony is offered from the standpoint of a technical practitioner and is specific to
8 the concepts of utility ratemaking.

9 **Q. PLEASE SUMMARIZE YOUR DIRECT TESTIMONY.**

10 A. In my direct testimony, I provide an introduction to the witnesses in this case, and overview
11 of the procedural history of New Mexico Water sewer cases, a summary of the Company's
12 revenue requirement request, and updated tariffs to reflect the proposed changes.

13 **Q. ARE YOU PROVIDING ANY EXHIBITS ALONG WITH YOUR DIRECT**
14 **TESTIMONY?**

15 A. Yes.

16 GS-1 – Advice Notice No. 23, Fourteenth Revised Rate Nos. 1, 2, and 4 and First Revised
17 Rate No. 5
18

19 **II. INTRODUCTION OF WITNESSES**

20 **Q. PLEASE LIST THE TESTIMONIES THAT THE COMPANY IS INCLUDING IN**
21 **THIS FILING.**

22 A. The Company will be providing the following testimonies in support of this proposal:

23 Direct Testimony of Gregory D. Shimansky summarizing the case.

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1 Direct Testimony of Chris Ekrut of NewGen Solutions Inc. providing the
2 calculation of the cost of service, revenue requirement, rate design, and a update of the
3 connection fee.

4 Direct Testimony of Zak Wright of NewGen Solutions Inc. providing an analysis
5 of the cost of capital used in this case.

6 Direct Testimony of Dale Tafoya describing the projected new growth in the Rio
7 sewer district and the necessary facility improvements for the wastewater plants.

8 Direct testimony of Cynthia Apodaca, providing a general historical overview of
9 the NMWSC Rio sewer district and rate increase history.

10 **Q. WHAT IS THE COMPANY'S RELATIONSHIP WITH THE WITNESSES IN THIS**
11 **CASE?**

12 A. As noted, I am employed by CalWater. Mr. Tafoya is the Superintendent for NMWSC.
13 Cynthia Apodaca is recently retired as the General Manager of NMWSC (7 years) and
14 before that the Chief Financial Officer (17 years). Mr. Ekrut and Mr. Wright are employed
15 by an outside consulting firm, NewGen Solutions, hired by New Mexico Water for the
16 purpose of establishing a revenue requirement, a Utility Capacity Charge, Cost of Capital,
17 Cost of Service, and sewer rates for the New Mexico Water wastewater system.

18 **III. BACKGROUND**

19 **Q. PLEASE DESCRIBE NEW MEXICO WATER SERVICE COMPANY'S**
20 **OPERATIONS IN NEW MEXICO AND THE RIO DISTRICT SEWER SYSTEM.**

21 A. NMWSC is a regulated water and wastewater public utility providing service in six water
22 divisions and one sewer division in the state of New Mexico. Those water divisions are
23 Rio Water, Elephant Butte and Meadow Lake Water, Cypress Gardens Water, Sandia

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Knolls and Juan Thomas Water, Indian Hills Water, and Morningstar Water. The company has one sewer division in Valencia County (the Rio Sewer District) with two wastewater plants, Rio Communities (“Rio”) and Rio Del Oro (“RDO”). The two plants and wastewater service constitute one rate district, the Rio Sewer District. The Rio plant serves Rio Communities and Rio Grande Industrial Park; the Rio Del Oro plant serves areas outlying Rio Communities in Valencia County.

Q. PLEASE DESCRIBE NEW MEXICO WATER SERVICE COMPANY’S SERVICE IN VALENCIA COUNTY WITH REGARD TO CUSTOMER COUNT.

A. In 2002, New Mexico Water was formed with the acquisition of the former Rio Grande Utility Corporation system that provided water and wastewater services in Valencia County. At that time, the utility provided water service to 2,265 customers and wastewater service to 1,600 customers. Currently, the Rio Water Division serves approximately 3,565 water and the Sewer Division 2,744 wastewater customers. In the calendar year 2024, NMWSC's Rio Sewer District served more than 1,500 but less than 5,000 customers.

Q. WHAT ARE THE ANNUAL REVENUES OF NMWSC’S SEWER DIVISION IN VALENCIA COUNTY?

A. During the calendar year 2024 and the three preceding calendar years, NMWSC's Rio Sewer District had revenues in excess of \$1,785,000 but less than \$2,040,000.

Q. PLEASE DISCUSS THE HISTORY LEADING TO THE COMPANY’S REQUEST IN THIS PROCEEDING.

A. The last General Rate Case was filed before the New Mexico Public Regulation Commission in Case No. 3664. Since that time, New Mexico Water has filed rate changes

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1 periodically pursuant to 17.12.770 and 17.13.970 NMAC, which authorize short form
2 filings for rate changes below eight percent for small water and sewer utilities. The last rate
3 change for the Rio Sewer District was effective on October 14, 2024. As discussed in the
4 Direct Testimony of Chris Ekrut, the purpose of this filing is to align rates with the
5 projected cost of providing sewer service. Mr. Ekrut shows in Table 2 of his testimony that
6 without a rate change, NMWSC would face an approximate \$235,000 revenue shortfall in
7 the test year.

8 **Q. PLEASE DISCUSS THE PROCEDURAL HISTORY OF THIS RATE CASE.**

9 A. On April 28, 2025, NMWSC filed an application with Advice Notice No. 22 to increase
10 the Sewer Connection Fee, or Utility Capacity Charge known as Rate No. 5 to offset the
11 capital costs the Company expected to incur for expansion of the RDO plant. On June 18,
12 2025, the PRC received motions to intervene from 4 parties.² During the week of August
13 5 through August 8, interveners and Commission Staff filed direct testimony. On
14 September 2, 2025, the Company submitted rebuttal testimony and stated an intent to file
15 a motion for withdrawal and dismissal of the pending case to allow the filing of a general
16 rate case.³ On September 2, 2026, the Company filed a motion requesting leave to
17 withdraw the application and for dismissal of the case. In that motion, the Company
18 proposed to file a general rate case in the first half of 2026. By order of the Commission
19 on February 12, 2026, NMWSC was ordered to file a general rate case in the first half of

² The City of Rio Communities, Vermillion Lake Land and Cattle Company LLC, and Jessica Rasband, Eric Rasband, and Russell Mauricio.

³ Rebuttal Testimony of Cynthia Apodaca on Behalf of New Mexico Water Service Company at 12, Case No. 25-00035-UT (Sept.2, 2025).

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2026. On May 22, 2026, the Commission set June 26, 2026 as the deadline for filing the proposed rate case and provided a variance allowing NMWSC to use a base period ending December 31, 2025.

IV. COMPONENTS OF THE FILING

Q. PLEASE EXPLAIN THE INFORMATION INCLUDED IN THIS FILING.

A. In support of this general rate case, the Company is submitting the following:

- A Cost of Service Study;
- An analysis and proposal for an authorized Cost of Capital, including a proposed Return on Equity;
- An updated Utility Capacity Charge (“UCC”), or Rate No. 5;
- A fully forecasted revenue requirement for the Rio del Oro and Rio wastewater plants for a 2027 Test Year;
- An updated sewer rate for the Rio Sewer District for all customer classes; and
- Updated tariff pages to reflect the above.

V. RATE AND REVENUE IMPACTS

Q. PLEASE GENERALLY EXPLAIN THE REASON FOR THE PROPOSED RATE INCREASES.

A. The current sewer rates were established under Advice Notice No. 20, effective October 14, 2024, which implemented previously approved rates. NMWSC is filing this case to: (i) align rates with the projected cost of providing sewer service over the future Test Year, including the cost of capital additions needed to meet permitted treatment capacity; and (ii)

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1 implement a revised UCC to address the costs associated with new residential growth and
2 the associated need for improvements and increased capacity6, .

3 **Q. PLEASE PROVIDE AN OVERVIEW OF THE WASTEWATER REVENUE**
4 **INCREASE PRESENTED IN THIS RATE CASE.**

5 A. New Mexico Water is requesting a 9.4% or \$233,786 increase in revenues for wastewater
6 services in the Rio Sewer District. As explained by Mr. Ekrut, the revenue increase is made
7 up of O&M expenses from operations and higher capital costs (Depreciation, Taxes and
8 Financing) from the capital expenditures related to upgrading the two wastewater plants
9 necessary to serve existing customers.

10 **Q. PLEASE PROVIDE AN OVERVIEW OF THE WASTEWATER RATES BEING**
11 **IMPACTED IN THIS RATE CASE.**

12 A. An average New Mexico Water sewer customer (residential) using on average 4,000
13 gallons per month of water will see a bill increase of 5.9%, going from \$61.58 to \$65.19.
14 Commercial and industrial customers will see bill increases proportional to their meter
15 size. While the percentage increases on the fixed charge for larger meter sizes are
16 substantial, the proposed rate design moves the class contribution closer to cost of
17 service while preserving the uniform tariff structure that applies a single set of rates to
18 all customers across both service areas.

19 **VI. UTILITY CAPACITY CHARGE**

20 **Q. HOW WOULD YOU DEFINE THE UTILITY CAPACITY CHARGE (“UCC”)?**

21 A. The UCC, sometimes referred to as a connection fee in other jurisdictions, is designed as a
22 one-time fee paid by customers entering a utility system as a new customer and requiring

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1 a new meter or connection. The fee's purpose is to assign the fair share of entering the
2 system to make sure existing customers are not burdened by growth.

3 **Q. WHAT DOES A UCC INTEND TO COVER?**

4 A. The UCC is intended to cover the cost of the new customer's impact on infrastructure
5 capacity. It could recover treatment plant upgrades, backbone transmission systems,
6 storage tanks, and many other infrastructure investments.

7 **Q. WHY IS A UCC IMPORTANT?**

8 A. As mentioned above, the UCC is important as it assigns, or is intended to assign, the cost
9 of growth to those causing the growth. In other words, it assigns the cost to the causer of
10 the cost. Absent a UCC, or absent an adequate UCC, the burden to pay for growth will shift
11 to the existing customers.

12 **Q. HOW DOES A UCC HELP EASE THE BURDEN OF EXISTING CUSTOMERS?**

13 A. When a new customer pays the UCC, or any type of startup contractual cost, those funds
14 received are considered, in accounting terms, to be Contributions In Aid of Construction
15 ("CIAC"). CIAC offsets rate base, which is a calculation of net assets upon which a
16 company applies a rate of return to collect financing to build those assets. Thus, when
17 CIAC is collected and rate base is reduced, the revenue charged for financing is also
18 reduced. This means that existing customers will not be charged for the new investments
19 to fund this growth. Further, the depreciation charged to collect on the investment itself is
20 reduced as the total amount of plant to be recovered is reduced. Therefore, it is important
21 that the UCC fee be set at a level sufficient to pay for the investments needed to fund the
22 infrastructure improvements required to service new customers.

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1 Q. CAN YOU PROVIDE AN EXAMPLE OF HOW THIS WORKS?

2 A As an example, if there is a \$10 million investment to upgrade a plant, all users of that plant
3 would see a portion of that \$10 million in their normal rates and charges (usually in the
4 form of depreciation, taxes, property taxes, interest expenses and return). If instead that
5 investment is for growth and the UCC is charged to growth causers (new users), then when
6 the company collects the UCC, the \$10M is offset. The cost of the line extension is not
7 affected or reduced—it is still \$10 million—but the amount needed to be collected is
8 reduced. In this example, there is a \$10 million investment but \$6 million of it is recovered
9 from new users from the UCC. Thus, with the UCC offset, all users (including existing
10 users) of that plant would see only a portion of the remaining investment not covered by
11 the UCC—in this case, \$4 million—in their normal rates and charges. A properly working
12 UCC will assign the cost of the improvements to the causers of the improvements and away
13 from existing users.

14 **Q. WHAT ARE THE IMPLICATIONS OF HAVING AN OUTDATED OR**
15 **INADEQUATE UCC FEE?**

16 A. As stated above, if the UCC is set too low, then new connections will not be contributing
17 enough to pay for the capital improvements needed to accommodate them, and existing
18 customers will be left to pay the remainder. It is because of this that it is important that the
19 UCC be set at an adequate level.

20 **Q. WHAT IS THE IMPACT ON THE COMPANY FOR SETTING THE UCC TOO**
21 **HIGH OR TOO LOW?**

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1 A. There is no direct impact on the Company for setting the UCC too high or too low. As
2 explained above, funds received through the UCC are considered CIAC and offset rate
3 base. These funds are not recognized as revenues and do not flow through the income
4 statement, for the benefit or detriment to the Company's income. The UCC is an issue of
5 cost assignment not of return.

6 **Q. WHEN WAS THE CURRENT UCC ESTABLISHED?**

7 A. The current UCC, shown in Rate No. 5, was established at \$866 in a sewer rate case in
8 2002.⁴

9 **Q. WHAT ARE YOU PROPOSING THE UCC BE IN THIS PROCEEDING?**

10 A. As explained further in the Direct Testimony of Mr. Ekrut, the Company is proposing a
11 UCC of \$9,769. While the increase from the existing \$866 seems large, Mr. Ekrut shows
12 the calculations and considerations used to determine this new amount and how at this level
13 the new connections will be paying their proper share of the burden to connect them.

14 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

15 A. Yes.

⁴ See Case No. 3592, *In the Matter of the Joint Application of Rio Grande Utility Corporation and of New Mexico Water Service Company for the Several Approvals and Authorizations Required in Connection with the Sale by Rio Grande Utility Corporation and the Purchase, Acquisition, and Operation by New Mexico Water Service Company of Certain Water and Wastewater utility Facilities.*

DIRECT TESTIMONY OF GREGORY D. SHIMANSKY
ON BEHALF OF
NEW MEXICO WATER SERVICE COMPANY

**IN THE MATTER OF NEW MEXICO WATER
SERVICE COMPANY'S APPLICATION FOR
APPROVALS OF REVISED RATES
PURSUANT TO ADVICE NOTICE NO. 23,
FOURTEENTH REVISED RATE NOS. 1, 2,
AND 4 AND FIRST REVISED RATE NO. 5**

NEW MEXICO WATER SERVICE COMPANY,)
)
APPLICANT.)

/s/ Gregory D. Shimansky
Gregory D. Shimansky

**NEW MEXICO WATER SERVICE COMPANY
SEWER**

ADVICE NOTICE

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Advice No. 23

Date: June 26, 2026

NEW MEXICO PUBLIC REGULATION COMMISSION

New Mexico Water Service Company hereby gives notice to the public and the Commission of the filing and publishing of the following changes in tariff schedules which are attached hereto:

Rate No.	Title of Sheet	Canceling Rate No.	Date Effective
Fourteenth Revised Rate No. 1	Residential Sewer Service	Thirteenth Revised Rate No. 1	June 1, 2027
Fourteenth Revised Rate No. 2	Commercial Sewer Service	Thirteenth Revised Rate No. 2	June 1, 2027
Fourteenth Revised Rate No. 4	Institutional Sewer Service	Thirteenth Revised Rate No. 4	June 1, 2027
First Revised Rate No. 5	Sewer Utility Capacity Charge	Original Rate No. 5	June 1, 2027

ADVICE NOTICE NO. 23
NEW MEXICO WATER SERVICE CO.



Gregory D. Shimansky, Vice President Rates and Regulatory Affairs

**NEW MEXICO WATER SERVICE COMPANY
SEWER**

SEWER SERVICE RATE SCHEDULES

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Rate No.	Title	
Fourteenth Revised Rate No. 1	Residential Sewer Service	X
Fourteenth Revised Rate No. 2	Commercial Sewer Service	X
First Revised Rate No. 3	Other Charges	
Fourteenth Revised Rate No. 4	Institutional Sewer Service	X
First Revised Rate No. 5	Sewer Utility Capacity Charge	X

ADVICE NOTICE NO. 23
NEW MEXICO WATER SERVICE CO.



Gregory D. Shimansky, Vice President Rates and Regulatory Affairs

**NEW MEXICO WATER SERVICE COMPANY
SEWER
FOURTEENTH REVISED RATE NO. 1
CANCELING THIRTEENTH REVISED RATE NO. 1

RESIDENTIAL SEWER SERVICE**

Page 1 of 2

APPLICABILITY:

This rate is applicable for sewer service for all single family residences.

TERRITORY:

All single family residences provided with sewer service within the Rio Sewer District.

MONTHLY RATES:

Customer Charge: \$34.25 X

Plus Commodity Charge:
\$7.91 for each 1,000 gallons of average monthly winter water use, prorated per 100 X
gallons.

Average winter water use determined from billings for the residence made in each January, February, and March period. Monthly charge adjusted on billings made each April and would be constant through March of the following year.

Rates when average monthly winter water use is not known:

If a customer 1) occupies a newly constructed residence or has not established a winter quarter average, or 2) does not receive water service from New Mexico Water Service Co., the monthly Rate will be the average of all the billings for residential customers for which average monthly winter water use information is available.

Minus Return Flow Use Credit:

\$.174 for each 1,000 gallons of average monthly winter water use, prorated per 100 gallons.

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NEW MEXICO WATER SERVICE CO.



Gregory D. Shimansky, Vice President Rates and Regulatory Affairs

**NEW MEXICO WATER SERVICE COMPANY
SEWER
FOURTEENTH REVISED RATE NO. 1
CANCELING THIRTEENTH REVISED RATE NO. 1**

RESIDENTIAL SEWER SERVICE

Page 2 of 2

MONTHLY MINIMUM:

Customer Charge plus applicable taxes.

TERMS OF PAYMENT:

All bills under this rate are due and payable when rendered and become delinquent twenty (20) calendar days thereafter.

TERMS AND CONDITIONS:

New Mexico Water Service Co.'s filed rules apply to service under this schedule.

TAX ADJUSTMENT CLAUSE:

Billings under this schedule may be increased by an amount equal to the taxes payable under the Gross Receipts and Compensation Tax Act and all other taxes, fees or charges (exclusive of ad valorem taxes and state and federal income taxes) payable by New Mexico Water Service Co. and levied or assessed by any governmental authority on the utility service rendered, or on the right or privilege of rendering the service, or on any object or event incidental to the rendition of this service.

ADVICE NOTICE NO. 23
NEW MEXICO WATER SERVICE CO.



Gregory D. Shimansky, Vice President Rates and Regulatory Affairs

**NEW MEXICO WATER SERVICE COMPANY
SEWER
FOURTEENTH REVISED RATE NO. 2
CANCELING THIRTEENTH REVISED RATE NO. 2**

COMMERCIAL SEWER SERVICE

Page 1 of 2

APPLICABILITY:

This rate is applicable for sewer service for all customers except for residential (Rate No. 1) and institutional (Rate No. 4) customers.

TERRITORY:

All customers provided with sewer service, except residential and schools within the Rio Sewer District.

MONTHLY RATES:

Customer Charge based on size of water meter as follows:

<u>Water Meter Size (inches)</u>	<u>Customer Charge</u>	
5/8	\$ 34.25	X
3/4	\$ 51.37	X
1	\$ 85.62	X
1 1/2	\$ 171.25	X
2	\$ 274.00	X
3	\$ 548.00	X
4	\$ 856.24	X
6	\$ 1,712.49	X
8	\$ 2,739.98	X

Where meter size is indicated by two sizes, the larger size will be used to determine the Customer Charge. For example, the Customer Charge for a customer with a ¾-inch X 1-inch meter will be based on a 1-inch meter.

Plus Commodity Charge:

\$7.91 for each 1,000 gallons of average monthly winter water use, prorated per 100 X gallons.

Average winter water use determined from customer billings made in each January, February, and March period. Monthly charge adjusted on billings made each April and would be constant through March of the following year.

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NEW MEXICO WATER SERVICE CO.



Gregory D. Shimansky, Vice President Rates and Regulatory Affairs

**NEW MEXICO WATER SERVICE COMPANY
SEWER
FOURTEENTH REVISED RATE NO. 2
CANCELING THIRTEENTH REVISED RATE NO. 2**

COMMERCIAL SEWER SERVICE

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Rates when average monthly winter water use is not known:

The initial monthly rate will be established by estimating average monthly winter water use. This will be determined by the utility company using information readily available to it, and information provided by the customer. Once actual average monthly winter use is known, the utility company will prepare an adjusted customer billing or credit, as applicable, for the difference between the initial rate and the actual rate for all months in which the initial monthly rate was applied.

Charges in addition to those indicated above for customers having sewage with characteristics differing from normal domestic sewage, such as wastewater with an elevated biochemical oxygen demand or industrial wastewater containing heavy metals or other unusual constituents, or wastewater having unusually high intermittent flows:

110 percent of all costs incurred by company for collection, treatment, sampling, analysis, monitoring, administration, professional services, facilities, and equipment which would not have been incurred if customer's sewage had been normal domestic sewage.

Minus Return Flow Use Credit:

\$.174 for each 1,000 gallons of average monthly winter water use, prorated per 100 gallons.

MONTHLY MINIMUM:

Customer Charge plus applicable taxes.

TERMS OF PAYMENT:

All bills under this rate are due and payable when rendered and become delinquent twenty (20) calendar days thereafter.

TERMS AND CONDITIONS:

New Mexico Water Service Co.'s filed rules apply to service under this schedule.

TAX ADJUSTMENT CLAUSE:

Billings under this schedule may be increased by an amount equal to the taxes payable under the Gross Receipts and Compensation Tax Act and all other taxes, fees or charges (exclusive of ad valorem taxes and state and federal income taxes) payable by New Mexico Water Service Co. and levied or assessed by any governmental authority on the utility service rendered, or on the right or privilege of rendering the service, or on any object or event incidental to the rendition of this service.

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NEW MEXICO WATER SERVICE CO.



Gregory D. Shimansky, Vice President Rates and Regulatory Affairs

**NEW MEXICO WATER SERVICE COMPANY
SEWER
FOURTEENTH REVISED RATE NO. 4
CANCELING THIRTEENTH REVISED RATE NO. 4**

INSTITUTIONAL SEWER SERVICE

Page 1 of 2

APPLICABILITY:

This rate is applicable for sewer service for all schools.

TERRITORY:

All institutional customers provided with sewer service within the Rio Sewer District.

MONTHLY RATES:

Customer Charge based on size of water meter as follows:

<u>Water Meter Size (inches)</u>	<u>Customer Charge</u>	
5/8	\$ 34.25	X
3/4	\$ 51.37	X
1	\$ 85.62	X
1 1/2	\$ 171.25	X
2	\$ 274.00	X
3	\$ 548.00	X
4	\$ 856.24	X
6	\$ 1,712.49	X
8	\$ 2,739.98	X

Where meter size is indicated by two sizes, the larger size will be used to determine the Customer Charge. For example, the Customer Charge for a customer with a ¾-inch X 1-inch meter will be based on a 1-inch meter.

Plus Commodity Charge:

\$7.91 for each 1,000 gallons of average monthly winter water use, prorated per 100 gallons. X

Average winter water use determined from customer billings made in each January, February, and March period. Monthly charge adjusted on billings made each April and would be constant through March of the following year.

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NEW MEXICO WATER SERVICE CO.



Gregory D. Shimansky, Vice President Rates and Regulatory Affairs

**NEW MEXICO WATER SERVICE COMPANY
SEWER
FOURTEENTH REVISED RATE NO. 4
CANCELING THIRTEENTH REVISED RATE NO. 4**

INSTITUTIONAL SEWER SERVICE

Page 2 of 2

Rates when average monthly winter water use is not known:

The initial monthly rate will be established by estimating average monthly winter water use. This will be determined by the utility company using information readily available to it, and information provided by the customer. Once actual average monthly winter use is known, the utility company will prepare an adjusted customer billing or credit, as applicable, for the difference between the initial rate and the actual rate for all months in which the initial monthly rate was applied.

Charges in addition to those indicated above for customers having sewage with characteristics differing from normal domestic sewage, such as wastewater with an elevated biochemical oxygen demand or industrial wastewater containing heavy metals or other unusual constituents, or wastewater having unusually high intermittent flows:

110 percent of all costs incurred by company for collection, treatment, sampling, analysis, monitoring, administration, professional services, facilities, and equipment which would not have been incurred if customer's sewage had been normal domestic sewage.

Minus Return Flow Use Credit:

\$.174 for each 1,000 gallons of average monthly winter water use, prorated per 100 gallons.

MONTHLY MINIMUM:

Customer Charge plus applicable taxes.

TERMS OF PAYMENT:

All bills under this rate are due and payable when rendered and become delinquent twenty (20) calendar days thereafter.

TERMS AND CONDITIONS:

New Mexico Water Service Co.'s filed rules apply to service under this schedule.

TAX ADJUSTMENT CLAUSE:

Billings under this schedule may be increased by an amount equal to the taxes payable under the Gross Receipts and Compensation Tax Act and all other taxes, fees or charges (exclusive of ad valorem taxes and state and federal income taxes) payable by New Mexico Water Service Co. and levied or assessed by any governmental authority on the utility service rendered, or on the right or privilege of rendering the service, or on any object or event incidental to the rendition of this service.

ADVICE NOTICE NO. 23
NEW MEXICO WATER SERVICE CO.



Gregory D. Shimansky, Vice President Rates and Regulatory Affairs

**NEW MEXICO WATER SERVICE COMPANY - SEWER
FIRST REVISED RATE NO. 5
CANCELING ORIGINAL RATE NO. 5**

SEWER UTILITY CAPACITY CHARGE

APPLICABILITY:

Applicable to all new sewer customers.

TERRITORY:

Rio Sewer District

SEWER UTILITY CAPACITY CHARGE:

At the time of making application, the customer will be required to pay a Sewer Utility Capacity Charge of:

<u>METER SIZE</u>	<u>FEE</u>
<u>5/8</u>	<u>\$9,769</u>
<u>3/4</u>	<u>\$14,653.50</u>
<u>1</u>	<u>\$24,422.50</u>
<u>1.5</u>	<u>\$48,845</u>
<u>2</u>	<u>\$78,152</u>
<u>3</u>	<u>\$156,304</u>
<u>4</u>	<u>\$244,225</u>
<u>6</u>	<u>\$488,450</u>
<u>8</u>	<u>\$781,520</u>

X
X
X
X
X
X
X
X
X
X

MONTHLY MINIMUM:

Not Applicable.

TAX ADJUSTMENT CLAUSE:

Billings under this schedule may be increased by an amount equal to the taxes payable under the Gross Receipts and Compensation Tax Act and all other taxes, fees or charges (exclusive of ad valorem taxes and state and federal income taxes) payable by New Mexico Water Service Co. and levied or assessed by any governmental authority on the utility service rendered, or on the right or privilege of rendering the service, or on any object or event incidental to the rendition of this service

TERMS OF PAYMENT:

All bills under this rate are due and payable when rendered.

TERMS AND CONDITIONS:

New Mexico Water Service Co.'s filed rules apply to service under this schedule.

ADVICE NOTICE NO. 23
NEW MEXICO WATER SERVICE CO.



Gregory D. Shimansky, Vice President Rates and Regulatory Affairs