

OPEN MEETING AGENDA ITEM



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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

- MARC SPITZER - CHAIRMAN
- WILLIAM A. MUNDELL
- JEFF HATCH-MILLER
- MIKE GLEASON
- KRISTIN K. MAYES

AZ CORP COMMISSION
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IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, INC., AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS SUN CITY WEST WATER AND WASTEWATER DISTRICTS.

Docket No. WS-01303A-02-0867

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, INC., AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS SUN CITY WATER AND WASTEWATER DISTRICTS.

Docket No. WS-01303A-02-0868

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, INC., AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS MOHAVE WATER DISTRICT AND ITS HAVASU WATER DISTRICT.

Docket No. W-01303A-02-0869

Arizona Corporation Commission

DOCKETED

MAY 25 2004

DOCKETED BY	<i>CAJ</i>
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1 IN THE MATTER OF THE APPLICATION OF
2 ARIZONA-AMERICAN WATER COMPANY,
3 INC., AN ARIZONA CORPORATION, FOR A
4 DETERMINATION OF THE CURRENT FAIR
5 VALUE OF ITS UTILITY PLANT AND
6 PROPERTY AND FOR INCREASES IN ITS
7 RATES AND CHARGES BASED THEREON
8 FOR UTILITY SERVICE BY ITS AGUA FRIA
9 WATER DISTRICT AND ITS ANTHEM / AGUA
10 FRIA WASTEWATER DISTRICT.

Docket No. WS-01303A-02-0870

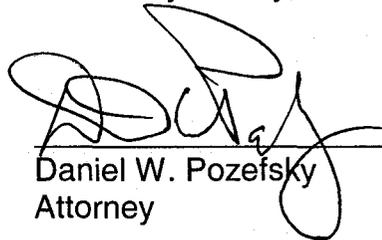
6 IN THE MATTER OF THE APPLICATION OF
7 ARIZONA-AMERICAN WATER COMPANY,
8 INC., AN ARIZONA CORPORATION, FOR A
9 DETERMINATION OF THE CURRENT FAIR
10 VALUE OF ITS UTILITY PLANT AND
11 PROPERTY AND FOR INCREASES IN ITS
12 RATES AND CHARGES BASED THEREON
13 FOR UTILITY SERVICE BY ITS TUBAC
14 WATER DISTRICT.

Docket No. W-01303A-02-0908

11 **NOTICE OF ERRATA**

12 The Residential Utility Consumer Office ("RUCO") hereby provides notice of errata
13 to its Exceptions filed on May 17, 2004. RUCO makes various revisions to the
14 computational errors identified in its Exceptions and incorporates the revisions into the
15 attached revised Exhibits 1, 2 and 3.

16 RESPECTFULLY SUBMITTED this 25th day of May, 2004.

17 
18 _____
19 Daniel W. Pozefsky
20 Attorney

1 AN ORIGINAL AND TWENTY-ONE COPIES
2 of the foregoing filed this 25th day
3 of May, 2004 with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington
6 Phoenix, Arizona 85007

5 COPIES of the foregoing hand-delivered/
6 mailed this 25th day of May, 2004 to:

7 Teena Wolfe
8 Administrative Law Judge
9 Arizona Corporation Commission
10 1200 West Washington
11 Phoenix, Arizona 85007

10 Tim Sabo, Staff Attorney
11 Legal Division
12 Arizona Corporation Commission
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14 Phoenix, Arizona 85007

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By 
Jennifer Rumph
Legal Secretary

Arizona-American Water Company
Docket No. W-01303A-02-0868
Test Year Ended December 31, 2001

REVISED MAY 20, 2004

EXHIBIT 1

EXHIBIT 1
 REVENUE REQUIREMENT
 RUCO CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)

LINE NO.	DESCRIPTION	(A) SUN CITY WEST WATER	(B) SUN CITY WEST WASTEWATER	(C) SUN CITY WATER	(D) SUN CITY WASTEWATER	(E) TUBAC WATER	(F) AGUA FRIA WATER	(G) ANTHEM WATER	(H) AGUA FRIA ANTHEM WASTEWATER	(I) MOHAVE WATER	(J) HAVASU WATER	(K) GRAND TOTAL
1	Adjusted Original Cost Rate Base (As Per ROO)	\$ 11,971,291	\$ 8,916,017	\$ 21,853,481	\$ 8,713,982	\$ 1,127,681	\$ 16,995,182	\$ 9,298,095	\$ 2,731,868	\$ 8,791,741	\$ 822,117	\$ 90,961,925
2	Adjusted Operating Income/(Loss) (As Per Schedule 1, Line 2)	\$ 440,810	\$ 4,951	\$ 539,868	\$ 1,028,739	\$ 23,292	\$ 1,247,946	\$ 840,320	\$ 98,163	\$ 985,692	\$ 25,683	\$ 5,173,295
3	Current Rate Of Return (L2 / L1)	3.66%	0.06%	2.47%	11.76%	2.06%	7.49%	9.07%	1.40%	11.21%	3.12%	5.69%
4	Required Operating Income (L5 X L1)	\$ 777,952	\$ 579,195	\$ 1,421,489	\$ 598,207	\$ 79,271	\$ 1,088,417	\$ 602,856	\$ 177,635	\$ 571,239	\$ 53,442	\$ 5,906,239
5	Required Rate Of Return On Fair Value Rate Base (As Per ROO)	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
6	Operating Income Deficiency (L4 - L2)	\$ 336,842	\$ 574,244	\$ 881,595	\$ (490,932)	\$ 50,089	\$ (164,629)	\$ (237,462)	\$ 189,372	\$ (414,363)	\$ 27,779	\$ 793,014
7	Cross Revenue Conversion Factor (As Per ROO)	1.62963	1.62963	1.62963	1.62963	1.62963	1.62963	1.62963	1.62963	1.62963	1.62963	1.62963
8	Increase In Cross Revenue Requirement (L7 X L6)	\$ 546,591	\$ 935,291	\$ 1,435,792	\$ (790,037)	\$ 81,543	\$ (267,957)	\$ (986,799)	\$ 226,988	\$ (674,944)	\$ 45,242	\$ 1,193,809
9	Adjusted Test Year Revenue (As Per Application)	\$ 3,990,774	\$ 3,535,680	\$ 6,190,090	\$ 5,088,940	\$ 254,466	\$ 6,186,037	\$ 4,010,905	\$ 1,866,546	\$ 4,394,132	\$ 440,924	\$ 35,350,814
10	Proposed Annual Revenue (L9 + L8)	\$ 3,829,365	\$ 4,470,911	\$ 7,629,882	\$ 4,398,903	\$ 336,029	\$ 5,918,080	\$ 3,624,067	\$ 2,089,592	\$ 3,719,269	\$ 466,166	\$ 36,544,623
11	Required Percentage Increase In Revenue (L9 / L9)	16.29%	26.45%	23.18%	-14.74%	32.04%	-4.33%	-9.64%	12.16%	-15.36%	10.26%	3.95%
12	Rate Of Return On Common Equity (As Per ROO)	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
ADJUSTMENT												
13	PROPOSED REVENUE AS FILED (As Per ROO)	\$ 3,895,416	\$ 4,679,469	\$ 7,892,954	\$ 3,717,479	\$ 324,631	\$ 5,646,046	\$ 3,877,940	\$ 2,095,584	\$ 4,008,207	\$ 527,981	\$ 36,695,719
14	PROPOSED REVENUE AS CORRECTED (Line 10)	\$ 3,829,365	\$ 4,470,911	\$ 7,629,882	\$ 4,398,903	\$ 336,029	\$ 5,918,080	\$ 3,624,067	\$ 2,089,592	\$ 3,719,269	\$ 466,166	\$ 35,544,623
15	INCREASE/(DECREASE) IN ROO REQUIRED REVENUE	\$ (66,051)	\$ (208,558)	\$ (204,072)	\$ 620,824	\$ 11,398	\$ 272,034	\$ (253,873)	\$ (2,052)	\$ (288,939)	\$ (41,825)	\$ (151,094)
VERIFICATION												
16	INCREASE/(DECREASE) REQ. REV. AS FILED (As Per ROO)	\$ 604,942	\$ 1,143,769	\$ 1,699,884	\$ (1,370,861)	\$ 70,145	\$ (699,991)	\$ (132,955)	\$ 229,099	\$ (995,925)	\$ 87,067	\$ 1,344,900
17	INCREASE/(DECREASE) REQ. REV. AS CORRECTED (L. 9)	\$ 546,591	\$ 935,291	\$ 1,435,792	\$ (790,037)	\$ 81,543	\$ (267,957)	\$ (986,799)	\$ 226,988	\$ (674,944)	\$ 45,242	\$ 1,193,809
18	INCREASE/(DECREASE) IN ROO REQ. REV. (L17 - L16)	\$ (58,351)	\$ (208,558)	\$ (204,072)	\$ 620,824	\$ 11,398	\$ 272,034	\$ (253,873)	\$ (2,052)	\$ (288,939)	\$ (41,825)	\$ (151,094)

Arizona-American Water Company
Docket No. W-01303A-02-0868
Test Year Ended December 31, 2001

REVISED MAY 20, 2004

EXHIBIT 1-A
RUCO'S PROJECTED CORPORATE OVERHEAD

LINE NO.	DISTRICT	(A) SALARIES	(B) OFF. SUP/EXP	(C) INSURANCE	(D) MISC. EXP.
1	Sun City West Water	\$ 22,464	\$ 182,392	\$ 19,535	\$ 1,464
2	Sun City West Wastewater	33,696	168,783	16,021	1,238
3	Sun City Water	89,857	322,580	57,988	4,408
4	Sun City Wastewater	14,976	242,477	24,091	1,686
5	Tubac	3,744	9,386	2,351	277
6	Agua Fria	26,208	165,421	22,645	6,263
7	Anthem Water	44,928	53,684	11,712	5,332
8	Agua Fria, Anthem Wastewater	22,464	30,213	3,398	5,176
9	Mohave Water	56,161	163,185	18,113	1,846
10	Havasu Water	11,232	14,208	1,630	1,297

References:
Allocation Factors - As Provided By Company
Allocation Amounts - Calculated Using Same Methodology As Company

Arizona-American Water Company
Docket No. W-01303A-02-0868
Test Year Ended December 31, 2001

REVISED MAY 20, 2004

EXHIBIT 1-B
RUCO'S RATE CASE EXPENSES

LINE NO.		(A) RUCO AS ADJUSTED	(B) 3 YEAR AMORTIZED ADJUSTMENT
1	Sun City West Water	\$ 40,065	\$ 13,355
2	Sun City West Wastewater	41,901	13,967
3	Sun City Water	73,393	24,464
4	Sun City Wastewater	60,301	20,100
5	Tubac	3,016	1,005
6	Agua Fria	73,309	27,514
7	Anthem Water	47,531	15,839
8	Agua Fria, Anthem Wastewater	22,120	7,373
9	Mohave Water	52,081	17,360
10	Havasu Water	5,225	1,742
11	TOTALS	<u>418,941</u>	<u>139,647</u>

References:

Column (A): Allocated RUCO's Recommended Total Rate Case Expense As Per ROO Page 20, Line 19

Column (B): Column (A) Divided By 3 (The Three Year Amortization Period)

Arizona-American Water Company
 Docket No. W-01303A-02-0868
 Test Year Ended December 31, 2001

REVISED MAY 20, 2004

EXHIBIT 1-C
 RUCO'S PROJECTED SALARIES AND WAGES

LINE NO.	COMPANY	(A) GROSS PAYROLL	(B) CAPITAL'D PAYROLL	(C) NET PAYROLL	(D) EMP. COUNT	(E) PAYROLL TAX
1	Sun City West Water	\$ 377,644	\$ 101,964	\$ 275,680	6	\$ 22,560
2	Sun City West Wastewater	434,380	117,283	317,097	9	26,463
3	Sun City Water	861,122	232,503	628,619	24	53,969
4	Sun City Wastewater	86,478	23,349	63,129	4	5,809
5	Tubac	76,355	20,616	55,739	1	4,509
6	Agua Fria	875,892	236,491	639,401	7	50,629
7	Anthem Water	460,581	124,357	336,224	12	28,661
8	Agua Fria, Anthem Wastewater	301,354	81,366	219,988	6	18,299
9	Mohave Water	651,510	175,908	475,602	15	40,059
10	Havasu Water	144,850	39,110	105,741	3	8,824

References:

Columns (A) (D): Company Provided Data On AZ-AM 2002 Payroll

Column (B): 27% Of Column (A) - Calculated As Representative Of Labor Associated With Capital Projects

Column (C): Column (A) - Column (B) As Per ROO Page 18, Lines 4 - 6

Column (E): Column (C) X 7.65% (FICA) + \$245 X Column (D) (FUTA & SUTA) As Per ROO Page 18, Lines 4 - 6

REVISED MAY 20, 2004

EXHIBIT 1-D
RUCO'S AZ-AM SERVICE COMPANY ALLOCATIONS

LINE NO.	DISTRICT	(A)	(B)	(C)	(D)
		TOTAL SERVICE CHARGES		FOUR FACT'R	RUCO AS ALLOCATED
		COMPANY AS FILED	RUCO AS ADJUSTED		
1	Sun City West Water	\$ 5,153,711	\$ 4,366,610	0.1001	\$ 437,098
2	Sun City West Wastewater	5,153,711	4,366,610	0.1072	468,101
3	Sun City Water	5,153,711	4,366,610	0.1797	784,680
4	Sun City Wastewater	5,153,711	4,366,610	0.1014	442,774
5	Tubac	5,153,711	4,366,610	0.0075	32,750
6	Agua Fria	5,153,711	4,366,610	0.1384	604,339
7	Anthem Water	5,153,711	4,366,610	0.0916	399,981
8	Agua Fria, Anthem Wastewater	5,153,711	4,366,610	0.0558	243,657
9	Mohave Water	5,153,711	4,366,610	0.1011	441,464
10	Havasu Water	5,153,711	4,366,610	0.0146	63,753

References:
Columns (A) (C): Company Schedule C-2, Page 4
Column (B): Company Response To RUCO Third Data Request
Column (D): Column (B) X Column (C) As Per ROO Page 18, Lines 4 - 6

Arizona-American Water Company
Docket No. W-01303A-02-0868
Test Year Ended December 31, 2001

REVISED MAY 20, 2004

EXHIBIT 2

Arizona-American Water Company
Docket No. W-01303A-02-0868
Test Year Ended December 31, 2001

Sun City West Water District
REVISED MAY 20, 2004

**CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
TABLE OF CONTENTS TO RLM SCHEDULES**

<u>SCH. NO.</u>	<u>PAGE NO.</u>	<u>TITLE</u>
RLM-1	1	REVENUE REQUIREMENT
RLM-2	1	RATE BASE
RLM-3	1	INCOME STATEMENT

**CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
REVENUE REQUIREMENT**

LINE NO.	DESCRIPTION	(A) COMPANY RCND	(B) ADJMT TO RESTATE TO ORIGINAL COST	(C) COMPANY ORIGINAL COST	(D) ADJUSTED AS PER ROO ORIGINAL COST
1	Fair Value Rate Base	\$ 16,407,508	\$ 3,575,535	\$ 19,983,043	\$ 11,971,281
2	Adjusted Operat'g Income (Loss)	\$ 361,287		\$ 361,287	\$ 440,810
3	Current Rate Of Return (L2 / L1)	2.20%		1.81%	3.68%
4	Req. Operat'g Income (L5 X L1)	\$ 1,271,506		\$ 1,548,686	\$ 777,652
5	Req'd Rate Of Return On FVRB	7.75%		7.75%	6.50%
6	Operat'g Inc. Def'y (L4 - L2)	\$ 910,219		\$ 1,187,399	\$ 336,842
7	Gross Rev. Factor (RLM-1, Pg 2)	1.6286		1.6286	1.62863
8	Increase In Gross Rev. Req't (L7 X L6)	\$ 1,482,414		\$ 1,933,798	\$ 548,591
9	Adjusted Test Year Revenue	\$ 3,380,774		\$ 3,380,774	\$ 3,380,774
10	Proposed Annual Rev. (L8 + L9)	\$ 4,863,188		\$ 5,314,572	\$ 3,929,365
11	Required % Increase In Rev. (L8 / L9)	43.85%		57.20%	16.23%
12	Rate Of Return On Common Eq'ty	11.50%		11.50%	9.00%
13	Proposed Revenue Requirement As Per ROO				\$ 3,985,416
14	Proposed Revenue Requirement As Corrected By RUCO				\$ 3,929,365
15	Difference				<u><u>\$ (56,051)</u></u>

References:

- Column (A): Company Schedules A-1 and C-1
- Column (B): Recalculated After Adjusting To OCRB
- Column (C): Company Schedules A-1 and C-1
- Column (D): RUCO Schedules RLM-1, RLM-2 And RLM-3

**CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS**

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB	(B) ROO ADJM'T # 1	(C) ROO ADJM'T # 2	(D) ROO ADJM'T # 3	(E) ROO ADJUSTED OCRB
1	Gross Utility Plant In Service	\$ 31,153,379	\$ 237,000	\$ -	\$ -	\$ 31,390,379
	Less:					
2	Accumulated Depreciation	6,211,024	84,111	-	-	6,295,135
3	Net Utility Plant In Service (L1 - L2)	<u>\$ 24,942,355</u>	<u>\$ 152,889</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,095,244</u>
	Less:					
4	Advances In Aid Of Const. ("AIAC")	\$ 12,151,160	\$ -	\$ -	\$ -	\$ 12,151,160
5	Contribution In Aid Of Const. ("CIAC")	\$ 971,578	\$ -	\$ -	\$ -	971,578
6	Less: Accumulated Amortization	-	-	-	-	-
7	NET CIAC (L4 - L5)	<u>\$ 971,578</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 971,578</u>
8	Customer Meter Deposits	\$ 1,225	\$ -	\$ -	\$ -	\$ 1,225
9	Deferred Income Taxes And Credits	-	-	-	-	-
10	Investment Tax Credits	-	-	-	-	-
	Plus:					
11	Unamortized Finance Charges	\$ -	\$ -	\$ -	\$ -	\$ -
12	Deferred Tax Assets	-	-	-	-	-
13	Allowance For Working Capital	-	-	-	-	-
14	Citizens Acquisition Adjustment	-	-	-	-	-
15	Adjustment Due To Rounding	(1)				
16	TOTAL RATE BASE	<u>\$ 11,818,391</u>	<u>\$ 152,889</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,971,281</u>

References:

- Column (A): Company As Filed Per Schedule B-2 And RLM-2, Col (C)
- Column (B): Adjustment To Test Year Total Plant And Accumulated Depreciation As Per ROO
- Column (C): Intentionally Left Blank
- Column (D): Intentionally Left Blank
- Column (E): Sum Of Columns (A) Thru (D) As Per ROO Page 8, Lines 26 -28 (See Appropriate Staff Surrebuttal Sch. DWC-3)

CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
 SUMMARY OF OPERATING INCOME ADJUSTMENTS
 COMPANY REINDER TEST YEAR ADJUSTED AS PER ROO

LINE NO.	DESCRIPTION	(A) COMPANY REINDER		(B) ADJUSTMENT #1		(C) ADJUSTMENT #1		(D) ADJUSTMENT #2		(E) ADJUSTMENT #2		(F) ADJUSTMENT #3		(G) ADJUSTMENT #3		(H) ADJUSTMENT #4		(I) ADJUSTMENT #4		(J) ADJUSTMENT #5		(K) ADJUSTMENT #6		(L) ADJUSTMENT #6		(M) RUCO AS ADJTD			
		A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
1	OPERATING REVENUES:																												
2	Metered Water Revenues	\$ 3,943,134																											
3	Unmetered Water Revenues																												
3	Other Water Revenues																												
4	TOTAL OPERATING REVENUES:	\$ 3,943,134																											
5	OPERATING EXPENSES:																												
6	Salaries And Wages	\$ 380,574																											
7	Purchased Water																												
8	Chemicals	585,941																											
9	Repairs And Maintenance	170,068																											
10	Office Supplies And Expenses	131,751																											
11	Outside Services	32,432																											
12	Service Company Fees	474,842																											
13	Water Testing	6,069																											
14	Rents	14,134																											
15	Transportation Expenses																												
16	Insurance - General Liability	22,650																											
17	Insurance - Health And Life																												
18	Reg. Comm. Exp. - Rate Case	22,313																											
19	Miscellaneous Expense	148,983																											
20	Depreciation Expense	756,594																											
21	Taxes Other Than Income	26,493																											
22	Property Taxes	130,976																											
23	Income Tax	(1,311)																											
24	Adjustment Due To Rounding																												
25	TOTAL OPERATING EXPENSES:	\$ 2,922,856																											
26	OPERATING INCOME (LOSS)	\$ 447,958																											
27	CALCULATION OF INTEREST SYNCHRONIZATION																												
27	Adjusted Original Cost Rate Base (As Per ROO)	\$ 11,871,281																											
28	Weighted Average Cost Of Debt (As Per ROO)	2.0%																											
29	Synchronized Interest (Line 25 X Line 28)	\$ 345,348																											
30																													
31																													
32																													
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34																													
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41	ADJUSTMENTS AS STATED IN RECOMMENDED OPINION AND ORDER (ROO)																												
41	Adjustment # 1 - Corporate Overhead Expenses As Per ROO Page 18, Lines 4 - 6 (See Exhibit A)																												
41	A - Remove Company's Overhead Expenses																												
41	B - Add RUCO's Overhead Expenses																												
41	Adjustment # 2 - Rate Case Expenses As Per ROO Page 20, Lines 18 & 19 (See Exhibit B)																												
41	A - Remove Company's Rate Case Expense																												
41	B - Add RUCO's Rate Case Expense																												
41	Adjustment # 3 - Company Salaries And Wages As Per ROO Page 18, Lines 4 - 6 (See Exhibit C)																												
41	A - Remove Company's Salaries & Wages																												
41	B - Add RUCO's Salaries & Wages																												

Adjustment # 4 - Service Company Charges As Per ROO Page 18, Lines 4 - 6 (See Exhibit D)
 A - Remove Company's Service Company Allocations
 B - Add RUCO's Service Company Allocations
 Adjustment # 5 - Property Tax Expense As Per ROO Page 10, Lines 17 & 18 (See Calculation Above Computed As Per Staff Methodology)
 Adjustment # 6 - Income Tax Expenses - Recalculated To Reflect Changes In Operating Income (See Lines 27 - 39)
 A - Remove Company's Income Tax
 B - Add Recalculated Income Tax

Arizona-American Water Company
Docket No. W-01303A-02-0868
Test Year Ended December 31, 2001

Sun City West Wastewater District

REVISED MAY 20, 2004

**CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
TABLE OF CONTENTS TO RLM SCHEDULES**

<u>SCH. NO.</u>	<u>PAGE NO.</u>	<u>TITLE</u>
RLM-1	1	REVENUE REQUIREMENT
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**CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
REVENUE REQUIREMENT**

LINE NO.	DESCRIPTION	(A) COMPANY RCND	(B) ADJMT TO RESTATE TO ORIGINAL COST	(C) COMPANY ORIGINAL COST	(D) ADJUSTED AS PER ROO ORIGINAL COST
1	Fair Value Rate Base	\$ 13,455,978	\$ 5,794,789	\$ 19,250,767	\$ 8,916,017
2	Adjusted Operat'g Income (Loss)	\$ (164,369)		\$ (164,369)	\$ 4,951
3	Current Rate Of Return (L2 / L1)	-1.22%		-0.85%	0.06%
4	Req. Operat'g Income (L5 X L1)	\$ 1,042,766		\$ 1,491,934	\$ 579,195
5	Req'd Rate Of Return On FVRB	7.75%		7.75%	6.50%
6	Operat'g Inc. Def'y (L4 - L2)	\$ 1,207,145		\$ 1,656,303	\$ 574,244
7	Gross Rev. Factor (RLM-1, Pg 2)	1.6286		1.6286	1.62863
8	Increase In Gross Rev. Req't (L7 X L6)	\$ 1,965,956		\$ 2,697,456	\$ 935,231
9	Adjusted Test Year Revenue	\$ 3,535,680		\$ 3,535,680	\$ 3,535,680
10	Proposed Annual Rev. (L8 + L9)	\$ 5,494,492		\$ 6,233,136	\$ 4,470,911
11	Required % Increase In Rev. (L8 / L9)	55.60%		76.29%	26.45%
12	Rate Of Return On Common Eq'ty	11.50%		11.50%	9.00%
13	Proposed Revenue Requirement As Per ROO				\$ 4,679,469
14	Proposed Revenue Requirement As Corrected By RUCO				\$ 4,470,911
15	Difference				\$ (208,558)

References:

- Column (A): Company Schedules A-1 and C-1
- Column (B): Recalculated After Adjusting To OCRB
- Column (C): Company Schedules A-1 and C-1
- Column (D): RUCO Schedules RLM-1, RLM-2 And RLM-3

**CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS**

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB	(B) ROO ADJ'M'T # 1	(C) ROO ADJ'M'T # 2	(D) ROO ADJ'M'T # 3	(E) ROO ADJUSTED AS OCRB
1	Gross Utility Plant In Service	\$ 39,101,812	\$ (74,370)	\$ -	\$ -	\$ 39,027,442
	Less:					
2	Accumulated Depreciation	14,290,245	(140,996)	-	-	14,149,249
3	Net Utility Plant In Service (L1 - L2)	<u>\$ 24,811,567</u>	<u>\$ 66,626</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,878,193</u>
	Less:					
4	Advances In Aid Of Const. ("AIAC")	\$ 14,502,979	\$ -	\$ -	\$ -	\$ 14,502,979
5	Contribution In Aid Of Const. ("CIAC")	\$ 1,458,672	\$ -	\$ -	\$ -	1,458,672
6	Less: Accumulated Amortization	-	-	-	-	-
7	NET CIAC (L4 - L5)	<u>\$ 1,458,672</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,458,672</u>
8	Customer Meter Deposits	\$ 525	\$ -	\$ -	\$ -	\$ 525
9	Deferred Income Taxes And Credits	-	-	-	-	-
10	Investment Tax Credits	-	-	-	-	-
	Plus:					
11	Tolleson Trickling Filter	\$ -	\$ -	\$ -	\$ -	\$ -
12	Deferred Tax Assets	-	-	-	-	-
13	Allowance For Working Capital	-	-	-	-	-
14	Citizens Acquisition Adjustment	-	-	-	-	-
15	Adjustment Due To Rounding	-	-	-	-	-
16	TOTAL RATE BASE	<u>\$ 8,849,391</u>	<u>\$ 66,626</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,916,017</u>

References:

- Column (A): Company As Filed Per Schedule B-2 And RLM-2, Col (C)
- Column (B): Adjustment To Test Year Total Plant And Accumulated Depreciation As Per ROO
- Column (C): Intentionally Left Blank
- Column (D): Intentionally Left Blank
- Column (E): Sum Of Columns (A) Thru (D) As Per ROO Page 8, Lines 26 - 28 (See Appropriate Staff Rebuttal Sch. DWC-3)

CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
SUMMARY OF OPERATING INCOME ADJUSTMENTS
COMPANY REJOINER TEST YEAR ADJUSTED AS PER ROO

LINE NO.	DESCRIPTION	(A) COMPANY REJOINER		(B) ADJUSTMENT #1		(C) ADJUSTMENT #1		(D) ADJUSTMENT #2		(E) ADJUSTMENT #2		(F) ADJUSTMENT #3		(G) ADJUSTMENT #3		(H) ADJUSTMENT #4		(I) ADJUSTMENT #4		(J) ADJUSTMENT #5		(K) ADJUSTMENT #6		(L) ADJUSTMENT #6		(M) RUCO AS ADJTD				
		A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	
1	OPERATING REVENUES:																													
2	Flat Rate Revenues	\$ 3,534,678																											\$ 3,534,678	
3	Measured Revenues																													
4	Other Wastewater Revenues	1,002																											1,002	
5	TOTAL OPERATING REVENUE:	\$ 3,535,680																											\$ 3,536,680	
6	OPERATING EXPENSES:																													
7	Salaries And Wages	\$ 500,154		\$ (66,489)		\$ 33,696																							\$ 350,763	
8	Purchased Wastewater Treatment																												1,426	
9	Fuel For Power Production																													
10	Chemicals																													375,064
11	Material And Supplies																												392,206	
12	Repairs And Maintenance																													
13	Office Supplies And Expenses																												158,992	
14	Outside Services																												(14,005)	
15	Service Company Charges																												488,101	
16	Water Testing																												91,410	
17	Rents																												16,958	
18	Transportation Expenses																												13,967	
19	Insurance - General Liability																												243,462	
20	Insurance - Health And Life																												1,410,140	
21	Reg. Comm. Exp. - Rate Case																												26,483	
22	Miscellaneous Expense																												154,367	
23	Depreciation Expense																													
24	Taxes Other Than Income																													
25	Property Taxes																													
26	Income Tax																													
27	Adjustment Due To Rounding																													
28	TOTAL OPERATING EXPENSES	\$ 3,573,308		\$ (197,830)		\$ 219,738		\$ (23,335)		\$ 13,967		\$ (446,749)		\$ 343,560		\$ (508,522)		\$ (468,101)		\$ (8,754)									\$ 3,550,720	
29	OPERATING INCOME (LOSS)	\$ (42,627)		\$ (197,830)		\$ (219,738)		\$ (23,335)		\$ (13,967)		\$ (446,749)		\$ (343,560)		\$ (508,522)		\$ (468,101)		\$ (8,754)									\$ 4,951	
30	CALCULATION OF INTEREST SYNCHRONIZATION																													
31	Adjusted Original Cost Rate Base (As Per ROO)																													
32	Weighted Average Cost Of Debt (As Per ROO)																													
33	Synchronized Interest (Line 25 X Line 29)																													
34	Adjusted Original Cost Rate Base (As Per ROO)																													
35	Weighted Average Cost Of Debt (As Per ROO)																													
36	Synchronized Interest (Line 25 X Line 29)																													
37	Adjusted Original Cost Rate Base (As Per ROO)																													
38	Weighted Average Cost Of Debt (As Per ROO)																													
39	Synchronized Interest (Line 25 X Line 29)																													
40	Adjusted Original Cost Rate Base (As Per ROO)																													
41	Weighted Average Cost Of Debt (As Per ROO)																													
42	Synchronized Interest (Line 25 X Line 29)																													
43	Adjusted Original Cost Rate Base (As Per ROO)																													
44	Weighted Average Cost Of Debt (As Per ROO)																													

ADJUSTMENTS AS STATED IN RECOMMENDED OPINION AND ORDER (ROO)
 Adjustment # 1 - Corporate Overhead Expenses As Per ROO Page 18, Lines 4 - 6 (See Exhibit A)
 A - Remove Company's Overhead Expenses
 B - Add RUCO's Overhead Expenses
 Adjustment # 2 - Rate Case Expense As Per ROO Page 20, Lines 18 & 19 (See Exhibit B)
 A - Remove Company's Rate Case Expense
 B - Add RUCO's Rate Case Expense
 Adjustment # 3 - Company's Salaries And Wages As Per ROO Page 18, Lines 4 - 6 (See Exhibit C)
 A - Remove Company's Salaries & Wages
 B - Add RUCO's Salaries & Wages
 Adjustment # 4 - Service Company Charges As Per ROO Page 18, Lines 4 - 6 (See Exhibit D)
 A - Remove Company's Service Company Allocations
 B - Add RUCO's Service Company Allocations
 Adjustment # 5 - Property Tax Expense As Per ROO Page 10, Lines 17 & 18 (See Calculation Above Computed As Per Staff Methodology)
 Adjustment # 6 - Income Tax Expenses - Recalculated To Reflect Changes In Operating Income (See Lines 27 - 33)
 A - Remove Company's Income Tax
 B - Add Recalculated Income Tax

Arizona-American Water Company
Docket No. W-01303A-02-0868
Test Year Ended December 31, 2001

Sun City Water District

REVISED MAY 20, 2004

**CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
TABLE OF CONTENTS TO RLM SCHEDULES**

<u>SCH. NO.</u>	<u>PAGE NO.</u>	<u>TITLE</u>
RLM-1	1	REVENUE REQUIREMENT
RLM-2	1	RATE BASE
RLM-3	1	INCOME STATEMENT

**CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
REVENUE REQUIREMENT**

LINE NO.	DESCRIPTION	(A) COMPANY RCND	(B) ADJMT TO RESTATE TO ORIGINAL COST	(C) COMPANY ORIGINAL COST	(D) ADJUSTED AS PER ROO ORIGINAL COST
1	Fair Value Rate Base	\$ 48,703,466	\$ (16,736,610)	\$ 31,966,856	\$ 21,853,479
2	Adjusted Operat'g Income (Loss)	\$ 581,339		\$ 476,007	\$ 539,888
3	Current Rate Of Return (L2 / L1)	1.19%		1.49%	2.47%
4	Req. Operat'g Income (L5 X L1)	\$ 3,774,295		\$ 2,477,431	\$ 1,421,483
5	Req'd Rate Of Return On FVRB	7.75%		7.75%	6.50%
6	Operat'g Inc. Def'y (L4 - L2)	\$ 3,192,955		\$ 2,001,424	\$ 881,595
7	Gross Rev. Factor (RLM-1, Pg 2)	1.6286		1.6286	1.62863
8	Increase In Gross Rev. Req't (L7 X L6)	\$ 5,200,162		\$ 3,259,520	\$ 1,435,792
9	Adjusted Test Year Revenue	\$ 6,193,090		\$ 6,193,090	\$ 6,193,090
10	Proposed Annual Rev. (L8 + L9)	\$ 11,387,913		\$ 9,452,610	\$ 7,628,882
11	Required % Increase In Rev. (L8 / L9)	83.97%		52.63%	23.18%
12	Rate Of Return On Common Eq'ty	11.50%		11.50%	9.00%
13	Proposed Revenue Requirement As Per ROO				\$ 7,832,954
14	Proposed Revenue Requirement As Corrected By RUCO				\$ 7,628,882
15	Difference				\$ (204,072)

References:
Column (A): Company Schedules A-1 and C-1
Column (B): Recalculated After Adjusting To OCRB
Column (C): Company Schedules A-1 and C-1
Column (D): RUCO Schedules RLM-1, RLM-2 And RLM-3

**CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS**

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB	(B) ROO ADJM'T # 1	(C) ROO ADJM'T # 2	(D) ROO ADJM'T # 3	(E) ROO ADJUSTED AS OCRB
1	Gross Utility Plant In Service	\$ 38,754,465	\$ 6,894	\$ -	\$ -	\$ 38,761,359
	Less:					
2	Accumulated Depreciation	13,280,503	167,886	-	-	13,448,389
3	Net Utility Plant In Service (L1 - L2)	<u>\$ 25,473,962</u>	<u>\$ (160,992)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,312,970</u>
	Less:					
4	Advances In Aid Of Const. ("AIAC")	\$ 2,331,186	\$ -	\$ -	\$ -	\$ 2,331,186
5	Contribution In Aid Of Const. ("CIAC")	\$ 1,127,078	\$ -	\$ -	\$ -	1,127,078
6	Less: Accumulated Amortization	-	-	-	-	-
7	NET CIAC (L4 - L5)	<u>\$ 1,127,078</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,127,078</u>
8	Customer Meter Deposits	\$ 1,225	\$ -	\$ -	\$ -	\$ 1,225
9	Deferred Income Taxes And Credits	-	-	-	-	-
10	Investment Tax Credits	-	-	-	-	-
	Plus:					
11	Unamortized Finance Charges	\$ -	\$ -	\$ -	\$ -	\$ -
12	Deferred Tax Assets	-	-	-	-	-
13	Allowance For Working Capital	-	-	-	-	-
14	Citizens Acquisition Adjustment	-	-	-	-	-
15	Adjustment Due To Rounding	1				(2)
16	TOTAL RATE BASE	<u>\$ 22,014,474</u>	<u>\$ (160,992)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,853,479</u>

References:

Column (A): Company As Filed Per Schedule B-2 And RLM-2, Col (C)

Column (B): Adjustment To Test Year Total Plant And Accumulated Depreciation As Per ROO

Column (C): Intentionally Left Blank

Column (D): Intentionally Left Blank

Column (E): Sum Of Columns (A) Thru (D) As Per ROO Page 8, Lines 26 - 28 (See Appropriate Staff Surrebuttal Sch. DWC-3)

CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
SUMMARY OF OPERATING INCOME ADJUSTMENTS
COMPANY REJOINDER TEST YEAR ADJUSTED AS PER ROO

LINE NO.	DESCRIPTION	(A) COMPANY REJOINDER		(B) ADJUSTMENT #1		(C) ADJUSTMENT #1		(D) ADJUSTMENT #2		(E) ADJUSTMENT #2		(F) ADJUSTMENT #3		(G) ADJUSTMENT #3		(H) ADJUSTMENT #4		(I) ADJUSTMENT #4		(J) ADJ #5		(K) ADJUSTMENT #6		(L) ADJUSTMENT #6		(M) RUCO AS ADJTD	
		A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B		
1	OPERATING REVENUES:																										
2	Metered Water Revenues																										
3	Unmetered Water Revenues																										
4	Other Water Revenues																										
5	TOTAL OPERATING REVENUES:	\$ 6,079,871	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,079,871
6	OPERATING EXPENSES:																										
7	Salaries And Wages	\$ 1,000,450	\$ (230,664)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 768,815
8	Purchased Water	1,418,410																									1,418,410
9	Chemicals	17,413																									17,413
10	Repairs And Maintenance	540,349																									540,349
11	Office Supplies And Expenses	556,473	(214,090)																								342,383
12	Outside Services	93,641																									93,641
13	Service Company Fees	852,438																									852,438
14	Water Testing	6,878																									6,878
15	Rents	28,369																									28,369
16	Transportation Expenses	22																									22
17	Insurance - General Liability	66,847																									66,847
18	Insurance - Health And Life	40,874																									40,874
19	Rep. Contr. Exp. - Rate Case	301,066																									301,066
20	Miscellaneous Expense	1,007,653	(4,389)																								1,007,653
21	Depreciation Expense	62,753																									62,753
22	Taxes Other Than Income	266,318																									266,318
23	Income Tax	(446,242)																									(446,242)
24	Adjustment Due To Rounding																										
25	TOTAL OPERATING EXPENSES:	\$ 5,611,752	\$ (512,285)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,099,467
26	OPERATING INCOME (LOSS)	\$ 581,539	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 581,539
27	CALCULATION OF INTEREST SYNCHRONIZATION																										
28	Adjusted Original Cost Rate Base (As Per ROO)	\$ 21,853,479																									\$ 21,853,479
29	Weighted Average Cost Of Debt (As Per ROO)	2.9%																									\$ 630,429
30	Synchronized Interest (Line 25 X Line 28)	\$ 630,429																									\$ 630,429
31																											
32																											
33																											
34																											
35																											
36																											
37																											
38																											
39																											
40																											
41																											

ADJUSTMENTS AS STATED IN RECOMMENDED OPINION AND ORDER (ROO)

- Adjustment # 1 - Corporate Overhead Expenses As Per ROO Page 18, Lines 4 - 6 (See Exhibit A)
- A - Remove Company's Overhead Expenses
- B - Add RUCO's Overhead Expenses
- Adjustment # 2 - Rate Case Expense As Per ROO Page 20, Lines 18 & 19 (See Exhibit B)
- A - Remove Company's Rate Case Expense
- B - Add RUCO's Rate Case Expense
- Adjustment # 3 - Company Salaries And Wages As Per ROO Page 16, Lines 4 - 6 (See Exhibit C)
- A - Remove Company's Salaries & Wages
- B - Add RUCO's Salaries & Wages

Adjustment # 4 - Service Company Charge As Per ROO Page 18, Lines 4 - 6 (See Exhibit D)

- A - Remove Company's Service Company Allocations
- B - Add RUCO's Service Company Allocations
- Adjustment # 5 - Property Tax Expense As Per ROO Page 10, Lines 17 & 18 (See Calculation Above Computed As Per Staff Methodology)
- Adjustment # 6 - Income Tax Expenses - Recalculated To Reflect Changes In Operating Income (See Lines 27 - 35)
- A - Remove Company's Income Tax
- B - Add Recalculated Income Tax

COMPUTATION OF PROPERTY TAX USING STAFF METHODOLOGY

Adjusted T. Y. Revenues	\$ 784,680	\$ (33,559)	\$ 751,121
Weight Factor			
Subtotal (Line 27 X Line 28)	\$ 784,680	\$ (33,559)	\$ 751,121
Recommended Revenue			
Three Year Average (Line 31 / 3 Years)	\$ 12,386,180		\$ 12,386,180
ADOR Multiplier	\$ 20,015,062		\$ 20,015,062
Revenue Base Value (Line 32 X Line 33)	\$ 6,871,687		\$ 6,871,687
Plus: 10% CWIP - 2001	\$ 13,343,974		\$ 13,343,974
Less: Net Book Value Of Licensed Vehicles	\$ 424,044		\$ 424,044
Full Cash Value (Line 34 + Line 35 - Line 36)	\$ 12,919,950		\$ 12,919,950
Assessment Ratio	25%		25%
Assessment Value (Line 37 X Line 38)	\$ 3,229,853		\$ 3,229,853
Composite Property Tax Rate	7.2053%		7.2053%
Property Tax Expense (Line 39 X Line 40)	\$ 232,719		\$ 232,719

Arizona-American Water Company
Docket No. W-01303A-02-0868
Test Year Ended December 31, 2001

Sun City Wastewater District
REVISED MAY 20, 2004

**CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
TABLE OF CONTENTS TO RLM SCHEDULES**

<u>SCH. NO.</u>	<u>PAGE NO.</u>	<u>TITLE</u>
RLM-1	1	REVENUE REQUIREMENT
RLM-2	1	RATE BASE
RLM-3	1	INCOME STATEMENT

**CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
REVENUE REQUIREMENT**

LINE NO.	DESCRIPTION	(A) COMPANY RCND	(B) ADJM'T TO RESTATE TO ORIGINAL COST	(C) COMPANY ORIGINAL COST	(D) ADJUSTED AS PER ROO ORIGINAL COST
1	Fair Value Rate Base	\$ 20,233,577	\$ (6,191,840)	\$ 14,041,737	\$ 8,713,382
2	Adjusted Operat'g Income (Loss)	\$ 1,175,416		\$ 1,175,416	\$ 1,026,739
3	Current Rate Of Return (L2 / L1)	5.81%		8.37%	11.78%
4	Req. Operat'g Income (L5 X L1)	\$ 1,568,009		\$ 1,088,235	\$ 566,207
5	Req'd Rate Of Return On FVRB	7.75%		7.75%	6.50%
6	Operat'g Inc. Def'y (L4 - L2)	\$ 392,593		\$ (87,181)	\$ (460,532)
7	Gross Rev. Factor (RLM-1, Pg 2)	1.6286		1.6286	1.62863
8	Increase In Gross Rev. Req't (L7 X L6)	\$ 639,391		\$ (141,984)	\$ (750,037)
9	Adjusted Test Year Revenue	\$ 5,088,340		\$ 5,088,340	\$ 5,088,340
10	Proposed Annual Rev. (L8 + L9)	\$ 5,727,731		\$ 4,946,356	\$ 4,338,303
11	Required % Increase In Rev. (L8 / L9)	12.57%		-2.79%	-14.74%
12	Rate Of Return On Common Eq'ty	11.50%		11.50%	9.00%
13	Proposed Revenue Requirement As Per ROO				\$ 3,717,479
14	Proposed Revenue Requirement As Corrected By RUCO				\$ 4,338,303
15	Difference				\$ 620,824

References:

- Column (A): Company Schedules A-1 and C-1
- Column (B): Recalculated After Adjusting To OCRB
- Column (C): Company Schedules A-1 and C-1
- Column (D): RUCO Schedules RLM-1, RLM-2 And RLM-3

**CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS**

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB	(B) ROO ADJM'T # 1	(C) ROO ADJM'T # 2	(D) ROO ADJM'T # 3	(E) ROO ADJUSTED AS OCRB
1	Gross Utility Plant In Service	\$ 19,962,780	\$ (69,319)	\$ -	\$ -	\$ 19,893,461
	Less:					
2	Accumulated Depreciation	7,189,539	(5,604)	-	-	7,183,935
3	Net Utility Plant In Service (L1 - L2)	<u>\$ 12,773,241</u>	<u>\$ (63,715)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,709,526</u>
	Less:					
4	Advances In Aid Of Const. ("AIAC")	\$ 3,309,005	\$ -	\$ -	\$ -	\$ 3,309,005
5	Contribution In Aid Of Const. ("CIAC")	\$ 1,187,139	\$ -	\$ -	\$ -	1,187,139
6	Less: Accumulated Amortization	-	-	-	-	-
7	NET CIAC (L4 - L5)	<u>\$ 1,187,139</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,187,139</u>
8	Customer Meter Deposits	\$ -	\$ -	\$ -	\$ -	\$ -
9	Deferred Income Taxes And Credits	-	-	-	-	-
10	Investment Tax Credits	-	-	-	-	-
	Plus:					
11	Tolleson Trickling Filter	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000
12	Deferred Tax Assets	-	-	-	-	-
13	Allowance For Working Capital	-	-	-	-	-
14	Citizens Acquisition Adjustment	-	-	-	-	-
15	Adjustment Due To Rounding	1	-	-	-	-
16	TOTAL RATE BASE	<u><u>\$ 8,777,098</u></u>	<u><u>\$ (63,715)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,713,382</u></u>

References:

Column (A): Company As Filed Per Schedule B-2 And RLM-2, Col (C)

Column (B): Adjustment To Test Year Total Plant And Accumulated Depreciation As Per ROO

Column (C): Intentionally Left Blank

Column (D): Intentionally Left Blank

Column (E): Sum Of Columns (A) Thru (D) As Per ROO Page 8, Lines 26 - 28 (See Appropriate Staff Surrebuttal Sch. DWC-3)

CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
 SUMMARY OF OPERATING INCOME ADJUSTMENTS
 COMPANY RE-JOINER TEST YEAR ADJUSTED AS PER ROO

LINE NO.	DESCRIPTION	(A) COMPANY REJOINER		(B) ADJUSTMENT #1		(C) ADJUSTMENT #1		(D) ADJUSTMENT #2		(E) ADJUSTMENT #2		(F) ADJUSTMENT #3		(G) ADJUSTMENT #3		(H) ADJUSTMENT #4		(I) ADJUSTMENT #4		(J) ADJUSTMENT #5		(K) ADJUSTMENT #5		(L) ADJUSTMENT #5		(M) RUCO AS ADDED			
		A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
1	OPERATING REVENUES:																												
2	Flat Rate Revenues	\$ 5,085,481																											
3	Measured Revenues	2,859																											
4	Other Wastewater Revenues	892,447																											
5	TOTAL OPERATING REVENUES:	\$ 5,088,340																											
6	OPERATING EXPENSES:																												
7	Salaries And Wages	\$ 107,787																											
8	Purchased Wastewater Treatment	892,447																											
9	Purchased Power	1,510																											
10	Fuel For Power Production																												
11	Chemicals	105,696																											
12	Material And Supplies	123,456																											
13	Repairs And Maintenance	3,123																											
14	Office Supplies And Expenses	481,009																											
15	Outside Services																												
16	Service Company Charges	21,265																											
17	Water Testing																												
18	Rents	25,960																											
19	Transportation Expenses																												
20	Insurance - General Liability																												
21	Insurance - Health And Life																												
22	Reg. Comm. Exp. - Rate Case	38,583																											
23	Miscellaneous Expense	145,567																											
24	Depreciation Expense	507,843																											
25	Taxes Other Than Income	5,949																											
26	Property Taxes	189,957																											
27	Income Tax	395,362																											
28	Tollson Wastewater User Fees	818,091																											
29	TOTAL OPERATING EXPENSES	\$ 3,958,033																											
30	OPERATING INCOME (LOSS)	\$ 1,130,307																											
31	CALCULATION OF INTEREST SYNCHRONIZATION																												
32	Acquired Original Cost Rate Base (As Per ROO)	\$ 8,713,382																											
33	Weighted Average Cost Of Debt (As Per ROO)	2.9%																											
34	Syndicimized Interest (Line 25 X line 28)	\$ 251,364																											
35	COMPUTATION OF INCOME TAXES																												
36	T.Y. Operating Income Before Income Taxes	\$ 1,514,168																											
37	DEDUCT: Interest Expense	\$ (251,364)																											
38	Taxable Income	\$ 1,262,804																											
39	State Tax @ 6.068%	\$ 87,692																											
40	Federal Taxable Income	\$ 1,174,812																											
41	Federal Tax @ 34%	\$ 399,459																											
42	Total Federal & State Income Taxes	\$ 487,428																											
43	COMPUTATION OF PROPERTY TAX USING STAFF METHODOLOGY																												
44	Acquired T.Y. Revenues	\$ 10,176,890																											
	Weight Factor	\$ 487,428																											
	Subtotal (Line 29 X Line 30)	\$ 395,392																											
	Recommended Revenue	\$ 14,514,983																											
	Subtotal (Line 31 + Line 32)	\$ 4,838,328																											
	Three Year Average Line 33 / 3 Years	\$ 9,676,655																											
	ADOR Multiplier	\$ 408,123																											
	Revenue Base Value (Line 34 X Line 35)	\$ 9,268,532																											
	Plus: 10% CWIP - 2001	\$ 2,317,133																											
	Less: Net Book Value Of Licensed Vehicles	\$ 76,815%																											
	Full Cash Value (Line 36 + Line 37 - Line 38)	\$ 176,521																											
	Assessment Ratio	\$ 5,088,340																											
	Assessment Value (Line 39 X Line 40)	\$ 2,317,133																											
	Composite Property Tax Rate	\$ 7.6181%																											
	Property Tax Expense Line 41 X Line 43)	\$ 176,521																											

ADJUSTMENTS AS STATED IN RECOMMENDED OPINION AND ORDER (ROO)
 Adjustment # 1 - Corporate Overhead Expenses As Per ROO Page 18, Lines 4 - 6 (See Exhibit A)
 A - Remove Company's Overhead Expenses
 B - Add RUCO's Overhead Expenses
 Adjustment # 2 - Rate Case Expense As Per ROO Page 20, Lines 18 & 19 (See Exhibit B)
 A - Remove Company's Rate Case Expense
 B - Add RUCO's Rate Case Expense
 Adjustment # 3 - Company Salaries And Wages As Per ROO Page 18, Lines 4 - 6 (See Exhibit C)
 A - Remove Company's Salaries And Wages
 B - Add RUCO's Salaries And Wages
 ADJUSTMENT # 4 - Service Company Charges As Per ROO Page 18, Lines 4 - 6 (See Exhibit D)
 A - Remove Company's Service Company Allocations
 B - Add RUCO's Service Company Allocations
 Adjustment # 5 - Property Tax Expenses - As Per ROO Page 10, Lines 17 & 18 (See Calculation Above Computed As Per Staff Methodology)
 A - Remove Company's Income Tax
 B - Add Recalculated Income Tax

Arizona-American Water Company
Docket No. W-01303A-02-0868
Test Year Ended December 31, 2001

Tubac Water District

REVISED MAY 20, 2004

**CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
TABLE OF CONTENTS TO RLM SCHEDULES**

<u>SCH. NO.</u>	<u>PAGE NO.</u>	<u>TITLE</u>
RLM-1	1	REVENUE REQUIREMENT
RLM-2	1	RATE BASE
RLM-3	1	INCOME STATEMENT

**CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
REVENUE REQUIREMENT**

LINE NO.	DESCRIPTION	(A) COMPANY RCND	(B) ADJM'T TO RESTATE TO ORIGINAL COST	(C) COMPANY ORIGINAL COST	(D) ADJUSTED AS PER ROO ORIGINAL COST
1	Fair Value Rate Base	\$ 1,903,764	\$ (289,243)	\$ 1,614,521	\$ 1,127,661
2	Adjusted Operat'g Income (Loss)	\$ 14,583		\$ 14,583	\$ 23,202
3	Current Rate Of Return (L2 / L1)	0.77%		0.90%	2.06%
4	Req. Operat'g Income (L5 X L1)	\$ 147,501		\$ 125,125	\$ 73,271
5	Req'd Rate Of Return On FVRB	7.75%		7.75%	6.50%
6	Operat'g Inc. Def'y (L4 - L2)	\$ 132,918		\$ 110,542	\$ 50,069
7	Gross Rev. Factor (RLM-1, Pg 2)	1.6286		1.6286	1.62863
8	Increase In Gross Rev. Req't (L7 X L6)	\$ 216,475		\$ 180,029	\$ 81,543
9	Adjusted Test Year Revenue	\$ 254,486		\$ 254,486	\$ 254,486
10	Proposed Annual Rev. (L8 + L9)	\$ 469,847		\$ 434,515	\$ 336,029
11	Required % Increase In Rev. (L8 / L9)	85.06%		70.74%	32.04%
12	Rate Of Return On Common Eq'ty	11.50%		11.50%	9.00%
13	Proposed Revenue Requirement As Per ROO				\$ 324,631
14	Proposed Revenue Requirement As Corrected By RUCO				\$ 336,029
15	Difference				\$ 11,398

References:

- Column (A): Company Schedules A-1 and C-1
- Column (B): Recalculated After Adjusting To OCRB
- Column (C): Company Schedules A-1 and C-1
- Column (D): RUCO Schedules RLM-1, RLM-2 And RLM-3

**CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS**

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB	(B) ROO ADJM'T # 1	(C) ROO ADJM'T # 2	(D) ROO ADJM'T # 3	(E) ROO ADJUSTED OCRB
1	Gross Utility Plant In Service	\$ 1,968,841	\$ 41,223	\$ -	\$ -	\$ 2,010,064
	Less:					
2	Accumulated Depreciation	571,158	(3,101)	-	-	568,057
3	Net Utility Plant In Service (L1 - L2)	<u>\$ 1,397,683</u>	<u>\$ 44,324</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,442,007</u>
	Less:					
4	Advances In Aid Of Const. ("AIAC")	\$ 170,081	\$ -	\$ -	\$ -	\$ 170,081
5	Contribution In Aid Of Const. ("CIAC")	\$ 143,675	\$ -	\$ -	\$ -	143,675
6	Less: Accumulated Amortization	-	-	-	-	-
7	NET CIAC (L4 - L5)	<u>\$ 143,675</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,675</u>
8	Customer Meter Deposits	\$ 590	\$ -	\$ -	\$ -	\$ 590
9	Deferred Income Taxes And Credits	-	-	-	-	-
10	Investment Tax Credits	-	-	-	-	-
	Plus:					
11	Unamortized Finance Charges	\$ -	\$ -	\$ -	\$ -	\$ -
12	Deferred Tax Assets	-	-	-	-	-
13	Allowance For Working Capital	-	-	-	-	-
14	Citizens Acquisition Adjustment	-	-	-	-	-
15	Adjustment Due To Rounding	-	-	-	-	-
16	TOTAL RATE BASE	<u><u>\$ 1,083,337</u></u>	<u><u>\$ 44,324</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,127,661</u></u>

References:

Column (A): Company As Filed Per Schedule B-2 And RLM-2, Col (C)

Column (B): Adjustment To Test Year Total Plant And Accumulated Depreciation As Per ROO

Column (C): Intentionally Left Blank

Column (D): Intentionally Left Blank

Column (E): Sum Of Columns (A) Thru (D) As Per ROO Page 8, Lines 26 - 28 (See Appropriate Staff Surrebuttal Sch. DWC-3)

CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
 SUMMARY OF OPERATING INCOME ADJUSTMENTS
 COMPANY REINORDER TEST YEAR ADJUSTED AS PER ROO

LINE NO.	DESCRIPTION	(A) COMPANY REINORDER		(B) ADJUSTMENT #1		(C) ADJUSTMENT #1		(D) ADJUSTMENT #2		(E) ADJUSTMENT #2		(F) ADJUSTMENT #3		(G) ADJUSTMENT #3		(H) ADJUSTMENT #4		(I) ADJUSTMENT #4		(J) ADJ #5		(K) ADJUSTMENT #6		(M) RUCO AS ADJTD
		A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B			
1	OPERATING REVENUES:																							
2	Metered Water Revenues	\$ 251,795																						\$ 251,795
3	Unmetered Water Revenues																							2,691
4	Other Water Revenues																							\$ 254,486
	TOTAL OPERATING REVENUES:	\$ 254,486																						\$ 254,486
5	OPERATING EXPENSES:																							
6	Salaries And Wages	\$ 74,102																						\$ 74,102
7	Purchased Water																							20,767
8	Purchased Power																							16
9	Chemicals																							18,029
10	Repairs And Maintenance																							17,904
11	Office Supplies And Expenses																							10,516
12	Outside Services																							32,750
13	Service Company Fees																							1,420
14	Water Testing																							9,454
15	Rents																							2,367
16	Transportation Expenses																							1,005
17	Insurance - General Liability																							7,079
18	Insurance - Health And Life																							37,365
19	Reg. Comm. Exp. - Rate Case																							4,509
20	Miscellaneous Expense																							20,495
21	Depreciation Expense																							(5,865)
22	Taxes Other Than Income																							20,135
23	Property Taxes																							(5,865)
24	Income Tax																							(1)
25	Adjustment Due To Rounding																							\$ 231,234
	TOTAL OPERATING EXPENSES:	\$ 246,000																						\$ 231,234
26	OPERATING INCOME (LOSS)	\$ 18,486																						\$ 23,202
27	CALCULATION OF INTEREST SYNCHRONIZATION																							
28	Adjusted Original Cost Rate Base (As Per ROO)	\$ 1,127,661																						\$ 23,202
29	Weighted Average Cost Of Debt (As Per ROO)	2.9%																						\$ 23,202
30	Synchronized Interest (Line 25 X Line 29)	\$ 32,531																						\$ 23,202
31																								\$ 23,202
32																								\$ 23,202
33																								\$ 23,202
34																								\$ 23,202
35																								\$ 23,202
36																								\$ 23,202
37																								\$ 23,202
38																								\$ 23,202
39																								\$ 23,202
40																								\$ 23,202
41																								\$ 23,202

ADJUSTMENTS AS STATED IN RECOMMENDED OPINION AND ORDER (ROO)
 Adjustment # 1 - Corporate Overhead Expenses As Per ROO Page 18, Lines 4 - 6 (See Exhibit A)
 A - Remove Company's Overhead Expenses
 B - Add RUCO's Overhead Expenses
 Adjustment # 2 - Rate Case Expense As Per ROO Page 20, Lines 18 & 19 (See Exhibit B)
 A - Remove Company's Rate Case Expense
 B - Add RUCO's Rate Case Expense
 Adjustment # 3 - Company Salaries And Wages As Per ROO Page 18, Lines 4 - 6 (See Exhibit C)
 A - Remove Company's Salaries & Wages
 B - Add RUCO's Salaries & Wages

Adjustment # 4 - Service Company Charges As Per ROO Page 18, Lines 4 - 6 (See Exhibit D)
 A - Remove Company's Service Company Allocations
 B - Add RUCO's Service Company Allocations
 Adjustment # 5 - Property Tax Expense As Per ROO Page 10, Lines 17 & 18 (See Calculation Above Computed As Per Staff Methodology)
 Adjustment # 6 - Income Tax Expenses - Recalculated To Reflect Changes In Operating Income (See Lines 27 - 33)
 A - Remove Company's Income Tax
 B - Add Recalculated Income Tax

COMPUTATION OF PROPERTY TAX USING STAFF METHODOLOGY
 Adjusted T. Y. Revenues
 Weight Factor
 Subtotal (Line 27 X Line 28)
 Recommended Revenue
 Subtotal (Line 29 + Line 30)
 Three Year Average Line 31 / 3 Years
 ADOR Multiplier
 Revenue Base Value (Line 32 X Line 33)
 Plus: 10% CWPP - 2001
 Less: Net Book Value Of Licensed Vehicles
 Full Cash Value (Line 34 + Line 35 - Line 36)
 Assessment Ratio
 Assessment Value (Line 37 X Line 38)
 Composite Property Tax Rate
 Property Tax Expense Line 39 X Line 40

COMPUTATION OF INCOME TAXES
 T. Y. Operating Income Before Income Taxes
 DEDUCT: Interest Expense
 Taxable Income
 State Tax @ 6.998%
 Federal Taxable Income
 Federal Tax @ 34%
 Total Federal & State Income Taxes

Arizona-American Water Company
Docket No. W-01303A-02-0868
Test Year Ended December 31, 2001

Agua Fria Water District

REVISED MAY 20, 2004

**CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
TABLE OF CONTENTS TO RLM SCHEDULES**

<u>SCH. NO.</u>	<u>PAGE NO.</u>	<u>TITLE</u>
RLM-1	1	REVENUE REQUIREMENT
RLM-2	1	RATE BASE
RLM-3	1	INCOME STATEMENT

**CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
REVENUE REQUIREMENT**

LINE NO.	DESCRIPTION	(A) COMPANY RCND	(B) ADJM'T TO RESTATE TO ORIGINAL COST	(C) COMPANY ORIGINAL COST	(D) ADJUSTED AS PER ROO ORIGINAL COST
1	Fair Value Rate Base	\$ 1,903,764	\$ (289,243)	\$ 1,614,521	\$ 16,665,182
2	Adjusted Operat'g Income (Loss)	\$ 14,583		\$ 14,583	\$ 1,247,946
3	Current Rate Of Return (L2 / L1)	0.77%		0.90%	7.49%
4	Req. Operat'g Income (L5 X L1)	\$ 147,501		\$ 125,125	\$ 1,083,417
5	Req'd Rate Of Return On FVRB	7.75%		7.75%	6.50%
6	Operat'g Inc. Def'y (L4 - L2)	\$ 132,918		\$ 110,542	\$ (164,529)
7	Gross Rev. Factor (RLM-1, Pg 2)	1.6286		1.6286	1.62863
8	Increase In Gross Rev. Req't (L7 X L6)	\$ 216,475		\$ 180,029	\$ (267,957)
9	Adjusted Test Year Revenue	\$ 254,486		\$ 254,486	\$ 6,186,037
10	Proposed Annual Rev. (L8 + L9)	\$ 469,847		\$ 434,515	\$ 5,918,080
11	Required % Increase In Rev. (L8 / L9)	85.06%		70.74%	-4.33%
12	Rate Of Return On Common Eq'ty	11.50%		11.50%	9.00%
13	Proposed Revenue Requirement As Per ROO				\$ 5,646,046
14	Proposed Revenue Requirement As Corrected By RUCO				\$ 5,918,080
15	Difference				\$ 272,034

References:

- Column (A): Company Schedules A-1 and C-1
- Column (B): Recalculated After Adjusting To OCRB
- Column (C): Company Schedules A-1 and C-1
- Column (D): RUCO Schedules RLM-1, RLM-2 And RLM-3

**CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS**

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB	(B) ROO ADJM'T # 1	(C) ROO ADJM'T # 2	(D) ROO ADJM'T # 3	(E) ROO ADJUSTED AS OCRB
1	Gross Utility Plant In Service	\$ 50,919,880	\$ 142,227	\$ -	\$ -	\$ 51,062,107
	Less:					
2	Accumulated Depreciation	4,993,698	27,130	-	-	5,020,828
3	Net Utility Plant In Service (L1 - L2)	<u>\$ 45,926,182</u>	<u>\$ 115,097</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,041,279</u>
	Less:					
4	Advances In Aid Of Const. ("AIAC")	\$ 27,385,370	\$ -	\$ -	\$ -	\$ 27,385,370
5	Contribution In Aid Of Const. ("CIAC")	\$ 1,973,438	\$ -	\$ -	\$ -	1,973,438
6	Less: Accumulated Amortization	-	-	-	-	-
7	NET CIAC (L4 - L5)	<u>\$ 1,973,438</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,973,438</u>
8	Customer Meter Deposits	\$ 17,289	\$ -	\$ -	\$ -	\$ 17,289
9	Deferred Income Taxes And Credits	-	-	-	-	-
10	Investment Tax Credits	-	-	-	-	-
	Plus:					
11	Unamortized Finance Charges	\$ -	\$ -	\$ -	\$ -	\$ -
12	Deferred Tax Assets	-	-	-	-	-
13	Allowance For Working Capital	-	-	-	-	-
14	Citizens Acquisition Adjustment	-	-	-	-	-
15	Adjustment Due To Rounding	-	-	-	-	-
16	TOTAL RATE BASE	<u>\$ 16,550,085</u>	<u>\$ 115,097</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,665,182</u>

References:

Column (A): Company As Filed Per Schedule B-2 And RLM-2, Col (C)

Column (B): Adjustment To Test Year Total Plant And Accumulated Depreciation As Per ROO

Column (C): Intentionally Left Blank

Column (D): Intentionally Left Blank

Column (E): Sum Of Columns (A) Thru (D) As Per ROO Page 8, Lines 26 - 28 (See Appropriate Staff Surrebuttal Sch. DWC-3)

CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
SUMMARY OF OPERATING INCOME ADJUSTMENTS
COMPANY REJOINER TEST YEAR ADJUSTED AS PER ROO

LINE NO.	DESCRIPTION	(A) COMPANY REJOINER		(B) ADJUSTMENT #1		(C) ADJUSTMENT #1		(D) ADJUSTMENT #2		(E) ADJUSTMENT #2		(F) ADJUSTMENT #3		(G) ADJUSTMENT #3		(H) ADJUSTMENT #4		(I) ADJUSTMENT #4		(J) ADJ #5		(K) ADJUSTMENT #6		(L) ADJUSTMENT #6		(M) RUCO AS ADDED			
		A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
1	OPERATING REVENUES:																												
2	Metered Water Revenues	\$ 5,846,076																											
3	Unmetered Water Revenues																												
3	Other Water Revenues																												
4	TOTAL OPERATING REVENUES	\$ 6,186,037																											
5	OPERATING EXPENSES:																												
6	Salaries And Wages	\$ 545,522																											
7	Purchased Water	382,700																											
8	Chemicals	601,814																											
9	Repairs And Maintenance	108,523																											
10	Office Supplies And Expenses	112,445																											
11	Outside Services	35,465																											
12	Service Company Fees	656,525																											
13	Water Testing	8,614																											
14	Rentals	25,841																											
15	Transportation Expenses																												
16	Insurance - General Liability	26,864																											
17	Insurance - Health And Life																												
18	Reg. Contr. Exp. - Rate Case	43,906																											
19	Miscellaneous Expense	189,238																											
20	Depreciation Expense	1,157,575																											
21	Taxes Other Than Income	34,037																											
22	Property Taxes	309,791																											
23	Income Tax	506,184																											
24	Adjustment Due To Rounding																												
25	TOTAL OPERATING EXPENSES	\$ 4,845,829																											
26	OPERATING INCOME (LOSS)	\$ 1,340,208																											
27	CALCULATION OF INTEREST SYNCHRONIZATION																												
28	Adjusted Original Cost Rate Base (As Per ROO)	\$ 16,665,182																											
29	Weighted Average Cost Of Debt (As Per ROO)	2.9%																											
30	Synchronized Interest (Line 25 X line 28)	\$ 480,757																											
31																													
32																													
33																													
34																													
35																													
36																													
37																													
38																													
39																													
40																													
41	ADJUSTMENTS AS STATED IN RECOMMENDED OPINION AND ORDER (ROO)																												
	Adjustment # 1 - Corporate Overhead Expenses As Per ROO Page 18, Lines 4 - 6 (See Exhibit A)																												
	A - Remove Company's Overhead Expenses																												
	B - Add RUCO's Overhead Expenses																												
	Adjustment # 2 - Rate Case Expense As Per ROO Page 20, Lines 18 & 19 (See Exhibit B)																												
	A - Remove Company's Rate Case Expense																												
	B - Add RUCO's Rate Case Expense																												
	Adjustment # 3 - Company Salaries And Wages As Per ROO Page 16, Lines 4 - 6 (See Exhibit C)																												
	A - Remove Company's Salaries & Wages																												
	B - Add RUCO's Salaries & Wages																												
	Adjustment # 4 - Service Company Charges As Per ROO Page 18, Lines 4 - 6 (See Exhibit D)																												
	A - Remove Company's Service Company Allocations																												
	B - Add RUCO's Service Company Allocations																												
	Adjustment # 5 - Property Tax Expense As Per ROO Page 10, Lines 17 & 18 (See Calculation Above Computed As Per Staff Methodology)																												
	A - Remove Company's Property Tax Expense																												
	B - Add RUCO's Property Tax Expense																												
	Adjustment # 6 - Income Tax Expense - Recalculated To Reflect Changes In Operating Income (See Lines 27 - 33)																												
	A - Remove Company's Income Tax																												
	B - Add Recalculated Income Tax																												

COMPUTATION OF PROPERTY TAX USING STAFF METHODOLOGY
 Adjusted T. Y. Revenues \$ 604,539
 Weight Factor \$ 5,009
 Subtotal (Line 27 X Line 28) \$ 3,030,030
 Recommended Revenue \$ 606,184
 Three Year Average Line 31 / 3 Years \$ 606,184
 ADOR Multiplier \$ 6,096,718
 Revenue Base Value (Line 32 X Line 33) \$ 12,193,436
 Plus: 10% CWIP - 2001 \$ 251,004
 Less: Net Book Value Of Licensed Vehicles \$ 11,942,492
 Full Cash Value (Line 34 + Line 35 - Line 36) \$ 2,965,608
 Assessment Ratio 25%
 Assessment Value (Line 37 X Line 38) \$ 2,965,608
 Composite Property Tax Rate 10.1885%
 Property Tax Expense Line 39 X Line 40 \$ 304,182

Arizona-American Water Company
Docket No. W-01303A-02-0868
Test Year Ended December 31, 2001

Anthem Water District
REVISED MAY 20, 2004

**CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
TABLE OF CONTENTS TO RLM SCHEDULES**

<u>SCH. NO.</u>	<u>PAGE NO.</u>	<u>TITLE</u>
RLM-1	1	REVENUE REQUIREMENT
RLM-2	1	RATE BASE
RLM-3	1	INCOME STATEMENT

**CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
REVENUE REQUIREMENT**

LINE NO.	DESCRIPTION	(A) COMPANY RCND	(B) ADJM'T TO RESTATE TO ORIGINAL COST	(C) COMPANY ORIGINAL COST	(D) ADJUSTED AS PER ROO ORIGINAL COST
1	Fair Value Rate Base	\$ 1,903,764	\$ (289,243)	\$ 1,614,521	\$ 9,269,095
2	Adjusted Operat'g Income (Loss)	\$ 14,583		\$ 14,583	\$ 840,320
3	Current Rate Of Return (L2 / L1)	0.77%		0.90%	9.07%
4	Req. Operat'g Income (L5 X L1)	\$ 147,501		\$ 125,125	\$ 602,858
5	Req'd Rate Of Return On FVRB	7.75%		7.75%	6.50%
6	Operat'g Inc. Def'y (L4 - L2)	\$ 132,918		\$ 110,542	\$ (237,462)
7	Gross Rev. Factor (RLM-1, Pg 2)	1.6286		1.6286	1.62863
8	Increase In Gross Rev. Req't (L7 X L6)	\$ 216,475		\$ 180,029	\$ (386,738)
9	Adjusted Test Year Revenue	\$ 254,486		\$ 254,486	\$ 4,010,805
10	Proposed Annual Rev. (L8 + L9)	\$ 469,847		\$ 434,515	\$ 3,624,067
11	Required % Increase In Rev. (L8 / L9)	85.06%		70.74%	-9.64%
12	Rate Of Return On Common Eq'ty	11.50%		11.50%	9.00%
13	Proposed Revenue Requirement As Per ROO				\$ 3,877,940
14	Proposed Revenue Requirement As Corrected By RUCO				\$ 3,624,067
15	Difference				\$ (253,873)

References:

- Column (A): Company Schedules A-1 and C-1
- Column (B): Recalculated After Adjusting To OCRB
- Column (C): Company Schedules A-1 and C-1
- Column (D): RUCO Schedules RLM-1, RLM-2 And RLM-3

**CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS**

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB	(B) ROO ADJM'T # 1	(C) ROO ADJM'T # 2	(D) ROO ADJM'T # 3	(E) ROO ADJUSTED OCRB
1	Gross Utility Plant In Service	\$ 41,428,654	\$ 99,293	\$ -	\$ -	\$ 41,527,947
	Less:					
2	Accumulated Depreciation	2,087,919	(1,430)	-	-	2,086,489
3	Net Utility Plant In Service (L1 - L2)	<u>\$ 39,340,735</u>	<u>\$ 100,723</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,441,458</u>
	Less:					
4	Advances In Aid Of Const. ("AIAC")	\$ 29,093,642	\$ -	\$ -	\$ -	\$ 29,093,642
5	Contribution In Aid Of Const. ("CIAC")	\$ 1,075,425	\$ -	\$ -	\$ -	1,075,425
6	Less: Accumulated Amortization	-	-	-	-	-
7	NET CIAC (L4 - L5)	<u>\$ 1,075,425</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,075,425</u>
8	Customer Meter Deposits	\$ 3,296	\$ -	\$ -	\$ -	\$ 3,296
9	Deferred Income Taxes And Credits	-	-	-	-	-
10	Investment Tax Credits	-	-	-	-	-
	Plus:					
11	Unamortized Finance Charges	\$ -	\$ -	\$ -	\$ -	\$ -
12	Deferred Tax Assets	-	-	-	-	-
13	Allowance For Working Capital	-	-	-	-	-
14	Citizens Acquisition Adjustment	-	-	-	-	-
15	Adjustment Due To Rounding	-	-	-	-	-
16	TOTAL RATE BASE	<u>\$ 9,168,372</u>	<u>\$ 100,723</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,269,095</u>

References:

- Column (A): Company As Filed Per Schedule B-2 And RLM-2, Col (C)
- Column (B): Adjustment To Test Year Total Plant And Accumulated Depreciation As Per ROO
- Column (C): Intentionally Left Blank
- Column (D): Intentionally Left Blank
- Column (E): Sum Of Columns (A) Thru (D) As Per ROO Page 8, Lines 26 - 28 (See Appropriate Staff Surrebuttal Sch. DWC-3)

CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
 SUMMARY OF OPERATING INCOME ADJUSTMENTS
 COMPANY REINORDER TEST YEAR ADJUSTED AS PER ROO

LINE NO.	DESCRIPTION	(A) COMPANY REINORDER		(B) ADJUSTMENT #1		(C) ADJUSTMENT #1		(D) ADJUSTMENT #2		(E) ADJUSTMENT #2		(F) ADJUSTMENT #3		(G) ADJUSTMENT #3		(H) ADJUSTMENT #4		(I) ADJUSTMENT #4		(J) ADJ #5		(K) ADJUSTMENT #6		(L) ADJUSTMENT #6		(M) RUCO AS ADDED	
		A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B		
1	OPERATING REVENUES:																										
2	Metered Water Revenues	\$ 2,060,418	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 2,060,418	
3	Unmetered Water Revenues																										1,950,387
4	Other Water Revenues	1,950,387																									1,950,387
5	TOTAL OPERATING REVENUES	\$ 4,010,805	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 4,010,805	
6	OPERATING EXPENSES:																										
7	Salaries And Wages	\$ 417,470	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 417,470	
8	Purchased Water	172,055																									172,055
9	Purchased Power	264,489																									264,489
10	Chemicals	65,282																									65,282
11	Repairs And Maintenance	130,909																									130,909
12	Outside Services	56,862																									56,862
13	Office Supplies And Expenses	27,139																									27,139
14	Service Company Fees	494,521																									494,521
15	Water Testing	1,193																									1,193
16	Rentals	18,568																									18,568
17	Transportation Expenses	13,830																									13,830
18	Insurance - General Liability	26,471																									26,471
19	Insurance - Health And Life	173,108																									173,108
20	Reg. Contr. Exp. - Rate Case	917,978																									917,978
21	Miscellaneous Expense	25,046																									25,046
22	Depreciation Expense	221,191																									221,191
23	Taxes Other Than Income	283,347																									283,347
24	Property Taxes																										
25	Income Tax																										
26	Adjustment Due To Rounding																										
27	TOTAL OPERATING EXPENSES	\$ 3,279,318	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 3,279,318	
28	OPERATING INCOME (LOSS)	\$ 731,486	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 731,486	
29	CALCULATION OF INTEREST SYNCHRONIZATION																										
30	Adjusted Original Cost Rate Base (As Per ROO)	\$ 9,269,056																									
31	Weighted Average Cost Of Debt (As Per ROO)	2.9%																									
32	Synchronized Interest (Line 25 X Line 29)	\$ 277,305																									
33	State Tax @ 6.966%																										
34	Federal Taxable Income	\$ 669,067																									
35	Federal Tax @ 34%	\$ 228,483																									
36	Total Federal & State Income Taxes	\$ 897,550																									
37	COMPUTATION OF INCOME TAXES																										
38	T. Y. Operating Income Before Income Taxes	\$ 1,200,479																									
39	DEDUCT: Interest Expense	\$ (237,385)																									
40	Taxable Income	\$ 963,094																									
41	COMPUTATION OF PROPERTY TAX USING STAFF METHODOLOGY																										
42	Adjusted T. Y. Revenues	\$ 999,981																									
43	Weight Factor	\$ 8,021,610																									
44	Subtotal (Line 27 X Line 28)	\$ 8,021,610																									
45	Recommended Revenue	\$ 8,021,610																									
46	Three Year Average Line 31 / 3 Years	\$ 11,045,077																									
47	ADOR Multiplier	\$ 3,951,892																									
48	Revenue Base Value (Line 32 X Line 33)	\$ 7,765,785																									
49	Plus: 10% CWIP - 2001	\$ 776,578																									
50	Less: Net Book Value Of Licensed Vehicles	\$ 75,898																									
51	Full Cash Value (Line 34 + Line 35 - Line 36)	\$ 7,689,887																									
52	Assessment Ratio	25%																									
53	Assessment Value (Line 37 X Line 38)	\$ 1,922,522																									
54	Composite Property Tax Rate	5.5772%																									
55	Property Tax Expense Line 39 X Line 40)	\$ 107,224																									

ADJUSTMENTS AS STATED IN RECOMMENDED OPINION AND ORDER (ROO)
 Adjustment # 1 - Corporate Overhead Expenses As Per ROO Page 18, Lines 4 - 6 (See Exhibit A)
 A - Remove Company's Overhead Expenses
 B - Add RUCO's Overhead Expenses
 Adjustment # 2 - Rate Case Expense As Per ROO Page 20, Lines 18 & 19 (See Exhibit B)
 A - Remove Company's Rate Case Expense
 B - Add RUCO's Rate Case Expense
 Adjustment # 3 - Company Salaries And Wages As Per ROO Page 18, Lines 4 - 6 (See Exhibit C)
 A - Remove Company's Salaries & Wages
 B - Add RUCO's Salaries & Wages

Adjustment # 4 - Service Company Charges As Per ROO Page 18, Lines 4 - 6 (See Exhibit D)
 A - Remove Company's Service Company Allocations
 B - Add RUCO's Service Company Allocations
 Adjustment # 5 - Property Tax Expenses As Per ROO Page 10, Lines 17 & 18 (See Calculation Above Computed As Per Staff Methodology)
 Adjustment # 6 - Income Tax Expenses - Recalculated To Reflect Changes In Operating Income (See Lines 27 - 33)
 A - Remove Company's Income Tax
 B - Add Recalculated Income Tax

Arizona-American Water Company
Docket No. W-01303A-02-0868
Test Year Ended December 31, 2001

Agua Fria/Anthem Wastewater District

REVISED MAY 20, 2004

**CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
TABLE OF CONTENTS TO RLM SCHEDULES**

<u>SCH. NO.</u>	<u>PAGE NO.</u>	<u>TITLE</u>
RLM-1	1	REVENUE REQUIREMENT
RLM-2	1	RATE BASE
RLM-3	1	INCOME STATEMENT

**CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
REVENUE REQUIREMENT**

LINE NO.	DESCRIPTION	(A) COMPANY RCND	(B) ADJMT TO RESTATE TO ORIGINAL COST	(C) COMPANY ORIGINAL COST	(D) ADJUSTED AS PER ROO ORIGINAL COST
1	Fair Value Rate Base	\$ 20,233,577	\$ (6,191,840)	\$ 14,041,737	\$ 2,731,868
2	Adjusted Operat'g Income (Loss)	\$ 1,175,416		\$ 1,175,416	\$ 38,163
3	Current Rate Of Return (L2 / L1)	5.81%		8.37%	1.40%
4	Req. Operat'g Income (L5 X L1)	\$ 1,568,009		\$ 1,088,235	\$ 177,535
5	Req'd Rate Of Return On FVRB	7.75%		7.75%	6.50%
6	Operat'g Inc. Def'y (L4 - L2)	\$ 392,593		\$ (87,181)	\$ 139,372
7	Gross Rev. Factor (RLM-1, Pg 2)	1.6286		1.6286	1.62863
8	Increase In Gross Rev. Req't (L7 X L6)	\$ 639,391		\$ (141,984)	\$ 226,986
9	Adjusted Test Year Revenue	\$ 5,088,340		\$ 5,088,340	\$ 1,866,546
10	Proposed Annual Rev. (L8 + L9)	\$ 5,727,731		\$ 4,946,356	\$ 2,093,532
11	Required % Increase In Rev. (L8 / L9)	12.57%		-2.79%	12.16%
12	Rate Of Return On Common Eq'ty	11.50%		11.50%	9.00%
13	Proposed Revenue Requirement As Per ROO				\$ 2,095,584
14	Proposed Revenue Requirement As Corrected By RUCO				\$ 2,093,532
15	Difference				\$ (2,052)

References:

- Column (A): Company Schedules A-1 and C-1
- Column (B): Recalculated After Adjusting To OCRB
- Column (C): Company Schedules A-1 and C-1
- Column (D): RUCO Schedules RLM-1, RLM-2 And RLM-3

**CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS**

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB	(B) ROO ADJM'T # 1	(C) ROO ADJM'T # 2	(D) ROO ADJM'T # 3	(E) ROO ADJUSTED AS OCRB
1	Gross Utility Plant In Service	\$ 23,053,411	\$ (16,142)	\$ -	\$ -	\$ 23,037,269
	Less:					
2	Accumulated Depreciation	789,221	(1,114)	-	-	788,107
3	Net Utility Plant In Service (L1 - L2)	<u>\$ 22,264,190</u>	<u>\$ (15,028)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,249,162</u>
	Less:					
4	Advances In Aid Of Const. ("AIAC")	\$ 19,045,098	\$ -	\$ -	\$ -	\$ 19,045,098
5	Contribution In Aid Of Const. ("CIAC")	\$ 472,196	\$ -	\$ -	\$ -	472,196
6	Less: Accumulated Amortization	-	-	-	-	-
7	NET CIAC (L4 - L5)	<u>\$ 472,196</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 472,196</u>
8	Customer Meter Deposits	\$ -	\$ -	\$ -	\$ -	\$ -
9	Deferred Income Taxes And Credits	-	-	-	-	-
10	Investment Tax Credits	-	-	-	-	-
	Plus:					
11	Tolleson Tricking Filter	\$ -	\$ -	\$ -	\$ -	\$ -
12	Deferred Tax Assets	-	-	-	-	-
13	Allowance For Working Capital	-	-	-	-	-
14	Citizens Acquisition Adjustment	-	-	-	-	-
15	Adjustment Due To Rounding	-	-	-	-	-
16	TOTAL RATE BASE	<u>\$ 2,746,896</u>	<u>\$ (15,028)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,731,868</u>

References:

- Column (A): Company As Filed Per Schedule B-2 And RLM-2, Col (C)
- Column (B): Adjustment To Test Year Total Plant And Accumulated Depreciation As Per ROO
- Column (C): Intentionally Left Blank
- Column (D): Intentionally Left Blank
- Column (E): Sum Of Columns (A) Thru (D) As Per ROO Page 8, Lines 26 - 28 (See Appropriate Staff Surrebuttal Sch. DWC-3)

CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
SUMMARY OF OPERATING INCOME ADJUSTMENTS
COMPANY REJOINDER TEST YEAR ADJUSTED AS PER ROO

LINE NO.	DESCRIPTION	(A) COMPANY REJOINDER		(B) ADJUSTMENT #1		(C) ADJUSTMENT #1		(D) ADJUSTMENT #2		(E) ADJUSTMENT #2		(F) ADJUSTMENT #3		(G) ADJUSTMENT #3		(H) ADJUSTMENT #4		(I) ADJUSTMENT #4		(J) ADJ #5		(K) ADJUSTMENT #6		(L) ADJUSTMENT #6		(M) RUCO AS ADJTD.	
		A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B		
1	OPERATING REVENUES:																										
2	Flat Rate Revenues	\$ 880,474																									\$ 880,474
3	Measured Revenues																										\$ 986,072
4	Other Wastewater Revenues	986,072																									\$ 1,866,546
	TOTAL OPERATING REVENUES	\$ 1,866,546																									\$ 1,866,546
5	OPERATING EXPENSES:																										
6	Salaries And Wages	\$ 256,979		\$ (57,666)	\$ 22,464																						\$ 242,452
7	Purchased Wastewater Treatment	19,925																									\$ 19,925
8	Purchased Power	5,714																									\$ 5,714
9	Fuel For Power Production																										
10	Chemicals																										
11	Material And Supplies	(1,053)																									(1,053)
12	Repairs And Maintenance	66,646																									73,487
13	Office Supplies And Expenses	26,544																									26,544
14	Outside Services	294,697																									243,657
15	Service Company Charges																										
16	Water Testing																										8,308
17	Rents	6,308																									
18	Transportation Expenses																										(5,145)
19	Insurance - General Liability	(4,664)																									
20	Insurance - Health And Life																										7,373
21	Reg. Comm. Exp. - Rate Case	12,319																									
22	Miscellaneous Expense	242,323																									242,323
23	Depreciation Expense	864,771																									864,771
24	Taxes Other Than Income	106,825																									106,825
25	Property Taxes	(36,542)																									(36,542)
26	Income Tax																										
27	Adjustment Due To Rounding	\$ 1,848,102																									
28	TOTAL OPERATING EXPENSES	\$ 1,848,102		\$ (60,159)	\$ 61,251																						\$ 1,823,683
29	OPERATING INCOME (LOSS)	\$ 18,444		\$ (80,159)	\$ (61,251)																						\$ 38,188
30	CALCULATION OF INTEREST SYNCHRONIZATION																										
31	Acquired Original Cost Rate Base (As Per ROO)	\$ 2,731,868																									
32	Weighted Average Cost Of Debt (As Per ROO)	2.9%																									
33	Synchronized Interest (Line 25 X line 26)	\$ 76,809																									
34	COMPUTATION OF INCOME TAXES																										
35	T. Y. Operating Income Before Income Taxes	\$ (12,319)		\$ (12,319)																							
36	DEDUCT: Interest Expense																										
37	Taxable Income	\$ 12,319		\$ 12,319																							
38	State Tax @ 6.968%																										
39	Federal Taxable Income																										
40	Federal Tax @ 24%																										
41	Total Federal & State Income Taxes																										
42	COMPUTATION OF PROPERTY TAX USING STAFF METHODOLOGY																										
43	Adjusted T. Y. Revenues																										
44	Weight Factor																										
45	Subtotal (Line 29 X Line 30)																										
46	Recommended Revenue																										
47	Subtotal (Line 31 + Line 32)																										
48	Three Year Average Line 33 / 3 Years)																										
49	ADOR Multiplier																										
50	Revenue Base Value (Line 34 X Line 35)																										
51	Plus: 10% CWIP - 2001																										
52	Less: Net Book Value Of Licensed Vehicles																										
53	Full Cash Value (Line 36 + Line 37 - Line 38)																										
54	Assessment Ratio																										
55	Assessment Value (Line 39 X Line 40)																										
56	Composite Property Tax Rate																										
57	Property Tax Expense Line 41 X Line 43)																										

ADJUSTMENTS AS STATED IN RECOMMENDED OPINION AND ORDER (ROO)

Adjustment # 1 - Corporate Overhead Expenses As Per ROO Page 18, Lines 4 - 6 (See Exhibit A)

A - Remove Company's Overhead Expenses

B - Add RUCO's Overhead Expenses

Adjustment # 2 - Rate Case Expense As Per ROO Page 20, Lines 18 & 19 (See Exhibit B)

A - Remove Company's Rate Case Expense

B - Add RUCO's Rate Case Expense

Adjustment # 3 - Company Salaries And Wages As Per ROO Page 18, Lines 4 - 6 (See Exhibit C)

A - Remove Company's Salaries & Wages

B - Add RUCO's Salaries & Wages

Adjustment # 4 - Service Company Charges As Per ROO Page 18, Lines 4 - 6 (See Exhibit D)

A - Remove Company's Service Company Allocations

B - Add RUCO's Service Company Allocations

Adjustment # 5 - Property Tax Expense As Per ROO Page 10, Lines 17 & 18 (See Calculation Above Computed As Per Staff Methodology)

A - Remove Company's Property Tax Expense - Recalculated To Reflect Changes In Operating Income (See Lines 27 - 33)

B - Add Recalculated Income Tax

Arizona-American Water Company
Docket No. W-01303A-02-0868
Test Year Ended December 31, 2001

Mohave Water District
REVISED MAY 20, 2004

**CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
TABLE OF CONTENTS TO RLM SCHEDULES**

<u>SCH. NO.</u>	<u>PAGE NO.</u>	<u>TITLE</u>
RLM-1	1	REVENUE REQUIREMENT
RLM-2	1	RATE BASE
RLM-3	1	INCOME STATEMENT

**CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
REVENUE REQUIREMENT**

LINE NO.	DESCRIPTION	(A) COMPANY RCND	(B) ADJMT TO RESTATE TO ORIGINAL COST	(C) COMPANY ORIGINAL COST	(D) ADJUSTED AS PER ROO ORIGINAL COST
1	Fair Value Rate Base	\$ 1,903,764	\$ (289,243)	\$ 1,614,521	\$ 8,791,741
2	Adjusted Operat'g Income (Loss)	\$ 14,583		\$ 14,583	\$ 985,602
3	Current Rate Of Return (L2 / L1)	0.77%		0.90%	11.21%
4	Req. Operat'g Income (L5 X L1)	\$ 147,501		\$ 125,125	\$ 571,239
5	Req'd Rate Of Return On FVRB	7.75%		7.75%	6.50%
6	Operat'g Inc. Def'y (L4 - L2)	\$ 132,918		\$ 110,542	\$ (414,363)
7	Gross Rev. Factor (RLM-1, Pg 2)	1.6286		1.6286	1.62863
8	Increase In Gross Rev. Req't (L7 X L6)	\$ 216,475		\$ 180,029	\$ (674,844)
9	Adjusted Test Year Revenue	\$ 4,394,132		\$ 4,394,132	\$ 4,394,132
10	Proposed Annual Rev. (L8 + L9)	\$ 469,847		\$ 434,515	\$ 3,719,288
11	Required % Increase In Rev. (L8 / L9)	85.06%		70.74%	-15.36%
12	Rate Of Return On Common Eq'ty	11.50%		11.50%	9.00%
13	Proposed Revenue Requirement As Per ROO				\$ 4,008,207
14	Proposed Revenue Requirement As Corrected By RUCO				\$ 3,719,288
15	Difference				<u><u>\$ (288,919)</u></u>

References:

- Column (A): Company Schedules A-1 and C-1
- Column (B): Recalculated After Adjusting To OCRB
- Column (C): Company Schedules A-1 and C-1
- Column (D): RUCO Schedules RLM-1, RLM-2 And RLM-3

**CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS**

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB	(B) ROO ADJM'T # 1	(C) ROO ADJM'T # 2	(D) ROO ADJM'T # 3	(E) ROO ADJUSTED OCRB
1	Gross Utility Plant In Service	\$ 23,833,079	\$ (100,878)	\$ -	\$ -	\$ 23,732,201
	Less:					
2	Accumulated Depreciation	<u>7,852,645</u>	<u>(93,363)</u>	<u>-</u>	<u>-</u>	<u>7,759,282</u>
3	Net Utility Plant In Service (L1 - L2)	<u>\$ 15,980,434</u>	<u>\$ (7,515)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,972,919</u>
	Less:					
4	Advances In Aid Of Const. ("AIAC")	\$ 3,462,178	\$ -	\$ 746,228	\$ -	\$ 4,208,406
5	Contribution In Aid Of Const. ("CIAC")	\$ 2,825,809	\$ -	\$ 39,252	\$ -	2,865,061
6	Less: Accumulated Amortization	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
7	NET CIAC (L4 - L5)	<u>\$ 2,825,809</u>	<u>\$ -</u>	<u>\$ 39,252</u>	<u>\$ -</u>	<u>\$ 2,865,061</u>
8	Customer Meter Deposits	\$ 107,711	\$ -	\$ -	\$ -	\$ 107,711
9	Deferred Income Taxes And Credits	-	-	-	-	-
10	Investment Tax Credits	-	-	-	-	-
	Plus:					
11	Unamortized Finance Charges	\$ -	\$ -	\$ -	\$ -	\$ -
12	Deferred Tax Assets	-	-	-	-	-
13	Allowance For Working Capital	-	-	-	-	-
14	Citizens Acquisition Adjustment	-	-	-	-	-
15	Adjustment Due To Rounding	-	-	-	-	-
16	TOTAL RATE BASE	<u>\$ 9,584,736</u>	<u>\$ (7,515)</u>	<u>\$ (785,480)</u>	<u>\$ -</u>	<u>\$ 8,791,741</u>

References:

- Column (A): Company As Filed Per Schedule B-2 And RLM-2, Col (C)
- Column (B): Adjustment To Test Year Total Plant And Accumulated Depreciation As Per ROO Page 8, Lines 26 -28
- Column (C): Adjustment To Test Year AIAC And CIAC As Per ROO Page 9, Lines 11 - 16
- Column (D): Intentionally Left Blank
- Column (E): Sum Of Columns (A) Thru (D) As Per ROO Page 8, Lines 26 - 28 (See Appropriate Staff Surrebuttal Sch. DWC-3)

CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
 SUMMARY OF OPERATING INCOME ADJUSTMENTS
 COMPANY REJOINER TEST YEAR ADJUSTED AS PER ROO

LINE NO.	DESCRIPTION	(A) COMPANY REJOINER		(B) ADJUSTMENT #1		(C) ADJUSTMENT #1		(D) ADJUSTMENT #2		(E) ADJUSTMENT #2		(F) ADJUSTMENT #3		(G) ADJUSTMENT #3		(H) ADJUSTMENT #4		(I) ADJUSTMENT #4		(J) ADJUSTMENT #5		(K) ADJUSTMENT #6		(L) ADJUSTMENT #6		(M) RUCO AS ADJTD.	
		A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B		
1	OPERATING REVENUES:																										
2	Metered Water Revenues	\$ 4,295,427		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -	\$ 4,295,427
3	Unmetered Water Revenues																										108,705
4	Other Water Revenues																										108,705
5	TOTAL OPERATING REVENUES	\$ 4,394,132		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -	\$ 4,394,132
6	OPERATING EXPENSES:																										
7	Salaries And Wages	\$ 721,010		\$ (144,165)		\$ 56,161		\$ -		\$ -		\$ (576,845)		\$ 475,602		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -	\$ 531,763
8	Purchased Water	5,040																									5,040
9	Purchased Power	284,603																									284,603
10	Chemicals	8,150																									8,150
11	Repairs And Maintenance	301,313																									301,313
12	Office Supplies And Expenses	194,599		(92,327)		163,185																					295,457
13	Outside Services	5,177																									5,177
14	Service Company Fees	479,586																									441,464
15	Water Testing																										18,305
16	Rentals	18,305																									18,305
17	Transportation Expenses																										19,213
18	Insurance - General Liability	20,140																									17,360
19	Insurance - Health And Life	29,013																									83,808
20	Reg. Comm. Exp. - Rate Case	83,808																									676,214
21	Miscellaneous Expense	676,214		(1,840)		1,846																					46,059
22	Taxes Other Than Income	263,528																									240,453
23	Property Taxes	381,104																									460,146
24	Income Tax																										460,146
25	Adjustment Due To Rounding																										(1)
26	TOTAL OPERATING EXPENSES	\$ 3,478,133		\$ (257,372)		\$ 239,305		\$ (29,013)		\$ 17,360		\$ (623,389)		\$ 515,661		\$ (479,586)		\$ (331,104)		\$ (331,104)		\$ (23,075)		\$ (460,146)		\$ (460,146)	\$ 3,405,530
27	OPERATING INCOME (LOSS)	\$ 915,999		\$ 257,372		\$ (239,305)		\$ 29,013		\$ (17,360)		\$ 623,389		\$ (515,661)		\$ 479,586		\$ 331,104		\$ 331,104		\$ 23,075		\$ (460,146)		\$ (460,146)	\$ 985,692
28	CALCULATION OF INTEREST SYNCHRONIZATION																										
29	Adjusted Original Cost Rate Base (As Per ROO)			\$ 8,791,741																							
30	Weighted Average Cost Of Debt (As Per ROO)			2.9%																							
31	Synchronized Interest (Line 25 X Line 28)			\$ 253,624		\$ (253,624)																					
32	COMPUTATION OF PROPERTY TAX USING STAFF METHODOLOGY																										
33	Adjusted T. Y. Revenue																										
34	Weight Factor																										
35	Subtotal (Line 27 X Line 29)																										
36	Recommended Revenue																										
37	Subtotal (Line 29 + Line 30)																										
38	ADOR Multiplier																										
39	Revenue Base Value (Line 32 X Line 33)																										
40	Plus: 10% CWIP - 2001																										
41	Less: Net Book Value Of Licensed Vehicles																										
42	Full Cash Value (Line 34 + Line 35 - Line 36)																										
43	Assessment Ratio																										
44	Assessment Value (Line 37 X Line 38)																										
45	Composite Property Tax Rate																										
46	Property Tax Expense (Line 39 X Line 40)																										

ADJUSTMENTS AS STATED IN RECOMMENDED OPINION AND ORDER (ROO)
 Adjustment # 1 - Corporate Overhead Expenses As Per ROO Page 18, Lines 4 - 6 (See Exhibit A)
 A - Remove Company's Overhead Expenses
 B - Add RUCO's Overhead Expenses
 Adjustment # 2 - Rate Case Expense As Per ROO Page 20, Lines 18 & 19 (See Exhibit B)
 A - Remove Company's Rate Case Expense
 B - Add RUCO's Rate Case Expense
 Adjustment # 3 - Company Salaries And Wages As Per ROO Page 18, Lines 4 - 6 (See Exhibit C)
 A - Remove Company's Salaries & Wages
 B - Add RUCO's Salaries & Wages

Adjustment # 4 - Service Company Charges As Per ROO Page 18, Lines 4 - 6 (See Exhibit D)
 A - Remove Company's Service Company Allocations
 B - Add RUCO's Service Company Allocations
 Adjustment # 5 - Property Tax Expense As Per ROO Page 10, Lines 17 & 18 (See Calculation Above Computed As Per Staff Methodology)
 Adjustment # 6 - Income Tax Expense - Recalculated To Reflect Changes In Operating Income (See Lines 27 - 33)
 A - Remove Company's Income Tax
 B - Add Recalculated Income Tax

Arizona-American Water Company
Docket No. W-01303A-02-0868
Test Year Ended December 31, 2001

Havasu Water District

REVISED MAY 20, 2004

**CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
TABLE OF CONTENTS TO RLM SCHEDULES**

<u>SCH. NO.</u>	<u>PAGE NO.</u>	<u>TITLE</u>
RLM-1	1	REVENUE REQUIREMENT
RLM-2	1	RATE BASE
RLM-3	1	INCOME STATEMENT

**CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
REVENUE REQUIREMENT**

LINE NO.	DESCRIPTION	(A) COMPANY RCND	(B) ADJMT TO RESTATE TO ORIGINAL COST	(C) COMPANY ORIGINAL COST	(D) ADJUSTED AS PER ROO ORIGINAL COST
1	Fair Value Rate Base	\$ 1,903,764	\$ (289,243)	\$ 1,614,521	\$ 822,117
2	Adjusted Operat'g Income (Loss)	\$ 14,583		\$ 14,583	\$ 25,663
3	Current Rate Of Return (L2 / L1)	0.77%		0.90%	3.12%
4	Req. Operat'g Income (L5 X L1)	\$ 147,501		\$ 125,125	\$ 53,442
5	Req'd Rate Of Return On FVRB	7.75%		7.75%	6.50%
6	Operat'g Inc. Def'y (L4 - L2)	\$ 132,918		\$ 110,542	\$ 27,779
7	Gross Rev. Factor (RLM-1, Pg 2)	1.6286		1.6286	1.62863
8	Increase In Gross Rev. Req't (L7 X L6)	\$ 216,475		\$ 180,029	\$ 45,242
9	Adjusted Test Year Revenue	\$ 254,486		\$ 254,486	\$ 440,924
10	Proposed Annual Rev. (L8 + L9)	\$ 469,847		\$ 434,515	\$ 486,166
11	Required % Increase In Rev. (L8 / L9)	85.06%		70.74%	10.26%
12	Rate Of Return On Common Eq'ty	11.50%		11.50%	9.00%
13	Proposed Revenue Requirement As Per ROO				\$ 527,991
14	Proposed Revenue Requirement As Corrected By RUCO				\$ 486,166
15	Difference				\$ (41,825)

References:

- Column (A): Company Schedules A-1 and C-1
- Column (B): Recalculated After Adjusting To OCRB
- Column (C): Company Schedules A-1 and C-1
- Column (D): RUCO Schedules RLM-1, RLM-2 And RLM-3

**CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS**

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB	(B) ROO ADJM'T # 1	(C) ROO ADJM'T # 2	(D) ROO ADJM'T # 3	(E) ROO ADJUSTED OCRB
1	Gross Utility Plant In Service	\$ 2,165,406	\$ (95,241)	\$ -	\$ -	\$ 2,070,165
	Less:					
2	Accumulated Depreciation	555,531	(18,120)	-	-	537,411
3	Net Utility Plant In Service (L1 - L2)	<u>\$ 1,609,875</u>	<u>\$ (77,121)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,532,754</u>
	Less:					
4	Advances In Aid Of Const. ("AIAC")	\$ 418,704	\$ -	\$ -	\$ -	\$ 418,704
5	Contribution In Aid Of Const. ("CIAC")	\$ 280,867	\$ -	\$ -	\$ -	280,867
6	Less: Accumulated Amortization	-	-	-	-	-
7	NET CIAC (L4 - L5)	<u>\$ 280,867</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 280,867</u>
8	Customer Meter Deposits	\$ 11,066	\$ -	\$ -	\$ -	\$ 11,066
9	Deferred Income Taxes And Credits	-	-	-	-	-
10	Investment Tax Credits	-	-	-	-	-
	Plus:					
11	Unamortized Finance Charges	\$ -	\$ -	\$ -	\$ -	\$ -
12	Deferred Tax Assets	-	-	-	-	-
13	Allowance For Working Capital	-	-	-	-	-
14	Citizens Acquisition Adjustment	-	-	-	-	-
15	Adjustment Due To Rounding	-	-	-	-	-
16	TOTAL RATE BASE	<u>\$ 899,238</u>	<u>\$ (77,121)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 822,117</u>

References:

- Column (A): Company As Filed Per Schedule B-2 And RLM-2, Col (C)
- Column (B): Adjustment To Test Year Total Plant And Accumulated Depreciation As Per ROO
- Column (C): Intentionally Left Blank
- Column (D): Intentionally Left Blank
- Column (E): Sum Of Columns (A) Thru (D) As Per ROO Page 8, Lines 26 - 28 (See Appropriate Staff Surrebuttal Sch. DWC-3)

CORRECTED TO REFLECT RECOMMENDED OPINION AND ORDER (ROO)
 SUMMARY OF OPERATING INCOME ADJUSTMENTS
 COMPANY REINJINDER TEST YEAR ADJUSTED AS PER ROO

LINE NO.	DESCRIPTION	(A) COMPANY REINJINDER		(B) ADJUSTMENT #1		(C) ADJUSTMENT #1		(D) ADJUSTMENT #2		(E) ADJUSTMENT #2		(F) ADJUSTMENT #3		(G) ADJUSTMENT #3		(H) ADJUSTMENT #4		(I) ADJUSTMENT #4		(J) ADJ #5		(K) ADJUSTMENT #6		(L) ADJUSTMENT #6		(M) RUCO AS ADJTD	
		A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B		
1	OPERATING REVENUES:																										
2	Metered Water Revenues	\$ 430,392		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ 430,392	
3	Unmetered Water Revenues																									10,532	
4	Other Water Revenues																										
4	TOTAL OPERATING REVENUES	\$ 440,924		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ 440,924	
5	OPERATING EXPENSES:																										
6	Salaries And Wages	\$ 138,969		\$ (28,633)		\$ 11,222		\$ -		\$ -		\$ (110,190)		\$ 105,741		\$ -		\$ -		\$ -		\$ -		\$ -		\$ 116,973	
7	Purchased Water	806																								806	
8	Purchased Water	47,018																								47,018	
9	Chemicals	1,266																								1,266	
10	Repairs And Maintenance	75,805																								75,805	
11	Office Supplies And Expenses	17,267		(9,420)		14,208																				22,095	
12	Outside Services	2,462																								2,462	
13	Service Company Fees	69,258																								69,258	
14	Water Testing																										
15	Rents	1,837																								1,837	
16	Transportation Expenses																										
17	Insurance - General Liability	1,735		(1,736)		1,630																				1,629	
18	Insurance - Health And Life																										
19	Reg. Contr. Exp. - Rate Case	2,910						(2,910)		1,742																1,742	
20	Depreciation Expense	2,222																								2,231	
21	Miscellaneous Expense	41,554																								41,554	
22	Taxes Other Than Income	8,908																								8,924	
23	Property Taxes	27,185																								26,085	
24	Income Tax	(13,032)																								1,222	
25	Adjustment Due To Rounding																										
25	TOTAL OPERATING EXPENSES	\$ 426,168		\$ (41,277)		\$ 28,367		\$ (2,910)		\$ 1,742		\$ (119,044)		\$ 114,565		\$ (60,258)		\$ (80,258)		\$ 63,753		\$ (1,100)		\$ 13,032		\$ 1,222	
26	OPERATING INCOME (LOSS)	\$ 14,756		\$ 41,277		\$ (28,367)		\$ 2,910		\$ (1,742)		\$ 119,044		\$ (114,565)		\$ 69,258		\$ (63,753)		\$ 63,753		\$ (1,100)		\$ 13,032		\$ 1,222	
27	CALCULATION OF INTEREST SYNCHRONIZATION																										
28	Adjusted Original Cost Rate Base (As Per ROO)	\$ 822,117																									
29	Weighted Average Cost Of Debt (As Per ROO)	2.8%																									
30	Synchronized Interest (Line 25 X line 29)	\$ 23,716																									
31																											
32																											
33																											
34																											
35																											
36																											
37																											
38																											
39																											
40																											
41																											
26	ADJUSTMENTS AS STATED IN RECOMMENDED OPINION AND ORDER (ROO)																										
27	Adjustment # 1 - Corporate Overhead Expenses As Per ROO Page 18, Lines 4 - 6 (See Exhibit A)																										
28	Adjustment # 2 - Rate Case Expense As Per ROO Page 20, Lines 18 & 19 (See Exhibit B)																										
29	Adjustment # 3 - Company Salaries And Wages As Per ROO Page 18, Lines 4 - 6 (See Exhibit C)																										
30	Adjustment # 4 - Service Company Charges As Per ROO Page 18, Lines 4 - 6 (See Exhibit D)																										
31	Adjustment # 5 - Property Tax Expenses As Per ROO Page 10, Lines 17 & 18 (See Calculation Above Computed As Per Staff Methodology)																										
32	Adjustment # 6 - Income Tax Expenses - Recalculated To Reflect Changes In Operating Income (See Lines 27 - 33)																										
33	Adjustment # 7 - Add RUCO's Overhead Expenses																										
34	Adjustment # 8 - Add RUCO's Rate Case Expense																										
35	Adjustment # 9 - Add RUCO's Salaries And Wages																										
36	Adjustment # 10 - Add RUCO's Salaries & Wages																										
37	Adjustment # 11 - Add RUCO's Property Tax Expenses																										
38	Adjustment # 12 - Add RUCO's Income Tax																										
39	Adjustment # 13 - Add RUCO's Recalculated Income Tax																										
40	Adjustment # 14 - Add RUCO's Recalculated Income Tax																										
41	Adjustment # 15 - Add RUCO's Recalculated Income Tax																										

COMPUTATION OF PROPERTY TAX USING STAFF METHODOLOGY
 Adjusted T. Y. Revenues
 Weight Factor
 Subtotal (Line 27 X Line 28)
 Recommended Revenue
 Subtotal (Line 29 + Line 30)
 Three Year Average (Line 31 / 3 Years)
 ADOR Multiplier
 Revenue Base Value (Line 32 X Line 33)
 Plus: 10% CWIP - 2001
 Less: Net Book Value Of Licensed Vehicles
 Full Cash Value (Line 34 + Line 35 - Line 36)
 Assessment Ratio
 Assessment Value (Line 37 X Line 38)
 Composite Property Tax Rate
 Property Tax Expense Line 39 X Line 40

Adjustment # 4 - Service Company Charges As Per ROO Page 18, Lines 4 - 6 (See Exhibit D)
 A - Remove Company's Service Company Allocations
 B - Add RUCO's Service Company Allocations

Adjustment # 5 - Property Tax Expenses As Per ROO Page 10, Lines 17 & 18 (See Calculation Above Computed As Per Staff Methodology)
 A - Remove Company's Income Tax
 B - Add Recalculated Income Tax

Adjustment # 6 - Income Tax Expenses - Recalculated To Reflect Changes In Operating Income (See Lines 27 - 33)
 A - Remove Company's Income Tax
 B - Add Recalculated Income Tax

Adjustment # 7 - Add RUCO's Overhead Expenses
 A - Remove Company's Rate Case Expense
 B - Add RUCO's Rate Case Expense

Adjustment # 8 - Add RUCO's Salaries And Wages As Per ROO Page 18, Lines 4 - 6 (See Exhibit C)
 A - Remove Company's Salaries & Wages
 B - Add RUCO's Salaries & Wages

Arizona-American Water Company
Docket No. W-01303A-02-0868
Test Year Ended December 31, 2001

REVISED MAY 20, 2004

EXHIBIT 3

EXHIBIT 3

RUCO'S PROPOSED AMENDMENT

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

Page 10, Line 23

DELETE "\$21,853,479"

INSERT "\$21,853,481"

Page 21, Line 12

DELETE "\$29,696,770"

INSERT "\$30,177,530"

Page 21, Line 13

DELETE "\$2,865,176", "\$3,447,237"

INSERT "\$2,939,964", "\$3,530,729"

Page 21, Line 14

DELETE "\$5,340,171", "\$3,987,486"

INSERT "\$5,653,202", "\$4,061,601"

Page 21, Line 15

DELETE "\$3,302,031", "\$402,106"

INSERT "\$3,408,530", "\$415,261"

1	Page 21, Line 16			
2	DELETE	“\$5,071,975”,	“\$3,207,639”	
3				
4	INSERT	“\$4,938,091”,	“\$3,170,485”	
5	Page 21, Line 17			
6	DELETE	“\$1,851,448”,	“\$221,501”	
7				
8	INSERT	“\$1,828,383”,	“\$231,284”	
9	Page 21, Line 20			
10	DELETE	“\$5,080,512”,	“\$406,394”	
11				
12	INSERT	“\$5,173,284”,	“\$440,810”	
13	Page 21, Line 21			
14	DELETE	”\$(123,106)”,	“\$414,585”	
15				
16	INSERT	“\$4,951”,	“\$539,888”	
17	Page 21, Line 22			
18	DELETE	“\$1,407,934”,	“\$808,202”	
19				
20	INSERT	“\$1,026,739”,	“\$985,602”	
21	Page 21, Line 23			
22	DELETE	“(\$18)”,	“\$1,414,978”,	“\$684,439”
23				
24	INSERT	“\$25,663”,	“\$1,247,946”,	“\$840,320”

1 Page 21, Line 24

2 DELETE "\$36,903", "\$30,201"

3

4 INSERT "\$38,163", "\$23,202"

5 Page 33, Line 6

6 DELETE "\$406,394"

7

8 INSERT "\$440,810"

9 Page 33, Line 9

10 DELETE "\$371,258"

11

12 INSERT "\$336,842"

13 Page 33, Line 10

14 DELETE "\$604,642"

15

16 INSERT "\$548,591"

17 Page 33, Line 11

18 DELETE "17.88"

19

20 INSERT "16.23"

21 Page 33, Line 13

22 DELETE "(123,106)"

23

24 INSERT "\$4,951"

1 Page 33, Line 16

2 DELETE "\$702,302"

3

4 INSERT "\$574,244"

5 Page 33, Line 17

6 DELETE "\$1,143,789"

7

8 INSERT "\$935,231"

9 Page 33, Line 18

10 DELETE "32.35"

11

12 INSERT "26.45"

13 Page 33, Line 20

14 DELETE "\$414,485"

15

16 INSERT "\$539,888"

17 Page 33, Line 23

18 DELETE "\$1,006,898"

19

20 INSERT "\$881,595"

21 Page 33, Line 25

22 DELETE "\$1,639,864", "26.48"

23

24 INSERT "\$1,435,792", "23.18"

1 Page 33, Line 27

2 DELETE "\$1,407,934"

3

4 INSERT "\$1,026,739"

5 Page 34, Line 2

6 DELETE "\$841,727"

7

8 INSERT "\$460,532"

9 Page 34, Line 3

10 DELETE "\$1,370,862", "26.94"

11

12 INSERT "\$750,037", "14.74"

13 Page 34, Line 6

14 DELETE "\$808,202"

15

16 INSERT "\$985,602"

17 Page 34, Line 9

18 DELETE "\$236,903"

19

20 INSERT "\$414,363"

21 Page 34, Line 10

22 DELETE "\$385,925", "8.78"

23

24 INSERT "\$674,844", "15.36"

1 Page 34, Line 13

2 DELETE "\$18"

3

4 INSERT "\$25,663"

5 Page 34, Line 15

6 DELETE "\$53,460"

7

8 INSERT "\$27,779"

9 Page 34, Line 17

10 DELETE "\$87,067" "19.75"

11

12 INSERT "\$45,242", "10.26"

13 Page 34, Line 20

14 DELETE "\$1,414,978"

15

16 INSERT "\$1,247,946"

17 Page 34, Line 23

18 DELETE "\$331,561"

19

20 INSERT "\$164,529"

21 Page 34, Line 24

22 DELETE "\$539,990", "8.73"

23

24 INSERT "\$267,957", "4.33"

1 Page 34, Line 27

2 DELETE "\$684,439"

3

4 INSERT "\$840,320"

5 Page 35, Line 1

6 DELETE "\$81,581"

7

8 INSERT "\$237,462"

9 Page 35, Line 3

10 DELETE "\$132,865", "3.31"

11

12 INSERT "\$386,738", "9.64"

13 Page 35, Line 6

14 DELETE "\$36,903"

15

16 INSERT "\$38,163"

17 Page 35, Line 9

18 DELETE "\$140,632"

19

20 INSERT "\$139,372"

21 Page 35, Line 11

22 DELETE "\$229,038", "12.27"

23

24 INSERT "\$226,986", "12.16"

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1 Page 35, Line 13

2 DELETE \$30,201"

3

4 INSERT "\$23,202"

5 Page 35, Line 15

6 DELETE "\$43,070"

7

8 INSERT "\$50,069"

9 Page 35, Line 17

10 DELETE "\$70,145", "27.56"

11

12 INSERT "\$81,543", "32.04"

13 Page 52, Line 24

14 DELETE "\$406,394"

15

16 INSERT "\$440,810"

17 Page 52, Line 27

18 DELETE "\$371,258"

19

20 INSERT "\$336,842"

21 Page 53, Line 1

22 DELETE "\$604,642" "17.88"

23

24 INSERT "\$548,891", "16.23"

1 Page 53, Line 10

2 DELETE "\$123,106"

3

4 INSERT "\$4,951"

5 Page 53, Line 13

6 DELETE "\$702,301"

7

8 INSERT "\$574,244"

9 Page 53, Line 15

10 DELETE "\$1,143,789", "32.35"

11

12 INSERT "\$935,231", "26.45"

13 Page 53, Line 22

14 DELETE "\$414,585"

15

16 INSERT "\$539,888"

17 Page 53, Line 25

18 DELETE "\$1,006,898"

19

20 INSERT "\$881,595"

21 Page 53, Line 27

22 DELETE "\$1,639,864", "26.48"

23

24 INSERT "\$1,435,792", "23.18"

1	Page 54, Line 8		
2	DELETE	"\$1,407,934"	
3			
4	INSERT	"\$1,026,739"	
5	Page 54, Line 11		
6	DELETE	"\$841,727"	
7			
8	INSERT	"\$460,532"	
9	Page 54, Line 13		
10	DELETE	"1,370,862",	"26.94"
11			
12	INSERT	"\$750,037",	"14.74"
13	Page 54, Line 20		
14	DELETE	"\$808,202"	
15			
16	INSERT	"\$985,602"	
17	Page 54, Line 23		
18	DELETE	"\$236,963"	
19			
20	INSERT	"\$414,363"	
21	Page 54, Line 24		
22	DELETE	"\$385,925",	"8.78"
23			
24	INSERT	"\$674,844",	"15.36"

1 Page 55, Line 6

2 DELETE "\$18"

3

4 INSERT "\$25,663"

5 Page 55, Line 8

6 DELETE "\$53,460"

7

8 INSERT "\$27,779"

9 Page 55, Line 10

10 DELETE "(87,067)", "19.75"

11

12 INSERT "\$45,242", "10.26"

13 Page 55, Line 20

14 DELETE "\$1,414,978"

15

16 INSERT "\$1,247,946"

17 Page 55, Line 23

18 DELETE "\$331,561"

19

20 INSERT "\$164,529"

21 Page 55, Line 24

22 DELETE "\$539,990", "8.73"

23

24 INSERT "\$267,957", "4.33"

1 Page 56, Line 6

2 DELETE "\$684,439"

3

4 INSERT "\$840,320"

5 Page 56, Line 9

6 DELETE "\$81,581"

7

8 INSERT "\$237,462"

9 Page 56, Line 10

10 DELETE "\$132,265", "3.31"

11

12 INSERT "\$386,738", "9.64"

13 Page 56, Line 20

14 DELETE "\$36,903"

15

16 INSERT "\$38,163"

17 Page 56, Line 23

18 DELETE "\$140,632"

19

20 INSERT "\$139,372"

21 Page 56, Line 25

22 DELETE "\$229,038", "12.27"

23

24 INSERT "\$226,986", "12.16"

1 Page 57, Line 4

2 DELETE "\$30,201"

3

4 INSERT "\$23,202"

5 Page 57, Line 7

6 DELETE "\$43,070"

7

8 INSERT "\$50,069"

9 Page 57, Line 8

10 DELETE "\$70,145"

11

12 INSERT "\$81,543"

13 Page 57, Line 9

14 DELETE "27.56"

15

16 INSERT "32.04"

17

18

19

20

21

22

23

24