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BEFORE THE ARIZONA CORPORATION 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. WS-01303A-02-0869

NOTICE OF FILING DIRECT TESTIMONY

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 AGUA FRIA WATER DISTRICT AND ITS ANTHEM / AGUA FRIA WASTEWATER DISTRICT.	Docket No. WS-01303A-02-0870
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 TUBAC WATER DISTRICT.	Docket No. WS-01303A-02-0908

NOTICE OF FILING

The Residential Utility Consumer Office ("RUCO") hereby provides notice of filing the Direct Testimony of Timothy J. Coley, Marylee Diaz Cortez, Rodney L. Moore and William A. Rigsby in the above-referenced matter.

RESPECTFULLY SUBMITTED this 5th day of September, 2003.

Daniel W. Pozefsky
Attorney

AN ORIGINAL AND TWENTY-ONE COPIES
of the foregoing filed this 5th day
of September, 2003 with:

Docket Control
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ARIZONA-AMERICAN WATER COMPANY

DOCKET NO. W-01303A-02-0867 et al.

DIRECT TESTIMONY

OF

TIMOTHY J. COLEY

ON BEHALF OF

THE

RESIDENTIAL UTILITY CONSUMER OFFICE

SEPTEMBER 5, 2003

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INTRODUCTION

Q. Please state your name and business address.

A. My name is Timothy J. Coley. My business address is 1110 W. Washington, Suite 220, Phoenix, AZ 85007.

Q. By whom are you employed and in what capacity?

A. I am employed by the Residential Utility Consumer Office (RUCO) in the position of Public Utilities Analyst V.

Q. Briefly summarize your educational and professional credentials related to your work in the field of utility regulation.

A. I have a Master Degree in Public Administration and Bachelor of Science Degree in Business Management and Administration. I am currently working on my Post-Baccalaureate Certificate in the Accountancy Program at Arizona State University – West. My utility experience includes nine combined years in various utility auditing and rate analyst positions with RUCO and the Georgia Public Service Commission.

Q. Have you previously testified in rate proceedings before the Arizona Corporation Commission (ACC)?

A. Yes, I have previously presented testimony regarding revenue requirements in rate case proceedings before the ACC.

Q. Please state the purpose of your testimony.

A. The purpose of my testimony is to present findings and recommendations resulting from my analysis and review of Arizona-American Water Company, Inc. ("AZ-AM" or "Company") Rate Application for a permanent rate increase. The Company is comprised of twelve individual water and wastewater systems in Arizona. AZ-AM has filed for rate increases in ten of its twelve districts. My analysis will specifically focus on the Mohave and Havasu water districts that provide water services in Mohave County. RUCO witnesses Marylee Diaz Cortez and Rodney Moore will present the Company's other eight systems. RUCO witness Bill Rigsby will sponsor the cost of capital and capital structure issues.

Q. Please briefly describe RUCO's work effort that provides the basis for RUCO's recommendations.

A. RUCO performed the following procedures to determine whether sufficient, relevant, and reliable evidence exists to support the financial data and claims in the Company's application: reviewed and analyzed the Company's application and supporting work papers; reviewed all other intervenor's data requests; prepared written data requests and evaluated the Company's responses; and reviewed past ACC decisions.

Q. What test-year did the Company use for the rate application?

A. The Company used a historical test-year that included the calendar year twelve months ending on December 31, 2001. RUCO's recommendations reflect the use of the test-year ending December 31, 2001 that adheres to the historical test-year to achieve consistency.

RUCO would urge the Commission to deny the Company's rate request altogether, for the reasons set forth in the testimony of Mr. Moore and Ms. Diaz Cortez. If the Commission does not deny the application, RUCO recommends the adjustments be made that are within my testimony.

Q. What areas will you address in your testimony?

A. I will address rate base and net operating income issues as well as sponsor RUCO's recommended revenue requirements for the Mohave and Havasu water districts.

Q. Please identify the Exhibits you are presenting in your Direct Testimony.

A. I am presenting Schedules TJC-1 through TJC-16 for Mohave and Havasu water districts.

Q. Please summarize the recommendations and adjustments addressed in your testimony on RUCO's behalf.

A. **RATE BASE ADJUSTMENTS:**

My testimony addresses the following issues:

Prior Test Year Plant Placed in Service – This adjustment calculates plant placed in service since the Company's last rate case. This adjustment also recognizes the additions or retirements (dependent on the individual system) in rate base by the actual amount of plant placed in service by December 31, 2001. I reconstructed the test year plant-in-service balance starting from the last Commission decisions that set authorized rate base component balances. Decision No's. 56806 (Mohave) and 57743 (Havasu) set the authorized rate base balances that I used. In addition, this adjustment recognizes rate base items on an original cost basis, whereas, the Company's filing reflects rate base on a reconstruction basis. For further explanation regarding the original cost rate base versus RCND rate base, see the testimony of Marylee Diaz Cortez.

Prior Test Year Accumulated Depreciation – This adjustment calculates accumulated depreciation since the Companies' last rate case proceeding. It reduces or increases the level of accumulated depreciation (dependent upon the particular system) that was in the Company's rate application.

Proforma Plant – This adjustment takes the actual year-end 2002 plant additions and reductions and adjusts the Company's estimated figures. The 2002 actual plant figures are the most recent known and measurable

balances. See RUCO witness Rodney Moore's testimony for more detail pertaining to the proforma plant adjustment.

Acquisition Adjustment – This adjustment simply reverses the Company's acquisition premium found in its rate application. For complete details regarding the acquisition adjustment, see RUCO witness Rodney Moore's testimony.

Contributions-In-Aid-Of-Construction (CIAC) – This adjustment corrects the Company's rate application AIAC and CIAC balances in the Mohave District only.

OPERATING INCOME:

Citizens Payroll – RUCO witness Rodney Moore addresses background information regarding AZ-AM and the prior owner of these systems. This adjustment is necessary to remove the former owner's payroll and replace AZ-AM salaries & wages along with any payroll taxes.

Arizona-American Allocations – This adjustment is necessary to properly account for the new and current owner's, AZ-AM, general administrative and management allocated costs proportionately among all systems.

Arizona-American Payroll – This adjustment accounts for any differences between what AZ-AM filed in its rate application and what was found in the Company's general ledger.

Depreciation & Amortization Expense – This adjustment calculates depreciation and amortization expense based on RUCO's recommended plant levels.

Property Tax Expense – This adjustment calculates property tax expense based on the currently effective Arizona Department of Revenue (DOR) formula.

Rate Case Expense – This adjustment is necessary to reflect RUCO's recommended allowable rate case expenditures. See RUCO witness Marylee Diaz Cortez's direct testimony regarding RUCO's rationale on this adjustment.

Arizona-American Overheads – This adjustment is necessary to properly account for the overhead expenses incurred by each system. RUCO witness Rodney Moore discusses in his testimony the basis on which this adjustment is made.

Income Tax Expense – This adjustment calculates the appropriate level of income tax expense given RUCO's recommended operating income.

REVENUE REQUIREMENTS

Q. Please summarize the results of your analysis of Arizona-American Water Company and your recommended revenue requirement.

A. Arizona-American revenue should be reduced by $(713,885) for the Mohave system and increased by not more than $2,467 for the Havasu district. These recommendations are summarized on Schedule TJC-1,

page 1 for each system respectively. My recommended original cost rate base ("OCRB") is $8,304,450 for Mohave and $766,406 for Havasu, which are shown on TJC-2. The supporting detail for the OCRB can be found on Schedules TJC-3. RUCO's recommended adjusted operating income is $545,652 for Mohave and $48,406 for Havasu and is shown on Schedules TJC-6. Additionally, the detail that supports my recommendations can be found on Schedules TJC-7.

RATE BASE

Rate Base Adjustment #1 – Prior Test-Year Plant

Q. Please explain your prior test-year rate base adjustment.

A. The Mohave District's last rate case utilized a test-year ended on March 31, 1988. In that case, the Commission authorized a specific rate base amount. I went back to that decision (No. 56806) and constructed plant schedules beginning with the authorized rate base and plant balances deemed appropriate by the Commission. Through data requests, the Company provided me with all plant additions, retirements, and adjustments from March 31, 1988 through the end of the current rate case test-year – December 31, 2001. I progressively built the plant schedules using those additions and retirements and depreciated the plant annually using the Commission's authorized depreciation rates. That exercise provided the plant in service balance through the test-year. An adjustment to decrease plant by $(75,764) for Mohave and $(96,825) for Havasu was

necessary. An adjustment to increase accumulated depreciation by $1,226,050 for Mohave and $23,504 for Havasu was necessary to properly recognize accumulated depreciation balances.

Q. Why do you think that your beginning test-year accumulated depreciation balances are more accurate than those of the Company?

A. The Company did not reconstruct the accumulated depreciation balances since the last rate case that prescribed and authorized a specific rate base amount and depreciation rate as I did.

Q. What methodology did the Company utilize to obtain its beginning test-year accumulated depreciation figures?

A. The Company used the beginning balances found on the books as of December 31, 2001. The plant reconstruction analysis that I performed yield a more accurate starting point. My recommended adjustment to the test year plant and accumulated depreciation balances are shown on the last page of Schedule TJC-4.

Rate Base Adjustment #2 – Proforma Plant

Q. Please explain the proforma plant adjustment.

A. The proforma plant adjustment is necessary because when the rate application was filed, actual 2002 post-test-year (PTY) end figures were

not available. An adjustment is necessary to true up the Company's proforma adjustments to 2002 actuals.

Q. Why do you believe your adjustment is more reliable than that of the Company?

A. Proforma figures are mere estimates. Actual numbers are accurate and reliable as opposed to estimates or predictions.

Q. What adjustment was necessary to true up the proforma amounts to actuals?

A. The adjustment increased plant in Mohave by $40,944 and decreased plant in Havasu by $(10,101). A corresponding adjustment to increase accumulated depreciation by $19,416 in Mohave and $2,405 in Havasu was also necessary.

Rate Base Adjustment #3 – Acquisition Adjustment

Q. Please explain the acquisition adjustment to rate base.

A. RUCO witness Rodney Moore discusses the acquisition adjustment fully in his testimony. Please refer to his testimony for RUCO's rationale that led to this adjustment.

Q. What adjustment was necessary for the Mohave and Havasu systems?

A. The adjustment decreased Mohave's rate base by $(6,121,931) and decreased Havasu's rate base by $(523,302).

Rate Base Adjustment #4 – Advances in Aid of Construction (AIAC) and Contributions In Aid of Construction (CIAC)

Q. Please explain your AIAC and CIAC adjustments.

A. This adjustment affects only the Mohave Water district and merely corrects for the Company's use of an erroneous AIAC balance in the Mohave rate application.

Q. How did you identify this error?

A. During the course of my audit I reviewed the Citizens' year ended December 31, 2001 general ledger and compared that to the per books amount included in the Company's application and noted a discrepancy between the AIAC balances of $4,412,115 reflected on Citizens' general ledger vs. the $3,627,074 AIAC balance used in the Company's application.

Q. Does your correction of this AIAC error affect any other rate base balances?

A. Yes. Decision No. 63584, the sale and transfer docket, required that AZ-AM be required to convert 5% of the AIAC balances on its books and

records at the time of acquisition to CIAC. Since the Company has transferred an incorrect amount of AIAC, likewise, its calculation of the 5% is also incorrect. I have corrected both the AIAC and CIAC balances on Schedule TJC-3, Adjustment #4.

OPERATING INCOME

Operating Adjustment #1 – Citizens' Corporate Allocations

Q. Please discuss Operating Adjustment #1.

A. Operating Adjustment #1 simply corrects for a Company error that creates a discrepancy between the corporate allocations reflected in its application and those actually recorded on the test year general ledger. This adjustment is applicable only to the Havasu division, and increases operating expenses by $112.

Operating Adjustment #2 – Citizens Payroll

Q. What adjustments are necessary to Citizens Payroll?

A. The adjustment decreased salaries and wages by $19,328 in Mohave and by $223 in Havasu. RUCO witness Rodney Moore provides full details regarding this adjustment in his testimony.

Operating Adjustment #3 – Arizona-American Allocations

Q. What adjustments are necessary for Arizona-American Allocations?

A. It was necessary to decrease "Service Company Fees" by $79,576 in Mohave and by $11,492 in Havasu. RUCO witness Marylee Diaz Cortez explains this adjustment completely in her testimony.

Operating Adjustment #4 – Arizona-American Payroll

Q. Was there an adjustment necessary for Arizona-American Payroll?

A. Yes, an adjustment to decrease salaries & wages by $124,349 in Mohave was necessary and a decrease to Havasu by $33,948 was required. Ms. Diaz Cortez provides a complete description in her testimony regarding this adjustment.

Operating Adjustment #5 – Depreciation Expense

Q. What amount of total depreciation & amortization expense has the Company requested?

A. The Company is requesting depreciation & amortization expense of $692,199 for its Mohave system, $73,315 for its Havasu system.

Q. Have you recomputed depreciation expense?

A. Yes. It was necessary for me to recalculate depreciation expense based on the actual 2002 year-end plant balances rather than the Company's 2001 proforma amounts. I have accepted the Company's proposed

depreciation rate; accordingly, the differences in my recommended depreciation and amortization expense versus the Company's are attributable solely to balance differences.

Q. What is your recommended adjustment?

A. My depreciation adjustment for the Mohave system is ($22,505), the Havasu system also requires a reduction of depreciation expense as compared to the Company's amount filed in its Rate Application of ($6,897). The details of my calculations are shown on Schedule TJC-11.

Q. Does that complete RUCO's Depreciation Adjustment?

A. Yes.

Operating Adjustment #6 – Property Tax Expense

Q. Have you reviewed the property tax calculation that the Company used in determining its revenue requirement?

A. Yes.

Q. How did the Company arrive at its property tax amount as reported in its filing?

A. The Company computed its property tax calculation using the same methodology as I did as prescribed by the Arizona Department of Revenue (ADOR). However, the Company has used its actual 2001

revenues, adjusted 2001 revenues and proposed revenues for purposes of valuation as opposed to its historical revenue.

The Company failed to recognize any Construction Work In Progress (CWIP). AZ-AM also utilizes a greater net book value for its transportation equipment. Since I reconstructed all plant accounts going back to the last rate case in 1988 and 1990, respective to the particular water districts as opposed to relying on the general ledger, I maintain that my figure is more reliable. As noted in the paragraph above, the Company's property tax calculation is skewed by not utilizing historical revenues also. Other than those differences, there are no significant differentiations.

Q. What adjustment is necessary?

A. It was necessary and proper to re-compute the property taxes based on historical revenues as required by the ADOR formula. Mohave and Havasu systems required the following adjusted decreases of ($2,427) and ($7,656) respectively. The adjustment is detailed on Schedule TJC-12.

Operating Adjustment #7 – Rate Case Expense

Q. What adjustment is necessary for RUCO's recommendation regarding the rate case expense?

A. The following adjustment to Mohave decreases rate case expense by $(11,645) and Havasu by $(1,168). RUCO witness Ms. Diaz Cortez

discusses RUCO's position pertaining to the rate case expense adjustment.

Operating Adjustment #8 – Arizona-American Overheads

Q. What adjustment is necessary for Arizona-American overheads?

A. This adjustment decreases Service Company Fees by $(206,129) for the Mohave system and by $(42,514) for the Havasu district. Mr. Moore provides the discussion regarding this adjustment in his testimony.

Operating Adjustment #10 – Income Tax Expense

Q. Please discuss your income tax expense adjustment.

A. As shown on Schedule TJC-15, I calculated Arizona-American Water Company's state and federal income taxes based on RUCO's recommended level of operating income at present water rates.

Q. After reviewing the Company's income tax expense as reported in its filing, do you agree with the tax rates the Company used?

A. No. RUCO has used the stand-alone method for calculating income taxes whereas the Company utilized the corporate-wide approach. This also accounts in part for the difference in the Company's and RUCO's "Gross Revenue Conversion Factor". The Company has computed its Federal Income Tax rate based on total Company income. This Commission has required proforma income taxes to be computed on a "stand-alone" basis

for each system. My income tax calculations therefore utilize stand-alone net income to determine the tax liability. My calculations are supported in detail on Schedule TJC-15.

COST OF CAPITAL

Q. Has RUCO determined cost of capital and a fair return on common equity?

A. Yes. Mr. Rigsby will sponsor that section of the Rate Application in his testimony. His recommended cost of capital is shown on WAR-1.

RATE DESIGN

Q. Have you prepared a schedule showing your recommended monthly minimum and commodity rates?

A. Yes. These rates are shown on Schedule TJC-16, page 1.

Q. How did you design your rates?

A. My rate design maintains the current rate relationship between meter sizes and also between commodity vs. monthly minimums. Since a cost of service study was not performed in this case I am not proposing any change to those current rate relationships.

Q. What changes have you made to the Havasu and Mohave water rates?

A. My rate design is based on my recommended revenue increase and decrease for Havasu and Mohave, respectively. I have also removed all gallonage from both divisions' monthly minimums. Both the Mohave and Havasu rates were set more than ten years ago and do not currently reflect the Commissions policy of "no free water". Exclusion of the free water will provide more conservation incentive. I have also designed Havasu's rates to reflect one commodity rate for the entire year. Havasu's current rates are based on two commodity rates – one for summer, which is higher, and one for winter, which is lower.

Q. Why have you moved to one rate for all seasons?

A. I believe the two season rates are no longer warranted. First, all other AZ-AM water systems are based on one annual commodity rate, and moving Havasu to one rate will be consistent and administratively efficient. Second, at one time Havasu's customer base was highly seasonal. Over the years that has stabilized, and during the test year there was little variance between summer and winter bill counts. Third, setting winter rates lower than summer rates creates cost subsidizations, where winter visitors pay lower over all rates than permanent residents. For these reasons I am recommending a flat commodity charge year around.

My proposed rates are shown on Schedule TJC-16, page 1. A comparison of the current, company proposed, and RUCO recommended rates is shown on Schedule TJC-16, page 2.

Q. Does this complete your testimony on behalf of RUCO?

A. Yes.

Arizona-American Water Company
Docket No. W-01303A-02-0869
Test Year Ended December 31, 2001

Havasu Water District

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Arizona-American Water Company
Docket No. W-01303A-02-0869
Test Year Ended December 31, 2001

Havasu Water District
Schedule TJC-1

REVENUE REQUIREMENT

LINE NO.	DESCRIPTION	(A) PER COMPANY RCND	(B) ADJUSTMENTS TO RESTATE TO ORIGINAL COST	(C) PER COMPANY ORIG. COST	(D) RUCO ORIGINAL COST
1	Fair Value Rate Base	$ 1,369,042	$ 53,501	$ 1,422,543	$ 766,406
2	Adjusted Operating Income (Loss)	$ (16,329)		$ (16,329)	$ 48,406
3	Current Rate Of Return (L2 / L1)	-1.19%		-1.15%	6.32%
4	Required Operating Income (L5 X L1)	$ 106,094		$ 110,247	$ 50,357
5	Required Rate Of Return On Fair Value Rate Base	7.75%		7.75%	6.57%
6	Operating Income Deficiency (L4 - L2)	$ 122,424		$ 126,576	$ 1,951
7	Gross Revenue Conversion Factor (Sch. RLM-2)	1.6286		1.6286	1.2646
8	Increase In Gross Revenue Requirement (L7 X L6)	$ 199,384		$ 206,142	$ 2,467
9	Adjusted Test Year Revenue	$ 440,924		$ 440,924	$ 440,924
10	Proposed Annual Revenue (L8 + L9)	$ 640,308		$ 647,066	$ 443,391
11	Required Percentage Increase In Revenue (L8 / L9)	45.22%		46.75%	0.56%
12	Rate Of Return On Common Equity	11.50%		11.50%	9.11%

References:
Column (A): Company Schedules A-1 and C-1
Column (B): RUCO Schedules TJC-2
Column (C): Recalculated After Adjusting To OCRB
Column (D): RUCO SCHEDULES TJC-3, TJC-6

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	(A)	(B)	(C)	(D)
	CALCULATION OF GROSS REVENUE CONVERSION FACTOR:				
1	Revenue	1.0000			
2	Less: Combined Federal And State Tax Rate (L10)	0.2092			
3	Subtotal (L1 - L2)	0.7908			
4	**Revenue Conversion Factor** (L1 / L3)	**1.2646**			
	CALCULATION OF EFFECTIVE TAX RATE:				
5	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
6	Arizona State Income Tax Rate	6.9680%			
7	Federal Taxable Income (L5 - L6)	93.0320%			
8	Applicable Federal Income Tax Rate (Col. (D), L34)	15.0000%			
9	Effective Federal Income Tax Rate (L7 X L8)	13.9548%			
10	Combined Federal And State Income Tax Rate (L6 + L9)	20.9228%			
11	Required Operating Income (Sch. TJC-1, Col. (B), L4)	$ 50,357			
12	Adj'd T.Y. Oper'g Income (Loss) (Sch. TJC-1, Col. (B), L2)	48,406			
13	Required Increase In Operating Income (L11 - L12)		$ 1,951		
14	Income Taxes On Recommended Revenue (Col. (D), L31)	$ 7,409			
15	Income Taxes On Test Year Revenue (Col. (D), L32)	6,893			
16	Required Increase In Revenue To Provide For Income Taxes (L14 - L15)		$ 516		
17	Total Required Increase In Revenue (L13 + L16)		$ 2,467		
	CALCULATION OF INCOME TAX:			RUCO Recommended	
18	Revenue (Sch. TJC-1, Col. (B), L10)			$ 443,391	
19	Less: Opr'g Exp. Excl. Inc. Tax (TJC-6, Col. (E), L25 - L23)			385,625	
20	Less: Synchronized Interest (Col. (C), L37)			22,354	
21	Arizona Taxable Income (L18 - L19 - L20)			$ 35,413	
22	Arizona State Income Tax Rate			6.9680%	
23	Arizona Income Tax (L21 X L22)				$ 2,468
24	Fed. Taxable Income (L21 - L23)			$ 32,945	
25	Fed. Tax On 1st Inc. Bracket ($1 - $50,000) @ 15%			$ 4,942	
26	Fed. Tax On 2nd Inc. Bracket ($50,001 - $75,000) @ 25%			-	
27	Fed. Tax On 3rd Inc. Bracket ($75,001 - $100,000) @ 34%			-	
28	Fed. Tax On 4th Inc. Bracket ($100,001 - $335,000) @ 39%			-	
29	Fed. Tax On 5th Inc. Bracket ($335,001 - $10M) @ 34%			-	
30	Total Federal Income Tax (L25 + L26 + L27 + L28 + L29)				$ 4,942
31	Combined Federal And State Income Tax (L23 + L30)				$ 7,409
32	Test Year Combined Income Tax, RUCO As Adjusted (TJC-6, Col. (C), L23)				$ 6,893
33	Adjustment (L31 - L32) (See TJC-6, Col. (D), L23)				$ 516
34	Applicable Federal Income Tax Rate (Col. (D), L30 / Col. (C), L24)				15.00%
	CALCULATION OF INTEREST SYNCHRONIZATION:				
35	Rate Base (Sch. TJC-3, Col. (C), L16)			$ 766,406	
36	Weighted Avg. Cost Of Debt (Sch. TJC-13, Col. (F), L1 + L2)			2.92%	
37	Synchronized Interest (L35 X L36)			$ 22,354	

FAIR VALUE RATE BASE - RCND ADJUSTED TO OCRB

LINE NO.	DESCRIPTION	(A) COMPANY FILED AS RCND	(B) RUCO ADJM'TS TO OCRB	(C) COMPANY FILED AS OCRB	(D) RUCO OCRB ADJM'TS	(E) RUCO ADJUSTED AS OCRB
1	Gross Utility Plant In Service	$ 3,347,492	$ (1,182,084)	$ 2,165,408	$ (106,926)	$ 2,058,482
	Less:					
2	Accumulated Depreciation	885,921	(330,390)	555,531	25,909	581,440
3	Net Utility Plant In Service (L1 - L2)	$ 2,461,571	$ (851,694)	$ 1,609,877	$ (132,835)	$ 1,477,042
	Less:					
4	Advances In Aid Of Const. ("AIAC")	$ 647,272	$ (228,568)	$ 418,704	$ 0	$ 418,704
5	Contribution In Aid Of Const. ("CIAC")	$ 434,191	$ (153,324)	$ 280,867	$ 0	$ 280,867
6	Less: Accumulated Amortization	-	-	-	-	-
7	NET CIAC (L4 - L5)	$ 434,191	$ (153,324)	$ 280,867	$ 0	$ 280,867
8	Customer Meter Deposits	$ 11,066	$ 0	$ 11,066	$ 0	$ 11,066
9	Deferred Income Taxes And Credits	-	-	-	-	-
10	Investment Tax Credits	-	-	-	-	-
	Plus:					
11	Unamortized Finance Charges	$ 0	$ 0	$ 0	$ 0	$ 0
12	Deferred Tax Assets	-	-	-	-	-
13	Allowance For Working Capital	-	-	-	-	0
14	Citizens Acquisition Adjustment	-	-	523,302	(523,302)	-
15	Adjustment Due To Rounding	-	-	1	-	1
16	**TOTAL RATE BASE**	$ 1,369,042	$ (469,802)	$ 1,422,543	$ (656,137)	$ 766,406

References:
Column (A): Company Schedule B-1
Column (B): Column (C) Minus Column (A)
Column (C): Company Schedule B-1, page 1
Column (D): Schedule TJC-3
Column (E): Column (C) + Column (D)

SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY FILED AS OCRB	(B) RUCO ADJM'T # 1	(C) RUCO ADJM'T # 2	(D) RUCO ADJM'T # 3	(E) RUCO ADJUSTED AS OCRB
1	Gross Utility Plant In Service	$ 2,165,408	$ (96,825)	$ (10,101)	$ 0	$ 2,058,482
	Less:					
2	Accumulated Depreciation	555,531	23,504	2,405	-	581,440
3	Net Plant	$ 1,609,877	$ (120,329)	$ (12,506)	$ 0	$ 1,477,042
	Less:					
4	Advances In Aid Of Const. ("AIAC")	$ 418,704	$ -	$ -	$ 0	$ 418,704
5	Contribution In Aid Of Const. ("CIAC")	$ 280,867	$ -	$ -	$ 0	$ 280,867
6	Less: Accumulated Amortization	-	-	-	-	-
7	NET CIAC (L4 - L5)	$ 280,867	$ 0	$ 0	$ 0	$ 280,867
8	Customer Meter Deposits	$ 11,066	$ 0	$ -	$ 0	$ 11,066
9	Deferred Income Taxes And Credits	-	-	-	-	-
10	Investment Tax Credits	-	-	-	-	-
	Plus:					
11	Unamortized Finance Charges	$ 0	$ 0	$ 0	$ 0	$ 0
12	Deferred Tax Assets	-	-	-	-	-
13	Allowance For Working Capital	-	-	-	-	-
14	Citizens Acquisition Adjustment	523,302	-	-	(523,302)	-
15	Adjustment Due To Rounding	1	-	-	-	1
16	**TOTAL RATE BASE**	$ 1,422,543	$ (120,329)	$ (12,506)	$ (523,302)	$ 766,406

References:
Column (A): Company Schedule B-2 and TJC-2, Col. (C)
Column (B): Adjustment To Test Year Total Plant and Accumulated Depreciation (See TJC-4, Page 17, Col. (E) and (F), Line 48)
Column (B): Adjustment To Test Year Total Plant and Accumulated Depreciation (See TJC-5, Page 1, Col. (E) and (F), Line 50)
Column (D): Adjustment To Citizens Acquisition Adjustment (See Schedule TJC-2)
Column (E): Sum of Columns (A) Thru (D)

ADJUSTMENTS TO PRIOR TEST YEAR (12/31/90) TOTAL PLANT
COMPANY'S PRESENT FILING VERSUS TOTAL PLANT FILED IN PRIOR RATE CASE - DECISION NO. 57743

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) ALLOCATION FACTOR	(B) CO. AS FILED PRIOR T. Y. 12/31/1990 TOTAL PLANT	(C) ADJUSTMENT TO 12/31/90 PRIOR T. Y.	(D) ACTUAL 12/31/90 PRIOR T. Y. TOTAL PLANT
1	301.00	Organization	0.0000	$ 0	$ 0	$ 0
2	302.00	Franchises	0.0000	-	-	0
3	303.00	Miscellaneous Intangibles	0.0000	.	-	0
4		SUBTOTAL INTANGIBLE		$ 0	$ 0	$ 0
		SOURCE OF SUPPLY				
5	310.00	Land And Land Rights	0.0147	$ 5,800	(1,022)	$ 4,778
6	311.00	Structures And Improvements	0.0576	22,734	(4,007)	18,727
7	312.00	Collecting And Impounding Res.	0.0000	-	-	0
8	313.00	Lakes, Rivers, Other Intakes	0.0000	-	-	0
9	314.00	Wells And Springs	0.0420	16,550	(2,917)	13,633
10		SUBTOTAL SUPPLY		$ 45,084	$ (7,946)	$ 37,138
		PUMPING				
11	320.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0
12	321.00	Structures And Improvements	0.0000	-	-	0
13	323.00	Other Power Productior	0.0000	-	-	0
14	325.00	Electric Pumping Equipment	0.2490	98,227	(17,312)	80,915
15	326.00	Diesel Pumping Equipment	0.0000	-	-	0
16	328.10	Gas Engine Pumping Equipment	0.0000	-	-	0
17		SUBTOTAL PUMPING		$ 98,227	$ (17,312)	$ 80,915
		WATER TREATMENT				
18	330.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	0.0000	-	-	0
20	332.00	Water Treatment Equipment	0.0000	-	-	0
21		SUBTOTAL TREATMENT	0.0000	$ 0	$ 0	$ 0
		TRANSMISSION & DISTRIBUTION	-			
22	340.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0
23	341.00	Structures And Improvements	0.0000	-	-	0
24	342.00	Distribution, Reservoirs, & ST	0.0532	20,991	(3,700)	17,291
25	343.00	Trans. And Dist. Mains	0.3857	152,136	(26,814)	125,322
26	344.00	Fire Mains	0.0000	-	-	0
27	345.00	Services	0.0743	29,291	(5,163)	24,128
28	346.00	Meters	0.1235	48,702	(8,584)	40,118
29	348.00	Hydrants	0.0000	-	-	0
30	349.00	Other Trans. And Dist.	0.0000	-	-	0
31		SUBTOTAL TRANS. & DIST.		$ 251,120	$ (44,260)	$ 206,860
		GENERAL				
32	389.00	Land And Land Rights		$ 0	$ 0	$ 0
33	390.00	Structures And Improvements		54,586	-	54,586
34	391.00	Office Furniture And Equipment		6,746	-	6,746
35	391.10	Computer Equipment		-	-	0
36	392.00	Transportation Equipment		24,002	-	24,002
37	393.00	Stores Equipment		-	-	0
38	394.00	Tools, Shop And Garage		4,304	-	4,304
39	395.00	Laboratory Equipment		-	-	0
40	396.00	Power Operated Equipment		4,800	-	4,800
41	397.00	Communication Equipment		816	-	816
42	398.00	• Miscellaneous Equipment		28,981	-	28,981
43		SUBTOTAL GENERAL		$ 124,235	$ 0	$ 124,235
		TOTAL WATER PLANT		$ 518,666	$ (69,518)	$ 449,148
44		ALLOCATED PLANT ADJ. PER DECISION #5774:	$ (69,518)	$ 0	$ 0	$ 0
45		Adjustment Due To Rounding		-	-	0
46		**ADJUSTED WATER PLANT**		$ 518,666	$ (69,518)	$ 449,148

References:
Column (A): Ratio Of Depreciable Plant Item To The Total Plant Value (Col. (B), L47) (Excluding General Plan
Column (B): Company Adjusted Plant Balances Per Decision No. 5774:
Column (C): Column (A) (Line Item Allocation Factor) X Total Adjustment of Plant for ($69,518) As Per Prior ACC Decision No. 5774
Column (D): Columns (B) + (C). Prior Rate Case Decision No. 57743, Commission Approved Adjustment:

• Havasu Gardens Plant Adjustment

TEST YEAR PLANT SCHEDULES
ACC APPROVED PRIOR TEST YEAR ENDED DECEMBER 31, 1990

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) APPROVED DEP. RATE	(B) FULLY DEP. PLANT	(C) DEP. EXP.	(D) TOTAL PLANT VALUE	(E) ACCUM. DEP.	(F) NET PLANT VALUE
		INTANGIBLE						
1	301.00	Organization	0.00%	$ 0	$ 0	$ 0	$ 0	$ 0
2	302.00	Franchises	0.00%	-	-	0	-	0
3	303.00	Miscellaneous Intangibles	0.00%	-	-	0	-	0
4		SUBTOTAL INTANGIBLE		$ 0	$ 0	$ 0	$ 0	$ 0
		SOURCE OF SUPPLY						
5	310.00	Land And Land Rights	0.00%	$ 0	$ 0	$ 4,778	$ 0	$ 4,778
6	311.00	Structures And Improvements	2.79%	-	-	18,727	-	18,727
7	312.00	Collecting And Impounding Reservoirs	2.54%	-	-	-	-	0
8	313.00	Lakes, Rivers, Other Intakes	0.00%	-	-	-	-	0
9	314.00	Wells And Springs	2.54%	-	-	13,633	-	13,633
10		SUBTOTAL SOURCE OF SUPPLY		$ 0	$ 0	$ 37,138	$ 0	$ 37,138
		PUMPING						
11	320.00	Land And Land Rights	0.00%	$ 0	$ 0	$ 0	$ 0	$ 0
12	321.00	Structures And Improvements	0.00%	-	-	-	-	0
13	323.00	Other Power Production	5.12%	-	-	-	-	0
14	325.00	Electric Pumping Equipment	3.71%	-	-	80,915	-	80,915
15	326.00	Diesel Pumping Equipment	0.00%	-	-	-	-	0
16	328.10	Gas Engine Pumping Equipment	0.00%	-	-	0	-	0
17		SUBTOTAL PUMPING		$ -	$ 0	$ 80,915	$ 0	$ 80,915
		WATER TREATMENT						
18	330.00	Land And Land Rights	0.00%	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	0.00%	-	-	-	-	0
20	332.00	Water Treatment Equipment	12.00%	-	-	-	-	0
21		SUBTOTAL WATER TREATMENT		$ 0	$ 0	$ 0	$ 0	$ 0
		TRANSMISSION AND DISTRIBUTION						
22	340.00	Land And Land Rights	0.00%	$ 0	$ 0	$ 0	$ 0	$ 0
23	341.00	Structures And Improvements	0.00%	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	2.33%	-	-	17,291	-	17,291
25	343.00	Transmission And Distribution Mains	2.10%	-	-	125,322	-	125,322
26	344.00	Fire Mains	0.00%	-	-	-	-	0
27	345.00	Services	2.89%	-	-	24,128	-	24,128
28	346.00	Meters	3.52%	-	-	40,118	-	40,118
29	348.00	Hydrants	0.00%	-	-	-	-	0
30	349.00	Other Transmission And Distribution	0.00%	-	-	-	-	0
31		SUBTOTAL TRANS. AND DIST.		$ 0	$ 0	$ 206,860	$ 0	$ 206,860
		GENERAL						
32	389.00	Land And Land Rights	0.00%	$ 0	$ 0	$ 0	$ 0	$ 0
33	390.00	Structures And Improvements	2.03%	-	-	54,586	-	54,586
34	391.00	Office Furniture And Equipment	4.10%	-	-	6,746	-	6,746
35	391.10	Computer Equipment	4.10%	-	-	0	-	0
36	392.00	Transportation Equipment	25.00%	-	-	24,002	-	24,002
37	393.00	Stores Equipment	3.93%	-	-	-	-	0
38	394.00	Tools, Shop And Garage	7.55%	-	-	4,304	-	4,304
39	395.00	Laboratory Equipment	3.06%	-	-	-	-	0
40	396.00	Power Operated Equipment	9.23%	-	-	4,800	-	4,800
41	397.00	Communication Equipment	4.10%	-	-	816	0	816
42	398.00	* Miscellaneous Equipment	6.19%	-	-	28,981	-	28,981
43		SUBTOTAL GENERAL		$ 0	$ 0	$ 124,235	$ 0	$ 124,235
44		Acc. Depre. December 31, 1990					$ 193,465	
45		Adjustment Due To Rounding		-	-	-	-	0
46		**TOTAL WATER PLANT**		$ 0	$ 0	$ 449,148	$ 193,465	$ 255,683

References:
Column (A): Prior Decision No. 57743 and Company Schedule C-2, Page 6
Column (B): Intentionally Left Blank
Column (C): Company Response To RUCO Data Request No. 1.22
Column (D): Schedule TJC-4, Page 1 of 14
Column (E): Schedule TJC-4, Page 1
Column (F): Column (D) - Column (E)

* Havasu Gardens Plant Adjustment

TEST YEAR PLANT SCHEDULES
YEAR ENDED DECEMBER 31, 1991

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 10,144	$ 0	$ 0	$ 0	$ 10,144	$ 0	$ 10,144
2	302.00	Franchises	-	-	-	-	-	-	0
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 10,144	$ 0	$ 0	$ 0	$ 10,144	$ 0	$ 10,144
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 999	$ 0	$ 0	$ 0	$ 5,777	$ 0	$ 5,777
6	311.00	Structures And Improvements	-	-	-	522	18,727	522	18,205
7	312.00	Collecting And Impounding Res.	-	-	-	-	-	-	0
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	511	(441)	-	358	14,585	11,030	3,555
10		SUBTOTAL SUPPLY	$ 1,510	$ (441)	$ 0	$ 881	$ 39,089	$ 11,553	$ 27,536
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
12	321.00	Structures And Improvements	-	-	-	-	-	-	0
13	323.00	Other Power Production	-	-	-	-	-	-	0
14	325.00	Electric Pumping Equipment	38,457	3,102	-	3,658	116,270	556	115,714
15	326.00	Diesel Pumping Equipment	-	-	-	-	-	-	0
16	328.10	Gas Engine Pumping Equipment	-	-	-	-	0	-	0
17		SUBTOTAL PUMPING	$ 38,457	$ 3,102	$ 0	$ 3,658	$ 116,271	$ 556	$ 115,715
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	-	-	-	-	-	-	0
20	332.00	Water Treatment Equipment	13,332	-	-	800	13,332	800	12,532
21		SUBTOTAL TREATMENT	$ 13,332	$ 0	$ 0	$ 800	$ 13,332	$ 800	$ 12,532
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
23	341.00	Structures And Improvements	-	-	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	38,821	-	-	855	56,112	855	55,257
25	343.00	Trans. And Dist. Mains	24,926	9,700	-	2,792	140,548	(6,908)	147,457
26	344.00	Fire Mains	-	-	-	-	-	-	0
27	345.00	Services	24,196	1,229	-	1,029	47,095	(200)	47,295
28	346.00	Meters	13,128	101	-	1,641	53,145	1,540	51,605
29	348.00	Hydrants	-	-	-	-	-	-	0
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.	$ 101,071	$ 11,030	$ 0	$ 6,317	$ 296,901	$ (4,713)	$ 301,614
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
33	390.00	Structures And Improvements	-	-	-	1,108	54,586	1,108	53,478
34	391.00	Office Furniture And Equipment	-	-	-	277	6,746	277	6,469
35	391.10	Computer Equipment	-	-	-	0	0	0	0
36	392.00	Transportation Equipment	-	-	-	6,001	24,002	6,001	18,002
37	393.00	Stores Equipment	-	-	-	-	-	-	0
38	394.00	Tools, Shop And Garage	2,742	-	-	428	7,046	428	6,618
39	395.00	Laboratory Equipment	-	-	-	-	-	-	0
40	396.00	Power Operated Equipment	-	-	-	443	4,800	443	4,357
41	397.00	Communication Equipment	-	-	-	33	816	33	783
42	398.00	Miscellaneous Equipment	-	-	-	1,794	28,981	1,794	27,187
43		SUBTOTAL GENERAL	$ 2,742	$ 0	$ 0	$ 10,084	$ 126,977	$ 10,084	$ 116,893
44		Acc. Depre. December 31, 1990						$ 193,465	
45		Adjustment Due To Rounding	1	-	-	-	2	-	0
46		**TOTAL WATER PLANT**	$ 167,257	$ 13,691	$ 0	$ 21,740	$ 602,716	$ 211,745	$ 390,969

References:
Columns (A) & (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): 0.75 X [(Col. (A) + Col. (B)) X TJC-4, Page 2, Col. (A) X 1/2 yr. conv.] + [TJC-4, Page 2, Col. (D) - Col. (C)] X TJC-4, Page 1, Col. (A)
Column (E): Schedule TJC-4, Page 2, Column (D) + Column (A) - Column (B)
Column (F): Schedule TJC-4, Page 2, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES
YEAR ENDED DECEMBER 31, 1992

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 10,144	$ 0	$ 10,144
2	302.00	Franchises	-	-	-	-	-	-	-
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 10,144	$ 0	$ 10,144
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 5,777	$ 0	$ 5,777
6	311.00	Structures And Improvements	-	-	-	522	18,727	1,045	17,682
7	312.00	Collecting And Impounding Res.	-	-	-	-	-	-	0
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	-	-	-	370	14,585	11,401	3,184
10		SUBTOTAL SUPPLY	$ 0	$ 0	$ 0	$ 893	$ 39,088	$ 12,446	$ 26,642
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
12	321.00	Structures And Improvements	-	-	-	-	-	-	-
13	323.00	Other Power Production	22,738	-	-	582	22,738	582	22,156
14	325.00	Electric Pumping Equipment	46	-	-	4,314	116,316	4,870	111,446
15	326.00	Diesel Pumping Equipment	-	-	-	-	-	-	0
16	328.10	Gas Engine Pumping Equipment	-	-	-	-	0	-	0
17		SUBTOTAL PUMPING	$ 22,784	$ 0	$ 0	$ 4,897	$ 139,054	$ 5,452	$ 133,602
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	-	-	-	-	-	-	-
20	332.00	Water Treatment Equipment	269	-	-	1,616	13,601	2,416	11,185
21		SUBTOTAL TREATMENT	$ 269	$ 0	$ 0	$ 1,616	$ 13,601	$ 2,416	$ 11,185
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
23	341.00	Structures And Improvements	-	-	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	-	-	-	1,307	56,112	2,163	53,950
25	343.00	Trans. And Dist. Mains	4,429	-	-	2,998	144,977	(3,910)	148,888
26	344.00	Fire Mains	-	-	-	-	-	-	0
27	345.00	Services	5,353	-	-	1,438	52,448	1,239	51,210
28	346.00	Meters	11,963	-	-	2,081	65,108	3,622	61,487
29	348.00	Hydrants	-	-	-	-	-	-	-
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.	$ 21,745	$ 0	$ 0	$ 7,825	$ 318,646	$ 3,113	$ 315,534
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
33	390.00	Structures And Improvements	-	-	-	1,108	54,586	2,216	52,370
34	391.00	Office Furniture And Equipment	-	-	-	277	6,746	553	6,193
35	391.10	Computer Equipment	-	-	-	0	0	0	0
36	392.00	Transportation Equipment	-	-	-	6,001	24,002	12,001	12,001
37	393.00	Stores Equipment	-	-	-	-	-	-	-
38	394.00	Tools, Shop And Garage	673	-	-	557	7,719	986	6,733
39	395.00	Laboratory Equipment	-	-	-	-	-	-	-
40	396.00	Power Operated Equipment	-	-	-	443	4,800	886	3,914
41	397.00	Communication Equipment	-	-	-	33	816	67	749
42	398.00	Miscellaneous Equipment	377	-	-	1,806	29,358	3,600	25,758
43		SUBTOTAL GENERAL	$ 1,050	$ 0	$ 0	$ 10,225	$ 128,026	$ 20,309	$ 107,717
44		Acc. Depre. December 31, 1990						$ 193,465	
45		Adjustment Due To Rounding	-	-	-	-	4	-	(1)
46		**TOTAL WATER PLANT**	$ 45,848	$ 0	$ 0	$ 25,455	$ 648,563	$ 237,200	$ 411,359

References:
Columns (A) & (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X TJC-4, Page 2, Col. (A) X 1/2 yr. conv.] + [TJC-4, Page 3, Col. (D) - Col. (C)] X TJC-4, Page 2, Col. (A)
Column (E): Schedule TJC-4, Page 3, Column (D) + Column (A) - Column (B)
Column (F): Schedule TJC-4, Page 3, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES
YEAR ENDED DECEMBER 31, 1993

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 10,144	$ 0	$ 10,144
2	302.00	Franchises	-	-	-	-	-	-	-
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 10,144	$ 0	$ 10,144
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 1,746	$ 0	$ 0	$ 0	$ 7,523	$ 0	$ 7,523
6	311.00	Structures And Improvements	1,929	-	-	549	20,656	1,594	19,061
7	312.00	Collecting And Impounding Res.	-	-	-	-	-	-	-
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	89,236	4,265	-	1,558	99,556	8,694	90,862
10		SUBTOTAL SUPPLY	$ 92,911	$ 4,265	$ 0	$ 2,107	$ 127,734	$ 10,288	$ 117,446
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
12	321.00	Structures And Improvements	-	-	-	-	-	-	-
13	323.00	Other Power Production	-	-	-	1,164	22,738	1,746	20,992
14	325.00	Electric Pumping Equipment	66,310	-	-	5,545	182,626	10,416	172,210
15	326.00	Diesel Pumping Equipment	-	-	-	-	-	-	-
16	328.10	Gas Engine Pumping Equipment	-	-	-	-	0	-	0
17		SUBTOTAL PUMPING	$ 66,310	$ 0	$ 0	$ 6,710	$ 205,364	$ 12,162	$ 193,203
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	-	-	-	-	-	-	-
20	332.00	Water Treatment Equipment	-	-	-	1,632	13,601	4,048	9,553
21		SUBTOTAL TREATMENT	$ 0	$ 0	$ 0	$ 1,632	$ 13,601	$ 4,048	$ 9,553
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
23	341.00	Structures And Improvements	-	-	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	76,890	-	-	2,203	133,002	4,366	128,637
25	343.00	Trans. And Dist. Mains	190,866	-	-	5,049	335,843	1,138	334,705
26	344.00	Fire Mains	-	-	-	-	-	-	-
27	345.00	Services	30,587	-	-	1,958	83,035	3,196	79,839
28	346.00	Meters	17,961	-	-	2,608	83,069	6,230	76,840
29	348.00	Hydrants	18,712	-	-	-	18,712	-	18,712
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.	$ 335,016	$ 0	$ 0	$ 11,817	$ 653,662	$ 14,930	$ 638,732
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
33	390.00	Structures And Improvements	-	-	-	1,108	54,586	3,324	51,262
34	391.00	Office Furniture And Equipment	4,502	-	-	369	11,248	922	10,326
35	391.10	Computer Equipment	-	-	-	0	0	0	0
36	392.00	Transportation Equipment	-	-	-	6,001	24,002	18,002	6,001
37	393.00	Stores Equipment	-	-	-	-	-	-	-
38	394.00	Tools, Shop And Garage	1,455	-	-	638	9,174	1,624	7,550
39	395.00	Laboratory Equipment	-	-	-	-	-	-	-
40	396.00	Power Operated Equipment	-	-	-	443	4,800	1,329	3,471
41	397.00	Communication Equipment	2,727	-	-	89	3,543	156	3,386
42	398.00	Miscellaneous Equipment	-	-	-	1,817	29,358	5,417	23,941
43		SUBTOTAL GENERAL	$ 8,684	$ 0	$ 0	$ 10,465	$ 136,710	$ 30,774	$ 105,937
44		Acc. Depre. December 31, 1990						$ 193,465	
45		Adjustment Due To Rounding	-	-	-	-	5	-	0
46		**TOTAL WATER PLANT**	$ 502,921	$ 4,265	$ 0	$ 32,731	$ 1,147,220	$ 265,667	$ 881,549

References:
Columns (A) & (B): Company Response To RUCO Data Request No. 1.22
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Column (E): Schedule TJC-4, Page 4, Column (D) + Column (A) - Column (B)
Column (F): Schedule TJC-4, Page 4, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES
YEAR ENDED DECEMBER 31, 1994

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 10,144	$ 0	$ 10,144
2	302.00	Franchises	-	-	-	-	-	-	-
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 10,144	$ 0	$ 10,144
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 7,523	$ 0	$ 7,523
6	311.00	Structures And Improvements	-	-	-	576	20,656	2,171	18,485
7	312.00	Collecting And Impounding Res.	-	-	-	-	-	-	-
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	-	-	-	2,529	99,556	11,222	88,333
10		SUBTOTAL SUPPLY	$ 0	$ 0	$ 0	$ 3,105	$ 127,734	$ 13,393	$ 114,341
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
12	321.00	Structures And Improvements	-	-	-	-	-	-	-
13	323.00	Other Power Production	-	-	-	1,164	22,738	2,910	19,828
14	325.00	Electric Pumping Equipment	996	-	-	6,794	183,622	17,210	166,413
15	326.00	Diesel Pumping Equipment	-	-	-	-	-	-	-
16	328.10	Gas Engine Pumping Equipment	-	-	-	-	1	-	1
17		SUBTOTAL PUMPING	$ 996	$ 0	$ 0	$ 7,958	$ 206,361	$ 20,120	$ 186,241
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	-	-	-	-	-	-	-
20	332.00	Water Treatment Equipment	4,549	-	-	1,905	18,150	5,953	12,197
21		SUBTOTAL TREATMENT	$ 4,549	$ 0	$ 0	$ 1,905	$ 18,150	$ 5,953	$ 12,197
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
23	341.00	Structures And Improvements	-	-	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	-	-	-	3,099	133,002	7,465	125,538
25	343.00	Trans. And Dist. Mains	7,763	1,744	-	7,153	341,862	6,547	335,315
26	344.00	Fire Mains	-	-	-	-	-	-	-
27	345.00	Services	10,789	770	-	2,567	93,054	4,993	88,061
28	346.00	Meters	16,254	2,426	-	3,253	96,897	7,056	89,841
29	348.00	Hydrants	-	-	-	-	18,712	-	18,712
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	-
31		SUBTOTAL TRANS. & DIST.	$ 34,806	$ 4,940	$ 0	$ 16,071	$ 683,528	$ 26,061	$ 657,467
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
33	390.00	Structures And Improvements	19	-	-	1,108	54,605	4,433	50,172
34	391.00	Office Furniture And Equipment	101	-	-	463	11,349	1,385	9,964
35	391.10	Computer Equipment	-	-	-	0	0	0	0
36	392.00	Transportation Equipment	27,895	24,002	-	12,488	27,895	6,487	21,408
37	393.00	Stores Equipment	-	-	-	-	-	-	-
38	394.00	Tools, Shop And Garage	1,345	-	-	743	10,519	2,367	8,152
39	395.00	Laboratory Equipment	-	-	-	-	-	-	-
40	396.00	Power Operated Equipment	-	4,800	-	665	0	(2,806)	2,806
41	397.00	Communication Equipment	-	-	-	145	3,542	301	3,241
42	398.00	Miscellaneous Equipment	580	377	-	1,847	29,560	6,887	22,673
43		SUBTOTAL GENERAL	$ 29,940	$ 29,179	$ 0	$ 17,459	$ 137,470	$ 19,054	$ 118,416
44		Acc. Depre. December 31, 1990						$ 193,465	
45		Adjustment Due To Rounding	-	-	-	-	4	-	0
46		**TOTAL WATER PLANT**	$ 70,291	$ 34,119	$ 0	$ 46,498	$ 1,183,392	$ 278,046	$ 905,342

References:
Columns (A) & (B): Company Response To RUCO Data Request No. 1.22
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Column (D): [(Col. (A) + Col. (B)) X TJC-4, Page 2, Col. (A) X 1/2 yr. conv.] + [TJC-4, Page 5, Col. (D) - Col. (C)] X TJC-4, Page 2, Col. (A)
Column (E): Schedule TJC-4, Page 5, Column (D) + Column (A) - Column (B)
Column (F): Schedule TJC-4, Page 5, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES
YEAR ENDED DECEMBER 31, 1995

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 10,144	$ 0	$ 10,144
2	302.00	Franchises	-	-	-	-	-	-	-
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 10,144	$ 0	$ 10,144
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 7,523	$ 0	$ 7,523
6	311.00	Structures And Improvements	533	-	-	584	21,189	2,754	18,435
7	312.00	Collecting And Impounding Res.	-	-	-	-	-	-	-
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	-	-	-	2,529	99,556	13,751	85,805
10		SUBTOTAL SUPPLY	$ 533	$ 0	$ 0	$ 3,112	$ 128,268	$ 16,506	$ 111,762
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
12	321.00	Structures And Improvements	-	-	-	-	-	-	-
13	323.00	Other Power Production	-	-	-	1,164	22,738	4,075	18,663
14	325.00	Electric Pumping Equipment	881	-	-	6,829	184,503	24,038	160,465
15	326.00	Diesel Pumping Equipment	-	-	-	-	-	-	-
16	328.10	Gas Engine Pumping Equipment	-	-	-	-	1	-	1
17		SUBTOTAL PUMPING	$ 881	$ 0	$ 0	$ 7,993	$ 207,241	$ 28,113	$ 179,129
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	-	-	-	-	-	-	-
20	332.00	Water Treatment Equipment	306	-	-	2,196	18,456	8,149	10,307
21		SUBTOTAL TREATMENT	$ 306	$ 0	$ 0	$ 2,196	$ 18,456	$ 8,149	$ 10,307
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
23	341.00	Structures And Improvements	-	-	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	483	-	-	3,105	133,485	10,569	122,916
25	343.00	Trans. And Dist. Mains	578	-	-	7,185	342,440	13,732	328,708
26	344.00	Fire Mains	-	-	-	-	-	-	-
27	345.00	Services	11,587	46	-	2,857	104,595	7,804	96,791
28	346.00	Meters	17,297	96	-	3,717	114,098	10,677	103,421
29	348.00	Hydrants	-	-	-	-	18,712	-	18,712
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.	$ 29,945	$ 142	$ 0	$ 16,864	$ 713,331	$ 42,783	$ 670,548
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
33	390.00	Structures And Improvements	-	-	-	1,108	54,605	5,541	49,064
34	391.00	Office Furniture And Equipment	207	-	-	470	11,556	1,855	9,701
35	391.10	Computer Equipment	-	-	-	0	0	0	0
36	392.00	Transportation Equipment	-	-	-	6,974	27,895	13,461	14,434
37	393.00	Stores Equipment	-	-	-	-	-	-	-
38	394.00	Tools, Shop And Garage	1,047	-	-	834	11,566	3,201	8,365
39	395.00	Laboratory Equipment	-	-	-	-	-	-	-
40	396.00	Power Operated Equipment	-	-	-	0	0	(2,806)	2,806
41	397.00	Communication Equipment	-	-	-	145	3,542	447	3,095
42	398.00	Miscellaneous Equipment	-	-	-	1,830	29,560	8,716	20,844
43		SUBTOTAL GENERAL	$ 1,254	$ 0	$ 0	$ 11,360	$ 138,724	$ 30,414	$ 108,310
44		Acc. Depre. December 31, 1990						$ 193,465	
45		Adjustment Due To Rounding	1	-	-	-	5	-	0
46		**TOTAL WATER PLANT**	$ 32,920	$ 142	$ 0	$ 41,526	$ 1,216,170	$ 319,430	$ 896,735

References:
Columns (A) & (B): Company Response To RUCO Data Request No. 1.22
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Column (E): Schedule TJC-4, Page 6, Column (D) + Column (A) - Column (B)
Column (F): Schedule TJC-4, Page 6, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES
YEAR ENDED DECEMBER 31, 1996

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 10,144	$ 0	$ 10,144
2	302.00	Franchises	-	-	-	-	-	-	-
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 10,144	$ 0	$ 10,144
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 7,523	$ 0	$ 7,523
6	311.00	Structures And Improvements	78	-	-	592	21,267	3,347	17,921
7	312.00	Collecting And Impounding Res.	148,279	-	-	1,883	148,279	1,883	146,396
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	-	-	-	2,529	99,556	16,280	83,276
10		SUBTOTAL SUPPLY	$ 148,357	$ 0	$ 0	$ 5,004	$ 276,625	$ 21,510	$ 255,115
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
12	321.00	Structures And Improvements	-	-	-	-	-	(0)	0
13	323.00	Other Power Production	-	-	-	1,164	22,738	5,239	17,499
14	325.00	Electric Pumping Equipment	48,392	537	-	7,753	232,358	31,253	201,105
15	326.00	Diesel Pumping Equipment	-	-	-	-	-	-	-
16	328.10	Gas Engine Pumping Equipment	-	-	-	-	1	-	1
17		SUBTOTAL PUMPING	$ 48,392	$ 537	$ 0	$ 8,917	$ 255,096	$ 36,492	$ 218,605
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
19	331.00	Structures And Improvements	-	-	-	-	-	-	-
20	332.00	Water Treatment Equipment	6,859	-	-	2,626	25,315	10,776	14,539
21		SUBTOTAL TREATMENT	$ 6,859	$ 0	$ 0	$ 2,626	$ 25,315	$ 10,776	$ 14,539
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
23	341.00	Structures And Improvements	-	-	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	5,249	-	-	3,171	138,734	13,741	124,994
25	343.00	Trans. And Dist. Mains	177,471	-	-	9,055	519,911	22,787	497,125
26	344.00	Fire Mains	-	-	-	-	-	-	-
27	345.00	Services	43,784	-	-	3,655	148,379	11,460	136,920
28	346.00	Meters	18,537	3,188	-	4,399	129,447	11,888	117,559
29	348.00	Hydrants	-	-	-	-	18,712	-	18,712
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.	$ 245,041	$ 3,188	$ 0	$ 20,280	$ 955,184	$ 59,875	$ 895,309
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
33	390.00	Structures And Improvements	-	-	-	1,108	54,605	6,650	47,955
34	391.00	Office Furniture And Equipment	438	-	-	483	11,994	2,338	9,656
35	391.10	Computer Equipment	-	-	-	0	0	0	0
36	392.00	Transportation Equipment	-	-	-	6,974	27,895	20,435	7,460
37	393.00	Stores Equipment	-	-	-	-	-	0	(0)
38	394.00	Tools, Shop And Garage	198	-	-	881	11,764	4,082	7,682
39	395.00	Laboratory Equipment	-	-	-	-	-	-	-
40	396.00	Power Operated Equipment	-	-	-	0	0	(2,806)	2,806
41	397.00	Communication Equipment	-	-	-	145	3,542	592	2,950
42	398.00	Miscellaneous Equipment	-	-	-	1,830	29,560	10,547	19,013
43		SUBTOTAL GENERAL	$ 636	$ 0	$ 0	$ 11,421	$ 139,360	$ 41,837	$ 97,523
44		Acc. Depre. December 31, 1990						$ 193,465	
45		Adjustment Due To Rounding	-	-	-	-	-	-	0
46		**TOTAL WATER PLANT**	$ 449,285	$ 3,725	$ 0	$ 48,248	$ 1,661,725	$ 363,954	$ 1,297,771

References:
Columns (A) & (B): Company Response To RUCO Data Request No. 1.22
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Column (D): [(Col. (A) + Col. (B)) X TJC-4, Page 2, Col. (A) X 1/2 yr. conv.] + [TJC-4, Page 7, Col. (D) - Col. (C)] X TJC-4, Page 2, Col. (A)
Column (E): Schedule TJC-4, Page 7, Column (D) + Column (A) - Column (B)
Column (F): Schedule TJC-4, Page 7, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES
YEAR ENDED DECEMBER 31, 1997

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 10,144	$ 0	$ 10,144
2	302.00	Franchises	-	-	-	-	-	-	-
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 10,144	$ 0	$ 10,144
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ (1)	$ 0	$ 0	$ 0	$ 7,522	$ 0	$ 7,522
6	311.00	Structures And Improvements	(141)	-	-	591	21,126	3,938	17,188
7	312.00	Collecting And Impounding Res.	-	-	-	3,766	148,279	5,649	142,630
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	-	-	-	2,529	99,556	18,809	80,747
10		SUBTOTAL SUPPLY	$ (142)	$ 0	$ 0	$ 6,886	$ 276,483	$ 28,396	$ 248,087
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
12	321.00	Structures And Improvements	-	-	-	-	-	(1)	1
13	323.00	Other Power Production	-	-	-	1,164	22,738	6,403	16,335
14	325.00	Electric Pumping Equipment	(30,086)	-	-	8,062	202,272	39,315	162,957
15	326.00	Diesel Pumping Equipment	-	-	-	-	-	-	-
16	328.10	Gas Engine Pumping Equipment	-	-	-	-	1	-	1
17		SUBTOTAL PUMPING	$ (30,086)	$ 0	$ 0	$ 9,227	$ 225,010	$ 45,717	$ 179,294
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
19	331.00	Structures And Improvements	-	-	-	-	-	-	-
20	332.00	Water Treatment Equipment	-	-	-	3,038	25,315	13,814	11,502
21		SUBTOTAL TREATMENT	$ 0	$ 0	$ 0	$ 3,038	$ 25,315	$ 13,814	$ 11,501
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
23	341.00	Structures And Improvements	-	-	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	8,652	-	-	3,333	147,386	17,074	130,312
25	343.00	Trans. And Dist. Mains	33,575	-	-	11,271	553,486	34,057	519,429
26	344.00	Fire Mains	-	-	-	-	-	-	-
27	345.00	Services	2,616	-	-	4,326	150,995	15,786	135,210
28	346.00	Meters	4,340	-	-	4,633	133,787	16,521	117,266
29	348.00	Hydrants	-	-	-	-	18,712	-	18,712
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.	$ 49,183	$ 0	$ 0	$ 23,563	$ 1,004,367	$ 83,438	$ 920,929
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ (0)	$ 0	$ 0
33	390.00	Structures And Improvements	-	-	-	1,108	54,605	7,758	46,847
34	391.00	Office Furniture And Equipment	(8,740)	-	-	313	3,254	2,650	604
35	391.10	Computer Equipment	8,376	-	-	172	8,376	172	8,204
36	392.00	Transportation Equipment	-	-	-	6,974	27,895	27,408	487
37	393.00	Stores Equipment	-	-	-	-	-	1	(1)
38	394.00	Tools, Shop And Garage	-	-	-	888	11,764	4,971	6,793
39	395.00	Laboratory Equipment	-	-	-	-	-	-	-
40	396.00	Power Operated Equipment	33,093	-	-	1,527	33,093	(1,279)	34,372
41	397.00	Communication Equipment	1,227	-	-	170	4,769	763	4,006
42	398.00	Miscellaneous Equipment	-	-	-	1,830	29,560	12,377	17,183
43		SUBTOTAL GENERAL	$ 33,956	$ 0	$ 0	$ 12,982	$ 173,316	$ 54,821	$ 118,495
44		Acc. Depre. December 31, 1990						$ 193,465	
45		Adjustment Due To Rounding	-	-	-	-	-	-	0
46		**TOTAL WATER PLANT**	$ 52,911	$ 0	$ 0	$ 55,696	$ 1,714,636	$ 419,651	$ 1,294,986

References:
Columns (A) & (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X TJC-4, Page 2, Col. (A) X 1/2 yr. conv.] + [TJC-4, Page 8, Col. (D) - Col. (C)] X TJC-4, Page 2, Col. (A)
Column (E): Schedule TJC-4, Page 8, Column (D) + Column (A) - Column (B)
Column (F): Schedule TJC-4, Page 8, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES
YEAR ENDED DECEMBER 31, 1998

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 10,144	$ 0	$ 10,144
2	302.00	Franchises	-	-	-	-	-	-	-
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 10,144	$ 0	$ 10,144
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ -	$ 0	$ 0	$ 0	$ 7,522	$ 0	$ 7,522
6	311.00	Structures And Improvements	-	-	-	589	21,126	4,527	16,599
7	312.00	Collecting And Impounding Res.	(26)	-	-	3,766	148,253	9,415	138,838
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	-	-	-	2,529	99,556	21,337	78,219
10		SUBTOTAL SUPPLY	$ (26)	$ 0	$ 0	$ 6,884	$ 276,457	$ 35,280	$ 241,177
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
12	321.00	Structures And Improvements	-	-	-	-	-	(1)	1
13	323.00	Other Power Production	-	-	-	1,164	22,738	7,567	15,171
14	325.00	Electric Pumping Equipment	21,635	9,697	-	8,086	214,210	37,703	176,507
15	326.00	Diesel Pumping Equipment	-	-	-	-	-	-	-
16	328.10	Gas Engine Pumping Equipment	-	-	-	-	1	-	1
17		SUBTOTAL PUMPING	$ 21,635	$ 9,697	$ 0	$ 9,250	$ 236,948	$ 45,269	$ 191,680
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
19	331.00	Structures And Improvements	-	-	-	-	-	-	-
20	332.00	Water Treatment Equipment	-	-	-	3,038	25,315	16,851	8,464
21		SUBTOTAL TREATMENT	$ 0	$ 0	$ 0	$ 3,038	$ 25,315	$ 16,851	$ 8,464
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
23	341.00	Structures And Improvements	-	-	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	-	-	-	3,434	147,386	20,508	126,878
25	343.00	Trans. And Dist. Mains	70,129	-	-	12,360	623,615	46,417	577,198
26	344.00	Fire Mains	-	-	-	-	-	-	-
27	345.00	Services	15,964	302	-	4,599	166,657	20,083	146,575
28	346.00	Meters	20,286	6,724	-	5,185	147,349	14,982	132,368
29	348.00	Hydrants	-	-	-	-	18,712	-	18,712
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.	$ 106,379	$ 7,026	$ 0	$ 25,577	$ 1,103,720	$ 101,989	$ 1,001,731
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ (0)	$ 0	$ 0
33	390.00	Structures And Improvements	-	-	-	1,108	54,605	8,867	45,738
34	391.00	Office Furniture And Equipment	-	-	-	133	3,254	2,784	470
35	391.10	Computer Equipment	-	-	-	343	8,376	515	7,861
36	392.00	Transportation Equipment	-	-	-	6,974	27,895	34,382	(6,487)
37	393.00	Stores Equipment	-	-	-	-	-	1	(1)
38	394.00	Tools, Shop And Garage	76	-	-	891	11,840	5,862	5,978
39	395.00	Laboratory Equipment	-	-	-	-	-	-	-
40	396.00	Power Operated Equipment	-	-	-	3,054	33,093	1,775	31,318
41	397.00	Communication Equipment	-	-	-	196	4,769	959	3,810
42	398.00	Miscellaneous Equipment	-	-	-	1,830	29,560	14,207	15,353
43		SUBTOTAL GENERAL	$ 76	$ 0	$ 0	$ 14,530	$ 173,392	$ 69,353	$ 104,039
44		Acc. Depre. December 31, 1990						$ 193,465	
45		Adjustment Due To Rounding	-	-	-	-	4	-	0
46		**TOTAL WATER PLANT**	$ 128,064	$ 16,723	$ 0	$ 59,279	$ 1,825,981	$ 462,208	$ 1,363,770

References:
Columns (A) & (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X TJC-4, Page 2, Col. (A) X 1/2 yr. conv.] + [TJC-4, Page 9, Col. (D) - Col. (C)] X TJC-4, Page 2, Col. (A)
Column (E): Schedule TJC-4, Page 9, Column (D) + Column (A) - Column (B)
Column (F): Schedule TJC-4, Page 9, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES
YEAR ENDED DECEMBER 31, 1999

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 10,144	$ 0	$ 10,144
2	302.00	Franchises	-	-	-	-	-	-	-
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 10,144	$ 0	$ 10,144
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 7,522	$ 0	$ 7,522
6	311.00	Structures And Improvements	-	-	-	589	21,126	5,117	16,009
7	312.00	Collecting And Impounding Res.	-	-	-	3,766	148,253	13,181	135,072
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	-	-	-	2,529	99,556	23,866	75,690
10		SUBTOTAL SUPPLY	$ 0	$ 0	$ 0	$ 6,884	$ 276,457	$ 42,164	$ 234,293
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
12	321.00	Structures And Improvements	-	-	-	-	-	(2)	2
13	323.00	Other Power Production	-	-	-	1,164	22,738	8,731	14,007
14	325.00	Electric Pumping Equipment	-	-	-	7,947	214,210	45,650	168,560
15	326.00	Diesel Pumping Equipment	-	-	-	-	-	-	-
16	328.10	Gas Engine Pumping Equipment	-	-	-	-	1	-	1
17		SUBTOTAL PUMPING	$ 0	$ 0	$ 0	$ 9,111	$ 236,948	$ 54,380	$ 182,570
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
19	331.00	Structures And Improvements	-	-	-	-	-	-	-
20	332.00	Water Treatment Equipment	-	-	-	3,038	25,315	19,889	5,426
21		SUBTOTAL TREATMENT	$ 0	$ 0	$ 0	$ 3,038	$ 25,315	$ 19,889	$ 5,426
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
23	341.00	Structures And Improvements	-	-	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	-	-	-	3,434	147,386	23,942	123,444
25	343.00	Trans. And Dist. Mains	59,976	-	-	13,726	683,591	60,143	623,448
26	344.00	Fire Mains	-	-	-	-	-	-	-
27	345.00	Services	13,518	-	-	5,012	180,176	25,094	155,081
28	346.00	Meters	0	-	-	5,187	147,350	20,168	127,181
29	348.00	Hydrants	-	-	-	-	18,712	-	18,712
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.	$ 73,494	$ 0	$ 0	$ 27,358	$ 1,177,215	$ 129,347	$ 1,047,867
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ (0)	$ 0	$ 0
33	390.00	Structures And Improvements	-	-	-	1,108	54,605	9,975	44,630
34	391.00	Office Furniture And Equipment	-	-	-	133	3,254	2,917	337
35	391.10	Computer Equipment	-	-	-	343	8,376	859	7,517
36	392.00	Transportation Equipment	-	-	-	6,974	27,895	41,356	(13,461)
37	393.00	Stores Equipment	-	-	-	-	-	2	(2)
38	394.00	Tools, Shop And Garage	-	-	-	894	11,840	6,756	5,084
39	395.00	Laboratory Equipment	-	-	-	-	-	-	-
40	396.00	Power Operated Equipment	-	-	-	3,054	33,093	4,830	28,263
41	397.00	Communication Equipment	-	-	-	196	4,769	1,155	3,614
42	398.00	Miscellaneous Equipment	-	-	-	1,830	29,560	16,037	13,523
43		SUBTOTAL GENERAL	$ 0	$ 0	$ 0	$ 14,533	$ 173,392	$ 83,887	$ 89,505
44		Acc. Depre. December 31, 1990						$ 193,465	
45		Adjustment Due To Rounding	-	-	-	-	-	-	0
46		**TOTAL WATER PLANT**	$ 73,494	$ 0	$ 0	$ 60,924	$ 1,899,471	$ 523,133	$ 1,376,339

References:
Columns (A) & (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X TJC-4, Page 2, Col. (A) X 1/2 yr. conv.] + [TJC-4, Page 10, Col. (D) - Col. (C)] X TJC-4, Page 2, Col. (A)
Column (E): Schedule TJC-4, Page 10, Column (D) + Column (A) - Column (B)
Column (F): Schedule TJC-4, Page 10, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES
YEAR ENDED DECEMBER 31, 2000

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 10,144	$ 0	$ 10,144
2	302.00	Franchises	-	-	-	-	-	-	-
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 10,144	$ 0	$ 10,144
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 7,522	$ 0	$ 7,522
6	311.00	Structures And Improvements	-	-	-	589	21,126	5,706	15,420
7	312.00	Collecting And Impounding Res.	-	-	-	3,766	148,253	16,947	131,306
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	-	-	-	2,529	99,556	26,395	73,161
10		SUBTOTAL SUPPLY	$ 0	$ 0	$ 0	$ 6,884	$ 276,457	$ 49,048	$ 227,409
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
12	321.00	Structures And Improvements	-	-	-	-	-	(2)	2
13	323.00	Other Power Production	-	-	-	1,164	22,738	9,896	12,842
14	325.00	Electric Pumping Equipment	-	-	-	7,947	214,210	53,597	160,613
15	326.00	Diesel Pumping Equipment	-	-	-	-	-	-	-
16	328.10	Gas Engine Pumping Equipment	-	-	-	-	1	-	1
17		SUBTOTAL PUMPING	$ 0	$ 0	$ 0	$ 9,111	$ 236,948	$ 63,490	$ 173,459
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
19	331.00	Structures And Improvements	-	-	-	-	-	-	-
20	332.00	Water Treatment Equipment	-	-	-	3,038	25,315	22,927	2,388
21		SUBTOTAL TREATMENT	$ 0	$ 0	$ 0	$ 3,038	$ 25,315	$ 22,927	$ 2,388
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
23	341.00	Structures And Improvements	-	-	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	-	-	-	3,434	147,386	27,376	120,010
25	343.00	Trans. And Dist. Mains	(4,360)	6	-	14,310	679,225	74,446	604,779
26	344.00	Fire Mains	-	-	-	-	-	-	-
27	345.00	Services	(6,177)	(6)	-	5,118	174,005	30,218	143,787
28	346.00	Meters	1,825	1,607	-	5,247	147,568	23,871	123,697
29	348.00	Hydrants	-	18,712	-	-	(0)	(18,712)	18,712
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.	$ (8,711)	$ 20,319	$ 0	$ 28,109	$ 1,148,184	$ 137,199	$ 1,010,985
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ (0)	$ 0	$ 0
33	390.00	Structures And Improvements	-	-	-	1,108	54,605	11,083	43,522
34	391.00	Office Furniture And Equipment	-	-	-	133	3,254	3,050	204
35	391.10	Computer Equipment	2,591	-	-	397	10,967	1,255	9,712
36	392.00	Transportation Equipment	38,277	26,170	-	15,030	40,002	30,216	9,787
37	393.00	Stores Equipment	-	-	-	-	-	2	(2)
38	394.00	Tools, Shop And Garage	-	-	-	894	11,840	7,651	4,189
39	395.00	Laboratory Equipment	-	-	-	-	-	-	-
40	396.00	Power Operated Equipment	-	-	-	3,054	33,093	7,884	25,209
41	397.00	Communication Equipment	-	-	-	196	4,769	1,351	3,418
42	398.00	Miscellaneous Equipment	-	-	-	1,830	29,560	17,868	11,692
43		SUBTOTAL GENERAL	$ 40,868	$ 26,170	$ 0	$ 22,642	$ 188,090	$ 80,361	$ 107,729
44		Acc. Depre. December 31, 1990						$ 193,465	
45		Adjustment Due To Rounding	-	-	-	-	-	-	0
46		**TOTAL WATER PLANT**	$ 32,157	$ 46,489	$ 0	$ 69,783	$ 1,885,138	$ 546,490	$ 1,338,649

References:
Columns (A) & (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X TJC-4, Page 2, Col. (A) X 1/2 yr. conv.] + [TJC-4, Page 11, Col. (D) - Col. (C)] X TJC-4, Page 2, Col. (A)
Column (E): Schedule TJC-4, Page 11, Column (D) + Column (A) - Column (B)
Column (F): Schedule TJC-4, Page 11, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES
YEAR ENDED DECEMBER 31, 2001

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 10,144	$ 0	$ 10,144
2	302.00	Franchises	-	-	-	-	-	-	-
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 10,144	$ 0	$ 10,144
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 1,105	$ 1,105	$ 0	$ 0	$ 7,522	$ 0	$ 7,522
6	311.00	Structures And Improvements	-	-	-	589	21,126	6,296	14,830
7	312.00	Collecting And Impounding Res.	-	-	-	3,766	148,253	20,712	127,541
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	5,200	5,200	-	2,661	99,556	29,056	70,500
10		SUBTOTAL SUPPLY	$ 6,305	$ 6,305	$ 0	$ 7,016	$ 276,457	$ 56,064	$ 220,393
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
12	321.00	Structures And Improvements	-	-	-	-	-	(3)	3
13	323.00	Other Power Production	-	-	-	1,164	22,738	11,060	11,678
14	325.00	Electric Pumping Equipment	14,160	-	-	8,210	228,370	61,806	166,564
15	326.00	Diesel Pumping Equipment	-	-	-	-	-	-	-
16	328.10	Gas Engine Pumping Equipment	-	-	-	-	1	-	1
17		SUBTOTAL PUMPING	$ 14,160	$ 0	$ 0	$ 9,374	$ 251,108	$ 72,863	$ 178,246
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
19	331.00	Structures And Improvements	-	-	-	-	-	-	-
20	332.00	Water Treatment Equipment	-	-	-	3,038	25,315	25,965	(650)
21		SUBTOTAL TREATMENT	$ 0	$ 0	$ 0	$ 3,038	$ 25,315	$ 25,965	$ (650)
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
23	341.00	Structures And Improvements	-	-	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	-	-	-	3,434	147,386	30,810	116,576
25	343.00	Trans. And Dist. Mains	11,727	4,365	-	14,433	686,586	88,879	597,707
26	344.00	Fire Mains	-	-	-	-	-	-	-
27	345.00	Services	4,619	1,039	-	5,110	177,585	35,329	142,256
28	346.00	Meters	26,455	9,307	-	5,824	164,715	21,480	143,236
29	348.00	Hydrants	-	-	-	-	(0)	(18,712)	18,712
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.	$ 42,801	$ 14,712	$ 0	$ 28,801	$ 1,176,273	$ 157,785	$ 1,018,488
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ (0)	$ 0	$ 0
33	390.00	Structures And Improvements	-	-	-	1,108	54,605	12,192	42,413
34	391.00	Office Furniture And Equipment	-	-	-	133	3,254	3,184	70
35	391.10	Computer Equipment	-	-	-	450	10,967	1,705	9,262
36	392.00	Transportation Equipment	50,670	5,785	-	17,057	84,887	47,273	37,614
37	393.00	Stores Equipment	-	-	-	-	-	3	(3)
38	394.00	Tools, Shop And Garage	-	-	-	894	11,840	8,545	3,295
39	395.00	Laboratory Equipment	-	-	-	-	-	-	-
40	396.00	Power Operated Equipment	-	-	-	3,054	33,093	10,939	22,154
41	397.00	Communication Equipment	4,447	-	-	287	9,216	1,639	7,578
42	398.00	Miscellaneous Equipment	-	-	-	1,830	29,560	19,698	9,862
43		SUBTOTAL GENERAL	$ 55,117	$ 5,785	$ 0	$ 24,814	$ 237,422	$ 105,177	$ 132,245
44		Acc. Depre. December 31, 1990						$ 193,465	
45		Adjustment Due To Rounding	-	-	-	-	-	-	0
46		**TOTAL WATER PLANT**	$ 118,383	$ 26,802	$ 0	$ 73,043	$ 1,976,718	$ 611,318	$ 1,365,401

References:
Columns (A) & (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X TJC-4, Page 2, Col. (A) X 1/2 yr. conv.] + [TJC-4, Page 12, Col. (D) - Col. (C)] X TJC-4, Page 2, Col. (A)
Column (E): Schedule TJC-4, Page 12, Column (D) + Column (A) - Column (B)
Column (F): Schedule TJC-4, Page 12, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

RATE BASE ADJUSTMENT #1 - TEST YEAR PLANT & ACCUMULATED DEPRECIATION
2001 TEST YEAR ADJUSTMENT TO GENERAL PLANT ALLOCATION - CITIZENS VERSUS ARIZONA AMERICAN

			(A)	(B)	(C)	(D)	(E)	(F)	(G)
			PRE-AQUISITION		ADJUSTMENTS		POST-ACQUISITION		
LINE NO.	ACCT. NO.	ACCOUNT NAME	TOTAL PLANT VALUE	ACCUM. DEP.	TOTAL PLANT VALUE	ACCUM. DEP.	TOTAL PLANT VALUE	ACCUM. DEP.	NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 10,144	$ 0	$ 0	$ 0	$ 10,144	$ 0	$ 10,144
2	302.00	Franchises	-	-	-	-	-	-	-
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 10,144	$ 0	$ 0	$ 0	$ 10,144	$ 0	$ 10,144
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 7,522	$ 0	$ 0	$ 0	$ 7,522	$ 0	$ 7,522
6	311.00	Structures & Improvements	21,126	6,296	-	-	21,126	6,296	14,830
7	312.00	Collecting & Impound Res.	148,253	20,712	-	-	148,253	20,712	127,541
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	99,556	29,056	-	-	99,556	29,056	70,500
10		SUBTOTAL SUPPLY	$ 276,457	$ 56,064	$ 0	$ 0	$ 276,457	$ 56,064	$ 220,393
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
12	321.00	Structures & Improvements	-	(3)	-	-	-	(3)	3
13	323.00	Other Power Production	22,738	11,060	-	-	22,738	11,060	11,678
14	325.00	Electric Pumping Equipment	228,370	61,806	-	-	228,370	61,806	166,564
15	326.00	Diesel Pumping Equipment	-	-	-	-	-	-	-
16	328.10	Gas Engine Pumping Equip.	1	-	-	-	1	-	1
17		SUBTOTAL PUMPING	$ 251,109	$ 72,863	$ 0	$ 0	$ 251,108	$ 72,863	$ 178,246
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
19	331.00	Structures & Improvements	-	-	-	-	-	-	-
20	332.00	Water Treatment Equipment	25,315	25,965	-	-	25,315	25,965	(650)
21		SUBTOTAL TREATMENT	$ 25,315	$ 25,965	$ 0	$ 0	$ 25,315	$ 25,965	$ (650)
		TRANS. & DIST.							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
23	341.00	Structures & Improvements	-	-	-	-	-	-	0
24	342.00	Dist., Res., & ST	147,386	30,810	-	-	147,386	30,810	116,576
25	343.00	Trans. And Dist. Mains	686,586	88,879	-	-	686,586	88,879	597,707
26	344.00	Fire Mains	-	-	-	-	-	-	0
27	345.00	Services	177,585	35,329	-	-	177,585	35,329	142,256
28	346.00	Meters	164,715	21,480	-	-	164,715	21,480	143,236
29	348.00	Hydrants	(0)	(18,712)	-	-	(0)	(18,712)	18,712
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUB TRANS. & DIST.	$ 1,176,273	$ 157,785	$ 0	$ 0	$ 1,176,273	$ 157,785	$ 1,018,488
		GENERAL							
32	389.00	Land And Land Rights	$ (0)	$ 0	$ 25	$ 0	$ 25	$ 0	$ 25
33	390.00	Structures & Improvements	54,605	12,192	(44,028)	(7,114)	10,577	5,078	5,499
34	391.00	Office Furniture & Equip.	3,254	3,184	6,839	(2,371)	10,093	813	9,280
35	391.10	Computer Equipment	10,967	1,705	14,037	(9,102)	25,004	(7,397)	32,401
36	392.00	Transportation Equipment	84,887	47,273	(39,653)	(40,782)	45,234	24,571	45,071
37	393.00	Stores Equipment	-	3	247	444	247	163	(6,244)
38	394.00	Tools, Shop And Garage	11,840	8,545	(1,736)	(4,421)	10,104	6,491	9,657
39	395.00	Laboratory Equipment	-	-	627	1,198	627	447	(3,497)
40	396.00	Power Operated Equipment	33,093	10,939	(26,949)	(10,302)	6,144	4,124	4,946
41	397.00	Communication Equipment	9,216	1,639	(1,739)	34,487	7,477	1,198	6,840
42	398.00	Miscellaneous Equipment	29,560	19,698	(28,626)	16,428	934	637	(35,192)
43		SUBTOTAL GENERAL	$ 237,422	$ 105,177	$ (120,956)	$ (21,534)	$ 116,466	$ 36,126	$ 68,786
44		Acc. Depre. December 31, 1990	$ -	$ 193,465	$ 0	$ 0	$ 0	$ 193,465	
45		Adjustm't Due To Rounding	-	-	-	-	-	-	0
46		**TOTAL WATER PLANT**	$ 1,976,719	$ 611,318	$ (120,956)	$ (21,534)	$ 1,855,763	$ 542,267	$ 1,301,942
47		Company As Filed B-2					1,952,588	518,763	
48		Line #46 minus Line #47					(96,825)	23,504	

References:
Column (A): Schedule TJC-4, Page 16, Column (E)
Column (B): Schedule TJC-4, Page 16, Column (F)
Columns (C) & (D): Adjustment To Replace Citizens' Utiltities General Plant With Arizona Water Common Plant Allocation
Column (E): Column (A) - Column (C) As Per Company Schedule B-2, Page 3
Column (F): Column (B) - Column (D) As Per Company Schedule B-2, Page 3
Column (G): Column (E) - Column (F)

PROFORMA PLANT
ADJUSTMENTS TO THE 2001 PROFORMA TEST YEAR

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) REVENUE NEUTRAL PLANT ADD"N	(B) ORCOM & PLANT AT CLOSING	(C) ADDIT'NAL ACC. DEP. AT CLOSING	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 10,144	$ 0	$ 10,144
2	302.00	Franchises	-	8,445	-	-	8,445	-	8,445
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 8,445	$ 0	$ 0	$ 18,589	$ 0	$ 18,589
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 2,970	$ 0	$ 0	$ 0	$ 10,492	$ 0	$ 10,492
6	311.00	Structures And Improvements	38,584	-	357	538	59,710	7,191	52,519
7	312.00	Collecting And Impounding Res.	-	-	1,882	-	148,253	22,594	125,659
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	-	-	1,359	-	99,556	30,415	69,141
10		SUBTOTAL SUPPLY	$ 41,554	$ 0	$ 3,598	$ 538	$ 318,011	$ 60,200	$ 257,811
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
12	321.00	Structures And Improvements	-	-	-	-	-	(3)	3
13	323.00	Other Power Production	-	-	582	-	22,738	11,642	11,096
14	325.00	Electric Pumping Equipment	-	-	4,727	-	228,370	66,533	161,837
15	326.00	Diesel Pumping Equipment	-	-	-	-	-	-	-
16	328.10	Gas Engine Pumping Equipment	-	-	-	-	1	-	1
17		SUBTOTAL PUMPING	$ 0	0	$ 5,309	$ 0	$ 251,108	$ 78,172	$ 172,937
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
19	331.00	Structures And Improvements	-	-	-	-	-	-	-
20	332.00	Water Treatment Equipment	-	-	1,518	-	25,315	27,483	(2,168)
21		SUBTOTAL TREATMENT	$ 0	$ 0	$ 1,518	$ 0	$ 25,315	$ 27,483	$ (2,168)
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
23	341.00	Structures And Improvements	-	-	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	74,786	-	1,759	871	222,172	33,441	188,732
25	343.00	Trans. And Dist. Mains	60,041	-	6,832	630	746,627	96,341	650,286
26	344.00	Fire Mains	-	-	-	-	-	-	-
27	345.00	Services	-	-	2,632	-	177,585	37,961	139,624
28	346.00	Meters	-	-	3,103	-	164,715	24,583	140,133
29	348.00	Hydrants	-	-	-	-	(0)	(18,712)	18,712
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.	$ 134,827	$ 0	$ 14,326	$ 1,502	$ 1,311,100	$ 173,613	$ 1,137,487
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 25	$ 0	$ 25
33	390.00	Structures And Improvements	-	-	-	-	10,577	5,078	5,499
34	391.00	Office Furniture And Equipment	12,354	-	96	253	22,446	1,162	21,284
35	391.10	Computer Equipment	-	-	221	-	25,004	(7,176)	32,180
36	392.00	Transportation Equipment	-	-	10,607	-	45,234	35,178	10,056
37	393.00	Stores Equipment	-	-	-	-	247	163	84
38	394.00	Tools, Shop And Garage	-	-	266	-	10,104	6,757	3,347
39	395.00	Laboratory Equipment	-	-	-	-	627	447	180
40	396.00	Power Operated Equipment	-	-	422	-	6,144	4,546	1,598
41	397.00	Communication Equipment	5,539	-	386	114	13,017	1,698	11,319
42	398.00	Miscellaneous Equipment	-	-	18	-	935	655	280
43		SUBTOTAL GENERAL	$ 17,893	$ 0	$ 12,016	$ 367	$ 134,359	$ 48,508	$ 85,852
44		Acc. Depre. December 31, 1990	$ 0	$ 0	$ 0	$ 0	$ 0	$ 193,465	$ (193,465)
45		Adjustment Due To Rounding	4	-	1	-	-	-	(1)
46		**TOTAL WATER PLANT**	$ 194,278	$ 8,445	$ 36,768	$ 2,407	$ 2,058,481	$ 581,440	$ 1,477,042
		Company As Filed B-2					2,165,408	555,531	
		Difference In Post Test Year Gross Plant					$ (106,927)	$ 25,909	
		Adjustment To Test Year Gross Plant As Per TJC-4, Page 14, Col. (E), Line #4					(96,825)	23,504	
		Adjustment To Post Test Year Total Plant and Acc. Dep. (See TJC-4, Col. (C), Line #'s 1 &					$ (10,101)	$ 2,405	

References:
Column (A): Company's Response To Staff Data Request No. DWC 12-1 To 12-3
Column (B) & (C: Company Schedule B-2, Pages 1 and 8
Column (D): ((Col. (A) + Col. (B)) X TJC-4, Page 2, Col. (A) X 1/2 yr. Conv.) + (TJC-4, Page 17, Col. (E)) X TJC-4, Page 2, Col. (
Column (E): Schedule TJC-4, Page 17, Column (D) + Column (A) + Column (B)
Column (F): Schedule TJC-4, Page 17, Column (F) + Column (C) + Column (D)
Column (G): Column (E) - Column (F)

Arizona-American Water Company
Docket No. W-01303A-02-0869
Test Year Ended December 31, 2001

Havasu Water District
Schedule TJC-6

OPERATING INCOME

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO ADJ'TMENTS	(C) RUCO TEST YEAR AS ADJUSTED	(D) RUCO PROPOSED IN(DE)CREASE	(E) RUCO AS RECOMMENDED
	OPERATING REVENUES:					
1	Metered Water Revenues	$ 430,392	$ 0	$ 430,392	$ 2,467	$ 432,859
2	Unmetered Water Revenues	0	-	-	-	0
3	Other Water Revenues	10,532	-	10,532	-	10,532
4	TOTAL OPERATING REVENUES	$ 440,924	$ 0	$ 440,924	$ 2,467	$ 443,391
	OPERATING EXPENSES:					
5	Salaries And Wages	$ 171,419	$ (34,171)	$ 137,248	$ 0	$ 137,248
6	Purchased Water	806	-	806	-	806
7	Purchased Power	47,018	-	47,018	-	47,018
8	Chemicals	1,266	-	1,266	-	1,266
9	Repairs And Maintenance	75,805	-	75,805	-	75,805
10	Office Supplies And Expenses	21,243	-	21,243	-	21,243
11	Outside Services	2,462	-	2,462	-	2,462
12	Service Company Fees	75,244	(53,894)	21,350	-	21,350
13	Water Testing	-	-	-	-	-
14	Rents	1,837	-	1,837	-	1,837
15	Transportation Expenses	-	-	(0)	-	-
16	Insurance - General Liability	2,365	-	2,365	-	2,365
17	Insurance - Health And Life	-	-	(0)	-	-
18	Regulatory Comm. Exp. - Rate Case	2,910	(1,168)	1,742	-	1,742
19	Miscellaneous Expense	1,977	-	1,977	-	1,977
20	Depreciation Expense	46,650	(6,897)	39,753	-	39,753
21	Taxes Other Than Income	9,712	-	9,712	-	9,712
22	Property Taxes	28,696	(7,656)	21,040	-	21,040
23	Income Tax	(32,156)	39,049	6,893	516	7,409
	Adjustment Due To Rounding	(1)	-	-	-	-
24	TOTAL OPERATING EXPENSES	$ 457,253	$ (64,736)	$ 392,518	$ 516	$ 393,034
25	OPERATING INCOME (LOSS)	$ (16,329)	$ 64,736	$ 48,406	$ 1,951	$ 50,357
	Other Income (Expense):					
26	Interest Income	$ 0	$ 0	$ 0	$ 0	$ 0
27	Other Income	0	-	-	-	0
28	Interest Expense	(34,824)	-	(34,824)	-	(34,824)
29	Other Expense	0	-	-	-	0
30	Gain/Loss Sale Of Assets	0	-	-	-	0
31	TOTAL OTHER INCOME (EXPENSE)	$ (34,824)	$ 0	$ (34,824)	$ 0	$ (34,824)
32	NET PROFIT (LOSS)	$ (51,153)	$ 64,736	$ 13,582	$ 1,951	$ 15,533

References:
Column (A): Company Schedule C-1
Column (B): Schedule TJC-7
Column (C): Column (A) + Column (B)
Column (D): Schedule TJC-1
Column (E): Column (C) + Column (D)

Arizona-American Water Company
Docket No. W-01303A-02-0869
Test Year Ended December 31, 2001

Havasu Water District
Schedule TJC-7
Page 1 of 1

SUMMARY OF OPERATING INCOME ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) ADJ #1	(C) ADJ #2	(D) ADJ #3	(E) ADJ #4	(F) ADJ #5	(G) ADJ #6	(H) ADJ #7	(I) ADJ #8	(J) ADJ #9	(K) ADJ #10	(O) RUCO AS AD'TED
	OPERATING REVENUES:												
1	Metered Water Revenues	$ 430,392	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 430,392
2	Unmetered Water Revenues	0	-	-	-	-	-	-	-	-	-	-	0
3	Other Water Revenues	10,532	-	-	-	-	-	-	-	-	-	-	10,532
4	TOTAL OPERATING REVENUES	$ 440,924	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 440,924
	OPERATING EXPENSES:												
5	Salaries And Wages	$ 171,419	$ -	$ (223)	$ 0	$ (33,948)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 137,248
6	Purchased Water	806	-	-	-	-	-	-	-	-	-	-	806
7	Purchased Power	47,018	-	-	-	-	-	-	-	-	-	-	47,018
8	Chemicals	1,266	-	-	-	-	-	-	-	-	-	-	1,266
9	Repairs And Maintenance	75,805	-	-	-	-	-	-	-	-	-	-	75,805
10	Office Supplies And Expenses	21,243	-	-	-	-	-	-	-	-	-	-	21,243
11	Outside Services	2,462	-	-	-	-	-	-	-	-	-	-	2,462
12	Service Company Fees	75,244	112	-	(11,492)	-	-	-	-	(42,514)	-	-	21,350
13	Water Testing	-	-	-	-	-	-	-	-	-	-	-	-
14	Rents	1,837	-	-	-	-	-	-	-	-	-	-	1,837
15	Transportation Expenses	-	-	-	-	-	-	-	-	-	-	-	-
16	Insurance - General Liability	2,365	-	-	-	-	-	-	-	-	-	-	2,365
17	Insurance - Health And Life	-	-	-	-	-	-	-	-	-	-	-	-
18	Regulatory Comm. Exp. - Rate Case	2,910	-	-	-	-	-	-	(1,168)	-	-	-	1,742
19	Miscellaneous Expense	1,977	-	-	-	-	-	-	-	-	-	-	1,977
20	Depreciation Expense	46,650	-	-	-	-	(6,897)	-	-	-	-	-	39,753
21	Taxes Other Than Income	9,712	-	-	-	-	-	-	-	-	-	-	9,712
22	Property Taxes	28,696	-	-	-	-	-	(7,656)	-	-	-	-	21,040
23	Income Tax	(32,156)	-	-	-	-	-	-	-	-	-	39,049	6,893
24	Adjustment Due To Rounding	(1)	-	-	-	-	-	-	-	-	-	-	-
25	TOTAL OPERATING EXPENSES	$ 457,253	$ 112	$ (223)	$ (11,492)	$ (33,948)	$ (6,897)	$ (7,656)	$ (1,168)	$ (42,514)	$ 0	$ 39,049	$ 392,518
26	OPERATING INCOME (LOSS)	$ (16,329)	$ (112)	$ 223	$ 11,492	$ 33,948	$ 6,897	$ 7,656	$ 1,168	$ 42,514	$ 0	$ (39,049)	$ 48,406
	Other Income (Expense):												
27	Interest Income	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
28	Other Income	0	-	-	-	-	-	-	-	-	-	-	0
29	Interest Expense	(34,824)	-	-	-	-	-	-	-	-	-	-	(34,824)
30	Other Expense	0	-	-	-	-	-	-	-	-	-	-	0
31	Gain/Loss Sale Of Assets	0	-	-	-	-	-	-	-	-	-	-	0
32	TOTAL OTHER INCOME (EXPENSE)	$ (34,824)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (34,824)
33	NET PROFIT (LOSS)	$ (51,153)	$ (112)	$ 223	$ 11,492	$ 33,948	$ 6,897	$ 7,656	$ 1,168	$ 42,514	$ 0	$ (39,049)	$ 13,582

ADJUSTMENT NO.		REFERENCE
1 -	Intentionally Left Blank	
2 -	Remove Citizens Test Year's Salaries & Wages	TJC-8
3 -	Service Company Fees - AZ-AM	TJC-9
4 -	Projected Salaries & Wages - AZ-AM	TJC-10
5 -	Depreciation Expense	TJC-11
6 -	Property Taxes	TJC-12
7 -	Rate Case Expense	TJC-13
8 -	Projected Additional Corporate Overhead Expenses	TJC-14
9 -	Intentionally Left Blank	
10 -	Income Tax	TJC-15

References:
Col. (A): Company Sch. C-1
Cols. (B) Thru (N): Adj.s #1 Thru #13
Col. (O): Sum Of Cols. (A) Thru (N)

OPERATING INCOME ADJUSTMENT NO. 2
CITIZENS SALARIES & WAGES

LINE NO.	DISTRICT	ACCOUNT	CITIZENS BUSINESS UNIT	(A) COMPANY AS FILED	(B) RUCO AS ADJ'D	(C) ADJM'T
	MOHAVE WATER		2373			
1		Salaries & Wages		$ 59,846	$ 59,846	$ -
2		Payroll Tax		7,949	8,172	(223)
3		TOTAL		67,795	68,018	(223)

References:
Column (A): Company Sch. C-2, Page 3
Column (B): Company Provided Data on Citizens 2001 Payroll
Column (C): Column (B) minus Column (A)

OPERATING INCOME ADJUSTMENT NO. 3
AZ-AM SERVICE COMPANY ALLOCATIONS

			(A)	(B)	(C)	(D)	(E)	(F)
			TOTAL SERVICE CHARGES			ALLOCATED SERVICE CHARGES		
LINE NO.	DISTRICT	213	COMPANY AS FILED	RUCO AS ADJ'TED	FOUR FACTOR	COMPANY AS FILED	RUCO AS ADJ'TED	ADJ'MENT
1	Mohave Water	2371	5,153,711	4,366,610	0.1011	521,040	441,464	(79,576)
2	Havasu Water	2373	5,153,711	4,366,610	0.0146	75,244	63,753	(11,492)
	HAVASU WATER							
3		Arizona-American Service Company Allocation						(11,492)

REFERENCES:
Columns (A) & (C): Company Sch. C-2, Page 4
Column (B): Company Response to RUCO Data Request #3
Column (D): Column (A) X Column (C
Column (E): Column (B) X Column (C
Column (F): Column (E) minus Column (D)

OPERATING INCOME ADJUSTMENT NO. 4
PROJECTED SALARIES & WAGES

LINE NO.	COMPANY	AZ-AM BUSINESS UNIT	(A) GROSS PAYROLL	(B) CAPITAL'D PAYROLL	(C) NET PAYROLL	(D) EMP. COUNT	(E) PAYROLL TAX
1	Mohave Water	212	$ 627,649	$ 169,465	$ 458,184	15	$ 38,726
2	Havasu Water	2373	117,542	31,736	85,806	3	7,299

	HAVASU WATER		COMPANY AS FILED	RUCO AS ADJ'TED	ADJUSTM'T
3		Salaries & Wages	$ 117,341	$ 85,806	$ (31,535)
4		Payroll Tax	9,712	7,299	(2,413)
5		TOTAL	$ 127,053	$ 93,105	
					$ (33,948)

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) minus Column (B)
Column (E): Column (C) X 7.65% (FICA) + $245 X Column (D) (FUTA & SUTA)

OPERATING INCOME ADJUSTMENT NO. 5
TEST YEAR DEPRECIATION EXPENSE

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) TOTAL RUCO PLANT	(B) APR'D DEP. RATE	(C) TEST YEAR DEPREC'N EXPENSE
		INTANGIBLE			
1	301.00	Organization	$ 10,144	0.00%	$ -
2	302.00	Franchises	8,445	0.00%	-
3	303.00	Miscellaneous Intangibles	-	0.00%	-
4		SUBTOTAL INTANGIBLE	$ 18,589		$ -
		SOURCE OF SUPPLY			
5	310.00	Land And Land Rights	$ 10,492	0.00%	$ -
6	311.00	Structures And Improvements	59,710	2.79%	1,666
7	312.00	Collecting And Impounding Res.	148,253	2.54%	3,766
8	313.00	Lakes, Rivers, Other Intakes	-	0.00%	-
9	314.00	Wells And Springs	99,556	2.54%	2,529
10		SUBTOTAL SUPPLY	$ 318,011		$ 7,960
		PUMPING			
11	320.00	Land And Land Rights	$ 0	0.00%	$ -
12	321.00	Structures And Improvements	(1)	0.00%	-
13	323.00	Other Power Production	22,738	5.12%	1,164
14	325.00	Electric Pumping Equipment	228,369	3.71%	8,472
15	326.00	Diesel Pumping Equipment	1	0.00%	-
16	328.10	Gas Engine Pumping Equipment	1	0.00%	-
17		SUBTOTAL PUMPING	$ 251,108		$ 9,637
		WATER TREATMENT			
18	330.00	Land And Land Rights	$ 0	0.00%	$ -
19	331.00	Structures And Improvements	1	0.00%	-
20	332.00	Water Treatment Equipment	25,315	12.00%	3,038
21		SUBTOTAL TREATMENT	$ 25,316		$ 3,038
		TRANSMISSION & DISTRIBUTION			
22	340.00	Land And Land Rights	$ 0	0.00%	$ -
23	341.00	Structures And Improvements	-	0.00%	-
24	342.00	Distribution, Reservoirs, & ST	222,172	2.33%	5,177
25	343.00	Trans. And Dist. Mains	746,627	2.10%	15,679
26	344.00	Fire Mains	-	0.00%	-
27	345.00	Services	177,585	2.89%	5,132
28	346.00	Meters	164,715	3.52%	5,798
29	348.00	Hydrants	(0)	0.00%	-
30	349.00	Other Trans. And Dist.	-	0.00%	-
31		SUBTOTAL TRANS. & DIST.	$ 1,311,100		$ 31,786
		GENERAL			
32	389.00	Land And Land Rights	25	0.00%	$ -
33	390.00	Structures And Improvements	10,577	2.03%	215
34	391.00	Office Furniture And Equipment	22,446	4.10%	920
35	391.10	Computer Equipment	25,004	4.10%	1,025
36	392.00	Transportation Equipment	45,234	25.00%	11,309
37	393.00	Stores Equipment	247	3.93%	10
38	394.00	Tools, Shop And Garage	10,104	7.55%	763
39	395.00	Laboratory Equipment	627	3.06%	19
40	396.00	Power Operated Equipment	6,144	9.23%	567
41	397.00	Communication Equipment	13,017	4.10%	534
42	398.00	Miscellaneous Equipment	935	6.19%	58
43		SUBTOTAL GENERAL	$ 134,359		$ 15,419
44		**TOTAL WATER PLANT**	$ 2,058,483		$ 67,840
45		CIAC	280,867	10.00%	28,087
46		TOTAL DEPRECIATION & AMORTIZATION			39,753
47		Per Company			46,650
48		ADJUSTMENT			(6,897)

References:
Column (A): Schedule TJC-5, Page 1, Column (E)
Column (B): Schedule TJC-4, Page 2, Column (A)
Column (C): Column (A) X Column (B)

OPERATING INCOME ADJUSTMENT NO. 6
PROPERTY TAX COMPUTATION

LINE NO.	DESCRIPTION	(A)	(B)
	Calculation Of The Company's Full Cash Value:		
	Annual Operating Revenues:		
1	1999	$ 277,910	
2	2000	359,521	
3	2001	443,802	
4	Total Three Year Operating Revenues (L1 + L2 + L3)	$ 1,081,233	
5	Average Annual Operating Revenues (L4 / 3)	360,411	
6	Two Times Three Year Average Operating Revenues (L5 X 2)		$ 720,822
	ADD: Ten Percent Of Construction Work In Progress ("CWIP"):		
7	Test Year CWIP	$ 6,555	
8	10% Of CWIP (L7 X 10%)		$ 656
	LESS: Transportation At Book Value:		
9	Original Cost Of Transportation Equipment (Sch. TJC-12(17))	$ 45,234	
10	Accumulated Depreciation Of Transportation Equipment (TJC-12(17))	35,178	
11	Net Book Value Of Transportation Equipment (L9 - L10)		$ 10,056
12	COMPANY'S FULL CASH VALUE (L6 + L8 + L11)		$ 711,422
	Calculation Of The Company's Tax Liability:		
	MULTIPLY: Company Full Cash Value By Valuation Assessment Ratio And Then By Property Tax Rates:		
13	Assessment Ratio (ADOR Directive)	25%	
14	Assessed Value (L12 X L13)	$ 177,855	
	Property Tax Rates:		
15	Property Tax Rate (2001 Tax Notice - Co.'s Data Response - "Property Tax")	11.83%	
16	COMPANY'S TAX LIABILITY - Based On Full Cash Value (L14 X L17)		$ 21,040
17	Test Year Adjusted Property Tax Expense Per Co.'s Filing (Sch. TJC-6, Col. (A), L22)	$ 28,696	
18	Increase (Decrease) In Property Tax Expense (L16 - L17)	$ (7,656)	
19	Adjustment To Property Tax Expense From Company's Direct Filing (See TJC-6 Col. (B), L22)		$ (7,656)

OPERATING INCOME ADJUSTMENT NO. 7
RATE CASE EXPENSE

LINE NO.	COMPANY	(A) REVISED T.Y. REV. FACTORS	(B) COMPANY AS FILED	(C) RUCO AS ADJUSTED	(D) TOTAL DIFFERENCE	(E) 3 YEAR AMORTIZED DIFFERENCE
1	Total Rate Case Expense	212	$ 699,954	$ 418,941	$ (281,013)	$ (93,671)
2	Mohave Water	0.1243	87,016	52,081	(34,935)	(11,645)
3	Havasu Water	0.0125	8,730	5,225	(3,505)	(1,168)

	HAVASU WATER		COMPANY AS FILED	RUCO AS ADJUSTED	TOTAL DIFFERENCE	3 YEAR AMORTIZED DIFFERENCE
4		Rate Case Expense	8,730	5,225	(3,505)	(1,168)

References:
Column (A): Revised Company Adjusted Test Year Revenue Factors To Remove Mohave Sewer from Allocation
Column (B): Company Response to Data Request less the Mohave Sewer allocation of $6,017
Column (C): Column (A) X RUCO's Recommended Total Rate Case Expense
Column (D): Column (C) minus Column (B)
Column (E): Column (D) Divided by 3 (Three Year Amortization Period)

OPERATING INCOME ADJUSTMENT NO. 8
PROJECTED CORPORATE OVERHEAD

LINE NO.	DISTRICT	EXPENSE ACCOUNT	(A) COMPANY AS FILED	(B) RUCO AS ADJUSTED	(C) ADJUSTMENT
	HAVASU WATER				
1		Salaries & Wages	$ 54,078	$ 11,232	$ (42,846)
2		Office Supplies & Expense	13,395	14,208	813
3		Insurance	2,365	1,630	(735)
4		Miscellaneous Expense	1,043	1,297	254
5					
		TOTAL	70,881	28,367	$ (42,514)

References:
Column (A): Company Schedule C-2, Page 11
Column (B): Allocated Amounts From TJC-14, Pg 2, Line 24
Column (C): Column (B) - Column (A)

OPERATING INCOME ADJUSTMENT NO. 10
INCOME TAX EXPENSE

LINE NO.	DESCRIPTION	(A) REFERENCE	(B) AMOUNT
	FEDERAL INCOME TAXES:		
1	Operating Income Before Taxes	Sch. TJC-6, Col. (C), L25 + L23	$ 55,299
	LESS:		
2	Arizona State Tax	Line 11	2,296
3	Interest Expense	Note (A) Line 19	22,354
4	Federal Taxable Income	Line 1 - Line 2 - Line 3	$ 30,650
5	Federal Tax Rate	Sch. TJC-2, Col.(D), L34	15.00%
6	Federal Income Tax Expense	Line 4 X line 5	$ 4,597
	STATE INCOME TAXES:		
7	Operating Income Before Taxes	Line 1	$ 55,299
	LESS:		
8	Interest Expense	Note (A) Line 19	22,354
9	State Taxable Income	Line 7 - Line 8	$ 32,945
10	State Tax Rate	Tax Rate	6.97%
11	State Income Tax Expense	Line 9 X Line 10	$ 2,296
	TOTAL INCOME TAX EXPENSE:		
12	Federal Income Tax Expense	Line 6	$ 4,597
13	State Income Tax Expense	Line 11	2,296
14	Total Income Tax Expense Per RUCO	Line12 + Line 13	$ 6,893
15	Total Income Tax Expense Per Company (Per Company Sch. C-1)		(32,156)
16	Total Income Tax Adjustment (See Sch. TJC-6, Col. (B), L23)	Line 14 - Line 15	$ 39,049

NOTE (A):
Interest Synchronization:

17	Adjusted Rate Base (Sch. TJC-3, Col. (C), L17)	$ 766,406
18	Weighted Cost Of Debt	2.92%
19	Interest Expense (L17 X L18)	$ 22,354

RATE DESIGN - PROOF OF REVENUE CONTD

LINE NO.	DESCRIPTION	(A) RUCO PROPOSED RATE DES'N	(B) ANNUALIZED BILL & GAL. COUNT	(C) RUCO PROPOSED REVENUE
	MONTHLY MINIMUM USAGE CHARGE:			
1	5/8 Inch Residential	$ 10.75	13,608	$ 146,286
2	1 Inch Residential	18.00	-	0
3	1.5 Inch Residential	25.00	-	-
4	2 Inch Residential	32.00	-	-
5	3 Inch Residential	44.00	0	0
6	4 Inch Residential	61.00	-	-
7	6 Inch Residential	215.00	0	0
8				
9	5/8 Inch Commercial	10.75	420	4,515
10	1 Inch Commercial	18.00	60	1,080
11	2 Inch Commercial	32.00	24	768
12	3 Inch Commercial	44.00	36	1,584
13	4 Inch Commercial	61.00	12	732
14	6 Inch Commercial	215.00	0	
15				
16	Multi-Family - All Meter Sizes	10.75	108	1,161
17				
18	TOTAL ANNUALIZED MONTHLY CUSTOMER COUNT AND BASIC CHARGE		14,268	$ 156,126
19				
20	NO GALLONS INCLUDED OR PROPOSED IN THE MONTHLY MINIMUM USAGE CHARGE			
21				
22	**COMMODITY RATES - ALL METERS (Per 1,000 Gallons):**			
23				
24	Havasu	$ 1.72	160,957	$ 276,846
25				
26	TOTAL ANNUALIZED COMMODITY USAGE AND CHARGES		160,957	$ 276,846
27				
28				
29	Miscellaneous Revenue			10,532
30				
31	**TOTAL PROPOSED ANNUALIZED REVENUE**			**$ 443,504**
32				
33	Required Revenue (As Per Schedule TJC-6, Col (E), L4)			$ 443,391
34	Difference			**$ 113**

References:
Column (A): TJC-16, Page 2 - Recommended/Proposed Rates
Column (B): Response To RUCO Data Request No. 1.04
Column (C): Columns (A) X (B)

RATE DESIGN - MONTHLY MINIMUM AND COMMODITY CHARGES

LINE NO.	DESCRIPTION	(A) PRESENT RATES	(B) COMPANY PROPOSED	(C) RUCO PROPOSED
	MONTHLY MINIMUM USAGE CHARGE:			
1	5/8 Inch Residential	$ 10.00	$ 14.61	$ 10.75
2	1 Inch Residential	17.10	24.98	18.00
3	1.5 Inch Residential	24.00	35.06	25.00
4	2 Inch Residential	33.60	49.09	32.00
5	3 Inch Residential	45.60	66.62	44.00
6	4 Inch Residential	57.60	84.15	61.00
7	6 Inch Residential	200.00	292.20	215.00
8	8 Inch Residential	400.00	584.40	430.00
9				
10	5/8 Inch Commercial	10.00	14.61	10.75
11	1 Inch Commercial	17.10	24.98	18.00
12	2 Inch Commercial	33.60	49.09	32.00
13	3 Inch Commercial	45.60	66.62	44.00
14	4 Inch Commercial	57.60	84.15	61.00
15	6 Inch Commercial	200.00	292.20	215.00
16	8 Inch Commercial	400.00	584.40	430.00
17				
18	Multi-Family - All Meter Sizes	10.00	14.61	10.75
19				
20	Gallons In Minimum			
21	All, except Multi-Unit Properties	1000	1,000	0
22	Multi-Units based on multiple of 5/8 x 3/4			
23				
24	Tier 1: Gallons up to 999,999,999			
25	All, except Multi-Unit Properties	999,999,999	999,999,999.00	999,999,999.00
26	Multi-Units based on multiple of 5/8 x 3/4			
27				
28				
29	**COMMODITY RATES - ALL METERS (Per 1,000 Gallons):**			
30				
31	Summer Rate	1.42	2.07	1.72
32	Winter Rate	1.31	1.91	1.72
33				
34				
35				
36	References:			
37	Columns (A) & (B): Company Schedule H-3, Pages 1 & 2			
38	Column (C): TJC-16, Page 1			

Arizona-American Water Company
Docket No. W-01303A-02-0869
Test Year Ended December 31, 2001

Mohave Water District

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Arizona-American Water Company
Docket No. W-01303A-02-0869
Test Year Ended December 31, 2001

Mohave Water District
Schedule TJC-1

REVENUE REQUIREMENT

LINE NO.	DESCRIPTION	(A) PER COMPANY RCND	(B) ADJUSTMENTS TO RESTATE TO ORIGINAL COST	(C) PER COMPANY ORIG. COST	(D) RUCO ORIGINAL COST
1	Fair Value Rate Base	$ 15,212,896	$ 493,771	$ 15,706,667	$ 7,531,475
2	Adjusted Operating Income (Loss)	$ 796,077		$ 796,077	$ 972,325
3	Current Rate Of Return (L2 / L1)	5.23%		5.07%	12.91%
4	Required Operating Income (L5 X L1)	$ 1,178,929		$ 1,217,267	$ 494,863
5	Required Rate Of Return On Fair Value Rate Base	7.75%		7.75%	6.57%
6	Operating Income Deficiency (L4 - L2)	$ 382,853		$ 421,190	$ (477,463)
7	Gross Revenue Conversion Factor (Sch. TJC-1, page 2)	1.6286		1.6286	1.6549
8	Increase In Gross Revenue Requirement (L7 X L6)	$ 623,527		685,950	$ (790,139)
9	Adjusted Test Year Revenue	$ 4,394,775		$ 4,394,775	$ 4,394,775
10	Proposed Annual Revenue (L8 + L9)	$ 5,018,302		$ 5,080,725	$ 3,604,636
11	Required Percentage Increase In Revenue (L8 / L9)	14.19%		15.61%	-17.98%
12	Rate Of Return On Common Equity	11.50%		11.50%	9.11%

References:
Column (A): Company Schedules A-1 and C-1
Column (B): RUCO Schedules TJC-2
Column (C): Recalculated After Adjusting To OCRB
Column (D): RUCO SCHEDULES TJC-3, TJC-6, and TJC-19

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	(A)	(B)	(C)	(D)
	CALCULATION OF GROSS REVENUE CONVERSION FACTOR:				
1	Revenue	1.0000			
2	Less: Combined Federal And State Tax Rate (L10)	0.3957			
3	Subtotal (L1 - L2)	0.6043			
4	**Revenue Conversion Factor** (L1 / L3)	**1.6549**			
	CALCULATION OF EFFECTIVE TAX RATE:				
5	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
6	Arizona State Income Tax Rate	6.9680%			
7	Federal Taxable Income (L5 - L6)	93.0320%			
8	Applicable Federal Income Tax Rate (Col. (D), L34)	35.0464%			
9	Effective Federal Income Tax Rate (L7 X L8)	32.6043%			
10	Combined Federal And State Income Tax Rate (L6 + L9)	39.5723%			
11	Required Operating Income (Sch. TJC-1, Col. (B), L4)	$ 494,863			
12	Adj'd T.Y. Oper'g Income (Loss) (Sch. TJC-1, Col. (B), L2)	972,325			
13	Required Increase In Operating Income (L11 - L12)		$ (477,463)		
14	Income Taxes On Recommended Revenue (Col. (D), L31)	$ 180,214			
15	Income Taxes On Test Year Revenue (Col. (D), L32)	492,891			
16	Required Increase In Revenue To Provide For Income Taxes (L14 - L15)		$ (312,677)		
17	Total Required Increase In Revenue (L13 + L16)		$ (790,139)		
	CALCULATION OF INCOME TAX:			RUCO Recommended	
18	Revenue (Sch. TJC-1, Col. (B), L10)			$ 3,604,636	
19	Less: Opr'g Exp. Excl. Inc. Tax (TJC-6, Col. (E), L25 - L23)			2,929,558	
20	Less: Synchronized Interest (Col. (C), L37)			219,672	
21	Arizona Taxable Income (L18 - L19 - L20)			$ 455,405	
22	Arizona State Income Tax Rate			6.9680%	
23	Arizona Income Tax (L21 X L22)				$ 31,733
24	Fed. Taxable Income (L21 - L23)			$ 423,672	
25	Fed. Tax On 1st Inc. Bracket ($1 - $50,000) @ 15%			$ 7,500	
26	Fed. Tax On 2nd Inc. Bracket ($50,001 - $75,000) @ 25%			6,250	
27	Fed. Tax On 3rd Inc. Bracket ($75,001 - $100,000) @ 34%			8,500	
28	Fed. Tax On 4th Inc. Bracket ($100,001 - $335,000) @ 39%			126,232	
29	Fed. Tax On 5th Inc. Bracket ($335,001 - $10M) @ 34%			-	
30	Total Federal Income Tax (L25 + L26 + L27 + L28 + L29)				$ 148,482
31	Combined Federal And State Income Tax (L23 + L30)				$ 180,214
32	Test Year Combined Income Tax, RUCO As Adjusted (TJC-6, Col. (C), L23)				$ 492,891
33	Adjustment (L31 - L32) (See TJC-6, Col. (D), L23)				$ (312,677)
34	Applicable Federal Income Tax Rate (Col. (D), L30 / Col. (C), L24)				35.05%
	CALCULATION OF INTEREST SYNCHRONIZATION:				
35	Rate Base (Sch. TJC-3, Col. (C), L16)			$ 7,531,475	
36	Weighted Avg. Cost Of Debt (Sch. TJC-13, Col. (F), L1 + L2)			2.92%	
37	Synchronized Interest (L35 X L36)			$ 219,672	

FAIR VALUE RATE BASE - RCND ADJUSTED TO OCRB

LINE NO.	DESCRIPTION	(A) COMPANY FILED AS RCND	(B) RUCO ADJM'TS TO OCRB	(C) COMPANY FILED AS OCRB	(D) RUCO OCRB ADJM'TS	(E) RUCO ADJUSTED AS OCRB
1	Gross Utility Plant In Service	$ 37,349,632	$ (13,516,553)	$ 23,833,079	$ (22,525)	$ 23,810,554
	Less:					
2	Accumulated Depreciation	12,174,906	(4,322,261)	7,852,645	1,245,256	9,097,901
3	Net Utility Plant In Service (L1 - L2)	$ 25,174,726	$ (9,194,292)	$ 15,980,434	$ (1,267,781)	$ 14,712,653
	Less:					
4	Advances In Aid Of Const. ("AIAC")	$ 5,425,697	$ (1,963,519)	$ 3,462,178	$ 0	$ 4,208,406
5	Contribution In Aid Of Const. ("CIAC")	$ 4,428,421	$ (1,602,612)	$ 2,825,809	$ 0	$ 2,865,061
6	Less: Accumulated Amortization	-	-	-	-	0
7	NET CIAC (L4 - L5)	$ 4,428,421	$ (1,602,612)	$ 2,825,809	$ 0	$ 2,865,061
8	Customer Meter Deposits	$ 107,711	$ 0	$ 107,711	$ 0	$ 107,711
9	Deferred Income Taxes And Credits	-	-	-	-	0
10	Investment Tax Credits	-	-	-	-	0
	Plus:					
11	Unamortized Finance Charges	$ 0	$ 0	$ 0	$ 0	$ 0
12	Deferred Tax Assets	-	-	-	-	0
13	Allowance For Working Capital	-	-	-	-	0
14	Citizens Acquisition Adjustment	-	-	6,121,931	(6,121,931)	0
15	Adjustment Due To Rounding	(1)	-	-	-	0
16	**TOTAL RATE BASE**	$ 15,212,896	$ (5,628,161)	$ 15,706,667	$ (7,389,712)	$ 7,531,475

References:
Column (A): Company Schedule B-1
Column (B): Column (C) Minus Column (A)
Column (C): Company Schedule B-1, page 1
Column (D): Schedule TJC-3
Column (E): Column (C) + Column (D)

SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY FILED AS OCRB	(B) RUCO ADJM'T # 1	(C) RUCO ADJM'T # 2	(D) RUCO ADJM'T # 3	(E) RUCO ADJM'T # 4	(F) RUCO ADJUSTED AS OCRB
1	Gross Utility Plant In Service	$ 23,833,079	$ (71,666)	$ 49,141	$ 0	$ 0	$ 23,810,554
	Less:						
2	Accumulated Depreciation	7,852,645	1,225,841	19,416	-		9,097,901
3	Net Utility Plant In Service (L1 - L2)	$ 15,980,434	$ (1,297,507)	$ 29,725	$ 0	0	$ 14,712,653
	Less:						
4	Advances In Aid Of Const. ("AIAC")	$ 3,462,178	$ -	$ -	$ 0	746,228	$ 4,208,406
5	Contribution In Aid Of Const. ("CIAC")	$ 2,825,809	-	$ -	$ 0	39,252	2,865,061
6	Less: Accumulated Amortization	-	-	-	-		-
7	NET CIAC (L5 - L6)	$ 2,825,809	$ 0	$ 0	$ 0	$ 39,252	$ 2,865,061
8	Customer Meter Deposits	$ 107,711	$ -	$ -	$ 0	$ 0	$ 107,711
9	Deferred Income Taxes And Credits	-	-	-	-		-
10	Investment Tax Credits	-	-	-	-		-
	Plus:						
11	Unamortized Finance Charges	$ 0	0	$ 0	$ 0		$ 0
12	Deferred Tax Assets	-	-	-	-		-
13	Allowance For Working Capital	-	-	-	-		-
14	Citizens Acquisition Adjustment	6,121,931	-	-	(6,121,931)		-
15	Adjustment Due To Rounding	-	-	-	-		-
16	**TOTAL RATE BASE**	$ 15,706,667	$ (1,297,507)	$ 29,725	$ (6,121,931)	$ (785,480)	$ 7,531,475

References:
Column (A): Company Schedule B-2 and TJC-2, Col. (C)
Column (B): Adjustment To Test Year Total Plant and Accumulated Depreciation (See TJC-4, Page 17, Col. (E) and (F), Line 48)
Column (B): Adjustment To Test Year Total Plant and Accumulated Depreciation (See TJC-5, Page 1, Col. (E) and (F), Line 50)
Column (D): Adjustment To Citizens Acquisition Adjustment (See Schedule TJC-2)
Column (E): Sum of Columns (A) Thru (D)

RATE BASE ADJUSTMENT #1 - TEST YEAR PLANT & ACCUMULATED DEPRECIATION
COMPANY'S PRESENT FILING VERSUS TOTAL PLANT FILED IN PRIOR RATE CASE - DECISION NO. 56806

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) ALLOCATION FACTOR	(B) CO. AS FILED PRIOR T. Y. 03/31/1988 TOTAL PLANT	(C) ADJUSTMENT TO 03/31/88 PRIOR T. Y.	(D) ACTUAL 03/31/88 PRIOR T. Y. TOTAL PLANT
		INTANGIBLE				
1	301.00	Organization	0.0020	$ 17,866	$ (19)	$ 17,847
2	302.00	Franchises	0.0008	7,299	(8)	7,291
3	303.00	Miscellaneous Intangibles	0.0000	-	-	0
4		SUBTOTAL INTANGIBLE		$ 25,165	$ (27)	$ 25,138
		SOURCE OF SUPPLY				
5	310.00	Land And Land Rights	0.0204	$ 185,441	$ (201)	$ 185,240
6	311.00	Structures And Improvements	0.0132	119,525	(129)	119,396
7	312.00	Collecting And Impounding Res.	0.0000	-	-	0
8	313.00	Lakes, Rivers, Other Intakes	0.0000	-	-	0
9	314.00	Wells And Springs	0.0434	394,398	(427)	393,971
10		SUBTOTAL SUPPLY		$ 699,364	$ (757)	$ 698,607
		PUMPING				
11	320.00	Land And Land Rights	0.0003	$ 2,361	$ (3)	$ 2,358
12	321.00	Structures And Improvements	0.0011	10,193	(11)	10,182
13	323.00	Other Power Production	0.0000	-	-	0
14	325.00	Electric Pumping Equipment	0.0854	775,565	(840)	774,725
15	326.00	Diesel Pumping Equipment	0.0000	-	-	0
16	328.10	Gas Engine Pumping Equipment	0.0000	-	-	0
17		SUBTOTAL PUMPING		$ 788,119	$ (853)	$ 787,266
		WATER TREATMENT				
18	330.00	Land And Land Rights	0.0000	$ -	$ 0	$ 0
19	331.00	Structures And Improvements	0.0017	15,157	(16)	15,141
20	332.00	Water Treatment Equipment	0.0036	32,926	(36)	32,890
21		SUBTOTAL TREATMENT		$ 48,083	$ (52)	$ 48,031
		TRANSMISSION & DISTRIBUTION				
22	340.00	Land And Land Rights	0.0010	$ 8,725	$ (9)	$ 8,716
23	341.00	Structures And Improvements	0.0005	4,583	(5)	4,578
24	342.00	Distribution, Reservoirs, & ST	0.0512	464,691	(503)	464,188
25	343.00	Trans. And Dist. Mains	0.5633	5,114,645	(5,537)	5,109,108
26	344.00	Fire Mains	0.0000	-	-	0
27	345.00	Services	0.1084	983,897	(1,065)	982,832
28	346.00	Meters	0.1003	911,134	(986)	910,148
29	348.00	Hydrants	0.0035	31,385	(34)	31,351
30	349.00	Other Trans. And Dist.	0.0000	-	-	0
31		SUBTOTAL TRANS. & DIST.		$ 7,519,060	$ (8,140)	$ 7,510,920
		GENERAL				
32	389.00	Land And Land Rights	0.0000	$ 330	$ 0	$ 330
33	390.00	Structures And Improvements	0.0000	140,300	-	140,300
34	391.00	Office Furniture And Equipment	0.0000	42,355	-	42,355
35	391.10	Computer Equipment	0.0000	-	-	0
36	392.00	Transportation Equipment	0.0000	153,995	-	153,995
37	393.00	Stores Equipment	0.0000	3,610	-	3,610
38	394.00	Tools, Shop And Garage	0.0000	41,990	-	41,990
39	395.00	Laboratory Equipment	0.0000	4,661	-	4,661
40	396.00	Power Operated Equipment	0.0000	56,826	-	56,826
41	397.00	Communication Equipment	0.0000	18,601	-	18,601
42	398.00	Miscellaneous Equipment	0.0000	10,449	-	10,449
43		SUBTOTAL GENERAL		$ 473,117	$ 0	$ 473,117
44		**TOTAL WATER PLANT**		$ 9,552,908	$ (9,829)	$ 9,543,079
45		ACC Decision No. 56806 Allowed Rate Base Adjustment ($9,829)		$ -	$ 0	$ 0
46		Adjustment Due To Rounding		-	-	0
47		**ADJUSTED WATER PLANT**		$ 9,552,908	$ (9,829)	$ 9,543,079

References:
Column (A): Ratio Of Depreciable Plant Item To The Total Plant Value (Col. (B), L47) (Excluding General Plant)
Column (B): Company Adjusted Plant Balances Per Decision No. 56806, Staff Schedule DKP-3, Page 4 of 4 on File at ACC
Column (C): Column (A) (Line Item Allocation Factor) X Total Adjustment of Plant for ($9,829) As Per Prior ACC Decision No. 56806
Column (D): Columns (B) + (C). Prior Rate Case Decision No. 56806, Commission Approved Adjustments

RATE BASE ADJUSTMENT #1 - TEST YEAR PLANT & ACCUMULATED DEPRECIATION
PRIOR TEST YEAR ENDED MARCH 31, 1988

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) APPROVED DEP. RATE	(B) FULLY DEP. PLANT	(C) DEP. EXP.	(D) TOTAL PLANT VALUE	(E) ACCUM. DEP.	(F) NET PLANT VALUE
		INTANGIBLE						
1	301.00	Organization	0.00%	$ 0	$ 0	$ 17,847	$ 0	$ 17,847
2	302.00	Franchises	0.00%	-	-	7,291	-	7,291
3	303.00	Miscellaneous Intangibles	0.00%	-	-	0	-	0
4		SUBTOTAL INTANGIBLE		$ 0	$ 0	$ 25,138	$ 0	$ 25,138
		SOURCE OF SUPPLY						
5	310.00	Land And Land Rights	0.00%	$ 0	$ 0	$ 185,240	$ 0	$ 185,240
6	311.00	Structures And Improvements	2.83%	-	-	119,396	-	119,396
7	312.00	Collecting And Impounding Reservoirs	2.54%	-	-	0	-	0
8	313.00	Lakes, Rivers, Other Intakes	0.00%	-	-	0	-	0
9	314.00	Wells And Springs	2.70%	-	-	393,971	-	393,971
10		SUBTOTAL SOURCE OF SUPPLY		$ 0	$ 0	$ 698,607	$ 0	$ 698,607
		PUMPING						
11	320.00	Land And Land Rights	0.00%	$ 0	$ 0	$ 2,361	$ 0	$ 2,358
12	321.00	Structures And Improvements	2.39%	-	-	10,193	-	10,182
13	323.00	Other Power Production	0.00%	-	-	-	-	0
14	325.00	Electric Pumping Equipment	5.12%	-	-	775,565	-	774,725
15	326.00	Diesel Pumping Equipment	0.00%	-	-	-	-	0
16	328.10	Gas Engine Pumping Equipment	0.00%	-	-	0	-	0
17		SUBTOTAL PUMPING		$ -	$ 0	$ 788,119	$ 0	$ 787,266
		WATER TREATMENT						
18	330.00	Land And Land Rights	0.00%	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	2.50%	-	-	15,157	-	15,141
20	332.00	Water Treatment Equipment	12.00%	-	-	32,926	-	32,890
21		SUBTOTAL WATER TREATMENT		$ 0	$ 0	$ 48,083	$ 0	$ 48,031
		TRANSMISSION AND DISTRIBUTION						
22	340.00	Land And Land Rights	0.00%	$ 0	$ 0	$ 8,725	$ 0	$ 8,716
23	341.00	Structures And Improvements	1.81%	-	-	4,583	-	4,578
24	342.00	Distribution, Reservoirs, & ST	1.81%	-	-	464,691	-	464,188
25	343.00	Transmission And Distribution Mains	2.61%	-	-	5,090,918	-	5,109,108
26	344.00	Fire Mains	0.00%	-	-	-	-	0
27	345.00	Services	5.41%	-	-	981,190	-	982,832
28	346.00	Meters	6.53%	-	-	893,986	-	910,148
29	348.00	Hydrants	0.00%	-	-	31,385	-	31,351
30	349.00	Other Transmission And Distribution	0.00%	-	-	-	-	0
31		SUBTOTAL TRANS. AND DIST.		$ 0	$ 0	$ 7,475,478	$ 0	$ 7,510,920
		GENERAL						
32	389.00	Land And Land Rights	0.00%	$ 0	$ 0	$ 330	$ 0	$ 330
33	390.00	Structures And Improvements	2.03%	-	-	140,300	-	140,300
34	391.00	Office Furniture And Equipment	4.10%	-	-	42,355	-	42,355
35	391.10	Computer Equipment	4.10%	-	-	0	-	0
36	392.00	Transportation Equipment	25.00%	-	-	153,995	-	153,995
37	393.00	Stores Equipment	3.93%	-	-	3,610	-	3,610
38	394.00	Tools, Shop And Garage	7.55%	-	-	41,990	-	41,990
39	395.00	Laboratory Equipment	3.06%	-	-	4,661	-	4,661
40	396.00	Power Operated Equipment	9.23%	-	-	56,826	-	56,826
41	397.00	Communication Equipment	4.10%	-	-	18,601	0	18,601
42	398.00	Miscellaneous Equipment	6.19%	-	-	10,449	-	10,449
43		SUBTOTAL GENERAL		$ 0	$ 0	$ 473,117	$ 0	$ 473,117
44		Acc. Depre. March 31, 1988					$ 1,570,861	
45		Adjustment Due To Rounding	4.00%	-	-	-	-	0
46		**TOTAL WATER PLANT**		$ 0	$ 0	$ 9,508,542	$ 1,570,861	$ 7,972,218

References:
Column (D): Schedule TJC-4, Page 1 and ACC Authorized Plant Balances Per Decision No. 56806 for Test Year Ended March 31, 1988
Column (E): ACC Decision No. 56806 Authorized Accumulated Depreciation Balance as of March 31, 1988
Column (F): Column (D) - Column (E)

RATE BASE ADJUSTMENT #1 - TEST YEAR PLANT & ACCUMULATED DEPRECIATION
YEAR END DECEMBER 31, 1988

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 3,462	$ 0	$ 0	$ 0	$ 21,309	$ 0	$ 21,309
2	302.00	Franchises	-	-	-	-	7,291	-	7,291
3	303.00	Miscellaneous Intangibles	-	-	-	-	0	-	0
4		SUBTOTAL INTANGIBLE	$ 3,462	$ 0	$ 0	$ 0	$ 28,600	$ 0	$ 28,600
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 16,585	$ 0	$ 0	$ 0	$ 201,825	$ 0	$ 201,825
6	311.00	Structures And Improvements	-	-	-	2,534	119,396	2,534	116,861
7	312.00	Collecting And Impounding Res.	3,119	-	-	30	3,119	30	3,089
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	0	-	0
9	314.00	Wells And Springs	88,160	-	-	8,871	482,131	8,871	473,261
10		SUBTOTAL SUPPLY	$ 107,864	$ 0	$ 0	$ 11,434	$ 806,471	$ 11,434	$ 795,037
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 2,361	$ 0	$ 2,361
12	321.00	Structures And Improvements	-	-	-	183	10,193	183	10,010
13	323.00	Other Power Production	-	-	-	-	-	-	0
14	325.00	Electric Pumping Equipment	51,894	-	-	30,778	827,459	30,778	796,681
15	326.00	Diesel Pumping Equipment	-	-	-	-	-	-	0
16	328.10	Gas Engine Pumping Equipment	-	-	-	-	0	-	0
17		SUBTOTAL PUMPING	$ 51,894	$ 0	$ 0	$ 30,961	$ 840,013	$ 30,961	$ 809,052
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	-	-	-	284	15,157	284	14,873
20	332.00	Water Treatment Equipment	-	-	-	2,963	32,926	2,963	29,963
21		SUBTOTAL TREATMENT	$ 0	$ 0	$ 0	$ 3,248	$ 48,083	$ 3,248	$ 44,835
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 884	$ 0	$ 0	$ 0	$ 9,609	$ 0	$ 9,609
23	341.00	Structures And Improvements	-	-	-	62	4,583	62	4,521
24	342.00	Distribution, Reservoirs, & ST	72,701	-	-	6,802	537,392	6,802	530,590
25	343.00	Trans. And Dist. Mains	935,620	-	-	108,812	6,026,538	108,812	5,917,726
26	344.00	Fire Mains	-	-	-	-	-	-	0
27	345.00	Services	47,942	-	-	40,784	1,029,132	40,784	988,348
28	346.00	Meters	75,985	-	-	45,644	969,971	45,644	924,327
29	348.00	Hydrants	-	-	-	-	31,385	-	31,385
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.	$ 1,133,132	$ 0	$ 0	$ 202,104	$ 8,608,610	$ 202,104	$ 8,406,506
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 330	$ 0	$ 330
33	390.00	Structures And Improvements	-	-	-	2,136	140,300	2,136	138,164
34	391.00	Office Furniture And Equipment	360	-	-	1,308	42,715	1,308	41,407
35	391.10	Computer Equipment	-	-	-	0	0	0	0
36	392.00	Transportation Equipment	-	-	-	28,874	153,995	28,874	125,121
37	393.00	Stores Equipment	1,348	-	-	126	4,958	126	4,832
38	394.00	Tools, Shop And Garage	-	-	-	2,378	41,990	2,378	39,612
39	395.00	Laboratory Equipment	-	-	-	107	4,661	107	4,554
40	396.00	Power Operated Equipment	-	-	-	3,934	56,826	3,934	52,892
41	397.00	Communication Equipment	89	-	-	573	18,690	573	18,117
42	398.00	Miscellaneous Equipment	2,504	-	-	543	12,953	543	12,410
43		SUBTOTAL GENERAL	$ 4,301	$ 0	$ 0	$ 39,979	$ 477,418	$ 39,979	$ 437,439
44		Acc. Depre. March 31, 1988						$ 1,570,861	
45		Adjustment Due To Rounding	-	-	-	-	-	-	0
46		**TOTAL WATER PLANT**	$ 1,300,653	$ 0	$ 0	$ 287,726	$ 10,809,195	$ 1,858,587	$ 8,950,608

References:
Columns (A) & (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): 0.75 X [(Col. (A) + Col. (B)) X TJC-4, Page 2, Col. (A) X 1/2 yr. conv.] + [TJC-4, Page 2, Col. (D) - Col. (C)] X TJC-4, Page 1, Col. (A)
Column (E): Schedule TJC-4, Page 2, Column (D) + Column (A) - Column (B)
Column (F): Schedule TJC-4, Page 2, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

RATE BASE ADJUSTMENT #1 - TEST YEAR PLANT & ACCUMULATED DEPRECIATION
YEAR ENDED DECEMBER 31, 1989

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 21,309	$ 0	$ 21,309
2	302.00	Franchises	-	-	-	-	7,291	-	7,291
3	303.00	Miscellaneous Intangibles	-	-	-	-	0	-	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 28,600	$ 0	$ 28,600
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 28,324	$ 0	$ 0	$ 0	$ 230,149	$ 0	$ 230,149
6	311.00	Structures And Improvements	-	-	-	3,379	119,396	5,913	113,483
7	312.00	Collecting And Impounding Res.	2,293	-	-	108	5,412	138	5,274
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	0	-	0
9	314.00	Wells And Springs	97,663	-	-	14,336	579,794	23,207	556,588
10		SUBTOTAL SUPPLY	$ 128,280	$ 0	$ 0	$ 17,823	$ 934,751	$ 29,258	$ 905,493
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 2,361	$ 0	$ 2,361
12	321.00	Structures And Improvements	-	-	-	244	10,193	426	9,767
13	323.00	Other Power Production	-	-	-	-	-	-	0
14	325.00	Electric Pumping Equipment	189,316	-	-	47,212	1,016,775	77,990	938,785
15	326.00	Diesel Pumping Equipment	-	-	-	-	-	-	0
16	328.10	Gas Engine Pumping Equipment	-	-	-	-	0	-	0
17		SUBTOTAL PUMPING	$ 189,316	$ 0	$ 0	$ 47,456	$ 1,029,329	$ 78,417	$ 950,913
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	-	-	-	379	15,157	663	14,494
20	332.00	Water Treatment Equipment	5,314	-	-	4,270	38,240	7,233	31,007
21		SUBTOTAL TREATMENT	$ 5,314	$ 0	$ 0	$ 4,649	$ 53,397	$ 7,896	$ 45,501
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 9,609	$ 0	$ 9,609
23	341.00	Structures And Improvements	-	-	-	83	4,583	145	4,438
24	342.00	Distribution, Reservoirs, & ST	6,253	-	-	9,783	543,645	16,585	527,060
25	343.00	Trans. And Dist. Mains	593,132	-	-	165,033	6,619,670	273,845	6,345,825
26	344.00	Fire Mains	-	-	-	-	-	-	0
27	345.00	Services	85,094	-	-	57,978	1,114,226	98,762	1,015,464
28	346.00	Meters	47,629	-	-	64,894	1,017,600	110,538	907,062
29	348.00	Hydrants	-	-	-	-	31,385	-	31,385
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.	$ 732,108	$ 0	$ 0	$ 297,771	$ 9,340,718	$ 499,875	$ 8,840,843
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 330	$ 0	$ 330
33	390.00	Structures And Improvements	-	-	-	2,848	140,300	4,984	135,316
34	391.00	Office Furniture And Equipment	3,169	-	-	1,816	45,884	3,124	42,760
35	391.10	Computer Equipment	-	-	-	0	0	0	0
36	392.00	Transportation Equipment	-	-	-	38,499	153,995	67,373	86,622
37	393.00	Stores Equipment	-	-	-	195	4,958	321	4,637
38	394.00	Tools, Shop And Garage	-	-	-	3,170	41,990	5,548	36,442
39	395.00	Laboratory Equipment	-	-	-	143	4,661	250	4,411
40	396.00	Power Operated Equipment	-	-	-	5,245	56,826	9,179	47,647
41	397.00	Communication Equipment	-	-	-	766	18,690	1,340	17,350
42	398.00	Miscellaneous Equipment	393	-	-	814	13,346	1,357	11,989
43		SUBTOTAL GENERAL	$ 3,562	$ 0	$ 0	$ 53,496	$ 480,980	$ 93,475	$ 387,505
44		Acc. Depre. March 31, 1988						$ 1,570,861	
45		Adjustment Due To Rounding	-	-	-	-	-	-	0
46		**TOTAL WATER PLANT**	$ 1,058,580	$ 0	$ 0	$ 421,196	$ 11,867,775	$ 2,279,783	$ 9,587,993

References:
Columns (A) & (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X TJC-4, Page 2, Col. (A) X 1/2 yr. conv.] + [TJC-4, Page 3, Col. (D) - Col. (C)] X TJC-4, Page 2, Col. (A)
Column (E): Schedule TJC-4, Page 3, Column (D) + Column (A) - Column (B)
Column (F): Schedule TJC-4, Page 3, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

RATE BASE ADJUSTMENT #1 - TEST YEAR PLANT & ACCUMULATED DEPRECIATION
YEAR ENDED DECEMBER 31, 1990

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 1,421	$ 0	$ 0	$ 0	$ 22,730	$ 0	$ 22,730
2	302.00	Franchises	-	-	-	0	7,291	0	7,291
3	303.00	Miscellaneous Intangibles	-	-	-	0	0	0	0
4		SUBTOTAL INTANGIBLE	$ 1,421	$ 0	$ 0	$ 0	$ 30,021	$ 0	$ 30,021
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 230,149	$ 0	$ 230,149
6	311.00	Structures And Improvements	90,091	-	-	4,654	209,486	10,567	198,919
7	312.00	Collecting And Impounding Res.	19,803	-	-	389	25,215	527	24,688
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	0	0	0	0
9	314.00	Wells And Springs	-	119,565	-	17,269	460,229	40,475	419,753
10		SUBTOTAL SUPPLY	$ 109,894	$ 119,565	$ 0	$ 22,311	$ 925,079	$ 51,569	$ 873,510
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 2,361	$ 0	$ 2,361
12	321.00	Structures And Improvements	-	-	-	244	10,193	670	9,523
13	323.00	Other Power Production	-	-	-	0	-	0	-
14	325.00	Electric Pumping Equipment	79,886	79,105	-	56,129	1,017,556	134,120	883,437
15	326.00	Diesel Pumping Equipment	-	-	-	0	-	0	-
16	328.10	Gas Engine Pumping Equipment	-	-	-	0	0	0	0
17		SUBTOTAL PUMPING	$ 79,886	$ 79,105	$ 0	$ 56,373	$ 1,030,110	$ 134,789	$ 895,322
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	-	-	-	379	15,157	1,042	14,115
20	332.00	Water Treatment Equipment	16,777	-	-	5,595	55,017	12,829	42,188
21		SUBTOTAL TREATMENT	$ 16,777	$ 0	$ 0	$ 5,974	$ 70,174	$ 13,871	$ 56,303
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 9,609	$ 0	$ 9,609
23	341.00	Structures And Improvements	-	-	-	83	4,583	228	4,355
24	342.00	Distribution, Reservoirs, & ST	-	68,617	-	10,461	475,028	27,046	447,982
25	343.00	Trans. And Dist. Mains	238,816	496,170	-	182,365	6,362,316	456,210	5,906,106
26	344.00	Fire Mains	-	-	-	0	-	0	-
27	345.00	Services	105,606	-	-	63,136	1,219,832	161,899	1,057,933
28	346.00	Meters	136,348	-	-	70,901	1,153,948	181,439	972,509
29	348.00	Hydrants	1	-	-	0	31,386	0	31,386
30	349.00	Other Trans. And Dist.	-	-	-	0	-	0	-
31		SUBTOTAL TRANS. & DIST.	$ 480,771	$ 564,787	$ 0	$ 326,946	$ 9,256,702	$ 826,822	$ 8,429,880
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 330	$ 0	$ 330
33	390.00	Structures And Improvements	-	1,040	-	2,859	139,260	7,843	131,417
34	391.00	Office Furniture And Equipment	77,274	-	-	3,465	123,158	6,590	116,568
35	391.10	Computer Equipment	277	277	-	11	0	11	(11)
36	392.00	Transportation Equipment	50,157	-	-	44,768	204,152	112,141	92,011
37	393.00	Stores Equipment	-	1,120	-	217	3,838	538	3,300
38	394.00	Tools, Shop And Garage	13,428	-	-	3,677	55,418	9,225	46,193
39	395.00	Laboratory Equipment	-	-	-	143	4,661	392	4,269
40	396.00	Power Operated Equipment	6,295	-	-	5,536	63,121	14,714	48,407
41	397.00	Communication Equipment	8,855	-	-	948	27,545	2,287	25,257
42	398.00	Miscellaneous Equipment	-	2,505	-	904	10,841	2,261	8,580
43		SUBTOTAL GENERAL	$ 156,286	$ 4,942	$ 0	$ 62,527	$ 632,323	$ 156,003	$ 476,320
44		Acc. Depre. March 31, 1988						$ 1,570,861	
45		Adjustment Due To Rounding	-	-	-	-	-	-	0
46		**TOTAL WATER PLANT**	$ 845,035	$ 768,399	$ 0	$ 474,132	$ 11,944,409	$ 2,753,915	$ 9,190,495

References:
Columns (A) & (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X TJC-4, Page 2, Col. (A) X 1/2 yr. conv.] + [TJC-4, Page 4, Col. (D) - Col. (C)] X TJC-4, Page 2, Col. (A)
Column (E): Schedule TJC-4, Page 4, Column (D) + Column (A) - Column (B)
Column (F): Schedule TJC-4, Page 4, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

RATE BASE ADJUSTMENT #1 - TEST YEAR PLANT & ACCUMULATED DEPRECIATION
YEAR ENDED DECEMBER 31, 1991

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 22,730	$ 0	$ 22,730
2	302.00	Franchises	-	-	-	-	7,291	0	7,291
3	303.00	Miscellaneous Intangibles	-	-	-	-	0	0.00	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 30,021	$ 0	$ 30,021
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 230,149	$ 0	$ 230,149
6	311.00	Structures And Improvements	1,087	-	-	5,944	210,573	16,511	194,063
7	312.00	Collecting And Impounding Res.	-	-	-	640	25,215	1,167	24,048
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	0	0	0
9	314.00	Wells And Springs	285	-	-	12,430	460,514	52,905	407,608
10		SUBTOTAL SUPPLY	$ 1,372	$ 0	$ 0	$ 19,014	$ 926,451	$ 70,583	$ 855,868
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 2,361	$ 0	$ 2,361
12	321.00	Structures And Improvements	-	-	-	244	10,193	914	9,279
13	323.00	Other Power Production	-	-	-	-	-	0	-
14	325.00	Electric Pumping Equipment	40,764	9,758	-	53,392	1,048,562	177,754	870,809
15	326.00	Diesel Pumping Equipment	-	-	-	-	-	0	(0)
16	328.10	Gas Engine Pumping Equipment	-	-	-	-	0	0	0
17		SUBTOTAL PUMPING	$ 40,764	$ 9,758	$ 0	$ 53,636	$ 1,061,116	$ 178,667	$ 882,450
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	-	-	-	379	15,157	1,421	13,736
20	332.00	Water Treatment Equipment	-	-	-	6,602	55,017	19,431	35,586
21		SUBTOTAL TREATMENT	$ 0	$ 0	$ 0	$ 6,981	$ 70,174	$ 20,852	$ 49,322
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 9,609	$ 0	$ 9,609
23	341.00	Structures And Improvements	-	-	-	83	4,583	311	4,272
24	342.00	Distribution, Reservoirs, & ST	260,425	-	-	10,955	735,453	38,001	697,452
25	343.00	Trans. And Dist. Mains	104,970	24,310	-	167,744	6,442,976	599,644	5,843,332
26	344.00	Fire Mains	-	-	-	-	-	0	(0)
27	345.00	Services	129,976	3,052	-	69,591	1,346,756	228,438	1,118,318
28	346.00	Meters	114,077	49,825	-	80,704	1,218,200	212,318	1,005,882
29	348.00	Hydrants	6,673	1	-	-	38,058	0	38,058
30	349.00	Other Trans. And Dist.	-	-	-	-	-	0	-
31		SUBTOTAL TRANS. & DIST.	$ 616,121	$ 77,188	$ 0	$ 329,077	$ 9,795,635	$ 1,078,711	$ 8,716,924
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 330	$ 0	$ 330
33	390.00	Structures And Improvements	-	1,104	-	2,838	138,156	9,577	128,579
34	391.00	Office Furniture And Equipment	49,853	910	-	6,090	172,101	11,770	160,331
35	391.10	Computer Equipment	-	-	-	0	0	11	(11)
36	392.00	Transportation Equipment	19,185	2	-	53,436	223,335	165,576	57,759
37	393.00	Stores Equipment	-	-	-	151	3,838	689	3,149
38	394.00	Tools, Shop And Garage	4,949	744	-	4,399	59,623	12,880	46,743
39	395.00	Laboratory Equipment	3,010	-	-	189	7,671	581	7,090
40	396.00	Power Operated Equipment	-	-	-	5,826	63,121	20,540	42,581
41	397.00	Communication Equipment	50,937	23,409	-	2,653	55,073	(18,468)	73,541
42	398.00	Miscellaneous Equipment	174	-	-	676	11,015	2,937	8,077
43		SUBTOTAL GENERAL	$ 128,108	$ 26,169	$ 0	$ 76,259	$ 734,262	$ 206,093	$ 528,169
44		Acc. Depre. March 31, 1988						$ 1,570,861	
45		Adjustment Due To Rounding	(1)	(1)	-	-	-	-	0
46		**TOTAL WATER PLANT**	$ 786,364	$ 113,114	$ 0	$ 484,967	$ 12,617,659	$ 3,125,768	$ 9,491,892

References:
Columns (A) & (B): Company Response To RUCO Data Request No. 1.22
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Column (E): Schedule TJC-4, Page 5, Column (D) + Column (A) - Column (B)
Column (F): Schedule TJC-4, Page 5, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

RATE BASE ADJUSTMENT #1 - TEST YEAR PLANT & ACCUMULATED DEPRECIATION
YEAR ENDED DECEMBER 31, 1992

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 22,730	$ 0	$ 22,730
2	302.00	Franchises	-	-	-	-	7,291	0	7,291
3	303.00	Miscellaneous Intangibles	-	-	-	-	0	0	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 30,021	$ 0	$ 30,021
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 230,149	$ 0	$ 230,149
6	311.00	Structures And Improvements	52	-	-	5,960	210,625	22,471	188,155
7	312.00	Collecting And Impounding Res.	1,029	-	-	654	26,244	1,821	24,423
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	0	0	0
9	314.00	Wells And Springs	-	-	-	12,434	460,514	65,339	395,175
10		SUBTOTAL SUPPLY	$ 1,081	$ 0	$ 0	$ 19,047	$ 927,532	$ 89,631	$ 837,901
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 2,361	$ 0	$ 2,361
12	321.00	Structures And Improvements	-	-	-	244	10,193	1,157	9,036
13	323.00	Other Power Production	-	-	-	-	-	0	(0)
14	325.00	Electric Pumping Equipment	70,673	12,318	-	55,811	1,106,917	221,247	885,671
15	326.00	Diesel Pumping Equipment	-	-	-	-	-	0	(0)
16	328.10	Gas Engine Pumping Equipment	-	-	-	-	1	0	1
17		SUBTOTAL PUMPING	$ 70,673	$ 12,318	$ 0	$ 56,055	$ 1,119,472	$ 222,404	$ 897,069
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	-	-	-	379	15,157	1,800	13,357
20	332.00	Water Treatment Equipment	1,682	-	-	6,703	56,699	26,134	30,565
21		SUBTOTAL TREATMENT	$ 1,682	$ 0	$ 0	$ 7,082	$ 71,856	$ 27,934	$ 43,922
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 9,609	$ 0	$ 9,609
23	341.00	Structures And Improvements	-	-	-	83	4,583	394	4,189
24	342.00	Distribution, Reservoirs, & ST	-	-	-	13,312	735,453	51,313	684,140
25	343.00	Trans. And Dist. Mains	455,633	76	-	174,109	6,898,533	773,676	6,124,857
26	344.00	Fire Mains	-	-	-	-	-	0	(0)
27	345.00	Services	102,256	954	-	75,651	1,448,058	303,135	1,144,923
28	346.00	Meters	100,867	43,998	-	84,278	1,275,069	252,598	1,022,471
29	348.00	Hydrants	-	-	-	-	38,058	0	38,058
30	349.00	Other Trans. And Dist.	-	-	-	-	-	0	(0)
31		SUBTOTAL TRANS. & DIST.	$ 658,756	$ 45,028	$ 0	$ 347,433	$ 10,409,363	$ 1,381,116	$ 9,028,247
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 330	$ 0	$ 330
33	390.00	Structures And Improvements	-	-	-	2,805	138,156	12,382	125,774
34	391.00	Office Furniture And Equipment	24,519	-	-	7,559	196,620	19,328	177,292
35	391.10	Computer Equipment	-	-	-	0	0	11	(11)
36	392.00	Transportation Equipment	56,139	33,527	-	67,042	245,947	199,091	46,856
37	393.00	Stores Equipment	-	-	-	151	3,838	840	2,998
38	394.00	Tools, Shop And Garage	12,698	134	-	4,986	72,187	17,732	54,455
39	395.00	Laboratory Equipment	-	-	-	235	7,671	816	6,855
40	396.00	Power Operated Equipment	3,679	-	-	5,996	66,800	26,536	40,264
41	397.00	Communication Equipment	4,539	-	-	2,351	59,611	(16,117)	75,728
42	398.00	Miscellaneous Equipment	121	-	-	686	11,135	3,623	7,512
43		SUBTOTAL GENERAL	$ 101,695	$ 33,661	$ 0	$ 91,809	$ 802,295	$ 264,241	$ 538,054
44		Acc. Depre. March 31, 1988						$ 1,570,861	
45		Adjustment Due To Rounding	(1)	-	-	-	(1)	-	0
46		**TOTAL WATER PLANT**	$ 833,886	$ 91,007	$ 0	$ 521,426	$ 13,360,538	$ 3,556,187	$ 9,804,353

References:
Columns (A) & (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X TJC-4, Page 2, Col. (A) X 1/2 yr. conv.] + [TJC-4, Page 6, Col. (D) - Col. (C)] X TJC-4, Page 2, Col. (A)
Column (E): Schedule TJC-4, Page 6, Column (D) + Column (A) - Column (B)
Column (F): Schedule TJC-4, Page 6, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

RATE BASE ADJUSTMENT #1 - TEST YEAR PLANT & ACCUMULATED DEPRECIATION
YEAR ENDED DECEMBER 31, 1993

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 22,730	$ 0	$ 22,730
2	302.00	Franchises	-	-	-	-	7,291	0	7,291
3	303.00	Miscellaneous Intangibles	-	-	-	-	0	0	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 30,021	$ 0	$ 30,021
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 3,454	$ 10,679	$ 0	$ 0	$ 222,924	$ (10,679)	$ 233,603
6	311.00	Structures And Improvements	188,402	2,741	-	8,665	396,287	28,395	367,892
7	312.00	Collecting And Impounding Res.	-	-	-	667	26,244	2,488	23,756
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	0	0	0
9	314.00	Wells And Springs	-	-	-	12,434	460,514	77,773	382,741
10		SUBTOTAL SUPPLY	$ 191,856	$ 13,420	$ 0	$ 21,766	$ 1,105,969	$ 97,976	$ 1,007,993
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 2,361	$ 0	$ 2,361
12	321.00	Structures And Improvements	-	-	-	244	10,193	1,401	8,792
13	323.00	Other Power Production	-	-	-	-	-	0	-
14	325.00	Electric Pumping Equipment	43,822	18,562	-	58,271	1,132,177	260,956	871,222
15	326.00	Diesel Pumping Equipment	-	-	-	-	-	0	(0)
16	328.10	Gas Engine Pumping Equipment	-	-	-	-	1	0	1
17		SUBTOTAL PUMPING	$ 43,822	$ 18,562	$ 0	$ 58,515	$ 1,144,731	$ 262,357	$ 882,376
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	-	-	-	379	15,157	2,179	12,978
20	332.00	Water Treatment Equipment	-	-	-	6,804	56,699	32,938	23,761
21		SUBTOTAL TREATMENT	$ 0	$ 0	$ 0	$ 7,183	$ 71,856	$ 35,116	$ 36,740
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 9,609	$ 0	$ 9,609
23	341.00	Structures And Improvements	-	-	-	83	4,583	477	4,106
24	342.00	Distribution, Reservoirs, & ST	284,827	28,412	-	16,147	991,868	39,047	952,821
25	343.00	Trans. And Dist. Mains	571,136	6,995	-	187,596	7,462,674	954,278	6,508,396
26	344.00	Fire Mains	-	-	-	-	-	0	(0)
27	345.00	Services	178,158	11,367	-	83,467	1,614,849	375,235	1,239,614
28	346.00	Meters	188,689	48,438	-	91,004	1,415,320	295,165	1,120,155
29	348.00	Hydrants	5,827	-	-	-	43,885	0	43,885
30	349.00	Other Trans. And Dist.	-	-	-	-	-	0	-
31		SUBTOTAL TRANS. & DIST.	$ 1,228,637	$ 95,212	$ 0	$ 378,297	$ 11,542,788	$ 1,664,201	$ 9,878,587
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 330	$ 0	$ 330
33	390.00	Structures And Improvements	-	-	-	2,805	138,156	15,186	122,970
34	391.00	Office Furniture And Equipment	118,223	1,162	-	10,509	313,681	28,675	285,006
35	391.10	Computer Equipment	-	-	-	0	0	11	(11)
36	392.00	Transportation Equipment	33,530	17,565	-	67,874	261,912	249,399	12,513
37	393.00	Stores Equipment	-	-	-	151	3,838	990	2,848
38	394.00	Tools, Shop And Garage	15,283	529	-	6,047	86,941	23,250	63,691
39	395.00	Laboratory Equipment	-	-	-	235	7,671	1,050	6,621
40	396.00	Power Operated Equipment	-	-	-	6,166	66,800	32,702	34,098
41	397.00	Communication Equipment	2,625	-	-	2,498	62,236	(13,619)	75,855
42	398.00	Miscellaneous Equipment	72	304	-	701	10,903	4,020	6,883
43		SUBTOTAL GENERAL	$ 169,733	$ 19,560	$ 0	$ 96,984	$ 952,468	$ 341,665	$ 610,803
44		Acc. Depre. March 31, 1988						$ 1,570,861	
45		Adjustment Due To Rounding	-	-	-	-	(1)	-	0
46		**TOTAL WATER PLANT**	$ 1,634,048	$ 146,754	$ 0	$ 562,744	$ 14,847,832	$ 3,972,177	$ 10,875,658

References:
Columns (A) & (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X TJC-4, Page 2, Col. (A) X 1/2 yr. conv.] + [TJC-4, Page 7, Col. (D) - Col. (C)] X TJC-4, Page 2, Col. (A)
Column (E): Schedule TJC-4, Page 7, Column (D) + Column (A) - Column (B)
Column (F): Schedule TJC-4, Page 7, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

RATE BASE ADJUSTMENT #1 - TEST YEAR PLANT & ACCUMULATED DEPRECIATION
YEAR ENDED DECEMBER 31, 1994

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 22,730	$ 0	$ 22,730
2	302.00	Franchises	-	-	-	-	7,291	0	7,291
3	303.00	Miscellaneous Intangibles	-	-	-	-	0	0	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 30,021	$ 0	$ 30,021
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 222,924	$ (10,679)	$ 233,603
6	311.00	Structures And Improvements	12,176	-	-	11,387	408,463	39,782	368,681
7	312.00	Collecting And Impounding Res.	-	-	-	667	26,244	3,154	23,090
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	0	0	0
9	314.00	Wells And Springs	-	-	-	12,434	460,514	90,207	370,307
10		SUBTOTAL SUPPLY	$ 12,176	$ 0	$ 0	$ 24,488	$ 1,118,145	$ 122,464	$ 995,681
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 2,361	$ 0	$ 2,361
12	321.00	Structures And Improvements	-	-	-	244	10,193	1,644	8,549
13	323.00	Other Power Production	-	-	-	-	-	0	-
14	325.00	Electric Pumping Equipment	30,856	25,164	-	59,402	1,137,869	295,193	842,676
15	326.00	Diesel Pumping Equipment	-	-	-	-	-	0	(0)
16	328.10	Gas Engine Pumping Equipment	-	-	-	-	1	0	1
17		SUBTOTAL PUMPING	$ 30,856	$ 25,164	$ 0	$ 59,645	$ 1,150,423	$ 296,837	$ 853,588
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
19	331.00	Structures And Improvements	-	-	-	379	15,157	2,558	12,599
20	332.00	Water Treatment Equipment	685	-	-	6,845	57,384	39,783	17,601
21		SUBTOTAL TREATMENT	$ 685	$ 0	$ 0	$ 7,224	$ 72,541	$ 42,340	$ 30,201
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 9,609	$ 0	$ 9,609
23	341.00	Structures And Improvements	-	-	-	83	4,583	560	4,023
24	342.00	Distribution, Reservoirs, & ST	14,734	-	-	18,086	1,006,602	57,133	949,469
25	343.00	Trans. And Dist. Mains	192,243	6,441	-	197,369	7,648,476	1,145,205	6,503,271
26	344.00	Fire Mains	-	-	-	-	-	0	(0)
27	345.00	Services	175,518	2,457	-	92,178	1,787,910	464,955	1,322,955
28	346.00	Meters	173,720	44,060	-	99,531	1,544,980	350,636	1,194,344
29	348.00	Hydrants	-	-	-	-	43,885	0	43,885
30	349.00	Other Trans. And Dist.	-	-	-	-	-	0	-
31		SUBTOTAL TRANS. & DIST.	$ 556,215	$ 52,958	$ 0	$ 407,246	$ 12,046,045	$ 2,018,489	$ 10,027,556
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 330	$ 0	$ 330
33	390.00	Structures And Improvements	1,604	-	-	2,821	139,760	18,007	121,753
34	391.00	Office Furniture And Equipment	6,261	5,715	-	13,106	314,227	36,067	278,160
35	391.10	Computer Equipment	13,612	-	-	279	13,612	290	13,322
36	392.00	Transportation Equipment	42,676	45,065	-	76,446	259,523	280,780	(21,257)
37	393.00	Stores Equipment	-	-	-	151	3,838	1,142	2,696
38	394.00	Tools, Shop And Garage	17,336	1,190	-	7,263	103,087	29,324	73,763
39	395.00	Laboratory Equipment	-	-	-	235	7,671	1,285	6,386
40	396.00	Power Operated Equipment	-	-	-	6,166	66,800	38,868	27,932
41	397.00	Communication Equipment	2,177	-	-	2,596	64,413	(11,022)	75,435
42	398.00	Miscellaneous Equipment	1,262	174	-	719	11,991	4,566	7,426
43		SUBTOTAL GENERAL	$ 84,928	$ 52,144	$ 0	$ 109,782	$ 985,252	$ 399,305	$ 585,947
44		Acc. Depre. March 31, 1988						$ 1,570,861	
45		Adjustment Due To Rounding	1	-	-	-	-	-	0
46		**TOTAL WATER PLANT**	$ 684,861	$ 130,266	$ 0	$ 608,385	$ 15,402,427	$ 4,450,297	$ 10,952,131

References:
Columns (A) & (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X TJC-4, Page 2, Col. (A) X 1/2 yr. conv.] + [TJC-4, Page 8, Col. (D) - Col. (C)] X TJC-4, Page 2, Col. (A)
Column (E): Schedule TJC-4, Page 8, Column (D) + Column (A) - Column (B)
Column (F): Schedule TJC-4, Page 8, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

RATE BASE ADJUSTMENT #1 - TEST YEAR PLANT & ACCUMULATED DEPRECIATION
YEAR ENDED DECEMBER 31, 1995

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 16,138	$ 0	$ 0	$ 0	$ 38,868	$ 0	$ 38,868
2	302.00	Franchises	-	-	-	-	7,291	0	7,291
3	303.00	Miscellaneous Intangibles	-	-	-	-	0	0	0
4		SUBTOTAL INTANGIBLE	$ 16,138	$ 0	$ 0	$ 0	$ 46,159	$ 0	$ 46,159
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 19,320	$ 0	$ 0	$ 0	$ 242,244	$ (10,679)	$ 252,923
6	311.00	Structures And Improvements	14,943	-	-	11,771	423,406	51,553	371,853
7	312.00	Collecting And Impounding Res.	342	-	-	671	26,586	3,825	22,761
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	0	0	0
9	314.00	Wells And Springs	-	-	-	12,434	460,514	102,641	357,873
10		SUBTOTAL SUPPLY	$ 34,605	$ 0	$ 0	$ 24,876	$ 1,152,750	$ 147,340	$ 1,005,410
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 2,361	$ 0	$ 2,361
12	321.00	Structures And Improvements	-	-	-	244	10,193	1,887	8,306
13	323.00	Other Power Production	-	-	-	-	-	0	-
14	325.00	Electric Pumping Equipment	50,547	2,920	-	59,628	1,185,496	351,900	833,596
15	326.00	Diesel Pumping Equipment	-	-	-	-	-	0	(0)
16	328.10	Gas Engine Pumping Equipment	-	-	-	-	1	0	1
17		SUBTOTAL PUMPING	$ 50,547	$ 2,920	$ 0	$ 59,871	$ 1,198,050	$ 353,787	$ 844,264
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
19	331.00	Structures And Improvements	-	-	-	379	15,157	2,937	12,220
20	332.00	Water Treatment Equipment	600	4,294	-	7,180	53,690	42,668	11,022
21		SUBTOTAL TREATMENT	$ 600	$ 4,294	$ 0	$ 7,559	$ 68,847	$ 45,605	$ 23,242
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 9,609	$ 0	$ 9,609
23	341.00	Structures And Improvements	-	-	-	83	4,583	643	3,940
24	342.00	Distribution, Reservoirs, & ST	49,390	-	-	18,666	1,055,992	75,800	980,192
25	343.00	Trans. And Dist. Mains	456,465	-	-	205,582	8,104,941	1,350,787	6,754,154
26	344.00	Fire Mains	-	-	-	-	-	0	(0)
27	345.00	Services	315,641	936	-	105,289	2,102,615	569,309	1,533,306
28	346.00	Meters	215,136	30,006	-	108,891	1,730,110	429,521	1,300,589
29	348.00	Hydrants	45,000	-	-	-	88,885	0	88,885
30	349.00	Other Trans. And Dist.	-	-	-	-	-	0	-
31		SUBTOTAL TRANS. & DIST.	$ 1,081,632	$ 30,942	$ 0	$ 438,512	$ 13,096,735	$ 2,426,059	$ 10,670,676
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 330	$ 0	$ 330
33	390.00	Structures And Improvements	-	-	-	2,837	139,760	20,844	118,916
34	391.00	Office Furniture And Equipment	46,493	4,538	-	13,929	356,182	45,458	310,724
35	391.10	Computer Equipment	4,184	-	-	644	17,796	934	16,862
36	392.00	Transportation Equipment	-	-	-	64,881	259,523	345,661	(86,138)
37	393.00	Stores Equipment	-	-	-	151	3,838	1,293	2,545
38	394.00	Tools, Shop And Garage	8,026	-	-	8,086	111,113	37,410	73,703
39	395.00	Laboratory Equipment	-	-	-	235	7,671	1,520	6,151
40	396.00	Power Operated Equipment	39,675	-	-	7,997	106,475	46,864	59,611
41	397.00	Communication Equipment	-	-	-	2,641	64,413	(8,381)	72,794
42	398.00	Miscellaneous Equipment	-	-	-	742	11,991	5,308	6,683
43		SUBTOTAL GENERAL	$ 98,378	$ 4,538	$ 0	$ 102,143	$ 1,079,092	$ 496,912	$ 582,180
44		Acc. Depre. March 31, 1988						$ 1,570,861	
45		Adjustment Due To Rounding	(2)	(1)	-	-	(1)	-	0
46		**TOTAL WATER PLANT**	$ 1,281,898	$ 42,693	$ 0	$ 632,960	$ 16,641,632	$ 5,040,564	$ 11,601,070

References:
Columns (A) & (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X TJC-4, Page 2, Col. (A) X 1/2 yr. conv.] + [TJC-4, Page 9, Col. (D) - Col. (C)] X TJC-4, Page 2, Col. (A)
Column (E): Schedule TJC-4, Page 9, Column (D) + Column (A) - Column (B)
Column (F): Schedule TJC-4, Page 9, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

RATE BASE ADJUSTMENT #1 - TEST YEAR PLANT & ACCUMULATED DEPRECIATION
YEAR ENDED DECEMBER 31, 1996

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 38,868	$ 0	$ 38,868
2	302.00	Franchises	-	-	-	-	7,291	0	7,291
3	303.00	Miscellaneous Intangibles	-	-	-	-	0	0	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 46,159	$ 0	$ 46,159
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 4,081	$ 0	$ 0	$ 0	$ 246,325	$ (10,679)	$ 257,004
6	311.00	Structures And Improvements	3,217	2,947	-	12,070	423,676	60,676	363,000
7	312.00	Collecting And Impounding Res.	325,135	5	-	4,805	351,716	8,630	343,086
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	0	0	0
9	314.00	Wells And Springs	162,178	-	-	14,623	622,692	117,264	505,428
10		SUBTOTAL SUPPLY	$ 494,611	$ 2,952	$ 0	$ 31,497	$ 1,644,409	$ 175,890	$ 1,468,519
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 2,361	$ 0	$ 2,361
12	321.00	Structures And Improvements	-	-	-	244	10,193	2,130	8,063
13	323.00	Other Power Production	-	-	-	-	-	0	-
14	325.00	Electric Pumping Equipment	206,144	44,355	-	67,110	1,347,285	374,719	972,567
15	326.00	Diesel Pumping Equipment	-	-	-	-	-	0	(0)
16	328.10	Gas Engine Pumping Equipment	-	-	-	-	1	0	1
17		SUBTOTAL PUMPING	$ 206,144	$ 44,355	$ 0	$ 67,354	$ 1,359,839	$ 376,849	$ 982,991
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
19	331.00	Structures And Improvements	-	-	-	379	15,157	3,316	11,841
20	332.00	Water Treatment Equipment	2,582	12	-	6,598	56,260	49,267	6,993
21		SUBTOTAL TREATMENT	$ 2,582	$ 12	$ 0	$ 6,977	$ 71,417	$ 52,582	$ 18,835
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 9,609	$ 0	$ 9,609
23	341.00	Structures And Improvements	-	-	-	83	4,583	726	3,857
24	342.00	Distribution, Reservoirs, & ST	59,621	-	-	19,653	1,115,613	95,453	1,020,160
25	343.00	Trans. And Dist. Mains	964,736	6,094	-	224,208	9,063,583	1,574,430	7,489,153
26	344.00	Fire Mains	-	-	-	-	-	0	(0)
27	345.00	Services	162,805	558	-	118,170	2,264,862	686,921	1,577,941
28	346.00	Meters	185,150	83,009	-	121,732	1,832,251	481,417	1,350,834
29	348.00	Hydrants	-	-	-	-	88,885	0	88,885
30	349.00	Other Trans. And Dist.	-	-	-	-	-	0	-
31		SUBTOTAL TRANS. & DIST.	$ 1,372,312	$ 89,661	$ 0	$ 483,846	$ 14,379,386	$ 2,838,946	$ 11,540,440
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 330	$ 0	$ 330
33	390.00	Structures And Improvements	-	-	-	2,837	139,760	23,681	116,079
34	391.00	Office Furniture And Equipment	5,279	1,530	-	14,743	359,931	58,680	301,251
35	391.10	Computer Equipment	-	-	-	730	17,796	1,664	16,132
36	392.00	Transportation Equipment	42,514	82,925	-	80,561	219,112	343,296	(124,184)
37	393.00	Stores Equipment	-	-	-	151	3,838	1,444	2,394
38	394.00	Tools, Shop And Garage	5,697	3,181	-	8,724	113,629	42,954	70,675
39	395.00	Laboratory Equipment	-	-	-	235	7,671	1,755	5,916
40	396.00	Power Operated Equipment	1,655	-	-	9,904	108,130	56,768	51,362
41	397.00	Communication Equipment	-	-	-	2,641	64,413	(5,740)	70,153
42	398.00	Miscellaneous Equipment	168	-	-	747	12,159	6,056	6,103
43		SUBTOTAL GENERAL	$ 55,313	$ 87,636	$ 0	$ 121,273	$ 1,046,769	$ 530,559	$ 516,210
44		Acc. Depre. March 31, 1988						$ 1,570,861	
45		Adjustment Due To Rounding	-	-	-	-	(2)	-	0
46		**TOTAL WATER PLANT**	$ 2,130,962	$ 224,616	$ 0	$ 710,947	$ 18,547,977	$ 5,545,689	$ 13,002,292

References:
Columns (A) & (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X TJC-4, Page 2, Col. (A) X 1/2 yr. conv.] + [TJC-4, Page 10, Col. (D) - Col. (C)] X TJC-4, Page 2, Col. (A)
Column (E): Schedule TJC-4, Page 10, Column (D) + Column (A) - Column (B)
Column (F): Schedule TJC-4, Page 10, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

RATE BASE ADJUSTMENT #1 - TEST YEAR PLANT & ACCUMULATED DEPRECIATION
YEAR ENDED DECEMBER 31, 1997

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 38,868	$ 0	$ 38,868
2	302.00	Franchises	-	-	-	-	7,291	0	7,291
3	303.00	Miscellaneous Intangibles	-	-	-	-	0	0.00	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 46,159	$ 0	$ 46,159
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 246,325	$ (10,679)	$ 257,004
6	311.00	Structures And Improvements	(10,307)	-	-	11,844	413,369	72,520	340,849
7	312.00	Collecting And Impounding Res.	-	-	-	8,934	351,716	17,563	334,153
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	0	0	0
9	314.00	Wells And Springs	156,897	-	-	18,931	779,589	136,195	643,394
10		SUBTOTAL SUPPLY	$ 146,590	$ 0	$ 0	$ 39,709	$ 1,790,999	$ 215,599	$ 1,575,400
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 2,361	$ 0	$ 2,361
12	321.00	Structures And Improvements	(3,071)	-	-	207	7,122	2,337	4,785
13	323.00	Other Power Production	-	-	-	-	-	0	-
14	325.00	Electric Pumping Equipment	112,006	-	-	71,848	1,459,291	446,567	1,012,725
15	326.00	Diesel Pumping Equipment	-	-	-	-	-	0	(0)
16	328.10	Gas Engine Pumping Equipment	-	-	-	-	1	0	1
17		SUBTOTAL PUMPING	$ 108,935	$ 0	$ 0	$ 72,055	$ 1,468,774	$ 448,903	$ 1,019,872
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
19	331.00	Structures And Improvements	-	-	-	379	15,157	3,695	11,462
20	332.00	Water Treatment Equipment	(7,263)	-	-	6,315	48,997	55,582	(6,585)
21		SUBTOTAL TREATMENT	$ (7,263)	$ 0	$ 0	$ 6,694	$ 64,154	$ 59,277	$ 4,877
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 9,609	$ 0	$ 9,609
23	341.00	Structures And Improvements	-	-	-	83	4,583	809	3,774
24	342.00	Distribution, Reservoirs, & ST	92,512	-	-	21,030	1,208,125	116,483	1,091,642
25	343.00	Trans. And Dist. Mains	896,901	-	-	248,264	9,960,484	1,822,694	8,137,790
26	344.00	Fire Mains	-	-	-	-	-	0	(0)
27	345.00	Services	157,837	-	-	126,799	2,422,699	813,720	1,608,979
28	346.00	Meters	106,231	-	-	123,114	1,938,482	604,532	1,333,950
29	348.00	Hydrants	-	-	-	-	88,885	0	88,885
30	349.00	Other Trans. And Dist.	-	-	-	-	-	0	-
31		SUBTOTAL TRANS. & DIST.	$ 1,253,481	$ 0	$ 0	$ 519,290	$ 15,632,867	$ 3,358,236	$ 12,274,631
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 330	$ 0	$ 330
33	390.00	Structures And Improvements	(203)	-	-	2,835	139,557	26,516	113,041
34	391.00	Office Furniture And Equipment	(243,695)	-	-	9,761	116,236	68,442	47,794
35	391.10	Computer Equipment	206,513	-	-	4,963	224,309	6,627	217,682
36	392.00	Transportation Equipment	146,655	-	-	73,110	365,767	416,406	(50,639)
37	393.00	Stores Equipment	-	-	-	151	3,838	1,596	2,242
38	394.00	Tools, Shop And Garage	1,058	-	-	8,619	114,687	51,574	63,113
39	395.00	Laboratory Equipment	(23)	-	-	234	7,648	1,989	5,659
40	396.00	Power Operated Equipment	(33,098)	-	-	8,453	75,032	65,221	9,811
41	397.00	Communication Equipment	(1,227)	-	-	2,616	63,186	(3,123)	66,309
42	398.00	Miscellaneous Equipment	2,504	-	-	830	14,663	6,887	7,776
43		SUBTOTAL GENERAL	$ 78,484	$ 0	$ 0	$ 111,573	$ 1,125,253	$ 642,134	$ 483,119
44		Acc. Depre. March 31, 1988						$ 1,570,861	
45		Adjustment Due To Rounding	-	-	-	-	(2)	-	0
46		**TOTAL WATER PLANT**	$ 1,580,227	$ 0	$ 0	$ 749,321	$ 20,128,204	$ 6,295,010	$ 13,833,197

References:
Columns (A) & (B): Company Response To RUCO Data Request No. 1.22
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Column (E): Schedule TJC-4, Page 11, Column (D) + Column (A) - Column (B)
Column (F): Schedule TJC-4, Page 11, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

RATE BASE ADJUSTMENT #1 - TEST YEAR PLANT & ACCUMULATED DEPRECIATION
YEAR ENDED DECEMBER 31, 1998

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 38,868	$ 0	$ 38,868
2	302.00	Franchises	29,762	-	-	-	37,053	0	37,053
3	303.00	Miscellaneous Intangibles	-	-	-	-	0	0.00	0
4		SUBTOTAL INTANGIBLE	$ 29,762	$ 0	$ 0	$ 0	$ 75,921	$ 0	$ 75,921
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 246,325	$ (10,679)	$ 257,004
6	311.00	Structures And Improvements	171	-	-	11,701	413,540	84,221	329,319
7	312.00	Collecting And Impounding Res.	312,228	-	-	12,899	663,944	30,462	633,482
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	0	0	0
9	314.00	Wells And Springs	13,755	-	-	21,235	793,344	157,429	635,915
10		SUBTOTAL SUPPLY	$ 326,154	$ 0	$ 0	$ 45,834	$ 2,117,153	$ 261,433	$ 1,855,720
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 2,361	$ 0	$ 2,361
12	321.00	Structures And Improvements	-	-	-	170	7,122	2,506	4,616
13	323.00	Other Power Production	-	-	-	-	-	0	-
14	325.00	Electric Pumping Equipment	137,918	10,484	-	78,515	1,586,725	514,597	1,072,128
15	326.00	Diesel Pumping Equipment	-	-	-	-	-	0	(0)
16	328.10	Gas Engine Pumping Equipment	-	-	-	-	1	0	1
17		SUBTOTAL PUMPING	$ 137,918	$ 10,484	$ 0	$ 78,685	$ 1,596,208	$ 517,103	$ 1,079,106
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
19	331.00	Structures And Improvements	-	-	-	379	15,157	4,073	11,084
20	332.00	Water Treatment Equipment	11,505	-	-	6,570	60,502	62,152	(1,650)
21		SUBTOTAL TREATMENT	$ 11,505	$ 0	$ 0	$ 6,949	$ 75,659	$ 66,226	$ 9,433
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 9,609	$ 0	$ 9,609
23	341.00	Structures And Improvements	-	-	-	83	4,583	892	3,691
24	342.00	Distribution, Reservoirs, & ST	5	-	-	21,867	1,208,130	138,350	1,069,780
25	343.00	Trans. And Dist. Mains	485,957	12,713	-	266,476	10,433,728	2,076,457	8,357,271
26	344.00	Fire Mains	-	-	-	-	-	0	(0)
27	345.00	Services	121,839	10,724	-	134,654	2,533,814	937,649	1,596,165
28	346.00	Meters	129,603	28,595	-	131,748	2,039,490	707,685	1,331,805
29	348.00	Hydrants	-	-	-	-	88,885	0	88,885
30	349.00	Other Trans. And Dist.	-	-	-	-	-	0	-
31		SUBTOTAL TRANS. & DIST.	$ 737,404	$ 52,032	$ 0	$ 554,828	$ 16,318,239	$ 3,861,032	$ 12,457,207
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 330	$ 0	$ 330
33	390.00	Structures And Improvements	-	-	-	2,833	139,557	29,349	110,208
34	391.00	Office Furniture And Equipment	14,658	-	-	5,066	130,894	73,508	57,386
35	391.10	Computer Equipment	37,706	4,261	-	10,057	257,754	12,423	245,331
36	392.00	Transportation Equipment	31,388	-	-	95,365	397,155	511,771	(114,616)
37	393.00	Stores Equipment	-	-	-	151	3,838	1,747	2,091
38	394.00	Tools, Shop And Garage	7,702	1,028	-	8,988	121,361	59,534	61,827
39	395.00	Laboratory Equipment	-	-	-	234	7,648	2,223	5,425
40	396.00	Power Operated Equipment	-	-	-	6,925	75,032	72,147	2,885
41	397.00	Communication Equipment	117	-	-	2,593	63,303	(530)	63,833
42	398.00	Miscellaneous Equipment	-	2,078	-	972	12,585	5,781	6,804
43		SUBTOTAL GENERAL	$ 91,571	$ 7,367	$ 0	$ 133,185	$ 1,209,457	$ 767,954	$ 441,503
44		Acc. Depre. March 31, 1988						$ 1,570,861	
45		Adjustment Due To Rounding	(2)	-	-	-	(4)	-	0
46		**TOTAL WATER PLANT**	$ 1,334,312	$ 69,883	$ 0	$ 819,481	$ 21,392,633	$ 7,044,609	$ 14,348,029

References:
Columns (A) & (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X TJC-4, Page 2, Col. (A) X 1/2 yr. conv.] + [TJC-4, Page 12, Col. (D) - Col. (C)] X TJC-4, Page 2, Col. (A)
Column (E): Schedule TJC-4, Page 12, Column (D) + Column (A) - Column (B)
Column (F): Schedule TJC-4, Page 12, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

RATE BASE ADJUSTMENT #1 - TEST YEAR PLANT & ACCUMULATED DEPRECIATION
YEAR ENDED DECEMBER 31, 1999

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 38,868	$ 0	$ 38,868
2	302.00	Franchises	-	-	-	-	37,053	0	37,053
3	303.00	Miscellaneous Intangibles	-	-	-	-	0	0.00	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 75,921	$ 0	$ 75,921
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 246,325	$ (10,679)	$ 257,004
6	311.00	Structures And Improvements	-	-	-	11,703	413,540	95,924	317,616
7	312.00	Collecting And Impounding Res.	-	559	-	16,871	663,385	46,774	616,611
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	0	0	0
9	314.00	Wells And Springs	-	125	-	21,422	793,219	178,726	614,493
10		SUBTOTAL SUPPLY	$ 0	$ 685	$ 0	$ 49,996	$ 2,116,468	$ 310,745	$ 1,805,723
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 2,361	$ 0	$ 2,361
12	321.00	Structures And Improvements	-	-	-	170	7,122	2,676	4,446
13	323.00	Other Power Production	-	-	-	-	-	0	-
14	325.00	Electric Pumping Equipment	26,868	-	-	81,928	1,613,593	596,525	1,017,069
15	326.00	Diesel Pumping Equipment	-	-	-	-	-	0	(0)
16	328.10	Gas Engine Pumping Equipment	-	-	-	-	1	0	1
17		SUBTOTAL PUMPING	$ 26,868	$ 0	$ 0	$ 82,098	$ 1,623,076	$ 599,201	$ 1,023,877
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
19	331.00	Structures And Improvements	-	-	-	379	15,157	4,452	10,705
20	332.00	Water Treatment Equipment	2,741	-	-	7,425	63,243	69,577	(6,334)
21		SUBTOTAL TREATMENT	$ 2,741	$ 0	$ 0	$ 7,804	$ 78,400	$ 74,029	$ 4,371
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 9,609	$ 0	$ 9,609
23	341.00	Structures And Improvements	-	-	-	83	4,583	975	3,608
24	342.00	Distribution, Reservoirs, & ST	4,805	-	-	21,911	1,212,935	160,260	1,052,675
25	343.00	Trans. And Dist. Mains	654,965	-	-	280,868	11,088,693	2,357,325	8,731,368
26	344.00	Fire Mains	-	-	-	-	-	0	(0)
27	345.00	Services	121,487	-	-	140,366	2,655,301	1,078,015	1,577,286
28	346.00	Meters	61,649	-	-	135,192	2,101,139	842,876	1,258,263
29	348.00	Hydrants	-	-	-	-	88,885	0	88,885
30	349.00	Other Trans. And Dist.	-	-	-	-	-	0	-
31		SUBTOTAL TRANS. & DIST.	$ 842,906	$ 0	$ 0	$ 578,418	$ 17,161,145	$ 4,439,451	$ 12,721,694
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 330	$ 0	$ 330
33	390.00	Structures And Improvements	-	-	-	2,833	139,557	32,182	107,375
34	391.00	Office Furniture And Equipment	-	-	-	5,367	130,894	78,874	52,020
35	391.10	Computer Equipment	169,672	-	-	14,046	427,426	26,469	400,957
36	392.00	Transportation Equipment	-	-	-	99,289	397,155	611,060	(213,905)
37	393.00	Stores Equipment	-	-	-	151	3,838	1,898	1,940
38	394.00	Tools, Shop And Garage	-	-	-	9,163	121,361	68,698	52,663
39	395.00	Laboratory Equipment	-	-	-	234	7,648	2,457	5,191
40	396.00	Power Operated Equipment	54,942	-	-	9,461	129,974	81,608	48,366
41	397.00	Communication Equipment	-	-	-	2,595	63,303	2,066	61,237
42	398.00	Miscellaneous Equipment	-	-	-	779	12,585	6,561	6,024
43		SUBTOTAL GENERAL	$ 224,614	$ 0	$ 0	$ 143,918	$ 1,434,071	$ 911,874	$ 522,197
44		Acc. Depre. March 31, 1988						$ 1,570,861	
45		Adjustment Due To Rounding	-	-	-	-	-	-	0
46		**TOTAL WATER PLANT**	$ 1,097,129	$ 685	$ 0	$ 862,234	$ 22,489,081	$ 7,906,160	$ 14,582,922

References:
Columns (A) & (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X TJC-4, Page 2, Col. (A) X 1/2 yr. conv.] + [TJC-4, Page 13, Col. (D) - Col. (C)] X TJC-4, Page 2, Col. (A)
Column (E): Schedule TJC-4, Page 13, Column (D) + Column (A) - Column (B)
Column (F): Schedule TJC-4, Page 13, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

RATE BASE ADJUSTMENT #1 - TEST YEAR PLANT & ACCUMULATED DEPRECIATION
YEAR ENDED DECEMBER 31, 2000

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 38,868	0	$ 38,868
2	302.00	Franchises	-	-	-	-	37,053	0	37,053
3	303.00	Miscellaneous Intangibles	-	-	-	-	0	0	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 75,921	$ 0	$ 75,921
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 584	$ 0	$ 0	$ 245,741	(10,679)	$ 256,420
6	311.00	Structures And Improvements	-	10,791	-	11,856	402,748	107,780	294,969
7	312.00	Collecting And Impounding Res.	-	-	-	16,850	663,385	63,624	599,761
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	0	0	0
9	314.00	Wells And Springs	-	950	-	21,430	792,269	199,206	593,063
10		SUBTOTAL SUPPLY	$ 0	$ 12,325	$ 0	$ 50,136	$ 2,104,143	$ 359,930	$ 1,744,213
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 2,361	0	$ 2,361
12	321.00	Structures And Improvements	-	1,849.00	-	192	5,273	2,868	2,405
13	323.00	Other Power Production	-	-	-	-	-	0	-
14	325.00	Electric Pumping Equipment	72,234	38,107	-	85,441	1,647,721	681,966	965,755
15	326.00	Diesel Pumping Equipment	-	-	-	-	-	0	(0)
16	328.10	Gas Engine Pumping Equipment	-	-	-	-	1	0	1
17		SUBTOTAL PUMPING	$ 72,234	$ 39,956	$ 0	$ 85,633	$ 1,655,355	$ 684,834	$ 970,522
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	0	$ (0)
19	331.00	Structures And Improvements	-	-	-	379	15,157	4,831	10,326
20	332.00	Water Treatment Equipment	-	730	-	7,633	62,513	77,210	(14,697)
21		SUBTOTAL TREATMENT	$ 0	$ 730	$ 0	$ 8,012	$ 77,670	$ 82,041	$ (4,371)
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 9,609	0	$ 9,609
23	341.00	Structures And Improvements	-	-	-	83	4,583	1,058	3,525
24	342.00	Distribution, Reservoirs, & ST	(4,230)	5	-	21,916	1,208,701	182,176	1,026,524
25	343.00	Trans. And Dist. Mains	345,504	22,085	-	294,212	11,412,112	2,651,536	8,760,575
26	344.00	Fire Mains	-	-	-	-	-	0	(0)
27	345.00	Services	102,417	72	-	146,424	2,757,646	1,224,439	1,533,207
28	346.00	Meters	24,917	275,044	-	146,998	1,851,012	989,874	861,137
29	348.00	Hydrants	-	88,885	-	-	(0)	0	(0)
30	349.00	Other Trans. And Dist.	-	-	-	-	-	0	-
31		SUBTOTAL TRANS. & DIST.	$ 468,607	$ 386,091	$ 0	$ 609,633	$ 17,243,661	$ 5,049,084	$ 12,194,578
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 330	0	$ 330
33	390.00	Structures And Improvements	-	1,121	-	2,844	138,436	35,027	103,409
34	391.00	Office Furniture And Equipment	15,890	38,891	-	6,490	107,894	85,364	22,530
35	391.10	Computer Equipment	23,581	114,277	-	20,351	336,730	46,820	289,911
36	392.00	Transportation Equipment	225,481	165,473	-	148,158	457,163	759,218	(302,055)
37	393.00	Stores Equipment	-	606	-	163	3,232	2,061	1,171
38	394.00	Tools, Shop And Garage	-	45,643	-	10,886	75,718	79,583	(3,865)
39	395.00	Laboratory Equipment	-	25	-	234	7,623	2,691	4,932
40	396.00	Power Operated Equipment	(48,933)	33,702	-	11,294	47,339	92,901	(45,563)
41	397.00	Communication Equipment	23,960	-	-	3,087	87,263	5,153	82,111
42	398.00	Miscellaneous Equipment	-	940	-	808	11,645	7,369	4,276
43		SUBTOTAL GENERAL	$ 239,980	$ 400,678	$ 0	$ 204,314	$ 1,273,373	$ 1,116,188	$ 157,186
44		Acc. Depre. March 31, 1988						$ 1,570,861	
45		Adjustment Due To Rounding	-	-	-	-	-	-	0
46		**TOTAL WATER PLANT**	$ 780,821	$ 839,779	$ 0	$ 957,727	$ 22,430,123	$ 8,862,938	$ 13,567,187

References:
Columns (A) & (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X TJC-4, Page 2, Col. (A) X 1/2 yr. conv.] + [TJC-4, Page 14, Col. (D) - Col. (C)] X TJC-4, Page 2, Col. (A)
Column (E): Schedule TJC-4, Page 14, Column (D) + Column (A) - Column (B)
Column (F): Schedule TJC-4, Page 14, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

RATE BASE ADJUSTMENT #1 - TEST YEAR PLANT & ACCUMULATED DEPRECIATION
YEAR ENDED DECEMBER 31, 2001

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 38,868	$ 0	$ 38,868
2	302.00	Franchises	-	-	-	-	37,053	0	37,053
3	303.00	Miscellaneous Intangibles	-	-	-	-	0	0.00	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 75,921	$ 0	$ 75,921
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 245,741	$ (10,679)	$ 256,420
6	311.00	Structures And Improvements	-	15,404	-	11,616	387,345	103,992	283,353
7	312.00	Collecting And Impounding Res.	-	-	-	16,850	663,385	80,474	582,911
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	0	0	0
9	314.00	Wells And Springs	-	1,500	-	21,412	790,769	219,117	571,652
10		SUBTOTAL SUPPLY	$ 0	$ 16,904	$ 0	$ 49,877	$ 2,087,239	$ 392,904	$ 1,694,335
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 2,361	$ 0	$ 2,361
12	321.00	Structures And Improvements	-	3,586	-	169	1,687	(549)	2,236
13	323.00	Other Power Production	-	-	-	-	-	0	-
14	325.00	Electric Pumping Equipment	172,013	111,205	-	91,614	1,708,529	662,374	1,046,155
15	326.00	Diesel Pumping Equipment	-	-	-	-	-	0	(0)
16	328.10	Gas Engine Pumping Equipment	-	-	-	-	1	0	1
17		SUBTOTAL PUMPING	$ 172,013	$ 114,791	$ 0	$ 91,783	$ 1,712,577	$ 661,825	$ 1,050,754
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
19	331.00	Structures And Improvements	-	-	-	379	15,157	5,210	9,947
20	332.00	Water Treatment Equipment	6,396	19,713	-	9,068	49,196	66,565	(17,369)
21		SUBTOTAL TREATMENT	$ 6,396	$ 19,713	$ 0	$ 9,447	$ 64,353	$ 71,775	$ (7,422)
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 9,609	$ 0	$ 9,609
23	341.00	Structures And Improvements	-	-	-	83	4,583	1,141	3,442
24	342.00	Distribution, Reservoirs, & ST	-	19,171	-	22,051	1,189,530	185,056	1,004,473
25	343.00	Trans. And Dist. Mains	241,868	52,024	-	301,691	11,601,956	2,953,228	8,648,728
26	344.00	Fire Mains	-	-	-	-	-	0	(0)
27	345.00	Services	98,292	10,488	-	152,131	2,845,450	1,375,815	1,469,635
28	346.00	Meters	77,272	99,853	-	126,654	1,828,431	1,016,676	811,755
29	348.00	Hydrants	-	-	-	-	(0)	0	(0)
30	349.00	Other Trans. And Dist.	-	-	-	-	-	0	-
31		SUBTOTAL TRANS. & DIST.	$ 417,432	$ 181,536	$ 0	$ 602,611	$ 17,479,558	$ 5,531,915	$ 11,947,643
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 330	$ 0	$ 330
33	390.00	Structures And Improvements	-	-	-	2,810	138,436	37,837	100,599
34	391.00	Office Furniture And Equipment	33,188	18,366	-	5,480	122,716	72,479	50,237
35	391.10	Computer Equipment	5,489	37,408	-	14,685	304,811	24,098	280,714
36	392.00	Transportation Equipment	50,071	-	-	120,549	507,233	879,767	(372,534)
37	393.00	Stores Equipment	-	-	-	127	3,232	2,189	1,043
38	394.00	Tools, Shop And Garage	5,304	194	-	5,924	80,828	85,315	(4,486)
39	395.00	Laboratory Equipment	-	-	-	233	7,623	2,925	4,698
40	396.00	Power Operated Equipment	-	-	-	4,369	47,339	97,271	(49,932)
41	397.00	Communication Equipment	1,398	-	-	3,606	88,662	8,760	79,902
42	398.00	Miscellaneous Equipment	-	-	-	721	11,645	8,090	3,555
43		SUBTOTAL GENERAL	$ 95,449	$ 55,967	$ 0	$ 158,507	$ 1,312,855	$ 1,218,729	$ 94,126
44		Acc. Depre. March 31, 1988						$ 1,570,861	
45		Adjustment Due To Rounding	-	-	-	-	-	-	0
46		**TOTAL WATER PLANT**	$ 691,290	$ 388,910	$ 0	$ 912,224	$ 22,732,503	$ 9,448,009	$ 13,284,495

References:
Columns (A) & (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X TJC-4, Page 2, Col. (A) X 1/2 yr. conv.] + [TJC-4, Page 15, Col. (D) - Col. (C)] X TJC-4, Page 2, Col. (A)
Column (E): Schedule TJC-4, Page 15, Column (D) + Column (A) - Column (B)
Column (F): Schedule TJC-4, Page 15, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

RATE BASE ADJUSTMENT #1 - TEST YEAR PLANT & ACCUMULATED DEPRECIATION
2001 TEST YEAR ADJUSTMENT TO GENERAL PLANT ALLOCATION - CITIZENS VERSUS ARIZONA AMERICAN

			(A)	(B)	(C)	(D)	(E)	(F)	(G)
			PRE-AQUISITION		ADJUSTMENTS		POST-ACQUISITION		
LINE NO.	ACCT. NO.	ACCOUNT NAME	TOTAL PLANT VALUE	ACCUM. DEP.	TOTAL PLANT VALUE	ACCUM. DEP.	TOTAL PLANT VALUE	ACCUM. DEP.	NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 38,868	$ 0	$ 0	$ 0	$ 38,868	$ 0	$ 38,868
2	302.00	Franchises	37,053	0	-	-	37,053	0	37,053
3	303.00	Miscellaneous Intangibles	0	0	-	-	0	0	0
4		SUBTOTAL INTANGIBLE	$ 75,921	$ 0	$ 0	$ 0	$ 75,921	$ 0	$ 75,921
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 245,741	$ (10,679)	$ 0	$ 0	$ 245,741	$ (10,679)	$ 256,420
6	311.00	Structures & Improvements	387,345	103,992	-	-	387,345	103,992	283,353
7	312.00	Collecting & Impound Res.	663,385	80,474	-	-	663,385	80,474	582,911
8	313.00	Lakes, Rivers, Other Intakes	0	0	-	-	0	0	0
9	314.00	Wells And Springs	790,769	219,117	-	-	790,769	219,117	571,652
10		SUBTOTAL SUPPLY	$ 2,087,239	$ 392,904	$ 0	$ 0	$ 2,087,239	$ 392,904	$ 1,694,335
		PUMPING							
11	320.00	Land And Land Rights	$ 2,361	$ 0	$ 0	$ 0	$ 2,361	$ 0	$ 2,361
12	321.00	Structures & Improvements	1,687	(549)	-	-	1,687	(549)	2,236
13	323.00	Other Power Production	-	0	-	-	-	0	-
14	325.00	Electric Pumping Equipment	1,708,529	662,374	-	-	1,708,529	662,374	1,046,155
15	326.00	Diesel Pumping Equipment	-	0	-	-	-	0	(0)
16	328.10	Gas Engine Pumping Equip.	1	0	-	-	1	0	1
17		SUBTOTAL PUMPING	$ 1,712,578	$ 661,825	$ 0	$ 0	$ 1,712,577	$ 661,825	$ 1,050,754
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
19	331.00	Structures & Improvements	15,157	5,210	-	-	15,157	5,210	9,947
20	332.00	Water Treatment Equipment	49,196	66,565	-	-	49,196	66,565	(17,369)
21		SUBTOTAL TREATMENT	$ 64,353	$ 71,775	$ 0	$ 0	$ 64,353	$ 71,775	$ (7,422)
		TRANS. & DIST.							
22	340.00	Land And Land Rights	$ 9,609	$ 0	$ 0	$ 0	$ 9,609	$ 0	$ 9,609
23	341.00	Structures & Improvements	4,583	1,141	-	-	4,583	1,141	3,442
24	342.00	Dist., Res., & ST	1,189,530	185,056	-	-	1,189,530	185,056	1,004,473
25	343.00	Trans. And Dist. Mains	11,601,956	2,953,228	-	-	11,601,956	2,953,228	8,648,728
26	344.00	Fire Mains	-	0	-	-	-	0	-
27	345.00	Services	2,845,450	1,375,815	-	-	2,845,450	1,375,815	1,469,635
28	346.00	Meters	1,828,431	1,016,676	-	-	1,828,431	1,016,676	811,755
29	348.00	Hydrants	(0)	0	-	-	(0)	0	(0)
30	349.00	Other Trans. And Dist.	-	0	-	-	-	0	-
31		SUB TRANS. & DIST.	$ 17,479,558	$ 5,531,915	$ 0	$ 0	$ 17,479,558	$ 5,531,915	$ 11,947,643
		GENERAL							
32	389.00	Land And Land Rights	$ 330	$ 0	$ (37)	$ 0	$ 293	$ 0	$ 293
33	390.00	Structures & Improvements	138,436	37,837	(15,709)	21,083	122,727	58,920	63,807
34	391.00	Office Furniture & Equip.	122,716	72,479	(5,610)	(63,041)	117,106	9,438	107,668
35	391.10	Computer Equipment	304,811	24,098	(14,691)	(109,920)	290,120	(85,822)	375,942
36	392.00	Transportation Equipment	507,233	879,767	17,624	(804,457)	524,857	285,102	239,755
37	393.00	Stores Equipment	3,232	2,189	(367)	3,002	2,865	1,896	969
38	394.00	Tools, Shop And Garage	80,828	85,315	36,414	(37,459)	117,242	75,310	41,932
39	395.00	Laboratory Equipment	7,623	2,925	(396)	10,970	7,227	5,191	2,036
40	396.00	Power Operated Equipment	47,339	97,271	23,955	(89,883)	71,294	47,856	23,438
41	397.00	Communication Equipment	88,662	8,760	(1,901)	410,415	86,761	13,895	72,866
42	398.00	Miscellaneous Equipment	11,645	8,090	(809)	411,085	10,836	7,388	3,448
43		SUBTOTAL GENERAL	$ 1,312,855	$ 1,218,729	$ 38,473	$ (248,203)	$ 1,351,328	$ 419,175	$ 932,154
44		Acc. Depre. March 31, 1988	$ -	$ 1,570,861	$ 0	$ 0	$ 0	$ 1,570,861	
45		Adjustm't Due To Rounding	-	-	-	-	-	-	0
46		**TOTAL WATER PLANT**	$ 22,732,504	$ 9,448,009	$ 38,473	$ (248,203)	$ 22,770,976	$ 8,648,455	$ 14,122,523
47		Company As Filed B-2					22,842,642	7,422,614	
48		Line #46 minus Line #47					(71,666)	1,225,841	

References:
Column (A): Schedule TJC-4, Page 16, Column (E)
Column (B): Schedule TJC-4, Page 16, Column (F)
Columns (C) & (D): Adjustment To Replace Citizens' Utilities General Plant With Arizona Water Common Plant Allocation
Column (E): Column (A) - Column (C) As Per Company Schedule B-2, Page 3
Column (F): Column (B) - Column (D) As Per Company Schedule B-2, Page 3
Column (G): Column (E) - Column (F)

RATE BASE ADJUSTMENT #2 - POST-TEST YEAR PLANT & ACCUMULATED DEPRECIATION
ADJUSTMENTS TO THE 2001 PROFORMA TEST YEAR

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) REVENUE NEUTRAL PLANT ADD"N	(B) ORCOM & PLANT AT CLOSING	(C) ADDIT'NAL ACC. DEP. AT CLOSING	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 38,868	$ 0	$ 38,868
2	302.00	Franchises	-	63,313	-	-	(26,260)	0	(26,260)
3	303.00	Miscellaneous Intangibles	-	-	-	-	0	0	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 63,313	$ 0	$ 0	$ 12,608	$ 0	$ 12,608
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 26,820	$ 0	$ 0	$ 0	$ 272,561	$ (10,679)	$ 283,240
6	311.00	Structures And Improvements	348,253	-	5,480	4,928	735,598	114,400	621,198
7	312.00	Collecting And Impounding Res.	-	-	8,429	-	663,385	88,903	574,482
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	0	0	0
9	314.00	Wells And Springs	-	-	10,678	-	790,769	229,795	560,974
10		SUBTOTAL SUPPLY	$ 375,073	$ 0	$ 24,587	$ 4,928	$ 2,462,312	$ 422,419	$ 2,039,894
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 2,361	$ 0	$ 2,361
12	321.00	Structures And Improvements	-	-	20	-	1,687	(529)	2,216
13	323.00	Other Power Production	-	-	-	-	-	0	-
14	325.00	Electric Pumping Equipment	146,091	-	43,719	3,740	1,854,620	709,833	1,144,788
15	326.00	Diesel Pumping Equipment	-	-	-	-	-	0	(0)
16	328.10	Gas Engine Pumping Equipment	-	-	-	-	1	0	1
17		SUBTOTAL PUMPING	$ 146,091	0	$ 43,739	$ 3,740	$ 1,858,668	$ 709,304	$ 1,149,366
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
19	331.00	Structures And Improvements	-	-	7,145	-	15,157	12,355	2,802
20	332.00	Water Treatment Equipment	1,674	-	(4,005)	100	50,870	62,660	(11,790)
21		SUBTOTAL TREATMENT	$ 1,674	$ 0	$ 3,140	$ 100	$ 66,027	$ 75,015	$ (8,989)
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 9,609	$ 0	$ 9,609
23	341.00	Structures And Improvements	-	-	41	-	4,583	1,182	3,401
24	342.00	Distribution, Reservoirs, & ST	432,020	-	10,761	3,910	1,621,550	199,727	1,421,823
25	343.00	Trans. And Dist. Mains	-	-	152,117	-	11,601,956	3,105,345	8,496,611
26	344.00	Fire Mains	-	-	-	-	-	0	(0)
27	345.00	Services	-	-	77,433	-	2,845,450	1,453,248	1,392,202
28	346.00	Meters	-	-	59,580	-	1,828,431	1,076,256	752,175
29	348.00	Hydrants	-	-	-	-	(0)	0	(0)
30	349.00	Other Trans. And Dist.	-	-	-	-	-	0	-
31		SUBTOTAL TRANS. & DIST	$ 432,020	$ 0	$ 299,932	$ 3,910	$ 17,911,578	$ 5,835,757	$ 12,075,821
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 293	$ 0	$ 293
33	390.00	Structures And Improvements	-	(56,876)	(23,920)	(577)	179,603	34,423	145,180
34	391.00	Office Furniture And Equipment	169,811	-	2,601	3,481	286,916	15,520	271,396
35	391.10	Computer Equipment	-	-	6,387	-	290,120	(79,435)	369,555
36	392.00	Transportation Equipment	21,278	-	63,379	2,660	546,135	351,141	194,994
37	393.00	Stores Equipment	-	-	63	-	2,865	1,959	906
38	394.00	Tools, Shop And Garage	16,549	-	4,726	625	133,791	80,661	53,130
39	395.00	Laboratory Equipment	-	-	126	-	7,227	5,317	1,910
40	396.00	Power Operated Equipment	-	-	3,289	-	71,294	51,145	20,149
41	397.00	Communication Equipment	26,850	(1)	1,622	550	113,613	16,067	97,545
42	398.00	Miscellaneous Equipment	-	-	360	-	10,837	7,748	3,089
43		SUBTOTAL GENERAL	$ 234,488	$ (56,877)	$ 58,633	$ 6,739	$ 1,642,693	$ 484,546	$ 1,158,148
44		Acc. Depre. March 31, 1988	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,570,861	$ (1,570,861)
45		Adjustment Due To Rounding	-	-	-	(1)	-	-	(1)
46		**TOTAL WATER PLANT**	$ 1,189,346	$ 6,436	$ 430,031	$ 19,416	$ 23,953,886	$ 9,097,901	$ 14,855,985
47		Company As Filed B-2					23,833,079	7,852,645	
48		Difference In Post Test Year Gross Plant					$ 120,807	$ 1,245,256	
49		Adjustment To Test Year Gross Plant As Per TJC-12, Page 9, Col. (E), Line #48					(71,666)	1,225,841	
50		Adjustment To Post Test Year Total Plant and Acc. Dep. (See TJC-4, Col. (C), Line #'s 1 & 2)					$ 49,141	$ 19,416	

References:
Column (A): Company's Response To Staff Data Request No. DWC 12-1 To 12-3
Column (B) & (C: Company Schedule B-2, Pages 1 and 8
Column (D): ((Col. (A) + Col. (B)) X TJC-4, Page 2, Col. (A) X 1/2 yr. Conv.) + (TJC-4, Page 17, Col. (E)) X TJC-4, Page 2, Col. (A)
Column (E): Schedule TJC-4, Page 17, Column (D) + Column (A) + Column (B)
Column (F): Schedule TJC-4, Page 17, Column (F) + Column (C) + Column (D)
Column (G): Column (E) - Column (F)

Arizona-American Water Company
Docket No. W-01303A-02-0869
Test Year Ended December 31, 2001

Mohave Water District
Schedule TJC-6

OPERATING INCOME

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO ADJ'TMENTS	(C) RUCO TEST YEAR AS ADJUSTED	(D) RUCO PROPOSED IN(DE)CREASE	(E) RUCO AS RECOMMENDED
	OPERATING REVENUES:					
1	Metered Water Revenues	$ 4,286,070	$ 0	$ 4,286,070	$ (790,139)	$ 3,495,931
2	Unmetered Water Revenues	-	-	(0)	-	-
3	Other Water Revenues	108,705	-	108,705	-	108,705
4	TOTAL OPERATING REVENUES	$ 4,394,775	$ 0	$ 4,394,775	$ (790,139)	$ 3,604,636
	OPERATING EXPENSES:					
5	Salaries And Wages	$ 844,087	$ (143,677)	$ 700,410	$ 0	$ 700,410
6	Purchased Water	5,040	-	5,040	-	5,040
7	Purchased Power	294,603	-	294,603	-	294,603
8	Chemicals	8,150	-	8,150	-	8,150
9	Repairs And Maintenance	301,313	-	301,313	-	301,313
10	Office Supplies And Expenses	249,611	-	249,611	-	249,611
11	Outside Services	5,177	-	5,177	-	5,177
12	Service Company Fees	521,040	(285,705)	235,335	-	235,335
13	Water Testing	-	-	-	-	-
14	Rents	18,307	-	18,307	-	18,307
15	Transportation Expenses	-	-	(0)	-	-
16	Insurance - General Liability	27,385	-	27,385	-	27,385
17	Insurance - Health And Life	-	-	(0)	-	-
18	Regulatory Comm. Exp. - Rate Case	29,013	(11,645)	17,368	-	17,368
19	Miscellaneous Expense	83,386	-	83,386	-	83,386
20	Depreciation Expense	692,199	(26,445)	665,754	-	665,754
21	Taxes Other Than Income	47,563	-	47,563	-	47,563
22	Property Taxes	272,584	(2,427)	270,157	-	270,157
23	Income Tax	199,240	293,651	492,891	(312,677)	180,214
	Adjustment Due To Rounding	-	-	-	-	-
24	TOTAL OPERATING EXPENSES	$ 3,598,698	$ (176,248)	$ 3,422,450	$ (312,677)	$ 3,109,773
25	OPERATING INCOME (LOSS)	$ 796,077	$ 176,248	$ 972,325	$ (477,463)	$ 494,863
	Other Income (Expense):					
26	Interest Income	$ 0	$ 0	$ 0	$ 0	$ 0
27	Other Income	0	-	-	-	0
28	Interest Expense	(479,136)	-	(479,136)	-	(479,136)
29	Other Expense	-	-	(0)	-	-
30	Gain/Loss Sale Of Assets	-	-	(0)	-	-
31	TOTAL OTHER INCOME (EXPENSE)	$ (479,136)	$ 0	$ (479,136)	$ 0	$ (479,136)
32	NET PROFIT (LOSS)	$ 316,941	$ 176,248	$ 493,189	$ (477,463)	$ 15,727

References:
Column (A): Company Schedule C-1
Column (B): Schedule TJC-7
Column (C): Column (A) + Column (B)
Column (D): Schedule TJC-1
Column (E): Column (C) + Column (D)

Arizona-American Water Company
Docket No. W-01303A-02-0869
Test Year Ended December 31, 2001

SUMMARY OF OPERATING INCOME ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) ADJ #1	(C) ADJ #2	(D) ADJ #3	(E) ADJ #4	(F) ADJ #5	(G) ADJ #6	(H) ADJ #7	(I) ADJ #8	(J) ADJ #9	(K) ADJ #10	RUCO AS AD'TED
	OPERATING REVENUES:												
1	Metered Water Revenues	$ 4,286,070	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 4,286,070
2	Unmetered Water Revenues	-	-	-	-	-	-	-	-	-	-	-	-
3	Other Water Revenues	108,705	-	-	-	-	-	-	-	-	-	-	108,705
4	TOTAL OPERATING REVENUES	$ 4,394,775	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 4,394,775
	OPERATING EXPENSES:												
5	Salaries And Wages	$ 844,087	$ 0	$ (19,328)	$ 0	$ (124,349)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 700,410
6	Purchased Water	5,040	-	-	-	-	-	-	-	-	-	-	5,040
7	Purchased Power	294,603	-	-	-	-	-	-	-	-	-	-	294,603
8	Chemicals	8,150	-	-	-	-	-	-	-	-	-	-	8,150
9	Repairs And Maintenance	301,313	-	-	-	-	-	-	-	-	-	-	301,313
10	Office Supplies And Expenses	249,611	-	-	-	-	-	-	-	-	-	-	249,611
11	Outside Services	5,177	-	-	-	-	-	-	-	-	-	-	5,177
12	Service Company Fees	521,040	-	-	(79,576)	-	-	-	-	(206,129)	-	-	235,335
13	Water Testing	-	-	-	-	-	-	-	-	-	-	-	-
14	Rents	18,307	-	-	-	-	-	-	-	-	-	-	18,307
15	Transportation Expenses	-	-	-	-	-	-	-	-	-	-	-	-
16	Insurance - General Liability	27,385	-	-	-	-	-	-	-	-	-	-	27,385
17	Insurance - Health And Life	-	-	-	-	-	-	-	-	-	-	-	-
18	Regulatory Comm. Exp. - Rate Case	29,013	-	-	-	-	-	-	(11,645)	-	-	-	17,368
19	Miscellaneous Expense	83,386	-	-	-	-	-	-	-	-	-	-	83,386
20	Depreciation Expense	692,199	-	-	-	-	(26,445)	-	-	-	-	-	665,754
21	Taxes Other Than Income	47,563	-	-	-	-	-	-	-	-	-	-	47,563
22	Property Taxes	272,584	-	-	-	-	-	(2,427)	-	-	-	-	270,157
23	Income Tax	199,240	-	-	-	-	-	-	-	-	-	293,651	492,891
24	Adjustment Due To Rounding	-	-	-	-	-	-	-	-	-	-	-	-
25	TOTAL OPERATING EXPENSES	$ 3,598,698	$ 0	$ (19,328)	$ (79,576)	$ (124,349)	$ (26,445)	$ (2,427)	$ (11,645)	$ (206,129)	$ 0	$ 293,651	$ 3,422,450
26	OPERATING INCOME (LOSS)	$ 796,077	$ 0	$ 19,328	$ 79,576	$ 124,349	$ 26,445	$ 2,427	$ 11,645	$ 206,129	$ 0	$ (293,651)	$ 972,325
	Other Income (Expense):												
27	Interest Income	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
28	Other Income	0	-	-	-	-	-	-	-	-	-	-	0
29	Interest Expense	(479,136)	-	-	-	-	-	-	-	-	-	-	(479,136)
30	Other Expense	-	-	-	-	-	-	-	-	-	-	-	0
31	Gain/Loss Sale Of Assets	-	-	-	-	-	-	-	-	-	-	-	0
32	TOTAL OTHER INCOME (EXPENSE)	$ (479,136)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (479,136)
33	NET PROFIT (LOSS)	$ 316,941	$ 0	$ 19,328	$ 79,576	$ 124,349	$ 26,445	$ 2,427	$ 11,645	$ 206,129	$ 0	$ (293,651)	$ 493,189

ADJUSTMENT NO.		REFERENCE
1 -	Intentionally Left Blank	
2 -	Remove Citizens Test Year's Salaries & Wages	TJC-8
3 -	Service Company Fees - AZ-AM	TJC-9
4 -	Projected Salaries & Wages - AZ-AM	TJC-10
5 -	Depreciation Expense	TJC-11
6 -	Property Taxes	TJC-12
7 -	Rate Case Expense	TJC-13
8 -	Projected Additional Corporate Overhead Expenses	TJC-14
9 -	Intentionally Left Blank	
10 -	Income Tax	TJC-15

References:
Col. (A): Company Sch. C-1
Cols. (B) Thru (K): Adjs. #1 Thru #10
Col. (L): Sum of Cols. (A) Thru (K)

OPERATING INCOME ADJUSTMENT NO. 2
CITIZENS SALARIES & WAGES

LINE NO.	DISTRICT	ACCOUNT	CITIZENS BUSINESS UNIT	(A) COMPANY AS FILED	(B) RUCO AS ADJ'D	(C) ADJM'T
	MOHAVE WATER					
1		Salaries & Wages		$ 614,283	$ 614,283	$ -
2		Payroll Tax		37,941	57,269	(19,328)
3		TOTAL		652,224	671,552	(19,328)

References:
Column (A): Company Sch. C-2, Page 3
Column (B): Company Provided Data on Citizens 2001 Payroll
Column (C): Column (B) minus Column (A)

OPERATING INCOME ADJUSTMENT NO. 3
AZ-AM SERVICE COMPANY ALLOCATIONS

			(A)	(B)	(C)	(D)	(E)	(F)
			TOTAL SERVICE CHARGES			ALLOCATED SERVICE CHARGES		
LINE NO.	DISTRICT	AZ-AM BUS. UNIT	COMPANY AS FILED	RUCO AS ADJ'TED	FOUR FACTOR	COMPANY AS FILED	RUCO AS ADJ'TED	ADJ'MENT
1	Mohave Water	2371	5,153,711	4,366,610	0.1011	521,040	441,464	(79,576)
2	Havasu Water	2373	5,153,711	4,366,610	0.0146	75,244	63,753	(11,492)
3	MOHAVE WATER	Arizona-American Service Company Allocation						(79,576)

REFERENCES:
Columns (A) & (C): Company Sch. C-2, Page 4
Column (B): Company Response to RUCO Data Request #3
Column (D): Column (A) X Column (C
Column (E): Column (B) X Column (C
Column (F): Column (E) minus Column (D)

OPERATING INCOME ADJUSTMENT NO. 4
PROJECTED SALARIES & WAGES

LINE NO.	COMPANY	AZ-AM BUSINESS UNIT	(A) GROSS PAYROLL	(B) CAPITAL'D PAYROLL	(C) NET PAYROLL	(D) EMP. COUNT	(E) PAYROLL TAX
1	Mohave Water	2371	$ 627,649	$ 169,465	$ 458,184	15	$ 38,726
2	Havasu Water	2373	117,542	31,736	85,806	3	7,299

	MOHAVE WATER		COMPANY AS FILED	RUCO AS ADJ'TED	ADJUSTM'T
3		Salaries & Wages	$ 573,696	$ 458,184	$ (115,512)
4		Payroll Tax	47,563	38,726	(8,837)
5		TOTAL	$ 621,259	$ 496,910	$ (124,349)

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) minus Column (B)
Column (E): Column (C) X 7.65% (FICA) + $245 X Column (D) (FUTA & SUTA)

OPERATING INCOME ADJUSTMENT NO. 5
FULL TEST YEAR DEPRECIATION EXPENSE AND PROPOSED DEPRECIATION EXPENSE

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) TOTAL RUCO PLANT	(B) APR'D DEP. RATE	(C) TEST YEAR DEPREC'N EXPENSE
		INTANGIBLE			
1	301.00	Organization	$ 38,868	0.00%	$ -
2	302.00	Franchises	(26,260)	0.00%	-
3	303.00	Miscellaneous Intangibles	0	0.00%	-
4		SUBTOTAL INTANGIBLE	$ 12,608		$ -
		SOURCE OF SUPPLY			
5	310.00	Land And Land Rights	$ 272,561	0.00%	-
6	311.00	Structures And Improvements	735,598	2.83%	20,817
7	312.00	Collecting And Impounding Res.	663,385	2.54%	16,850
8	313.00	Lakes, Rivers, Other Intakes	0	0.00%	-
9	314.00	Wells And Springs	790,769	2.70%	21,351
10		SUBTOTAL SUPPLY	$ 2,462,312		$ 59,018
		PUMPING			
11	320.00	Land And Land Rights	$ 2,361	0.00%	-
12	321.00	Structures And Improvements	1,686	2.39%	40
13	323.00	Other Power Production	-	0.00%	-
14	325.00	Electric Pumping Equipment	1,854,619	5.12%	94,957
15	326.00	Diesel Pumping Equipment	1	0.00%	-
16	328.10	Gas Engine Pumping Equipment	1	0.00%	-
17		SUBTOTAL PUMPING	$ 1,858,668		$ 94,997
		WATER TREATMENT			
18	330.00	Land And Land Rights	$ 0	0.00%	-
19	331.00	Structures And Improvements	15,158	2.50%	379
20	332.00	Water Treatment Equipment	50,870	12.00%	6,104
21		SUBTOTAL TREATMENT	$ 66,028		$ 6,483
		TRANSMISSION & DISTRIBUTION			
22	340.00	Land And Land Rights	$ 9,609	0.00%	-
23	341.00	Structures And Improvements	4,583	1.81%	83
24	342.00	Distribution, Reservoirs, & ST	1,621,550	1.81%	29,350
25	343.00	Trans. And Dist. Mains	11,601,956	2.61%	302,811
26	344.00	Fire Mains	-	0.00%	-
27	345.00	Services	2,845,450	5.41%	153,939
28	346.00	Meters	1,828,431	6.53%	119,397
29	348.00	Hydrants	(0)	0.00%	-
30	349.00	Other Trans. And Dist.	-	0.00%	-
31		SUBTOTAL TRANS. & DIST.	$ 17,911,578		$ 605,579
		GENERAL			
32	389.00	Land And Land Rights	$ 293	0.00%	-
33	390.00	Structures And Improvements	179,603	2.03%	3,646
34	391.00	Office Furniture And Equipment	286,916	4.10%	11,764
35	391.10	Computer Equipment	290,120	4.10%	11,895
36	392.00	Transportation Equipment	546,135	25.00%	136,534
37	393.00	Stores Equipment	2,865	3.93%	113
38	394.00	Tools, Shop And Garage	133,791	7.55%	10,101
39	395.00	Laboratory Equipment	7,227	3.06%	221
40	396.00	Power Operated Equipment	71,294	9.23%	6,580
41	397.00	Communication Equipment	113,613	4.10%	4,658
42	398.00	Miscellaneous Equipment	10,837	6.19%	671
43		SUBTOTAL GENERAL	$ 1,642,692		$ 186,182
				2.68%	
44		**TOTAL WATER PLANT**	$ 23,953,887		952,260
45		CIAC	$ 2,865,061	10.00%	286,506
46		TOTAL DEPRECIATION & AMORTIZATION			665,754
47		PER COMPANY			692,199
48		ADJUSTMENT			(26,445)

References:
Column (A): Schedule TJC-5, Page 1, Column (E)
Column (B): Schedule TJC-4, Page 2, Column (A)
Column (C): Column (A) X Column (B)

OPERATING INCOME ADJUSTMENT NO. 6
PROPERTY TAX COMPUTATION

LINE NO.	DESCRIPTION	(A)	(B)
	Calculation Of The Company's Full Cash Value:		
	Annual Operating Revenues:		
1	Year 1999 (Company Schedule E-2)	$ 4,545,331	
2	Year 2000 (Company Schedule E-2)	4,527,349	
3	Year 2001 (Company Schedule E-2)	4,348,715	
4	Total Three Year Operating Revenues (L1 + L2 + L3)	$ 13,421,395	
5	Average Annual Operating Revenues (L4 / 3)	4,473,798	
6	Two Times Three Year Average Operating Revenues (L5 X 2)		$ 8,947,597
	ADD: Ten Percent Of Construction Work In Progress ("CWIP"):		
7	Test Year CWIP	$ 187,183	
8	10% Of CWIP (L7 X 10%)		$ 18,718
	LESS: Transportation At Book Value:		
9	Original Cost Of Transportation Equipment (Sch. TJC-12(17))	$ 546,135	
10	Accumulated Depreciation Of Transportation Equipment (TJC-12(17))	351,141	
11	Net Book Value Of Transportation Equipment (L9 - L10)		$ 194,994
12	COMPANY'S FULL CASH VALUE (L6 + L8 + L11)		$ 8,771,321
	Calculation Of The Company's Tax Liability:		
	MULTIPLY: Company Full Cash Value By Valuation Assessment Ratio And Then By Property Tax Rates:		
13	Assessment Ratio (ADOR Directive)	25%	
14	Assessed Value (L12 X L13)	$ 2,192,830	
	Property Tax Rates:		
15	Property Tax Rate (2001 Tax Notice - Co.'s Data Response - "Property Tax")	12.32%	
16	COMPANY'S TAX LIABILITY - Based On Full Cash Value (L14 X L17)		$ 270,157
17	Test Year Adjusted Property Tax Expense Per Co.'s Filing (Sch. TJC-6, Col. (A), L29)	$ 272,584	
18	Increase (Decrease) In Property Tax Expense (L16 - L17)	$ (2,427)	
19	Adjustment To Property Tax Expense From Company's Direct Filing (See TJC-6 Col. (B), L22)		$ (2,427)

OPERATING INCOME ADJUSTMENT NO. 7
RATE CASE EXPENSE

LINE NO.	COMPANY	(A) REVISED T.Y. REV. FACTORS	(B) COMPANY AS FILED	(C) RUCO AS ADJUSTED	(D) TOTAL DIFFERENCE	(E) 3 YEAR AMORTIZED DIFFERENCE
1	Total Rate Case Expense		$ 699,954	$ 418,941	$ (281,013)	$ (93,671)
2	Mohave Water	0.1243	87,016	52,081	(34,935)	(11,645)
3	Havasu Water	0.0125	8,730	5,225	(3,505)	(1,168)

	MOHAVE WATER		COMPANY AS FILED	RUCO AS ADJUSTED	TOTAL DIFFERENCE	3 YEAR AMORTIZED DIFFERENCE
4		Rate Case Expense	87,016	52,081	(34,935)	(11,645)

References:
Column (A): Revised Company Adjusted Test Year Revenue Factors To Remove Mohave Sewer from Allocation
Column (B): Company Response to Data Request less the Mohave Sewer allocation of $6,017
Column (C): Column (A) X RUCO's Recommended Total Rate Case Expense
Column (D): Column (C) minus Column (B)
Column (E): Column (D) Divided by 3 (Three Year Amortization Period)

OPERATING INCOME ADJUSTMENT NO. 8
PROJECTED CORPORATE OVERHEAD

LINE NO.	DISTRICT	EXPENSE ACCOUNT	(A) COMPANY AS FILED	(B) RUCO AS ADJUSTED	(C) ADJUSTMENT
	MOHAVE WATER				
1		Salaries And Wages	$ 270,391	$ 56,161	$ (214,230)
2		Office Supplies & Expense	147,339	163,185	15,846
3		Insurance	26,286	18,113	(8,173)
4		Miscellaneous Expense	1,418	1,846	428
5					
		TOTAL	445,434	239,305	$ (206,129)

References:
Column (A): Company Schedule C-2, Page 11
Column (B): Allocated Amounts From TJC-14, Pg 2, Line 24
Column (C): Column (B) - Column (A)

OPERATING INCOME ADJUSTMENT NO. 8 - CONT'D
PROJECTED CORPORATE OVERHEAD

LINE NO.	CATEGORY		(A) COMPANY AS FILED	(B) RUCO AS ADJUSTED	(C) DIFFERENCE	(D)
1	Employee Benefits		$ 964,147	$ 374,404	$ 589,743	
2	Directors Fees:	Office Supplies & Exp.	1,270,126	1,030,972	239,154	
3		Miscellaneous Expenses	6,000	8,500	(2,500)	
4	Trustees Fees:	Office Supplies & Exp.	645,847	447,842	198,005	
5		Miscellaneous Expenses	17,058	21,881	(4,823)	
6	Insurance		258,736	215,200	43,536	
7	Subtotal		$ 3,161,914	$ 2,098,797	$ 1,063,117	
8	Non-Applicable Accounts		$ 2,153,067	$ 2,117,294	$ 35,773	
9	TOTAL (See TJC-14, Pg 3, L 45)		$ 5,314,981	$ 4,216,091	$ 1,098,890	
	ALLOCATION FACTORS		FAIR VALUE RATE BASE	YEAR-END CUST. COUNT	EMPLOYEE COUNT	PROFORMA PLANT
10	Sun City West Water		0.0908	0.1375	0.0600	0.0135
11	Sun City West Wastewater		0.0744	0.1314	0.0900	0.0056
12	Sun City Water		0.2695	0.1958	0.2400	0.1254
13	Sun City Wastewater		0.1119	0.1866	0.0400	0.0046
14	Tubac		0.0109	0.0044	0.0100	0.0110
15	Agua Fria		0.1052	0.1147	0.0700	0.2417
16	Anthem Water		0.0544	0.0284	0.1200	0.2326
17	Agua Fria, Anthem Wastewater		0.0158	0.0224	0.0600	0.2279
18	Mohave Water		0.0842	0.1217	0.1500	0.0371
19	Havasu Water		0.0076	0.0105	0.0300	0.0552
20	Subtotal		0.8247	0.9534	0.8700	0.9544
21	Mohave Sewer		0.0037	0.0051	0.0100	0.0089
22	Paradise Valley (Est. - 2001 Annual Report)		0.1715	0.0414	0.1200	0.0367
23	TOTAL		1.0000	1.0000	1.0000	1.0000
	ALLOCATED AMOUNTS		EMP. BEN.	OFF. SUP/EXP	INSURANCE	MISC. EXP.
24	Sun City West Water		$ 22,464	$ 182,392	$ 19,535	$ 1,464
25	Sun City West Wastewater		33,696	168,783	16,021	1,238
26	Sun City Water		89,857	322,580	57,988	4,408
27	Sun City Wastewater		14,976	242,477	24,091	1,686
28	Tubac		3,744	9,386	2,351	277
29	Agua Fria		26,208	165,421	22,645	6,263
30	Anthem Water		44,928	53,684	11,712	5,332
31	Agua Fria, Anthem Wastewater		22,464	30,213	3,398	5,176
32	Mohave Water		56,161	163,185	18,113	1,846
33	Havasu Water		11,232	14,208	1,630	1,297
34	Subtotal		$ 325,731	$ 1,352,330	$ 177,484	$ 28,987
35	Mohave Sewer		3,744	6,945	806	238
36	Paradise Valley (Est. - 2001 Annual Report)		44,928	119,539	36,910	1,155
37	Subtotal		$ 48,672	$ 126,483	$ 37,716	$ 1,393
38	TOTAL		$ 374,404	$ 1,478,813	$ 215,200	$ 30,381
39	TOTAL RUCO ADJUSTMENT (See TJC-14, pg 2, Column (B), Line 7 Above)					$ 2,098,797

References:
Allocation Factors - As Provided By Co. Except For Paradise Valley, Which Were Estimated From 2001 Annual Repoı
Allocation Amounts - Calculated Using Same Methodology As Company

OPERATING INCOME ADJUSTMENT NO. 10
INCOME TAX EXPENSE

LINE NO.	DESCRIPTION	(A) REFERENCE	(B) AMOUNT
	FEDERAL INCOME TAXES:		
1	Operating Income Before Taxes	Sch. TJC-6, Col. (C), L25 + L23	$ 1,465,217
	LESS:		
2	Arizona State Tax	Line 11	86,790
3	Interest Expense	Note (A) Line 19	219,672
4	Federal Taxable Income	Line 1 - Line 2 - Line 3	$ 1,158,755
5	Federal Tax Rate	Sch. TJC-1, Pg. 2 Col.(D), L34	35.05%
6	Federal Income Tax Expense	Line 4 X line 5	$ 406,102
	STATE INCOME TAXES:		
7	Operating Income Before Taxes	Line 1	$ 1,465,217
	LESS:		
8	Interest Expense	Note (A) Line 19	219,672
9	State Taxable Income	Line 7 - Line 8	$ 1,245,544
10	State Tax Rate	Tax Rate	6.97%
11	State Income Tax Expense	Line 9 X Line 10	$ 86,790
	TOTAL INCOME TAX EXPENSE:		
12	Federal Income Tax Expense	Line 6	$ 406,102
13	State Income Tax Expense	Line 11	86,790
14	Total Income Tax Expense Per RUCO	Line12 + Line 13	$ 492,891
15	Total Income Tax Expense Per Company (Per Company Sch. C-1)		199,240
16	Total Income Tax Adjustment (See Sch. TJC-6, Col. (B), L23)	Line 14 - Line 15	$ 293,651

NOTE (A):
Interest Synchronization:

17	Adjusted Rate Base (Sch. TJC-3, Col. (E), L16)	$ 7,531,475
18	Weighted Cost Of Debt (Sch. TJC-19, Col. (F), L1 + L2)	2.92%
19	Interest Expense (L17 X L18)	$ 219,672

RATE DESIGN

LINE NO.	CUSTOMER CLASSIFICATION and/or Meter Size	(A) RUCO PROPOSED RATE DES'N	(B) ANNUALIZED BILL & GAL. COUNT	(C) RUCO PROPOSED REVENUE
	MONTHLY MINIMUM USAGE CHARGE:			
1				
2	Residential 5/8 Inch	7.45	145,860	1,086,657
3	Residential 1 Inch	12.90	372	4,798
4	Residential 1.5 Inch	21.55	-	0
5	Residential 2 Inch	25.80	108	2,786
6				
7	Residential Multi-Family 5/8 Inch	7.45	1,056	7,867
8	Residential Multi-Family 1 Inch	7.45	456	3,397
9	Residential Multi-Family 1.5 Inch	7.45	36	268
10	Residential Multi-Family 2 Inch	7.45	1,308	9,745
11	Residential Multi-Family 4 Inch	7.45	24	179
12	Residential Multi-Family 6 Inch	7.45	24	179
13				
14	Residential Rio Water			
15	5/8 Inch (a)	6.65	3,276	21,801
16	1 Inch (a)	6.65	12	80
17	2 Inch (a)	6.65	12	80
18				
19	Commercial 5/8 Inch	7.45	4,608	34,330
20	Commercial 1 Inch	12.90	1,680	21,670
21	Commercial 1.5 Inch	21.50	192	4,128
22	Commercial 2 Inch	25.85	2,016	52,110
23	Commercial 3 Inch	51.65	192	9,916
24				
25	Commercial Mult-Unit 5/8 Inch	7.45	240	1,788
26	Commercial Mult-Unit 1 Inch	7.45	60	447
27	Commercial Mult-Unit 1.5 Inch	7.45	12	89
28	Commercial Mult-Unit 2 Inch	7.45	24	179
29				
30	Public Authority 5/8 Inch	7.45	324	2,414
31	Public Authority 1 Inch	12.90	96	1,238
32	Public Authority 1.5 Inch	21.50	60	1,290
33	Public Authority 2 Inch	25.80	432	11,145
34	Public Authority 3 Inch	51.65	12	620
35	Public Authority 4 Inch	77.50	8	620
36	Public Authority 6 Inch	172.25	12	2,067
37				
38	Private Fire 2 Inch	2.55	132	337
39	Private Fire 4 Inch	5.15	759	3,907
40	Private Fire 6 Inch	7.75	180	1,395
41	Private Fire 8 Inch	10.30	60	618
42	Private Fire 10 Inch	12.90	12	155
43	Private Fire Hydrant	6.55	1,884	12,340
44				
45	TOTAL ANNUALIZED MONTHLY CUSTOMER COUNT AND BASIC CHARGE		165,539	1,300,641
46				
47	NO GALLONS INCLUDED OR PROPOSED IN THE MONTHLY MINIMUM USAGE CHARGI			
48				
49	**COMMODITY RATES - ALL METERS (Per 1,000 Gallons):**			
50				
51	Mohave	$ 1.24	1,727,834	$ 2,142,514
52	Rio Water	$ 1.34	39,406	$ 52,804
53				
54	TOTAL ANNUALIZED COMMODITY USAGE AND CHARGES		1,767,240	$ 2,195,318
55				
56	Miscellaneous Revenue			108,705
57				
58	**TOTAL PROPOSED ANNUALIZED REVENUE**			**$ 3,604,664**
59				
60	Required Revenue (As Per Schedule TJC-6, Col (E), L4)			3,604,636
61	Difference			$ 29

References:
Column (A): TJC-16, Page 2 - Recommended/Proposed Rates
Column (B): Response To RUCO Data Request No. 1.0
Column (C): Columns (A) X (B)

RATE DESIGN - MONTHLY MINIMUM AND COMMODITY CHARGES

LINE NO.	DESCRIPTION	(A) PRESENT RATES	(B) COMPANY PROPOSED	(C) RUCO PROPOSED
	MONTHLY MINIMUM USAGE CHARGE:			
1	5/8 X 3/4 - Inch (a)	$ 8.65	$ 9.84	$ 7.45
2	3/4 - Inch	-	-	-
3	1 - Inch	15.00	17.07	12.90
4	1 1/2 - Inch	25.00	28.45	21.50
5	2 - Inch	30.00	34.14	25.85
6	3 - Inch	60.00	68.28	51.65
7	4 - Inch	90.00	102.42	77.50
8	6 - Inch	200.00	227.60	172.25
9	8 - Inch	400.00	455.20	344.50
10	10 - Inch	N/A	787.20	596.00
	Residential Rio Water			
11	5/8 X 3/4 Inch (a)	7.75	8.82	6.65
12	1 Inch (a)	7.75	8.82	6.65
13	2 Inch (a)	7.75	8.82	6.65
	Private Fire			
14	2 Inch or Smaller (a)	3.00	3.41	2.60
15	4 Inch (a)	6.00	6.83	5.15
16	6 Inch (a)	9.00	10.24	7.75
17	8 Inch (a)	12.00	13.66	10.35
18	10 Inch	15.00	17.07	12.90
19	12 Inch (a)	18.00	20.48	15.50
20	14 Inch (a)	21.00	23.90	18.10
21	20 Inch	30.00	34.14	25.85
22	Per Sprinkler Head (a)	0.51	0.58	0.44
23	Per each Private Fire Hydrant (a)	7.64	8.69	6.55
	Gallons In Minimum			
24	All (except Rio Water)	1000	1,000	0
25	Multi-Units based on multiple of 5/8 x 3/4			
26	Rio Water	2000	2,000	0
	Tier 1: Gallons up to 999,999,999			
27	All (except Rio Water)	999,999,999	999,999,999.00	999,999,999.00
28	(Multi-Units based on multiple of 5/8 x 3/4)			
29	Rio Water	999,999,999	999,999,999.00	999,999,999.00
	COMMODITY RATES - ALL METERS (Per 1,000 Gallons):			
28	All (a)	1.48	1.68	1.24
29	Rio Water (a)	1.75	1.99	1.43

(a) Rounded to nearest whole cent

ARIZONA-AMERICAN WATER COMPANY

DOCKET NO. W-01303A-02-0867 et al.

DIRECT TESTIMONY

OF

MARYLEE DIAZ CORTEZ

ON BEHALF OF

THE

RESIDENTIAL UTILITY CONSUMER OFFICE

SEPTEMBER 5, 2003

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INTRODUCTION

Q. Please state your name for the record.

A. My name is Marylee Diaz Cortez. I am a Certified Public Accountant. I am the Chief of Accounting and Rates for the Residential Utility Consumer Office (RUCO) located at 1110 W. Washington, Suite 220, Phoenix Arizona 85007.

Q. Please state your educational background and qualifications in the utility regulation field.

A. Appendix I, which is attached to this testimony, describes my educational background and includes a list of the rate case and regulatory matters in which I have participated.

Q. Please state the purpose of your testimony.

A. The purpose of my testimony is to present recommendations resulting from my review and analysis of the Arizona-American Water Company's ("Company or AZ_AM") application for an increase in rates.

Q. Please describe your work effort on this project.

A. I obtained and reviewed data and performed analytical procedures necessary to understand the Company's application. Procedures performed include the formulation and analysis of several sets of data requests, the review and analysis of Staff requested data, review of

annual reports and prior decisions, as well as conversations with Company personnel and representatives.

Q. What areas will you address in your testimony?

A. I will address rate base, operating income, and rate design as well as sponsor RUCO's recommended revenue requirements for the Anthem Water and Wastewater Companies, and the Agua Fria Water Company. RUCO witness Rodney Moore will address these same issues for the Sun City Water and Wastewater, Sun City West Water and Wastewater, and the Tubac Water Companies. RUCO witness Tim Coley will address these issues for the Mohave Water and Havasu Water Companies. William Rigsby will address the cost of capital issues for all of the AZ_AM Companies.

Q. Please identify the exhibits you are sponsoring.

A. I am sponsoring Schedules MDC-1 through MDC-16, pertaining to Anthem Water and Wastewater and Agua Fria Water.

Q. Please summarize the recommendations and adjustments you recommend for Anthem Water, Anthem Wastewater, and Agua Fria Water.

A. In my testimony I recommend that the Commission adhere to the original cost standard of ratemaking and deny the Reconstruction Cost New

Depreciated (RCND) rate base proposed by the Company. Thus, my first adjustment is to restate the RCND rate base to its equivalent original cost rate base. I then recommend the following adjustments to AZ_AM rate request:

Rate Base

Adjustment #1 – Test year Plant & Accumulated Depreciation - This adjustment recomputes test year original cost plant and accumulated depreciation based on the plant, accumulated depreciation, and depreciation rates authorized in the Companies last rate case

Adjustment #2 – Proforma Plant and Accumulated Depreciation - This adjustment restates the Company's estimated proforma plant to reflect the actual non-revenue producing plant completed in 2002. The adjustment also increases Accumulated Depreciation to include a half year of depreciation recovery on the proforma plant actuals.

Adjustment # 3 – Acquisition Adjustment - This adjustment removes the acquisition premium the Company paid on the purchase of the Citizen's assets. Decision No. 63584 provided that recovery of the acquisition premium would be based on AZ_AM's ability to demonstrate that clear, quantifiable, and substantial net benefits have been realized in the affected areas, which would not have been realized had the transaction not occurred. The Company has made no such showing.

Operating Income

Adjustment #1 – Citizens' Corporate Allocations – This adjustment corrects for certain errors the Company made in removing Citizens Corporate Allocations.

Adjustment #2 – Citizens' Test Year Payroll – This adjustment corrects for certain errors the Company made in removing Citizens Payroll and Payroll Tax Expense.

Adjustment #3 – AZ_AM Service Company Charges – This adjustment restates AZ_AM estimated Service Company Charges to reflect the actual Service Company Charges.

Adjustment # 4 – AZ_AM Payroll - This adjustment restates the AZ_AM estimated level of payroll expense and payroll taxes to reflect the actual level of payroll expense and taxes.

Adjustment #5 – Depreciation Expense - This adjustment calculates annual depreciation expense based the level of plant recommended by RUCO, and on the depreciation rates requested by the Company.

Adjustment #6 – Property Taxes – This adjustment computes test year property tax expense based the methodology used by the Arizona Department of Revenue.

Adjustment #7 – Rate Case Expense - This adjustment decreases the Company requested level of rate case expense to an amount that is commensurate with prior Commission authorized levels.

Adjustment #8 – AZ-AM Overheads – This adjustment restates AZ_AM estimated overheads to reflect actual overheads.

Adjustment # 9 - This adjustment is not applicable to the Agua Fria Water and Anthem Water and Wastewater systems.

Adjustment #10 – Income Tax Expense - This adjustment calculates test year income tax expense based on RUCO's recommended operating income.

Other Issues - Discussion and recommendation concerning Sun City Wastewater's request of an adjustor mechanism to recover incremental investment in the Tolleson Wastewater Treatment Plant.

REVENUE REQUIRMENTS

Q. Please summarize the results of your analysis of AZ_AM and your recommended revenue requirement.

A. AZ_AM's revenue should be decreased by at least $613,371 for Agua Fria Water, $424,126 for Anthem Water, and increased by no more than $74,649 for Anthem Wastewater. These recommendations are summarized on Schedule MDC-1 for each system respectively. My recommended original cost rate base of $16,228,561 for Agua Fria, $8,766,964 for Anthem Water, and $1,904,897 for Anthem Wastewater are shown on Schedules MDC-2, and the detail supporting the original cost rate base is presented on Schedules MDC-3. My recommended adjusted operating income of $1,442,825 for Agua Fria, $836,402 for

Anthem Water, and $75,508 for Anthem Wastewater are shown on Schedules MDC-6, and the detail supporting my recommendation is presented on Schedules MDC-7.

Q. Did you experience any particular problems in auditing and analyzing the Company's rate increase request?

A. Yes. Having now worked for over six months with AZ_AM's rate filing and supporting documents, I do not believe the records the Company provided are sufficient to facilitate a finding of fair value.

Q. Please identify some of the specific problems you have encountered in your audit and review of AZ_AM's rate increase request.

A. They were as follows:

1) Company's application was based on a 2001 test year. At no time during that year did AZ_AM own or operate the individual water and wastewater divisions. Thus, the actual test year data is reflective of Citizens' cost to operate the water and wastewater divisions.

2) AZ_AM compounded the test year problem noted in 1) above by attempting to replace select Citizens' test year expenses with estimates of their own expenses. These estimates are clearly speculative because at the time they

were made AZ_AM had little actual operating data upon which to make such estimates.

3) The data required to support the amounts represented in the application's rate base, income statement, and cost of capital had to be obtained from two different sources - - both Citizens and AZ_AM. Often data did not reconcile, was not readily available, or was found to be erroneous and replacement data was later provided.

These problems not only increased the amount of time and resources that had to be devoted to the AZ_AM rate analysis, but also decreased the reliability of the results that could be derived from the analysis of the case.

Q. Would you have confidence with the fairness and reasonableness of the rates that can be derived from data provided in support of the Company's application?

A. No, I do not have a high level of confidence on the fairness or reasonableness of rates that can be derived from AZ_AM rate application. There are too many unsubstantiated figures, too many estimated adjustments, and a test year that bears no relation to AZ_AM's cost to serve the water and wastewater divisions it now owns. I believe the most prudent course of action given this situation would be to simply deny the

instant application and have AZ_AM file for rate adjustment once it has an actual test year under its own operation and ownership.

Q. Assuming, for whatever reason, the Commission desires to set rates based on the current application, what do you recommend?

A. Again, I do not believe fair and reasonable rates can be determined based on the application that is before us. That notwithstanding, in the following testimony I explain what adjustments, at minimum, are necessary to avoid grossly unfair or unreasonable rates.

RATE BASE

Q. Please describe the rate base requested by AZ_AM.

A. The Company has utilized a Reconstruction Cost New Depreciated (RCND) rate base as the sole measure rate base in quantifying its proposed revenue requirements.

Q. What is a RCND rate base?

A. RCND rate base is a restatement of the Company's original cost assets and liabilities to represent the "current" cost of these same assets and liabilities. In an inflationary environment an RCND rate base will be greater than its original cost. Thus, the use of an RCND rate base will increase a utility's revenue requirement simply as a result of the restatement.

Q. How does the Commission utilize RCND in setting rates?

A. In determining a utility's fair value rate base (FVRB), the Commission averages the utility's original cost rate base (OCRB) and its RCND. The Commission then computes a rate of return to apply to the FVRB. This rate of return is not the same rate of return that it determines is appropriate to apply to the OCRB.

Q. What inequity results from the use of an RCND rate base with an OCRB rate of return?

A. The revenue requirement that a utility is entitled an opportunity to recover through rates is in large part dependant on two factors: the value of its rate base and its cost of capital. Both factors need to be stated on the same basis in order to generate fair and reasonable rates. When an original cost rate base and original cost of capital basis is used these two factors are appropriately matched. The original cost rate base does not consider inflation, as does the RCND rate base. However, the original cost of capital utilized in a rate case *does* consider inflation in both the cost of debt analysis (i.e. as an interest rate component) and the cost of equity analysis (i.e. in the risk component). Thus, when an original cost rate base is multiplied by an original cost of capital the inflation element is present in the resultant revenue requirement as a component of the cost of capital. If an original cost rate base is replaced with a RCND rate base the inflation factor will be double counted in the revenue requirement

calculation. This double count results because both the RCND rate base and the cost of capital include an inflation factor. When multiplied together in the revenue requirement calculation, the inflation factor will be compounded and result in a double count, which will overstate the revenue requirement.

Q. Please address the Company's position that an RCND rate base is appropriate because AZ_AM's purchase price of these utility assets exceeded the original cost of the assets.

A. The Commission is required to consider both the OCRB and RCND when evidence of both is submitted. The Commission can also consider what weight to give an RCND that is based on estimates.

Q. Have you ever seen the ACC grant utility rates based on a RCND rate base coupled with an original cost of debt and equity?

A. No. When the ACC sets rates it uses one of the following three measures:

1) Original Cost Rate Base x Original Cost Rate of Return
2) RCND Rate Base x RCND Rate of Return
3) Fair Value Rate Base X Fair Value Rate of Return

I have never seen the ACC set rates based on RCND Rate Base x Original Cost Rate of Return. As discussed above, this incorrect calculation will overstate the resultant revenue requirement.

Q. Please provide a numerical example demonstrating how use of the RCND rate base with an original cost rate of return will overstate the revenue requirement.

A. Assume the following:

Original Cost Rate Base =	$2,500,000
RCND Rate Base =	3,000,000
Original Cost of Debt =	6%
Original Cost of Equity =	10%
Capital Structure =	50/50

<u>Method Typically Utilized by ACC</u>

Original Cost Rate Base =	$2,500,000
X Wght Original Cost of Capital =	8%
Revenue Requirement	200,000

<u>Method Utilized in Company's Request</u>

RCND Rate Base =	$3,000,000
X Wght Original Cost of Capital	8%
Revenue Requirement	240,000

<u>Company's Request (Removing Double Inflation Count)</u>

RCDD Rate Base =	$3,000,000

X Wght Original Cost of Capital[1] =	6.5%
Revenue Requirement	195,000

This example clearly shows that use of an Original Cost Rate Base and an Original Cost Rate of Return produce virtually the same level of revenue requirement as does an RCND Rate Base and a Rate of Return adjusted to remove the inflation factor. It is only through the Company's use of RCND Rate Base and an Original Cost Rate of Return (which includes the inflation factor) that the revenue requirement increases. The increased revenue requirement produced by the Company's calculation results because of the double count in the inflation factor, once in the RCND Rate Base and again in the rate of return.

Q. Is this double count only applicable to future rates that are set based on an RCND rate base times and original cost of capital?

A. No. The use of an RCND rate base creates retrospective double recoveries also. This retrospective double count results because in prior years, when an original cost rate base may have been used, the cost of equity and cost of debt contained an inflation factor. Thus, the utility has already been compensated for inflation in prior years. Restatement of the original cost rate base in RCND allows the utility to recover the effects of inflation a second time via an inflated RCND rate base.

[1] 8% Original Cost minus 1.5% (assumed) inflation factor = 6.5%

Q. What adjustment is necessary to correct this double count?

A. The rate base and rate of return first must be stated on the same basis. This basis should be Original Cost, which is consistent with the how the Commission has treated virtually all other Arizona regulated utilities. As shown on Schedules MDC-2, TJC-2, and RLM-2, RUCO has restated the Company's requested rate base to an Original Cost basis.

Rate Base Adjustment # 1 – Test Year Plant & Accumulated Depreciation

Q. Have you reviewed the Company test year plant calculations?

A. Yes. The Company's plant calculations for Agua Fria Water begin with the plant balances as of March 31, 1995 as authorized in Decision No. 60172. The calculation adds/subtracts the annual plant additions, retirements, and adjustments for each year through the end of the 2001 test year. The Company's calculations for Anthem Water and Wastewater begin with 1999 when the first plant items entered service and accumulate the additions, retirements, and adjustments through the test year ended December 31, 2001.

Q. How did the Company calculate its test year accumulated depreciation balances?

A. The Company did not reconstruct its accumulated depreciation balances utilizing the annual plant balances and the authorized depreciation rates.

Instead, the Company utilized the accumulated depreciation balances as reflected on Citizens books and records at the end of the 2001 test year.

Q. Do you agree with the Company's test year plant balances?

A. No. I agree with the methodology the Company used to quantify the test year plant balances. I have utilized the same methodology. However, my calculations reach a different result than the Company's.

Q. What are the plant balance differences attributable to?

A. Differences in RUCO vs. the Company's test year plant balances are attributable to the following reasons: 1) In some cases the Company has not accurately reflected the plant balances authorized in the prior decision 2) The Company's plant calculations for the years 1999 through 2001 were based on estimates. The Company subsequently obtained actual data for these years. I have utilized the actual data in my plant calculations.

Q. What adjustment have you made to the test year plant?

A. As shown on Schedule MDC-4, I have made the following test year plant adjustments:

Agua Fria Water	$2,380
Anthem Water	249
Anthem Wastewater	(2)

Q. Do you agree with the Company's calculation of test year accumulated depreciation?

A. No. The Company's accumulated depreciation balances utilize neither calculated test year plant balances, nor does it utilize the depreciation rates authorized in the prior rate case. Instead, the Company's test year accumulated depreciation balances are those that resided on Citizens books and records at the end of the test year.

Q. Have you recalculated the historical accumulated depreciation balances since the last rate case based on actual plant additions and retirements and the authorized depreciation rates?

A. Yes. As shown on Schedule MDC-4, I have recalculated the annual accumulated depreciation balances based on my reconstructed plant balances and on the depreciation rates authorized in the last rate case for Agua Fria and the depreciation rates requested in the current case for Anthem Water and Wastewater.

Q. Are your accumulated depreciation balances more accurate than the Company's?

A. Yes. My calculations utilize actual plant balances, the half-year convention, as well as authorized depreciation rates. The result of my calculations is an accurate accumulated depreciation balance utilizing the appropriate components.

Q. What adjustment have you made?

A. As shown on Schedule MDC-4, I have made the following adjustments:

Agua Fria	$293,972
Anthem Water	448,104
Anthem Wastewater	397,664

These adjustments are necessary to accurately reflect the accumulated depreciation balances based on historical plant balances and the authorized depreciation rates.

Rate Base Adjustment #2 – Post Test Year Plant and Accumulated Depreciation

Q. Is AZ_AM requesting rate base recognition of any proforma plant items?

A. Yes. The Company has requested the following proforma adjustments to its test year plant and accumulated depreciation balances:

1) Adjustment to include the incremental plant and accumulated depreciation balances recorded from December 31, 2001 test year-end until AZ_AM's acquisition in mid-January.
2) Adjustment to include revenue neutral post test year 2002 plant additions.
3) Adjustment to plant to include the capitalized cost of the new Orcom computer system.

Q. Do you agree with the Company that these proforma adjustments should be included in rate base?

A. I have reviewed and analyzed the proforma adjustments identified above as 1) and 3) and included those in my recommended rate base. I also reviewed adjustment 2) for the revenue neutral post test year plant additions. I do not agree with the Company's proposed ratemaking treatment of the post test year plant additions.

Q. Please explain.

A. It has consistently been RUCO's position that out-of-test-year plant additions should not be included in rate base unless there is a full matching of *all* post test year rate elements. When a utility picks and chooses those items it wants to include on a test year basis vs. those it wants to include on a post test year basis it has an opportunity to manipulate the resultant revenue requirement to its own advantage, and conversely to the ratepayers' disadvantage.

Q. Despite RUCO's position has the Commission permitted the inclusion of post test year plant additions under certain circumstances?

A. Yes. In some instances where the Commission believed the inclusion of the post test year additions do not result in ratemaking mismatches it has allowed their inclusion.

Q. What is RUCO's recommendation regarding the post test year plant additions in the instant case?

A. RUCO continues to support the use of a strict historical test year and believes an historical test year produces the most accurate revenue requirement. However, in recognition of prior Commission decisions regarding non-revenue producing plant, RUCO has included certain post test plant additions in rate base in this case.

Q. Are any additional adjustments needed to mitigate the bias that is created when post test year plant additions are allowed?

A. Yes. The inclusion of post test year plant in rate base requires the inclusion of post test year accumulated depreciation on that plant in order to provide a matching of the rate base elements. Using the half year convention I have calculated the additional accumulated depreciation attributable to the post test year plant additions. This adjustment is shown on Schedule MDC-5. I have also adjusted the Company-requested post test year plant additions to reflect their actual completed cost. The post test year plant amounts in the Company's filing were based on estimates. The actual completed costs are now known. This adjustment is also shown on Schedule MDC-5.

Rate Base Adjustment #3 – Acquisition Adjustment

Q. Has the Company included an acquisition adjustment in its original cost rate base?

A. Yes. AZ_AM purchased the Citizens water and wastewater properties for $71,637,084 in excess of its net book value. The Company has allocated the acquisition premium to each of the individual systems in this filing and included those allocations in the respective systems' original cost rate base.

Q. Is this rate base inclusion appropriate?

A. No. In Decision No. 63584, authorizing the sale and transfer of the Citizens assets to AZ_AM, the Commission ordered that there would be no recovery of the acquisition adjustment in the future unless the Company were able to demonstrate "clear, quantifiable and substantial net benefits ... which would not have been realized had the transaction not occurred".

Q. Has AZ_AM made such a showing in this docket?

A. No. The Company has made no attempt to make such a showing. Moreover, such a showing is not even possible in this filing, since the test year expenses were incurred under Citizens ownership. Accordingly, I have removed the following amounts from the Company's rate base:

Agua Fria Water	$13,305,699
Anthem Water	11,045,859
Anthem Wastewater	6,134,973

This adjustment is discussed in greater detail in the testimony of RUCO witness Rodney Moore.

OPERATING INCOME

Operating Adjustment #1 – Citizens Corporate Allocations

Q. Please discuss Operating Adjustment #1.

A. The Company has proposed an adjustment to the test year to remove Citizens corporate allocated expenses and to replace those expenses with AZ_AM service company charges.

Q. Were you able to verify the Citizens corporate allocations?

A. Yes. Through data requests RUCO obtained copies of Citizens' test year general ledger. I was able to track the Citizens allocated expenses to the general ledger.

Q. Did you find and any discrepancies between the general ledger Citizens expenses and the amounts removed in the Company C-2 adjustment 1?

A. Yes. The corporate allocation amounts reflected in the general ledger for the Aqua Fria Water system differed from the Company's C-2 adjustment.

All other systems' C-2 adjustment #1 amounts tied to the general ledger. The Agua Fria discrepancy appears to be a data entry error. I have corrected that error to reflect the actual general ledger allocations. As shown on Schedule MDC-7 this reduces Agua Fria operating expense by an additional $30,684.

Operating Adjustment # 2 –Citizens Payroll

Q. Please discuss RUCO's Operating Adjustment # 2.

A. This adjustment removes Citizens test year recorded payroll from expenses. These payroll amounts are later replaced with AZ_AM payroll amounts in Operating Adjustment #4. This adjustment is not applicable to the Agua Fria Water, Anthem Water, and Anthem Wastewater systems. The rationale and specifics of this adjustment are discussed in greater detail in the testimony of Rodney Moore.

Operating Adjustment #3 – AZ_AM Service Company Allocations

Q. Please discuss Operating Adjustment #3.

A. In this adjustment I recalculate the expenses that the American Water Works service company allocates to the AZ_AM water and wastewater systems. The service company charges requested by the Company in its application are based on estimates. I have audited the actual service company bills sent to AZ_AM during 2002. These amounts are known

and measurable and represent a more accurate level of going forward charges than the Company's estimates.

Q. What is your total adjustment?

A. I have decreased test year service company charges by $787,101. The adjustment is attributable the actual charges being less than the Company's estimates. I have allocated this adjustment to the various water and wastewater systems based on the Company's allocation factors. As shown on Schedule MDC-9 this results in the following adjustments:

Agua Fria Water	$(108,935)
Anthem Water	(72,098)
Anthem Wastewater	(43,920)

Operating Adjustment #4 – AZ_AM Payroll

Q. Please discuss Operating Adjustment #4 for the AZ_AM Payroll Expense.

A. The Company has proposed this adjustment to replace the test year Citizens payroll expense removed in Operating Adjustment #2 with its own payroll expense.

Q. Do you agree with the Company's adjustment?

A. I agree that it is appropriate to reflect the AZ_AM payroll in new rates as opposed to the Citizens payroll expenses. I do not agree with the amount of payroll expense proposed by the Company.

Q. Why not?

A. The Company's proposed payroll expense is based on estimates as well as an estimated capitalization factor. Now that AZ_AM has operated the Company for more than a year actual payroll figures and capitalization rates are available. I therefore have adjusted the Company's estimates to reflect actual expenses and an actual capitalization rate of 27%. I have allocated this adjustment to the various systems based on the Company proposed allocation factors. My adjustments are as follows:

	Payroll	Payroll Tax
Agua Fria Water	$(162,487)	(12,430)
Anthem Water	(116,339)	(8,901)
Anthem Wastewater	(48,969)	(4,334)

Operating Adjustment #5 – Depreciation Expense

Q. What depreciation expense adjustment have you made?

A. I have recalculated depreciation expense based on RUCO's recommended plant balances and the Company-requested depreciation

rates. These calculations are shown on Schedules MDC-11 and result in the following adjustments:

Agua Fria Water	$17,183
Anthem Water	(8,702)
Anthem Wastewater	(16,963)

RUCO's depreciation calculations are discussed in more depth in the testimony of Timothy Coley.

Operating Adjustment #6 – Property Taxes

Q. Have you made an adjustment to AZ_AM requested level of property taxes?

A. Yes. My adjustment is shown on Schedule MDC-12 and decreases operating expenses as follows:

Agua Fria Water	$(30,608)
Anthem Water	(53,360)
Anthem Wastewater	(19,643)

RUCO witness Timothy Coley sponsors this adjustment and it is discussed further in his testimony.

Operating Adjustment #7 – Rate Case Expense

Q. What level of rate case expense has the Company requested?

A. The Company has requested $706,000 in rate case expense. This amount is based on the AZ_AM's estimated completed cost of this rate case at the time it filed its application.

Q. Is this a reasonable level of rate case expense?

A. No. Rate Case Expense of nearly ¾ of a million dollars is exorbitant.

Q. Have you compared AZ_AM's requested rate case expense with other comparable rate cases?

A. Yes. I have compared AZ_AM requested level of rate case with other similarly situated multiple system water and wastewater utilities. No water utility of this size has requested, let alone been granted, rate case expense of this magnitude. In Arizona Water Company's most recent case involving eight systems in its Eastern Division it requested rate case expense of $257,550. In the prior Arizona Water Northern Division case, which involved five systems, the ACC authorized the Company to collect $216,982 in rate case expense. Moreover, in Citizens' last rate case the Company was granted $366,231 in rate case expense. The Company's request in the current case is nearly double that allowed in the prior case.

Q. Are the issues in the current case any more complex than in the last case?

A. No. I worked on the prior Citizens rate case and recall that there were several complex and resource intensive issues. Specifically, CAP water was a significant issue in the last case. Nearly a week of hearing time was dedicated to that issue alone. I see nothing in this case that would warrant a level of rate case expense nearly double that allowed in the last case.

Q. What level of rate case expense are you recommending?

A. I am recommending the level of rate case expense authorized in the previous rate case, adjusted for current prices by the Consumer Price Index. This calculation is shown on Schedule MDC-13, and results in my recommended rate case expense of $418,941.

Q. How have you allocated the total rate case expense to the individual systems in this case?

A. I based my allocations on the factors used by the Company to apportion its recommended rate case expense. I adjusted the Company's factors to exclude Mohave Sewer Company from the allocation. The Company had allocated some of its proposed rate case expense to Mohave Sewer, which is not part of this rate application. Failure to correct for this error would result in less than 100% recovery of the rate case expense

ultimately authorized. In accordance with the Company's request I have utilized a three-year amortization of rate case expense. The following rate case adjustments are shown on Schedules MDC-13:

Agua Fria Water	$(16,392)
Anthem Water	(10,632)
Anthem Wastewater	(4,946)

Operating Adjustment #8 – AZ_AM Overheads

Q. What adjustment have you made to AZ_AM's proposed overhead expenses?

A. As shown on Schedule MDC-14 I have made the following adjustments:

Agua Fria Water	$(104,101)
Anthem Water	(185,339)
Anthem Wastewater	(85,302)

This adjustment is sponsored by RUCO witness Rodney Moore and is discussed in depth in his testimony.

Operating Adjustment #9 – Materials and Supplies

Q. Please discuss adjustment #9.

A. This adjustment is applicable to the Sun City Wastewater System only and is addressed in the testimony of Rodney Moore.

Operating Adjustment #10 – Income Tax Expense

Q. Please discuss RUCO's income tax expense adjustment.

A. This adjustment is shown on Schedule MDC-15. RUCO witness Timothy Coley discusses the specifics of this adjustment in his direct testimony.

OTHER ISSUES

Q. Are there any other issues that you will address?

A. Yes. The Company has requested a special tariff for its Sun City Wastewater system to recover the cost of certain plant additions and improvements to the Tolleson Wastewater Treatment Plant (TWTP). Sun City Wastewater purchases all of its wastewater treatment from the City of Tolleson.

Q. Please describe the proposed tariff.

A. The Company is proposing a cost adjustor mechanism to recover the increased costs associated the Tolleson Wastewater Treatment Plant.

Q. Does the Company currently recover its Tolleson Plant investment and expenses via a cost adjustor mechanism?

A. No. The Company is currently recovering its Tolleson Plant investment and expenses through Sun City Wastewater's base rates.

Q. Why can't the new costs be recovered in the same manner?

A. The additional Tolleson investment appropriately should be recovered in the same manner. These types of costs do not qualify for automatic adjustment under Arizona law. Expenses that qualify for automatic adjustment are required to be volatile and widely fluctuating in nature. The investment Sun City will ultimately be required to make in the Tolleson Plant will be a set amount that will not experience volatile fluctuations.

Q. Why then is the Company requesting adjustor clause treatment for these costs?

A. According to the Company's testimony this request is being made because the required investment is neither known or measurable at this time. Construction has not even begun, thus the additions and improvements are not used and useful. In other words, these assets do not meet the criteria for rate recognition at this time. It appears the Company's adjustor mechanism request is merely a vehicle to guarantee future rate recovery of assets that neither exist or are providing benefit to ratepayers. This is not the intended purpose of an adjustor mechanism.

Q. Have any other events concerning the ratemaking treatment of the Tolleson plant improvements and additions transpired since the Company filing of its direct testimony in this docket?

A. Yes. In Docket No. W-01303A-03-0375 AZ_AM filed a request for an accounting order that would allow it to defer any costs incurred pursuant to the Tolleson improvement for future rate recovery consideration. The parties to this Docket[2] have signed a stipulated agreement that would grant such deferral accounting treatment with the caveat that such accounting order was not to be considered a preapproval of future recovery of the deferred costs.

Q. In light of this agreement, is an adjustor mechanism still relevant?

A. No. Notwithstanding the inappropriateness of the use of an adjustor mechanism in this situation, with the deferral order there is no need for such a mechanism. The Tolleson improvement costs will be preserved under the deferral order and the Company can request rate recovery of these assets when they are completed in service, as is true with any utility plant investment.

Q. What is your recommendation?

A. The requested adjustor mechanism should be denied. As discussed, the Tolleson improvement costs do not meet the criteria for an adjustor

[2] ACC Staff, AZ-AM, RUCO, and the Town of Youngtown.

mechanism, nor is such a mechanism even necessary in light of the deferral accounting order stipulation.

COST OF CAPITAL

Q. What cost of capital is RUCO recommending for the AZ_AM water and wastewater systems?

A. RUCO is recommending an overall cost of capital of 6.57%. These calculations are shown on Schedule WAR-1 and also discussed in detail in the testimony of RUCO witness William Rigsby.

RATE DESIGN

Q. Please discuss your proposed rate design.

A. My proposed rate design resembles the rate design that is currently in place for each of the systems I analyzed. Generally, I have maintained the same relationship between meter sizes, allocations between minimums and commodity rates, as well as current tier structures. The Company did not offer a cost of service study, thus there is no data to support any widespread changes to the existing structure.

Q. What are your proposed rates?

A. My proposed rates for Agua Fria Water, Anthem Water, and Anthem Wastewater are shown on Schedules MDC-16, pages 1 and 2. I have accepted the Company-proposed other service charges (i.e establishment

fees, reconnection fees, NSF check, etc.) as shown on Schedule H-3, page 3 of AZ_AM's application.

Q. Does this complete your direct testimony?

A. Yes.

ARIZONA AMERICAN - AGUA FRIA WATER
DOCKET NO. W-01303-02-0868
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ARIZONA AMERICAN - AGUA FRIA WATER
TEST YEAR ENDING DECEMBER 31, 2001
REVENUE REQUIREMENTS

DOCKET NO. W-01303-02-0867
SCHEDULE MDC-1

LINE NO.	DESCRIPTION	(A) PER COMPANY RCND	(B) ADJUSTMENTS TO RESTATE TO ORIGINAL COST	(C) PER COMPANY ORIG. COST	(D) RUCO RECOMMENDED
1	RATE BASE	$19,019,624	10,836,161	29,855,785	16,228,561
2	ADJUSTED OPERATING INCOME	1,215,779		1,215,779	1,442,825
3	CURRENT RATE OF RETURN	6.39%		4.07%	8.89%
4	REQUIRED OPERATING INCOME	1,474,021		2,313,823	1,066,216
5	REQUIRED RATE OF RETURN	7.75%		7.75%	6.57%
6	OPERATING INCOME DE(SUF)FICIENCY	258,242		1,098,044	(376,608)
7	REVENUE CONVERSION FACTOR	1.6286		1.6286	1.6287
8	INCREASE IN REVENUE REQUIREMENT	$420,573		$1,788,275	($613,371)
9	TEST YEAR REVENUE	6,186,037		6,186,037	6,186,037
10	PROPOSED REVENUE	6,606,610		7,974,312	5,572,666
11	PERCENTAGE INCREASE	6.80%		28.91%	-9.92%
12	RETURN ON EQUITY				

REFERENCES
COLUMN (A): COMPANY SCH. A-1
COLUMN (B): COMPANY SCH. B-1
COLUMN (C): COMPANY SCH. B-1
COLUMN (D): SCH. MDC-2, MDC-6 & WAR-1

ARIZONA AMERICAN - AGUA FRIA WATER
TEST YEAR ENDING DECEMBER 31, 2001
REVENUE CONVERSION FACTOR

DOCKET NO. W-01303-02-0867
SCHEDULE MDC-1

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	REVENUE	1.0000	
2	LESS: TAX RATE	0.3860	NOTE (A)
3	SUBTOTAL	0.6140	LINE 1 - LINE 2
4	REVENUE CONVERSION FACTOR	1.6287	LINE 1/LINE 3

NOTE (A)
CALCULATION OF EFFECTIVE TAX RATE =

OPERATING INCOME BEFORE TAXES		100.00%
ARIZONA STATE TAX	-	6.97%
FEDERAL TAXABLE INCOME		93.03%
FEDERAL TAX RATE	x	34.00%
FEDERAL INCOME TAX		31.63%
EFFECTIVE TAX RATE		38.60%

ARIZONA AMERICAN - AGUA FRIA WATER
TEST YEAR ENDING DECEMBER 31, 2001
RATE BASE

DOCKET NO. W-01303-02-0867
SCHEDULE MDC-2

LINE NO.	DESCRIPTION	(A) PER COMPANY RCND	(B) ADJUSTMENTS TO RESTATE TO ORIGINAL COST	(C) PER COMPANY ORIG. COST	(D) RUCO PROFORMA ADJUSTMENTS	(E) RUCO RECOMMENDED
1	PLANT IN SERVICE	$58,322,512	(7,402,630)	50,919,882	(33,623)	50,886,259
2	ACCUMULATED DEPRECIATION	5,658,666	(664,967)	4,993,699	287,901	5,281,600
3	NET PLANT	52,663,846	(6,737,663)	45,926,183	(321,525)	45,604,658
	LESS:					
4	AIAC	31,366,601	(3,981,231)	27,385,370	0	27,385,370
5	CIAC	2,260,332	(286,894)	1,973,438	0	1,973,438
6	AMORTIZATION OF CIAC		0	0	0	0
7	METER DEPOSITS	17,289	0	17,289	0	17,289
8	ADIT		0	0	0	0
9	ITC		0	0	0	0
	PLUS:					
10	UNAMORTIZED FINANCE CHRGS.		0	0	0	0
11	DEFERRED TAX ASSETS		0	0	0	0
12	WORKING CAPITAL		0	0	0	0
13	ACQUISITION ADJUSTMENT		13,305,699	13,305,699	(13,305,699)	0
14	TOTAL RATE BASE	$19,019,624	$10,836,161	$29,855,785	($13,627,224)	$16,228,561

REFERENCES
COLUMN (A): COMPANY SCH. B-1
COLUMN (B): COLUMN (C) - COLUMN (B)
COLUMN (C): COMPANY SCH. B-1
COLUMN (D): SCH. MDC-3
COLUMN (E): COLUMN (C) + COLUMN (B)

ARIZONA AMERICAN - AGUA FRIA WATER
TEST YEAR ENDING DECEMBER 31, 2001
SUMMARY OF RATE BASE ADJUSTMENTS

DOCKET NO. W-01303-02-0867
SCHEDULE MDC-3

LINE NO.	DESCRIPTION	PER COMPANY ORIG. COST	ADJ #1	ADJ #2	ADJ #3	ADJ #4	RUCO ADJUSTED
1	PLANT IN SERVICE	$50,919,882	2,380	(36,003)			50,886,259
2	ACCUMULATED DEPRECIATION	4,993,699	293,972	(6,071)			5,281,600
3	NET PLANT	45,926,183	(291,592)	(29,932)	0	0	45,604,658
	LESS:						
4	AIAC	27,385,370					27,385,370
5	CIAC	1,973,438					1,973,438
6	AMORTIZATION OF CIAC	0					0
7	METER DEPOSITS	17,289					17,289
8	ADIT	0					0
9	ITC	0					0
	PLUS:						
10	UNAMORTIZED FINANCE CHRGS.	0					0
11	DEFERRED TAX ASSETS	0					0
12	WORKING CAPITAL	0					0
13	ACQUISITION ADJUSTMENT	13,305,699			(13,305,699)	0	0
14	TOTAL RATE BASE	$29,855,785	($291,592)	($29,932)	($13,305,699)	$0	$16,228,561

ADJ #		REFERENCE
1	T/Y PLANT & ACCUM. DEPREC.	SCH. MDC-4
2	PROFORMA PLANT & ACCUM. DEPREC.	SCH. MDC-5
3	ACQUISITION ADJUSTMENT	TESTIMONY MDC
4	NOT USED	

ARIZONA AMERICAN - AGUA FRIA WATER
TEST YEAR ENDING DECEMBER 31, 2001
RATE BASE ADJ #1 - TEST YEAR PLANT & ACCUM. DEPREC.

LINE NO.	ACCT. NO.	DESCRIPTION	PLANT @3/31/95	ACCUM. DEPREC @3/31/95	1995 PLANT ADDS	1995 RETIREMENTS	PLANT BALANCE	1995 END ACCUMULATED DEPRECIATION	NET PLANT BALANCE
		INTANGIBLE							
1	301	ORGANIZATION	$1,194	0			1,194	0	1,194
2	302	FRANCHISES	30,036	0	49,790		79,826	0	79,826
3	303	MISC. INTANGIBLE	8,346	0			8,346	0	8,346
4		TOTAL INTANGIBLE	39,576	0	49,790	0	89,366	0	89,366
		SOURCE OF SUPPLY							
5	310	LAND & LAND RIGHTS	67,600	0	83,494		151,094	0	151,094
6	311	STRUCTURES & IMPROVEMENTS	53,882	9,834			53,882	11,181	42,701
7	312	COLLECTING & IMPOUNDING	0	0			0	0	0
8	313	LAKES, RIVER & INTAKES	0	0			0	0	0
9	314	WELL & SPRINGS	390,882	75,760	471		391,353	85,616	305,737
10		TOTAL SOURCE OF SUPPLY	512,364	85,594	83,965	0	596,329	96,797	499,532
		PUMPING							
11	320	LAND & LAND RIGHTS	10,261	0			10,261	0	10,261
12	321	STRUCTURES & IMPROVEMENTS	47,745	(6,129)	232		47,977	(5,329)	53,306
13	323	OTHER POWER PRODUCTION	0	0			0	0	0
14	325	ELECTRIC PUMPING EQUIP.	1,247,683	364,341	19,853	(700)	1,266,836	419,212	847,624
15	326	DIESEL PUMPING EQUIP.	22,118	9,800			22,118	10,778	11,340
16	328.1	GAS ENGINE PUMPING EQUIP.	708	86			708	117	591
17		TOTAL PUMPING	1,328,515	368,099	20,085	(700)	1,347,900	424,778	923,122
		WATER TREATMENT							
18	303	LAND & LAND RIGHTS						0	
19	331	STRUCTURE & IMPROVEMENTS	29,881	4,584			29,881	5,083	24,798
20	332	WATER TREATMENT EQUIP.	32,708	9,813	456		33,164	11,131	22,033
21		TOTAL WATER TREATMENT	62,589	14,397	456	0	63,045	16,213	46,831
		TRANSMISSION & DISTRIBUTION							
22	340	LAND & LAND RIGHTS	219	0			219	0	219
23	341	STRUCTURES & IMPROVEMENTS	0	0			0	0	0
24	342	DISTRIBUTION & RESERVIORS	358,651	(16,610)			358,651	(10,620)	369,271
25	434	TRANSMISSION & DISTRIBUTION	4,024,099	492,228	114,232	(228)	4,138,103	554,441	3,583,662
26	344	FIRE MAINS	0	0		(12,542)	(12,542)	(12,542)	0
27	345	SERVICES	623,747	91,092	93,004	(89)	716,662	107,624	609,038
28	346	METERS	107,552	14,018	23,703	(1,516)	129,739	15,480	114,259
29	348	HYDRANTS	402,341	73,692	17,113		419,454	81,910	337,544
30	349	OTHER	0	0			0	0	0
31		TOTAL TRANS. & DISTRIBUTION	5,516,608	654,420	248,052	(14,375)	5,750,285	736,293	5,013,992
		GENERAL							
32	389	LAND & LAND RIGHTS	0	0			0	0	0
33	390	STRUCTURES & IMPROVEMENTS	45,350	0			45,350	762	44,588
34	391	OFFICE FURNITURE & EQUIP.	76,102	0			76,102	3,463	72,639
35	391.1	COMPUTER EQUIP.	0	0			0	0	0
36	392	TRANSPORTATION EQUIP.	86,162	20,944	48,354		134,516	48,528	85,988
37	393	STORES EQUIP.	0	0			0	0	0
38	394	TOOLS, SHOP & GARAGE	1,175	37			1,175	86	1,089
39	395	LABORATORY	0	0			0	0	0
40	396	POWER OPERATED EQUIP.	0	0			0	0	0
41	397	COMMUNICATION EQUIP.	4,026	2,651	(1)		4,025	3,065	960
42	398	MISCELLANEOUS EQUIP.	21,574	6,213			21,574	7,288	14,286
43		TOTAL GENERAL	234,389	29,845	48,353	0	282,742	63,191	219,551
44		TOTAL PLANT	$7,694,041	$1,152,355	$450,701	($15,075)	$8,129,667	$1,337,272	$6,792,395

ARIZONA AMERICAN - AGUA FRIA WATER
TEST YEAR ENDING DECEMBER 31, 2001
RATE BASE ADJ #1 - TEST YEAR PLANT & ACCUM. DEPREC.

DOCKET NO. W-01303-02-0867
SCHEDULE MDC-4

LINE NO.	ACCT. NO.	DESCRIPTION	1996 PLANT ADDS	1996 RETIREMENTS	1996 END PLANT BALANCE	ACCUMULATED DEPRECIATION	1996 END NET PLANT BALANCE
		INTANGIBLE					
1	301	ORGANIZATION			1,194	0	1,194
2	302	FRANCHISES	$253	(2,000)	78,079	0	78,079
3	303	MISC. INTANGIBLE			8,346	0	8,346
4		TOTAL INTANGIBLE	253	(2,000)	87,619	0	87,619
		SOURCE OF SUPPLY					
5	310	LAND & LAND RIGHTS	396		151,490	0	151,490
6	311	STRUCTURES & IMPROVEMENTS	145,949		199,831	14,072	185,758
7	312	COLLECTING & IMPOUNDING			0	0	0
8	313	LAKES, RIVER & INTAKES			0	0	0
9	314	WELL & SPRINGS	534,464		925,817	100,055	825,762
10		TOTAL SOURCE OF SUPPLY	680,809	0	1,277,138	114,128	1,163,010
		PUMPING					
11	320	LAND & LAND RIGHTS			10,261	0	10,261
12	321	STRUCTURES & IMPROVEMENTS			47,977	(4,439)	52,416
13	323	OTHER POWER PRODUCTION			0	0	0
14	325	ELECTRIC PUMPING EQUIP.	419,910	(4,145)	1,682,601	461,720	1,220,881
15	326	DIESEL PUMPING EQUIP.	3,440		25,558	11,355	14,203
16	328.1	GAS ENGINE PUMPING EQUIP.			708	144	565
17		TOTAL PUMPING	423,350	(4,145)	1,767,105	468,780	1,298,325
		WATER TREATMENT					
18	303	LAND & LAND RIGHTS			0	0	0
19	331	STRUCTURE & IMPROVEMENTS			29,881	5,497	24,384
20	332	WATER TREATMENT EQUIP.	11,693	(10)	44,847	12,236	32,611
21		TOTAL WATER TREATMENT	11,693	(10)	74,728	17,733	56,995
		TRANSMISSION & DISTRIBUTION					
22	340	LAND & LAND RIGHTS			219	0	219
23	341	STRUCTURES & IMPROVEMENTS			0	0	0
24	342	DISTRIBUTION & RESERVIORS			358,651	(4,454)	363,105
25	434	TRANSMISSION & DISTRIBUTION	626,461	(47)	4,764,517	614,016	4,150,501
26	344	FIRE MAINS			(12,542)	(12,542)	0
27	345	SERVICES	168,378	(6,954)	878,086	117,776	760,310
28	346	METERS	51,646	(6,287)	175,098	12,630	162,468
29	348	HYDRANTS	46,030	(137)	465,347	88,983	376,364
30	349	OTHER			0	0	0
31		TOTAL TRANS. & DISTRIBUTION	892,515	(13,425)	6,629,375	816,409	5,812,966
		GENERAL					
32	389	LAND & LAND RIGHTS			0	0	0
33	390	STRUCTURES & IMPROVEMENTS			45,350	1,511	43,839
34	391	OFFICE FURNITURE & EQUIP.			76,102	6,768	69,334
35	391.1	COMPUTER EQUIP.			0	0	0
36	392	TRANSPORTATION EQUIP.	18,686		153,202	72,361	80,841
37	393	STORES EQUIP.			0	0	0
38	394	TOOLS, SHOP & GARAGE			1,175	131	1,044
39	395	LABORATORY			0	0	0
40	396	POWER OPERATED EQUIP.			0	0	0
41	397	COMMUNICATION EQUIP.			4,025	3,163	862
42	398	MISCELLANEOUS EQUIP.	35,717		57,291	8,889	48,402
43		TOTAL GENERAL	54,403	0	337,145	92,823	244,322
44		TOTAL PLANT	$2,063,023	($19,580)	$10,173,110	$1,509,872	$8,663,238

LINE NO.	ACCT. NO.	DESCRIPTION	1997 PLANT ADDS	1997 RETIREMENTS	1997 END PLANT BALANCE	ACCUMULATED DEPRECIATION	1997 END NET PLANT BALANCE
		INTANGIBLE					
1	301	ORGANIZATION			1,194	0	1,194
2	302	FRANCHISES		(86)	77,993	0	77,993
3	303	MISC. INTANGIBLE	117,453		125,799	0	125,799
4		TOTAL INTANGIBLE	117,453	(86)	204,986	0	204,986
		SOURCE OF SUPPLY					
5	310	LAND & LAND RIGHTS		(3,215)	148,275	0	148,275
6	311	STRUCTURES & IMPROVEMENTS	98,651		298,482	19,950	278,532
7	312	COLLECTING & IMPOUNDING	0		0	0	0
8	313	LAKES, RIVER & INTAKES	0		0	0	0
9	314	WELL & SPRINGS	324,150		1,249,967	124,949	1,125,018
10		TOTAL SOURCE OF SUPPLY	422,801	(3,215)	1,696,724	144,898	1,551,826
		PUMPING					
11	320	LAND & LAND RIGHTS	27,901	(1,100)	37,062	0	37,062
12	321	STRUCTURES & IMPROVEMENTS	430,165		478,142	28	478,114
13	323	OTHER POWER PRODUCTION	0		0	0	0
14	325	ELECTRIC PUMPING EQUIP.	2,526,331		4,208,932	571,515	3,637,417
15	326	DIESEL PUMPING EQUIP.		(243)	25,315	11,735	13,580
16	328.1	GAS ENGINE PUMPING EQUIP.		(40)	668	128	541
17		TOTAL PUMPING	2,984,397	(1,383)	4,750,119	583,405	4,166,714
		WATER TREATMENT					
18	303	LAND & LAND RIGHTS	0		0	0	0
19	331	STRUCTURE & IMPROVEMENTS	14,061		43,942	6,021	37,920
20	332	WATER TREATMENT EQUIP.	134,740		179,587	16,235	163,352
21		TOTAL WATER TREATMENT	148,801	0	223,529	22,256	201,272
		TRANSMISSION & DISTRIBUTION					
22	340	LAND & LAND RIGHTS			219	0	219
23	341	STRUCTURES & IMPROVEMENTS	0		0	0	0
24	342	DISTRIBUTION & RESERVIORS	457,934		816,585	5,434	811,151
25	434	TRANSMISSION & DISTRIBUTION	6,597,844		11,362,361	727,992	10,634,369
26	344	FIRE MAINS	0		(12,542)	(12,542)	0
27	345	SERVICES	621,039		1,499,125	144,332	1,354,792
28	346	METERS	447,809		622,907	22,328	600,579
29	348	HYDRANTS	777,573		1,242,920	104,286	1,138,634
30	349	OTHER	0			0	0
31		TOTAL TRANS. & DISTRIBUTION	8,902,199	0	15,531,574	991,831	14,539,743
		GENERAL					
32	389	LAND & LAND RIGHTS			0	0	0
33	390	STRUCTURES & IMPROVEMENTS	98,201		143,551	3,072	140,479
34	391	OFFICE FURNITURE & EQUIP.	80,869		156,971	11,762	145,209
35	391.1	COMPUTER EQUIP.	23,162		23,162	527	22,635
36	392	TRANSPORTATION EQUIP.	73,048		226,250	101,702	124,548
37	393	STORES EQUIP.			0	0	0
38	394	TOOLS, SHOP & GARAGE			1,175	174	1,001
39	395	LABORATORY			0	0	0
40	396	POWER OPERATED EQUIP.			0	0	0
41	397	COMMUNICATION EQUIP.		(278)	3,747	2,960	787
42	398	MISCELLANEOUS EQUIP.		(820)	56,471	10,459	46,012
43		TOTAL GENERAL	275,280	(1,098)	611,327	130,656	480,671
44		TOTAL PLANT	$12,850,931	($5,782)	$23,018,259	$1,873,047	$21,145,212

ARIZONA AMERICAN - AGUA FRIA WATER
TEST YEAR ENDING DECEMBER 31, 2001
RATE BASE ADJ #1 - TEST YEAR PLANT & ACCUM. DEPREC.

DOCKET NO. W-01303-02-0867
SCHEDULE MDC-4

LINE NO.	ACCT. NO.	DESCRIPTION	1998 PLANT ADDS	1998 RETIREMENTS	1998 END PLANT BALANCE	ACCUMULATED DEPRECIATION	1998 END NET PLANT BALANCE
		INTANGIBLE					
1	301	ORGANIZATION			1,194	0	1,194
2	302	FRANCHISES	$17		78,010	0	78,010
3	303	MISC. INTANGIBLE	2,536		128,335	0	128,335
4		TOTAL INTANGIBLE	2,553	0	207,539	0	207,539
		SOURCE OF SUPPLY					
5	310	LAND & LAND RIGHTS	67,434		215,709	0	215,709
6	311	STRUCTURES & IMPROVEMENTS	205,679		504,161	29,983	474,178
7	312	COLLECTING & IMPOUNDING			0	0	0
8	313	LAKES, RIVER & INTAKES			0	0	0
9	314	WELL & SPRINGS	461,934		1,711,901	162,268	1,549,633
10		TOTAL SOURCE OF SUPPLY	735,047	0	2,431,771	192,251	2,239,520
		PUMPING					
11	320	LAND & LAND RIGHTS	950		38,012	0	38,012
12	321	STRUCTURES & IMPROVEMENTS	(7,511)		470,631	7,950	462,681
13	323	OTHER POWER PRODUCTION			0	0	0
14	325	ELECTRIC PUMPING EQUIP.	946,547	(6,938)	5,148,541	771,377	4,377,164
15	326	DIESEL PUMPING EQUIP.	(162)		25,153	12,850	12,303
16	328.1	GAS ENGINE PUMPING EQUIP.	8		676	157	519
17		TOTAL PUMPING	939,832	(6,938)	5,683,013	792,335	4,890,678
		WATER TREATMENT					
18	303	LAND & LAND RIGHTS			0	0	0
19	331	STRUCTURE & IMPROVEMENTS	358		44,300	6,758	37,541
20	332	WATER TREATMENT EQUIP.	59,771		239,358	24,614	214,744
21		TOTAL WATER TREATMENT	60,129	0	283,658	31,372	252,285
		TRANSMISSION & DISTRIBUTION					
22	340	LAND & LAND RIGHTS			219	0	219
23	341	STRUCTURES & IMPROVEMENTS			0	0	0
24	342	DISTRIBUTION & RESERVIORS	20,835		837,420	19,245	818,175
25	434	TRANSMISSION & DISTRIBUTION	2,331,109		13,693,470	919,669	12,773,801
26	344	FIRE MAINS			(12,542)	(12,542)	0
27	345	SERVICES	361,251	(15,852)	1,844,524	169,942	1,674,582
28	346	METERS	327,032	(5,271)	944,668	36,730	907,938
29	348	HYDRANTS	399,541		1,642,461	133,140	1,509,321
30	349	OTHER			0	0	0
31		TOTAL TRANS. & DISTRIBUTION	3,439,768	(21,123)	18,950,219	1,266,184	17,684,035
		GENERAL					
32	389	LAND & LAND RIGHTS			0	0	0
33	390	STRUCTURES & IMPROVEMENTS			143,551	5,484	138,067
34	391	OFFICE FURNITURE & EQUIP.	1,022		157,993	18,928	139,065
35	391.1	COMPUTER EQUIP.	1,607		24,769	1,617	23,152
36	392	TRANSPORTATION EQUIP.	207		226,457	158,291	68,166
37	393	STORES EQUIP.			0	0	0
38	394	TOOLS, SHOP & GARAGE	2,502		3,677	275	3,402
39	395	LABORATORY			0	0	0
40	396	POWER OPERATED EQUIP.			0	0	0
41	397	COMMUNICATION EQUIP.	55		3,802	3,348	454
42	398	MISCELLANEOUS EQUIP.	80		56,551	13,273	43,278
43		TOTAL GENERAL	5,473	0	616,800	201,215	415,585
44		TOTAL PLANT	$5,182,802	($28,061)	$28,173,000	$2,483,356	$25,689,643

LINE NO.	ACCT. NO.	DESCRIPTION	1999 PLANT ADDS	1999 RETIREMENTS	1999 END PLANT BALANCE	ACCUMULATED DEPRECIATION	1999 END NET PLANT BALANCE
		INTANGIBLE					
1	301	ORGANIZATION			1,194	0	1,194
2	302	FRANCHISES			78,010	0	78,010
3	303	MISC. INTANGIBLE	$122,000		250,335	0	250,335
4		TOTAL INTANGIBLE	122,000	0	329,539	0	329,539
		SOURCE OF SUPPLY					
5	310	LAND & LAND RIGHTS			215,709	0	215,709
6	311	STRUCTURES & IMPROVEMENTS			504,161	42,587	461,574
7	312	COLLECTING & IMPOUNDING			0	0	0
8	313	LAKES, RIVER & INTAKES			0	0	0
9	314	WELL & SPRINGS	419		1,712,320	205,413	1,506,907
10		TOTAL SOURCE OF SUPPLY	419	0	2,432,190	248,000	2,184,190
		PUMPING					
11	320	LAND & LAND RIGHTS			38,012	0	38,012
12	321	STRUCTURES & IMPROVEMENTS	3,113		473,744	15,836	457,908
13	323	OTHER POWER PRODUCTION			0	0	0
14	325	ELECTRIC PUMPING EQUIP.	397,420		5,545,961	1,007,725	4,538,235
15	326	DIESEL PUMPING EQUIP.			25,153	13,962	11,191
16	328.1	GAS ENGINE PUMPING EQUIP.			676	187	489
17		TOTAL PUMPING	400,533	0	6,083,546	1,037,710	5,045,836
		WATER TREATMENT					
18	303	LAND & LAND RIGHTS			0	0	0
19	331	STRUCTURE & IMPROVEMENTS			44,300	7,498	36,802
20	332	WATER TREATMENT EQUIP.	2,545		241,903	34,239	207,664
21		TOTAL WATER TREATMENT	2,545	0	286,203	41,737	244,465
		TRANSMISSION & DISTRIBUTION					
22	340	LAND & LAND RIGHTS			219	0	219
23	341	STRUCTURES & IMPROVEMENTS			0	0	0
24	342	DISTRIBUTION & RESERVIORS			837,420	33,230	804,190
25	434	TRANSMISSION & DISTRIBUTION	3,403,170		17,096,640	1,155,214	15,941,426
26	344	FIRE MAINS			(12,542)	(12,542)	0
27	345	SERVICES	447,070		2,291,594	221,230	2,070,364
28	346	METERS	434,953		1,379,621	65,900	1,313,721
29	348	HYDRANTS	552,134		2,194,595	171,511	2,023,085
30	349	OTHER			0	0	0
31		TOTAL TRANS. & DISTRIBUTION	4,837,327	0	23,787,546	1,634,541	22,153,005
		GENERAL					
32	389	LAND & LAND RIGHTS			0	0	0
33	390	STRUCTURES & IMPROVEMENTS			143,551	7,896	135,655
34	391	OFFICE FURNITURE & EQUIP.			157,993	26,116	131,877
35	391.1	COMPUTER EQUIP.			24,769	2,744	22,025
36	392	TRANSPORTATION EQUIP.	101,969		328,426	227,651	100,775
37	393	STORES EQUIP.			0	0	0
38	394	TOOLS, SHOP & GARAGE			3,677	427	3,250
39	395	LABORATORY			0	0	0
40	396	POWER OPERATED EQUIP.			0	0	0
41	397	COMMUNICATION EQUIP.			3,802	3,738	64
42	398	MISCELLANEOUS EQUIP.			56,551	16,089	40,462
43		TOTAL GENERAL	101,969	0	718,769	284,662	434,107
44		TOTAL PLANT	$5,464,793	$0	$33,637,793	$3,246,651	$30,391,142

ARIZONA AMERICAN - AGUA FRIA WATER
TEST YEAR ENDING DECEMBER 31, 2001
RATE BASE ADJ #1 - TEST YEAR PLANT & ACCUM. DEPREC.

DOCKET NO. W-01303-02-0867
SCHEDULE MDC-4
PAGE 6 OF 8

LINE NO.	ACCT. NO.	DESCRIPTION	2000 PLANT ADDS	2000 RETIREMENTS	2000 END PLANT BALANCE	ACCUMULATED DEPRECIATION	2000 END NET PLANT BALANCE
		INTANGIBLE					
1	301	ORGANIZATION			1,194	0	1,194
2	302	FRANCHISES			78,010	0	78,010
3	303	MISC. INTANGIBLE	($152,489)		97,846	0	97,846
4		TOTAL INTANGIBLE	(152,489)	0	177,050	0	177,050
		SOURCE OF SUPPLY					
5	310	LAND & LAND RIGHTS			215,709	0	215,709
6	311	STRUCTURES & IMPROVEMENTS	363,439	(34,114)	833,486	25,193	808,293
7	312	COLLECTING & IMPOUNDING			0	0	0
8	313	LAKES, RIVER & INTAKES			0	0	0
9	314	WELL & SPRINGS	(53,930)	(8,476)	1,649,914	239,302	1,410,612
10		TOTAL SOURCE OF SUPPLY	309,509	(42,590)	2,699,109	264,495	2,434,614
		PUMPING					
11	320	LAND & LAND RIGHTS			38,012	0	38,012
12	321	STRUCTURES & IMPROVEMENTS	492,115		965,859	27,856	938,002
13	323	OTHER POWER PRODUCTION			0	0	0
14	325	ELECTRIC PUMPING EQUIP.	7,149,121	(235,408)	12,459,674	1,170,242	11,289,432
15	326	DIESEL PUMPING EQUIP.			25,153	15,074	10,080
16	328.1	GAS ENGINE PUMPING EQUIP.			676	217	459
17		TOTAL PUMPING	7,641,236	(235,408)	13,489,374	1,213,389	12,275,985
		WATER TREATMENT					
18	303	LAND & LAND RIGHTS			0	0	0
19	331	STRUCTURE & IMPROVEMENTS			44,300	8,238	36,062
20	332	WATER TREATMENT EQUIP.	90,531	(13,009)	319,425	32,457	286,968
21		TOTAL WATER TREATMENT	90,531	(13,009)	363,725	40,695	323,030
		TRANSMISSION & DISTRIBUTION					
22	340	LAND & LAND RIGHTS			219	0	219
23	341	STRUCTURES & IMPROVEMENTS			0	0	0
24	342	DISTRIBUTION & RESERVIORS	1,686,655	(104,893)	2,419,182	(44,470)	2,463,652
25	434	TRANSMISSION & DISTRIBUTION	2,001,985	(63,326)	19,035,299	1,368,297	17,667,002
26	344	FIRE MAINS			(12,542)	(12,542)	0
27	345	SERVICES	176,723	(30,434)	2,437,883	249,441	2,188,442
28	346	METERS	189,598	(577)	1,568,642	102,324	1,466,318
29	348	HYDRANTS	321,611	(20,768)	2,495,438	197,643	2,297,795
30	349	OTHER			0	0	0
31		TOTAL TRANS. & DISTRIBUTION	4,376,572	(219,998)	27,944,120	1,860,692	26,083,428
		GENERAL					
32	389	LAND & LAND RIGHTS			0	0	0
33	390	STRUCTURES & IMPROVEMENTS			143,551	10,307	133,244
34	391	OFFICE FURNITURE & EQUIP.		(1)	157,992	33,304	124,688
35	391.1	COMPUTER EQUIP.	14,371		39,140	4,198	34,942
36	392	TRANSPORTATION EQUIP.	46,188	(14,248)	360,366	299,502	60,864
37	393	STORES EQUIP.			0	0	0
38	394	TOOLS, SHOP & GARAGE			3,677	579	3,098
39	395	LABORATORY			0	0	0
40	396	POWER OPERATED EQUIP.			0	0	0
41	397	COMMUNICATION EQUIP.			3,802	4,129	(327)
42	398	MISCELLANEOUS EQUIP.			56,551	18,905	37,646
43		TOTAL GENERAL	60,559	(14,249)	765,079	370,925	394,154
44		TOTAL PLANT	$12,325,918	($525,254)	$45,438,457	$3,750,196	$41,688,261

ARIZONA AMERICAN - AGUA FRIA WATER
TEST YEAR ENDING DECEMBER 31, 2001
RATE BASE ADJ #1 - TEST YEAR PLANT & ACCUM. DEPREC.

DOCKET NO. W-01303-02-0867
SCHEDULE MDC-4

LINE NO.	ACCT. NO.	DESCRIPTION	2001 PLANT ADDS	2001 RETIREMENTS	2001 END PLANT BALANCE	ACCUMULATED DEPRECIATION	2001 END NET PLANT BALANCE
		INTANGIBLE					
1	301	ORGANIZATION			1,194	0	1,194
2	302	FRANCHISES			78,010	0	78,010
3	303	MISC. INTANGIBLE	$17,418		115,264	0	115,264
4		TOTAL INTANGIBLE	17,418	0	194,468	0	194,468
		SOURCE OF SUPPLY					
5	310	LAND & LAND RIGHTS			215,709	0	215,709
6	311	STRUCTURES & IMPROVEMENTS	309,108		1,142,594	49,264	1,093,329
7	312	COLLECTING & IMPOUNDING			0	0	0
8	313	LAKES, RIVER & INTAKES			0	0	0
9	314	WELL & SPRINGS	1,777,051	(162)	3,426,803	297,076	3,129,727
10		TOTAL SOURCE OF SUPPLY	2,086,159	(162)	4,785,106	346,340	4,438,766
		PUMPING					
11	320	LAND & LAND RIGHTS	9,668		47,680	0	47,680
12	321	STRUCTURES & IMPROVEMENTS	279,482		1,245,341	45,855	1,199,486
13	323	OTHER POWER PRODUCTION			0	0	0
14	325	ELECTRIC PUMPING EQUIP.	2,001,218	(1,435)	14,459,457	1,711,995	12,747,462
15	326	DIESEL PUMPING EQUIP.			25,153	15,519	9,634
16	328.1	GAS ENGINE PUMPING EQUIP.			676	237	439
17		TOTAL PUMPING	2,290,368	(1,435)	15,778,307	1,773,606	14,004,701
		WATER TREATMENT					
18	303	LAND & LAND RIGHTS			0	0	0
19	331	STRUCTURE & IMPROVEMENTS			44,300	8,840	35,460
20	332	WATER TREATMENT EQUIP.	51,861		371,286	44,973	326,313
21		TOTAL WATER TREATMENT	51,861	0	415,586	53,813	361,773
		TRANSMISSION & DISTRIBUTION					
22	340	LAND & LAND RIGHTS			219	0	219
23	341	STRUCTURES & IMPROVEMENTS			0	0	0
24	342	DISTRIBUTION & RESERVIORS	431,917		2,851,099	279	2,850,820
25	434	TRANSMISSION & DISTRIBUTION	2,237,233		21,272,532	1,655,717	19,616,815
26	344	FIRE MAINS			(12,542)	(12,542)	0
27	345	SERVICES	252,369		2,690,252	306,844	2,383,408
28	346	METERS	171,096		1,739,738	141,275	1,598,462
29	348	HYDRANTS	294,285		2,789,723	246,542	2,543,182
30	349	OTHER			0	0	0
31		TOTAL TRANS. & DISTRIBUTION	3,386,900	0	31,331,020	2,338,115	28,992,905
		GENERAL					
32	389	LAND & LAND RIGHTS			0	0	0
33	390	STRUCTURES & IMPROVEMENTS			143,551	12,546	131,005
34	391	OFFICE FURNITURE & EQUIP.	5,747	(1,854)	161,885	37,212	124,673
35	391.1	COMPUTER EQUIP.	22,745		61,885	6,306	55,579
36	392	TRANSPORTATION EQUIP.	66,561	(66,305)	360,622	248,445	112,177
37	393	STORES EQUIP.			0	0	0
38	394	TOOLS, SHOP & GARAGE			3,677	707	2,970
39	395	LABORATORY			0	0	0
40	396	POWER OPERATED EQUIP.			0	0	0
41	397	COMMUNICATION EQUIP.			3,802	4,096	(294)
42	398	MISCELLANEOUS EQUIP.	2,020		58,571	20,830	37,741
43		TOTAL GENERAL	97,073	(68,159)	793,993	330,142	463,851
44		TOTAL	$7,929,779	($69,756)	$53,298,480	$4,842,016	$48,456,464

ARIZONA AMERICAN - AGUA FRIA WATER
TEST YEAR ENDING DECEMBER 31, 2001
RATE BASE ADJ #1 - TEST YEAR PLANT & ACCUM. DEPREC.

LINE NO.	ACCT. NO.	DESCRIPTION	RUCO TEST YEAR PLANT	COMPANY GENERAL PLANT ADJ.	COMPANY COMMON PLANT ADJ.	RUCO T/Y PLANT POST-ACQ.	RUCO TEST YEAR ACCUM. DEPREC	COMPANY GENERAL ACCUM. ADJ.	COMPANY COMMON ACCUM. ADJ.	RUCO T/Y ACCUM. DEPR. POST-ACQ.
		INTANGIBLE								
1	301	ORGANIZATION	$1,194			1,194	0			0
2	302	FRANCHISES	78,010			78,010	0			0
3	303	MISC. INTANGIBLE	115,264			115,264	0			0
4		TOTAL INTANGIBLE	194,468	0	0	194,468	0	0	0	0
		SOURCE OF SUPPLY								
5	310	LAND & LAND RIGHTS	215,709			215,709	0			0
6	311	STRUCTURES & IMPROVEMENTS	1,142,594			1,142,594	49,264			49,264
7	312	COLLECTING & IMPOUNDING	0			0	0			0
8	313	LAKES, RIVER & INTAKES	0			0	0			0
9	314	WELL & SPRINGS	3,426,803			3,426,803	297,076			297,076
10		TOTAL SOURCE OF SUPPLY	4,785,106	0	0	4,785,106	346,340	0	0	346,340
		PUMPING								
11	320	LAND & LAND RIGHTS	47,680			47,680	0			0
12	321	STRUCTURES & IMPROVEMENTS	1,245,341			1,245,341	45,855			45,855
13	323	OTHER POWER PRODUCTION	0			0	0			0
14	325	ELECTRIC PUMPING EQUIP.	14,459,457			14,459,457	1,711,995			1,711,995
15	326	DIESEL PUMPING EQUIP.	25,153			25,153	15,519			15,519
16	328.1	GAS ENGINE PUMPING EQUIP.	676			676	237			237
17		TOTAL PUMPING	15,778,307	0	0	15,778,307	1,773,606	0	0	1,773,606
		WATER TREATMENT								
18	303	LAND & LAND RIGHTS	0			0	0			0
19	331	STRUCTURE & IMPROVEMENTS	44,300			44,300	8,840			8,840
20	332	WATER TREATMENT EQUIP.	371,286			371,286	44,973			44,973
21		TOTAL WATER TREATMENT	415,586	0	0	415,586	53,813	0	0	53,813
		TRANSMISSION & DISTRIBUTION								
22	340	LAND & LAND RIGHTS	219			219	0			0
23	341	STRUCTURES & IMPROVEMENTS	0			0	0			0
24	342	DISTRIBUTION & RESERVIORS	2,851,099			2,851,099	279			279
25	434	TRANSMISSION & DISTRIBUTION	21,272,532			21,272,532	1,655,717			1,655,717
26	344	FIRE MAINS	(12,542)			(12,542)	(12,542)			(12,542)
27	345	SERVICES	2,690,252			2,690,252	306,844			306,844
28	346	METERS	1,739,738			1,739,738	141,275			141,275
29	348	HYDRANTS	2,789,723			2,789,723	246,542			246,542
30	349	OTHER	0			0	0			0
31		TOTAL TRANS. & DISTRIBUTION	31,331,020	0	0	31,331,020	2,338,115	0	0	2,338,115
		GENERAL								
32	389	LAND & LAND RIGHTS	0		681	681	0			
33	390	STRUCTURES & IMPROVEMENTS	143,551	(143,551)	467,707	467,707	12,546	(12,546)	43,425	43,425
34	391	OFFICE FURNITURE & EQUIP.	161,885	(161,885)	139,320	139,320	37,212	(37,212)	50,343	50,343
35	391.1	COMPUTER EQUIP.	61,885	(61,885)	199,465	199,465	6,306	(6,306)	(60,705)	(60,705)
36	392	TRANSPORTATION EQUIP.	360,622	(360,622)	251,004	251,004	248,445	(248,445)	144,977	144,977
37	393	STORES EQUIP.	0	0	4,012	4,012	0	0	1,087	1,087
38	394	TOOLS, SHOP & GARAGE	3,677	(3,677)	57,402	57,402	707	(707)	2,547	2,547
39	395	LABORATORY	0	0	18,183	18,183	0	0	3,205	3,205
40	396	POWER OPERATED EQUIP.	0	0	16,803	16,803	0	0	5,979	5,979
41	397	COMMUNICATION EQUIP.	3,802	(3,802)	80,645	80,645	4,096	(4,096)	46,447	46,447
42	398	MISCELLANEOUS EQUIP.	58,571	(58,571)	38,697	38,697	20,830	(20,830)	17,939	17,939
43		TOTAL GENERAL	793,993	(793,993)	1,273,919	1,273,919	330,142	(330,142)	255,244	255,244
44		TOTALS	$53,298,480	($793,993)	$1,273,919	$53,778,406	$4,842,016	($330,142)	$255,244	$4,767,118
45		TOTALS PER COMPANY				53,776,026				4,473,146
46		ADJUSTMENTS				$2,380				$293,972

ARIZONA AMERICAN - AGUA FRIA WATER
TEST YEAR ENDING DECEMBER 31, 2001
RATE BASE ADJ #2 - PROFORMA PLANT

DOCKET NO. W-01303-02-0867
SCHEDULE MDC-5

LINE NO.	ACCT. NO.	DESCRIPTION	RUCO T/Y PLANT	RUCO PROFORMA PLANT	ORCOM & PLANT AT CLOSING	RUCO RECOMMENDED PLANT	RUCO T/Y ACC. DEP	DEPREC. ON PROFORMA PLANT	ACC. DEPREC. PLANT AT CLOSING	RUCO RECOMMENDED ACC. DEP
		INTANGIBLE								
1	301	ORGANIZATION	$1,194		73,137	74,331	0	0		0
2	302	FRANCHISES	78,010			78,010	0	0		0
3	303	MISC. INTANGIBLE	115,264			115,264	0	0		0
4		TOTAL INTANGIBLE	194,468	0	73,137	267,605	0	0	0	0
		SOURCE OF SUPPLY								
5	310	LAND & LAND RIGHTS	215,709			215,709	0	0		0
6	311	STRUCTURES & IMPROVEMENTS	1,142,594	106,194	(6,495)	1,242,293	49,264	1,246	14,215	64,726
7	312	COLLECTING & IMPOUNDING	0			0	0	0		0
8	313	LAKES, RIVER & INTAKES	0			0	0	0		0
9	314	WELL & SPRINGS	3,426,803		603,779	4,030,582	297,076	7,608	50,909	355,592
10		TOTAL SOURCE OF SUPPLY	4,785,106	106,194	597,284	5,488,584	346,340	8,854	65,124	420,318
		PUMPING								
11	320	LAND & LAND RIGHTS	47,680			47,680	0	0		0
12	321	STRUCTURES & IMPROVEMENTS	1,245,341			1,245,341	45,855	0	10,406	56,261
13	323	OTHER POWER PRODUCTION	0			0	0	0		0
14	325	ELECTRIC PUMPING EQUIP.	14,459,457		43,027	14,502,484	1,711,995	951	321,178	2,034,124
15	326	DIESEL PUMPING EQUIP.	25,153			25,153	15,519	0	570	16,089
16	328.1	GAS ENGINE PUMPING EQUIP.	676			676	237	0	15	252
17		TOTAL PUMPING	15,778,307	0	43,027	15,821,334	1,773,606	951	332,169	2,106,726
		WATER TREATMENT								
18	303	LAND & LAND RIGHTS	0			0	0	0		0
19	331	STRUCTURE & IMPROVEMENTS	44,300			44,300	8,840	0	3,430	12,270
20	332	WATER TREATMENT EQUIP.	371,286	44,897		416,183	44,973	898	4,450	50,321
21		TOTAL WATER TREATMENT	415,586	44,897	0	460,483	53,813	898	7,880	62,591
		TRANSMISSION & DISTRIBUTION								
22	340	LAND & LAND RIGHTS	219			219	0	0		0
23	341	STRUCTURES & IMPROVEMENTS	0			0	0	0		0
24	342	DISTRIBUTION & RESERVIORS	2,851,099		56	2,851,155	279	0	23,885	24,165
25	434	TRANSMISSION & DISTRIBUTION	21,272,532	77,154	(4,128,730)	17,220,956	1,655,717	(30,995)	(33,636)	1,591,086
26	344	FIRE MAINS	(12,542)			(12,542)	(12,542)	0		(12,542)
27	345	SERVICES	2,690,252		1	2,690,253	306,844	0	33,393	340,237
28	346	METERS	1,739,738			1,739,738	141,275	0	21,881	163,156
29	348	HYDRANTS	2,789,723			2,789,723	246,542	0	27,987	274,529
30	349	OTHER	0			0	0	0		0
31		TOTAL TRANS. & DISTRIBUTION	31,331,020	77,154	(4,128,673)	27,279,501	2,338,115	(30,994)	73,510	2,380,631
		GENERAL								
32	389	LAND & LAND RIGHTS	681			681	0	0		0
33	390	STRUCTURES & IMPROVEMENTS	467,707			467,707	43,425	0	996	44,421
34	391	OFFICE FURNITURE & EQUIP.	139,320	32,621		171,941	50,343	742	1,732	52,817
35	391.1	COMPUTER EQUIP.	199,465			199,465	(60,705)	0	1,250	(59,455)
36	392	TRANSPORTATION EQUIP.	251,004			251,004	144,977	0	36,180	181,157
37	393	STORES EQUIP.	4,012			4,012	1,087	0		1,087
38	394	TOOLS, SHOP & GARAGE	57,402			57,402	2,547	0	74	2,621
39	395	LABORATORY	18,183			18,183	3,205	0		3,205
40	396	POWER OPERATED EQUIP.	16,803			16,803	5,979	0		5,979
41	397	COMMUNICATION EQUIP.	80,645	262,231		342,876	46,447	13,479	196	60,122
42	398	MISCELLANEOUS EQUIP.	38,697			38,697	17,939	0	1,443	19,382
43		TOTAL GENERAL	1,273,919	294,852	0	1,568,771	255,244	14,221	41,871	311,336
44		TOTALS	$53,778,406	$523,097	($3,415,225)	$50,886,278	$4,767,118	($6,071)	$520,554	$5,281,601
45		TOTALS PER COMPANY		559,100	(3,415,225)			0	520,554	
46		ADJUSTMENTS		($36,003)	$0			($6,071)	$0	

ARIZONA AMERICAN - AGUA FRIA WATER
TEST YEAR ENDING DECEMBER 31, 2001
OPERATING INCOME

DOCKET NO. W-01303-02-0867
SCHEDULE MDC-6

LINE NO.	DESCRIPTION	(A) COMPANY ADJUSTED	(B) RUCO ADJUSTMENTS	(C) RUCO ADJUSTED	(D) RUCO PROPOSED IN(DE)CREASE	(E) RUCO PROFORMA
	REVENUES					
1	METERED REVENUES	$5,846,076	0	5,846,076	(613,371)	5,232,705
2	UNMETERED REVENUE	0	0	0		0
3	OTHER REVENUE	339,961	0	339,961		339,961
4	TOTAL REVENUES	6,186,037	0	6,186,037	(613,371)	5,572,666
	EXPENSES					
5	SALARIES & WAGES	632,324	(262,461)	369,863		369,863
6	PURCHASED WATER	382,700	0	382,700		382,700
7	PURCHASED POWER	601,814	0	601,814		601,814
8	FUEL FOR POWER PRODUCTION			0		
9	CHEMICALS	10,523	0	10,523		10,523
10	MATERIALS & SUPPLIES	0		0		
11	REPAIRS & MAINTENANCE	198,956	0	198,956		198,956
12	OFFICE SUPPIES & EXPENSE	164,777	(25,859)	138,918		138,918
13	OUTSIDE SERVICES	35,465	0	35,465		35,465
14	SERVICE COMPANY CHRGS.	713,274	(108,935)	604,339		604,339
15	WATER TESTING	8,614	0	8,614		8,614
16	RENTS	25,840	0	25,840		25,840
17	TRANSPORTATION	0	0	0		0
18	INSURANCE - GENERAL LIABILITY	33,390	(10,218)	23,172		23,172
19	INSURANCE - HEALTH & LIFE	0	0	0		0
20	RATE CASE EXPENSE	43,906	(16,392)	27,514		27,514
21	MISCELLANEOUS EXPENSE	188,009	1,266	189,275		189,275
22	DEPRECIATION	1,187,079	17,183	1,204,262		1,204,262
23	TAXES OTHER THAN INCOME	40,435	(12,430)	28,005		28,005
24	PROPERTY TAXES	315,444	(30,608)	284,836		284,836
25	INCOME TAX	387,708	221,408	609,116	(236,762)	372,354
26	TOTAL EXPENSES	4,970,258	(227,046)	4,743,212	(236,762)	4,506,450
27	NET INCOME	1,215,779	227,046	1,442,825	(376,608)	1,066,216

REFERENCES
COLUMN (A): COMPANY SCH. C-1
COLUMN (B): SCH. MDC-7
COLUMN (C): COLUMN (A) - COLUMN (B)
COLUMN (D): SCH. MDC-1
COLUMN (E): COLUMN (C) + COLUMN (D)

ARIZONA AMERICAN - AGUA FRIA WATER
TEST YEAR ENDING DECEMBER 31, 2001
SUMMARY OF OPERATING ADJUSTMENTS

DOCKET NO. W-01303-02-0867
SCHEDULE MDC-7

LINE NO.	DESCRIPTION	COMPANY ADJUSTED	ADJ #1	ADJ #2	ADJ #3	ADJ #4	ADJ #5	ADJ #6	ADJ #7	ADJ #8	ADJ #9	RUCO ADJUSTED
	REVENUES											
1	METERED REVENUES	$5,846,076										5,846,076
2	UNMETERED REVENUE	0										0
3	OTHER REVENUE	339,961										339,961
4	TOTAL REVENUES	6,186,037	0	0	0	0	0	0	0	0	0	6,186,037
	EXPENSES											
5	SALARIES & WAGES	632,324				(162,487)				(99,974)		369,863
6	PURCHASED WATER	382,700										382,700
7	PURCHASED POWER	601,814										601,814
8	FUEL FOR PRODUCTION	0										0
9	CHEMICALS	10,523										10,523
10	MATERIALS & SUPPLIES	0										0
11	REPAIRS & MAINTENANCE	198,956										198,956
12	OFFICE SUPPIES & EXPENSE	164,777	(30,684)							4,625		138,918
13	OUTSIDE SERVICES	35,465										35,465
14	SERVICE COMPANY CHRGS.	713,274			($108,935)							604,339
15	WATER TESTING	8,614										8,614
16	RENTS	25,840										25,840
17	TRANSPORTATION	0										0
18	INSURANCE - GENERAL LIABILITY	33,390								(10,218)		23,172
19	INSURANCE - HEALTH & LIFE	0										0
20	RATE CASE EXPENSE	43,906							(16,392)			27,514
21	MISCELLANEOUS EXPENSE	188,009								1,266		189,275
22	DEPRECIATION	1,187,079					$17,183					1,204,262
23	TAXES OTHER THAN INCOME	40,435				(12,430)						28,005
24	PROPERTY TAXES	315,444						(30,608)				284,836
25	INCOME TAX	387,708									221,408	609,116
26	TOTAL EXPENSES	4,970,258	(30,684)	0	(108,935)	(174,918)	17,183	(30,608)	(16,392)	(104,101)	221,408	4,743,212
27	NET INCOME	$1,215,779	$30,684	$0	$108,935	$174,918	($17,183)	$30,608	$16,392	$104,101	($221,408)	$1,442,825

ADJ NO.		REFERENCE
1	CITIZENS CORPORATE ALLOCATIONS	NOT USED
2	CITIZENS PAYROLL	TESTIMONY MDC
3	AZ_AM SERVICE COMPANY CHARGES	SCH. MDC-9
4	AZ_AM PAYROLL	SCH. MDC-10
5	DEPRECIATION EXPENSE	SCH. MDC-11
6	PROPERTY TAXES	SCH. MDC-12
7	RATE CASE EXPENSE	SCH. MDC-13
8	AZ_AM OVERHEAD	SCH. MDC-14
10	INCOME TAXES	SCH. MDC-15

ARIZONA AMERICAN - AGUA FRIA WATER
TEST YEAR ENDING DECEMBER 31, 2001
OPERATING ADJ #3 - PROJECTED AZ_AM SERVICE COMPANY EXPENSES

DOCKET NO. W-01303-02-0867
SCHEDULE MDC-9

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	ACTUAL 2002 SERVICE CO. EXPENSE	$4,366,610	CO. PROVIDED DATA
2	ESTIMATED ALLOC. PER FILING	5,153,711	CO. SCH. C-2, PG 4
3	ADJUSTMENT TO SERVICE CO. EXPENSE	(787,101)	LINE 1 - LINE 2
4	AGUA FRIA ALLOCATION FACTOR	13.84%	CO. SCH. C-2, PG 4
5	SERVICE CO. ADJUSTMENT ALLOCATED	($108,935)	LINE 3 x LINE 4

ARIZONA AMERICAN - AGUA FRIA WATER
TEST YEAR ENDING DECEMBER 31, 2001
OPERATING ADJ #4 - AZ_AM PROJECTED SALARIES & WAGES

DOCKET NO. W-01303-02-0867
SCHEDULE MDC-10

LINE NO.	DESCRIPTION	AMOUNT	
1	ACTUAL AZ_AM PAYROLL	$470,760	COMPANY SPREADSHEET
2	LESS: CAPITALIZED PAYROLL	127,105	LINE 1 x 27%
3	ACTUAL PAYROLL EXPENSE	343,655	LINE 1 - LINE 2
4	ESTIMATED PAYROLL PER AZ-AM	506,142	CO. SCH. C-2 PG. 5
5	PAYROLL ADJUSTMENT	($162,487)	LINE 3 - LINE 4
6	ACTUAL PAYROLL EXPENSE	343,655	LINE 3
7	PAYROLL TAX FACTOR	7.65%	FICA RATE
8	SUBTOTAL	26,290	LINE 6 x LINE 7
9	FUTA & SUTA TAX	1,715	$245 X 7 EMPLOYEES
10	PAYROLL TAXES	28,005	LINE 8 + LINE 9
11	ESTIMATED PER COMPANY	40,435	CO. SCH. C-2 PG. 5
12	PAYROLL TAX ADJUSTMENT	($12,430)	LINE 10 x LINE 11

ARIZONA AMERICAN - AGUA FRIA WATER
TEST YEAR ENDING DECEMBER 31, 2001
OPERATING ADJ #5 - DEPRECIATION EXPENSE

DOCKET NO. W-01303-02-0867
SCHEDULE MDC- 11

LINE NO.	ACCT	DESCRIPTION	RUCO PLANT	DEPREC. RATE	DEPREC. EXPENSE
		INTANGIBLE			
1	301	ORGAN IZATION	$74,331	0.00%	0
2	302	FRANCHISES	78,010	0.00%	0
3	303	MISC. INTANGIBLE	115,264	0.00%	0
4		TOTAL INTANGIBLE	267,605		0
		SOURCE OF SUPPLY			
5	310	LAND & LAND RIGHTS	215,709	0.00%	0
6	311	STRUCTURES & IMPROVEMENTS	1,242,293	2.50%	31,057
7	312	COLLECTING & IMPOUNDING	0	0.00%	0
8	313	LAKES, RIVER & INTAKES	0	0.00%	0
9	314	WELL & SPRINGS	4,030,582	2.52%	101,571
10		TOTAL SOURCE OF SUPPLY	5,488,584		132,628
		PUMPING			
11	320	LAND & LAND RIGHTS	47,680	0.00%	0
12	321	STRUCTURES & IMPROVEMENTS	1,245,341	1.67%	20,797
13	323	OTHER POWER PRODUCTION	0	0.00%	0
14	325	ELECTRIC PUMPING EQUIP.	14,502,484	4.42%	641,010
15	326	DIESEL PUMPING EQUIP.	25,153	4.42%	1,112
16	328.1	GAS ENGINE PUMPING EQUIP.	676	4.42%	30
17		TOTAL PUMPING	15,821,334		662,949
		WATER TREATMENT			
18	303	LAND & LAND RIGHTS	0	0.00%	0
19	331	STRUCTURE & IMPROVEMENTS	44,300	1.67%	740
20	332	WATER TREATMENT EQUIP.	416,183	4.00%	16,647
21		TOTAL WATER TREATMENT	460,483		0
					17,387
		TRANSMISSION & DISTRIBUTION			
22	340	LAND & LAND RIGHTS	219	0.00%	0
23	341	STRUCTURES & IMPROVEMENTS	0	0.00%	0
24	342	DISTRIBUTION & RESERVIORS	2,851,155	1.67%	47,614
25	434	TRANSMISSION & DISTRIBUTION	17,220,956	1.53%	263,481
26	344	FIRE MAINS	(12,542)	0.00%	0
27	345	SERVICES	2,690,253	2.48%	66,718
28	346	METERS	1,739,738	2.51%	43,667
29	348	HYDRANTS	2,789,723	2.00%	55,794
30	349	OTHER	0	0.00%	0
31		TOTAL TRANS. & DISTRIBUTION	27,279,501		477,275
		GENERAL			
32	389	LAND & LAND RIGHTS	681	0.00%	0
33	390	STRUCTURES & IMPROVEMENTS	467,707	1.68%	7,857
34	391	OFFICE FURNITURE & EQUIP.	171,941	4.55%	7,823
35	391.1	COMPUTER EQUIP.	199,465	4.55%	9,076
36	392	TRANSPORTATION EQUIP.	251,004	25.00%	62,751
37	393	STORES EQUIP.	4,012	3.92%	157
38	394	TOOLS, SHOP & GARAGE	57,402	4.14%	2,376
39	395	LABORATORY	18,183	3.71%	675
40	396	POWER OPERATED EQUIP.	16,803	5.14%	864
41	397	COMMUNICATION EQUIP.	342,876	10.28%	35,248
42	398	MISCELLANEOUS EQUIP.	38,697	4.98%	1,927
43		TOTAL GENERAL	1,568,771		128,754
44		TOTAL	50,886,278		1,401,606
45		CIAC	(1,973,438)	10.00%	(197,344)
46		TOTAL DEPRECIATION & AMORTIZATION			1,204,262
47		PER COMPANY			1,187,079
48		ADJUSTMENT			$17,183

ARIZONA AMERICAN - AGUA FRIA WATER
TEST YEAR ENDING DECEMBER 31, 2001
OPERATING ADJ #6 - PROPERTY TAXES

DOCKET NO. W-01303-02-0867
SCHEDULE MDC-12

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	REVENUES -1999	$6,163,440	COMPANY SCH. E-2
2	REVENUES -2000	5,486,825	COMPANY SCH. E-2
3	REVENUES -2001	4,999,218	COMPANY SCH. E-2
4	TOTAL	16,649,483	SUM LINES 1 - 3
5	THREE YEAR AVERAGE	5,549,828	LINE 4/3 YRS.
6	THREE YEAR AVG. TIMES 2	11,099,655	LINE 5 x 2
7	ADD: 10% OF CWIP BALANCE	189,284	COMPANY SCH. E-1
8	LESS: LICENSED VEHICLES (NET)	106,027	SCH. MDC-5
9	FULL CASH VALUE	11,182,913	LINE 6 + LINE 7 - LINE 8
10	ASSESSMENT RATIO	25%	ADOR
11	ASSESSMENT VALUE	2,795,728	LINE 9 x LINE 10
12	PROPERTY TAX RATE	10.19%	
13	PROFORMA PROPERTY TAXES	284,836	LINE 11 x LINE 12
14	PROPERTY TAXES PER COMPANY	315,444	SCH. MDC-6
15	ADJUSTMENT	($30,608)	LINE 13 - LINE 14

ARIZONA AMERICAN - AGUA FRIA WATER
TEST YEAR ENDING DECEMBER 31, 2001
OPERATING ADJ #7 - RATE CASE EXPENSE

DOCKET NO. W-01303-02-0867
SCHEDULE MDC-13

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	RATE CASE EXPENSE - PRIOR CASE	$366,231	DECISION #60172
2	CPI FACTOR	1.14	WEB SITE: minneapolisfed.org
3	RATE CASE EXPENSE - CURRENT DOLLARS	418,941	LINE 1 x LINE 2
4	RATE CASE EXPENSE - COMPANY REQUESTED	699,952	CO. COST ALLOCATION SPREADSHEET
5	ADJUSTMENT TO RATE CASE EXPENSE	(281,011)	LINE 3 - LINE 4
6	3 YEAR AMORTIZATION	(93,670)	LINE 5/3
7	AGUA FRIA ALLOCATION	0.1750	CO. COST ALLOCATION SPREADSHEET
8	ADJUSTMENT TO RATE CASE EXPENSE	($16,392)	LINE 6 x LINE 7

ARIZONA AMERICAN - AGUA FRIA WATER
TEST YEAR ENDING DECEMBER 31, 2001
OPERATING ADJ #8 - PROJECTED AZ_AM OVERHEADS

DOCKET NO. W-01303-02-0867
SCHEDULE MDC-14

LINE NO.	DESCRIPTION	TOTAL COMPANY (A) PER COMPANY ESTIMATES	(B) ACTUAL EXPENSES	(C) ADJUSTMENT
1	EMPLOYEE BENEFITS	$964,147	374,404	(589,743)
2	DIRECTORS FEES:			
3	OFFICE SUPPLIES & EXPENSES	1,270,126	1,030,972	(239,154)
4	MISC. EXPENSES	6,000	8,500	2,500
5	TRUSTEES FEES:			
6	OFFICE SUPPLIES & EXPENSES	645,847	447,842	(198,005)
7	MISC. EXPENSES	17,058	21,881	4,823
8	INSURANCE	258,736	215,200	(43,536)
			AGUA FRIA	
9	EMPLOYEE BENEFITS	126,182	26,208	(99,974)
10	OFFICE SUPPLIES & EXPENSES	160,596	165,421	4,825
11	MISC. EXPENSES	4,997	6,263	1,266
12	INSURANCE	32,863	22,645	(10,218)
13	TOTAL	324,638	220,537	($104,101)

ALLOCATION FACTORS	FAIR VALUE RATE BASE	YEAR-END CUST. COUNT	EMPLOYEE COUNT	PROFORMA PLANT
Sun City Water	0.2695	0.1958	0.2400	0.1254
Sun City Wastewater	0.1119	0.1866	0.0400	0.0046
Sun City West Water	0.0908	0.1375	0.0600	0.0135
Sun City West Wastewater	0.0744	0.1314	0.0900	0.0056
Agua Fria	0.1052	0.1147	0.0700	0.2417
Anthem Water	0.0544	0.0284	0.1200	0.2326
Agua Fria, Anthem Wastewater	0.0158	0.0224	0.0600	0.2279
Tubac	0.0109	0.0044	0.0100	0.0110
Mohave Water	0.0842	0.1217	0.1500	0.0371
Havasu Water	0.0076	0.0105	0.0300	0.0552
Subtotal	0.8247	0.9534	0.8700	0.9544
Mohave Sewer	0.0037	0.0051	0.0100	0.0089
Paradise Valley	0.1715	0.0414	0.1200	0.0367
TOTAL	1.0000	1.0000	1.0000	1.0000

REFERENCES
COLUMN (A): CO.SCH. C-2, PG.11
COLUMN (B): CO. PROVIDED SPREADSHEET
COLUMN (C): COLUMN (A) - COLUMN (B)

ARIZONA AMERICAN - AGUA FRIA WATER
TEST YEAR ENDING DECEMBER 31, 2001
OPERATING ADJ#10 - INCOME TAX EXPENSE

DOCKET NO. W-01303-02-0867
SCHEDULE MDC-15

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
	FEDERAL INCOME TAXES		
1	OPERATING INCOME BEFORE TAXES	$2,051,941	SCH. MDC-7
	LESS:		
2	ARIZONA STATE TAX	109,960	LINE 11
3	INTEREST EXPENSE	473,874	NOTE (A)
4	FEDERAL TAXABLE INCOME	1,468,107	LINE 1 - LINE 2 & 3
5	FEDERAL TAX RATE	34%	TAX RATE
6	FEDERAL INCOME TAX EXPENSE	499,157	LINE 4 x LINE 5
	STATE INCOME TAXES		
7	OPERATING INCOME BEFORE TAXES	2,051,941	LINE 1
	LESS:		
8	INTEREST EXPENSE	473,874	NOTE (A)
9	STATE TAXABLE INCOME	1,578,067	LINE 7 - LINE 8
10	STATE TAX RATE	6.97%	TAX RATE
11	STATE INCOME TAX EXPENSE	109,960	LINE 9 x LINE 10
12	TOTAL INCOME TAX	609,116	LINE 6 + LINE 11
13	TOTAL EXPENSE PER COMPANY	387,708	CO. SCH. C-1
14	ADJUSTMENT	221,408	LINE 12 - LINE 13

NOTES
(A) INTEREST SYNCHRONIZATION

ADJUSTED RATE BASE	16,228,561
WGHTED COST OF DEBT	2.92%
INTEREST EXPENSE	473,874

Arizona Water Company - Agua Fria Water
Docket No. W-01303A-02-0867
Test Year Ended December 31, 2001

RATE DESIGN

LINE NO.	DESCRIPTION	(A) RUCO PROPOSED RATE DES'N	(B) ANNUALIZED CUST. & GAL. COUNT	(C) RUCO PROPOSED REVENUE
	MONTHLY MINIMUM USAGE CHARGE:			
		$ 8.25		
1	5/8 X 3/4 - Inch	8.25	143,857	1,186,820.25
2	3/4 - Inch	11.90	1,321	15,713.30
3	1 - Inch	20.00	7,152	143,004.24
4	1 1/2 - Inch	43.70	732	31,984.74
5	2 - Inch	65.80	1,596	105,016.80
6	3 - Inch	128.20	625	80,121.88
7	4 - Inch	165.00	-	-
8	6 - Inch	330.00	25	8,250.00
9	8 - Inch	660.00	0	0.07
10	**Private Fire Protection**			
11	4 - Inch	24.75	132	3,267.00
12	6 - Inch	38.00	276	10,486.62
13	8 - Inch	49.50	84	4,158.00
14	10 - Inch	99.00	0	0.00
15	12 - Inch	148.50	-	-
	Prison	200.00	1	200.00
16	TOTAL ANNUALIZED MONTHLY CUSTOMER COUNT AND BASIC CHARGE		155,801	$ 1,589,023
17	NO GALLONS INCLUDED OR PROPOSED IN THE MONTHLY MINIMUM USAGE CHARGE			
18	**COMMODITY RATES - ALL METERS (Per 1,000 Gallons):**			
	All Meters (Except construction, irrigation, public interruptible)			
19	Tier 1 (0 to 8,000 gallons)	$ 1.64	419,762,424	$ 688,410
20	Tier 2 (Above 8,000 gallons)	1.86	1,285,261,576	2,390,587
	Prison	1.92	122,046,000	$ 234,328
21	Public Interruptible, contract rate	0.90	367,094,000	$ 330,385
22				
23	Other Revenue			339,961
24	**TOTAL PROPOSED ANNUALIZED REVENUE**			**$ 5,572,694**
25	Required Revenue (per Schedule MDC-6)			5,572,666
26	Difference			$ 28

RATE DESIGN - MONTHLY MINIMUM AND COMMODITY CHARGES

LINE NO	DESCRIPTION	(A) PRESENT RATES	(B) COMPANY PROPOSED	(C) RUCO PROPOSED
	MONTHLY MINIMUM USAGE CHARGE:			
	Residential Commercial			
1	5/8 X 3/4 - Inch	$ 10.00	10.76	8.25
2	3/4 - Inch	15.00	16.14	11.90
3	1 - Inch	25.00	26.9	20.00
4	1 1/2 - Inch	53.00	57.02	43.70
5	2 - Inch	80.00	86.07	65.80
6	3 - Inch	155.00	166.76	128.20
7	4 - Inch	200.00	215.17	165.00
8	6 - Inch	400.00	430.34	330.00
9	8 - Inch	800.00	860.67	660.00
10	Private Fire Protection			
11	4 - Inch	30.00	32.28	24.75
12	6 - Inch	45.00	48.41	38.00
13	8 - Inch	60.00	64.55	49.50
14	10 - Inch	120.00	129.1	99.00
15	12 - Inch	180.00	193.65	148.50
16	Prison	200.00	215.17	200.00
17	NO GALLONS INCLUDED OR PROPOSED IN THE MONTHLY MINIMUM USAGE CHARGE			
	COMMODITY RATES - ALL METERS (Per 1,000 Gallons):			
18	All Meters (Except construction, irrigation, public interruptible)			
19	Tier 1 (0 to 8,000 gallons)	$ 1.78	1.91	1.64
20	Tier 2 (Above 8,000 gall0ns)	2.24	2.41	1.86
21	Prison	2.02	2.17	1.92
22	Public Interruptible, contract rate	1.00	1.00	0.90

ARIZONA AMERICAN - ANTHEM WATER
DOCKET NO. W-01303-02-0868
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MDC-6	OPERATING INCOME
MDC-7	SUMMARY OF OPERATING ADJUSTMENTS
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MDC-16	RATE DESIGN

ARIZONA AMERICAN - ANTHEM WATER
TEST YEAR ENDING DECEMBER 31, 2001
REVENUE REQUIREMENTS

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-1

LINE NO.	DESCRIPTION	(A) PER COMPANY RCND	(B) ADJUSTMENTS TO RESTATE TO ORIGINAL COST	(C) PER COMPANY ORIG. COST	(D) RUCO RECOMMENDED
1	RATE BASE	$9,837,108	10,377,121	20,214,229	8,766,964
2	ADJUSTED OPERATING INCOME	577,577		577,577	836,402
3	CURRENT RATE OF RETURN	5.87%		2.86%	9.54%
4	REQUIRED OPERATING INCOME	762,376		1,566,603	575,990
5	REQUIRED RATE OF RETURN	7.75%		7.75%	6.57%
6	OPERATING INCOME DEFICIENCY	184,799		989,026	(260,412)
7	REVENUE CONVERSION FACTOR	1.6286		1.6286	1.6287
8	INCREASE IN REVENUE REQUIREMENT	$300,963		$1,610,727	($424,126)
9	TEST YEAR REVENUE	4,010,805		4,010,805	4,010,805
10	PROPOSED REVENUE	4,311,768		5,621,532	3,586,679
99	PERCENTAGE INCREASE	7.50%		40.16%	-10.57%
12	RETURN ON EQUITY				

REFERENCES
COLUMN (A): COMPANY SCH. A-1
COLUMN (B): COMPANY SCH. B-1
COLUMN (C): COMPANY SCH. B-1
COLUMN (D): SCH. MDC-2, MDC-6 & WAR-1

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	REVENUE	1.0000	
2	LESS: TAX RATE	0.3860	NOTE (A)
3	SUBTOTAL	0.6140	LINE 1 - LINE 2
4	REVENUE CONVERSION FACTOR	1.6287	LINE 1/LINE 3

NOTE (A)
CALCULATION OF EFFECTIVE TAX RATE =

OPERATING INCOME BEFORE TAXES		100.00%
ARIZONA STATE TAX	-	6.97%
FEDERAL TAXABLE INCOME		93.03%
FEDERAL TAX RATE	x	34.00%
FEDERAL INCOME TAX		31.63%
EFFECTIVE TAX RATE		38.60%

ARIZONA AMERICAN - ANTHEM WATER
TEST YEAR ENDING DECEMBER 31, 2001
RATE BASE

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-2

LINE NO.	DESCRIPTION	(A) PER COMPANY RCND	(B) ADJUSTMENTS TO RESTATE TO ORIGINAL COST	(C) PER COMPANY ORIG. COST	(D) RUCO PROFORMA ADJUSTMENTS	(E) RUCO RECOMMENDED
1	PLANT IN SERVICE	$44,418,748	(2,990,096)	41,428,652	102,441	41,531,093
2	ACCUMULATED DEPRECIATION	2,231,837	(143,917)	2,087,920	503,846	2,591,766
3	NET PLANT	42,186,911	(2,846,179)	39,340,732	(401,405)	38,939,327
	LESS:					
4	AIAC	31,193,464	(2,099,822)	29,093,642	0	29,093,642
5	CIAC	1,153,043	(77,618)	1,075,425	0	1,075,425
6	AMORTIZATION OF CIAC	3,296	0	3,296	0	3,296
7	METER DEPOSITS		0		0	0
8	ADIT		0		0	0
9	ITC		0		0	0
	PLUS:					
10	UNAMORTIZED FINANCE CHRGS.		0		0	0
11	DEFERRED TAX ASSETS		0		0	0
12	WORKING CAPITAL		0		0	0
13	ACQUISITION ADJUSTMENT		11,045,860	11,045,860	(11,045,860)	0
14	TOTAL RATE BASE	9,837,108	10,377,121	20,214,229	(11,447,265)	8,766,964

REFERENCES
COLUMN (A): COMPANY SCH. B-1
COLUMN (B): SCH. MDC-3
COLUMN (C): COLUMN (A) + COLUMN(B)
COLUMN (D): SCH. MDC-3
COLUMN (E): COLUMN (C) +COLUMN (B)

ARIZONA AMERICAN - ANTHEM WATER
TEST YEAR ENDING DECEMBER 31, 2001
SUMMARY OF RATE BASE ADJUSTMENTS

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-3

LINE NO.	DESCRIPTION	PER COMPANY ORIG. COST	ADJ #1	ADJ #2	ADJ #3	ADJ #4	RUCO ADJUSTED
1	PLANT IN SERVICE	$41,428,652	249	102,192			41,531,093
2	ACCUMULATED DEPRECIATION	2,087,920	448,104	55,742			2,591,766
3	NET PLANT	39,340,732	(447,855)	46,450	0	0	38,939,327
	LESS:						
4	AIAC	29,093,642					29,093,642
5	CIAC	1,075,425					1,075,425
6	AMORTIZATION OF CIAC	0					0
7	METER DEPOSITS	3,296					3,296
8	ADIT	0					0
9	ITC	0					0
	PLUS:						
10	UNAMORTIZED FINANCE CHRGS.						0
11	DEFERRED TAX ASSETS						0
12	WORKING CAPITAL						0
13	ACQUISITION ADJUSTMENT	11,045,860			(11,045,860)		0
14	TOTAL RATE BASE	$20,214,229	($447,855)	$46,450	($11,045,860)	$0	$8,766,964

ADJ NO		REFERENCE
1	T/Y PLANT & ACCUM. DEPREC.	SCH. MDC-4
2	PROFORMA PLANT & ACCUM. DEPREC.	SCH. MDC-5
3	ACQUISITION ADJUSTMENT	TEST MDC
4	NOT USED	

ARIZONA AMERICAN - ANTHEM WATER
TEST YEAR ENDING DECEMBER 31, 2001
RATE BASE ADJ #1 - T/Y PLANT & ACCUMULATED DEPRECIATION

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-4

LINE NO.	ACCT. NO.	DESCRIPTION	PLANT @12/31/98	1999 PLANT ADDS	1999 RETIREMENTS	1999 END PLANT BALANCE	ACCUMULATED DEPRECIATION	1999 END NET PLANT BALANCE
		INTANGIBLE						
1	301	ORGANIZATION	$0			0	0	0
2	302	FRANCHISES	0	2,031,797		2,031,797	0	2,031,797
3	303	MISC. INTANGIBLE	0			0	0	0
4		TOTAL INTANGIBLE	0	2,031,797	0	2,031,797	0	2,031,797
		SOURCE OF SUPPLY						
5	310	LAND & LAND RIGHTS	0	586		586	0	586
6	311	STRUCTURES & IMPROVEMENTS	0	116,420		116,420	1,455	114,965
7	312	COLLECTING & IMPOUNDING	0	435,121		435,121	5,439	429,682
8	313	LAKES, RIVER & INTAKES	0	469,924		469,924	0	469,924
9	314	WELL & SPRINGS	0	519,209		519,209	6,542	512,667
10		TOTAL SOURCE OF SUPPLY	0	1,541,260	0	1,541,260	13,436	1,527,824
		PUMPING						
11	320	LAND & LAND RIGHTS	0			0	0	0
12	321	STRUCTURES & IMPROVEMENTS	0	2,371,053		2,371,053	19,798	2,351,255
13	323	OTHER POWER PRODUCTION	0			0	0	0
14	325	ELECTRIC PUMPING EQUIP.	0	10,035,080		10,035,080	221,775	9,813,305
15	326	DIESEL PUMPING EQUIP.	0			0	0	0
16	328.1	GAS ENGINE PUMPING EQUIP.	0			0	0	0
17		TOTAL PUMPING	0	12,406,133	0	12,406,133	241,574	12,164,559
		WATER TREATMENT						
18	303	LAND & LAND RIGHTS	0				0	
19	331	STRUCTURE & IMPROVEMENTS	0	98,604		98,604	823	97,781
20	332	WATER TREATMENT EQUIP.	0	1,902,351		1,902,351	38,047	1,864,304
21		TOTAL WATER TREATMENT	0	2,000,955	0	2,000,955	38,870	1,962,085
		TRANSMISSION & DISTRIBUTION						
22	340	LAND & LAND RIGHTS	0			0	0	0
23	341	STRUCTURES & IMPROVEMENTS	0	21,822		21,822	218	21,604
24	342	DISTRIBUTION & RESERVIORS	0	3,905,131		3,905,131	32,608	3,872,523
25	434	TRANSMISSION & DISTRIBUTION	0	10,026,360		10,026,360	76,702	9,949,658
26	344	FIRE MAINS	0			0	0	0
27	345	SERVICES	0	284,363		284,363	3,526	280,837
28	346	METERS	0	170,385		170,385	2,138	168,247
29	348	HYDRANTS	0	231,747		231,747	2,317	229,430
30	349	OTHER	0			0	0	0
31		TOTAL TRANS. & DISTRIBUTION	0	14,639,808	0	14,639,808	117,510	14,522,298
		GENERAL						
32	389	LAND & LAND RIGHTS	0			0	0	0
33	390	STRUCTURES & IMPROVEMENTS	0	129,803		129,803	1,090	128,713
34	391	OFFICE FURNITURE & EQUIP.	0	37,160		37,160	845	36,315
35	391.1	COMPUTER EQUIP.	0			0	0	0
36	392	TRANSPORTATION EQUIP.	0			0	0	0
37	393	STORES EQUIP.	0			0	0	0
38	394	TOOLS, SHOP & GARAGE	0			0	0	0
39	395	LABORATORY	0	28,517		28,517	529	27,988
40	396	POWER OPERATED EQUIP.	0			0	0	0
41	397	COMMUNICATION EQUIP.	0			0	0	0
42	398	MISCELLANEOUS EQUIP.	0			0	0	0
43		TOTAL GENERAL	0	195,480	0	195,480	2,465	193,015
44		TOTAL PLANT	0	32,815,433	0	32,815,433	413,855	32,401,578

ARIZONA AMERICAN - ANTHEM WATER
TEST YEAR ENDING DECEMBER 31, 2001
RATE BASE ADJ #1 - T/Y PLANT & ACCUMULATED DEPRECIATION

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-4

LINE NO.	ACCT. NO.	DESCRIPTION	2000 PLANT ADDS	2000 RETIREMENTS	2000 END PLANT BALANCE	ACCUMULATED DEPRECIATION	2000 END NET PLANT BALANCE
		INTANGIBLE					
1	301	ORGANIZATION			0	0	0
2	302	FRANCHISES	(37,242)		1,994,555	0	1,994,555
3	303	MISC. INTANGIBLE			0	0	0
4		TOTAL INTANGIBLE	(37,242)	0	1,994,555	0	1,994,555
		SOURCE OF SUPPLY					
5	310	LAND & LAND RIGHTS		(86)	500	0	500
6	311	STRUCTURES & IMPROVEMENTS	(17,093)		99,327	4,152	95,175
7	312	COLLECTING & IMPOUNDING	(64,142)		370,979	15,515	355,464
8	313	LAKES, RIVER & INTAKES	(69,273)		400,651	0	400,651
9	314	WELL & SPRINGS		(76,538)	442,671	18,662	424,009
10		TOTAL SOURCE OF SUPPLY	(150,508)	(76,624)	1,314,128	38,329	1,275,799
		PUMPING					
11	320	LAND & LAND RIGHTS			0	0	0
12	321	STRUCTURES & IMPROVEMENTS	(349,543)		2,021,510	56,476	1,965,034
13	323	OTHER POWER PRODUCTION			0	0	0
14	325	ELECTRIC PUMPING EQUIP.	(1,588,122)		8,446,958	630,228	7,816,730
15	326	DIESEL PUMPING EQUIP.			0	0	0
16	328.1	GAS ENGINE PUMPING EQUIP.			0	0	0
17		TOTAL PUMPING	(1,937,665)	0	10,468,468	686,705	9,781,763
		WATER TREATMENT					
18	303	LAND & LAND RIGHTS			0	0	0
19	331	STRUCTURE & IMPROVEMENTS			98,604	2,470	96,134
20	332	WATER TREATMENT EQUIP.	(280,748)		1,621,603	108,526	1,513,077
21		TOTAL WATER TREATMENT	(280,748)	0	1,720,207	110,996	1,609,211
		TRANSMISSION & DISTRIBUTION					
22	340	LAND & LAND RIGHTS			0	0	0
23	341	STRUCTURES & IMPROVEMENTS	(3,217)		18,605	622	17,983
24	342	DISTRIBUTION & RESERVIORS	(399,433)		3,505,698	94,488	3,411,210
25	434	TRANSMISSION & DISTRIBUTION	(762,717)		9,263,643	224,270	9,039,373
26	344	FIRE MAINS			0	0	0
27	345	SERVICES	208,981		493,344	13,170	480,174
28	346	METERS	53,254		223,639	7,083	216,556
29	348	HYDRANTS	191,637		423,384	8,869	414,515
30	349	OTHER			0	0	0
31		TOTAL TRANS. & DISTRIBUTION	(711,495)	0	13,928,313	348,503	13,579,810
		GENERAL					
32	389	LAND & LAND RIGHTS			0	0	0
33	390	STRUCTURES & IMPROVEMENTS	(19,135)		110,668	3,110	107,558
34	391	OFFICE FURNITURE & EQUIP.	1,913		39,073	2,580	36,493
35	391.1	COMPUTER EQUIP.			0	0	0
36	392	TRANSPORTATION EQUIP.	26,180		26,180	3,273	22,908
37	393	STORES EQUIP.			0	0	0
38	394	TOOLS, SHOP & GARAGE			0	0	0
39	395	LABORATORY	(4,204)		24,313	1,509	22,804
40	396	POWER OPERATED EQUIP.			0	0	0
41	397	COMMUNICATION EQUIP.			0	0	0
42	398	MISCELLANEOUS EQUIP.	1,993		1,993	50	1,943
43		TOTAL GENERAL	6,747	0	202,227	10,521	191,706
44		TOTAL PLANT	(3,110,911)	(76,624)	29,627,898	1,195,054	28,432,844

ARIZONA AMERICAN - ANTHEM WATER
TEST YEAR ENDING DECEMBER 31, 2001
RATE BASE ADJ #1 - T/Y PLANT & ACCUMULATED DEPRECIATION

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-4
PAGE 3 OF 4

LINE NO.	ACCT. NO.	DESCRIPTION	2001 PLANT ADDS	2001 RETIREMENTS	2001 END PLANT BALANCE	ACCUMULATED DEPRECIATION	2001 END NET PLANT BALANCE
		INTANGIBLE					
1	301	ORGANIZATION			0	0	0
2	302	FRANCHISES	1,951,772	(118,850)	3,827,477	0	3,827,477
3	303	MISC. INTANGIBLE			0	0	0
4		TOTAL INTANGIBLE	1,951,772	(118,850)	3,827,477	0	3,827,477
		SOURCE OF SUPPLY					
5	310	LAND & LAND RIGHTS	4,500		5,000	0	5,000
6	311	STRUCTURES & IMPROVEMENTS		(9,145)	90,182	6,521	83,661
7	312	COLLECTING & IMPOUNDING			370,979	24,790	346,189
8	313	LAKES, RIVER & INTAKES		(5,679)	394,972	0	394,972
9	314	WELL & SPRINGS	18,825		461,496	30,054	431,442
10		TOTAL SOURCE OF SUPPLY	23,325	(14,824)	1,322,629	61,365	1,261,264
		PUMPING					
11	320	LAND & LAND RIGHTS	20,000		20,000	0	20,000
12	321	STRUCTURES & IMPROVEMENTS	36,369		2,057,879	90,539	1,967,340
13	323	OTHER POWER PRODUCTION			0	0	0
14	325	ELECTRIC PUMPING EQUIP.	1,157,476		9,604,434	1,029,164	8,575,270
15	326	DIESEL PUMPING EQUIP.			0	0	0
16	328.1	GAS ENGINE PUMPING EQUIP.	1,476		1,476	33	1,443
17		TOTAL PUMPING	1,215,321	0	11,683,789	1,119,736	10,564,053
		WATER TREATMENT					
18	303	LAND & LAND RIGHTS			0	0	0
19	331	STRUCTURE & IMPROVEMENTS	550,487		649,091	8,713	640,378
20	332	WATER TREATMENT EQUIP.	2,734,465		4,356,068	228,080	4,127,988
21		TOTAL WATER TREATMENT	3,284,952	0	5,005,159	236,793	4,768,366
		TRANSMISSION & DISTRIBUTION					
22	340	LAND & LAND RIGHTS			0	0	0
23	341	STRUCTURES & IMPROVEMENTS		(137)	18,468	993	17,475
24	342	DISTRIBUTION & RESERVIORS		(94,184)	3,411,514	152,247	3,259,267
25	434	TRANSMISSION & DISTRIBUTION	4,559,131		13,822,774	400,881	13,421,893
26	344	FIRE MAINS			0	0	0
27	345	SERVICES	280,102		773,446	28,878	744,568
28	346	METERS	187,618		411,257	15,051	396,206
29	348	HYDRANTS	195,310		618,694	19,290	599,404
30	349	OTHER				0	0
31		TOTAL TRANS. & DISTRIBUTION	5,222,161	(94,321)	19,056,153	617,340	18,438,813
		GENERAL					
32	389	LAND & LAND RIGHTS			0	0	0
33	390	STRUCTURES & IMPROVEMENTS			110,668	4,970	105,698
34	391	OFFICE FURNITURE & EQUIP.			39,073	4,358	34,715
35	391.1	COMPUTER EQUIP.			0	0	0
36	392	TRANSPORTATION EQUIP.	83,421		109,601	20,245	89,356
37	393	STORES EQUIP.			0	0	0
38	394	TOOLS, SHOP & GARAGE	4,046		4,046	84	3,962
39	395	LABORATORY			24,313	2,411	21,902
40	396	POWER OPERATED EQUIP.	4,719		4,719	121	4,598
41	397	COMMUNICATION EQUIP.			0	0	0
42	398	MISCELLANEOUS EQUIP.	6,447		8,440	309	8,131
43		TOTAL GENERAL	98,633	0	300,860	32,498	268,362
44		TOTAL PLANT	11,796,164	(227,995)	41,196,067	2,067,731	39,128,336

ARIZONA AMERICAN - ANTHEM WATER
TEST YEAR ENDING DECEMBER 31, 2001
RATE BASE ADJ #1 - T/Y PLANT & ACCUMULATED DEPRECIATION

LINE NO.	ACCT. NO.	DESCRIPTION	RUCO TEST YEAR PLANT	COMPANY GENERAL PLANT ADJ.	COMPANY COMMON PLANT ADJ.	RUCO T/Y PLANT POST-ACQ.	RUCO TEST YEAR ACCUM. DEPREC	COMPANY GENERAL ACCUM. ADJ.	COMPANY COMMON ACCUM. ADJ.	RUCO T/Y ACCUM. DEPR. POST-ACQ.
		INTANGIBLE								
1	301	ORGANIZATION	$0			0	0			0
2	302	FRANCHISES	3,827,477			3,827,477	0			0
3	303	MISC. INTANGIBLE	0			0	0			0
4		TOTAL INTANGIBLE	3,827,477	0	0	3,827,477	0	0	0	0
		SOURCE OF SUPPLY								
5	310	LAND & LAND RIGHTS	5,000			5,000	0			0
6	311	STRUCTURES & IMPROVEMENTS	90,182			90,182	6,521			6,521
7	312	COLLECTING & IMPOUNDING	370,979			370,979	24,790			24,790
8	313	LAKES, RIVER & INTAKES	394,972			394,972	0			0
9	314	WELL & SPRINGS	461,496			461,496	30,054			30,054
10		TOTAL SOURCE OF SUPPLY	1,322,629	0	0	1,322,629	61,365	0	0	61,365
		PUMPING								
11	320	LAND & LAND RIGHTS	20,000			20,000	0			0
12	321	STRUCTURES & IMPROVEMENTS	2,057,879			2,057,879	90,539			90,539
13	323	OTHER POWER PRODUCTION	0			0	0			0
14	325	ELECTRIC PUMPING EQUIP.	9,604,434			9,604,434	1,029,164			1,029,164
15	326	DIESEL PUMPING EQUIP.	0			0	0			0
16	328.1	GAS ENGINE PUMPING EQUIP.	1,476			1,476	33			33
17		TOTAL PUMPING	11,683,789	0	0	11,683,789	1,119,736	0	0	1,119,736
		WATER TREATMENT								
18	303	LAND & LAND RIGHTS	0			0	0			0
19	331	STRUCTURE & IMPROVEMENTS	649,091			649,091	8,713			8,713
20	332	WATER TREATMENT EQUIP.	4,356,068			4,356,068	228,080			228,080
21		TOTAL WATER TREATMENT	5,005,159	0	0	5,005,159	236,793	0	0	236,793
		TRANSMISSION & DISTRIBUTION								
22	340	LAND & LAND RIGHTS	0			0	0			0
23	341	STRUCTURES & IMPROVEMENTS	18,468			18,468	993			993
24	342	DISTRIBUTION & RESERVIORS	3,411,514			3,411,514	152,247			152,247
25	434	TRANSMISSION & DISTRIBUTION	13,822,774			13,822,774	400,881			400,881
26	344	FIRE MAINS	0			0	0			0
27	345	SERVICES	773,446			773,446	28,878			28,878
28	346	METERS	411,257			411,257	15,051			15,051
29	348	HYDRANTS	618,694			618,694	19,290			19,290
30	349	OTHER	0			0	0			0
31		TOTAL TRANS. & DISTRIBUTION	19,056,153	0	0	19,056,153	617,340	0	0	617,340
		GENERAL								
32	389	LAND & LAND RIGHTS	0		171	171	0			
33	390	STRUCTURES & IMPROVEMENTS	110,668	(110,668)	117,574	117,574	4,970	(4,970)	10916	10,916
34	391	OFFICE FURNITURE & EQUIP.	39,073	(39,073)	35,023	35,023	4,358	(4,358)	12656	12,656
35	391.1	COMPUTER EQUIP.	0	0	50,142	50,142	0	0	-15260	(15,260)
36	392	TRANSPORTATION EQUIP.	109,601	(109,601)	63,098	63,098	20,245	(20,245)	36445	36,445
37	393	STORES EQUIP.	0	0	1,008	1,008	0	0	273	273
38	394	TOOLS, SHOP & GARAGE	4,046	(4,046)	14,430	14,430	84	(84)	640	640
39	395	LABORATORY	24,313	(24,313)	4,571	4,571	2,411	(2,411)	806	806
40	396	POWER OPERATED EQUIP.	4,719	(4,719)	4,224	4,224	121	(121)	1503	1,503
41	397	COMMUNICATION EQUIP.	0	0	20,273	20,273	0	0	11676	11,676
42	398	MISCELLANEOUS EQUIP.	8,440	(8,440)	9,728	9,728	309	(309)	4509	4,509
43		TOTAL GENERAL	300,860	(300,860)	320,242	320,242	32,498	(32,498)	64,164	64,164
44		TOTALS	41,196,067	(300,860)	320,242	41,215,449	2,067,731	(32,498)	64,164	2,099,398
45		TOTALS PER COMPANY				41,215,200				1,651,294
46		ADJUSTMENTS				$249				$448,104

ARIZONA AMERICAN - ANTHEM WATER
TEST YEAR ENDING DECEMBER 31, 2001
RATE BASE ADJ #2 - PROFORMA PLANT

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-5

LINE NO.	ACCT. NO.	DESCRIPTION	RUCO T/Y PLANT	RUCO PROFORMA PLANT	ORCOM & PLANT AT CLOSING	RUCO RECOMMENDED PLANT	RUCO T/Y ACC. DEP	DEPREC. ON PROFORMA PLANT	ACC. DEPREC. AT CLOSING	RUCO RECOMMENDED ACC. DEP
		INTANGIBLE								
1	301	ORGANIZATION	$0		30,952	30,952	0	0		0
2	302	FRANCHISES	3,827,477			3,827,477	0	0		0
3	303	MISC. INTANGIBLE	0			0	0	0		0
4		TOTAL INTANGIBLE	3,827,477	0	30,952	3,858,429	0	0	0	0
		SOURCE OF SUPPLY								
5	310	LAND & LAND RIGHTS	5,000			5,000	0	0		0
6	311	STRUCTURES & IMPROVEMENTS	90,182	11,945		102,127	6,521	149	1,127	7,797
7	312	COLLECTING & IMPOUNDING	370,979			370,979	24,790	0	3,096	27,886
8	313	LAKES, RIVER & INTAKES	394,972			394,972	0	0	4,935	4,935
9	314	WELL & SPRINGS	461,496			461,496	30,054	0		30,054
10		TOTAL SOURCE OF SUPPLY	1,322,629	11,945	0	1,334,574	61,365	149	9,158	70,672
		PUMPING								
11	320	LAND & LAND RIGHTS	20,000			20,000	0	0		0
12	321	STRUCTURES & IMPROVEMENTS	2,057,879			2,057,879	90,539	0	17,176	107,715
13	323	OTHER POWER PRODUCTION	0			0	0	0		0
14	325	ELECTRIC PUMPING EQUIP.	9,604,434			9,604,434	1,029,164	0	212,172	1,241,336
15	326	DIESEL PUMPING EQUIP.	0			0	0	0		0
16	328.1	GAS ENGINE PUMPING EQUIP.	1,476			1,476	33	0	33	66
17		TOTAL PUMPING	11,683,789	0	0	11,683,789	1,119,736	0	229,381	1,349,117
		WATER TREATMENT								
18	303	LAND & LAND RIGHTS	0			0	0	0		0
19	331	STRUCTURE & IMPROVEMENTS	649,091			649,091	8,713	0	5,296	14,009
20	332	WATER TREATMENT NEQUIP.	4,356,068			4,356,068	228,080	0	87,377	315,457
21		TOTAL WATER TREATMENT	5,005,159	0	0	5,005,159	236,793	0	92,673	329,466
		TRANSMISSION & DISTRIBUTION								
22	340	LAND & LAND RIGHTS	0			0	0	0		0
23	341	STRUCTURES & IMPROVEMENTS	18,468			18,468	993	0	154	1,147
24	342	DISTRIBUTION & RESERVIORS	3,411,514			3,411,514	152,247	0	14,840	167,087
25	434	TRANSMISSION & DISTRIBUTION	13,822,774			13,822,774	400,881	0	118,190	519,071
26	344	FIRE MAINS	0			0	0	0	0	0
27	345	SERVICES	773,446			773,446	28,878	0	9,587	38,465
28	346	METERS	411,257			411,257	15,051	0	4,814	19,865
29	348	HYDRANTS	618,694			618,694	19,290	0	6,184	25,474
30	349	OTHER	0			0	0	0		0
31		TOTAL TRANS. & DISTRIBUTION	19,056,153	0	0	19,056,153	617,340	0	153,769	771,109
		GENERAL								
32	389	LAND & LAND RIGHTS	171			171	0	0		0
33	390	STRUCTURES & IMPROVEMENTS	117,574	228,615		346,189	10,916	1,920	924	13,760
34	391	OFFICE FURNITURE & EQUIP.	35,023			35,023	12,656	0	896	13,552
35	391.1	COMPUTER EQUIP.	50,142	31,051		81,193	(15,260)	706		(14,554)
36	392	TRANSPORTATION EQUIP.	63,098	9,293		72,391	36,445	1,162	838	38,445
37	393	STORES EQUIP.	1,008			1,008	273	0		273
38	394	TOOLS, SHOP & GARAGE	14,430	3,788		18,218	640	78	31	749
39	395	LABORATORY	4,571			4,571	806	0	451	1,257
40	396	POWER OPERATED EQUIP.	4,224			4,224	1,503	0	36	1,539
41	397	COMMUNICATION EQUIP.	20,273			20,273	11,676	0		11,676
42	398	MISCELLANEOUS EQUIP.	9,728			9,728	4,509	0	194	4,703
43		TOTAL GENERAL	320,242	272,747	0	592,989	64,164	3,867	3,370	71,401
44		TOTALS	41,215,449	284,692	30,952	41,531,093	2,099,398	4,016	488,351	2,591,765
45		TOTALS PER COMPANY		182,500	30,952			0	436,625	
46		ADJUSTMENTS		$102,192	$0			$4,016	$51,726	

ARIZONA AMERICAN - ANTHEM WATER
TEST YEAR ENDING DECEMBER 31, 2001
OPERATING INCOME

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-6

LINE NO.	DESCRIPTION	(A) COMPANY ADJUSTED	(B) RUCO ADJUSTMENTS	(C) RUCO ADJUSTED	(D) RUCO PROPOSED INCREASE	(E) RUCO PROFORMA
	REVENUES					
1	METERED REVENUES	$2,060,418	0	2,060,418	(424,126)	1,636,292
2	UNMETERED REVENUE	0	0	0		0
3	OTHER REVENUE	1,950,387	0	1,950,387		1,950,387
4	TOTAL REVENUES	4,010,805	0	4,010,805	(424,126)	3,586,679
	EXPENSES					
5	SALARIES & WAGES	585,309	(287,724)	297,585		297,585
6	PURCHASED WATER	211,055	0	211,055		211,055
7	PURCHASED POWER	264,489	0	264,489		264,489
8	CHEMICALS	95,282	0	95,282		95,282
9	REPAIRS & MAINTENANCE	130,909	0	130,909		130,909
10	OFFICE SUPPIES & EXPENSE	74,576	(9,701)	64,875		64,875
11	OUTSIDE SERVICES	27,139	0	27,139		27,139
12	SERVICE COMPANY CHRGS.	472,080	(72,098)	399,982		399,982
13	WATER TESTING	1,193	0	1,193		1,193
14	RENTS	18,568	0	18,568		18,568
15	TRANSPORTATION	0	0	0		0
16	INSURANCE - GENERAL LIABILITY	17,095	(5,285)	11,810		11,810
17	INSURANCE - HEALTH & LIFE	0	0	0		0
18	RATE CASE EXPENSE	26,471	(10,632)	15,839		15,839
19	MISCELLANEOUS EXPENSE	172,138	1,032	173,170		173,170
20	DEPRECIATION	912,306	(8,702)	903,604		903,604
21	TAXES OTHER THAN INCOME	31,169	(8,901)	22,268		22,268
22	PROPERTY TAXES	225,131	(53,360)	171,771		171,771
23	INCOME TAX	168,318	196,546	364,864	(163,713)	201,150
24	TOTAL EXPENSES	3,433,228	(258,825)	3,174,403		
25	NET INCOME	$577,577	$258,825	$836,402	($260,412)	$3,586,679

REFERENCES
COLUMN (A): COMPANY SCH. C-1
COLUMN (B): SCH. MDC-7
COLUMN (C): COLUMN (A) - COLUMN (B)
COLUMN (D): SCH. MDC-1

ARIZONA AMERICAN - ANTHEM WATER
TEST YEAR ENDING DECEMBER 31, 2001
SUMMARY OF OPERATING ADJUSTMENTS

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-7

LINE NO.	DESCRIPTION	COMPANY ADJUSTED	ADJ #1	ADJ #2	ADJ #3	ADJ #4	ADJ #5	ADJ #6	ADJ #7	ADJ #8	ADJ #9	ADJ #10	RUCO ADJUSTED
	REVENUES												
1	METERED REVENUES	$2,060,418											2,060,418
2	UNMETERED REVENUE	0											0
3	OTHER REVENUE	1,950,387											1,950,387
4	TOTAL REVENUES	4,010,805	0	0	0	0	0	0	0	0	0	0	4,010,805
	EXPENSES												
5	SALARIES & WAGES	585,309				(116,339)				(171,385)			297,585
6	PURCHASED WATER	211,055											211,055
7	PURCHASED POWER	264,489											264,489
8	CHEMICALS	95,282											95,282
9	REPAIRS & MAINTENANCE	130,909											130,909
10	OFFICE SUPPIES & EXPENSE	74,576								(9,701)			64,875
11	OUTSIDE SERVICES	27,139											27,139
12	SERVICE COMPANY CHRGS.	472,080			($72,098)								399,982
13	WATER TESTING	1,193											1,193
14	RENTS	18,568											18,568
15	TRANSPORTATION	0											0
16	INSURANCE - GENERAL LIABILITY	17,095								(5,285)			11,810
17	INSURANCE - HEALTH & LIFE	0											0
18	RATE CASE EXPENSE	26,471							(10,632)				15,839
19	MISCELLANEOUS EXPENSE	172,138								1,032			173,170
20	DEPRECIATION	912,306					($8,702)						903,604
21	TAXES OTHER THAN INCOME	31,169				(8,901)							22,268
22	PROPERTY TAXES	225,131						(53,360)					171,771
23	INCOME TAX	168,318										196,546	364,864
24	TOTAL EXPENSES	3,433,228	0	0	(72,098)	(125,239)	(8,702)	(53,360)	(10,632)	(185,339)	0	196,546	3,174,403
25	NET INCOME	577,577	0	0	72,098	125,239	8,702	53,360	10,632	185,339	0	(196,546)	836,402

ADJ NO.		REFERENCE
1	CITIZENS CORPORATE ALLOCATIONS	SCH.MDC-8
2	CITIZENS PAYROLL	TESTIMONY MDC
3	AZ_AM SERVICE COMPANY CHARGES	SCH. MDC-9
4	AZ_AM PAYROLL	SCH. MDC-10
5	DEPRECIATION EXPENSE	SCH. MDC-11
6	PROPERTY TAXES	SCH. MDC-12
7	RATE CASE EXPENSE	SCH. MDC-13
8	AZ_AM OVERHEAD	SCH. MDC-14
9	NOT USED	
10	INCOME TAX EXPENSE	SCH. MDC-15

ARIZONA AMERICAN - ANTHEM WATER
TEST YEAR ENDING DECEMBER 31, 2001
OPERATING ADJ #3 - PROJECTED AZ_AM SERVICE CO. EXPENSES

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-9

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	ACTUAL 2002 SERVICE CO. EXPENSE	$4,366,610	CO. PROVIDED DATA
2	ESTIMATED ALLOC. PER FILING	5,153,711	CO. SCH. C-2, PG 4
3	ADJUSTMENT TO SERVICE CO. EXPENSE	(787,101)	LINE 1 - LINE 2
4	ANTHEM WATER ALLOCATION FACTOR	9.16%	CO. SCH. C-2, PG 4
5	SERVICE CO. ADJUSTMENT ALLOCATED	($72,098)	LINE 3 x LINE 4

ARIZONA AMERICAN - ANTHEM WATER
TEST YEAR ENDING DECEMBER 31, 2001
OPERATING ADJ #4 - PROJECTED AZ_AM SALARIES & WAGES

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-10

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	ACTUAL AZ_AM PAYROLL	$346,106	COMPANY SPREADSHEET
2	LESS: CAPITALIZED PAYROLL	93,449	LINE 1 x 27%
3	ACTUAL PAYROLL EXPENSE	252,657	LINE 1 - LINE 2
4	ESTIMATED PAYROLL PER AZ-AM	368,996	CO. SCH. C-2 PG. 5
5	PAYROLL ADJUSTMENT	($116,339)	LINE 3 - LINE 4
6	ACTUAL PAYROLL EXPENSE	252,657	LINE 3
7	PAYROLL TAX FACTOR	7.65%	FICA RATE
8	SUBTOTAL	19,328	LINE 6 x LINE 7
9	FUTA & SUTA TAX	2,940	$245 X 12 EMPLOYEES
10	PAYROLL TAXES	22,268	LINE 8 + LINE 9
11	ESTIMATED PER COMPANY	31,169	CO. SCH. C-2 PG. 5
12	PAYROLL TAX ADJUSTMENT	($8,901)	LINE 10 x LINE 11

ARIZONA AMERICAN - ANTHEM WATER
TEST YEAR ENDING DECEMBER 31, 2001
OPERATING ADJ #5 - DEPRECIATION EXPENSE

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-11

LINE NO.	ACCT	DESCRIPTION	RUCO PLANT	DEPREC. RATE	DEPREC. EXPENSE
		INTANGIBLE			
1	301	ORGANIZATION	$30,952	0.00%	0
2	302	FRANCHISES	3,827,477	0.00%	0
3	303	MISC. INTANGIBLE	0	0.00%	0
4		TOTAL INTANGIBLE	3,858,429		0
		SOURCE OF SUPPLY			
5	310	LAND & LAND RIGHTS	5,000	0.00%	0
6	311	STRUCTURES & IMPROVEMENTS	102,127	2.50%	2,553
7	312	COLLECTING & IMPOUNDING	370,979	2.50%	9,274
8	313	LAKES, RIVER & INTAKES	394,972	0.00%	0
9	314	WELL & SPRINGS	461,496	2.52%	11,630
10		TOTAL SOURCE OF SUPPLY	1,334,574		23,457
		PUMPING			
11	320	LAND & LAND RIGHTS	20,000	0.00%	0
12	321	STRUCTURES & IMPROVEMENTS	2,057,879	1.67%	34,367
13	323	OTHER POWER PRODUCTION	0	4.42%	0
14	325	ELECTRIC PUMPING EQUIP.	9,604,434	4.42%	424,516
15	326	DIESEL PUMPING EQUIP.	0	4.42%	0
16	328.1	GAS ENGINE PUMPING EQUIP.	1,476	4.42%	65
17		TOTAL PUMPING	11,683,789		458,948
		WATER TREATMENT			
18	303	LAND & LAND RIGHTS	0	0.00%	0
19	331	STRUCTURE & IMPROVEMENTS	649,091	1.67%	10,840
20	332	WATER TREATMENT EQUIP.	4,356,068	4.00%	174,243
21		TOTAL WATER TREATMENT	5,005,159		185,083
		TRANSMISSION & DISTRIBUTION			
22	340	LAND & LAND RIGHTS	0	0.00%	0
23	341	STRUCTURES & IMPROVEMENTS	18,468	2.00%	369
24	342	DISTRIBUTION & RESERVIORS	3,411,514	1.67%	56,972
25	434	TRANSMISSION & DISTRIBUTION	13,822,774	1.53%	211,488
26	344	FIRE MAINS	0	0.00%	0
27	345	SERVICES	773,446	2.48%	19,181
28	346	METERS	411,257	2.51%	10,323
29	348	HYDRANTS	618,694	2.00%	12,374
30	349	OTHER	0	0.00%	0
31		TOTAL TRANS. & DISTRIBUTION	19,056,153		310,708
		GENERAL			
32	389	LAND & LAND RIGHTS	171	0.00%	0
33	390	STRUCTURES & IMPROVEMENTS	346,189	1.68%	5,816
34	391	OFFICE FURNITURE & EQUIP.	35,023	4.55%	1,594
35	391.1	COMPUTER EQUIP.	81,193	4.55%	3,694
36	392	TRANSPORTATION EQUIP.	72,391	25.00%	18,098
37	393	STORES EQUIP.	1,008	3.92%	40
38	394	TOOLS, SHOP & GARAGE	18,218	4.14%	754
39	395	LABORATORY	4,571	3.71%	170
40	396	POWER OPERATED EQUIP.	4,224	5.14%	217
41	397	COMMUNICATION EQUIP.	20,273	10.28%	2,084
42	398	MISCELLANEOUS EQUIP.	9,728	4.98%	484
43		TOTAL GENERAL	592,989		32,951
44		TOTAL	41,531,093		1,011,146
45		CIAC	(1,075,425)	10.00%	(107,543)
46		TOTAL DEPRECIATION & AMORTIZATION			903,604
47		PER COMPANY			912,306
48		ADJUSTMENT			($8,702)

REFERENCES
COLUMN (A): SCH. MDC-5
COLUMN (B): REQUESTED RATES
COLUMN (C) COLUMN (A) x COLUMN (B)

ARIZONA AMERICAN - ANTHEM WATER
TEST YEAR ENDING DECEMBER 31, 2001
OPERATING ADJ #6 - PROPERTY TAXES

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-12

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	REVENUES -1999	$3,885,778	COMPANY SCH. E-2
2	REVENUES -2000	3,195,547	COMPANY SCH. E-2
3	REVENUES -2001	1,775,971	COMPANY SCH. E-2
4	TOTAL	8,857,296	SUM LINES 1 - 3
5	THREE YEAR AVERAGE	2,952,432	LINE 4/3 YRS.
6	THREE YEAR AVG. TIMES 2	5,904,864	LINE 5 x 2
7	ADD: 10% OF CWIP BALANCE	274,430	COMPANY SCH. E-1
8	LESS: LICENSED VEHICLES (NET)	26,653	SCH. MDC-5
9	FULL CASH VALUE	6,152,641	LINE 6 + LINE 7 - LINE 8
10	ASSESSMENT RATIO	25%	ADOR
11	ASSESSMENT VALUE	1,538,160	LINE 9 x LINE 10
12	PROPERTY TAX RATE	11.17%	
13	PROFORMA PROPERTY TAXES	171,771	LINE 11 xLINE 12
14	PROPERTY TAXES PER COMPANY	225,131	SCH. MDC-6
15	ADJUSTMENT	($53,360)	LINE 13 - LINE 14

ARIZONA AMERICAN - ANTHEM WATER
TEST YEAR ENDING DECEMBER 31, 2001
OPERATING ADJ #7 - RATE CASE EXPENSE

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-13

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	RATE CASE EXPENSE - PRIOR CASE	$366,231	DECISION #60172
2	CPI FACTOR	1.14	WEB SITE: minneapolisfed.org
3	RATE CASE EXPENSE - CURRENT DOLLARS	418,941	LINE 1 x LINE 2
4	RATE CASE EXPENSE - COMPANY REQUESTED	699,952	CO. COST ALLOCATION SPREADSHE
5	ADJUSTMENT TO RATE CASE EXPENSE	(281,011)	LINE 3 - LINE 4
6	3 YEAR AMORTIZATION	(93,670)	LINE 5/3
7	ANTHEM ALLOCATION	0.1135	CO. COST ALLOCATION SPREADSHE
8	ADJUSTMENT TO RATE CASE EXPENSE	($10,632)	LINE 6 x LINE 7

ARIZONA AMERICAN - ANTHEM WATER
TEST YEAR ENDING DECEMBER 31, 2001
OPERATING ADJ #8 - AZ_AM OVERHEADS

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-14

LINE NO.	DESCRIPTION	(A) PER COMPANY ESTIMATES	TOTAL COMPANY (B) ACTUAL EXPENSES	(C) ADJUSTMENT
1	EMPLOYEE BENEFITS	$964,147	374,404	(589,743)
2	DIRECTORS FEES:			
3	OFFICE SUPPLIES & EXPENSES	1,270,126	1,030,972	(239,154)
4	MISC. EXPENSES	6,000	8,500	2,500
5	TRUSTEES FEES:			
6	OFFICE SUPPLIES & EXPENSES	645,847	447,842	(198,005)
7	MISC. EXPENSES	17,058	21,881	4,823
8	INSURANCE	258,736	215,200	(43,536)
			ANTHEM WATER	
9	EMPLOYEE BENEFITS	216,313	44,928	(171,385)
10	OFFICE SUPPLIES & EXPENSES	63,385	53,684	(9,701)
11	MISC. EXPENSES	4,300	5,332	1,032
12	INSURANCE	16,997	11,712	(5,285)
13	TOTAL	300,995	115,656	(185,339)

ALLOCATION FACTORS	FAIR VALUE RATE BASE	YEAR-END CUST. COUNT	EMPLOYEE COUNT
Sun City Water	0.2695	0.1958	0.2400
Sun City Wastewater	0.1119	0.1866	0.0400
Sun City West Water	0.0908	0.1375	0.0600
Sun City West Wastewater	0.0744	0.1314	0.0900
Agua Fria	0.1052	0.1147	0.0700
Anthem Water	0.0544	0.0284	0.1200
Agua Fria, Anthem Wastewater	0.0158	0.0224	0.0600
Tubac	0.0109	0.0044	0.0100
Mohave Water	0.0842	0.1217	0.1500
Havasu Water	0.0076	0.0105	0.0300
Subtotal	0.8247	0.9534	0.8700
Mohave Sewer	0.0037	0.0051	0.0100
Paradise Valley	0.1715	0.0414	0.1200
TOTAL	1.0000	1.0000	1.0000

REFERENCES
COLUMN (A): CO.SCH. C-2, PG.11
COLUMN (B): CO. PROVIDED SPREADSHEET
COLUMN (C): COLUMN (A) - COLUMN (B)

ARIZONA AMERICAN - ANTHEM WATER
TEST YEAR ENDING DECEMBER 31, 2001
OPERATING ADJ#10 - INCOME TAX EXPENSE

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-15

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
	FEDERAL INCOME TAXES		
1	OPERATING INCOME BEFORE TAXES	$1,201,266	SCH. MDC-6
	LESS:		
2	ARIZONA STATE TAX	65,866	LINE 11
3	INTEREST EXPENSE	255,995	NOTE (A)
4	FEDERAL TAXABLE INCOME	879,404	LINE 1 - LINE 2 & 3
5	FEDERAL TAX RATE	34%	TAX RATE
6	FEDERAL INCOME TAX EXPENSE	298,997	LINE 4 x LINE 5
	STATE INCOME TAXES		
7	OPERATING INCOME BEFORE TAXES	1,201,266	LINE 1
	LESS:		
8	INTEREST EXPENSE	255,995	NOTE (A)
9	STATE TAXABLE INCOME	945,270	LINE 7 - LINE 8
10	STATE TAX RATE	6.97%	TAX RATE
11	STATE INCOME TAX EXPENSE	65,866	LINE 9 x LINE 10
12	TOTAL INCOME TAX	364,864	LINE 6 + LINE 11
13	TOTAL EXPENSE PER COMPANY	168,318	CO. SCH. C-1
14	ADJUSTMENT	$196,546	LINE 12 - LINE 13

NOTES
(A) INTEREST SYNCHRONIZATION

ADJUSTED RATE BASE	8,766,964
WGHTED COST OF DEBT	2.92%
INTEREST EXPENSE	255,995

Arizona Water Company - Anthem Water
Docket No. W-01303A-02-0867
Test Year Ended December 31, 2001

RATE DESIGN

LINE NO.	DESCRIPTION	(A) RUCO PROPOSED RATE DES'N	(B) ANNUALIZED CUST. & GAL. COUNT	(C) RUCO PROPOSED REVENUE
	MONTHLY MINIMUM USAGE CHARGE:			
		$ 12.00		
1	5/8 X 3/4 - Inch	12.00	99	$ 1,188
2	3/4 - Inch	12.00	19,849	238,188
3	1 - Inch	24.00	15,720	377,280
4	1 1/2 - Inch	48.00	95	4,560
5	2 - Inch	60.00	480	28,800
6	3 - Inch	120.00	72	8,640
7	4 - Inch	150.00	24	3,600
8	6 - Inch	187.50	-	-
9	8 - Inch	1,000.00	-	-
10	**Private Fire Protection**			
11	3 - Inch	60.00	-	$ -
12	4 - Inch	72.00	37	$ 2,664
13	6 - Inch	104.00	144	$ 14,977
14	8 - Inch	154.00	0	$ 0
15	10 - Inch	308.00	-	$ -
16	TOTAL ANNUALIZED MONTHLY CUSTOMER COUNT AND BASIC CHARGE		36,520	$ 679,897
17	NO GALLONS INCLUDED OR PROPOSED IN THE MONTHLY MINIMUM USAGE CHARGE			
18	**COMMODITY RATES - ALL METERS (Per 1,000 Gallons):**			
19	All Gallonage (excluding Wholesale)	1.63	408,198,000	$ 665,363
20	Wholesale	1.80	35,826,000	64,487
			0	0
			0	0
21	TOTAL ANNUALIZED COMMODITY USAGE AND CHARGES		444,024,000	$ 729,850
22	Treatco Revenues			226,872
23	Other Revenue			1,950,387
24	**TOTAL PROPOSED ANNUALIZED REVENUE**			**$ 3,587,005**
25	Required Revenue (per Schedule MDC-6)			3,586,679
26	Difference			$ 326

RATE DESIGN - MONTHLY MINIMUM AND COMMODITY CHARGES

LINE NO.	DESCRIPTION	(A) PRESENT RATES	(B) COMPANY PROPOSED	(C) RUCO PROPOSED
	MONTHLY MINIMUM USAGE CHARGE:			
	Residential Commercial			
1	5/8 X 3/4 - Inch	$ 16.00	18.70	12.00
2	3/4 - Inch	16.00	18.70	12.00
3	1 - Inch	32.00	37.41	24.00
4	1 1/2 - Inch	64.00	74.82	48.00
5	2 - Inch	80.00	93.52	60.00
6	3 - Inch	160.00	187.04	120.00
7	4 - Inch	200.00	233.80	150.00
8	6 - Inch	250.00	292.25	187.50
9	8 - Inch		1,496.00	1,000.00
10	Private Fire Protection			
11	3 - Inch	70.00	81.83	60.00
12	4 - Inch	90.00	105.21	72.00
13	6 - Inch	135.00	157.82	104.00
14	8 - Inch	180.00	210.42	154.00
15	10 - Inch	360.00	420.84	308.00
16	NO GALLONS INCLUDED OR PROPOSED IN THE MONTHLY MINIMUM USAGE CHARGE			
	COMMODITY RATES - ALL METERS (Per 1,000 Gallons):			
17	Tier 1	$ 2.00	2.34	1.63
18	Wholesale	2.16	2.16	1.80

ARIZONA AMERICAN - ANTHEM WASTEWATER
DOCKET NO. W-01303-02-0868
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ARIZONA AMERICAN - ANTHEM WASTEWATER
TEST YEAR ENDING DECEMBER 31, 2002
REVENUE REQUIREMENTS

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-1

LINE NO.	DESCRIPTION	(A) PER COMPANY RCND	(B) ADJUSTMENTS TO RESTATE TO ORIGINAL COST	(C) PER COMPANY ORIG. COST	(D) RUCO RECOMMENDED
1	RATE BASE	$2,853,742	5,136,214	8,881,868	1,904,897
2	ADJUSTED OPERATING INCOME	(48,855)		(48,855)	75,508
3	CURRENT RATE OF RETURN	-1.71%		-0.55%	3.96%
4	REQUIRED OPERATING INCOME	221,165		688,345	121,342
5	REQUIRED RATE OF RETURN	7.75%		7.75%	6.37%
6	OPERATING INCOME DEFICIENCY	270,020		737,200	45,834
7	REVENUE CONVERSION FACTOR	1.6286		1.6286	1.6287
8	INCREASE IN REVENUE REQUIREMENT	$439,755		$1,200,604	$74,649
9	TEST YEAR REVENUE	1,866,546		1,866,546	1,866,546
10	PROPOSED REVENUE	2,306,301		3,067,150	1,941,195
11	PERCENTAGE INCREASE	23.56%		64.32%	4.00%
12	RETURN ON EQUITY				

REFERENCES
COLUMN (A): COMPANY SCH. A-1
COLUMN (B): COMPANY SCH. B-1
COLUMN (C): COMPANY SCH. B-1
COLUMN (D): SCH. MDC-2, MDC-6 & WAR-1

ARIZONA AMERICAN - ANTHEM WASTEWATER
TEST YEAR ENDING DECEMBER 31, 2002
REVENUE CONVERSION FACTOR

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-1

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	REVENUE	1.0000	
2	LESS: TAX RATE	0.3860	NOTE (A)
3	SUBTOTAL	0.6140	LINE 1 - LINE 2
4	REVENUE CONVERSION FACTOR	1.6287	LINE 1/LINE 3

NOTE (A)
CALCULATION OF EFFECTIVE TAX RATE =

OPERATING INCOME BEFORE TAXES		100.00%
ARIZONA STATE TAX	-	6.97%
FEDERAL TAXABLE INCOME		93.03%
FEDERAL TAX RATE	x	34.00%
FEDERAL INCOME TAX		31.63%
EFFECTIVE TAX RATE		38.60%

ARIZONA AMERICAN - ANTHEM WASTEWATER
TEST YEAR ENDING DECEMBER 31, 2002
RATE BASE

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-2

LINE NO.	DESCRIPTION	(A) PER COMPANY RCND	(B) ADJUSTMENTS TO RESTATE TO ORIGINAL COST	(C) PER COMPANY ORIG. COST	(D) RUCO PROFORMA ADJUSTMENTS	(E) RUCO RECOMMENDED
1	PLANT IN SERVICE	$24,106,918	(1,053,507)	23,053,411	29	23,053,440
2	ACCUMULATED DEPRECIATION	843,970	(54,749)	789,221	842,028	1,631,249
3	NET PLANT	23,262,948	(998,758)	22,264,190	(841,999)	21,422,191
	LESS:					
4	AIAC	19,937,010	0	19,045,098	0	19,045,098
5	CIAC	472,196	0	472,196	0	472,196
6	AMORTIZATION OF CIAC		0	0	0	0
7	METER DEPOSITS		0	0	0	0
8	ADIT		0	0	0	0
9	ITC		0	0	0	0
	PLUS:					
10	UNAMORTIZED FINANCE CHRGS.		0	0	0	0
11	DEFERRED TAX ASSETS		0	0	0	0
12	WORKING CAPITAL		0	0	0	0
13	ACQUISITION ADJUSTMENT		6,134,972	6,134,972	(6,134,972)	0
14	TOTAL RATE BASE	2,853,742	5,136,214	8,881,868	(6,976,971)	1,904,897

REFERENCES
COLUMN (A): COMPANY SCH. B-1
COLUMN (B): COLUMN (C) - COLUMN (A)
COLUMN (C): COMPANY SCHEDULE B-1
COLUMN (D): SCH. MDC-3
COLUMN (E): COLUMN (C) + COLUMN (D)

ARIZONA AMERICAN - ANTHEM WASTEWATER
TEST YEAR ENDING DECEMBER 31, 2002
SUMMARY OF RATE BASE ADJUSTMENTS

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-3

LINE NO.	DESCRIPTION	PER COMPANY ORIG. COST	ADJ #1	ADJ #2	ADJ #3	ADJ #4	RUCO ADJUSTED
1	PLANT IN SERVICE	$23,053,411	(2)	31			23,053,440
2	ACCUMULATED DEPRECIATION	789,221	397,604	444,424			1,631,249
3	NET PLANT	22,264,190	(397,606)	(444,393)	0	0	21,422,191
	LESS:						
4	AIAC	19,045,098					19,045,098
5	CIAC	472,196					472,196
6	AMORTIZATION OF CIAC	0					0
7	METER DEPOSITS	0					0
8	ADIT	0					0
9	ITC	0					0
	PLUS:						
10	UNAMORTIZED FINANCE CHRGS.						0
11	DEFERRED TAX ASSETS						0
12	WORKING CAPITAL						0
13	ACQUISITION ADJUSTMENT	6,134,972			(6,134,972)		0
14	TOTAL RATE BASE	8,881,868	(397,606)	(444,393)	(6,134,972)	0	1,904,897

ADJ NO		REFERENCE
1	T/Y PLANT & ACCUM. DEPREC.	SCH. MDC-4
2	PROFORMA PLANT& ACCUM. DEPREC.	SCH. MDC-5
3	ACQUISITION ADJUSTMENT	TEST MDC
4	NOT USED	

ARIZONA AMERICAN - ANTHEM WASTEWATER
TEST YEAR ENDING DECEMBER 31, 2002
RATE BASE #1 - T/Y PLANT & ACCUMULATED DEPRECIATION

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-4

LINE NO.	ACCT. NO.	DESCRIPTION	PLANT @12/31/99	1999 PLANT ADDS	1999 RETIREMENTS	1999 END PLANT BALANCE	ACCUMULATED DEPRECIATION	1999 END NET PLANT BALANCE
		INTANGIBLE						
1	301	ORGANIZATION	$0			0	0	0
2	302	FRANCHISES	0	174,247		174,247	0	174,247
3	303	MISC. INTANGIBLE	0			0	0	0
4		TOTAL INTANGIBLE	0	174,247	0	174,247	0	174,247
		TREATMENT & DISCHARGE						
5	310	LAND & LAND RIGHTS	0			0	0	0
6	311	STRUCTURES & IMPROVEMENTS	0			0	0	0
7	312	PRELIMINARY TREATMENT	0			0	0	0
8	313	PRIMARY TREATMENT	0			0	0	0
9	314	SECONDARY TREATMENT	0	417,421		417,421	10,436	406,985
10	315	TERTIARY TREATMENT	0	4,515,207		4,515,207	112,880	4,402,327
11	316	DISINFECTION EQUIP	0	39,368		39,368	984	38,384
12	317	EFFLUENT LIFT STA.	0			0	0	0
13	318	OUTFALL LINE	0			0	0	0
14	319	SLUDGE TREATMENT	0	166,989		166,989	4,175	162,814
15	321	INFLUENT LIFT STA.	0			0	0	0
16	322	GENERAL TREATMENT	0	62,291		62,291	1,557	60,734
17		TOTAL TREATMENT & DISCHARGE	0	5,201,276	0	5,201,276	130,032	5,071,244
		COLLECTION & INFLUENT						
18	340	LAND & LAND RIGHTS	0			0	0	0
19	341	STRUCTURES & IMPROVEMENTS	0			0	0	0
20	342	COLLECTION LIFT	0	122,108		122,108	5,129	116,979
21	343	COLLECTION MAINS	0	2,477,355		2,477,355	25,269	2,452,086
22	344	FORCE MAINS	0			0	0	0
23	345	DISCHARGE SERVICES	0	412,579		412,579	4,208	408,371
24	348	MANHOLES	0	672,859		672,859	6,830	666,029
25		TOTAL COLLECTION & INFLUENT	0	3,684,901	0	3,684,901	41,435	3,643,466
		GENERAL						
26	389	LAND & LAND RIGHTS	0			0	0	0
27	390	STRUCTURE & IMPROVEMENTS	0	729,103		729,103	6,124	722,979
28	391	OFFICE FURNITURE	0	37,160		37,160	845	36,315
29	391	COMPUTER	0			0	0	0
30	392	TRANSPORTATION	0			0	0	0
31	393	STORES	0			0	0	0
32	394	TOOL SHOP GARAGE	0			0	0	0
33	395	LABORATORY EQUIP.	0	36,271		36,271	673	35,598
34	396	POWER OPERATED	0			0	0	0
35	397	COMMUNICATION EQUIP.	0			0	0	0
36	398	MISC. EGUIP	0			0	0	0
37		TOTAL GENERAL	0	802,534	0	802,534	7,643	794,891
38		TOTAL PLANT	$0	$9,862,958	$0	$9,862,958	$179,110	$9,683,848

ARIZONA AMERICAN - ANTHEM WASTEWATER
TEST YEAR ENDING DECEMBER 31, 2002
RATE BASE #1 - T/Y PLANT & ACCUMULATED DEPRECIATION

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-4

	ACCT. NO.	DESCRIPTION	2000 PLANT ADDS	2000 RETIREMENTS	2000 END PLANT BALANCE	ACCUMULATED DEPRECIATION	2000 END NET PLANT BALANCE
		INTANGIBLE					
39	301	ORGANIZATION			0	0	0
40	302	FRANCHISES	$187,451		361,698	0	361,698
41	303	MISC. INTANGIBLE			0	0	0
42		TOTAL INTANGIBLE	187,451	0	361,698	0	361,698
		TREATMENT & DISCHARGE					
43	310	LAND & LAND RIGHTS			0	0	0
44	311	STRUCTURES & IMPROVEMENTS			0	0	0
45	312	PRELIMINARY TREATMENT			0	0	0
46	313	PRIMARY TREATMENT			0	0	0
47	314	SECONDARY TREATMENT	6,000		423,421	31,457	423,421
48	315	TERTIARY TREATMENT	(662,356)		3,852,851	322,082	3,821,394
49	316	DISINFECTION EQUIP	(5,803)		33,565	2,808	(288,517)
50	317	EFFLUENT LIFT STA.			0	0	(2,808)
51	318	OUTFALL LINE			0	0	0
52	319	SLUDGE TREATMENT	(24,616)		142,373	11,909	130,464
53	321	INFLUENT LIFT STA.			0	0	0
54	322	GENERAL TREATMENT	(9,182)		53,109	4,442	48,667
55		TOTAL TREATMENT & DISCHARGE	(695,957)	0	4,505,319	372,697	4,132,622
		COLLECTION & INFLUENT					
56	340	LAND & LAND RIGHTS			0	0	0
57	341	STRUCTURES & IMPROVEMENTS			0	0	0
58	342	COLLECTION LIFT	(18,000)		104,108	14,630	89,478
59	343	COLLECTION MAINS	731,737		3,209,092	83,271	3,125,821
60	344	FORCE MAINS			0	0	0
61	345	DISCHARGE SERVICES	352,218		764,797	16,218	748,579
62	348	MANHOLES	333,437		1,006,296	23,873	982,423
		TOTAL COLLECTION & INFLUENT	1,399,392	0	5,084,293	137,991	4,946,302
		GENERAL					
63	389	LAND & LAND RIGHTS			0	0	0
64	390	STRUCTURE & IMPROVEMENTS	(101,627)		627,476	17,520	609,956
65	391	OFFICE FURNITURE	(5,478)		31,682	2,412	29,270
66	391	COMPUTER			0	0	0
67	392	TRANSPORTATION			0	0	0
68	393	STORES			0	0	0
69	394	TOOL SHOP GARAGE			0	0	0
70	395	LABORATORY EQUIP.	(2,311)		33,960	1,976	31,984
71	396	POWER OPERATED			0	0	0
72	397	COMMUNICATION EQUIP.			0	0	0
73	398	MISC. EGUIP			0	0	0
74		TOTAL GENERAL	(109,416)	0	693,118	21,907	671,211
75		TOTAL PLANT	$781,470	$0	$10,644,428	$532,595	$10,111,833

ARIZONA AMERICAN - ANTHEM WASTEWATER
TEST YEAR ENDING DECEMBER 31, 2002
RATE BASE #1 - T/Y PLANT & ACCUMULATED DEPRECIATION

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-4

	ACCT. NO.	DESCRIPTION	2001 PLANT ADDS	2001 RETIREMENTS	2001 END PLANT BALANCE	ACCUMULATED DEPRECIATION	2001 END NET PLANT BALANCE
		INTANGIBLE					
76	301	ORGAN IZATION			0	0	0
77	302	FRANCHISES	($113,022)		248,676	0	248,676
78	303	MISC. INTANGIBLE			0	0	0
79		TOTAL INTANGIBLE	(113,022)	0	248,676	0	248,676
80		TREATMENT & DISCHARGE					
80	310	LAND & LAND RIGHTS	336,560		336,560	0	336,560
81	311	STRUCTURES & IMPROVEMENTS			0	0	0
82	312	PRELIMINARY TREATMENT	800,483		800,483	20,012	780,471
83	313	PRIMARY TREATMENT			0	0	0
84	314	SECONDARY TREATMENT	1,620,486		2,043,907	40,512	2,003,395
85	315	TERTIARY TREATMENT	3,048,851		6,901,702	128,849	6,772,853
86	316	DISINFECTION EQUIP	838,651		872,216	535,690	336,526
87	317	EFFLUENT LIFT STA.	808,883		808,883	24,708	784,175
88	318	OUTFALL LINE			0	0	0
89	319	SLUDGE TREATMENT	1,666,144		1,808,517	41,654	1,766,863
90	321	INFLUENT LIFT STA.			0	19,027	(19,027)
91	322	GENERAL TREATMENT	30,000		83,109	1,260	81,849
92		TOTAL TREATMENT & DISCHARGE	9,150,058	0	13,655,377	811,712	12,843,665
		COLLECTION & INFLUENT					
93	340	LAND & LAND RIGHTS			0	0	0
94	341	STRUCTURES & IMPROVEMENTS			0	0	0
95	342	COLLECTION LIFT	35,941		140,049	300	139,749
96	343	COLLECTION MAINS	2,641,083		5,850,175	134,300	5,715,875
97	344	FORCE MAINS	1,918		1,918	148,756	(146,838)
98	345	DISCHARGE SERVICES	406,139		1,170,936	4,204	1,166,732
99	348	MANHOLES	568,655		1,574,951	37,620	1,537,331
100		TOTAL COLLECTION & INFLUENT	3,653,736	0	8,738,029	325,179	8,412,850
		GENERAL					
101	389	LAND & LAND RIGHTS			0	0	0
102	390	STRUCTURE & IMPROVEMENTS	10,000		637,476	0	637,476
103	391	OFFICE FURNITURE	0		31,682	28,061	3,621
104	391	COMPUTER			0	3,853	(3,853)
105	392	TRANSPORTATION			0	0	0
106	393	STORES			0	0	0
107	394	TOOL SHOP GARAGE			0	0	0
108	395	LABORATORY EQUIP.	2,200		36,160	46	36,114
109	396	POWER OPERATED			0	3,236	(3,236)
110	397	COMMUNICATION EQUIP.			0	0	0
111	398	MISC. EGUIP			0	0	0
112		TOTAL GENERAL	12,200	0	705,318	35,195	670,123
113		TOTAL PLANT	$12,702,972	$0	$23,347,400	$1,172,087	$22,175,313

ARIZONA AMERICAN - ANTHEM WASTEWATER
TEST YEAR ENDING DECEMBER 31, 2002
RATE BASE #1 - T/Y PLANT & ACCUMULATED DEPRECIATION

LINE NO.	ACCT. NO.	DESCRIPTION	RUCO TEST YEAR PLANT	COMPANY GENERAL PLANT ADJ.	COMPANY COMMON PLANT ADJ.	RUCO T/Y PLANT POST-ACQ.	RUCO TEST YEAR ACCUM. DEPREC	COMPANY GENERAL ACCUM. ADJ.	COMPANY COMMON ACCUM. ADJ.	RUCO T/Y ACCUM. DEPR POST-ACQ.
		INTANGIBLE								
114	301	ORGAN IZATION	$0			0	0			0
115	302	FRANCHISES	248,676			248,676	0			0
116	303	MISC. INTANGIBLE	0			0	0			0
117		TOTAL INTANGIBLE	248,676	0	0	248,676	0	0	0	0
		TREATMENT & DISCHARGE								
118	310	LAND & LAND RIGHTS	336,560			336,560	0			0
119	311	STRUCTURES & IMPROVEMENTS	0			0	0			0
120	312	PRELIMINARY TREATMENT	800,483			800,483	20,012			20,012
121	313	PRIMARY TREATMENT	0			0	0			0
122	314	SECONDARY TREATMENT	2,043,907			2,043,907	40,512			40,512
123	315	TERTIARY TREATMENT	6,901,702			6,901,702	128,849			128,849
124	316	DISINFECTION EQUIP	872,216			872,216	535,690			535,690
125	317	EFFLUENT LIFT STA.	808,883			808,883	24,708			24,708
126	318	OUTFALL LINE	0			0	0			0
127	319	SLUDGE TREATMENT	1,808,517			1,808,517	41,654			41,654
128	321	INFLUENT LIFT STA.	0			0	19,027			19,027
129	322	GENERAL TREATMENT	83,109			83,109	1,260			1,260
130		TOTAL TREATMENT & DISCHARGE	13,655,377	0	0	13,655,377	811,712	0	0	811,712
		COLLECTION & INFLUENT								
131	340	LAND & LAND RIGHTS	0			0	0			0
132	341	STRUCTURES & IMPROVEMENTS	0			0	0			0
133	342	COLLECTION LIFT	140,049			140,049	300			300
134	343	COLLECTION MAINS	5,850,175			5,850,175	134,300			134,300
135	344	FORCE MAINS	1,918			1,918	148,756			148,756
136	345	DISCHARGE SERVICES	1,170,936			1,170,936	4,204			4,204
137	348	MANHOLES	1,574,951			1,574,951	37,620			37,620
138		TOTAL COLLECTION & INFLUENT	8,738,029	0	0	8,738,029	325,179	0	0	325,179
		GENERAL								
139	389	LAND & LAND RIGHTS	0		133	133	0		0	0
140	390	STRUCTURE & IMPROVEMENTS	637,476	(637,476)	91,498	91,498	0		8,495	8,495
141	391	OFFICE FURNITURE	31,682	(31,682)	27,255	27,255	28,061	(28,061)	9,849	9,849
142	391	COMPUTER	0		39,022	39,022	3,853	(3,853)	(11,876)	(11,876)
143	392	TRANSPORTATION	0		49,104	49,104	0		28,362	28,362
144	393	STORES	0		785	785	0		213	213
145	394	TOOL SHOP GARAGE	0		11,230	11,230	0		498	498
146	395	LABORATORY EQUIP.	36,160	(36,160)	3,557	3,557	46	(46)	627	627
147	396	POWER OPERATED	0		3,287	3,287	3,236	(3,236)	1,170	1,170
148	397	COMMUNICATION EQUIP.	0		15,777	15,777	0		9,086	9,086
149	398	MISC. EGUIP	0		7,570	7,570	0		3,509	3,509
150		GENERAL	705,318	(705,318)	249,218	249,218	35,195	(35,195)	49,933	49,933
151		TOTAL S	$23,347,400	($705,318)	$249,218	$22,891,300	$1,172,087	($35,195)	$49,933	$1,186,825
152		TOTALS PER COMPANY				22,891,302				789,221
154		ADJUSTMENT				($2)				$397,604

ARIZONA AMERICAN - ANTHEM WASTEWATER
TEST YEAR ENDING DECEMBER 31, 2002
RATE BASE ADJ #2 - PROFORMA PLANT

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-5

LINE NO.	ACCT. NO.	DESCRIPTION	RUCO T/Y PLANT	RUCO PROFORMA PLANT	ORCOM & PLANT AFTER CLOSE	RUCO RECOMMENDED PLANT	RUCO T/Y ACC. DEP	DEPREC. ON PROFORMA PLANT	ACC. DEPREC. AT CLOSING	RUCO RECOMMENDED ACC. DEP
		INTANGIBLE								
1	301	ORGANIZATION	$0		30,952	30,952	0	0		0
2	302	FRANCHISES	248,676		850	249,526	0	0		0
3	303	MISC. INTANGIBLE	0			0	0	0		0
4		TOTAL INTANGIBLE	248,676	0	31,802	280,478	0	0	0	0
		TREATMENT & DISCHARGE								
5	310	LAND & LAND RIGHTS	336,560			336,560	0	0	7,721	7,721
6	311	STRUCTURES & IMPROVEMENTS	0			0	0	0		0
7	312	PRELIMINARY TREATMENT	800,483		23,236	823,719	20,012	581	20,585	41,178
8	313	PRIMARY TREATMENT	0			0	0	0		0
9	314	SECONDARY TREATMENT	2,043,907		18,494	2,062,401	40,512	462	51,539	92,514
10	315	TERTIARY TREATMENT	6,901,702	24,475	1,830,094	8,756,271	128,849	46,364	237,556	412,769
11	316	DISINFECTION EQUIP	872,216		19,560	891,776	535,690	489	22,285	558,464
12	317	EFFLUENT LIFT STA.	808,883		4,386	813,269	24,708	184	19,724	44,616
13	318	OUTFALL LINE	0			0	0	0		0
14	319	SLUDGE TREATMENT	1,808,517		(1,808,517)	0	41,654	(45,213)	(19,349)	(22,908)
15	321	INFLUENT LIFT STA.	0			0	19,027	0		19,027
16	322	GENERAL TREATMENT	83,109			83,109	1,260	0	2,077	3,337
17		TOTAL TREATMENT & DISCHARGE	13,655,377	24,475	87,253	13,767,105	811,712	2,868	342,138	1,156,718
		COLLECTION & INFLUENT								
18	340	LAND & LAND RIGHTS	0			0	0	0		0
19	341	STRUCTURES & IMPROVEMENTS	0			0	0	0		0
20	342	COLLECTION LIFT	140,049			140,049	300	0	(19,590)	(19,290)
21	343	COLLECTION MAINS	5,850,175		1,574,950	7,425,125	134,300	16,064	116,021	266,386
22	344	FORCE MAINS	1,918			1,918	148,756	0	20	148,776
23	345	DISCHARGE SERVICES	1,170,936			1,170,936	4,204	0	11,939	16,143
24	348	MANHOLES	1,574,951		(1,574,950)	1	37,620	(15,986)	(14,925)	6,709
25		TOTAL COLLECTION & INFLUENT	8,738,029	0	0	8,738,029	325,179	79	93,465	418,723
		GENERAL								
26	389	LAND & LAND RIGHTS	133			133	0	0		0
27	390	STRUCTURE & IMPROVEMENTS	91,498	18,610		110,108	8,495	156	5,321	13,972
28	391	OFFICE FURNITURE	27,255			27,255	9,849	0	727	10,576
29	391	COMPUTER	39,022			39,022	(11,876)	0		(11,876)
30	392	TRANSPORTATION	49,104			49,104	28,362	0		28,362
31	393	STORES	785			785	213	0		213
32	394	TOOL SHOP GARAGE	11,230			11,230	498	0		498
33	395	LABORATORY EQUIP.	3,557			3,557	627	0	(330)	297
34	396	POWER OPERATED	3,287			3,287	1,170	0		1,170
35	397	COMMUNICATION EQUIP.	15,777			15,777	9,086	0		9,086
36	398	MISC. EGUIP	7,570			7,570	3,509	0		3,509
37		TOTAL GENERAL	249,218	18,610	0	267,828	49,933	156	5,718	55,807
38		TOTALS	$22,891,300	$43,085	$119,055	$23,053,440	$1,186,825	$3,103	$441,321	$1,631,249
39		TOTALS PER COMPANY		43,054	119,055			0	0	
40		ADJUSTMENT		31	0			$3,103	$441,321	

ARIZONA AMERICAN - ANTHEM WASTEWATER
TEST YEAR ENDING DECEMBER 31, 2002
OPERATING INCOME

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-6

LINE NO.	DESCRIPTION	(A) COMPANY ADJUSTED	(B) RUCO ADJUSTMENTS	(C) RUCO ADJUSTED	(D) RUCO PROPOSED INCREASE	(E) RUCO PROFORMA
	REVENUES					
1	METERED REVENUES	$880,474	0	880,474	74,649	955,123
2	UNMETERED REVENUE	0	0	0		0
3	OTHER REVENUE	986,072	0	986,072		986,072
4	TOTAL REVENUES	1,866,546	0	1,866,546	74,649	1,941,195
	EXPENSES					
5	SALARIES & WAGES	317,956	(134,661)	183,295		183,295
6	PURCHASED WW TREATMENT	19,925	0	19,925		19,925
7	PURCHASED POWER	5,714	0	5,714		5,714
8	FUEL FOR POWER PRODUCTION			0		
9	CHEMICALS		0	0		0
10	MATERIALS & SUPPLIES	(1,053)		(1,053)		
11	REPAIRS & MAINTENANCE	0	0	0		0
12	OFFICE SUPPIES & EXPENSE	72,565	922	73,487		73,487
13	OUTSIDE SERVICES	26,544	0	26,544		26,544
14	SERVICE COMPANY CHRGS.	287,577	(43,920)	243,657		243,657
15	WATER TESTING	0	0	0		0
16	RENTS	8,308	0	8,308		8,308
17	TRANSPORTATION	0	0	0		0
18	INSURANCE - GENERAL LIABILITY	(3,612)	(1,533)	(5,145)		(5,145)
19	INSURANCE - HEALTH & LIFE	0	0	0		0
20	RATE CASE EXPENSE	12,319	(4,946)	7,373		7,373
21	MISCELLANEOUS EXPENSE	241,357	1,001	242,358		242,358
22	DEPRECIATION	876,022	(16,963)	859,059		859,059
23	TAXES OTHER THAN INCOME	17,520	(4,334)	13,186		13,186
24	PROPERTY TAXES	121,472	(19,643)	101,829		101,829
25	INCOME TAX	(87,213)	99,713	12,500	28,815	41,315
26	TOTAL EXPENSES	1,915,401	(124,363)	1,791,038	28,815	1,820,906
27	NET INCOME	($48,855)	$124,363	$75,508	$45,834	$120,289

REFERENCES
COLUMN (A): COMPANY SCH. C-1
COLUMN (B): SCH. MDC-7
COLUMN (C): COLUMN (A) - COLUMN (B)
COLUMN (D): SCH. MDC-1

ARIZONA AMERICAN - ANTHEM WASTEWATER
TEST YEAR ENDING DECEMBER 31, 2002
SUMMARY OF OPERATING ADJUSTMENTS

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-7

LINE NO.	DESCRIPTION	COMPANY ADJUSTED	ADJ #1	ADJ #2	ADJ #3	ADJ #4	ADJ #5	ADJ #6	ADJ #7	ADJ #8	ADJ #9	ADJ #10	RUCO ADJUSTED
	REVENUES												
1	METERED REVENUES	$880,474											880,474
2	UNMETERED REVENUE	0											0
3	OTHER REVENUE	986,072											986,072
4	TOTAL REVENUES	1,866,546	0	0	0	0	0	0	0	0	0	0	1,866,546
	EXPENSES												
5	SALARIES & WAGES	317,956				(48,969)				(85,692)			183,295
6	PURCHASED WATER	19,925											19,925
7	PURCHASED POWER	5,714											5,714
8	FUEL FOR PRODUCTION	0											0
9	CHEMICALS	0											0
10	MATERIALS & SUPPLIES	(1,053)											(1,053)
11	REPAIRS & MAINTENANCE	0											0
12	OFFICE SUPPIES & EXPENSE	72,565								922			73,487
13	OUTSIDE SERVICES	26,544											26,544
14	SERVICE COMPANY CHRGS.	287,577			($43,920)								243,657
15	WATER TESTING	0											0
16	RENTS	8,308											8,308
17	TRANSPORTATION	0											0
18	INSURANCE - GENERAL LIABILITY	(3,612)								(1,533)			(5,145)
19	INSURANCE - HEALTH & LIFE	0											0
20	RATE CASE EXPENSE	12,319							(4,946)				7,373
21	MISCELLANEOUS EXPENSE	241,357								1,001			242,358
22	DEPRECIATION	876,022					($16,963)						859,059
23	TAXES OTHER THAN INCOME	17,520				(4,334)							13,186
24	PROPERTY TAXES	121,472						(19,643)					101,829
25	INCOME TAX	(87,213)										99,713	12,500
26	TOTAL EXPENSES	1,915,401	0	0	(43,920)	(53,303)	(16,963)	(19,643)	(4,946)	(85,302)	0	99,713	1,791,038
27	NET INCOME	(48,855)	0	0	43,920	53,303	16,963	19,643	4,946	85,302	0	(99,713)	75,508

ADJ NO.		REFERENCE
1	CITIZENS CORPORATE ALLOCATIONS	SCH. MDC-8
2	CITIZENS PAYROLL	TESTIMONY MDC
3	AZ_AM SERVICE COMPANY CHARGES	SCH. MDC-9
4	AZ_AM PAYROLL	SCH. MDC-10
5	DEPRECIATION EXPENSE	SCH. MDC-11
6	PROPERTY TAXES	SCH. MDC-12
7	RATE CASE EXPENSE	SCH. MDC-13
8	AZ_AM OVERHEAD	SCH. MDC-14
9	NOT USED	
10	INCOME TAX EXPENSE	SCH. MDC-15

ARIZONA AMERICAN - ANTHEM WASTEWATER
TEST YEAR ENDING DECEMBER 31, 2002
OPERATING ADJ #3 - AZ_AM SERVICE CO. EXPENSES

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-9

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	ACTUAL 2002 SERVICE CO. EXPENSE	$4,366,610	CO. PROVIDED DATA
2	ESTIMATED ALLOC. PER FILING	5,153,711	CO. SCH. C-2, PG 4
3	ADJUSTMENT TO SERVICE CO. EXPENSE	(787,101)	LINE 1 - LINE 2
4	ANTHEM SEWER ALLOCATION FACTOR	5.58%	CO. SCH. C-2, PG 4
5	SERVICE CO. ADJUSTMENT ALLOCATED	($43,920)	LINE 3 x LINE 4

ARIZONA AMERICAN - ANTHEM WASTEWATER
TEST YEAR ENDING DECEMBER 31, 2002
OPERATING ADJ #4 - AZ_AM SALARIES & WAGES

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-10

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	ACTUAL AZ_AM PAYROLL	$209,800	COMPANY SPREADSHEET
2	LESS: CAPITALIZED PAYROLL	56,646	LINE 1 x 27%
3	ACTUAL PAYROLL EXPENSE	153,154	LINE 1 - LINE 2
4	ESTIMATED PAYROLL PER AZ-AM	202,123	CO. SCH. C-2 PG. 5
5	PAYROLL ADJUSTMENT	(48,969)	LINE 3 - LINE 4
6	ACTUAL PAYROLL EXPENSE	153,154	LINE 3
7	PAYROLL TAX FACTOR	7.65%	FICA RATE
8	SUBTOTAL	11,716	LINE 6 x LINE 7
9	FUTA & SUTA TAX	1,470	$245 X 6 EMPLOYEES
10	PAYROLL TAXES	13,186	LINE 8 + LINE 9
11	ESTIMATED PER COMPANY	17,520	CO. SCH. C-2 PG. 5
12	PAYROLL TAX ADJUSTMENT	(4,334)	LINE 10 x LINE 11

ARIZONA AMERICAN - ANTHEM WASTEWATER
TEST YEAR ENDING DECEMBER 31, 2002
OPERATING ADJ #5 - DEPRECIATION EXPENSE

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-11

LINE NO.	ACCT NO.	DESCRIPTION	RUCO PLANT	DEPERC. RATE	DEPREC. EXPENSE
		INTANGIBLE			
1	301	ORGANIZATION	$30,952	0	0
2	302	FRANCHISES	249,526	0	0
3	303	MISC. INTANGIBLE	0	0	0
4		TOTAL INTANGIBLE	280,478		0
		TREATMENT & DISCHARGE			
5	310	LAND & LAND RIGHTS	336,560	0	0
6	311	STRUCTURES & IMPROVEMENTS	0	0.05	0
7	312	PRELIMINARY TREATMENT	823,719	0.05	41,186
8	313	PRIMARY TREATMENT	0	0.05	0
9	314	SECONDARY TREATMENT	2,062,401	0.05	103,120
10	315	TERTIARY TREATMENT	8,756,271	0.05	437,814
11	316	DISINFECTION EQUIP	891,776	0.05	44,589
12	317	EFFLUENT LIFT STA.	813,269	0.084	68,315
13	318	OUTFALL LINE	0	0.05	0
14	319	SLUDGE TREATMENT	0	0.05	0
15	321	INFLUENT LIFT STA.	0	0.084	0
16	322	GENERAL TREATMENT	83,109	0.05	4,155
17		TOTAL TREATMENT & DISCHARGE	13,767,105		699,178
		COLLECTION & INFLUENT			
18	340	LAND & LAND RIGHTS	0	0	0
19	341	STRUCTURES & IMPROVEMENTS	0	0.0167	0
20	342	COLLECTION LIFT	140,049	0.084	11,764
21	343	COLLECTION MAINS	7,425,125	0.0204	151,473
22	344	FORCE MAINS	1,918	0.0207	40
23	345	DISCHARGE SERVICES	1,170,936	0.0204	23,887
24	348	MANHOLES	1	0.0203	0
25		TOTAL COLLECTION & INFLUENT	8,738,029		187,163
		GENERAL			
26	389	LAND & LAND RIGHTS	133	0	0
27	390	STRUCTURE & IMPROVEMENTS	110,108	0.0168	1,850
28	391	OFFICE FURNITURE	27,255	0.0455	1,240
29	391	COMPUTER	39,022	0.0455	1,776
30	392	TRANSPORTATION	49,104	0.25	12,276
31	393	STORES	785	0.0392	31
32	394	TOOL SHOP GARAGE	11,230	0.0414	465
33	395	LABORATORY EQUIP.	3,557	0.0371	132
34	396	POWER OPERATED	3,287	0.0514	169
35	397	COMMUNICATION EQUIP.	15,777	0.1028	1,622
36	398	MISC. EGUIP	7,570	0.0498	377
37		TOTAL GENERAL	267,828		19,937
38		TOTAL	23,053,440		906,279
39		CIAC	(472,196)	10.00%	(47,220)
40		TOTAL DEPRECIATION & AMORTIZATION			859,059
41		PER COMPANY			876,022
42		ADJUSTMENT			($16,963)

ARIZONA AMERICAN - ANTHEM WASTEWATER
TEST YEAR ENDING DECEMBER 31, 2002
OPERATING ADJ #6 - PROPERTY TAXES

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-12

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	REVENUES -1999	$2,417,364	COMPANY SCH. E-2
2	REVENUES -2000	1,868,688	COMPANY SCH. E-2
3	REVENUES -2001	1,154,375	COMPANY SCH. E-2
4	TOTAL	5,440,427	SUM LINES 1 - 3
5	THREE YEAR AVERAGE	1,813,476	LINE 4/3 YRS.
6	THREE YEAR AVG. TIMES 2	3,626,951	LINE 5 x 2
7	ADD: 10% OF CWIP BALANCE	35,238	COMPANY SCH. E-1
8	LESS: LICENSED VEHICLES	20,742	SCH. MDC-5
9	FULL CASH VALUE	3,641,447	LINE 6 + LINE 7 - LINE 8
10	ASSESSMENT RATIO	25%	ADOR
11	ASSESSMENT VALUE	910,362	LINE 9 x LINE 10
12	PROPERTY TAX RATE	11.19%	
13	PROFORMA PROPERTY TAXES	101,829	LINE 11 xLINE 12
14	PROPERTY TAXES PER COMPANY	121,472	SCH. MDC-6
15	ADJUSTMENT	($19,643)	LINE 13 - LINE 14

ARIZONA AMERICAN - ANTHEM WASTEWATER
TEST YEAR ENDING DECEMBER 31, 2002
OPERATING ADJ #7 - RATE CASE EXPENSE

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-13

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	RATE CASE EXPENSE - PRIOR CASE	$366,231	DECISION #60172
2	CPI FACTOR	1.14	WEB SITE: minneapolisfed.org
3	RATE CASE EXPENSE - CURRENT DOLLARS	418,941	LINE 1 x LINE 2
4	RATE CASE EXPENSE - COMPANY REQUESTED	699,952	CO. COST ALLOCATION SPREADSHEET
5	ADJUSTMENT TO RATE CASE EXPENSE	(281,011)	LINE 3 - LINE 4
6	3 YEAR AMORTIZATION	(93,670)	LINE 5/3
7	ANTHEM WW ALLOCATION	0.0528	CO. COST ALLOCATION SPREADSHEET
8	ADJUSTMENT TO RATE CASE EXPENSE	($4,946)	LINE 6 x LINE 7

ARIZONA AMERICAN - ANTHEM WASTEWATER
TEST YEAR ENDING DECEMBER 31, 2002
OPERATING ADJ #8 - AZ_AM OVERHEADS

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-14

LINE NO.	DESCRIPTION	(A) PER COMPANY ESTIMATES	TOTAL COMPANY (B) ACTUAL EXPENSES	(C) ADJUSTMENT
1	EMPLOYEE BENEFITS	$964,147	374,404	(589,743)
2	DIRECTORS FEES:			
3	OFFICE SUPPLIES & EXPENSES	1,270,126	1,030,972	(239,154)
4	MISC. EXPENSES	6,000	8,500	2,500
5	TRUSTEES FEES:			
6	OFFICE SUPPLIES & EXPENSES	645,847	447,842	(198,005)
7	MISC. EXPENSES	17,058	21,881	4,823
8	INSURANCE	258,736	215,200	(43,536)
			ANTHEM WASTEWATER	
9	EMPLOYEE BENEFITS	108,156	22,464	(85,692)
10	OFFICE SUPPLIES & EXPENSES	29,291	30,213	922
11	MISC. EXPENSES	4,175	5,176	1,001
12	INSURANCE	4,931	3,398	(1,533)
13	TOTAL	146,553	61,251	(85,302)

ALLOCATION FACTORS	FAIR VALUE RATE BASE	YEAR-END CUST. COUNT	EMPLOYEE COUNT
Sun City Water	0.2695	0.1958	0.2400
Sun City Wastewater	0.1119	0.1866	0.0400
Sun City West Water	0.0908	0.1375	0.0600
Sun City West Wastewater	0.0744	0.1314	0.0900
Agua Fria	0.1052	0.1147	0.0700
Anthem Water	0.0544	0.0284	0.1200
Agua Fria, Anthem Wastewater	0.0158	0.0224	0.0600
Tubac	0.0109	0.0044	0.0100
Mohave Water	0.0842	0.1217	0.1500
Havasu Water	0.0076	0.0105	0.0300
Subtotal	0.8247	0.9534	0.8700
Mohave Sewer	0.0037	0.0051	0.0100
Paradise Valley	0.1715	0.0414	0.1200
TOTAL	1.0000	1.0000	1.0000

REFERENCES
COLUMN (A): CO.SCH. C-2, PG.11
COLUMN (B): CO. PROVIDED SPREADSHEET
COLUMN (C): COLUMN (A) - COLUMN (B)

ARIZONA AMERICAN - ANTHEM WASTEWATER
TEST YEAR ENDING DECEMBER 31, 2002
OPERATING ADJ#10 - INCOME TAX EXPENSE

DOCKET NO. W-01303-02-0868
SCHEDULE MDC-15

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
	FEDERAL INCOME TAXES		
1	OPERATING INCOME BEFORE TAXES	$88,008	SCH. MDC-6
	LESS:		
2	ARIZONA STATE TAX	2,257	LINE 11
3	INTEREST EXPENSE	55,623	NOTE (A)
4	FEDERAL TAXABLE INCOME	30,129	LINE 1 - LINE 2 & 3
5	FEDERAL TAX RATE	34%	TAX RATE
6	FEDERAL INCOME TAX EXPENSE	10,244	LINE 4 x LINE 5
	STATE INCOME TAXES		
7	OPERATING INCOME BEFORE TAXES	88,008	LINE 1
	LESS:		
8	INTEREST EXPENSE	55,623	NOTE (A)
9	STATE TAXABLE INCOME	32,385	LINE 7 - LINE 8
10	STATE TAX RATE	6.97%	TAX RATE
11	STATE INCOME TAX EXPENSE	2,257	LINE 9 x LINE 10
12	TOTAL INCOME TAX	12,500	LINE 6 + LINE 11
13	TOTAL EXPENSE PER COMPANY	(87,213)	CO. SCH. C-1
14	ADJUSTMENT	$99,713	LINE 12 - LINE 13

NOTES
(A) INTEREST SYNCHRONIZATION

ADJUSTED RATE BASE	1,904,897
WGHTED COST OF DEBT	2.92%
INTEREST EXPENSE	55,623

Arizona Water Company - Anthem Wastewater
Docket No. SW-01303A-02-0868
Test Year Ended December 31, 2001

RATE DESIGN

LINE NO.	DESCRIPTION	(A) RUCO PROPOSED RATE DES'N	(B) ANNUALIZED CUST. & GAL. COUNT	(C) RUCO PROPOSED REVENUE
	MONTHLY MINIMUM USAGE CHARGE:			
1	Residential Units (SSR)	$ 18.85	30,156	$ 568,441
2	Small Commercial 5/8	18.85	48	905
3	Small Commercial 3/4 Inch	28.28	-	-
4	Small Commercial 1 Inch	37.70	-	-
5	Large Commercial	78.00	180	14,040
6				
7				-
8	Total Annualized Monthly Minimum Usage Charge			
9				$ 583,385
10				
11	**COMMODITY RATES (Per 1,000 Gallons Up to Maximum)**			
12				
13	Treatco	2.77	10,648,000	29,495
14	Commercial & Residential	$ 2.43	Min. 140,842,073	
15	TOTAL ANNUALIZED COMMODITY USAGE AND CHARGES			342,246
16	Other Wastewater Revenue			986,072
17	**TOTAL PROPOSED ANNUALIZED REVENUE**			**$ 1,941,199**
18	Required Revenue (per Schedule MDC-6)			1,941,195
19	difference			$4

RATE DESIGN - MONTHLY MINIMUM AND COMMODITY CHARGES

LINE NO.	DESCRIPTION	(A) PRESENT RATES	(B) COMPANY PROPOSED	(C) RUCO PROPOSED
	MONTHLY MINIMUM USAGE CHARGE:			
1	Residential	16.00	24.24	18.85
2	Small Commercial 5/8	16.00	24.24	18.85
3	Small Commercial 3/4 Inch	24.00	36.36	28.28
4	Small Commercial 1 Inch	32.00	48.48	37.70
5	Large Commercial	64.00	96.96	78.00
6				
7				
8	Total Annualized Monthly Minimum Usage Charge			
9				
10				
11	**COMMODITY RATES (Per 1,000 Gallons Up to Maximum)**			
12				
13	Treatco	2.32	2.32	2.77
14	Commercial & Residential	2.00	3.03	2.43

ARIZONA-AMERICAN WATER COMPANY

DOCKET NO. W-01303A-02-0867 et al.

DIRECT TESTIMONY

OF

RODNEY L. MOORE

ON BEHALF OF

THE

RESIDENTIAL UTILITY CONSUMER OFFICE

SEPTEMBER 5, 2003

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1 **INTRODUCTION**

2 Q. Please state your name, position, employer and address.

3 A. Rodney L. Moore, Public Utilities Analyst V

4 Residential Utility Consumer Office ("RUCO")

5 1110 West Washington Street, Suite 220

6 Phoenix, Arizona 85007

7

8 Q. Please state your educational background and work experience.

9 A. I obtained a Bachelor's Degree in Business Administration in 1993 from

10 Athabasca University. I have attended several training classes and courses

11 regarding auditing, rate design, income taxes, and other utility related

12 matters. From 1966 to 1993, I was employed by Telus Corporation, Inc., a

13 large telecommunication company, where I assumed various positions from

14 lineman to office administrator. In 1995, I began my employment with the

15 Arizona Corporation Commission ("ACC" or "Commission"). I worked in the

16 Consumer Service Section until accepting a position as an Auditor in October

17 1999 with the Accounting and Rates Section. In May of 2001, I succeeded to

18 my current position at RUCO. My duties include review and analysis of

19 financial records and other documents of regulated utilities for accuracy,

20 completeness, and reasonableness. I am also responsible for the

21 preparation of work papers and Schedules resulting in testimony and/or

22 reports regarding utility applications for increase in rates, financings, and

23 other matters.

24 . . .

Q. Please state the purpose of your testimony.

A. The purpose of my testimony is to present RUCO's recommendations regarding Arizona-American Corporation's ("Company", "Arizona-American" or "AZ-AM") applications 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 water and wastewater Districts.

Q. Do you have any reservations concerning the accuracy, validity and/or relevancy of your testimony?

A. Yes, I do. Basic principles expressed by the National Association of Regulator Utility Commissioners ("NARUC") require the Company to readily furnish full information as to any item included in any account. Each entry shall be supported by such detailed information as will permit a ready identification, analysis and verification of all facts relevant thereto.

My testimony is based on the investigation and analysis of the application, the Company's response to discovery requests and direct communication with Company witnesses.

However, after more than 300 questions on 39 sets of data requests, numerous telephone conversations and several face-to-face meetings, a large percentage of the information provided by the Company was irrelevant, stale, incomplete, non-verifiable, poorly formatted, suspect and/or untimely. The sheer number of requests for substantive data is an indicator that the

original Company's filing was inadequate to make any fair and reasonable determination of basic ratemaking principles.

Q. What were some of the major problems you encountered?

A. Briefly:

1. Bill Counts – I spent numerous hours trying to reconcile three different versions of the Bill Count. The final version in electronic format was massive, very user unfriendly and time consuming to interpret;

2. Test Year – The Company filed 2001 as its historical test year. However, AZ-AM did not complete the purchase and begin operation of the utilities until January 15, 2002. Therefore, much of the data contained in the filing was not relevant under AZ-AM's ownership. The historical test year reflects conditions under the control of Citizens' and does not represent Arizona-American operational control;

3. Pro Forma Adjustments – In order to obtain relevant data under AZ-AM's ownership it became necessary to look at 2002 data. It was time consuming to obtain new data (some actual, some estimated), analyze it and develop a proper correlation between revenue and expenses;

4. Prior Test Year 1995 Gross Plant Balance – The Company was unable to provide the Commission's approved 1995 plant item values. Therefore, values had to be extrapolated from reviewing the previous application and Decision No. 60172. This was labor intensive;

. . .

. . .

5. Plant Additions and Retirements – Many entries had to be analyzed without verification due to the lack of source documents. Therefore, many hours were spent determining the reasonableness and/or acceptability of plant additions, adjustments and retirements as proposed by the Company; and

6. Allocation Factors – RUCO requested in its third data request the specific allocation factors per District. Instead the Company responded with aggregated numbers, which then had to be recalculated for each District at the expense of valuable time.

Q. What is RUCO's recommendation?

A. Based on the findings of my review and analysis of the Company's application and records, RUCO recommends the application be denied, and the Company be required to file a rate application using a typical historical test year.

RUCO strongly believes that any determination of the ratemaking elements based on this application as filed would not accurately represent the actual present value of the rate base, operating income, operating expenses and /or revenue requirement.

In the alternative, several adjustments are proposed in this testimony, which are reasonable and could be considered by the Commission in its final determination.

BACKGROUND

Q. Please summarize the application.

A. This consolidated proceeding requests increases in the rates and charges for ten systems ("Districts") under the ownership umbrella of Arizona-American. The rate cases for these ten Districts were filed in five separate applications:

1. First Application:

Sun City West Water..... Docket No.: W-01303A-02-0867

Sun City West Wastewater..... Docket No.: SW-01303A-02-0867

2. Second Application:

Sun City Water..... Docket No.: W-01303A-02-0868

Sun City Wastewater..... Docket No.: SW-01303A-02-0868

3. Third Application:

Mohave Water..... Docket No. W-01303A-02-0869

Havasu Water..... Docket No.: W-01303A-02-0869

4. Fourth Application:

Agua Fria Water..... Docket No.: W-01303A-02-0870

Anthem Water..... Docket No.: W-01303A-02-0870

Anthem/Agua Fria Wastewater..... Docket No.: SW-01303A-02-0870

5. Fifth Application:

Tubac Water..... Docket No.: W-01303A-02-0908

These ten Districts were previously owned by Citizens' Communications ("Citizens" or "CUC"). Arizona-American purchased all of the water and wastewater assets of Citizens in Arizona as approved by the Commission in

Decision No. 63584, dated April 24, 2001, with AZ-AM assuming operational control on January 15, 2002.

RUCO assigned several analysts to review this filing. My testimony and analysis was primarily focused on the following five Districts:

1. Sun City West Water District ("Sun City West Water");
2. Sun City West Wastewater District ("Sun City Wastewater");
3. Sun City Water District ("Sun City Water");
4. Sun City Wastewater District ("Sun City Wastewater"); and
5. Tubac Water District ("Tubac").

I prepared five sets of Schedules, RLM-1 through RLM-19, which are filed concurrently in support of my testimony.

Many ratemaking issues are common throughout this consolidated application; therefore, to provide a thorough analysis and a consistent implementation of recognized ratemaking principles, generic adjustments will be sponsored by other RUCO witnesses. The following is a breakdown of the testimony that will be sponsored:

1. Rodney L. Moore will sponsor:
    a. Prior Test Year Plant;
    b. Pro Forma Plant;
    c. Acquisition Premium;

d. Removal of Citizens' test year salaries and wages; and

e. Projected Arizona-American's additional overhead expenses.

2. Marylee Diaz Cortez will sponsor:

a. Accepting original cost rate base ("OCRB") versus reconstruction cost new depreciated ("RCND") as the rate base;

b. Problems with using 2001 as the test year;

c. Allocation of AZ-AM's Service Company charges;

d. Projected Arizona-American's salaries and wages; and

e. Rate case expense.

3. Timothy J. Coley will sponsor:

a. Contributions in aid of construction ("CIAC");

b. Depreciation expenses;

c. Property taxes; and

d. Income tax expenses.

4. William A Rigsby will sponsor:

a. Cost of Capital.

. . .

. . .

. . .

. . .

SUMMARY OF ADJUSTMENTS

Q. Please summarize the adjustments to rate base, operating expenses, cost of capital, and rate design issues addressed in your testimony.

A. My testimony addresses the following issues:

Rate Base

Fair Value Rate Base – RUCO did not consider the Company's position on using RCND plant information; instead, I calculated fair value rate base ("FVRB") as OLCB.

Test Year Plant In Service and Accumulated Depreciation - The adjustment is based on my reconstruction of the gross utility plant and accumulated depreciation balance from the prior 1995 test year through the instant 2001 test year.

Post-Test Year Plant In Service and Accumulated Depreciation - The adjustment is based on my reconstruction of the revenue neutral plant and accumulated depreciation balance from the end of the 2001 test year through the end of 2002 post-test year.

Acquisition Adjustment - The adjustment is based on my removal of the Company's entire request for an Acquisition Adjustment.

Operating Expenses

Operating Income – There were no adjustments made to the test year total operating revenues.

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Salaries and Wages Expense – The adjustments are based on RUCO's calculation of the differences between Citizens' corporate allocations and AZ-AM's Service Company charges.

Chemicals – (For the Sun City Wastewater District Only). I reinstated the $105,695 expense documented but not included in the total adjusted operating expenses of Sun City Wastewater.

Office Supplies and Expense – The adjustments are based on my calculation of the differences between Citizens' corporate allocations and AZ-AM's Service Company charges.

Service Company Charges – The adjustments are based on my calculation of the differences between Citizens' corporate allocations and AZ-AM's Service Company charges.

Insurance – Generally Liability – The adjustments are based on my calculation of the differences between Citizens' corporate allocations and AZ-AM's Service Company charges.

Regulatory Commission Expense – Rate case – The adjustment is based on RUCO's determination of the fair and reasonable cost to AZ-AM's ratepayers for this application process.

Miscellaneous Expense – The adjustments are based on my calculation of the differences between Citizens' corporate allocations and AZ-AM's Service Company charges.

Depreciation Expense – This adjustment decreases test year operating expenses to reflect computations based on RUCO's recommended total plant value using the Commission's approved depreciation rates.

Taxes Other Than Income - The adjustments are based on RUCO's calculation of the payroll tax differences between Citizens' corporate allocations and AZ-AM's Service Company charges.

Property Taxes Expense - This adjustment reflects the Company's property tax based on the use of the Arizona Department of Revenue formula.

Income Tax Expense – This adjustment reflects income tax expenses calculated on RUCO's recommended revenues and expenses.

Cost Of Capital

This adjustment decreased the Company's weighted cost of capital to 6.57 percent versus the 7.75 percent proposed in the Company's filing.

Rate Design

I am recommending a rate design that is generally consistent with the Company's proposed rate design, but reflects RUCO's recommended revenue requirement.

REVENUE REQUIREMENTS

Q. Please summarize the results of your analysis of the Company's filing and state RUCO's recommended revenue requirements.

A. As outlined in Schedule RLM-1, I am recommending the Company Districts' revenue requirement not to exceed:

	AZ-AM	RUCO	DIFF.
Sun City West Water	$4,863,188	$3,860,482	$1,002,706
Sun City West Wastewater	$5,494,492	$4,563,072	$931,420
Sun City Water	$11,559,457	$8,156,424	$3,403,033

Sun City Wastewater	$5,727,731	$4,193,565	$1,534,166
Tubac Water	$469,847	$295,298	$174,549

My recommended decrease in FVRB based on the OCRB is summarized on Schedule RLM-1 for each District:

	AZ-AM – FVRB/RCND	RUCO – FVRB/OCRB	DIFF.
Sun City West Water	$16,407,508	$11,366,817	$5,040,691
Sun City West Wastewater	$13,455,978	$10,470,538	$2,985,440
Sun City Water	$48,703,466	$22,304,176	$26,399,290
Sun City Wastewater	$20,233,577	$8,893,529	$11,340,048
Tubac Water	$1,903,764	$1,172,012	$731,752

The detail supporting my recommended rate base is presented on Schedule RLM-2.

My recommended adjusted decrease in operating income is shown on Schedule RLM-1 as:

	AZ-AM	RUCO	DIFF.
Sun City West Water	$1,271,506	$746,868	$524,638
Sun City West Wastewater	$1,042,776	$687,977	$354,799
Sun City Water	$3,774,295	$1,465,517	$2,308,778
Sun City Wastewater	$1,568,009	$584,358	$983,651
Tubac Water	$147,501	$77,008	$70,493

The detail supporting this recommendation is presented on Schedule RLM-7.

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My recommended revenue requirement increases versus the Company's proposals are as follows:

	AZ-AM	RUCO	DIFF.
Sun City West Water	43.85%	14.19%	29.66%
Sun City West Wastewater	55.60%	29.06%	26.54%
Sun City Water	86.74%	31.70%	55.04%
Sun City Wastewater	12.57%	-17.58%	30.15%
Tubac Water	85.06%	16.04%	69.02%

Schedule RLM-1 presents the calculation of my recommended requirements.

RATE BASE

Rate Base Recommendation

Q. Please state the methodology used to determine the Rate Base RUCO is recommending.

A. The Company has requested its reconstruction cost new less depreciation represent its fair value rate base; however, RUCO is recommending the original cost rate base represent its fair value, as shown on Schedule RLM-2.

Q. Does RUCO support the use of a reconstruction cost new depreciated rate base, as proposed by the Company?

A. No, it does not. RUCO is recommending the use of original cost rate base. This adjustment is fully explained in the testimony of RUCO witness Marylee Diaz Cortez.

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1 Rate Base Adjustment No. 1 – Test Year Original Cost Rate Base

2 Q. Please explain the basis for your adjustments to the test year gross utility
3 plant and accumulated depreciation.

4 A. This adjustment consists of three elements as presented on Schedule RLM-3.
5 First, I determined the value of the 1995 prior test year plant and the
6 accumulated depreciation based on the FVRB approved by the Commission
7 in Decision No. 60172, dated May 7, 1997. Second, I proceeded to
8 reconstruct the plant value through the years to the end of the 2001 test year.
9 Third, I reconciled the difference between the value of Citizens' general plant
10 and AZ-AM's common plant.

11

12 Q. Please explain your first element of this adjustment.

13 A. Through arduous investigation of Citizens' prior rate case application and
14 review of Decision No. 60172, specifically Exhibit A, I was able to reconstruct
15 the approved value of the 1995 prior test year gross plant and accumulated
16 depreciation. The detail supporting this adjustment is presented on Schedule
17 RLM-4, page 1 through page 3.

18

19 Q. Please explain the second element of this adjustment.

20 A. Having established, for ratemaking purposes, the initial value of the gross
21 plant and accumulated depreciation, I then analyzed Citizens' plant records of
22 additions, adjustments and retirements from the prior test year of March 31,
23 1995 through the instant test year of December 31, 2001. Also, several data
24 requests dealing with rate base had to be reviewed. Specifically, the

Company's response to Staff data request No. JAC 28-3 resulted in the reduction of Sun City West Wastewater 2001 total plant by $213,110. My assessment culminated in a statement of the 2001 test year gross plant and accumulated depreciation under the operation and ownership of Citizens. The detail supporting these adjustments are presented on Schedule RLM-4, page 4 through page 11.

Q. Please explain your third element of this adjustment.

A. Since Citizens sold its assets to AZ-AM after the end of the 2001 test year, an adjustment was made to reflect the removal of Citizens' general plant and the insertion of AZ-AM's common plant allocated to each District. This adjustment represents, on a going forward basis, the value of test year total plant under AZ-AM's administration. This allocated general/common plant component consists of each company's respective office buildings, office furniture and equipment, transportation equipment, and other general equipment, which was/is used jointly by each District. The detail supporting these adjustments is presented on Schedule RLM-4, page 12.

<u>Rate Base Adjustment No. 2 – Post-test Year Original Cost Rate Base</u>

Q. Please explain your adjustment to the post-test year OCRB.

A. This adjustment is the difference between the estimated amounts of revenue neutral projects proposed in the Company's filing and the actual costs of these projects that were completed by the end of the calendar year 2002. Revenue neutral projects were those capital plant additions utilized solely to

service existing customers. Moreover, the accumulated depreciation was adjusted, using the half-year convention, to reflect this post-test year plant and necessitated by the need to match the rate base elements. The detail supporting these adjustments is presented on Schedule RLM-5, page 1.

Rate Base Adjustment No. 3 – Citizens' Acquisition Adjustment

Q. What is the appropriate ratemaking treatment for an acquisition premium adjustment?

A. Generally, the adjustment or premium associated with an acquisition should not be recoverable from ratepayers. Inclusion of this premium in a general rate case artificially inflates the cost of the assets and in turn rates. After the acquisition, the same assets will serve the same customers. Thus, the mere transfer should not serve to increase rates.

Q. Are you aware of any instances where regulatory authorities have allowed rate recovery of acquisition adjustments?

A. On occasion, regulatory authorities have considered rate recovery of some portion of the premium if the utility is able to demonstrate definitive savings and benefits attributable to the acquisition.

Q. How does AZ-AM propose to treat the acquisition adjustment in this filing?

A. In the instant filing, the Company has made an alternative proposal using OCRB instead of RCND as its FVRB. In this scenario, the Company has requested an increase to each Districts' OCRB by the proportionate share of

the Citizens' Acquisition Adjustment. The amounts of these adjustments are detailed in supporting Schedule RLM-3.

	AZ-AM	RUCO
Sun City West Water	$8,164,652	$0
Sun City West Wastewater	$10,401,376	$0
Sun City Water	$9,746,553	$0
Sun City Wastewater	$5,264,640	$0
Tubac Water	$531,184	$0

Q. Do you agree with this procedure?

A. No, I do not. As illuminated in Arizona-American's witness Mr. Stephenson testimony and supported in his exhibit 1, the prior settlement agreement attached to Decision No. 63584, which mandated the Commission's evaluation of Arizona-American's acquisition adjustment, specifically states in part:

> The decision to allow recovery of the acquisition adjustment must be based on Arizona-American's ability to demonstrate that clear, quantifiable and substantial net benefits have been realized by ratepayers, which would not have been realized had the transaction not occurred.

I believe it is premature to propose any ratemaking treatment for a potential acquisition adjustment related to AZ-AM. At the time of the filing Arizona-American had not operated the Company long enough to demonstrate any operational and administrative efficiencies and/or customer benefits the acquisition has brought to customers. Absent a clear and definitive showing

of operational efficiencies both accepted ratemaking principles and Decision No. 63584 preclude the recognition of the acquisition premium.

Q. What treatment do you recommend for the Acquisition Adjustment?

A. To meet the terms and conditions of Decision No. 63584, the acquisition premium should not receive rate recognition until such time as the Company demonstrates substantial benefits of the acquisition. AZ-AM has not done so in the instant filing. Therefore, any consideration of the acquisition premium should be postponed until AZ-AM's next Arizona general rate case.

OPERATING INCOME

Q. What changes are you recommending to the Company's test year operating revenue?

A. As shown on Schedule RLM-6, column (B), line 1 through line 4, I did not make any adjustments to test year operating revenues.

	AZ-AM	RUCO	DIFF.
Sun City West Water	$3,380,774	$3,380,774	$0
Sun City West Wastewater	$3,535,680	$3,535,680	$0
Sun City Water	$6,193,090	$6,193,090	$0
Sun City Wastewater	$5,088,340	$5,088,340	$0
Tubac Water	$254,486	$254,486	$0

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OPERATING EXPENSE

Operating Expenses Summary

Q. Are you recommending any changes to the Company's proposed operating expenses?

A. Yes I am. As shown on Schedule RLM-7, column (B) through column (K), RUCO made ten adjustments to the operating expenses of each District as explained below.

Q. Please summarize your adjustments to reflect the sale of assets from Citizens to Arizona-American.

A. Adjustments No. 1 through No. 4 and No. 8 are all related. These adjustments concern the transition of ownership from Citizens to Arizona-American and projected test year expenses under AZ-AM's corporate administration, while removing the appropriate costs associated with CUC's overhead.

Adjustments No. 5, 6, 7 and 10 address: depreciation, property tax, rate case and income tax expenses, respectively.

Adjustment No. 9 deals specifically with a computation error associated with the Material and Supplies Expense account for Sun City Wastewater.

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Operating Expense Adjustment No. 1 – Citizens' Corporate Allocations

Q. Please explain your adjustment to Citizens' general plant allocation.

A. I did not make any adjustments to the Company's proposed removal of Citizens' corporate expenses for the five Districts I analyzed.

Operating Income Adjustment No. 2 – Citizens' Test Year Salaries and Wages

Q. Please explain your adjustment to the removal of Citizens' salaries, wages and payroll taxes.

A. According to data provided through discovery, Citizens' test year salaries and wages were accurately recorded. However, from the general ledger, the payroll tax account differed from the amount recorded by AZ-AM in this filing.

	AZ-AM	RUCO	DIFF.
Sun City West Water	$4,764	$9,108	$4,344
Sun City West Wastewater	$67,189	$67,189	$0
Sun City Water	$114,680	$72,671	$ (42,009)
Sun City Wastewater	$24,872	$21,907	$ (2,965)
Tubac Water	$26,283	$4,857	$ (21,426)

Therefore, since the Company deemed the general ledger information provided in Staff data request 1.03 to be correct, the appropriate adjustments were made. The detail supporting these adjustments is presented on Schedule RLM-8.

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Operating Income Adjustment No. 3 – AZ-AM's Service Company Charges

Q. Please explain your adjustment to the allocations of AZ-AM's Service Company charges.

A. In companion with Adjustment No. 1 above, this adjustment inserts Arizona-American's similar expenses to reflect known and measurable changes to test year expenses. However, discovery provided evidence indicating the allowable amount of the total service charges differed from the amount requested by AZ-AM in this filing.

	AZ-AM	RUCO	DIFF.
Sun City West Water	$515,886	$437,098	$ (78,789)
Sun City West Wastewater	$552,478	$468,101	$ (84,377)
Sun City Water	$926,122	$784,680	$ (141,442)
Sun City Wastewater	$522,586	$442,774	$ (79,812)
Tubac Water	$38,653	$32,750	$ (5,903)

The detail supporting these adjustments is presented on Schedule RLM-9.

This adjustment is fully explained in the testimony of RUCO witness Marylee Diaz Cortez.

Operating Income Adjustment No. 4 – AZ-AM's Salaries and Wages

Q. Please explain your adjustment to the allocation of AZ-AM's salaries and wages.

A. AZ-AM's filing projected estimated amounts for these expenses; however, through discovery, the actual values were determined. Moreover, an

accurate assessment of the non-allowable capitalized portion of labor costs was calculated and removed from the allocation.

	AZ-AM	RUCO	DIFF.
Sun City West Water	$375,805	$270,185	$ (105,620)
Sun City West Wastewater	$481,323	$331,161	$ (150,162)
Sun City Water	$796,513	$609,524	$ (186,989)
Sun City Wastewater	$96,303	$63,850	$ (32,453)
Tubac Water	$64,473	$53,717	$ (10,756)

The detail supporting these adjustments is presented on Schedule RLM-10.

This adjustment is fully explained in the testimony of RUCO witness Marylee Diaz Cortez.

Operating Income Adjustment No. 5 – Depreciation Expense

Q. Please explain your adjustment to increase/decrease the Depreciation Expense account.

A. As shown on Schedule RLM-11, I adjusted depreciation expenses to reflect the Commission's approved depreciation rates applied to my restated plant balances.

	AZ-AM	RUCO	DIFF.
Sun City West Water	$750,150	$743,357	$ (6,793)
Sun City West Wastewater	$1,432,265	$1,380,585	$ (51,680)
Sun City Water	$1,025,028	$1,002,034	$ (22,994)
Sun City Wastewater	$514,852	$520,421	$5,569

Tubac Water	$37,208	$35,563	$ (1,645)

Operating Income Adjustment No. 6 – Property Tax Expense

Q. Please explain your adjustment to the Real Estate Taxes Expense account.

A. As shown on Schedule RLM-12, the real estate tax expenses were adjusted to reflect the Company's property tax based on the use of the Arizona Department of Revenue ("ADOR") formula.

	AZ-AM	RUCO	DIFF.
Sun City West Water	$148,220	$153,950	$ (6,793)
Sun City West Wastewater	$168,501	$141,609	$ (26,892)
Sun City Water	$186,779	$238,803	$52,024
Sun City Wastewater	$193,701	$206,027	$12,326
Tubac Water	$23,752	$20,054	$ (3,698)

This adjustment is fully explained in the testimony of RUCO witness Timothy J. Coley.

Operating Income Adjustment No. 7 – Rate Case Expense

Q. Please explain the adjustment to the allocation of AZ-AM's rate case expense.

A. RUCO made a determination of what should be the financial burden on the ratepayers for the cost incurred by the Company for prematurely filing this rate case application.

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This fair and reasonable expense was then allocated according to the test year revenue of each District (the same methodology used by the Company).

	AZ-AM	RUCO	DIFF.
Sun City West Water	$66,939	$40,065	$ (26,874)
Sun City West Wastewater	$70,006	$41,901	$ (28,106)
Sun City Water	$122,623	$73,393	$ (49,230)
Sun City Wastewater	$100,749	$60,301	$ (40,448)
Tubac Water	$5,039	$3,016	$ (2,023)

The above amounts would then be amortized over three years. The detail supporting these adjustments is presented on Schedule RLM-13.

This adjustment is fully explained in the testimony of RUCO witness Marylee Diaz Cortez.

Operating Income Adjustment No. 8 – Additional Corporate Overhead

Q. Please explain your adjustment to the allocation of AZ-AM's projected corporate overhead.

A. At the time of the Company's filing there were no actual annual costs associated with AZ-AM's administration and operation of these ten Districts for the 2001 test year. Thus, this adjustment is a true-up to actual costs versus the estimated values requested by the Company.

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The actual costs were obtained through discovery and represent AZ-AM's corporate overhead expenses for the year 2002. I used the same methodology as the Company to categorize and allocate the expense across the ten Districts.

Q. Please explain the methodology used to allocated the appropriate expense to each District.

A. As shown on Schedule RLM-14, page 1 through page 3, I obtained the actual value for each of 44 expense categories from the general ledger, I classified them into five groups: employee benefits (stated as Salaries and Wages by the Company), office expense, insurance, miscellaneous and a not allocated group. Each allocated group was then proportioned to the Districts by different allocation factors. For instance: employee benefits were allocated by a factor representative of the number of employees per District; director's fees office and miscellaneous expenses by a factor representative of the customer count per District; trustee's fees office, and miscellaneous expenses by a factor representative of the proforma plant per District; and general liability insurance by a factor representative of the FVRB per District.

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Q. Did you have to revise any of allocation factors?

A. Yes, I did. The Company's filing allocated expenses to the Mohave Sewer District, but excluded the Paradise Valley Water District. Since the general ledger indicated these overhead expenses were considered to be Arizona wide corporate expenditures, I revised the allocation factors to recognize the Paradise Valley Water District.

Q. How did you determine the Paradise Valley Water District's allocation factors?

A. Through data obtained from Arizona-American's 2001 annual report, I was able to extrapolate its FVRB and employee count and thus estimate the allocation factors for Paradise Valley Water District. The resulting allocation of corporate overhead is as follows:

	AZ-AM	RUCO	DIFF.
Sun City West Water	$300,468	$225,855	$ (74,613)
Sun City West Wastewater	$332,507	$219,739	$ (112,768)
Sun City Water	$320,555	$474,833	$154,278
Sun City Wastewater	$320,555	$283,230	$ (37,325)
Tubac Water	$33,106	$15,758	$ (17,348)

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Operating Income Adjustment No. 9 – Sun City Wastewater Only – Material and Supplies Expenses

Q. Please explain your adjustment to the material and supplies expenses for Sun City Wastewater.

A. The Company inadvertently failed to record the adjusted test year amount of $105,696 in this account on the Company's Schedule C-1, line 12. The detail supporting this adjustment is presented on Sun City Wastewater's Schedule RLM-6, line 10.

Operating Income Adjustment No. 10 – Income Tax Expenses

Q. What adjustments have you made to the test year Income Tax Expense account?

A. As shown on Schedule RLM-15, I revised total test year income taxes to reflect calculations based on my adjusted test year revenue and expenses.

	AZ-AM	RUCO	DIFF.
Sun City West Water	$ (97,736)	$75,928	$ 173,664
Sun City West Wastewater	$ (369,763)	$ (156,059)	$213,704
Sun City Water	$ (665,050)	$ (245,509)	$419,541
Sun City Wastewater	$257,188	$341,728	$84,540
Tubac Water	$ (28,505)	$2,792	$31,297

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Q. Have you also prepared a Schedule showing the calculation of Income Tax Expense on your proposed revenues?

A. Yes, I have. Schedule RLM-1, page 2, presents a calculation of income taxes on my proposed revenues. This Schedule provides proof that my proposed revenues will provide for all state and federal income taxes and result in the operating income I am recommending. This Schedule also shows the calculation of the revenue conversion factor that reconciles the required increase in revenue with the test year and required operating incomes.

COST OF CAPITAL

Q. Have you made any adjustments to the Company proposed capital structure?

A. Yes, I have. As shown on Schedule RLM-16, this adjustment decreased the Company's cost of long-term debt by 38 basis points from 5.25 to 4.87 percent; and, the Company's cost of common equity by 239 basis points from 11.50 to 9.11 percent to reflect current market conditions. This reduced the weighted cost of capital to 6.57 percent versus the 7.75 percent proposed in the Company's filing.

This adjustment will be fully explained in the testimony of RUCO witness William A Rigsby.

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RATE DESIGN

Q. Have you prepared Schedules presenting your recommended rate designs?

A. Yes, I have. My recommended rate designs are presented on Schedule RLM-17, page 1. I am recommending a rate design that is consistent with RUCO's recommended revenue allocations and requirement.

PROOF OF RECOMMENDED REVENUE

Q. Have you prepared a Schedule presenting proof of your recommended revenue?

A. Yes, I have. Proof that my recommended rate designs will produce the projected required revenue as illustrated, is presented on Schedule RLM-18.

Q. Have you prepared a Schedule presenting the impact of your rate design on the typical residential customer?

A. Yes, I have. Schedule RLM-19 analysis the monthly charges for the typical residential customer under the present rate structure, the Company's proposal and RUCO's recommended rate design.

CONCLUSIONS AND RECOMMENDATIONS

Q. Please summarize your conclusions and recommendations.

A. In Arizona, rate case applications are based on accurate, reliable and relevant data generated from a historical test year. Since the Company grossly abused and distorted this pillar of ratemaking principles, RUCO recommends this application be denied and the Company be required to file a

new rate case using a historical test year. In lieu of a complete denial of the Company's filing, RUCO alternatively recommends:

1. For ratemaking purposes, the proposed revenue requirements should not exceed:

Sun City West Water	$3,860,482
Sun City West Wastewater	$4,563,072
Sun City Water	$8,156,424
Sun City Wastewater	$4,193,534
Tubac Water	$295,298

2. For ratemaking purposes, the OCRB and FVRB for test year ending December 31, 2001 should be:

Sun City West Water	$11,366,817
Sun City West Wastewater	$10,470,538
Sun City Water	$22,304,176
Sun City Wastewater	$8,893,529
Tubac Water	$1,172,012

3. A fair and reasonable rate of return of FVRB is 6.57 percent.

Q. Does this conclude your direct testimony?

A. Yes, it does.

Arizona-American Water Company
Docket No. W-01303A-02-0867
Test Year Ended December 31, 2001

Sun City West Water District

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REVENUE REQUIREMENT

LINE NO.	DESCRIPTION	(A) COMPANY RCND	(B) ADJ'MENT TO RESTATE TO ORIGINAL COST	(C) COMPANY ORIGINAL COST	(D) RUCO ORIGINAL COST
1	Fair Value Rate Base	$ 16,407,508	$ 3,575,535	$ 19,983,043	$ 11,366,817
2	Adjusted Operating Income (Loss)	$ 361,287		$ 361,287	$ 452,321
3	Current Rate Of Return (L2 / L1)	2.20%		1.81%	3.98%
4	Required Operating Income (L5 X L1)	$ 1,271,506		$ 1,548,686	$ 746,868
5	Required Rate Of Return On Fair Value Rate Base	7.75%		7.75%	6.57%
6	Operating Income Deficiency (L4 - L2)	$ 910,219		$ 1,187,399	$ 294,546
7	Gross Revenue Conversion Factor (RLM-1, Pg 2)	1.6286		1.6286	1.6286
8	Increase In Gross Revenue Requirement (L7 X L6)	$ 1,482,414		$ 1,933,798	$ 479,708
9	Adjusted Test Year Revenue	$ 3,380,774		$ 3,380,774	$ 3,380,774
10	Proposed Annual Revenue (L8 + L9)	$ 4,863,188		$ 5,314,572	$ 3,860,482
11	Required Percentage Increase In Revenue (L8 / L9)	43.85%		57.20%	14.19%
12	Rate Of Return On Common Equity	11.50%		11.50%	9.11%

References:
Column (A): Company Schedules A-1 and C-1
Column (B): RUCO Schedule RLM-2
Column (C): Recalculated After Adjusting To OCRB
Column (D): RUCO Schedules RLM-3, RLM-6 And RLM-19

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	(A)	(B)	(C)	(D)
	CALCULATION OF GROSS REVENUE CONVERSION FACTOR:				
1	Revenue	1.0000			
2	Less: Combined Federal And State Tax Rate (L10)	0.3860			
3	Subtotal (L1 - L2)	0.6140			
4	**Revenue Conversion Factor** (L1 / L3)	**1.6286**			
	CALCULATION OF EFFECTIVE TAX RATE:				
5	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
6	Arizona State Income Tax Rate	6.9680%			
7	Federal Taxable Income (L5 - L6)	93.0320%			
8	Applicable Federal Income Tax Rate (Col. (D), L34)	34.0000%			
9	Effective Federal Income Tax Rate (L7 X L8)	31.6309%			
10	Combined Federal And State Income Tax Rate (L6 + L9)	38.5989%			
11	Required Operating Income (Sch. RLM-1, Col. (D), L4)	$ 746,868			
12	Adj'd T.Y. Oper'g Income (Loss) (Sch. RLM-1, Col. (D), L2)	452,321			
13	Required Increase In Operating Income (L11 - L12)		$ 294,546		
14	Income Taxes On Recommended Revenue (Col. (D), L31)	$ 261,090			
15	Income Taxes On Test Year Revenue (Col. (D), L32)	75,928			
16	Required Increase In Revenue To Provide For Income Taxes (L14 - L15)		$ 185,162		
17	Total Required Increase In Revenue (L13 + L16)		$ 479,708		
	CALCULATION OF INCOME TAX:			RUCO Recommended	
18	Revenue (Sch. RLM-1, Col. (D), L10)			$ 3,860,482	
19	Less: Opr'g Exp. Excl. Inc. Tax (RLM-6, Col. (E), L25 - L23)			2,852,524	
20	Less: Synchronized Interest (Col. (C), L37)			331,538	
21	Arizona Taxable Income (L18 - L19 - L20)			$ 676,419	
22	Arizona State Income Tax Rate			6.9680%	
23	Arizona Income Tax (L21 X L22)				$ 47,133
24	Fed. Taxable Income (L21 - L23)			$ 629,287	
25	Fed. Tax On 1st Inc. Bracket ($1 - $50,000) @ 15%			$ 7,500	
26	Fed. Tax On 2nd Inc. Bracket ($50,001 - $75,000) @ 25%			6,250	
27	Fed. Tax On 3rd Inc. Bracket ($75,001 - $100,000) @ 34%			8,500	
28	Fed. Tax On 4th Inc. Bracket ($100,001 - $335,000) @ 39%			91,650	
29	Fed. Tax On 5th Inc. Bracket ($335,001 - $10M) @ 34%			100,057	
30	Total Federal Income Tax (L25 + L26 + L27 + L28 + L29)				$ 213,957
31	Combined Federal And State Income Tax (L23 + L30)				$ 261,090
32	Test Year Combined Income Tax, RUCO As Adjusted (RLM-6, Col. (C), L23)				$ 75,928
33	Adjustment (L31 - L32) (See RLM-6, Col. (D), L23)				$ 185,162
34	Applicable Federal Income Tax Rate (Col. (D), L30 / Col. (C), L24)				34.00%
	CALCULATION OF INTEREST SYNCHRONIZATION:				
35	Rate Base (Sch. RLM-1, Pg 2, Col. (E), L16)			$ 11,366,817	
36	Weighted Avg. Cost Of Debt (Sch. RLM-16, Col. (F), L1)			2.92%	
37	Synchronized Interest (L35 X L36)			$ 331,538	

FAIR VALUE RATE BASE - RCND ADJUSTED TO OCRB

LINE NO.	DESCRIPTION	(A) COMPANY FILED AS RCND	(B) RUCO ADJM'TS TO OCRB	(C) RUCO ADJUSTED TO OCRB	(D) RUCO OCRB ADJM'TS	(E) RUCO ADJUSTED AS OCRB
1	Gross Utility Plant In Service	$ 43,820,833	$ (12,667,454)	$ 31,153,379	$ (186,187)	$ 30,967,192
	Less:					
2	Accumulated Depreciation	8,953,449	(2,742,425)	6,211,024	265,393	6,476,417
3	Net Utility Plant In Service (L1 - L2)	$ 34,867,384	$ (9,925,029)	$ 24,942,355	$ (451,580)	$ 24,490,775
	Less:					
4	Advances In Aid Of Const. ("AIAC")	$ 17,092,013	$ (4,940,853)	$ 12,151,160	$ 0	$ 12,151,160
5	Contribution In Aid Of Const. ("CIAC")	$ 1,366,637	$ (395,059)	$ 971,578	$ 0	$ 971,578
6	Less: Accumulated Amortization	-	-	-	-	-
7	NET CIAC (L4 - L5)	$ 1,366,637	$ (395,059)	$ 971,578	$ 0	$ 971,578
8	Customer Meter Deposits	$ 1,225	$ 0	$ 1,225	$ 0	$ 1,225
9	Deferred Income Taxes And Credits	-	-	-	-	0
10	Investment Tax Credits	-	-	-	-	0
	Plus:					
11	Unamortized Finance Charges	$ 0	$ 0	$ 0	$ 0	$ 0
12	Deferred Tax Assets	-	-	-	-	0
13	Allowance For Working Capital	-	-	-	-	0
14	Citizens Acquisition Adjustment	-	8,164,652	8,164,652	(8,164,652)	0
15	Adjustment Due To Rounding	(1)	-	(1)	-	5
16	**TOTAL RATE BASE**	$ 16,407,508	$ 3,575,535	$ 19,983,043	$ (8,616,232)	$ 11,366,817

References:
Column (A): Company Schedule B-1
Column (B): Testimony, RLM
Column (C): Column (A) + Column (B)
Column (D): Schedule RLM-3
Column (C): Column (C) + Column (D)

SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY FILED AS OCRB	(B) RUCO ADJM'T # 1	(C) RUCO ADJM'T # 2	(D) RUCO ADJM'T # 3	(E) RUCO ADJUSTED AS OCRB
1	Gross Utility Plant In Service	$ 31,153,379	$ (24,607)	$ (161,580)	$ 0	$ 30,967,192
	Less:					
2	Accumulated Depreciation	6,211,024	251,494	13,899	-	6,476,417
3	Net Utility Plant In Service (L1 - L2)	$ 24,942,355	$ (276,101)	$ (175,479)	$ 0	$ 24,490,775
	Less:					
4	Advances In Aid Of Const. ("AIAC")	$ 12,151,160	$ 0	$ 0	$ 0	$ 12,151,160
5	Contribution In Aid Of Const. ("CIAC")	$ 971,578	$ 0	$ 0	$ 0	$ 971,578
6	Less: Accumulated Amortization					-
7	NET CIAC (L4 - L5)	$ 971,578	$ 0	$ 0	$ 0	$ 971,578
8	Customer Meter Deposits	$ 1,225	$ 0	$ 0	$ 0	$ 1,225
9	Deferred Income Taxes And Credits	-	-	-	-	$ 0
10	Investment Tax Credits	-	-	-	-	$ 0
	Plus:					
11	Unamortized Finance Charges	$ 0	$ 0	$ 0	$ 0	$ 0
12	Deferred Tax Assets	-	-	-	-	0
13	Allowance For Working Capital	-	-	-	-	0
14	Citizens Acquisition Adjustment	8,164,652	-	-	(8,164,652)	0
15	Adjustment Due To Rounding	(1)	-	-	-	5
16	**TOTAL RATE BASE**	$ 19,983,043	$ (276,101)	$ (175,479)	$ (8,164,652)	$ 11,366,817

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 (See RLM-4, Page 12, Col (E) & (F), L 48)
Column (C): Adjustment To Post Test Year Plant And Accumulated Depreciation (See RLM-5, Page 1, Col (E) & (F), L 50)
Column (D): Adjustment To Citizens Acquisition Adjustment (See Testimony, RLM)
Column (E): Sum Of Columns (A) Thru (D)

TEST YEAR PLANT SCHEDULES
COMPANY'S PRESENT FILING VERSUS TOTAL PLANT FILED IN PRIOR RATE CASE - DECISION NO. 60172

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) ALLOCATION FACTOR	(B) CO. AS FILED PRIOR T. Y. 03/31/1995 TOTAL PLANT	(C) ADJUSTMENT TO 03/31/95 PRIOR T. Y. TOTAL PLANT	(D) ACTUAL 03/31/95 PRIOR T. Y. TOTAL PLANT
		INTANGIBLE				
1	301.00	Organization	0.0009	$ 20,086	$ (12)	$ 20,074
2	302.00	Franchises	0.0001	1,676	(1)	1,675
3	303.00	Miscellaneous Intangibles	0.0000	-	-	0
4		SUBTOTAL INTANGIBLE		$ 21,762	$ (13)	$ 21,749
		SOURCE OF SUPPLY				
5	310.00	Land And Land Rights	0.0000	$ 11,651	$ 0	$ 11,651
6	311.00	Structures And Improvements	0.0121	285,295	(173)	285,122
7	312.00	Collecting And Impounding Res.	0.0000	-	-	0
8	313.00	Lakes, Rivers, Other Intakes	0.0000	-	-	0
9	314.00	Wells And Springs	0.0294	692,944	(420)	692,524
10		SUBTOTAL SUPPLY		$ 989,890	$ (593)	$ 989,297
		PUMPING				
11	320.00	Land And Land Rights	0.0000	$ 44,957	$ 0	$ 44,957
12	321.00	Structures And Improvements	0.0097	228,397	(138)	228,259
13	323.00	Other Power Production	0.0000	-	-	0
14	325.00	Electric Pumping Equipment	0.1478	3,485,513	(2,113)	3,483,400
15	326.00	Diesel Pumping Equipment	0.0000	913	(1)	912
16	328.10	Gas Engine Pumping Equipment	0.0000	429	(0)	429
17		SUBTOTAL PUMPING		$ 3,760,209	$ (2,252)	$ 3,757,957
		WATER TREATMENT				
18	330.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	0.0008	20,012	(365)	19,647
20	332.00	Water Treatment Equipment	0.0051	119,409	(2,176)	117,233
21		SUBTOTAL TREATMENT		$ 139,421	$ (2,540)	$ 136,881
		TRANSMISSION & DISTRIBUTION				
22	340.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0
23	341.00	Structures And Improvements	0.0000	-	-	0
24	342.00	Distribution, Reservoirs, & ST	0.0271	638,531	(387)	638,144
25	343.00	Trans. And Dist. Mains	0.4287	10,110,289	(6,128)	10,104,161
26	344.00	Fire Mains	0.0000	169	(0)	169
27	345.00	Services	0.2153	5,076,981	(3,077)	5,073,904
28	346.00	Meters	0.0581	1,370,167	(830)	1,369,337
29	348.00	Hydrants	0.0603	1,422,680	(862)	1,421,818
30	349.00	Other Trans. And Dist.	0.0000	-	-	0
31		SUBTOTAL TRANS. & DIST.		$ 18,618,817	$ (11,285)	$ 18,607,533
		GENERAL				
32	389.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0
33	390.00	Structures And Improvements	0.0000	17,268	-	17,268
34	391.00	Office Furniture And Equipment	0.0000	94,425	-	94,425
35	391.10	Computer Equipment	0.0000	-	-	0
36	392.00	Transportation Equipment	0.0000	265,428	-	265,428
37	393.00	Stores Equipment	0.0000	487	-	487
38	394.00	Tools, Shop And Garage	0.0000	23,426	-	23,426
39	395.00	Laboratory Equipment	0.0000	4,359	-	4,359
40	396.00	Power Operated Equipment	0.0000	24,055	-	24,055
41	397.00	Communication Equipment	0.0000	32,563	-	32,563
42	398.00	Miscellaneous Equipment	0.0000	24,607	-	24,607
43		SUBTOTAL GENERAL		$ 486,618	$ 0	$ 486,618
44		**TOTAL WATER PLANT**		$ 24,016,717	$ (16,683)	$ 24,000,034
45		AFUDC ADJUSTMENT 3/95		$ (431,998)	$ 431,998	$ 0
46		Adjustment Due To Rounding		-	-	0
47		**ADJUSTED WATER PLANT**		$ 23,584,719	$ 415,315	$ 24,000,034

References:
Column (A): Ratio Of Depreciable Plant Item To The Total Plant Value (Col. (B), L47) (Excluding General Plant)
Column (B): Company Schedule B-2, Page 6a
Column (C): Column (A) (Line Item Allocation Factor) X Total Adjustment Of ($16,683) As Per Prior Application Schedule B-2
Column (D): Columns (B) + (C). Prior Rate Case Decision No. 60172, Exhibit A - Before Commission Approved Adjustments

TEST YEAR PLANT SCHEDULES CONT'D
COMPANY'S PRIOR FILING VERSUS TOTAL PLANT ADJUSTMENTS APPROVED IN PRIOR RATE CASE - DECISION NO. 60172

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) ALLOC'N FACTOR	(B) ACTUAL 03/31/1995 PRIOR T. Y. TOTAL PLANT	(C) ADJM'T # 1 TO 03/31/95 PRIOR T. Y. TOTAL PLANT	(D) ADJM'T # 2 TO 03/31/95 PRIOR T. Y. TOTAL PLANT	(E) ADJM'T # 3 TO 03/31/95 PRIOR T. Y. TOTAL PLANT	(F) ACC APPR'D ADJUSTED PRIOR T. Y. TOTAL PLANT
		INTANGIBLE						
1	301.00	Organization	0.0000	$ 20,074	$ 0	$ 0	$ 0	$ 20,074
2	302.00	Franchises	0.0000	1,675	-	-	-	1,675
3	303.00	Miscellaneous Intangibles	0.0000	-	-	-	-	0
4		SUBTOTAL INTANGIBLE		$ 21,749	$ 0	$ 0	$ 0	$ 21,749
		SOURCE OF SUPPLY						
5	310.00	Land And Land Rights	0.0000	$ 11,651	$ 0	$ 0	$ 0	$ 11,651
6	311.00	Structures And Improvements	0.0119	285,122	(5,352)	-	-	279,770
7	312.00	Collecting And Impounding Res.	0.0000	-	-	-	-	0
8	313.00	Lakes, Rivers, Other Intakes	0.0000	-	-	-	-	0
9	314.00	Wells And Springs	0.0289	692,524	(13,000)	-	-	679,524
10		SUBTOTAL SUPPLY		$ 989,297	$ (18,352)	$ 0	$ 0	$ 970,945
		PUMPING						
11	320.00	Land And Land Rights	0.0000	$ 44,957	$ 0	$ 0	$ 0	$ 44,957
12	321.00	Structures And Improvements	0.0095	228,259	(4,285)	-	-	223,974
13	323.00	Other Power Production	0.0000	-	-	-	-	0
14	325.00	Electric Pumping Equipment	0.1451	3,483,400	(65,390)	-	-	3,418,011
15	326.00	Diesel Pumping Equipment	0.0000	912	(17)	-	-	895
16	328.10	Gas Engine Pumping Equipment	0.0000	429	(8)	-	-	421
17		SUBTOTAL PUMPING		$ 3,757,957	$ (69,700)	$ 0	$ 0	$ 3,688,257
		WATER TREATMENT						
18	330.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	0.0008	19,647	(369)	-	-	19,279
20	332.00	Water Treatment Equipment	0.0049	117,233	(2,201)	-	-	115,033
21		SUBTOTAL TREATMENT		136,881	$ (2,570)	$ 0	$ 0	$ 134,311
		TRANSMISSION & DISTRIBUTION		-				
22	340.00	Land And Land Rights	0.0000	0	$ 0	$ 0	$ 0	$ 0
23	341.00	Structures And Improvements	0.0000	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	0.0266	638,144	(11,979)	-	-	626,165
25	343.00	Trans. And Dist. Mains	0.4210	10,104,161	(189,674)	-	-	9,914,487
26	344.00	Fire Mains	0.0000	169	(3)	-	-	166
27	345.00	Services	0.2114	5,073,904	(95,247)	-	-	4,978,657
28	346.00	Meters	0.0571	1,369,337	(25,705)	-	-	1,343,632
29	348.00	Hydrants	0.0592	1,421,818	(26,690)	-	-	1,395,128
30	349.00	Other Trans. And Dist.	0.0000	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.		$ 18,607,533	$ (349,298)	$ 0	$ 0	$ 18,258,235
		GENERAL						
32	389.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
33	390.00	Structures And Improvements	0.0000	17,268	-	-	-	17,268
34	391.00	Office Furniture And Equipment	0.0000	94,425	-	-	-	94,425
35	391.10	Computer Equipment	0.0000	-	-	-	-	0
36	392.00	Transportation Equipment	0.0000	265,428	-	-	-	265,428
37	393.00	Stores Equipment	0.0000	487	-	-	-	487
38	394.00	Tools, Shop And Garage	0.0000	23,426	-	-	-	23,426
39	395.00	Laboratory Equipment	0.0000	4,359	-	-	-	4,359
40	396.00	Power Operated Equipment	0.0000	24,055	-	-	-	24,055
41	397.00	Communication Equipment	0.0000	32,563	-	-	-	32,563
42	398.00	Miscellaneous Equipment	0.0000	24,607	-	-	-	24,607
43		SUBTOTAL GENERAL		$ 486,618	$ 0	$ 0	$ 0	$ 486,618
44		**TOTAL WATER PLANT**		$ 24,000,034	$ (439,920)	$ 0	$ 0	$ 23,560,114
45		AFUDC ADJUSTMENT 3/95		$ 0	$ 0	$ 0	$ 0	$ 0
46		Adjustment Due To Rounding		-	-	-	-	0
47		**ADJUSTED WATER PLANT**		$ 24,000,034	$ (439,920)	$ 0	$ 0	$ 23,560,114

References:
Column (A): Ratio Of Depreciable Plant Item To The Total Plant Value (Col. (B), L47) (Excluding General Plant)
Column (B): Prior Rate Case Decision No. 60172, Exhibit A - Before Commission Approved Adjustments
Column (C): Commission Approved Adjustment Decision No. 60172, Exhibit A Per AR-13
Column (D): Intentionally Left Blank
Column (E): Intentionally Left Blank
Column (F): Sum Of Cols. (B) Thru (E). Prior Rate Case Decision No. 60172, Exhibit A - After Commission Approved Adjustments

TEST YEAR PLANT SCHEDULES CONT'D
COMPANY'S PRIOR FILING VERSUS ACCUMULATED DEPRECIATION ADJUSTMENTS APPROVED IN PRIOR RATE CASE - DECISION NO. 60172

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) ALLOC'N FACTOR	(B) PREV. APPL'N CO. AS FILED 12/31/1994 ACC. DEP.	(C) ADJM'T NO. 1 TO12/31/94 ACC. DEP.	(D) ACTUAL 03/31/1995 PRIOR T. Y. ACC. DEP.	(E) ADJM'T NO. 2 TO 03/31/95 PRIOR T. Y. ACC. DEP.	(F) ACC APPR'D ADJUSTED PRIOR T. Y. ACC. DEP.
		INTANGIBLE						
1	301.00	Organization	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
2	302.00	Franchises	0.0000	-	-	-	-	0
3	303.00	Miscellaneous Intangibles	0.0000	-	-	-	-	0
4		SUBTOTAL INTANGIBLE		$ 0	$ 0	$ 0	$ 0	$ 0
		SOURCE OF SUPPLY						
5	310.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
6	311.00	Structures And Improvements	0.0119	46,816	1,616	48,432	295	48,727
7	312.00	Collecting And Impounding Res.	0.0000	-	-	-	-	0
8	313.00	Lakes, Rivers, Other Intakes	0.0000	-	-	-	-	0
9	314.00	Wells And Springs	0.0266	104,413	3,605	108,018	658	108,676
10		SUBTOTAL SUPPLY		$ 151,229	$ 5,221	$ 156,450	$ 953	$ 157,403
		PUMPING						
11	320.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
12	321.00	Structures And Improvements	0.0117	46,016	1,589	47,605	290	47,895
13	323.00	Other Power Production	0.0000	-	-	-	-	0
14	325.00	Electric Pumping Equipment	0.2561	1,005,340	34,706	1,040,046	6,336	1,046,382
15	326.00	Diesel Pumping Equipment	0.0001	264	9	273	2	275
16	328.10	Gas Engine Pumping Equipment	0.0000	7	-	7	-	7
17		SUBTOTAL PUMPING		$ 1,051,627	$ 36,304	$ 1,087,931	$ 6,627	$ 1,094,558
		WATER TREATMENT						
18	330.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	0.0006	2,243	77	2,320	14	2,335
20	332.00	Water Treatment Equipment	0.0062	24,213	836	25,049	153	25,201
21		SUBTOTAL TREATMENT		$ 26,456	$ 913	$ 27,369	$ 167	$ 27,536
		TRANSMISSION & DISTRIBUTION						
22	340.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
23	341.00	Structures And Improvements	0.0000	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	0.0200	78,625	2,714	81,339	495	81,835
25	343.00	Trans. And Dist. Mains	0.3485	1,368,224	47,234	1,415,458	8,622	1,424,080
26	344.00	Fire Mains	0.0000	13	-	13	-	13
27	345.00	Services	0.1738	682,456	23,560	706,016	4,301	710,317
28	346.00	Meters	0.0544	213,554	7,372	220,926	1,346	222,272
29	348.00	Hydrants	0.0581	227,945	7,869	235,814	1,436	237,251
30	349.00	Other Trans. And Dist.	0.0000	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.		$ 2,570,817	$ 88,749	$ 2,659,566	$ 16,201	$ 2,675,767
		GENERAL						
32	389.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
33	390.00	Structures And Improvements	0.0010	4,024	139	4,163	25	4,188
34	391.00	Office Furniture And Equipment	0.0068	26,509	915	27,424	167	27,591
35	391.10	Computer Equipment	0.0000	-	-	-	-	0
36	392.00	Transportation Equipment	0.0154	60,604	2,092	62,696	382	63,078
37	393.00	Stores Equipment	0.0001	222	8	230	1	231
38	394.00	Tools, Shop And Garage	0.0010	4,080	141	4,221	26	4,247
39	395.00	Laboratory Equipment	0.0002	865	30	895	5	900
40	396.00	Power Operated Equipment	0.0006	2,286	79	2,365	14	2,379
41	397.00	Communication Equipment	0.0050	19,496	673	20,169	123	20,292
42	398.00	Miscellaneous Equipment	0.0019	7,426	256	7,682	47	7,729
43		SUBTOTAL GENERAL		$ 125,512	$ 4,333	$ 129,845	$ 791	$ 130,636
44		**TOTAL WATER PLANT ACC. DEP.**		$ 3,925,641	$ 135,520	$ 4,061,161	$ 24,739	$ 4,085,900
45		AFUDC ADJUSTMENT 3/95		$ 0	$ 0	$ 0	$ 0	$ 0
46		Adjustment Due To Rounding		-	-	-	-	0
47		**ADJUSTED WATER PLANT ACC. DEP.**		$ 3,925,641	$ 135,520	$ 4,061,161	$ 24,739	$ 4,085,900

References:
Column (A): Ratio Of Depreciable Plant Item To The Total Accumulated Depreciation Value (Col. (B), L47)
Column (B): Company Prior Application Exhibit RJM-4c
Column (C): Column (A) (Line Item Allocation Factor) X Total Adjustment Of $135,520
Column (D): Prior Rate Case Decision No. 60172, Exhibit A - Before Commission Approved Adjustments
Column (E): Commission Approved Adjustment Decision No. 60172, Exhibit A Per Accumulated Depreciation Adjustment
Column (F): Prior Rate Case Decision No. 60172, Exhibit A - After Commission Approved Adjustments

TEST YEAR PLANT SCHEDULES CONT'D
PRIOR TEST YEAR ENDED MARCH 31, 1995

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) APPROVED DEP. RATE	(B) FULLY DEP. PLANT	(C) DEP. EXP.	(D) TOTAL PLANT VALUE	(E) ACCUM. DEP.	(F) NET PLANT VALUE
		INTANGIBLE						
1	301.00	Organization	0.00%	$ 0	$ 0	$ 20,074	$ 0	$ 20,074
2	302.00	Franchises	0.00%	-	-	1,675	-	1,675
3	303.00	Miscellaneous Intangibles	0.00%	-	-	-	-	0
4		SUBTOTAL INTANGIBLE		$ 0	$ 0	$ 21,749	$ 0	$ 21,749
		SOURCE OF SUPPLY						
5	310.00	Land And Land Rights	0.00%	$ 0	$ 0	$ 11,651	$ 0	$ 11,651
6	311.00	Structures And Improvements	2.50%	-	-	279,770	48,727	231,043
7	312.00	Collecting And Impounding Reservoirs	0.00%	-	-	-	-	0
8	313.00	Lakes, Rivers, Other Intakes	0.00%	-	-	-	-	0
9	314.00	Wells And Springs	2.52%	-	-	679,524	108,676	570,848
10		SUBTOTAL SOURCE OF SUPPLY		$ 0	$ 0	$ 970,945	$ 157,403	$ 813,542
		PUMPING						
11	320.00	Land And Land Rights	0.00%	$ 0	$ 0	$ 44,957	$ 0	$ 44,957
12	321.00	Structures And Improvements	1.67%	-	-	223,974	47,895	176,079
13	323.00	Other Power Production	0.00%	-	-	-	-	0
14	325.00	Electric Pumping Equipment	4.42%	-	-	3,418,011	1,046,382	2,371,629
15	326.00	Diesel Pumping Equipment	4.42%	-	-	895	275	621
16	328.10	Gas Engine Pumping Equipment	4.42%	-	-	421	7	414
17		SUBTOTAL PUMPING		$ -	$ 0	$ 3,688,257	$ 1,094,558	$ 2,593,699
		WATER TREATMENT						
18	330.00	Land And Land Rights	0.00%	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	1.67%	-	-	19,279	2,335	16,944
20	332.00	Water Treatment Equipment	4.00%	-	-	115,033	25,201	89,831
21		SUBTOTAL WATER TREATMENT		$ 0	$ 0	$ 134,311	$ 27,536	$ 106,775
		TRANSMISSION AND DISTRIBUTION						
22	340.00	Land And Land Rights	0.00%	$ 0	$ 0	$ 0	$ 0	$ 0
23	341.00	Structures And Improvements	0.00%	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	1.67%	-	-	626,165	81,835	544,331
25	343.00	Transmission And Distribution Mains	1.53%	-	-	9,914,487	1,424,080	8,490,407
26	344.00	Fire Mains	1.53%	-	-	166	13	153
27	345.00	Services	2.48%	-	-	4,978,657	710,317	4,268,341
28	346.00	Meters	2.51%	-	-	1,343,632	222,272	1,121,359
29	348.00	Hydrants	2.00%	-	-	1,395,128	237,251	1,157,877
30	349.00	Other Transmission And Distribution	0.00%	-	-	-	-	0
31		SUBTOTAL TRANS. AND DIST.		$ 0	$ 0	$ 18,258,235	$ 2,675,767	$ 15,582,467
		GENERAL						
32	389.00	Land And Land Rights	0.00%	$ 0	$ 0	$ 0	$ 0	$ 0
33	390.00	Structures And Improvements	1.68%	-	-	17,268	4,188	13,080
34	391.00	Office Furniture And Equipment	4.55%	-	-	94,425	27,591	66,834
35	391.10	Computer Equipment	4.55%	-	-	-	-	0
36	392.00	Transportation Equipment	25.00%	-	-	265,428	63,078	202,350
37	393.00	Stores Equipment	3.92%	-	-	487	231	256
38	394.00	Tools, Shop And Garage	4.14%	-	-	23,426	4,247	19,179
39	395.00	Laboratory Equipment	3.71%	-	-	4,359	900	3,459
40	396.00	Power Operated Equipment	5.14%	-	-	24,055	2,379	21,676
41	397.00	Communication Equipment	10.28%	-	-	32,563	20,292	12,271
42	398.00	Miscellaneous Equipment	4.98%	-	-	24,607	7,729	16,877
43		SUBTOTAL GENERAL		$ 0	$ 0	$ 486,618	$ 130,636	$ 355,982
44		AFUDC ADJUSTMENT 3/95	3.84%	$ 0	$ 0	$ 0	$ 0	$ 0
45		Adjustment Due To Rounding		-	-	-	-	0
46		**TOTAL WATER PLANT**		$ 0	$ 0	$ 23,560,114	$ 4,085,900	$ 19,474,214

References:
Column (A): Prior Decision No. 60172 And Company Schedule C-2, Page 6
Column (B): Company Response To RUCO Data Request No. 1.22
Column (C): Company Response To RUCO Data Request No. 1.22
Column (D): Schedule RLM-4, Page 2
Column (E): Schedule RLM-4, Page 3
Column (F): Column (D) - Column (E)

TEST YEAR PLANT SCHEDULES CONT'D
FROM MARCH 31, 1995 TO DECEMBER 31, 1995

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 20,074	$ 0	$ 20,074
2	302.00	Franchises	-	-	-	-	1,675	-	1,675
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 21,749	$ 0	$ 21,749
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 11,651	$ 0	$ 11,651
6	311.00	Structures And Improvements	4,761	-	-	5,290	284,531	54,018	230,513
7	312.00	Collecting And Impounding Res.	-	-	-	-	-	-	0
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	-	-	-	12,843	679,524	121,519	558,005
10		SUBTOTAL SUPPLY	$ 4,761	$ 0	$ 0	$ 18,133	$ 975,706	$ 175,536	$ 800,170
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 44,957	$ 0	$ 44,957
12	321.00	Structures And Improvements	-	-	-	2,805	223,974	50,700	173,274
13	323.00	Other Power Production	-	-	-	-	-	-	0
14	325.00	Electric Pumping Equipment	230,411	20,284	-	117,462	3,628,138	1,143,560	2,484,577
15	326.00	Diesel Pumping Equipment	-	-	-	30	895	304	591
16	328.10	Gas Engine Pumping Equipment	683	-	-	25	1,104	32	1,071
17		SUBTOTAL PUMPING	$ 231,094	$ 20,284	$ 0	$ 120,323	$ 3,899,067	$ 1,194,597	$ 2,704,470
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	-	-	-	241	19,279	2,576	16,703
20	332.00	Water Treatment Equipment	6,995	-	-	3,556	122,028	28,757	93,270
21		SUBTOTAL TREATMENT	$ 6,995	$ 0	$ 0	$ 3,797	$ 141,306	$ 31,333	$ 109,973
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
23	341.00	Structures And Improvements	-	-	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	-	-	-	7,843	626,165	89,678	536,488
25	343.00	Trans. And Dist. Mains	499,707	385	-	116,638	10,413,809	1,540,333	8,873,476
26	344.00	Fire Mains	-	-	-	2	166	15	151
27	345.00	Services	1,134,820	437,114	-	107,222	5,676,363	380,425	5,295,939
28	346.00	Meters	39,070	-	-	25,662	1,382,702	247,934	1,134,768
29	348.00	Hydrants	70,748	-	-	21,458	1,465,876	258,708	1,207,167
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.	$ 1,744,345	$ 437,499	$ 0	$ 278,824	$ 19,565,081	$ 2,517,092	$ 17,047,989
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
33	390.00	Structures And Improvements	-	-	-	218	17,268	4,406	12,863
34	391.00	Office Furniture And Equipment	8,136	-	-	3,357	102,561	30,949	71,613
35	391.10	Computer Equipment	-	-	-	-	-	-	0
36	392.00	Transportation Equipment	38,702	13,451	-	54,657	290,679	104,284	186,395
37	393.00	Stores Equipment	-	-	-	14	487	245	242
38	394.00	Tools, Shop And Garage	-	-	-	727	23,426	4,973	18,453
39	395.00	Laboratory Equipment	-	-	-	121	4,359	1,022	3,337
40	396.00	Power Operated Equipment	1,216	-	-	951	25,271	3,331	21,940
41	397.00	Communication Equipment	-	-	-	2,510	32,563	22,802	9,761
42	398.00	Miscellaneous Equipment	-	-	-	919	24,607	8,648	15,958
43		SUBTOTAL GENERAL	$ 48,054	$ 13,451	$ 0	$ 63,474	$ 521,221	$ 180,659	$ 340,562
44		AFUDC ADJUSTMENT 3/95	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
45		Adjustment Due To Rounding	2	-	-	-	(2)	-	0
46		**TOTAL WATER PLANT**	$ 2,035,251	$ 471,234	$ 0	$ 484,551	$ 25,124,128	$ 4,099,218	$ 21,024,912

References:
Columns (A) (B): Company's Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): 0.75 X [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 4, Col. (D) - Col. (C)] X RLM-4, Page 4, Col. (A)
Column (E): Schedule RLM-4, Page 4, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 4, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
YEAR ENDED DECEMBER 31, 1996

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 20,074	$ 0	$ 20,074
2	302.00	Franchises	-	-	-	-	1,675	-	1,675
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 21,749	$ 0	$ 21,749
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 11,651	$ 0	$ 11,651
6	311.00	Structures And Improvements	57,846	2,577	-	7,869	339,800	59,309	280,491
7	312.00	Collecting And Impounding Res.	-	-	-	-	-	-	0
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	618,438	-	-	24,916	1,297,962	146,435	1,151,527
10		SUBTOTAL SUPPLY	$ 676,284	$ 2,577	$ 0	$ 32,785	$ 1,649,413	$ 205,744	$ 1,443,669
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 44,957	$ 0	$ 44,957
12	321.00	Structures And Improvements	5,260	-	-	3,784	229,234	54,484	174,750
13	323.00	Other Power Production	-	-	-	-	-	-	0
14	325.00	Electric Pumping Equipment	526,201	12,790	-	172,275	4,141,549	1,303,046	2,838,503
15	326.00	Diesel Pumping Equipment	4,205	-	-	133	5,100	437	4,663
16	328.10	Gas Engine Pumping Equipment	693	-	-	64	1,797	96	1,700
17		SUBTOTAL PUMPING	$ 536,359	$ 12,790	$ 0	$ 176,256	$ 4,422,635	$ 1,358,063	$ 3,064,573
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	18,569	-	-	477	37,848	3,053	34,795
20	332.00	Water Treatment Equipment	41,380	332	-	5,715	163,076	34,141	128,935
21		SUBTOTAL TREATMENT	$ 59,949	$ 332	$ 0	$ 6,192	$ 200,923	$ 37,194	$ 163,730
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
23	341.00	Structures And Improvements	-	-	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	-	-	-	10,457	626,165	100,134	526,031
25	343.00	Trans. And Dist. Mains	399,343	-	-	162,386	10,813,152	1,702,720	9,110,433
26	344.00	Fire Mains	-	-	-	3	166	17	148
27	345.00	Services	1,081,826	20,190	-	154,439	6,737,999	514,673	6,223,326
28	346.00	Meters	193,426	1,022	-	37,146	1,575,106	284,058	1,291,048
29	348.00	Hydrants	74,712	-	-	30,065	1,540,588	288,773	1,251,815
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.	$ 1,749,307	$ 21,212	$ 0	$ 394,495	$ 21,293,176	$ 2,890,375	$ 18,402,800
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
33	390.00	Structures And Improvements	-	-	-	290	17,268	4,696	12,572
34	391.00	Office Furniture And Equipment	-	-	-	4,661	102,561	35,610	66,951
35	391.10	Computer Equipment	-	-	-	-	-	-	0
36	392.00	Transportation Equipment	25,898	1,109	-	76,045	315,468	179,220	136,248
37	393.00	Stores Equipment	-	-	-	19	487	264	223
38	394.00	Tools, Shop And Garage	145	-	-	972	23,571	5,945	17,626
39	395.00	Laboratory Equipment	-	-	-	162	4,359	1,183	3,176
40	396.00	Power Operated Equipment	-	-	-	1,300	25,271	4,630	20,641
41	397.00	Communication Equipment	-	-	-	3,347	32,563	26,149	6,414
42	398.00	Miscellaneous Equipment	-	-	-	1,225	24,607	9,874	14,733
43		SUBTOTAL GENERAL	$ 26,043	$ 1,109	$ 0	$ 88,021	$ 546,155	$ 267,572	$ 278,583
44		AFUDC ADJUSTMENT 3/95	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
45		Adjustment Due To Rounding	(1)	-	-	-	(3)	-	0
46		**TOTAL WATER PLANT**	$ 3,047,941	$ 38,020	$ 0	$ 697,750	$ 28,134,048	$ 4,758,948	$ 23,375,104

References:
Columns (A) (B): Company's Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 5, Col. (D) - Col. (C)] X RLM-4, Page 4, Col. (A)
Column (E): Schedule RLM-4, Page 5, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 5, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
YEAR ENDED DECEMBER 31, 1997

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 20,074	$ 0	$ 20,074
2	302.00	Franchises	-	88	-	-	1,587	-	1,587
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 88	$ 0	$ 0	$ 21,661	$ 0	$ 21,661
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 11,651	$ 0	$ 11,651
6	311.00	Structures And Improvements	-	1,790	-	8,517	338,010	66,036	271,973
7	312.00	Collecting And Impounding Res.	-	-	-	-	-	-	0
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	-	16,190	-	32,913	1,281,772	163,158	1,118,615
10		SUBTOTAL SUPPLY	$ 0	$ 17,980	$ 0	$ 41,430	$ 1,631,433	$ 229,194	$ 1,402,239
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 44,957	$ 0	$ 44,957
12	321.00	Structures And Improvements	-	4,456	-	100	224,778	50,129	174,649
13	323.00	Other Power Production	-	-	-	-	-	-	0
14	325.00	Electric Pumping Equipment	281,494	12,121	-	14,103	4,410,922	1,305,028	3,105,893
15	326.00	Diesel Pumping Equipment	-	68	-	7	5,032	376	4,656
16	328.10	Gas Engine Pumping Equipment	-	46	-	4	1,750	54	1,696
17		SUBTOTAL PUMPING	$ 281,494	$ 16,692	$ 0	$ 14,215	$ 4,687,437	$ 1,355,586	$ 3,331,852
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	-	249	-	10	37,599	2,814	34,784
20	332.00	Water Treatment Equipment	19,664	44,556	-	1,513	138,184	(8,902)	147,086
21		SUBTOTAL TREATMENT	$ 19,664	$ 44,805	$ 0	$ 1,523	$ 175,782	$ (6,088)	$ 181,870
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
23	341.00	Structures And Improvements	-	-	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	-	16,099	-	309	610,066	84,345	525,722
25	343.00	Trans. And Dist. Mains	123,131	-	-	3,426	10,936,283	1,706,146	9,230,137
26	344.00	Fire Mains	-	-	-	0	166	17	148
27	345.00	Services	87,762	245,500	-	7,963	6,580,261	277,136	6,303,125
28	346.00	Meters	115,320	-	-	2,380	1,690,426	286,437	1,403,989
29	348.00	Hydrants	8,837	-	-	690	1,549,425	289,462	1,259,963
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.	$ 335,051	$ 261,599	$ 0	$ 14,767	$ 21,366,628	$ 2,643,544	$ 18,723,084
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
33	390.00	Structures And Improvements	-	-	-	5	17,268	4,701	12,567
34	391.00	Office Furniture And Equipment	-	79,933	-	2,028	22,628	(42,294)	64,923
35	391.10	Computer Equipment	68,382	-	-	1,554	68,382	1,554	66,828
36	392.00	Transportation Equipment	21,261	-	-	21,669	336,729	200,889	135,840
37	393.00	Stores Equipment	-	-	-	1	487	265	222
38	394.00	Tools, Shop And Garage		5,437	-	153	18,134	660	17,474
39	395.00	Laboratory Equipment	-	605	-	17	3,754	596	3,158
40	396.00	Power Operated Equipment	-	1,089	-	95	24,182	3,636	20,546
41	397.00	Communication Equipment	-	1,783	-	436	30,780	24,801	5,978
42	398.00	Miscellaneous Equipment	-	1,238	-	92	23,369	8,727	14,641
43		SUBTOTAL GENERAL	$ 89,643	$ 90,085	$ 0	$ 26,049	$ 545,713	$ 203,536	$ 342,177
44		AFUDC ADJUSTMENT 3/95	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
45		Adjustment Due To Rounding	-	-	-	-	(4)	-	(1)
46		**TOTAL WATER PLANT**	$ 725,852	$ 431,249	$ 0	$ 97,985	$ 28,428,650	$ 4,425,771	$ 24,002,883

References:
Columns (A) (B): Company's Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 6, Col. (D) - Col. (C)] X RLM-4, Page 4, Col. (A)
Column (E): Schedule RLM-4, Page 6, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 6, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
YEAR ENDED DECEMBER 31, 1998

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 20,074	$ 0	$ 20,074
2	302.00	Franchises	-	-	-	-	1,587	-	1,587
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 21,661	$ 0	$ 21,661
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 11,651	$ 0	$ 11,651
6	311.00	Structures And Improvements	855	1,109	-	8,475	337,756	73,402	264,354
7	312.00	Collecting And Impounding Res.	924	-	-	-	924	-	924
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	15,676	-	-	32,498	1,297,449	195,656	1,101,793
10		SUBTOTAL SUPPLY	$ 17,456	$ 1,109	$ 0	$ 40,973	$ 1,647,780	$ 269,058	$ 1,378,722
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 44,957	$ 0	$ 44,957
12	321.00	Structures And Improvements	2,239	-	-	3,772	227,017	53,901	173,116
13	323.00	Other Power Production	-	-	-	-	-	-	0
14	325.00	Electric Pumping Equipment	206,383	68,196	-	201,031	4,549,109	1,437,863	3,111,246
15	326.00	Diesel Pumping Equipment	-	546	-	234	4,486	64	4,422
16	328.10	Gas Engine Pumping Equipment	5	-	-	77	1,755	131	1,624
17		SUBTOTAL PUMPING	$ 208,627	$ 68,742	$ 0	$ 205,115	$ 4,827,323	$ 1,491,960	$ 3,335,364
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	26	-	-	628	37,625	3,442	34,182
20	332.00	Water Treatment Equipment	24,384	23,443	-	6,484	139,125	(25,861)	164,986
21		SUBTOTAL TREATMENT	$ 24,410	$ 23,443	$ 0	$ 7,112	$ 176,749	$ (22,419)	$ 199,168
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
23	341.00	Structures And Improvements	-	-	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	1,711	-	-	10,202	611,777	94,547	517,230
25	343.00	Trans. And Dist. Mains	14,938	11,447	-	167,527	10,939,774	1,862,226	9,077,548
26	344.00	Fire Mains	-	-	-	3	166	20	146
27	345.00	Services	-	413,917	-	168,323	6,166,344	31,542	6,134,802
28	346.00	Meters	-	120,074	-	43,937	1,570,352	210,300	1,360,052
29	348.00	Hydrants	7,783	-	-	31,066	1,557,208	320,529	1,236,679
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.	$ 24,432	$ 545,438	$ 0	$ 421,058	$ 20,845,622	$ 2,519,164	$ 18,326,458
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
33	390.00	Structures And Improvements	-	-	-	290	17,268	4,991	12,277
34	391.00	Office Furniture And Equipment	5,510	-	-	1,154	28,138	(41,141)	69,279
35	391.10	Computer Equipment	-	-	-	3,108	68,382	4,662	63,720
36	392.00	Transportation Equipment	1,621	30,934	-	88,251	307,416	258,206	49,210
37	393.00	Stores Equipment	-	-	-	19	487	284	203
38	394.00	Tools, Shop And Garage	1,508	-	-	781	19,642	1,441	18,201
39	395.00	Laboratory Equipment	12	-	-	139	3,766	735	3,030
40	396.00	Power Operated Equipment	116	-	-	1,247	24,298	4,883	19,415
41	397.00	Communication Equipment	184	-	-	3,173	30,964	27,974	2,989
42	398.00	Miscellaneous Equipment	23,551	-	-	1,750	46,920	10,478	36,442
43		SUBTOTAL GENERAL	$ 32,502	$ 30,934	$ 0	$ 99,913	$ 547,281	$ 272,514	$ 274,766
44		AFUDC ADJUSTMENT 3/95	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
45		Adjustment Due To Rounding	-	-	-	-	(4)	-	(1)
46		**TOTAL WATER PLANT**	$ 307,427	$ 669,666	$ 0	$ 774,171	$ 28,066,411	$ 4,530,276	$ 23,536,139

References:
Columns (A) (B): Company's Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 7, Col. (D) - Col. (C)] X RLM-4, Page 4, Col. (A)
Column (E): Schedule RLM-4, Page 7, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 7, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
YEAR ENDED DECEMBER 31, 1999

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 20,074	$ 0	$ 20,074
2	302.00	Franchises	-	-	-	-	1,587	-	1,587
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 21,661	$ 0	$ 21,661
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 11,651	$ 0	$ 11,651
6	311.00	Structures And Improvements	-	-	-	8,444	337,756	81,846	255,910
7	312.00	Collecting And Impounding Res.	-	-	-	-	924	-	924
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	5,270	-	-	32,762	1,302,719	228,418	1,074,301
10		SUBTOTAL SUPPLY	$ 5,270	$ 0	$ 0	$ 41,206	$ 1,653,050	$ 310,264	$ 1,342,786
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 44,957	$ 0	$ 44,957
12	321.00	Structures And Improvements	-	-	-	3,791	227,017	57,692	169,325
13	323.00	Other Power Production	-	-	-	-	-	-	0
14	325.00	Electric Pumping Equipment	82,055	-	-	202,884	4,631,164	1,640,747	2,990,417
15	326.00	Diesel Pumping Equipment	-	-	-	198	4,486	263	4,223
16	328.10	Gas Engine Pumping Equipment	-	-	-	78	1,755	209	1,546
17		SUBTOTAL PUMPING	$ 82,055	$ 0	$ 0	$ 206,951	$ 4,909,378	$ 1,698,911	$ 3,210,468
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	-	-	-	628	37,625	4,071	33,554
20	332.00	Water Treatment Equipment	2,579	-	-	5,617	141,704	(20,245)	161,949
21		SUBTOTAL TREATMENT	$ 2,579	$ 0	$ 0	$ 6,245	$ 179,328	$ (16,174)	$ 195,503
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
23	341.00	Structures And Improvements	-	-	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	-	-	-	10,217	611,777	104,764	507,014
25	343.00	Trans. And Dist. Mains	159,557	-	-	168,599	11,099,331	2,030,825	9,068,506
26	344.00	Fire Mains	-	-	-	3	166	23	143
27	345.00	Services	404,856	-	-	157,946	6,571,200	189,487	6,381,713
28	346.00	Meters	46,451	-	-	39,999	1,616,803	250,299	1,366,504
29	348.00	Hydrants	33,455	-	-	31,479	1,590,663	352,007	1,238,656
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.	$ 644,319	$ 0	$ 0	$ 408,241	$ 21,489,941	$ 2,927,405	$ 18,562,535
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
33	390.00	Structures And Improvements	-	-	-	290	17,268	5,282	11,987
34	391.00	Office Furniture And Equipment	-	-	-	1,279	28,138	(39,862)	68,000
35	391.10	Computer Equipment	-	-	-	3,108	68,382	7,770	60,612
36	392.00	Transportation Equipment	79,064	-	-	86,736	386,480	344,942	41,538
37	393.00	Stores Equipment	-	-	-	19	487	303	184
38	394.00	Tools, Shop And Garage	-	-	-	812	19,642	2,254	17,388
39	395.00	Laboratory Equipment	-	-	-	140	3,766	875	2,891
40	396.00	Power Operated Equipment	-	-	-	1,250	24,298	6,133	18,165
41	397.00	Communication Equipment	-	-	-	3,182	30,964	31,156	(193)
42	398.00	Miscellaneous Equipment	-	-	-	2,337	46,920	12,814	34,105
43		SUBTOTAL GENERAL	$ 79,064	$ 0	$ 0	$ 99,153	$ 626,345	$ 371,668	$ 254,677
44		AFUDC ADJUSTMENT 3/95	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
45		Adjustment Due To Rounding	-	-	-	-	(3)	-	(1)
46		**TOTAL WATER PLANT**	$ 813,287	$ 0	$ 0	$ 761,797	$ 28,879,699	$ 5,292,073	$ 23,587,629

References:
Columns (A) (B): Company's Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 8, Col. (D) - Col. (C)] X RLM-4, Page 4, Col. (A)
Column (E): Schedule RLM-4, Page 8, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 8, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
YEAR ENDED DECEMBER 31, 2000

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 20,074	$ 0	$ 20,074
2	302.00	Franchises	-	-	-	-	1,587	-	1,587
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 21,661	$ 0	$ 21,661
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 11,651	$ 0	$ 11,651
6	311.00	Structures And Improvements	-	355	-	8,448	337,401	89,939	247,461
7	312.00	Collecting And Impounding Res.	-	-	-	-	924	-	924
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	-	10,011	-	32,955	1,292,708	251,361	1,041,346
10		SUBTOTAL SUPPLY	$ 0	$ 10,366	$ 0	$ 41,403	$ 1,642,684	$ 341,301	$ 1,301,383
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 44,957	$ 0	$ 44,957
12	321.00	Structures And Improvements	-	-	-	3,791	227,017	61,483	165,534
13	323.00	Other Power Production	-	-	-	-	-	-	0
14	325.00	Electric Pumping Equipment	181,407	99,267	-	210,900	4,713,304	1,752,380	2,960,923
15	326.00	Diesel Pumping Equipment	-	-	-	198	4,486	461	4,025
16	328.10	Gas Engine Pumping Equipment	-	-	-	78	1,755	286	1,469
17		SUBTOTAL PUMPING	$ 181,407	$ 99,267	$ 0	$ 214,967	$ 4,991,518	$ 1,814,611	$ 3,176,908
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	-	1	-	628	37,624	4,698	32,926
20	332.00	Water Treatment Equipment	5,236	4,515	-	5,863	142,425	(18,331)	160,755
21		SUBTOTAL TREATMENT	$ 5,236	$ 4,516	$ 0	$ 6,492	$ 180,048	$ (13,633)	$ 193,681
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
23	341.00	Structures And Improvements	-	-	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	-	-	-	10,217	611,777	114,980	496,797
25	343.00	Trans. And Dist. Mains	174,639	43	-	171,156	11,273,927	2,201,938	9,071,989
26	344.00	Fire Mains	-	-	-	3	166	25	141
27	345.00	Services	42,146	488,951	-	169,551	6,124,395	317	6,124,078
28	346.00	Meters	23,301	44,623	-	41,434	1,595,481	247,110	1,348,371
29	348.00	Hydrants	31,769	2,626	-	32,157	1,619,806	381,539	1,238,267
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.	$ 271,855	$ 536,243	$ 0	$ 424,518	$ 21,225,553	$ 2,945,909	$ 18,279,643
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
33	390.00	Structures And Improvements	-	-	-	290	17,268	5,572	11,697
34	391.00	Office Furniture And Equipment	1,607	-	-	1,315	29,745	(38,546)	68,292
35	391.10	Computer Equipment	51,401	-	-	4,276	119,783	12,047	107,736
36	392.00	Transportation Equipment	93,109	94,856	-	120,115	384,733	370,201	14,532
37	393.00	Stores Equipment	-	-	-	19	487	322	165
38	394.00	Tools, Shop And Garage	-	-	-	812	19,642	3,066	16,576
39	395.00	Laboratory Equipment	-	-	-	140	3,766	1,014	2,751
40	396.00	Power Operated Equipment	-	-	-	1,250	24,298	7,383	16,915
41	397.00	Communication Equipment	3,199	-	-	3,347	34,163	34,503	(341)
42	398.00	Miscellaneous Equipment	-	-	-	2,337	46,920	15,151	31,769
43		SUBTOTAL GENERAL	$ 149,316	$ 94,856	$ 0	$ 133,901	$ 680,805	$ 410,712	$ 270,092
44		AFUDC ADJUSTMENT 3/95	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
45		Adjustment Due To Rounding	-	-	-	-	(5)	-	(1)
46		**TOTAL WATER PLANT**	$ 607,814	$ 745,248	$ 0	$ 821,281	$ 28,742,263	$ 5,498,901	$ 23,243,367

References:
Columns (A) (B): Company's Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 9, Col. (D) - Col. (C)] X RLM-4, Page 4, Col. (A)
Column (E): Schedule RLM-4, Page 9, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 9, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
TEST YEAR ENDED DECEMBER 31, 2001

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 20,074	$ 0	$ 20,074
2	302.00	Franchises	-	-	-	-	1,587	-	1,587
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 21,661	$ 0	$ 21,661
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 11,651	$ 0	$ 11,651
6	311.00	Structures And Improvements	-	-	-	8,435	337,401	98,375	239,026
7	312.00	Collecting And Impounding Res.	-	-	-	-	924	-	924
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	-	-	-	32,576	1,292,708	283,938	1,008,770
10		SUBTOTAL SUPPLY	$ 0	$ 0	$ 0	$ 41,011	$ 1,642,684	$ 382,312	$ 1,260,372
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 44,957	$ 0	$ 44,957
12	321.00	Structures And Improvements	-	-	-	3,791	227,017	65,275	161,743
13	323.00	Other Power Production	-	-	-	-	-	-	0
14	325.00	Electric Pumping Equipment	85,460	5,407	-	210,336	4,793,357	1,957,310	2,836,047
15	326.00	Diesel Pumping Equipment	-	-	-	198	4,486	659	3,827
16	328.10	Gas Engine Pumping Equipment	-	-	-	78	1,755	364	1,391
17		SUBTOTAL PUMPING	$ 85,460	$ 5,407	$ 0	$ 214,403	$ 5,071,571	$ 2,023,607	$ 3,047,965
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	-	-	-	628	37,624	5,326	32,297
20	332.00	Water Treatment Equipment	2,887	-	-	5,755	145,312	(12,576)	157,888
21		SUBTOTAL TREATMENT	$ 2,887	$ 0	$ 0	$ 6,383	$ 182,936	$ (7,250)	$ 190,185
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
23	341.00	Structures And Improvements	-	-	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	-	-	-	10,217	611,777	125,197	486,580
25	343.00	Trans. And Dist. Mains	278,123	-	-	174,619	11,552,050	2,376,557	9,175,493
26	344.00	Fire Mains	-	-	-	3	166	28	138
27	345.00	Services	399,449	-	-	156,838	6,523,844	157,155	6,366,689
28	346.00	Meters	56,118	-	-	40,751	1,651,599	287,861	1,363,738
29	348.00	Hydrants	35,538	-	-	32,752	1,655,344	414,290	1,241,054
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.	$ 769,228	$ 0	$ 0	$ 415,178	$ 21,994,781	$ 3,361,088	$ 18,633,693
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
33	390.00	Structures And Improvements	-	-	-	290	17,268	5,862	11,406
34	391.00	Office Furniture And Equipment	-	-	-	1,352	29,745	(37,194)	66,940
35	391.10	Computer Equipment	-	19,425	-	5,886	100,358	(1,492)	101,850
36	392.00	Transportation Equipment	54,429	62,106	-	110,749	377,056	418,844	(41,788)
37	393.00	Stores Equipment	-	-	-	19	487	342	145
38	394.00	Tools, Shop And Garage	-	-	-	812	19,642	3,878	15,764
39	395.00	Laboratory Equipment	-	-	-	140	3,766	1,154	2,611
40	396.00	Power Operated Equipment	-	-	-	1,250	24,298	8,632	15,666
41	397.00	Communication Equipment	-	-	-	3,511	34,163	38,014	(3,852)
42	398.00	Miscellaneous Equipment	-	3,049	-	2,413	43,871	14,514	29,356
43		SUBTOTAL GENERAL	$ 54,429	$ 84,580	$ 0	$ 126,422	$ 650,654	$ 452,554	$ 198,099
44		AFUDC ADJUSTMENT 3/95	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
45		Adjustment Due To Rounding	-	-	-	-	(6)	-	(1)
46		**TOTAL WATER PLANT**	$ 912,004	$ 89,987	$ 0	$ 803,398	$ 29,564,280	$ 6,212,312	$ 23,351,973

References:
Columns (A) (B): Company's Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 10, Col. (D) - Col. (C)] X RLM-4, Page 4, Col. (A)
Column (E): Schedule RLM-4, Page 10, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 10, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
2001 TEST YEAR ADJUSTMENT TO GENERAL PLANT ALLOCATION - CITIZENS VERSUS ARIZONA-AMERICAN

			(A)	(B)	(C)	(D)	(E)	(F)	(G)
			PRE-AQUISITION		ADJUSTMENTS		POST-ACQUISITION		
LINE NO.	ACCT. NO.	ACCOUNT NAME	TOTAL PLANT VALUE	ACCUM. DEP.	TOTAL PLANT VALUE	ACCUM. DEP.	TOTAL PLANT VALUE	ACCUM. DEP.	NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 20,074	$ 0	$ 0	$ 0	$ 20,074	$ 0	$ 20,074
2	302.00	Franchises	1,587	-	-	-	1,587	-	1,587
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 21,661	$ 0	$ 0	$ 0	$ 21,661	$ 0	$ 21,661
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 11,651	$ 0	$ 0	$ 0	$ 11,651	$ 0	$ 11,651
6	311.00	Structures & Improvements	337,401	98,375	-	-	337,401	98,375	239,026
7	312.00	Collecting & Impound Res.	924	-	-	-	924	-	924
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	1,292,708	283,938	-	-	1,292,708	283,938	1,008,770
10		SUBTOTAL SUPPLY	$ 1,642,684	$ 382,312	$ 0	$ 0	$ 1,642,684	$ 382,312	$ 1,260,372
		PUMPING							
11	320.00	Land And Land Rights	$ 44,957	$ 0	$ 0	$ 0	$ 44,957	$ 0	$ 44,957
12	321.00	Structures & Improvements	227,017	65,275	-	-	227,017	65,275	161,743
13	323.00	Other Power Production	-	-	-	-	-	-	0
14	325.00	Electric Pumping Equipment	4,793,357	1,957,310	-	-	4,793,357	1,957,310	2,836,047
15	326.00	Diesel Pumping Equipment	4,486	659	-	-	4,486	659	3,827
16	328.10	Gas Engine Pumping Equip.	1,755	364	-	-	1,755	364	1,391
17		SUBTOTAL PUMPING	$ 5,071,572	$ 2,023,607	$ 0	$ 0	$ 5,071,571	$ 2,023,607	$ 3,047,965
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures & Improvements	37,624	5,326	-	-	37,624	5,326	32,297
20	332.00	Water Treatment Equipment	145,312	(12,576)	-	-	145,312	(12,576)	157,888
21		SUBTOTAL TREATMENT	$ 182,935	$ (7,250)	$ 0	$ 0	$ 182,935	$ (7,250)	$ 190,185
		TRANS. & DIST.							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
23	341.00	Structures & Improvements	-	-	-	-	-	-	0
24	342.00	Dist., Res., & ST	611,777	125,197	-	-	611,777	125,197	486,580
25	343.00	Trans. And Dist. Mains	11,552,050	2,376,557	-	-	11,552,050	2,376,557	9,175,493
26	344.00	Fire Mains	166	28	-	-	166	28	138
27	345.00	Services	6,523,844	157,155	-	-	6,523,844	157,155	6,366,689
28	346.00	Meters	1,651,599	287,861	-	-	1,651,599	287,861	1,363,738
29	348.00	Hydrants	1,655,344	414,290	-	-	1,655,344	414,290	1,241,054
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUB TRANS. & DIST.	$ 21,994,781	$ 3,361,088	$ 0	$ 0	$ 21,994,781	$ 3,361,088	$ 18,633,693
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 817	$ 0	$ 817	$ 0	$ 817
33	390.00	Structures & Improvements	17,268	5,862	543,124	46,169	560,392	52,031	508,361
34	391.00	Office Furniture & Equip.	29,745	(37,194)	137,183	97,514	166,928	60,320	106,608
35	391.10	Computer Equipment	100,358	(1,492)	138,635	(71,243)	238,993	(72,735)	311,728
36	392.00	Transportation Equipment	377,056	418,844	(76,310)	(417,542)	300,746	173707	127,039
37	393.00	Stores Equipment	487	342	4,320	2,709	4,807	1,302	3,505
38	394.00	Tools, Shop And Garage	19,642	3,878	49,136	(37)	68,778	3,051	65,727
39	395.00	Laboratory Equipment	3,766	1,154	18,021	6,010	21,787	3,841	17,946
40	396.00	Power Operated Equipment	24,298	8,632	(4,165)	47,019	20,133	7,164	12,969
41	397.00	Communication Equipment	34,163	38,014	62,463	(16,521)	96,626	55,651	40,975
42	398.00	Miscellaneous Equipment	43,871	14,514	2,494	291,311	46,365	21,493	24,872
43		SUBTOTAL GENERAL	$ 650,654	$ 452,554	$ 875,718	$ (14,611)	$ 1,526,371	$ 305,825	$ 1,220,547
44		AFUDC ADJUSTMENT 3/95	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
45		Adjustm't Due To Rounding	-	-	-	-	(4)	-	0
46		**TOTAL WATER PLANT**	$ 29,564,286	$ 6,212,312	$ 875,718	$ (14,611)	$ 30,439,998	$ 6,065,582	$ 24,374,422
47		Company As Filed B-2					30,464,605	5,814,088	
48		Adjustment To Test Year Total Plant And Acummulated Depreciation (See RLM-3, Col (B), Lines 1 & 2)					$ (24,607)	$ 251,494	

References:
Column (A): Schedule RLM-4, Page 11, Column (E)
Column (B): Schedule RLM-4, Page 11, Column (F)
Columns (C) (D): Adjustment To Replace Citizens' Utiltities General Plant With Arizona Water Common Plant Allocation As Per Company Schedule B-2, Pg 2
Column (E): Column (A) - Column (C) As Per Company Schedule B-2, Page 3
Column (F): Column (B) - Column (D) As Per Company Schedule B-2, Page 3
Column (G): Column (E) - Column (F)

POST-TEST YEAR 2001 PLANT

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) REVENUE NEUTRAL PLANT ADD'N	(B) ORCOM & PLANT AT CLOSING	(C) ADDIT'NAL ACC. DEP. AT CLOS'G	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 20,074	$ 0	$ 20,074
2	302.00	Franchises	-	78,774	-	-	80,361	-	80,361
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 78,774	$ 0	$ 0	$ 100,435	$ 0	$ 100,435
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 11,651	$ 0	$ 11,651
6	311.00	Structures And Improvements	-	-	4,284	-	337,401	102,659	234,742
7	312.00	Collecting And Impounding Res.	-	-	-	-	924	-	924
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	-	-	16,462	-	1,292,708	300,400	992,308
10		SUBTOTAL SUPPLY	$ 0	$ 0	$ 20,746	$ 0	$ 1,642,684	$ 403,058	$ 1,239,626
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 44,957	$ 0	$ 44,957
12	321.00	Structures And Improvements	-	-	1,932	-	227,017	67,207	159,811
13	323.00	Other Power Production	-	-	-	-	-	-	0
14	325.00	Electric Pumping Equipment	167,104	-	107,380	3,693	4,960,461	2,068,383	2,892,078
15	326.00	Diesel Pumping Equipment	-	-	100	-	4,486	759	3,727
16	328.10	Gas Engine Pumping Equipment	-	-	39	-	1,755	403	1,352
17		SUBTOTAL PUMPING	$ 167,104	$ 0	$ 109,451	$ 3,693	$ 5,238,675	$ 2,136,751	$ 3,101,925
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	-	-	6,456	-	37,624	11,782	25,841
20	332.00	Water Treatment Equipment	463	-	(3,143)	9	145,775	(15,710)	161,484
21		SUBTOTAL TREATMENT	$ 463	$ 0	$ 3,313	$ 9	$ 183,398	$ (3,927)	$ 187,326
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
23	341.00	Structures And Improvements	-	-	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	145,791	-	5,209	1,217	757,568	131,623	625,945
25	343.00	Trans. And Dist. Mains	12,909	-	89,831	99	11,564,959	2,466,487	9,098,473
26	344.00	Fire Mains	-	-	1	-	166	29	137
27	345.00	Services	-	-	82,081	-	6,523,844	239,236	6,284,608
28	346.00	Meters	-	-	21,051	-	1,651,599	308,912	1,342,687
29	348.00	Hydrants	-	-	16,821	-	1,655,344	431,111	1,224,233
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.	$ 158,700	$ 0	$ 214,994	$ 1,316	$ 22,153,481	$ 3,577,398	$ 18,576,083
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 817	$ 0	$ 817
33	390.00	Structures And Improvements	23,166	-	144	195	583,558	52,370	531,188
34	391.00	Office Furniture And Equipment	22,137	-	645	503	189,065	61,468	127,597
35	391.10	Computer Equipment	-	-	1,711	-	238,993	(71,024)	310,017
36	392.00	Transportation Equipment	57,511	-	42,174	7,189	358,257	223,070	135,187
37	393.00	Stores Equipment	-	-	10	-	4,807	1,312	3,495
38	394.00	Tools, Shop And Garage	-	-	394	-	68,778	3,445	65,333
39	395.00	Laboratory Equipment	-	-	70	-	21,787	3,911	17,876
40	396.00	Power Operated Equipment	-	-	610	-	20,133	7,774	12,359
41	397.00	Communication Equipment	19,335	-	1,594	994	115,961	58,239	57,722
42	398.00	Miscellaneous Equipment	-	-	1,081	-	46,365	22,574	23,791
43		SUBTOTAL GENERAL	$ 122,149	$ 0	$ 48,433	$ 8,880	$ 1,648,520	$ 363,138	$ 1,285,383
44		AFUDC ADJUSTMENT 3/95	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
45		Adjustment Due To Rounding	-	-	(2)	-	-	(1)	(1)
46		**TOTAL WATER PLANT**	$ 448,416	$ 78,774	$ 396,935	$ 13,899	$ 30,967,192	$ 6,476,417	$ 24,490,775
47		Company As Filed B-2, Pg 1					31,153,379	6,211,024	
48		Difference In Post Test Year Gross Plant					$ (186,187)	$ 265,393	
49		Adjustment To Test Year Gross Plant As Per RLM-4, Page 12, Cols (E) And (F), L 48					(24,607)	251,494	
50		Adjustment To Post Test Year Total Plant And Acc. Dep. (See RLM-3, Col (C), L 1 & L 2)					$ (161,580)	$ 13,899	

References:
Column (A): Company's Response To Staff Data Request No. DWC 12-1 To 12-3
Columns (B) (C): Company Schedule B-2, Pages 1 And 8
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 12, Col. (E)] X RLM-4, Page 4, Col. (A)
Column (E): Schedule RLM-4, Page 12, Column (D) + Column (A) + Column (B)
Column (F): Schedule RLM-4, Page 12, Column (F) + Column (C) + Column (D)
Column (G): Column (E) - Column (F)

OPERATING INCOME

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO TEST YEAR ADJ'TMENTS	(C) RUCO TEST YEAR AS ADJUSTED	(D) RUCO PROPOSED CHANGES	(E) RUCO AS RECOMMENDED
	OPERATING REVENUES:					
1	Metered Water Revenues	$ 3,343,134	$ 0	$ 3,343,134	$ 479,708	$ 3,822,842
2	Unmetered Water Revenues	0	-	-	-	0
3	Other Water Revenues	37,640	-	37,640	-	37,640
4	TOTAL OPERATING REVENUES	$ 3,380,774	$ 0	$ 3,380,774	$ 479,708	$ 3,860,482
	OPERATING EXPENSES:					
5	Salaries And Wages	$ 455,889	$ (183,805)	$ 272,084	$ 0	$ 272,084
6	Purchased Water	0	-	-	-	0
7	Purchased Power	585,941	-	585,941	-	585,941
8	Chemicals	20,407	-	20,407	-	20,407
9	Repairs And Maintenance	170,058	-	170,058	-	170,058
10	Office Supplies And Expenses	190,041	19,529	209,570	-	209,570
11	Outside Services	32,432	-	32,432	-	32,432
12	Service Company Fees	515,886	(78,789)	437,097	-	437,097
13	Water Testing	6,069	-	6,069	-	6,069
14	Rents	14,134	-	14,134	-	14,134
15	Transportation Expenses	0	-	-	-	0
16	Insurance - General Liability	28,990	(8,815)	20,175	-	20,175
17	Insurance - Health And Life	0	-	-	-	0
18	Regulatory Comm. Exp. - Rate Case	22,313	(8,958)	13,355	-	13,355
19	Miscellaneous Expense	148,620	365	148,985	-	148,985
20	Depreciation Expense	750,150	(6,793)	743,357	-	743,357
21	Taxes Other Than Income	28,072	(3,162)	24,910	-	24,910
22	Property Taxes	148,220	5,730	153,950	-	153,950
23	Income Tax	(97,736)	173,664	75,928	185,162	261,090
24	Adjustment Due To Rounding	1	-	1	-	1
25	TOTAL OPERATING EXPENSES	$ 3,019,487	$ (91,034)	$ 2,928,453	$ 185,162	$ 3,113,615
26	OPERATING INCOME (LOSS)	$ 361,287	$ 91,034	$ 452,321	$ 294,546	$ 746,868
	Other Income (Expense):					
27	Interest Income	$ 0	$ 0	$ 0	$ 0	$ 0
28	Other Income	0	-	-	-	0
29	Interest Expense	(516,761)	(185,223)	331,538	-	331,538
30	Other Expense	0	-	-	-	0
31	Gain/Loss Sale Of Assets	0	-	-	-	0
32	TOTAL OTHER INCOME (EXPENSE)	$ (516,761)	$ (185,223)	$ 331,538	$ 0	$ 331,538
33	NET PROFIT (LOSS)	$ (155,474)	$ (94,188)	$ 783,860	$ 294,546	$ 1,078,406

References:
Column (A): Company Schedule C-1
Column (B): Testimony, RLM And Schedule RLM-7
Column (C): Column (A) + Column (B)
Column (D): Testimony, RLM And Schedule RLM-1
Column (E): Column (C) + Column (D)

SUMMARY OF OPERATING INCOME ADJUSTMENTS
TEST YEAR AS FILED AND ADJUSTED

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) ADJ #1	(C) ADJ #2	(D) ADJ #3	(E) ADJ #4	(F) ADJ #5	(G) ADJ #6	(H) ADJ #7	(I) ADJ #8	(J) ADJ #9	(K) ADJ #10	(L) RUCO AS AD'TED
	OPERATING REVENUES:												
1	Metered Water Revenues	$ 3,343,134	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 3,343,134
2	Unmetered Water Revenues	0	-	-	-	-	-	-	-	-	-	-	0
3	Other Water Revenues	37,640	-	-	-	-	-	-	-	-	-	-	37,640
4	TOTAL OPERATING REVENUES	$ 3,380,774	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 3,380,774
	OPERATING EXPENSES:												
5	Salaries And Wages	$ 455,889	$ 0	$ -	$ 0	$ (98,114)	$ 0	$ 0	$ 0	$ (85,692)	$ 0	$ 0	$ 272,084
6	Purchased Water	0	-	-	-	-	-	-	-	-	-	-	0
7	Purchased Power	585,941	-	-	-	-	-	-	-	-	-	-	585,941
8	Chemicals	20,407	-	-	-	-	-	-	-	-	-	-	20,407
9	Repairs And Maintenance	170,058	-	-	-	-	-	-	-	-	-	-	170,058
10	Office Supplies And Expenses	190,041	-	-	-	-	-	-	-	19,529	-	-	209,570
11	Outside Services	32,432	-	-	-	-	-	-	-	-	-	-	32,432
12	Service Company Fees	515,886	-	-	(78,789)	-	-	-	-	-	-	-	437,097
13	Water Testing	6,069	-	-	-	-	-	-	-	-	-	-	6,069
14	Rents	14,134	-	-	-	-	-	-	-	-	-	-	14,134
15	Transportation Expenses	0	-	-	-	-	-	-	-	-	-	-	0
16	Insurance - General Liability	28,990	-	-	-	-	-	-	-	(8,815)	-	-	20,175
17	Insurance - Health And Life	0	-	-	-	-	-	-	-	-	-	-	0
18	Regulatory Comm. Exp. - Rate Case	22,313	-	-	-	-	-	-	(8,958)	-	-	-	13,355
19	Miscellaneous Expense	148,620	-	-	-	-	-	-	-	365	-	-	148,985
20	Depreciation Expense	750,150	-	-	-	-	(6,793)	-	-	-	-	-	743,357
21	Taxes Other Than Income	28,072	-	4,344	-	(7,506)	-	-	-	-	-	-	24,910
22	Property Taxes	148,220	-	-	-	-	-	5,730	-	-	-	-	153,950
23	Income Tax	(97,736)	-	-	-	-	-	-	-	-	-	173,664	75,928
24	Adjustment Due To Rounding	1	-	-	-	-	-	-	-	-	-	-	1
25	TOTAL OPERATING EXPENSES	$ 3,019,487	$ 0	$ 4,344	$ (78,789)	$ (105,620)	$ (6,793)	$ 5,730	$ (8,958)	$ (74,613)	$ 0	$ 173,664	$ 2,928,453
26	OPERATING INCOME (LOSS)	$ 361,287	$ 0	$ (4,344)	$ 78,789	$ 105,620	$ 6,793	$ (5,730)	$ 8,958	$ 74,613	$ 0	$ (173,664)	$ 452,321
	Other Income (Expense):												
27	Interest Income	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
28	Other Income	0	-	-	-	-	-	-	-	-	-	-	0
29	Interest Expense	(516,761)	-	-	-	-	-	-	-	-	(185,223)	-	(701,984)
30	Other Expense	0	-	-	-	-	-	-	-	-	-	-	0
31	Gain/Loss Sale Of Assets	0	-	-	-	-	-	-	-	-	-	-	0
32	TOTAL OTHER INCOME (EXPENSE)	$ (516,761)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (185,223)	$ 0	$ (701,984)
33	NET PROFIT (LOSS)	$ (155,474)	$ 0	$ (4,344)	$ 78,789	$ 105,620	$ 6,793	$ (5,730)	$ 8,958	$ 74,613	$ (185,223)	$ (173,664)	$ (249,662)

ADJUSTMENT NO.	REFERENCE
1 - Intentionally Left Blank	
2 - Remove Test Year Salaries And Wages	Testimony, RLM And Schedule RLM-8
3 - Service Company Fees	Testimony, RLM And Schedule RLM-9
4 - Projected Salaries And Wages	Testimony, RLM And Schedule RLM-10
5 - Depreciation Expense	Testimony, RLM And Schedule RLM-11
6 - Property Taxes	Testimony, RLM And Schedule RLM-12
7 - Rate Case Expense	Testimony, RLM And Schedule RLM-13
8 - Projected Additional Corporate Overhead Expenses	Testimony, RLM And Schedule RLM-14
9 - Intentionally Left Blank	
10 - Income Tax	Testimony, RLM And Schedule RLM-15

References:
Col. (A): Company Sch. C-1
Cols. (B) Thru (K): Adj.s #1 Thru #10
Col. (L): Sum Of Cols. (A) Thru (K)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 2
CITIZENS SALARIES AND WAGES

LINE NO.	DISTRICT	ACCOUNT	CITIZENS BUSINESS UNIT	(A) COMPANY AS FILED	(B) RUCO AS ADJ'D	(C) ADJM'T
	SUN CITY WEST WATER		4005-4506			
1		Salaries And Wages		$ 392,024	$ 392,024	$ -
2		Payroll Tax		4,764	9,108	4,344
3		TOTAL		$ 396,788	$ 401,132	$ 4,344

References:
Column (A): Company Schedule C-2, Page 3
Column (B): Company Provided Data On Citizens 2001 Payroll
Column (C): Column (B) - Column (A)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 3
AZ-AM SERVICE COMPANY ALLOCATIONS

			(A)	(B)	(C)	(D)	(E)	(F)
			TOTAL SERVICE CHARGES			ALLOCATED SERVICE CHARGES		
LINE NO.	DISTRICT	AZ-AM BUS. UNIT	COMPANY AS FILED	RUCO AS ADJ'TED	FOUR FACT'R	COMPANY AS FILED	RUCO AS ADJ'TED	ADJ'MENT
1	Sun City West Water	2364	$ 5,153,711	$ 4,366,610	0.1001	$ 515,886	$ 437,098	$ (78,789)
2	Sun City West Wastewater	2365	$ 5,153,711	$ 4,366,610	0.1072	$ 552,478	$ 468,101	$ (84,377)
3	Sun City Water	2362	$ 5,153,711	$ 4,366,610	0.1797	$ 926,122	$ 784,680	$ (141,442)
4	Sun City Wastewater	2363	$ 5,153,711	$ 4,366,610	0.1014	$ 522,586	$ 442,774	$ (79,812)
5	Tubac	2389	$ 5,153,711	$ 4,366,610	0.0075	$ 38,653	$ 32,750	$ (5,903)

	SUN CITY WEST WATER		COMPANY AS FILED	RUCO AS ADJ'TED	ADJUSTM'T
6		Arizona-American Service Company Allocation	$ 515,886	$ 437,098	$ (78,789)

References:
Columns (A) (C): Company Schedule C-2, Page 4
Column (B): Company Response To RUCO Third Data Request
Column (D): Column (A) X Column (C)
Column (E): Column (B) X Column (C)
Column (F): Column (E) - Column (D)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 4
PROJECTED SALARIES AND WAGES

LINE NO.	COMPANY	AZ-AM BUSINESS UNIT	(A) GROSS PAYROLL	(B) CAPITAL'D PAYROLL	(C) NET PAYROLL	(D) EMP. COUNT	(E) PAYROLL TAX
1	Sun City West Water	2364	$ 341,944	$ 92,325	$ 249,619	6	$ 20,566
2	Sun City West Wastewater	2365	418,601	113,022	305,579	9	25,582
3	Sun City Water	2362	806,792	217,834	588,958	24	50,935
4	Sun City Wastewater	2363	80,003	21,601	58,402	4	5,448
5	Tubac	2389	68,044	18,372	49,672	1	4,045

	SUN CITY WEST WATER		COMPANY AS FILED	RUCO AS ADJ'TED	ADJUSTM'T
6		Salaries And Wages	$ 347,733	$ 249,619	$ (98,114)
7		Payroll Tax	28,072	20,566	(7,506)
8		TOTAL	$ 375,805	$ 270,185	$ (105,620)

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)
Column (E): Column (C) X 7.65% (FICA) + $245 X Column (D) (FUTA & SUTA)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 5
TEST YEAR DEPRECIATION EXPENSE

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) TOTAL PLANT VALUE	(B) APR'D DEP. RATE	(C) TEST YEAR DEPREC'N EXPENSE
		INTANGIBLE			
1	301.00	Organization	$ 20,074	0.00%	$ 0
2	302.00	Franchises	80,361	0.00%	0
3	303.00	Miscellaneous Intangibles	-	0.00%	0
4		SUBTOTAL INTANGIBLE	$ 100,435		$ 0
		SOURCE OF SUPPLY			
5	310.00	Land And Land Rights	$ 11,651	0.00%	$ 0
6	311.00	Structures And Improvements	337,401	2.50%	8,435
7	312.00	Collecting And Impounding Reservoir	924	0.00%	0
8	313.00	Lakes, Rivers, Other Intakes	-	0.00%	0
9	314.00	Wells And Springs	1,292,708	2.52%	32,576
10		SUBTOTAL SUPPLY	$ 1,642,684		$ 41,011
		PUMPING			
11	320.00	Land And Land Rights	$ 44,957	0.00%	$ 0
12	321.00	Structures And Improvements	227,016	1.67%	3,791
13	323.00	Other Power Production	-	0.00%	0
14	325.00	Electric Pumping Equipment	4,960,460	4.42%	219,252
15	326.00	Diesel Pumping Equipment	4,487	4.42%	198
16	328.10	Gas Engine Pumping Equipment	1,755	4.42%	78
17		SUBTOTAL PUMPING	$ 5,238,675		$ 223,319
		WATER TREATMENT			
18	330.00	Land And Land Rights	$ 0	0.00%	$ 0
19	331.00	Structures And Improvements	37,624	1.67%	628
20	332.00	Water Treatment Equipment	145,775	4.00%	5,831
21		SUBTOTAL TREATMENT	$ 183,400		$ 6,459
		TRANSMISSION AND DISTRIBUTION			
22	340.00	Land And Land Rights	$ 0	0.00%	$ 0
23	341.00	Structures And Improvements	-	0.00%	0
24	342.00	Distribution, Reservoirs, And Structures	757,568	1.67%	12,651
25	343.00	Transmission And Distribution Mains	11,564,959	1.53%	176,944
26	344.00	Fire Mains	166	1.53%	3
27	345.00	Services	6,523,844	2.48%	161,791
28	346.00	Meters	1,651,599	2.51%	41,455
29	348.00	Hydrants	1,655,344	2.00%	33,107
30	349.00	Other Transmission And Distribution	-	0.00%	0
31		SUBTOTAL TRANSMISSSION AND DISTRIBUTION	$ 22,153,481	0.00%	$ 425,951
		GENERAL			
32	389.00	Land And Land Rights	$ 817	0.00%	$ 0
33	390.00	Structures And Improvements	583,558	1.68%	9,808
34	391.00	Office Furniture And Equipment	189,065	4.55%	8,593
35	391.10	Computer Equipment	238,993	4.55%	10,863
36	392.00	Transportation Equipment	358,257	25.00%	89,564
37	393.00	Stores Equipment	4,807	3.92%	188
38	394.00	Tools, Shop And Garage	68,778	4.14%	2,844
39	395.00	Laboratory Equipment	21,787	3.71%	808
40	396.00	Power Operated Equipment	20,133	5.14%	1,036
41	397.00	Communication Equipment	115,961	10.28%	11,918
42	398.00	Miscellaneous Equipment	46,365	4.98%	2,309
43		SUBTOTAL GENERAL	$ 1,648,520		$ 137,932
44		TOTAL	$ 30,967,192		$ 834,672
45		Amortization Of Deferred Regulatory Assets	$ 217,667	2.68%	$ 5,841
46		Amortization Of Contribution In Aid Of Construction ("CIAC")	(971,578)	10.00%	(97,158)
47		Adjustment Due To Rounding	(1)		1
48		**TOTAL WATER PLANT**	$ 31,184,859		$ 743,357
49		Company As Filed As Per Schedule C-2, Pg 6, Line 73			$ 750,150
50		Adjustment To Depreciation Expense (See RLM-6, Col (B), Line 20)			$ (6,793)

References:
Column (A): Schedule RLM-5, Page 1, Column (E)
Column (B): Schedule RLM-4, Page 4, Column (A)
Column (C): Column (A) X Column (B)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 6
PROPERTY TAX COMPUTATION

LINE NO.	DESCRIPTION	(A)	(B)
	Calculation Of The Company's Full Cash Value:		
	Annual Operating Revenues:		
1	Year 1999 (Company Schedule E-2)	$ 3,540,905	
2	Year 2000 (Company Schedule E-2)	3,903,820	
3	Year 2001 (Company Schedule E-2)	3,637,365	
4	Total Three Year Operating Revenues (L1 + L2 + L3)	$ 11,082,090	
5	Average Annual Operating Revenues (L4 / 3)	3,694,030	
6	Two Times Three Year Average Operating Revenues (L5 X 2)		$ 7,388,060
	ADD: Ten Percent Of Construction Work In Progress ("CWIP"):		
7	Test Year CWIP	$ 43,456	
8	10% Of CWIP (L7 X 10%)		$ 4,346
	SUBTRACT: Transportation At Book Value:		
9	Original Cost Of Transportation Equipment (RLM-5, Pg 1, Col (E), L 36)	$ 358,257	
10	Acc. Dep. Of Transportation Equipment (RLM-5, Pg 1, Col (F), L 36)	223,070	
11	Book Value Of Transportation Equipment (L9 - L10)		$ 135,187
12	COMPANY'S FULL CASH VALUE (L6 + L8 + L11)		$ 7,257,218
	Calculation Of The Company's Tax Liability:		
	MULTIPLY: Company Full Cash Value By Valuation Assessment Ratio And Then By Property Tax Rates:		
13	Assessment Ratio (ADOR Directive)	25%	
14	Assessed Value (L12 X L13)	$ 1,814,305	
	Property Tax Rates:		
15	Primary Tax Rate (2001 Tax Notice - Co.'s Data Response - "Property Tax")	8.49%	
16	Secondary Tax Rate (2001 Tax Notice - Co.'s Data Response - "Property Tax")	0.00%	
17	Estimated Tax Rate Liability (L14 + L15)	8.49%	
18	COMPANY'S TAX LIABILITY - Based On Full Cash Value (L14 X L17)		$ 153,950
19	Test Year Adjusted Property Tax Expense Per Co.'s Filing (Sch. RLM-6, Col. (A), L22)	$ 148,220	
20	Increase (Decrease) In Property Tax Expense (L18 - L19)	$ 5,730	
21	Adjustment To Property Tax Expense From Company's Direct Filing (See RLM-6 Col. (B), L22)		$ 5,730

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 7
RATE CASE EXPENSE

LINE NO.		(A) REVISED T. Y. REV. FACTORS	(B) COMPANY AS FILED	(C) RUCO AS ADJUSTED	(D) TOTAL DIFFERENCE	(E) 3 YEAR AMORTIZED DIFFERENCE
1	Total Rate Case Expense		$ 699,954	$ 418,941	$ (281,013)	$ (93,671)
2	Sun City West Water	0.0956	$ 66,939	$ 40,065	$ (26,874)	$ (8,958)
3	Sun City West Wastewater	0.1000	70,006	41,901	(28,106)	(9,369)
4	Sun City Water	0.1752	122,623	73,393	(49,230)	(16,410)
5	Sun City Wastewater	0.1439	100,749	60,301	(40,448)	(13,483)
6	Tubac	0.0072	5,039	3,016	(2,023)	(674)
7	Agua Fria	0.1750	122,482	73,309	(49,173)	(16,391)
8	Anthem Water	0.1135	79,413	47,531	(31,882)	(10,627)
9	Agua Fria, Anthem Wastewater	0.0528	36,958	22,120	(14,837)	(4,946)
10	Mohave Water	0.1243	87,016	52,081	(34,935)	(11,645)
11	Havasu Water	0.0125	8,730	5,225	(3,505)	(1,168)
12	TOTAL	1.0000	$ 699,954	$ 418,941	$ (281,013)	$ (93,671)

	SUN CITY WEST WATER		COMPANY AS FILED	RUCO AS ADJUSTED	TOTAL DIFFERENCE	3 YEAR AMORTIZED DIFFERENCE
13		Rate Case Expense	$ 66,939	$ 40,065	$ (26,874)	$ (8,958)

References:
Column (A) : Revised Company Adjusted Test Year Revenue Factors To Remove Mohave Sewer From Allocation
Column (B): Company Response To Data Request Minus The Mohave Sewer Allocated Value Of $6,017
Column (C): Column (A) X RUCO's Recommended Total Rate Case Expense
Column (D): Column (C) - Column (B)
Column (E): Column (D) Divided By 3 (The Three Year Amortization Period)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 8
PROJECTED CORPORATE OVERHEAD

LINE NO.	DISTRICT	EXPENSE ACCOUNT	(A) COMPANY AS FILED	(B) RUCO AS ADJUSTED	(C) ADJUSTMENT
	SUN CITY WEST WATER				
1		Salaries And Wages	$ 108,156	$ 22,464	$ (85,692)
2		Office Supplies & Expense	162,863	182,392	19,529
3		Insurance	28,350	19,535	(8,815)
4		Miscellaneous Expense	1,099	1,464	365
5		TOTAL	$ 300,468	$ 225,855	$ (74,613)

References:
Column (A): Company Schedule C-2, Page 11
Column (B): Allocated Amounts From RLM-14, Pg 2, Line 24
Column (C): Column (B) - Column (A)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 8 - CONT'D
PROJECTED CORPORATE OVERHEAD

LINE NO.	CATEGORY		(A) COMPANY AS FILED	(B) RUCO AS ADJUSTED	(C) DIFFERENCE	(D)
1	Employee Benefits		$ 964,147	$ 374,404	$ 589,743	
2	Directors Fees:	Office Supplies & Exp.	1,270,126	1,030,972	239,154	
3		Miscellaneous Expenses	6,000	8,500	(2,500)	
4	Trustees Fees:	Office Supplies & Exp.	645,847	447,842	198,005	
5		Miscellaneous Expenses	17,058	21,881	(4,823)	
6	Insurance		258,736	215,200	43,536	
7	Subtotal		$ 3,161,914	$ 2,098,797	$ 1,063,117	
8	Non-Applicable Accounts		$ 2,153,067	$ 2,117,294	$ 35,773	
9	TOTAL (See RLM-14, Pg 3, L45)		$ 5,314,981	$ 4,216,091	$ 1,098,890	
	ALLOCATION FACTORS		FAIR VALUE RATE BASE	YEAR-END CUST. COUNT	EMPLOYEE COUNT	PROFORMA PLANT
10	Sun City West Water		0.0908	0.1375	0.0600	0.0135
11	Sun City West Wastewater		0.0744	0.1314	0.0900	0.0056
12	Sun City Water		0.2695	0.1958	0.2400	0.1254
13	Sun City Wastewater		0.1119	0.1866	0.0400	0.0046
14	Tubac		0.0109	0.0044	0.0100	0.0110
15	Agua Fria		0.1052	0.1147	0.0700	0.2417
16	Anthem Water		0.0544	0.0284	0.1200	0.2326
17	Agua Fria, Anthem Wastewater		0.0158	0.0224	0.0600	0.2279
18	Mohave Water		0.0842	0.1217	0.1500	0.0371
19	Havasu Water		0.0076	0.0105	0.0300	0.0552
20	Subtotal		0.8247	0.9534	0.8700	0.9544
21	Mohave Sewer		0.0037	0.0051	0.0100	0.0089
22	Paradise Valley (Est. - 2001 Annual Report)		0.1715	0.0414	0.1200	0.0367
23	TOTAL		1.0000	1.0000	1.0000	1.0000
	ALLOCATED AMOUNTS		EMP. BEN.	OFF. SUP/EXP	INSURANCE	MISC. EXP.
24	Sun City West Water		$ 22,464	$ 182,392	$ 19,535	$ 1,464
25	Sun City West Wastewater		33,696	168,783	16,021	1,238
26	Sun City Water		89,857	322,580	57,988	4,408
27	Sun City Wastewater		14,976	242,477	24,091	1,686
28	Tubac		3,744	9,386	2,351	277
29	Agua Fria		26,208	165,421	22,645	6,263
30	Anthem Water		44,928	53,684	11,712	5,332
31	Agua Fria, Anthem Wastewater		22,464	30,213	3,398	5,176
32	Mohave Water		56,161	163,185	18,113	1,846
33	Havasu Water		11,232	14,208	1,630	1,297
34	Subtotal		$ 325,731	$ 1,352,330	$ 177,484	$ 28,987
35	Mohave Sewer		3,744	6,945	806	238
36	Paradise Valley (Est. - 2001 Annual Report)		44,928	119,539	36,910	1,155
37	Subtotal		$ 48,672	$ 126,483	$ 37,716	$ 1,393
38	TOTAL		$ 374,404	$ 1,478,813	$ 215,200	$ 30,381
39	TOTAL RUCO ADJUSTMENT (See RLM-14, pg 2, Column (B), Line 7 Above)					$ 2,098,797

References:
Allocation Factors - As Provided By Co. Except For Paradise Valley, Which Were Estimated From 2001 Annual Report
Allocation Amounts - Calculated Using Same Methodology As Company

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 8 - CONT'D
PROJECTED CORPORATE OVERHEAD

LINE NO.	DESCRIPTION	(A) CATEGORY	(B) COMPANY AS FILED	(C) RUCO AS ADJUSTED	(D) DIFFERENCE
1	Directors Fees	MISC	$ 6,000	$ 8,500	$ 2,500
2	Bank Service Charges	OFFICE	29,863	124,896	95,033
3	Bill Insert	OFFICE	29,703	35,304	5,601
4	Collection Agencies	OFFICE	870	6,673	5,803
5	Forms AG	OFFICE	17,074	13,051	(4,023)
6	Advertising (Required Notification)	OFFICE	230,287	130,698	(99,589)
7	Brochures And Handouts	OFFICE	2,502	834	(1,668)
8	Community Relations	OFFICE	7,730	6,662	(1,068)
9	Postage	OFFICE	329,952	125,443	(204,509)
10	Group Insurance	OFFICE	622,145	587,410	(34,735)
11	IncentivePlan Expenses	EMP. BENFITS	226,620	21,252	(205,368)
12	PBOP Operations AG	EMP. BENFITS	341,502	16,737	(324,765)
13	Workman Compensation	EMP. BENFITS	(19,061)	(3,359)	15,702
14	Dues Deducted	EMP. BENFITS	3,612	13,660	10,048
15	Dues Non-Deducted	EMP. BENFITS	2,705	5,052	2,347
16	Dues-Membership Deducted	EMP. BENFITS	-	2,959	2,959
17	Employee Expenses AG	EMP. BENFITS	115,234	60,267	(54,967)
18	Employee Exp Conference-Registration	EMP. BENFITS	24,595	15,666	(8,929)
19	Meals And Travel Deducted	EMP. BENFITS	39,758	20,433	(19,325)
20	Meals And Travel Non-Deduct	EMP. BENFITS	-	13,037	13,037
21	Other Welfare Operations	EMP. BENFITS	6,495	19,906	13,411
22	Employee Awards	EMP. BENFITS	252	1,144	892
23	Employee Physical Exams	EMP. BENFITS	1,842	716	(1,126)
24	Tuition Aid	EMP. BENFITS	29,515	15,528	(13,987)
25	Training	EMP. BENFITS	24,818	28,944	4,126
26	401K	EMP. BENFITS	74,501	61,288	(13,213)
27	ESOP	EMP. BENFITS	91,759	81,175	(10,584)
28	Trustee Fees	MISC	17,058	21,881	4,823
29	Credit Line Fees	OFFICE	8,347	24,728	16,381
30	Insurance General Liability	INS	41,335	77,430	36,095
31	Security Services	OFFICE	637,500	423,114	(214,386)
32	Insurance Other	INS	217,401	137,770	(79,631)
33	Company Dues-Membership Deduct	N/A	16,178	4,422	(11,756)
34	Company Dues-Membership Non-deducted	N/A	36,108	2,846	(33,262)
35	Company Dues-Membership AWWA Ded.	N/A	882	495	(387)
36	Company Dues-Membership AWWA Non	N/A	1,947	649	(1,298)
37	Company Dues-Membership Non-Deducted	N/A	-	18,075	18,075
38	Charitable Contribution Deducted	N/A	3,500	2,075	(1,425)
39	Charitable Contribution Non-Deduct	N/A	800	200	(600)
40	Property Taxes	N/A	2,093,652	1,648,841	(444,811)
41	Business Services-Project Expense	N/A	-	390,309	390,309
42	Pcard Undistributed	N/A	-	39,882	39,882
43	Water Resevoir Conservation	N/A	-	4,001	4,001
44	Pension Operation AG	N/A	-	5,499	5,499
45	TOTAL		$ 5,314,981	$ 4,216,091	$ (1,098,890)

References:
Columns (A) (C): Company Response To RUCO Third Data Request
Column (B): Company As Filed
Column (D): Column (C) - Column (B)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 10
INCOME TAX EXPENSE

LINE NO.	DESCRIPTION	(A) REFERENCE	(B) AMOUNT
	FEDERAL INCOME TAXES:		
1	Operating Income Before Taxes	Sch. RLM-6, Col. (C), L25 + L23	$ 528,250
	LESS:		
2	Arizona State Tax	Line 11	13,707
3	Interest Expense	Note (A) Line 19	331,538
4	Federal Taxable Income	Line 1 - Line 2 - Line 3	$ 183,004
5	Federal Tax Rate	Sch. RLM-1,Pg 2, Col.(D), L34	34.00%
6	Federal Income Tax Expense	Line 4 X line 5	$ 62,221
	STATE INCOME TAXES:		
7	Operating Income Before Taxes	Line 1	$ 528,250
	LESS:		
8	Interest Expense	Note (A) Line 19	331,538
9	State Taxable Income	Line 7 - Line 8	$ 196,711
10	State Tax Rate	Tax Rate	6.97%
11	State Income Tax Expense	Line 9 X Line 10	$ 13,707
	TOTAL INCOME TAX EXPENSE:		
12	Federal Income Tax Expense	Line 6	$ 62,221
13	State Income Tax Expense	Line 11	13,707
14	Total Income Tax Expense Per RUCO	Line12 + Line 13	$ 75,928
15	Total Income Tax Expense Per Company (Per Company Sch. C-1)		(97,736)
16	Total Income Tax Adjustment (See Sch. RLM 6, Col. (B), L23)	Line 14 - Line 15	$ 173,664

NOTE (A):
Interest Synchronization:

17	Adjusted Rate Base (Sch. RLM-3, Col. (E), L16)	$ 11,366,817
18	Weighted Cost Of Debt (Sch. RLM-16, Col. (F), L1)	2.92%
19	Interest Expense (L17 X L18)	$ 331,538

COST OF CAPITAL

LINE NO.	DESCRIPTION	(A) CAPITAL'TION PER COMPANY	(B) RUCO ADJ'TS	(C) RUCO ADJUSTED CAPITAL'TION	(D) CAPITAL RATIO	(E) COST	(F) WEIGHTED COST RATE
1	Long-Term Debt	$ 165,583,119	$ 0	$ 165,583,119	59.89%	4.87%	2.92%
2	Common Equity	$ 110,888,158	$ 0	$ 110,888,158	40.11%	9.11%	3.65%
3	TOTAL CAPITAL	$ 276,471,277	$ 0	$ 276,471,277	100.00%		
4	COST OF CAPITAL						6.57%

References:
Column (A): Staff Data Request Nos. JMR 8-3 And JMR 8-4
Column (B): Testimony, WAR
Column (C): Column (A) + Column (B)
Column (D): Column (C), Line Item / Total Capital (L5)
Column (E): Testimony, WAR
Column (F): Column (D) X Column (E)

RATE DESIGN - MONTHLY MINIMUM, COMMODITY AND SERVICE CHARGES

LINE NO.	DESCRIPTION	(A) PRESENT RATES	(B) COMPANY PROPOSED	(C) RUCO PROPOSED
	MONTHLY MINIMUM USAGE CHARGE:			
1	5/8 X 3/4 - Inch	$ 5.00	$ 7.23	$ 5.00
2	3/4 - Inch	5.00	7.23	5.00
3	1 - Inch	13.00	18.80	13.00
4	1 1/2 - Inch	28.00	40.49	28.00
5	2 - Inch	41.00	59.29	41.00
6	3 - Inch	70.00	101.22	70.00
7	4 - Inch	103.00	148.94	103.00
8	6 - Inch	141.00	203.89	141.00
9	Construction (To Be Canceled - N/A)	8.00	N/A	N/A
10	General Fire Sprinkler Rate 4 - Inch	30.00	43.38	30.00
11	General Fire Sprinkler Rate 6 - Inch	45.00	65.07	45.00
12	General Fire Sprinkler Rate 8 - Inch	60.00	86.76	60.00
13	General Fire Sprinkler Rate 10 - Inch	120.00	173.52	120.00
	NO GALLONS INCLUDED OR PROPOSED IN THE MONTHLY MINIMUM USAGE CHARGE			
	COMMODITY RATES - ALL METERS (Per 1,000 Gallons):			
14	Tier 1 (0 to 8,000 Gallons)	$ 0.93	$ 1.34	$ 1.14
15	Tier 2 (Above 8,001 Gallons)	1.12	1.62	1.38
16	Effluent Sales (Per Acre Foot)	150.00	216.90	216.90
17	CAP - Raw Water (Per 1,000 Gallons)	0.50	0.72	0.72

In Addition, Company Shall Collect Groundwater Saving Fee Per Decision No. 62203
Ground Waterdrawal Fees Shall Be Collected As An Assessment,
And Is Subject To Annual Revisions As Required Due To Changes
In Rates Charged By The Arizona Department Of Water Resources (ADWR).
Includes An Allowance Of 10% Lost And Unaccounted For Water.

References:
Columns (A) (B): Company Schedule H-3, Page 3
Column (C): Testimony, RLM

RATE DESIGN - MONTHLY MINIMUM, COMMODITY AND SERVICE CHARGES CONT'D

LINE NO.	DESCRIPTION	(A) PRESENT RATES	(B) COMPANY PROPOSED	(C) RUCO PROPOSED
	SERVICE LINE AND METER INSTALLATION CHARGES:			
1	5/8 X 3/4 - Inch Meter	$ 320.00	$ 410.00	$ 410.00
2	3/4 - Inch Meter	360.00	410.00	410.00
3	1 - Inch Meter	415.00	520.00	520.00
4	1 1/2 - Inch Meter	725.00	660.00	660.00
5	2 - Inch Meter	1,090.00	1,155.00	1,155.00
6	3 - Inch Meter	Cost	1,625.00	1,625.00
7	4 - Inch Meter	Cost	2,500.00	2,500.00
8	6 - Inch Meter	Cost	4,500.00	4,500.00
9	8 - Inch Meter	Cost	8,200.00	8,200.00
	SERVICE CHARGES:			
10	Establishment Of Service	$ 30.00	$ 50.00	$ 50.00
11	Establishment Of Service (After Hours)	40.00	60.00	60.00
12	Re-Connection (Deliquent)	N/A	N/A	N/A
13	Re-Connection (After Hours)	N/A	N/A	N/A
14	Meter Test Fee (If Correct)	10.00	10.00	10.00
15	Deposit			As Per ACC R14-2-403.B
16	Deposit Interest			As Per ACC R14-2-403.B
17	Re-Establishment - (Within 12 Months)	Monthly Minimum Times Months Disconnected - As Per ACC R14-2-403.D		
18	NSF Charge (Per Month)	10.00	10.00	10.00
19	Deferred Payment	1.50%	1.50%	1.50%
20	Meter Re-Read - (If Correct)	5.00	5.00	5.00
21	Meter Moved - Customer Requested	Cost	Cost	Cost
22	Late Payment Charge	1.50%	1.50%	1.50%
23	Damages To Locks, Valves, Seals	Cost	Cost	Cost

All Advances (AIAC) And/Or Contributions (CIAC) Are To Include Labor, Materials, Overhead, And All Applicable Taxes, Including All Gross-Up Taxes For Income Taxes

References:
Columns (A) (B): Company Schedule H-3, Page 3
Column (C): Testimony, RLM

PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) RUCO PROPOSED RATE DES'N	(B) ANNUALIZED CUST. & GAL. COUNT	(C) RUCO PROPOSED REVENUE
	MONTHLY MINIMUM USAGE CHARGE:			
1	5/8 X 3/4 - Inch	$ 5.00	174,696	$ 873,480
2	3/4 - Inch	5.00	12	60
3	1 - Inch	13.00	2,163	28,122
4	1 1/2 - Inch	28.00	6,348	177,753
5	2 - Inch	41.00	3,045	124,853
6	3 - Inch	70.00	168	11,760
7	4 - Inch	103.00	24	2,472
8	6 - Inch	141.00	12	1,692
9	Construction (To Be Canceled - N/A)	N/A	0	0
10	General Fire Sprinkler Rate 4 - Inch	30.00	156	4,680
11	General Fire Sprinkler Rate 6 - Inch	45.00	264	11,880
12	General Fire Sprinkler Rate 8 - Inch	60.00	84	5,040
13	General Fire Sprinkler Rate 10 - Inch	120.00	0	0
14	TOTAL ANNUALIZED MONTHLY CUSTOMER COUNT AND BASIC CHARGE		186,972	$ 1,241,792
	NO GALLONS INCLUDED OR PROPOSED IN THE MONTHLY MINIMUM USAGE CHARGE			
	COMMODITY RATES - ALL METERS (Per 1,000 Gallons):			
15	Tier 1 (0 to 8,000 Gallons)	$ 1.14	1,071,770,072	$ 1,221,089
16	Tier 2 (Above 8,001 Gallons)	1.38	972,672,411	1,344,736
17	Effluent Sales (Per Acre Foot)	216.90	0	0
18	CAP - Raw Water (Per 1,000 Gallons)	0.72	0	0
19	TOTAL ANNUALIZED COMMODITY USAGE AND CHARGES		2,044,442,483	$ 2,565,825
20	Unmetered Revenue			$ 0
21	Other Revenue			37,640
22	Difference Between Bill Count And Revenue As Recorded			15,225
23	**TOTAL PROPOSED ANNUALIZED REVENUE**			$ 3,860,482
24	Required Revenue (As Per Schedule RLM-1, Col (D), L10)			3,860,482
25	Difference			$ 0

In Addition, Company Shall Collect Groundwater Saving Fee Per Decision No. 62203
Ground Waterdrawal Fees Shall Be Collected As An Assessment,
And Is Subject To Annual Revisions As Required Due To Changes
In Rates Charged By The Arizona Department Of Water Resources (ADWR).
Includes An Allowance Of 10% Lost And Unaccounted For Water.

References:
Column (A): RLM-17, Page 1, Column (C)
Column (B): Response To RUCO Data Request No. 1.04
Column (C): Columns (A) X (B)

TYPICAL BILL ANALYSIS
RESIDENTIAL WATER SERVICE TO 5/8 X 3/4 INCH METERS

		(A)	(B)	(C)	(D)	(E)
	COMPANY PROPOSED					
LINE NO.	USAGE	GALLONS CONSUMED	PRESENT RATES	PROPOSED RATES	DOLLAR INCREASE	PERCENT INCREASE
1	Average	7,102	$11.60	$16.75	$5.14	44.3%
2	Median	5,610	$10.22	$14.75	$4.53	44.3%
	RUCO PROPOSED					
3	Average	7,102	$11.60	$13.09	$1.49	12.8%
4	Median	5,610	$10.22	$11.39	$1.17	11.5%
5	Average Number Of Customers:		14,463			

PRESENT AND PROPOSED RATES (WITHOUT TAXES)

	Gallons Consumed	Present Rates	Company Prop'd Rates	Company % Increase	RUCO Prop'd Rates	RUCO % Increase
6	0	$5.00	$7.23	44.6%	$5.00	0.0%
7	1,000	5.93	8.57	44.5%	6.13	3.3%
8	2,000	6.86	9.91	44.5%	7.25	5.7%
9	3,000	7.79	11.25	44.4%	8.38	7.6%
10	4,000	8.72	12.59	44.4%	9.50	9.0%
11	5,000	9.65	13.93	44.4%	10.63	10.2%
12	6,000	10.58	15.27	44.3%	11.76	11.1%
13	7,000	11.51	16.61	44.3%	12.88	11.9%
14	8,000	12.44	17.95	44.3%	14.01	12.6%
15	9,000	13.56	19.57	44.3%	15.38	13.4%
16	10,000	14.68	21.19	44.3%	16.74	14.0%
17	15,000	20.28	29.29	44.4%	23.57	16.2%
18	20,000	25.88	37.39	44.5%	30.41	17.5%
19	25,000	31.48	45.49	44.5%	37.24	18.3%
20	50,000	59.48	85.99	44.6%	71.40	20.0%
21	75,000	87.48	126.49	44.6%	105.56	20.7%
22	100,000	115.48	166.99	44.6%	139.73	21.0%
23	125,000	143.48	207.49	44.6%	173.89	21.2%
24	150,000	171.48	247.99	44.6%	208.05	21.3%
25	175,000	199.48	288.49	44.6%	242.21	21.4%
26	200,000	227.48	328.99	44.6%	276.37	21.5%

Arizona-American Water Company
Docket No. SW-01303A-02-0867
Test Year Ended December 31, 2001

Sun City West Wastewater District

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RLM-19	1	TYPICAL BILL ANALYSIS

REVENUE REQUIREMENT

LINE NO.	DESCRIPTION	(A) COMPANY RCND	(B) ADJ'MENT TO RESTATE TO ORIGINAL COST	(C) COMPANY ORIGINAL COST	(D) RUCO ORIGINAL COST
1	Fair Value Rate Base	$ 13,455,978	$ 5,794,789	$ 19,250,767	$ 10,470,538
2	Adjusted Operating Income (Loss)	$ (164,369)		$ (164,369)	$ 57,146
3	Current Rate Of Return (L2 / L1)	-1.22%		-0.85%	0.55%
4	Required Operating Income (L5 X L1)	$ 1,042,776		$ 1,491,934	$ 687,977
5	Required Rate Of Return On Fair Value Rate Base	7.75%		7.75%	6.57%
6	Operating Income Deficiency (L4 - L2)	$ 1,207,145		$ 1,656,303	$ 630,830
7	Gross Revenue Conversion Factor (RLM-1, PG 2)	1.6286		1.6286	1.6286
8	Increase In Gross Revenue Requirement (L7 X L6)	$ 1,965,956		$ 2,697,456	$ 1,027,392
9	Adjusted Test Year Revenue	$ 3,535,680		$ 3,535,680	$ 3,535,680
10	Proposed Annual Revenue (L8 + L9)	$ 5,494,492		$ 6,233,136	$ 4,563,072
11	Required Percentage Increase In Revenue (L8 / L9)	55.60%		76.29%	29.06%
12	Rate Of Return On Common Equity	11.50%		11.50%	9.11%

References:
Column (A): Company Schedules A-1 and C-1
Column (B): RUCO Schedule RLM-2
Column (C): Recalculated After Adjusted To OCRB
Column (D): RUCO Schedules RLM-3, RLM-6 And RLM-19

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	(A)	(B)	(C)	(D)
	CALCULATION OF GROSS REVENUE CONVERSION FACTOR:				
1	Revenue	1.0000			
2	Less: Combined Federal And State Tax Rate (L10)	0.3860			
3	Subtotal (L1 - L2)	0.6140			
4	**Revenue Conversion Factor** (L1 / L3)	**1.6286**			
	CALCULATION OF EFFECTIVE TAX RATE:				
5	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
6	Arizona State Income Tax Rate	6.9680%			
7	Federal Taxable Income (L5 - L6)	93.0320%			
8	Applicable Federal Income Tax Rate (Col. (D), L34)	34.0000%			
9	Effective Federal Income Tax Rate (L7 X L8)	31.6309%			
10	Combined Federal And State Income Tax Rate (L6 + L9)	38.5989%			
11	Required Operating Income (Sch. RLM-1, Col. (D), L4)	$ 687,977			
12	Adj'd T.Y. Oper'g Income (Loss) (Sch. RLM-1, Col. (D), L2)	57,146			
13	Required Increase In Operating Income (L11 - L12)		$ 630,830		
14	Income Taxes On Recommended Revenue (Col. (D), L31)	$ 240,503			
15	Income Taxes On Test Year Revenue (Col. (D), L32)	(156,059)			
16	Required Increase In Revenue To Provide For Income Taxes (L14 - L15)		$ 396,562		
17	Total Required Increase In Revenue (L13 + L16)		$ 1,027,392		
	CALCULATION OF INCOME TAX:			RUCO Recommended	
18	Revenue (Sch. RLM-1, Col. (D), L10)			$ 4,563,072	
19	Less: Opr'g Exp. Excl. Inc. Tax (RLM-6, Col. (E), L27 - L25)			3,634,592	
20	Less: Synchronized Interest (Col. (C), L37)			305,396	
21	Arizona Taxable Income (L18 - L19 - L20)			$ 623,083	
22	Arizona State Income Tax Rate			6.97%	
23	Arizona Income Tax (L21 X L22)				$ 43,416
24	Fed. Taxable Income (L21 - L23)			$ 579,667	
25	Fed. Tax On 1st Inc. Bracket ($1 - $50,000) @ 15%			$ 7,500	
26	Fed. Tax On 2nd Inc. Bracket ($50,001 - $75,000) @ 25%			6,250	
27	Fed. Tax On 3rd Inc. Bracket ($75,001 - $100,000) @ 34%			8,500	
28	Fed. Tax On 4th Inc. Bracket ($100,001 - $335,000) @ 39%			91,650	
29	Fed. Tax On 5th Inc. Bracket ($335,001 - $10M) @ 34%			83,187	
30	Total Federal Income Tax (L25 + L26 + L27 + L28 + L29)				$ 197,087
31	Combined Federal And State Income Tax (L23 + L30)				$ 240,503
32	Test Year Combined Income Tax, RUCO As Adjusted (RLM-6, Col. (C), L25)				$ (156,059)
33	Adjustment (L31 - L32) (See RLM-6, Col. (D), L25)				$ 396,562
34	Applicable Federal Income Tax Rate (Col. (D), L30 / Col. (C), L24)				34.00%
	CALCULATION OF INTEREST SYNCHRONIZATION:				
35	Rate Base (Sch. RLM-1, Pg 2, Col. (E), L16)			$ 10,470,538	
36	Weighted Avg. Cost Of Debt (Sch. RLM-16, Col. (F), L1)			2.92%	
37	Synchronized Interest (L35 X L36)			$ 305,396	

FAIR VALUE RATE BASE - RCND ADJUSTED TO OCRB

LINE NO.	DESCRIPTION	(A) COMPANY FILED AS RCND	(B) RUCO ADJM'TS TO OCRB	(C) RUCO ADJUSTED TO OCRB	(D) RUCO OCRB ADJM'TS	(E) RUCO ADJUSTED AS OCRB
1	Gross Utility Plant In Service	$ 58,932,134	$ (19,830,322)	$ 39,101,812	$ (868,145)	$ 38,233,667
	Less:					
2	Accumulated Depreciation	21,419,094	(7,128,849)	14,290,245	(2,489,292)	11,800,953
3	Net Utility Plant In Service (L1 - L2)	$ 37,513,040	$ (12,701,473)	$ 24,811,567	$ 1,621,147	$ 26,432,714
	Less:					
4	Advances In Aid Of Const. ("AIAC")	$ 21,858,105	$ (7,355,126)	$ 14,502,979	$ 0	$ 14,502,979
5	Contribution In Aid Of Const. ("CIAC")	$ 2,198,432	$ (739,760)	$ 1,458,672	$ 0	$ 1,458,672
6	Less: Accumulated Amortization	-	-	-	-	0
7	NET CIAC (L5 - L6)	$ 2,198,432	$ (739,760)	$ 1,458,672	$ 0	$ 1,458,672
8	Customer Meter Deposits	$ 525	$ 0	$ 525	$ 0	$ 525
9	Deferred Income Taxes And Credits	-	-	-	-	0
10	Investment Tax Credits	-	-	-	-	0
	Plus:					
11	Deferred Finance Charges	$ 0	$ 0	$ 0	$ 0	$ 0
12	Deferred Tax Assets	-	-	-	-	0
13	Allowance For Working Capital	-	-	-	-	0
14	Citizens Acquisition Adjustment	-	10,401,376	10,401,376	(10,401,376)	0
15	Adjustment Due To Rounding	-	-	-	-	0
16	**TOTAL RATE BASE**	$ 13,455,978	$ 5,794,789	$ 19,250,767	$ (8,780,229)	$ 10,470,538

References:
Column (A): Company Schedule B-1
Column (B): Testimony, RLM
Column (C): Column (A) + Column (B)
Column (D): Schedule RLM-3
Column (E): Column (C) + Column (D)

SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY FILED AS OCRB	(B) RUCO ADJM'T # 1	(C) RUCO ADJM'T # 2	(D) RUCO ADJM'T # 3	(E) RUCO ADJUSTED AS OCRB
1	Gross Utility Plant In Service	$ 39,101,812	$ (861,163)	$ (6,982)	$ 0	$ 38,233,667
	Less:					
2	Accumulated Depreciation	14,290,245	(2,495,572)	6,279	-	11,800,953
3	Net Utility Plant In Service (L1 - L2)	$ 24,811,567	$ 1,634,408	$ (13,261)	$ 0	$ 26,432,714
	Less:					
4	Advances In Aid Of Const. ("AIAC")	$ 14,502,979	$ 0	$ 0	$ 0	$ 14,502,979
5	Contribution In Aid Of Const. ("CIAC")	$ 1,458,672	$ 0	$ 0	$ 0	1,458,672
6	Less: Accumulated Amortization	-	-	-	-	-
7	NET CIAC (L4 - L5)	$ 1,458,672	$ 0	$ 0	$ 0	$ 1,458,672
8	Customer Meter Deposits	$ 525	$ 0	$ 0	$ 0	$ 525
9	Deferred Income Taxes And Credits	-	-	-	-	0
10	Investment Tax Credits	-	-	-	-	0
	Plus:					
11	Deferred Finance Charges	$ 0	$ 0	$ 0	$ 0	$ 0
12	Deferred Tax Assets	-	-	-	-	0
13	Allowance For Working Capital	-	-	-	-	0
14	Citizens Acquisition Adjustment	10,401,376	-	-	(10,401,376)	0
15	Adjustment Due To Rounding	-				0
16	**TOTAL RATE BASE**	$ 19,250,767	$ 1,634,408	$ (13,261)	$ (10,401,376)	$ 10,470,538

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 (See RLM-4, Page 12, Col (E) & (F), L 43)
Column (C): Adjustment To Post Test Year Plant And Accumulated Depreciation (See RLM-5, Page 1, Col (E) & (F), L 45)
Column (D): Adjustment To Citizens Acquisition Adjustment (See Testimony, RLM)
Column (E): Sum Of Columns (A) Thru (D)

TEST YEAR PLANT SCHEDULES
COMPANY'S PRESENT FILING VERSUS TOTAL PLANT FILED IN PRIOR RATE CASE - DECISION NO. 60172

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) ALLOC'N FACTOR	(B) CO. AS FILED PRIOR T. Y. 03/31/1995 TOTAL PLANT	(C) ADJM'T # 1 TO 03/31/95 CO. AS FILED TOTAL PLANT	(D) PRIOR APP'N CO. AS FILED 3/31/1995 TOTAL PLANT	(E) ADJM'T # 2 TO 03/31/95 CO. AS FILED TOTAL PLANT	(F) ACTUAL 03/31/95 PRIOR T. Y. TOTAL PLANT
		INTANGIBLE						
1	301.00	Organization	0.0000	$ 4,078	$ 0	$ 4,078	$ 0	$ 4,078
2	302.00	Franchises	0.0000	1,427	-	1,427	-	1,427
3	303.00	Miscellaneous Intangibles	0.0000	-	-	-	-	0
4		SUBTOTAL INTANGIBLE		$ 5,505	$ 0	$ 5,505	$ 0	$ 5,505
		TREATMENT AND DISCHARGE						
5	310.00	Land And Land Rights	0.0000	$ 342,851	$ 0	$ 342,851	$ 0	$ 342,851
6	311.00	Structures And Improvements	0.0831	2,437,762	(33,541)	2,404,221	(20,993)	2,383,228
7	312.00	Preliminary Treatment	0.0369	1,080,969	(14,873)	1,066,096	(9,309)	1,056,787
8	313.00	Primary Treatment Equipment	0.0301	882,795	(12,146)	870,649	(7,602)	863,046
9	314.00	Secondary Treatment Equipment	0.1485	4,353,946	(59,906)	4,294,040	(37,494)	4,256,546
10	315.00	Tertiary Equipment	0.0802	2,350,904	(32,346)	2,318,558	(20,245)	2,298,313
11	316.00	Disinfection Equipment	0.0074	217,489	(2,992)	214,497	(1,873)	212,624
12	317.00	Effluent Lift Station E	0.0112	328,026	(4,513)	323,513	(2,825)	320,688
13	318.00	Outfall Line	0.0032	94,680	(1,303)	93,377	(815)	92,562
14	319.00	Sludge, Treatment And Distribution	0.0225	659,242	(9,071)	650,171	(5,677)	644,494
15	321.00	Influent Lift Station	0.0006	17,496	(241)	17,255	(151)	17,105
16	322.00	General Treatment Equipment	0.0074	217,915	(2,998)	214,917	(1,877)	213,040
17		SUBTOTAL TREATMENT AND DISCHARGE		$ 12,984,075	$ (173,931)	$ 12,810,144	$ (108,860)	$ 12,701,283
		COLLECTION AND INFLUENT						
18	340.00	Land And Land Rights	0.0000	$ 20,747	$ 0	$ 20,747	$ 0	$ 20,747
19	341.00	Structures And Improvements	0.0156	456,045	(6,275)	449,770	(3,927)	445,843
20	342.00	Collection System Lift	0.0289	847,154	(11,656)	835,498	(7,295)	828,203
21	343.00	Collection Mains	0.3072	9,006,715	(123,924)	8,882,791	(77,561)	8,805,230
22	344.00	Force Mains	0.0257	752,939	(10,360)	742,579	(6,484)	736,095
23	345.00	Discharge Services	0.0820	2,404,138	(33,079)	2,371,059	(20,703)	2,350,356
24	348.00	Manholes	0.0976	2,860,833	(39,362)	2,821,471	(24,636)	2,796,835
25		SUBTOTAL COLLECTION AND INFLUENT		$ 16,348,571	$ (224,655)	$ 16,123,916	$ (140,607)	$ 15,983,309
		GENERAL						
26	389.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
27	390.00	Structures And Improvements	0.0000	-	-	-	-	0
28	391.00	Office Furniture And Equipment	0.0000	64,689	-	64,689	-	64,689
29	391.10	Computer Equipment	0.0000	-	-	-	-	0
30	392.00	Transportation Equipment	0.0000	83,876	-	83,876	-	83,876
31	393.00	Stores Equipment	0.0000	3,853	-	3,853	-	3,853
32	394.00	Tools, Shop And Garage	0.0000	22,788	-	22,788	-	22,788
33	395.00	Laboratory Equipment	0.0000	16,994	-	16,994	-	16,994
34	396.00	Power Operated Equipment	0.0000	-	-	-	-	0
35	397.00	Communication Equipment	0.0000	2,866	-	2,866	-	2,866
36	398.00	Miscellaneous Equipment	0.0000	28,071	-	28,071	-	28,071
37		SUBTOTAL GENERAL		$ 223,137	$ 0	223,137	$ 0	$ 223,137
38		**TOTAL WASTEWATER PLANT**		$ 29,561,288	$ (398,587)	$ 29,162,701	$ (249,468)	$ 28,913,234
39		AFUDC ADJUSTMENT 3/95		$ (242,717)	$ 0	$ (242,717)	$ 242,717	$ 0
40		Adjustment Due To Rounding		-	-	-	-	0
41		**ADJUSTED WASTEWATER PLANT**		$ 29,318,571	$ (398,587)	$ 28,919,984	$ (6,751)	$ 28,913,234

References:
Column (A): Ratio Of Depreciable Plant Item To The Total Plant Value (Col. (B), L41)
Column (B): Company Schedule B-2, Page 6a
Column (C): Column (A) (Line Item Allocation Factor) X Total Adjustment Of Total Plant Of ($398,587)
Column (D): Column (B) + Column (C) As Per Prior Appication Exhibit KHD-2, Schedule A page 5
Column (E): Column (A) (Line Item Allocation Factor) X Total Adjustment Of Total Plant Of ($6,751) As Per Prior Application Schedule B-2
Column (F): Prior Rate Case Decision No. 60172, Exhibit A - Before Commission Approved Adjustments

TEST YEAR PLANT SCHEDULES CONT'D
COMPANY'S PRIOR FILING VERSUS TOTAL PLANT ADJUSTMENTS APPROVED IN PRIOR RATE CASE - DECISION NO. 60172

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) ALLOC'N FACTOR	(B) ACTUAL 03/31/1995 PRIOR T. Y. TOTAL PLANT	(C) ADJM'T # 1 TO 03/31/95 PRIOR T. Y. TOTAL PLANT	(D) ADJM'T # 2 TO 03/31/95 PRIOR T. Y. TOTAL PLANT	(E) ACC APPR'D ADJUSTED PRIOR T. Y. TOTAL PLANT
		INTANGIBLE					
1	301.00	Organization	0.0000	$ 4,078	$ 0	$ 0	$ 4,078
2	302.00	Franchises	0.0000	1,427	-	-	1,427
3	303.00	Miscellaneous Intangibles	0.0000	-	-	-	0
4		SUBTOTAL INTANGIBLE		$ 5,505	$ 0	$ 0	$ 5,505
		TREATMENT AND DISCHARGE					
5	310.00	Land And Land Rights	0.0000	$ 342,851	$ 0	$ 0	$ 342,851
6	311.00	Structures And Improvements	0.0824	2,383,228	(30,462)	-	2,352,766
7	312.00	Preliminary Treatment	0.0366	1,056,787	-	-	1,056,787
8	313.00	Primary Treatment Equipment	0.0298	863,046	-	-	863,046
9	314.00	Secondary Treatment Equipment	0.1472	4,256,546	-	-	4,256,546
10	315.00	Tertiary Equipment	0.0795	2,298,313	-	-	2,298,313
11	316.00	Disinfection Equipment	0.0074	212,624	-	-	212,624
12	317.00	Effluent Lift Station E	0.0111	320,688	(4,099)	-	316,589
13	318.00	Outfall Line	0.0032	92,562	(1,183)	-	91,379
14	319.00	Sludge, Treatment And Distribution	0.0223	644,494	-	-	644,494
15	321.00	Influent Lift Station	0.0006	17,105	(219)	-	16,886
16	322.00	General Treatment Equipment	0.0074	213,040	(2,723)	-	210,317
17		SUBTOTAL TREATMENT AND DISCHARGE		$ 12,701,283	$ (38,686)	$ 0	$ 12,662,597
		COLLECTION AND INFLUENT					
18	340.00	Land And Land Rights	0.0000	$ 20,747	$ 0	$ 0	$ 20,747
19	341.00	Structures And Improvements	0.0154	445,843	(5,699)	-	440,144
20	342.00	Collection System Lift	0.0286	828,203	(10,586)	-	817,617
21	343.00	Collection Mains	0.3045	8,805,230	(112,547)	-	8,692,683
22	344.00	Force Mains	0.0255	736,095	(9,409)	-	726,687
23	345.00	Discharge Services	0.0813	2,350,356	(30,042)	-	2,320,314
24	348.00	Manholes	0.0967	2,796,835	(35,749)	-	2,761,086
25		SUBTOTAL COLLECTION AND INFLUENT		$ 15,983,309	$ (204,031)	$ 0	$ 15,779,278
		GENERAL					
26	389.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0	$ 0
27	390.00	Structures And Improvements	0.0000	-	-	-	0
28	391.00	Office Furniture And Equipment	0.0000	64,689	-	-	64,689
29	391.10	Computer Equipment	0.0000	-	-	-	0
30	392.00	Transportation Equipment	0.0000	83,876	-	-	83,876
31	393.00	Stores Equipment	0.0000	3,853	-	-	3,853
32	394.00	Tools, Shop And Garage	0.0000	22,788	-	-	22,788
33	395.00	Laboratory Equipment	0.0000	16,994	-	-	16,994
34	396.00	Power Operated Equipment	0.0000	-	-	-	0
35	397.00	Communication Equipment	0.0000	2,866	-	-	2,866
36	398.00	Miscellaneous Equipment	0.0000	28,071	-	-	28,071
37		SUBTOTAL GENERAL		$ 223,137	0	$ 0	$ 223,137
38		**TOTAL WASTEWATER PLANT**		$ 28,913,234	$ (242,717)	$ 0	$ 28,670,517
39		AFUDC ADJUSTMENT 3/95		$ 0	$ 0	$ 0	$ 0
40		Adjustment Due To Rounding		-	-	-	0
41		**ADJUSTED WASTEWATER PLANT**		$ 28,913,234	$ (242,717)	$ 0	$ 28,670,517

References:
Column (A): Ratio Of Depreciable Plant Item To The Total Plant Value (Col. (B), L42) (Excluding General Plant)
Column (B): Prior Rate Case Decision No. 60172, Exhibit A - Before Commission Approved Adjustments
Column (C): Commission Approved Adjustment Decision No. 60172, Exhibit A Per AR-13
Column (D): Intentionally Left Blank
Column (E): Prior Rate Case Decision No. 60172, Exhibit A - After Commission Approved Adjustments

TEST YEAR PLANT SCHEDULES CONT'D
COMPANY'S PRESENT FILING VERSUS ACCUMULATED DEPRECIATION FILED IN PRIOR RATE CASE - DECISION NO. 60172

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) ALLOC'N FACTOR	(B) PREV. APPL'N CO. AS FILED 12/31/1994 ACC. DEP.	(C) ADJM'T NO. 1 TO12/31/94 ACC. DEP.	(D) ACTUAL 03/31/1995 PRIOR T. Y. ACC. DEP.	(E) ADJM'T NO. 2 TO 03/31/95 PRIOR T. Y. ACC. DEP.	(F) ACC APPR'D ADJUSTED PRIOR T. Y. ACC. DEP.
		INTANGIBLE						
1	301.00	Organization	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
2	302.00	Franchises	0.0000	-	-	-	-	0
3	303.00	Miscellaneous Intangibles	0.0000	-	-	-	-	0
4		SUBTOTAL INTANGIBLE		$ 0	$ 0	$ 0	$ 0	$ 0
		TREATMENT AND DISCHARGE						
5	310.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
6	311.00	Structures And Improvements	0.1396	1,146,873	(560,448)	586,425	2,206	588,631
7	312.00	Preliminary Treatment	0.0440	361,802	-	361,802	696	362,498
8	313.00	Primary Treatment Equipment	0.0327	268,372	-	268,372	516	268,888
9	314.00	Secondary Treatment Equipment	0.1923	1,580,359	-	1,580,359	3,040	1,583,399
10	315.00	Tertiary Equipment	0.0938	770,735	-	770,735	1,483	772,218
11	316.00	Disinfection Equipment	0.0149	122,433	-	122,433	236	122,669
12	317.00	Effluent Lift Station E	0.0328	269,217	(131,560)	137,657	518	138,175
13	318.00	Outfall Line	0.0067	54,868	(26,813)	28,055	106	28,161
14	319.00	Sludge, Treatment And Distribution	0.0366	300,618	-	300,618	578	301,196
15	321.00	Influent Lift Station	0.0007	6,132	(2,997)	3,135	12	3,147
16	322.00	General Treatment Equipment	0.0002	1,979	(967)	1,012	4	1,015
17		SUBTOTAL TREATMENT AND DISCHARGE		$ 4,883,388	$ (722,785)	$ 4,160,603	$ 9,394	$ 4,169,997
		COLLECTION AND INFLUENT						
18	340.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
19	341.00	Structures And Improvements	0.0011	8,867	(4,333)	4,534	17	4,551
20	342.00	Collection System Lift	0.0818	671,848	(328,315)	343,533	1,292	344,825
21	343.00	Collection Mains	0.1838	1,510,628	(738,206)	772,422	2,906	775,328
22	344.00	Force Mains	0.0126	103,389	(50,524)	52,865	199	53,064
23	345.00	Discharge Services	0.0477	392,003	(191,562)	200,441	754	201,195
24	348.00	Manholes	0.0652	535,530	(261,700)	273,830	1,030	274,860
25		SUBTOTAL COLLECTION AND INFLUENT		$ 3,222,265	$ (1,574,641)	$ 1,647,624	$ 6,199	$ 1,653,822
		GENERAL						
26	389.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
27	390.00	Structures And Improvements	0.0000	-	-	-	-	0
28	391.00	Office Furniture And Equipment	0.0027	21,778	21,778	43,556	42	43,598
29	391.10	Computer Equipment	0.0002	1,924	1,924	3,848	4	3,852
30	392.00	Transportation Equipment	0.0079	64,723	64,723	129,446	125	129,571
31	393.00	Stores Equipment	0.0001	1,036	1,036	2,072	2	2,074
32	394.00	Tools, Shop And Garage	0.0007	5,421	5,421	10,842	10	10,852
33	395.00	Laboratory Equipment	0.0008	6,178	6,178	12,356	12	12,368
34	396.00	Power Operated Equipment	0.0000	-	-	-	-	0
35	397.00	Communication Equipment	0.0003	2,151	2,151	4,302	4	4,306
36	398.00	Miscellaneous Equipment	0.0010	8,379	8,379	16,758	16	16,774
37		SUBTOTAL GENERAL		$ 111,590	$ 111,590	223,180	$ 215	$ 223,395
38		**TOTAL WASTEWATER PLANT ACC. DEP.**		$ 8,217,243	$ (2,185,837)	$ 6,031,406	$ 15,808	$ 6,047,214
39		AFUDC ADJUSTMENT 3/95		$ 0	$ 0	$ 0	$ 0	$ 0
40		Adjustment Due To Rounding		-	-	-	-	0
41		**ADJUSTED WASTEWATER PLANT ACC. DEP.**		$ 8,217,243	$ (2,185,837)	$ 6,031,406	$ 15,808	$ 6,047,214

References:
Column (A): Ratio Of Depreciable Plant Item To The Total Accumulated Depreciation Value (Col. (B), L42)
Column (B): Company Prior Application Exhibit RJM-4b
Column (C): Column (A) (Line Item Allocation Factor) X Total Adjustment Of $2,185,837
Column (D): Prior Rate Case Decision No. 60172, Exhibit A - Before Commission Approved Adjustments
Column (E): Column (A) (Line Item Allocation Factor) X Total Accumulated Depreciation Adjustment Of $15,808 As Per Decision 60172 Exhibit A
Column (F): Prior Rate Case Decision No. 60172, Exhibit A - After Commission Approved Adjustments

TEST YEAR PLANT SCHEDULES CONT'D
PRIOR TEST YEAR ENDED MARCH 31, 1995

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) APPROVED DEP. RATE	(B) FULLY DEP. PLANT	(C) DEP. EXP.	(D) TOTAL PLANT VALUE	(E) ACCUM. DEP.	(F) NET PLANT VALUE
		INTANGIBLE						
1	301.00	Organization	0.00%	$ 0	$ 0	$ 4,078	$ 0	$ 4,078
2	302.00	Franchises	0.00%	-	-	1,427	-	1,427
3	303.00	Miscellaneous Intangibles	0.00%	-	-	-	-	0
4		SUBTOTAL INTANGIBLE		$ 0	$ 0	$ 5,505	$ 0	$ 5,505
		TREATMENT AND DISCHARGE						
5	310.00	Land And Land Rights	0.00%	$ 0	$ 0	$ 342,851	$ 0	$ 342,851
6	311.00	Structures And Improvements	5.00%	-	-	2,352,766	588,631	1,764,135
7	312.00	Preliminary Treatment	5.00%	-	-	1,056,787	362,498	694,289
8	313.00	Primary Treatment Equipment	5.00%	-	-	863,046	268,888	594,158
9	314.00	Secondary Treatment Equipment	5.00%	-	-	4,256,546	1,583,399	2,673,147
10	315.00	Tertiary Equipment	5.00%	-	-	2,298,313	772,218	1,526,095
11	316.00	Disinfection Equipment	5.00%	-	-	212,624	122,669	89,955
12	317.00	Effluent Lift Station E	8.40%	-	-	316,589	138,175	178,414
13	318.00	Outfall Line	5.00%	-	-	91,379	28,161	63,218
14	319.00	Sludge, Treatment And Distribution	5.00%	-	-	644,494	301,196	343,298
15	321.00	Influent Lift Station	8.40%	-	-	16,886	3,147	13,739
16	322.00	General Treatment Equipment	5.00%	-	-	210,317	1,015	209,302
17		SUBTOTAL TREATMENT AND DISCHARGE		$ 0	$ 0	$ 12,662,597	$ 4,169,997	$ 8,492,600
		COLLECTION AND INFLUENT						
18	340.00	Land And Land Rights	0.00%	$ 0	$ 0	$ 20,747	$ 0	$ 20,747
19	341.00	Structures And Improvements	1.67%	-	-	440,144	4,551	435,594
20	342.00	Collection System Lift	8.40%	-	-	817,617	344,825	472,792
21	343.00	Collection Mains	2.04%	-	-	8,692,683	775,328	7,917,355
22	344.00	Force Mains	2.07%	-	-	726,687	53,064	673,623
23	345.00	Discharge Services	2.04%	-	-	2,320,314	201,195	2,119,119
24	348.00	Manholes	2.03%	-	-	2,761,086	274,860	2,486,226
25		SUBTOTAL COLLECTION AND INFLUENT		$ 0	$ 0	$ 15,779,278	$ 1,653,822	$ 14,125,455
		GENERAL						
26	389.00	Land And Land Rights	0.00%	$ 0	$ 0	$ 0	$ 0	$ 0
27	390.00	Structures And Improvements	1.68%	-	-	-	-	0
28	391.00	Office Furniture And Equipment	4.55%	-	-	64,689	43,598	21,091
29	391.10	Computer Equipment	4.55%	-	-	-	3,852	(3,852)
30	392.00	Transportation Equipment	25.00%	-	-	83,876	129,571	(45,695)
31	393.00	Stores Equipment	3.92%	-	-	3,853	2,074	1,779
32	394.00	Tools, Shop And Garage	4.14%	-	-	22,788	10,852	11,936
33	395.00	Laboratory Equipment	3.71%	-	-	16,994	12,368	4,626
34	396.00	Power Operated Equipment	5.14%	-	-	-	-	0
35	397.00	Communication Equipment	10.28%	-	-	2,866	4,306	(1,440)
36	398.00	Miscellaneous Equipment	4.98%	-	-	28,071	16,774	11,297
37		SUBTOTAL GENERAL		$ 0	$ 0	$ 223,137	$ 223,395	$ (258)
38		AFUDC ADJUSTMENT 3/95	3.55%	$ 0	$ 0	$ 0	$ 0	$ 0
39		Adjustment Due To Rounding		-	-	-	-	0
40		**TOTAL WASTEWATER PLANT**		$ 0	$ 0	$ 28,670,517	$ 6,047,214	$ 22,623,303

References:
Column (A): Prior Decision No. 60172 And Company Schedule C-2, Page 6
Column (B): Company Response To RUCO Data Request No. 1.22
Column (C): Company Response To RUCO Data Request No. 1.22
Column (D): Schedule RLM-4, Page 2
Column (E): Schedule RLM-4, Page 3
Column (F): Column (D) - Column (E)

TEST YEAR PLANT SCHEDULES CONT'D
FROM MARCH 31, 1995 TO DECEMBER 31, 1995

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 4,078	$ 0	$ 4,078
2	302.00	Franchises	-	-	-	-	1,427	-	1,427
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 5,505	$ 0	$ 5,505
		TREATMENT AND DISCHARGE							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 342,851	$ 0	$ 342,851
6	311.00	Structures And Improvements	75,934	-	-	89,652	2,428,700	678,284	1,750,416
7	312.00	Preliminary Treatment	52,645	-	-	40,617	1,109,432	403,115	706,317
8	313.00	Primary Treatment Equipment	129,617	-	-	34,795	992,663	303,683	688,981
9	314.00	Secondary Treatment Equip.	56,634	-	-	160,682	4,313,180	1,744,082	2,569,098
10	315.00	Tertiary Equipment	35,276	-	-	86,848	2,333,589	859,066	1,474,523
11	316.00	Disinfection Equipment	-	200	-	7,977	212,423	130,445	81,978
12	317.00	Effluent Lift Station E	-	2,738	-	20,031	313,850	155,468	158,382
13	318.00	Outfall Line	-	-	-	3,427	91,379	31,587	59,791
14	319.00	Sludge, Treatment & Dist.	5,220	-	-	24,266	649,714	325,463	324,252
15	321.00	Influent Lift Station	802	-	-	1,089	17,688	4,236	13,452
16	322.00	General Treatment Equipment	15,374	-	-	8,175	225,691	9,190	216,501
17		SUBTOTAL TREAT.& DIS.	$ 371,502	$ 2,939	$ 0	$ 477,560	$ 13,031,160	$ 4,644,618	$ 8,386,542
		COLLECTION AND INFLUENT							
18	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 20,747	$ 0	$ 20,747
19	341.00	Structures And Improvements	-	172,877	-	6,595	267,267	(161,731)	428,998
20	342.00	Collection System Lift	9,167	-	-	51,799	826,784	396,624	430,160
21	343.00	Collection Mains	368,683	-	-	135,818	9,061,366	911,147	8,150,219
22	344.00	Force Mains	-	-	-	11,282	726,687	64,346	662,341
23	345.00	Discharge Services	179,842	-	-	36,877	2,500,156	238,071	2,262,085
24	348.00	Manholes	199,737	-	-	43,558	2,960,823	318,418	2,642,405
25		SUBTOTAL COLL. & INFLU.	$ 757,429	$ 172,877	$ 0	$ 285,929	$ 16,363,830	$ 1,766,874	$ 14,596,955
		GENERAL							
26	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
27	390.00	Structures And Improvements	-	-	-	-	-	-	0
28	391.00	Office Furniture & Equipment	2,146	-	-	2,242	66,835	45,840	20,995
29	391.10	Computer Equipment	-	-	-	-	-	3,852	(3,852)
30	392.00	Transportation Equipment	832	-	-	15,805	84,708	145,375	(60,667)
31	393.00	Stores Equipment	56	-	-	114	3,909	2,188	1,721
32	394.00	Tools, Shop And Garage	3,947	-	-	768	26,735	11,620	15,114
33	395.00	Laboratory Equipment	1,411	-	-	492	18,405	12,860	5,544
34	396.00	Power Operated Equipment	-	-	-	-	-	-	0
35	397.00	Communication Equipment	-	-	-	221	2,866	4,527	(1,661)
36	398.00	Miscellaneous Equipment	-	-	-	1,048	28,071	17,823	10,248
37		SUBTOTAL GENERAL	$ 8,391	$ 0	$ 0	$ 20,690	$ 231,528	$ 244,085	$ (12,557)
38		AFUDC ADJUSTMENT 3/95	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
39		Adjustment Due To Rounding	-	-	-	-	-	-	0
40		**TOTAL WASTEWATER PLT**	$ 1,137,322	$ 175,816	$ 0	$ 784,179	$ 29,632,023	$ 6,655,577	$ 22,976,446

References:
Columns (A) (B): Company Schedule B-2, Page 6a
Column (C): Intentionally Left Blank
Column (D): 0.75 X [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 4, Col. (D) - Col. (C)] X RLM-4, Page 4, Col. (A)]
Column (E): Schedule RLM-4, Page 4, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 4, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
YEAR ENDED DECEMBER 31, 1996

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 4,078	$ 0	$ 4,078
2	302.00	Franchises	-	-	-	-	1,427	-	1,427
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 5,505	$ 0	$ 5,505
		TREATMENT AND DISCHARGE							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 342,851	$ 0	$ 342,851
6	311.00	Structures And Improvements	60,969	-	-	122,959	2,489,669	801,243	1,688,426
7	312.00	Preliminary Treatment	8,786	-	-	55,691	1,118,218	458,806	659,412
8	313.00	Primary Treatment Equipment	12,003	-	-	49,933	1,004,666	353,616	651,050
9	314.00	Secondary Treatment Equip.	69,995	-	-	217,409	4,383,175	1,961,490	2,421,684
10	315.00	Tertiary Equipment	3,027	-	-	116,755	2,336,616	975,821	1,360,795
11	316.00	Disinfection Equipment	577	-	-	10,636	213,000	141,081	71,919
12	317.00	Effluent Lift Station E	12,511	-	-	26,889	326,361	182,357	144,005
13	318.00	Outfall Line	-	-	-	4,569	91,379	36,156	55,223
14	319.00	Sludge, Treatment & Dist.	193,870	-	-	37,332	843,584	362,795	480,789
15	321.00	Influent Lift Station	3,918	-	-	1,650	21,606	5,886	15,720
16	322.00	General Treatment Equipment	873	-	-	11,306	226,564	20,497	206,067
17		SUBTOTAL TREAT.& DIS.	$ 366,529	$ 0	$ 0	$ 655,130	$ 13,397,689	$ 5,299,748	$ 8,097,941
		COLLECTION AND INFLUENT							
18	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 20,747	$ (0)	$ 20,747
19	341.00	Structures And Improvements	19,019	-	-	4,622	286,286	(157,109)	443,395
20	342.00	Collection System Lift	570,326	-	-	93,404	1,397,110	490,027	907,083
21	343.00	Collection Mains	234,552	-	-	187,244	9,295,918	1,098,391	8,197,527
22	344.00	Force Mains	-	-	-	15,042	726,687	79,388	647,298
23	345.00	Discharge Services	91,310	-	-	51,935	2,591,467	290,006	2,301,461
24	348.00	Manholes	104,327	-	-	61,164	3,065,150	379,582	2,685,569
25		SUBTOTAL COLL. & INFLU.	$ 1,019,534	$ 0	$ 0	$ 413,411	$ 17,383,365	$ 2,180,285	$ 15,203,080
		GENERAL							
26	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
27	390.00	Structures And Improvements	-	-	-	-	-	-	0
28	391.00	Office Furniture & Equipment	2,346	-	-	3,091	69,181	48,931	20,250
29	391.10	Computer Equipment	-	-	-	-	-	3,852	(3,852)
30	392.00	Transportation Equipment	-	-	-	21,177	84,708	166,552	(81,844)
31	393.00	Stores Equipment	5,796	-	-	267	9,705	2,455	7,250
32	394.00	Tools, Shop And Garage	8,795	-	-	1,287	35,530	12,908	22,622
33	395.00	Laboratory Equipment	15,353	-	-	968	33,758	13,828	19,930
34	396.00	Power Operated Equipment	3,984	-	-	102	3,984	102	3,882
35	397.00	Communication Equipment	-	-	-	295	2,866	4,822	(1,956)
36	398.00	Miscellaneous Equipment	-	-	-	1,398	28,071	19,221	8,850
37		SUBTOTAL GENERAL	$ 36,274	$ 0	$ 0	$ 28,585	$ 267,802	$ 272,669	$ (4,867)
38		AFUDC ADJUSTMENT 3/95	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
39		Adjustment Due To Rounding	-	-	-	-	-	-	0
40		**TOTAL WASTEWATER PLT**	$ 1,422,337	$ 0	$ 0	$ 1,097,125	$ 31,054,361	$ 7,752,703	$ 23,301,658

References:
Columns (A) (B): Company Schedule B-2, Page 6a
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 5, Col. (D) - Col. (C)] X RLM-4, Page 4, Col. (A)]
Column (E): Schedule RLM-4, Page 5, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 5, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
YEAR ENDED DECEMBER 31, 1997

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 4,078	$ 0	$ 4,078
2	302.00	Franchises	-	55	-	-	1,372	-	1,372
3	303.00	Miscellaneous Intangibles	5,184	-	-	-	5,184	-	5,184
4		SUBTOTAL INTANGIBLE	$ 5,184	$ 55	$ 0	$ 0	$ 10,634	$ 0	$ 10,634
		TREATMENT AND DISCHARGE							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 342,851	$ 0	$ 342,851
6	311.00	Structures And Improvements	14,156	-	-	124,837	2,503,825	926,080	1,577,745
7	312.00	Preliminary Treatment	-	48,476	-	57,123	1,069,742	467,453	602,289
8	313.00	Primary Treatment Equipment	69,148	-	-	51,962	1,073,814	405,578	668,236
9	314.00	Secondary Treatment Equip.	33,988	-	-	220,008	4,417,163	2,181,499	2,235,664
10	315.00	Tertiary Equipment	784,974	-	-	136,455	3,121,590	1,112,276	2,009,314
11	316.00	Disinfection Equipment	726	-	-	10,668	213,726	151,749	61,977
12	317.00	Effluent Lift Station E	6,146	-	-	27,673	332,508	210,029	122,479
13	318.00	Outfall Line	-	-	-	4,569	91,379	40,725	50,654
14	319.00	Sludge, Treatment & Dist.	-	1,769	-	42,223	841,815	403,250	438,566
15	321.00	Influent Lift Station	-	542	-	1,838	21,064	7,182	13,882
16	322.00	General Treatment Equipment	6,886	-	-	11,500	233,450	31,997	201,453
17		SUBTOTAL TREAT.& DIS.	$ 916,025	$ 50,787	$ 0	$ 688,857	$ 14,262,927	$ 5,937,818	$ 8,325,109
		COLLECTION AND INFLUENT							
18	340.00	Land And Land Rights	$ 0	$ 56	$ 0	$ 0	$ 20,691	$ (56)	$ 20,747
19	341.00	Structures And Improvements	-	2,897	-	4,805	283,389	(155,201)	438,590
20	342.00	Collection System Lift	-	89,351	-	121,110	1,307,759	521,786	785,973
21	343.00	Collection Mains	-	75,013	-	190,402	9,220,905	1,213,780	8,007,125
22	344.00	Force Mains	-	-	-	15,042	726,687	94,431	632,256
23	345.00	Discharge Services	-	35,844	-	53,232	2,555,622	307,393	2,248,229
24	348.00	Manholes	-	15,136	-	62,376	3,050,014	426,821	2,623,193
25		SUBTOTAL COLL. & INFLU.	$ 0	$ 218,298	$ 0	$ 446,967	$ 17,165,067	$ 2,408,954	$ 14,756,113
		GENERAL							
26	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
27	390.00	Structures And Improvements	-	-	-	-	-	-	0
28	391.00	Office Furniture & Equipment	-	35,377	-	3,948	33,804	17,502	16,302
29	391.10	Computer Equipment	5,168	-	-	117	5,168	3,969	1,199
30	392.00	Transportation Equipment	-	1,824	-	21,405	82,884	186,133	(103,249)
31	393.00	Stores Equipment	4,201	-	-	463	13,906	2,918	10,988
32	394.00	Tools, Shop And Garage	5,146	-	-	1,576	40,676	14,483	26,192
33	395.00	Laboratory Equipment	11,359	-	-	1,463	45,117	15,291	29,825
34	396.00	Power Operated Equipment	-	-	-	205	3,984	307	3,677
35	397.00	Communication Equipment	4,247	-	-	513	7,113	5,334	1,779
36	398.00	Miscellaneous Equipment	17,633	-	-	1,837	45,704	21,058	24,646
37		SUBTOTAL GENERAL	$ 47,755	$ 37,201	$ 0	$ 31,527	$ 278,355	$ 266,995	$ 11,360
38		AFUDC ADJUSTMENT 3/95	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
39		Adjustment Due To Rounding	-	-	-	-	-	-	0
40		**TOTAL WASTEWATER PLT**	$ 968,964	$ 306,341	$ 0	$ 1,167,351	$ 31,716,983	$ 8,613,767	$ 23,103,216

References:
Columns (A) (B): Company Schedule B-2, Page 6b
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 6, Col. (D) - Col. (C)] X RLM-4, Page 4, Col. (A)]
Column (E): Schedule RLM-4, Page 6, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 6, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
YEAR ENDED DECEMBER 31, 1998

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 4,078	$ 0	$ 4,078
2	302.00	Franchises	-	-	-	-	1,372	-	1,372
3	303.00	Miscellaneous Intangibles	-	-	-	-	5,184	-	5,184
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 10,634	$ 0	$ 10,634
		TREATMENT AND DISCHARGE							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 342,851	$ 0	$ 342,851
6	311.00	Structures And Improvements	82,151	-	-	127,245	2,585,976	1,053,325	1,532,651
7	312.00	Preliminary Treatment	8,683	-	-	53,704	1,078,425	521,157	557,268
8	313.00	Primary Treatment Equipment	-	21,485	-	54,228	1,052,329	438,321	614,008
9	314.00	Secondary Treatment Equip.	52,335	-	-	222,167	4,469,498	2,403,665	2,065,832
10	315.00	Tertiary Equipment	305,362	-	-	163,714	3,426,952	1,275,990	2,150,962
11	316.00	Disinfection Equipment	4,849	-	-	10,808	218,575	162,556	56,019
12	317.00	Effluent Lift Station E	-	901	-	27,968	331,607	237,097	94,510
13	318.00	Outfall Line	-	-	-	4,569	91,379	45,294	46,085
14	319.00	Sludge, Treatment & Dist.	50,579	-	-	43,355	892,394	446,605	445,789
15	321.00	Influent Lift Station	-	3,675	-	1,924	17,389	5,431	11,958
16	322.00	General Treatment Equipment	22,550	-	-	12,236	256,000	44,233	211,767
17		SUBTOTAL TREAT.& DIS.	$ 526,509	$ 26,061	$ 0	$ 721,917	$ 14,763,375	$ 6,633,674	$ 8,129,701
		COLLECTION AND INFLUENT							
18	340.00	Land And Land Rights	$ 56	$ 0	$ 0	$ 0	$ 20,747	$ 0	$ 20,747
19	341.00	Structures And Improvements	70	-	-	4,733	283,459	(150,467)	433,927
20	342.00	Collection System Lift	857	-	-	109,888	1,308,616	631,674	676,942
21	343.00	Collection Mains	46,719	-	-	188,583	9,267,624	1,402,363	7,865,261
22	344.00	Force Mains	-	-	-	15,042	726,687	109,473	617,214
23	345.00	Discharge Services	551	-	-	52,140	2,556,173	359,533	2,196,640
24	348.00	Manholes	14,204	-	-	62,059	3,064,218	488,881	2,575,337
25		SUBTOTAL COLL. & INFLU.	$ 62,457	$ 0	$ 0	$ 432,446	$ 17,227,524	$ 2,841,456	$ 14,386,067
		GENERAL							
26	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
27	390.00	Structures And Improvements	-	-	-	-	-	-	0
28	391.00	Office Furniture & Equipment	110,466	-	-	5,548	144,270	23,050	121,220
29	391.10	Computer Equipment	-	-	-	-	5,168	3,969	1,199
30	392.00	Transportation Equipment	341	-	-	21,219	83,225	207,352	(124,127)
31	393.00	Stores Equipment	58	-	-	154	13,964	3,072	10,892
32	394.00	Tools, Shop And Garage	5,166	-	-	1,212	45,842	15,696	30,146
33	395.00	Laboratory Equipment	-	3,108	-	740	42,009	12,924	29,085
34	396.00	Power Operated Equipment	-	-	-	-	3,984	307	3,677
35	397.00	Communication Equipment	311,693	-	-	16,312	318,806	21,647	297,159
36	398.00	Miscellaneous Equipment	24,547	-	-	2,009	70,251	23,067	47,184
37		SUBTOTAL GENERAL	$ 452,271	$ 3,108	$ 0	$ 47,196	$ 727,518	$ 311,083	$ 416,435
38		AFUDC ADJUSTMENT 3/95	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
39		Adjustment Due To Rounding	-	-	-	-	-	-	0
40		**TOTAL WASTEWATER PLT**	$ 1,041,237	$ 29,169	$ 0	$ 1,201,559	$ 32,729,051	$ 9,786,214	$ 22,942,837

References:
Columns (A) (B): Company Schedule B-2, Page 6b
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 7, Col. (D) - Col. (C)] X RLM-4, Page 4, Col. (A)]
Column (E): Schedule RLM-4, Page 7, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 7, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
YEAR ENDED DECEMBER 31, 1999

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 4,078	$ 0	$ 4,078
2	302.00	Franchises	-	-	-	-	1,372	-	1,372
3	303.00	Miscellaneous Intangibles	-	-	-	-	5,184	-	5,184
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 10,634	$ 0	$ 10,634
		TREATMENT AND DISCHARGE							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 342,851	$ 0	$ 342,851
6	311.00	Structures And Improvements	-	-	-	129,299	2,585,976	1,182,624	1,403,352
7	312.00	Preliminary Treatment	-	-	-	55,472	1,078,425	458,586	619,839
8	313.00	Primary Treatment Equipment	-	-	-	49,633	1,052,329	353,316	699,013
9	314.00	Secondary Treatment Equip.	392,870	-	-	225,481	4,862,368	1,969,562	2,892,806
10	315.00	Tertiary Equipment	241,617	-	-	122,720	3,668,569	981,786	2,686,783
11	316.00	Disinfection Equipment	-	-	-	10,621	218,575	141,066	77,509
12	317.00	Effluent Lift Station E	1,118	-	-	26,410	332,725	181,878	150,847
13	318.00	Outfall Line	-	-	-	4,569	91,379	36,156	55,223
14	319.00	Sludge, Treatment & Dist.	13,869	-	-	32,832	906,263	358,295	547,968
15	321.00	Influent Lift Station	1,558	-	-	1,551	18,947	5,787	13,160
16	322.00	General Treatment Equipment	-	-	-	11,285	256,000	20,475	235,525
17		SUBTOTAL TREAT.& DIS.	$ 651,032	$ 0	$ 0	$ 669,873	$ 15,414,407	$ 5,689,532	$ 9,724,875
		COLLECTION AND INFLUENT							
18	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 20,747	$ 0	$ 20,747
19	341.00	Structures And Improvements	-	-	-	4,734	283,460	(145,734)	429,193
20	342.00	Collection System Lift	105	-	-	109,928	1,308,720	741,602	567,118
21	343.00	Collection Mains	15,371	-	-	189,216	9,282,994	1,591,579	7,691,415
22	344.00	Force Mains	-	-	-	15,042	726,686	124,515	602,171
23	345.00	Discharge Services	1,451	-	-	52,161	2,557,625	411,694	2,145,931
24	348.00	Manholes	10,365	-	-	62,309	3,074,584	551,190	2,523,394
25		SUBTOTAL COLL. & INFLU.	$ 27,293	$ 0	$ 0	$ 433,390	$ 17,254,816	$ 3,274,846	$ 13,979,969
		GENERAL							
26	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
27	390.00	Structures And Improvements	250,266	-	-	2,103	250,266	2,103	248,163
28	391.00	Office Furniture & Equipment	1,723	-	-	6,596	145,993	29,646	116,347
29	391.10	Computer Equipment	-	-	-	235	5,168	4,204	964
30	392.00	Transportation Equipment	-	-	-	20,806	83,225	228,158	(144,933)
31	393.00	Stores Equipment	-	-	-	547	13,964	3,619	10,345
32	394.00	Tools, Shop And Garage	14,040	-	-	2,186	59,882	17,881	42,000
33	395.00	Laboratory Equipment	16,704	-	-	1,868	58,712	14,792	43,920
34	396.00	Power Operated Equipment	-	-	-	205	3,984	512	3,472
35	397.00	Communication Equipment	-	-	-	32,766	318,807	54,413	264,394
36	398.00	Miscellaneous Equipment	-	-	-	3,498	70,250	26,565	43,685
37		SUBTOTAL GENERAL	$ 282,732	$ 0	$ 0	$ 70,812	$ 1,010,251	$ 381,895	$ 628,356
38		AFUDC ADJUSTMENT 3/95	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
39		Adjustment Due To Rounding	-	-	-	-	-	-	0
40		**TOTAL WASTEWATER PLT**	$ 961,057	$ 0	$ 0	$ 1,174,075	$ 33,690,108	$ 9,346,274	$ 24,343,834

References:
Columns (A) (B): Company Schedule B-2, Page 6b
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 8, Col. (D) - Col. (C)] X RLM-4, Page 4, Col. (A)]
Column (E): Schedule RLM-4, Page 8, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 8, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
YEAR ENDED DECEMBER 31, 2000

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 4,078	$ 0	$ 4,078
2	302.00	Franchises	-	-	-	-	1,372	-	1,372
3	303.00	Miscellaneous Intangibles	-	-	-	-	5,184	-	5,184
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 10,634	$ 0	$ 10,634
		TREATMENT AND DISCHARGE							
5	310.00	Land And Land Rights	$ 199,468	$ 0	$ 0	$ 0	$ 542,319	$ 0	$ 542,319
6	311.00	Structures And Improvements	11,819	18,140	-	130,048	2,579,655	1,294,532	1,285,123
7	312.00	Preliminary Treatment	13	-	-	53,922	1,078,438	512,508	565,930
8	313.00	Primary Treatment Equipment	-	628	-	52,632	1,051,701	405,320	646,381
9	314.00	Secondary Treatment Equip.	825,309	173,914	-	268,099	5,513,763	2,063,747	3,450,016
10	315.00	Tertiary Equipment	1,558,885	520,449	-	235,412	4,707,005	696,749	4,010,256
11	316.00	Disinfection Equipment	20,223	367	-	11,444	238,431	152,143	86,288
12	317.00	Effluent Lift Station E	661,100	921	-	55,754	992,904	236,711	756,193
13	318.00	Outfall Line	-	-	-	4,569	91,379	40,725	50,654
14	319.00	Sludge, Treatment & Dist.	429,894	13,600	-	56,401	1,322,557	401,096	921,462
15	321.00	Influent Lift Station	1,101	344	-	1,652	19,704	7,095	12,609
16	322.00	General Treatment Equipment	636,165	690	-	28,721	891,475	48,506	842,969
17		SUBTOTAL TREAT.& DIS.	$ 4,343,977	$ 729,053	$ 0	$ 898,653	$ 19,029,332	$ 5,859,132	$ 13,170,200
		COLLECTION AND INFLUENT							
18	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 20,747	$ 0	$ 20,747
19	341.00	Structures And Improvements	-	-	-	4,734	283,460	(141,000)	424,460
20	342.00	Collection System Lift	141,295	-	-	115,867	1,450,015	857,469	592,546
21	343.00	Collection Mains	148,361	1,704	-	190,904	9,429,651	1,780,779	7,648,872
22	344.00	Force Mains	-	-	-	15,042	726,686	139,558	587,128
23	345.00	Discharge Services	3,766	53	-	52,214	2,561,338	463,907	2,097,431
24	348.00	Manholes	15,400	365	-	62,574	3,089,618	613,764	2,475,855
25		SUBTOTAL COLL. & INFLU.	$ 308,822	$ 2,122	$ 0	$ 441,335	$ 17,561,515	$ 3,714,476	$ 13,847,039
		GENERAL							
26	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
27	390.00	Structures And Improvements	1,249,834	-	-	14,710	1,500,100	16,813	1,483,287
28	391.00	Office Furniture & Equipment	-	-	-	6,635	145,993	36,282	109,711
29	391.10	Computer Equipment	33,277	-	-	991	38,445	5,195	33,250
30	392.00	Transportation Equipment	37,990	25,429	-	28,733	95,786	231,463	(135,677)
31	393.00	Stores Equipment	-	-	-	547	13,964	4,167	9,797
32	394.00	Tools, Shop And Garage	489	879	-	2,504	59,492	19,507	39,985
33	395.00	Laboratory Equipment	2,828	2,704	-	2,281	58,836	15,966	42,870
34	396.00	Power Operated Equipment	8,970	-	-	436	12,954	948	12,006
35	397.00	Communication Equipment	-	-	-	32,766	318,807	87,179	231,628
36	398.00	Miscellaneous Equipment	-	-	-	3,498	70,250	30,064	40,187
37		SUBTOTAL GENERAL	$ 1,333,388	$ 29,012	$ 0	$ 93,103	$ 2,314,627	$ 447,583	$ 1,867,044
38		AFUDC ADJUSTMENT 3/95	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
39		Adjustment Due To Rounding	-	-	-	-	-	-	0
40		**TOTAL WASTEWATER PLT**	$ 5,986,187	$ 760,187	$ 0	$ 1,433,091	$ 38,916,108	$ 10,021,191	$ 28,894,917

References:
Columns (A) (B): Company Schedule B-2, Page 6c
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 9, Col. (D) - Col. (C)] X RLM-4, Page 4, Col. (A)]
Column (E): Schedule RLM-4, Page 9, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 9, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
TEST YEAR ENDED DECEMBER 31, 2001

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 4,078	$ 0	$ 4,078
2	302.00	Franchises	-	-	-	-	1,372	-	1,372
3	303.00	Miscellaneous Intangibles	-	-	-	-	5,184	-	5,184
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 10,634	$ 0	$ 10,634
		TREATMENT AND DISCHARGE							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 542,319	$ 0	$ 542,319
6	311.00	Structures And Improvements	45,757	14,548	-	130,490	2,610,864	1,410,474	1,200,390
7	312.00	Preliminary Treatment	2,014	35,691	-	54,865	1,044,761	531,681	513,080
8	313.00	Primary Treatment Equipment	12,722	-	-	52,903	1,064,423	458,224	606,200
9	314.00	Secondary Treatment Equip.	104,516	1,203	-	278,331	5,617,076	2,340,876	3,276,200
10	315.00	Tertiary Equipment	-	8,406	-	235,560	4,698,598	923,903	3,774,695
11	316.00	Disinfection Equipment	1,772	213,110	-	17,294	27,094	(43,673)	70,767
12	317.00	Effluent Lift Station E	-	-	-	83,404	992,904	320,115	672,789
13	318.00	Outfall Line	-	-	-	4,569	91,379	45,294	46,085
14	319.00	Sludge, Treatment & Dist.	-	-	-	66,128	1,322,557	467,223	855,334
15	321.00	Influent Lift Station	71,231	-	-	4,647	90,935	11,742	79,193
16	322.00	General Treatment Equipment	2,987	-	-	44,648	894,462	93,155	801,308
17		SUBTOTAL TREAT.& DIS.	$ 240,999	$ 272,958	$ 0	$ 972,839	$ 18,997,373	$ 6,559,013	$ 12,438,360
		COLLECTION AND INFLUENT							
18	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 20,747	$ 0	$ 20,747
19	341.00	Structures And Improvements	-		-	4,734	283,460	(136,266)	419,726
20	342.00	Collection System Lift	-	123,386	-	126,983	1,326,629	861,066	465,563
21	343.00	Collection Mains	44,572	-	-	192,820	9,474,223	1,973,598	7,500,625
22	344.00	Force Mains	-	-	-	15,042	726,686	154,601	572,085
23	345.00	Discharge Services	-	-	-	52,251	2,561,338	516,158	2,045,180
24	348.00	Manholes	-	-	-	62,719	3,089,618	676,483	2,413,135
25		SUBTOTAL COLL. & INFLU.	$ 44,572	$ 123,386	$ 0	$ 454,550	$ 17,482,701	$ 4,045,640	$ 13,437,061
		GENERAL							
26	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
27	390.00	Structures And Improvements	-	303,984	-	27,768	1,196,116	(259,403)	1,455,519
28	391.00	Office Furniture & Equipment	-	3,279	-	6,710	142,714	39,713	103,001
29	391.10	Computer Equipment	-	4,378	-	1,847	34,067	2,664	31,403
30	392.00	Transportation Equipment	141,241	2,275	-	41,886	234,752	271,074	(36,322)
31	393.00	Stores Equipment	-	2,694	-	600	11,270	2,073	9,197
32	394.00	Tools, Shop And Garage	48,768	3,616	-	3,543	104,644	19,434	85,210
33	395.00	Laboratory Equipment	4,923	7,350	-	2,410	56,409	11,026	45,383
34	396.00	Power Operated Equipment	-	-	-	666	12,955	1,614	11,340
35	397.00	Communication Equipment	-	-	-	32,766	318,807	119,946	198,861
36	398.00	Miscellaneous Equipment	-	-	-	3,498	70,250	33,563	36,688
37		SUBTOTAL GENERAL	$ 194,932	$ 327,576	$ 0	$ 121,696	$ 2,181,983	$ 241,703	$ 1,940,280
38		AFUDC ADJUSTMENT 3/95	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
39		Adjustment Due To Rounding	-	-	-	-	(2)	2	0
40		**TOTAL WASTEWATER PLT**	$ 480,503	$ 723,920	$ 0	$ 1,549,084	$ 38,672,689	$ 10,846,359	$ 27,826,334

References:
Columns (A) (B): Company Schedule B-2, Page 6c
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 10, Col. (E) - Col. (C)] X RLM-4, Page 4, Col. (A)]
Column (E): Schedule RLM-4, Page 10, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 10, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
2001 TEST YEAR ADJUSTMENT TO GENERAL PLANT ALLOCATION - CITIZENS VERSUS ARIZONA-AMERICAN

			(A)	(B)	(C)	(D)	(E)	(F)	(G)
			PRE-ACQUISITION		ADJUSTMENTS		POST-ACQUISITION		
LINE NO.	ACCT. NO.	ACCOUNT NAME	TOTAL PLANT VALUE	ACCUM. DEP.	TOTAL PLANT VALUE	ACCUM. DEP.	TOTAL PLANT VALUE	ACCUM. DEP.	NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 4,078	$ 0	$ 0	$ 0	$ 4,078	$ 0	$ 4,078
2	302.00	Franchises	1,372	-	-	-	1,372	-	1,372
3	303.00	Miscellaneous Intangibles	5,184	-	-	-	5,184	-	5,184
4		SUBTOTAL INTANGIBLE	$ 10,634	$ 0	$ 0	$ 0	$ 10,634	$ 0	$ 10,634
		TREATMENT AND DISCHARGE							
5	310.00	Land And Land Rights	$ 542,319	$ 0	$ 0	$ 0	$ 542,319	$ 0	$ 542,319
6	311.00	Structures & Improvements	2,610,864	1,410,474	-	-	2,610,864	1,410,474	1,200,390
7	312.00	Preliminary Treatment	1,044,761	531,681	-	-	1,044,761	531,681	513,080
8	313.00	Primary Treatment Equip.	1,064,423	458,224	-	-	1,064,423	458,224	606,200
9	314.00	Secondary Treatment Equip.	5,617,076	2,340,876	-	-	5,617,076	2,340,876	3,276,200
10	315.00	Tertiary Equipment	4,698,598	923,903	-	-	4,698,598	923,903	3,774,695
11	316.00	Disinfection Equipment	27,094	(43,673)	-	-	27,094	(43,673)	70,767
12	317.00	Effluent Lift Station E	992,904	320,115	-	-	992,904	320,115	672,789
13	318.00	Outfall Line	91,379	45,294	-	-	91,379	45,294	46,085
14	319.00	Sludge, Treatment & Dist.	1,322,557	467,223	-	-	1,322,557	467,223	855,334
15	321.00	Influent Lift Station	90,935	11,742	-	-	90,935	11,742	79,193
16	322.00	General Treatment Equip.	894,462	93,155	-	-	894,462	93,155	801,308
17		SUBTOTAL TREAT.& DIS.	$ 18,997,373	$ 6,559,013	$ 0	$ 0	$ 18,997,373	$ 6,559,013	$ 12,438,360
		COLLECTION AND INFLUENT							
18	340.00	Land And Land Rights	$ 20,747	$ 0	$ 0	$ 0	$ 20,747	$ 0	$ 20,747
19	341.00	Structures & Improvements	283,460	(136,266)	-	-	283,460	(136,266)	419,726
20	342.00	Collection System Lift	1,326,629	861,066	-	-	1,326,629	861,066	465,563
21	343.00	Collection Mains	9,474,223	1,973,598	-	-	9,474,223	1,973,598	7,500,625
22	344.00	Force Mains	726,686	154,601	-	-	726,686	154,601	572,085
23	345.00	Discharge Services	2,561,338	516,158	-	-	2,561,338	516,158	2,045,180
24	348.00	Manholes	3,089,618	676,483	-	-	3,089,618	676,483	2,413,135
25		SUB COLL. & INFLU.	$ 17,482,701	$ 4,045,640	$ 0	$ 0	$ 17,482,701	$ 4,045,640	$ 13,437,061
		GENERAL							
26	389.00	Land And Land Rights	$ 0	$ 0	$ (780)	$ 0	$ 780	$ 0	$ 780
27	390.00	Structures & Improvements	1,196,116	(259,403)	660,613	(330,011)	535,503	70,608	464,895
28	391.00	Office Furniture & Equip.	142,714	39,713	(16,801)	(42,143)	159,515	81,856	77,659
29	391.10	Computer Equipment	34,067	2,664	(194,312)	101,368	228,379	(98,704)	327,083
30	392.00	Transportation Equipment	234,752	271,074	(52,637)	35,347	287,389	235,727	51,662
31	393.00	Stores Equipment	11,270	2,073	6,677	306	4,593	1,767	2,826
32	394.00	Tools, Shop And Garage	104,644	19,434	38,921	15,293	65,723	4,141	61,582
33	395.00	Laboratory Equipment	56,409	11,026	35,590	5,814	20,819	5,212	15,607
34	396.00	Power Operated Equipment	12,955	1,614	(6,284)	(8,107)	19,239	9,721	9,518
35	397.00	Communication Equipment	318,807	119,946	226,472	44,425	92,335	75,521	16,814
36	398.00	Miscellaneous Equipment	70,250	33,563	25,944	4,396	44,306	29,167	15,139
37		SUBTOTAL GENERAL	$ 2,181,983	$ 241,703	$ 723,402	$ (173,313)	$ 1,458,580	$ 415,016	$ 1,043,565
39		AFUDC ADJUSTMENT 3/95	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
40		Adjustm't Due To Rounding	-	-	-	-	-	-	0
41		**TOT. WASTEWT'R PLT**	$ 38,672,691	$ 10,846,357	$ 723,402	$ (173,313)	$ 37,949,288	$ 11,019,669	$ 26,929,619
42		Company As Filed B-2					38,810,451	13,515,241	
43		Adjustment To Test Year Total Plant And Accummulated Depreciation (See RLM-3, Col (B), Lines 1 & 2)					$ (861,163)	$ (2,495,572)	

References:
Column (A): Schedule RLM-4, Page 11, Column (E)
Column (B): Schedule RLM-4, Page 11, Column (F)
Columns (C) (D): Adjustment To Replace Citizens' Utilities General Plant With Arizona Water's Common Plant Allocation As Per Company Schedule B-2, Pg 2
Column (E): Column (A) - Column (C) As Per Company Schedule B-2, Page 3
Column (F): Column (B) - Column (D) As Per Company Schedule B-2, Page 3
Column (G): Column (E) - Column (F)

POST-TEST YEAR 2001 PLANT

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) ACTUAL PLANT ADDIT'NS	(B) ORCOM & PLANT AT CLOSING	(C) ADDIT'NAL ACC. DEP. AT CLOS'G	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 4,078	$ 0	$ 4,078
2	302.00	Franchises	-	78,774	-	-	80,146	-	80,146
3	303.00	Miscellaneous Intangibles	-	-	-	-	5,184	-	5,184
4		SUBTOTAL INTANGIBLE	$ 0	$ 78,774	$ 0	$ 0	$ 89,408	$ 0	$ 89,408
		TREATMENT AND DISCHARGE							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 542,319	$ 0	$ 542,319
6	311.00	Structures And Improvements	-	-	67,369	-	2,610,864	1,477,843	1,133,021
7	312.00	Preliminary Treatment	-	-	26,713	-	1,044,761	558,394	486,367
8	313.00	Primary Treatment Equipment	-	-	27,093	-	1,064,423	485,317	579,107
9	314.00	Secondary Treatment Equip.	-	-	142,804	-	5,617,076	2,483,680	3,133,396
10	315.00	Tertiary Equipment	-	1,336,791	644,863	33,420	6,035,389	1,602,186	4,433,203
11	316.00	Disinfection Equipment	-	-	6,124	-	27,094	(37,549)	64,643
12	317.00	Effluent Lift Station E	-	-	42,165	-	992,904	362,280	630,624
13	318.00	Outfall Line	18,461	-	2,366	462	109,840	48,121	61,719
14	319.00	Sludge, Treatment & Dist.	-	(1,337,304)	(492,725)	(33,433)	(14,747)	(58,934)	44,187
15	321.00	Influent Lift Station	-	-	3,843	-	90,935	15,585	75,350
16	322.00	General Treatment Equipment	-	-	22,542	-	894,462	115,697	778,766
17		SUBTOTAL TREAT.& DIS.	$ 18,461	$ (513)	$ 493,157	$ 449	$ 19,015,321	$ 7,052,619	$ 11,962,702
		COLLECTION AND INFLUENT							
18	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 20,747	$ 0	$ 20,747
19	341.00	Structures And Improvements	-	(299,361)	(46,184)	(2,500)	(15,901)	(184,950)	169,049
20	342.00	Collection System Lift	-	-	56,936	-	1,326,629	918,002	408,627
21	343.00	Collection Mains	56	3,189,365	1,107,398	32,532	12,663,644	3,113,528	9,550,116
22	344.00	Force Mains	-	-	7,790	-	726,686	162,391	564,295
23	345.00	Discharge Services	-	-	26,969	-	2,561,338	543,127	2,018,211
24	348.00	Manholes	-	(3,189,365)	(975,240)	(32,372)	(99,747)	(331,129)	231,383
25		SUBTOTAL COLL. & INFLU.	$ 56	$ (299,361)	$ 177,669	$ (2,340)	$ 17,183,396	$ 4,220,969	$ 12,962,426
		GENERAL							
26	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 780	$ 0	$ 780
27	390.00	Structures And Improvements	22,137	299,361	48,683	2,702	857,001	121,993	735,008
28	391.00	Office Furniture & Equipment	104,170	34,067	2,851	3,141	297,752	87,848	209,904
29	391.10	Computer Equipment	-	(34,067)	1,205	(774)	194,312	(98,273)	292,585
30	392.00	Transportation Equipment	-	-	29,332	-	287,389	265,059	22,330
31	393.00	Stores Equipment	-	-	220	-	4,593	1,987	2,606
32	394.00	Tools, Shop And Garage	1,620	-	2,314	33	67,343	6,488	60,855
33	395.00	Laboratory Equipment	-	-	1,046	-	20,819	6,258	14,561
34	396.00	Power Operated Equipment	-	-	325	-	19,239	10,046	9,193
35	397.00	Communication Equipment	59,673	-	16,412	3,067	152,008	95,000	57,008
36	398.00	Miscellaneous Equipment	-	-	1,791	-	44,306	30,958	13,348
37		SUBTOTAL GENERAL	$ 187,600	$ 299,361	$ 104,179	$ 8,169	$ 1,945,542	$ 527,364	$ 1,418,178
38		AFUDC ADJUSTMENT 3/95	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
39		Adjustment Due To Rounding	-	-	(1)	1	-	-	0
40		**TOTAL WASTEWATER PLT**	$ 206,117	$ 78,261	$ 775,004	$ 6,279	$ 38,233,667	$ 11,800,953	$ 26,432,714
41		Company As Filed B-2					39,101,812	14,290,245	
42		Difference In Post Test Year Gross Plant					$ (868,145)	$ (2,489,292)	
43		Adjustment To Test Year Gross Plant As Per RLM-4, Page 12, Cols (E) And (F), L 43					(861,163)	(2,495,572)	
45		Adjustment To Post Test Year Total Plant And Acc. Dep. (See RLM-3, Col (C), L 1 & L 2)					$ (6,982)	$ 6,279	

References:
Column (A): Company Response To Staff Request Nos. 12-1 Thru 12-3
Columns (B) (C): Company Schedule B-2, Pages 1 And 8
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 12, Col. (E)] X RLM-4, Page 4, Col. (A)]
Column (E): Schedule RLM-4, Page 12, Column (D) + Column (A) + Column (B)
Column (F): Schedule RLM-4, Page 12, Column (F) + Column (C) + Column (D)
Column (G): Column (E) - Column (F)

Arizona-American Water Company
Docket No. SW-01303A-02-0867
Test Year Ended December 31, 2001

Sun City West Wastewater District
Schedule RLM-6

OPERATING INCOME

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO TEST YEAR ADJ'TMENTS	(C) RUCO TEST YEAR AS ADJUSTED	(D) RUCO PROPOSED CHANGES	(E) RUCO AS RECOMMENDED
	OPERATING REVENUES:					
1	Flat Rate Revenues	$ 3,534,678	$ 0	$ 3,534,678	$ 1,027,392	$ 4,562,070
2						
3	Other Wastewater Revenues	1,002	-	1,002	-	1,002
4	TOTAL OPERATING REVENUES	$ 3,535,680	$ 0	$ 3,535,680	$ 1,027,392	$ 4,563,072
	OPERATING EXPENSES:					
5	Salaries And Wages	$ 607,304	$ (268,029)	$ 339,275	$ 0	$ 339,275
6	Purchased Wastewater Treatment	0	-	-	-	0
7	Purchased Power	1,426	-	1,426	-	1,426
8	Fuel For Power Production	0	-	-	-	0
9	Chemicals	375,064	-	375,064	-	375,064
10	Material And Supplies	392,206	-	392,206	-	392,206
11	Repairs And Maintenance	0	-	-	-	0
12	Office Supplies And Expense	136,282	22,680	158,962	-	158,962
13	Outside Services	(14,005)	-	(14,005)	-	(14,005)
14	Service Company Charges	552,478	(84,377)	468,101	-	468,101
15	Water Testing	0	-	-	-	0
16	Rents	91,410	-	91,410	-	91,410
17	Transportation Expenses	0	-	-	-	0
18	Insurance - General Liability	24,187	(7,229)	16,958	-	16,958
19	Insurance - Health And Life	0	-	-	-	0
20	Regulatory Comm. Exp. - Rate Case	23,335	(9,369)	13,966	-	13,966
21	Miscellaneous Expense	243,134	318	243,452	-	243,452
22	Depreciation Expense	1,432,265	(51,680)	1,380,585	-	1,380,585
23	Taxes Other Than Income	36,253	(10,671)	25,582	-	25,582
24	Property Taxes	168,501	(26,892)	141,609	-	141,609
25	Income Tax	(369,763)	213,704	(156,059)	396,562	240,503
26	Adjustment Due To Rounding	2	-	-	2	0
27	TOTAL OPERATING EXPENSES	$ 3,700,079	$ (221,543)	$ 3,478,534	$ 396,564	$ 3,875,096
28	OPERATING INCOME (LOSS)	$ (164,399)	$ 221,543	$ 57,146	$ 630,828	$ 687,977
	Other Income (Expense):					
29	Interest Income	$ 0	$ 0	$ 0	$ 0	$ 0
30	Other Income	0	-	-	-	0
31	Interest Expense	(423,801)	118,405	(305,396)	-	(305,396)
32	Other Expense	0	-	-	-	0
33	Gain/Loss Sale Of Assets	0	-	-	-	0
34	TOTAL OTHER INCOME (EXPENSE)	$ (423,801)	$ 118,405	$ (305,396)	$ 0	$ (305,396)
35	NET PROFIT (LOSS)	$ (588,200)	$ 339,948	$ (248,250)	$ 630,828	$ 382,580

References:
Column (A): Company Schedule C-1
Column (B): Testimony, RLM And Schedule RLM-7
Column (C): Column (A) + Column (B)
Column (D): Testimony, RLM And Schedule RLM-1
Column (E): Column (C) + Column (D)

Arizona-American Water Company
Docket No. SW-01303A-02-0867
Test Year Ended December 31, 2001

Sun City West Wastewater District
Schedule RLM-7

SUMMARY OF OPERATING INCOME ADJUSTMENTS
TEST YEAR AS FILED AND ADJUSTED

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) ADJ #1	(C) ADJ #2	(D) ADJ #3	(E) ADJ #4	(F) ADJ #5	(G) ADJ #6	(H) ADJ #7	(I) ADJ #8	(J) ADJ #9	(K) ADJ #10	(L) RUCO AS AD'TED
	OPERATING REVENUES:												
1	Flat Rate Revenues	$ 3,534,678	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 3,534,678
2		0	-	-	-	-	-	-	-	-	-	-	0
3	Other Wastewater Revenues	1,002	-	-	-	-	-	-	-	-	-	-	1,002
4	TOTAL OPERATING REVENUES	$ 3,535,680	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 3,535,680
	OPERATING EXPENSES:												
5	Salaries And Wages	$ 607,304	$ 0	$ -	$ 0	$ (139,491)	$ 0	$ 0	$ 0	$ (128,538)	$ 0	$ 0	$ 339,275
6	Purchased Wastewater Treatment	0	-	-	-	-	-	-	-	-	-	-	0
7	Purchased Power	1,426	-	-	-	-	-	-	-	-	-	-	1,426
8	Fuel For Power Production	0	-	-	-	-	-	-	-	-	-	-	0
9	Chemicals	375,064	-	-	-	-	-	-	-	-	-	-	375,064
10	Material And Supplies	392,206	-	-	-	-	-	-	-	-	-	-	392,206
11	Repairs And Maintenance	0	-	-	-	-	-	-	-	-	-	-	0
12	Office Supplies And Expenses	136,282	-	-	-	-	-	-	-	22,680	-	-	158,962
13	Outside Services	(14,005)	-	-	-	-	-	-	-	-	-	-	(14,005)
14	Service Company Charges	552,478	-	-	(84,377)	-	-	-	-	-	-	-	468,101
15	Water Testing	0	-	-	-	-	-	-	-	-	-	-	0
16	Rents	91,410	-	-	-	-	-	-	-	-	-	-	91,410
17	Transportation Expenses	0	-	-	-	-	-	-	-	-	-	-	0
18	Insurance - General Liability	24,187	-	-	-	-	-	-	-	(7,229)	-	-	16,958
19	Insurance - Health And Life	0	-	-	-	-	-	-	-	-	-	-	0
20	Regulatory Comm. Exp. - Rate Case	23,335	-	-	-	-	-	-	(9,369)	-	-	-	13,966
21	Miscellaneous Expense	243,134	-	-	-	-	-	-	-	318	-	-	243,452
22	Depreciation Expense	1,432,265	-	-	-	-	(51,680)	-	-	-	-	-	1,380,585
23	Taxes Other Than Income	36,253	-	-	-	(10,671)	-	-	-	-	-	-	25,582
24	Property Taxes	168,501	-	-	-	-	-	(26,892)	-	-	-	-	141,609
25	Income Tax	(369,763)	-	-	-	-	-	-	-	-	-	213,704	(156,059)
26	Adjustment Due To Rounding	2	-	-	-	-	-	-	-	-	-	-	-
27	TOTAL OPERATING EXPENSES	$ 3,700,079	$ 0	$ -	$ (84,377)	$ (150,162)	$ (51,680)	$ (26,892)	$ (9,369)	$ (112,768)	$ 0	$ 213,704	$ 3,478,534
28	OPERATING INCOME (LOSS)	$ (164,399)	$ 0	$ 0	$ 84,377	$ 150,162	$ 51,680	$ 26,892	$ 9,369	$ 112,768	$ 0	$ (213,704)	$ 57,146
	Other Income (Expense):												
29	Interest Income	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
30	Other Income	0	-	-	-	-	-	-	-	-	-	-	0
31	Interest Expense	(423,801)	-	-	-	-	-	-	-	-	129,520	-	(294,281)
32	Other Expense	0	-	-	-	-	-	-	-	-	-	-	0
33	Gain/Loss Sale Of Assets	0	-	-	-	-	-	-	-	-	-	-	0
34	TOTAL OTHER INCOME (EXPENSE)	$ (423,801)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 129,520	$ 0	$ (294,281)
35	NET PROFIT (LOSS)	$ (588,200)	$ 0	$ 0	$ 84,377	$ 150,162	$ 51,680	$ 26,892	$ 9,369	$ 112,768	$ 129,520	$ (213,704)	$ (237,135)

ADJUSTMENT NO.	REFERENCE
1 - Intentionally Left Blank	
2 - Remove Test Year Salaries And Wages	Testimony, RLM And Schedule RLM-8
3 - Service Company Fees	Testimony, RLM And Schedule RLM-9
4 - Projected Salaries And Wages	Testimony, RLM And Schedule RLM-10
5 - Depreciation Expense	Testimony, RLM And Schedule RLM-11
6 - Property Taxes	Testimony, RLM And Schedule RLM-12
7 - Rate Case Expense	Testimony, RLM
8 - Projected Additional Corporate Overhead Expenses	Testimony, RLM And Schedule RLM-13
9 - Intentionally Left Blank	
10 - Income Tax	Testimony, RLM And Schedule RLM-14

References:
Column (A): Company Schedule C-1
Columns (B)Thru (K): Adj.s #1 Thru #10
Column (L): Sum Of Columns (A)Thru (K)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 2
CITIZENS SALARIES AND WAGES

LINE NO.	DISTRICT	ACCOUNT	CITIZENS BUSINESS UNIT	(A) COMPANY AS FILED	(B) RUCO AS ADJ'D	(C) ADJM'T
	SUN CITY WEST WASTEWATER		4005-4507			
1		Salaries And Wages		$ 673,037	$ 673,037	$ -
2		Payroll Tax		67,189	67,189	-
3		TOTAL		$ 740,226	$ 740,226	$ -

References:
Column (A): Company Schedule C-2, Page 3
Column (B): Company Provided Data On Citizens 2001 Payroll
Column (C): Column (B) - Column (A)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 3
AZ-AM SERVICE COMPANY ALLOCATIONS

			(A)	(B)	(C)	(D)	(E)	(F)
			TOTAL SERVICE CHARGES			ALLOCATED SERVICE CHARGES		
LINE NO.	DISTRICT	AZ-AM BUS. UNIT	COMPANY AS FILED	RUCO AS ADJ'TED	FOUR FACT'R	COMPANY AS FILED	RUCO AS ADJ'TED	ADJ'MENT
1	Sun City West Water	2364	$ 5,153,711	$ 4,366,610	0.1001	$ 515,886	$ 437,098	$ (78,789)
2	Sun City West Wastewater	2365	$ 5,153,711	$ 4,366,610	0.1072	$ 552,478	$ 468,101	$ (84,377)
3	Sun City Water	2362	$ 5,153,711	$ 4,366,610	0.1797	$ 926,122	$ 784,680	$ (141,442)
4	Sun City Wastewater	2363	$ 5,153,711	$ 4,366,610	0.1014	$ 522,586	$ 442,774	$ (79,812)
5	Tubac	2389	$ 5,153,711	$ 4,366,610	0.0075	$ 38,653	$ 32,750	$ (5,903)

	SUN CITY WEST WASTEWATER		COMPANY AS FILED	RUCO AS ADJ'TED	ADJUSTM'T
6		Arizona-American Service Company Allocation	$ 552,478	$ 468,101	$ (84,377)

References:
Columns (A) (C): Company Schedule C-2, Page 4
Column (B): Company Response To RUCO Third Data Request
Column (D): Column (A) X Column (C)
Column (E): Column (B) X Column (C)
Column (F): Column (E) - Column (D)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 4
PROJECTED SALARIES AND WAGES

LINE NO.	COMPANY	AZ-AM BUSINESS UNIT	(A) GROSS PAYROLL	(B) CAPITAL'D PAYROLL	(C) NET PAYROLL	(D) EMP. COUNT	(E) PAYROLL TAX
1	Sun City West Water	2364	$ 341,944	$ 92,325	$ 249,619	6	$ 20,566
2	Sun City West Wastewater	2365	418,601	113,022	305,579	9	25,582
3	Sun City Water	2362	806,792	217,834	588,958	24	50,935
4	Sun City Wastewater	2363	80,003	21,601	58,402	4	5,448
5	Tubac	2389	68,044	18,372	49,672	1	4,045

	SUN CITY WEST WASTEWATER		COMPANY AS FILED	RUCO AS ADJ'TED	ADJUSTM'T
6		Salaries And Wages	$ 445,070	$ 305,579	$ (139,491)
7		Payroll Tax	36,253	25,582	(10,671)
8		TOTAL	$ 481,323	$ 331,161	$ (150,162)

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)
Column (E): Column (C) X 7.65% (FICA) + $245 X Column (D) (FUTA & SUTA)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 5
TEST YEAR DEPRECIATION EXPENSE

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) TOTAL UNDEPREC'D PLANT	(B) APR'D DEP. RATE	(C) TEST YEAR DEPREC'N EXPENSE
		INTANGIBLE			
1	301.00	Organization	$ 4,078	0.00%	$ 0
2	302.00	Franchises	80,146	0.00%	-
3	303.00	Miscellaneous Intangibles	5,184	0.00%	-
4		SUBTOTAL INTANGIBLE	$ 89,408		$ 0
		TREATMENT AND DISCHARGE			
5	310.00	Land And Land Rights	$ 542,319	0.00%	$ 0
6	311.00	Structures And Improvements	2,610,864	5.00%	130,543
7	312.00	Preliminary Treatment	1,044,761	5.00%	52,238
8	313.00	Primary Treatment Equipment	1,064,423	5.00%	53,221
9	314.00	Secondary Treatment Equip.	5,617,076	5.00%	280,854
10	315.00	Tertiary Equipment	6,035,389	5.00%	301,769
11	316.00	Disinfection Equipment	27,094	5.00%	1,355
12	317.00	Effluent Lift Station E	992,904	8.40%	83,404
13	318.00	Outfall Line	109,840	5.00%	5,492
14	319.00	Sludge, Treatment & Dist.	(14,747)	5.00%	(737)
15	321.00	Influent Lift Station	90,935	8.40%	7,639
16	322.00	General Treatment Equipment	894,462	5.00%	44,723
17		SUBTOTAL TREAT.& DIS.	$ 19,015,321		$ 960,501
		COLLECTION AND INFLUENT			
18	340.00	Land And Land Rights	$ 20,747	0.00%	$ 0
19	341.00	Structures And Improvements	(15,901)	1.67%	(266)
20	342.00	Collection System Lift	1,326,629	8.40%	111,437
21	343.00	Collection Mains	12,663,644	2.04%	258,338
22	344.00	Force Mains	726,686	2.07%	15,042
23	345.00	Discharge Services	2,561,338	2.04%	52,251
24	348.00	Manholes	(99,747)	2.03%	(2,025)
25		SUBTOTAL COLL. & INFLU.	$ 17,183,396		$ 434,778
		GENERAL			
26	389.00	Land And Land Rights	$ 780	0.00%	$ 0
27	390.00	Structures And Improvements	857,001	1.68%	14,404
28	391.00	Office Furniture & Equipment	297,752	4.55%	13,533
29	391.10	Computer Equipment	194,312	4.55%	8,832
30	392.00	Transportation Equipment	287,389	25.00%	71,847
31	393.00	Stores Equipment	4,593	3.92%	180
32	394.00	Tools, Shop And Garage	67,343	4.14%	2,785
33	395.00	Laboratory Equipment	20,819	3.71%	772
34	396.00	Power Operated Equipment	19,239	5.14%	990
35	397.00	Communication Equipment	152,008	10.28%	15,623
36	398.00	Miscellaneous Equipment	44,306	4.98%	2,206
37		SUBTOTAL GENERAL	$ 1,945,542		$ 131,172
		TOTAL	$ 38,233,667		$ 1,526,451
38		Amortization Of Contributions In Aid Of Construction ("CIAC")	$ (1,458,672)	10.00%	$ (145,867)
39		Adjustment Due To Rounding	-		1
40		**TOTAL WASTEWATER PLT**	$ 37,949,288		$ 1,380,585
41		Company As Filed As Per Schedule C-2, Pg 6, Line 62			$ 1,432,265
42		Adjustment To Depreciation Expense (See RLM-6, Col (B), Line 22)			$ (51,680)

References:
Column (A): Schedule RLM-5, Page 1, Column (E)
Column (B): Schedule RLM-4, Page 4, Column (A)
Column (C): Column (A) X Column (B)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 6
PROPERTY TAX COMPUTATION

LINE NO.	DESCRIPTION	(A)	(B)
	Calculation Of The Company's Full Cash Value:		
	Annual Operating Revenues:		
1	Year 1999 (Company Schedule E-2)	$ 3,545,468	
2	Year 2000 (Company Schedule E-2)	3,548,880	
3	Year 2001 (Company Schedule E-2)	3,524,634	
4	Total Three Year Operating Revenues (L1 + L2 + L3)	$ 10,618,982	
5	Average Annual Operating Revenues (L4 / 3)	3,539,661	
6	Two Times Three Year Average Operating Revenues (L5 X 2)		$ 7,079,321
	ADD: Ten Percent Of Construction Work In Progress ("CWIP"):		
7	Test Year CWIP	$ 33,267	
8	10% Of CWIP (L7 X 10%)		$ 3,327
	SUBTRACT: Transportation At Book Value:		
9	Original Cost Of Transportation Equipment (RLM-5, Pg 1, Col (E), L 30)	$ 287,389	
10	Acc. Dep. Of Transportation Equipment (RLM-5, Pg 1, Col (F), L 30)	-	
11	Book Value Of Transportation Equipment (L9 - L10)		$ 287,389
12	COMPANY'S FULL CASH VALUE (L6 + L8 - L11)		$ 6,795,259
	Calculation Of The Company's Tax Liability:		
	MULTIPLY: Company Full Cash Value By Valuation Assessment Ratio And Then By Property Tax Rates:		
13	Assessment Ratio (ADOR Directive)	25%	
14	Assessed Value (L12 X L13)	$ 1,698,815	
	Property Tax Rates:		
15	Primary Tax Rate (2001 Tax Notice - Co.'s Data Response - "Property Tax")	8.34%	
16	Secondary Tax Rate (2001 Tax Notice - Co.'s Data Response - "Property Tax")	0.00%	
17	Estimated Tax Rate Liability (L14 + L15)	8.34%	
18	COMPANY'S TAX LIABILITY - Based On Full Cash Value (L14 X L17)		$ 141,609
19	Test Year Adjusted Property Tax Expense Per Co.'s Filing (Sch. RLM-6, Col. (A), L29)	$ 168,501	
20	Increase (Decrease) In Property Tax Expense (L18 - L19)	$ (26,892)	
21	Adjustment To Property Tax Expense From Company's Direct Filing (See RLM-6 Col. (B), L22)		$ (26,892)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 7
RATE CASE EXPENSE

LINE NO.		(A) REVISED T. Y. REV. FACTORS	(B) COMPANY AS FILED	(C) RUCO AS ADJUSTED	(D) TOTAL DIFFERENCE	(E) 3 YEAR AMORTIZED DIFFERENCE
1	Total Rate Case Expense		$ 699,954	$ 418,941	$ (281,013)	$ (93,671)
2	Sun City West Water	0.0956	$ 66,939	$ 40,065	$ (26,874)	$ (8,958)
3	Sun City West Wastewater	0.1000	70,006	41,901	(28,106)	(9,369)
4	Sun City Water	0.1752	122,623	73,393	(49,230)	(16,410)
5	Sun City Wastewater	0.1439	100,749	60,301	(40,448)	(13,483)
6	Tubac	0.0072	5,039	3,016	(2,023)	(674)
7	Agua Fria	0.1750	122,482	73,309	(49,173)	(16,391)
8	Anthem Water	0.1135	79,413	47,531	(31,882)	(10,627)
9	Agua Fria, Anthem Wastewater	0.0528	36,958	22,120	(14,837)	(4,946)
10	Mohave Water	0.1243	87,016	52,081	(34,935)	(11,645)
11	Havasu Water	0.0125	8,730	5,225	(3,505)	(1,168)
12	TOTAL	1.0000	$ 699,954	$ 418,941	$ (281,013)	$ (93,671)

	SUN CITY WEST WASTEWATER		COMPANY AS FILED	RUCO AS ADJUSTED	TOTAL DIFFERENCE	3 YEAR AMORTIZED DIFFERENCE
13		Rate Case Expense	$ 70,006	$ 41,901	$ (28,106)	$ (9,369)

References:
Column (A) : Revised Company Adjusted Test Year Revenue Factors To Remove Mohave Sewer From Allocation
Column (B): Company Response To Data Request Minus The Mohave Sewer Allocated Value Of $6,017
Column (C): Column (A) X RUCO's Recommended Total Rate Case Expense
Column (D): Column (C) - Column (B)
Column (E): Column (D) Divided By 3 (The Three Year Amortization Period)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 8
PROJECTED CORPORATE OVERHEAD

LINE NO.	DISTRICT	EXPENSE ACCOUNT	(A) COMPANY AS FILED	(B) RUCO AS ADJUSTED	(C) ADJUSTMENT
	SUN CITY WEST WASTEWATER				
1		Salaries And Wages	$ 162,234	$ 33,696	$ (128,538)
2		Office Supplies & Expense	146,103	168,783	22,680
3		Insurance	23,250	16,021	(7,229)
4		Miscellaneous Expense	920	1,238	318
5		TOTAL	$ 332,507	$ 219,739	$ (112,768)

References:
Column (A): Company Schedule C-2, Page 11
Column (B): Allocated Amounts From RLM-13, Pg 2, Line 25
Column (C): Column (B) - Column (A)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 8 - CONT'D
PROJECTED CORPORATE OVERHEAD

LINE NO.	CATEGORY		(A) COMPANY AS FILED	(B) RUCO AS ADJUSTED	(C) DIFFERENCE	(D)
1	Employee Benefits		$ 964,147	$ 374,404	$ 589,743	
2	Directors Fees:	Office Supplies & Exp.	1,270,126	1,030,972	239,154	
3		Miscellaneous Expenses	6,000	8,500	(2,500)	
4	Trustees Fees:	Office Supplies & Exp.	645,847	447,842	198,005	
5		Miscellaneous Expenses	17,058	21,881	(4,823)	
6	Insurance		258,736	215,200	43,536	
7	Subtotal		$ 3,161,914	$ 2,098,797	$ 1,063,117	
8	Non-Applicable Accounts		$ 2,153,067	$ 2,117,294	$ 35,773	
9	TOTAL (See RLM-14, Pg 3, L 45)		$ 5,314,981	$ 4,216,091	$ 1,098,890	
	ALLOCATION FACTORS		FAIR VALUE RATE BASE	YEAR-END CUST. COUNT	EMPLOYEE COUNT	PROFORMA PLANT
10	Sun City West Water		0.0908	0.1375	0.0600	0.0135
11	Sun City West Wastewater		0.0744	0.1314	0.0900	0.0056
12	Sun City Water		0.2695	0.1958	0.2400	0.1254
13	Sun City Wastewater		0.1119	0.1866	0.0400	0.0046
14	Tubac		0.0109	0.0044	0.0100	0.0110
15	Agua Fria		0.1052	0.1147	0.0700	0.2417
16	Anthem Water		0.0544	0.0284	0.1200	0.2326
17	Agua Fria, Anthem Wastewater		0.0158	0.0224	0.0600	0.2279
18	Mohave Water		0.0842	0.1217	0.1500	0.0371
19	Havasu Water		0.0076	0.0105	0.0300	0.0552
20	Subtotal		0.8247	0.9534	0.8700	0.9544
21	Mohave Sewer		0.0037	0.0051	0.0100	0.0089
22	Paradise Valley (Est. - 2001 Annual Report)		0.1715	0.0414	0.1200	0.0367
23	TOTAL		1.0000	1.0000	1.0000	1.0000
	ALLOCATED AMOUNTS		EMP. BEN.	OFF. SUP/EXP	INSURANCE	MISC. EXP.
24	Sun City West Water		$ 22,464	$ 182,392	$ 19,535	$ 1,464
25	Sun City West Wastewater		33,696	168,783	16,021	1,238
26	Sun City Water		89,857	322,580	57,988	4,408
27	Sun City Wastewater		14,976	242,477	24,091	1,686
28	Tubac		3,744	9,386	2,351	277
29	Agua Fria		26,208	165,421	22,645	6,263
30	Anthem Water		44,928	53,684	11,712	5,332
31	Agua Fria, Anthem Wastewater		22,464	30,213	3,398	5,176
32	Mohave Water		56,161	163,185	18,113	1,846
33	Havasu Water		11,232	14,208	1,630	1,297
34	Subtotal		$ 325,731	$ 1,352,330	$ 177,484	$ 28,987
35	Mohave Sewer		3,744	6,945	806	238
36	Paradise Valley (Est. - 2001 Annual Report)		44,928	119,539	36,910	1,155
37	Subtotal		$ 48,672	$ 126,483	$ 37,716	$ 1,393
38	TOTAL		$ 374,404	$ 1,478,813	$ 215,200	$ 30,381
39	TOTAL RUCO ADJUSTMENT (See RLM-14, pg 2, Column (B), Line 7 Above)					$ 2,098,797

References:
Allocation Factors - As Provided By Co. Except For Paradise Valley, Which Were Estimated From 2001 Annual Report
Allocation Amounts - Calculated Using Same Methodology As Company

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 8 - CONT'D
PROJECTED CORPORATE OVERHEAD

LINE NO.	DESCRIPTION	(A) CATEGORY	(B) COMPANY AS FILED	(C) RUCO AS ADJUSTED	(D) DIFFERENCE
1	Directors Fees	MISC	$ 6,000	$ 8,500	$ 2,500
2	Bank Service Charges	OFFICE	29,863	124,896	95,033
3	Bill Insert	OFFICE	29,703	35,304	5,601
4	Collection Agencies	OFFICE	870	6,673	5,803
5	Forms AG	OFFICE	17,074	13,051	(4,023)
6	Advertising (Required Notification)	OFFICE	230,287	130,698	(99,589)
7	Brochures And Handouts	OFFICE	2,502	834	(1,668)
8	Community Relations	OFFICE	7,730	6,662	(1,068)
9	Postage	OFFICE	329,952	125,443	(204,509)
10	Group Insurance	OFFICE	622,145	587,410	(34,735)
11	IncentivePlan Expenses	EMP. BENFITS	226,620	21,252	(205,368)
12	PBOP Operations AG	EMP. BENFITS	341,502	16,737	(324,765)
13	Workman Compensation	EMP. BENFITS	(19,061)	(3,359)	15,702
14	Dues Deducted	EMP. BENFITS	3,612	13,660	10,048
15	Dues Non-Deducted	EMP. BENFITS	2,705	5,052	2,347
16	Dues-Membership Deducted	EMP. BENFITS	-	2,959	2,959
17	Employee Expenses AG	EMP. BENFITS	115,234	60,267	(54,967)
18	Employee Exp Conference-Registration	EMP. BENFITS	24,595	15,666	(8,929)
19	Meals And Travel Deducted	EMP. BENFITS	39,758	20,433	(19,325)
20	Meals And Travel Non-Deduct	EMP. BENFITS	-	13,037	13,037
21	Other Welfare Operations	EMP. BENFITS	6,495	19,906	13,411
22	Employee Awards	EMP. BENFITS	252	1,144	892
23	Employee Physical Exams	EMP. BENFITS	1,842	716	(1,126)
24	Tuition Aid	EMP. BENFITS	29,515	15,528	(13,987)
25	Training	EMP. BENFITS	24,818	28,944	4,126
26	401K	EMP. BENFITS	74,501	61,288	(13,213)
27	ESOP	EMP. BENFITS	91,759	81,175	(10,584)
28	Trustee Fees	MISC	17,058	21,881	4,823
29	Credit Line Fees	OFFICE	8,347	24,728	16,381
30	Insurance General Liability	INS	41,335	77,430	36,095
31	Security Services	OFFICE	637,500	423,114	(214,386)
32	Insurance Other	INS	217,401	137,770	(79,631)
33	Company Dues-Membership Deduct	N/A	16,178	4,422	(11,756)
34	Company Dues-Membership Non-deducted	N/A	36,108	2,846	(33,262)
35	Company Dues-Membership AWWA Ded.	N/A	882	495	(387)
36	Company Dues-Membership AWWA Non	N/A	1,947	649	(1,298)
37	Company Dues-Membership Non-Deducted	N/A	-	18,075	18,075
38	Charitable Contribution Deducted	N/A	3,500	2,075	(1,425)
39	Charitable Contribution Non-Deduct	N/A	800	200	(600)
40	Property Taxes	N/A	2,093,652	1,648,841	(444,811)
41	Business Services-Project Expense	N/A	-	390,309	390,309
42	Pcard Undistributed	N/A	-	39,882	39,882
43	Water Resevoir Conservation	N/A	-	4,001	4,001
44	Pension Operation AG	N/A	-	5,499	5,499
45	TOTAL		$ 5,314,981	$ 4,216,091	$ (1,098,890)

References:
Columns (A) (C): Company Response To RUCO Third Data Request
Column (B): Company As Filed
Column (D): Column (C) - Column (B)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 10
INCOME TAX EXPENSE

LINE NO.	DESCRIPTION	(A) REFERENCE	(B) AMOUNT
	FEDERAL INCOME TAXES:		
1	Operating Income Before Taxes	Sch. RLM-6, Col. (C), L28 + L25	$ (98,912)
	LESS:		
2	Arizona State Tax	Line 11	(28,172)
3	Interest Expense	Note (A), Line 19	305,396
4	Federal Taxable Income	Line 1 - Line 2 - Line 3	$ (376,137)
5	Federal Tax Rate	Sch. RLM-1, Pg 2, Col. (D), L34	34.00%
6	Federal Income Tax Expense	Line 4 X line 5	$ (127,886)
	STATE INCOME TAXES:		
7	Operating Income Before Taxes	Line 1	$ (98,912)
	LESS:		
8	Interest Expense	Note (A), Line 19	305,396
9	State Taxable Income	Line 7 - Line 8	$ (404,309)
10	State Tax Rate	Tax Rate	6.97%
11	State Income Tax Expense	Line 9 X Line 10	$ (28,172)
	TOTAL INCOME TAX EXPENSE:		
12	Federal Income Tax Expense	Line 6	$ (127,886)
13	State Income Tax Expense	Line 11	$ (28,172)
14	Total Income Tax Expense Per RUCO	Line 6 + Line 11	$ (156,059)
15	Total Income Tax Expense Per Company	Company Sch. C-1	$ (369,763)
16	Total Income Tax Adjustment (See Sch. RLM-6, Col. (B), L25)	Line 14 - Line 15	$ 213,704

NOTE (A):
Interest Synchronization:

17	Adjusted Rate Base (Sch. RLM-3, Col. (E), L16)	$ 10,470,538
18	Weighted Cost Of Debt (Sch. RLM-16, Col. (F), L1)	2.92%
19	Interest Expense (L17 X L18)	$ 305,396

COST OF CAPITAL

LINE NO.	DESCRIPTION	(A) CAPITAL'TION PER COMPANY	(B) RUCO ADJ'TS	(C) RUCO ADJUSTED CAPITAL'TION	(D) CAPITAL RATIO	(E) COST	(F) WEIGHTED COST RATE
1	Long-Term Debt	$ 165,583,119	$ 0	$ 165,583,119	59.89%	4.87%	2.92%
2	Common Equity	$ 110,888,158	$ 0	$ 110,888,158	40.11%	9.11%	3.65%
3	TOTAL CAPITAL	$ 276,471,277	$ 0	$ 276,471,277	100.00%		
4	COST OF CAPITAL						6.57%

References:
Column (A): Staff Data Request Nos. JMR 8-3 And JMR 8-4
Column (B): Testimony, WAR
Column (C): Column (A) + Column (B)
Column (D): Column (C), Line Item / Total Capital (L5)
Column (E): Testimony, WAR
Column (F): Column (D) X Column (E)

RATE DESIGN - MONTHLY MINIMUM, COMMODITY AND SERVICE CHARGES

LINE NO.	DESCRIPTION	(A) PRESENT RATES	(B) COMPANY PROPOSED	(C) RUCO PROPOSED
	MONTHLY MINIMUM USAGE CHARGE:			
1	Residential Units (WSR)	$ 16.24	$ 25.27	$ 20.90
2	Commercial Units (SSC)	23.09	35.93	29.72
3	Commercial Larger User (WS6 Based On Consumption)	45.42	70.67	58.46
4	Multi-Family Residential Units (AC WSRE)	16.24	25.27	20.90
5	WS1 (Commercial, Additional Toilets)	5.30	8.25	6.82
6	WS2 (Commercial Restaurant, Per Dishwasher Or Garbage Grinder)	42.58	66.25	54.81
7	WS3 (Commercial Laundromat, Per Washing Machine)	9.93	15.45	12.78
8	WS4 (Commercial, Per Wash Rack)	20.81	32.38	26.79
	GALLONS IN MINIMUM			
9	Commercial Larger User SS6	20,000	20,000	20,000
	COMMODITY RATES (Per 1,000 Gallons Over Minimum)			
10	Commercial Larger User SS6	$ 0.98	$ 1.52	$ 2.50
	ANNUAL FEE FOR INDUSTRIAL DISCHARGE SERVICE			
11	For Those Customers Consuming An Amount Of Water Less Than Or Equal To 50,000 Gallons Per Month Through One Or More Water Meters To The Same Facility, Inclusive Of Meters Used For Irrigation.	$ 500.00	$ 500.00	$ 500.00
12	For Those Customers Consuming An Amount Of Water Greater Than 50,000 Gallons Per Month Through One Or More Water Meters To The Same Facility, Inclusive Of Meters Used For Irrigation.	$ 1,000.00	$ 1,000.00	$ 1,000.00

Annual Fee For Industrial Discharge Service Charges Shall Be Non-Refundable And Shall Be Assessed In Advance Each January By The Company By Special Billing. For New Customers Receiving This Service, A Prorated Charge Shall Be Assessed.

References:
Columns (A) (B): Company Schedule H-3, Page 2 Revised
Column (C): Testimony, RLM

RATE DESIGN - MONTHLY MINIMUM, COMMODITY AND SERVICE CHARGES CONT'D

LINE NO.	DESCRIPTION	(A) PRESENT RATES	(B) COMPANY PROPOSED	(C) RUCO PROPOSED
	SERVICE CHARGES:			
1	Establishment Of Service	$ 30.00	$ 50.00	$ 50.00
2	Establishment Of Service (After Hours)	$ 40.00	$ 60.00	$ 60.00
3	Re-Connection (Deliquent)	N/A	N/A	N/A
4	Re-Connection (After Hours)	N/A	N/A	N/A
5	Meter Test Fee (If Correct)	$ 10.00	$ 10.00	$ 10.00
6	Deposit			As Per ACC R14-2-403.B
7	Deposit Interest			As Per ACC R14-2-403.B
8	Re-Establishment - (Within 12 Months)	Monthly Minimum Times Months Disconnected - As Per ACC R14-2-403.D		
9	NSF Charge (Per Month)	$ 10.00	$ 10.00	$ 10.00
10	Deferred Payment	1.50%	1.50%	1.50%
11	Meter Re-Read - (If Correct)	$ 5.00	$ 5.00	$ 5.00
12	Meter Moved - Customer Requested	Cost	Cost	Cost
13	Late Payment Charge	1.50%	1.50%	1.50%
14	Damages To Locks, Valves, Seals	Cost	Cost	Cost

All Advances (AIAC) And/Or Contributions (CIAC) Are To Include Labor, Materials, Overhead, And All Applicable Taxes, Including All Gross-Up Taxes For Income Taxes

References:
Columns (A) (B): Company Schedule H-3, Page 2 Revised
Column (C): Testimony, RLM

PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) RUCO PROPOSED RATE DES'N	(B) ANNUALIZED CUST. &GAL. COUNT	(C) RUCO PROPOSED REVENUE
	MONTHLY MINIMUM USAGE CHARGE:			
1	Residential Units (WSR)	$ 20.90	171,984	$ 3,595,240
2	Commercial Units (SSC)	29.72	3,600	107,003
3	Commercial Larger User (WS6 Based On Consumption)	58.46	72	4,209
4	Multi-Family Residential Units (AC WSRE)	20.90	34,068	712,175
5	WS1 (Commercial, Additional Toilets)	6.82	13,236	90,333
6	WS2 (Com. Restaurant, Per Dishwasher Or Garbage Grinder)	54.81	264	14,469
7	WS3 (Commercial Laundromat, Per Washing Machine)	12.78	384	4,908
8	WS4 (Commercial, Per Wash Rack)	26.79	120	3,214
9				
10	TOTAL ANNUALIZED MONTHLY CUSTOMER COUNT AND BASIC CHARGE		223,728	$ 4,531,550
	GALLONS IN MINIMUM			
11	Commercial Larger User SS6	20,000		
12	**COMMODITY RATES (Per 1,000 Gallons Over Minimum)**			
13	Commercial Larger User SS6	$ 2.50		
	Total Annualized Gallons Consumed		10,324,000	
	Minus Minimum Gallonage Included In Basic Service Charges		(24,000)	
14	TOTAL ANNUALIZED COMMODITY CHARGES		10,300,000	$ 25,750
15	Other Wastewater Revenue			$ 1,002
16	Difference Between Bill Count And Revenue As Recorded			4,770
17	**TOTAL ANNUALIZED PROPOSED REVENUE**			**$ 4,563,072**
18	Required Revenue (As Per Schedule RLM-1, Column (D), Line 10)			$ 4,563,072
19	Difference			0
	ANNUAL FEE FOR INDUSTRIAL DISCHARGE SERVICE			
20	For Those Customers Consuming An Amount Of Water Less Than Or Equal To 50,000 Gallons Per Month Through One Or More Water Meters To The Same Facility, Inclusive Of Meters Used For Irrigation.	$ 500.00		
21	For Those Customers Consuming An Amount Of Water Greater Than 50,000 Gallons Per Month Through One Or More Water Meters To The Same Facility, Inclusive Of Meters Used For Irrigation.	$ 1,000.00		

Annual Fee For Industrial Discharge Service Charges Shall Be \Non-Refundable And Shall Be Assessed In Advance Each January By The Company By Special Billing. For New Customers Receiving This Service, A Prorated Charge Shall Be Assessed.

References:
Column (A): RLM-17, Page 1, Column (C)
Column (B): Response To RUCO Data Request No. 1.04
Column (C): Columns (A) X (B)

TYPICAL BILL ANALYSIS
WASTEWATER SERVICE TO RESIDENTIAL UNITS

		(A)	(B)	(C)	(D)	(E)
	COMPANY PROPOSED					
LINE NO.	USAGE	GALLONS CONSUMED	PRESENT RATES	PROPOSED RATES	DOLLAR INCREASE	PERCENT INCREASE
1	Average	0	$16.24	$25.27	$9.03	55.6%
	RUCO PROPOSED					
2	Average	0	$16.24	$ 20.90	$4.66	28.7%
3	Average Number Of Customers:		14,316			

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

Sun City Water District

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RLM-19	1	TYPICAL BILL ANALYSIS

REVENUE REQUIREMENT

LINE NO.	DESCRIPTION	(A) COMPANY RCND	(B) ADJ'MENT TO RESTATE TO ORIGINAL COST	(C) COMPANY ORIGINAL COST	(D) RUCO ORIGINAL COST
1	Fair Value Rate Base	$ 48,703,466	$ (16,736,610)	$ 31,966,856	$ 22,304,176
2	Adjusted Operating Income (Loss)	$ 476,007		$ 476,007	$ 260,008
3	Current Rate Of Return (L2 / L1)	0.98%		1.49%	1.17%
4	Required Operating Income (L5 X L1)	$ 3,774,295		$ 2,477,431	$ 1,465,517
5	Required Rate Of Return On Fair Value Rate Base	7.75%		7.75%	6.57%
6	Operating Income Deficiency (L4 - L2)	$ 3,298,287		$ 2,001,424	$ 1,205,509
7	Gross Revenue Conversion Factor (RLM-1, Pg 2)	1.6286		1.6286	1.6286
8	Increase In Gross Revenue Requirement (L7 X L6)	$ 5,371,706		$ 3,259,520	$ 1,963,334
9	Adjusted Test Year Revenue	$ 6,193,090		$ 6,193,090	$ 6,193,090
10	Proposed Annual Revenue (L8 + L9)	$ 11,559,457		$ 9,452,610	$ 8,156,424
11	Required Percentage Increase In Revenue (L8 / L9)	86.74%		52.63%	31.70%
12	Rate Of Return On Common Equity	11.50%		11.50%	9.11%

References:
Column (A): Company Schedules A-1 and C-1
Column (B): RUCO Schedule RLM-2
Column (C): Recalculated After Adjusting To OCRB
Column (D): RUCO Schedules RLM-3, RLM-6 And RLM-19

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	(A)	(B)	(C)	(D)
	CALCULATION OF GROSS REVENUE CONVERSION FACTOR:				
1	Revenue	1.0000			
2	Less: Combined Federal And State Tax Rate (L10)	0.3860			
3	Subtotal (L1 - L2)	0.6140			
4	**Revenue Conversion Factor** (L1 / L3)	**1.6286**			
	CALCULATION OF EFFECTIVE TAX RATE:				
5	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
6	Arizona State Income Tax Rate	6.9680%			
7	Federal Taxable Income (L5 - L6)	93.0320%			
8	Applicable Federal Income Tax Rate (Col. (D), L34)	34.0000%			
9	Effective Federal Income Tax Rate (L7 X L8)	31.6309%			
10	Combined Federal And State Income Tax Rate (L6 + L9)	38.5989%			
11	Required Operating Income (Sch. RLM-1, Col. (D), L4)	$ 1,465,517			
12	Adj'd T.Y. Oper'g Income (Loss) (Sch. RLM-1, Col. (D), L2)	260,008			
13	Required Increase In Operating Income (L11 - L12)		$ 1,205,509		
14	Income Taxes On Recommended Revenue (Col. (D), L31)	$ 512,316			
15	Income Taxes On Test Year Revenue (Col. (D), L32)	(245,509)			
16	Required Increase In Revenue To Provide For Income Taxes (L14 - L15)		$ 757,825		
17	Total Required Increase In Revenue (L13 + L16)		$ 1,963,334		
	CALCULATION OF INCOME TAX:			RUCO Recommended	
18	Revenue (Sch. RLM-1, Col. (D), L10)			$ 8,156,424	
19	Less: Opr'g Exp. Excl. Inc. Tax (RLM-6, Col. (E), L25 + L23)			6,178,591	
20	Less: Synchronized Interest (Col. (C), L37)			650,551	
21	Arizona Taxable Income (L18 - L19 - L20)			$ 1,327,283	
22	Arizona State Income Tax Rate			6.9680%	
23	Arizona Income Tax (L21 X L22)				$ 92,485
24	Fed. Taxable Income (L21 - L23)			$ 1,234,798	
25	Fed. Tax On 1st Inc. Bracket ($1 - $50,000) @ 15%			$ 7,500	
26	Fed. Tax On 2nd Inc. Bracket ($50,001 - $75,000) @ 25%			6,250	
27	Fed. Tax On 3rd Inc. Bracket ($75,001 - $100,000) @ 34%			8,500	
28	Fed. Tax On 4th Inc. Bracket ($100,001 - $335,000) @ 39%			91,650	
29	Fed. Tax On 5th Inc. Bracket ($335,001 - $10M) @ 34%			305,931	
30	Total Federal Income Tax (L25 + L26 + L27 + L28 + L29)				$ 419,831
31	Combined Federal And State Income Tax (L23 + L30)				$ 512,316
32	Test Year Combined Income Tax, RUCO As Adjusted (RLM-6, Col. (C), L23)				$ (245,509)
33	Adjustment (L31 - L32) (See RLM-6, Col. (D), L23)				$ 757,825
34	Applicable Federal Income Tax Rate (Col. (D), L30 / Col. (C), L24)				34.00%
	CALCULATION OF INTEREST SYNCHRONIZATION:				
35	Rate Base (Sch. RLM-1, Pg 2, Col. (E), L16)			$ 22,304,176	
36	Weighted Avg. Cost Of Debt (Sch. RLM-19, Col. (F), L1 + L2)			2.92%	
37	Synchronized Interest (L35 X L36)			$ 650,551	

FAIR VALUE RATE BASE - RCND ADJUSTED TO OCRB

LINE NO.	DESCRIPTION	(A) COMPANY FILED AS RCND	(B) RUCO ADJM'TS TO OCRB	(C) COMPANY FILED AS OCRB	(D) RUCO OCRB ADJM'TS	(E) RUCO ADJUSTED AS OCRB
1	Gross Utility Plant In Service	$ 87,395,276	$ (47,998,483)	$ 39,396,793	$ (648,587)	$ 38,748,206
	Less:					
2	Accumulated Depreciation	31,018,998	(17,301,996)	13,717,002	(732,462)	12,984,540
3	Net Utility Plant In Service (L1 - L2)	$ 56,376,278	$ (30,696,487)	$ 25,679,791	$ 83,874	$ 25,763,665
	Less:					
4	Advances In Aid Of Const. ("AIAC")	$ 5,171,351	$ (2,840,165)	$ 2,331,186	$ 0	$ 2,331,186
5	Contribution In Aid Of Const. ("CIAC")	$ 2,500,237	$ (1,373,159)	$ 1,127,078	$ 0	$ 1,127,078
6	Less: Accumulated Amortization	-	-	-	-	0
7	NET CIAC (L4 - L5)	$ 2,500,237	$ (1,373,159)	$ 1,127,078	$ 0	$ 1,127,078
8	Customer Meter Deposits	$ 1,225	$ 0	$ 1,225	$ 0	$ 1,225
9	Deferred Income Taxes And Credits	-	-	-	-	0
10	Investment Tax Credits	-	-	-	-	0
	Plus:					
11	Unamortized Finance Charges	$ 0	$ 0	$ 0	$ 0	$ 0
12	Deferred Tax Assets	-	-	-	-	0
13	Allowance For Working Capital	-	-	-	-	0
14	Citizens Acquisition Adjustment	-	9,746,553	9,746,553	(9,746,553)	0
15	Adjustment Due To Rounding	1	-	1	-	0
16	**TOTAL RATE BASE**	$ 48,703,466	$ (16,736,610)	$ 31,966,856	$ (9,662,679)	$ 22,304,176

References:
Column (A): Company Schedule B-1
Column (B): Testimony, RLM
Column (C): Column (A) + Column (B) As Per Company Schedules B-1 And B-2 Revised
Column (D): Schedule RLM-3 And Testimony, RLM
Column (E): Column (C) + Column (D)

SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY FILED AS OCRB	(B) RUCO ADJM'T # 1	(C) RUCO ADJM'T # 2	(D) RUCO ADJM'T # 3	(E) RUCO ADJUSTED AS OCRB
1	Gross Utility Plant In Service	$ 39,396,793	$ (741,787)	$ 93,200	$ 0	$ 38,748,206
	Less:					
2	Accumulated Depreciation	13,717,002	(782,113)	49,651	-	12,984,540
3	Net Utility Plant In Service (L1 - L2)	$ 25,679,791	$ 40,326	$ 43,549	$ 0	$ 25,763,666
	Less:					
4	Advances In Aid Of Const. ("AIAC")	$ 2,331,186	$ 0	$ 0	$ 0	$ 2,331,186
5	Contribution In Aid Of Const. ("CIAC")	$ 1,127,078	$ 0	$ 0	$ 0	1,127,078
6	Less: Accumulated Amortization	-	-	-	-	-
7	NET CIAC (L4 - L5)	$ 1,127,078	$ 0	$ 0	$ 0	$ 1,127,078
8	Customer Meter Deposits	$ 1,225	$ 0	$ 0	$ 0	$ 1,225
9	Deferred Income Taxes And Credits	-	-	-	-	0
10	Investment Tax Credits	-	-	-	-	0
	Plus:					
11	Unamortized Finance Charges	$ 0	$ 0	$ 0	$ 0	$ 0
12	Deferred Tax Assets	-	-	-	-	0
13	Allowance For Working Capital	-	-	-	-	0
14	Citizens Acquisition Adjustment	9,746,553	-	-	(9,746,553)	0
15	Adjustment Due To Rounding	1				(1)
16	**TOTAL RATE BASE**	$ 31,966,856	$ 40,326	$ 43,549	$ (9,746,553)	$ 22,304,176

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 (See RLM-4, Page 12, Col (E) & (F), L 49)
Column (C): Adjustment To Post Test Year Plant And Accumulated Depreciation (See RLM-5, Page 1, Col (E) & (F), L 51)
Column (D): Adjustment To Citizens Acquisition Adjustment (See Testimony, RLM)
Column (E): Sum Of Columns (A) Thru (D)

TEST YEAR PLANT SCHEDULES
COMPANY'S PRESENT FILING VERSUS TOTAL PLANT FILED IN PRIOR RATE CASE - DECISION NO. 60172

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) ALLOCATION FACTOR	(B) CO. AS FILED PRIOR T. Y. 03/31/1995 TOTAL PLANT	(C) ADJUSTMENT TO 03/31/95 PRIOR T. Y. TOTAL PLANT	(D) ACTUAL 03/31/95 PRIOR T. Y. TOTAL PLANT
		INTANGIBLE				
1	301.00	Organization	0.0000	$ 0	$ 0	$ 0
2	302.00	Franchises	0.0000	837	-	837
3	303.00	Miscellaneous Intangibles	0.0000	4,583	-	4,583
4		SUBTOTAL INTANGIBLE		$ 5,420	$ 0	$ 5,420
		SOURCE OF SUPPLY				
5	310.00	Land And Land Rights	0.0000	$ 152,268	$ 0	$ 152,268
6	311.00	Structures And Improvements	0.0195	548,418	(12,263)	536,155
7	312.00	Collecting And Impounding Res.	0.0000	-	-	0
8	313.00	Lakes, Rivers, Other Intakes	0.0000	-	-	0
9	314.00	Wells And Springs	0.0526	1,479,268	(33,077)	1,446,191
10		SUBTOTAL SUPPLY		$ 2,179,954	$ (45,339)	$ 2,134,615
		PUMPING				
11	320.00	Land And Land Rights	0.0000	$ 8,458	$ 0	$ 8,458
12	321.00	Structures And Improvements	0.0203	570,299	(12,752)	557,547
13	323.00	Other Power Production	0.0001	1,424	(32)	1,392
14	325.00	Electric Pumping Equipment	0.1605	4,516,641	(100,992)	4,415,649
15	326.00	Diesel Pumping Equipment	0.0003	8,114	(181)	7,933
16	328.10	Gas Engine Pumping Equipment	0.0065	183,309	(4,099)	179,210
17		SUBTOTAL PUMPING		$ 5,288,245	$ (118,056)	$ 5,170,189
		WATER TREATMENT				
18	330.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	0.0031	87,118	(1,948)	85,170
20	332.00	Water Treatment Equipment	0.0098	275,909	(6,169)	269,740
21		SUBTOTAL TREATMENT		$ 363,027	$ (8,117)	$ 354,910
		TRANSMISSION & DISTRIBUTION				
22	340.00	Land And Land Rights	0.0000	$ 10,493	$ 0	$ 10,493
23	341.00	Structures And Improvements	0.0000	-	-	0
24	342.00	Distribution, Reservoirs, & ST	0.0372	1,048,173	(23,437)	1,024,736
25	343.00	Trans. And Dist. Mains	0.3248	9,140,184	(204,375)	8,935,809
26	344.00	Fire Mains	0.0000	-	-	0
27	345.00	Services	0.1328	3,738,400	(83,591)	3,654,809
28	346.00	Meters	0.0730	2,053,992	(45,927)	2,008,065
29	348.00	Hydrants	0.0478	1,345,524	(30,086)	1,315,438
30	349.00	Other Trans. And Dist.	0.0000	523	-	523
31		SUBTOTAL TRANS. & DIST.		$ 17,337,289	$ (387,417)	$ 16,949,872
		GENERAL				
32	389.00	Land And Land Rights	0.0000	$ 2,125	$ 0	$ 2,125
33	390.00	Structures And Improvements	0.0000	1,230,644	-	1,230,644
34	391.00	Office Furniture And Equipment	0.0000	1,486,491	-	1,486,491
35	391.10	Computer Equipment	0.0000	-	-	0
36	392.00	Transportation Equipment	0.0000	441,389	-	441,389
37	393.00	Stores Equipment	0.0000	14,806	-	14,806
38	394.00	Tools, Shop And Garage	0.0000	118,035	-	118,035
39	395.00	Laboratory Equipment	0.0000	7,906	-	7,906
40	396.00	Power Operated Equipment	0.0000	58,338	-	58,338
41	397.00	Communication Equipment	0.0000	145,722	-	145,722
42	398.00	Miscellaneous Equipment	0.0000	63,564	-	63,564
43		SUBTOTAL GENERAL		$ 3,569,020	$ 0	$ 3,569,020
44		**TOTAL WATER PLANT**		$ 28,742,955	$ (558,930)	$ 28,184,025
45		Youngtown Plant		$ (148,497)	$ 148,497	$ 0
46		AFUDC ADJUSTMENT 3/95		(450,822)	450,822	0
47		Adjustment Due To Rounding		-	-	0
48		**ADJUSTED WATER PLANT**		$ 28,143,636	$ 40,389	$ 28,184,025

References:
Column (A): Ratio Of Depreciable Plant Item To The Total Plant Value (Col. (B), L48) (Excluding General Plant)
Column (B): Company Schedule B-2, Page 6a
Column (C): Column (A) (Line Item Allocation Factor) X Total Adjustment Of $40,389 As Per Prior Application Schedule B-2
Column (D): Prior Rate Case Decision No. 60172, Exhibit A - Before Commission Approved Adjustments

TEST YEAR PLANT SCHEDULES CONT'D
COMPANY'S PRIOR FILING VERSUS TOTAL PLANT ADJUSTMENTS APPROVED IN PRIOR RATE CASE - DECISION NO. 60172

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) ALLOC'N FACTOR	(B) ACTUAL 03/31/1995 PRIOR T. Y. TOTAL PLANT	(C) ADJM'T # 1 TO 03/31/95 PRIOR T. Y. TOTAL PLANT	(D) ADJM'T # 2 TO 03/31/95 PRIOR T. Y. TOTAL PLANT	(E) ADJM'T # 3 TO 03/31/95 PRIOR T. Y. TOTAL PLANT	(F) ACC APPR'D ADJUSTED PRIOR T. Y. TOTAL PLANT
		INTANGIBLE						
1	301.00	Organization	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
2	302.00	Franchises	0.0000	837	-	-	-	837
3	303.00	Miscellaneous Intangibles	0.0000	4,583	-	-	-	4,583
4		SUBTOTAL INTANGIBLE		$ 5,420	$ 0	$ 0	$ 0	$ 5,420
		SOURCE OF SUPPLY						
5	310.00	Land And Land Rights	0.0000	$ 152,268	$ 0	$ 0	$ 0	$ 152,268
6	311.00	Structures And Improvements	0.0190	536,155	(11,319)	-	-	524,836
7	312.00	Collecting And Impounding Res.	0.0000	-	-	-	-	0
8	313.00	Lakes, Rivers, Other Intakes	0.0000	-	-	-	-	0
9	314.00	Wells And Springs	0.0513	1,446,191	(30,532)	(88,746)	-	1,326,914
10		SUBTOTAL SUPPLY		$ 2,134,615	$ (41,851)	$ (88,746)	$ 0	$ 2,004,018
		PUMPING						
11	320.00	Land And Land Rights	0.0000	$ 8,458	$ 0	$ 0	$ 0	$ 8,458
12	321.00	Structures And Improvements	0.0198	557,547	(11,771)	-	-	545,776
13	323.00	Other Power Production	0.0000	1,392	(29)	-	-	1,363
14	325.00	Electric Pumping Equipment	0.1567	4,415,649	(93,222)	-	-	4,322,426
15	326.00	Diesel Pumping Equipment	0.0003	7,933	(168)	-	-	7,765
16	328.10	Gas Engine Pumping Equipment	0.0064	179,210	(3,784)	-	-	175,427
17		SUBTOTAL PUMPING		$ 5,170,189	$ (108,974)	$ 0	$ 0	$ 5,061,215
		WATER TREATMENT						
18	330.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	0.0030	85,170	(1,798)	-	-	83,372
20	332.00	Water Treatment Equipment	0.0096	269,740	(5,695)	-	-	264,045
21		SUBTOTAL TREATMENT		$ 354,910	$ (7,493)	$ 0	$ 0	$ 347,417
		TRANSMISSION & DISTRIBUTION						
22	340.00	Land And Land Rights	0.0004	$ 10,493	$ 0	$ 0	$ 0	$ 10,493
23	341.00	Structures And Improvements	0.0000	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	0.0364	1,024,736	(21,634)	-	-	1,003,102
25	343.00	Trans. And Dist. Mains	0.3171	8,935,809	(188,651)	-	-	8,747,158
26	344.00	Fire Mains	0.0000	-	-	-	-	0
27	345.00	Services	0.1297	3,654,809	(77,160)	-	-	3,577,649
28	346.00	Meters	0.0712	2,008,065	(42,394)	-	-	1,965,671
29	348.00	Hydrants	0.0467	1,315,438	(27,771)	-	-	1,287,667
30	349.00	Other Trans. And Dist.	0.0000	523	(11)	-	-	512
31		SUBTOTAL TRANS. & DIST.		$ 16,949,872	$ (357,621)	$ 0	$ 0	$ 16,592,251
		GENERAL						
32	389.00	Land And Land Rights	0.0000	$ 2,125	$ 0	$ 0	$ 0	$ 2,125
33	390.00	Structures And Improvements	0.0437	1,230,644	-	-	(2,700)	1,227,944
34	391.00	Office Furniture And Equipment	0.0527	1,486,491	-	-	(3,261)	1,483,230
35	391.10	Computer Equipment	0.0000	-	-	-	-	0
36	392.00	Transportation Equipment	0.0157	441,389	-	-	(968)	440,421
37	393.00	Stores Equipment	0.0005	14,806	-	-	(32)	14,774
38	394.00	Tools, Shop And Garage	0.0042	118,035	-	-	(259)	117,776
39	395.00	Laboratory Equipment	0.0003	7,906	-	-	(17)	7,889
40	396.00	Power Operated Equipment	0.0021	58,338	-	-	(128)	58,210
41	397.00	Communication Equipment	0.0052	145,722	-	-	(320)	145,402
42	398.00	Miscellaneous Equipment	0.0023	63,564	-	-	(139)	63,425
43		SUBTOTAL GENERAL		$ 3,569,020	$ 0	$ 0	$ (7,826)	$ 3,561,194
44		**TOTAL WATER PLANT**		$ 28,184,025	$ (515,939)	$ (88,746)	$ (7,826)	$ 27,571,515
45		Youngtown Plant		$ 0	$ 0	$ 0	$ 0	$ 0
46		AFUDC ADJUSTMENT 3/95		-	-	-	-	0
47		Adjustment Due To Rounding		-	-	-	-	0
48		**ADJUSTED WATER PLANT**		$ 28,184,025	$ (515,939)	$ (88,746)	$ (7,826)	$ 27,571,515

References:
Column (A): Ratio Of Depreciable Plant Item To The Total Plant Value (Col. (B), L48) (Excluding General Plant)
Column (B): Prior Rate Case Decision No. 60172, Exhibit A - Before Commission Approved Adjustments
Column (C): Commission Approved Adjustment Decision No. 60172, Exhibit A Per AR-13, Youngtown Plant And Youngtown Adjustment
Column (D): Commission Approved Adjustment Decision No. 60172, Exhibit A Per Observation Wells - Plant
Column (E): Commission Approved Adjustment Decision No. 60172, Exhibit A Per SAO Common Plant
Column (F): Prior Rate Case Decision No. 60172, Exhibit A - After Commission Approved Adjustments

TEST YEAR PLANT SCHEDULES CONT'D
COMPANY'S PRIOR FILING VERSUS ACCUMULATED DEPRECIATION ADJUSTMENTS APPROVED IN PRIOR RATE CASE - DECISION NO. 60172

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) ALLOC'N FACTOR	(B) PREV. APPL'N CO. AS FILED 12/31/1994 ACC. DEP.	(C) ADJM'T # 1 TO12/31/94 ACC. DEP.	(D) ACTUAL 03/31/1995 PRIOR T. Y. ACC. DEP.	(E) ADJM'T # 2 TO 03/31/95 PRIOR T. Y. ACC. DEP.	(F) ACC APPR'D ADJUSTED PRIOR T. Y. ACC. DEP.
		INTANGIBLE						
1	301.00	Organization	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
2	302.00	Franchises	0.0000	-	-	-	-	0
3	303.00	Miscellaneous Intangibles	0.0000	-	-	-	-	0
4		SUBTOTAL INTANGIBLE		$ 0	$ 0	$ 0	$ 0	$ 0
		SOURCE OF SUPPLY						
5	310.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
6	311.00	Structures And Improvements	0.0229	228,077	599	228,676	-	228,676
7	312.00	Collecting And Impounding Res.	0.0000	-	-	-	-	0
8	313.00	Lakes, Rivers, Other Intakes	0.0000	-	-	-	-	0
9	314.00	Wells And Springs	0.0580	578,487	1,520	580,007	33,764	613,771
10		SUBTOTAL SUPPLY		$ 806,564	$ 2,120	$ 808,684	$ 33,764	$ 842,448
		PUMPING						
11	320.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
12	321.00	Structures And Improvements	0.0176	175,877	462	176,339	-	176,339
13	323.00	Other Power Production	0.0000	174	-	174	-	174
14	325.00	Electric Pumping Equipment	0.2505	2,498,786	6,567	2,505,353	-	2,505,353
15	326.00	Diesel Pumping Equipment	0.0005	5,395	14	5,409	-	5,409
16	328.10	Gas Engine Pumping Equipment	0.0072	72,000	189	72,189	-	72,189
17		SUBTOTAL PUMPING		$ 2,752,232	$ 7,233	$ 2,759,465	$ 0	$ 2,759,465
		WATER TREATMENT						
18	330.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	0.0008	8,207	22	8,229	-	8,229
20	332.00	Water Treatment Equipment	0.0082	81,336	214	81,550	-	81,550
21		SUBTOTAL TREATMENT		$ 89,543	$ 235	$ 89,778	$ 0	$ 89,778
		TRANSMISSION & DISTRIBUTION						
22	340.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
23	341.00	Structures And Improvements	0.0000	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	0.0336	335,621	882	336,503	-	336,503
25	343.00	Trans. And Dist. Mains	0.2442	2,436,649	6,404	2,443,053	-	2,443,053
26	344.00	Fire Mains	0.0000	-	-	-	-	0
27	345.00	Services	0.1550	1,546,386	4,064	1,550,450	-	1,550,450
28	346.00	Meters	0.0888	885,900	2,328	888,228	-	888,228
29	348.00	Hydrants	0.0452	450,469	1,184	451,653	-	451,653
30	349.00	Other Trans. And Dist.	0.0000	156	-	156	-	156
31		SUBTOTAL TRANS. & DIST.		$ 5,655,181	$ 14,862	$ 5,670,043	$ 0	$ 5,670,043
		GENERAL						
32	389.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
33	390.00	Structures And Improvements	0.0140	139,665	367	140,032	-	140,032
34	391.00	Office Furniture And Equipment	0.0138	137,425	361	137,786	-	137,786
35	391.10	Computer Equipment	0.0000	-	-	-	-	0
36	392.00	Transportation Equipment	0.0235	234,049	615	234,664	-	234,664
37	393.00	Stores Equipment	0.0003	3,378	9	3,387	-	3,387
38	394.00	Tools, Shop And Garage	0.0033	32,503	85	32,588	-	32,588
39	395.00	Laboratory Equipment	0.0001	1,022	3	1,025	-	1,025
40	396.00	Power Operated Equipment	0.0037	36,484	96	36,580	-	36,580
41	397.00	Communication Equipment	0.0060	60,150	158	60,308	-	60,308
42	398.00	Miscellaneous Equipment	0.0028	28,432	75	28,507	-	28,507
43		SUBTOTAL GENERAL		$ 673,108	$ 1,769	$ 674,877	$ 0	$ 674,877
44		**TOTAL WATER PLANT ACC. DEP.**		$ 9,976,628	$ 26,219	$ 10,002,847	$ 33,764	$ 10,036,611
45		Youngtown Plant		$ 0	$ 0	$ 0	$ 0	$ 0
46		AFUDC ADJUSTMENT 3/95		-	-	-	-	0
47		Adjustment Due To Rounding		-	1	1	-	0
48		**ADJUSTED WATER PLANT ACC. DEP.**		$ 9,976,628	$ 26,220	$ 10,002,848	$ 33,764	$ 10,036,611

References:
Column (A): Ratio Of Depreciable Plant Item To The Total Adjustment To Accumulated Depreciation Value (Col. (C), L48)
Column (B): Company Prior Application Exhibit RJM-4a
Column (C): Column (A) (Line Item Allocation Factor) X Total Adjustment Of $26,220
Column (D): Prior Rate Case Decision No. 60172, Exhibit A - Before Commission Approved Adjustments
Column (E): Commission Approved Adjustment Decision No. 60172, Exhibit A Per Observation Wells Adjustment
Column (F): Prior Rate Case Decision No. 60172, Exhibit A - After Commission Approved Adjustments

TEST YEAR PLANT SCHEDULES CONT'D
ACC APPROVED PRIOR TEST YEAR ENDED MARCH 31, 1995

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) APPROVED DEP. RATE	(B) FULLY DEP. PLANT	(C) DEP. EXP.	(D) TOTAL PLANT VALUE	(E) ACCUM. DEP.	(F) NET PLANT VALUE
		INTANGIBLE						
1	301.00	Organization	0.00%	$ 0	$ 0	$ 0	$ 0	$ 0
2	302.00	Franchises	0.00%	-	-	837	-	837
3	303.00	Miscellaneous Intangibles	0.00%	-	-	4,583	-	4,583
4		SUBTOTAL INTANGIBLE		$ 0	$ 0	$ 5,420	$ 0	$ 5,420
		SOURCE OF SUPPLY						
5	310.00	Land And Land Rights	0.00%	$ 0	$ 0	$ 152,268	$ 0	$ 152,268
6	311.00	Structures And Improvements	2.50%	-	-	524,836	228,676	296,160
7	312.00	Collecting And Impounding Reservoirs	2.50%	-	-	-	-	0
8	313.00	Lakes, Rivers, Other Intakes	0.00%	-	-	-	-	0
9	314.00	Wells And Springs	2.52%	-	-	1,326,914	613,771	713,142
10		SUBTOTAL SOURCE OF SUPPLY		$ 0	$ 0	$ 2,004,018	$ 842,448	$ 1,161,570
		PUMPING						
11	320.00	Land And Land Rights	0.00%	$ 0	$ 0	$ 8,458	$ 0	$ 8,458
12	321.00	Structures And Improvements	1.67%	-	-	545,776	176,339	369,437
13	323.00	Other Power Production	4.42%	-	-	1,363	174	1,189
14	325.00	Electric Pumping Equipment	4.42%	-	-	4,322,426	2,505,353	1,817,073
15	326.00	Diesel Pumping Equipment	5.00%	-	-	7,765	5,409	2,356
16	328.10	Gas Engine Pumping Equipment	5.01%	-	-	175,427	72,189	103,237
17		SUBTOTAL PUMPING		$ 0	$ 0	$ 5,061,215	$ 2,759,465	$ 2,301,750
		WATER TREATMENT						
18	330.00	Land And Land Rights	0.00%	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	1.67%	-	-	83,372	8,229	75,143
20	332.00	Water Treatment Equipment	4.00%	-	-	264,045	81,550	182,495
21		SUBTOTAL WATER TREATMENT		$ 0	$ 0	$ 347,417	$ 89,778	$ 257,638
		TRANSMISSION AND DISTRIBUTION						
22	340.00	Land And Land Rights	0.00%	$ 0	$ 0	$ 10,493	$ 0	$ 10,493
23	341.00	Structures And Improvements	2.00%	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	1.67%	-	-	1,003,102	336,503	666,599
25	343.00	Transmission And Distribution Mains	1.53%	-	-	8,747,158	2,443,053	6,304,105
26	344.00	Fire Mains	0.00%	-	-	0.00009	-	0
27	345.00	Services	2.48%	-	-	3,577,649	1,550,450	2,027,199
28	346.00	Meters	2.51%	-	-	1,965,671	888,228	1,077,442
29	348.00	Hydrants	2.00%	-	-	1,287,667	451,653	836,014
30	349.00	Other Transmission And Distribution	2.00%	-	-	512	156	356
31		SUBTOTAL TRANS. AND DIST.		$ 0	$ 0	$ 16,592,251	$ 5,670,043	$ 10,922,208
		GENERAL						
32	389.00	Land And Land Rights	0.00%	$ 0	$ 0	$ 2,125	$ 0	$ 2,125
33	390.00	Structures And Improvements	1.67%	-	-	1,227,944	140,032	1,087,912
34	391.00	Office Furniture And Equipment	4.59%	-	-	1,483,230	137,786	1,345,443
35	391.10	Computer Equipment	4.59%	-	-	-	-	0
36	392.00	Transportation Equipment	25.00%	-	-	440,421	234,664	205,756
37	393.00	Stores Equipment	3.91%	-	-	14,774	3,387	11,387
38	394.00	Tools, Shop And Garage	4.02%	-	-	117,776	32,588	85,188
39	395.00	Laboratory Equipment	3.71%	-	-	7,889	1,025	6,864
40	396.00	Power Operated Equipment	5.20%	-	-	58,210	36,580	21,630
41	397.00	Communication Equipment	10.30%	-	-	145,402	60,308	85,094
42	398.00	Miscellaneous Equipment	4.93%	-	-	63,425	28,507	34,918
43		SUBTOTAL GENERAL		$ 0	$ 0	$ 3,561,194	$ 674,877	$ 2,886,317
44		Youngtown Plant	2.83%	$ 0	$ 0	$ 0	$ 0	$ 0
45		AFUDC ADJUSTMENT 3/95	2.83%	-	-	-	-	0
46		Adjustment Due To Rounding		-	-	-	-	0
47		**TOTAL WATER PLANT**		$ 0	$ 0	$ 27,571,515	$ 10,036,611	$ 17,534,903

References:
Column (A): Prior Decision No. 60172 And Company Schedule C-2, Page 6
Column (B): Company Response To RUCO Data Request No. 1.22
Column (C): Company Response To RUCO Data Request No. 1.22
Column (D): Schedule RLM-4, Page 2
Column (E): Schedule RLM-4, Page 3
Column (F): Column (D) - Column (E)

TEST YEAR PLANT SCHEDULES CONT'D
FROM MARCH 31, 1995 TO DECEMBER 31, 1995

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
2	302.00	Franchises	972	-	-	-	1,809	-	1,809
3	303.00	Miscellaneous Intangibles	-	-	-	-	4,583	-	4,583
4		SUBTOTAL INTANGIBLE	$ 972	$ 0	$ 0	$ 0	$ 6,392	$ 0	$ 6,392
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 152,268	$ 0	$ 152,268
6	311.00	Structures And Improvements	37,090	-	-	10,188	561,926	238,865	323,061
7	312.00	Collecting And Impounding Res.	-	-	-	-	-	-	0
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	-	58,652	-	25,633	1,268,262	580,753	687,509
10		SUBTOTAL SUPPLY	$ 37,090	$ 58,652	$ 0	$ 35,821	$ 1,982,456	$ 819,618	$ 1,162,839
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 8,458	$ 0	$ 8,458
12	321.00	Structures And Improvements	187	-	-	6,837	545,963	183,176	362,787
13	323.00	Other Power Production	-	-	-	45	1,363	219	1,144
14	325.00	Electric Pumping Equipment	553,012	22,000	-	152,819	4,853,438	2,636,172	2,217,266
15	326.00	Diesel Pumping Equipment	-	-	-	291	7,765	5,700	2,065
16	328.10	Gas Engine Pumping Equipment	12,558	4,000	-	6,903	183,985	75,092	108,893
17		SUBTOTAL PUMPING	$ 565,757	$ 26,000	$ 0	$ 166,895	$ 5,600,972	$ 2,900,360	$ 2,700,612
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	-	-	-	1,044	83,372	9,273	74,099
20	332.00	Water Treatment Equipment	17,466	2,083	-	8,215	279,428	87,681	191,747
21		SUBTOTAL TREATMENT	$ 17,466	$ 2,083	$ 0	$ 9,259	$ 362,800	$ 96,954	$ 265,846
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 10,493	$ 0	$ 10,493
23	341.00	Structures And Improvements	-	-	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	-	-	-	12,564	1,003,102	349,067	654,035
25	343.00	Trans. And Dist. Mains	54,718	7,000	-	100,728	8,794,876	2,536,781	6,258,095
26	344.00	Fire Mains	-	-	-	-	-	-	0
27	345.00	Services	224,915	10,000	-	68,729	3,792,564	1,609,179	2,183,385
28	346.00	Meters	199,986	68,612	-	39,532	2,097,045	859,148	1,237,896
29	348.00	Hydrants	7,198	-	-	19,369	1,294,865	471,022	823,843
30	349.00	Other Trans. And Dist.	-	-	-	8	512	164	348
31		SUBTOTAL TRANS. & DIST.	$ 486,817	$ 85,612	$ 0	$ 240,929	$ 16,993,456	$ 5,825,360	$ 11,168,096
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 2,125	$ 0	$ 2,125
33	390.00	Structures And Improvements	23,084	-	-	15,525	1,251,028	155,557	1,095,471
34	391.00	Office Furniture And Equipment	131,706	63,050	-	54,412	1,551,886	129,149	1,422,737
35	391.10	Computer Equipment	-	-	-	-	-	-	0
36	392.00	Transportation Equipment	81,589	16,642	-	91,787	505,368	309,810	195,558
37	393.00	Stores Equipment	-	-	-	433	14,774	3,820	10,953
38	394.00	Tools, Shop And Garage	17,569	6,696	-	3,917	128,649	29,809	98,840
39	395.00	Laboratory Equipment	961	-	-	233	8,850	1,258	7,592
40	396.00	Power Operated Equipment	21,702	2,543	-	2,743	77,369	36,780	40,589
41	397.00	Communication Equipment	24,067	-	-	12,162	169,469	72,470	96,999
42	398.00	Miscellaneous Equipment	1,476	-	-	2,372	64,901	30,879	34,021
43		SUBTOTAL GENERAL	$ 302,154	$ 88,931	$ 0	$ 183,585	$ 3,774,417	$ 769,531	$ 3,004,887
44		Youngtown Plant	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
45		AFUDC ADJUSTMENT 3/95	-	-	-	-	-	-	0
46		Adjustment Due To Rounding	-	-	-	-	-	-	0
47		**TOTAL WATER PLANT**	$ 1,410,256	$ 261,278	$ 0	$ 636,489	$ 28,720,493	$ 10,411,823	$ 18,308,670

References:
Columns (A) (B): Company's Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): 0.75 X [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 4, Col. (D) - Col. (C)] X RLM-4, Page 4, Col. (A)
Column (E): Schedule RLM-4, Page 4, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 4, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
YEAR ENDED DECEMBER 31, 1996

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	0	$ 0	$ 0	$ 0
2	302.00	Franchises	-	-	-	-	1,809	-	1,809
3	303.00	Miscellaneous Intangibles	-	-	-	-	4,583	-	4,583
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 6,392	$ 0	$ 6,392
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 27,851	$ 0	$ 0	$ 0	$ 180,119	$ 0	$ 180,119
6	311.00	Structures And Improvements	73,143	12,000	-	15,112	623,069	241,977	381,092
7	312.00	Collecting And Impounding Res.	344	-	-	4	344	4	340
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	64,122	1,800	-	32,791	1,330,584	611,744	718,841
10		SUBTOTAL SUPPLY	$ 165,460	$ 13,800	$ 0	$ 47,908	$ 2,134,116	$ 853,725	$ 1,280,391
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 8,458	$ 0	$ 8,458
12	321.00	Structures And Improvements	15,651	-	-	9,248	561,614	192,425	369,190
13	323.00	Other Power Production	-	-	-	60	1,363	279	1,083
14	325.00	Electric Pumping Equipment	288,673	57,065	-	222,163	5,085,046	2,801,270	2,283,776
15	326.00	Diesel Pumping Equipment	-	-	-	388	7,765	6,089	1,676
16	328.10	Gas Engine Pumping Equipment	8,320	387	-	9,436	191,918	84,141	107,777
17		SUBTOTAL PUMPING	$ 312,644	$ 57,452	$ 0	$ 241,295	$ 5,856,164	$ 3,084,203	$ 2,771,960
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	-	-	-	1,392	83,372	10,665	72,707
20	332.00	Water Treatment Equipment	17,980	17,593	-	11,889	279,815	81,977	197,838
21		SUBTOTAL TREATMENT	$ 17,980	$ 17,593	$ 0	$ 13,281	$ 363,187	$ 92,642	$ 270,545
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 10,493	$ 0	$ 10,493
23	341.00	Structures And Improvements	-	-	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	330,336	-	-	19,510	1,333,438	368,577	964,861
25	343.00	Trans. And Dist. Mains	780,763	3,794	-	140,563	9,571,845	2,673,550	6,898,295
26	344.00	Fire Mains	-	-	-	-	-	-	0
27	345.00	Services	137,419	16,649	-	95,966	3,913,334	1,688,496	2,224,838
28	346.00	Meters	908,427	155,391	-	65,987	2,850,081	769,744	2,080,337
29	348.00	Hydrants	126,105	2,282	-	27,181	1,418,688	495,921	922,767
30	349.00	Other Trans. And Dist.	-	-	-	10	512	174	338
31		SUBTOTAL TRANS. & DIST.	$ 2,283,050	$ 178,116	$ 0	$ 349,218	$ 19,098,390	$ 5,996,462	$ 13,101,928
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 2,125	$ 0	$ 2,125
33	390.00	Structures And Improvements	75,325	-	-	21,521	1,326,353	177,078	1,149,275
34	391.00	Office Furniture And Equipment	233,438	23,038	-	77,118	1,762,286	183,228	1,579,057
35	391.10	Computer Equipment	-	-	-	-	-	-	0
36	392.00	Transportation Equipment	102,970	36,696	-	143,799	571,642	416,913	154,729
37	393.00	Stores Equipment	-	-	-	578	14,774	4,398	10,376
38	394.00	Tools, Shop And Garage	79,473	8,997	-	6,950	199,125	27,762	171,363
39	395.00	Laboratory Equipment	108	-	-	330	8,958	1,588	7,370
40	396.00	Power Operated Equipment	669	26,607	-	4,732	51,431	14,905	36,526
41	397.00	Communication Equipment	6,528	-	-	17,792	175,997	90,262	85,735
42	398.00	Miscellaneous Equipment	372	-	-	3,209	65,273	34,088	31,185
43		SUBTOTAL GENERAL	$ 498,883	$ 95,339	$ 0	$ 276,029	$ 4,177,962	$ 950,221	$ 3,227,741
44		Youngtown Plant	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
45		AFUDC ADJUSTMENT 3/95	-	-	-	-	-	-	0
46		Adjustment Due To Rounding	-	1	-	-	(2)	-	0
47		**TOTAL WATER PLANT**	$ 3,278,017	$ 362,301	$ 0	$ 927,730	$ 31,636,209	$ 10,977,254	$ 20,658,957

References:
Columns (A) (B): Company's Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 5, Col. (D) - Col. (C)] X RLM-4, Page 4, Col. (A)
Column (E): Schedule RLM-4, Page 5, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 5, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
YEAR ENDED DECEMBER 31, 1997

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
2	302.00	Franchises	1,043	-	-	-	2,852	-	2,852
3	303.00	Miscellaneous Intangibles	-	-	-	-	4,583	-	4,583
4		SUBTOTAL INTANGIBLE	$ 1,043	$ 0	$ 0	$ 0	$ 7,435	$ 0	$ 7,435
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 180,119	$ 0	$ 180,119
6	311.00	Structures And Improvements	3,510	-	-	15,621	626,579	257,598	368,981
7	312.00	Collecting And Impounding Res.	-	-	-	9	344	13	331
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	13,398	37,916	-	34,177	1,306,066	608,005	698,061
10		SUBTOTAL SUPPLY	$ 16,908	$ 37,916	$ 0	$ 49,806	$ 2,113,108	$ 865,616	$ 1,247,492
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 8,458	$ 0	$ 8,458
12	321.00	Structures And Improvements	-	1,355	-	166	560,259	191,235	369,024
13	323.00	Other Power Production	8,117	-	-	182	9,480	461	9,018
14	325.00	Electric Pumping Equipment	26,130	33,028	-	11,127	5,078,148	2,779,369	2,298,779
15	326.00	Diesel Pumping Equipment	111	-	-	22	7,877	6,111	1,766
16	328.10	Gas Engine Pumping Equipment	-	581	-	487	191,336	84,047	107,289
17		SUBTOTAL PUMPING	$ 34,359	$ 34,964	$ 0	$ 11,984	$ 5,855,559	$ 3,061,224	$ 2,794,334
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	-	2,566	-	45	80,806	8,144	72,662
20	332.00	Water Treatment Equipment	52,513	-	-	1,526	332,328	83,503	248,825
21		SUBTOTAL TREATMENT	$ 52,513	$ 2,566	$ 0	$ 1,570	$ 413,134	$ 91,647	$ 321,487
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 10,493	$ 0	$ 10,493
23	341.00	Structures And Improvements	-	-	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	-	3,960	-	359	1,329,478	364,976	964,502
25	343.00	Trans. And Dist. Mains	734,080	-	-	7,766	10,305,925	2,681,316	7,624,608
26	344.00	Fire Mains	-	-	-	-	-	-	0
27	345.00	Services	89,689	-	-	3,492	4,003,023	1,691,988	2,311,035
28	346.00	Meters	39,775	-	-	2,155	2,889,856	771,899	2,117,956
29	348.00	Hydrants	10,128	-	-	645	1,428,816	496,566	932,250
30	349.00	Other Trans. And Dist.	-	-	-	0	512	174	338
31		SUBTOTAL TRANS. & DIST.	$ 873,672	$ 3,960	$ 0	$ 14,418	$ 19,968,102	$ 6,006,920	$ 13,961,182
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 2,125	$ 0	$ 2,125
33	390.00	Structures And Improvements	-	54,634	-	816	1,271,719	123,259	1,148,460
34	391.00	Office Furniture And Equipment	-	1,239,038	-	31,976	523,248	(1,023,834)	1,547,082
35	391.10	Computer Equipment	1,253,430	1,285	-	28,796	1,252,145	27,511	1,224,634
36	392.00	Transportation Equipment	176,527	-	-	58,015	748,169	474,928	273,241
37	393.00	Stores Equipment	-	704	-	36	14,070	3,730	10,339
38	394.00	Tools, Shop And Garage	921	28,479	-	870	171,567	153	171,414
39	395.00	Laboratory Equipment	-	99	-	14	8,859	1,503	7,356
40	396.00	Power Operated Equipment	-	1,753	-	292	49,678	13,444	36,234
41	397.00	Communication Equipment	-	4,557	-	2,067	171,440	87,772	83,668
42	398.00	Miscellaneous Equipment	-	591	-	173	64,682	33,670	31,012
43		SUBTOTAL GENERAL	$ 1,430,878	$ 1,331,140	$ 0	$ 123,055	$ 4,277,700	$ (257,864)	$ 4,535,564
44		Youngtown Plant	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
45		AFUDC ADJUSTMENT 3/95	-	-	-	-	-	-	0
46		Adjustment Due To Rounding	-	-	-	-	(1)	-	0
47		**TOTAL WATER PLANT**	$ 2,409,373	$ 1,410,546	$ 0	$ 200,834	$ 32,635,036	$ 9,767,542	$ 22,867,495

References:
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Column (E): Schedule RLM-4, Page 6, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 6, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
YEAR ENDED DECEMBER 31, 1998

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
2	302.00	Franchises	-	-	-	-	2,852	-	2,852
3	303.00	Miscellaneous Intangibles	-	-	-	-	4,583	-	4,583
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 7,435	$ 0	$ 7,435
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 180,119	$ 0	$ 180,119
6	311.00	Structures And Improvements	375	185	-	15,671	626,769	273,084	353,684
7	312.00	Collecting And Impounding Res.	-	30	-	9	314	(8)	322
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	-	166	-	32,915	1,305,900	640,754	665,146
10		SUBTOTAL SUPPLY	$ 375	$ 381	$ 0	$ 48,595	$ 2,113,102	$ 913,830	$ 1,199,272
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 8,458	$ 0	$ 8,458
12	321.00	Structures And Improvements	-	2,290	-	9,375	557,969	198,321	359,648
13	323.00	Other Power Production	15	-	-	419	9,495	881	8,614
14	325.00	Electric Pumping Equipment	303,990	48,203	-	232,238	5,333,935	2,963,404	2,370,531
15	326.00	Diesel Pumping Equipment	1,086	-	-	421	8,963	6,532	2,431
16	328.10	Gas Engine Pumping Equipment	54,889	5,800	-	11,106	240,426	89,353	151,072
17		SUBTOTAL PUMPING	$ 359,980	$ 56,293	$ 0	$ 253,560	$ 6,159,246	$ 3,258,490	$ 2,900,756
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	273	-	-	1,352	81,079	9,496	71,584
20	332.00	Water Treatment Equipment	55,520	6,108	-	14,526	381,740	91,920	289,820
21		SUBTOTAL TREATMENT	$ 55,793	$ 6,108	$ 0	$ 15,877	$ 462,818	$ 101,416	$ 361,403
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 10,493	$ 0	$ 10,493
23	341.00	Structures And Improvements	-	-	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	-	402	-	22,206	1,329,076	386,780	942,296
25	343.00	Trans. And Dist. Mains	95,176	31,548	-	158,650	10,369,553	2,808,418	7,561,134
26	344.00	Fire Mains	-	-	-	-	-	-	0
27	345.00	Services	4,110	6,213	-	99,403	4,000,920	1,785,178	2,215,742
28	346.00	Meters	-	14,146	-	72,713	2,875,710	830,466	2,045,243
29	348.00	Hydrants	86,942	-	-	29,446	1,515,758	526,012	989,746
30	349.00	Other Trans. And Dist.	-	-	-	10	512	184	328
31		SUBTOTAL TRANS. & DIST.	$ 186,229	$ 52,309	$ 0	$ 382,428	$ 20,102,021	$ 6,337,039	$ 13,764,982
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 2,125	$ 0	$ 2,125
33	390.00	Structures And Improvements	5,157	-	-	21,281	1,276,876	144,540	1,132,336
34	391.00	Office Furniture And Equipment	53,585	-	-	25,247	576,833	(998,587)	1,575,420
35	391.10	Computer Equipment	69,449	-	-	59,067	1,321,594	86,578	1,235,016
36	392.00	Transportation Equipment	22,476	48,301	-	195,888	722,344	622,515	99,829
37	393.00	Stores Equipment	65	-	-	551	14,135	4,281	9,853
38	394.00	Tools, Shop And Garage	26,943	-	-	7,439	198,510	7,592	190,918
39	395.00	Laboratory Equipment	356	-	-	335	9,215	1,838	7,376
40	396.00	Power Operated Equipment	139	-	-	2,587	49,817	16,031	33,786
41	397.00	Communication Equipment	28,642	-	-	19,133	200,082	106,905	93,177
42	398.00	Miscellaneous Equipment	415	213	-	3,204	64,884	36,661	28,223
43		SUBTOTAL GENERAL	$ 207,228	$ 48,514	$ 0	$ 334,733	$ 4,436,413	$ 28,354	$ 4,408,058
44		Youngtown Plant	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
45		AFUDC ADJUSTMENT 3/95	-	-	-	-	-	-	0
46		Adjustment Due To Rounding	1	-	-	-	3	-	(1)
47		**TOTAL WATER PLANT**	$ 809,606	$ 163,605	$ 0	$ 1,035,193	$ 33,281,038	$ 10,639,129	$ 22,641,905

References:
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Column (E): Schedule RLM-4, Page 7, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 7, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
YEAR ENDED DECEMBER 31, 1999

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
2	302.00	Franchises	-	-	-	-	2,852	-	2,852
3	303.00	Miscellaneous Intangibles	-	-	-	-	4,583	-	4,583
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 7,435	$ 0	$ 7,435
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 180,119	$ 0	$ 180,119
6	311.00	Structures And Improvements	62,688	-	-	16,453	689,456	289,537	399,919
7	312.00	Collecting And Impounding Res.	-	-	-	8	314	(8)	322
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	494,712	-	-	39,142	1,800,612	679,896	1,120,716
10		SUBTOTAL SUPPLY	$ 557,399	$ 0	$ 0	$ 55,603	$ 2,670,501	$ 969,425	$ 1,701,076
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 8,458	$ 0	$ 8,458
12	321.00	Structures And Improvements	-	-	-	9,318	557,969	207,639	350,330
13	323.00	Other Power Production	-	-	-	420	9,495	1,300	8,194
14	325.00	Electric Pumping Equipment	777,852	-	-	252,950	6,111,787	3,216,354	2,895,433
15	326.00	Diesel Pumping Equipment	15,839	-	-	844	24,802	7,376	17,426
16	328.10	Gas Engine Pumping Equipment	6,548	-	-	12,209	246,974	101,563	145,411
17		SUBTOTAL PUMPING	$ 800,239	$ 0	$ 0	$ 275,742	$ 6,959,485	$ 3,534,232	$ 3,425,253
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	1,359	-	-	1,365	82,438	10,861	71,577
20	332.00	Water Treatment Equipment	5,653	-	-	15,383	387,393	107,303	280,090
21		SUBTOTAL TREATMENT	$ 7,012	$ 0	$ 0	$ 16,748	$ 469,831	$ 118,164	$ 351,667
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 10,493	$ 0	$ 10,493
23	341.00	Structures And Improvements	-	-	-	-	-	-	0
24	342.00	Distribution, Reservoirs, & ST	-	-	-	22,196	1,329,076	408,975	920,101
25	343.00	Trans. And Dist. Mains	960,445	-	-	166,002	11,329,998	2,974,420	8,355,578
26	344.00	Fire Mains	-	-	-	-	-	-	0
27	345.00	Services	288,574	-	-	102,801	4,289,494	1,887,979	2,401,515
28	346.00	Meters	183,568	-	-	74,484	3,059,278	904,950	2,154,327
29	348.00	Hydrants	114,462	-	-	31,460	1,630,220	557,471	1,072,748
30	349.00	Other Trans. And Dist.	-	-	-	10	512	195	317
31		SUBTOTAL TRANS. & DIST.	$ 1,547,049	$ 0	$ 0	$ 396,952	$ 21,649,070	$ 6,733,991	$ 14,915,079
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 2,125	$ 0	$ 2,125
33	390.00	Structures And Improvements	-	-	-	21,324	1,276,876	165,864	1,111,012
34	391.00	Office Furniture And Equipment	22,337	-	-	26,989	599,170	(971,598)	1,570,768
35	391.10	Computer Equipment	730,369	-	-	77,423	2,051,963	164,001	1,887,962
36	392.00	Transportation Equipment	141,567	13,674	-	199,990	850,237	808,831	41,406
37	393.00	Stores Equipment	-	-	-	553	14,135	4,834	9,300
38	394.00	Tools, Shop And Garage	14,947	-	-	8,281	213,457	15,873	197,585
39	395.00	Laboratory Equipment	328	-	-	348	9,543	2,186	7,356
40	396.00	Power Operated Equipment	28,409	-	-	3,329	78,226	19,360	58,866
41	397.00	Communication Equipment	19,468	-	-	21,611	219,550	128,516	91,034
42	398.00	Miscellaneous Equipment	3,938	-	-	3,296	68,822	39,957	28,865
43		SUBTOTAL GENERAL	$ 961,363	$ 13,674	$ 0	$ 363,143	$ 5,384,102	$ 377,823	$ 5,006,278
44		Youngtown Plant	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
45		AFUDC ADJUSTMENT 3/95	-	-	-	-	-	-	0
46		Adjustment Due To Rounding	-	-	-	-	2	-	0
47		**TOTAL WATER PLANT**	$ 3,873,062	$ 13,674	$ 0	$ 1,108,188	$ 37,140,426	$ 11,733,635	$ 25,406,789

References:
Columns (A) (B): Company's Response To RUCO Data Request No. 1.22
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Column (E): Schedule RLM-4, Page 8, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 8, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
YEAR ENDED DECEMBER 31, 2000

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
2	302.00	Franchises	-	-	-	-	2,852	-	2,852
3	303.00	Miscellaneous Intangibles	9	-	-	-	4,592	-	4,592
4		SUBTOTAL INTANGIBLE	$ 9	$ 0	$ 0	$ 0	$ 7,444	$ 0	$ 7,444
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 180,119	$ 0	$ 180,119
6	311.00	Structures And Improvements	-	51,109	-	17,875	638,347	256,303	382,044
7	312.00	Collecting And Impounding Res.	-	-	-	8	314	-	314
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	174,974	534	-	47,587	1,975,052	726,949	1,248,103
10		SUBTOTAL SUPPLY	$ 174,974	$ 51,643	$ 0	$ 65,470	$ 2,793,832	$ 983,252	$ 1,810,580
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 8,458	$ 0	$ 8,458
12	321.00	Structures And Improvements	116	-	-	9,319	558,085	216,958	341,127
13	323.00	Other Power Production	-	-	-	420	9,495	1,720	7,775
14	325.00	Electric Pumping Equipment	259,457	319,156	-	282,928	6,052,088	3,180,127	2,871,962
15	326.00	Diesel Pumping Equipment	-	-	-	1,240	24,802	8,616	16,186
16	328.10	Gas Engine Pumping Equipment	264	9,347	-	12,614	237,891	104,830	133,061
17		SUBTOTAL PUMPING	$ 259,837	$ 328,503	$ 0	$ 306,521	$ 6,890,818	$ 3,512,250	$ 3,378,569
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	-	5,604	-	1,424	76,834	6,680	70,154
20	332.00	Water Treatment Equipment	17,263	15,336	-	16,148	389,320	108,115	281,205
21		SUBTOTAL TREATMENT	$ 17,263	$ 20,940	$ 0	$ 17,571	$ 466,154	$ 114,795	$ 351,359
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 10,493	$ 0	$ 10,493
23	341.00	Structures And Improvements	9,794	-	-	98	9,794	98	9,696
24	342.00	Distribution, Reservoirs, & ST	-	-	-	22,196	1,329,076	431,171	897,905
25	343.00	Trans. And Dist. Mains	245,132	153,960	-	176,402	11,421,170	2,996,862	8,424,308
26	344.00	Fire Mains	-	-	-	-	-	-	0
27	345.00	Services	135,622	38,014	-	108,533	4,387,102	1,958,498	2,428,604
28	346.00	Meters	114,760	323,259	-	82,285	2,850,779	663,976	2,186,802
29	348.00	Hydrants	38,006	2,799	-	33,012	1,665,427	587,685	1,077,742
30	349.00	Other Trans. And Dist.	-	-	-	10	512	205	307
31		SUBTOTAL TRANS. & DIST.	$ 543,314	$ 518,032	$ 0	$ 422,536	$ 21,674,352	$ 6,638,495	$ 15,035,857
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 2,125	$ 0	$ 2,125
33	390.00	Structures And Improvements	-	-	-	21,324	1,276,876	187,188	1,089,688
34	391.00	Office Furniture And Equipment	-	230	-	27,507	598,940	(944,321)	1,543,261
35	391.10	Computer Equipment	78,125	866,256	-	115,859	1,263,832	(586,396)	1,850,228
36	392.00	Transportation Equipment	52,927	210,079	-	245,433	693,085	844,185	(151,100)
37	393.00	Stores Equipment	-	-	-	553	14,135	5,387	8,748
38	394.00	Tools, Shop And Garage	5,115	1,899	-	8,722	216,673	22,695	193,978
39	395.00	Laboratory Equipment	-	-	-	354	9,543	2,540	7,002
40	396.00	Power Operated Equipment	-	-	-	4,068	78,226	23,428	54,798
41	397.00	Communication Equipment	1,584	-	-	22,695	221,134	151,211	69,922
42	398.00	Miscellaneous Equipment	1,993	257	-	3,448	70,558	43,148	27,409
43		SUBTOTAL GENERAL	$ 139,744	$ 1,078,721	$ 0	$ 449,963	$ 4,445,125	$ (250,935)	$ 4,696,060
44		Youngtown Plant	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
45		AFUDC ADJUSTMENT 3/95	-	-	-	-	-	-	0
46		Adjustment Due To Rounding	-	2	-	-	-	-	0
47		**TOTAL WATER PLANT**	$ 1,135,141	$ 1,997,841	$ 0	$ 1,262,061	$ 36,277,725	$ 10,997,857	$ 25,279,868

References:
Columns (A) (B): Company's Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 9, Col. (D) - Col. (C)] X RLM-4, Page 4, Col. (A)
Column (E): Schedule RLM-4, Page 9, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 9, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
TEST YEAR ENDED DECEMBER 31, 2001

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 471	$ 0	$ 0	$ 0	$ 471	$ 0	$ 471
2	302.00	Franchises	-	1	-	-	2,851	-	2,851
3	303.00	Miscellaneous Intangibles	-	1	-	-	4,591	-	4,591
4		SUBTOTAL INTANGIBLE	$ 471	$ 2	$ 0	$ 0	$ 7,913	$ 0	$ 7,913
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 36	$ 0	$ 0	$ 180,083	$ 0	$ 180,083
6	311.00	Structures And Improvements	-	133	-	15,960	638,214	272,130	366,083
7	312.00	Collecting And Impounding Res.	-	-	-	8	314	8	306
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	82,418	-	-	50,810	2,057,470	777,758	1,279,711
10		SUBTOTAL SUPPLY	$ 82,418	$ 170	$ 0	$ 66,778	$ 2,876,080	$ 1,049,897	$ 1,826,183
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 2	$ 0	$ 0	$ 8,456	$ 0	$ 8,456
12	321.00	Structures And Improvements	-	117	-	9,321	557,968	226,162	331,806
13	323.00	Other Power Production	-	2	-	420	9,493	2,138	7,355
14	325.00	Electric Pumping Equipment	401,156	41,591	-	277,287	6,411,653	3,415,823	2,995,831
15	326.00	Diesel Pumping Equipment	-	-	-	1,240	24,802	9,856	14,946
16	328.10	Gas Engine Pumping Equipment	4,008	-	-	12,019	241,899	116,848	125,050
17		SUBTOTAL PUMPING	$ 405,165	$ 41,712	$ 0	$ 300,287	$ 7,254,271	$ 3,770,827	$ 3,483,444
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	-	-	-	1,283	76,834	7,964	68,871
20	332.00	Water Treatment Equipment	6,243	-	-	15,698	395,563	123,812	271,750
21		SUBTOTAL TREATMENT	$ 6,243	$ 0	$ 0	$ 16,981	$ 472,397	$ 131,776	$ 340,621
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 10,493	$ 0	$ 10,493
23	341.00	Structures And Improvements	18,810	-	-	384	28,604	482	28,122
24	342.00	Distribution, Reservoirs, & ST	-	-	-	22,196	1,329,076	453,366	875,709
25	343.00	Trans. And Dist. Mains	569,075	25,377	-	179,291	11,964,868	3,150,777	8,814,091
26	344.00	Fire Mains	-	-	-	-	-	-	0
27	345.00	Services	252,677	16,732	-	112,141	4,623,047	2,053,907	2,569,141
28	346.00	Meters	310,236	17,291	-	75,665	3,143,724	722,350	2,421,373
29	348.00	Hydrants	78,732	4,108	-	34,137	1,740,051	617,714	1,122,337
30	349.00	Other Trans. And Dist.	-	-	-	10	512	215	297
31		SUBTOTAL TRANS. & DIST.	$ 1,229,530	$ 63,509	$ 0	$ 423,824	$ 22,840,374	$ 6,998,811	$ 15,841,563
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 2,125	$ 0	$ 2,125
33	390.00	Structures And Improvements	9,388	-	-	21,402	1,286,264	208,590	1,077,674
34	391.00	Office Furniture And Equipment	2,404	-	-	27,547	601,344	(916,774)	1,518,118
35	391.10	Computer Equipment	69,625	85,097	-	61,561	1,248,360	(609,932)	1,858,292
36	392.00	Transportation Equipment	201,874	89,428	-	209,683	805,531	964,439	(158,909)
37	393.00	Stores Equipment	-	614	-	565	13,521	5,337	8,183
38	394.00	Tools, Shop And Garage	6,303	-	-	8,837	222,976	31,532	191,444
39	395.00	Laboratory Equipment	-	-	-	354	9,543	2,894	6,648
40	396.00	Power Operated Equipment	-	-	-	4,068	78,226	27,495	50,731
41	397.00	Communication Equipment	-	-	-	22,777	221,134	173,988	47,146
42	398.00	Miscellaneous Equipment	5,794	1,056	-	3,647	75,296	45,739	29,556
43		SUBTOTAL GENERAL	$ 295,388	$ 176,195	$ 0	$ 360,439	$ 4,564,318	$ (66,690)	$ 4,631,008
44		Youngtown Plant	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
45		AFUDC ADJUSTMENT 3/95	-	-	-	-	-	-	0
46		Adjustment Due To Rounding	3	-	-	-	-	-	(1)
47		**TOTAL WATER PLANT**	$ 2,019,218	$ 281,588	$ 0	$ 1,168,309	$ 38,015,353	$ 11,884,620	$ 26,130,732

References:
Columns (A) (B): Company's Response To RUCO Data Request No. 1.22 And Staff Data Request 26.4
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 10, Col. (D) - Col. (C)] X RLM-4, Page 4, Col. (A)
Column (E): Schedule RLM-4, Page10, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 10, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
2001 TEST YEAR ADJUSTMENT TO GENERAL PLANT ALLOCATION - CITIZENS VERSUS ARIZONA-AMERICAN

			(A)	(B)	(C)	(D)	(E)	(F)	(G)
			PRE-AQUISITION		ADJUSTMENTS		POST-ACQUISITION		
LINE NO.	ACCT. NO.	ACCOUNT NAME	TOTAL PLANT VALUE	ACCUM. DEP.	TOTAL PLANT VALUE	ACCUM. DEP.	TOTAL PLANT VALUE	ACCUM. DEP.	NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 471	$ 0	$ 0	$ 0	$ 471	$ 0	$ 471
2	302.00	Franchises	2,851	-	-	-	2,851	-	2,851
3	303.00	Miscellaneous Intangibles	4,591	-	-	-	4,591	-	4,591
4		SUBTOTAL INTANGIBLE	$ 7,913	$ 0	$ 0	$ 0	$ 7,913	$ 0	$ 7,913
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 180,083	$ 0	$ 0	$ 0	$ 180,083	$ 0	$ 180,083
6	311.00	Structures & Improvements	638,214	272,130	-	-	638,214	272,130	366,083
7	312.00	Collecting & Impound Res.	314	8	-	-	314	8	306
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	2,057,470	777,758	-	-	2,057,470	777,758	1,279,711
10		SUBTOTAL SUPPLY	$ 2,876,080	$ 1,049,897	$ 0	$ 0	$ 2,876,080	$ 1,049,897	$ 1,826,183
		PUMPING							
11	320.00	Land And Land Rights	$ 8,456	$ 0	$ 0	$ 0	$ 8,456	$ 0	$ 8,456
12	321.00	Structures & Improvements	557,968	226,162	-	-	557,968	226,162	331,806
13	323.00	Other Power Production	9,493	2,138	-	-	9,493	2,138	7,355
14	325.00	Electric Pumping Equipment	6,411,653	3,415,823	-	-	6,411,653	3,415,823	2,995,831
15	326.00	Diesel Pumping Equipment	24,802	9,856	-	-	24,802	9,856	14,946
16	328.10	Gas Engine Pumping Equip.	241,899	116,848	-	-	241,899	116,848	125,050
17		SUBTOTAL PUMPING	$ 7,254,271	$ 3,770,827	$ 0	$ 0	$ 7,254,270	$ 3,770,827	$ 3,483,444
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures & Improvements	76,834	7,964	-	-	76,834	7,964	68,871
20	332.00	Water Treatment Equipment	395,563	123,812	-	-	395,563	123,812	271,750
21		SUBTOTAL TREATMENT	$ 472,397	$ 131,776	$ 0	$ 0	$ 472,397	$ 131,776	$ 340,621
		TRANS. & DIST.							
22	340.00	Land And Land Rights	$ 10,493	$ 0	$ 0	$ 0	$ 10,493	$ 0	$ 10,493
23	341.00	Structures & Improvements	28,604	482	-	-	28,604	482	28,122
24	342.00	Dist., Res., & ST	1,329,076	453,366	-	-	1,329,076	453,366	875,709
25	343.00	Trans. And Dist. Mains	11,964,868	3,150,777	-	-	11,964,868	3,150,777	8,814,091
26	344.00	Fire Mains	-	-	-	-	-	-	0
27	345.00	Services	4,623,047	2,053,907	-	-	4,623,047	2,053,907	2,569,141
28	346.00	Meters	3,143,724	722,350	-	-	3,143,724	722,350	2,421,373
29	348.00	Hydrants	1,740,051	617,714	-	-	1,740,051	617,714	1,122,337
30	349.00	Other Trans. And Dist.	512	215	-	-	512	215	297
31		SUB TRANS. & DIST.	$ 22,840,374	$ 6,998,812	$ 0	$ 0	$ 22,840,374	$ 6,998,811	$ 15,841,563
		GENERAL							
32	389.00	Land And Land Rights	$ 2,125	$ 0	$ (962)	$ 0	$ 1,163	$ 0	$ 1,163
33	390.00	Structures & Improvements	1,286,264	208,590	(487,990)	(134,472)	798,274	74,118	724,156
34	391.00	Office Furniture & Equip.	601,344	(916,774)	(363,556)	1,002,699	237,788	85,925	151,863
35	391.10	Computer Equipment	1,248,360	(609,932)	(907,916)	506,322	340,444	(103,610)	444,054
36	392.00	Transportation Equipment	805,531	964,439	(377,122)	(716,995)	428,409	247,444	180,965
37	393.00	Stores Equipment	13,521	5,337	(6,674)	(3,482)	6,847	1,855	4,992
38	394.00	Tools, Shop And Garage	222,976	31,532	(125,003)	(27,185)	97,973	4,347	93,626
39	395.00	Laboratory Equipment	9,543	2,894	21,492	2,577	31,035	5,471	25,564
40	396.00	Power Operated Equipment	78,226	27,495	(49,547)	(17,291)	28,679	10,204	18,475
41	397.00	Communication Equipment	221,134	173,988	(83,491)	(94,713)	137,643	79,275	58,368
42	398.00	Miscellaneous Equipment	75,296	45,739	(9,249)	(15,122)	66,047	30,617	35,430
43		SUBTOTAL GENERAL	$ 4,564,318	$ (66,690)	$ (2,390,016)	$ 502,336	$ 2,174,303	$ 435,645	$ 1,738,656
44		Youngtown Plant	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
45		AFUDC ADJUSTMENT 3/95	-	-	-	-	-	-	0
46		Adjustm't Due To Rounding	-	2	-	-	-	-	0
47		**TOTAL WATER PLANT**	$ 38,015,353	$ 11,884,623	$ (2,390,016)	$ 502,336	$ 35,625,337	$ 12,386,955	$ 23,238,381
48		Company As Filed B-2					36,367,124	13,169,068	
49		Adjustment To Test Year Total Plant And Acummulated Depreciation (See RLM-3, Col (B), Lines 1 & 2)					$ (741,787)	$ (782,113)	

References:
Column (A): Schedule RLM-4, Page 11, Column (E)
Column (B): Schedule RLM-4, Page 11, Column (F)
Columns (C) (D): Adjustment To Replace Citizens' Utiltities General Plant With Arizona Water Common Plant Allocation As Per Company Schedule B-2, Pg 2
Column (E): Column (A) - Column (C) As Per Company Schedule B-2, Page 3
Column (F): Column (B) - Column (D) As Per Company Schedule B-2, Page 3
Column (G): Column (E) - Column (F)

POST-TEST YEAR 2001 PLANT

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) REVENUE NEUTRAL PLANT ADD'N	(B) ORCOM & PLANT AT CLOSING	(C) ADDIT'NAL ACC. DEP. AT CLOS'G	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 471	$ 0	$ 471
2	302.00	Franchises	-	129,424	-	-	132,275	-	132,275
3	303.00	Miscellaneous Intangibles	-	-	-	-	4,591	-	4,591
4		SUBTOTAL INTANGIBLE	$ 0	$ 129,424	$ 0	$ 0	$ 137,337	$ 0	$ 137,337
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 180,083	$ 0	$ 180,083
6	311.00	Structures And Improvements	107,102	-	8,269	1,339	745,316	281,738	463,578
7	312.00	Collecting And Impounding Res.	-	-	4	-	314	12	302
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	-	-	30,068	-	2,057,470	807,826	1,249,643
10		SUBTOTAL SUPPLY	$ 107,102	$ 0	$ 38,341	$ 1,339	$ 2,983,182	$ 1,089,576	$ 1,893,605
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 8,456	$ 0	$ 8,456
12	321.00	Structures And Improvements	73,346	-	4,862	612	631,314	231,636	399,678
13	323.00	Other Power Production	-	-	211	-	9,493	2,349	7,144
14	325.00	Electric Pumping Equipment	265,461	569	145,941	5,879	6,677,683	3,567,643	3,110,040
15	326.00	Diesel Pumping Equipment	-	-	628	-	24,802	10,484	14,318
16	328.10	Gas Engine Pumping Equipment	-	-	6,254	-	241,899	123,102	118,796
17		SUBTOTAL PUMPING	$ 338,807	$ 569	$ 157,896	$ 6,492	$ 7,593,647	$ 3,935,215	$ 3,658,432
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	-	-	673	-	76,834	8,637	68,198
20	332.00	Water Treatment Equipment	5,357	-	8,145	107	400,920	132,065	268,855
21		SUBTOTAL TREATMENT	$ 5,357	$ 0	$ 8,818	$ 107	$ 477,754	$ 140,701	$ 337,053
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 10,493	$ 0	$ 10,493
23	341.00	Structures And Improvements	-	-	286	-	28,604	768	27,836
24	342.00	Distribution, Reservoirs, & ST	457,578	-	11,469	3,821	1,786,654	468,656	1,317,998
25	343.00	Trans. And Dist. Mains	681,787	994,421	94,455	12,823	13,641,076	3,258,055	10,383,021
26	344.00	Fire Mains	-	-	-	-	-	-	0
27	345.00	Services	-	1	59,294	-	4,623,048	2,113,201	2,509,848
28	346.00	Meters	-	-	40,545	-	3,143,724	762,895	2,380,828
29	348.00	Hydrants	16,772	-	17,971	168	1,756,823	635,853	1,120,970
30	349.00	Other Trans. And Dist.	-	-	5	-	512	220	292
31		SUBTOTAL TRANS. & DIST.	$ 1,156,137	$ 994,422	$ 224,025	$ 16,811	$ 24,990,933	$ 7,239,647	$ 17,751,286
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 1,163	$ 0	$ 1,163
33	390.00	Structures And Improvements	33,000	-	10,758	276	831,274	85,152	746,122
34	391.00	Office Furniture And Equipment	269,506	1	13,869	6,185	507,295	105,979	401,316
35	391.10	Computer Equipment		(97,647)	(25,763)	(2,241)	242,797	(131,614)	374,411
36	392.00	Transportation Equipment	150,937	-	100,772	18,867	579,346	367,083	212,263
37	393.00	Stores Equipment		-	265	-	6,847	2,120	4,727
38	394.00	Tools, Shop And Garage		-	4,483	-	97,973	8,830	89,143
39	395.00	Laboratory Equipment		-	(823)	-	31,035	4,648	26,387
40	396.00	Power Operated Equipment		-	2,035	-	28,679	12,239	16,440
41	397.00	Communication Equipment	35,254	-	11,400	1,816	172,897	92,491	80,406
42	398.00	Miscellaneous Equipment	-	-	1,858	-	66,047	32,475	33,572
43		SUBTOTAL GENERAL	$ 488,697	$ (97,646)	$ 118,854	$ 24,902	$ 2,565,353	$ 579,402	$ 1,985,951
44		Youngtown Plant	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
45		AFUDC ADJUSTMENT 3/95	-	-	-	-	-	-	0
46		Adjustment Due To Rounding	-	-	(1)	-	-	(1)	0
47		**TOTAL WATER PLANT**	$ 2,096,100	$ 1,026,769	$ 547,933	$ 49,651	$ 38,748,206	$ 12,984,540	$ 25,763,664
48		Company As Filed B-2					39,396,793	13,717,002	
49		Difference In Post Test Year Gross Plant					$ (648,587)	$ (732,462)	
50		Adjustment To Test Year Gross Plant As Per RLM-4, Page 12, Cols (E) And (F), L 49					(741,787)	(782,113)	
51		Adjustment To Post Test Year Total Plant And Acc. Dep. (See RLM-3, Col (C), L 1 & L 2)					$ 93,200	$ 49,651	

References:
Column (A): Company's Response To Staff Data Request No. DWC 12-1 To 12-3
Column (B): Additional Plant At Closing And ORCOM
Column (C): Additional Accumulated Depreciation At Closing
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 12, Col. (E)] X RLM-4, Page 4, Col. (A)
Column (E): Schedule RLM-4, Page 12, Column (D) + Column (A) + Column (B)
Column (F): Schedule RLM-4, Page 12, Column (F) + Column (C) + Column (D)
Column (G): Column (E) - Column (F)

OPERATING INCOME

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO TEST YEAR ADJ'TMENTS	(C) RUCO TEST YEAR AS ADJUSTED	(D) RUCO PROPOSED CHANGES	(E) RUCO AS RECOMMENDED
	OPERATING REVENUES:					
1	Metered Water Revenues	$ 6,079,671	$ 0	$ 6,079,671	$ 1,963,334	$ 8,043,005
2	Unmetered Water Revenues	0	-	-	-	0
3	Other Water Revenues	113,419	-	113,419	-	113,419
4	TOTAL OPERATING REVENUES	$ 6,193,090	$ 0	$ 6,193,090	$ 1,963,334	$ 8,156,424
	OPERATING EXPENSES:					
5	Salaries And Wages	$ 1,167,073	$ (127,737)	$ 1,039,336	$ 0	$ 1,039,336
6	Purchased Water	0	-	-	-	0
7	Purchased Power	1,416,410	-	1,416,410	-	1,416,410
8	Chemicals	17,413	-	17,413	-	17,413
9	Repairs And Maintenance	540,349	-	540,349	-	540,349
10	Office Supplies And Expenses	483,141	110,339	593,480	-	593,480
11	Outside Services	93,641	-	93,641	-	93,641
12	Service Company Fees	926,122	(141,442)	784,680	-	784,680
13	Water Testing	6,878	-	6,878	-	6,878
14	Rents	28,369	-	28,369	-	28,369
15	Transportation Expenses	22	-	22	-	22
16	Insurance - General Liability	87,848	23,027	110,875	-	110,875
17	Insurance - Health And Life	0	-	0	-	0
18	Regulatory Comm. Exp. - Rate Case	40,874	(16,410)	24,464	-	24,464
19	Miscellaneous Expense	300,122	3,159	303,281	-	303,281
20	Depreciation Expense	1,025,028	(22,994)	1,002,034	-	1,002,034
21	Taxes Other Than Income	62,065	(83,508)	(21,443)	-	(21,443)
22	Property Taxes	186,779	52,024	238,803	-	238,803
23	Income Tax	(665,050)	419,541	(245,509)	757,825	512,316
24	Adjustment Due To Rounding	(1)	-	-	-	-
25	TOTAL OPERATING EXPENSES	$ 5,717,083	$ 215,998	$ 5,933,082	$ 757,825	$ 6,690,907
26	OPERATING INCOME (LOSS)	$ 476,007	$ (215,998)	$ 260,008	$ 1,205,509	$ 1,465,517
	Other Income (Expense):					
27	Interest Income	$ 0	$ 0	$ 0	$ 0	$ 0
28	Other Income	0	-	-	-	0
29	Interest Expense	(1,533,935)	883,384	(650,551)	-	(650,551)
30	Other Expense	0	-	-	-	0
31	Gain/Loss Sale Of Assets	0	-	-	-	0
32	TOTAL OTHER INCOME (EXPENSE)	$ (1,533,935)	$ 883,384	$ (650,551)	$ 0	$ (650,551)
33	NET PROFIT (LOSS)	$ (1,057,928)	$ 667,386	$ (390,543)	$ 1,205,509	$ 814,966

References:
Column (A): Company Schedule C-1
Column (B): Testimony, RLM And Schedule RLM-7
Column (C): Column (A) + Column (B)
Column (D): Testimony, RLM And Schedule RLM-1
Column (E): Column (C) + Column (D)

SUMMARY OF OPERATING INCOME ADJUSTMENTS
TEST YEAR AS FILED AND ADJUSTED

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) ADJ #1	(C) ADJ #2	(D) ADJ #3	(E) ADJ #4	(F) ADJ #5	(G) ADJ #6	(H) ADJ #7	(I) ADJ #8	(J) ADJ #9	(K) ADJ #10	(L) RUCO AS AD'TED
	OPERATING REVENUES:												
1	Metered Water Revenues	$ 6,079,671	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 6,079,671
2	Unmetered Water Revenues	0	-	-	-	-	-	-	-	-	-	-	0
3	Other Water Revenues	113,419	-	-	-	-	-	-	-	-	-	-	113,419
4	TOTAL OPERATING REVENUES	$ 6,193,090	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 6,193,090
	OPERATING EXPENSES:												
5	Salaries And Wages	$ 1,167,073	$ 0	$ 0	$ 0	$ (145,490)	$ 0	$ 0	$ 0	$ 17,753	$ 0	$ 0	$ 1,039,336
6	Purchased Water	0	-	-	-	-	-	-	-	-	-	-	0
7	Purchased Power	1,416,410	-	-	-	-	-	-	-	-	-	-	1,416,410
8	Chemicals	17,413	-	-	-	-	-	-	-	-	-	-	17,413
9	Repairs And Maintenance	540,349	-	-	-	-	-	-	-	-	-	-	540,349
10	Office Supplies And Expenses	483,141	-	-	-	-	-	-	-	110,339	-	-	593,480
11	Outside Services	93,641	-	-	-	-	-	-	-	-	-	-	93,641
12	Service Company Fees	926,122	-	-	(141,442)	-	-	-	-	-	-	-	784,680
13	Water Testing	6,878	-	-	-	-	-	-	-	-	-	-	6,878
14	Rents	28,369	-	-	-	-	-	-	-	-	-	-	28,369
15	Transportation Expenses	22	-	-	-	-	-	-	-	-	-	-	22
16	Insurance - General Liability	87,848	-	-	-	-	-	-	-	23,027	-	-	110,875
17	Insurance - Health And Life	0	-	-	-	-	-	-	-	-	-	-	0
18	Regulatory Comm. Exp. - Rate Case	40,874	-	-	-	-	-	-	(16,410)	-	-	-	24,464
19	Miscellaneous Expense	300,122	-	-	-	-	-	-	-	3,159	-	-	303,281
20	Depreciation Expense	1,025,028	-	-	-	-	(22,994)	-	-	-	-	-	1,002,034
21	Taxes Other Than Income	62,065	-	(42,009)	-	(41,499)	-	-	-	-	-	-	(21,443)
22	Property Taxes	186,779	-	-	-	-	-	52,024	-	-	-	-	238,803
23	Income Tax	(665,050)	-	-	-	-	-	-	-	-	-	419,541	(245,509)
24	Adjustment Due To Rounding	(1)	-	-	-	-	-	-	-	-	-	-	0
25	TOTAL OPERATING EXPENSES	$ 5,717,083	$ 0	$ (42,009)	$ (141,442)	$ (186,989)	$ (22,994)	$ 52,024	$ (16,410)	$ 154,278	$ 0	$ 419,541	$ 5,933,082
26	OPERATING INCOME (LOSS)	$ 476,007	$ 0	$ 42,009	$ 141,442	$ 186,989	$ 22,994	$ (52,024)	$ 16,410	$ (154,278)	$ 0	$ (419,541)	$ 260,008
	Other Income (Expense):												
27	Interest Income	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
28	Other Income	0	-	-	-	-	-	-	-	-	-	-	0
29	Interest Expense	(1,533,935)	-	-	-	-	-	-	-	-	883,384	-	(650,551)
30	Other Expense	0	-	-	-	-	-	-	-	-	-	-	0
31	Gain/Loss Sale Of Assets	0	-	-	-	-	-	-	-	-	-	-	0
32	TOTAL OTHER INCOME (EXPENSE)	$ (1,533,935)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 883,384	$ 0	$ (650,551)
33	NET PROFIT (LOSS)	$ (1,057,928)	$ 0	$ 42,009	$ 141,442	$ 186,989	$ 22,994	$ (52,024)	$ 16,410	$ (154,278)	$ 883,384	$ (419,541)	$ (390,543)

ADJUSTMENT NO.		REFERENCE
1 -	Intentionally Left Blank	
2 -	Remove Test Year Salaries And Wages	Testimony, RLM And Schedule RLM-8
3 -	Service Company Fees	Testimony, RLM And Schedule RLM-9
4 -	Projected Salaries And Wages	Testimony, RLM And Schedule RLM-10
5 -	Depreciation Expense	Testimony, RLM And Schedule RLM-11
6 -	Property Taxes	Testimony, RLM And Schedule RLM-12
7 -	Rate Case Expense	Testimony, RLM And Schedule RLM-13
8 -	Projected Additional Corporate Overhead Expenses	Testimony, RLM And Schedule RLM-14
9 -	Intentionally Left Blank	
10 -	Income Tax	Testimony, RLM And Schedule RLM-15

References:
Column (A): Company Schedule C-1
Columns (B) Thru (K): Adjustments #1 Thru #10
Column (L): Sum Of Coumns (A) Thru (K)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 2
CITIZENS SALARIES AND WAGES

LINE NO.	DISTRICT	ACCOUNT	CITIZENS BUSINESS UNIT	(A) COMPANY AS FILED	(B) RUCO AS ADJ'D	(C) ADJM'T
	SUN CITY WATER		4003-4504			
1		Salaries And Wages		$ 833,969	$ 833,969	$ -
2		Payroll Tax		114,680	72,671	(42,009)
3		TOTAL		$ 948,649	$ 906,640	$ (42,009)

References:
Column (A): Company Schedule C-2, Page 3
Column (B): Company Provided Data On Citizens 2001 Payroll
Column (C): Column (B) - Column (A)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 3
AZ-AM SERVICE COMPANY ALLOCATIONS

			(A)	(B)	(C)	(D)	(E)	(F)
			TOTAL SERVICE CHARGES			ALLOCATED SERVICE CHARGES		
LINE NO.	DISTRICT	AZ-AM BUS. UNIT	COMPANY AS FILED	RUCO AS ADJ'TED	FOUR FACT'R	COMPANY AS FILED	RUCO AS ADJ'TED	ADJ'MENT
1	Sun City West Water	2364	$ 5,153,711	$ 4,366,610	0.1001	$ 515,886	$ 437,098	$ (78,789)
2	Sun City West Wastewater	2365	$ 5,153,711	$ 4,366,610	0.1072	$ 552,478	$ 468,101	$ (84,377)
3	Sun City Water	2362	$ 5,153,711	$ 4,366,610	0.1797	$ 926,122	$ 784,680	$ (141,442)
4	Sun City Wastewater	2363	$ 5,153,711	$ 4,366,610	0.1014	$ 522,586	$ 442,774	$ (79,812)
5	Tubac	2389	$ 5,153,711	$ 4,366,610	0.0075	$ 38,653	$ 32,750	$ (5,903)

	SUN CITY WATER	COMPANY AS FILED	RUCO AS ADJ'TED	ADJUSTM'T
6	Arizona-American Service Company Allocation	$ 926,122	$ 784,680	$ (141,442)

References:
Columns (A) (C): Company Schedule C-2, Page 4
Column (B): Company Response To RUCO Third Data Request
Column (D): Column (A) X Column (C)
Column (E): Column (B) X Column (C)
Column (F): Column (E) - Column (D)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 4
PROJECTED SALARIES AND WAGES

LINE NO.	COMPANY	AZ-AM BUSINESS UNIT	(A) GROSS PAYROLL	(B) CAPITAL'D PAYROLL	(C) NET PAYROLL	(D) EMP. COUNT	(E) PAYROLL TAX
1	Sun City West Water	2364	$ 341,944	$ 92,325	$ 249,619	6	$ 20,566
2	Sun City West Wastewater	2365	418,601	113,022	305,579	9	25,582
3	Sun City Water	2362	806,792	217,834	588,958	24	50,935
4	Sun City Wastewater	2363	80,003	21,601	58,402	4	5,448
5	Tubac	2389	68,044	18,372	49,672	1	4,045

	SUN CITY WATER		COMPANY AS FILED	RUCO AS ADJ'TED	ADJUSTM'T
6		Salaries And Wages	$ 734,448	$ 588,958	$ (145,490)
7		Payroll Tax	62,065	20,566	(41,499)
8		TOTAL	$ 796,513	$ 609,524	$ (186,989)

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)
Column (E): Column (C) X 7.65% (FICA) + $245 X Column (D) (FUTA & SUTA)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 5
TEST YEAR DEPRECIATION EXPENSE

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) TOTAL PLANT VALUE	(B) APR'D DEP. RATE	(C) TEST YEAR DEPREC'N EXPENSE
		INTANGIBLE			
1	301.00	Organization	$ 471	0.00%	$ 0
2	302.00	Franchises	132,275	0.00%	0
3	303.00	Miscellaneous Intangibles	4,591	0.00%	0
4		SUBTOTAL INTANGIBLE	$ 137,337		$ 0
		SOURCE OF SUPPLY			
5	310.00	Land And Land Rights	$ 180,083	0.00%	$ 0
6	311.00	Structures And Improvements	745,316	2.50%	18,633
7	312.00	Collecting And Impounding Reservoir	314	2.50%	8
8	313.00	Lakes, Rivers, Other Intakes	-	0.00%	0
9	314.00	Wells And Springs	2,057,470	2.52%	51,848
10		SUBTOTAL SUPPLY	$ 2,983,182		$ 70,489
		PUMPING			
11	320.00	Land And Land Rights	$ 8,456	0.00%	$ 0
12	321.00	Structures And Improvements	631,313	1.67%	10,543
13	323.00	Other Power Production	9,493	4.42%	420
14	325.00	Electric Pumping Equipment	6,677,682	4.42%	295,154
15	326.00	Diesel Pumping Equipment	24,803	5.00%	1,240
16	328.10	Gas Engine Pumping Equipment	241,899	5.01%	12,119
17		SUBTOTAL PUMPING	$ 7,593,646		$ 319,475
		WATER TREATMENT			
18	330.00	Land And Land Rights	$ 0	0.00%	$ 0
19	331.00	Structures And Improvements	76,835	1.67%	1,283
20	332.00	Water Treatment Equipment	400,920	4.00%	16,037
21		SUBTOTAL TREATMENT	$ 477,756		$ 17,320
		TRANSMISSION AND DISTRIBUTION			
22	340.00	Land And Land Rights	$ 10,493	0.00%	$ 0
23	341.00	Structures And Improvements	28,604	2.00%	572
24	342.00	Distribution, Reservoirs, And Structures	1,786,654	1.67%	29,837
25	343.00	Transmission And Distribution Mains	13,641,076	1.53%	208,708
26	344.00	Fire Mains	-	0.00%	0
27	345.00	Services	4,623,048	2.48%	114,652
28	346.00	Meters	3,143,724	2.51%	78,907
29	348.00	Hydrants	1,756,823	2.00%	35,136
30	349.00	Other Transmission And Distribution	512	2.00%	10
31		SUBTOTAL TRANSMISSSION AND DISTRIBUTION	$ 24,990,933		$ 467,823
		GENERAL			
32	389.00	Land And Land Rights	$ 1,163	0.00%	$ 0
33	390.00	Structures And Improvements	831,274	1.67%	13,882
34	391.00	Office Furniture And Equipment	507,295	4.59%	23,285
35	391.10	Computer Equipment	242,797	4.59%	11,144
36	392.00	Transportation Equipment	579,346	25.00%	144,836
37	393.00	Stores Equipment	6,847	3.91%	268
38	394.00	Tools, Shop And Garage	97,973	4.02%	3,939
39	395.00	Laboratory Equipment	31,035	3.71%	1,151
40	396.00	Power Operated Equipment	28,679	5.20%	1,491
41	397.00	Communication Equipment	172,897	10.30%	17,808
42	398.00	Miscellaneous Equipment	66,047	4.93%	3,256
43		SUBTOTAL GENERAL	$ 2,565,352		$ 221,060
44		TOTAL	$ 38,748,206		$ 1,096,168
45		Amortization Of Deferred Regulatory Assets	$ 655,877	2.83%	18,573
46		Amortization Of Contribution In Aid Of Construction ("CIAC")	(1,127,078)	10.00%	(112,708)
47		Adjustment Due To Rounding	-		-
48		**TOTAL WATER PLANT**	$ 37,621,127		$ 1,002,034
49		Company As Filed As Per Schedule C-2, Pg 6, Line 73			$ 1,025,028
50		Adjustment To Depreciation Expense (See RLM-6, Col (B), Line 20)			$ (22,994)

References:
Column (A): Schedule RLM-5, Page 1, Column (E)
Column (B): Schedule RLM-4, Page 4, Column (A)
Column (C): Column (A) X Column (B)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 6
PROPERTY TAX COMPUTATION

LINE NO.	DESCRIPTION	(A)	(B)
	Calculation Of The Company's Full Cash Value:		
	Annual Operating Revenues:		
1	Year 1999 (Company Schedule E-2)	$ 6,433,486	
2	Year 2000 (Company Schedule E-2)	7,139,309	
3	Year 2001 (Company Schedule E-2)	6,559,683	
4	Total Three Year Operating Revenues (L1 + L2 + L3)	$ 20,132,478	
5	Average Annual Operating Revenues (L4 / 3)	6,710,826	
6	Two Times Three Year Average Operating Revenues (L5 X 2)		$ 13,421,652
	ADD: Ten Percent Of Construction Work In Progress ("CWIP"):		
7	Test Year CWIP	$ 163,964	
8	10% Of CWIP (L7 X 10%)		$ 16,396
	SUBTRACT: Transportation At Book Value:		
9	Original Cost Of Transportation Equipment (RLM-5. Pg 1, Col (E), L 36)	$ 428,409	
10	Acc. Dep. Of Transportation Equipment (RLM-5. Pg 1, Col (F), L 36)	$ 247,444	
11	Book Value Of Transportation Equipment (L9 - L10)		$ 180,965
12	COMPANY'S FULL CASH VALUE (L6 + L8 + L11)		$ 13,257,083
	Calculation Of The Company's Tax Liability:		
	MULTIPLY: Company Full Cash Value By Valuation Assessment Ratio And Then By Property Tax Rates:		
13	Assessment Ratio (ADOR Directive)	25%	
14	Assessed Value (L12 X L13)	$ 3,314,271	
	Property Tax Rates:		
15	Primary Tax Rate (2001 Tax Notice - Co.'s Data Response - "Property Tax")	7.21%	
16	Secondary Tax Rate (2001 Tax Notice - Co.'s Data Response - "Property Tax")	0.00%	
17	Estimated Tax Rate Liability (L14 + L15)	7.21%	
18	COMPANY'S TAX LIABILITY - Based On Full Cash Value (L14 X L17)		$ 238,803
19	Test Year Adjusted Property Tax Expense Per Co.'s Filing (Sch. RLM-6, Col. (A), L29)	$ 186,779	
20	Increase (Decrease) In Property Tax Expense (L18 - L19)	$ 52,024	
21	Adjustment To Property Tax Expense From Company's Direct Filing (See RLM-6 Col. (B), L22)		$ 52,024

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 7
RATE CASE EXPENSE

LINE NO.		(A) REVISED T. Y. REV. FACTORS	(B) COMPANY AS FILED	(C) RUCO AS ADJUSTED	(D) TOTAL DIFFERENCE	(E) 3 YEAR AMORTIZED DIFFERENCE
1	Total Rate Case Expense		$ 699,954	$ 418,941	$ (281,013)	$ (93,671)
2	Sun City West Water	0.0956	$ 66,939	$ 40,065	$ (26,874)	$ (8,958)
3	Sun City West Wastewater	0.1000	70,006	41,901	(28,106)	(9,369)
4	Sun City Water	0.1752	122,623	73,393	(49,230)	(16,410)
5	Sun City Wastewater	0.1439	100,749	60,301	(40,448)	(13,483)
6	Tubac	0.0072	5,039	3,016	(2,023)	(674)
7	Agua Fria	0.1750	122,482	73,309	(49,173)	(16,391)
8	Anthem Water	0.1135	79,413	47,531	(31,882)	(10,627)
9	Agua Fria, Anthem Wastewater	0.0528	36,958	22,120	(14,837)	(4,946)
10	Mohave Water	0.1243	87,016	52,081	(34,935)	(11,645)
11	Havasu Water	0.0125	8,730	5,225	(3,505)	(1,168)
12	TOTAL	1.0000	$ 699,954	$ 418,941	$ (281,013)	$ (93,671)

	SUN CITY WATER		COMPANY AS FILED	RUCO AS ADJUSTED	TOTAL DIFFERENCE	3 YEAR AMORTIZED DIFFERENCE
13		Rate Case Expense	$ 122,623	$ 73,393	$ (49,230)	$ (16,410)

References:
Column (A) : Revised Company Adjusted Test Year Revenue Factors To Remove Mohave Sewer From Allocation
Column (B): Company Response To Data Request Minus The Mohave Sewer Allocated Value Of $6,017
Column (C): Column (A) X RUCO's Recommended Total Rate Case Expense
Column (D): Column (C) - Column (B)
Column (E): Column (D) Divided By 3 (The Three Year Amortization Period)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 8
PROJECTED CORPORATE OVERHEAD

LINE NO.	DISTRICT	EXPENSE ACCOUNT	(A) COMPANY AS FILED	(B) RUCO AS ADJUSTED	(C) ADJUSTMENT
	SUN CITY WATER				
1		Salaries And Wages	$ 72,104	$ 89,857	$ 17,753
2		Office Supplies & Expense	212,241	322,580	110,339
3		Insurance	34,961	57,988	23,027
4		Miscellaneous Expense	1,249	4,408	3,159
5		TOTAL	$ 320,555	$ 474,833	$ 154,278

References:
Column (A): Company Schedule C-2, Page 11
Column (B): Allocated Amounts From RLM-14, Pg 2, Line 26
Column (C): Column (B) - Column (A)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 8 - CONT'D
PROJECTED CORPORATE OVERHEAD

LINE NO.	CATEGORY		(A) COMPANY AS FILED	(B) RUCO AS ADJUSTED	(C) DIFFERENCE	(D)
1	Employee Benefits		$ 964,147	$ 374,404	$ 589,743	
2	Directors Fees:	Office Supplies & Exp.	1,270,126	1,030,972	239,154	
3		Miscellaneous Expenses	6,000	8,500	(2,500)	
4	Trustees Fees:	Office Supplies & Exp.	645,847	447,842	198,005	
5		Miscellaneous Expenses	17,058	21,881	(4,823)	
6	Insurance		258,736	215,200	43,536	
7	Subtotal		$ 3,161,914	$ 2,098,797	$ 1,063,117	
8	Non-Applicable Accounts		$ 2,153,067	$ 2,117,294	$ 35,773	
9	TOTAL (See RLM-14, Pg 3, L 45)		$ 5,314,981	$ 4,216,091	$ 1,098,890	
	ALLOCATION FACTORS		FAIR VALUE RATE BASE	YEAR-END CUST. COUNT	EMPLOYEE COUNT	PROFORMA PLANT
10	Sun City West Water		0.0908	0.1375	0.0600	0.0135
11	Sun City West Wastewater		0.0744	0.1314	0.0900	0.0056
12	Sun City Water		0.2695	0.1958	0.2400	0.1254
13	Sun City Wastewater		0.1119	0.1866	0.0400	0.0046
14	Tubac		0.0109	0.0044	0.0100	0.0110
15	Agua Fria		0.1052	0.1147	0.0700	0.2417
16	Anthem Water		0.0544	0.0284	0.1200	0.2326
17	Agua Fria, Anthem Wastewater		0.0158	0.0224	0.0600	0.2279
18	Mohave Water		0.0842	0.1217	0.1500	0.0371
19	Havasu Water		0.0076	0.0105	0.0300	0.0552
20	Subtotal		0.8247	0.9534	0.8700	0.9544
21	Mohave Sewer		0.0037	0.0051	0.0100	0.0089
22	Paradise Valley (Est. - 2001 Annual Report)		0.1715	0.0414	0.1200	0.0367
23	TOTAL		1.0000	1.0000	1.0000	1.0000
	ALLOCATED AMOUNTS		EMP. BEN.	OFF. SUP/EXP	INSURANCE	MISC. EXP.
24	Sun City West Water		$ 22,464	$ 182,392	$ 19,535	$ 1,464
25	Sun City West Wastewater		33,696	168,783	16,021	1,238
26	Sun City Water		89,857	322,580	57,988	4,408
27	Sun City Wastewater		14,976	242,477	24,091	1,686
28	Tubac		3,744	9,386	2,351	277
29	Agua Fria		26,208	165,421	22,645	6,263
30	Anthem Water		44,928	53,684	11,712	5,332
31	Agua Fria, Anthem Wastewater		22,464	30,213	3,398	5,176
32	Mohave Water		56,161	163,185	18,113	1,846
33	Havasu Water		11,232	14,208	1,630	1,297
34	Subtotal		$ 325,731	$ 1,352,330	$ 177,484	$ 28,987
35	Mohave Sewer		3,744	6,945	806	238
36	Paradise Valley (Est. - 2001 Annual Report)		44,928	119,539	36,910	1,155
37	Subtotal		$ 48,672	$ 126,483	$ 37,716	$ 1,393
38	TOTAL		$ 374,404	$ 1,478,813	$ 215,200	$ 30,381
39	TOTAL RUCO ADJUSTMENT (See RLM-14, pg 2, Column (B), Line 7 Above)					$ 2,098,797

References:
Allocation Factors - As Provided By Co. Except For Paradise Valley, Which Were Estimated From 2001 Annual Repoı
Allocation Amounts - Calculated Using Same Methodology As Company

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 8 - CONT'D
PROJECTED CORPORATE OVERHEAD

LINE NO.	DESCRIPTION	(A) CATEGORY	(B) COMPANY AS FILED	(C) RUCO AS ADJUSTED	(D) DIFFERENCE
1	Directors Fees	MISC	$ 6,000	$ 8,500	$ 2,500
2	Bank Service Charges	OFFICE	29,863	124,896	95,033
3	Bill Insert	OFFICE	29,703	35,304	5,601
4	Collection Agencies	OFFICE	870	6,673	5,803
5	Forms AG	OFFICE	17,074	13,051	(4,023)
6	Advertising (Required Notification)	OFFICE	230,287	130,698	(99,589)
7	Brochures And Handouts	OFFICE	2,502	834	(1,668)
8	Community Relations	OFFICE	7,730	6,662	(1,068)
9	Postage	OFFICE	329,952	125,443	(204,509)
10	Group Insurance	OFFICE	622,145	587,410	(34,735)
11	IncentivePlan Expenses	EMP. BENFITS	226,620	21,252	(205,368)
12	PBOP Operations AG	EMP. BENFITS	341,502	16,737	(324,765)
13	Workman Compensation	EMP. BENFITS	(19,061)	(3,359)	15,702
14	Dues Deducted	EMP. BENFITS	3,612	13,660	10,048
15	Dues Non-Deducted	EMP. BENFITS	2,705	5,052	2,347
16	Dues-Membership Deducted	EMP. BENFITS	-	2,959	2,959
17	Employee Expenses AG	EMP. BENFITS	115,234	60,267	(54,967)
18	Employee Exp Conference-Registration	EMP. BENFITS	24,595	15,666	(8,929)
19	Meals And Travel Deducted	EMP. BENFITS	39,758	20,433	(19,325)
20	Meals And Travel Non-Deduct	EMP. BENFITS	-	13,037	13,037
21	Other Welfare Operations	EMP. BENFITS	6,495	19,906	13,411
22	Employee Awards	EMP. BENFITS	252	1,144	892
23	Employee Physical Exams	EMP. BENFITS	1,842	716	(1,126)
24	Tuition Aid	EMP. BENFITS	29,515	15,528	(13,987)
25	Training	EMP. BENFITS	24,818	28,944	4,126
26	401K	EMP. BENFITS	74,501	61,288	(13,213)
27	ESOP	EMP. BENFITS	91,759	81,175	(10,584)
28	Trustee Fees	MISC	17,058	21,881	4,823
29	Credit Line Fees	OFFICE	8,347	24,728	16,381
30	Insurance General Liability	INS	41,335	77,430	36,095
31	Security Services	OFFICE	637,500	423,114	(214,386)
32	Insurance Other	INS	217,401	137,770	(79,631)
33	Company Dues-Membership Deduct	N/A	16,178	4,422	(11,756)
34	Company Dues-Membership Non-deducted	N/A	36,108	2,846	(33,262)
35	Company Dues-Membership AWWA Ded.	N/A	882	495	(387)
36	Company Dues-Membership AWWA Non	N/A	1,947	649	(1,298)
37	Company Dues-Membership Non-Deducted	N/A	-	18,075	18,075
38	Charitable Contribution Deducted	N/A	3,500	2,075	(1,425)
39	Charitable Contribution Non-Deduct	N/A	800	200	(600)
40	Property Taxes	N/A	2,093,652	1,648,841	(444,811)
41	Business Services-Project Expense	N/A	-	390,309	390,309
42	Pcard Undistributed	N/A	-	39,882	39,882
43	Water Resevoir Conservation	N/A	-	4,001	4,001
44	Pension Operation AG	N/A	-	5,499	5,499
45	TOTAL		$ 5,314,981	$ 4,216,091	$ (1,098,890)

References:
Columns (A) (C): Company Response To RUCO Third Data Request
Column (B): Company As Filed
Column (D): Column (C) - Column (B)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 10
INCOME TAX EXPENSE

LINE NO.	DESCRIPTION	(A) REFERENCE	(B) AMOUNT
	FEDERAL INCOME TAXES:		
1	Operating Income Before Taxes	Sch. RLM-6, Col. (C), L25 + L23	$ 14,499
	LESS:		
2	Arizona State Tax	Line 11	(44,320)
3	Interest Expense	Note (A) Line 19	650,551
4	Federal Taxable Income	Line 1 - Line 2 - Line 3	$ (591,732)
5	Federal Tax Rate	Sch. RLM-1, Page 2, Col.(D), L 34	34.00%
6	Federal Income Tax Expense	Line 4 X line 5	$ (201,189)
	STATE INCOME TAXES:		
7	Operating Income Before Taxes	Line 1	$ 14,499
	LESS:		
8	Interest Expense	Note (A) Line 19	650,551
9	State Taxable Income	Line 7 - Line 8	$ (636,052)
10	State Tax Rate	Tax Rate	6.97%
11	State Income Tax Expense	Line 9 X Line 10	$ (44,320)
	TOTAL INCOME TAX EXPENSE:		
12	Federal Income Tax Expense	Line 6	$ (201,189)
13	State Income Tax Expense	Line 11	(44,320)
14	Total Income Tax Expense Per RUCO	Line12 + Line 13	$ (245,509)
15	Total Income Tax Expense Per Company (Per Company Sch. C-1)		(665,050)
16	Total Income Tax Adjustment (See Sch. RLM 6, Col. (B), L23)	Line 14 - Line 15	$ 419,541

NOTE (A):
Interest Synchronization:

17	Adjusted Rate Base (Sch. RLM-3, Col. (E), L16)	$ 22,304,176
18	Weighted Cost Of Debt (Sch. RLM-16, Col. (F), L1)	2.92%
19	Interest Expense (L17 X L18)	$ 650,551

COST OF CAPITAL

LINE NO.	DESCRIPTION	(A) CAPITAL'TION PER COMPANY	(B) RUCO ADJ'TS	(C) RUCO ADJUSTED CAPITAL'TION	(D) CAPITAL RATIO	(E) COST	(F) WEIGHTED COST RATE
1	Long-Term Debt	$ 165,583,119	$ 0	$ 165,583,119	59.89%	4.87%	2.92%
2	Common Equity	$ 110,888,158	$ 0	$ 110,888,158	40.11%	9.11%	3.65%
3	TOTAL CAPITAL	$ 276,471,277	$ 0	$ 276,471,277	100.00%		
4	COST OF CAPITAL						6.57%

References:
Column (A): Staff Data Request Nos. JMR 8-3 And JMR 8-4
Column (B): Testimony, WAR
Column (C): Column (A) + Column (B)
Column (D): Column (C), Line Item / Total Capital (L5)
Column (E): Testimony, WAR
Column (F): Column (D) X Column (E)

RATE DESIGN - MONTHLY MINIMUM, COMMODITY AND SERVICE CHARGES

LINE NO.	DESCRIPTION	(A) PRESENT RATES	(B) COMPANY PROPOSED	(C) RUCO PROPOSED
	MONTHLY MINIMUM USAGE CHARGE:			
	Residential, Commercial			
1	5/8 X 3/4 - Inch	$ 5.00	$ 9.43	$ 5.00
2	3/4 - Inch	5.00	9.43	5.00
3	1 - Inch	13.00	24.51	13.00
4	1 1/2 - Inch	28.00	52.78	27.84
5	2 - Inch	41.00	77.29	40.98
6	3 - Inch	70.00	131.95	69.96
7	4 - Inch	103.00	194.16	102.95
8	6 - Inch	141.00	265.79	140.93
	Private Fire Protection			
9	Flat Rate 3 - Inch	$ 6.00	$ 11.31	$ 6.00
10	Flat Rate 4 - Inch	9.00	16.97	9.00
11	Flat Rate 6 - Inch	12.50	23.56	12.50
12	Flat Rate 8 - Inch	20.00	37.70	20.00
13	Flat Rate 10 - Inch	30.00	56.55	30.00
14	Standby	$ 3.50	$ 6.60	$ 3.50
	Public Interruptible			
15	3 - Inch	$ 0.00	$ 0.00	$ 0.00
16	8 - Inch	0.00	0.00	0.00
	Irrigation			
17	1 - Inch	$ 13.00	$ 24.51	$ 13.00
18	1 1/2 - Inch	28.00	52.78	27.99
19	2 - Inch	41.00	77.29	40.99
20	3 - Inch	70.00	131.95	69.99
21	4 - Inch	103.00	194.16	102.98
22	6 - Inch	141.00	265.48	140.81
	NO GALLONS INCLUDED OR PROPOSED IN THE MONTHLY MINIMUM USAGE CHARGE			
	COMMODITY RATES (Per 1,000 Gallons)			
	All Meters (Except construction, irrigation, public interruptible):			
23	Tier 1 (0 to 8,000 Gallons)	$ 0.73	$ 1.38	$ 0.99
24	Tier 2 (Above 8,001 Gallons)	0.92	1.73	1.29
	Construction, Irrigation, Public Interruptible Meters:			
25	Construction / Untreated CAP	$ 0.50	$ 0.94	$ 1.49
26	Irrigation	0.65	1.23	1.96
27	Public Interruptible	0.50	0.94	1.49

References:
Columns (A) (B): Company Schedule H-3, Pages 1 And 2
Column (C): Testimony, RLM

RATE DESIGN - MONTHLY MINIMUM, COMMODITY AND SERVICE CHARGES CONT'D

LINE NO.	DESCRIPTION	(A) PRESENT RATES Service Line	(A) PRESENT RATES Meter	(B) COMPANY PROPOSED	(C) RUCO PROPOSED
	SERVICE LINE AND METER INSTALLATION CHARGES:				
1	5/8 X 3/4 - Inch Meter	$ 255.00	$ 65.00	$ 500.00	$ 500.00
2	3/4 - Inch Meter	255.00	105.00	575.00	575.00
3	1 - Inch Meter	275.00	145.00	660.00	660.00
4	1 1/2 - Inch Meter	290.00	345.00	900.00	900.00
5	2 - Inch Meter	315.00	775.00	2,220.00	2,220.00
6	3 - Inch Meter	Cost	Cost	Cost	Cost
7	4 - Inch Meter	Cost	Cost	Cost	Cost
8	6 - Inch Meter	Cost	Cost	Cost	Cost
9	8 - Inch Meter	Cost	Cost	Cost	Cost
10	Meters Larger Than 8 - Inches	Cost	Cost	Cost	Cost
	SERVICE CHARGES:				
11	Establishment Of Service		$ 30.00	$ 50.00	$ 50.00
12	~~Establishment Of Service (After Hours)~~		~~40.00~~	~~60.00~~	~~60.00~~
13	Re-Connection (Deliquent)		N/A	N/A	N/A
14	Re-Connection (After Hours)		N/A	N/A	N/A
15	Meter Test Fee (If Correct)		10.00	10.00	10.00
16	Deposit			As Per ACC R14-2-403.B	
17	Deposit Interest			As Per ACC R14-2-403.B	
18	Re-Establishment - (Within 12 Months)	Monthly Minimum Times Months Disconnected - As Per ACC R14-2-403.D			
19	NSF Charge (Per Month)		10.00	10.00	10.00
20	Deferred Payment		1.50%	1.50%	1.50%
21	Meter Re-Read - (If Correct)		5.00	5.00	5.00
22	Meter Moved - Customer Requested		Cost	Cost	Cost
23	Late Payment Charge		1.50%	1.50%	1.50%
24	Damages To Locks, Valves, Seals		Cost	Cost (Plus $40)	Cost (Plus $40)

GROUNDWATER WITHDRAWAL ASSESSMENT

Groundwater Withdrawal Fees Shall Be Collected As An Assessment, And Is Subject To Annual Revisions As Required Due To Changes In Rates Charged By The Arizona Department Of Water Resources. Includes An Allowance Of 10% Lost And Unaccounted For Water.

All Advances (AIAC) And/Or Contributions (CIAC) Are To Include Labor, Materials, Overhead, And All Applicable Taxes, Including All Gross-Up Taxes For Income Taxes

References:
Columns (A) (B): Company Schedule H-3, Page 3
Column (C): Testimony, RLM

PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) RUCO PROPOSED	(B) ANNUALIZED CUST'R & USAGE COUNT	(C) RUCO PROPOSED REVENUE
	MONTHLY MINIMUM USAGE CHARGE:			
	Residential, Commercial			
1	5/8 X 3/4 - Inch	$ 5.00	233,988	$ 1,169,940
2	3/4 - Inch	5.00	348	1,740
3	1 - Inch	13.00	2,916	37,896
4	1 1/2 - Inch	27.84	17,980	500,599
5	2 - Inch	40.98	7,019	287,645
6	3 - Inch	69.96	300	20,989
7	4 - Inch	102.95	60	6,177
8	6 - Inch	140.93	108	15,220
	Private Fire Protection			
9	Flat Rate 3 - Inch	$ 6.00	12	$ 72
10	Flat Rate 4 - Inch	9.00	660	5,942
11	Flat Rate 6 - Inch	12.50	588	7,349
12	Flat Rate 8 - Inch	20.00	120	2,400
13	Flat Rate 10 - Inch	30.00	0	0
14	Standby	$ 3.50	756	$ 2,646
	Public Interruptible			
15	3 - Inch	$ 0.00	0	$ 0
16	8 - Inch	0.00	12	0
	Irrigation			
17	1 - Inch	$ 13.00	26	$ 338
18	1 1/2 - Inch	27.99	1,404	39,304
19	2 - Inch	40.99	12	492
20	3 - Inch	69.99	12	840
21	4 - Inch	102.98	0	0
22	6 - Inch	140.81	24	3,379
23	TOTAL ANNUALIZED MONTHLY CUSTOMER COUNT AND BASIC CHARGE		266,345	$ 2,102,968
	COMMODITY RATES (Per 1,000 Gallons)			
	All Meters (Except construction, irrigation, public interruptible):			
24	Tier 1 (0 to 8,000 Gallons)	$ 0.99	1,615,632,000	$ 1,606,139
25	Tier 2 (Above 8,001 Gallons)	1.29	2,742,040,000	3,543,707
	Construction, Irrigation, Public Interruptible Meters:			
26	Construction / Untreated CAP	$ 1.49	0	$ 0
27	Irrigation	1.96	396,750,000	776,466
28	Public Interruptible	1.49	0	0
29	TOTAL ANNUALIZED COMMODITY USAGE AND CHARGES		4,754,422,000	$ 5,926,312
30	Unmetered Revenue			$ 0
31	Other Revenue			113,419
32	Difference Between Bill Count And Revenue As Recorded			13,726
33	**TOTAL PROPOSED ANNUALIZED REVENUE**			**$ 8,156,424**
34	Required Revenue (As Per Schedule RLM-1, Col. (D), L 10)			8,156,424
35	Difference			$ 0

References:
Column (A): RLM-17, Page 1, Column (C)
Column (B): RUCO Data Request 1.04
Column (C): Columns (A) X (B)

TYPICAL BILL ANALYSIS
RESIDENTIAL WATER SERVICE TO 5/8 X 3/4 INCH METERS

		(A)	(B)	(C)	(D)	(E)
	COMPANY PROPOSED					
LINE NO.	USAGE	GALLONS CONSUMED	PRESENT RATES	PROPOSED RATES	DOLLAR INCREASE	PERCENT INCREASE
1	Average	8,361	$11.17	$21.09	$9.92	88.8%
2	Median	6,516	$9.76	$18.42	$8.67	88.8%
	RUCO PROPOSED					
3	Average	8,361	$11.17	$13.42	$2.25	20.1%
4	Median	6,516	$9.76	$11.48	$1.72	17.6%
5	Average Number Of Customers:	19214				

PRESENT AND PROPOSED RATES (WITHOUT TAXES)

	Gallons Consumed	Present Rates	Company Prop'd Rates	Company % Increase	RUCO Prop'd Rates	RUCO % Increase
6	0	$5.00	$9.43	88.6%	$5.00	0.0%
7	1,000	5.73	10.81	88.7%	5.98	4.4%
8	2,000	6.46	12.19	88.7%	6.97	7.9%
9	3,000	7.19	13.57	88.7%	7.95	10.6%
10	4,000	7.92	14.95	88.8%	8.94	12.8%
11	5,000	8.65	16.33	88.8%	9.92	14.7%
12	6,000	9.38	17.71	88.8%	10.90	16.2%
13	7,000	10.11	19.09	88.8%	11.89	17.6%
14	8,000	10.84	20.47	88.8%	12.87	18.7%
15	9,000	11.76	22.20	88.8%	14.15	20.3%
16	10,000	12.68	23.93	88.7%	15.43	21.7%
17	15,000	17.28	32.58	88.5%	21.82	26.3%
18	20,000	21.88	41.23	88.4%	28.22	29.0%
19	25,000	26.48	49.88	88.4%	34.61	30.7%
20	50,000	49.48	93.13	88.2%	66.59	34.6%
21	75,000	72.48	136.38	88.2%	98.57	36.0%
22	100,000	95.48	179.63	88.1%	130.54	36.7%
23	125,000	118.48	222.88	88.1%	162.52	37.2%
24	150,000	141.48	266.13	88.1%	194.49	37.5%
25	175,000	164.48	309.38	88.1%	226.47	37.7%
26	200,000	187.48	352.63	88.1%	258.44	37.9%

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

Sun City Wastewater District

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RLM-19	1	TYPICAL BILL ANALYSIS

REVENUE REQUIREMENT

LINE NO.	DESCRIPTION	(A) COMPANY RCND	(B) ADJ'MENT TO RESTATE TO ORIGINAL COST	(C) COMPANY ORIGINAL COST	(D) RUCO ORIGINAL COST
1	Fair Value Rate Base	$ 20,233,577	$ (6,191,840)	$ 14,041,737	$ 8,893,529
2	Adjusted Operating Income (Loss)	$ 1,175,416		$ 1,175,416	$ 1,133,760
3	Current Rate Of Return (L2 / L1)	5.81%		8.37%	12.75%
4	Required Operating Income (L5 X L1)	$ 1,568,009		$ 1,088,235	$ 584,358
5	Required Rate Of Return On Fair Value Rate Base	7.75%		7.75%	6.57%
6	Operating Income Deficiency (L4 - L2)	$ 392,593		$ (87,181)	$ (549,402)
7	Gross Revenue Conversion Factor (RLM-1, Pg 2)	1.6286		1.6286	1.6286
8	Increase In Gross Revenue Requirement (L7 X L6)	$ 639,391		$ (141,984)	$ (894,775)
9	Adjusted Test Year Revenue	$ 5,088,340		$ 5,088,340	$ 5,088,340
10	Proposed Annual Revenue (L8 + L9)	$ 5,727,731		$ 4,946,356	$ 4,193,565
11	Required Percentage Increase In Revenue (L8 / L9)	12.57%		-2.79%	-17.58%
12	Rate Of Return On Common Equity	11.50%		11.50%	9.11%

References:
Column (A): Company Schedules A-1 and C-1
Column (B): RUCO Schedule RLM-2
Column (C): Recalculated After Adjusting To OCRB
Column (D): RUCO Schedules RLM-3, RLM-6 And RLM-19

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	(A)	(B)	(C)	(D)
	CALCULATION OF GROSS REVENUE CONVERSION FACTOR:				
1	Revenue	1.0000			
2	Less: Combined Federal And State Tax Rate (L10)	0.3860			
3	Subtotal (L1 - L2)	0.6140			
4	**Revenue Conversion Factor** (L1 / L3)	**1.6286**			
	CALCULATION OF EFFECTIVE TAX RATE:				
5	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
6	Arizona State Income Tax Rate	6.9680%			
7	Federal Taxable Income (L5 - L6)	93.0320%			
8	Applicable Federal Income Tax Rate (Col. (D), L34)	34.0000%			
9	Effective Federal Income Tax Rate (L7 X L8)	31.6309%			
10	Combined Federal And State Income Tax Rate (L6 + L9)	38.5989%			
11	Required Operating Income (Sch. RLM-1, Col. (D), L4)	$ 584,358			
12	Adj'd T.Y. Oper'g Income (Loss) (Sch. RLM-1, Col. (D), L2)	1,133,760			
13	Required Increase In Operating Income (L11 - L12)		$ (549,402)		
14	Income Taxes On Recommended Revenue (Col. (D), L31)	$ 124,023			
15	Income Taxes On Test Year Revenue (Col. (D), L32)	341,728			
16	Required Increase In Revenue To Provide For Income Taxes (L14 - L15)		$ (217,705)		
17	Total Required Increase In Revenue (L13 + L16)		$ (767,107)		
	CALCULATION OF INCOME TAX:			RUCO Recommended	
18	Revenue (Sch. RLM-1, Col. (D), L10)			$ 4,193,565	
19	Less: Opr'g Exp. Excl. Inc. Tax (RLM-6, Col. (E), L27 - L25)			3,612,852	
20	Less: Synchronized Interest (Col. (C), L37)			259,400	
21	Arizona Taxable Income (L18 - L19 - L20)			$ 321,313	
22	Arizona State Income Tax Rate			6.97%	
23	Arizona Income Tax (L21 X L22)				$ 22,389
24	Fed. Taxable Income (L21 - L23)			$ 298,924	
25	Fed. Tax On 1st Inc. Bracket ($1 - $50,000) @ 15%			$ 7,500	
26	Fed. Tax On 2nd Inc. Bracket ($50,001 - $75,000) @ 25%			6,250	
27	Fed. Tax On 3rd Inc. Bracket ($75,001 - $100,000) @ 34%			8,500	
28	Fed. Tax On 4th Inc. Bracket ($100,001 - $335,000) @ 39%			91,650	
29	Fed. Tax On 5th Inc. Bracket ($335,001 - $10M) @ 34%			(12,266)	
30	Total Federal Income Tax (L25 + L26 + L27 + L28 + L29)				$ 101,634
31	Combined Federal And State Income Tax (L23 + L30)				$ 124,023
32	Test Year Combined Income Tax, RUCO As Adjusted (RLM-6, Col. (C), L25)				$ 341,728
33	Adjustment (L31 - L32) (See RLM-6, Col. (D), L25)				$ (217,705)
34	Applicable Federal Income Tax Rate (Col. (D), L30 / Col. (C), L24)				34.00%
	CALCULATION OF INTEREST SYNCHRONIZATION:				
35	Rate Base (Sch. RLM-1, Pg 2, Col. (E), L16)			$ 8,893,529	
36	Weighted Avg. Cost Of Debt (Sch. RLM-16, Col. (F), L1)			2.92%	
37	Synchronized Interest (L35 X L36)			$ 259,400	

FAIR VALUE RATE BASE - RCND ADJUSTED TO OCRB

LINE NO.	DESCRIPTION	(A) COMPANY FILED AS RCND	(B) RUCO ADJM'TS TO OCRB	(C) RUCO ADJUSTED TO OCRB	(D) RUCO OCRB ADJM'TS	(E) RUCO ADJUSTED AS OCRB
1	Gross Utility Plant In Service	$ 51,811,232	$ (31,848,452)	$ 19,962,780	$ 596,198	$ 20,558,978
	Less:					
2	Accumulated Depreciation	20,408,401	(13,218,862)	7,189,539	479,766	7,669,305
3	Net Utility Plant In Service (L1 - L2)	$ 31,402,831	$ (18,629,590)	$ 12,773,241	$ 116,432	$ 12,889,673
	Less:					
4	Advances In Aid Of Const. ("AIAC")	$ 8,588,165	$ 0	$ 3,309,005	$ 0	$ 3,309,005
5	Contribution In Aid Of Const. ("CIAC")	$ 3,081,090	$ (1,893,951)	$ 1,187,139	$ 0	$ 1,187,139
6	Less: Accumulated Amortization	-	-	-	-	0
7	NET CIAC (L5 - L6)	$ 3,081,090	$ (1,893,951)	$ 1,187,139	$ 0	$ 1,187,139
8	Customer Meter Deposits	$ 0	$ 0	$ 0	$ 0	$ 0
9	Deferred Income Taxes And Credits	-	-	-	-	0
10	Investment Tax Credits	-	-	-	-	0
	Plus:					
11	Tolleson Trickling Filter	$ 500,000	$ 0	$ 500,000	$ 0	$ 500,000
12	Deferred Tax Assets	-	-	-	-	0
13	Allowance For Working Capital	-	-	-	-	0
14	Citizens Acquisition Adjustment	-	5,264,640	5,264,640	(5,264,640)	0
15	Adjustment Due To Rounding	1	-	(1)	-	0
16	**TOTAL RATE BASE**	$ 20,233,577	$ (11,470,999)	$ 14,041,736	$ (5,148,208)	$ 8,893,529

References:
Column (A): Company Schedule B-1
Column (B): Testimony, RLM
Column (C): Column (A) + Column (B)
Column (D): Schedule RLM-4
Column (E): Column (C) + Column (D)

SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY FILED AS OCRB	(B) RUCO ADJM'T # 1	(C) RUCO ADJM'T # 2	(D) RUCO ADJM'T # 3	(E) RUCO ADJUSTED AS OCRB
1	Gross Utility Plant In Service	$ 19,962,780	$ 608,623	$ (12,425)	$ 0	$ 20,558,978
	Less:					
2	Accumulated Depreciation	7,189,539	474,486	5,280	-	7,669,305
3	Net Utility Plant In Service (L1 - L2)	$ 12,773,241	$ 134,138	$ (17,705)	$ 0	$ 12,889,673
	Less:					
4	Advances In Aid Of Const. ("AIAC")	$ 3,309,005	$ 0	$ 0	$ 0	$ 3,309,005
5	Contribution In Aid Of Const. ("CIAC")	$ 1,187,139	$ 0	$ 0	$ 0	1,187,139
6	Less: Accumulated Amortization	-	-	-	-	-
7	NET CIAC (L4 - L5)	$ 1,187,139	$ 0	$ 0	$ 0	$ 1,187,139
8	Customer Meter Deposits	$ 0	$ 0	$ 0	$ 0	$ 0
9	Deferred Income Taxes And Credits	-	-	-	-	0
10	Investment Tax Credits	-	-	-	-	0
	Plus:					
11	Tolleson Trickling Filter	$ 500,000	$ 0	$ 0	$ 0	$ 500,000
12	Deferred Tax Assets	-	-	-	-	0
13	Allowance For Working Capital	-	-	-	-	0
14	Citizens Acquisition Adjustment	5,264,640	-	-	(5,264,640)	0
15	Adjustment Due To Rounding	1				0
16	**TOTAL RATE BASE**	$ 14,041,738	$ 134,138	$ (17,705)	$ (5,264,640)	$ 8,893,529

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 (See RLM-4, Page 12, Col (E) & (F), L 43)
Column (C): Adjustment To Post Test Year Plant And Accumulated Depreciation (See RLM-5, Page 1, Col (E) & (F), L 51)
Column (D): Adjustment To Citizens Acquisition Adjustment (See Testimony, RLM)
Column (E): Sum Of Columns (A) Thru (D)

TEST YEAR PLANT SCHEDULES
COMPANY'S PRESENT FILING VERSUS TOTAL PLANT FILED IN PRIOR RATE CASE - DECISION NO. 60172

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) ALLOC'N FACTOR	(B) CO. AS FILED PRIOR T. Y. 03/31/1995 TOTAL PLANT	(C) ADJM'T # 1 TO 03/31/95 CO. AS FILED TOTAL PLANT	(D) ADJM'T # 2 TO 03/31/95 CO. AS FILED TOTAL PLANT	(E) ADJM'T # 3 TO 03/31/95 CO. AS FILED TOTAL PLANT	(F) ACTUAL 03/31/95 PRIOR T. Y. TOTAL PLANT
		INTANGIBLE						
1	301.00	Organization	0.0000	$ 34	$ 0	$ 0	$ 0	$ 34
2	302.00	Franchises	0.0000	3,787	-	-	-	3,787
3	303.00	Miscellaneous Intangibles	0.0000	868	-	-	-	868
4		SUBTOTAL INTANGIBLE		$ 4,689	$ 0	$ 0	$ 0	$ 4,689
		TREATMENT AND DISCHARGE						
5	310.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
6	311.00	Structures And Improvements	0.0004	5,164	-	(158)	389	5,395
7	312.00	Preliminary Treatment	0.0000	-	-	-	-	0
8	313.00	Primary Treatment Equipment	0.0000	-	-	-	-	0
9	314.00	Secondary Treatment Equipment	0.0000	-	-	-	-	0
10	315.00	Tertiary Equipment	0.0000	-	-	-	-	0
11	316.00	Disinfection Equipment	0.0000	-	-	-	-	0
12	317.00	Effluent Lift Station E	0.0001	1,630	-	(50)	123	1,703
13	318.00	Outfall Line	0.0000	295	-	(9)	22	308
14	319.00	Sludge, Treatment And Distribution	0.0000	-	-	-	0	0
15	321.00	Influent Lift Station	0.0006	8,082	-	(247)	608	8,443
16	322.00	General Treatment Equipment	0.0010	13,396	-	(409)	1,008	13,995
17		SUBTOTAL TREATMENT AND DISCHARGE		$ 28,567	$ 0	$ (873)	$ 2,150	$ 29,844
		COLLECTION AND INFLUENT						
18	340.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
19	341.00	Structures And Improvements	0.0073	98,208	-	(3,000)	7,388	102,596
20	342.00	Collection System Lift	0.0450	603,199	-	(18,426)	45,378	630,151
21	343.00	Collection Mains	0.6216	8,324,927	-	(254,298)	626,274	8,696,903
22	344.00	Force Mains	0.0162	216,804	-	(6,623)	16,310	226,491
23	345.00	Discharge Services	0.1570	2,102,359	-	(64,220)	158,158	2,196,297
24	348.00	Manholes	0.1585	2,123,221	-	(64,857)	159,727	2,218,091
25		SUBTOTAL COLLECTION AND INFLUENT		$ 13,468,718	$ 0	$ (411,424)	$ 1,013,236	$ 14,070,530
		GENERAL						
26	389.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
27	390.00	Structures And Improvements	0.0266	-	355,671	-	26,767	382,438
28	391.00	Office Furniture And Equipment	0.0351	-	469,479	-	35,328	504,807
29	391.10	Computer Equipment	0.0327	-	438,421	-	32,992	471,413
30	392.00	Transportation Equipment	0.0000	2,485	180	-	24	2,689
31	393.00	Stores Equipment	0.0000	-	-	-	10	10
32	394.00	Tools, Shop And Garage	0.0003	55,689	4,004	-	311	60,004
33	395.00	Laboratory Equipment	0.0000	1,375	100	-	18	1,493
34	396.00	Power Operated Equipment	0.0000	-	-	-	10	10
35	397.00	Communication Equipment	0.0000	-	-	-	10	10
36	398.00	Miscellaneous Equipment	0.0001	20,005	1,439	-	118	21,563
37		SUBTOTAL GENERAL		$ 79,554	$ 1,269,295	0	$ 95,588	$ 1,444,437
38		**TOTAL WASTEWATER PLANT**		$ 13,581,528	$ 1,269,295	$ (412,297)	$ 1,110,974	$ 15,549,500
39		Youngtown Plant		$ (96,727)	$ 0	$ 0	$ 96,727	$ 0
40		AFUDC ADJUSTMENT 3/95		(93,075)	-	-	93,075	0
41		Adjustment Due To Rounding		-	-	-	-	0
42		**ADJUSTED WASTEWATER PLANT**		$ 13,391,726	$ 1,269,295	$ (412,297)	$ 1,300,776	$ 15,549,500

References:
Column (A): Ratio Of Depreciable Plant Item To The Total Plant Value (Col. (B), L42)
Column (B): Company Schedule B-2, Page 6a
Column (C): Column (A) (Line Item Allocation Factor) X Total Adjustment Of General Plant Of $1,269,295 As Per Prior Application Schedule B-2
Column (D): Column (A) (Line Item Allocation Factor) X Total Adjustment Of AFUDC Of ($412,297) As Per Prior Application Schedule B-2
Column (E): Column (A) (Line Item Allocation Factor) X Total Adjustment Of Youngtown Acquisition Of $1,110,974 As Per Prior Application Schedule B-2
Column (F): Prior Rate Case Decision No. 60172, Exhibit A - Before Commission Approved Adjustments

TEST YEAR PLANT SCHEDULES CONT'D
COMPANY'S PRIOR FILING VERSUS TOTAL PLANT ADJUSTMENTS APPROVED IN PRIOR RATE CASE - DECISION NO. 60172

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) ALLOC'N FACTOR	(B) ACTUAL 03/31/1995 PRIOR T. Y. TOTAL PLANT	(C) ADJM'T # 1 TO 03/31/95 PRIOR T. Y. TOTAL PLANT	(D) ADJM'T # 2 TO 03/31/95 PRIOR T. Y. TOTAL PLANT	(E) ACC APPR'D ADJUSTED PRIOR T. Y. TOTAL PLANT
		INTANGIBLE					
1	301.00	Organization	0.0000	$ 34	$ 0	$ 0	$ 34
2	302.00	Franchises	0.0000	3,787	-	-	3,787
3	303.00	Miscellaneous Intangibles	0.0000	868	-	-	868
4		SUBTOTAL INTANGIBLE		$ 4,689	$ 0	$ 0	$ 4,689
		TREATMENT AND DISCHARGE					
5	310.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0	$ 0
6	311.00	Structures And Improvements	0.0003	5,395	(71)	-	5,324
7	312.00	Preliminary Treatment	0.0000	-	-	-	0
8	313.00	Primary Treatment Equipment	0.0000	-	-	-	0
9	314.00	Secondary Treatment Equipment	0.0000	-	-	-	0
10	315.00	Tertiary Equipment	0.0000	-	-	-	0
11	316.00	Disinfection Equipment	0.0000	-	-	-	0
12	317.00	Effluent Lift Station E	0.0001	1,703	(22)	-	1,680
13	318.00	Outfall Line	0.0000	308	(4)	-	304
14	319.00	Sludge, Treatment And Distribution	0.0000	-	-	-	0
15	321.00	Influent Lift Station	0.0005	8,443	(111)	-	8,332
16	322.00	General Treatment Equipment	0.0009	13,995	(184)	-	13,811
17		SUBTOTAL TREATMENT AND DISCHARGE		$ 29,844	$ (393)	$ 0	$ 29,451
		COLLECTION AND INFLUENT					
18	340.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0	$ 0
19	341.00	Structures And Improvements	0.0066	102,596	(1,349)	-	101,247
20	342.00	Collection System Lift	0.0405	630,151	(8,287)	-	621,864
21	343.00	Collection Mains	0.5593	8,696,903	(114,369)	-	8,582,534
22	344.00	Force Mains	0.0146	226,491	(2,979)	-	223,513
23	345.00	Discharge Services	0.1412	2,196,297	(28,883)	-	2,167,415
24	348.00	Manholes	0.1426	2,218,091	(29,169)	-	2,188,922
25		SUBTOTAL COLLECTION AND INFLUENT		$ 14,070,530	$ (185,035)	$ 0	$ 13,885,495
		GENERAL					
26	389.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0	$ 0
27	390.00	Structures And Improvements	0.0246	382,438	-	-	382,438
28	391.00	Office Furniture And Equipment	0.0325	504,807	-	(13,792)	491,016
29	391.10	Computer Equipment	0.0303	471,413	-	(12,879)	458,534
30	392.00	Transportation Equipment	0.0002	2,689	-	(73)	2,615
31	393.00	Stores Equipment	0.0000	10	-	-	10
32	394.00	Tools, Shop And Garage	0.0039	60,004	-	(1,639)	58,365
33	395.00	Laboratory Equipment	0.0001	1,493	-	(41)	1,452
34	396.00	Power Operated Equipment	0.0000	10	-	-	10
35	397.00	Communication Equipment	0.0000	10	-	-	10
36	398.00	Miscellaneous Equipment	0.0014	21,563	-	(589)	20,974
37		SUBTOTAL GENERAL		$ 1,444,437	0	$ (29,014)	$ 1,415,424
38		**TOTAL WASTEWATER PLANT**		$ 15,549,500	$ (185,428)	$ (29,014)	$ 15,335,058
39		Youngtown Plant		$ 0	$ 0	$ 0	$ 0
40		AFUDC ADJUSTMENT 3/95		-	-	-	0
41		Adjustment Due To Rounding		-	-	-	0
42		**ADJUSTED WASTEWATER PLANT**		$ 15,549,500	$ (185,428)	$ (29,014)	$ 15,335,058

References:
Column (A): Ratio Of Depreciable Plant Item To The Total Plant Value (Col. (B), L42)
Column (B): Prior Rate Case Decision No. 60172, Exhibit A - Before Commission Approved Adjustments
Column (C): Commission Approved Adjustment Decision No. 60172, Exhibit A Per AR-13, Youngtown Plant And Youngtown Adjustment
Column (D): Commission Approved Adjustment Decision No. 60172, Exhibit A Per SAO Common Plant
Column (E): Prior Rate Case Decision No. 60172, Exhibit A - After Commission Approved Adjustments

TEST YEAR PLANT SCHEDULES CONT'D
COMPANY'S PRESENT FILING VERSUS ACCUMULATED DEPRECIATION FILED IN PRIOR RATE CASE - DECISION NO. 60172

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) ALLOC'N FACTOR	(B) PREV. APPL'N CO. AS FILED 12/31/1994 ACC. DEP.	(C) ADJM'T # 1 TO12/31/94 ACC. DEP.	(D) ACTUAL 03/31/1995 PRIOR T. Y. ACC. DEP.	(E) ADJM'T # 2 TO 03/31/95 PRIOR T. Y. ACC. DEP.	(F) ACC APPR'D ADJUSTED PRIOR T. Y. ACC. DEP.
		INTANGIBLE						
1	301.00	Organization	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
2	302.00	Franchises	0.0000	-	-	-	-	0
3	303.00	Miscellaneous Intangibles	0.0000	-	-	-	-	0
4		SUBTOTAL INTANGIBLE		$ 0	$ 0	$ 0	$ 0	$ 0
		TREATMENT AND DISCHARGE						
5	310.00	Land And Land Rights	0.0000	$ 0	0	$ 0	$ 0	$ 0
6	311.00	Structures And Improvements	0.0001	240	31	271	-	271
7	312.00	Preliminary Treatment	0.0000	-	-	-	-	0
8	313.00	Primary Treatment Equipment	0.0000	-	-	-	-	0
9	314.00	Secondary Treatment Equipment	0.0000	-	-	-	-	0
10	315.00	Tertiary Equipment	0.0000	-	-	-	-	0
11	316.00	Disinfection Equipment	0.0000	-	-	-	-	0
12	317.00	Effluent Lift Station E	0.0000	151	20	171	-	171
13	318.00	Outfall Line	0.0000	41	5	46	-	46
14	319.00	Sludge, Treatment And Distribution	0.0000	-	-	-	-	0
15	321.00	Influent Lift Station	0.0000	(2,195)	5	(2,190)	-	(2,190)
16	322.00	General Treatment Equipment	0.0004	1,732	225	1,957	-	1,957
17		SUBTOTAL TREATMENT AND DISCHARGE		$ (31)	$ 285	$ 254	$ 0	$ 254
		COLLECTION AND INFLUENT						
18	340.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
19	341.00	Structures And Improvements	0.0010	4,378	567	4,945	-	4,945
20	342.00	Collection System Lift	0.0327	146,042	18,898	164,940	-	164,940
21	343.00	Collection Mains	0.6212	2,771,656	358,645	3,130,301	-	3,130,301
22	344.00	Force Mains	0.0056	24,789	3,208	27,997	-	27,997
23	345.00	Discharge Services	0.1718	766,545	99,189	865,734	-	865,734
24	348.00	Manholes	0.1610	718,170	92,929	811,099	-	811,099
25		SUBTOTAL COLLECTION AND INFLUENT		$ 4,431,580	$ 573,436	$ 5,005,016	$ 0	$ 5,005,016
		GENERAL						
26	389.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
27	390.00	Structures And Improvements	0.0000	-	-	-	-	0
28	391.00	Office Furniture And Equipment	0.0000	-	-	-	-	0
29	391.10	Computer Equipment	0.0000	-	-	-	-	0
30	392.00	Transportation Equipment	0.0002	985	128	1,113	-	1,113
31	393.00	Stores Equipment	0.0000	-	-	-	-	0
32	394.00	Tools, Shop And Garage	0.0020	8,867	1,147	10,014	-	10,014
33	395.00	Laboratory Equipment	0.0003	1,243	161	1,404	-	1,404
34	396.00	Power Operated Equipment	0.0000	-	-	-	-	0
35	397.00	Communication Equipment	0.0000	-	-	-	-	0
36	398.00	Miscellaneous Equipment	0.0042	18,794	2,432	21,226	-	21,226
37		SUBTOTAL GENERAL		$ 29,889	$ 3,868	33,757	$ 0	$ 33,757
38		**TOTAL WASTEWATER PLANT ACC. DEP.**		$ 4,461,438	$ 577,589	$ 5,039,027	$ 0	$ 5,039,027
39		Youngtown Plant		$ 0	$ 0	$ 0	$ 0	$ 0
40		AFUDC ADJUSTMENT 3/95		-	-	-	-	0
41		Adjustment Due To Rounding		-	-	-	-	0
42		**ADJUSTED WASTEWATER PLANT ACC. DEP.**		$ 4,461,438	$ 577,589	$ 5,039,027	$ 0	$ 5,039,027

References:
Column (A): Ratio Of Depreciable Plant Item To The Total Accumulated Depreciation Value (Col. (B), L42)
Column (B): Company Prior Application Exhibit RJM-4b
Column (C): Column (A) (Line Item Allocation Factor) X Total Adjustment Of $26,220
Column (D): Prior Rate Case Decision No. 60172, Exhibit A - Before Commission Approved Adjustments
Column (E): Intentionally Left Blank
Column (F): Prior Rate Case Decision No. 60172, Exhibit A - After Commission Approved Adjustments

TEST YEAR PLANT SCHEDULES CONT'D
PRIOR TEST YEAR ENDED MARCH 31, 1995

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) APPROVED DEP. RATE	(B) FULLY DEP. PLANT	(C) DEP. EXP.	(D) TOTAL PLANT VALUE	(E) ACCUM. DEP.	(F) NET PLANT VALUE
		INTANGIBLE						
1	301.00	Organization	0.00%	$ 0	$ 0	$ 34	$ 0	$ 34
2	302.00	Franchises	0.00%	-	-	3,787	-	3,787
3	303.00	Miscellaneous Intangibles	0.00%	-	-	868	-	868
4		SUBTOTAL INTANGIBLE		$ 0	$ 0	$ 4,689	$ 0	$ 4,689
		TREATMENT AND DISCHARGE						
5	310.00	Land And Land Rights	0.00%	$ 0	$ 0	$ 0	$ 0	$ (0)
6	311.00	Structures And Improvements	2.50%	-	-	5,324	271	5,053
7	312.00	Preliminary Treatment	0.00%	-	-	-	-	-
8	313.00	Primary Treatment Equipment	0.00%	-	-	-	-	-
9	314.00	Secondary Treatment Equipment	2.52%	-	-	-	-	-
10	315.00	Tertiary Equipment	0.00%	-	-	-	-	-
11	316.00	Disinfection Equipment	0.00%	-	-	-	-	-
12	317.00	Effluent Lift Station E	2.00%	-	-	1,680	171	1,510
13	318.00	Outfall Line	2.00%	-	-	304	46	258
14	319.00	Sludge, Treatment And Distribution	2.50%	-	-	-	-	0
15	321.00	Influent Lift Station	2.00%	-	-	8,332	(2,190)	10,523
16	322.00	General Treatment Equipment	2.00%	-	-	13,811	1,957	11,854
17		SUBTOTAL TREATMENT AND DISCHARGE		$ 0	$ 0	$ 29,451	$ 254	$ 29,197
		COLLECTION AND INFLUENT						
18	340.00	Land And Land Rights	0.00%	$ 0	$ 0	$ 0	$ 0	$ 0
19	341.00	Structures And Improvements	2.00%	-	-	101,247	4,945	96,302
20	342.00	Collection System Lift	8.40%	-	-	621,864	164,940	456,925
21	343.00	Collection Mains	2.04%	-	-	8,582,534	3,130,301	5,452,232
22	344.00	Force Mains	2.07%	-	-	223,513	27,997	195,516
23	345.00	Discharge Services	2.04%	-	-	2,167,415	865,734	1,301,680
24	348.00	Manholes	2.03%	-	-	2,188,922	811,099	1,377,823
25		SUBTOTAL COLLECTION AND INFLUENT		$ 0	$ 0	$ 13,885,495	$ 5,005,016	$ 8,880,479
		GENERAL						
26	389.00	Land And Land Rights	0.00%	$ 0	$ 0	$ 0	$ 0	$ 0
27	390.00	Structures And Improvements	1.68%	-	-	382,438	-	382,438
28	391.00	Office Furniture And Equipment	4.55%	-	-	491,016	-	491,016
29	391.10	Computer Equipment	4.55%	-	-	458,534	-	458,534
30	392.00	Transportation Equipment	25.00%	-	-	2,615	1,113	1,503
31	393.00	Stores Equipment	3.92%	-	-	10	-	10
32	394.00	Tools, Shop And Garage	4.14%	-	-	58,365	10,014	48,351
33	395.00	Laboratory Equipment	3.71%	-	-	1,452	1,404	48
34	396.00	Power Operated Equipment	5.14%	-	-	10	-	10
35	397.00	Communication Equipment	10.28%	-	-	10	-	10
36	398.00	Miscellaneous Equipment	4.98%	-	-	20,974	21,226	(252)
37		SUBTOTAL GENERAL		$ 0	$ 0	$ 1,415,424	$ 33,757	$ 1,381,667
39		Youngtown Plant	2.80%	$ 0	$ 0	$ 0	$ 0	$ 0
40		AFUDC ADJUSTMENT 3/95	2.80%	-	-	-	-	0
41		Adjustment Due To Rounding		-	-	-	-	0
42		**TOTAL WASTEWATER PLANT**		$ 0	$ 0	$ 15,335,058	$ 5,039,027	$ 10,296,031

References:
Column (A): Prior Decision No. 60172 And Company Schedule C-2, Page 6
Column (B): Company Response To RUCO Data Request No. 1.22
Column (C): Company Response To RUCO Data Request No. 1.22
Column (D): Schedule RLM-4, Page 2
Column (E): Schedule RLM-4, Page 3
Column (F): Column (D) + Column (E)

TEST YEAR PLANT SCHEDULES CONT'D
FROM MARCH 31, 1995 TO DECEMBER 31, 1995

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 34	$ 0	$ 34
2	302.00	Franchises	1,427	-	-	-	5,214	-	5,214
3	303.00	Miscellaneous Intangibles	-	-	-	-	868	-	868
4		SUBTOTAL INTANGIBLE	$ 1,427	$ 0	$ 0	$ 0	$ 6,116	$ 0	$ 6,116
		TREATMENT AND DISCHARGE							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
6	311.00	Structures And Improvements	306	-	-	103	5,630	374	5,256
7	312.00	Preliminary Treatment	-	-	-	-	-	-	-
8	313.00	Primary Treatment Equipment	-	-	-	-	-	-	-
9	314.00	Secondary Treatment Equip.	-	-	-	-	-	-	-
10	315.00	Tertiary Equipment	-	-	-	-	-	-	-
11	316.00	Disinfection Equipment	-	-	-	-	-	-	-
12	317.00	Effluent Lift Station E	-	-	-	25	1,680	196	1,485
13	318.00	Outfall Line	-	-	-	5	304	51	253
14	319.00	Sludge, Treatment & Dist.	-	-	-	-	-	-	0
15	321.00	Influent Lift Station	-	-	-	125	8,332	(2,065)	10,398
16	322.00	General Treatment Equipment	3	1,112	-	216	12,702	1,060	11,641
17		SUBTOTAL TREAT.& DIS.	$ 309	$ 1,112	$ 0	$ 473	$ 28,648	$ (385)	$ 29,033
		COLLECTION AND INFLUENT							
18	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	341.00	Structures And Improvements	12,965	-	-	1,616	114,212	6,561	107,651
20	342.00	Collection System Lift	85,017	2,300	-	41,928	704,581	204,567	500,014
21	343.00	Collection Mains	34,085	1,440	-	131,585	8,615,179	3,260,446	5,354,733
22	344.00	Force Mains	185,990	-	-	4,914	409,503	32,910	376,592
23	345.00	Discharge Services	5,854	-	-	33,206	2,173,269	898,940	1,274,328
24	348.00	Manholes	11,421	-	-	33,413	2,200,343	844,513	1,355,830
25		SUBTOTAL COLL. & INFLU.	$ 335,332	$ 3,740	$ 0	$ 246,662	$ 14,217,087	$ 5,247,938	$ 8,969,149
		GENERAL							
26	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
27	390.00	Structures And Improvements	-	-	-	4,821	382,438	4,821	377,617
28	391.00	Office Furniture & Equipment	-	-	-	16,738	491,016	16,738	474,278
29	391.10	Computer Equipment	-	-	-	15,631	458,534	15,631	442,903
30	392.00	Transportation Equipment	-	-	-	490	2,615	1,603	1,012
31	393.00	Stores Equipment	-	-	-	0	10	0	10
32	394.00	Tools, Shop And Garage	-	-	-	1,810	58,365	11,824	46,541
33	395.00	Laboratory Equipment	-	-	-	40	1,452	1,444	8
34	396.00	Power Operated Equipment	-	-	-	0	10	0	10
35	397.00	Communication Equipment	-	-	-	1	10	1	9
36	398.00	Miscellaneous Equipment	-	-	-	783	20,974	22,009	(1,036)
37		SUBTOTAL GENERAL	$ 0	$ 0	$ 0	$ 40,316	$ 1,415,424	$ 74,073	$ 1,341,351
38		Youngtown Plant	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
39		AFUDC ADJUSTMENT 3/95	-	-	-	-	-	-	-
40		Adjustment Due To Rounding	1	-	-	-	1	-	0
41		**TOTAL WASTEWATER PLT**	$ 337,069	$ 4,852	$ 0	$ 287,450	$ 15,667,275	$ 5,321,625	$ 10,345,649

References:
Columns (A) (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 4, Col. (D) - Col. (C)] X RLM-4, Page 4, Col. (A)]
Column (E): Schedule RLM-4, Page 4, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 4, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
YEAR ENDED DECEMBER 31, 1996

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 122,339	$ 0	$ 0	$ 0	$ 122,373	$ 0	$ 122,373
2	302.00	Franchises	-	-	-	-	5,214	-	5,214
3	303.00	Miscellaneous Intangibles	9,627	-	-	-	10,495	-	10,495
4		SUBTOTAL INTANGIBLE	$ 131,966	$ 0	$ 0	$ 0	$ 138,082	$ 0	$ 138,082
		TREATMENT AND DISCHARGE							
5	310.00	Land And Land Rights	$ 5,656	$ 0	$ 0	$ 0	$ 5,656	$ 0	$ 5,656
6	311.00	Structures And Improvements	18,450	-	-	371	24,080	745	23,335
7	312.00	Preliminary Treatment	-	-	-	-	-	-	-
8	313.00	Primary Treatment Equipment	-	-	-	-	-	-	-
9	314.00	Secondary Treatment Equip.	-	-	-	-	-	-	-
10	315.00	Tertiary Equipment	-	-	-	-	-	-	-
11	316.00	Disinfection Equipment	-	-	-	-	-	-	-
12	317.00	Effluent Lift Station E	-	-	-	34	1,680	229	1,451
13	318.00	Outfall Line	-	-	-	6	304	57	247
14	319.00	Sludge, Treatment & Dist.	-	-	-	-	-	-	-
15	321.00	Influent Lift Station	-	-	-	167	8,332	(1,899)	10,231
16	322.00	General Treatment Equipment	-	-	-	254	12,702	1,314	11,387
17		SUBTOTAL TREAT.& DIS.	$ 24,106	$ 0	$ 0	$ 832	$ 52,754	$ 447	$ 52,307
		COLLECTION AND INFLUENT							
18	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	341.00	Structures And Improvements	4,039	-	-	2,325	118,251	8,885	109,366
20	342.00	Collection System Lift	19,599	-	-	60,008	724,180	264,575	459,605
21	343.00	Collection Mains	881,845	-	-	184,744	9,497,024	3,445,190	6,051,833
22	344.00	Force Mains	-	123,366	-	9,754	286,137	(80,702)	366,839
23	345.00	Discharge Services	21,425	-	-	44,553	2,194,694	943,494	1,251,200
24	348.00	Manholes	81,686	-	-	45,496	2,282,030	890,009	1,392,021
25		SUBTOTAL COLL. & INFLU.	$ 1,008,594	$ 123,366	$ 0	$ 346,880	$ 15,102,316	$ 5,471,451	$ 9,630,864
		GENERAL							
26	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
27	390.00	Structures And Improvements	-	-	-	6,428	382,438	11,249	371,189
28	391.00	Office Furniture & Equipment	24,109	-	-	22,865	515,125	39,603	475,522
29	391.10	Computer Equipment	-	-	-	20,842	458,534	36,473	422,061
30	392.00	Transportation Equipment	5,596	-	-	1,353	8,211	2,956	5,255
31	393.00	Stores Equipment	-	-	-	0	10	1	9
32	394.00	Tools, Shop And Garage	55,781	-	-	3,567	114,146	15,391	98,755
33	395.00	Laboratory Equipment	-	-	-	54	1,452	1,498	(46)
34	396.00	Power Operated Equipment	-	-	-	1	10	1	9
35	397.00	Communication Equipment	-	-	-	1	10	2	8
36	398.00	Miscellaneous Equipment	-	-	-	1,044	20,974	23,054	(2,080)
37		SUBTOTAL GENERAL	$ 85,486	$ 0	$ 0	$ 56,155	$ 1,500,910	$ 130,228	$ 1,370,682
38		Youngtown Plant	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
39		AFUDC ADJUSTMENT 3/95	-	-	-	-	-	-	-
40		Adjustment Due To Rounding	-	-	-	-	(1)	-	(1)
41		**TOTAL WASTEWATER PLT**	$ 1,250,152	$ 123,366	$ 0	$ 403,867	$ 16,794,060	$ 5,602,126	$ 11,191,934

References:
Columns (A) (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 5, Col. (E) - Col. (C)] X RLM-4, Page 4, Col. (A)]
Column (E): Schedule RLM-4, Page 5, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 5, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
YEAR ENDED DECEMBER 31, 1997

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 122,373	$ 0	$ 122,373
2	302.00	Franchises	918	-	-	-	6,132	-	6,132
3	303.00	Miscellaneous Intangibles	-	-	-	-	10,495	-	10,495
4		SUBTOTAL INTANGIBLE	$ 918	$ 0	$ 0	$ 0	$ 139,000	$ 0	$ 139,000
		TREATMENT AND DISCHARGE							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 5,656	$ 0	$ 5,656
6	311.00	Structures And Improvements	-	370	-	607	23,710	982	22,728
7	312.00	Preliminary Treatment	-	-	-	-	-	-	-
8	313.00	Primary Treatment Equipment	-	-	-	-	-	-	-
9	314.00	Secondary Treatment Equip.	-	-	-	-	-	-	-
10	315.00	Tertiary Equipment	-	-	-	-	-	-	-
11	316.00	Disinfection Equipment	-	-	-	-	-	-	-
12	317.00	Effluent Lift Station E	-	146	-	35	1,534	118	1,416
13	318.00	Outfall Line	-	-	-	6	304	63	241
14	319.00	Sludge, Treatment & Dist.	-	-	-	-	-	-	0
15	321.00	Influent Lift Station	-	577	-	172	7,755	(2,303)	10,058
16	322.00	General Treatment Equipment	-	150	-	256	12,552	1,420	11,132
17		SUBTOTAL TREAT.& DIS.	$ 0	$ 1,243	$ 0	$ 1,076	$ 51,511	$ 280	$ 51,231
		COLLECTION AND INFLUENT							
18	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	341.00	Structures And Improvements	-	635	-	2,371	117,616	10,622	106,994
20	342.00	Collection System Lift	4,929	22,311	-	61,975	706,798	304,240	402,559
21	343.00	Collection Mains	96,310	10,813	-	194,832	9,582,521	3,629,209	5,953,311
22	344.00	Force Mains	-	6,411	-	5,989	279,726	(81,124)	360,849
23	345.00	Discharge Services	2,704	-	-	44,799	2,197,398	988,293	1,209,105
24	348.00	Manholes	2,178	4,758	-	46,396	2,279,450	931,646	1,347,803
25		SUBTOTAL COLL. & INFLU.	$ 106,121	$ 44,928	$ 0	$ 356,363	$ 15,163,509	$ 5,782,886	$ 9,380,622
		GENERAL							
26	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
27	390.00	Structures And Improvements	-	-	-	6,428	382,438	17,677	364,761
28	391.00	Office Furniture & Equipment	-	24,109	-	23,961	491,016	39,454	451,561
29	391.10	Computer Equipment	-	-	-	20,842	458,534	57,315	401,219
30	392.00	Transportation Equipment	-	5,796	-	2,777	2,415	(63)	2,478
31	393.00	Stores Equipment	-	-	-	0	10	1	9
32	394.00	Tools, Shop And Garage	-	63,793	-	6,039	50,354	(42,362)	92,716
33	395.00	Laboratory Equipment	7,627	-	-	195	9,080	1,693	7,386
34	396.00	Power Operated Equipment	-	-	-	1	10	1	9
35	397.00	Communication Equipment	-	-	-	1	10	3	7
36	398.00	Miscellaneous Equipment	-	33	-	1,045	20,941	24,067	(3,126)
37		SUBTOTAL GENERAL	$ 7,627	$ 93,730	$ 0	$ 61,289	$ 1,414,807	$ 97,786	$ 1,317,021
38		Youngtown Plant	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
39		AFUDC ADJUSTMENT 3/95	-	-	-	-	$ -	-	-
40		Adjustment Due To Rounding	-	-	-	-	(2)	-	0
41		**TOTAL WASTEWATER PLT**	$ 114,666	$ 139,901	$ 0	$ 418,728	$ 16,768,825	$ 5,880,952	$ 10,887,874

References:
Columns (A) (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 6, Col. (E) - Col. (C)] X RLM-4, Page 4, Col. (A)]
Column (E): Schedule RLM-4, Page 6, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 6, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
YEAR ENDED DECEMBER 31, 1998

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 122,373	$ 0	$ 122,373
2	302.00	Franchises	-	-	-	-	6,132	-	6,132
3	303.00	Miscellaneous Intangibles	-	-	-	-	10,495	-	10,495
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 139,000	$ 0	$ 139,000
		TREATMENT AND DISCHARGE							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 5,656	$ 0	$ 5,656
6	311.00	Structures And Improvements	-	1,455	-	611	22,255	138	22,117
7	312.00	Preliminary Treatment	-	-	-	-	-	-	-
8	313.00	Primary Treatment Equipment	-	-	-	-	-	-	-
9	314.00	Secondary Treatment Equip.	-	-	-	-	-	-	-
10	315.00	Tertiary Equipment	-	-	-	-	-	-	-
11	316.00	Disinfection Equipment	-	-	-	-	-	-	-
12	317.00	Effluent Lift Station E	19	-	-	31	1,553	149	1,404
13	318.00	Outfall Line	-	-	-	6	304	69	235
14	319.00	Sludge, Treatment & Dist.	-	-	-	-	-	-	0
15	321.00	Influent Lift Station	77	-	-	156	7,832	(2,147)	9,980
16	322.00	General Treatment Equipment	20	-	-	251	12,572	1,671	10,901
17		SUBTOTAL TREAT.& DIS.	$ 116	$ 1,455	$ 0	$ 1,055	$ 50,172	$ (120)	$ 50,292
		COLLECTION AND INFLUENT							
18	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	341.00	Structures And Improvements	9,463	-	-	2,447	127,079	13,068	114,011
20	342.00	Collection System Lift	21,327	-	-	60,267	728,126	364,507	363,619
21	343.00	Collection Mains	-	11,677	-	195,603	9,570,844	3,813,135	5,757,709
22	344.00	Force Mains	-	677	-	5,797	279,049	(76,003)	355,052
23	345.00	Discharge Services	236	-	-	44,829	2,197,634	1,033,122	1,164,512
24	348.00	Manholes	-	4,146	-	46,315	2,275,303	973,816	1,301,487
25		SUBTOTAL COLL. & INFLU.	$ 31,027	$ 16,500	$ 0	$ 355,258	$ 15,178,036	$ 6,121,645	$ 9,056,391
		GENERAL							
26	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
27	390.00	Structures And Improvements	-	-	-	6,428	382,438	24,105	358,333
28	391.00	Office Furniture & Equipment	8,671	-	-	22,514	499,687	61,968	437,718
29	391.10	Computer Equipment	-	-	-	20,842	458,534	78,157	380,377
30	392.00	Transportation Equipment	27	-	-	657	2,442	595	1,848
31	393.00	Stores Equipment	-	-	-	0	10	1	9
32	394.00	Tools, Shop And Garage	998	-	-	2,434	51,352	(39,928)	91,280
33	395.00	Laboratory Equipment	-	6,621	-	177	2,459	(4,751)	7,210
34	396.00	Power Operated Equipment	-	-	-	1	10	2	8
35	397.00	Communication Equipment	-	-	-	1	10	4	6
36	398.00	Miscellaneous Equipment	33	-	-	1,045	20,974	25,112	(4,138)
37		SUBTOTAL GENERAL	$ 9,729	$ 6,621	$ 0	$ 54,099	$ 1,417,915	$ 145,264	$ 1,272,651
38		Youngtown Plant	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)	$ 0
39		AFUDC ADJUSTMENT 3/95	-	-	-	-	-	-	-
40		Adjustment Due To Rounding	(1)	-	-	-	(1)	-	(1)
41		**TOTAL WASTEWATER PLT**	$ 40,871	$ 24,576	$ 0	$ 410,412	$ 16,785,122	$ 6,266,789	$ 10,518,333

References:
Columns (A) (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 7, Col. (E) - Col. (C)] X RLM-4, Page 4, Col. (A)]
Column (E): Schedule RLM-4, Page 7, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 7, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
YEAR ENDED DECEMBER 31, 1999

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 122,373	$ 0	$ 122,373
2	302.00	Franchises	-	-	-	-	6,132	-	6,132
3	303.00	Miscellaneous Intangibles	-	-	-	-	10,495	-	10,495
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 139,000	$ 0	$ 139,000
		TREATMENT AND DISCHARGE							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 5,656	$ 0	$ 5,656
6	311.00	Structures And Improvements	55,490	-	-	1,250	77,745	1,388	76,357
7	312.00	Preliminary Treatment	453	-	-	-	453	-	453
8	313.00	Primary Treatment Equipment	-	-	-	-	-	-	-
9	314.00	Secondary Treatment Equip.	833	-	-	10	833	10	822
10	315.00	Tertiary Equipment	-	-	-	-	-	-	-
11	316.00	Disinfection Equipment	-	-	-	-	-	-	-
12	317.00	Effluent Lift Station E	-	-	-	34	1,553	229	1,324
13	318.00	Outfall Line	-	-	-	6	304	57	247
14	319.00	Sludge, Treatment & Dist.	-	-	-	-	-	-	0
15	321.00	Influent Lift Station	-	-	-	167	7,832	(1,899)	9,731
16	322.00	General Treatment Equipment	-	-	-	254	12,572	1,314	11,257
17		SUBTOTAL TREAT.& DIS.	$ 56,776	$ 0	$ 0	$ 1,721	$ 106,948	$ 1,100	$ 105,847
		COLLECTION AND INFLUENT							
18	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	341.00	Structures And Improvements	-	-	-	2,542	127,080	15,610	111,470
20	342.00	Collection System Lift	194,395	-	-	69,327	922,520	433,834	488,687
21	343.00	Collection Mains	204,676	-	-	197,333	9,775,520	4,010,468	5,765,052
22	344.00	Force Mains	1,836,903	-	-	24,788	2,115,952	(51,215)	2,167,167
23	345.00	Discharge Services	92,604	-	-	45,776	2,290,238	1,078,898	1,211,340
24	348.00	Manholes	167,853	-	-	47,892	2,443,157	1,021,708	1,421,448
25		SUBTOTAL COLL. & INFLU.	$ 2,496,431	$ 0	$ 0	$ 387,659	$ 17,674,468	$ 6,509,303	$ 11,165,164
		GENERAL							
26	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
27	390.00	Structures And Improvements	5,000	-	-	6,470	387,438	30,575	356,863
28	391.00	Office Furniture & Equipment	-	-	-	22,711	499,687	84,680	415,007
29	391.10	Computer Equipment	-	-	-	20,842	458,534	98,999	359,535
30	392.00	Transportation Equipment	-	-	-	611	2,442	1,205	1,237
31	393.00	Stores Equipment	-	-	-	0	10	2	8
32	394.00	Tools, Shop And Garage	-	-	-	2,123	51,352	(37,805)	89,157
33	395.00	Laboratory Equipment	-	-	-	91	2,459	(4,660)	7,119
34	396.00	Power Operated Equipment	-	-	-	1	10	2	8
35	397.00	Communication Equipment	-	-	-	1	10	5	5
36	398.00	Miscellaneous Equipment	4,886	-	-	1,166	25,859	26,278	(419)
37		SUBTOTAL GENERAL	$ 9,886	$ 0	$ 0	$ 54,016	$ 1,427,801	$ 199,281	$ 1,228,520
38		Youngtown Plant	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)	$ 0
39		AFUDC ADJUSTMENT 3/95	-	-	-	-	-	-	-
40		Adjustment Due To Rounding	(1)	-	-	-	(2)	-	0
41		**TOTAL WASTEWATER PLT**	$ 2,563,092	$ 0	$ 0	$ 443,396	$ 19,348,214	$ 6,709,684	$ 12,638,532

References:
Columns (A) (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 8, Col. (E) - Col. (C)] X RLM-4, Page 4, Col. (A)]
Column (E): Schedule RLM-4, Page 8, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 8, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
YEAR ENDED DECEMBER 31, 2000

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 122,373	$ 0	$ 122,373
2	302.00	Franchises	-	-	-	-	6,132	-	6,132
3	303.00	Miscellaneous Intangibles	-	-	-	-	10,495	-	10,495
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 139,000	$ 0	$ 139,000
		TREATMENT AND DISCHARGE							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 5,656	$ 0	$ 5,656
6	311.00	Structures And Improvements	-	-	-	1,944	77,745	3,331	74,413
7	312.00	Preliminary Treatment	-	-	-	-	453	-	453
8	313.00	Primary Treatment Equipment	-	-	-	-	-	-	-
9	314.00	Secondary Treatment Equip.	-	-	-	21	833	31	801
10	315.00	Tertiary Equipment	-	-	-	-	-	-	-
11	316.00	Disinfection Equipment	-	-	-	-	-	-	-
12	317.00	Effluent Lift Station E	-	-	-	31	1,553	260	1,293
13	318.00	Outfall Line	-	4	-	6	300	59	241
14	319.00	Sludge, Treatment & Dist.	-	-	-	-	-	-	-
15	321.00	Influent Lift Station	-	7,403	-	231	429	(9,071)	9,500
16	322.00	General Treatment Equipment	-	2	-	251	12,570	1,564	11,006
17		SUBTOTAL TREAT.& DIS.	$ 0	$ 7,409	$ 0	$ 2,484	$ 99,539	$ (3,825)	$ 103,364
		COLLECTION AND INFLUENT							
18	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	341.00	Structures And Improvements	-	-	-	2,542	127,080	18,152	108,928
20	342.00	Collection System Lift	1,858	85,049	-	81,142	839,330	429,927	409,403
21	343.00	Collection Mains	248,860	8,810	-	202,049	10,015,569	4,203,707	5,811,863
22	344.00	Force Mains	23,189	85,040	-	44,920	2,054,101	(91,335)	2,145,436
23	345.00	Discharge Services	53,608	6	-	47,268	2,343,840	1,126,166	1,217,674
24	348.00	Manholes	53,524	239	-	50,142	2,496,441	1,071,611	1,424,830
25		SUBTOTAL COLL. & INFLU.	$ 381,039	$ 179,144	$ 0	$ 428,062	$ 17,876,362	$ 6,758,227	$ 11,118,135
		GENERAL							
26	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
27	390.00	Structures And Improvements	-	-	-	6,512	387,438	37,087	350,351
28	391.00	Office Furniture & Equipment	47,250	-	-	23,785	546,937	108,464	438,472
29	391.10	Computer Equipment	-	-	-	20,842	458,534	119,841	338,693
30	392.00	Transportation Equipment	-	-	-	611	2,442	1,816	627
31	393.00	Stores Equipment	-	-	-	0	10	2	8
32	394.00	Tools, Shop And Garage	-	-	-	2,123	51,351	(35,682)	87,033
33	395.00	Laboratory Equipment	-	-	-	91	2,459	(4,569)	7,027
34	396.00	Power Operated Equipment	-	-	-	1	10	3	7
35	397.00	Communication Equipment	-	-	-	1	10	6	4
36	398.00	Miscellaneous Equipment	-	-	-	1,288	25,859	27,566	(1,706)
37		SUBTOTAL GENERAL	$ 47,250	$ 0	$ 0	$ 55,254	$ 1,475,050	$ 254,534	$ 1,220,516
38		Youngtown Plant	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)	$ 0
39		AFUDC ADJUSTMENT 3/95	-	-	-	-	-	-	-
40		Adjustment Due To Rounding	-	-	-	-	(1)	-	0
41		**TOTAL WASTEWATER PLT**	$ 428,289	$ 186,553	$ 0	$ 485,800	$ 19,589,950	$ 7,008,937	$ 12,581,014

References:
Columns (A) (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 9, Col. (E) - Col. (C)] X RLM-4, Page 4, Col. (A)]
Column (E): Schedule RLM-4, Page 9, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 9, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
TEST YEAR ENDED DECEMBER 31, 2001

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 122,373	$ 0	$ 122,373
2	302.00	Franchises	-	-	-	-	6,132	-	6,132
3	303.00	Miscellaneous Intangibles	-	-	-	-	10,495	-	10,495
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 139,000	$ 0	$ 139,000
		TREATMENT AND DISCHARGE							
5	310.00	Land And Land Rights	$ 909	$ 0	$ 0	$ 0	$ 6,565	$ 0	$ 6,564
6	311.00	Structures And Improvements	-	55,490	-	2,637	22,255	(49,522)	71,777
7	312.00	Preliminary Treatment	-	-	-	-	453	(0)	453
8	313.00	Primary Treatment Equipment	-	-	-	-	-	1	(0)
9	314.00	Secondary Treatment Equip.	1,743	-	-	43	2,576	75	2,501
10	315.00	Tertiary Equipment	-	-	-	-	-	1	(0)
11	316.00	Disinfection Equipment	-	-	-	-	-	1	(0)
12	317.00	Effluent Lift Station E	-	-	-	31	1,553	292	1,262
13	318.00	Outfall Line	-	-	-	6	300	65	236
14	319.00	Sludge, Treatment & Dist.	-	-	-	-	-	(0)	0
15	321.00	Influent Lift Station	-	-	-	9	429	(9,063)	9,491
16	322.00	General Treatment Equipment	9,465	2,878	-	375	19,158	(940)	20,098
17		SUBTOTAL TREAT.& DIS.	$ 12,117	$ 58,368	$ 0	$ 3,101	$ 53,288	$ (59,093)	$ 112,380
		COLLECTION AND INFLUENT							
18	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	341.00	Structures And Improvements	226,672		-	4,808	353,752	22,960	330,792
20	342.00	Collection System Lift	432,903	23,843	-	89,687	1,248,390	495,771	752,619
21	343.00	Collection Mains	229,001	100,000	-	207,673	10,144,570	4,311,380	5,833,190
22	344.00	Force Mains	-	745,965	-	50,241	1,308,136	(41,093)	1,349,230
23	345.00	Discharge Services	28,669	-	-	48,107	2,372,509	1,174,273	1,198,236
24	348.00	Manholes	65,044	-	-	51,338	2,561,485	1,122,949	1,438,536
25		SUBTOTAL COLL. & INFLU.	$ 982,289	$ 869,808	$ 0	$ 451,854	$ 17,988,843	$ 7,086,239	$ 10,902,604
		GENERAL							
26	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
27	390.00	Structures And Improvements	-	5,000	-	6,554	382,438	38,641	343,797
28	391.00	Office Furniture & Equipment	-	-	-	24,859	546,937	133,323	413,613
29	391.10	Computer Equipment	-	-	-	20,842	458,534	140,682	317,851
30	392.00	Transportation Equipment	-	-	-	611	2,442	2,426	16
31	393.00	Stores Equipment	-	-	-	0	10	3	7
32	394.00	Tools, Shop And Garage	-	-	-	2,123	51,351	(33,558)	84,909
33	395.00	Laboratory Equipment	-	2,381	-	135	77	(6,814)	6,892
34	396.00	Power Operated Equipment	-	-	-	1	10	3	7
35	397.00	Communication Equipment	-	-	-	1	10	7	3
36	398.00	Miscellaneous Equipment	-	5,017	-	1,413	20,842	23,962	(3,120)
37		SUBTOTAL GENERAL	$ 0	$ 12,398	$ 0	$ 56,539	$ 1,462,652	$ 298,676	$ 1,163,976
38		Youngtown Plant	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)	$ 0
39		AFUDC ADJUSTMENT 3/95	-	-	-	-	-	-	-
40		Adjustment Due To Rounding	-	-	-	-	-	2	0
41		**TOTAL WASTEWATER PLT**	$ 994,406	$ 940,575	$ 0	$ 511,493	$ 19,643,782	$ 7,325,824	$ 12,317,960

References:
Columns (A) (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank $ -
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 10, Col. (E) - Col. (C)] X RLM-4, Page 4, Col. (A)]
Column (E): Schedule RLM-4, Page 10, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 10, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
2001 TEST YEAR ADJUSTMENT TO GENERAL PLANT ALLOCATION - CITIZENS VERSUS ARIZONA-AMERICAN

			(A)	(B)	(C)	(D)	(E)	(F)	(G)
			PRE-ACQUISITION		ADJUSTMENTS		POST-ACQUISITION		
LINE NO.	ACCT. NO.	ACCOUNT NAME	TOTAL PLANT VALUE	ACCUM. DEP.	TOTAL PLANT VALUE	ACCUM. DEP.	TOTAL PLANT VALUE	ACCUM. DEP.	NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 122,373	$ 0	$ 0	$ 0	$ 122,373	$ 0	$ 122,373
2	302.00	Franchises	6,132	-	-	-	6,132	-	6,132
3	303.00	Miscellaneous Intangibles	10,495	-	-	-	10,495	-	10,495
4		SUBTOTAL INTANGIBLE	$ 139,000	$ 0	$ 0	$ 0	$ 139,000	$ 0	$ 139,000
		TREATMENT AND DISCHARGE							
5	310.00	Land And Land Rights	$ 6,565	$ 0	$ 0	$ 0	$ 6,565	$ 0	$ 6,564
6	311.00	Structures & Improvements	22,255	(49,522)	-	-	22,255	(49,522)	71,777
7	312.00	Preliminary Treatment	453	-	-	-	453	-	453
8	313.00	Primary Treatment Equip.	-	1	-	-	-	1	(0)
9	314.00	Secondary Treatment Equip.	2,576	75	-	-	2,576	75	2,501
10	315.00	Tertiary Equipment	-	1	-	-	-	1	(0)
11	316.00	Disinfection Equipment	-	1	-	-	-	1	(0)
12	317.00	Effluent Lift Station E	1,553	292	-	-	1,553	292	1,262
13	318.00	Outfall Line	300	65	-	-	300	65	236
14	319.00	Sludge, Treatment & Dist.	-	-	-	-	-	-	-
15	321.00	Influent Lift Station	429	(9,063)	-	-	429	(9,063)	9,491
16	322.00	General Treatment Equip.	19,158	(940)	-	-	19,158	(940)	20,098
17		SUBTOTAL TREAT.& DIS.	$ 53,288	$ (59,092)	$ 0	$ 0	$ 53,288	$ (59,092)	$ 112,380
		COLLECTION AND INFLUENT							
18	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	341.00	Structures & Improvements	353,752	22,960	-	-	353,752	22,960	330,792
20	342.00	Collection System Lift	1,248,390	495,771	-	-	1,248,390	495,771	752,619
21	343.00	Collection Mains	10,144,570	4,311,380	-	-	10,144,570	4,311,380	5,833,190
22	344.00	Force Mains	1,308,136	(41,093)	-	-	1,308,136	(41,093)	1,349,230
23	345.00	Discharge Services	2,372,509	1,174,273	-	-	2,372,509	1,174,273	1,198,236
24	348.00	Manholes	2,561,485	1,122,949	-	-	2,561,485	1,122,949	1,438,536
25		SUB COLL. & INFLU.	$ 17,988,843	$ 7,086,239	$ 0	$ 0	$ 17,988,843	$ 7,086,239	$ 10,902,604
		GENERAL							
26	389.00	Land And Land Rights	$ 0	$ 0	$ 1,108	$ 0	$ 1,108	$ 0	$ 1,108
27	390.00	Structures & Improvements	382,438	38,641	378,035	31,967	760,473	70,608	689,865
28	391.00	Office Furniture & Equip.	546,937	133,323	(320,409)	(51,467)	226,528	81,856	144,672
29	391.10	Computer Equipment	458,534	140,682	(134,211)	(239,386)	324,323	(98,704)	423,027
30	392.00	Transportation Equipment	2,442	2,426	405,681	233,301	408,123	235,727	172,396
31	393.00	Stores Equipment	10	3	6,513	1,764	6,523	1,767	4,756
32	394.00	Tools, Shop And Garage	51,351	(33,558)	41,983	37,699	93,334	4,141	89,193
33	395.00	Laboratory Equipment	77	(6,814)	29,488	12,026	29,565	5,212	24,353
34	396.00	Power Operated Equipment	10	3	27,311	9,718	27,321	9,721	17,600
35	397.00	Communication Equipment	10	7	131,116	75,514	131,126	75,521	55,605
36	398.00	Miscellaneous Equipment	20,842	23,962	42,077	5,205	62,919	29,167	33,752
37		SUBTOTAL GENERAL	$ 1,462,652	$ 298,676	$ 608,691	$ 116,340	$ 2,071,343	$ 415,016	$ 1,656,327
38		Youngtown Plant	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
39		AFUDC ADJUSTMENT 3/95	-	-	-	-	-	-	-
40		Adjustm't Due To Rounding	-	-	-	-	-	-	0
41		**TOT. WASTEWT'R PLT**	$ 19,643,782	$ 7,325,822	$ 608,691	$ 116,340	$ 20,252,473	$ 7,442,163	$ 12,810,311
42		Company As Filed B-2					19,643,850	6,967,677	
43		Adjustment To Test Year Total Plant And Accummulated Depreciation (See RLM-3, Col (B), Lines 1 & 2)					$ 608,623	$ 474,486	

References:
Column (A): Schedule RLM-4, Page 11, Column (E)
Column (B): Schedule RLM-4, Page 11, Column (F)
Columns (C) (D): Adjustment To Replace Citizens' Utilities General Plant With Arizona Water's Common Plant Allocation As Per Company Schedule B-2, Pg 2
Column (E): Column (A) - Column (C) As Per Company Schedule B-2, Page 3
Column (F): Column (B) - Column (D) As Per Company Schedule B-2, Page 3
Column (G): Column (E) - Column (F)

POST-TEST YEAR 2001 PLANT

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) REVENUE NEUTRAL PLANT ADD'N	(B) ORCOM & PLANT AT CLOSING	(C) ADDIT'NAL ACC. DEP. AT CLOS'G	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 122,373	$ 0	$ 122,373
2	302.00	Franchises	-	101,300	-	-	107,432	-	107,432
3	303.00	Miscellaneous Intangibles	-	-	-	-	10,495	-	10,495
4		SUBTOTAL INTANGIBLE	$ 0	$ 101,300	$ 0	$ 0	$ 240,300	$ 0	$ 240,300
		TREATMENT AND DISCHARGE							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 6,565	$ 0	$ 6,564
6	311.00	Structures And Improvements	-	-	-	-	22,255	(49,522)	71,777
7	312.00	Preliminary Treatment	-	-	276	-	453	276	177
8	313.00	Primary Treatment Equipment	-	-	-	-	-	1	(0)
9	314.00	Secondary Treatment Equip.	-	-	-	-	2,576	75	2,501
10	315.00	Tertiary Equipment	-	-	-	-	-	1	(0)
11	316.00	Disinfection Equipment	-	-	-	-	-	1	(0)
12	317.00	Effluent Lift Station E	-	-	15	-	1,553	307	1,247
13	318.00	Outfall Line	-	-	3	-	300	68	233
14	319.00	Sludge, Treatment & Dist.	-	-	-	-	-	-	0
15	321.00	Influent Lift Station	-	-	2	-	429	(9,061)	9,489
16	322.00	General Treatment Equipment	-	-	187	-	19,158	(753)	19,911
17		SUBTOTAL TREAT.& DIS.	$ 0	$ 0	$ 483	$ 0	$ 53,288	$ (58,609)	$ 111,897
		COLLECTION AND INFLUENT							
18	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
19	341.00	Structures And Improvements	-	-	3,648	-	353,752	26,608	327,144
20	342.00	Collection System Lift	-	-	51,627	-	1,248,390	547,398	700,992
21	343.00	Collection Mains	290	2,497,115	1,164,864	25,474	12,641,975	5,501,717	7,140,258
22	344.00	Force Mains	-	-	13,452	-	1,308,136	(27,641)	1,335,778
23	345.00	Discharge Services	-	-	23,526	-	2,372,509	1,197,799	1,174,710
24	348.00	Manholes	-	(2,495,785)	(1,038,722)	(25,332)	65,700	58,895	6,805
25		SUBTOTAL COLL. & INFLU.	$ 290	$ 1,330	$ 218,395	$ 141	$ 17,990,463	$ 7,304,775	$ 10,685,688
		GENERAL							
26	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 1,108	$ 0	$ 1,108
27	390.00	Structures And Improvements	31,437	-	(142)	264	791,910	70,730	721,180
28	391.00	Office Furniture & Equipment	138,562	1	1,243	3,149	365,091	86,248	278,843
29	391.10	Computer Equipment	-	-	-	-	324,323	(98,704)	423,027
30	392.00	Transportation Equipment	-	-	289	-	408,123	236,016	172,107
31	393.00	Stores Equipment	-	-	-	-	6,523	1,767	4,756
32	394.00	Tools, Shop And Garage	-	-	1,087	-	93,334	5,228	88,106
33	395.00	Laboratory Equipment	-	-	-	-	29,565	5,212	24,353
34	396.00	Power Operated Equipment	-	-	-	-	27,321	9,721	17,600
35	397.00	Communication Equipment	33,585	-	-	1,726	164,711	77,247	87,464
36	398.00	Miscellaneous Equipment	-	-	507	-	62,919	29,674	33,245
37		SUBTOTAL GENERAL	$ 203,584	$ 1	$ 2,984	$ 5,139	$ 2,274,928	$ 423,139	$ 1,851,789
38		Youngtown Plant	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
39		AFUDC ADJUSTMENT 3/95	-	-	-	-	-	-	-
40		Adjustment Due To Rounding	-	-	-	-	-	-	0
41		**TOTAL WASTEWATER PLT**	$ 203,874	$ 102,631	$ 221,862	$ 5,280	$ 20,558,978	$ 7,669,305	$ 12,889,673
42		Company As Filed B-2					19,962,780	7,189,539	
43		Difference In Post Test Year Gross Plant					$ 596,198	$ 479,766	
44		Adjustment To Test Year Gross Plant As Per RLM-4, Page 12, Cols (E) And (F), L 43					608,623	474,486	
45		Adjustment To Post Test Year Total Plant And Acc. Dep. (See RLM-3, Col (C), L 1 & L 2)					$ (12,425)	$ 5,280	

References:
Column (A): Company Response To Staff Data Request No. 12-1 Thru 12-3
Columns (B) (C): Company Schedule B-2, Pages 1 And 8
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 12, Col. (E)] X RLM-4, Page 4, Col. (A)]
Column (E): Schedule RLM-4, Page 12, Column (D) + Column (A) + Column (B)
Column (F): Schedule RLM-4, Page 12, Column (F) + Column (C) + Column (D)
Column (G): Column (E) - Column (F)

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

Sun City Wastewater District
Schedule RLM-6

OPERATING INCOME

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO TEST YEAR ADJ'TMENTS	(C) RUCO TEST YEAR AS ADJUSTED	(D) RUCO PROPOSED CHANGES	(E) RUCO AS RECOMMENDED
	OPERATING REVENUES:					
1	Flat Rate Revenues	$ 5,085,481	$ 0	$ 5,085,481	$ (894,775)	$ 4,190,706
2	Measured Revenues	0	-	0	-	0
3	Other Wastewater Revenues	2,859	-	2,859	-	2,859
4	TOTAL OPERATING REVENUES	$ 5,088,340	$ 0	$ 5,088,340	$ (894,775)	$ 4,193,565
	OPERATING EXPENSES:					
5	Salaries And Wages	$ 160,653	$ (87,275)	$ 73,378	$ 0	$ 73,378
6	Purchased Wastewater Treatment	992,447	-	992,447	-	992,447
7	Purchased Power	1,509	-	1,509	-	1,509
8	Fuel For Power Production	0	-	0	-	0
9	Chemicals	0	-	0	-	0
10	Material And Supplies	0	105,696	105,696	-	105,696
11	Repairs And Maintenance	0	-	0	-	0
12	Office Supplies And Expense	204,642	30,236	234,878	-	234,878
13	Outside Services	3,123	-	3,123	-	3,123
14	Service Company Charges	522,586	(79,812)	442,774	-	442,774
15	Water Testing	0	-	0	-	0
16	Rents	21,265	-	21,265	-	21,265
17	Transportation Expenses	0	-	0	-	0
18	Insurance - General Liability	36,400	(10,870)	25,530	-	25,530
19	Insurance - Health And Life	0	-	0	-	0
20	Regulatory Comm. Exp. - Rate Case	33,583	(13,483)	20,100	-	20,100
21	Miscellaneous Expense	145,130	-	145,130	-	145,130
22	Depreciation Expense	514,852	5,569	520,421	-	520,421
23	Taxes Other Than Income	7,754	(5,271)	2,483	-	2,483
24	Property Taxes	193,701	12,326	206,027	-	206,027
25	Income Tax	257,188	84,540	341,728	(217,705)	124,023
26	Tolleson Wastewater User Fees	818,091	-	818,091		818,091
27	Adjustment Due To Rounding	0	-	-	-	0
28	TOTAL OPERATING EXPENSES	$ 3,912,924	$ 41,656	$ 3,954,580	$ (217,705)	$ 3,736,876
29	OPERATING INCOME (LOSS)	$ 1,175,416	$ (41,656)	$ 1,133,760	$ (677,071)	$ 456,689
	Other Income (Expense):					
30	Interest Income	$ 0	$ 0	$ 0	$ 0	$ 0
31	Other Income	0	-	-	-	0
32	Interest Expense	(766,294)	1,025,694	259,400	-	259,400
33	Other Expense	0	-	-	-	0
34	Gain/Loss Sale Of Assets	0	-	-	-	0
35	TOTAL OTHER INCOME (EXPENSE)	$ (766,294)	$ 1,025,694	$ 259,400	$ 0	$ 259,400
36	NET PROFIT (LOSS)	$ 409,122	$ 984,037	$ 1,393,159	$ (677,071)	$ 716,089

References:
Column (A): Company Schedule C-1
Column (B): Testimony, RLM And Schedule RLM-7
Column (C): Column (A) + Column (B)
Column (D): Testimony, RLM And Schedule RLM-1
Column (E): Column (C) + Column (D)

SUMMARY OF OPERATING INCOME ADJUSTMENTS
TEST YEAR AS FILED AND ADJUSTED

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) ADJ #1	(C) ADJ #2	(D) ADJ #3	(E) ADJ #4	(F) ADJ #5	(G) ADJ #6	(H) ADJ #7	(I) ADJ #8	(J) ADJ #9	(K) ADJ #10	(L) RUCO AS AD'TED
	OPERATING REVENUES:												
1	Flat Rate Revenues	$ 5,085,481	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 5,085,481
2	Measured Revenues	0	-	-	-	-	-	-	-	-	-	-	0
3	Other Wastewater Revenues	2,859	-	-	-	-	-	-	-	-	-	-	2,859
4	TOTAL OPERATING REVENUES	$ 5,088,340	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 5,088,340
	OPERATING EXPENSES:												
5	Salaries And Wages	$ 160,653	$ 0	$ 0	$ 0	$ (30,147)	$ 0	$ 0	$ 0	$ (57,128)	$ 0	$ 0	$ 73,378
6	Purchased Wastewater Treatment	992,447	-	-	-	-	-	-	-	-	-	-	992,447
7	Purchased Power	1,509	-	-	-	-	-	-	-	-	-	-	1,509
8	Fuel For Power Production	0	-	-	-	-	-	-	-	-	-	-	0
9	Chemicals	0	-	-	-	-	-	-	-	-	-	-	0
10	Material And Supplies	0	-	-	-	-	-	-	-	-	105,696	-	105,696
11	Repairs And Maintenance	0	-	-	-	-	-	-	-	-	-	-	0
12	Office Supplies And Expenses	204,642	-	-	-	-	-	-	-	30,236	-	-	234,878
13	Outside Services	3,123	-	-	-	-	-	-	-	-	-	-	3,123
14	Service Company Charges	522,586	-	-	(79,812)	-	-	-	-	-	-	-	442,774
15	Water Testing	0	-	-	-	-	-	-	-	-	-	-	0
16	Rents	21,265	-	-	-	-	-	-	-	-	-	-	21,265
17	Transportation Expenses	0	-	-	-	-	-	-	-	-	-	-	0
18	Insurance - General Liability	36,400	-	-	-	-	-	-	-	(10,870)	-	-	25,530
19	Insurance - Health And Life	0	-	-	-	-	-	-	-	-	-	-	0
20	Regulatory Comm. Exp. - Rate Case	33,583	-	-	-	-	-	-	(13,483)	-	-	-	20,100
21	Miscellaneous Expense	145,130	-	-	-	-	-	-	-	437	-	-	145,567
22	Depreciation Expense	514,852	-	-	-	-	5,569	-	-	-	-	-	520,421
23	Taxes Other Than Income	7,754	-	(2,965)	-	(2,306)	-	-	-	-	-	-	2,483
24	Property Taxes	193,701	-	-	-	-	-	12,326	-	-	-	-	206,027
25	Income Tax	257,188	-	-	-	-	-	-	-	-	-	84,540	341,728
26	Tolleson Wastewater User Fees	818,091	-	-	-	-	-	-	-	-	-	-	818,091
27	Adjustment Due To Rounding	0	-	-	-	-	-	-	-	-	-	-	0
28	TOTAL OPERATING EXPENSES	$ 3,912,924	$ 0	$ (2,965)	$ (79,812)	$ (32,453)	$ 5,569	$ 12,326	$ (13,483)	$ (37,325)	$ 105,696	$ 84,540	$ 3,955,017
29	OPERATING INCOME (LOSS)	$ 1,175,416	$ 0	$ 2,965	$ 79,812	$ 32,453	$ (5,569)	$ (12,326)	$ 13,483	$ 37,325	$ (105,696)	$ (84,540)	$ 1,133,323
	Other Income (Expense):												
30	Interest Income	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
31	Other Income	0	-	-	-	-	-	-	-	-	-	-	0
32	Interest Expense	(766,294)	-	-	-	-	-	-	-	-	1,025,694	-	259,400
33	Other Expense	0	-	-	-	-	-	-	-	-	-	-	0
34	Gain/Loss Sale Of Assets	0	-	-	-	-	-	-	-	-	-	-	0
35	TOTAL OTHER INCOME (EXPENSE)	$ (766,294)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,025,694	$ 0	$ 259,400
36	NET PROFIT (LOSS)	$ 409,122	$ 0	$ 2,965	$ 79,812	$ 32,453	$ (5,569)	$ (12,326)	$ 13,483	$ 37,325	$ 919,998	$ (84,540)	$ 1,392,722

ADJUSTMENT NO.		REFERENCE
1 -	Intentionally Left Blank	
2 -	Remove Test Year Salaries And Wages	Testimony, RLM And Schedule RLM-8
3 -	Service Company Fees	Testimony, RLM And Schedule RLM-9
4 -	Projected Salaries And Wages	Testimony, RLM And Schedule RLM-10
5 -	Depreciation Expense	Testimony, RLM And Schedule RLM-11
6 -	Property Taxes	Testimony, RLM And Schedule RLM-12
7 -	Rate Case Expense	Testimony, RLM And Schedule RLM-13
8 -	Projected Additional Corporate Overhead Expenses	Testimony, RLM And Schedule RLM-14
9 -	Material And Supplies	Testimony, RLM
10 -	Income Tax	Testimony, RLM And Schedule RLM-15

References:
Column (A): Company Schedule C-1
Columns (B)Thru (K): Adjustments #1 Thru #10
Column (L): Sum Of Columns (A)Thru (K)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 2
CITIZENS SALARIES AND WAGES

LINE NO.	DISTRICT	ACCOUNT	CITIZENS BUSINESS UNIT	(A) COMPANY AS FILED	(B) RUCO AS ADJ'D	(C) ADJM'T
	SUN CITY WASTEWATER		4004-4505			
1		Salaries And Wages		$ 332,698	$ 332,698	$ -
2		Payroll Tax		24,872	21,907	(2,965)
3		TOTAL		$ 357,570	$ 354,605	$ (2,965)

References:
Column (A): Company Schedule C-2, Page 3
Column (B): Company Provided Data On Citizens 2001 Payroll
Column (C): Column (B) - Column (A)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 3
AZ-AM SERVICE COMPANY ALLOCATIONS

			(A)	(B)	(C)	(D)	(E)	(F)
			TOTAL SERVICE CHARGES			ALLOCATED SERVICE CHARGES		
LINE NO.	DISTRICT	AZ-AM BUS. UNIT	COMPANY AS FILED	RUCO AS ADJ'TED	FOUR FACT'R	COMPANY AS FILED	RUCO AS ADJ'TED	ADJ'MENT
1	Sun City West Water	2364	$ 5,153,711	$ 4,366,610	0.1001	$ 515,886	$ 437,098	$ (78,789)
2	Sun City West Wastewater	2365	$ 5,153,711	$ 4,366,610	0.1072	$ 552,478	$ 468,101	$ (84,377)
3	Sun City Water	2362	$ 5,153,711	$ 4,366,610	0.1797	$ 926,122	$ 784,680	$ (141,442)
4	Sun City Wastewater	2363	$ 5,153,711	$ 4,366,610	0.1014	$ 522,586	$ 442,774	$ (79,812)
5	Tubac	2389	$ 5,153,711	$ 4,366,610	0.0075	$ 38,653	$ 32,750	$ (5,903)

	SUN CITY WASTEWATER		COMPANY AS FILED	RUCO AS ADJ'TED	ADJUSTM'T
6		Arizona-American Service Company Allocation	$ 522,586	$ 442,774	$ (79,812)

References:
Columns (A) (C): Company Schedule C-2, Page 4
Column (B): Company Response To RUCO Third Data Request
Column (D): Column (A) X Column (C)
Column (E): Column (B) X Column (C)
Column (F): Column (E) - Column (D)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 4
PROJECTED SALARIES AND WAGES

LINE NO.	COMPANY	AZ-AM BUSINESS UNIT	(A) GROSS PAYROLL	(B) CAPITAL'D PAYROLL	(C) NET PAYROLL	(D) EMP. COUNT	(E) PAYROLL TAX
1	Sun City West Water	2364	$ 341,944	$ 92,325	$ 249,619	6	$ 20,566
2	Sun City West Wastewater	2365	418,601	113,022	305,579	9	25,582
3	Sun City Water	2362	806,792	217,834	588,958	24	50,935
4	Sun City Wastewater	2363	80,003	21,601	58,402	4	5,448
5	Tubac	2389	68,044	18,372	49,672	1	4,045

	SUN CITY WASTEWATER	COMPANY AS FILED	RUCO AS ADJ'TED	ADJUSTM'T
6	Salaries And Wages	$ 88,549	$ 58,402	$ (30,147)
7	Payroll Tax	7,754	5,448	(2,306)
8	TOTAL	$ 96,303	$ 63,850	$ (32,453)

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)
Column (E): Column (C) X 7.65% (FICA) + $245 X Column (D) (FUTA & SUTA)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 5
TEST YEAR DEPRECIATION EXPENSE

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) TOTAL PLANT VALUE	(B) APR'D DEP. RATE	(C) TEST YEAR DEPREC'N EXPENSE
		INTANGIBLE			
1	301.00	Organization	$ 122,373	0.00%	$ 0
2	302.00	Franchises	107,432	0.00%	0
3	303.00	Miscellaneous Intangibles	10,495	0.00%	0
4		SUBTOTAL INTANGIBLE	$ 240,300		$ 0
		TREATMENT AND DISCHARGE			
5	310.00	Land And Land Rights	$ 6,565	0.00%	$ 0
6	311.00	Structures And Improvements	22,255	2.50%	556
7	312.00	Preliminary Treatment	453	0.00%	0
8	313.00	Primary Treatment Equipment	-	0.00%	0
9	314.00	Secondary Treatment Equipment	2,576	2.52%	65
10	315.00	Tertiary Equipment	-	0.00%	0
11	316.00	Disinfection Equipment	-	0.00%	0
12	317.00	Effluent Lift Station E	1,553	2.00%	31
13	318.00	Outfall Line	300	2.00%	6
14	319.00	Sludge, Treatment & Distribution	-	2.50%	0
15	321.00	Influent Lift Station	429	2.00%	9
16	322.00	General Treatment Equipment	19,158	2.00%	383
17		SUBTOTAL TREATMENT AND DISTRIBUTION	$ 53,288		$ 1,050
		COLLECTION AND INFLUENT			
18	340.00	Land And Land Rights	$ 0	0.00%	$ 0
19	341.00	Structures And Improvements	353,752	2.00%	7,075
20	342.00	Collection System Lift	1,248,390	8.40%	104,865
21	343.00	Collection Mains	12,641,975	2.04%	257,896
22	344.00	Force Mains	1,308,136	2.07%	27,078
23	345.00	Discharge Services	2,372,509	2.04%	48,399
24	348.00	Manholes	65,700	2.03%	1,334
25		SUBTOTAL COLLECTION AND INFLUENT	$ 17,990,463		$ 446,647
		GENERAL			
26	389.00	Land And Land Rights	$ 1,108	0.00%	$ 0
27	390.00	Structures And Improvements	791,910	1.68%	13,310
28	391.00	Office Furniture And Equipment	365,091	4.55%	16,594
29	391.10	Computer Equipment	324,323	4.55%	14,742
30	392.00	Transportation Equipment	408,123	25.00%	102,030
31	393.00	Stores Equipment	6,523	3.92%	256
32	394.00	Tools, Shop And Garage	93,334	4.14%	3,859
33	395.00	Laboratory Equipment	29,565	3.71%	1,097
34	396.00	Power Operated Equipment	27,321	5.14%	1,405
35	397.00	Communication Equipment	164,711	10.28%	16,929
36	398.00	Miscellaneous Equipment	62,919	4.98%	3,133
37		SUBTOTAL GENERAL	$ 2,274,928		$ 173,355
		TOTAL	$ 20,558,978		$ 621,052
38		Tolleson Trickling Filter	$ 500,000	2.80%	14,000
39		Amortization Of Deferred Regulatory Assets	145,771	2.80%	4,082
40		Amortization Of Contribution In Aid Of Const. ("CIAC")	(1,187,139)	10.00%	(118,714)
41		Adjustment Due To Rounding	-		1
42		**TOTAL WASTEWATER PLANT**	$ 19,517,610		$ 520,421
43		Company As Filed As Per Schedule C-2, Pg 6, Line 64			$ 514,852
44		Adjustment To Depreciation Expense (See RLM-6, Col (B), Line 22)			$ 5,569

References:
Column (A): Schedule RLM-5, Page 1, Column (E)
Column (B): Schedule RLM-4, Page 4, Column (A)
Column (C): Column (A) X Column (B)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 6
PROPERTY TAX COMPUTATION

LINE NO.	DESCRIPTION	(A)	(B)
	Calculation Of The Company's Full Cash Value:		
	Annual Operating Revenues:		
1	Year 1999 (Company Schedule E-2)	$ 4,958,136	
2	Year 2000 (Company Schedule E-2)	5,001,158	
3	Year 2001 (Company Schedule E-2)	5,055,107	
4	Total Three Year Operating Revenues (L1 + L2 + L3)	$ 15,014,401	
5	Average Annual Operating Revenues (L4 / 3)	5,004,800	
6	Two Times Three Year Average Operating Revenues (L5 X 2)		$ 10,009,601
	ADD: Ten Percent Of Construction Work In Progress ("CWIP"):		
7	Test Year CWIP	$ 244,725	
8	10% Of CWIP (L7 X 10%)		$ 24,473
	SUBTRACT: Transportation At Book Value:		
9	Original Cost Of Transportation Equipment (RLM-5, Pg 1, Col (E), L 30)	$ 408,123	
10	Acc. Dep. Of Transportation Equipment (RLM-5, Pg 1, Col (F), L 30)	236,016	
11	Book Value Of Transportation Equipment (L9 - L10)		$ 172,107
12	COMPANY'S FULL CASH VALUE (L6 + L8 - L11)		$ 9,861,966
	Calculation Of The Company's Tax Liability:		
	MULTIPLY: Company Full Cash Value By Valuation Assessment Ratio And Then By Property Tax Rates:		
13	Assessment Ratio (ADOR Directive)	25%	
14	Assessed Value (L12 X L13)	$ 2,465,492	
	Property Tax Rates:		
15	Primary Tax Rate (2001 Tax Notice - Co.'s Data Response - "Property Tax")	8.34%	
16	Secondary Tax Rate (2001 Tax Notice - Co.'s Data Response - "Property Tax")	0.00%	
17	Estimated Tax Rate Liability (L14 + L15)	8.36%	
18	COMPANY'S TAX LIABILITY - Based On Full Cash Value (L14 X L17)		$ 206,027
19	Test Year Adjusted Property Tax Expense Per Co.'s Filing (Sch. RLM-6, Col. (A), L29)	$ 193,701	
20	Increase (Decrease) In Property Tax Expense (L18 - L19)	$ 12,326	
21	Adjustment To Property Tax Expense From Company's Direct Filing (See RLM-6 Col. (B), L22)		$ 12,326

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 7
RATE CASE EXPENSE

LINE NO.		(A) REVISED T. Y. REV. FACTORS	(B) COMPANY AS FILED	(C) RUCO AS ADJUSTED	(D) TOTAL DIFFERENCE	(E) 3 YEAR AMORTIZED DIFFERENCE
1	Total Rate Case Expense		$ 699,954	$ 418,941	$ (281,013)	$ (93,671)
2	Sun City West Water	0.0956	$ 66,939	$ 40,065	$ (26,874)	$ (8,958)
3	Sun City West Wastewater	0.1000	70,006	41,901	(28,106)	(9,369)
4	Sun City Water	0.1752	122,623	73,393	(49,230)	(16,410)
5	Sun City Wastewater	0.1439	100,749	60,301	(40,448)	(13,483)
6	Tubac	0.0072	5,039	3,016	(2,023)	(674)
7	Agua Fria	0.1750	122,482	73,309	(49,173)	(16,391)
8	Anthem Water	0.1135	79,413	47,531	(31,882)	(10,627)
9	Agua Fria, Anthem Wastewater	0.0528	36,958	22,120	(14,837)	(4,946)
10	Mohave Water	0.1243	87,016	52,081	(34,935)	(11,645)
11	Havasu Water	0.0125	8,730	5,225	(3,505)	(1,168)
12	TOTAL	1.0000	$ 699,954	$ 418,941	$ (281,013)	$ (93,671)

	SUN CITY WASTEWATER		COMPANY AS FILED	RUCO AS ADJUSTED	TOTAL DIFFERENCE	3 YEAR AMORTIZED DIFFERENCE
13		Rate Case Expense	$ 100,749	$ 60,301	$ (40,448)	$ (13,483)

References:
Column (A) : Revised Company Adjusted Test Year Revenue Factors To Remove Mohave Sewer From Allocation
Column (B): Company Response To Data Request Minus The Mohave Sewer Allocated Value Of $6,017
Column (C): Column (A) X RUCO's Recommended Total Rate Case Expense
Column (D): Column (C) - Column (B)
Column (E): Column (D) Divided By 3 (The Three Year Amortization Period)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 8
PROJECTED CORPORATE OVERHEAD

LINE NO.	DISTRICT	EXPENSE ACCOUNT	(A) COMPANY AS FILED	(B) RUCO AS ADJUSTED	(C) ADJUSTMENT
	SUN CITY WASTEWATER				
1		Salaries And Wages	$ 72,104	$ 14,976	$ (57,128)
2		Office Supplies & Expense	212,241	242,477	30,236
3		Insurance	34,961	24,091	(10,870)
4		Miscellaneous Expense	1,249	1,686	437
5		TOTAL	$ 320,555	$ 283,230	$ (37,325)

References:
Column (A): Company Schedule C-2, Page 11
Column (B): Allocated Amounts From RLM-14, Pg 2, Line 27
Column (C): Column (B) - Column (A)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 8 - CONT'D
PROJECTED CORPORATE OVERHEAD

LINE NO.	CATEGORY		(A) COMPANY AS FILED	(B) RUCO AS ADJUSTED	(C) DIFFERENCE	(D)
1	Employee Benefits		$ 964,147	$ 374,404	$ 589,743	
2	Directors Fees:	Office Supplies & Exp.	1,270,126	1,030,972	239,154	
3		Miscellaneous Expenses	6,000	8,500	(2,500)	
4	Trustees Fees:	Office Supplies & Exp.	645,847	447,842	198,005	
5		Miscellaneous Expenses	17,058	21,881	(4,823)	
6	Insurance		258,736	215,200	43,536	
7	Subtotal		$ 3,161,914	$ 2,098,797	$ 1,063,117	
8	Non-Applicable Accounts		$ 2,153,067	$ 2,117,294	$ 35,773	
9	TOTAL (See RLM-14, Pg 3, L 45)		$ 5,314,981	$ 4,216,091	$ 1,098,890	
	ALLOCATION FACTORS		FAIR VALUE RATE BASE	YEAR-END CUST. COUNT	EMPLOYEE COUNT	PROFORMA PLANT
10	Sun City West Water		0.0908	0.1375	0.0600	0.0135
11	Sun City West Wastewater		0.0744	0.1314	0.0900	0.0056
12	Sun City Water		0.2695	0.1958	0.2400	0.1254
13	Sun City Wastewater		0.1119	0.1866	0.0400	0.0046
14	Tubac		0.0109	0.0044	0.0100	0.0110
15	Agua Fria		0.1052	0.1147	0.0700	0.2417
16	Anthem Water		0.0544	0.0284	0.1200	0.2326
17	Agua Fria, Anthem Wastewater		0.0158	0.0224	0.0600	0.2279
18	Mohave Water		0.0842	0.1217	0.1500	0.0371
19	Havasu Water		0.0076	0.0105	0.0300	0.0552
20	Subtotal		0.8247	0.9534	0.8700	0.9544
21	Mohave Sewer		0.0037	0.0051	0.0100	0.0089
22	Paradise Valley (Est. - 2001 Annual Report)		0.1715	0.0414	0.1200	0.0367
23	TOTAL		1.0000	1.0000	1.0000	1.0000
	ALLOCATED AMOUNTS		EMP. BEN.	OFF. SUP/EXP	INSURANCE	MISC. EXP.
24	Sun City West Water		$ 22,464	$ 182,392	$ 19,535	$ 1,464
25	Sun City West Wastewater		33,696	168,783	16,021	1,238
26	Sun City Water		89,857	322,580	57,988	4,408
27	Sun City Wastewater		14,976	242,477	24,091	1,686
28	Tubac		3,744	9,386	2,351	277
29	Agua Fria		26,208	165,421	22,645	6,263
30	Anthem Water		44,928	53,684	11,712	5,332
31	Agua Fria, Anthem Wastewater		22,464	30,213	3,398	5,176
32	Mohave Water		56,161	163,185	18,113	1,846
33	Havasu Water		11,232	14,208	1,630	1,297
34	Subtotal		$ 325,731	$ 1,352,330	$ 177,484	$ 28,987
35	Mohave Sewer		3,744	6,945	806	238
36	Paradise Valley (Est. - 2001 Annual Report)		44,928	119,539	36,910	1,155
37	Subtotal		$ 48,672	$ 126,483	$ 37,716	$ 1,393
38	TOTAL		$ 374,404	$ 1,478,813	$ 215,200	$ 30,381
39	TOTAL RUCO ADJUSTMENT (See RLM-14, pg 2, Column (B), Line 7 Above)					$ 2,098,797

References:
Allocation Factors - As Provided By Co. Except For Paradise Valley, Which Were Estimated From 2001 Annual Repoı
Allocation Amounts - Calculated Using Same Methodology As Company

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 8 - CONT'D
PROJECTED CORPORATE OVERHEAD

LINE NO.	DESCRIPTION	(A) CATEGORY	(B) COMPANY AS FILED	(C) RUCO AS ADJUSTED	(D) DIFFERENCE
1	Directors Fees	MISC	$ 6,000	$ 8,500	$ 2,500
2	Bank Service Charges	OFFICE	29,863	124,896	95,033
3	Bill Insert	OFFICE	29,703	35,304	5,601
4	Collection Agencies	OFFICE	870	6,673	5,803
5	Forms AG	OFFICE	17,074	13,051	(4,023)
6	Advertising (Required Notification)	OFFICE	230,287	130,698	(99,589)
7	Brochures And Handouts	OFFICE	2,502	834	(1,668)
8	Community Relations	OFFICE	7,730	6,662	(1,068)
9	Postage	OFFICE	329,952	125,443	(204,509)
10	Group Insurance	OFFICE	622,145	587,410	(34,735)
11	IncentivePlan Expenses	EMP. BENFITS	226,620	21,252	(205,368)
12	PBOP Operations AG	EMP. BENFITS	341,502	16,737	(324,765)
13	Workman Compensation	EMP. BENFITS	(19,061)	(3,359)	15,702
14	Dues Deducted	EMP. BENFITS	3,612	13,660	10,048
15	Dues Non-Deducted	EMP. BENFITS	2,705	5,052	2,347
16	Dues-Membership Deducted	EMP. BENFITS	-	2,959	2,959
17	Employee Expenses AG	EMP. BENFITS	115,234	60,267	(54,967)
18	Employee Exp Conference-Registration	EMP. BENFITS	24,595	15,666	(8,929)
19	Meals And Travel Deducted	EMP. BENFITS	39,758	20,433	(19,325)
20	Meals And Travel Non-Deduct	EMP. BENFITS	-	13,037	13,037
21	Other Welfare Operations	EMP. BENFITS	6,495	19,906	13,411
22	Employee Awards	EMP. BENFITS	252	1,144	892
23	Employee Physical Exams	EMP. BENFITS	1,842	716	(1,126)
24	Tuition Aid	EMP. BENFITS	29,515	15,528	(13,987)
25	Training	EMP. BENFITS	24,818	28,944	4,126
26	401K	EMP. BENFITS	74,501	61,288	(13,213)
27	ESOP	EMP. BENFITS	91,759	81,175	(10,584)
28	Trustee Fees	MISC	17,058	21,881	4,823
29	Credit Line Fees	OFFICE	8,347	24,728	16,381
30	Insurance General Liability	INS	41,335	77,430	36,095
31	Security Services	OFFICE	637,500	423,114	(214,386)
32	Insurance Other	INS	217,401	137,770	(79,631)
33	Company Dues-Membership Deduct	N/A	16,178	4,422	(11,756)
34	Company Dues-Membership Non-deducted	N/A	36,108	2,846	(33,262)
35	Company Dues-Membership AWWA Ded.	N/A	882	495	(387)
36	Company Dues-Membership AWWA Non	N/A	1,947	649	(1,298)
37	Company Dues-Membership Non-Deducted	N/A	-	18,075	18,075
38	Charitable Contribution Deducted	N/A	3,500	2,075	(1,425)
39	Charitable Contribution Non-Deduct	N/A	800	200	(600)
40	Property Taxes	N/A	2,093,652	1,648,841	(444,811)
41	Business Services-Project Expense	N/A	-	390,309	390,309
42	Pcard Undistributed	N/A	-	39,882	39,882
43	Water Resevoir Conservation	N/A	-	4,001	4,001
44	Pension Operation AG	N/A	-	5,499	5,499
45	TOTAL		$ 5,314,981	$ 4,216,091	$ (1,098,890)

References:
Columns (A) (C): Company Response To RUCO Third Data Request
Column (B): Company As Filed
Column (D): Column (C) - Column (B)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 10
INCOME TAX EXPENSE

LINE NO.	DESCRIPTION	(A) REFERENCE	(B) AMOUNT
	FEDERAL INCOME TAXES:		
1	Operating Income Before Taxes	Sch. RLM-6, Col. (C), L28 + L25	$ 1,475,488
	LESS:		
2	Arizona State Tax	Line 11	61,690
3	Interest Expense	Note (A), Line 19	590,157
4	Federal Taxable Income	Line 1 - Line 2 - Line 3	$ 823,641
5	Federal Tax Rate	Sch. RLM-1, Page 2, Col. (D), L 34	34.00%
6	Federal Income Tax Expense	Line 4 X line 5	$ 280,038
	STATE INCOME TAXES:		
7	Operating Income Before Taxes	Line 1	$ 1,475,488
	LESS:		
8	Interest Expense	Note (A), Line 19	590,157
9	State Taxable Income	Line 7 - Line 8	$ 885,330
10	State Tax Rate	Tax Rate	6.97%
11	State Income Tax Expense	Line 9 X Line 10	$ 61,690
	TOTAL INCOME TAX EXPENSE:		
12	Federal Income Tax Expense	Line 6	$ 280,038
13	State Income Tax Expense	Line 11	$ 61,690
14	Total Income Tax Expense Per RUCO	Line 6 + Line 11	$ 341,728
15	Total Income Tax Expense Per Company	Company Sch. C-1	$ 257,188
16	Total Income Tax Adjustment (See Sch. RLM-6, Col. (B), L25)	Line 14 - Line 15	$ 84,540

NOTE (A):
Interest Synchronization:

17	Adjusted Rate Base (Sch. RLM-3, Col. (E), L16)	$ 20,233,577
18	Weighted Cost Of Debt (Sch. RLM-16, Col. (F), L1)	2.92%
19	Interest Expense (L17 X L18)	$ 590,157

COST OF CAPITAL

LINE NO.	DESCRIPTION	(A) CAPITAL'TION PER COMPANY	(B) RUCO ADJ'TS	(C) RUCO ADJUSTED CAPITAL'TION	(D) CAPITAL RATIO	(E) COST	(F) WEIGHTED COST RATE
1	Long-Term Debt	$ 165,583,119	$ 0	$ 165,583,119	59.89%	4.87%	2.92%
2	Common Equity	$ 110,888,158	$ 0	$ 110,888,158	40.11%	9.11%	3.65%
3	TOTAL CAPITAL	$ 276,471,277	$ 0	$ 276,471,277	100.00%		
4	COST OF CAPITAL						6.57%

References:
Column (A): Staff Data Request Nos. JMR 8-3 And JMR 8-4
Column (B): Testimony, WAR
Column (C): Column (A) + Column (B)
Column (D): Column (C), Line Item / Total Capital (L5)
Column (E): Testimony, WAR
Column (F): Column (D) X Column (E)

RATE DESIGN - MONTHLY MINIMUM, COMMODITY AND SERVICE CHARGES

LINE NO.	DESCRIPTION	(A) PRESENT RATES	(B) COMPANY PROPOSED	(C) RUCO PROPOSED
	MONTHLY MINIMUM USAGE CHARGE:			
1	Residential Units (SSR)	$ 12.87	$ 14.48	$ 10.58
2	Comercial/Residential Units (SSR)	12.87	14.48	10.58
3	Commercial Units (SSC)	15.46	17.39	12.71
4	Commercial Larger User (SS6) (Based On Consumption)	32.80	36.90	26.97
5	Multi-Family Residential Units (AC SSR)	12.87	14.48	10.58
6	SS1 (Commercial, Additional Toilets)	3.78	4.25	3.11
7	SS2 (Commercial Restaurant, Per Dishwasher Or Garbage Grinder)	29.10	32.74	23.93
8	SS3 (Commercial Laundromat, Per Washing Machine)	7.06	7.94	5.80
9	SS4 (Commercial, Per Wash Rack)	14.40	16.20	11.84
10	Rental Rooms	7.99	8.99	6.57
11	Paradise Resort Park, Contract Rate	3.94	3.94	2.88
	GALLONS IN MINIMUM			
12	Commercial SS6 And Paradise Park Resort	20,000	20,000	20,000
	COMMODITY RATES (Per 1,000 Gallons Over Minimum)			
13	Commercial SS6 And Paradise Park Resort	$ 1.24	$ 1.40	$ 1.20
	ANNUAL FEE FOR INDUSTRIAL DISCHARGE SERVICE			
14	For Those Customers Consuming An Amount Of Water Less Than Or Equal To 50,000 Gallons Per Month Through One Or More Water Or Equal To 50,000 Gallons Per Month Through One Or More Water Meters To The Same Facility, Inclusive Of Meters Used For Irrigation.	$ 500.00	$ 500.00	$ 500.00
15	For Those Customers Consuming An Amount Of Water Greater Than 50,000 Gallons Per Month Through One Or More Water Meters To The Same Facility, Inclusive Of Meters Used For Irrigation.	$ 1,000.00	$ 1,000.00	$ 1,000.00

Annual Fee For Industrial Discharge Service Charges Shall Be Non-Refundable And Shall Be Assessed In Advance Each January By The Company By Special Billing. For New Customers Receiving This Service, A Prorated Charge Shall Be Assessed.

References:
Columns (A) (B): Company Schedule H-3, Page 2 Revised
Column (C): Testimony, RLM

RATE DESIGN - MONTHLY MINIMUM, COMMODITY AND SERVICE CHARGES CONT'D

LINE NO.	DESCRIPTION	(A) PRESENT RATES	(B) COMPANY PROPOSED	(C) RUCO PROPOSED
	SERVICE CHARGES:			
1	Establishment Of Service	$ 30.00	$ 50.00	$ 50.00
2	Establishment Of Service (After Hours)	40.00	60.00	60.00
3	Re-Connection (Deliquent)	N/A	N/A	N/A
4	Re-Connection (After Hours)	N/A	N/A	N/A
5	Meter Test Fee (If Correct)	10.00	10.00	10.00
6	Deposit			As Per ACC R14-2-403.B
7	Deposit Interest			As Per ACC R14-2-403.B
8	Re-Establishment - (Within 12 Months)	Monthly Minimum Times Months Disconnected - As Per ACC R14-2-403.D		
9	NSF Charge (Per Month)	10.00	10.00	10.00
10	Deferred Payment	1.50%	1.50%	1.50%
11	Meter Re-Read - (If Correct)	5.00	5.00	5.00
12	Meter Moved - Customer Requested	Cost	Cost	Cost
13	Late Payment Charge	1.50%	1.50%	1.50%
14	Damages To Locks, Valves, Seals	Cost	Cost	Cost

All Advances (AIAC) And/Or Contributions (CIAC) Are To Include Labor, Materials, Overhead, And All Applicable Taxes, Including All Gross-Up Taxes For Income Taxes

References:
Columns (A) (B): Company Schedule H-3, Page 2 Revised
Column (C): Testimony, RLM

PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) RUCO PROPOSED RATE DES'N	(B) ANNUALIZED CUST. & GAL. COUNT	(C) RUCO PROPOSED REVENUE
	MONTHLY MINIMUM USAGE CHARGE:			
1	Residential Units (SSR)	$ 10.58	227,916	$ 2,411,864
2	Comercial/Residential Units (SSR)	10.58	0	0
3	Commercial Units (SSC)	12.71	6,900	87,692
4	Commercial Larger User (SS6) (Based On Consumption)	26.97	48	1,294
5	Multi-Family Residential Units (AC SSR)	10.58	140,700	1,488,923
6	SS1 (Commercial, Additional Toilets)	3.11	35,388	109,914
7	SS2 (Com. Restaurant, Per Dishwasher Or Garbage Grinder)	23.93	936	22,396
8	SS3 (Commercial Laundromat, Per Washing Machine)	5.80	780	4,526
9	SS4 (Commercial, Per Wash Rack)	11.84	192	2,273
10	Rental Rooms	6.57	0	0
11	Paradise Resort Park, Contract Rate	2.88	0	0
12	Total Annualized Monthly Minimum Usage Charge		412,860	$ 4,128,882
	GALLONS IN MINIMUM			
13	Commercial SS6 And Paradise Park Resort	20,000		
14			Total 51,841,505	
15	**COMMODITY RATES (Per 1,000 Gallons Over Minimum)**		Min. (600,000)	
16	Commercial SS6 And Paradise Park Resort	$ 1.20	51,241,505	
	TOTAL ANNUALIZED COMMODITY USAGE AND CHARGES			$ 61,346
17	Other Wastewater Revenue			$ 2,859
18	Difference Between Bill Count and Revenue As Recorded			478
19	**TOTAL PROPOSED ANNUALIZED REVENUE**			**$ 4,193,565**
20	Required Revenue (As Per Schedule RLM-1, Col. (D), L 10)			$ 4,193,565
21	Difference			$ 0
	ANNUAL FEE FOR INDUSTRIAL DISCHARGE SERVICE			
22	For Those Customers Consuming An Amount Of Water Less Than Or Equal To 50,000 Gallons Per Month Through One Or More Water Or Equal To 50,000 Gallons Per Month Through One Or More Water Meters To The Same Facility, Inclusive Of Meters Used For Irrigation.	$ 500.00		
23	For Those Customers Consuming An Amount Of Water Greater Than 50,000 Gallons Per Month Through One Or More Water Meters To The Same Facility, Inclusive Of Meters Used For Irrigation.	$ 1,000.00		

Annual Fee For Industrial Discharge Service Charges Shall Be Non-Refundable And Shall Be Assessed In Advance Each January By The Company By Special Billing. For New Customers Receiving This Service, A Prorated Charge Shall Be Assessed.

References:
Column (A): RLM-17, Page 1, Column (C)
Column (B): Response To RUCO Data Request No. 1.04
Column (C): Columns (A) X (B)

TYPICAL BILL ANALYSIS
WASTEWATER SERVICE TO RESIDENTIAL UNITS

		(A)	(B)	(C)	(D)	(E)
	COMPANY PROPOSED					
LINE NO.	USAGE	GALLONS CONSUMED	PRESENT RATES	PROPOSED RATES	DOLLAR INCREASE	PERCENT INCREASE
1	Average	0	$12.87	$14.48	$1.61	12.5%
	RUCO PROPOSED					
2	Average	0	$12.87	$ 10.58	($2.29)	-17.8%
3	Average Number Of Customers:		18,910			

Arizona-American Water Company
Docket No. W-01303A-02-0908
Test Year Ended December 31, 2001

Tubac Water District

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RLM-19	1	TYPICAL BILL ANALYSIS

REVENUE REQUIREMENT

LINE NO.	DESCRIPTION	(A) COMPANY RCND	(B) ADJ'MENT TO RESTATE TO ORIGINAL COST	(C) COMPANY ORIGINAL COST	(D) RUCO ORIGINAL COST
1	Fair Value Rate Base	$ 1,903,764	$ (289,243)	$ 1,614,521	$ 1,172,012
2	Adjusted Operating Income (Loss)	$ 14,583		$ 14,583	$ 44,735
3	Current Rate Of Return (L2 / L1)	0.77%		0.90%	3.82%
4	Required Operating Income (L5 X L1)	$ 147,501		$ 125,125	$ 77,008
5	Required Rate Of Return On Fair Value Rate Base	7.75%		7.75%	6.57%
6	Operating Income Deficiency (L4 - L2)	$ 132,918		$ 110,542	$ 32,273
7	Gross Revenue Conversion Factor (RLM-1, Pg 2)	1.6286		1.6286	1.2646
8	Increase In Gross Revenue Requirement (L7 X L6)	$ 216,475		$ 180,029	$ 40,812
9	Adjusted Test Year Revenue	$ 254,486		$ 254,486	$ 254,486
10	Proposed Annual Revenue (L8 + L9)	$ 469,847		$ 434,515	$ 295,298
11	Required Percentage Increase In Revenue (L8 / L9)	85.06%		70.74%	16.04%
12	Rate Of Return On Common Equity	11.50%		11.50%	6.57%

References:
Column (A): Company Schedules A-1 and C-1
Column (B): RUCO Schedule RLM-2
Column (C): Recalculated After Adjusting To OCRB
Column (D): RUCO Schedules RLM-3, RLM-6 And RLM-19

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	(A)	(B)	(C)	(D)
	CALCULATION OF GROSS REVENUE CONVERSION FACTOR:				
1	Revenue	1.0000			
2	Less: Combined Federal And State Tax Rate (L10)	0.2092			
3	Subtotal (L1 - L2)	0.7908			
4	**Revenue Conversion Factor** (L1 / L3)	**1.2646**			
	CALCULATION OF EFFECTIVE TAX RATE:				
5	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
6	Arizona State Income Tax Rate	6.9680%			
7	Federal Taxable Income (L5 - L6)	93.0320%			
8	Applicable Federal Income Tax Rate (Col. (D), L34)	15.0000%			
9	Effective Federal Income Tax Rate (L7 X L8)	13.9548%			
10	Combined Federal And State Income Tax Rate (L6 + L9)	20.9228%			
11	Required Operating Income (Sch. RLM-1, Col. (D), L4)	$ 77,008			
12	Adj'd T.Y. Oper'g Income (Loss) (Sch. RLM-1, Col. (D), L2)	44,735			
13	Required Increase In Operating Income (L11 - L12)		$ 32,273		
14	Income Taxes On Recommended Revenue (Col. (D), L31)	$ 11,331			
15	Income Taxes On Test Year Revenue (Col. (D), L32)	2,792			
16	Required Increase In Revenue To Provide For Income Taxes (L14 - L15)		$ 8,539		
17	Total Required Increase In Revenue (L13 + L16)		$ 40,812		
	CALCULATION OF INCOME TAX:			RUCO Recommended	
18	Revenue (Sch. RLM-1, Col. (D), L10)			$ 295,298	
19	Less: Opr'g Exp. Excl. Inc. Tax (RLM-6, Col. (E), L25 - L23)			206,959	
20	Less: Synchronized Interest (Col. (C), L37)			34,184	
21	Arizona Taxable Income (L18 - L19 - L20)			$ 54,154	
22	Arizona State Income Tax Rate			6.9680%	
23	Arizona Income Tax (L21 X L22)				$ 3,773
24	Fed. Taxable Income (L21 - L23)			$ 50,381	
25	Fed. Tax On 1st Inc. Bracket ($1 - $50,000) @ 15%			$ 7,557	
26	Fed. Tax On 2nd Inc. Bracket ($50,001 - $75,000) @ 25%			-	
27	Fed. Tax On 3rd Inc. Bracket ($75,001 - $100,000) @ 34%			-	
28	Fed. Tax On 4th Inc. Bracket ($100,001 - $335,000) @ 39%			-	
29	Fed. Tax On 5th Inc. Bracket ($335,001 - $10M) @ 34%			-	
30	Total Federal Income Tax (L25 + L26 + L27 + L28 + L29)				$ 7,557
31	Combined Federal And State Income Tax (L23 + L30)				$ 11,331
32	Test Year Combined Income Tax, RUCO As Adjusted (RLM-6, Col. (C), L23)				$ 2,792
33	Adjustment (L31 - L32) (See RLM-6, Col. (D), L23)				$ 8,539
34	Applicable Federal Income Tax Rate (Col. (D), L30 / Col. (C), L24)				15.00%
	CALCULATION OF INTEREST SYNCHRONIZATION:				
35	Rate Base (Sch. RLM-1, Pg 2, Col. (E), L16)			$ 1,172,012	
36	Weighted Avg. Cost Of Debt (Sch. RLM-16, Col. (F), L1)			2.92%	
37	Synchronized Interest (L35 X L36)			$ 34,184	

FAIR VALUE RATE BASE - RCND ADJUSTED TO OCRB

LINE NO.	DESCRIPTION	(A) COMPANY FILED AS RCND	(B) RUCO ADJM'TS TO OCRB	(C) RUCO ADJUSTED TO OCRB	(D) RUCO OCRB ADJM'TS	(E) RUCO ADJUSTED AS OCRB
1	Gross Utility Plant In Service	$ 3,441,929	$ (1,473,088)	$ 1,968,841	$ 54,224	$ 2,023,065
	Less:					
2	Accumulated Depreciation	989,066	(417,908)	571,158	(34,451)	536,707
3	Net Utility Plant In Service (L1 - L2)	$ 2,452,863	$ (1,055,180)	$ 1,397,683	$ 88,675	$ 1,486,358
	Less:					
4	Advances In Aid Of Const. ("AIAC")	$ 297,336	$ (127,255)	$ 170,081	$ 0	$ 170,081
5	Contribution In Aid Of Const. ("CIAC")	$ 251,172	$ (107,497)	$ 143,675	$ 0	$ 143,675
6	Less: Accumulated Amortization	-	-	-	-	-
7	NET CIAC (L4 - L5)	$ 251,172	$ (107,497)	$ 143,675	$ 0	$ 143,675
8	Customer Meter Deposits	$ 590	$ 0	$ 590	$ 0	$ 590
9	Deferred Income Taxes And Credits	-	-	-	-	0
10	Investment Tax Credits	-	-	-	-	0
	Plus:					
11	Unamortized Finance Charges	$ 0	$ 0	$ 0	$ 0	$ 0
12	Deferred Tax Assets	-	-	-	-	0
13	Allowance For Working Capital	-	-	-	-	0
14	Citizens Acquisition Adjustment	-	531,184	531,184	(531,184)	0
15	Adjustment Due To Rounding	(1)	1	-	-	0
16	**TOTAL RATE BASE**	$ 1,903,764	$ (289,243)	$ 1,614,521	$ (442,509)	$ 1,172,012

References:
Column (A): Company Schedule B-1
Column (B): Testimony, RLM
Column (C): Column (A) + Column (B)
Column (D): Schedule RLM-3
Column (C): Column (C) + Column (D)

SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY FILED AS OCRB	(B) RUCO ADJM'T # 1	(C) RUCO ADJM'T # 2	(D) RUCO ADJM'T # 3	(E) RUCO ADJUSTED AS OCRB
1	Gross Utility Plant In Service	$ 1,968,841	$ 10,073	$ 44,151	$ 0	$ 2,023,065
	Less:					
2	Accumulated Depreciation	571,158	(34,713)	262	-	536,707
3	Net Utility Plant In Service (L1 - L2)	$ 1,397,683	$ 44,786	$ 43,889	$ 0	$ 1,486,358
	Less:					
4	Advances In Aid Of Const. ("AIAC")	$ 170,081	$ 0	$ 0	$ 0	$ 170,081
5	Contribution In Aid Of Const. ("CIAC")	$ 143,675	$ 0	$ 0	$ 0	143,675
6	Less: Accumulated Amortization	-	-	-	-	-
7	NET CIAC (L4 - L5)	$ 143,675	$ 0	$ 0	$ 0	$ 143,675
8	Customer Meter Deposits	$ 590	$ 0	$ 0	$ 0	$ 590
9	Deferred Income Taxes And Credits	-	-	-	-	0
10	Investment Tax Credits	-	-	-	-	0
	Plus:					
11	Unamortized Finance Charges	$ 0	$ 0	$ 0	$ 0	$ 0
12	Deferred Tax Assets	-	-	-	-	0
13	Allowance For Working Capital	-	-	-	-	0
14	Citizens Acquisition Adjustment	531,184	-	-	(531,184)	0
15	Adjustment Due To Rounding	-				0
16	**TOTAL RATE BASE**	$ 1,614,521	$ 44,786	$ 43,889	$ (531,184)	$ 1,172,012

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 (See RLM-4, Page 12, Col (E) & (F), L 48)
Column (C): Adjustment To Post Test Year Plant And Accumulated Depreciation (See RLM-5, Page 1, Col (E) & (F), L 50)
Column (D): Adjustment To Citizens Acquisition Adjustment (See Testimony, RLM)
Column (E): Sum Of Columns (A) Thru (D)

TEST YEAR PLANT SCHEDULES
COMPANY'S PRESENT FILING VERSUS TOTAL PLANT FILED IN PRIOR RATE CASE - DECISION NO. 60172

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) ALLOCATION FACTOR	(B) CO. AS FILED PRIOR T. Y. 03/31/1995 TOTAL PLANT	(C) ADJUSTMENT TO 03/31/95 PRIOR T. Y. TOTAL PLANT	(D) ACTUAL 03/31/95 PRIOR T. Y. TOTAL PLANT
		INTANGIBLE				
1	301.00	Organization	0.0004	$ 567	$ 4	$ 571
2	302.00	Franchises	0.0016	2,033	14	2,047
3	303.00	Miscellaneous Intangibles	0.0000	-	-	0
4		SUBTOTAL INTANGIBLE		$ 2,600	$ 18	$ 2,618
		SOURCE OF SUPPLY				
5	310.00	Land And Land Rights	0.0000	$ 11,317	$ 0	$ 11,317
6	311.00	Structures And Improvements	0.0040	5,181	35	5,216
7	312.00	Collecting And Impounding Res.	0.0000	-	-	0
8	313.00	Lakes, Rivers, Other Intakes	0.0000	-	-	0
9	314.00	Wells And Springs	0.0931	121,061	816	121,877
10		SUBTOTAL SUPPLY		$ 137,559	$ 851	$ 138,410
		PUMPING				
11	320.00	Land And Land Rights	0.0000	$ 50	$ 0	$ 50
12	321.00	Structures And Improvements	0.0106	13,792	93	13,885
13	323.00	Other Power Production	0.0000	-	-	0
14	325.00	Electric Pumping Equipment	0.1119	145,545	981	146,526
15	326.00	Diesel Pumping Equipment	0.0000	-	-	0
16	328.10	Gas Engine Pumping Equipment	0.0185	24,004	-	24,004
17		SUBTOTAL PUMPING		$ 183,391	$ 1,074	$ 184,465
		WATER TREATMENT				
18	330.00	Land And Land Rights	0.0000	$ 50	$ 0	$ 50
19	331.00	Structures And Improvements	0.0000	-	-	0
20	332.00	Water Treatment Equipment	0.0000	-	-	0
21		SUBTOTAL TREATMENT		$ 50	$ 0	$ 50
		TRANSMISSION & DISTRIBUTION				
22	340.00	Land And Land Rights	0.0000	$ 539	$ 0	$ 539
23	341.00	Structures And Improvements	0.0001	156	-	156
24	342.00	Distribution, Reservoirs, & ST	0.1102	143,216	965	144,181
25	343.00	Trans. And Dist. Mains	0.4485	583,090	3,930	587,020
26	344.00	Fire Mains	0.0000	-	-	0
27	345.00	Services	0.0923	119,954	809	120,763
28	346.00	Meters	0.0606	78,739	531	79,270
29	348.00	Hydrants	0.0113	14,639	99	14,738
30	349.00	Other Trans. And Dist.	0.0000	-	-	0
31		SUBTOTAL TRANS. & DIST.		$ 940,333	$ 6,334	$ 946,667
		GENERAL				
32	389.00	Land And Land Rights	0.0000	$ 2,755	$ 0	$ 2,755
33	390.00	Structures And Improvements	0.0000	-	-	0
34	391.00	Office Furniture And Equipment	0.0000	1,616	-	1,616
35	391.10	Computer Equipment	0.0000	-	-	0
36	392.00	Transportation Equipment	0.0000	21,462	-	21,462
37	393.00	Stores Equipment	0.0000	3,431	-	3,431
38	394.00	Tools, Shop And Garage	0.0000	7,378	-	7,378
39	395.00	Laboratory Equipment	0.0000	-	-	0
40	396.00	Power Operated Equipment	0.0000	-	-	0
41	397.00	Communication Equipment	0.0000	1,426	-	1,426
42	398.00	Miscellaneous Equipment	0.0000	-	-	0
43		SUBTOTAL GENERAL		$ 38,068	$ 0	$ 38,068
44		**TOTAL WATER PLANT**		$ 1,302,001	$ 8,276	$ 1,310,277
45		AFUDC ADJUSTMENT 3/95		$ (1,835)	$ 1,835	$ 0
46		Adjustment Due To Rounding		-	-	0
47		**ADJUSTED WATER PLANT**		$ 1,300,166	$ 10,111	$ 1,310,277

References:
Column (A): Ratio Of Depreciable Plant Item To The Total Plant Value (Col. (B), L47) (Excluding General Plant)
Column (B): Company Schedule B-2, Page 6a
Column (C): Column (A) (Line Item Allocation Factor) X Total Adjustment Of Plant Of $8,276
Column (D): Columns (B) + (C). Prior Rate Case Decision No. 60172, Exhibit A - Before Commission Approved Adjustments

TEST YEAR PLANT SCHEDULES CONT'D
COMPANY'S PRIOR FILING VERSUS TOTAL PLANT ADJUSTMENTS APPROVED IN PRIOR RATE CASE - DECISION NO. 60172

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) ALLOC'N FACTOR	(B) ACTUAL 03/31/1995 PRIOR T. Y. TOTAL PLANT	(C) ADJM'T # 1 TO 03/31/95 PRIOR T. Y. TOTAL PLANT	(D) ADJM'T # 2 TO 03/31/95 PRIOR T. Y. TOTAL PLANT	(E) ADJM'T # 3 TO 03/31/95 PRIOR T. Y. TOTAL PLANT	(F) ACC APPR'D ADJUSTED PRIOR T. Y. TOTAL PLANT
		INTANGIBLE						
1	301.00	Organization	0.0000	$ 571	$ 0	$ 0	$ 0	$ 571
2	302.00	Franchises	0.0000	2,047	-	-	-	2,047
3	303.00	Miscellaneous Intangibles	0.0000	-	-	-	-	0
4		SUBTOTAL INTANGIBLE		$ 2,618	$ 0	$ 0	$ 0	$ 2,618
		SOURCE OF SUPPLY						
5	310.00	Land And Land Rights	0.0000	$ 11,317	$ 0	$ 0	$ 0	$ 11,317
6	311.00	Structures And Improvements	0.0040	5,216	(12)	-	-	5,204
7	312.00	Collecting And Impounding Res.	0.0000	-	-	-	-	0
8	313.00	Lakes, Rivers, Other Intakes	0.0000	-	-	-	-	0
9	314.00	Wells And Springs	0.0930	121,877	(285)	(1,674)	-	119,918
10		SUBTOTAL SUPPLY		$ 138,410	$ (298)	$ (1,674)	$ 0	$ 136,438
		PUMPING						
11	320.00	Land And Land Rights	0.0000	$ 50	$ 0	$ 0	$ 0	$ 50
12	321.00	Structures And Improvements	0.0106	13,885	(33)	-	-	13,852
13	323.00	Other Power Production	0.0000	-	-	-	-	0
14	325.00	Electric Pumping Equipment	0.1118	146,526	(343)	-	-	146,183
15	326.00	Diesel Pumping Equipment	0.0000	-	(0)	-	-	(0)
16	328.10	Gas Engine Pumping Equipment	0.0183	24,004	(56)	-	-	23,948
17		SUBTOTAL PUMPING		$ 184,465	$ (432)	$ 0	$ 0	$ 184,033
		WATER TREATMENT						
18	330.00	Land And Land Rights	0.0000	$ 50	$ 0	$ 0	$ 0	$ 50
19	331.00	Structures And Improvements	0.0000	-	-	-	-	0
20	332.00	Water Treatment Equipment	0.0000	-	-	-	-	0
21		SUBTOTAL TREATMENT		50	$ 0	$ 0	$ 0	$ 50
		TRANSMISSION & DISTRIBUTION						
22	340.00	Land And Land Rights	0.0000	$ 539	$ 0	$ 0	$ 0	$ 539
23	341.00	Structures And Improvements	0.0001	156	-	-	-	156
24	342.00	Distribution, Reservoirs, & ST	0.1100	144,181	(338)	-	-	143,844
25	343.00	Trans. And Dist. Mains	0.4480	587,020	(1,375)	-	-	585,646
26	344.00	Fire Mains	0.0000	-	-	-	-	0
27	345.00	Services	0.0922	120,763	(283)	-	-	120,480
28	346.00	Meters	0.0605	79,270	(186)	-	-	79,084
29	348.00	Hydrants	0.0112	14,738	(35)	-	-	14,703
30	349.00	Other Trans. And Dist.	0.0000	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.		$ 946,667	$ (2,215)	$ 0	$ 0	$ 944,451
		GENERAL						
32	389.00	Land And Land Rights	0.0000	$ 2,755	$ 0	$ 0	$ 0	$ 2,755
33	390.00	Structures And Improvements	0.0000	-	-	-	-	0
34	391.00	Office Furniture And Equipment	0.0000	1,616	-	-	-	1,616
35	391.10	Computer Equipment	0.0000	-	-	-	-	0
36	392.00	Transportation Equipment	0.0000	21,462	-	-	-	21,462
37	393.00	Stores Equipment	0.0000	3,431	-	-	-	3,431
38	394.00	Tools, Shop And Garage	0.0000	7,378	-	-	-	7,378
39	395.00	Laboratory Equipment	0.0000	-	-	-	-	0
40	396.00	Power Operated Equipment	0.0000	-	-	-	-	0
41	397.00	Communication Equipment	0.0000	1,426	-	-	-	1,426
42	398.00	Miscellaneous Equipment	0.0000	-	-	-	-	0
43		SUBTOTAL GENERAL		$ 38,068	$ 0	$ 0	$ 0	$ 38,068
44		**TOTAL WATER PLANT**		$ 1,310,277	$ (2,945)	$ (1,674)	$ 0	$ 1,305,658
45		AFUDC ADJUSTMENT 3/95		$ 0	$ 0	$ 0	$ 0	$ 0
46		Adjustment Due To Rounding		-	-	-	-	0
47		**ADJUSTED WATER PLANT**		$ 1,310,277	$ (2,945)	$ (1,674)	$ 0	$ 1,305,658

References:
Column (A): Ratio Of Depreciable Plant Item To The Total Plant Value (Col. (B), L 47) (Excluding General Plant)
Column (B): Prior Rate Case Decision No. 60172, Exhibit A - Before Commission Approved Adjustments
Column (C): Commission Approved Adjustment Decision No. 60172, Exhibit A Per AR-13 And Plant In Service
Column (D): Commission Approved Adjustment Decision No. 60172, Exhibit A Per Observation Wells - Plant
Column (E): Intentionally Left Blank
Column (F): Sum Of Cols. (B) Thru (E). Prior Rate Case Decision No. 60172, Exhibit A - After Commission Approved Adjustments

TEST YEAR PLANT SCHEDULES CONT'D
COMPANY'S PRIOR FILING VERSUS ACCUMULATED DEPRECIATION ADJUSTMENTS APPROVED IN PRIOR RATE CASE - DEC. NO. 60172

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) ALLOC'N FACTOR	(B) PREV. APPL'N CO. AS FILED 12/31/1994 ACC. DEP.	(C) ADJM'T NO. 1 TO12/31/94 ACC. DEP.	(D) ACTUAL 03/31/1995 PRIOR T. Y. ACC. DEP.	(E) ADJM'T NO. 2 TO 03/31/95 PRIOR T. Y. ACC. DEP.	(F) ACC APPR'D ADJUSTED PRIOR T. Y. ACC. DEP.
		INTANGIBLE						
1	301.00	Organization	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
2	302.00	Franchises	0.0000	-	-	-	-	0
3	303.00	Miscellaneous Intangibles	0.0000	-	-	-	-	0
4		SUBTOTAL INTANGIBLE		$ 0	$ 0	$ 0	$ 0	$ 0
		SOURCE OF SUPPLY						
5	310.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
6	311.00	Structures And Improvements	0.0058	1,801	73	1,874	(1)	1,873
7	312.00	Collecting And Impounding Res.	0.0000	-	-	-	-	0
8	313.00	Lakes, Rivers, Other Intakes	0.0000	-	-	-	-	0
9	314.00	Wells And Springs	0.1327	41,517	1,682	43,199	549	43,748
10		SUBTOTAL SUPPLY		$ 43,318	$ 1,755	$ 45,073	$ 548	$ 45,621
		PUMPING						
11	320.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
12	321.00	Structures And Improvements	0.0191	5,975	242	6,217	(2)	6,215
13	323.00	Other Power Production	0.0000	-	-	-	-	0
14	325.00	Electric Pumping Equipment	0.1473	46,076	1,866	47,942	(17)	47,926
15	326.00	Diesel Pumping Equipment	0.0000	-	-	-	-	0
16	328.10	Gas Engine Pumping Equipment	0.0001	42	-	42	-	42
17		SUBTOTAL PUMPING		$ 52,093	$ 2,108	$ 54,201	$ (19)	$ 54,183
		WATER TREATMENT						
18	330.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
19	331.00	Structures And Improvements	0.0000	-	-	-	-	0
20	332.00	Water Treatment Equipment	0.0000	-	-	-	-	0
21		SUBTOTAL TREATMENT		$ 0	$ 0	$ 0	$ 0	$ 0
		TRANSMISSION & DISTRIBUTION						
22	340.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
23	341.00	Structures And Improvements	0.0002	61	2	63	-	0
24	342.00	Distribution, Reservoirs, & ST	0.0407	12,724	515	13,239	(5)	13,235
25	343.00	Trans. And Dist. Mains	0.4865	152,194	6,165	158,359	(55)	158,304
26	344.00	Fire Mains	0.0000	-	-	-	-	0
27	345.00	Services	0.0963	30,132	1,221	31,353	(11)	31,342
28	346.00	Meters	0.0513	16,034	649	16,683	(6)	16,678
29	348.00	Hydrants	0.0083	2,592	105	2,697	(1)	2,696
30	349.00	Other Trans. And Dist.	0.0000	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.		$ 213,737	$ 8,658	$ 222,395	$ (77)	$ 222,254
		GENERAL						
32	389.00	Land And Land Rights	0.0000	$ 0	$ 0	$ 0	$ 0	$ 0
33	390.00	Structures And Improvements	0.0000	-	-	-	-	0
34	391.00	Office Furniture And Equipment	0.0006	177	7	184	-	184
35	391.10	Computer Equipment	0.0010	307	12	319	-	0
36	392.00	Transportation Equipment	0.0086	2,684	109	2,793	(1)	2,792
37	393.00	Stores Equipment	0.0003	108	4	112	-	112
38	394.00	Tools, Shop And Garage	0.0012	376	15	391	-	391
39	395.00	Laboratory Equipment	0.0000	-	-	-	-	0
40	396.00	Power Operated Equipment	0.0000	-	-	-	-	0
41	397.00	Communication Equipment	0.0001	43	2	45	-	45
42	398.00	Miscellaneous Equipment	0.0000	-	-	-	-	0
43		SUBTOTAL GENERAL		$ 3,695	$ 150	$ 3,845	$ (1)	$ 3,524
44		**TOTAL WATER PLANT ACC. DEP.**		$ 312,843	$ 12,670	$ 325,513	$ 451	$ 325,582
45		AFUDC ADJUSTMENT 3/95		$ 0	$ 0	$ 0	$ 0	$ 0
46		Adjustment Due To Rounding		-	-	-	-	0
47		**ADJUSTED WATER PLANT ACC. DEP.**		$ 312,843	$ 12,670	$ 325,513	$ 451	$ 325,582

References:
Column (A): Ratio Of Depreciable Plant Item To The Total Accumulated Depreciation Value (Col. (B), L 47)
Column (B): Company Prior Application Exhibit RJM-4f
Column (C): Column (A) (Line Item Allocation Factor) X Total Adjustment Of $135,520
Column (D): Prior Rate Case Decision No. 60172, Exhibit A - Before Commission Approved Adjustments
Column (E): Commission Approved Adjustment Decision No. 60172, Exhibit A Per Acc. Dep. Adjustment On Total Plant And On Observation Wells
Column (F): Prior Rate Case Decision No. 60172, Exhibit A - After Commission Approved Adjustments

TEST YEAR PLANT SCHEDULES CONT'D
ACC APPROVED PRIOR TEST YEAR ENDED MARCH 31, 1995

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) APPROVED DEP. RATE	(B) FULLY DEP. PLANT	(C) DEP. EXP.	(D) TOTAL PLANT VALUE	(E) ACCUM. DEP.	(F) NET PLANT VALUE
		INTANGIBLE						
1	301.00	Organization	0.00%	$ 0	$ 0	$ 571	$ 0	$ 571
2	302.00	Franchises	0.00%	-	-	2,047	-	2,047
3	303.00	Miscellaneous Intangibles	0.00%	-	-	0	-	0
4		SUBTOTAL INTANGIBLE		$ 0	$ 0	$ 2,618	$ 0	$ 2,618
		SOURCE OF SUPPLY						
5	310.00	Land And Land Rights	0.00%	$ 0	$ 0	$ 11,317	$ 0	$ 11,317
6	311.00	Structures And Improvements	2.40%	-	-	5,204	1,873	3,330
7	312.00	Collecting And Impounding Reservoirs	0.00%	-	-	-	-	0
8	313.00	Lakes, Rivers, Other Intakes	0.00%	-	-	-	-	0
9	314.00	Wells And Springs	3.08%	-	-	119,918	43,748	76,170
10		SUBTOTAL SOURCE OF SUPPLY		$ 0	$ 0	$ 136,438	$ 45,621	$ 90,817
		PUMPING						
11	320.00	Land And Land Rights	0.00%	$ 0	$ 0	$ 50	$ 0	$ 50
12	321.00	Structures And Improvements	1.94%	-	-	13,852	6,215	7,638
13	323.00	Other Power Production	0.00%	-	-	-	-	0
14	325.00	Electric Pumping Equipment	4.24%	-	-	146,183	47,926	98,257
15	326.00	Diesel Pumping Equipment	5.00%	-	-	-	-	0
16	328.10	Gas Engine Pumping Equipment	4.24%	-	-	23,948	42	23,906
17		SUBTOTAL PUMPING		$ -	$ 0	$ 184,033	$ 54,183	$ 129,851
		WATER TREATMENT						
18	330.00	Land And Land Rights	0.00%	$ 0	$ 0	$ 50	$ 0	$ 0
19	331.00	Structures And Improvements	0.00%	-	-	-	-	0
20	332.00	Water Treatment Equipment	4.00%	-	-	-	-	0
21		SUBTOTAL WATER TREATMENT		$ 0	$ 0	$ 50	$ 0	$ 0
		TRANSMISSION AND DISTRIBUTION						
22	340.00	Land And Land Rights	0.00%	$ 0	$ 0	$ 539	$ 0	$ 539
23	341.00	Structures And Improvements	1.92%	-	-	156	-	156
24	342.00	Distribution, Reservoirs, & ST	1.62%	-	-	143,844	13,235	130,609
25	343.00	Transmission And Distribution Mains	1.97%	-	-	585,646	158,304	427,342
26	344.00	Fire Mains	0.00%	-	-	-	-	0
27	345.00	Services	2.45%	-	-	120,480	31,342	89,138
28	346.00	Meters	2.42%	-	-	79,084	16,678	62,406
29	348.00	Hydrants	1.97%	-	-	14,703	2,696	12,007
30	349.00	Other Transmission And Distribution	0.00%	-	-	-	-	0
31		SUBTOTAL TRANS. AND DIST.		$ 0	$ 0	$ 944,451	$ 222,254	$ 722,197
		GENERAL						
32	389.00	Land And Land Rights	0.00%	$ 0	$ 0	$ 2,755	$ 0	$ 2,755
33	390.00	Structures And Improvements	2.89%	-	-	-	-	0
34	391.00	Office Furniture And Equipment	3.28%	-	-	1,616	184	1,432
35	391.10	Computer Equipment	3.28%	-	-	-	-	0
36	392.00	Transportation Equipment	25.00%	-	-	21,462	2,792	18,670
37	393.00	Stores Equipment	4.00%	-	-	3,431	112	3,319
38	394.00	Tools, Shop And Garage	3.42%	-	-	7,378	391	6,987
39	395.00	Laboratory Equipment	0.00%	-	-	-	-	0
40	396.00	Power Operated Equipment	0.00%	-	-	-	-	0
41	397.00	Communication Equipment	5.03%	-	-	1,426	45	1,381
42	398.00	Miscellaneous Equipment	4.93%	-	-	-	-	0
43		SUBTOTAL GENERAL		$ 0	$ 0	$ 38,068	$ 3,524	$ 34,544
44		AFUDC ADJUSTMENT 3/95	0.00%	$ 0	$ 0	$ 0	$ 0	$ 0
45		Adjustment Due To Rounding		-	-	-	-	0
46		**TOTAL WATER PLANT**		$ 0	$ 0	$ 1,305,658	$ 325,582	$ 980,027

References:
Column (A): Prior Decision No. 60172 And Company Schedule C-2, Page 6
Columns (B) (C): Company Response To RUCO Data Request No. 1.22
Column (D): Schedule RLM-4, Page 2
Column (E): Schedule RLM-4, Page 3
Column (F): Column (D) - Column (E)

TEST YEAR PLANT SCHEDULES CONT'D
FROM MARCH 31, 1995 TO DECEMBER 31, 1995

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 571	$ 0	$ 571
2	302.00	Franchises	-	-	-	-	2,047	-	2,047
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 2,618	$ 0	$ 2,618
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 11,317	$ 0	$ 11,317
6	311.00	Structures And Improvements	-	-	-	94	5,204	1,967	3,237
7	312.00	Collecting And Impounding Res.	-	-	-	-	-	-	0
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	-	-	-	2,770	119,918	46,518	73,400
10		SUBTOTAL SUPPLY	$ 0	$ 0	$ 0	$ 2,864	$ 136,438	$ 48,485	$ 87,954
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 50	$ 0	$ 50
12	321.00	Structures And Improvements	-	-	-	202	13,852	6,416	7,436
13	323.00	Other Power Production	-	-	-	-	-	-	0
14	325.00	Electric Pumping Equipment	12,487	431	-	4,854	158,238	52,349	105,890
15	326.00	Diesel Pumping Equipment	-	-	-	-	-	-	0
16	328.10	Gas Engine Pumping Equipment	4,354	-	-	831	28,301	873	27,429
17		SUBTOTAL PUMPING	$ 16,840	$ 431	$ 0	$ 5,886	$ 200,442	$ 59,638	$ 140,804
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 50	$ 0	$ 50
19	331.00	Structures And Improvements	-	-	-	-	-	-	0
20	332.00	Water Treatment Equipment	-	-	-	-	-	-	0
21		SUBTOTAL TREATMENT	$ 0	$ 0	$ 0	$ 0	$ 50	$ 0	$ 50
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 539	$ 0	$ 539
23	341.00	Structures And Improvements	-	-	-	2	156	2	154
24	342.00	Distribution, Reservoirs, & ST	235	-	-	1,749	144,079	14,984	129,095
25	343.00	Trans. And Dist. Mains	79,443	3,908	-	9,269	661,181	163,664	497,516
26	344.00	Fire Mains	-	-	-	-	-	-	0
27	345.00	Services	31,610	1,426	-	2,517	150,664	32,433	118,231
28	346.00	Meters	4,466	3,143	-	1,504	80,408	15,039	65,368
29	348.00	Hydrants	396	-	-	220	15,100	2,916	12,183
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.	$ 116,151	$ 8,477	$ 0	$ 15,262	$ 1,052,125	$ 229,039	$ 823,086
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 2,755	$ 0	$ 2,755
33	390.00	Structures And Improvements	-	-	-	-	-	-	0
34	391.00	Office Furniture And Equipment	1,543	-	-	59	3,159	243	2,916
35	391.10	Computer Equipment	-	-	-	-	-	-	0
36	392.00	Transportation Equipment	-	-	-	4,024	21,462	6,816	14,646
37	393.00	Stores Equipment	-	-	-	103	3,431	215	3,216
38	394.00	Tools, Shop And Garage	-	-	-	189	7,378	580	6,798
39	395.00	Laboratory Equipment	-	-	-	-	-	-	0
40	396.00	Power Operated Equipment	-	-	-	-	-	-	0
41	397.00	Communication Equipment	450	-	-	62	1,876	107	1,769
42	398.00	Miscellaneous Equipment	-	-	-	-	-	-	0
43		SUBTOTAL GENERAL	$ 1,993	$ 0	$ 0	$ 4,437	$ 40,061	$ 7,962	$ 32,099
44		AFUDC ADJUSTMENT 3/95	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
45		Adjustment Due To Rounding	-	-	-	-	-	-	(1)
46		**TOTAL WATER PLANT**	$ 134,984	$ 8,908	$ 0	$ 28,449	$ 1,431,734	$ 345,123	$ 1,086,610

References:
Columns (A) (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): 0.75 X [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 4, Col. (D) - Col. (C)] X RLM-4, Page 4, Col. (A)
Column (E): Schedule RLM-4, Page 4, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 4, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
YEAR ENDED DECEMBER 31, 1996

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 571	$ 0	$ 571
2	302.00	Franchises	-	-	-	-	2,047	-	2,047
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 2,618	$ 0	$ 2,618
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 9,424	$ 0	$ 0	$ 0	$ 20,741	$ 0	$ 20,741
6	311.00	Structures And Improvements	-	-	-	125	5,204	2,092	3,112
7	312.00	Collecting And Impounding Res.	-	-	-	-	-	-	0
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	57,856	-	-	4,584	177,774	51,102	126,671
10		SUBTOTAL SUPPLY	$ 67,280	$ 0	$ 0	$ 4,709	$ 203,718	$ 53,194	$ 150,524
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 50	$ 0	$ 50
12	321.00	Structures And Improvements	-	-	-	269	13,852	6,685	7,167
13	323.00	Other Power Production	-	-	-	-	-	-	0
14	325.00	Electric Pumping Equipment	605	-	-	6,722	158,844	59,071	99,773
15	326.00	Diesel Pumping Equipment	-	-	-	-	-	-	0
16	328.10	Gas Engine Pumping Equipment	-	-	-	1,200	28,302	2,073	26,229
17		SUBTOTAL PUMPING	$ 605	$ 0	$ 0	$ 8,191	$ 201,047	$ 67,829	$ 133,219
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 50	$ 0	$ 50
19	331.00	Structures And Improvements	-	-	-	-	-	-	0
20	332.00	Water Treatment Equipment	-	-	-	-	-	-	0
21		SUBTOTAL TREATMENT	$ 0	$ 0	$ 0	$ 0	$ 50	$ 0	$ 50
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 539	$ 0	$ 539
23	341.00	Structures And Improvements	-	-	-	3	156	5	151
24	342.00	Distribution, Reservoirs, & ST	-	-	-	2,334	144,079	17,318	126,761
25	343.00	Trans. And Dist. Mains	41,692	69	-	13,437	702,804	177,032	525,772
26	344.00	Fire Mains	-	-	-	-	-	-	0
27	345.00	Services	18,379	-	-	3,916	169,043	36,349	132,693
28	346.00	Meters	1,850	-	-	1,968	82,258	17,007	65,250
29	348.00	Hydrants	2,625	-	-	323	17,725	3,240	14,485
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.	$ 64,546	$ 69	$ 0	$ 21,982	$ 1,116,602	$ 250,952	$ 865,651
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 2,755	$ 0	$ 2,755
33	390.00	Structures And Improvements	498	-	-	7	498	7	491
34	391.00	Office Furniture And Equipment	6,151	-	-	204	9,310	447	8,863
35	391.10	Computer Equipment	-	-	-	-	-	-	0
36	392.00	Transportation Equipment	-	-	-	5,366	21,462	12,181	9,281
37	393.00	Stores Equipment	-	-	-	137	3,431	353	3,078
38	394.00	Tools, Shop And Garage	265	-	-	257	7,643	837	6,806
39	395.00	Laboratory Equipment	-	-	-	-	-	-	0
40	396.00	Power Operated Equipment	-	-	-	-	-	-	0
41	397.00	Communication Equipment	400	-	-	104	2,276	211	2,065
42	398.00	Miscellaneous Equipment	-	-	-	-	-	-	0
43		SUBTOTAL GENERAL	$ 7,314	$ 0	$ 0	$ 6,076	$ 47,375	$ 14,037	$ 33,338
44		AFUDC ADJUSTMENT 3/95	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
45		Adjustment Due To Rounding	(1)	-	-	-	-	-	(1)
46		**TOTAL WATER PLANT**	$ 139,744	$ 69	$ 0	$ 40,958	$ 1,571,410	$ 386,012	$ 1,185,399

References:
Columns (A) (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 5, Col. (D) - Col. (C)] X RLM-4, Page 4, Col. (A)
Column (E): Schedule RLM-4, Page 5, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 5, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
YEAR ENDED DECEMBER 31, 1997

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 571	$ 0	$ 571
2	302.00	Franchises	-	8	-	-	2,039	-	2,039
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 8	$ 0	$ 0	$ 2,610	$ 0	$ 2,610
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 20,741	$ 0	$ 20,741
6	311.00	Structures And Improvements	14,886	-	-	304	20,089	2,395	17,694
7	312.00	Collecting And Impounding Res.	-	-	-	-	-	-	0
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	3,175	-	-	5,524	180,948	56,627	124,322
10		SUBTOTAL SUPPLY	$ 18,061	$ 0	$ 0	$ 5,828	$ 221,778	$ 59,022	$ 162,756
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 50	$ 0	$ 50
12	321.00	Structures And Improvements	816	-	-	13	14,668	6,698	7,970
13	323.00	Other Power Production	-	-	-	-	-	-	0
14	325.00	Electric Pumping Equipment	67,288	555	-	1,723	225,577	60,239	165,338
15	326.00	Diesel Pumping Equipment	-	-	-	-	-	-	0
16	328.10	Gas Engine Pumping Equipment	5,432	-	-	166	33,734	2,239	31,495
17		SUBTOTAL PUMPING	$ 73,537	$ 555	$ 0	$ 1,902	$ 274,029	$ 69,176	$ 204,854
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 50	$ 0	$ 50
19	331.00	Structures And Improvements	-	-	-	-	-	-	0
20	332.00	Water Treatment Equipment	505	-	-	10	505	10	495
21		SUBTOTAL TREATMENT	$ 505	$ 0	$ 0	$ 10	$ 555	$ 10	$ 545
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 539	$ 0	$ 539
23	341.00	Structures And Improvements	-	-	-	0	156	5	151
24	342.00	Distribution, Reservoirs, & ST	-	1,382	-	49	142,697	15,985	126,712
25	343.00	Trans. And Dist. Mains	143,869	-	-	1,682	846,673	178,714	667,959
26	344.00	Fire Mains	-	-	-	-	-	-	0
27	345.00	Services	20,178	898	-	354	188,323	35,806	152,517
28	346.00	Meters	5,421	1,605	-	133	86,074	15,535	70,539
29	348.00	Hydrants	1,009	1,472	-	31	17,262	1,798	15,464
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.	$ 170,478	$ 5,357	$ 0	$ 2,248	$ 1,281,723	$ 247,843	$ 1,033,880
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 2,755	$ 0	$ 2,755
33	390.00	Structures And Improvements	-	-	-	0	498	7	491
34	391.00	Office Furniture And Equipment	-	641	-	17	8,669	(176)	8,845
35	391.10	Computer Equipment	4,489	5	-	74	4,484	69	4,415
36	392.00	Transportation Equipment	26,518	-	-	4,656	47,980	16,837	31,143
37	393.00	Stores Equipment	-	34	-	6	3,397	325	3,072
38	394.00	Tools, Shop And Garage	433	-	-	16	8,076	854	7,222
39	395.00	Laboratory Equipment	-	-	-	-	-	-	0
40	396.00	Power Operated Equipment	-	-	-	-	-	-	0
41	397.00	Communication Equipment	175	-	-	10	2,451	221	2,229
42	398.00	Miscellaneous Equipment	659	-	-	16	659	16	642
43		SUBTOTAL GENERAL	$ 32,274	$ 680	$ 0	$ 4,796	$ 78,968	$ 18,153	$ 60,815
44		AFUDC ADJUSTMENT 3/95	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
45		Adjustment Due To Rounding	(1)	-	-	-	1	-	(1)
46		**TOTAL WATER PLANT**	$ 294,854	$ 6,600	$ 0	$ 14,784	$ 1,859,664	$ 394,204	$ 1,465,459

References:
Columns (A) (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 6, Col. (D) - Col. (C)] X RLM-4, Page 4, Col. (A)
Column (E): Schedule RLM-4, Page 6, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 6, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
YEAR ENDED DECEMBER 31, 1998

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 571	$ 0	$ 571
2	302.00	Franchises	5	-	-	-	2,044	-	2,044
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 5	$ 0	$ 0	$ 0	$ 2,615	$ 0	$ 2,615
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 327	$ 0	$ 0	$ 20,414	$ (327)	$ 20,741
6	311.00	Structures And Improvements	-	75	-	483	20,014	2,803	17,211
7	312.00	Collecting And Impounding Res.	-	-	-	-	-	-	0
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	-	537	-	5,581	180,411	61,671	118,740
10		SUBTOTAL SUPPLY	$ 0	$ 939	$ 0	$ 6,065	$ 220,839	$ 64,147	$ 156,692
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 50	$ 0	$ 50
12	321.00	Structures And Improvements	-	-	-	285	14,668	6,983	7,686
13	323.00	Other Power Production	-	-	-	-	-	-	0
14	325.00	Electric Pumping Equipment	17,455	299	-	9,941	242,733	69,881	172,852
15	326.00	Diesel Pumping Equipment	-	-	-	-	-	-	0
16	328.10	Gas Engine Pumping Equipment	9,205	-	-	1,625	42,939	3,864	39,075
17		SUBTOTAL PUMPING	$ 26,660	$ 299	$ 0	$ 11,851	$ 300,390	$ 80,728	$ 219,663
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 50	$ 0	$ 50
19	331.00	Structures And Improvements	-	-	-	-	-	-	0
20	332.00	Water Treatment Equipment	-	-	-	20	505	30	475
21		SUBTOTAL TREATMENT	$ 0	$ 0	$ 0	$ 20	$ 555	$ 30	$ 525
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 539	$ 0	$ 539
23	341.00	Structures And Improvements	-	-	-	3	156	8	148
24	342.00	Distribution, Reservoirs, & ST	351	20,853	-	2,483	122,195	(2,385)	124,579
25	343.00	Trans. And Dist. Mains	52,701	-	-	17,199	899,374	195,912	703,461
26	344.00	Fire Mains	-	-	-	-	-	-	0
27	345.00	Services	18,410	2,749	-	4,873	203,984	37,930	166,054
28	346.00	Meters	3,222	1,593	-	2,141	87,703	16,083	71,619
29	348.00	Hydrants	6,992	-	-	409	24,254	2,207	22,046
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.	$ 81,675	$ 25,195	$ 0	$ 27,108	$ 1,338,203	$ 249,756	$ 1,088,447
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 2,755	$ 0	$ 2,755
33	390.00	Structures And Improvements	-	-	-	14	498	22	476
34	391.00	Office Furniture And Equipment	2,783	-	-	330	11,452	154	11,298
35	391.10	Computer Equipment	3,655	-	-	207	8,139	276	7,863
36	392.00	Transportation Equipment	17,044	-	-	14,126	65,024	30,963	34,061
37	393.00	Stores Equipment	21	-	-	136	3,418	461	2,957
38	394.00	Tools, Shop And Garage	1,119	-	-	295	9,195	1,149	8,046
39	395.00	Laboratory Equipment	-	-	-	-	-	-	0
40	396.00	Power Operated Equipment	-	-	-	-	-	-	0
41	397.00	Communication Equipment	10	-	-	124	2,461	345	2,116
42	398.00	Miscellaneous Equipment	-	-	-	32	659	49	610
43		SUBTOTAL GENERAL	$ 24,632	$ 0	$ 0	$ 15,265	$ 103,600	$ 33,417	$ 70,183
44		AFUDC ADJUSTMENT 3/95	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
45		Adjustment Due To Rounding	-	-	-	-	2	-	(1)
46		**TOTAL WATER PLANT**	$ 132,972	$ 26,433	$ 0	$ 60,308	$ 1,966,204	$ 428,080	$ 1,538,123

References:
Columns (A) (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 7, Col. (D) - Col. (C)] X RLM-4, Page 4, Col. (A)
Column (E): Schedule RLM-4, Page 7, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 7, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
YEAR ENDED DECEMBER 31, 1999

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 571	$ 0	$ 571
2	302.00	Franchises	-	-	-	-	2,044	-	2,044
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 2,615	$ 0	$ 2,615
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 20,414	$ (327)	$ 20,741
6	311.00	Structures And Improvements	-	-	-	480	20,014	3,284	16,730
7	312.00	Collecting And Impounding Res.	-	-	-	-	-	-	0
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	-	-	-	5,557	180,411	67,228	113,183
10		SUBTOTAL SUPPLY	$ 0	$ 0	$ 0	$ 6,037	$ 220,839	$ 70,184	$ 150,655
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 50	$ 0	$ 50
12	321.00	Structures And Improvements	-	-	-	285	14,668	7,267	7,401
13	323.00	Other Power Production	-	-	-	-	-	-	0
14	325.00	Electric Pumping Equipment	4,097	-	-	10,379	246,830	80,260	166,571
15	326.00	Diesel Pumping Equipment	879	-	-	22	879	22	857
16	328.10	Gas Engine Pumping Equipment	-	-	-	1,821	42,940	5,685	37,255
17		SUBTOTAL PUMPING	$ 4,976	$ 0	$ 0	$ 12,506	$ 305,368	$ 93,234	$ 212,134
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 50	$ 0	$ 50
19	331.00	Structures And Improvements	-	-	-	-	-	-	0
20	332.00	Water Treatment Equipment	-	-	-	20	505	51	455
21		SUBTOTAL TREATMENT	$ 0	$ 0	$ 0	$ 20	$ 555	$ 51	$ 505
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 539	$ 0	$ 539
23	341.00	Structures And Improvements	-	-	-	3	156	11	145
24	342.00	Distribution, Reservoirs, & ST	-	-	-	1,980	122,195	(405)	122,600
25	343.00	Trans. And Dist. Mains	2,712	-	-	17,744	902,086	213,657	688,429
26	344.00	Fire Mains	-	-	-	-	-	-	0
27	345.00	Services	5,780	-	-	5,068	209,764	42,998	166,766
28	346.00	Meters	-	-	-	2,122	87,703	18,206	69,497
29	348.00	Hydrants	-	-	-	478	24,254	2,685	21,569
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.	$ 8,492	$ 0	$ 0	$ 27,396	$ 1,346,695	$ 277,152	$ 1,069,544
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 2,755	$ 0	$ 2,755
33	390.00	Structures And Improvements	-	-	-	14	498	36	462
34	391.00	Office Furniture And Equipment	-	-	-	376	11,452	529	10,923
35	391.10	Computer Equipment	2,770	-	-	312	10,909	588	10,321
36	392.00	Transportation Equipment	-	-	-	16,256	65,024	47,219	17,805
37	393.00	Stores Equipment	-	-	-	137	3,418	598	2,820
38	394.00	Tools, Shop And Garage	-	-	-	314	9,195	1,463	7,732
39	395.00	Laboratory Equipment	-	-	-	-	-	-	0
40	396.00	Power Operated Equipment	-	-	-	-	-	-	0
41	397.00	Communication Equipment	-	-	-	124	2,460	468	1,992
42	398.00	Miscellaneous Equipment	-	-	-	32	658	81	577
43		SUBTOTAL GENERAL	$ 2,770	$ 0	$ 0	$ 17,566	$ 106,369	$ 50,983	$ 55,386
44		AFUDC ADJUSTMENT 3/95	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
45		Adjustment Due To Rounding	(1)	-	-	-	-	-	(1)
46		**TOTAL WATER PLANT**	$ 16,237	$ 0	$ 0	$ 63,524	$ 1,982,441	$ 491,604	$ 1,490,836

References:
Columns (A) (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-11, Page 8, Col. (D) - Col. (C)] X RLM 4, Page 4, Col. (A)
Column (E): Schedule RLM-4, Page 8, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 8, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
YEAR ENDED DECEMBER 31, 2000

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 571	$ 0	$ 571
2	302.00	Franchises	-	-	-	-	2,044	-	2,044
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 2,615	$ 0	$ 2,615
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 20,414	$ (327)	$ 20,741
6	311.00	Structures And Improvements	-	-	-	480	20,015	3,764	16,251
7	312.00	Collecting And Impounding Res.	-	-	-	-	-	-	0
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	-	576	-	5,566	179,836	72,217	107,618
10		SUBTOTAL SUPPLY	$ 0	$ 576	$ 0	$ 6,046	$ 220,264	$ 75,654	$ 144,610
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 50	$ 0	$ 50
12	321.00	Structures And Improvements	-	-	-	285	14,668	7,552	7,116
13	323.00	Other Power Production	-	-	-	-	-	-	0
14	325.00	Electric Pumping Equipment	-	3,516	-	10,540	243,314	87,284	156,030
15	326.00	Diesel Pumping Equipment	-	-	-	44	879	66	813
16	328.10	Gas Engine Pumping Equipment	-	-	-	1,821	42,940	7,506	35,434
17		SUBTOTAL PUMPING	$ 0	$ 3,516	$ 0	$ 12,689	$ 301,851	$ 102,407	$ 199,444
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 50	$ 0	$ 50
19	331.00	Structures And Improvements	-	-	-	-	-	-	0
20	332.00	Water Treatment Equipment	-	-	-	20	505	71	434
21		SUBTOTAL TREATMENT	$ 0	$ 0	$ 0	$ 20	$ 555	$ 71	$ 484
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 539	$ 0	$ 539
23	341.00	Structures And Improvements	-	-	-	3	156	14	142
24	342.00	Distribution, Reservoirs, & ST	-	-	-	1,980	122,195	1,575	120,620
25	343.00	Trans. And Dist. Mains	5,038	177	-	17,822	906,947	231,302	675,644
26	344.00	Fire Mains	-	-	-	-	-	-	0
27	345.00	Services	3,707	597	-	5,192	212,873	47,592	165,281
28	346.00	Meters	44	1,475	-	2,141	86,272	18,872	67,400
29	348.00	Hydrants	-	-	-	478	24,254	3,163	21,091
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.	$ 8,789	$ 2,249	$ 0	$ 27,616	$ 1,353,235	$ 302,518	$ 1,050,717
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 2,755	$ 0	$ 2,755
33	390.00	Structures And Improvements	-	-	-	14	498	51	447
34	391.00	Office Furniture And Equipment	-	-	-	376	11,452	905	10,547
35	391.10	Computer Equipment	-	1,474	-	382	9,435	(504)	9,939
36	392.00	Transportation Equipment	-	47,858	-	22,238	17,166	21,599	(4,433)
37	393.00	Stores Equipment	-	-	-	137	3,418	734	2,684
38	394.00	Tools, Shop And Garage	-	1,034	-	332	8,161	761	7,400
39	395.00	Laboratory Equipment	-	-	-	-	-	-	0
40	396.00	Power Operated Equipment	-	-	-	-	-	-	0
41	397.00	Communication Equipment	-	-	-	124	2,460	592	1,868
42	398.00	Miscellaneous Equipment	-	-	-	32	658	114	544
43		SUBTOTAL GENERAL	$ 0	$ 50,366	$ 0	$ 23,635	$ 56,003	$ 24,252	$ 31,751
44		AFUDC ADJUSTMENT 3/95	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
45		Adjustment Due To Rounding	(1)	-	-	-	(1)	-	(1)
46		**TOTAL WATER PLANT**	$ 8,788	$ 56,707	$ 0	$ 70,006	$ 1,934,522	$ 504,903	$ 1,429,620

References:
Columns (A) (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 9, Col. (D) - Col. (C)] X RLM-4, Page 4, Col. (A)
Column (E): Schedule RLM-4, Page 9, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 9, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
TEST YEAR ENDED DECEMBER 31, 2001

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) PLANT ADDIT'NS	(B) PLANT RETIRM'TS	(C) FULL DEP. PL'T	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 571	$ 0	$ 571
2	302.00	Franchises	-	-	-	-	2,044	-	2,044
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 0	$ 0	$ 0	$ 2,615	$ 0	$ 2,615
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 20,414	$ (327)	$ 20,741
6	311.00	Structures And Improvements	-	-	-	480	20,015	4,244	15,770
7	312.00	Collecting And Impounding Res.	-	-	-	-	-	-	0
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	-	-	-	5,539	179,836	77,756	102,079
10		SUBTOTAL SUPPLY	$ 0	$ 0	$ 0	$ 6,019	$ 220,264	$ 81,674	$ 138,591
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 50	$ 0	$ 50
12	321.00	Structures And Improvements	-	-	-	285	14,668	7,836	6,832
13	323.00	Other Power Production	-	-	-	-	-	-	0
14	325.00	Electric Pumping Equipment	624	-	-	10,330	243,938	97,613	146,325
15	326.00	Diesel Pumping Equipment	-	-	-	44	879	110	769
16	328.10	Gas Engine Pumping Equipment	-	-	-	1,821	42,940	9,326	33,614
17		SUBTOTAL PUMPING	$ 624	$ 0	$ 0	$ 12,479	$ 302,475	$ 114,885	$ 187,590
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 50	$ 0	$ 50
19	331.00	Structures And Improvements	-	-	-	-	-	-	0
20	332.00	Water Treatment Equipment	-	-	-	20	505	91	414
21		SUBTOTAL TREATMENT	$ 0	$ 0	$ 0	$ 20	$ 555	$ 91	$ 464
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 539	$ 0	$ 539
23	341.00	Structures And Improvements	-	-	-	3	156	17	139
24	342.00	Distribution, Reservoirs, & ST	20,853	-	-	2,148	143,048	3,723	139,325
25	343.00	Trans. And Dist. Mains	1,845	20,784	-	18,090	888,008	228,608	659,400
26	344.00	Fire Mains	-	-	-	-	-	-	0
27	345.00	Services	60,593	-	-	5,958	273,466	53,550	219,916
28	346.00	Meters	2,025	-	-	2,112	88,297	20,984	67,313
29	348.00	Hydrants	-	-	-	478	24,254	3,641	20,613
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.	$ 85,316	$ 20,784	$ 0	$ 28,789	$ 1,417,767	$ 310,523	$ 1,107,244
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 2,755	$ 0	$ 2,755
33	390.00	Structures And Improvements	-	-	-	14	498	65	433
34	391.00	Office Furniture And Equipment	-	-	-	376	11,452	1,280	10,172
35	391.10	Computer Equipment	-	-	-	309	9,435	(194)	9,629
36	392.00	Transportation Equipment	-	-	-	4,292	17,166	25,891	(8,725)
37	393.00	Stores Equipment	-	-	-	137	3,418	872	2,546
38	394.00	Tools, Shop And Garage	-	-	-	279	8,161	1,041	7,120
39	395.00	Laboratory Equipment	-	-	-	-	-	-	0
40	396.00	Power Operated Equipment	-	-	-	-	-	-	0
41	397.00	Communication Equipment	1	-	-	124	2,461	716	1,745
42	398.00	Miscellaneous Equipment	-	-	-	32	658	147	511
43		SUBTOTAL GENERAL	$ 1	$ 0	$ 0	$ 5,563	$ 56,004	$ 29,817	$ 26,187
44		AFUDC ADJUSTMENT 3/95	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
45		Adjustment Due To Rounding	1	-	-	-	-	-	(1)
46		**TOTAL WATER PLANT**	$ 85,942	$ 20,784	$ 0	$ 52,870	$ 1,999,680	$ 536,991	$ 1,462,689

References:
Columns (A) (B): Company Response To RUCO Data Request No. 1.22
Column (C): Intentionally Left Blank
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 10, Col. (D) - Col. (C)] X RLM-4, Page 4, Col. (A)
Column (E): Schedule RLM-4, Page 10, Column (D) + Column (A) - Column (B)
Column (F): Schedule RLM-4, Page 10, Column (E) - Column (B) + Column (D)
Column (G): Column (E) - Column (F)

TEST YEAR PLANT SCHEDULES CONT'D
2001 TEST YEAR ADJUSTMENT TO GENERAL PLANT ALLOCATION - CITIZENS VERSUS ARIZONA-AMERICA

			(A) PRE-AQUISITION	(B)	(C) ADJUSTMENTS	(D)	(E) POST-ACQUISITION	(F)	(G)
LINE NO.	ACCT. NO.	ACCOUNT NAME	TOTAL PLANT VALUE	ACCUM. DEP.	TOTAL PLANT VALUE	ACCUM. DEP.	TOTAL PLANT VALUE	ACCUM. DEP.	NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 571	$ 0	$ 0	$ 0	$ 571	$ 0	$ 571
2	302.00	Franchises	2,044	-	-	-	2,044	-	2,044
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 2,615	$ 0	$ 0	$ 0	$ 2,615	$ 0	$ 2,615
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 20,414	$ (327)	$ 0	$ 0	$ 20,414	$ (327)	$ 20,741
6	311.00	Structures & Improvements	20,015	4,244	-	-	20,015	4,244	15,770
7	312.00	Collecting & Impound Res.	-	-	-	-	-	-	0
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	179,836	77,756	-	-	179,836	77,756	102,079
10		SUBTOTAL SUPPLY	$ 220,264	$ 81,674	$ 0	$ 0	$ 220,264	$ 81,674	$ 138,591
		PUMPING							
11	320.00	Land And Land Rights	$ 50	$ 0	$ 0	$ 0	$ 50	$ 0	$ 50
12	321.00	Structures & Improvements	14,668	7,836	-	-	14,668	7,836	6,832
13	323.00	Other Power Production	-	-	-	-	-	-	0
14	325.00	Electric Pumping Equipment	243,938	97,613	-	-	243,938	97,613	146,325
15	326.00	Diesel Pumping Equipment	879	110	-	-	879	110	769
16	328.10	Gas Engine Pumping Equip.	42,940	9,326	-	-	42,940	9,326	33,614
17		SUBTOTAL PUMPING	$ 302,476	$ 114,885	$ 0	$ 0	$ 302,475	$ 114,885	$ 187,590
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 50	$ 0	$ 0	$ 0	$ 50	$ 0	$ 50
19	331.00	Structures & Improvements	-	-	-	-	-	-	0
20	332.00	Water Treatment Equipment	505	91	-	-	505	91	414
21		SUBTOTAL TREATMENT	$ 555	$ 91	$ 0	$ 0	$ 555	$ 91	$ 464
		TRANS. & DIST.							
22	340.00	Land And Land Rights	$ 539	$ 0	$ 0	$ 0	$ 539	$ 0	$ 539
23	341.00	Structures & Improvements	156	17	-	-	156	17	139
24	342.00	Dist., Res., & ST	143,048	3,723	-	-	143,048	3,723	139,325
25	343.00	Trans. And Dist. Mains	888,008	228,608	-	-	888,008	228,608	659,400
26	344.00	Fire Mains	-	-	-	-	-	-	0
27	345.00	Services	273,466	53,550	-	-	273,466	53,550	219,916
28	346.00	Meters	88,297	20,984	-	-	88,297	20,984	67,313
29	348.00	Hydrants	24,254	3,641	-	-	24,254	3,641	20,613
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUB TRANS. & DIST.	$ 1,417,767	$ 310,523	$ 0	$ 0	$ 1,417,767	$ 310,523	$ 1,107,244
		GENERAL							
32	389.00	Land And Land Rights	$ 2,755	$ 0	$ (2,729)	$ 0	$ 26	$ 0	$ 26
33	390.00	Structures & Improvements	498	65	17,269	1,585	17,767	1,650	16,117
34	391.00	Office Furniture & Equip.	11,452	1,280	(6,159)	632	5,293	1,912	3,381
35	391.10	Computer Equipment	9,435	(194)	(1,858)	(2,112)	7,577	(2,306)	9,883
36	392.00	Transportation Equipment	17,166	25,891	(7,631)	(25,794)	9,535	5507	4,028
37	393.00	Stores Equipment	3,418	872	(3,266)	(750)	152	41	111
38	394.00	Tools, Shop And Garage	8,161	1,041	(5,980)	(814)	2,181	97	2,084
39	395.00	Laboratory Equipment	-	-	691	1,764	691	122	569
40	396.00	Power Operated Equipment	-	-	638	681	638	227	411
41	397.00	Communication Equipment	2,461	716	603	8,980	3,064	1,764	1,300
42	398.00	Miscellaneous Equipment	658	147	812	9,549	1,470	681	789
43		SUBTOTAL GENERAL	$ 56,004	$ 29,817	$ (7,610)	$ (6,278)	$ 48,394	$ 9,696	$ 38,699
44		AFUDC ADJUSTMENT 3/95	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
45		Adjustm't Due To Rounding	(1)	-	(1)	-	(1)	-	0
46		**TOTAL WATER PLANT**	$ 1,999,680	$ 536,991	$ (7,611)	$ (6,278)	$ 1,992,069	$ 516,869	$ 1,475,203
47		Company As Filed B-2					1,981,996	551,582	
48		Adjustment To Test Year Total Plant And Acummulated Depreciation (See RLM-3, Col (B), Lines 1 & 2)					$ 10,073	$ (34,713)	

References:
Column (A): Schedule RLM-4, Page 11, Column (E)
Column (B): Schedule RLM-4, Page 11, Column (F)
Columns (C) (D): Adjustment To Replace Citizens' Utiltities General Plant With Arizona Water Common Plant Allocation As Per Company Schedule B-2, Pg 2
Column (E): Column (A) - Column (C) As Per Company Schedule B-2, Page 3
Column (F): Column (B) - Column (D) As Per Company Schedule B-2, Page 3
Column (G): Column (E) - Column (F)

POST TEST YEAR 2001 PLANT

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) REVENUE NEUTRAL PLANT ADD'N	(B) ORCOM & PLANT AT CLOSING	(C) ADDIT'NAL ACC. DEP. CLOS'G	(D) DEP. EXP.	(E) TOTAL PLANT VALUE	(F) ACCUM. DEP.	(G) NET PLANT VALUE
		INTANGIBLE							
1	301.00	Organization	$ 0	$ 0	$ 0	$ 0	$ 571	$ 0	$ 571
2	302.00	Franchises	-	5,617	-	-	7,661	-	7,661
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	0
4		SUBTOTAL INTANGIBLE	$ 0	$ 5,617	$ 0	$ 0	$ 8,232	$ 0	$ 8,232
		SOURCE OF SUPPLY							
5	310.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 20,414	$ (327)	$ 20,741
6	311.00	Structures And Improvements	-	-	240	-	20,015	4,484	15,530
7	312.00	Collecting And Impounding Res.	-	-	-	-	-	-	0
8	313.00	Lakes, Rivers, Other Intakes	-	-	-	-	-	-	0
9	314.00	Wells And Springs	-	(63,321)	(4,920)	(975)	116,515	71,861	44,654
10		SUBTOTAL SUPPLY	$ 0	$ (63,321)	$ (4,680)	$ (975)	$ 156,943	$ 76,018	$ 80,925
		PUMPING							
11	320.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 50	$ 0	$ 50
12	321.00	Structures And Improvements	-	50	142	-	14,718	7,978	6,740
13	323.00	Other Power Production	-	-	-	-	-	-	0
14	325.00	Electric Pumping Equipment	28,825	-	5,123	611	272,763	103,347	169,416
15	326.00	Diesel Pumping Equipment	-	-	-	-	879	110	769
16	328.10	Gas Engine Pumping Equipment	-	-	911	-	42,940	10,237	32,703
17		SUBTOTAL PUMPING	$ 28,825	50	$ 6,176	$ 611	$ 331,350	$ 121,672	$ 209,678
		WATER TREATMENT							
18	330.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 50	$ 0	$ 50
19	331.00	Structures And Improvements	-	-	-	-	-	-	0
20	332.00	Water Treatment Equipment	-	-	10	-	505	101	404
21		SUBTOTAL TREATMENT	$ 0	$ 0	$ 10	$ 0	$ 555	$ 101	$ 454
		TRANSMISSION & DISTRIBUTION							
22	340.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 539	$ 0	$ 539
23	341.00	Structures And Improvements	-	-	1	-	156	18	138
24	342.00	Distribution, Reservoirs, & ST	-	-	1,153	-	143,048	4,876	138,172
25	343.00	Trans. And Dist. Mains	55,070	-	8,704	542	943,078	237,854	705,223
26	344.00	Fire Mains	-	-	-	-	-	-	0
27	345.00	Services	-	-	3,342	-	273,466	56,892	216,574
28	346.00	Meters	-	-	1,063	-	88,297	22,047	66,250
29	348.00	Hydrants	-	-	238	-	24,254	3,879	20,375
30	349.00	Other Trans. And Dist.	-	-	-	-	-	-	0
31		SUBTOTAL TRANS. & DIST.	$ 55,070	$ 0	$ 14,501	$ 542	$ 1,472,837	$ 325,567	$ 1,147,271
		GENERAL							
32	389.00	Land And Land Rights	$ 0	$ 0	$ 0	$ 0	$ 26	$ 0	$ 26
33	390.00	Structures And Improvements	734	-	7	11	18,501	1,668	16,833
34	391.00	Office Furniture And Equipment	3,237	-	188	53	8,530	2,153	6,377
35	391.10	Computer Equipment	-	-	943	-	7,577	(1,363)	8,940
36	392.00	Transportation Equipment	-	-	2,145	-	9,535	7,652	1,883
37	393.00	Stores Equipment	-	-	68	-	152	109	43
38	394.00	Tools, Shop And Garage	-	-	139	-	2,181	236	1,945
39	395.00	Laboratory Equipment	-	-	-	-	691	122	569
40	396.00	Power Operated Equipment	-	-	-	-	638	227	411
41	397.00	Communication Equipment	785	(1)	62	20	3,848	1,846	2,002
42	398.00	Miscellaneous Equipment	-	-	16	-	1,470	697	773
43		SUBTOTAL GENERAL	$ 4,756	$ (1)	$ 3,568	$ 83	$ 53,148	$ 13,346	$ 39,803
44		AFUDC ADJUSTMENT 3/95	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
45		Adjustment Due To Rounding	-	-	1	-	-	2	(1)
46		**TOTAL WATER PLANT**	$ 88,651	$ (57,655)	$ 19,576	$ 262	$ 2,023,065	$ 536,707	$ 1,486,361
47		Company As Filed B-2					1,968,841	571,158	
48		Difference In Post Test Year Gross Plant					$ 54,224	$ (34,451)	
49		Adjustment To Test Year Gross Plant As Per RLM-4, Page 12, Cols (E) And (F), L 48					10,073	(34,713)	
50		Adjustment To Post Test Year Total Plant And Acc. Dep. (See RLM-3, Col (C), L 1 & L 2)					$ 44,151	$ 262	

References:
Column (A): Company's Response To Staff Data Request No. DWC 12-1 To 12-3
Columns (B) (C): Company Schedule B-2, Pages 1 And 8
Column (D): [(Col. (A) + Col. (B)) X RLM-4, Page 4, Col. (A) X 1/2 yr. conv.] + [RLM-4, Page 12, Col. (E)] X RLM-4, Page 4, Col. (A)
Column (E): Schedule RLM-4, Page 12, Column (D) + Column (A) + Column (B)
Column (F): Schedule RLM-4, Page 12, Column (F) + Column (C) + Column (D)
Column (G): Column (E) - Column (F)

Arizona-American Water Company
Docket No. W-01303A-02-0908
Test Year Ended December 31, 2001

Tubac Water District
Schedule RLM-6

OPERATING INCOME

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO TEST YEAR ADJ'TMENTS	(C) RUCO TEST YEAR AS ADJUSTED	(D) RUCO PROPOSED CHANGES	(E) RUCO AS RECOMMENDED
	OPERATING REVENUES:					
1	Metered Water Revenues	$ 251,795	$ 0	$ 251,795	$ 40,812	$ 292,607
2	Unmetered Water Revenues	0	-	-	-	0
3	Other Water Revenues	2,691	-	2,691	-	2,691
4	TOTAL OPERATING REVENUES	$ 254,486	$ 0	$ 254,486	$ 40,812	$ 295,298
	OPERATING EXPENSES:					
5	Salaries And Wages	$ 77,690	$ (24,274)	$ 53,416	$ 0	$ 53,416
6	Purchased Water	0	-	-	-	0
7	Purchased Power	20,767	-	20,767	-	20,767
8	Chemicals	16	-	16	-	16
9	Repairs And Maintenance	18,029	-	18,029	-	18,029
10	Office Supplies And Expenses	19,965	(2,061)	17,904	-	17,904
11	Outside Services	10,516	-	10,516	-	10,516
12	Service Company Fees	38,653	(5,903)	32,750	-	32,750
13	Water Testing	1,420	-	1,420	-	1,420
14	Rents	3,454	-	3,454	-	3,454
15	Transportation Expenses	0	-	-	-	0
16	Insurance - General Liability	3,428	(1,061)	2,367	-	2,367
17	Insurance - Health And Life	0	-	-	-	0
18	Regulatory Comm. Exp. - Rate Case	1,680	(674)	1,006	-	1,006
19	Miscellaneous Expense	7,022	56	7,078	-	7,078
20	Depreciation Expense	37,208	(1,645)	35,563	-	35,563
21	Taxes Other Than Income	4,809	(22,190)	(17,381)	-	(17,381)
22	Property Taxes	23,752	(3,698)	20,054	-	20,054
23	Income Tax	(28,505)	31,297	2,792	8,539	11,331
24	Adjustment Due To Rounding	-	-	-	-	0
25	TOTAL OPERATING EXPENSES	$ 239,904	$ (30,153)	$ 209,751	$ 8,539	$ 218,289
26	OPERATING INCOME (LOSS)	$ 14,582	$ 30,153	$ 44,735	$ 32,273	$ 77,008
	Other Income (Expense):					
27	Interest Income	$ 0	$ 0	$ 0	$ 0	$ 0
28	Other Income	0	-	-	-	0
29	Interest Expense	(516,761)	482,577	(34,184)	-	(34,184)
30	Other Expense	0	-	-	-	0
31	Gain/Loss Sale Of Assets	0	-	-	-	0
32	TOTAL OTHER INCOME (EXPENSE)	$ (516,761)	$ 482,577	$ (34,184)	$ 0	$ (34,184)
33	NET PROFIT (LOSS)	$ (502,179)	$ 512,730	$ 10,551	$ 32,273	$ 42,824

References:
Column (A): Company Schedule C-1
Column (B): Testimony, RLM And Schedule RLM-7
Column (C): Column (A) + Column (B)
Column (D): Testimony, RLM And Schedule RLM-1
Column (E): Column (C) + Column (D)

Arizona-American Water Company
Docket No. W-01303A-02-0908
Test Year Ended December 31, 2001

Tubac Water District
Schedule RLM-7
Page 1 of 1

SUMMARY OF OPERATING INCOME ADJUSTMENTS
TEST YEAR AS FILED AND ADJUSTED

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) ADJ #1	(C) ADJ #2	(D) ADJ #3	(E) ADJ #4	(F) ADJ #5	(G) ADJ #6	(H) ADJ #7	(I) ADJ #8	(J) ADJ #9	(K) ADJ #10	(L) RUCO AS AD'TED
	OPERATING REVENUES:												
1	Metered Water Revenues	$ 251,795	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 251,795
2	Unmetered Water Revenues	0	-	-	-	-	-	-	-	-	-	-	0
3	Other Water Revenues	2,691	-	-	-	-	-	-	-	-	-	-	2,691
4	TOTAL OPERATING REVENUES	$ 254,486	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 254,486
	OPERATING EXPENSES:												
5	Salaries And Wages	$ 77,690	$ 0	$ 0	$ 0	$ (9,992)	$ 0	$ 0	$ 0	$ (14,282)	$ 0	$ 0	$ 53,416
6	Purchased Water	0	-	-	-	-	-	-	-	-	-	-	0
7	Purchased Power	20,767	-	-	-	-	-	-	-	-	-	-	20,767
8	Chemicals	16	-	-	-	-	-	-	-	-	-	-	16
9	Repairs And Maintenance	18,029	-	-	-	-	-	-	-	-	-	-	18,029
10	Office Supplies And Expenses	19,965	-	-	-	-	-	-	-	(2,061)	-	-	17,904
11	Outside Services	10,516	-	-	-	-	-	-	-	-	-	-	10,516
12	Service Company Fees	38,653	-	-	(5,903)	-	-	-	-	-	-	-	32,750
13	Water Testing	1,420	-	-	-	-	-	-	-	-	-	-	1,420
14	Rents	3,454	-	-	-	-	-	-	-	-	-	-	3,454
15	Transportation Expenses	0	-	-	-	-	-	-	-	-	-	-	0
16	Insurance - General Liability	3,428	-	-	-	-	-	-	-	(1,061)	-	-	2,367
17	Insurance - Health And Life	0	-	-	-	-	-	-	-	-	-	-	0
18	Regulatory Comm. Exp. - Rate Case	1,680	-	-	-	-	-	-	(674)	-	-	-	1,006
19	Miscellaneous Expense	7,022	-	-	-	-	-	-	-	56	-	-	7,078
20	Depreciation Expense	37,208	-	-	-	-	(1,645)	-	-	-	-	-	35,563
21	Taxes Other Than Income	4,809	-	(21,426)	-	(764)	-	-	-	-	-	-	(17,381)
22	Property Taxes	23,752	-	-	-	-	-	(3,698)	-	-	-	-	20,054
23	Income Tax	(28,505)	-	-	-	-	-	-	-	-	-	31,297	2,792
24	Adjustment Due To Rounding	-	-	-	-	-	-	-	-	-	-	-	0
25	TOTAL OPERATING EXPENSES	$ 239,904	$ 0	$ (21,426)	$ (5,903)	$ (10,756)	$ (1,645)	$ (3,698)	$ (674)	$ (17,348)	$ 0	$ 31,297	$ 209,751
26	OPERATING INCOME (LOSS)	$ 14,582	$ 0	$ 21,426	$ 5,903	$ 10,756	$ 1,645	$ 3,698	$ 674	$ 17,348	$ 0	$ (31,297)	$ 44,735
	Other Income (Expense):												
27	Interest Income	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
28	Other Income	0	-	-	-	-	-	-	-	-	-	-	0
29	Interest Expense	(516,761)	-	-	-	-	-	-	-	-	482,577	-	(34,184)
30	Other Expense	0	-	-	-	-	-	-	-	-	-	-	0
31	Gain/Loss Sale Of Assets	0	-	-	-	-	-	-	-	-	-	-	0
32	TOTAL OTHER INCOME (EXPENSE)	$ (516,761)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 482,577	$ 0	$ (34,184)
33	NET PROFIT (LOSS)	$ (502,179)	$ 0	$ 21,426	$ 5,903	$ 10,756	$ 1,645	$ 3,698	$ 674	$ 17,348	$ 482,577	$ (31,297)	$ 10,551

ADJUSTMENT NO.	REFERENCE
1 - Removing Citizens Corporate Allocations	Testimony, RLM
2 - Remove Test Year Salaries And Wages	Testimony, RLM
3 - Service Company Fees	Testimony, RLM
4 - Projected Salaries And Wages	Testimony, RLM
5 - Depreciation Expense	Testimony, RLM And Schedule RLM-8
6 - Property Taxes	Testimony, RLM And Schedule RLM-9
7 - Rate Case Expense	Testimony, RLM
8 - Projected Additional Corporate Overhead Expenses	Testimony, RLM
9 - Intentionally Left Blank	
10 - Income Tax	Testimony, RLM And Schedule RLM-10

References:
Col. (A): Company Sch. C-1
Cols. (B) Thru (K): Adj.s #1 Thru #13
Col. (L): Sum Of Cols. (A) Thru (K)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 2
CITIZENS SALARIES AND WAGES

LINE NO.	DISTRICT	ACCOUNT	CITIZENS BUSINESS UNIT	(A) COMPANY AS FILED	(B) RUCO AS ADJ'D	(C) ADJM'T
	TUBAC		4002-4503			
1		Salaries And Wages		$ 60,229	$ 60,229	$ -
2		Payroll Tax		26,283	4,857	(21,426)
3		TOTAL		$ 86,512	$ 65,086	$ (21,426)

References:
Column (A): Company Schedule C-2, Page 3
Column (B): Company Provided Data On Citizens 2001 Payroll
Column (C): Column (B) - Column (A)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 3
AZ-AM SERVICE COMPANY ALLOCATIONS

			(A)	(B)	(C)	(D)	(E)	(F)
			TOTAL SERVICE CHARGES			ALLOCATED SERVICE CHARGES		
LINE NO.	DISTRICT	AZ-AM BUS. UNIT	COMPANY AS FILED	RUCO AS ADJ'TED	FOUR FACT'R	COMPANY AS FILED	RUCO AS ADJ'TED	ADJ'MENT
1	Sun City West Water	2364	$ 5,153,711	$ 4,366,610	0.1001	$ 515,886	$ 437,098	$ (78,789)
2	Sun City West Wastewater	2365	$ 5,153,711	$ 4,366,610	0.1072	$ 552,478	$ 468,101	$ (84,377)
3	Sun City Water	2362	$ 5,153,711	$ 4,366,610	0.1797	$ 926,122	$ 784,680	$ (141,442)
4	Sun City Wastewater	2363	$ 5,153,711	$ 4,366,610	0.1014	$ 522,586	$ 442,774	$ (79,812)
5	Tubac	2389	$ 5,153,711	$ 4,366,610	0.0075	$ 38,653	$ 32,750	$ (5,903)

	TUBAC		COMPANY AS FILED	RUCO AS ADJ'TED	ADJUSTM'T
6		Arizona-American Service Company Allocation	$ 38,653	$ 32,750	$ (5,903)

References:
Columns (A) (C): Company Schedule C-2, Page 4
Column (B): Company Response To RUCO Third Data Request
Column (D): Column (A) X Column (C)
Column (E): Column (B) X Column (C)
Column (F): Column (E) - Column (D)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 4
PROJECTED SALARIES AND WAGES

LINE NO.	COMPANY	AZ-AM BUSINESS UNIT	(A) GROSS PAYROLL	(B) CAPITAL'D PAYROLL	(C) NET PAYROLL	(D) EMP. COUNT	(E) PAYROLL TAX
1	Sun City West Water	2364	$ 341,944	$ 92,325	$ 249,619	6	$ 20,566
2	Sun City West Wastewater	2365	418,601	113,022	305,579	9	25,582
3	Sun City Water	2362	806,792	217,834	588,958	24	50,935
4	Sun City Wastewater	2363	80,003	21,601	58,402	4	5,448
5	Tubac	2389	68,044	18,372	49,672	1	4,045

	TUBAC		COMPANY AS FILED	RUCO AS ADJ'TED	ADJUSTM'T
6		Salaries And Wages	$ 59,664	$ 49,672	$ (9,992)
7		Payroll Tax	4,809	4,045	(764)
8		TOTAL	$ 64,473	$ 53,717	$ (10,756)

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)
Column (E): Column (C) X 7.65% (FICA) + $245 X Column (D) (FUTA & SUTA)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 5
TEST YEAR DEPRECIATION EXPENSE

LINE NO.	ACCT. NO.	ACCOUNT NAME	(A) TOTAL UNDEPREC'D PLANT	(B) APR'D DEP. RATE	(C) TEST YEAR DEPREC'N EXPENSE
		INTANGIBLE			
1	301.00	Organization	$ 571	0.00%	$ 0
2	302.00	Franchises	7,661	0.00%	-
3	303.00	Miscellaneous Intangibles	-	0.00%	-
4		SUBTOTAL INTANGIBLE	$ 8,232		$ 0
		SOURCE OF SUPPLY			
5	310.00	Land And Land Rights	$ 20,414	0.00%	$ 0
6	311.00	Structures And Improvements	20,015	2.40%	480
7	312.00	Collecting And Impounding Res.	-	0.00%	-
8	313.00	Lakes, Rivers, Other Intakes	-	0.00%	-
9	314.00	Wells And Springs	116,515	3.08%	3,589
10		SUBTOTAL SUPPLY	$ 156,943		$ 4,069
		PUMPING			
11	320.00	Land And Land Rights	$ 50	0.00%	$ 0
12	321.00	Structures And Improvements	14,718	1.94%	286
13	323.00	Other Power Production	-	0.00%	-
14	325.00	Electric Pumping Equipment	272,763	4.24%	11,565
15	326.00	Diesel Pumping Equipment	879	5.00%	44
16	328.10	Gas Engine Pumping Equipment	42,940	4.24%	1,821
17		SUBTOTAL PUMPING	$ 331,350		$ 13,715
		WATER TREATMENT			
18	330.00	Land And Land Rights	$ 50	0.00%	$ 0
19	331.00	Structures And Improvements	-	0.00%	-
20	332.00	Water Treatment Equipment	505	4.00%	20
21		SUBTOTAL TREATMENT	$ 555		$ 20
		TRANSMISSION & DISTRIBUTION			
22	340.00	Land And Land Rights	$ 539	0.00%	$ 0
23	341.00	Structures And Improvements	156	1.92%	3
24	342.00	Distribution, Reservoirs, & ST	143,048	1.62%	2,317
25	343.00	Trans. And Dist. Mains	943,078	1.97%	18,579
26	344.00	Fire Mains	-	0.00%	-
27	345.00	Services	273,466	2.45%	6,700
28	346.00	Meters	88,297	2.42%	2,137
29	348.00	Hydrants	24,254	1.97%	478
30	349.00	Other Trans. And Dist.	-	0.00%	-
31		SUBTOTAL TRANS. & DIST.	$ 1,472,837		$ 30,214
		GENERAL			
32	389.00	Land And Land Rights	$ 26	0.00%	$ 0
33	390.00	Structures And Improvements	18,501	2.89%	535
34	391.00	Office Furniture And Equipment	8,530	3.28%	280
35	391.10	Computer Equipment	7,577	3.28%	249
36	392.00	Transportation Equipment	9,535	25.00%	2,384
37	393.00	Stores Equipment	152	4.00%	6
38	394.00	Tools, Shop And Garage	2,181	3.42%	75
39	395.00	Laboratory Equipment	691	0.00%	-
40	396.00	Power Operated Equipment	638	0.00%	-
41	397.00	Communication Equipment	3,848	5.03%	194
42	398.00	Miscellaneous Equipment	1,470	4.93%	72
43		SUBTOTAL GENERAL	$ 53,148		$ 3,793
44		TOTAL	$ 2,023,065		$ 51,811
45		Amortization Of Deferred Regulatory Assets	$ 4,596	2.58%	$ 118
46		Depreciation On Well-Not-In-Service	$ (64,945)	3.08%	$ (2,000)
47		Amortization On CIAC	$ (143,675)	10.00%	$ (14,368)
48		Adjustment Due To Rounding	-		1
49		**TOTAL WATER PLANT**	$ 2,023,065		$ 35,563
50		Company As Filed As Per Schedule C-2, Pg 6, Line 73			37,208
51		Adjustment To Depreciation Expense (See RLM-6, Col (B), Line 20)			$ (1,645)

References:
Column (A): Schedule RLM-5, Page 1, Column (E)
Column (B): Schedule RLM-4, Page 4, Column (A)
Column (C): Column (A) X Column (B)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 6
PROPERTY TAX COMPUTATION

LINE NO.	DESCRIPTION	(A)	(B)
	Calculation Of The Company's Full Cash Value:		
	Annual Operating Revenues:		
1	Year 1999 (Company Schedule E-2)	$ 289,142	
2	Year 2000 (Company Schedule E-2)	272,516	
3	Year 2001 (Company Schedule E-2)	252,010	
4	Total Three Year Operating Revenues (L1 + L2 + L3)	$ 813,668	
5	Average Annual Operating Revenues (L4 / 3)	271,223	
6	Two Times Three Year Average Operating Revenues (L5 X 2)		$ 542,445
	ADD: Ten Percent Of Construction Work In Progress ("CWIP"):		
7	Test Year CWIP	$ 15,645	
8	10% Of CWIP (L7 X 10%)		$ 1,565
	SUBTRACT: Transportation At Book Value:		
9	Original Cost Of Transportation Equipment (RLM-5, Pg 1, Col (E), L 36)	$ 9,535	
10	Acc. Dep. Of Transportation Equipment (RLM-5, Pg 1, Col (F), L 36)	7,652	
11	Book Value Of Transportation Equipment (L9 - L10)		$ 1,883
12	COMPANY'S FULL CASH VALUE (L6 + L8 + L11)		$ 542,127
	Calculation Of The Company's Tax Liability:		
	MULTIPLY: Company Full Cash Value By Valuation Assessment Ratio And Then By Property Tax Rates:		
13	Assessment Ratio (ADOR Directive)	25%	
14	Assessed Value (L12 X L13)	$ 135,532	
	Property Tax Rates:		
15	Primary Tax Rate (2001 Tax Notice - Co.'s Data Response - "Property Tax")	14.80%	
16	Secondary Tax Rate (2001 Tax Notice - Co.'s Data Response - "Property Tax")	0.00%	
17	Estimated Tax Rate Liability (L14 + L15)	14.80%	
18	COMPANY'S TAX LIABILITY - Based On Full Cash Value (L14 X L17)		$ 20,054
19	Test Year Adjusted Property Tax Expense Per Co.'s Filing (Sch. RLM-6, Col. (A), L29)	$ 23,752	
20	Increase (Decrease) In Property Tax Expense (L18 - L19)	$ (3,698)	
21	Adjustment To Property Tax Expense From Company's Direct Filing (See RLM-6 Col. (B), L22)		$ (3,698)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 7
RATE CASE EXPENSE

LINE NO.		(A) REVISED T. Y. REV. FACTORS	(B) COMPANY AS FILED	(C) RUCO AS ADJUSTED	(D) TOTAL DIFFERENCE	(E) 3 YEAR AMORTIZED DIFFERENCE
1	Total Rate Case Expense		$ 699,954	$ 418,941	$ (281,013)	$ (93,671)
2	Sun City West Water	0.0956	$ 66,939	$ 40,065	$ (26,874)	$ (8,958)
3	Sun City West Wastewater	0.1000	70,006	41,901	(28,106)	(9,369)
4	Sun City Water	0.1752	122,623	73,393	(49,230)	(16,410)
5	Sun City Wastewater	0.1439	100,749	60,301	(40,448)	(13,483)
6	Tubac	0.0072	5,039	3,016	(2,023)	(674)
7	Agua Fria	0.1750	122,482	73,309	(49,173)	(16,391)
8	Anthem Water	0.1135	79,413	47,531	(31,882)	(10,627)
9	Agua Fria, Anthem Wastewater	0.0528	36,958	22,120	(14,837)	(4,946)
10	Mohave Water	0.1243	87,016	52,081	(34,935)	(11,645)
11	Havasu Water	0.0125	8,730	5,225	(3,505)	(1,168)
12	TOTAL	1.0000	$ 699,954	$ 418,941	$ (281,013)	$ (93,671)

	TUBAC		COMPANY AS FILED	RUCO AS ADJUSTED	TOTAL DIFFERENCE	3 YEAR AMORTIZED DIFFERENCE
13		Rate Case Expense	$ 5,039	$ 3,016	$ (2,023)	$ (674)

References:
Column (A) : Revised Company Adjusted Test Year Revenue Factors To Remove Mohave Sewer From Allocation
Column (B): Company Response To Data Request Minus The Mohave Sewer Allocated Value Of $6,017
Column (C): Column (A) X RUCO's Recommended Total Rate Case Expense
Column (D): Column (C) - Column (B)
Column (E): Column (D) Divided By 3 (The Three Year Amortization Period)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 8
PROJECTED CORPORATE OVERHEAD

LINE NO.	DISTRICT	EXPENSE ACCOUNT	(A) COMPANY AS FILED	(B) RUCO AS ADJUSTED	(C) ADJUSTMENT
	TUBAC				
1		Salaries And Wages	$ 18,026	$ 3,744	$ (14,282)
2		Office Supplies & Expense	11,447	9,386	(2,061)
3		Insurance	3,412	2,351	(1,061)
4		Miscellaneous Expense	221	277	56
5		TOTAL	$ 33,106	$ 15,758	$ (17,348)

References:
Column (A): Company Schedule C-2, Page 11
Column (B): Allocated Amounts From RLM-13, Pg 2, Line 28
Column (C): Column (B) - Column (A)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 8 - CONT'D
PROJECTED CORPORATE OVERHEAD

LINE NO.	CATEGORY		(A) COMPANY AS FILED	(B) RUCO AS ADJUSTED	(C) DIFFERENCE	(D)
1	Employee Benefits		$ 964,147	$ 374,404	$ 589,743	
2	Directors Fees:	Office Supplies & Exp.	1,270,126	1,030,972	239,154	
3		Miscellaneous Expenses	6,000	8,500	(2,500)	
4	Trustees Fees:	Office Supplies & Exp.	645,847	447,842	198,005	
5		Miscellaneous Expenses	17,058	21,881	(4,823)	
6	Insurance		258,736	215,200	43,536	
7	Subtotal		$ 3,161,914	$ 2,098,797	$ 1,063,117	
8	Non-Applicable Accounts		$ 2,153,067	$ 2,117,294	$ 35,773	
9	TOTAL (See RLM-13, Pg 3)		$ 5,314,981	$ 4,216,091	$ 1,098,890	
	ALLOCATION FACTORS		FAIR VALUE RATE BASE	YEAR-END CUST. COUNT	EMPLOYEE COUNT	PROFORMA PLANT
10	Sun City West Water		0.0908	0.1375	0.0600	0.0135
11	Sun City West Wastewater		0.0744	0.1314	0.0900	0.0056
12	Sun City Water		0.2695	0.1958	0.2400	0.1254
13	Sun City Wastewater		0.1119	0.1866	0.0400	0.0046
14	Tubac		0.0109	0.0044	0.0100	0.0110
15	Agua Fria		0.1052	0.1147	0.0700	0.2417
16	Anthem Water		0.0544	0.0284	0.1200	0.2326
17	Agua Fria, Anthem Wastewater		0.0158	0.0224	0.0600	0.2279
18	Mohave Water		0.0842	0.1217	0.1500	0.0371
19	Havasu Water		0.0076	0.0105	0.0300	0.0552
20	Subtotal		0.8247	0.9534	0.8700	0.9544
21	Mohave Sewer		0.0037	0.0051	0.0100	0.0089
22	Paradise Valley (Est. - 2001 Annual Report)		0.1715	0.0414	0.1200	0.0367
23	TOTAL		1.0000	1.0000	1.0000	1.0000
	ALLOCATED AMOUNTS		EMP. BEN.	OFF. SUP/EXP	INSURANCE	MISC. EXP.
24	Sun City West Water		22,464	182,392	19,535	1,464
25	Sun City West Wastewater		33,696	168,783	16,021	1,238
26	Sun City Water		$ 89,857	$ 322,580	$ 57,988	$ 4,408
27	Sun City Wastewater		14,976	242,477	24,091	1,686
28	Tubac		3,744	9,386	2,351	277
29	Agua Fria		26,208	165,421	22,645	6,263
30	Anthem Water		44,928	53,684	11,712	5,332
31	Agua Fria, Anthem Wastewater		22,464	30,213	3,398	5,176
32	Mohave Water		56,161	163,185	18,113	1,846
33	Havasu Water		11,232	14,208	1,630	1,297
34	Subtotal		$ 325,731	$ 1,352,330	$ 177,484	$ 28,987
35	Mohave Sewer		3,744	6,945	806	238
36	Paradise Valley (Est. - 2001 Annual Report)		44,928	119,539	36,910	1,155
37	Subtotal		$ 48,672	$ 126,483	$ 37,716	$ 1,393
38	TOTAL		$ 374,404	$ 1,478,813	$ 215,200	$ 30,381
39	TOTAL RUCO ADJUSTMENT (See RLM-13, pg 2, Column (B), Line 9 Above)					$ 2,098,797

References:
Allocation Factors - As Provided By Co. Except For Paradise Valley, Which Were Estimated From 2001 Annual Repoı
Allocation Amounts - Calculated Using Same Methodology As Company

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 8 - CONT'D
PROJECTED CORPORATE OVERHEAD

LINE NO.	DESCRIPTION	(A) CATEGORY	(B) COMPANY AS FILED	(C) RUCO AS ADJUSTED	(D) DIFFERENCE
1	Directors Fees	MISC	$ 6,000	$ 8,500	$ 2,500
2	Bank Service Charges	OFFICE	29,863	124,896	95,033
3	Bill Insert	OFFICE	29,703	35,304	5,601
4	Collection Agencies	OFFICE	870	6,673	5,803
5	Forms AG	OFFICE	17,074	13,051	(4,023)
6	Advertising (Required Notification)	OFFICE	230,287	130,698	(99,589)
7	Brochures And Handouts	OFFICE	2,502	834	(1,668)
8	Community Relations	OFFICE	7,730	6,662	(1,068)
9	Postage	OFFICE	329,952	125,443	(204,509)
10	Group Insurance	OFFICE	622,145	587,410	(34,735)
11	IncentivePlan Expenses	EMP. BENFITS	226,620	21,252	(205,368)
12	PBOP Operations AG	EMP. BENFITS	341,502	16,737	(324,765)
13	Workman Compensation	EMP. BENFITS	(19,061)	(3,359)	15,702
14	Dues Deducted	EMP. BENFITS	3,612	13,660	10,048
15	Dues Non-Deducted	EMP. BENFITS	2,705	5,052	2,347
16	Dues-Membership Deducted	EMP. BENFITS	-	2,959	2,959
17	Employee Expenses AG	EMP. BENFITS	115,234	60,267	(54,967)
18	Employee Exp Conference-Registration	EMP. BENFITS	24,595	15,666	(8,929)
19	Meals And Travel Deducted	EMP. BENFITS	39,758	20,433	(19,325)
20	Meals And Travel Non-Deduct	EMP. BENFITS	-	13,037	13,037
21	Other Welfare Operations	EMP. BENFITS	6,495	19,906	13,411
22	Employee Awards	EMP. BENFITS	252	1,144	892
23	Employee Physical Exams	EMP. BENFITS	1,842	716	(1,126)
24	Tuition Aid	EMP. BENFITS	29,515	15,528	(13,987)
25	Training	EMP. BENFITS	24,818	28,944	4,126
26	401K	EMP. BENFITS	74,501	61,288	(13,213)
27	ESOP	EMP. BENFITS	91,759	81,175	(10,584)
28	Trustee Fees	MISC	17,058	21,881	4,823
29	Credit Line Fees	OFFICE	8,347	24,728	16,381
30	Insurance General Liability	INS	41,335	77,430	36,095
31	Security Services	OFFICE	637,500	423,114	(214,386)
32	Insurance Other	INS	217,401	137,770	(79,631)
33	Company Dues-Membership Deduct	N/A	16,178	4,422	(11,756)
34	Company Dues-Membership Non-deducted	N/A	36,108	2,846	(33,262)
35	Company Dues-Membership AWWA Ded.	N/A	882	495	(387)
36	Company Dues-Membership AWWA Non	N/A	1,947	649	(1,298)
37	Company Dues-Membership Non-Deducted	N/A	-	18,075	18,075
38	Charitable Contribution Deducted	N/A	3,500	2,075	(1,425)
39	Charitable Contribution Non-Deduct	N/A	800	200	(600)
40	Property Taxes	N/A	2,093,652	1,648,841	(444,811)
41	Business Services-Project Expense	N/A	-	390,309	390,309
42	Pcard Undistributed	N/A	-	39,882	39,882
43	Water Resevoir Conservation	N/A	-	4,001	4,001
44	Pension Operation AG	N/A	-	5,499	5,499
45	TOTAL		$ 5,314,981	$ 4,216,091	$ (1,098,890)

References:
Columns (A) (C): Company Response To RUCO Third Data Request
Column (B): Company As Filec
Column (D): Column (C) - Column (B)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 10
INCOME TAX EXPENSE

LINE NO.	DESCRIPTION	(A) REFERENCE	(B) AMOUNT
	FEDERAL INCOME TAXES:		
1	Operating Income Before Taxes	Sch. RLM-6, Col. (C), L25 + L23	$ 47,527
	LESS:		
2	Arizona State Tax	Line 11	930
3	Interest Expense	Note (A) Line 19	34,184
4	Federal Taxable Income	Line 1 - Line 2 - Line 3	$ 12,413
5	Federal Tax Rate	Sch. RLM-1, Page 2, Col.(D), L34	15.00%
6	Federal Income Tax Expense	Line 4 X line 5	$ 1,862
	STATE INCOME TAXES:		
7	Operating Income Before Taxes	Line 1	$ 47,527
	LESS:		
8	Interest Expense	Note (A) Line 19	34,184
9	State Taxable Income	Line 7 - Line 8	$ 13,343
10	State Tax Rate	Tax Rate	6.97%
11	State Income Tax Expense	Line 9 X Line 10	$ 930
	TOTAL INCOME TAX EXPENSE:		
12	Federal Income Tax Expense	Line 6	$ 1,862
13	State Income Tax Expense	Line 11	930
14	Total Income Tax Expense Per RUCO	Line12 + Line 13	$ 2,792
15	Total Income Tax Expense Per Company (Per Company Sch. C-1)		(28,505)
16	Total Income Tax Adjustment (See Sch. RLM 6, Col. (B), L23)	Line 14 - Line 15	$ 31,297

NOTE (A):
Interest Synchronization:

17	Adjusted Rate Base (Sch. RLM-3, Col. (E), L16)	$ 1,172,012
18	Weighted Cost Of Debt (Sch. RLM-16, Col. (F), L1)	2.92%
19	Interest Expense (L17 X L18)	$ 34,184

COST OF CAPITAL

LINE NO.	DESCRIPTION	(A) CAPITAL'TION PER COMPANY	(B) RUCO ADJ'TS	(C) RUCO ADJUSTED CAPITAL'TION	(D) CAPITAL RATIO	(E) COST	(F) WEIGHTED COST RATE
1	Long-Term Debt	$ 165,583,119	$ 0	$ 165,583,119	59.89%	4.87%	2.92%
2	Common Equity	$ 110,888,158	$ 0	$ 110,888,158	40.11%	9.11%	3.65%
3	TOTAL CAPITAL	$ 276,471,277	$ 0	$ 276,471,277	100.00%		
4	COST OF CAPITAL						6.57%

References:
Column (A): Staff Data Request Nos. JMR 8-3 And JMR 8-4
Column (B): Testimony, WAR
Column (C): Column (A) + Column (B)
Column (D): Column (C), Line Item / Total Capital (L5)
Column (E): Testimony, WAR
Column (F): Column (D) X Column (E)

RATE DESIGN - MONTHLY MINIMUM, COMMODITY AND SERVICE CHARGES

LINE NO.	DESCRIPTION	(A) PRESENT RATES	(B) COMPANY PROPOSED	(C) RUCO PROPOSED
	MONTHLY MINIMUM USAGE CHARGE:			
1	5/8 X 3/4 - Inch	$ 15.35	$ 28.58	$ 15.00
2	3/4 - Inch	15.35	28.58	15.00
3	1 - Inch	23.00	42.83	22.48
4	1 1/2 - Inch	46.00	85.66	44.96
5	2 - Inch	76.00	141.52	74.28
6	3 - Inch	90.00	167.59	87.96
7	4 - Inch	132.00	245.79	129.00
8	6 - Inch	180.00	335.17	175.91
9	8 - Inch	N/A	2,858.00	1,500.00
	NO GALLONS INCLUDED OR PROPOSED IN THE MONTHLY MINIMUM USAGE CHARGE			
	COMMODITY RATES - ALL METERS (Per 1,000 Gallons):			
10	Tier 1 (0 to 8,000 Gallons)	$ 1.66	$ 3.09	$ 2.13
11	Tier 2 (Above 8,001 Gallons)	2.04	3.79	2.61

In Addition, Company Shall Collect Groundwater Saving Fee Per Decision No. 62203
Ground Waterdrawal Fees Shall Be Collected As An Assessment,
And Is Subject To Annual Revisions As Required Due To Changes
In Rates Charged By The Arizona Department Of Water Resources (ADWR).
Includes An Allowance Of 10% Lost And Unaccounted For Water.

References:
Columns (A) (B): Company Schedule H-3, Page 3
Column (C): Testimony, RLM

RATE DESIGN - MONTHLY MINIMUM, COMMODITY AND SERVICE CHARGES CONT'D

LINE NO.	DESCRIPTION	(A) PRESENT RATES Service Line	(A) PRESENT RATES Meter	(B) COMPANY PROPOSED	(C) RUCO PROPOSED
	SERVICE LINE AND METER INSTALLATION CHARGES:				
1	5/8 X 3/4 - Inch Meter	$ 255.00	$ 65.00	$ 500.00	$ 500.00
2	3/4 - Inch Meter	255.00	105.00	575.00	575.00
3	1 - Inch Meter	275.00	145.00	660.00	660.00
4	1 1/2 - Inch Meter	290.00	345.00	900.00	900.00
5	2 - Inch Meter	315.00	775.00	2,220.00	2,220.00
6	3 - Inch Meter	Cost	Cost	Cost	Cost
7	4 - Inch Meter	Cost	Cost	Cost	Cost
8	6 - Inch Meter	Cost	Cost	Cost	Cost
9	8 - Inch Meter	Cost	Cost	Cost	Cost
10	Meters Larger Than 8 - Inches	Cost	Cost	Cost	Cost
	SERVICE CHARGES:				
11	Establishment Of Service		$ 30.00	$ 50.00	$ 50.00
12	Establishment Of Service (After Hours)		40.00	60.00	60.00
13	Re-Connection (Deliquent)		N/A	N/A	N/A
14	Re-Connection (after Hours)		N/A	N/A	N/A
15	Meter Test Fee (If Correct)		10.00	10.00	10.00
16	Deposit			As Per ACC R14-2-403.B	
17	Deposit Interest			As Per ACC R14-2-403.B	
18	Re-Establishment - (Within 12 Months)	Monthly Minimum Times Months Disconnected - As Per ACC R14-2-403.D			
19	NSF Charge (Per Month)		10.00	10.00	10.00
20	Deferred Payment		1.50%	1.50%	1.50%
21	Meter Re-Read - (If Correct)		5.00	5.00	5.00
22	Meter Moved - Customer Requested		Cost	Cost	Cost
23	Late Payment Charge		1.50%	1.50%	1.50%
24	Damages To Locks, Valves, Seals		Cost	Cost (Plus $40)	Cost (Plus $40)

GROUNDWATER WITHDRAWAL ASSESSMENT

Groundwater Withdrawal Fees Shall Be Collected As An Assessment, And Is Subject To Annual Revisions As Required Due To Changes In Rates Charged By The Arizona Department Of Water Resources. Includes An Allowance Of 10% Lost And Unaccounted For Water.

All Advances (AIAC) And/Or Contributions (CIAC) Are To Include Labor, Materials, Overhead, And All Applicable Taxes, Including All Gross-Up Taxes For Income Taxes

References:
Columns (A) (B): Company Schedule H-3, Page 3
Column (C): Testimony, RLM

PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) RUCO PROPOSED RATE DES'N	(B) ANNUALIZED CUST. & GAL. COUNT	(C) RUCO PROPOSED REVENUE
	MONTHLY MINIMUM USAGE CHARGE:			
1	5/8 X 3/4 - Inch	$ 15.00	5,484	$ 82,260
2	3/4 - Inch	15.00	0	0
3	1 - Inch	22.48	348	7,823
4	1 1/2 - Inch	44.96	36	1,618
5	2 - Inch	74.28	36	2,674
6	3 - Inch	87.96	19	1,671
7	4 - Inch	129.00	0	0
8	6 - Inch	175.91	0	0
9	8 - Inch	1,500.00	0	0
10	TOTAL ANNUALIZED MONTHLY CUSTOMER COUNT AND BASIC CHARGE		5,923	$ 96,046
	NO GALLONS INCLUDED OR PROPOSED IN THE MONTHLY MINIMUM USAGE CHARGE			
	COMMODITY RATES - ALL METERS (Per 1,000 Gallons):			
11	Tier 1 (0 to 8,000 Gallons)	$ 2.130135	34,288,180	$ 73,038
12	Tier 2 (Above 8,001 Gallons)	2.61	47,019,829	122,848
13	Effluent Sales (Per Acre Foot)	0.00	0	0
14	CAP - Raw Water (Per 1,000 Gallons)	0.00	0	0
15	TOTAL ANNUALIZED COMMODITY USAGE AND CHARGES		81,308,009	$ 195,887
16	Unmetered Revenue			0
17	Other Revenue			2,691
18	Difference Between Bill Count And Revenue As Recorded			674
19	**TOTAL PROPOSED ANNUALIZED REVENUE**			**$ 295,298**
20	Required Revenue (As Per Schedule RLM-1, Pg 1, Col (D), L10)			295,298
21	Difference			$ 0

In Addition, Company Shall Collect Groundwater Saving Fee Per Decision No. 62203
Ground Waterdrawal Fees Shall Be Collected As An Assessment,
And Is Subject To Annual Revisions As Required Due To Changes
In Rates Charged By The Arizona Department Of Water Resources (ADWR).
Includes An Allowance Of 10% Lost And Unaccounted For Water.

References:
Column (A): RLM-17, Page 1, Column (C)
Column (B): Response To RUCO Data Request No. 1.04
Column (C): Columns (A) X (B)

TYPICAL BILL ANALYSIS
RESIDENTIAL WATER SERVICE TO 5/8 X 3/4 INCH METERS

		(A)	(B)	(C)	(D)	(E)
	COMPANY PROPOSED					
LINE NO.	USAGE	GALLONS CONSUMED	PRESENT RATES	PROPOSED RATES	DOLLAR INCREASE	PERCENT INCREASE
1	Average	13,177	$39.19	$72.92	$33.73	86.06%
2	Median	7,535	$27.86	$51.86	$24.00	86.17%
	RUCO PROPOSED					
3	Average	13,177	$39.19	$45.57	$6.38	16.27%
4	Median	7,535	$27.86	$31.05	$3.19	11.46%
5	Average Number Of Customers:		401			

PRESENT AND PROPOSED RATES (WITHOUT TAXES)

	Gallons Consumed	Present Rates	Company Prop'd Rates	Company % Increase	RUCO Prop'd Rates	RUCO % Increase
6	0	$15.35	$28.58	86.2%	$15.00	-2.3%
7	1,000	17.01	31.67	86.2%	17.10	0.5%
8	2,000	18.67	34.76	86.2%	19.20	2.8%
9	3,000	20.33	37.85	86.2%	21.30	4.8%
10	4,000	21.99	40.94	86.2%	23.40	6.4%
11	5,000	23.65	44.03	86.2%	25.50	7.8%
12	6,000	25.31	47.12	86.2%	27.60	9.1%
13	7,000	26.97	50.21	86.2%	29.70	10.1%
14	8,000	28.63	53.30	86.2%	31.81	11.1%
15	9,000	30.67	57.09	86.1%	34.38	12.1%
16	10,000	32.71	60.88	86.1%	36.96	13.0%
17	15,000	42.91	79.83	86.0%	49.84	16.2%
18	20,000	53.11	98.78	86.0%	62.72	18.1%
19	25,000	63.31	117.73	86.0%	75.61	19.4%
20	50,000	114.31	212.48	85.9%	140.02	22.5%
21	75,000	165.31	307.23	85.9%	204.43	23.7%
22	100,000	216.31	401.98	85.8%	268.85	24.3%
23	125,000	267.31	496.73	85.8%	333.26	24.7%
24	150,000	318.31	591.48	85.8%	397.67	24.9%
25	175,000	369.31	686.23	85.8%	462.09	25.1%
26	200,000	420.31	780.98	85.8%	526.50	25.3%

ARIZONA-AMERICAN WATER COMPANY

DOCKET NO. W-01303A-02-0867 et al.

DIRECT TESTIMONY

OF

WILLIAM A. RIGSBY

ON BEHALF OF

THE

RESIDENTIAL UTILITY CONSUMER OFFICE

SEPTEMBER 5, 2003

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INTRODUCTION

Q. Please state your name, occupation, and business address.

A. My name is William A. Rigsby. I am a Public Utilities Analyst V employed by the Residential Utility Consumer Office ("RUCO") located at 1110 W. Washington, Suite 220, Phoenix, Arizona 85007.

Q. Please state your educational background and your qualifications in the field of utilities regulation.

A. Appendix I, which is attached to this testimony, describes my educational background and also includes a list of the rate cases and regulatory matters that I have been involved with.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to present recommendations that are based on my analysis of Arizona-American Water Company's ("Arizona-American" or "Company") application for a permanent rate increase ("Application") for the Company's water and wastewater operations located in Maricopa, Mohave, and Santa Cruz counties. The systems and their respective rate increase requests are as follows:

Sun City Water	$5,366,367
Sun City Wastewater	$636,236

Sun City West Water	$1,479,624
Sun City West Wastewater	$1,963,624
Anthem Water	$299,082
Anthem Wastewater	$438,989
Agua Fria Water	$417,889
Lake Havasu Water	$199,384
Mohave Water	$623,527
Tubac Water	$216,475

Arizona-American's applications for the aforementioned systems were filed with the Arizona Corporation Commission ("ACC" or "Commission") on November 22 and December 13, 2002. During the 2001 test year ("Test Year") Arizona-American provided water service to approximately 74,000 customers in the Company's service territories.

Q. Please explain your role in RUCO's analysis of Arizona-American's application.

A. I reviewed Arizona-American's application and performed a cost of capital analysis to determine a fair rate of return on Arizona-American's equity capital, cost of debt, and capital structure. The recommendations contained in this testimony are based on information obtained from the Company through written data requests, phone conversations with

Company witnesses and on research that I conducted during my cost of capital analysis.

Q. Were you also responsible for conducting an analysis of Arizona-American's proposed revenue level, rate base, and rate design?

A. No. RUCO witnesses Marylee Diaz-Cortez, Timothy J. Coley and Rodney L. Moore have filed direct testimony addressing those issues, which are associated with Arizona-American's Application.

Q. What areas will you address in your testimony?

A. I will address the cost of capital issues associated with the case.

Q. Please identify the exhibits that you are sponsoring.

A. I am sponsoring Schedules WAR-1 through WAR-10.

SUMMARY OF TESTIMONY AND RECOMMENDATIONS

Q. Briefly summarize how your cost of capital testimony is organized.

A. My cost of capital testimony is organized into four sections. First, I will present the findings of my cost of equity capital analysis, in which I utilized both the discounted cash flow ("DCF") and capital asset pricing model ("CAPM") methodologies. These are the two most commonly used methods for calculating the cost of equity capital in rate case proceedings

and are generally regarded as the most reliable[1]. In this first section I will also provide a brief overview of the current economic climate that Arizona-American is operating in. Second, I will explain how I arrived at my recommended cost of debt. Third, I will compare my recommended capital structure with the Company proposed capital structure. Fourth, I will comment on Arizona-American's cost of capital testimony. Schedules WAR-1 through WAR-10 support my cost of capital analysis.

Q. Please summarize the recommendations and adjustments that you will address in your testimony.

A. Based on the results of my analysis of Arizona-American, I am making the following recommendations:

Cost of Equity Capital – I am recommending a 9.11 percent cost of equity capital. The 9.11 percent figure is based on the results of my cost of equity analysis, which used both the DCF and CAPM methodologies.

Cost of Long-Term Debt – I am recommending a 4.87 percent cost of long-term debt. This 4.87 percent figure is based on my review of the long-term debt which was used to finance Company assets during the

[1] A. Lawrence Kolbe and James A Read Jr., The Cost of Capital – Estimating the Rate of Return for Public Utilities, The MIT Press: Cambridge, Massachusetts, 1984, pp. 35-94.

2001 Test Year.

Common Equity – I am recommending that the December 31, 2001 Test Year level of $110,888,158 in common equity, be adopted by the ACC.

Cost of Capital – Based on the results of my capital structure, cost of common equity, and debt analyses, I am recommending a 6.57 percent cost of capital for Arizona-American. This figure represents the weighted cost of both the Company's debt and common equity.

Q. Why do you believe that your recommended 6.57 percent cost of capital is an appropriate rate of return for Arizona-American to earn on its invested capital?

A. The 6.57 percent cost of capital figure that I have recommended meets the criteria established in the landmark Supreme Court cases of Bluefield Water Works & Improvement Co. v. Public Service Commission of West Virginia (262 U.S. 679, 1923) and Federal Power Commission v. Hope Natural Gas Company (320 U.S. 391, 1944). Simply stated, these two cases affirmed that a public utility, that is efficiently and economically managed, is entitled to a return on investment that instills confidence in its financial soundness, allows the utility to attract capital, and also allows the utility to perform its duty to provide service to ratepayers. The rate of

return adopted for the utility should also be comparable to a return that investors would expect to receive from investments with similar risk.

The Hope decision allows for the rate of return to cover both the operating expenses and the "capital costs of the business" which includes interest on debt and dividend payment to shareholders. This is predicated on the belief that, in the long run, a company that cannot meet its debt obligations and provide its shareholders with an adequate rate of return will not continue to supply adequate public utility service to ratepayers.

Q. Do the Bluefield and Hope decisions indicate that a rate of return sufficient to cover all operating and capital costs is guaranteed?

A. No. Neither case guarantees a rate of return on utility investment. What the Bluefield and Hope decisions *do allow*, is for a utility to be provided with the *opportunity* to earn a reasonable rate of return on its investment. That is to say that a utility, such as Arizona-American, is provided with the opportunity to earn an appropriate rate of return if the Company's management exercises good judgment and manages its assets and resources in a manner that is both prudent and economically efficient.

COST OF EQUITY CAPITAL

Q. What is your recommended cost of equity capital for Arizona-American?

A. Based on the results of my DCF and CAPM analyses, which ranged from 6.79 percent to 9.11 percent, I am recommending a 9.11 percent cost of equity capital for Arizona-American. The 9.11 percent figure was derived from my DCF analysis, which should be given the greatest weight in establishing a final estimate.

Discounted Cash Flow (DCF) Method

Q. Please explain the DCF method that you used to estimate Arizona-American's cost of equity capital.

A. The DCF method employs a stock valuation model that is often referred to as either the constant growth valuation model or the Gordon[2] model. Simply stated, the DCF model is based on the premise that the current price of a given share of common stock is determined by the present value of all of the future cash flows that will be generated by that share of common stock. The rate that is used to discount these cash flows back to their present value is often referred to as the investor's cost of capital (i.e. the cost at which an investor is willing to forego other investments in favor of the one that he or she has chosen).

[2] Named after Dr. Myron J. Gordon, the professor of finance who developed the model.

Another way of looking at the investor's cost of capital is to consider it from the standpoint of a company that is offering its shares of stock to the investing public. In order to raise capital, through the sale of common stock, a company must provide a required rate of return on its stock that will attract investors to commit funds to that particular investment. In this respect, the terms "cost of capital" and "investor's required return" are one in the same. For common stock, this required return is a function of the dividend that is paid on the stock. The investor's required rate of return can be expressed as the percentage of the dividend that is paid on the stock (dividend yield) plus an expected rate of future dividend growth. This is illustrated in mathematical terms by the following formula:

$$k = (D_1 \div P_0) + g$$

where: k = the required return (cost of equity, equity capitalization rate),

$D_1 \div P_0$ = the dividend yield of a given share of stock calculated by dividing the expected dividend by the current market price of the given share of stock, and

g = the expected rate of future dividend growth.

This formula is the basis for the standard growth valuation model that I used to determine Arizona-American's cost of equity capital. It is similar to the model that was used by the Company.

Q. In determining the rate of future dividend growth for Arizona-American, what assumptions did you make?

A. There are two primary assumptions regarding dividend growth that must be made when using the DCF method. First, dividends will grow by a constant rate into perpetuity, and second, the dividend payout ratio will remain at a constant rate. Both of these assumptions are predicated on the traditional DCF model's basic underlying assumption that a company's earnings, dividends, book value and share growth all increase at the same constant rate of growth into infinity. Given these assumptions, if the dividend payout ratio remains constant, so does the earnings retention ratio (the percentage of earnings that are retained by the company as opposed to being paid out in dividends). This being the case, a company's dividend growth can be measured by multiplying its retention ratio (1 - dividend payout ratio) by its book return on equity. This can be stated as $g = b \times r$.

Q. Would you please provide an example that will illustrate the relationship that earnings, the dividend payout ratio and book value have with dividend growth?

A. RUCO consultant Stephen Hill illustrated this relationship in a Citizens Utilities Company 1993 rate case by using a hypothetical utility.[3]

Table I

	Year 1	Year 2	Year 3	Year 4	Year 5	Growth
Book Value	$10.00	$10.40	$10.82	$11.25	$11.70	4.00%
Equity Return	10%	10%	10%	10%	10%	N/A
Earnings/Sh.	$1.00	$1.04	$1.082	$1.125	$1.170	4.00%
Payout Ratio	0.60	0.60	0.60	0.60	0.60	N/A
Dividend/Sh	$0.60	$0.624	$0.649	$0.675	$0.702	4.00%

Table I of Mr. Hill's illustration presents data for a five-year period on his hypothetical utility. In Year 1, the utility had a common equity or book value of $10.00 per share, an investor-expected equity return of ten percent, and a dividend payout ratio of sixty percent. This results in earnings per share of $1.00 ($10.00 book value x 10 percent equity return) and a dividend of $0.60 ($1.00 earnings/sh. x 0.60 payout ratio) during Year 1. Because forty percent (1 - 0.60 payout ratio) of the utility's earnings are retained as opposed to being paid out to investors, book

[3] Citizens Utilities Company, Arizona Gas Division, Docket No. E-1032-93-111, Prepared Testimony, dated December 10, 1993, p. 25.

value increases to $10.40 in Year 2 of Mr. Hill's illustration. Table I presents the results of this continuing scenario over the remaining five-year period.

The results displayed in Table I demonstrate that under "steady-state" (i.e. constant) conditions, book value, earnings and dividends all grow at the same constant rate. The table further illustrates that the dividend growth rate, as discussed earlier, is a function of (1) the internally generated funds or earnings that are retained by a company to become new equity, and (2) the return that an investor earns on that new equity. The DCF dividend growth rate, expressed as g = b x r, is also referred to as the internal or sustainable growth rate.

Q. If earnings and dividends both grow at the same rate as book value, shouldn't that rate be the sole factor in determining the DCF growth rate?

A. No. Possible changes in the expected rate of return on either common equity or the dividend payout ratio make earnings and dividend growth by themselves unreliable. This can be seen in the continuation of Mr. Hill's illustration on a hypothetical utility.

Table II

	Year 1	Year 2	Year 3	Year 4	Year 5	Growth
Book Value	$10.00	$10.40	$10.82	$11.47	$12.158	5.00%
Equity Return	10%	10%	15%	15%	15%	10.67%
Earnings/Sh	$1.00	$1.04	$1.623	$1.720	$1.824	16.20%
Payout Ratio	0.60	0.60	0.60	0.60	0.60	N/A
Dividend/Sh	$0.60	$0.624	$0.974	$1.032	$1.094	16.20%

In the example displayed in Table II, a sustainable growth rate of four percent[4] exists in Year 1 and Year 2 (as in the prior example). In Year 3, Year 4 and Year 5, however, the sustainable growth rate increases to six percent.[5] If the hypothetical utility in Mr. Hill's illustration were expected to earn a fifteen-percent return on common equity on a continuing basis, then a six percent long-term rate of growth would be reasonable. However, the compound growth rates for earnings and dividends, displayed in the last column, are 16.20 percent. If this rate were to be used in the DCF model, the utility's return on common equity would be expected to increase by fifty percent every five years, [(15 percent ÷ 10 percent) – 1]. This is clearly an unrealistic expectation.

[4] [(Year 2 Earnings/Sh – Year 1 Earnings/Sh) ÷ Year 1 Earnings/Sh] = [($1.04 - $1.00) ÷ $1.00] = [$0.04 ÷ $1.00] = 4.00%

[5] [(1 – Payout Ratio) x Rate of Return] = [(1 - 0.60) x 15.00%] = 0.40 x 15.00% = 6.00%

1 Although it is not illustrated in Mr. Hill's hypothetical example, a change in
2 only the dividend payout ratio will eventually result in a utility paying out
3 more in dividends than it earns. While it is not uncommon for a utility in
4 the real world to have a dividend payout ratio that exceeds one hundred
5 percent on occasion, it would be unrealistic to expect the practice to
6 continue over a sustained long-term period of time.
7
8 Q. Other than the retention of internally generated funds, as illustrated in Mr.
9 Hill's hypothetical example, are there any other sources of new equity
10 capital that can influence an investor's growth expectations for a given
11 company?
12 A. Yes, a company can raise new equity capital externally. The best
13 example of external funding would be the sale of new shares of common
14 stock. This would create additional equity for the issuer and is often the
15 case with utilities that are either in the process of acquiring smaller
16 systems or providing service to rapidly growing areas.
17
18 Q. How does external equity financing influence the growth expectations held
19 by investors?
20 A. Rational investors will put their available funds into investments that will
21 either meet or exceed their given cost of capital (i.e. the return earned on
22 their investment). In the case of a utility, the book value of a company's

stock usually mirrors the equity portion of its rate base (the utility's earning base). Because regulators allow utilities the opportunity to earn a reasonable rate of return on rate base, an investor would take into consideration the effect that a change in book value would have on the rate of return that he or she would expect the utility to earn. If an investor believes that a utility's book value (i.e. the utility's earning base) will increase, then he or she would expect the return on the utility's common stock to increase. If this positive trend in book value continues over an extended period of time, an investor would have a reasonable expectation for sustained long-term growth.

Q. Please provide an example of how external financing affects a utility's book value of equity.

A. As I explained earlier, one way that a utility can increase its equity is by selling new shares of common stock on the open market. If these new shares are purchased at prices that are higher than those shares sold previously, the utility's book value per share will increase in value. This would increase both the earnings base of the utility and the earnings expectations of investors. However, if new shares sold at a price below the pre-sale book value per share, the after-sale book value per share declines in value. If this downward trend continues over time, investors might view this as a decline in the utility's sustainable growth rate and will

have lower expectations regarding growth. Using this same logic, if a new stock issue sells at a price per share that is the same as the pre-sale book value per share, there would be no impact on either the utility's earnings base or investor expectations.

Q. Please explain how the external component of the DCF growth rate is determined.

A. In his book, The Cost of Capital to a Public Utility,[6] Dr. Myron Gordon, the individual responsible for the development of the DCF or constant growth model, identified a growth rate that includes both expected internal and external financing components. The mathematical expression for Dr. Gordon's growth rate is as follows:

$$g = (br) + (sv)$$

where:

g	=	DCF expected growth rate,
b	=	the earnings retention ratio,
r	=	the return on common equity,
s	=	the fraction of new common stock sold that accrues to a current shareholder, and
v	=	funds raised from the sale of stock as a fraction of existing equity.

[6] Gordon, M.J., The Cost of Capital to a Public Utility, East Lansing, MI: Michigan State University, 1974, pp. 30-33.

and $v = 1 - [(BV) \div (MP)]$

where: BV = book value per share of common stock, and

MP = the market price per share of common stock.

Q. Did you include the effect of external equity financing on long-term growth rate expectations in your analysis of expected dividend growth for the DCF model?

A. Yes. The external growth rate estimate (sv) is displayed on Page 1 of Schedule WAR-5, where it is added to the internal growth rate estimate (br) to arrive at a final sustainable growth rate estimate.

Q. Please explain why your calculation of external growth on page 2 of Schedule WAR-5, is the current market-to-book ratio averaged with 1.0 in the equation $[(M \div B) + 1] \div 2$.

A. The market price of a utility's common stock will tend to move toward book value, or a market-to-book ratio of 1.0, if regulators allow a rate of return that is equal to the cost of capital (one of the desired effects of regulation). As a result of this situation, I used $[(M \div B) + 1] \div 2$ as opposed to the current market-to-book ratio by itself to represent investor's expectations that, in the future, a given utility will achieve a market-to-book ratio of 1.0.

Q. In determining your dividend growth rate estimate, you analyzed the data on three water companies. Why did you use this methodology as opposed to a direct analysis of Arizona-American?

A. Although American depository shares[7] ("ADS") of Arizona-American's parent Company, German firm RWE AG, are publicly-traded on the over the counter market ("OTC") the corporation is not followed by Value Line Investment Survey ("Value Line"). Consequently, I was unable to obtain comparable data that would have allowed me to perform a more meaningful analysis. However, this is not a problem in this case since I believe it is fair to say that the publicly-traded water companies included in my proxy have similar risk characteristics to RWE's Arizona-American operating segment.

Q. What criteria did you use in selecting the water companies that make up your proxy for Arizona-American?

A. Each of the water companies used in the proxy are followed by Value Line and comprise Value Line's Water Utility Industry segment of the U.S. economy.

[7] American depository shares or ADS are shares of foreign-based corporations that are issued under a deposit agreement that represents the underlying ordinary share of stock, which trades in the issuer's home market. The terms American depository shares and American depository receipts, or ADR, are interchangeable. Technically the ADS is the instrument that is actually traded while the ADR is the certificate that represents a number of ADS's.

Q. Are these the same water companies that Arizona-American used in its application?

A. Yes, Arizona-American used all of the water companies included in my proxy in its analysis.

Q. In determining your dividend growth rate estimates, both you and the Company's witness analyzed the data on publicly-traded water utilities. Why did you and the Company witness analyze publicly-traded water utilities as opposed to firms that provide wastewater service?

A. The use of water utilities was necessitated by the fact that there is a lack of financial and market information available on stand-alone wastewater utilities. This in itself is not a problem, given the fact that both water and wastewater utilities share similar risk characteristics. Both types of utilities provide a basic service for which there are no substitutes and are also subject to strict federal and state regulations.

Q. Are there any other advantages to the use of a proxy?

A. Yes. As I noted earlier, the U.S. Supreme Court ruled in the Hope decision that a utility is entitled to earn a rate of return that is commensurate with the returns on investments of other firms with comparable risk. The proxy technique that I have used derives that rate of return. One other advantage to using a sample of companies is that it

reduces the possible impact that any undetected biases, anomalies, or measurement errors may have on the DCF growth estimate.

Q. Please explain your DCF growth rate calculations for the sample companies used in your proxy.

A. Schedule WAR-6 provides retention ratios, returns on book equity, internal growth rates, book values per share, numbers of shares outstanding, and the compounded share growth for each of the utilities included in the sample for the period 1998 to 2002. Schedule WAR-6 also includes Value Line's projected 2003, 2004, and 2006-2008 values for the retention ratio, equity return, book value per share growth rate, and number of shares outstanding.

Q. Please describe how you used the information displayed in Schedule WAR-6 to estimate each comparable utility's dividend growth rate.

A. In explaining my analysis, I will use American States Water Company, NYSE symbol AWR, as an example. The first dividend growth component that I evaluated was the internal growth rate. I used the "b x r" formula (page 10) to multiply AWR's earned return on common equity by its earnings retention ratio for each year 1998 through 2002 to derive the utility's annual internal growth rates. I used the mean average of this five-year period as a benchmark against which I compared the 2003 internal

growth rate and projected growth rate trends provided by Value Line. Because an investor is more likely to be influenced by recent growth trends, as opposed to historical averages, the five-year mean noted earlier was used only as a benchmark figure. As shown on Schedule WAR-6, AWR's sustainable internal growth rate averaged 2.99 percent from 1998 to 2002. This average 2.99 percent figure reflects an upward trend that occurred in the first four years of the observation period followed by a 7.00 percent drop to 3.33% recorded in 2002. During the 1998-2001 time frame, the company's growth rate consistently increased from a low of 2.09% in 1998, to a high of 3.59% in 2001. Value Line is predicting a further decline to 2.75% for 2003 with projected increases ranging from 3.60% in 2004 to 4.70% during the 2006-2008 time frame. However, after weighing Value Line's 6.00% earnings and 2.00% dividend projections, I believe that a 4.60% rate of growth would appear to be more realistic.

Q. Please continue with the external growth rate component portion of your analysis.

A. Schedule WAR-6 demonstrates that despite the drop in AWR's sustainable internal growth rate in 2002, the pattern of shares outstanding increased from 13.44 million to 15.18 from 1998 to 2002. Value Line is predicting that this level will increase to 16.80 million in 2003 and remain constant through 2008. Still, some share growth is possible so I believe

that a 0.25% growth in shares is not unreasonable for AWR. My final dividend growth rate estimate for AWR is 4.70 percent (4.60 percent internal + 0.10 percent external) and is shown on Page 1 of Schedule WAR-5.

Q. What is your average dividend growth rate estimate using the DCF model for the sample water utilities?

A. Based on the DCF model; my average dividend growth rate estimate is 5.97 percent as displayed on Page 1 of Schedule WAR-5.

Q. How does your average dividend growth rate compare to the growth rate data of other publicly-traded firms?

A. Overall my estimate is higher than the projections of analysts at Zacks Investment Research, Inc. ("Zacks") and more optimistic than the projections of analysts at Value Line. Schedule WAR-7 compares my sustainable growth estimates with the five-year projections of both Zacks and Value Line. The 5.97 percent estimate that I have calculated is 130 basis points higher than the projected EPS average of 4.67 percent for Zacks and 19 basis points higher than the 5.78 percent for Value Line (which is an average of EPS, DPS and BVPS). My 5.97 percent estimate is 258 basis points higher than the five-year compound historical average also displayed in Schedule WAR-7. This indicates that investors are

expecting increased performance from water utilities in the future. On balance, I would say my 5.97 percent estimate is a good representation of the growth projections that are available to the investing public.

Q. How did you calculate the dividend yields displayed in Schedule WAR-4?

A. I used the estimated annual dividends, for the next twelve-month period, that appeared in the August 1, 2003 Ratings and Reports water utility update of The Value Line Investment Survey. I then divided that figure by the eight-week average price per share of the appropriate utility's common stock. The eight-week average price is based on the daily closing stock prices for each utility for the period June 19, 2003 to August 1, 2003.

Q. Based on the results of your DCF analysis, what is your cost of equity capital estimate for the water utilities included in your sample?

A. As shown in Schedule WAR-3, the cost of equity capital derived from my analysis is 9.11 percent.

Capital Asset Pricing Model (CAPM) Method

Q. Please explain the theory behind the capital asset pricing model ("CAPM") and why you decided to use it as an equity capital valuation method in this proceeding.

A. CAPM is a mathematical tool that was developed during the early 1960's by William F. Sharpe.[8] The CAPM model is used to analyze the relationships between rates of return on various assets and risk as measured by beta.[9] In this regard, CAPM can help an investor to determine how much risk is associated with a given investment so that he or she can decide if that investment meets their individual preferences. Finance theory has always held that as the risk associated with a given investment increases, so should the expected rate of return on that investment and vice versa. According to CAPM theory, risk can be classified into two specific forms: nonsystematic or diversifiable risk, and systematic or non-diversifiable risk. While nonsystematic risk can be virtually eliminated through diversification (i.e. by including stocks of various companies in various industries in a portfolio of securities), systematic risk, on the other hand, cannot be eliminated by diversification.

[8] William F. Sharpe, "A Simplified Model of Portfolio Analysis," Management Science, Vol. 9, No. 2 (January 1963), pp. 277-93.

[9] Beta is defined as an index of volatility, or risk, in the return of an asset relative to the return of a market portfolio of assets. It is a measure of systematic or non-diversifiable risk. The returns on a stock with a beta of 1.0 will mirror the returns of the overall stock market. The returns on stocks with betas greater than 1.0 are more volatile or riskier than those of the overall stock market; and if a stock's beta is less than 1.0, its returns are less volatile or riskier than the overall stock market.

Thus, systematic risk is the only risk of importance to investors. Simply stated, the underlying theory behind CAPM states that the expected return on a given investment is the sum of a risk-free rate of return plus a market risk premium that is proportional to the systematic (non-diversifiable risk) associated with that investment. In mathematical terms, the formula is as follows:

$$k = r_f + [\beta (r_m - r_f)]$$

where:

k	=	cost of capital of a given security,
r_f	=	risk-free rate of return,
β	=	beta coefficient, a statistical measurement of a security's systematic risk,
r_m	=	average market return (e.g. S&P 500), and
$r_m - r_f$	=	market risk premium.

Q. What security did you use for a risk-free rate of return in your CAPM analysis?

A. I used an average of a 91-day Treasury Bill ("T-Bill") rate[10] and the 91-day T-Bill futures rate that appeared in the August 1, 2003 issue of The Wall

[10] A six week average was computed for the current rate using 91-day T-Bill quotes listed in Value Line's Selection and Opinion newsletter from June 27, 2003 to August 1, 2003.

1 Street Journal ("WSJ"). This resulted in a risk-free (r_f) rate of return of
2 0.90 percent.
3 Q. Why did you use the short-term T-Bill rate as opposed to the yield on an
4 intermediate 5-year Treasury note or a long-term 30-year Treasury bond?
5 A. Because a 91-day T-Bill presents the lowest possible total risk to an
6 investor. As citizens and investors, we would like to believe that U.S.
7 Treasury securities (which are backed by the full faith and credit of the
8 United States Government) pose no threat of default no matter what their
9 maturity dates are. However, a comparison of various Treasury
10 instruments will reveal that those with longer maturity dates do have
11 slightly higher yields. Treasury yields are comprised of two separate
12 components,[11] a true rate of interest (believed to be approximately 2.00
13 percent) and an inflationary expectation. When the true rate of interest is
14 subtracted from the total treasury yield, all that remains is the inflationary
15 expectation. Because increased inflation represents a potential capital
16 loss, or risk, to investors, a higher inflationary expectation by itself
17 represents a degree of risk to an investor. Another way of looking at this
18 is from an opportunity cost standpoint. When an investor locks up funds in
19 long-term T-Bonds, compensation must be provided for future investment
20 opportunities foregone. This is often described as maturity or interest rate

[11] As a general rule of thumb, there are three components that make up a given interest rate or rate of return on a security: the true rate of interest, an inflationary expectation, and a risk premium. The approximate risk premium of a given security can be determined by simply subtracting a 91-day T-Bill rate from the yield on the security.

risk and it can affect an investor adversely if market rates increase before the instrument matures (a rise in interest rates would decrease the value of the debt instrument). As discussed earlier in the DCF portion of my testimony, this compensation translates into higher rates of returns to the investor. Since a 91-day T-Bill presents the lowest possible total risk to an investor, it more closely meets the definition of a risk-free rate of return and is the more appropriate instrument to use in a CAPM analysis.

Q. How did you calculate the market risk premium used in your CAPM analysis?

A. I used both a geometric and an arithmetic mean of the historical returns on the S&P 500 index from 1926 to 2002 as the proxy for the market rate of return (r_m). The risk premium (r_m - r_f) that results by using the geometric mean calculation for r_m is equal to 9.30 percent (10.20 percent – 0.90 percent). The risk premium that results by using the arithmetic mean calculation for r_m is 11.30 percent (12.20 percent – 0.90 percent).

Q. How did you select the beta coefficients that were used in your CAPM analysis?

A. The beta coefficients (ß), for the individual utilities used in my sample, were calculated by Value Line and were current as of August 1, 2003. Value Line calculates its betas by using a regression analysis between

weekly percentage changes in the market price of the security being analyzed and weekly percentage changes in the NYSE Composite Index over a five-year period. The betas are then adjusted by Value Line for their long-term tendency to converge toward 1.00. The beta coefficients for the water utilities included in my sample ranged from 0.60 to 0.70 with an average beta of 0.63.

Q. What are the results of your CAPM analysis?

A. As shown on Pages 1 and 2 of Schedule WAR-8, my CAPM calculation using a geometric mean for r_m results in an average expected return of 6.79 percent. My calculation using the arithmetic mean results in an average expected return of 8.06 percent. The consensus among financial analysts appears to be that the arithmetic mean is the better of the two averages. For this reason, I believe that the 8.06 percent figure is the better check on the results of my DCF analysis.

Q. Please summarize the results derived under each of the methodologies presented in your testimony.

A. The following is a summary of the cost of equity capital derived under each methodology used:

METHOD	RESULTS
DCF	9.11%
CAPM	6.79% – 8.06%

Based on these results, my best estimate of an appropriate range for the cost of equity is 6.79 percent to 9.11 percent (which was derived from the more reliable of the two methods). My final recommendation is a 9.11 percent return for Arizona-American's cost of equity capital.

Current Economic Environment

Q. Please explain why it is necessary to consider the current economic environment when performing a cost of equity capital analysis for a regulated utility.

A. Consideration of the economic environment is necessary because trends in interest rates, present and projected levels of inflation, and the overall state of the U.S. economy determine the rates of return that investors earn on their invested funds. Each of these factors represent potential risks that must be weighed when estimating the cost of equity capital for a regulated utility and are, most often, the same factors considered by individuals who are investing in non-regulated entities also.

Q. Please discuss your analysis of the current economic environment.

A. My analysis includes a review of the economic events that have occurred since 1990. Schedule WAR-9 displays various economic indicators and other data that I will refer to during this portion of my testimony.

In 1991, as measured by the annual change in gross domestic product ("GDP"), the U.S. Economy experienced a rate of growth of only 0.85 percent. This decline in GDP marked the beginning of a mild recession that ended sometime before the end of the first half of 1992. Reacting to this situation, the Federal Reserve Board ("Federal Reserve" or "Fed"), chaired by noted economist Alan Greenspan, lowered its benchmark federal funds rate[12] in an effort to further loosen monetary constraints - an action that resulted in lower interest rates.

During this same period, the nation's major money center banks followed the Federal Reserve's lead and began lowering their interest rates as well. By the end of the fourth quarter of 1993, the prime rate (the rate charged by banks to their best customers) had dropped to 6.00 percent from a 1990 level of 10.01 percent. In addition, the Federal Reserve's discount rate on loans to its member banks had fallen to 3.00 percent and short-term interest rates had declined to levels that had not been seen since 1972.

[12] The interest rate charged by banks with excess reserves at a Federal Reserve district bank to banks needing overnight loans to meet reserve requirements. The federal funds rate is the most sensitive indicator of the direction of interest rates, since it is set daily by the market, unlike the prime rate and the discount rate, which are periodically changed by banks and by the Federal Reserve Board, respectively.

Although GDP increased in 1992 and 1993, the Federal Reserve took steps to increase interest rates beginning in February of 1994, in order to keep inflation under control. By the end of 1995, the Federal discount rate had risen to 5.21 percent. Once again, the banking community followed the Federal Reserve's moves. The Fed's strategy, during this period, was to engineer a "soft landing." That is to say that the Federal Reserve wanted to foster a situation in which economic growth would be stabilized without incurring either a prolonged recession or runaway inflation.

Q. Did the Federal Reserve achieve its goals during this period?

A. The Fed's strategy of decreasing interest rates to stimulate the economy worked. The annual change in GDP began an upward trend in 1991. A change of 3.9 percent was recorded at the end of both 1997 and 1998. Based on daily reports that were presented in the mainstream print and broadcast media during most of 1999, there appeared to be little doubt among both economists and the public at large that the U.S. was experiencing a period of robust economic growth highlighted by low rates of unemployment and inflation. Investors who believed that technology stocks and Internet company start-ups (with little or no history of earnings) had high growth potential, purchased these types of issues with enthusiasm. These types of investors, who exhibited what Chairman

1 Greenspan described as "irrational exuberance," pushed stock prices and
2 market indexes to all time highs from 1997 to 2000.
3
4 Q. What has been the state of the economy over the last two and a half
5 years?
6 A. The U.S. economy plunged into recession following the tragic events of
7 September 11, 2001. The bullish trend, which had characterized the last
8 half of the 1990's, had already run its course sometime during the third
9 quarter of 2000. Economic data released since the beginning of 2001
10 had already been disappointing during the months preceding the terrorist
11 attacks on the World Trade Center and the Pentagon. Slower growth
12 figures, rising layoffs in the high technology manufacturing sector, and
13 falling equity prices (due to lower earnings expectations) prompted the
14 Fed to begin cutting interest rates as it had done in the early 1990's. The
15 now infamous terrorist attacks on New York and Washington D.C.
16 triggered an economic slump that prompted the Federal Reserve to
17 continue its rate cutting actions through December 2001.
18
19 Q. What actions has the Federal Reserve taken in terms of interest rates
20 since the beginning of 2001?
21 A. To date, the Federal Reserve has cut interest rates thirteen times since
22 the beginning of 2001. Despite some signs of economic strength, that

were mainly attributed to consumer spending, Chairman Greenspan appeared to be concerned with sharp declines in capital spending in the business sector. Prior to the 9/11 attacks, commentators reporting in both the mainstream financial press and various economic publications, including Value Line, believed that the Fed Chairman was cutting rates in the hope of avoiding the recession that the U.S. is still in the process of recovering from.

Despite several intervals in which the Federal Open Market Committee ("FOMC") decided not to cut interest rates, moves that indicated that the worst may be over and that the current recession might have bottomed out during the last quarter of 2001, a lackluster economy has persisted. This continuing economic malaise prompted the FOMC to make its thirteenth rate cut on June 24, 2003. The quarter point cut reduced the federal funds rate to 1.00 percent, the lowest level in 45 years. In its most recent meeting on August 12, 2003, the FOMC decided to let short-term rates stand at their lowest levels since 1958.

Q. How has the Fed's actions affected benchmark rates?

A. Virtually all of the benchmark rates have fallen to levels not seen in forty-five years. The Fed's actions have had the effect of reducing the cost of many types of business and consumer loans. In addition to slashing the federal funds rate, the Fed has also cut the federal discount rate (the rate

charged to member banks) from 5.73 percent in 2000, to its present level of only 2.00 percent. The federal discount rate has declined by three hundred and fifty basis points since January 2001 when it stood at 5.50 percent.

Q. What has been the trend in other leading interest rates over the last year?

A. As of the final week of July 2003, all of the leading interest rates have declined. The prime rate has fallen from 4.75 percent a year ago to a current level of 4.00 percent. The benchmark federal funds rate, just discussed, has dropped from 1.75 percent, in July 2002, to its current level of 1.00 percent. The yields on all maturities of U.S. Treasury instruments have declined over the past year. The 91-day T-bill rate, used in my CAPM analysis, has declined from 1.68 percent, in July 2002, to 0.91 percent, as has the One-Year Treasury Constant Maturity rate, which has dropped from 1.89 percent to 1.11 percent.

Q. How much more room does the Fed have for cutting interest rates?

A. In the months before the Fed's most recent rate cut move, Chairman Greenspan made it clear that the Fed had other tools at its disposal to boost the economy other than cutting its key interest rate, such as purchasing long-term U.S. Treasury Instruments. As has been reported in the mainstream financial press, Chairman Greenspan is now more

concerned with deflation as opposed to inflation. In a deflationary environment, falling prices in goods and service force employers to layoff employees as part of their cost-cutting measures to remain competitive in the marketplace (a situation that existed during the great depression of the 1930's). Theoretically speaking, the inflationary outlook at the present time could more appropriately be described as the deflationary outlook. Using the example that I provided earlier, when the true rate of interest of 2.00 percent is subtracted from the 0.90 percent yield of the 91-day T-Bill rate, used in my CAPM analysis, the inflationary outlook is a negative 1.10 percent.

Q. How have analysts viewed the Fed's recent rate-cutting actions and the economy in general?

A. Economists at the major money center banks serving Arizona have remained upbeat about the economy and the Fed's actions since January of 2002. In his "Economic Brief" dated June 30, 2003, Bank of America Chief Economist Mickey Levy forecasted for 3.00 percent to 3.25 percent in annualized growth for the last half of 2003. In its "Selection & Opinion" update dated July 4, 2003, Value Line stated their analysts believed that the Fed's last interest rate cut will "energize the economy. " Value Line's analysts have consistently reiterated their belief that the Fed's recent actions on the interest rate front will result in a period of moderate

economic growth and low inflation. Value Line's analysts do not appear to share Chairman Greenspan's fears regarding deflation. Sung Won Sohn, the chief economist for Wells Fargo Bank, has even stated that mild deflation may even be good for the equity markets. Reactions from economists since the Fed's August 12th decision to leave interest unchanged appear to be favorable in regard to the economic recovery and less anxious in regard to deflation. Despite a recent upturn in the yields of long-term Treasury instruments, Wells Fargo's Sohn has gone on the record as stating that he expected Treasury rates to be more stable in the foreseeable future.

Q. How would utilities such as Arizona-American fare in a deflationary environment?

A. Regulated public utilities would more than likely fare well in such an environment. This is because utility rates would be immune to the same economic pressures forcing the prices of competitive goods and services down. Utility stocks would probably be extremely attractive to investors since lower prices on the goods and services purchased by utilities would result in higher earnings expectations and stable, possibly even increased, rates of return from dividend payouts.

Q. Please summarize how the economic data just presented relates to Arizona-American.

A. Summarizing this information, as it relates to Arizona-American, the current low, or for that matter nonexistent, rate of inflation translates into stable and even possibly declining prices for goods and services, which in turn means that Arizona-American can expect its present operating expenses to either remain stable or possibly decline in the coming years. Lower interest rates would also benefit Arizona-American in regard to the Company's short and long-term borrowing needs. Lower interest rates, would further help to accelerate growth in new construction projects and home developments in the Company's service territories, and may result in new revenue streams to Arizona-American.

Q. After weighing the economic information that you've just discussed, do you believe that your 6.79 percent to 9.11 percent estimated cost of equity capital is reasonable for Arizona-American?

A. I believe that my estimate of equity costs will provide Arizona-American with a reasonable rate of return on the Company's invested capital when economic data on lower interest rates, continued growth in construction, and the low and stable outlook for inflation are all taken into consideration. As I noted earlier, the Hope decision determined that a utility is entitled to earn a rate of return that is commensurate with the returns it would make

on other investments with comparable risk. I believe that my DCF analysis has produced such a return. The results that I have obtained are consistent with Value Line's view that water utility stocks are likely to appeal to conservative investors who seek steady earnings growth and good dividend yield. In Value Line's opinion, water utilities, such as Arizona-American, which face little to no competition in their geographic service areas, are the nation's last pure monopolies (hence low risk resulting in lower returns on investment).

COST OF DEBT

Q. Have you accepted the Company's 3.04 percent cost of long-term debt?

A. No. Based on information obtained through data requests and conversations with the Company's cost of debt witness, I have arrived at a higher 4.87 percent cost of debt.

Q. What is the main reason for the difference between your recommended cost of debt and the cost of debt recommended by the Company's witness?

A. Based on my review of the Company's Schedule D-2, it appears that the Company witness has double-weighted the costs of the debt instruments that financed Test Year assets, thus resulting in a recommended cost of

debt that is understated. My calculation of the Company's Test Year cost of debt can be viewed in Schedule WAR-2.

CAPITAL STRUCTURE

Q. Have you reviewed Arizona-American's testimony regarding the Company's proposed capital structure?

A. Yes, I have.

Q. Please describe the Company's proposed capital structure.

A. The Company-proposed (actual and adjusted) Test Year capital structure, which allocates total Company debt and equity on a percentage basis in the revised Schedule D-1 of Arizona-American's Application, is comprised of 59.89 percent long-term debt and 40.11 percent in common equity. The Company's projected 2002 capital structure is comprised of 60.0 percent long-term debt and 40.0 percent in common equity.

Q. What capital structure are you proposing for Arizona-American?

A. My proposed capital structure, displayed in Schedule WAR-1, is comprised of the same 59.89 percent in long-term debt and 40.11 percent in common equity that has been proposed by the Company. In keeping with RUCO's belief that all ratemaking elements should be matched to their recorded test year levels (in this case the period ended December

31, 2001) I have used the balances of debt and equity that were recorded on the Company's books at the end of 2001.

Q. How does your recommended cost of equity capital compare with the cost of equity capital proposed by the Company?

A. The 11.50 percent cost of equity capital, based on the actual and adjusted Test Year capital structure, proposed by the Company is 239 basis points higher than the 9.11 percent cost of equity capital that I am recommending. This is also true for the Company's projected 2002 capital structure.

Q. How does the Company's proposed weighted cost of capital compare with your recommendation?

A. The Company has proposed a weighted cost of capital of 7.65 percent for the Test Year. This composite figure is the result of a weighted average of Arizona-American's proposed 3.04 percent cost of long-term debt and the 11.50 percent cost of equity capital cited earlier. The Company-proposed 7.65 percent weighted cost of capital is 108 basis points higher than the 6.57 percent weighted cost that I am recommending. The Company's weighted cost of capital of 7.75 percent for the projected 2002 period is 118 basis points higher than my recommended 6.57 percent weighted cost of capital.

Q. Is Arizona-American's capital structure in line with industry averages?

A. Yes. Arizona-American's capital structure is line with the utilities that were included in my sample (Schedule WAR-10). The capital structures for those utilities averaged 59.9 percent for debt (7.8 percent short-term debt + 52.1 percent long-term debt) and 40.1 percent for equity (0.2 percent preferred equity + 39.9 percent common equity).

Q. In terms of risk, how does Arizona-American's capital structure compare to the water utilities in your sample?

A. Arizona-American would be considered as having about the same level of financial risk (i.e. the risk associated with debt repayment) as the companies included in my sample. Since financial risk (due to debt leverage) is embedded in the cost of equity capital derived for those companies through the DCF analysis, the cost of equity derived in my DCF analysis is applicable to companies that are leveraged, like Arizona-American, and, theoretically speaking, have the same level of risk that a utility with a level of debt similar to Arizona-American's would have. In the case of a publicly-traded company, such as those included in my proxy, a company with Arizona-American's level of debt would be perceived as having about the same level of financial risk and would therefore also have a similar expected return on common equity.

Q. Have you made an adjustment to your DCF estimate based on any perceptions of financial risk?

A. No, I have not. As I just stated, Arizona-American would be perceived as having the same level of financial risk as the companies included in my sample and would therefore have a similar expected return on common equity.

COMMENTS ON ARIZONA-AMERICAN'S COST OF EQUITY CAPITAL TESTIMONY

Q. Please describe Arizona-American's cost of equity capital testimony.

A. Arizona-American's cost of equity capital testimony was prepared by Dr. Thomas M. Zepp. Dr. Zepp's testimony offers his rationale as to why Arizona-American's authorized rate of return should be applied to a fair value rate base ("FVRB") as opposed to an original cost rate base ("OCRB") and his reasons why Arizona-American is riskier than his sample of publicly-traded utilities. Dr. Zepp presents the results of his DCF, risk premium, and CAPM analyses. Dr. Zepp also presents the results of an internal rate of return analysis on Middlesex Water and Connecticut Water Service, which, in his opinion, supports his estimated cost of equity range for Arizona-American.

Q. Are there portions of the cost of equity capital testimony presented by the Company that you would like to comment on?

A. Yes. I would like to comment on Dr. Zepp's opinions regarding Arizona's practice of applying a rate of return to FVRB and to discuss the methodologies used to calculate the Company-proposed cost of equity capital and the factors on which Dr. Zepp is relying on in support of a risk premium.

Fair Value Rate Base

Q. Please comment on Dr. Zepp's opinions regarding the Arizona Constitution requiring the ACC to set rates based on a finding of fair value.

A. For reasons that are discussed in greater detail in the testimony of RUCO witness Diaz Cortez, the Commission should not place any weight on the opinions expressed by Dr. Zepp in regard to the establishment of rates that provide a rate of return on a utility's assets current value, as a basis for FVRB, as opposed to a utility's assets OCRB. In short, RUCO believes that a dangerous precedent would be set if the Commission adopted such a policy, since it would open the door for the potential restatement of all of the rate bases that Arizona investor-owned utilities currently earn a rate of return on. This in turn would result in unwarranted and unprecedented increases in rates for Arizona customers who would be paying more for the same assets that have been providing service to

them simply because the value of the assets have been restated to reflect current costs.

Comparison of Methods

Q. What methodology did Arizona-American use to determine its proposed cost of equity capital?

A. The Company's consultant, Dr. Thomas M. Zepp, used three methods for determining a cost of equity capital: the DCF, a risk premium method (which I have not used) and the CAPM.

Q. Please compare Dr. Zepp's DCF results and the results of your DCF analysis.

A. Dr. Zepp's DCF analysis derived an estimated cost of equity capital for sample water and gas utilities that ranged from 11.10 percent to 11.50 percent, which is 199 to 239 basis points higher than the 9.11 percent result derived from my DCF analysis. Dr. Zepp's estimated equity costs for Arizona-American ranged from 11.70 percent to 12.10 percent or 259 to 299 basis points higher than my 9.11 percent recommended cost for equity capital. Dr. Zepp's 11.70 to 12.10 percent range for Arizona-American is based on his belief that a 60 basis point risk adjustment is warranted for Arizona-American because of the financial risk that the Company faces. The Company-proposed 11.50 percent cost of common

equity, exhibited in Schedule D-1 of Arizona-American's Application, is based on Dr. Zepp's recommendation that the Commission adopt a cost of equity that is no less than 11.50 percent.

Q. Do you agree with the results of Dr. Zepp's DCF analysis?

A. No, I do not. In my opinion, Dr. Zepp's methodology for calculating a growth component relies too much on the projections of Value Line analysts for the 2006 – 2008 operating period. This produces results that are somewhat inflated in my opinion.

Q. Please compare the results of Dr. Zepp's CAPM analysis with the results of your CAPM analysis.

A. Dr. Zepp's CAPM analysis produced an expected rate of return that ranged from 9.90 percent to 13.0 percent. Dr. Zepp then added an additional 60 basis points, based on his opinion that Arizona-American faces higher financial risk, to arrive at a range of 10.5 percent to 13.60 percent.

When compared to the 6.79 percent result of my CAPM analysis using a market risk premium based on a geometric mean, Dr. Zepp's unadjusted range is 311 to 621 basis points higher. When compared to the 8.06 percent result of my CAPM analysis using a market risk premium based

on an arithmetic mean, Dr. Zepp's unadjusted range is 184 to 494 basis points higher.

Q. Do you agree with Dr. Zepp's 60 basis point adjustment for Arizona-American based on increased financial risk?

A. No. As I explained earlier in my testimony, Arizona-American's capital structure is almost identical to the average capital structure of my sample companies. Consequently, there is no need for any adjustment for higher financial risk.

Q. What is the difference between your CAPM analysis and Dr. Zepp's CAPM analysis?

A. Although there is little difference between the average beta coefficient that Dr. Zepp and I use (his 0.62 versus my 0.63), and a 110 basis point difference between his market risk premium of 12.40 percent versus my 11.30 percent using an arithmetic mean to calculate the return on the market (market risk premium = $r_m - r_f$ = 12.20% - 0.90% = 11.30%), Dr. Zepp has chosen to use the 5.30 percent return on a long-term Treasury instrument for a risk-free asset as opposed to the 91-day T-Bill rate that I have used.

Q. Do you agree with Dr. Zepp's use of a long-term Treasury yield for the risk free asset in the CAPM model?

A. No I do not. As I explained earlier in my testimony, the 91-day T-Bill rate represents the lowest possible total risk to an investor and therefore more closely fits the definition of a risk free asset.

Other Risk Factors

Q. Does Dr. Zepp cite other factors that justify a risk premium for Arizona-American?

A. Dr. Zepp cited the U.S. Environmental Protection Agency's revised arsenic standard and the fact that Arizona uses an historic test year to set rates, however, his 60 basis point adjustment was based on his belief that Arizona-American was more leveraged than the other utilities in his sample.

Q. Please respond to the risks posed to Arizona-American due to revised arsenic standards for drinking water that are being proposed by the U.S. Environmental Protection Agency ("EPA").

A. A decision is now pending before the Commission on a standardized arsenic recovery mechanism. At this point in time, it is almost a near certainty that the Commission will approve a mechanism that will allow water providers to recover the costs associated with the EPA's revised

arsenic standard of 10 parts per billion. Given this fact, any additional return on investment because of the EPA's revised arsenic standard would not be warranted for Arizona-American or any other water utility operating in Arizona.

Q. Do you agree that Arizona is a riskier jurisdiction to operate in because of the Commission's adherence to the historical test year concept?

A. No. The Commission has always made allowances for known and measurable changes to historic test year operating results. Because of this, there is no reason for any additional return on investment. In my view, it is important to remember that one of the main arguments for future and projected test years was the volatile inflationary environment that utilities once operated in. Given the current economic environment of low inflation, coupled with the projections for low stable interest rates and low, even falling, prices that I noted earlier in my testimony, the continued use of the historical test year approach to setting rates does not add any additional risk for a utility operating in the Arizona jurisdiction.

Q. Please discuss risk in the context of the Company's regulatory climate in Arizona.

A. The regulatory climate that a utility must operate in has always been considered as a potential source of risk when determining the rate of

return that a utility is entitled to. In my opinion, the regulatory climate that Arizona-American is operating in has never been more favorable to water utilities. As I noted earlier, the Commission is presently on the verge of approving a recovery mechanism that will allow water providers in Arizona the ability to pass through the costs that are related to the removal of arsenic in order to meet the EPA's revised 10 parts per billion standard. Over the past seven years, the federal reauthorization of the Safe Drinking Water Act ("SDWA") has provided federal funds from which a state revolving fund has been established. The fund, administered in Arizona by the Water Infrastructure Finance Authority ("WIFA"), has been set up to provide low interest rate loans to water utilities that want to make improvements to their systems. Unlike other states, such as Indiana, which has in the past, exercised its discretionary power to limit the distribution of that state's share of federal monies to public systems only, Arizona has encouraged both public and investor-owned systems like Arizona-American to apply for WIFA loans. Although an Arizona-based water provider might not wish to take advantage of loans offered by WIFA (for whatever reasons decided on by the water provider's management) that does not change the fact that low interest financing is available to the water provider through the WIFA program. The ADEQ's Monitoring Assistance Program ("MAP") is also now in place to aid water utilities on their water testing needs.

Q. Can you cite any recent events that would support your claim that Arizona is a favorable jurisdiction for water utilities?

A. Yes. The fact that RWE AG acquired Arizona-American, the subject of this proceeding, and American States Water Co. ("American States"), one of the firms included in my proxy, acquired Chaparral City Water Company in Fountain Hills. The American States acquisition is noteworthy since it marked the first time that American States had acquired a system outside of California. Southwest Gas recently expanded its operations in Arizona by acquiring Black Mountain Gas and UniSource Energy acquired the electric and gas operations of Citizens Communications. I don't believe that any of these public utility holding companies would have expanded in Arizona if they believed they were going to have to face a harsh regulatory climate.

Q. Are there any final remarks that you would like to make regarding your recommended cost of capital for Arizona-American?

A. Yes. I would like to reiterate my firm belief that the water utilities (with betas in the 0.60 to 0.70 range) that were included in my DCF and CAPM sample fit the Hope decision definition of "other investments with comparable risk." I further believe that the utilities included in my sample closely resemble Arizona-American in terms of both an operating and risk standpoint.

Q. Does your silence on any of the issues, matters or findings addressed in the testimony of Dr. Zepp or any other witness for Arizona-American constitute your acceptance of their positions on such issues, matters or findings?

A. No, it does not.

Q. Does this conclude your testimony on Arizona-American's Eastern Group?

A. Yes, it does.

Qualifications of William A. Rigsby

EDUCATION:

University of Phoenix
Master of Business Administration, Emphasis in Accounting, 1993

Arizona State University
College of Business
Bachelor of Science, Finance, 1990

Mesa Community College
Associate of Applied Science, Banking and Finance, 1986

Michigan State University
Institute of Public Utilities
N.A.R.U.C. Annual Regulatory Studies Program, 1997 &1999

Florida State University
Center for Professional Development & Public Service
N.A.R.U.C. Annual Western Utility Rate School, 1996

EXPERIENCE:

Public Utilities Analyst V
Residential Utility Consumer Office
Phoenix, Arizona
April 2001 – Present

Senior Rate Analyst
Accounting & Rates - Financial Analysis Unit
Arizona Corporation Commission, Utilities Division
Phoenix, Arizona
July 1999 – April 2001

Senior Rate Analyst
Residential Utility Consumer Office
Phoenix, Arizona
December 1997 – July 1999

Utilities Auditor II and III
Accounting & Rates – Revenue Requirements Analysis Unit
Arizona Corporation Commission, Utilities Division
Phoenix, Arizona
October 1994 – November 1997

Revenue Auditor II
Arizona Department of Revenue
Corporate Income Tax Audit Unit
Phoenix, Arizona
November 1993 – October 1994

Tax Examiner Technician I
Arizona Department of Revenue
Transaction Privilege Tax Audit Unit
Phoenix, Arizona
July 1991 – November 1993

RESUME OF RATE CASE AND REGULATORY PARTICIPATION

Utility Company	Docket No.	Type of Proceeding
ICR Water Users Association	U-2824-94-389	Original CC&N
Rincon Water Company	U-1723-95-122	Rate Increase
Ash Fork Development Association, Inc.	E-1004-95-124	Rate Increase
Parker Lakeview Estates Homeowners Association, Inc.	U-1853-95-328	Rate Increase
Mirabell Water Company, Inc.	U-2368-95-449	Rate Increase
Bonita Creek Land and Homeowner's Association	U-2195-95-494	Rate Increase
Pineview Land & Water Company	U-1676-96-161	Rate Increase
Pineview Land & Water Company	U-1676-96-352	Financing
Montezuma Estates Property Owners Association	U-2064-96-465	Rate Increase
Houghland Water Company	U-2338-96-603 et al	Rate Increase
Sunrise Vistas Utilities Company – Water Division	U-2625-97-074	Rate Increase
Sunrise Vistas Utilities Company – Sewer Division	U-2625-97-075	Rate Increase
Holiday Enterprises, Inc. dba Holiday Water Company	U-1896-97-302	Rate Increase
Gardener Water Company	U-2373-97-499	Rate Increase
Cienega Water Company	W-2034-97-473	Rate Increase
Rincon Water Company	W-1723-97-414	Financing/Auth. To Issue Stock
Vail Water Company	W-01651A-97-0539 et al	Rate Increase
Bermuda Water Company, Inc.	W-01812A-98-0390	Rate Increase
Bella Vista Water Company	W-02465A-98-0458	Rate Increase
Pima Utility Company	SW-02199A-98-0578	Rate Increase

RESUME OF RATE CASE AND REGULATORY PARTICIPATION (Cont.)

Utility Company	Docket No.	Type of Proceeding
Pineview Water Company	W-01676A-99-0261	WIFA Financing
I.M. Water Company, Inc.	W-02191A-99-0415	Financing
Marana Water Service, Inc.	W-01493A-99-0398	WIFA Financing
Tonto Hills Utility Company	W-02483A-99-0558	WIFA Financing
New Life Trust, Inc. dba Dateland Utilities	W-03537A-99-0530	Financing
GTE California, Inc.	T-01954B-99-0511	Sale of Assets
Citizens Utilities Rural Company, Inc.	T-01846B-99-0511	Sale of Assets
MCO Properties, Inc.	W-02113A-00-0233	Reorganization
American States Water Company	W-02113A-00-0233	Reorganization
Arizona American Water Company	W-01303A-00-0327	Financing
Arizona Electric Power Cooperative	E-01773A-00-0227	Financing
360networks (USA) Inc.	T-03777A-00-0575	Financing
Beardsley Water Company, Inc.	W-02074A-00-0482	WIFA Financing
Mirabell Water Company	W-02368A-00-0461	WIFA Financing
Rio Verde Utilities, Inc.	WS-02156A-00-0321 et al	Rate Increase/ Financing
Arizona Water Company	W-01445A-00-0749	Financing
Loma Linda Estates, Inc.	W-02211A-00-0975	Rate Increase
Arizona Water Company	W-01445A-00-0962	Rate Increase
Mountain Pass Utility Company	SW-03841A-01-0166	Financing
Picacho Sewer Company	SW-03709A-01-0165	Financing
Picacho Water Company	W-03528A-01-0169	Financing
Ridgeview Utility Company	W-03861A-01-0167	Financing
Green Valley Water Company	W-02025A-01-0559	Rate Increase
Bella Vista Water Company	W-02465A-01-0776	Rate Increase
Arizona Water Company	W-01445A-02-0619	Rate Increase

ARIZONA-AMERICAN WATER COMPANY
DOCKET NO. W-01303A-02-0867 ET AL.
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ARIZONA-AMERICAN WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
COST OF CAPITAL SUMMARY

DOCKET NO. W-01303A-02-0867 ET AL.
SCHEDULE WAR - 1

LINE NO.	DESCRIPTION	(A) CAPITALIZATION PER COMPANY	(B) RUCO ADJUSTMENTS	(C) RUCO ADJUSTED CAPITALIZATION	(D) CAPITAL RATIO	(E) COST	(F) WEIGHTED COST
1	LONG-TERM DEBT	$ 165,583,119	$ -	$ 165,583,119	59.89%	4.87%	2.92%
2	COMMON EQUITY	110,888,158	-	110,888,158	40.11%	9.11%	3.65%
3	TOTAL CAPITALIZATION	$ 276,471,277	$ -	$ 276,471,277	100.00%		
4	COST OF CAPITAL						6.57%

REFERENCES:
COLUMN (A): ACC STAFF D.R. NO. JMR 8-3 AND JMR 8-4
COLUMN (B): TESTIMONY, WAR
COLUMN (C): COLUMN (A) + COLUMN (B)
COLUMN (D): COLUMN (C) ÷ COLUMN (C), LINE 5
COLUMN (E): TESTIMONY, WAR
COLUMN (F): COLUMN (D) x COLUMN (E)

ARIZONA-AMERICAN WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
COST OF DEBT

DOCKET NO. W-01303A-02-0867 ET AL.
SCHEDULE WAR - 2

LINE NO.	DESCRIPTION	(A) TEST YEAR AMOUNT	(B) RUCO ADJUSTMENTS	(C) RUCO ADJUSTED	(D) LONG-TERM DEBT RATIO	(E) COST OF DEBT	(F) WEIGHTED COST
1	L-T NOTE (MARICOPA COUNTY) DUE SEPTEMBER 1, 2028	$ 10,635,000	$ -	$ 10,635,000	6.42%	4.17%	0.27%
5	L-T PROMISSORY NOTE DUE NOVEMBER 6, 2006	154,948,119	-	154,948,119	93.58%	4.92%	4.60%
6	TOTAL LONG-TERM DEBT	$ 165,583,119	$ -	$ 165,583,119	100.00%		4.87%

REFERENCES:
COLUMN (A): RUCO D.R. NO. 5.1
COLUMN (B): TESTIMONY, WAR
COLUMN (C): COLUMN (A) + COLUMN (B)
COLUMN (D): COLUMN (C) ÷ COLUMN (C), LINE 6
COLUMN (E): ACC D.R. NO. JMR 8-3 AND JMR 13-3
COLUMN (F): COLUMN (D) x COLUMN (E)

ARIZONA-AMERICAN WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
DCF COST OF EQUITY CAPITAL

DOCKET NO. W-01303A-02-0867 ET AL.
SCHEDULE WAR - 3

LINE NO.	STOCK SYMBOL	COMPANY	(A) DIVIDEND YIELD	+	(B) GROWTH RATE (g)	=	(C) DCF COST OF EQUITY CAPITAL
1	AWR	AMERICAN STATES WATER CO.	3.25%	+	4.70%	=	7.95%
2	CWT	CALIFORNIA WATER SERVICE GROUP	3.83%	+	4.31%	=	8.14%
3	PSC	PHILADELPHIA SUBURBAN CORP.	2.33%	+	8.91%	=	11.24%
4	WATER COMPANY AVERAGE						9.11%

REFERENCES:
COLUMN (A): SCHEDULE WAR - 4, COLUMN C
COLUMN (B): SCHEDULE WAR - 5, PAGE 1, COLUMN C
COLUMN (C): COLUMN (A) + COLUMN (B)

ARIZONA-AMERICAN WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
DIVIDEND YIELD CALCULATION

DOCKET NO. W-01303A-02-0867 ET AL.
SCHEDULE WAR - 4

LINE NO.	STOCK SYMBOL	COMPANY	(A) ESTIMATED DIVIDEND (PER SHARE)	÷	(B) AVERAGE STOCK PRICE (PER SHARE)	=	(C) DIVIDEND YIELD
1	AWR	AMERICAN STATES WATER CO.	$0.88	÷	$27.19	=	3.25%
2	CWT	CALIFORNIA WATER SERVICE GROUP	1.12	÷	29.35	=	3.83%
3	PSC	PHILADELPHIA SUBURBAN CORP.	0.56	÷	24.07	=	2.33%
4	WATER COMPANY AVERAGE						3.14%

REFERENCES:
COLUMN (A): ESTIMATED 12 MONTH DIVIDEND REPORTED IN VALUE LINE INVESTMENT SURVEY - SUMMARY AND INDEX DATED 08/01/03.
COLUMN (B): EIGHT WEEK AVERAGE OF CLOSING PRICES FROM 06/19/03 TO 08/01/03 STOCK QUOTES OBTAINED THROUGH BIG CHARTS WEB SITE - HISTORICAL QUOTES (www.bigcharts.com).
COLUMN (C): COLUMN (A) ÷ COLUMN (B)

ARIZONA-AMERICAN WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
DIVIDEND GROWTH RATE CALCULATION

LINE NO.	STOCK SYMBOL	COMPANY	(A) INTERNAL GROWTH (br)	+	(B) EXTERNAL GROWTH (sv)	=	(C) DIVIDEND GROWTH (g)
2	AWR	AMERICAN STATES WATER CO.	4.60%	+	0.10%	=	4.70%
3	CWT	CALIFORNIA WATER SERVICE GROUP	3.75%	+	0.56%	=	4.31%
4	PSC	PHILADELPHIA SUBURBAN CORP.	7.00%	+	1.91%	=	8.91%
5	WATER COMPANY AVERAGE						5.97%

REFERENCES:
COLUMN (A): TESTIMONY, WAR
COLUMN (B): SCHEDULE WAR - 5, PAGE 2, COLUMN C
COLUMN (C): COLUMN (A) + COLUMN (B)

ARIZONA-AMERICAN WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
DIVIDEND GROWTH RATE CALCULATION

LINE NO.	STOCK SYMBOL	COMPANY	(A) SHARE GROWTH		(B) { [((M ÷ B) + 1) ÷ 2] - 1 }		(C) EXTERNAL GROWTH (sv)
2	AWR	AMERICAN STATES WATER CO.	0.25%	x	{ [((1.82) + 1) ÷ 2] - 1 }	=	0.10%
3	CWT	CALIFORNIA WATER SERVICE GROUP	1.00%	x	{ [((2.11) + 1) ÷ 2] - 1 }	=	0.56%
4	PSC	PHILADELPHIA SUBURBAN CORP.	1.75%	x	{ [((3.19) + 1) ÷ 2] - 1 }	=	1.91%

REFERENCES:
COLUMN (A): TESTIMONY, WAR
COLUMN (B): VALUE LINE INVESTMENT SURVEY, 08/01/03
COLUMN (C): COLUMN (A) x COLUMN (B)

ARIZONA-AMERICAN WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
DIVIDEND GROWTH COMPONENTS

DOCKET NO. W-01303A-02-0867 ET AL.
SCHEDULE WAR - 6

LINE NO.	STOCK SYMBOL	COMPANY	OPERATING PERIOD	(A) RETENTION RATIO (b)	x	(B) RETURN ON BOOK EQUITY (r)	=	(C) DIVIDEND GROWTH (g)	(D) BOOK VALUE ($/SHARE)	(E) SHARES OUTST. (MILLIONS)	(F) SHARE GROWTH
1	AWR	AMERICAN STATES WATER CO.	1998	0.2222		9.40%		2.09%	11.48	13.44	
2			1999	0.2857		10.10%		2.89%	11.82	13.44	
3			2000	0.3281		9.30%		3.05%	12.74	15.12	
4			2001	0.3556		10.10%		3.59%	13.22	15.12	
5			2002	0.3507		9.50%		3.33%	14.05	15.18	
6			GROWTH 1998 - 2002					2.99%	4.00%		3.09%
7			2003	0.3231		8.50%		2.75%		16.80	10.67%
8			2004	0.3793		9.50%		3.60%		16.80	5.20%
9			2006-08	0.4703		10.00%		4.70%	5.00%	16.80	2.05%
10											
11	CWT	CALIFORNIA WATER SERVICE GROUP	1998	0.2621		10.80%		2.83%	13.38	12.62	
12			1999	0.2876		11.40%		3.28%	13.43	12.62	
13			2000	0.1603		10.10%		1.62%	12.90	15.15	
14			2001	-0.1915		7.20%		-1.38%	12.95	15.18	
15			2002	0.1040		9.50%		0.99%	13.12	15.18	
16			GROWTH 1998 - 2002					1.47%	1.00%		4.73%
17			2003	-0.0182		8.00%		-0.15%		17.00	11.99%
18			2004	0.2207		9.00%		1.99%		18.80	11.29%
19			2006-08	0.3949		10.50%		4.15%	7.00%	18.80	4.37%
20											
21	PSC	PHILADELPHIA SUBURBAN CORP.	1998	0.3485		12.40%		4.32%	5.34	43.32	
22			1999	0.3571		12.30%		4.39%	5.71	64.08	
23			2000	0.3974		11.70%		4.65%	6.42	67.10	
24			2001	0.4118		12.40%		5.11%	6.91	68.39	
25			2002	0.4000		12.70%		5.08%	7.26	67.92	
26			GROWTH 1998 - 2002					4.71%	9.00%		11.90%
27			2003	0.4300		13.00%		5.59%		69.00	1.59%
28			2004	0.4545		14.00%		6.36%		70.50	1.88%
29			2006-08	0.5172		15.00%		7.76%	6.50%	75.00	2.00%

REFERENCES:
COLUMNS (A) & (B): VALUE LINE INVESTMENT SURVEY
- RATINGS & REPORTS DATED 08/01/03
COLUMN (C): COLUMN (A) x COLUMN (B)
COLUMN (C): LINES 6, 16 & 26, SIMPLE AVERAGE GROWTH, 1998 - 2002

COLUMN (D): VALUE LINE INVESTMENT SURVEY
COLUMN (D): LINES 6, 16 & 26, COMPOUND GROWTH RATE
COLUMN (E): VALUE LINE INVESTMENT SURVEY
COLUMN (F): COMPOUND GROWTH RATES OF DATES SHOWN

ARIZONA-AMERICAN WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
GROWTH RATE COMPARISON

DOCKET NO. W-01303A-02-0867 ET AL.
SCHEDULE WAR - 7

LINE NO.	STOCK SYMBOL	(A) (br) + (sv)	(B) ZACKS EPS	(C) VALUE LINE PROJECTED EPS	(C) DPS	(C) BVPS	(D) VALUE LINE HISTORIC EPS	(D) DPS	(D) BVPS	(E) VALUE LINE & ZACKS AVGS.	(F) 5 - YEAR COMPOUND HISTORY EPS	(F) DPS	(F) BVPS
1	AWR	4.70%	4.00%	6.00%	2.00%	5.00%	4.50%	1.00%	4.00%	3.79%	5.54%	0.88%	5.18%
2													
3	CWT	4.31%	3.00%	9.00%	1.00%	7.00%	-5.00%	1.50%	1.00%	2.50%	-3.64%	1.15%	-0.49%
4													
5	PSC	8.91%	7.00%	10.00%	5.50%	6.50%	10.00%	6.00%	9.00%	7.71%	8.06%	5.86%	7.98%
6													
7				8.33%	2.83%	6.17%	3.17%	2.83%	4.67%		3.32%	2.63%	4.22%
8													
9	AVERAGES	5.97%	4.67%		5.78%			3.56%		4.67%		3.39%	

REFERENCES:
COLUMN (A): SCHEDULE WAR - 5, PAGE 1, COLUMN C
COLUMN (B): ZACKS INVESTMENT RESEARCH (www.zacks.com)
COLUMN (C): VALUE LINE INVESTMENT SURVEY - RATINGS & REPORTS DATED 08/01/03
COLUMN (D): VALUE LINE INVESTMENT SURVEY - RATINGS & REPORTS DATED 08/01/03
COLUMN (E): SIMPLE AVERAGE OF COLUMNS (B) THRU (D) LINES 1, 3, 5 AND 7
COLUMN (F): 5-YEAR ANNUAL GROWTH RATE CALCULATED WITH DATA COMPILED FROM
- VALUE LINE INVESTMENT SURVEY - RATINGS & REPORTS DATED 08/01/03

BASED ON A GEOMETRIC MEAN:

LINE NO.	STOCK SYMBOL	k	=	r_f	+ [	(A) ß	x	(	r_m	-	r_f	)]	=	(B) EXPECTED RETURN
1	AWR	k	=	0.90%		0.60	x	(	10.20%	-	0.90%	)]	=	6.48%
2	CWT	k	=	0.90%	+ [	0.60	x	(	10.20%	-	0.90%	)]	=	6.48%
3	PSC	k	=	0.90%	+ [	0.70	x	(	10.20%	-	0.90%	)]	=	7.41%
4	AVERAGE					0.63								6.79%

REFERENCES:
COLUMN (A): GENERAL CAPITAL ASSET PRICING MODEL (CAPM) FORMULA

$$k = r_f + [\, ß\, (r_m - r_f)\,]$$

WHERE: k = THE EXPECTED RETURN ON A GIVEN SECURITY
r_f = RATE OF RETURN ON A RISK FREE ASSET PROXY (a)
ß = THE BETA COEFFICIENT OF A GIVEN SECURITY
r_m = PROXY FOR THE MARKET RATE OF RETURN (b)

COLUMN (B): EXPECTED RATE OF RETURN USING THE CAPM FORMULA

NOTES

(a) AN AVERAGE OF THE 91-DAY T-BILL RATE (6-WEEK AVG.) AND THE 91-DAY T-BILL FUTURES RATE THAT APPEARED IN THE 08/01/03 COPY OF THE WALL STREET JOURNAL WAS USED AS A RISK FREE RATE OF RETURN.

(b) THE MARKET RATE PROXY USED WAS THE GEOMETRIC MEAN FOR S&P 500 RETURNS OVER THE 1926 - 2002 PERIOD. THE DATA WAS OBTAINED FROM IBBOTSON ASSOCIATES' STOCKS, BONDS, BILLS AND INFLATION: 2002 YEARBOOK.

BASED ON AN ARITHMETIC MEAN:

LINE NO.	STOCK SYMBOL	k	=	r_f	+ [	(A) β	x	(	r_m	-	r_f	)]	=	(B) EXPECTED RETURN
1	AWR	k	=	0.90%	+ [	0.60	x	(	12.20%	-	0.90%	)]	=	7.68%
2	CWT	k	=	0.90%	+ [	0.60	x	(	12.20%	-	0.90%	)]	=	7.68%
3	PSC	k	=	0.90%	+ [	0.70	x	(	12.20%	-	0.90%	)]	=	8.81%
4	AVERAGE					0.63								8.06%

REFERENCES:
COLUMN (A): GENERAL CAPITAL ASSET PRICING MODEL (CAPM) FORMULA

$$k = r_f + [\beta (r_m - r_f)]$$

WHERE: k = THE EXPECTED RETURN ON A GIVEN SECURITY
r_f = RATE OF RETURN ON A RISK FREE ASSET PROXY (a)
β = THE BETA COEFFICIENT OF A GIVEN SECURITY
r_m = PROXY FOR THE MARKET RATE OF RETURN (b)

COLUMN (B): EXPECTED RATE OF RETURN USING THE CAPM FORMULA

NOTES

(a) AN AVERAGE OF THE 91-DAY T-BILL RATE (6-WEEK AVG.) AND THE 91-DAY T-BILL FUTURES RATE THAT APPEARED IN THE 08/01/03 COPY OF THE WALL STREET JOURNAL WAS USED AS A RISK FREE RATE OF RETURN.

(b) THE MARKET RATE PROXY USED WAS THE GEOMETRIC MEAN FOR S&P 500 RETURNS OVER THE 1926 - 2002 PERIOD. THE DATA WAS OBTAINED FROM IBBOTSON ASSOCIATES' STOCKS, BONDS, BILLS AND INFLATION: 2002 YEARBOOK.

ARIZONA-AMERICAN WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
ECONOMIC INDICATORS - 1990 TO PRESENT

DOCKET NO. W-01303A-02-0867 ET AL.
SCHEDULE WAR - 9

LINE NO.	YEAR	(A) CHANGE IN CPI	(B) CHANGE IN GDP (1996 $)	(C) PRIME RATE	(D) FED. DISC. RATE	(E) FED. FUNDS RATE	(F) 91-DAY T-BILLS	(G) 30-YR T-BONDS	(H) Aa-RATED UTIL. BOND YIELD	(I) A-RATED UTIL. BOND YIELD	(J) Baa-RATED UTIL. BOND YIELD
1	1990	5.40%	0.46%	10.01%	6.98%	8.10%	7.49%	8.61%	9.65%	9.86%	10.06%
2	1991	4.20%	0.85%	8.46%	5.45%	5.69%	5.38%	8.14%	9.09%	9.36%	9.55%
3	1992	3.00%	4.01%	6.25%	3.25%	3.52%	3.43%	7.67%	8.55%	8.69%	8.86%
4	1993	3.00%	2.55%	6.00%	3.00%	3.02%	3.00%	6.60%	7.44%	7.59%	7.91%
5	1994	2.60%	4.08%	7.14%	3.60%	4.20%	4.25%	7.37%	8.21%	8.31%	8.63%
6	1995	2.80%	2.16%	8.83%	5.21%	5.84%	5.49%	6.88%	7.77%	7.89%	8.29%
7	1996	3.00%	4.06%	8.27%	5.02%	5.30%	5.01%	6.70%	7.57%	7.75%	8.17%
8	1997	2.30%	4.31%	8.44%	5.00%	5.46%	5.06%	6.61%	7.66%	7.60%	8.12%
9	1998	1.60%	4.61%	8.35%	4.92%	5.35%	4.78%	5.58%	6.91%	7.04%	7.27%
10	1999	2.20%	4.96%	7.99%	4.62%	4.97%	4.64%	5.86%	7.51%	7.62%	7.88%
11	2000	3.40%	3.41%	9.23%	5.73%	6.24%	5.82%	5.94%	8.06%	8.24%	8.36%
12	2001	2.80%	0.05%	6.92%	3.41%	3.88%	3.38%	5.95%	7.98%	7.59%	8.02%
13	2002	1.58%	2.91%	4.67%	1.17%	1.66%	1.60%	5.38%	7.17%	7.41%	7.98%
14	CURRENT	2.00%	0.47%	4.00%	2.00%	1.00%	0.91%	5.09%	6.39%	6.64%	6.88%

REFERENCES:
COLUMN (A): 1990 - 2002, U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS WEB SITE
COLUMN (B): 1990 - 2002, U.S. DEPARTMENT OF COMMERCE, BUREAU OF ECONOMIC ANALYSIS WEB SITE
COLUMN (C) THROUGH (G): 1990 - 2002, FEDERAL RESERVE BANK OF ST. LOUIS WEB SITE
COLUMN (C) THROUGH (G): CURRENT, THE VALUE LINE INVESTMENT SURVEY, DATED 08/01/03
COLUMN (H) THROUGH (J): 1990 - 2000, MOODY'S PUBLIC UTILITY REPORTS
COLUMN (H) THROUGH (J): 2001, MERGENT 2002 PUBLIC UTILITY MANUAL
COLUMN (H) THROUGH (J): 2002, MERGENT NEWS REPORTS, DATED 08/05/03
COLUMN (H) THROUGH (J): CURRENT, MERGENT NEWS REPORTS, DATED 08/05/03

ARIZONA-AMERICAN WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
CAPITAL STRUCTURES OF PUBLICLY TRADED WATI (IN MILLIONS)

DOCKET NO. W-01303A-02-0867 ET AL.
SCHEDULE WAR - 10

LINE NO.		AWR	PCT.	CWT	PCT.	PSC	PCT.	AVERAGE	PCT.
1	SHORT-TERM DEBT	$13.0	2.9%	$36.4	7.4%	$115.1	9.8%	$55	7.8%
2	LONG-TERM DEBT *	235.5	51.6%	251.4	51.3%	617.2	52.6%	$368	52.1%
3	PREFERRED STOCK	0.0	0.0%	3.5	0.7%	1.7	0.1%	$2	0.2%
4	COMMON EQUITY	207.6	45.5%	199.2	40.6%	439.1	37.4%	282	39.9%
5	TOTALS	$456.1	100%	$490.4	100%	$1,173.1	100%	$707	100%

NOTE:
* INCLUDES CURRENT PORTION OF LONG-TERM DEBT

REFERENCES:
YEAR 2002 ANNUAL REPORTS TO SHAREHOLDERS AND 10-K FILINGS TO THE U.S. SECURITIES AND EXCHANGE COMMISSION