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W-02113A-04-0616

Chaparral City Water Company  
Test Year Ended December 31, 2003  
Computation of Increase in Gross Revenue  
Requirements As Adjusted

ORIGINAL

Exhibit  
Schedule A-1  
Page 1  
Witness: Bourassa  
REVISED

Line  
No.

1	Fair Value Rate Base	\$	20,080,393
2			
3	Adjusted Operating Income		538,134
4			
5	Current Rate of Return		2.68%
6			
7	Required Operating Income	\$	1,650,608
8			
9	Required Rate of Return on Fair Value Rate Base		8.22%
10			
11	Operating Income Deficiency	\$	1,112,474
12			
13	Gross Revenue Conversion Factor		1.6286
14			
15	Increase in Gross Revenue Requirement	\$	1,811,814

18	Customer	Present	Proposed	Dollar	Percent
19	Classification	Rates	Rates	Increase	Increase
20	<u>(Residential Commercial, Irrigation)</u>				
21	3/4 Inch Meter	\$ 3,330,159	\$ 4,263,391	\$ 933,233	28.02%
22	1 Inch Meter	1,764,101	2,188,302	424,200	24.05%
23	1.5 Inch Meter	224,642	300,912	76,269	33.95%
24	2 Inch Meter	405,713	535,732	130,019	32.05%
25	3 Inch Meter	60,668	110,253	49,585	81.73%
26	4 Inch Meter	79,256	115,123	35,867	45.26%
27	6 Inch Meter	238,866	371,993	133,127	55.73%
28	Sprinklers	5,282	5,282	0	0.01%
29	<b>Subtotal</b>	<b>\$ 6,108,688</b>	<b>\$ 7,890,989</b>	<b>\$ 1,782,301</b>	<b>29.18%</b>
30					
31	Miscellaneous Revenues	307,029	102,269	(204,760)	-66.69%
32				-	0.00%
33				-	0.00%
34	<b>Total of Water Revenues (a)</b>	<b>\$ 6,415,717</b>	<b>\$ 7,993,258</b>	<b>\$ 1,577,541</b>	<b>24.59%</b>

35  
36 (a) Revenue Requirement is \$1,797,182, with Miscellaneous Revenues adjusted to \$102,269.  
37 Dollar Increase above of \$ 1,577,541 is with reduction of miscellaneous revenues.  
38 Rates from Water Sales produces \$ 1,782,301

41 SUPPORTING SCHEDULES:

- 42 B-1
- 43 C-1
- 44 C-3
- 45 H-1
- 46

Arizona Corporation Commission

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**Chaparral City Water Company**  
**Test Year Ended December 31, 2003**  
**Income Statement**

Exhibit  
Schedule C-1  
Page 1  
Witness: Bourassa  
**REVISED**

Line No.		Test Year Book Results	Label	Adjustment	Test Year Adjusted Results	Proposed Rate Increase	Adjusted with Rate Increase
1	<b>Revenues</b>						
2	Metered Water Revenues	\$ 5,914,053	6	\$ 183,371	\$ 6,097,424	\$ 1,811,814	\$ 7,909,238
3	Unmetered Water Revenues	-			-		-
4	Other Water Revenues	<u>307,029</u>	10	<u>(204,760)</u>	<u>102,269</u>		<u>102,269</u>
5		<u>\$ 6,221,082</u>		<u>\$ (21,389)</u>	<u>\$ 6,199,693</u>	<u>\$ 1,811,814</u>	<u>\$ 8,011,507</u>
6	<b>Operating Expenses</b>						
7	Salaries and Wages	\$ 912,723	11a	34,469	\$ 947,192		\$ 947,192
8	Purchased Water	726,546	5	106,117	832,663		832,663
9	Purchased Power	470,459	8/9	25,997	496,456		496,456
10	Chemicals	61,533			61,533		61,533
11	Repairs and Maintenance	100,689			100,689		100,689
12	Office Supplies and Expense	38,836			38,836		38,836
13	Outside Services	324,607			324,607		324,607
14	Water Testing	72,948			72,948		72,948
15	Rents	-			-		-
16	Transportation Expenses	59,349			59,349		59,349
17	Insurance - General Liability	-			-		-
18	Insurance - health and Life	806			806		806
19	Regulatory Commission Expense - Rate Case	-	4	71,250	71,250		71,250
20	Miscellaneous Expense	803,415			803,415		803,415
21	Depreciation Expense	920,648		504,877	1,425,525		1,425,525
22	Taxes Other Than Income	42,829	11b	500	43,329		43,329
23	Property Taxes	277,131	2	33,200	310,331		310,331
24	Income Tax	308,770	12	(236,140)	72,630	699,340	771,970
25					-		-
26	<b>Total Operating Expenses</b>	<u>\$ 5,121,289</u>		<u>\$ 540,270</u>	<u>\$ 5,661,559</u>	<u>\$ 699,340</u>	<u>\$ 6,360,899</u>
27	<b>Operating Income</b>	<u>\$ 1,099,793</u>		<u>\$ (561,659)</u>	<u>\$ 538,134</u>	<u>\$ 1,112,474</u>	<u>\$ 1,650,608</u>
28	<b>Other Income (Expense)</b>						
29	Interest Income	-			-		-
30	Other income	15,291	7a	(15,291)	-		-
31	Interest Expense	(475,190)	3	52,593	(422,597)		(422,597)
32	Other Expense	3	7b	(3)	-		-
33					-		-
34	<b>Total Other Income (Expense)</b>	<u>\$ (459,896)</u>		<u>\$ 37,299</u>	<u>\$ (422,597)</u>	<u>\$ -</u>	<u>\$ (422,597)</u>
35	<b>Net Profit (Loss)</b>	<u>\$ 639,897</u>		<u>\$ (524,360)</u>	<u>\$ 115,537</u>	<u>\$ 1,112,474</u>	<u>\$ 1,228,011</u>

36  
37 SUPPORTING SCHEDULES:  
38 C-2  
39 E-2  
40

RECAP SCHEDULES:  
A-1