



BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission
DOCKETED

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IN THE MATTER OF THE APPLICATION OF
ARIZONA WATER COMPANY, AN ARIZONA
CORPORATION, FOR ADJUSTMENTS TO
ITS RATES AND CHARGES FOR UTILITY
SERVICE FURNISHED BY ITS WESTERN
GROUP AND FOR CERTAIN RELATED
APPROVALS

Docket No. W-01445A-04-0650

NOTICE OF FILING

The Residential Utility Consumer Office ("RUCO") hereby provides notice of filing the
Direct Testimony of Timothy Coley and William Rigsby in the above-referenced matter.

RESPECTFULLY SUBMITTED this 20th day of April, 2005.

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ARIZONA WATER COMPANY
DOCKET NO. W-01445A-04-0650

DIRECT TESTIMONY
OF
WILLIAM A. RIGSBY

COST OF CAPITAL

ON BEHALF OF
THE
RESIDENTIAL UTILITY CONSUMER OFFICE

APRIL 20, 2005

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1 **INTRODUCTION**

2 Q. Please state your name, occupation, and business address.

3 A. My Name is William A. Rigsby. I am a Public Utilities Analyst V employed
4 by the Residential Utility Consumer Office ("RUCO") located at 1110 W.
5 Washington, Suite 220, Phoenix, Arizona 85007.

6
7 Q. Please state your educational background and your qualifications in the
8 field of utilities regulation.

9 A. Appendix I, which is attached to this testimony, describes my educational
10 background and also includes a list of the rate cases and regulatory
11 matters that I have been involved with.

12
13 Q. What is the purpose of your testimony?

14 A. The purpose of my testimony is to present recommendations that are
15 based on my analysis of Arizona Water Company's ("Arizona Water" or
16 "Company") application for a permanent rate increase ("Application") for
17 the Company's Western Group. The Western Group is comprised of the
18 Company's Ajo Heights, Casa Grande, Coolidge, Stanfield, and White
19 Tank systems. Arizona Water's Application was filed with the Arizona
20 Corporation Commission ("ACC" or "Commission") on August 14, 2004.
21 During the 2003 test year ("Test Year") the Company's Western Group
22 provided water service to 20,266 customers.

23

1 Q. Please explain your role in RUCO's analysis of Arizona Water's
2 Application.

3 A. I reviewed Arizona Water's Application and performed a cost of capital
4 analysis to determine a fair rate of return on the Company's invested
5 capital. In addition to my recommended capital structure, my direct
6 testimony will present my recommended costs of common equity and my
7 recommended cost of long-term debt (the Company has no preferred
8 stock). The recommendations contained in this testimony are based on
9 information obtained from the Company's Application and on market-
10 based research that I conducted during my cost of capital analysis.

11
12 Q. Is this your first case involving Arizona Water?

13 A. No. I testified before the ACC in both the Company's Northern and
14 Eastern Group rate case proceedings¹. Prior to joining RUCO, I
15 recommended Commission approval of one of Arizona Water's financing
16 requests² as a Senior Rate Analyst on the ACC Staff.

17
18 Q. Were you also responsible for conducting an analysis of Arizona Water's
19 proposed revenue level and rate base?

20 A. Yes. I have also filed, under separate cover, direct testimony on revenue
21 and rate base issues associated with the Casa Grande and Stanfield

¹ Docket No.'s W-01445A-00-0962 and W-01445A-02-0619

² Docket No. W-01445A-00-0749

1 systems. The revenue and rate base issues associated with the Ajo
2 Heights, Coolidge and White Tank systems will be addressed in the direct
3 testimony of RUCO witness Timothy J. Coley. Mr. Coley will also testify
4 on RUCO's rate design recommendations for the entire Western Group.

5
6 Q. What areas will you address in your testimony?

7 A. I will address the cost of capital issues associated with the case.

8
9 Q. Please identify the exhibits that you are sponsoring.

10 A. I am sponsoring Schedules WAR-1 through WAR-9.

11
12 **SUMMARY OF TESTIMONY AND RECOMMENDATIONS**

13 Q. Briefly summarize how your cost of capital testimony is organized.

14 A. My cost of capital testimony is organized into three sections. First, I will
15 present the findings of my cost of equity capital analysis, that utilized both
16 the discounted cash flow ("DCF") method, which I believe is the most
17 reliable methodology and the one that I place the most emphasis on, and
18 the capital asset pricing model ("CAPM"), which I tend to rely on as a
19 check of my DCF results. These are the two most commonly used
20 methods for calculating the cost of equity capital in rate case proceedings
21 and are generally regarded as the most reliable³. In this first section I will

³ 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.

1 also provide a brief overview of the current economic climate that Arizona
2 Water is operating in. Second, I will compare my recommended capital
3 structure with the Company-proposed capital structure. Third, I will
4 comment on Arizona Water's cost of capital testimony. Schedules WAR-1
5 through WAR-9 will provide support for my cost of capital analysis.

6
7 Q. Please summarize the recommendations and adjustments that you will
8 address in your testimony.

9 A. Based on the results of my analysis of Arizona Water, I am making the
10 following recommendations:

11
12 Cost of Equity Capital – I am recommending a 9.44 percent cost of equity
13 capital. This 9.44 percent figure is based on the results that I obtained in
14 my cost of equity analysis, which employed both the DCF and CAPM
15 methodologies.

16
17 Cost of Debt – I am recommending that the Commission adopt Arizona
18 Water's proposed 8.43 percent cost of long-term debt. This is based on
19 my review of the costs associated with Arizona Water's various bond
20 issues.

21

1 Capital Structure – I am recommending that the Company-proposed
2 capital structure, which is comprised of approximately 74 percent common
3 equity and 26 percent debt, be adopted by the Commission.

4 Cost of Capital – Based on the results of my recommended capital
5 structure, cost of common equity, and debt analyses, I am recommending
6 a 9.17 percent cost of capital for Arizona Water. This figure represents
7 the weighted cost of both the Company's common equity and long-term
8 debt.

9
10 Q. Why do you believe that your recommended 9.17 percent cost of capital is
11 an appropriate rate of return for Arizona Water to earn on its invested
12 capital?

13 A. The 9.17 percent cost of capital figure that I have recommended meets
14 the criteria established in the landmark Supreme Court cases of Bluefield
15 Water Works & Improvement Co. v. Public Service Commission of West
16 Virginia (262 U.S. 679, 1923) and Federal Power Commission v. Hope
17 Natural Gas Company (320 U.S. 391, 1944). Simply stated, these two
18 cases affirmed that a public utility that is efficiently and economically
19 managed is entitled to a return on investment that instills confidence in its
20 financial soundness, allows the utility to attract capital, and also allows the
21 utility to perform its duty to provide service to ratepayers. The rate of
22 return adopted for the utility should also be comparable to a return that
23 investors would expect to receive from investments with similar risk.

1 The Hope decision allows for the rate of return to cover both the operating
2 expenses and the “capital costs of the business” which includes interest
3 on debt and dividend payment to shareholders. This is predicated on the
4 belief that, in the long run, a company that cannot meet its debt obligations
5 and provide its shareholders with an adequate rate of return will not
6 continue to supply adequate public utility service to ratepayers.

7
8 Q. Do the Bluefield and Hope decisions indicate that a rate of return sufficient
9 to cover all operating and capital costs is guaranteed?

10 A. No. Neither case guarantees a rate of return on utility investment. What
11 the Bluefield and Hope decisions *do allow*, is for a utility to be provided
12 with the *opportunity* to earn a reasonable rate of return on its investment.
13 That is to say that a utility, such as Arizona Water, is provided with the
14 opportunity to earn an appropriate rate of return if the Company’s
15 management exercises good judgment and manages its assets and
16 resources in a manner that is both prudent and economically efficient.

17
18 **COST OF EQUITY CAPITAL**

19 Q. What is your recommended cost of equity capital for Arizona Water?

20 A. Based on the results of my DCF and CAPM analyses, which ranged from
21 8.35 percent to 9.81 percent, I am recommending a 9.44 percent cost of
22 equity capital for Arizona Water. My recommended 9.44 percent figure is
23 based on the results of my DCF analysis.

1 **Discounted Cash Flow (DCF) Method**

2 Q. Please explain the DCF method that you used to estimate Arizona Water's
3 cost of equity capital.

4 A. The DCF method employs a stock valuation model that is often referred to
5 as either the constant growth valuation model or the Gordon⁴ model.
6 Simply stated, the DCF model is based on the premise that the current
7 price of a given share of common stock is determined by the present value
8 of all of the future cash flows that will be generated by that share of
9 common stock. The rate that is used to discount these cash flows back to
10 their present value is often referred to as the investor's cost of capital (i.e.
11 the cost at which an investor is willing to forego other investments in favor
12 of the one that he or she has chosen).

13 Another way of looking at the investor's cost of capital is to consider it from
14 the standpoint of a company that is offering its shares of stock to the
15 investing public. In order to raise capital, through the sale of common
16 stock, a company must provide a required rate of return on its stock that
17 will attract investors to commit funds to that particular investment. In this
18 respect, the terms "cost of capital" and "investor's required return" are one
19 in the same. For common stock, this required return is a function of the
20 dividend that is paid on the stock. The investor's required rate of return
21 can be expressed as the percentage of the dividend that is paid on the

⁴ Named after Dr. Myron J. Gordon, the professor of finance who developed the model.

1 stock (dividend yield) plus an expected rate of future dividend growth.

2 This is illustrated in mathematical terms by the following formula:

3
4
$$k = (D_1 \div P_0) + g$$

5 where: k = the required return (cost of equity, equity
6 capitalization rate),

7 $D_1 \div P_0$ = the dividend yield of a given share of stock
8 calculated by dividing the expected dividend by
9 the current market price of the given share of
10 stock, and

11 g = the expected rate of future dividend growth.
12

13 This formula is the basis for the standard growth valuation model that I
14 used to determine Arizona Water's cost of equity capital. It is similar to
15 the model that was used by the Company.
16

17 Q. In determining the rate of future dividend growth for Arizona Water, what
18 assumptions did you make?

19 A. There are two primary assumptions regarding dividend growth that must
20 be made when using the DCF method. First, dividends will grow by a
21 constant rate into perpetuity, and second, the dividend payout ratio will
22 remain at a constant rate. Both of these assumptions are predicated on
23 the traditional DCF model's basic underlying assumption that a company's

1 earnings, dividends, book value and share growth all increase at the same
2 constant rate of growth into infinity. Given these assumptions, if the
3 dividend payout ratio remains constant, so does the earnings retention
4 ratio (the percentage of earnings that are retained by the company as
5 opposed to being paid out in dividends). This being the case, a
6 company's dividend growth can be measured by multiplying its retention
7 ratio (1 - dividend payout ratio) by its book return on equity. This can be
8 stated as $g = b \times r$.

9
10 Q. Would you please provide an example that will illustrate the relationship
11 that earnings, the dividend payout ratio and book value have with dividend
12 growth?

13 A. RUCO consultant Stephen Hill illustrated this relationship in a Citizens
14 Utilities Company 1993 rate case by using a hypothetical utility.⁵

15
16 Table I

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Growth</u>
17 Book Value	\$10.00	\$10.40	\$10.82	\$11.25	\$11.70	4.00%
18 Equity Return	10%	10%	10%	10%	10%	N/A
19 Earnings/Sh.	\$1.00	\$1.04	\$1.082	\$1.125	\$1.170	4.00%
20 Payout Ratio	0.60	0.60	0.60	0.60	0.60	N/A
21 Dividend/Sh	\$0.60	\$0.624	\$0.649	\$0.675	\$0.702	4.00%
22						
23						

⁵ Citizens Utilities Company, Arizona Gas Division, Docket No. E-1032-93-111, Prepared Testimony, dated December 10, 1993, p. 25.

1 Table I of Mr. Hill's illustration presents data for a five-year period on his
2 hypothetical utility. In Year 1, the utility had a common equity or book
3 value of \$10.00 per share, an investor-expected equity return of ten
4 percent, and a dividend payout ratio of sixty percent. This results in
5 earnings per share of \$1.00 (\$10.00 book value x 10 percent equity return)
6 and a dividend of \$0.60 (\$1.00 earnings/sh. x 0.60 payout ratio) during
7 Year 1. Because forty percent (1 - 0.60 payout ratio) of the utility's
8 earnings are retained as opposed to being paid out to investors, book
9 value increases to \$10.40 in Year 2 of Mr. Hill's illustration. Table I
10 presents the results of this continuing scenario over the remaining five-
11 year period.

12 The results displayed in Table I demonstrate that under "steady-state" (i.e.
13 constant) conditions, book value, earnings and dividends all grow at the
14 same constant rate. The table further illustrates that the dividend growth
15 rate, as discussed earlier, is a function of (1) the internally generated
16 funds or earnings that are retained by a company to become new equity,
17 and (2) the return that an investor earns on that new equity. The DCF
18 dividend growth rate, expressed as $g = b \times r$, is also referred to as the
19 internal or sustainable growth rate.

20
21 Q. If earnings and dividends both grow at the same rate as book value,
22 shouldn't that rate be the sole factor in determining the DCF growth rate?

1 A. No. Possible changes in the expected rate of return on either common
2 equity or the dividend payout ratio make earnings and dividend growth by
3 themselves unreliable. This can be seen in the continuation of Mr. Hill's
4 illustration on a hypothetical utility.

6 Table II

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Growth</u>
8 Book Value	\$10.00	\$10.40	\$10.82	\$11.47	\$12.158	5.00%
9 Equity Return	10%	10%	15%	15%	15%	10.67%
10 Earnings/Sh	\$1.00	\$1.04	\$1.623	\$1.720	\$1.824	16.20%
11 Payout Ratio	0.60	0.60	0.60	0.60	0.60	N/A
12 Dividend/Sh	\$0.60	\$0.624	\$0.974	\$1.032	\$1.094	16.20%

13
14 In the example displayed in Table II, a sustainable growth rate of four
15 percent⁶ exists in Year 1 and Year 2 (as in the prior example). In Year 3,
16 Year 4 and Year 5, however, the sustainable growth rate increases to six
17 percent.⁷ If the hypothetical utility in Mr. Hill's illustration were expected to
18 earn a fifteen-percent return on common equity on a continuing basis,
19 then a six percent long-term rate of growth would be reasonable.
20 However, the compound growth rates for earnings and dividends,
21 displayed in the last column, are 16.20 percent. If this rate were to be
22 used in the DCF model, the utility's return on common equity would be

⁶ $[(\text{Year 2 Earnings/Sh} - \text{Year 1 Earnings/Sh}) \div \text{Year 1 Earnings/Sh}] = [(\$1.04 - \$1.00) \div \$1.00] = [\$0.04 \div \$1.00] = \underline{4.00\%}$

⁷ $[(1 - \text{Payout Ratio}) \times \text{Rate of Return}] = [(1 - 0.60) \times 15.00\%] = 0.40 \times 15.00\% = \underline{6.00\%}$

1 expected to increase by fifty percent every five years, [(15 percent + 10
2 percent) – 1]. This is clearly an unrealistic expectation.

3 Although it is not illustrated in Mr. Hill's hypothetical example, a change in
4 only the dividend payout ratio will eventually result in a utility paying out
5 more in dividends than it earns. While it is not uncommon for a utility in
6 the real world to have a dividend payout ratio that exceeds one hundred
7 percent on occasion, it would be unrealistic to expect the practice to
8 continue over a sustained long-term period of time.

9
10 Q. Other than the retention of internally generated funds, as illustrated in Mr.
11 Hill's hypothetical example, are there any other sources of new equity
12 capital that can influence an investor's growth expectations for a given
13 company?

14 A. Yes, a company can raise new equity capital externally. The best
15 example of external funding would be the sale of new shares of common
16 stock. This would create additional equity for the issuer and is often the
17 case with utilities that are either in the process of acquiring smaller
18 systems or providing service to rapidly growing areas.

19
20 Q. How does external equity financing influence the growth expectations held
21 by investors?

22 A. Rational investors will put their available funds into investments that will
23 either meet or exceed their given cost of capital (i.e. the return earned on

1 their investment). In the case of a utility, the book value of a company's
2 stock usually mirrors the equity portion of its rate base (the utility's earning
3 base). Because regulators allow utilities the opportunity to earn a
4 reasonable rate of return on rate base, an investor would take into
5 consideration the effect that a change in book value would have on the
6 rate of return that he or she would expect the utility to earn. If an investor
7 believes that a utility's book value (i.e. the utility's earning base) will
8 increase, then he or she would expect the return on the utility's common
9 stock to increase. If this positive trend in book value continues over an
10 extended period of time, an investor would have a reasonable expectation
11 for sustained long-term growth.

12
13 Q. Please provide an example of how external financing affects a utility's
14 book value of equity.

15 A. As I explained earlier, one way that a utility can increase its equity is by
16 selling new shares of common stock on the open market. If these new
17 shares are purchased at prices that are higher than those shares sold
18 previously, the utility's book value per share will increase in value. This
19 would increase both the earnings base of the utility and the earnings
20 expectations of investors. However, if new shares sold at a price below
21 the pre-sale book value per share, the after-sale book value per share
22 declines in value. If this downward trend continues over time, investors
23 might view this as a decline in the utility's sustainable growth rate and will

1 have lower expectations regarding growth. Using this same logic, if a new
2 stock issue sells at a price per share that is the same as the pre-sale book
3 value per share, there would be no impact on either the utility's earnings
4 base or investor expectations.

5
6 Q. Please explain how the external component of the DCF growth rate is
7 determined.

8 A. In his book, *The Cost of Capital to a Public Utility*,⁸ Dr. Myron Gordon, the
9 individual responsible for the development of the DCF or constant growth
10 model, identified a growth rate that includes both expected internal and
11 external financing components. The mathematical expression for Dr.
12 Gordon's growth rate is as follows:

$$g = (br) + (sv)$$

13
14
15 where: g = DCF expected growth rate,
16 b = the earnings retention ratio,
17 r = the return on common equity,
18 s = the fraction of new common stock sold that
19 accrues to a current shareholder, and
20 v = funds raised from the sale of stock as a fraction
21 of existing equity.
22 and v = $1 - [(BV) \div (MP)]$

⁸ Gordon, M.J., *The Cost of Capital to a Public Utility*, East Lansing, MI: Michigan State University, 1974, pp. 30-33.

1 where: BV = book value per share of common stock, and
2 MP = the market price per share of common stock.

3

4 Q. Did you include the effect of external equity financing on long-term growth
5 rate expectations in your analysis of expected dividend growth for the DCF
6 model?

7 A. Yes. The external growth rate estimate (sv) is displayed on Page 1 of
8 Schedule WAR-4, where it is added to the internal growth rate estimate
9 (br) to arrive at a final sustainable growth rate estimate.

10

11 Q. Please explain why your calculation of external growth on page 2 of
12 Schedule WAR-4, is the current market-to-book ratio averaged with 1.0 in
13 the equation $[(M \div B) + 1] \div 2$.

14 A. The market price of a utility's common stock will tend to move toward book
15 value, or a market-to-book ratio of 1.0, if regulators allow a rate of return
16 that is equal to the cost of capital (one of the desired effects of regulation).
17 As a result of this situation, I used $[(M \div B) + 1] \div 2$ as opposed to the
18 current market-to-book ratio by itself to represent investor's expectations
19 that, in the future, a given utility will achieve a market-to-book ratio of 1.0.

20

21

1 Q. In determining your dividend growth rate estimate, you analyzed the data
2 on three water companies. Why did you use this methodology as
3 opposed to a direct analysis of Arizona Water?

4 A. One of the problems in performing this type of analysis is that the utility
5 applying for a rate increase is not always a publicly traded company, as is
6 the case with Arizona Water. Because there is no financial data available
7 on dividends paid on *publicly held* shares⁹ of Arizona Water common
8 stock or the historical market prices of the Company's common stock, it
9 was necessary to create a proxy by analyzing publicly traded water
10 companies with similar risk characteristics.

11
12 Q. Are there any other advantages to the use of a proxy?

13 A. Yes. As I noted earlier, the U.S. Supreme Court ruled in the Hope
14 decision that a utility is entitled to earn a rate of return that is
15 commensurate with the returns on investments of other firms with
16 comparable risk. The proxy technique that I have used derives that rate of
17 return. One other advantage to using a sample of companies is that it
18 reduces the possible impact that any undetected biases, anomalies, or
19 measurement errors may have on the DCF growth estimate.

20

21

22

⁹ In the case of Arizona Water, the Company is a closely held corporation that pays dividends on shares of common stock that are not publicly traded.

1 Q. What criteria did you use in selecting the three water companies that
2 make up your proxy for Arizona Water?

3 A. All of the water companies used in the proxy are publicly traded on the
4 NYSE, are followed by The Value Line Investment Survey ("Value Line")
5 and are the same companies that comprise Value Line's Water Utility
6 Industry segment of the U.S. economy (Attachment A). My proxy includes
7 American States Water Company ("American States"), Aqua America, Inc.
8 ("Aqua America"), formerly known as Philadelphia Suburban Corporation,
9 and California Water Service Group ("California Water"). Each of these
10 water utilities are traded on the New York Stock Exchange ("NYSE") and
11 face the same types of risk that Arizona Water faces.

12
13 Q. Are these the same water companies that Arizona Water used in its
14 application?

15 A. Yes, Arizona Water's cost of capital witness, Dr. Thomas M. Zepp, also
16 used the same water companies included in my proxy in his analysis. In
17 addition to these three companies, Dr. Zepp also used three other water
18 companies¹⁰ that are included in the Small and Mid Cap edition of The
19 Value Line Investment Survey.

20

21

22

¹⁰ Connecticut Water Service, Middlesex Water Company and SJW Corp.

1 Q. Why did you exclude the water companies that are followed in the Small
2 and Mid Cap edition of The Value Line Investment Survey?

3 A. Value Line does not provide the same type of forward-looking information
4 (i.e. long-term estimates on return on common equity and share growth)
5 on small and mid-cap companies that it provides on the three companies
6 that I used in my proxy. Consequently, these companies are not as
7 suitable as the ones that I have used in my analysis.

8
9 Q. Please explain your DCF growth rate calculations for the sample
10 companies used in your proxy.

11 A. Schedule WAR-5 provides retention ratios, returns on book equity, internal
12 growth rates, book values per share, numbers of shares outstanding, and
13 the compounded share growth for each of the utilities included in the
14 sample for the period 1999 to 2003. Schedule WAR-5 also includes Value
15 Line's projected 2004, 2005, and 2007-2009 values for the retention ratio,
16 equity return, book value per share growth rate, and number of shares
17 outstanding.

18
19 Q. Please describe how you used the information displayed in Schedule
20 WAR-5 to estimate each comparable utility's dividend growth rate.

21 A. In explaining my analysis, I will use Aqua America, NYSE symbol WTR, as
22 an example. The first dividend growth component that I evaluated was the
23 internal growth rate. I used the "b x r" formula (page 9) to multiply WTR's

1 earned return on common equity by its earnings retention ratio for each
2 year 1999 through 2003 to derive the utility's annual internal growth rates.
3 I used the mean average of this five-year period as a benchmark against
4 which I compared the 2004 internal growth rate and projected growth rate
5 trends provided by Value Line. Because an investor is more likely to be
6 influenced by recent growth trends, as opposed to historical averages, the
7 five-year mean noted earlier was used only as a benchmark figure. As
8 shown on Schedule WAR-5, WTR had sustainable internal growth that
9 averaged 4.63 percent over the course of the 1999 to 2003 observation
10 period. During this time frame, growth ranged from 4.39 percent in 1999,
11 to 5.12 percent in 2002 but then fell to 4.03 percent in 2003. Value Line's
12 analysts expect dividend growth to increase to 4.66 percent in 2004 and
13 then climb to 5.96 percent during the 2007-09 period. Growth is not
14 unreasonable for WTR given this company's past preference for growth
15 through acquisition. After weighing the Value Line earnings, dividend and
16 book value per share data, I maintain that a slightly higher 6.00 percent
17 rate of internal growth is not unreasonable for WTR.

18
19 Q. Please continue with the external growth rate component portion of your
20 analysis.

21 A. Schedule WAR-5 demonstrates that shares outstanding for WTR
22 increased from 80.10 million in 1999, to 92.59 million in 2003. Even
23 though WTR's share growth for the aforementioned time frame averaged

1 3.69 percent, Value Line is forecasting a decline in future growth.
2 According to Value Line's analysts, outstanding shares should increase
3 from 95.00 million in 2004 to 100.00 million by the end of the 2007-09 time
4 period. After considering these projections, I believe that a 1.00 percent
5 rate of growth is reasonable. My final dividend growth rate estimate for
6 WTR is 7.16 percent (6.00 percent internal + 1.16 percent external) and is
7 shown on Page 1 of Schedule WAR-4.
8

9 Q. What is your average dividend growth rate estimate using the DCF model
10 for the sample water utilities?

11 A. Based on the DCF model, my average dividend growth rate estimate is
12 6.50 percent as displayed on Page 1 of Schedule WAR-4.
13

14 Q. How does your average dividend growth rate compare to the growth rate
15 data of other publicly traded firms?

16 A. Overall my estimate is somewhat more optimistic than the projections of
17 analysts at both Zacks Investment Research, Inc. ("Zacks") and Value
18 Line. Schedule WAR-6 compares my sustainable growth estimates with
19 the five-year projections of both Zacks and Value Line. The 6.50 percent
20 estimate that I have calculated is 50 basis points higher than the projected
21 5-year EPS average of 6.00 percent for Zacks (Zack's outlook for the
22 water industry is 6.30 percent) and 61 basis points higher than the 5.89
23 percent for Value Line (which is an average of EPS, DPS and BVPS). My

1 6.50 percent estimate is 471 basis points higher than the 5-year
2 compound historical average also displayed in Schedule WAR-6. This
3 indicates that investors are expecting increased performance from water
4 utilities in the future. On balance, I would say my 6.50 percent estimate is
5 a good representation of the growth projections that are available to the
6 investing public.

7
8 Q. How did you calculate the dividend yields displayed in Schedule WAR-3?

9 A. I used the estimated annual dividends, for the next twelve-month period,
10 that appeared in the January 28, 2005 Ratings and Reports water services
11 industry update of The Value Line Investment Survey. I then divided that
12 figure by the eight-week average price per share of the appropriate utility's
13 common stock. The eight-week average price is based on the daily
14 closing stock prices for each of the three companies in my proxy for the
15 period February 7, 2005 to April 1, 2005.

16
17 Q. Based on the results of your DCF analysis, what is your cost of equity
18 capital estimate for the water utilities included in your sample?

19 A. As shown in Schedule WAR-2, the cost of equity capital derived from my
20 DCF analysis is 9.44 percent.

21
22
23

1 **Capital Asset Pricing Model (CAPM) Method**

2 Q. Please explain the theory behind the capital asset pricing model ("CAPM")
3 and why you decided to use it as an equity capital valuation method in this
4 proceeding.

5 A. CAPM is a mathematical tool that was developed during the early 1960's
6 by William F. Sharpe, Ph.D.¹¹ The CAPM model is used to analyze the
7 relationships between rates of return on various assets and risk as
8 measured by beta.¹² In this regard, CAPM can help an investor to
9 determine how much risk is associated with a given investment so that he
10 or she can decide if that investment meets their individual preferences.

11 Finance theory has always held that as the risk associated with a given
12 investment increases, so should the expected rate of return on that
13 investment and vice versa. According to CAPM theory, risk can be
14 classified into two specific forms: nonsystematic or diversifiable risk, and
15 systematic or non-diversifiable risk. While nonsystematic risk can be
16 virtually eliminated through diversification (i.e. by including stocks of
17 various companies in various industries in a portfolio of securities),
18 systematic risk, on the other hand, cannot be eliminated by diversification.

19 Thus, systematic risk is the only risk of importance to investors. Simply

¹¹ William F. Sharpe, "A Simplified Model of Portfolio Analysis," Management Science, Vol. 9, No. 2 (January 1963), pp. 277-93.

¹² 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.

1 stated, the underlying theory behind CAPM states that the expected return
2 on a given investment is the sum of a risk-free rate of return plus a market
3 risk premium that is proportional to the systematic (non-diversifiable risk)
4 associated with that investment. In mathematical terms, the formula is as
5 follows:

$$k = r_f + [\beta (r_m - r_f)]$$

6
7
8 where: k = cost of capital of a given security,

9 r_f = risk-free rate of return,

10 β = beta coefficient, a statistical measurement of a
11 security's systematic risk,

12 r_m = average market return (e.g. S&P 500), and

13 r_m - r_f = market risk premium.
14

15 Q. What security did you use for a risk-free rate of return in your CAPM
16 analysis?

17 A. I used a six-week average on a 91-day Treasury Bill ("T-Bill") rate.¹³ This
18 resulted in a risk-free (r_f) rate of return of 2.70 percent.
19
20

¹³ 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 January 21, 2005 to February 25, 2005.

1 Q. Why did you use the short-term T-Bill rate as opposed to the yield on an
2 intermediate 5-year Treasury note or a long-term 30-year Treasury bond?

3 A. Because a 91-day T-Bill presents the lowest possible total risk to an
4 investor. As citizens and investors, we would like to believe that U.S.
5 Treasury securities (which are backed by the full faith and credit of the
6 United States Government) pose no threat of default no matter what their
7 maturity dates are. However, a comparison of various Treasury
8 instruments will reveal that those with longer maturity dates do have
9 slightly higher yields. Treasury yields are comprised of two separate
10 components,¹⁴ a true rate of interest (believed to be approximately 2.00
11 percent) and an inflationary expectation. When the true rate of interest is
12 subtracted from the total treasury yield, all that remains is the inflationary
13 expectation. Because increased inflation represents a potential capital
14 loss, or risk, to investors, a higher inflationary expectation by itself
15 represents a degree of risk to an investor. Another way of looking at this
16 is from an opportunity cost standpoint. When an investor locks up funds in
17 long-term T-Bonds, compensation must be provided for future investment
18 opportunities foregone. This is often described as maturity or interest rate
19 risk and it can affect an investor adversely if market rates increase before
20 the instrument matures (a rise in interest rates would decrease the value
21 of the debt instrument). As discussed earlier in the DCF portion of my

¹⁴ 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.

1 testimony, this compensation translates into higher rates of returns to the
2 investor. Since a 91-day T-Bill presents the lowest possible total risk to an
3 investor, it more closely meets the definition of a risk-free rate of return
4 and is the more appropriate instrument to use in a CAPM analysis.

5
6 Q. How did you calculate the market risk premium used in your CAPM
7 analysis?

8 A. I used both a geometric and an arithmetic mean of the historical returns on
9 the S&P 500 index from 1926 to 2003 as the proxy for the market rate of
10 return (r_m). The risk premium ($r_m - r_f$) that results by using the geometric
11 mean calculation for r_m is equal to 7.70 percent (10.40% - 2.70% =
12 7.70%). The risk premium that results by using the arithmetic mean
13 calculation for r_m is 9.70 percent (12.40% - 2.70% = 9.70%).

14
15 Q. How did you select the beta coefficients that were used in your CAPM
16 analysis?

17 A. The beta coefficients (β), for the individual utilities used in my sample,
18 were calculated by Value Line and were current as of January 28, 2005.
19 Value Line calculates its betas by using a regression analysis between
20 weekly percentage changes in the market price of the security being
21 analyzed and weekly percentage changes in the NYSE Composite Index
22 over a five-year period. The betas are then adjusted by Value Line for
23 their long-term tendency to converge toward 1.00. The beta coefficients

1 for the water utilities included in my sample ranged from 0.70 to 0.75 with
2 an average beta of 0.73.

3
4 Q. What are the results of your CAPM analysis?

5 A. As shown on Pages 1 and 2 of Schedule WAR-7, my CAPM calculation
6 using a geometric mean for r_m results in an average expected return of
7 8.35 percent. My calculation using the arithmetic mean results in an
8 average expected return of 9.81 percent. Although there is some debate
9 on this point, I believe that the consensus among financial analysts
10 appears to be that the arithmetic mean is the better of the two averages.
11 For this reason, I believe that the 9.81 percent figure is the better check on
12 the result of my DCF analysis.

13
14 Q. Please summarize the results derived under each of the methodologies
15 presented in your testimony.

16 A. The following is a summary of the cost of equity capital derived under
17 each methodology used:

18
19

<u>METHOD</u>	<u>RESULTS</u>
DCF	9.44%
CAPM	8.35% – 9.81%

20
21
22

1 Based on these results, my best estimate of an appropriate range for the
2 cost of equity is from 8.35 percent to 9.81 percent. My final
3 recommendation is a 9.44 percent return for Arizona Water's cost of equity
4 capital.

5
6 Q How did you arrive at your recommended 9.44 percent cost of common
7 equity?

8 A. My recommended 9.44 percent cost of common equity is the unadjusted
9 result of my DCF analysis

10
11 Q. Is this the method that you have typically used to determine the cost of
12 equity capital in prior rate case proceedings?

13 A. Yes. As I stated earlier in my testimony, the DCF model is the one that I
14 rely on the most. Typically, as in this case, my recommended cost of
15 equity is derived primarily from my DCF analysis.

16
17 Q. Why is your typical practice of relying primarily on your DCF appropriate in
18 this proceeding?

19 A. My recommended capital structure for Arizona Water is comprised of
20 approximately 73 percent common equity capital and 27 percent debt.
21 This capital structure has a larger percentage of equity than the capital
22 structures of the three water utilities that I included in my DCF and CAPM
23 proxies, which had an average capital structure of 56 percent common

1 equity and 44 percent debt. Although an argument could be made that,
2 because Arizona Water is not as leveraged and therefore faces a lower
3 level of financial risk (i.e. the risk of not being able to meet debt service
4 obligations) than the companies in my proxy, a lower cost of equity is
5 warranted, I have decided not to make such an adjustment. My reason for
6 this is that my CAPM analysis, using an arithmetic mean is producing an
7 expected rate of return that is approximately 37 basis points higher than
8 the 9.44 percent estimate derived by the DCF formula. After weighing this
9 fact, and other considerations that I will discuss later in my testimony, I
10 have come to the conclusion that a downward adjustment to my 9.44
11 recommended cost of equity capital would not be warranted at this
12 particular point in time.

13
14 Q. Have you made adjustments to your DCF results in prior cases?

15 A. Yes. I adjusted my DCF results in three of the last four rate cases that I
16 testified in. In the first of those cases, I increased my DCF result by 50
17 basis points to recognize the additional financial risk faced by Arizona-
18 American Water Company ("Arizona-American"). My 50 basis point
19 adjustment in that case took into consideration Arizona-American's
20 leveraged capital structure (which was comprised of 60 percent debt and
21 40 percent equity). The second case involved Rio Rico, Utilities, Inc. ("Rio
22 Rico"), a water and wastewater provider with a capital structure comprised
23 of 100 percent common equity. In Rio Rico's case, I averaged the results

1 of my DCF and CAPM analyses to arrive at a cost of equity of 8.83
2 percent. This adjustment resulted in a 42 basis point downward
3 adjustment to my 9.04 percent DCF estimate. In the Rio Rico proceeding,
4 the Commission eventually adopted a cost of common equity that was
5 slightly lower than the 8.83 percent that I recommended. In the third case,
6 I used the same methodology that I used in the Rio Rico Case to arrive at
7 my recommended cost of equity of 11.50 percent for heavily leveraged
8 Qwest Corporation (25 percent equity 75 percent debt). In my most recent
9 case involving Chaparral City Water Company of Fountain Hills
10 ("Chaparral City"), I made no adjustment despite the fact that Chaparral
11 City had slightly more equity in its capital structure than the water utilities
12 included in my sample. In that case the expected rate of return produced
13 by the CAPM model, using an arithmetic mean, also exceeded the rate of
14 return produced by my DCF model.

15
16 **Current Economic Environment**

17 Q. Please explain why it is necessary to consider the current economic
18 environment when performing a cost of equity capital analysis for a
19 regulated utility.

20 A. Consideration of the economic environment is necessary because trends
21 in interest rates, present and projected levels of inflation, and the overall
22 state of the U.S. economy determine the rates of return that investors earn
23 on their invested funds. Each of these factors represent potential risks

1 that must be weighed when estimating the cost of equity capital for a
2 regulated utility and are, most often, the same factors considered by
3 individuals who are investing in non-regulated entities also.

4
5 Q. Please discuss your analysis of the current economic environment.

6 A. My analysis includes a review of the economic events that have occurred
7 since 1990. Schedule WAR-8 displays various economic indicators and
8 other data that I will refer to during this portion of my testimony.

9 In 1991, as measured by the most recently revised annual change in
10 gross domestic product ("GDP"), the U.S. Economy experienced a rate of
11 growth of negative 0.20 percent. This decline in GDP marked the
12 beginning of a mild recession that ended sometime before the end of the
13 first half of 1992. Reacting to this situation the Federal Reserve Board
14 ("Federal Reserve" or "Fed"), chaired by noted economist Alan
15 Greenspan, lowered its benchmark federal funds rate¹⁵ in an effort to
16 further loosen monetary constraints - an action that resulted in lower
17 interest rates.

18 During this same period, the nation's major money center banks followed
19 the Federal Reserve's lead and began lowering their interest rates as well.

20 By the end of the fourth quarter of 1993, the prime rate (the rate charged

¹⁵ 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.

1 by banks to their best customers) had dropped to 6.00 percent from a
2 1990 level of 10.01 percent. In addition, the Federal Reserve's discount
3 rate on loans to its member banks had fallen to 3.00 percent and short-
4 term interest rates had declined to levels that had not been seen since
5 1972.

6 Although GDP increased in 1992 and 1993, the Federal Reserve took
7 steps to increase interest rates beginning in February of 1994, in order to
8 keep inflation under control. By the end of 1995, the Federal discount rate
9 had risen to 5.21 percent. Once again, the banking community followed
10 the Federal Reserve's moves. The Fed's strategy, during this period, was
11 to engineer a "soft landing." That is to say that the Federal Reserve
12 wanted to foster a situation in which economic growth would be stabilized
13 without incurring either a prolonged recession or runaway inflation.

14
15 Q. Did the Federal Reserve achieve its goals during this period?

16 A. The Fed's strategy of decreasing interest rates to stimulate the economy
17 worked. The annual change in GDP began an upward trend in 1991. A
18 change of 4.50 percent and 4.20 percent were recorded at the end of
19 1997 and 1998 respectively. Based on daily reports that were presented
20 in the mainstream print and broadcast media during most of 1999, there
21 appeared to be little doubt among both economists and the public at large
22 that the U.S. was experiencing a period of robust economic growth
23 highlighted by low rates of unemployment and inflation. Investors, who

1 believed that technology stocks and Internet company start-ups (with little
2 or no history of earnings) had high growth potential, purchased these
3 types of issues with enthusiasm. These types of investors, who exhibited
4 what Chairman Greenspan described as "irrational exuberance," pushed
5 stock prices and market indexes to all time highs from 1997 to 2000.

6
7 Q. What has been the state of the economy over the last four years?

8 A. The U.S. economy entered into a recession around the end of the first
9 quarter of 2001. The bullish trend, which had characterized the last half of
10 the 1990's, had already run its course sometime during the third quarter of
11 2000. Economic data released since the beginning of 2001 had already
12 been disappointing during the months preceding the September 11, 2001
13 terrorist attacks on the World Trade Center and the Pentagon. Slower
14 growth figures, rising layoffs in the high technology manufacturing sector,
15 and falling equity prices (due to lower earnings expectations) prompted
16 the Fed to begin cutting interest rates as it had done in the early 1990's.
17 The now infamous terrorist attacks on New York City and Washington
18 D.C. marked a defining point in this economic slump and prompted the
19 Federal Reserve to continue its rate cutting actions through December
20 2001. Prior to the 9/11 attacks, commentators, reporting in both the
21 mainstream financial press and various economic publications including
22 Value Line, believed that the Federal Reserve Chairman was cutting rates

1 in the hope of avoiding the recession that the U.S. is still in the process of
2 recovering from.

3 Despite several intervals during 2002 and 2003 in which the Federal Open
4 Market Committee ("FOMC") decided not to change interest rates, moves
5 which indicated that the worst may be over and that the current recession
6 might have bottomed out during the last quarter of 2001, a lackluster
7 economy persisted. The continuing economic malaise and even fears of
8 possible deflation prompted the FOMC to make a thirteenth rate cut on
9 June 25, 2003. The quarter point cut reduced the federal funds rate to
10 1.00 percent, the lowest level in 45 years.

11 Even though some signs of economic strength, that were mainly attributed
12 to consumer spending, began to crop up during the latter part of 2002 and
13 into 2003, Chairman Greenspan appeared to be concerned with sharp
14 declines in capital spending in the business sector.

15 During the latter part of 2003, the FOMC went on record as saying that it
16 intended to leave interest rates low "for a considerable period." After its
17 two-day meeting that ended on January 28, 2004, the FOMC stated "that
18 with inflation 'quite low' and plenty of excess capacity in the economy,
19 policy-makers 'can be patient in removing its policy accommodation.'"¹⁶

20
21
22

¹⁶ Wolk, Martin, "Fed leaves short-term rates unchanged," MSNBC, January 28, 2004.

1 Q. What actions has the Federal Reserve taken in terms of interest rates
2 since the beginning of 2001?

3 A. As noted earlier, from January 2001 to June 2003 the Federal Reserve cut
4 interest rates a total of thirteen times. During this period, the federal funds
5 rate fell from 6.50 percent to 1.00 percent. The FOMC reversed this trend
6 on June 29, 2004 and raised the federal funds rate 25 basis points to 1.25
7 percent. Between June 29, 2004 and March 22, 2005, the FOMC has
8 raised the federal funds rate six more times to its current level of 2.75
9 percent. As expected, banks have followed the Fed's lead and have
10 boosted the prime rate to its current level of 5.75 percent. According to an
11 article that appeared in the September 22, 2004 edition of the The Wall
12 Street Journal, the FOMC's decision to begin raising rates was viewed as
13 a move to increase rates from emergency lows in order to avoid creating
14 an inflation problem in the future as opposed to slowing down the
15 strengthening economy¹⁷. In other words, the Fed is trying to head off
16 inflation *before* it becomes a problem.

17 Since it began increasing the federal funds rate in June 2004, the Federal
18 Reserve has stated that it would increase rates at a "measured" pace.

19 Many analysts and economists interpret this language to mean that
20 Chairman Greenspan will be cautious in increasing interest rates too
21 quickly in order to avoid what is considered to be one of the Fed's few

¹⁷ McKinnon, John D. and Greg IP, "Fed Raises Rates by a Quarter Point," The Wall Street Journal, September 22, 2004.

1 blunders during Greenspan's tenure – a series of increases in 1994 that
2 caught the financial markets by surprise after a long period of low rates.
3 The rapid rise in rates resulted in financial turmoil, which contributed to the
4 bankruptcy of Orange County, California and the Mexican peso crisis¹⁸.

5
6 Q. Putting this all into perspective, how have the Fed's actions over the past
7 four years affected benchmark rates?

8 A. Virtually all of the benchmark rates have fallen to levels not seen in over
9 forty-five years. The Fed's actions have had the overall effect of reducing
10 the cost of many types of business and consumer loans. Despite the
11 recent increases in the federal funds rate, the federal discount rate (the
12 rate charged to member banks) has fallen from 5.73 percent in 2000, to its
13 present level of 3.75 percent. Despite the recent increases, rates are still
14 at historically low levels.

15
16 Q. What has been the trend in other leading interest rates over the last year?

17 A. As of April 1, 2005, all of the leading interest rates have edged up. The
18 prime rate has increased from 4.00 percent a year ago to a current level of
19 5.75 percent. The benchmark federal funds rate, just discussed, has
20 increased from 1.00 percent, in March 2004, to its current level of 2.75
21 percent. As of the week ended April 1, 2005, the yields on all maturities of
22 U.S. Treasury instruments, with the exception of the 30-year and 30-year

¹⁸ Associated Press (AP), "Fed begins debating interest rates" USA Today, June 29, 2004.

1 zero coupon bonds, which have fallen from 16 to 11 basis points
2 respectively since February 2004, have increased over the past year. The
3 91-day T-bill rate, used in my CAPM analysis, has increased from 0.93
4 percent, in March 2004, to 2.88 percent today. The 1-Year Treasury
5 Constant Maturity rate, has also increased from 1.16 percent over the past
6 year to 3.40 percent today. Again, these levels are still low when they are
7 compared with the historical yields displayed on Schedule WAR-8.

8
9 Q. How have economists and members of the investment community viewed
10 the Fed's rate actions since June 2004?

11 A. The change in the Fed's language from "considerable period" to "patient"
12 to "measured," that have been noted through the course of my testimony,
13 has pretty much summed up the Fed's course of action during the
14 economic recovery that is still in progress. In his October column for
15 Wells Capital Management's ("Wells") Monthly Market Outlook publication,
16 Senior Economist Gary E. Schlossberg sees the Fed's recent credit
17 tightening action as a trend that is likely to continue barring an unraveling
18 of the economic recovery, a major disruption in the financial markets or a
19 renewed threat of declining prices. According to Mr. Schlossberg, the Fed
20 appears to be determined to engineer a fundamental shift from its past
21 policy of "aggressive accommodation" to what he considers to be a more
22 "neutral" policy stance (determined by both the rate of inflation and an
23 additional "premium" of possibly 1.00 percent to 1.50 percent) via a series

1 of rapid fire quarter-point increases that will result in a federal funds rate of
2 4.00 percent to 4.50 percent by the end of 2005. Mr. Schlossberg's
3 expectation of future incremental increases in the federal funds rate is
4 shared by Mickey Levy, Chief Economist for Bank of America, and by
5 Value Line analysts. In the October 1, 2004 edition of Value Line's
6 "Selection & Opinion" publication, Value Line's analysts stated that they
7 believed that the Fed was following a prudent course. In their opinion the
8 Fed's interest rate cutting helped to avoid a more serious recession and
9 the Fed's present course of action will help to insure that the current
10 upturn in the economy is sustained while keeping inflation low and under
11 control at the same time. Although the increases in the federal funds rate
12 have been viewed as a positive development (i.e. evidence of a
13 strengthening economy), the upward movements in crude oil prices have
14 not. Rising crude oil prices have become a serious concern to analysts
15 and economists because of their potential adverse impact on corporate
16 earnings.

17
18 Q. What is the current outlook for interest rates and the economy?

19 A. Based on the comments of analysts and economists at both Value Line
20 and Wells, the overall outlook for economic growth, and the current low
21 interest rate environment, appears to be good despite a few weak points.
22 In the February 25, 2005 Selection & Opinion's quarterly economic review,
23 Value Line's analysts described the current state of inflation as "benign"

1 and stated that they expected the current business expansion to continue
2 for the balance of 2005 and into 2006. The following quote¹⁹ by Wells'
3 Chief Investment Strategist, James W. Paulsen, Ph.D., best sums things
4 up:

5 "Yes the Fed has raised short-term interest rates, but they
6 are still at remarkably low levels, particularly considering
7 the inflation rate is 3.5 percent! Moreover, long-term yields
8 have barely budged off their recent four-decade lows. The
9 yield curve remains amazingly steep. Fiscal deficit spending
10 has been in excess of \$400 billion in the last year and the
11 U.S. dollar has weakened even further in the last six months.
12 Overall, economic policies argue for stronger, not weaker
13 growth."
14

15 Q. How has the water industry segment of the U.S. economy fared recently?

16 A. In his January 28, 2005 update on the water services industry, Value Line
17 analyst Andre Costanza stated that the industry had rebounded after a
18 tough time in 2003. Mr. Costanza also went on to say that the companies
19 included in my proxy had posted "a solid earnings recovery" during 2004.
20 Although none of the water utilities followed by Value Line stand out for
21 capital gains potential, they do offer above average dividend yields and
22 should be attractive to income oriented investors according to Mr.
23 Costanza.

24
25
26
27

¹⁹ Wells Capital Management's Economic and Market Perspective, January 2005, Pages 1 and 2.

1 Q. What has been the trend in Value Line's return on common equity
2 projections for the water utility industry?

3 A. Value Line's analysts have made downward projections on water industry
4 returns on common equity ("ROE") over the past five and a half year
5 period. The following is a summary of Value Line's water utility industry
6 composite statistics on ROE, over the aforementioned period, which are
7 exhibited in Attachments 1 and 2 of Dr. Zepp's testimony and Attachment
8 B of my testimony:

9				
10		<u>1999</u>	<u>2000</u>	<u>2002-04</u>
11	Value Line ROE Projection -- 6 Aug. 1999	11.0%	11.0%	12.0%
12		<u>2003</u>	<u>2004</u>	<u>2006-08</u>
13	Value Line ROE Projection -- 30 Jan. 2004	9.0%	10.5%	12.0%
14		<u>2004</u>	<u>2005</u>	<u>2007-09</u>
15	Value Line ROE Projection -- 28 Jan. 2005	9.5%	9.5%	10.0%
16				

17 In addition to the downward trend in projections that I just addressed, the
18 above summary also illustrates the fact that Value Line's analysts have
19 been somewhat more optimistic in their forward-looking long-term
20 projections than the projections made during August 1999 and January
21 2004. These estimates also take into consideration the various water
22 safety regulation and infrastructure problems that the industry currently
23 faces.

24

1 Q. Please summarize how the economic data just presented relates to
2 Arizona Water.

3 A. The current benign rate of inflation translates into stable and even possibly
4 declining prices for goods and services, which in turn means that Arizona
5 Water can expect its present operating expenses to either remain stable
6 or possibly decline in the coming years. Lower interest rates would also
7 benefit Arizona Water in regard to any short or long-term borrowing needs
8 that the Company may have. Lower interest rates, would further help to
9 accelerate growth in new construction projects and home developments
10 (which have been on an upward trend according to data presented in
11 Value Line) in the Company's service territory, and may result in new
12 revenue streams to Arizona Water.

13

14 Q. After weighing the economic information that you've just discussed, do you
15 believe that the 9.44 percent cost of equity capital that you have estimated
16 is reasonable for Arizona Water?

17 A. I believe that my recommended 9.44 percent cost of equity will provide
18 Arizona Water with a reasonable rate of return on the Company's invested
19 capital when economic data on interest rates (that are still low by historical
20 standards), continued growth in new housing construction (attributed to
21 historically low interest rates), and the low and stable outlook for inflation
22 are all taken into consideration. As I noted earlier, the Hope decision
23 determined that a utility is entitled to earn a rate of return that is

1 commensurate with the returns it would make on other investments with
2 comparable risk. I believe that my DCF analysis has produced such a
3 return. The results that I have obtained are consistent with Value Line's
4 view that the water utility stocks included in my proxy "offer an above
5 average dividend yield." In fact, my recommended 9.44 percent cost of
6 common equity is close to Value Line's forward-looking 2005 return on
7 common equity estimate for the water utility industry.

8
9 **CAPITAL STRUCTURE**

10 Q. Have you reviewed Arizona Water's testimony regarding the Company's
11 proposed capital structure?

12 A. Yes, I have.

13
14 Q. Please describe the Company's proposed capital structure.

15 A. The Company is proposing a capital structure comprised of approximately
16 73 percent common equity and 27 percent long-term debt.

17
18 Q. What capital structure are you proposing for Arizona Water?

19 A. I have adopted the Company-proposed capital structure.

20
21 Q. Is Arizona Water's capital structure in line with industry averages?

22 A. No. As discussed earlier, Arizona Water's capital structure is heavier in
23 equity than the capital structures of the other water companies included in

1 my cost of capital analysis (Schedule WAR-9). The capital structures for
2 those utilities averaged 44.2 percent for debt (6.5 percent short-term debt
3 + 37.7 percent long-term debt) and 55.8 percent for equity (0.1 percent
4 preferred equity + 55.7 percent common equity).

5
6 Q. In terms of risk, how does Arizona Water's capital structure compare to
7 the water utilities in your sample?

8 A. The water utilities in my sample would be considered as having a higher
9 level of financial risk (i.e. the risk associated with debt repayment)
10 because of their higher levels of debt. The additional financial risk due to
11 debt leverage is embedded in the cost of equities derived for those
12 companies through the DCF analysis. Thus, the cost of equity derived in
13 my DCF analysis is applicable to companies that are more leveraged and,
14 theoretically speaking, riskier than a utility with a level of debt similar to
15 Arizona Water's. In the case of a publicly traded company, such as those
16 included in my proxy, a company with Arizona Water's level of debt would
17 be perceived as having a lower level of financial risk and would therefore
18 also have a lower expected return on common equity.

19
20 Q. Have you made a downward adjustment to your DCF estimate based on
21 this perception of lower financial risk?

22 A. No. As I also explained earlier, I have not made a downward adjustment
23 to my recommended cost of equity based on the results of my DCF and

1 CAPM analyses. I recognize that Arizona Water may have some degree
2 of risk that would not be present in the sample companies. However, I
3 believe that such risk is minimal at best. Well-managed regulated water
4 utilities are similar in nature regardless of their size; however, a smaller
5 utility may experience a slightly higher level of liquidity risk due to size.
6 Arizona Water's potential for a small degree of liquidity risk is more than
7 offset by its lower level of financial risk.

8
9 Q. Have you accepted the Company's 8.43 percent cost of long-term debt?

10 A. Yes. The Company has not issued any additional long-term debt since its
11 Northern Group rate case in 2001. During that proceeding I accepted the
12 Company's methodology for calculating its cost of debt on the bond
13 issuances that were outstanding at the end of December 31, 2002.

14
15 Q. How does your recommended cost of equity capital compare with the cost
16 of equity capital proposed by the Company?

17 A. The 11.25 percent cost of equity capital proposed by the Company's cost
18 of capital witness is 181 basis points higher than the 9.44 percent cost of
19 equity capital that I am recommending.

20

21

22

1 Q. How does the Company's proposed weighted cost of capital compare with
2 your recommendation?

3 A. The Company has proposed a weighted cost of capital of 10.50 percent.
4 This composite figure is the result of a weighted average of Arizona
5 Water's proposed 8.43 percent cost of long-term debt and an 11.25
6 percent cost of equity capital. The Company-proposed 10.50 percent
7 weighted cost of capital is 133 basis points higher than the 9.17 percent
8 weighted cost that I am recommending.

9
10 **COMMENTS ON ARIZONA WATER'S COST OF EQUITY CAPITAL**

11 **TESTIMONY**

12 Q. Please describe Arizona Water's cost of equity capital testimony.

13 A. As noted earlier in my testimony Arizona Water's cost of capital testimony
14 was prepared by Dr. Thomas M. Zepp. Dr. Zepp's testimony presents the
15 results of his analyses, which were derived through a DCF model used by
16 the Federal Energy Regulatory Commission ("FERC") and a risk premium
17 equity cost method that was developed by the staff of the California Public
18 Utility Commission ("CPUC").

19 Dr. Zepp argues that Arizona Water is riskier than the water utilities
20 included in his sample because of the historical test year concept used in
21 Arizona, and the Arizona Constitution's requirement that a finding of fair
22 value must be determined prior to setting rates. He also claims that
23 Arizona Water faces greater risk because the Company will not recover all

1 of the costs associated with arsenic removal through an arsenic cost
2 recovery mechanism ("ACRM"). Dr Zepp further argues that Arizona
3 Water faces additional risk because the Company's purchased power
4 adjuster mechanism ("PPAM") and purchased water adjustor mechanism
5 ("PWAM") were eliminated in the Company's Eastern Group rate case
6 proceeding. Other risk factors cited by Dr. Zepp include the Company's
7 size, lower financial flexibility and the Commission's policy on the use of
8 tiered rates to encourage conservation. Dr. Zepp attempts to justify his
9 recommended 11.25 percent return on common equity by citing ACC final
10 orders issued between May 1997 and October 2001 that granted an
11 average return on common equity of 11.28 percent.

12
13 Q. Were there any differences in the way that you conducted your DCF
14 analysis and the way that Dr. Zepp conducted his?

15 A. Yes, Dr. Zepp conducted two separate FERC approved DCF analyses.
16 His first DCF analysis is a one-step constant growth model, similar to the
17 one that I used, which uses a proxy of six water providers. Dr. Zepp's
18 second FERC approved DCF analysis uses a two-step or multi-stage
19 growth model.

20
21
22

1 Q. Why didn't you conduct a FERC approved multi-stage DCF analysis like
2 the one conducted by Dr. Zepp?

3 A. Primarily because the growth rate component that I estimated for my
4 single-stage model already takes into consideration both the near-term
5 and long-term growth rate projections that Dr. Zepp averaged in his multi-
6 stage model. This being the case, I saw no need to conduct a separate
7 DCF analysis. Of less importance is the fact that Dr. Zepp chose to use a
8 spot price in the P_0 portion of the DCF formula (principally because ACC
9 Staff has done so in the past) as opposed to an average of closing prices
10 over a specific period of time (e.g. my eight-week average). Although
11 there is the belief among some finance professionals that the current price
12 of a share of stock reflects all known and available information on a
13 publicly traded company, I believe that the use of a spot price leaves too
14 much to chance (i.e. a good or bad day for the stock market, or some
15 random event that affected investor perceptions on a particular day). For
16 this reason I believe an average of closing prices over a specific period of
17 time is a better approach.

18
19 Q. What is the difference between your DCF results and Dr. Zepp's first DCF
20 result?

21 A. The 9.44 percent cost of common equity derived in my DCF analysis (that
22 uses three sample water companies) is 76 basis points lower than the

1 10.20 percent cost of common equity derived in Dr. Zepp's one-step DCF
2 analysis.

3
4 Q. Why is your 9.44 percent DCF result 76 basis points lower than Dr. Zepp's
5 10.20 percent one-step DCF result?

6 A. The main reason for the difference is one of observation period timing.
7 Over the past two years there have been no substantial changes in
8 dividend payouts but stock prices have increased. Dr. Zepp's higher
9 dividend yields are attributed to the fact that his six-month average was
10 taken over an observation period (December 2003 thru May 2004) when
11 the majority of the water companies in his sample were trading at lower
12 prices than they were during the eight-week observation period (February
13 7, 2005 to April 1, 2005) that I based my calculation on (Attachment C). In
14 the dividend yield portion ($D_1 \div P_0$) of the DCF formula ($k = (D_1 \div P_0) +$
15 g), Dr. Zepp's dividend yield was derived by taking a high and low average
16 of a six-month dividend yield (adjusted for one-half year's growth) on each
17 of the six water companies in his proxy (Table 4 of Dr. Zepp's testimony).
18 This produced an average adjusted dividend yield of 3.40 percent (the
19 average of a high of 3.8 percent to a low of 3.0 percent) versus the 2.94
20 percent, which I calculated (Schedule WAR-3).

21 In the growth portion (g) of the DCF formula ($k = (D_1 \div P_0) + g$), Dr. Zepp
22 relied on data published in the April 30, 2004 Value Line water industry
23 update to calculate a high and low range of 6.50 percent to 7.00 percent.

1 He then averaged the range to arrive at a dividend growth rate of 6.75
2 percent versus my 6.50 percent dividend growth rate (Schedule WAR-4).
3 In arriving at his final one-step DCF estimate of 10.20 percent, Dr. Zepp
4 added his 3.40 percent average dividend yield and his 6.75 percent
5 dividend growth average to arrive at his final estimate of 10.20 percent
6 that is 76 basis points higher than my 9.44 percent estimate that relied on
7 data from the January 28, 2005 Value Line water industry update.

8
9 Q. You stated that Dr. Zepp used a six-month average of closing stock prices
10 in the "P₀" component of the DCF model as opposed to a more recent
11 eight-week average that you used. What is the difference between the
12 two average stock prices?

13 A. Attachment C to my testimony contains closing stock price charts, from
14 the March 2003 to March 2005 time period, for the six water utilities
15 included in Dr. Zepp's proxy. In the case of the three water companies
16 that were included in my proxy, the high and low range of approximate
17 closing stock prices for Dr. Zepp's observation period and the high and
18 low closing stock prices for my observation period were as follows:

19
20

	<u>12/01/03 – 05/31/04</u>	<u>02/07/05 – 04/01/05</u>
21 American States	\$26.75 to \$20.75	\$27.55 to \$25.10
22 California Water	\$30.00 to \$26.00	\$35.55 to \$32.87
23 Aqua America	\$23.00 to \$19.00	\$25.63 to \$23.72
24		

25

1 My comparison illustrates the fact that the stock prices for the three water
2 companies included in both Dr. Zepp's proxy and my proxy have
3 increased in value since Dr. Zepp's testimony was filed, thus explaining
4 the lower yields.

5
6 Q. What is the difference between your DCF result and Dr. Zepp's two-step
7 or multi-stage growth model DCF result?

8 A. The 9.44 percent cost of common equity derived in my DCF analysis (that
9 uses three sample water companies) is 96 basis points lower than the
10 10.40 percent cost of common equity derived in Dr. Zepp's two-step DCF
11 analysis that relied on closing spot prices as of June 15, 2004. A
12 comparison of Dr. Zepp's closing spot prices and my eight-week average
13 price is as follows:

14
15

	<u>06/15/04</u>	<u>02/07/05 – 04/01/05</u>
16 American States	\$22.15	\$26.31
17 California Water	\$27.50	\$34.36
18 Aqua America	\$20.35	\$24.68

19

20 Again my comparison illustrates the fact that the differences in dividend
21 yields for the three water companies included in both Dr. Zepp's proxy and
22 my proxy are attributed to the increase in stock prices since Dr. Zepp's
23 testimony was filed.

24
25

1 Q. Does the increase in stock prices that you just described support Dr.
2 Zepp's contention that investor's have bid up water utility stock prices in
3 anticipation of mergers and acquisitions?

4 A. Although Value Line's analysts have regularly discussed consolidation in
5 the water utility industry, none of the six water utilities in Dr. Zepp's proxy
6 are in the process of being acquired at this time. This being the case, I
7 can only regard Dr. Zepp's statements as being purely speculative.

8
9 Q. Based on the DCF comparisons that you have just presented, do you
10 believe that your estimates for the growth component of the DCF model
11 are too low?

12 A. No. As can be seen in Schedule WAR-6, my growth estimate is actually
13 61 basis points higher than the average of Value Line's per share
14 projections on earnings, dividends and book value and 20 basis points
15 higher than Zack's 6.30 percent five-year earnings growth outlook for the
16 water utility industry as a whole (Attachment D). These figures were
17 current as of April 1, 2005.

18
19 Q. Did Dr. Zepp conduct a CAPM analysis in his testimony?

20 A. No. Dr. Zepp conducted a risk premium analysis that produced estimated
21 returns that ranged from 10.6 percent to 11.40 percent.

22 Q. Did you conduct a risk premium analysis?

23 A. No I did not.

1 Q. How did Dr. Zepp arrive at his 11.25 percent cost of common equity figure
2 after presenting the results of his DCF and risk premium analyses that
3 range from 10.20 percent to 11.40 percent?

4 A. As exhibited in Table 15 of his testimony, Dr. Zepp settled on a figure that
5 was slightly below the average of his estimated cost of equity ranges for
6 Arizona Water, which increases the range of estimates produced by his
7 models by 50 basis points.

8
9 Q. How does Dr. Zepp justify his stated position that the Arizona jurisdiction
10 has a high level of regulatory risk?

11 A. Both Dr. Zepp and Company witness William M. Garfield cite regulatory
12 methods in the California jurisdiction, such as future test years, balancing
13 accounts, adjustor mechanisms for plant additions and annual CPI
14 adjustors which are not utilized here in Arizona.

15
16 Q. Do you agree with Dr. Zepp and Mr. Garfield's contention that Arizona is a
17 riskier jurisdiction to operate in because of the Commission's adherence to
18 the historical test year concept?

19 A. No. The Commission historically makes allowances for known and
20 measurable changes to historic test year operating results. Because of
21 this, there is no reason for any additional return on investment. In my
22 view, it is important to remember that one of the main arguments for future
23 and projected test years was the volatile inflationary environment that

1 utilities once operated in. Given the current economic environment of low
2 inflation, coupled with the projections for low stable interest rates and low,
3 even falling, prices that I noted earlier in my testimony, the continued use
4 of the historical test year approach to setting rates does not add any
5 additional risk for a utility operating in the Arizona jurisdiction.

6
7 Q. Please discuss risk in the context of the Company's regulatory climate in
8 Arizona.

9 A. The regulatory climate that a utility must operate in has always been
10 considered as a potential source of risk when determining the rate of
11 return that a utility is entitled to. In my opinion, the regulatory climate that
12 Arizona Water is operating in has never been more favorable to water
13 utilities. Although Dr. Zepp and Mr. Garfield argue otherwise, the
14 Commission has approved a recovery mechanism that, when authorized
15 in the context of a rate case, will allow water providers in Arizona,
16 including Arizona Water, the ability to pass through costs that are related
17 to the removal of arsenic in order to meet the new EPA standard. Over
18 the past eight years, the federal reauthorization of the Safe Drinking Water
19 Act ("SDWA") has provided federal funds from which a state revolving
20 fund has been established. The fund, administered in Arizona by the
21 Water Infrastructure Finance Authority ("WIFA"), has been set up to
22 provide low interest rate loans to water utilities that want to make
23 improvements to their systems. Unlike other states, such as Indiana,

1 which has in the past, exercised its discretionary power to limit the
2 distribution of that state's share of federal monies to public systems only,
3 Arizona has encouraged both public and investor-owned systems like
4 Arizona Water to apply for WIFA loans. Although an Arizona-based water
5 provider might not wish to take advantage of loans offered by WIFA (for
6 whatever reasons decided on by the water provider's management) that
7 does not change the fact that low interest financing is available to
8 qualifying water providers through the WIFA program. The Arizona
9 Department of Environmental Quality's ("ADEQ") Monitoring Assistance
10 Program ("MAP") is also now in place to aid water utilities on their water
11 testing needs.

12
13 Q. Can you cite any recent events that would support your claim that Arizona
14 is a favorable jurisdiction for water utilities?

15 A. Yes. There have been a number of public utility holding company
16 acquisitions of Arizona properties in recent years. California-based
17 American States acquired Chaparral City in Fountain Hills, and RWE AG
18 of Germany, acquired Arizona-American. The Chaparral City acquisition
19 is particularly noteworthy since it marked the first time that American
20 States had acquired a system outside of California. Over the last three
21 years Southwest Gas expanded its operations in Arizona by acquiring
22 Black Mountain Gas and UniSource Energy acquired the electric and gas
23 operations of Citizens Communications. Clearly, these public utility

1 holding companies would not have expanded in Arizona if they believed
2 they were going to have to face a harsh regulatory climate.

3
4 Q. Are there other facts that would indicate that the Arizona jurisdiction is not
5 as risky as the Company would want one to believe?

6 A. While working on the Company's Northern Group rate case proceeding, I
7 had the opportunity to review CPUC documents on Park Water
8 Company²⁰ ("Park Water"), a California water provider that was part of a
9 CPUC investigation on rates of return for small utilities in that jurisdiction
10 (Park Water was cited in Dr. Zepp's testimony in both the instant case and
11 the Northern Group proceeding). Contained in the report were various
12 aspects of California regulation that have never been major issues in the
13 water utility proceedings that I have been involved with here in Arizona.
14 This includes rigid caps on management salary levels and strict policies
15 that allow utilities to recover only fifty percent of their fixed operating costs
16 through minimum monthly service charges. During the CPUC
17 investigative proceedings, Park Water expressed displeasure over being
18 subject to an imputed capital structure, which is also rare in the case of
19 water utility proceedings in Arizona. These examples indicate that the

²⁰ Based on information contained on its Internet web site during the Arizona Water Company Northern Group proceeding, Park Water is an investor owned, public water utility that delivers water to approximately 60,000 service connections. Park Water serves a population of about 200,000 people in Los Angeles and San Bernardino Counties in California, and in Missoula and Superior Counties in Montana.

1 Arizona jurisdiction is not as unfavorable as many utility consultants would
2 lead you to believe.

3
4 Q. Please discuss Dr. Zepp's argument that Arizona Water faces additional
5 risk because it will not recover all of the costs associated with arsenic
6 removal through a Western Group ACRM.

7 A. As background, Arizona Water's Northern Group rate case proceeding
8 was bifurcated for the purpose of developing the ACRM that is now in
9 place for both the Company's Northern and Eastern Groups (it is likely that
10 the Western Group will be granted a similar mechanism in the course of
11 this proceeding). During the bifurcated phase of the Northern Group
12 proceeding, representatives from Arizona Water, ACC Staff and RUCO
13 met on a number of occasions to create an adjustor mechanism that
14 would allow for the recovery of costs related to arsenic removal. Now that
15 a mechanism is in place, Arizona Water would like a higher rate of return
16 because some costs may not be recovered through a Western Group
17 ACRM due to the timing of this proceeding – which the Company had
18 control over in terms of when it decided to file for rate relief. Therefore,
19 Dr. Zepp's additional risk argument has no more merit than his arguments
20 regarding the Commission's adherence to the historical test year concept
21 and the fair-value requirement mandated by the Arizona Constitution.

1 Q. Please comment on Dr. Zepp's position that the current ACRM limits the
2 Company to recover only specific and narrowly defined costs that can
3 easily be audited by ACC Staff.

4 A. The ACRM approved by the Commission is no different from other cost
5 recovery mechanisms in this respect. No Arizona ratemaking mechanism
6 gives carte blanche ability for utilities to pass costs on to ratepayers
7 without some regulatory oversight. In fact this requirement helps to insure
8 that utilities maintain efforts to keep costs under control.

9
10 Q. Do you agree with Dr. Zepp's position that an upward adjustment in
11 Arizona Water's cost of equity capital is warranted should the Commission
12 eliminate the PPAM and PWAM for the Western Group systems?

13 A. No. Although I have argued in prior cases that adjustor mechanisms can
14 mitigate earnings volatility, the facts in this case do not support such an
15 adjustment. As I have explained in my direct testimony on required
16 revenue, the elimination of the Western Group's PPAM and PWAM will not
17 have any adverse impact on the Company's ability to recover operating
18 costs. In regard to the Arizona Public Service ("APS") rate increase,
19 which was recently approved, the Commission amended the settlement
20 agreement reached in that proceeding and placed a cap on the amount of
21 costs that could be passed through a power supply adjustor mechanism
22 ("PSA"). Given these facts, I see no need to make an upward adjustment

1 to my recommended return on common equity, which was derived from a
2 sample of water utilities that face greater financial risk than Arizona Water.

3
4 Q. Is Arizona Water seeking an additional return on common equity because
5 of Arizona Water's size?

6 A. No. After citing academic papers and a CPUC study on small water
7 utilities that address the issue of company size (the contents and
8 conclusions of which have been discussed and debated vigorously by
9 RUCO in prior Arizona Water rate case proceedings) on pages 24 and 25
10 of his testimony, Dr. Zepp states that Arizona Water is not seeking an
11 additional risk premium for the Company's size even though he believes
12 that one is justified.

13
14 Q. Is Arizona Water seeking an additional return on common equity because
15 of alleged risk associated with the Company's financial flexibility?

16 A. No. After he addresses this point and discusses the Company's options
17 for raising capital on pages 25 and 26 of his testimony, Dr. Zepp states
18 that Arizona Water is not seeking an additional risk premium for the
19 Company's ability to obtain funds for plant improvements even though he
20 believes that one is justified. Again, RUCO has discussed and debated
21 this issue in testimony filed in both the Northern Group and Eastern Group
22 proceedings and, again, the Commission has rejected the Company's
23 argument.

1 Q. Should the Company be provided with a higher return on equity due to the
2 Commission's policy of requiring tiered rates for the purpose of
3 encouraging conservation?

4 A. No. Discussion of this issue always centers on the possibility of a drop in
5 revenues. However, there is rarely if any discussion on the possibility that
6 lower consumption would also produce a drop in the variable costs
7 associated with pumping and transporting water which could also result in
8 lower operating expenses. This could lead to no change in, or possibly
9 higher, operating income for the affected water utility. Further, the
10 Commission typically does not recognize ratemaking adjustments based
11 on mere speculation and adheres to the "known and measurable" principle
12 of ratemaking.

13
14 Q. Please comment on Dr. Zepp's observation that ACC final orders issued
15 between May 1997 and October 2001 granted an average return on
16 common equity of 11.28 percent.

17 A. The ACC's return authorizations in the past have no bearing on this case.
18 The purpose of estimating a cost of common equity is to try to determine,
19 as best as possible, what a regulated utility's cost of equity should be after
20 taking into consideration both prevailing and forward-looking economic
21 conditions. Dr. Zepp's argument in this regard is akin to a comparable
22 earning's analysis that would always result in an ROE of 11.28 percent.

23

1 Q. Are there any final remarks that you would like to make regarding your
2 recommended cost of capital for Arizona Water?

3 A. Yes. I would like to reiterate my firm belief that the water utilities that were
4 included in my DCF and CAPM sample fit the Hope decision definition of
5 "other investments with comparable risk." I further believe that the water
6 companies included in my sample closely resemble Arizona Water in
7 terms of both an operating and risk standpoint.

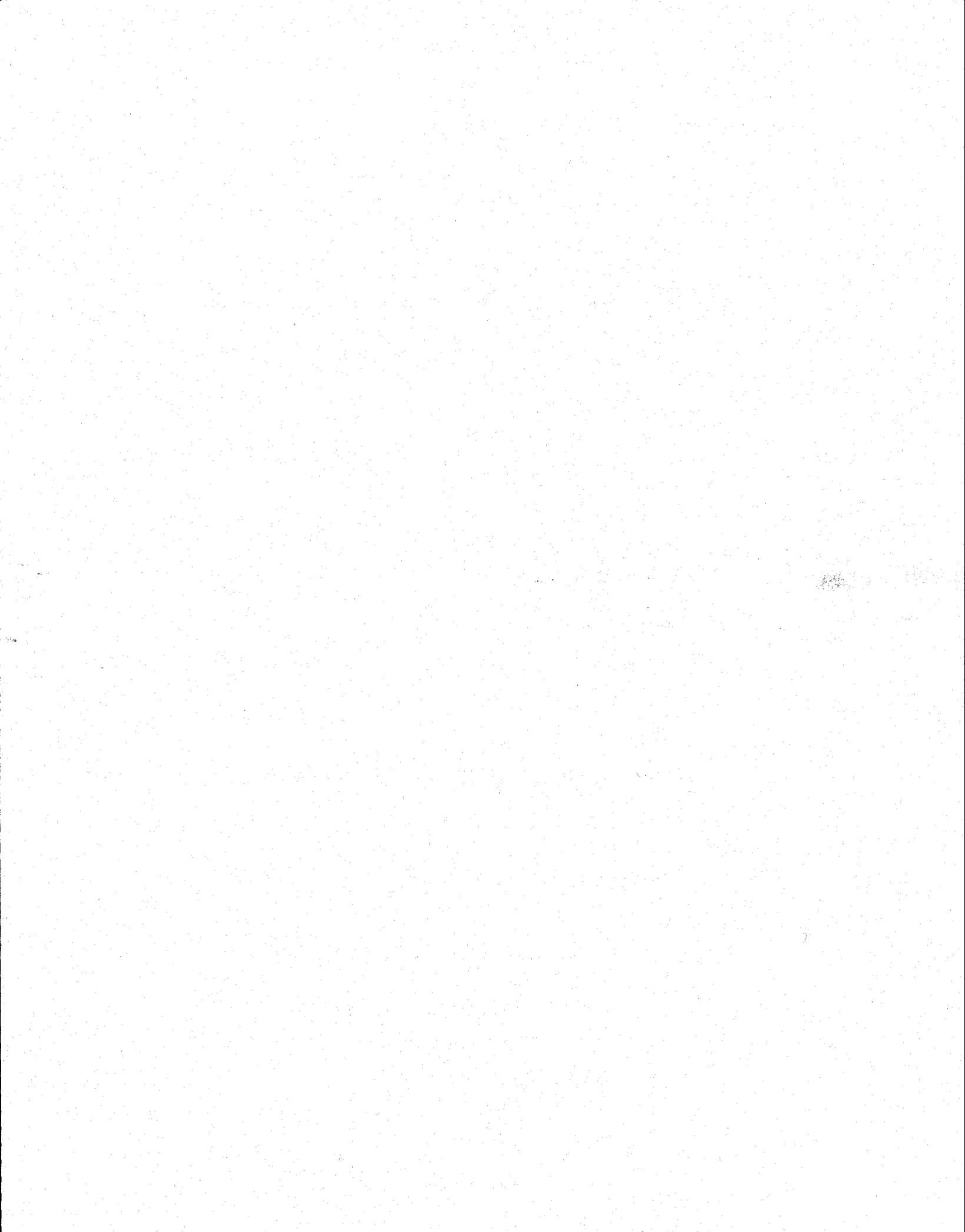
8
9 Q. Does your silence on any of the issues, matters or findings addressed in
10 the testimony of Dr. Zepp or any other witness for Arizona Water
11 constitute your acceptance of their positions on such issues, matters or
12 findings?

13 A. No, it does not.

14

15 Q. Does this conclude your testimony on Arizona Water?

16 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

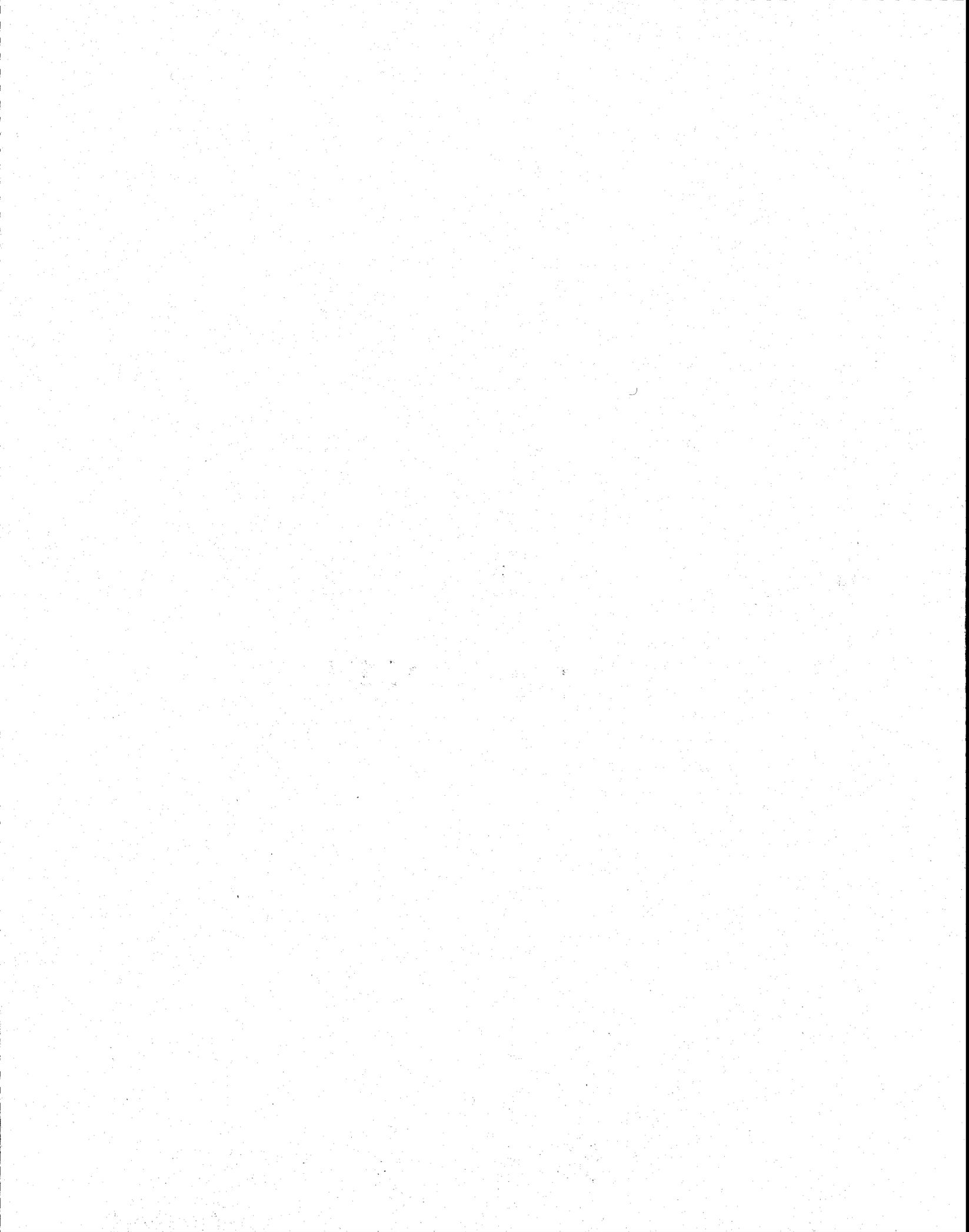
<u>Utility Company</u>	<u>Docket No.</u>	<u>Type of Proceeding</u>
ICR Water Users Association	U-2824-94-389	Original CC&N
Rincon Water Company	U-1723-95-122	Rate Increase
Ash Fork Development Association, Inc.	E-1004-95-124	Rate Increase
Parker Lakeview Estates Homeowners Association, Inc.	U-1853-95-328	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.)

<u>Utility Company</u>	<u>Docket No.</u>	<u>Type of Proceeding</u>
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

RESUME OF RATE CASE AND REGULATORY PARTICIPATION (Cont.)

<u>Utility Company</u>	<u>Docket No.</u>	<u>Type of Proceeding</u>
Arizona-American Water Company	W-01303A-02-0867 et al.	Rate Increase
Arizona Public Service Company	E-01345A-03-0437	Rate Increase
Rio Rico Utilities, Inc.	WS-02676A-03-0434	Rate Increase
Qwest Corporation	T-01051B-03-0454	Renewed Price Cap
Chaparral City Water Company	W-02113A-04-0616	Rate Increase



ATTACHMENT A

CALIFORNIA WATER

NYSE-CWT

RECENT PRICE **35.12**

P/E RATIO **22.7** (Trailing: 21.0 Median: 17.0)

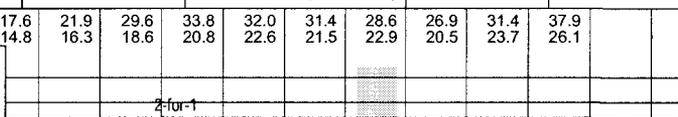
RELATIVE P/E RATIO **1.21**

DIV'D YLD **3.2%**

VALUE LINE

TIMELINESS 3 Raised 8/6/04
SAFETY 2 Lowered 8/11/95
TECHNICAL 2 Raised 1/21/05
BETA .75 (1.00 = Market)

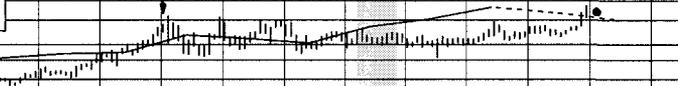
High: 20.6 20.5 17.6 21.9 29.6 33.8 32.0 31.4 28.6
 Low: 16.1 14.7 14.8 16.3 18.6 20.8 22.6 21.5 22.9



Target Price Range 2007-2009
 64
48
40
32
24
20
16
12
8
6

2007-09 PROJECTIONS
 Ann'l Total
 High Price 35
 Low Price 25
 Gain (Nil)
 Return (-30%)

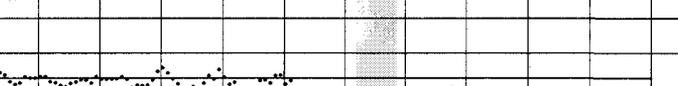
LEGENDS
 1.33 x Dividends p sh
 divided by Interest Rate
 Relative Price Strength
 2-for-1 split 1/98
 Options: No
 Shaded area indicates recession



% TOT. RETURN 12/04
 THIS STOCK 17.2
 VL ARITH. 17.2
 1 yr. 42.9
 3 yr. 66.0
 5 yr. 57.2

Insider Decisions
 M A M J J A S O N
 to Buy 0 0 1 0 0 0 0 0 0 0
 Options 0 0 0 0 0 0 0 0 0 0
 to Sell 0 0 0 0 0 0 0 0 0 1

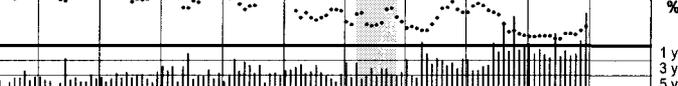
Percent 4.5
 shares 3
 traded 1.5



Institutional Decisions
 1Q2004 2Q2004 3Q2004
 to Buy 42 40 38
 to Sell 19 30 28
 Hrs(000) 3785 4047 3994

MARKET CAP: \$650 million (Small Cap)

Percent 4.5
 shares 3
 traded 1.5



© VALUE LINE PUB., INC. 07-09

1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Revenues per sh	20.65
10.03	10.33	10.93	11.18	12.29	13.34	12.59	13.17	14.48	15.48	14.76	15.96	16.16	16.26	17.33	16.371	17.45	18.45	3.10	3.60
1.87	1.89	1.97	1.98	1.92	2.25	2.02	2.07	2.50	2.92	2.60	2.75	2.52	2.20	2.65	2.51	2.95	3.10	1.70	2.00
1.23	1.20	1.25	1.21	1.09	1.35	1.22	1.17	1.51	1.83	1.45	1.53	1.31	.94	1.25	1.21	1.58	1.70	1.70	2.00
.80	.84	.87	.90	.93	.96	.99	1.02	1.04	1.06	1.07	1.09	1.10	1.12	1.12	1.12	1.13	1.14	1.14	1.18
2.12	2.40	2.36	3.03	3.09	2.53	2.26	2.17	2.83	2.61	2.74	3.44	2.45	4.09	5.82	4.39	3.40	3.65	3.90	3.90
9.30	9.66	10.04	10.35	10.51	10.90	11.56	11.72	12.22	13.00	13.38	13.43	12.90	12.95	13.12	14.44	15.55	15.80	15.80	18.25
11.34	11.38	11.38	11.38	11.38	11.38	12.49	12.54	12.62	12.62	12.62	12.94	15.15	15.18	15.18	16.93	18.35	18.70	18.70	23.00
11.5	10.6	10.4	11.2	14.1	13.6	14.1	13.7	11.9	12.6	17.8	17.8	19.6	27.1	19.8	22.1	18.5	18.5	16.0	16.0
.95	.80	.77	.72	.86	.80	.92	.92	.75	.73	.93	1.01	1.27	1.39	1.08	1.28	.97	.97	1.05	1.05
5.7%	6.6%	6.7%	6.6%	6.1%	5.2%	5.8%	6.4%	5.8%	4.6%	4.2%	4.0%	4.3%	4.4%	4.5%	4.2%	3.9%	3.9%	4.0%	4.0%

CAPITAL STRUCTURE as of 9/30/04
 Total Debt \$272.8 mill. Due in 5 Yrs \$11.0 mill.
 LT Debt \$271.9 mill. LT Interest \$17.5 mill.

157.3	165.1	182.8	195.3	186.3	206.4	244.8	246.8	263.2	277.1	320	345	Revenues (\$mill)	475
14.4	14.7	19.1	23.3	18.4	19.9	20.0	14.4	19.1	19.4	29.0	32.0	Net Profit (\$mill)	45.0
40.0%	40.1%	38.9%	37.4%	36.4%	37.9%	42.3%	39.4%	39.7%	39.9%	40.0%	40.0%	Income Tax Rate	40.0%
---	---	---	---	---	---	---	---	---	---	Nil	Nil	AFUDC % to Net Profit	Nil
46.6%	49.2%	47.4%	45.4%	44.2%	46.9%	48.9%	50.3%	55.3%	52.3%	48.5%	49.5%	Long-Term Debt Ratio	49.0%
52.2%	49.7%	51.4%	53.5%	54.7%	52.0%	50.2%	48.8%	44.0%	47.0%	50.5%	49.5%	Common Equity Ratio	50.0%
276.9	296.0	299.9	306.7	308.6	333.8	388.8	402.7	453.1	520.3	570	600	Total Capital (\$mill)	840
407.9	422.2	443.6	460.4	478.3	515.4	582.0	624.3	697.0	759.5	800	850	Net Plant (\$mill)	985
7.1%	6.8%	8.3%	9.4%	7.8%	7.8%	6.8%	5.3%	5.9%	5.6%	6.5%	7.0%	Return on Total Cap'l	7.0%
9.7%	9.8%	12.1%	13.9%	10.7%	11.2%	10.0%	7.2%	9.4%	7.8%	10.0%	10.5%	Return on Shr. Equity	11.0%
9.9%	9.9%	12.3%	14.1%	10.8%	11.4%	10.1%	7.2%	9.5%	7.9%	10.0%	10.5%	Return on Com Equity	11.0%
1.9%	1.2%	3.8%	6.0%	2.8%	3.5%	1.8%	NMF	1.0%	.7%	3.0%	3.5%	Retained to Com Eq	4.5%
81%	88%	69%	58%	74%	70%	82%	119%	90%	91%	72%	67%	All Div'ds to Net Prof	60%

(LT interest earned: 4.2x; total int. cov.: 3.8x)
Pension Assets-12/03 \$88.4 mill.
 Oblig. \$63.2 mill.
Pfd Stock \$3.5 mill. Pfd Div'd \$1.5 mill.
 139,000 shares, 4.4% cumulative (\$25 par).

46.6%	49.2%	47.4%	45.4%	44.2%	46.9%	48.9%	50.3%	55.3%	52.3%	48.5%	49.5%	Long-Term Debt Ratio	49.0%
52.2%	49.7%	51.4%	53.5%	54.7%	52.0%	50.2%	48.8%	44.0%	47.0%	50.5%	49.5%	Common Equity Ratio	50.0%
276.9	296.0	299.9	306.7	308.6	333.8	388.8	402.7	453.1	520.3	570	600	Total Capital (\$mill)	840
407.9	422.2	443.6	460.4	478.3	515.4	582.0	624.3	697.0	759.5	800	850	Net Plant (\$mill)	985
7.1%	6.8%	8.3%	9.4%	7.8%	7.8%	6.8%	5.3%	5.9%	5.6%	6.5%	7.0%	Return on Total Cap'l	7.0%
9.7%	9.8%	12.1%	13.9%	10.7%	11.2%	10.0%	7.2%	9.4%	7.8%	10.0%	10.5%	Return on Shr. Equity	11.0%
9.9%	9.9%	12.3%	14.1%	10.8%	11.4%	10.1%	7.2%	9.5%	7.9%	10.0%	10.5%	Return on Com Equity	11.0%
1.9%	1.2%	3.8%	6.0%	2.8%	3.5%	1.8%	NMF	1.0%	.7%	3.0%	3.5%	Retained to Com Eq	4.5%
81%	88%	69%	58%	74%	70%	82%	119%	90%	91%	72%	67%	All Div'ds to Net Prof	60%

Common Stock 18,345,496 shs.
 as of 11/4/04
MARKET CAP: \$650 million (Small Cap)

CURRENT POSITION	2002	2003	9/30/04
Cash Assets (\$mill)	1.1	2.9	33.1
Other	41.9	40.6	48.7
Current Assets	43.0	43.5	81.8
Acc'ts Payable	23.7	23.8	26.8
Debt Due	24.8	7.3	.9
Other	43.0	32.5	37.3
Current Liab.	91.5	63.6	65.0
Fix. Chg. Cov.	250%	218%	201%

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '01-'03 to '07-'09
 Revenues 3.0% 2.0% 3.5%
 "Cash Flow" 2.0% -1.5% 6.5%
 Earnings -5% -6.5% 10.0%
 Dividends 2.0% 1.0% 1.0%
 Book Value 2.5% 1.0% 5.0%

BUSINESS: California Water Service Group provides regulated and nonregulated water service to over 2 million people (461,200 customers) in 98 communities in California, Washington, and New Mexico. Main service areas: San Francisco Bay area, Sacramento Valley, Salinas Valley, San Joaquin Valley & parts of Los Angeles. Acquired National Utility Company (5/04); Rio Grande Corp. (11/00). Revenue breakdown, '03: residential, 70%; business, 18%; public authorities, 5%; industrial, 4%; other, 3%. '03 reported deprec. rate: 2.2%. Has about 815 employees. Chairman: Robert W. Foy. President & CEO: Peter C. Nelson. Inc.: Delaware. Address: 1720 North First Street, San Jose, California 95112-4598. Telephone: 408-367-8200. Internet: www.calwater.com.

AN IMPROVING REGULATORY ENVIRONMENT augurs well for California Water Service Group. Despite sluggish and unfavorable rate case rulings in recent years, it appears as though the California Public Utilities Commission (CPUC) has turned over a new leaf. Recent decisions signal that the regulatory climate is improving and that the current regulatory bodies' policies are becoming more-business friendly. CWT has filed its 2004 general rate case for eight districts, including Salinas. The filing, which covers roughly 40% of its total customer base, requests a \$26.5 million in rates in 2005, with increases of \$6.3 million in 2006 and 2007. Meanwhile, the company also has other cases still pending with the commission. Favorable decisions would prove our estimates fairly modest. However, **We look for earnings growth to moderate in 2005.** We are especially concerned about first-half comparisons, as heavy rainfall has put many of the company's wells out of commission in the past few months. As a result, Cal has been forced to purchase water to meet demand, pushing operating costs considerably high-

er. Purchased water can cost five times more than internally produced supplies. We look for growth to pick up as the year progresses and as wells are restored. **Infrastructure costs ought to limit profits out to late decade.** The costs of well and pipeline upkeep has risen and, with the threat of bioterrorism looming, should increase over the next few years. Such costs will force Cal to issue more debt and stock in order to pay the bill. **These shares are not for everyone . . .** They are ranked 3 (Average) for Timeliness. Moreover, they offer little 3- to 5-year gains appeal, as the 20% surge in share price since our October review discounts any gains we envision at this time. Cal shares are already trading slightly above our 2007-2009 Target Price Range. . . . **but should interest those looking for some income.** CWT offers an above-average dividend yield. Investors should also find solace in the fact that the board of directors has increased the company's annual payout in each of the last 37 years. The stock also carries a 2 (Above Average) rank for Safety.

Cal-endar	QUARTERLY REVENUES (\$mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2001	47.0	67.0	76.3	56.5	246.8
2002	51.7	69.2	81.4	60.9	263.2
2003	51.3	68.0	88.2	69.6	277.1
2004	60.2	88.9	97.1	73.8	320
2005	65.0	90.0	105	85.0	345

André J. Costanza January 28, 2005

Cal-endar	EARNINGS PER SHARE A E				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2001	.01	.34	.39	.20	.94
2002	.12	.43	.50	.20	1.25
2003	.05	.30	.53	.41	1.21
2004	.08	.59	.59	.32	1.58
2005	.09	.55	.70	.36	1.70

André J. Costanza January 28, 2005

Cal-endar	QUARTERLY DIVIDENDS PAID B B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2001	.279	.279	.279	.279	1.12
2002	.28	.28	.28	.28	1.12
2003	.281	.281	.281	.281	1.12
2004	.283	.283	.283	.283	1.13

André J. Costanza January 28, 2005

(A) Basic EPS. Excl. nonrecurring gain (loss): '00, (.7); '01, .4¢; Q2 '02, 8¢. Next earnings report due late April.

(B) Dividends historically paid in mid-Feb., May, Aug., Nov. ■ Div'd reinvestment plan available.

(C) Incl. deferred charges. In '03: \$38.0 mill., \$2.25/sh.
 (D) In millions, adjusted for split.
 (E) May not total due to change in shares.

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	90
Earnings Predictability	65

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AQUA AMERICA

NYSE-WTR

RECENT PRICE **24.25**

P/E RATIO **26.6** (Trailing: 29.9 Median: 20.0)

RELATIVE P/E RATIO **1.41**

DIV'D YLD **2.1%**

VALUE LINE

TIMELINESS 4 Lowered 6/4/04
SAFETY 3 Lowered 8/1/03
TECHNICAL 2 Raised 1/7/05
 BETA .75 (1.00 = Market)

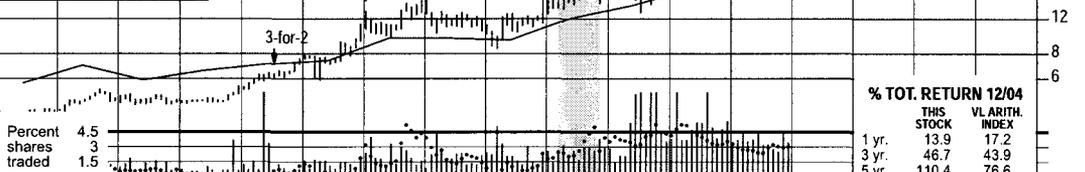
High: 5.3 5.0 5.5 7.6 11.4 15.4 15.4 16.0 19.7 20.0 22.4 24.6
 Low: 4.0 4.4 4.4 5.2 5.9 9.7 10.1 8.4 12.5 12.8 15.8 18.9

LEGENDS
 1.50 x Dividends p sh divided by Interest Rate
 Relative Price Strength
 3-for-2 split 7/96
 4-for-3 split 1/98
 5-for-4 split 12/00
 5-for-4 split 12/01
 5-for-4 split 12/03
 Options: Yes
 Shaded area indicates recession

2007-09 PROJECTIONS
 Ann'l Total
 Price Gain Return
 High 35 (+45%) 11%
 Low 20 (-20%) -2%

Insider Decisions
 M A M J J A S O N
 to Buy 1 0 0 1 0 0 0 0 0
 Options 0 0 1 0 0 0 0 1 0
 to Sell 0 0 2 1 0 1 0 0 0

Institutional Decisions
 1Q2004 2Q2004 3Q2004
 to Buy 93 90 90
 to Sell 73 62 45
 Hkt's(000) 26637 26345 26282



1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Revenues per sh	6.00
4.45	4.53	2.70	2.85	2.43	2.27	2.42	2.45	2.48	2.69	2.79	3.21	3.29	3.59	3.79	3.97	4.65	5.00	Revenues per sh	6.00
.66	.65	.58	.59	.52	.56	.56	.63	.67	.74	.81	.96	1.01	1.15	1.26	1.28	1.45	1.60	"Cash Flow" per sh	1.85
.30	.27	.33	.33	.31	.33	.35	.39	.40	.46	.53	.56	.62	.68	.72	.76	.85	.95	Earnings per sh A	1.20
.24	.24	.26	.26	.27	.27	.28	.29	.30	.32	.34	.36	.38	.40	.43	.46	.49	.52	Div'd Decl'd per sh B	.65
.88	1.15	1.01	.72	.80	.63	.61	.69	.64	.77	1.09	1.20	1.55	1.45	1.60	1.76	1.75	1.75	Cap'l Spending per sh	1.75
2.88	2.92	2.80	2.76	2.79	3.05	3.21	3.28	3.59	3.79	4.28	4.57	5.13	5.53	5.81	7.12	7.30	7.55	Book Value per sh	8.80
28.27	29.45	30.48	31.06	38.40	44.55	44.83	47.81	49.31	50.60	54.15	80.10	83.87	85.48	84.90	92.59	95.00	98.00	Common Shs Outst'g C	100.00
12.3	12.9	10.2	10.8	12.5	14.4	13.5	12.0	15.6	17.8	22.5	21.2	18.2	23.6	23.6	24.5	25.1	25.1	Avg Ann'l P/E Ratio	23.0
1.02	.98	.76	.69	.76	.85	.89	.80	.98	1.03	1.17	1.21	1.18	1.21	1.29	1.42	1.30	1.30	Relative P/E Ratio	1.55
6.5%	6.9%	7.7%	7.2%	6.8%	5.9%	6.0%	6.2%	4.9%	3.9%	2.9%	3.0%	3.3%	2.5%	2.5%	2.5%	2.3%	2.3%	Avg Ann'l Div'd Yield	2.4%

CAPITAL STRUCTURE as of 9/30/04
 Total Debt \$961.5 mill. Due in 5 Yrs \$211.9 mill.
 LT Debt \$772.5 mill. LT Interest \$45.0 mill.
 (Total interest coverage: 3.5x)

Pension Assets-12/03 \$108.7 mill.
 Oblig. \$150.1 mill.

Pfd Stock None

Common Stock 93,254,277 shares as of 10/25/04

MARKET CAP: \$2.3 billion (Mid Cap)

(\$MILL)	2002	2003	9/30/04
Cash Assets	49.7	39.2	18.6
Receivables	57.7	62.3	71.0
Inventory (AvgCst)	4.6	5.8	7.6
Other	2.7	5.1	6.1
Current Assets	114.7	112.4	103.3
Accts Payable	31.1	32.3	15.2
Debt Due	149.4	135.8	189.0
Other	46.0	63.9	81.6
Current Liab.	226.5	232.0	285.8
Fix. Chg. Cov.	347%	344%	331%

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '01-'03 of change (per sh)	to '07-'09
Revenues	4.0%	7.5%	8.0%	8.0%
"Cash Flow"	8.5%	10.5%	7.0%	7.0%
Earnings	8.5%	9.5%	9.0%	9.0%
Dividends	5.0%	6.0%	7.0%	7.0%
Book Value	8.0%	9.5%	6.0%	6.0%

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2001	70.2	77.3	84.7	75.1	307.3
2002	71.7	76.6	91.9	81.8	322.0
2003	80.5	83.4	102.1	101.2	367.2
2004	99.8	106.5	120.3	113.4	440
2005	110	120	130	130	490

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2001	.14	.18	.22	.14	.68
2002	.14	.16	.25	.17	.72
2003	.15	.18	.24	.19	.76
2004	.17	.19	.26	.23	.85
2005	.19	.23	.27	.26	.95

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2001	.099	.099	.099	.106	.40
2002	.106	.106	.106	.112	.43
2003	.112	.112	.112	.12	.46
2004	.12	.12	.12	.13	.49
2005	.13				

108.6	117.0	122.5	136.2	151.0	257.3	275.5	307.3	322.0	367.2	440	490	Revenues (\$mill)	600
15.6	19.0	19.8	23.2	28.8	45.0	50.7	58.5	62.7	67.3	80.0	95.0	Net Profit (\$mill)	120
42.5%	40.4%	41.4%	40.6%	40.5%	38.4%	38.9%	39.3%	38.5%	39.3%	40.0%	40.0%	Income Tax Rate	40.0%
.8%	1.6%	1.3%	4.0%	4.3%	4.4%	5.3%	2.1%	2.2%	3.2%	3.5%	3.5%	AFUDC % to Net Profit	4.0%
50.2%	51.9%	54.1%	54.4%	52.7%	52.9%	52.0%	52.2%	54.2%	51.4%	53.5%	54.5%	Long-Term Debt Ratio	54.0%
47.4%	46.4%	44.0%	44.8%	46.6%	46.7%	47.8%	47.7%	45.8%	48.6%	46.5%	45.5%	Common Equity Ratio	46.0%
303.1	338.0	401.7	427.2	496.6	782.7	901.1	990.4	1076.2	1355.7	1325	1315	Total Capital (\$mill)	1380
385.7	436.9	502.9	534.5	609.8	1135.4	1251.4	1368.1	1490.8	1824.3	1925	2025	Net Plant (\$mill)	2300
7.0%	7.7%	6.8%	7.4%	7.6%	7.6%	7.4%	7.8%	7.6%	6.4%	7.5%	8.5%	Return on Total Cap'l	9.5%
10.4%	11.7%	10.7%	11.9%	12.3%	12.2%	11.7%	12.3%	12.7%	10.2%	11.5%	13.0%	Return on Shr. Equity	13.5%
10.3%	11.7%	11.2%	12.0%	12.4%	12.3%	11.7%	12.4%	12.7%	10.2%	11.0%	12.0%	Return on Com Equity	13.0%
2.1%	3.5%	2.8%	3.6%	4.5%	4.3%	4.7%	5.1%	5.2%	4.2%	5.0%	6.0%	Retained to Com Eq	6.5%
81%	71%	75%	70%	64%	65%	60%	59%	59%	59%	59%	54%	All Div'ds to Net Prof	53%

BUSINESS: Aqua America, Inc. is the holding company for water and wastewater utilities that serve approximately 2.5 million residents in Pennsylvania, Ohio, New Jersey, Illinois, Maine, North Carolina, Texas, Florida, Kentucky, and five other states. Divested three of four non-water businesses in '91; telemarketing group in '93; and others. Acquired Consumers Water, 4/99; AquaSource, 7/03; and others. Water supply revenues '03: residential, 59%; commercial, 17%; industrial & other, 24%. Officers and directors own 1.4% of the common stock (4/04 Proxy). Chairman & Chief Executive Officer: Nicholas DeBenedictis. Incorporated: Pennsylvania. Address: 762 West Lancaster Avenue, Bryn Mawr, Pennsylvania 19010. Telephone: 610-525-1400. Internet: www.aquaamerica.com.

We look for Aqua America to post an earnings gain of 12% in 2005, following last year's likely advance of almost 12%. The revenue increase was primarily a result of acquisitions. Heavier-than-usual rainfall in 2004's final quarter likely dampened earnings by as much as \$0.03.

Aqua America completed 29 acquisitions in 2004. These purchases were primarily funded with long- and short-term debt. Unsecured notes were the company's preferred way of securing capital, and the year-end close of the ratio of long-term debt to total capital was probably 54%. The interest rate on most of the company's current long-term debt is in the range of 5% to 6.5%. The first addition of 2005 was a water system in Texas at a cost of about \$325,000. Aqua sees its southern markets as an appealing expansion avenue.

The company has been relatively successful in achieving rate increases, within this heavily regulated industry. Most recently, Aqua won a 5% rate hike in Pennsylvania. This is equivalent to \$13.8 million in annual revenues. The company is also on the verge of a rate hike in Texas, which should be finalized in May. If so,

this would raise revenues by about \$12 million per annum. Utility commissions are more apt to award increases due to rising capital costs rather than operating expenses. In Aqua's case, rate increases have also been influenced by the it's ability to lower the ratio of expenses to revenues.

This untimely stock's price-to-earnings ratio is somewhat above its traditional norm. Consequently, despite decent earnings growth prospects, this equity's appreciation potential to 2007-2009 is unattractive. The percentage of dividends to net profit has been generally trending down since 1994, and we don't expect this to be reversed in the coming years. The increase in retained earnings, combined with the likeliness of a rising debt level, accounts for our projection that earnings growth in the coming 3 to 5 years will exceed the 8.5% average increase (per Annual Rate box) over the past 10 years. The company's top rank for Earnings Predictability, along with high marks for the Stock's Price Stability and Growth Persistence, may well appeal to conservative investors.

Marc Denton
 January 28, 2005

(A) Primary shares outstanding through '96; diluted thereafter. Excl. nonrec. gains (losses): '90, (38¢); '91, (34¢); '92, (38¢); '99, (11¢); '00, 2¢; '01, 2¢; '02, 5¢; '03, 4¢. Excl. gain from disc. operations: '96, 2¢. Next earnings report due early February. (B) Dividends historically paid in early March, June, Sept. & Dec. ■ Div'd reinvestment plan available (5% discount). (C) In millions, adjusted for stock splits.

Company's Financial Strength	B+
Stock's Price Stability	85
Price Growth Persistence	95
Earnings Predictability	100

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ATTACHMENT B

The Water Utility industry looks as though it rebounded from a tough 2003 and posted a solid earnings recovery last year. Faster and more favorable relief rate case rulings appears to be responsible for the turnaround and we expect them to continue over the next few quarters.

Nonetheless, Water Utility stocks' gains trailed the broad market in recent months and, as a result, continue to be ranked near the bottom of the *Value Line* universe. Infrastructure costs will likely limit earnings growth going forward, as the high expenses associated with maintaining and improving the country's water-distribution systems continue to rise.

Larger companies should boost profits via acquisitions, as more intense capital requirements prompt smaller businesses to close shop.

Regulatory Assistance

Water utilities have been hindered by unfavorable and delayed rate relief case rulings in recent years. However, it finally looks as though brighter days may be ahead. Some governing bodies are picking up the pace. In California, for example, the California Public Utilities Commission (CPUC) has handed down a number of favorable rate-relief rulings in recent months. With the California electric crisis seemingly behind it, the current administration seems intent on delivering more-timely rulings. As a result, *American States Water Company* and *California Water Service Group* both rebounded solidly in 2004 and should continue to do so moving forward.

Infrastructure Costs

Industry regulations in the water industry continue to be demanding. Although the Safe Drinking Water Act (SDWA) of 1974 remains the authority surrounding the safety and purity of drinking water, an amendment in 1996 authorized the Environmental Protection Agency (EPA) to step up local compliance levels. Now the EPA works with local and state governments to oversee the safety of drinking water. However, these standards will likely only become more stringent in the next few years, as the aging of current facilities and the threat of terrorist activity ought to result in tighter standards. The majority of the current water systems are over a century old and require a make over. Costs associated

INDUSTRY TIMELINESS: 95 (of 98)

with the updates are likely to grow into the hundreds of billions of dollars over the next decade or two. Strapped local and federal capital reserves will force water companies to meet the higher capital requirement levels alone.

Buying Opportunity

Many smaller water companies lack the capital requirements to keep up with the rising costs associated with staying in compliance with government standards. As a result, the industry has been, and will likely continue to be, home to further consolidation. Larger companies with the market scale to withstand the increased costs are taking advantage of this situation, growing their businesses at relatively low costs and diversifying their operations into less regulated and more-rapidly developing areas of the U.S. Although each of the companies we cover have participated in the consolidation to some extent, *Aqua America*, is clearly leading the way. It has made over 20 acquisitions since the close of 2003 and does not appear to be slowing down. We think that the current theme will persist, as restructuring costs continue to rise.

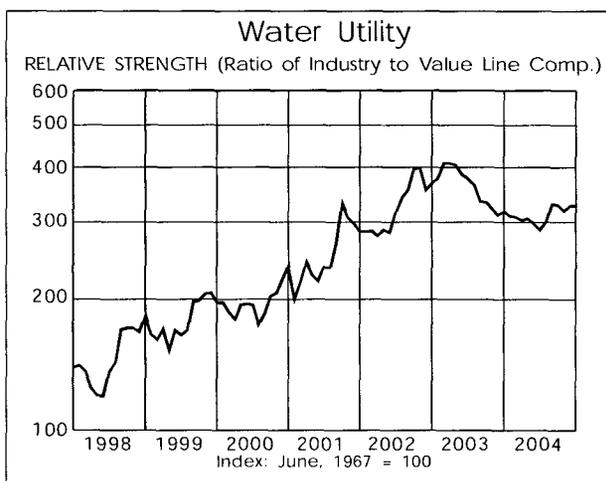
Investment Advice

None of the issues covered in the next few pages stand out for capital-gains potential. Not one carries a higher than 3 (Average) rank for the year ahead or offers more than modest appreciation potential out to 2007-2009. In fact, each of the stock's covered in the Water Utilities industry hold below average long-term gains appeal. As a result, growth-minded investors will want to look elsewhere.

Income-oriented investors may have a more positive view, though. The industry, as a whole, offers an above average dividend yield. *American States Water* offers the highest payout ratio. More risk-averse individuals may find added appeal in *California Water*, given its 2 (Above Average) rank for Safety. However, as always, we advise investors to carefully study individual reports that follow before making commitments.

Andre J. Costanza

Composite Statistics: Water Utility Industry							
2000	2001	2002	2003	2004	2005		07-09
704.3	751.8	794.4	857.0	990	1090	Revenues (\$mill)	1345
90.9	95.4	106.6	98.6	130	150	Net Profit (\$mill)	205
41.2%	40.2%	38.8%	40.0%	40.0%	40.0%	Income Tax Rate	40.0%
-	--	--	--	Nil	Nil	AFUDC % to Net Profit	Nil
50.3%	52.4%	53.9%	51.2%	51.0%	51.0%	Long-Term Debt Ratio	50.0%
49.3%	47.2%	45.9%	48.6%	49.0%	49.0%	Common Equity Ratio	50.0%
1661.0	1840.7	1973.6	2296.4	2615	2870	Total Capital (\$mill)	3550
2342.5	2532.2	2751.1	3186.1	3400	3605	Net Plant (\$mill)	4150
7.0%	6.8%	7.0%	5.9%	6.5%	7.0%	Return on Total Cap'l	7.0%
10.7%	10.6%	11.2%	8.8%	9.5%	9.5%	Return on Shr. Equity	10.0%
10.8%	10.7%	11.2%	8.8%	9.5%	9.5%	Return on Com Equity	10.0%
3.6%	3.3%	3.8%	2.5%	3.5%	4.0%	Retained to Com Eq	4.5%
67%	69%	66%	72%	62%	58%	All Div'ds to Net Prof	52%
18.6	22.6	21.5	26.0	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	18.0
1.21	1.16	1.17	1.49			Relative P/E Ratio	1.20
3.6%	3.1%	3.1%	2.8%			Avg Ann'l Div'd Yield	3.5%



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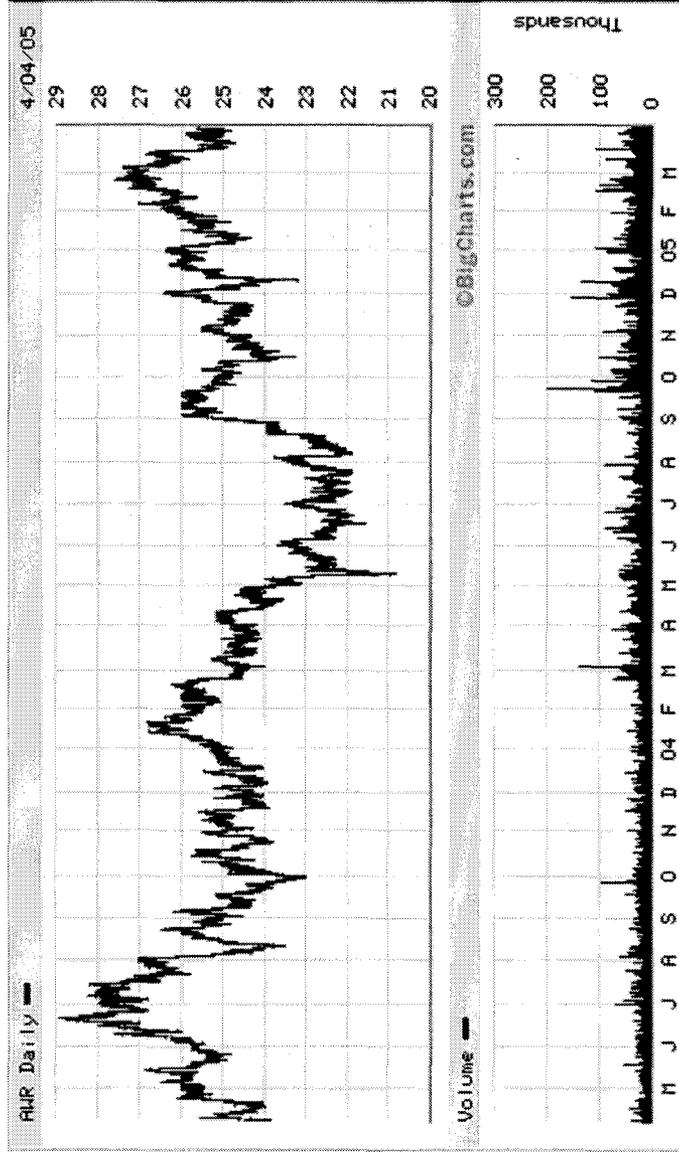
AWR American Sits Wtr Co (NYSE) 4/4/2005 4:01 PM

Last: **25.60** Change: **+0.50** Open: **25.10** High: **25.63** Low: **25.00** Volume: **38,600**

Percent Change: **+1.99%** Yield: **3.52%** P/E Ratio: **21.69** 52 Week Range: **20.82 to 27.63**

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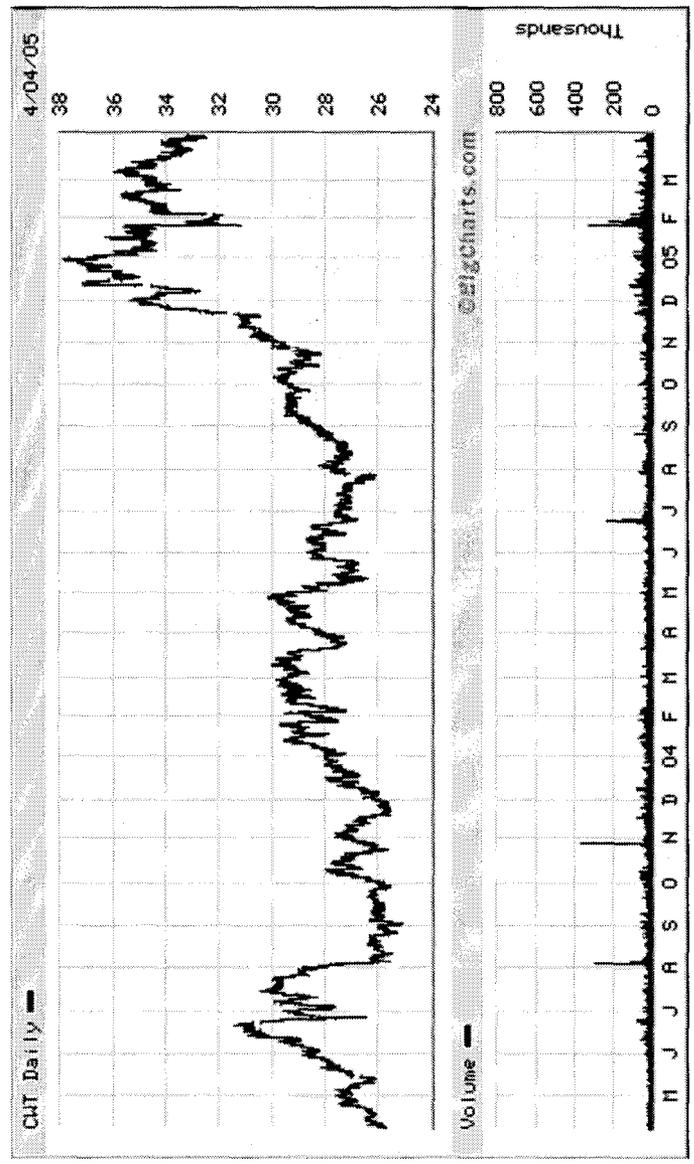
CWT California Wtr Svc Group (NYSE) 4/4/2005 4:03 PM

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Last: 33.16 Change: +0.29 Open: **32.65** High: **33.27** Low: **32.55** Volume: **25,300**
 Percent Change: **+0.88%** Yield: **3.44%** P/E Ratio: **22.71** 52 Week Range: **26.08 to 37.90**

7 Top Stocks for April

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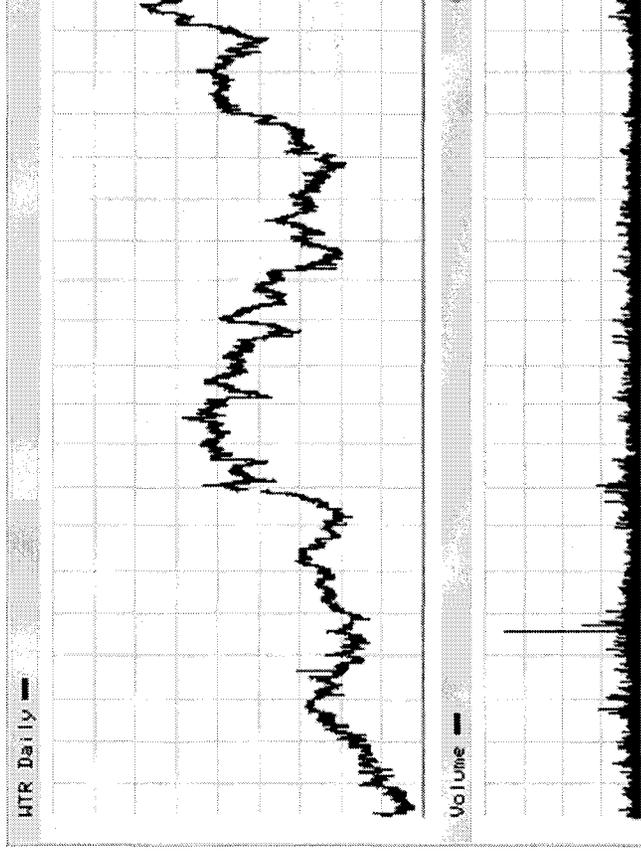
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Last: **24.62** Change: +0.42 Open: **24.24** High: **24.62** Low: **24.04** Volume: **98,000**

+1.74% Percent Change: **2.11%** Yield: **28.96** 52 Week Range: **18.90 to 25.83**

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CTWS Connecticut Water Service Inc (NASDAQ: NIM) 4/4/2005 4:00 PM

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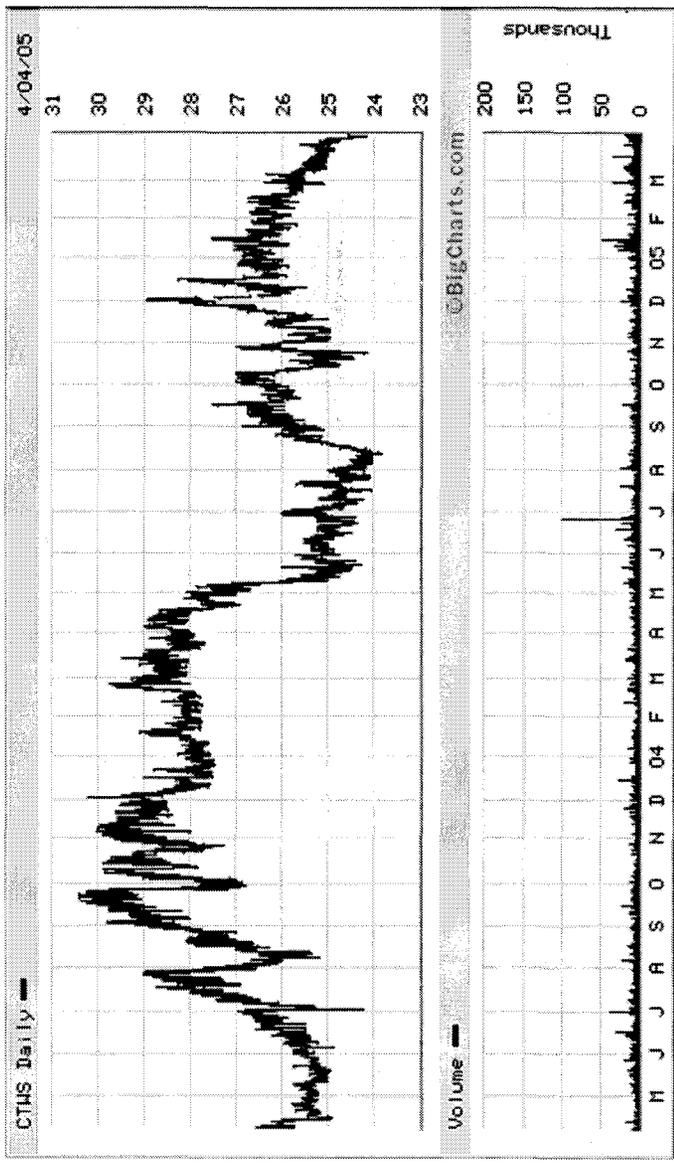
Last: **24.57** Change: -0.03 Open: **24.57** High: **24.57** Low: **24.20** Volume: **19,232**

Percent Change: **-0.12%** Yield: **3.42%** P/E Ratio: **21.18** 52 Week Range: **23.83 to 29.00**

7 Top Stocks for April

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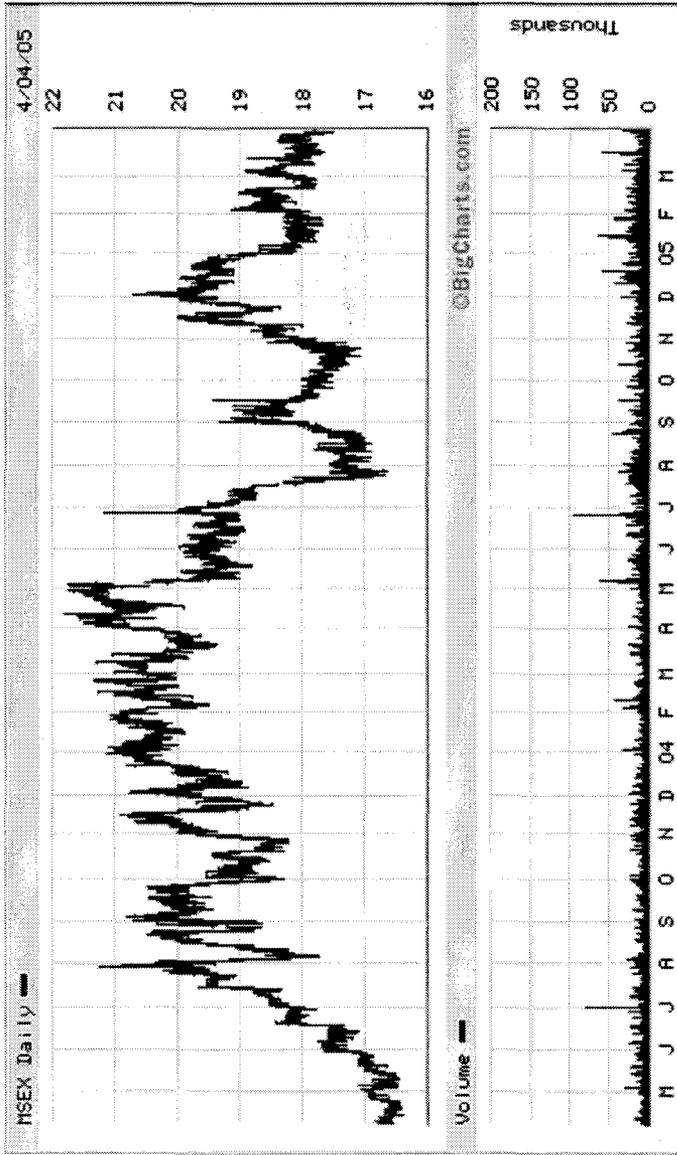
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Last: **17.81** Change: **+0.06** Open: **17.76** High: **17.97** Low: **17.53** Volume: **31,311**

Percent Change: **+0.34%** Yield: **3.76%** P/E Ratio: **24.40** 52 Week Range: **16.65 to 21.81**

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SJW SJW Corporation (AMEX)

4/4/2005 4:00 PM

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Last: **36.01** Change: **+0.82** Open: **35.30** High: **36.05** Low: **35.30** Volume: **6,100**

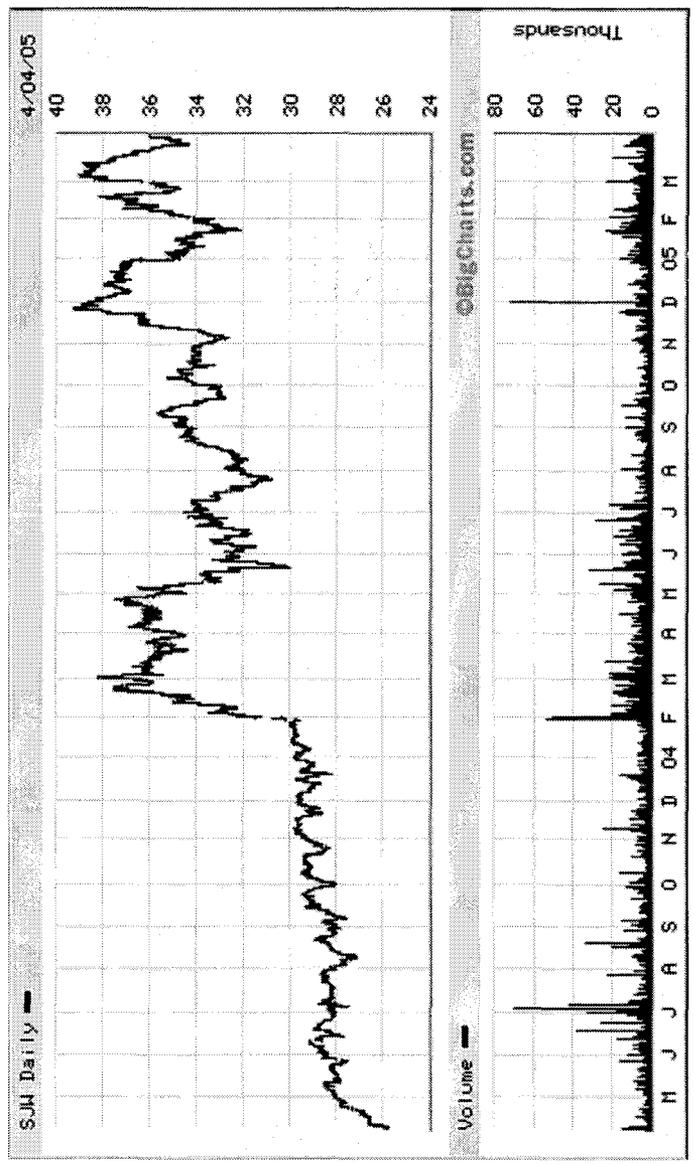
Percent Change: **+2.33%** Yield: **2.97%** P/E Ratio: **16.75** 52 Week Range: **30.01 to 39.10**

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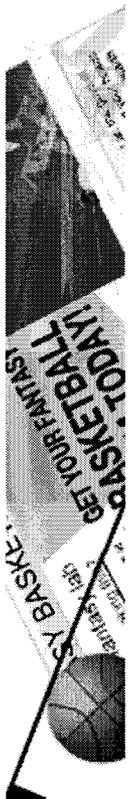
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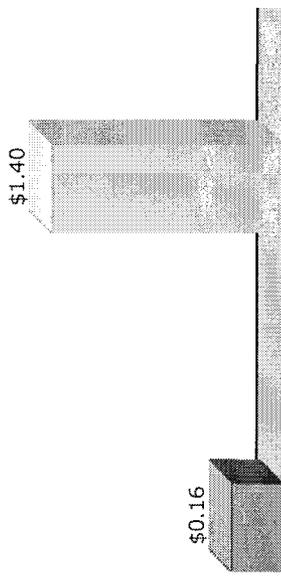
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Earnings Estimates

EARNINGS PER SHARE (EPS) ESTIMATES - AMER STATES WTR (AWR)

Analyst Estimates	Current Estimates			
	This qtr Mar-05	Next qtr Jun-05	This yr Dec-05	Next yr Dec-06
Current Average Estimate	-	-	1.40	-
High	-	-	1.40	-
Low	-	-	1.40	-
# of Analysts	0	0	1	0
Year ago actual	0.08	0.44	1.18	-
EPS growth (year-over-year)	-	-	18.64%	-



ANALYST RECOMMENDATIONS - AMER STATES WTR (AWR)

Recommendation History

Recommendation History	Current Recommendations		
	1-month	2-month	3-month
Strong Buy	0	0	0
Mod Buy	0	0	0

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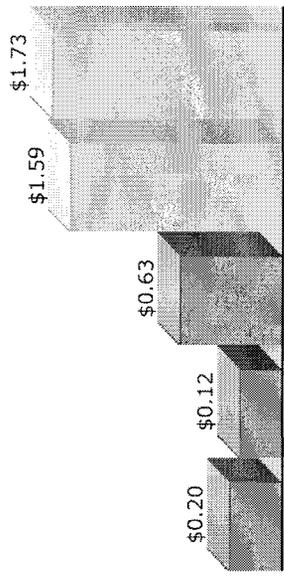
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Earnings Estimates

EARNINGS PER SHARE (EPS) ESTIMATES - CALIF WATER SVC (CWT)

Analyst Estimates	Current Estimates				Actual Last qtr	This qtr	Next qtr	This yr Dec-05	Next yr Dec-06
	Year ago actual	EPS growth (year-over-year)	Mar-05	Jun-05					
Current Average Estimate	0.08	45.83%	0.12	0.63	0.12	0.63	1.59	1.73	
High			0.16	0.64	0.16	0.64	1.60	1.75	
Low			0.09	0.61	0.09	0.61	1.55	1.72	
# of Analysts	3		3	3	3	3	5	3	
Year ago actual	0.08	45.83%	0.08	0.59	0.08	0.59	1.46	-	
EPS growth (year-over-year)			45.83%	6.21%	8.90%	9.01%			



ANALYST RECOMMENDATIONS - CALIF WATER SVC (CWT)

Recommendation History

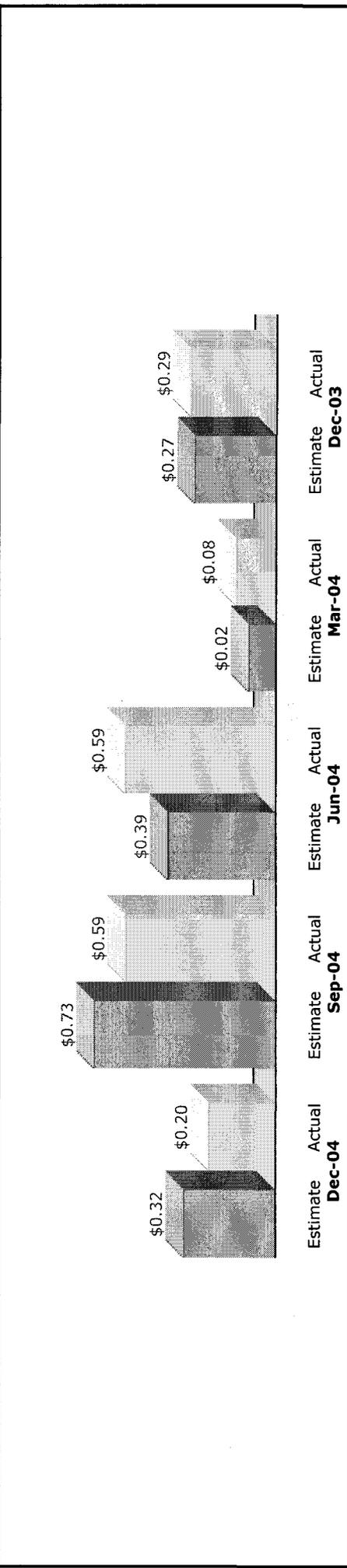
Recommendation History	Current Recommendations			
	Current	1-month	2-month	3-month
Strong Buy	1	1	0	0
Mod Buy	1	1	1	1
Number of brokers	1	1	1	1

Hold	3	4	4	4	3
Mod Sell	0	0	0	0	0
Strong Sell	0	0	0	0	0
Average Recommendation					
Consensus	2.4	2.5	2.8	2.8	2.4
1-Strong Buy, 5-Strong Sell					
			Strong Buy		Strong Sell

EPS TRENDS / GROWTH

Consensus EPS Trend		Earnings Growth Rate				
	This qtr Mar-05	Next qtr Jun-05	This yr Dec-05	Next yr Dec-06	Long Term	
Current	0.12	0.63	1.59	1.73	7.67%	CWT
7 Days Ago	0.11	0.61	1.59	1.73	7.67%	UTIL-WATER SPL
1 Month Ago	0.12	0.62	1.61	1.73	7.67%	S&P 500
2 Months Ago	0.10	0.61	1.61	1.74	6.00%	
3 Months Ago	0.11	0.58	1.68	-	6.00%	
			Last 5 years	This yr (Dec-05)	Next yr (Dec-06)	Next 5 years
			7.10%	18.30%	23.60%	6.00%
			8.40%	(4.00%)	13.30%	6.30%
						17.50%

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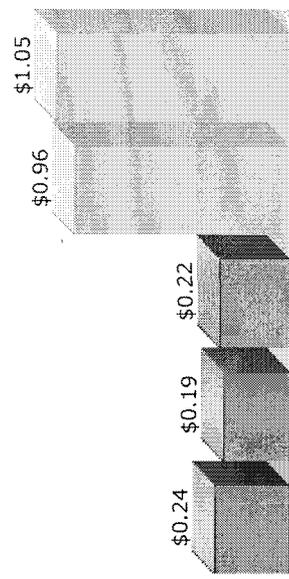
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Earnings Estimates

EARNINGS PER SHARE (EPS) ESTIMATES - AQUA AMER INC (WTR)

Analyst Estimates	Current Estimates				
	This qtr Mar-05	Next qtr Jun-05	This Yr Dec-05	Next Yr Dec-06	Actual Last qtr
Current Average Estimate	0.19	0.22	0.96	1.05	
High	0.20	0.23	1.00	1.10	
Low	0.19	0.20	0.95	1.02	
# of Analysts	3	3	4	3	
Year ago actual	0.17	0.19	0.85	-	
EPS growth (year-over-year)	13.73%	15.79%	13.53%	9.15%	

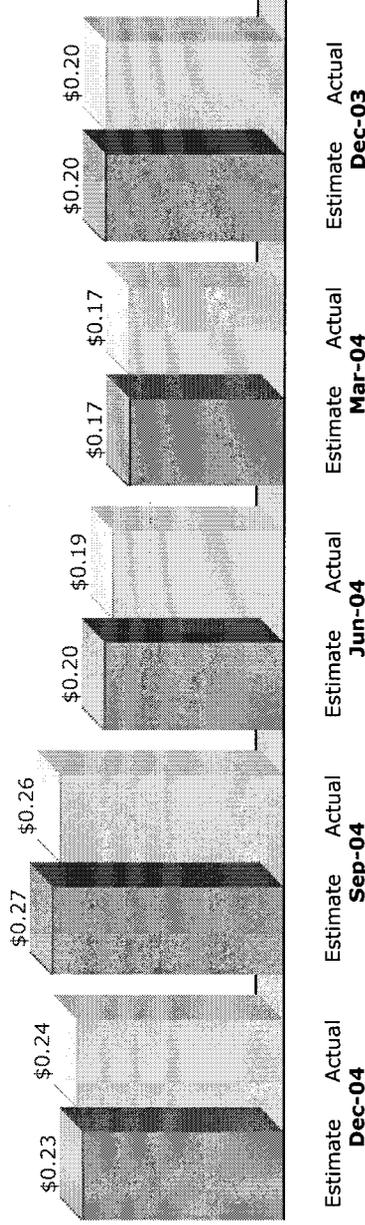


ANALYST RECOMMENDATIONS - AQUA AMER INC (WTR)

Recommendation History	Current Recommendations			
	Current	1-month	2-month	3-month
Strong Buy	3	3	3	3
Mod Buy	1	1	1	1
				Number of brokers
				Strong Buy 3
				Mod Buy 1

Hold	1	1	2	3	Hold	1
Mod Sell	0	0	0	0	Mod Sell	0
Strong Sell	0	0	0	0	Strong Sell	0
Average Recommendation						
Consensus	1.6	1.6	1.83	2	Consensus	1.6
1-Strong Buy,5-Strong Sell						Strong Buy
						Strong Sell

EARNINGS SURPRISE HISTORY



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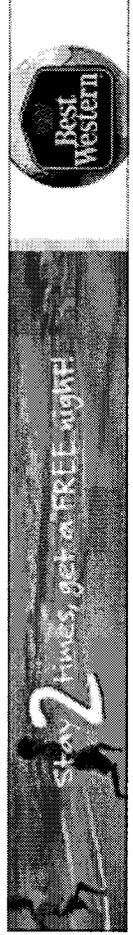
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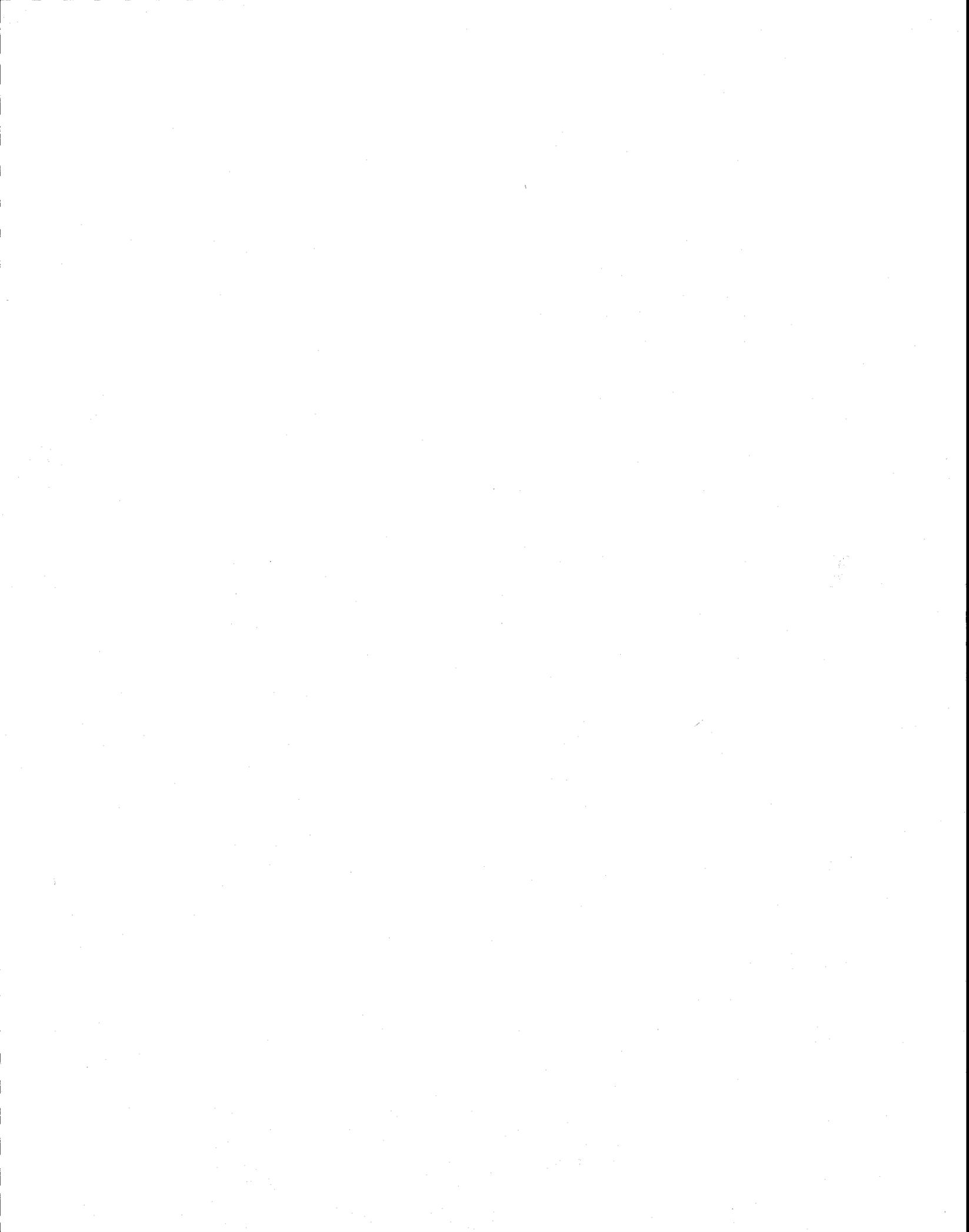
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WAR - 2	DCF COST OF EQUITY CAPITAL
WAR - 3	DIVIDEND YIELD CALCULATION
WAR - 4	DIVIDEND GROWTH RATE CALCULATION
WAR - 5	DIVIDEND GROWTH COMPONENTS
WAR - 6	GROWTH RATE COMPARISON
WAR - 7	CAPM COST OF EQUITY CAPITAL
WAR - 8	ECONOMIC INDICATORS - 1990 TO PRESENT
WAR - 9	CAPITAL STRUCTURES OF PUBLICLY TRADED WATER COMPANIES

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 COST OF CAPITAL SUMMARY

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR - 1

LINE NO.	DESCRIPTION	(A) WATER CAPITALIZATION PER COMPANY	(B) RUCO ADJUSTMENTS	(C) RUCO ADJUSTED CAPITALIZATION	(D) CAPITAL RATIO	(E) COST	(F) WEIGHTED COST
1	LONG-TERM DEBT	22,200,000	-	\$ 22,200,000	26.65%	8.43%	2.25%
2	SHORT-TERM DEBT	-	-	-	0.00%	0.00%	0.00%
3	COMMON EQUITY	61,116,374	-	61,116,374	73.35%	9.44%	6.92%
4	TOTAL CAPITALIZATION	\$ 83,316,374	-	\$ 83,316,374	100.00%		
5	COST OF CAPITAL						9.17%

REFERENCES:

- COLUMN (A): COMPANY SCHEDULE D-1
- COLUMN (B): TESTIMONY, WAR
- COLUMN (C): COLUMN (A) + COLUMN (B)
- COLUMN (D): COLUMN (C) + COLUMN (C), LINE 4
- COLUMN (E): TESTIMONY, WAR
- COLUMN (F): COLUMN (D) x COLUMN (E)

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 DCF COST OF EQUITY CAPITAL

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR - 2

LINE NO.	STOCK SYMBOL	COMPANY	(A) DIVIDEND YIELD	+	(B) GROWTH RATE (g)	=	(C) DCF COST OF EQUITY CAPITAL
1	AWR	AMERICAN STATES WATER CO.	3.42%	+	6.50%	=	9.92%
2	CWT	CALIFORNIA WATER SERVICE GROUP	3.29%	+	5.81%	=	9.10%
3	WTR	AQUA AMERICA	2.11%	+	7.19%	=	9.30%
4	WATER COMPANY AVERAGE						9.44%

REFERENCES:

COLUMN (A): SCHEDULE WAR - 3, COLUMN C
 COLUMN (B): SCHEDULE WAR - 4, PAGE 1, COLUMN C
 COLUMN (C): COLUMN (A) + COLUMN (B)

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 DIVIDEND YIELD CALCULATION

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR - 3

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.	\$0.90	÷	\$26.31	=	3.42%
2	CWT	CALIFORNIA WATER SERVICE GROUP	1.13	÷	34.36	=	3.29%
3	WTR	AQUA AMERICA	0.52	÷	24.68	=	2.11%
4	WATER COMPANY AVERAGE						2.94%

REFERENCES:

- COLUMN (A): ESTIMATED 12 MONTH DIVIDEND REPORTED IN VALUE LINE INVESTMENT SURVEY - SUMMARY AND INDEX DATED 01/28/05.
- COLUMN (B): EIGHT WEEK AVERAGE OF CLOSING PRICES FROM 02/07/05 TO 04/01/05 STOCK QUOTES OBTAINED THROUGH BIG CHARTS WEB SITE - HISTORICAL QUOTES (www.bigcharts.com).
- COLUMN (C): COLUMN (A) ÷ COLUMN (B)

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 DIVIDEND GROWTH RATE CALCULATION

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR - 4
 PAGE 1 OF 2

LINE NO.	STOCK SYMBOL	COMPANY	(A) INTERNAL GROWTH (br)	+	(B) EXTERNAL GROWTH (sv)	=	(C) DIVIDEND GROWTH (g)
1	AWR	AMERICAN STATES WATER CO.	6.00%	+	0.50%	=	6.50%
2	CWT	CALIFORNIA WATER SERVICE GROUP	4.75%	+	1.06%	=	5.81%
3	WTR	AQUA AMERICA	6.00%	+	1.19%	=	7.19%
4	WATER COMPANY AVERAGE						6.50%

REFERENCES:
 COLUMN (A): TESTIMONY, WAR
 COLUMN (B): SCHEDULE WAR - 4, PAGE 2, COLUMN C
 COLUMN (C): COLUMN (A) + COLUMN (B)

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 DIVIDEND GROWTH RATE CALCULATION

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR - 4
 PAGE 2 OF 2

LINE NO.	STOCK SYMBOL	COMPANY	(A) SHARE GROWTH	(B) $x \{ [((M + B) + 1) \div 2] - 1 \}$	(C) EXTERNAL GROWTH (sv)
1	AWR	AMERICAN STATES WATER CO.	1.25%	$x \{ [((1.80) + 1) \div 2] - 1 \}$	= 0.50%
2	CWT	CALIFORNIA WATER SERVICE GROUP	1.75%	$x \{ [((2.21) + 1) \div 2] - 1 \}$	= 1.06%
3	WTR	AQUA AMERICA	1.00%	$x \{ [((3.38) + 1) \div 2] - 1 \}$	= 1.19%

REFERENCES:

- COLUMN (A): TESTIMONY, WAR
- COLUMN (B): VALUE LINE INVESTMENT SURVEY, 01/28/05
- COLUMN (C): COLUMN (A) x COLUMN (B)

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 DIVIDEND GROWTH COMPONENTS

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR - 5

LINE NO.	STOCK SYMBOL	COMPANY	OPERATING PERIOD	(A) RETENTION RATIO (b)	(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.	1999	0.2857	10.10%	2.89%	11.82	13.44	
2			2000	0.3281	9.30%	3.05%	12.74	15.12	
3			2001	0.3556	10.10%	3.59%	13.22	15.18	
4			2002	0.3507	9.50%	3.33%	14.05	15.18	
5			2003	-0.2222	5.60%	-1.24%	13.97	15.21	
6			GROWTH 1999 - 2003			2.32%	4.00%		3.14%
7			2004	0.2328	9.00%	2.09%		16.75	10.12%
8			2005	0.3793	9.50%	3.60%		17.25	6.50%
9			2007-09	0.5200	10.50%	5.46%	4.00%	19.00	4.55%
10									
11	CWT	CALIFORNIA WATER SERVICE GROUP	1999	0.2876	11.40%	3.28%	13.43	12.94	
12			2000	0.1603	10.10%	1.62%	12.90	15.15	
13			2001	-0.1915	7.20%	-1.38%	12.95	15.18	
14			2002	0.1040	9.50%	0.99%	13.12	15.18	
15			2003	0.0744	7.90%	0.59%	14.44	16.93	
16			GROWTH 1999 - 2003			1.02%	1.00%		6.95%
17			2004	0.2848	10.00%	2.85%		18.35	8.39%
18			2005	0.3294	10.50%	3.46%		18.70	5.10%
19			2007-09	0.4100	11.00%	4.51%	5.00%	23.00	6.32%
20									
21	WTR	AQUA AMERICA	1999	0.3571	12.30%	4.39%	4.57	80.10	
22			2000	0.3871	11.70%	4.53%	5.13	83.87	
23			2001	0.4118	12.40%	5.11%	5.53	85.48	
24			2002	0.4028	12.70%	5.12%	5.81	84.90	
25			2003	0.3947	10.20%	4.03%	7.12	92.59	
26			GROWTH 1999 - 2003			4.63%	9.50%		3.69%
27			2004	0.4235	11.00%	4.66%		95.00	2.60%
28			2005	0.4526	12.00%	5.43%		98.00	2.88%
29			2007-09	0.4583	13.00%	5.96%	6.00%	100.00	1.55%

REFERENCES:

COLUMNS (A) & (B): VALUE LINE INVESTMENT SURVEY

- RATINGS & REPORTS DATED 01/28/05

COLUMN (C): COLUMN (A) x COLUMN (B)

COLUMN (D): LINES 6, 16 & 26, SIMPLE AVERAGE GROWTH, 1999 - 2003

COLUMN (D): VALUE LINE INVESTMENT SURVEY

COLUMN (E): LINES 6, 16 & 26, COMPOUND GROWTH RATE

COLUMN (E): VALUE LINE INVESTMENT SURVEY

COLUMN (F): COMPOUND GROWTH RATES OF DATES SHOWN

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 GROWTH RATE COMPARISON

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR - 6

LINE NO.	STOCK SYMBOL	(A)		(B)		(C)		(D)		(E)		(F)			
		(br.)	(sv)	ZACKS	EPS	VALUE LINE PROJECTED	BVPS	EPS	VALUE LINE HISTORIC	BVPS	VALUE LINE & ZACKS AVGS.	EPS	5 - YEAR COMPOUND HISTORY	DPS	BVPS
1	AWR	6.50%		-	9.50%	1.50%	4.00%	1.50%	1.00%	4.00%	3.58%	-11.80%	0.87%		4.27%
2	CWT	5.81%		6.00%	10.00%	1.00%	5.00%	-6.50%	1.00%	1.00%	2.50%	-5.70%	0.68%		1.83%
3	WTR	7.19%		-	9.00%	7.00%	6.00%	9.50%	6.00%	9.50%	7.83%	7.93%	6.32%		11.72%
4						3.17%	5.00%	1.50%	2.67%	4.83%		-3.19%	2.62%		5.94%
5	AVERAGES	6.50%		6.00%		5.89%			3.00%		4.64%		1.79%		

REFERENCES:

- COLUMN (A): SCHEDULE WAR - 4, PAGE 1, COLUMN C
- COLUMN (B): ZACKS INVESTMENT RESEARCH (www.zacks.com)
- COLUMN (C): VALUE LINE INVESTMENT SURVEY - RATINGS & REPORTS DATED 01/28/05
- COLUMN (D): VALUE LINE INVESTMENT SURVEY - RATINGS & REPORTS DATED 01/28/05
- 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 01/28/05

BASED ON A GEOMETRIC MEAN:

LINE NO.	STOCK SYMBOL	(A)				(B) EXPECTED RETURN
		k = r _f	+ [β	x (r _m - r _f)]	=	
1	AWR	k = 2.70%	+ [0.70	x (10.40% - 2.70%)]	=	8.09%
2	CWT	k = 2.70%	+ [0.75	x (10.40% - 2.70%)]	=	8.48%
3	WTR	k = 2.70%	+ [0.75	x (10.40% - 2.70%)]	=	8.48%
4	AVERAGE			<u>0.73</u>		<u>8.35%</u>

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) A 6-WEEK AVERAGE OF THE 91-DAY T-BILL RATES THAT APPEARED IN VALUE LINE INVESTMENT SURVEY'S "SELECTION & OPINIONS" PUBLICATION FROM 02/25/05 THROUGH 04/01/05 WAS USED AS A RISK FREE RATE OF RETURN.
- (b) THE MARKET RATE PROXY USED WAS THE ARITHMETIC MEAN FOR S&P 500 RETURNS OVER THE 1926 - 2003 PERIOD. THE DATA WAS OBTAINED FROM IBBOTSON ASSOCIATES' STOCKS, BONDS, BILLS AND INFLATION: 2004 YEARBOOK.

BASED ON AN ARITHMETIC MEAN:

LINE NO.	STOCK SYMBOL	(A)				(B) EXPECTED RETURN
		$k = r_f$	$+ [\beta$	$\times (r_m - r_f)] =$		
1	AWR	$k = 2.70\%$	$+ [0.70$	$\times (12.40\% - 2.70\%)] =$	9.49%	
2	CWT	$k = 2.70\%$	$+ [0.75$	$\times (12.40\% - 2.70\%)] =$	9.98%	
3	WTR	$k = 2.70\%$	$+ [0.75$	$\times (12.40\% - 2.70\%)] =$	9.98%	
4	AVERAGE		$[0.73$		9.81%	

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) A 6-WEEK AVERAGE OF THE 91-DAY T-BILL RATES THAT APPEARED IN VALUE LINE INVESTMENT SURVEYS "SELECTION & OPINIONS" PUBLICATION FROM 02/25/05 THROUGH 04/01/05 WAS USED AS A RISK FREE RATE OF RETURN.

(b) THE MARKET RATE PROXY USED WAS THE ARITHMETIC MEAN FOR S&P 500 RETURNS OVER THE 1926 - 2003 PERIOD. THE DATA WAS OBTAINED FROM IBBOTSON ASSOCIATES' STOCKS, BONDS, BILLS AND INFLATION: 2004 YEARBOOK.

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 ECONOMIC INDICATORS - 1990 TO PRESENT

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR - 8

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) A-RATED UTIL. BOND YIELD	(I) Baa-RATED UTIL. BOND YIELD
1	1990	5.40%	1.90%	10.01%	6.98%	8.10%	7.49%	8.61%	9.86%	10.06%
2	1991	4.21%	-0.20%	8.46%	5.45%	5.69%	5.38%	8.14%	9.36%	9.55%
3	1992	3.01%	3.30%	6.25%	3.25%	3.52%	3.43%	7.67%	8.69%	8.86%
4	1993	2.99%	2.70%	6.00%	3.00%	3.02%	3.00%	6.60%	7.59%	7.91%
5	1994	2.56%	4.00%	7.14%	3.60%	4.20%	4.25%	7.37%	8.31%	8.63%
6	1995	2.83%	2.50%	8.83%	5.21%	5.84%	5.49%	6.88%	7.89%	8.29%
7	1996	2.95%	3.70%	8.27%	5.02%	5.30%	5.01%	6.70%	7.75%	8.17%
8	1997	1.70%	4.50%	8.44%	5.00%	5.46%	5.06%	6.61%	7.60%	8.12%
9	1998	1.60%	4.20%	8.35%	4.92%	5.35%	4.78%	5.58%	7.04%	7.27%
10	1999	2.70%	4.50%	7.99%	4.62%	4.97%	4.64%	5.86%	7.62%	7.88%
11	2000	3.40%	3.70%	9.23%	5.73%	6.24%	5.82%	5.94%	8.24%	8.36%
12	2001	1.60%	0.80%	6.92%	3.41%	3.88%	3.38%	5.95%	7.59%	8.02%
13	2002	2.40%	1.90%	4.67%	1.17%	1.66%	1.60%	5.38%	7.41%	7.98%
14	2003	1.90%	3.00%	4.12%	2.03%	1.13%	1.01%	4.92%	6.18%	6.64%
15	2004	2.23%	4.40%	4.34%	2.35%	1.35%	1.37%	5.03%	5.77%	6.20%
16	CURRENT	2.59%	4.40%	5.75%	3.75%	2.75%	2.88%	4.85%	5.49%	5.88%

REFERENCES:

COLUMN (A): 1990 - CURRENT, U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS WEB SITE
 COLUMN (B): 1990 - CURRENT, U.S. DEPARTMENT OF COMMERCE, BUREAU OF ECONOMIC ANALYSIS WEB SITE
 COLUMN (C) THROUGH (G): 1990 - 2003, FEDERAL RESERVE BANK OF ST. LOUIS WEB SITE
 COLUMN (C) THROUGH (I): CURRENT, THE VALUE LINE INVESTMENT SURVEY, DATED 04/01/05
 COLUMN (H) THROUGH (J): 1990 - 2000, MOODY'S PUBLIC UTILITY REPORTS
 COLUMN (H) THROUGH (I): 2001, MERGENT 2002 PUBLIC UTILITY MANUAL
 COLUMN (H) THROUGH (I): 2003, MERGENT NEWS REPORTS

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 CAPITAL STRUCTURES OF PUBLICLY TRADED WATE (IN MILLIONS)

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR - 9

LINE NO.	AWR	PCT.	CWT	PCT.	WTR	PCT.	AVERAGE	PCT.
1	\$28.8	6.8%	\$0.9	0.1%	\$189.0	8.2%	\$73	6.5%
2	229.3	54.0%	271.9	41.8%	772.5	33.6%	\$425	37.7%
3	0.0	0.0%	3.5	0.5%	0.0	0.0%	\$1	0.1%
4	166.9	39.3%	373.7	57.5%	1,338.5	58.2%	626	55.7%
5	\$425.0	100%	\$650.0	100%	\$2,300.0	100%	\$1,125	100%

NOTE:

* INCLUDES CURRENT PORTION OF LONG-TERM DEBT

REFERENCE:

THE VALUE LINE INVESTMENT SURVEY, DATED 01/28/05

ARIZONA WATER COMPANY
DOCKET NO. W-01445A-04-0650

DIRECT TESTIMONY

OF

WILLIAM A. RIGSBY

REVENUE REQUIREMENTS

ON BEHALF OF

THE

RESIDENTIAL UTILITY CONSUMER OFFICE

APRIL 20, 2005

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26		

1 **INTRODUCTION**

2 Q. Please state your name, occupation, and business address.

3 A. My Name is William A. Rigsby. I am a Public Utilities Analyst V employed
4 by the Residential Utility Consumer Office ("RUCO") located at 1110 W.
5 Washington, Suite 220, Phoenix, Arizona 85007.

6

7 Q. Please state your educational background and your qualifications in the
8 field of utilities regulation.

9 A. Appendix I, which is attached to this testimony, describes my educational
10 background and also includes a list of the rate cases and regulatory
11 matters that I have been involved with.

12

13 Q. What is the purpose of your testimony?

14 A. The purpose of my testimony is to present recommendations that are
15 based on my analysis of Arizona Water Company's ("Arizona Water" or
16 "Company") application for a permanent rate increase ("Application") for
17 each of the five water systems that comprise the Company's Western
18 Group. Arizona Water's Application was filed with the Arizona Corporation
19 Commission ("ACC" or "Commission") on September 8, 2004. The
20 Company has chosen the period ended December 31, 2003 as the test
21 year ("Test Year") for this proceeding.

22

23

1 Q. What are the five water systems that comprise Arizona Water's Western
2 Group?

3 A. The Western Group is comprised of the Ajo Heights ("Ajo"), Casa Grande,
4 Coolidge, Stanfield, and White Tank systems.

5

6 Q. What systems will you provide direct testimony on?

7 A. My direct testimony will concentrate on the rate base and revenue issues
8 associated with the Casa Grande and Stanfield systems. RUCO witness
9 Timothy J. Coley will file direct testimony on revenue and rate base issues
10 associated with the Ajo, Coolidge and White Tank systems.

11

12 Q. Were you responsible for conducting an analysis of Arizona Water's
13 proposed rate design?

14 A. No. Mr. Coley will address the rate design issues associated with the
15 case and present RUCO's recommended rate design for the five Western
16 Group systems in his direct testimony.

17

18 Q. Did you perform a cost of capital analysis to determine a recommended
19 rate of return on the Company's invested capital?

20 A. Yes, I did. I have also filed, under separate cover, direct testimony on the
21 cost of capital issues associated with this proceeding. As is common in
22 cases that involve an operating segment or wholly owned subsidiary of a
23 public utility, my cost of capital analysis was performed on a total company

1 basis as opposed to concentrating on the Western Group alone or on any
2 one particular system within the Western Group.

3
4 Q. Please describe how you conducted your analysis of Arizona Water's
5 Application.

6 A. I reviewed Arizona Water's Application and analyzed various accounting
7 records that were provided to RUCO by the Company. During the course
8 of my audit, I also obtained copies of various documents that are kept on
9 file at the ACC. Other pertinent information and source documents were
10 collected through a series of written data requests submitted to the
11 Company. After compiling the aforementioned information and materials, I
12 performed an analysis that provided additional insight into the Company's
13 rate base and operating income proposals. The recommendations on rate
14 base, operating revenue, and operating expenses for the two systems
15 covered in this testimony are based on the results of my analysis.

16
17 Q. Please identify the exhibits that you are sponsoring.

18 A. I am sponsoring a full set of separate schedules for each of the systems
19 that I am testifying on. This includes Schedules WAR-1 through WAR-20.
20
21
22
23

1 Q. Does your silence on any of the issues or matters addressed in the
2 Company's Application constitute RUCO's acceptance of the Company's
3 position on such issues or matters?

4 A. No, it does not.

5

6 **SUMMARY OF TESTIMONY AND RECOMMENDATIONS**

7 Q. Please summarize the recommendations and adjustments that you
8 address in your testimony on operating revenues and operating expenses.

9 A. My testimony will address the following issues:

10

11 **Rate Base:**

12 Accumulated Depreciation - Plant – This adjustment calculates gross plant
13 and accumulated depreciation levels over the time period since the
14 Company's last rate case proceeding.

15 Restate Allocated Phoenix Office & Meter Shop and Accumulated
16 Depreciation – This adjustment restates the Company-proposed level of
17 allocated Phoenix Office and Meter Shop plant from a net figure to a gross
18 figure, and breaks out the Company-proposed accumulated depreciation
19 figure to reflect the amounts of accumulated depreciation that are
20 associated with the Company's Phoenix Office and Meter Shop plant.

21 Accumulated Depreciation – Phoenix Office – This adjustment calculates
22 gross plant and accumulated depreciation levels on Arizona Water's
23 Phoenix Office, which is allocated to the five systems in the Western

1 Group, over the time period since the Company's last rate case
2 proceeding.

3 Accumulated Depreciation – Meter Shop – This adjustment calculates
4 gross plant and accumulated depreciation levels on Arizona Water's Meter
5 Shop, which is allocated to the five systems in the Western Group, over
6 the time period since the Company's last rate case proceeding.

7 Deferred CAP Charges – This adjustment, which decreases the
8 Company-proposed Casa Grande, Coolidge, and White Tank system rate
9 bases by \$3,525,803, \$1,046,011 and \$506,268 respectively, reflects the
10 \$5,078,082 level of deferred Central Arizona Project ("CAP") charges that
11 the Company seeks to earn a return on and recover in rates over a ten-
12 year period. The adjustment reflects RUCO's recommendation to deny
13 the recovery of deferred CAP charges associated with the Western Group
14 systems.

15 Working Capital – This adjustment decreases the Company's requested
16 level of cash working capital for the Casa Grande system by \$206,992 and
17 increases the requested level for the Stanfield system by \$2,672. The
18 adjustment is the result of RUCO's recalculation of Arizona Water's
19 lead/lag study, which generated the Company-proposed level of cash
20 working capital. The recalculation includes RUCO's expense level
21 recommendations.

22 Remove Casa Grande Legal Expenses – This adjustment removes
23 \$824,374 in capitalized legal expenses from the Casa Grande system rate

1 base. The capitalized expenses are related to litigation between the
2 Company and the City of Casa Grande.

3
4 **Operating Revenue and Expense:**

5 Remove Pro Forma CAP M&I Charges – The adjustment removes pro
6 forma CAP water expenses on a going forward basis. The adjustment is
7 part of RUCO's recommendation to deny the Company's request for
8 recovery of deferred CAP charges over a ten-year period and to treat
9 future CAP costs associated with the Casa Grande, Coolidge and White
10 Tank systems as an operating expense.

11 Remove Amortization of Deferred CAP Charges – This adjustment is also
12 part of RUCO's recommendation to deny the Company's request for
13 recovery of deferred CAP charges over a ten-year period. The adjustment
14 removes pro forma amortization expense from the Casa Grande, Coolidge
15 and White Tank systems.

16 Revenue & Expense Annualization for 2003 – This adjustment annualizes
17 revenues from water sales and various expense items based on the level
18 of customers being served by the Company at the end of the Company's
19 Test Year.

20 Purchased Power Expense – This adjustment increases purchased power
21 expense for all five systems. The adjustment takes into consideration
22 both the recent increase in rates granted to Arizona Public Service

1 Company ("APS") by the ACC and RUCO's recommended elimination of
2 the Company's purchased power adjustor mechanism.

3 Depreciation & Amortization Expense – This adjustment calculates the
4 Company's depreciation and amortization expense on a going forward
5 basis.

6 Property Tax Expense – This adjustment calculates the appropriate level
7 of property tax expense using the Arizona Department of Revenue's
8 ("DOR") approved formula for calculating water utilities' property tax
9 liabilities.

10 Income Tax Expense – This adjustment calculates the appropriate level of
11 federal and state income tax expense given RUCO's recommended level
12 of operating income.

13 Amortization of Rate Case Expense – This adjustment reflects RUCO's
14 preliminary estimated rate case expense for the instant proceeding.
15 RUCO's final estimate will be presented during the evidentiary hearing
16 after the majority of the Company's rate case expense has been
17 tabulated.

18
19 **REVENUE REQUIREMENTS**

20 Q. Please summarize the results of your analysis of Arizona Water's revenue
21 requirements.

22 A. Based on the results of my audit, I am recommending that the level of
23 revenue be increased by no more than \$15,481 for Casa Grande, and

1 increased by no more than \$534 for Stanfield. My recommended levels of
2 revenue are exhibited in Schedule WAR-1 for each of the aforementioned
3 systems. My original cost rate base ("OCRB") figures of \$17,380,813 for
4 Casa Grande, and \$326,426 for Stanfield are exhibited in Schedule WAR-
5 1 for each of these systems. My supporting original cost rate base
6 ("OCRB") details for each of these systems, is based on the original costs
7 that Arizona Water has agreed to accept as the Company's fair value rate
8 base. My recommended adjusted operating incomes of \$1,593,821 for
9 Casa Grande, and \$29,933 for Stanfield are also displayed in Schedule
10 WAR-1. Schedule WAR-9 includes supporting detail for both of these
11 operating income figures.

12
13 Q. What elements of operating revenue make up your recommended levels
14 of total operating revenues?

15 A. My recommended decreases and increases in total operating revenue are
16 comprised of water sales revenue recorded during the period ended
17 December 31, 2003. I am recommending that total Company water sales
18 revenues be increased to \$7,381,685 for the Casa Grande system, and
19 increased to \$ 117,007 for the Stanfield system.

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1 **OVERVIEW OF THE FILING**

2 Q. Please describe Arizona Water's rate application.

3 A. Arizona Water is requesting rate increases of \$1,843,802 for the Casa
4 Grande system, and \$11,601 for the Stanfield system. As noted earlier
5 Arizona Water's application is based on a test year ended December 31,
6 2003. As opposed to prior filings, which involved the Company's Northern
7 and Eastern Groups, Arizona Water has chosen not to seek recovery of
8 any plant placed into service after December 31, 2003. Thus, the
9 inclusion of post-test year plant will not be an issue in this proceeding.

10
11 The Company is also seeking rate base treatment and the recovery of
12 deferred CAP charges, incurred since 1986, over a ten-year period for the
13 Casa Grande, Coolidge and White Tank systems. Arizona Water also
14 seeks the recovery of future Casa Grande CAP water charges in rates on
15 a going forward basis.

16
17 In regard to the recovery of costs associated with the U.S. Environmental
18 Protection Agency's ("EPA") revised arsenic standard of 10 parts per
19 billion (scheduled to go into effect in January 2006), the Company is
20 seeking an arsenic recovery cost mechanism ("ACRM") that is similar to
21 the one that was approved by the Commission in the prior Northern and
22 Eastern Group rate case proceedings. According to Arizona Water's
23 Application, the Casa Grande, Stanfield and White tank systems will be

1 impacted by the EPA's revised arsenic standard. Earlier this year, the
2 Commission approved an Order, which adopted the recommendations of
3 ACC Staff, on the Company's request for a modified ACRM.

4
5 Q Does RUCO oppose the Company's request for an ACRM in this case?

6 A. No.

7
8 Q Is Arizona Water seeking a continuance of the Company's purchased
9 power adjustor mechanism ("PPAM") and purchased water adjustor
10 mechanism ("PWAM") for the Western Group systems in this proceeding?

11 A. Yes.

12
13 Q. What is RUCO's position on continuing these mechanisms?

14 A. RUCO recommends that the Commission eliminate the PPAM and PWAM
15 for the Western Group systems. RUCO's recommendation is consistent
16 with the Commission's decision to eliminate these same adjustor
17 mechanisms in the Company's Eastern Group rate case (Decision No.
18 66849, dated March 19, 2004).

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23

1 Q. Does the Company's application adhere to generally accepted ratemaking
2 principles and the Commission's own rules regarding the use of a
3 historical test year?

4 A. Yes. The Commission's Rules require the use of a historical test year. In
5 RUCO's opinion, Arizona Water's rate request for the Western Group
6 adheres to those Rules (as noted earlier, the Company has elected not to
7 seek recovery of post-test year plant in this proceeding¹). The biggest
8 areas of contention in this case involve the recovery of deferred CAP
9 charges over a ten-year period, the recovery of future CAP charges as an
10 operating expense, the elimination of both the PPAM and the PWAM, and
11 the removal of capitalized legal expenses which have been booked to the
12 Casa Grande plant in service account.

13

14 **RATE BASE**

15 **Rate Base Adjustment #1 – Accumulated Depreciation - Plant**

16 Q. Please explain your adjustment to the Company's plant in service account.

17 A. Rate Base Adjustment #1 calculates the level of gross plant placed into
18 service since the Company's last rate case proceeding and increases and
19 decreases the levels of Test Year accumulated depreciation for the five
20 systems in the Western Group.

21

¹ RUCO vigorously opposed the Company's request for inclusion of post-test year plant in both the Northern and Eastern Group proceedings.

1 The calculation of my recommended plant in service figure for the two
2 systems that I am providing testimony on is exhibited in Schedule WAR-4,
3 pages 1 through 4. Schedule WAR-4 calculates plant additions and
4 retirements that occurred from 1990 through the 2003 Test Year period.
5 RUCO's calculated Test Year level of gross plant reconciled with the
6 Company-proposed level for each of the systems in the Western Group.
7 The adjustment results in an \$889 increase in accumulated depreciation
8 for Ajo, a \$55,553 increase in accumulated depreciation for Casa Grande,
9 a \$131,867 decrease in accumulated depreciation for Coolidge, a \$9,670
10 decrease in accumulated depreciation for Stanfield, and a \$15,781
11 decrease in accumulated depreciation for White Tank.

12
13 Q. Do you agree with the Company's calculation of accumulated depreciation
14 expense?

15 A. No. The Company's calculation of accumulated depreciation includes an
16 additional six months of depreciation expense to reflect a full year of
17 accumulated depreciation on new additions during the Test Year that are
18 subject to the half-year convention.

19
20 Q. What is the half-year convention?

21 A. The half-year convention is a tax accounting concept that simplifies the
22 procedure for recording depreciation expense on new assets placed into
23 service during different times of the year. Under the half-year convention,

1 six months of depreciation expense is calculated on a new asset addition
2 regardless of what date it goes into service. The same six-month's worth
3 of depreciation is calculated on a new asset placed into service on
4 January 1 as on a similar asset that goes into service on December 31.

5
6 Q. Was RUCO's calculation of accumulated depreciation performed under
7 the half -year convention?

8 A. Yes. RUCO's adjusted accumulated depreciation figure for Test Year
9 plant additions, including the Phoenix Office and Meter Shop allocations,
10 only includes the six months of depreciation expense that should be
11 recorded for plant additions under the half-year convention. The annual
12 depreciation expense and accumulated depreciation balances from 1990
13 to the end of 2003 are exhibited in Schedule WAR-4.

14
15 Q. When should the unrecorded six months of depreciation be taken into
16 account for ratemaking purposes?

17 A. A full year of depreciation expense should be calculated in order to arrive
18 at the appropriate level of depreciation & amortization operating expense
19 that the Company is entitled to receive in rates on a going forward basis.
20 My calculation of pro forma depreciation & amortization expense using a
21 full-year convention is exhibited in Schedule WAR-13.

22

1 **Rate Base Adjustment #2 – Restate Allocated Phoenix Office & Meter Shop**
2 **and Accumulated Depreciation**

3 Q. Please explain the Company's method of recovering plant associated with
4 the Phoenix Office and Meter Shop.

5 A. The Company calculates a set of annual allocation factors for each system
6 within its three operating groups. The total Phoenix Office and Meter
7 Shop plant is then multiplied by each system's allocation factor to
8 determine how much Phoenix Office and Meter Shop plant should be
9 allocated to a specific system. The allocation factors I have used in my
10 recommended adjustment to accumulated depreciation associated with
11 these assets are consistent with the factors used by Arizona Water.

12
13 Q. Please explain your adjustment that restates the Company-proposed level
14 of allocated Phoenix Office and Meter Shop plant for the five Western
15 Group systems.

16 A. The figures for allocated Phoenix Office & Meter Shop plant contained in
17 the Company's application reflect amounts that are net of accumulated
18 depreciation. My adjustment, which is exhibited in Schedule WAR-5,
19 restates the Company-proposed level of allocated Phoenix Office and
20 Meter Shop plant from a net figure to a gross figure, and then restates the
21 Company-proposed accumulated depreciation figure to reflect the
22 amounts of accumulated depreciation that are associated with the
23 allocated Phoenix Office & Meter Shop plant.

1 Q. What was your rationale for making the adjustment to the Company-
2 proposed level of allocated Phoenix Office and Meter Shop plant?

3 A. The main reason for the adjustment was to simply state the Company's
4 proposed levels of allocated Phoenix Office & Meter Shop plant on the
5 same gross basis as the plant in service. These two figures can be
6 viewed as separate line items on Schedules WAR-2, TJC-2, WAR-3 and
7 TJC-3. The adjustment has no net effect on rate base for the five Western
8 Group systems.

9

10 **Rate Base Adjustment #3 – Accumulated Depreciation – Phoenix Office**

11 Q. Did RUCO perform a calculation similar to the one made in Rate Base
12 Adjustment #1, to determine the appropriate Test Year level of allocated
13 Phoenix Office plant in service?

14 A. Yes. As can be seen in Schedules WAR-6 and TJC-6, a similar analysis
15 was performed on the Phoenix Office plant in service. The result of the
16 analysis is an increase in allocated accumulated depreciation of \$152 for
17 Ajo, \$3,309 for Casa Grande, \$702 for Coolidge, \$50 for Stanfield and
18 \$316 for White Tank.

19

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23

1 **Rate Base Adjustment #4 – Accumulated Depreciation – Meter Shop**

2 Q. Did RUCO also perform a calculation similar to the one made in Rate
3 Base Adjustment #1, to determine the appropriate Test Year level of
4 allocated Meter Shop plant in service?

5 A. Yes. As can be seen in Schedules WAR-7 and TJC-7, the same analysis
6 was performed on the Meter Shop plant in service. The result of the
7 analysis is a decrease in allocated accumulated depreciation of \$9 for Ajo,
8 \$192 for Casa Grande, \$41 for Coolidge, \$3 for Stanfield and \$18 for
9 White Tank.

10
11 **Rate Base Adjustment #5 - Deferred CAP Charges**

12 Q. Is Arizona Water seeking recovery of deferred CAP charges associated
13 with the Company's Casa Grande, Coolidge and White Tank systems?

14 A. Yes. In its Application, Arizona Water requested rate base treatment for
15 deferred CAP charges that the Company's Casa Grande, Coolidge and
16 White Tank systems have incurred. Arizona Water is also requesting that
17 the Company be permitted to amortize and recover these deferred CAP
18 charges over a ten-year period as the Commission allowed it to do for the
19 Apache Junction system in the prior Eastern Group proceeding. The
20 Company is further requesting that it be permitted to treat all future CAP
21 charges for the Casa Grande, Coolidge and White Tank systems as a
22 regular operating expense.

23

1 Q. Does RUCO believe that the Commission should adopt the Company's
2 proposal to recover and earn a rate of return on the deferred CAP charges
3 as it was allowed to do in the prior Eastern Group proceeding?

4 A. No. RUCO's position on this matter sharply differs from the Company's.
5 RUCO believes that the CAP situation in this proceeding is significantly
6 different than the CAP situation that existed in the Eastern Group
7 proceeding.

8
9 Q. Please explain these differences.

10 A. In the Eastern Group proceeding, the Company's Apache Junction system
11 was utilizing almost all of its CAP allocation at the time of the proceeding.
12 In the Western Group, only one of the three systems with CAP allocations
13 is actually providing CAP water to its customers. That system, the Casa
14 Grande system, is providing non-potable CAP water which, during the
15 Test Year, amounted to approximately thirty percent of the Casa Grande
16 system's total CAP allocation. The other two systems, Coolidge and
17 White Tank, are not providing any CAP water to customers. In the case of
18 the Casa Grande system, Arizona Water is recovering the costs for non-
19 potable CAP deliveries through the Company's NP-260 Tariff.

20

21

22

23

1 Q. Does the Company have plans to utilize the full amount of CAP water
2 allocated to the three systems in question?

3 A. The Company stated in its Application that it plans to utilize all of its CAP
4 allocations for the three systems in question within the next ten to fifteen
5 years. The Company also states that it has plans to build treatment
6 facilities for the provision of potable CAP water in the Western Group,
7 however, none of these facilities currently exist. In addition, Arizona
8 Water has stated that the Company is not engaged in any recharge (i.e.
9 groundwater replenishment) projects at the present time.

10
11 Q. Does RUCO believe that the Company should be able to recover the
12 Western Group deferred CAP charges in rates?

13 A. No. With the exception of the Casa Grande customers that purchase non-
14 potable CAP water under the Company's NP-260 tariff, the remaining
15 Casa Grande, Coolidge and White Tank ratepayers receive no benefit
16 from those system's CAP allocations, the CAP allocations are by definition
17 non-used and useful in the provision of service. Since accepted
18 ratemaking theory requires that non-used and useful investments be
19 excluded from rates, RUCO believes that the Commission should deny the
20 Company's request for recovery of deferred CAP charges for the Casa
21 Grande, Coolidge, and White Tank systems. RUCO further believes that
22 the Company-proposed level of amortized deferred CAP charges will
23 place an additional undue hardship on the Company's Casa Grande and

1 White Tank ratepayers given the fact that those ratepayers will be facing
2 increased charges for the removal of arsenic through the ACRM.

3
4 Q. What has been the Commission's policy on recovery of CAP deferrals and
5 expenses?

6 A. The Commission has historically held that CAP water needs to be used
7 and useful in the provision of service to be eligible for rate recovery. The
8 following exemplifies the Commission's policies on CAP water recovery:

9
10 CAP costs should not be recovered through rates until
11 the utility is actually receiving CAP water. [Decision No.
12 58419, dated September 30, 1993 Paradise Valley Water
13 Company]

14
15 and

16
17 Because Citizens is not utilizing CAP water in the provision
18 of service to its customers, its CAP allocation by definition
19 is not "used" and "useful". Therefore, the costs of Citizens'
20 CAP capital charges should not be borne by the ratepayers.
21 Furthermore, because Citizens has no definite plans to use
22 the CAP water, its proposal to use its CAP allocation is spec-
23 ulative and the use of this water cannot be considered to be
24 a known and measurable event. Therefore, Citizens' request
25 for M&I Capital Charges should be denied. [Decision No.
26 60172, dated May 7, 1997, Citizens Utilities Company].
27
28

29 Q. Are there any other reasons why RUCO opposes the Company's request
30 for recovery of deferred CAP charges?

31 A. Yes. RUCO believes that the Company's request for recovery of deferred
32 CAP charges at this point in time raises serious questions in terms of

1 intergenerational inequities. Given the fact that the Company wants to
2 begin recovery of the deferred CAP charges prior to providing any treated
3 water, the possibility exists that some percentage of ratepayers will never
4 receive any benefit for what they will be charged for in rates. This is
5 because the body of ratepayers that will actually receive treated CAP
6 water are not necessarily the same body of ratepayers that will be
7 required to pay for the recovery of the deferrals. Under a worst-case
8 scenario, the Company may not actually bring treatment facilities on line
9 until the end of its ten to fifteen year projection for using all of its CAP
10 allocation. In this scenario, customers that die or leave the system could
11 pay for CAP deferral recovery for years and not derive any real benefit for
12 what they are being charged for in their rates. Delaying the recovery of
13 deferred charges in rates until the time that the Company is actually
14 providing treated potable CAP water to its customers, as the Commission
15 did in the case of the Apache Junction system, makes more sense
16 because the body of ratepayers that will be benefiting from the CAP water
17 will be the customers that pay for it. If the Company's growth projections
18 are realized, the recovery of the deferred charges would possibly be
19 spread over a larger future customer base in the affected systems and,
20 conceivably, the increase in rates would not be as high.

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23

1 Q. Should the Company be permitted to recover future CAP charges as an
2 operating expense?

3 A. No. As I stated earlier, since the Company is not actually utilizing the
4 Casa Grande, Coolidge and White Tank system's CAP allocations, and
5 ratepayers are not actually receiving the benefits associated with the CAP
6 water (with the exception of the Casa Grande NP-260 Tariff customers),
7 the Company should not be permitted to recover its future CAP charges in
8 rates as an operating expense. Accordingly, I have removed the
9 Company's pro forma amounts for CAP charges on a going forward basis
10 in RUCO's recommended level of annual purchased water expense. I
11 have also removed the Company's ten-year amortization of the deferred
12 CAP charges (Operating Adjustment #1).

13 0

14 **Rate Base Adjustment #6 - Working Capital**

15 Q. Has RUCO adjusted the Company-proposed working capital figures for
16 the two systems in the Western Group that you are providing testimony
17 on?

18 A. Yes. RUCO's working capital adjustments, exhibited in Schedule WAR-7,
19 result in a decrease of \$206,992 in the working capital requirements for
20 Casa Grande and an increase of \$2,672 for Stanfield.

21 A detailed discussion and explanation for RUCO's method for calculating
22 this adjustment is contained in the testimony of RUCO witness Timothy J.
23 Coley.

1 **Rate Base Adjustment #7 – Remove Casa Grande Legal Expenses**

2 Q. Please explain your \$824,374 adjustment that decreases plant in service
3 for the Casa Grande system.

4 A. The \$824,374 adjustment removes capitalized legal expenses that
5 Arizona Water recorded in a non-depreciable account titled "Intangibles,
6 Miscellaneous." As presently booked, the capitalized amount of \$824,374
7 will remain in rate base indefinitely and will provide the Company with a
8 return on the full \$824,374 in perpetuity. Under my recommended rate of
9 return of 9.17 percent, this will result in an after tax operating income of
10 \$75,595 per year.

11
12 Q. Did Arizona Water request an accounting order from the ACC authorizing
13 the Company to treat these legal costs in this manner?

14 A. No.

15
16 Q. What were these capitalized legal costs for?

17 A. Based on my review of legal filings that were provided by the Company in
18 response to a RUCO data request, the capitalized legal expenses were
19 incurred as part of an attempt by the Company to block the City of Casa
20 Grande from selling effluent water to the owners of the Desert Basin
21 merchant power plant located within the Company's certificated area.
22 According to the documents that I was provided with by the Company, and
23 city council meeting minutes that have been posted on the City of Casa

1 Grande website, Arizona Water filed motions in federal and local courts,
2 and with the ACC, to prevent the City of Casa Grande from carrying out its
3 plans to enter into an effluent water sales agreement with Reliant Energy,
4 Inc. ("Reliant Energy"), which was the original owner of the Desert Basin
5 power plant located near Casa Grande. Salt River Project ("SRP")
6 subsequently purchased the plant from Reliant Energy. The Company did
7 not prevail in the majority of the litigation, but my recommendation is not
8 based on that outcome.

9
10 Q. Does Arizona Water have the capability to provide effluent water in the
11 Company's Casa Grande service territory?

12 A. No. Arizona Water is not engaged in the provision of wastewater service
13 and does not produce effluent.

14
15 Q. If Arizona Water had blocked the City of Casa Grande from entering into
16 the effluent sales agreement, what would the Company have sold to the
17 Desert Basin power facility?

18 A. I can only speculate that Arizona Water would have sold either ground
19 water or non-potable CAP water. I believe that the sale of either of these
20 two water resources would have been a poor decision given the fact that
21 effluent was available from the City of Casa Grande and that the need for
22 conservation of ground water and Colorado River water had increased
23 due to drought conditions that have existed over the last ten years. In fact

1 the Company raises groundwater conservation issues in this case. The
2 only other option that I am aware of would have been for Arizona Water to
3 purchase the effluent from the City of Casa Grande and then resell it to
4 the owners of the Desert Basin facility.

5
6 Q. How should these legal expenses have been treated?

7 A. I believe that these expenses should have been treated as operating
8 expenditures and should have been expensed during the periods that they
9 were incurred in. Under this scenario, the Company's shareholders would
10 have borne the burden of any resulting operating losses that would have
11 occurred as a result of the Company's decision to litigate this matter.

12
13 Q. Would you have recommended recovery of these legal costs in rates had
14 the Company booked them as operating period expense?

15 A. No. At best I would have disallowed them as a non-recurring expense and
16 at worst, given the fact that the City of Casa Grande was in a position to
17 sell effluent water and the funds could have been put to better use, I would
18 have disallowed them as imprudent expenditures and a waste of utility
19 resources.

20
21
22

1 Q. Why do you believe that the Commission should adopt your
2 recommendation to remove the \$824,374 from the Casa Grande system
3 rate base?

4 A. Ratepayers should not have to provide the Company with a perpetual
5 return on discretionary legal expenditures that provide no clear benefit to
6 customers. Arizona Water made a business decision to pursue this matter
7 in the courts of law to increase its water sales revenue and enrich its
8 shareholders. Whether the Company had succeeded or failed in the effort
9 is immaterial. In either instance ratepayers would have received no
10 benefit from the outcome. Having failed in its attempts to block the City of
11 Casa Grande from selling effluent water to the Desert Basin facility,
12 Arizona Water now wants Casa Grande ratepayers to provide the
13 Company's shareholders with a return in perpetuity on the funds that the
14 Company's management spent on a highly questionable unnecessary
15 purpose that provides ratepayers with no benefit whatsoever.

16
17 Q. Has the Commission shielded ratepayers from the unnecessary costs of
18 litigation in the past?

19 A. Yes. The Commission has on many occasions shielded ratepayers from
20 litigation costs. In the last Southwest Gas Corporation rate case, the
21 Commission excluded the litigation costs of a failed merger with ONEOK,
22 Inc. from rates (Decision No. 64172, dated October 30, 2001). In another
23 instance, the Commission denied litigation costs associated with rate case

1 expense (which was in large part comprised of legal expenses) in a
2 proceeding that involved Arizona-American Water Company (Decision No.
3 67093, dated June 30, 2004).

4
5 **OPERATING INCOME**

6 **Operating Adjustment #1 – Remove Pro Forma CAP M&I Charges**

7 Q. Has RUCO made adjustments to remove the Company's pro forma
8 adjustment for CAP M&I charges?

9 A. Yes, as I explained earlier in my testimony on the deferred CAP charges, I
10 have removed the Company's pro forma amounts for CAP M&I charges
11 on a going forward basis. This is consistent with RUCO's
12 recommendation that the Company not be permitted to rate base CAP
13 deferred charges for the Casa Grande, Coolidge and White Tank systems.
14 The adjustment can be viewed in Schedules WAR-10 and TJC-10. The
15 adjustment results in a decrease in purchased water expense of \$159,449
16 for Casa Grande, \$56,000 for Coolidge, and \$27,104 for White Tank.

17
18 **Operating Adjustment #2 - Remove Amortization of Deferred CAP Charges**

19 Q. Please explain your operating adjustment, which removes pro forma
20 amortization expense on deferred CAP charges.

21 A. This is the final adjustment needed to remove pro forma amounts that are
22 associated with the Company's request to recover deferred CAP charges
23 in rates. The adjustment removes the amortization expense associated

1 with the Company's proposal to amortize the deferred CAP charges over a
2 ten-year period. The adjustment results in a decrease in amortization
3 expense of \$352,580 for Casa Grande, \$104,601 for Coolidge, and
4 \$50,627 for White Tank.

5
6 **Operating Adjustment #3 - Revenue and Expense Annualization for 2003**

7 Q. Has RUCO annualized revenues to take into account the change in
8 customers during the 2003 Test Year?

9 A. Yes. Schedule WAR-11 for each of the systems I am providing testimony
10 on presents RUCO's revenue and expense reconciliation based on the
11 customer count in 2003. RUCO witness Timothy J. Coley discusses the
12 adjustment in detail in his direct testimony on the Western Group systems.

13
14 **Operating Adjustment #4 – Purchased Power**

15 Q. Why has RUCO increased purchased power expense for all five systems
16 in the Western Group?

17 A. The upward adjustment in purchased power expense for all five systems
18 in the Western Group takes into consideration both the recent increase in
19 rates granted to APS by the Commission, and RUCO's recommendation
20 to eliminate the Company's PPAM. The adjustment, which can be viewed
21 in detail in Schedules WAR-12 and TJC-12, increases, on a percentage
22 basis, the amount of purchased power from APS by 3.50 percent. The
23 3.50 percent figure is the commercial rate increase authorized in the APS

1 settlement agreement, which was approved by the Commission on April 5,
2 2005.

3
4 **Operating Adjustment #5 - Depreciation and Amortization Expense**

5 Q. Have you calculated depreciation and amortization expense?

6 A. Yes. The calculation is exhibited in Schedule WAR-12. As explained
7 earlier in my testimony, I have calculated a full year of depreciation and
8 amortization expense based on RUCO's level of Test Year plant balances
9 including allocated post-test year Phoenix Office and Meter Shop
10 additions.

11
12 Q. How did you calculate your recommended levels of depreciation and
13 amortization expense for each of the five systems in the Western Group?

14 A. As exhibited in Schedule WAR-13, my recommended levels of
15 depreciation and amortization expense were calculated by applying the
16 component depreciation rates, approved by the Commission in the
17 Eastern Group proceeding, to the level of plant in service calculated on
18 page 4 of Schedule WAR-4. A two percent composite rate of
19 depreciation, also approved by the Commission in the Eastern Group
20 proceeding, was applied to the Company's Test Year level of contributions
21 in aid of construction ("CIAC") in order to arrive at the proper amount of
22 amortization of CIAC to be deducted from depreciation expense. RUCO's
23 calculation of depreciation and amortization expense takes leasehold

1 improvements into consideration and also considers the removal of
2 amortization of deferred CAP charges that were discussed in RUCO's
3 Operating Adjustment #2. Other than the removal of amortization of
4 deferred CAP charges, RUCO's calculation of depreciation and
5 amortization expense resulted in no increases or decreases for the five
6 Western Group systems. The results of the calculation have been
7 presented here largely for illustrative purposes.

8
9 **Operating Adjustment #6 - Property Tax Expense**

10 Q. Is RUCO recommending an adjustment to the Company-proposed levels
11 of property tax expense for the Western Group systems?

12 A. Yes. The adjustment, exhibited in Schedule WAR-14, results in a \$51,803
13 decrease for Casa Grande and an \$866 decrease for Stanfield. The
14 property tax calculation was made using the currently effective DOR
15 formula. Please refer to the direct testimony of RUCO witness Timothy J.
16 Coley for a detailed discussion on property tax issues in this case.

17
18 **Operating Adjustment #7 - Income Tax Expense**

19 Q. Have you calculated income tax expense based on RUCO's
20 recommended adjusted operating income for each of the five Western
21 Group systems?

22 A. Yes. This adjustment is shown on Schedules WAR-15 and TJC-15 for
23 each of the five systems in the Western Group. The adjustment uses the

1 synchronized interest method for calculating the level of interest expense
2 to be deducted from income taxes.

3

4 **Operating Adjustment #8 - Amortization of Rate Case Expense**

5 Q. Please explain your adjustments to rate case expense for each of the
6 systems you are providing testimony on.

7 A. At this time I am not proposing an adjustment to the Company's requested
8 level of rate case expense.

9

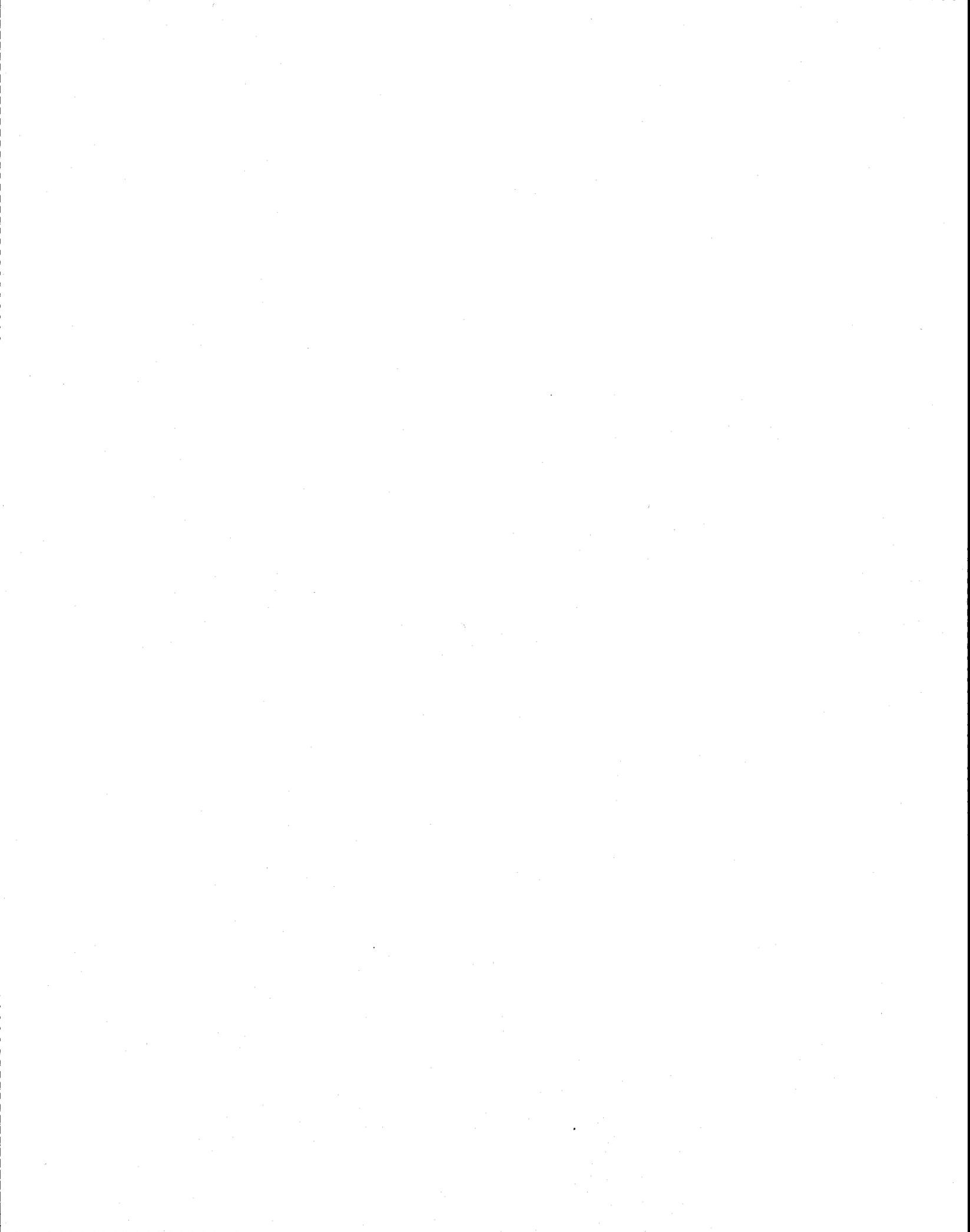
10 Q. Does this mean RUCO has adopted the Company's estimates in full?

11 A. No. RUCO has reviewed the amount of rate case expense billed to date
12 and has decided that the prudent approach would be to wait until a final
13 figure can be accurately calculated and compared to the Company's
14 request. RUCO will present a final estimate on rate case expense
15 amortization during the evidentiary hearing.

16

17 Q. Does this conclude your direct testimony on Arizona Water's Western
18 Group systems?

19 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

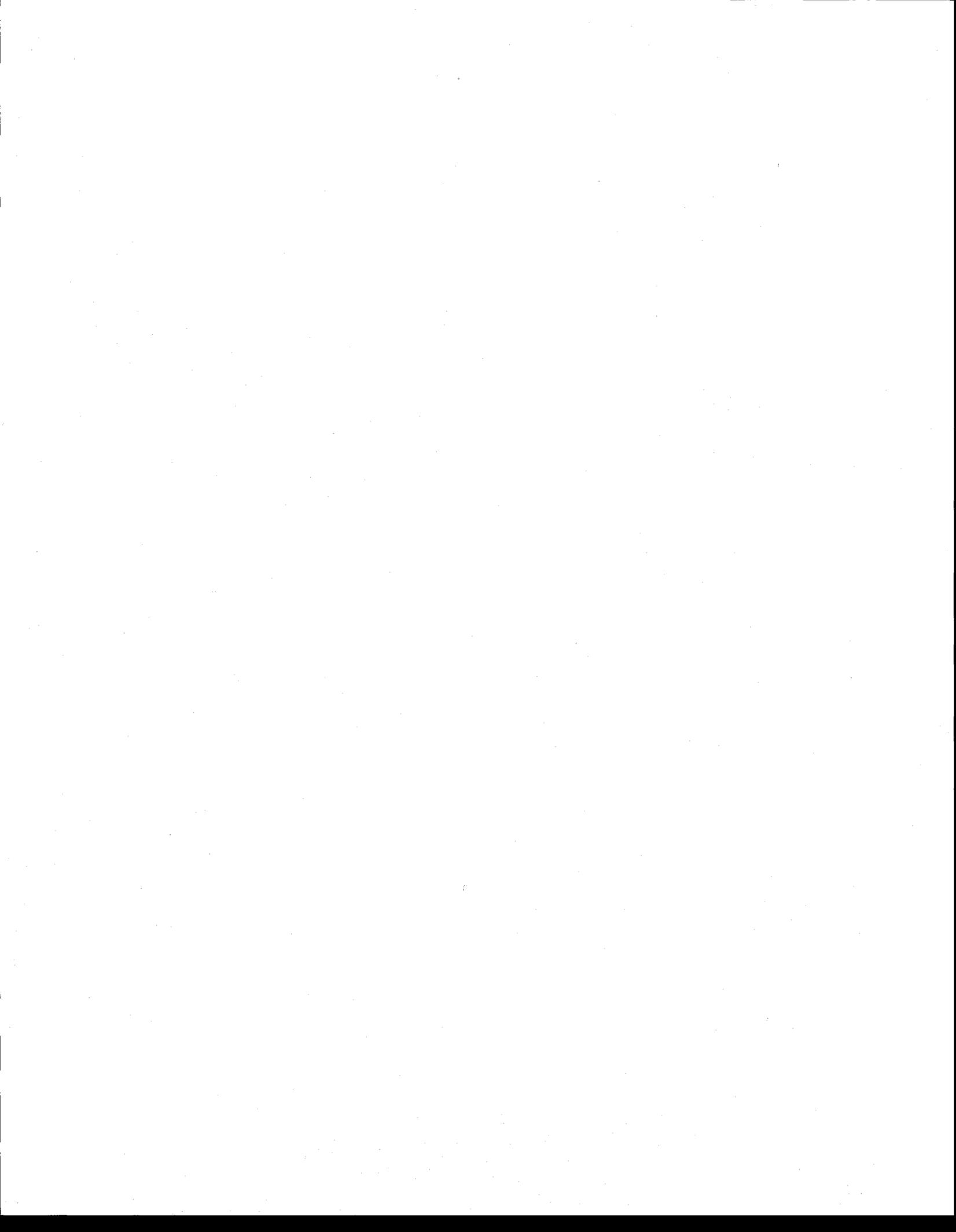
<u>Utility Company</u>	<u>Docket No.</u>	<u>Type of Proceeding</u>
ICR Water Users Association	U-2824-94-389	Original CC&N
Rincon Water Company	U-1723-95-122	Rate Increase
Ash Fork Development Association, Inc.	E-1004-95-124	Rate Increase
Parker Lakeview Estates Homeowners Association, Inc.	U-1853-95-328	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.)

<u>Utility Company</u>	<u>Docket No.</u>	<u>Type of Proceeding</u>
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

RESUME OF RATE CASE AND REGULATORY PARTICIPATION (Cont.)

<u>Utility Company</u>	<u>Docket No.</u>	<u>Type of Proceeding</u>
Arizona-American Water Company	W-01303A-02-0867 et al.	Rate Increase
Arizona Public Service Company	E-01345A-03-0437	Rate Increase
Rio Rico Utilities, Inc.	WS-02676A-03-0434	Rate Increase
Qwest Corporation	T-01051B-03-0454	Renewed Price Cap
Chaparral City Water Company	W-02113A-04-0616	Rate Increase



**ARIZONA WATER COMPANY
CASA GRANDE SYSTEM
DOCKET NO. W-01445A-04-0650
TABLE OF CONTENTS TO SCHEDULES WAR**

SCHEDULE #

WAR - 1	REVENUE REQUIREMENTS
WAR - 2	RATE BASE - ORIGINAL COST
WAR - 3	SUMMARY OF RATE BASE ADJUSTMENTS
WAR - 4	RATE BASE ADJUSTMENT #1 - ACCUMULATED DEPRECIATION - PLANT
WAR - 5	RATE BASE ADJ. #2 - RESTATE ALLOCATED PHOENIX OFFICE & METER SHOP AND ACCUMULATED DEPRECIATION
WAR - 6	RATE BASE ADJUSTMENT #3 - ACCUMULATED DEPRECIATION - PHOENIX OFFICE
WAR - 7	RATE BASE ADJUSTMENT #4 - ACCUMULATED DEPRECIATION - METER SHOP
WAR - 8	RATE BASE ADJUSTMENT #6 - WORKING CAPITAL
WAR - 9	OPERATING INCOME - TEST YEAR AND RUCO PROPOSED
WAR - 10	SUMMARY OF OPERATING ADJUSTMENTS
WAR - 11	OPERATING ADJ. #3 - REVENUE AND EXPENSE ANNUALIZATION FOR 2003
WAR - 12	OPERATING ADJ. #4 - PURCHASED POWER
WAR - 13	OPERATING ADJ. #5 - DEPRECIATION AND AMORTIZATION EXPENSE
WAR - 14	OPERATING ADJ. #6 - PROPERTY TAX EXPENSE
WAR - 15	OPERATING ADJ. #7 - INCOME TAXES
WAR - 16	COST OF CAPITAL
WAR - 17	PROPOSED RATES
WAR - 18	MONTHLY MINIMUM CHARGES
WAR - 19	BILLING ANALYSIS
WAR - 20	REVENUE SUMMARY BY METER SIZE AND CUSTOMER CLASS

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 CASA GRANDE SYSTEM
 REVENUE REQUIREMENTS

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-1
 PAGE 1 OF 2

LINE NO.	DESCRIPTION	(A) COMPANY REQUESTED	(B) RUCO RECOMMENDED
1	ADJUSTED RATE BASE	\$ 21,996,652	\$ 17,380,813
2	ADJUSTED OPERATING INCOME	1,180,182	1,584,337
3	CURRENT RATE OF RETURN (L2 / L1)	5.37%	9.12%
4	REQUIRED RATE OF RETURN	10.50%	9.17%
5	REQUIRED OPERATING INCOME (L4 * L1)	2,309,648	1,593,821
6	OPERATING INCOME DEFICIENCY (L5 - L2)	1,129,466	9,483
7	GROSS REVENUE CONVERSION FACTOR	<u>1.63245</u>	<u>1.63249</u>
8	GROSS REVENUE INCREASE	<u>\$ 1,843,802</u>	<u>\$ 15,481</u>
9	CURRENT REVENUES T/Y ADJUSTED	7,298,464	7,366,204
10	PROPOSED ANNUAL REVENUE (L8 + L9)	9,142,266	7,381,685
11	PERCENTAGE AVERAGE INCREASE	25.26%	0.21%

REFERENCES:

COLUMN (A): COMPANY SCHEDULE A-1

COLUMN (B): SCHEDULE WAR-1, PG. 2, WAR-2, WAR-9 AND WAR-16

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 CASA GRANDE SYSTEM
 GROSS REVENUE CONVERSION FACTOR

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-1
 PAGE 2 OF 2

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	REVENUE	1.00000	
2	UNCOLLECTIBLES	<u>0.00234</u>	COMPANY SCH. C-3
3	SUB-TOTAL	0.99766	LINE 1 - LINE 2
4	LESS: TAX RATE	<u>38.51%</u>	NOTE (a)
5	TOTAL	0.61256	LINE 3 - LINE 4
6	REVENUE CONVERSION FACTOR	<u>1.63249</u>	LINE 1/LINE 5

NOTE (a):
 CALCULATION OF EFFECTIVE TAX RATE

OPERATING INCOME BEFORE TAXES	100.00%
LESS: ARIZONA STATE TAX	<u>6.97%</u>
TAXABLE INCOME FEDERAL	93.03%
TIMES: FEDERAL INCOME TAX RATE	<u>34.00%</u>
SUBTOTAL	31.63%
ADD STATE TAX RATE	38.60%
LINE 3 ABOVE	<u>99.77%</u>
EFFECTIVE TAX RATE	38.51%

NOTE (b):

STATE INCOME TAX	\$ 1,079
FEDERAL INCOME TAX	<u>4,919</u>
TOTAL INCOME TAX LIABILITY	<u>\$ 5,998</u>

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 CASA GRANDE SYSTEM
 RATE BASE - ORIGINAL COST

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-2

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO ADJUSTMENTS	(C) RUCO AS ADJUSTED
1	PLANT IN SERVICE	\$ 48,030,396	\$ (824,374)	\$ 47,206,022
2	PHOENIX OFFICE & METER SHOP ALLOCATION	947,818	110,516	1,058,334
3	DEFERRED CAP CHARGES	3,525,803	(3,525,803)	-
4	ACCUMULATED DEPRECIATION	<u>(12,072,217)</u>	<u>(169,186)</u>	<u>(12,241,403)</u>
5	NET PLANT IN SERVICE	\$ 40,431,800	\$ (4,408,847)	\$ 36,022,953
6	CONSTRUCTION WORK IN PROGRESS (CWIP)	<u>-</u>	<u>-</u>	<u>-</u>
7	TOTAL NET PLANT	\$ 40,431,800	\$ (4,408,847)	\$ 36,022,953
8	ADVANCES IN AID OF CONSTRUCTION (AIAC)	(8,891,444)	-	(8,891,444)
9	CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	(7,754,812)	-	(7,754,812)
10	ACCUMULATED AMORTIZATION OF CIAC	1,348,820	-	1,348,820
11	DEFERRED INCOME TAXES	(3,387,966)	-	(3,387,966)
12	WORKING CAPITAL	<u>250,254</u>	<u>(206,992)</u>	<u>43,262</u>
13	TOTAL RATE BASE	<u>\$ 21,996,652</u>	<u>\$ (4,615,839)</u>	<u>\$ 17,380,813</u>

REFERENCES:

COLUMN (A): COMPANY SCHEDULE B-1
 COLUMN (B): SCHEDULE WAR-3
 COLUMN (C): COLUMN (A) + COLUMN (B)

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) ADJ #1	(C) ADJ #2	(D) ADJ #3	(E) ADJ #4	(F) ADJ #5	(G) ADJ #6	(H) ADJ #Z	(I) RUCO ADJUSTED
1	PLANT IN SERVICE	\$ 48,030,396	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (824,374)	\$ 47,206,022
2	PHOENIX OFFICE & METER SHOP ALLOCATION	947,818 (a)	110,516							1,058,334
3	DEFERRED CAP CHARGES	3,525,803					(3,525,803)			-
4	ACCUMULATED DEPRECIATION	(12,072,217)	(55,553)	(110,516)	(3,309)	192				(12,241,403)
5	NET PLANT IN SERVICE	\$ 40,431,800	\$ (55,553)	\$ -	\$ (3,309)	\$ 192	\$ (3,525,803)	\$ -	\$ (824,374)	\$ 36,022,953
6	CONSTRUCTION WORK IN PROGRESS (CWIP)	-								-
7	TOTAL NET PLANT	\$ 40,431,800	\$ (55,553)	\$ -	\$ (3,309)	\$ 192	\$ (3,525,803)	\$ -	\$ (824,374)	\$ 36,022,953
8	ADVANCES IN AID OF CONSTRUCTION (AIAC)	(8,891,444)								(8,891,444)
9	CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	(7,754,812)								(7,754,812)
10	ACCUMULATED AMORTIZATION OF CIAC	1,348,820								1,348,820
11	DEFERRED INCOME TAXES	(3,387,966)								(3,387,966)
12	WORKING CAPITAL	250,254						(206,992)		43,262
13	TOTAL RATE BASE	\$ 21,996,652	\$ (55,553)	\$ -	\$ (3,309)	\$ 192	\$ (3,525,803)	\$ (206,992)	\$ (824,374)	\$ 17,380,813

ADJUSTMENT #:
 1. ACCUMULATED DEPRECIATION - PLANT
 2. RESTATE PHX. OFFICE & METER SHOP AND ACCUM. DEPR.
 3. ACCUMULATED DEPRECIATION - PHOENIX OFFICE
 4. ACCUMULATED DEPRECIATION - METER SHOP
 5. DEFERRED CAP CHARGES
 6. WORKING CAPITAL
 7. REMOVE CASA GRANDE LEGAL EXPENSES

REFERENCE:
 SCHEDULE WAR-4
 SCHEDULE WAR-5
 SCHEDULE WAR-6
 SCHEDULE WAR-7
 TESTIMONY - WAR
 SCHEDULE WAR-8
 TESTIMONY - WAR

NOTES:
 (a) NET OF ACCUMULATED DEPRECIATION

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1990 PLANT VALUE PER COMPANY	1990 ACCUM DEPR. PER COMPANY	1990 NET PRIOR ACC PER COMPANY	1991 ADDITIONS PER COMPANY	1991 (RETIREMENTS) PER COMPANY	1991 YEAR END PLANT VALUE PER RUCO	1991 DEPRECIATION EXPENSE PER RUCO	1991 ACCUMULATED DEPRECIATION PER RUCO	1991 YEAR END NET PLANT PER RUCO
1	301.0	INTANGIBLES ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES TRADEMARKS*	3,016	0	3,016	0	0	3,016	0	0	3,016
3	303.0	INTANGIBLES MISCELLANEOUS*	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY, LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY, LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY, LAND - WELLS*	54,497	0	54,497	0	0	54,497	0	(305)	54,192
7	314.0	SOURCE OF SUPPLY, LAND - WELLS*	957,655	200,039	757,616	679	(12,051)	646,244	23,038	211,026	735,257
8	320.0	PUMPING PLANT, STRUCTURES & IMPROVEMENTS	4,513	2,112	2,401	0	0	6,013	0	0	6,013
9	321.0	PUMPING PLANT, ELECTRICAL EQUIPMENT	1,332,394	278,316	1,054,078	152,086	(124,905)	1,359,675	32,574	185,985	1,173,690
10	325.0	PUMPING PLANT, GAS ENGINE EQUIPMENT	77,688	16,228	61,460	0	(77,688)	0	940	(60,520)	60,520
11	330.0	WATER TREATMENT PLANT, LAND	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT, EQUIPMENT	9,632	544	9,088	0	0	9,088	0	0	9,088
13	332.0	WATER TREATMENT PLANT, STRUCTURES & IMPROVEMENTS	35,419	7,388	28,031	7,102	0	43,141	83	606	43,141
14	332.0	WATER TREATMENT PLANT, EQUIPMENT	82,548	0	82,548	0	0	82,548	94	8,822	84,179
15	340.1	TRANSMISSION & DISTRIBUTION, LAND RIGHTS - FEES*	0	0	0	228	(723)	65,051	0	(723)	64,328
16	340.1	TRANSMISSION & DISTRIBUTION, LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION, STRUCTURES	1,675,943	0	1,675,943	0	0	1,675,943	0	0	1,675,943
18	342.0	TRANSMISSION & DISTRIBUTION, STORAGE TANKS	11,930,722	350,078	11,580,644	6,058	(74,539)	11,812,163	39,729	315,268	12,127,431
19	343.0	TRANSMISSION & DISTRIBUTION, MAINS	2,492,141	2,492,141	0	652,214	(17,284)	2,969,870	296,406	2,771,284	3,241,284
20	344.0	TRANSMISSION & DISTRIBUTION, FIRE SPRINKLERS	216,234	45,168	171,066	15,209	(5,415)	180,860	5,415	50,456	130,404
21	345.0	TRANSMISSION & DISTRIBUTION, SERVICES	2,273,030	474,800	1,798,230	91,952	(6,755)	1,885,427	56,060	525,096	1,830,331
22	346.0	TRANSMISSION & DISTRIBUTION, METERS	665,214	128,420	536,794	18,773	(13,245)	542,322	14,713	127,888	424,434
23	348.0	TRANSMISSION & DISTRIBUTION, HYDRANTS	684,773	142,976	541,797	18,925	(1,105)	559,617	16,778	158,650	718,267
24	368.1	GENERAL PLANT, LAND - OFFICE*	8,772	0	8,772	0	0	8,772	0	0	8,772
25	368.2	GENERAL PLANT, LAND - OFFICE*	0	0	0	0	0	0	0	0	0
26	368.3	GENERAL PLANT, LAND - OFFICE*	0	0	0	0	0	0	0	0	0
27	380.1	GENERAL PLANT, OFFICE BUILDINGS	76,869	16,063	60,806	230	0	61,036	1,864	17,927	78,963
28	390.2	GENERAL PLANT, WAREHOUSE BUILDINGS	108,404	22,644	85,760	0	0	85,760	2,623	25,267	83,137
29	390.3	GENERAL PLANT, MISC. BUILDINGS	4,076	851	3,225	0	0	3,225	99	950	3,324
30	391.0	GENERAL PLANT, OFFICE EQUIPMENT	18,664	3,899	14,765	0	0	14,765	452	4,350	15,215
31	391.1	GENERAL PLANT, ELECTRICAL EQUIPMENT	19,223	4,015	15,208	484	0	15,692	471	4,486	16,178
32	391.2	GENERAL PLANT, OFFICE FURNITURE	13,957	2,815	11,142	286	0	11,428	341	3,257	10,986
33	393.0	GENERAL PLANT, WAREHOUSE EQUIPMENT	1,384	289	1,095	589	0	1,684	41	330	1,814
34	394.0	GENERAL PLANT, GARAGE EQUIPMENT	67,371	14,073	53,298	885	0	54,183	1,641	15,714	69,897
35	395.0	GENERAL PLANT, LAB EQUIPMENT	172	35	137	0	0	137	4	40	141
36	396.0	GENERAL PLANT, POWER EQUIPMENT	44,569	9,314	35,255	595	0	35,850	1,086	10,400	46,250
37	397.0	GENERAL PLANT, POWER EQUIPMENT	175,170	35,143	140,027	0	0	140,027	4,142	39,686	179,713
38	397.1	GENERAL PLANT, MOBILE RADIOS	15,370	6,163	9,207	0	0	9,207	0	0	9,207
39	397.2	GENERAL PLANT, AUTO CONTROLS	29,980	2,827	27,153	777	0	27,930	777	1,320	29,250
40	398.0	GENERAL PLANT, MISC.	1,634	6,053	4,419	2,083	0	6,502	40	8,381	14,883
41		TOTALS	\$20,492,825	\$4,253,612	\$16,239,213	\$973,603	(\$327,706)	\$21,142,723	\$500,603	\$4,426,510	\$16,716,213

ACCT. NO.	PLANT ACCOUNT NAME	1992 ADDITIONS PER COMPANY	1992 (RETIREMENTS) PER COMPANY	1992 YEAR END PLANT VALUE PER RUCO	1992 DEPRECIATION EXPENSE PER RUCO	1992 ACCUMULATED DEPRECIATION PER RUCO	1993 YEAR END PLANT VALUE PER RUCO	1993 DEPRECIATION EXPENSE PER RUCO	1993 ACCUMULATED DEPRECIATION PER RUCO	1993 YEAR END NET PLANT PER RUCO
48	301.0	INTANGIBLES ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
49	302.0	INTANGIBLES TRADEMARKS*	0	0	3,016	0	0	0	0	3,016
50	303.0	INTANGIBLES MISCELLANEOUS*	0	0	0	0	0	0	0	0
51	310.1	SOURCE OF SUPPLY, LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0
52	310.2	SOURCE OF SUPPLY, LAND - RESERVOIRS*	0	0	0	0	0	0	0	0
53	310.3	SOURCE OF SUPPLY, LAND - WELLS*	0	0	0	0	0	0	0	0
54	314.0	SOURCE OF SUPPLY, LAND - WELLS*	3,925	0	54,192	(305)	54,497	2,503	56,995	57,000
55	320.0	PUMPING PLANT, STRUCTURES & IMPROVEMENTS	0	0	6,013	0	6,013	759	6,772	6,013
56	321.0	PUMPING PLANT, ELECTRICAL EQUIPMENT	0	0	1,359,675	2,602	1,362,277	171,675	(104,491)	1,507,667
57	325.0	PUMPING PLANT, GAS ENGINE EQUIPMENT	176,288	(48,758)	1,487,205	34,447	1,315,530	124,953	(104,491)	1,507,667
58	330.0	WATER TREATMENT PLANT, LAND	0	0	0	0	0	0	0	0
59	330.0	WATER TREATMENT PLANT, EQUIPMENT	0	0	2,602	689	3,291	30,165	67	3,358
60	332.0	WATER TREATMENT PLANT, STRUCTURES & IMPROVEMENTS	92,909	(1,376)	134,054	2,137	124,962	1,942	12,863	161,244
61	332.0	WATER TREATMENT PLANT, EQUIPMENT	0	0	62,061	0	62,061	1,942	(723)	64,766
62	340.1	TRANSMISSION & DISTRIBUTION, LAND RIGHTS - FEES*	0	0	0	(723)	0	0	0	0
63	340.1	TRANSMISSION & DISTRIBUTION, LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0
64	340.2	TRANSMISSION & DISTRIBUTION, LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0
65	341.0	TRANSMISSION & DISTRIBUTION, STRUCTURES	22,230	0	1,629,692	39,170	1,275,254	16,542	398,861	1,246,373
66	342.0	TRANSMISSION & DISTRIBUTION, STORAGE TANKS	110,147	(6,727)	12,699,092	305,341	9,598,195	380,089	(71,122)	12,978,059
67	343.0	TRANSMISSION & DISTRIBUTION, MAINS	9,596	(540)	240,372	5,707	184,748	14,161	294,533	330,906
68	344.0	TRANSMISSION & DISTRIBUTION, FIRE SPRINKLERS	160,809	(7,669)	2,512,368	58,948	1,935,994	117,648	(7,757)	2,622,259
69	345.0	TRANSMISSION & DISTRIBUTION, SERVICES	28,516	(7,641)	1,880,000	629,616	2,509,616	2,328	(2,328)	2,507,288
70	346.0	TRANSMISSION & DISTRIBUTION, METERS	25,053	(599)	726,648	17,289	743,937	2,321	(3,321)	740,616
71	348.0	TRANSMISSION & DISTRIBUTION, HYDRANTS	25,053	(599)	551,308	17,289	568,597	2,321	(3,321)	565,276
72	368.1	GENERAL PLANT, LAND - OFFICE*	0	0	8,772	0	8,772	0	0	8,772
73	368.2	GENERAL PLANT, LAND - OFFICE*	0	0	0	0	0	0	0	0
74	368.3	GENERAL PLANT, LAND - OFFICE*	0	0	0	0	0	0	0	0
75	380.1	GENERAL PLANT, OFFICE BUILDINGS	77,129	0	60,806	0	61,036	0	0	61,036
76	390.2	GENERAL PLANT, WAREHOUSE BUILDINGS	108,404	0	85,760	0	85,760	0	0	85,760
77	390.3	GENERAL PLANT, MISC. BUILDINGS	794	0	3,225	0	3,225	0	0	3,225
78	391.0	GENERAL PLANT, OFFICE EQUIPMENT	18,664	0	14,765	0	14,765	0	0	14,765
79	391.1	GENERAL PLANT, ELECTRICAL EQUIPMENT	7,379	0	15,692	0	15,692	0	0	15,692
80	391.2	GENERAL PLANT, OFFICE FURNITURE	0	0	11,428	0	11,428	0	0	11,428
81	393.0	GENERAL PLANT, WAREHOUSE EQUIPMENT	0	0	1,684	0	1,684	0	0	1,684
82	394.0	GENERAL PLANT, GARAGE EQUIPMENT	3,011	0	54,183	1,688	58,871	746	19,258	59,617
83	395.0	GENERAL PLANT, LAB EQUIPMENT	486	0	668	10	678	17	68	695
84	396.0	GENERAL PLANT, POWER EQUIPMENT	551	0	46,735	1,100	47,835	4,154	(469)	47,366
85	397.0	GENERAL PLANT, POWER EQUIPMENT	937	0	171,167	4,142	175,309	12,128	(381)	174,928
86	397.1	GENERAL PLANT, MOBILE RADIOS	937	0	9,207	1,564	8,643	0	0	8,643
87	397.2	GENERAL PLANT, AUTO CONTROLS	16,674	(1,827)	47,746	654	47,089	7,801	0	54,890
88	398.0	GENERAL PLANT, MISC.	684,850	(15,071)	669,779	(1,353)	668,426	2,707	(1,353)	667,073
89		TOTALS	\$684,850	(\$15,071)	\$21,732,456	\$515,548	\$16,685,957	\$178,510	(\$160,394)	\$22,626,045

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 * NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1984 ADDITIONS PER COMPANY	1984 (RETIREMENTS) PER COMPANY	1984 YEAR END PLANT VALUE PER RUCCO	1984 DEPRECIATION EXPENSE PER RUCCO	1984 ACCUMULATED DEPRECIATION PER RUCCO	1984 YEAR END NET PLANT PER RUCCO	1985 ADDITIONS PER COMPANY	1985 (RETIREMENTS) PER COMPANY	1985 YEAR END PLANT VALUE PER RUCCO	1985 DEPRECIATION EXPENSE PER RUCCO	1985 ACCUMULATED DEPRECIATION PER RUCCO	1985 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	3,018	0	0	3,018	0	0	3,018	0	0	3,018
3	303.0	INTANGIBLES: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	1,470	0	6,578	0	0	19,199	12,821	0	19,199	0	0	19,199
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	(305)	0	0	0	0	0	(305)	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	56,695	27,052	285,630	852,720	255,427	0	1,383,783	32,791	318,421	1,075,362
7	314.0	SOURCE OF SUPPLY: WELLS	187,789	0	1,138,356	0	0	6,013	4,635	0	1,138,356	0	0	6,013
8	320.0	PUMPING PLANT: LAND	2,447	0	12,960	294	3,157	9,403	0	0	17,195	385	3,543	13,852
9	320.1	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	2,447	0	12,960	294	3,157	9,403	0	0	17,195	385	3,543	13,852
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	170,149	(29,122)	1,648,694	40,875	117,720	1,509,974	123,049	(115,542)	1,656,201	42,798	(60,520)	1,611,225
11	330.0	PUMPING PLANT: MECHANICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.1	WATER TREATMENT PLANT: LAND	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	2,602	67	804	156,352	3,193	0	174,566	109	21,851	152,745
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	173,692	4,376	17,340	156,352	904	0	174,566	4,510	21,851	152,745
15	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	63,993	0	(723)	64,716	0	0	63,993	0	(723)	64,716
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	28,952	(38,643)	1,638,543	42,538	402,756	1,235,787	8,490	0	1,646,033	42,522	446,278	1,199,755
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	540,688	(13,407)	13,305,350	342,960	3,660,459	9,944,891	796,148	(24,531)	14,276,967	359,787	3,995,709	10,281,258
20	344.0	TRANSMISSION & DISTRIBUTION: MANSION HOUSES	0	0	0	0	0	0	0	0	0	0	0	0
21	345.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	272,641	(5,887)	2,724,641	68,600	68,600	2,656,041	26,107	(14)	2,682,127	7,425	76,271	2,244,856
22	346.0	TRANSMISSION & DISTRIBUTION: MISC. DEVICES	33,582	(8,094)	654,561	15,232	157,232	497,329	64,489	(7,711)	589,618	16,964	142,469	2,513,656
23	348.0	TRANSMISSION & DISTRIBUTION: METERS	42,736	(499)	787,885	19,341	209,668	569,216	63,411	(6,173)	625,123	20,679	224,122	600,999
24	389.2	GENERAL PLANT: LAND - OFFICE*	0	0	8,772	0	0	8,772	0	0	8,772	0	0	8,772
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	3,272	0	80,401	0	23,831	56,570	2,725	0	83,126	2,118	25,949	57,177
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	109,198	2,828	33,557	75,641	5,945	0	115,143	2,905	36,482	78,661
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	4,076	106	1,260	2,816	0	0	4,076	106	1,365	2,711
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	11,330	0	18,664	483	5,769	12,895	0	0	18,664	483	6,252	12,412
31	391.1	GENERAL PLANT: OFFICE FURNITURE	0	0	41,116	31	41,116	41,116	22,090	0	63,046	1,348	6,051	54,995
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	1,973	51	1,922	1,922	3,316	0	17,929	414	4,757	12,872
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	1,973	51	1,922	1,922	3,316	0	17,929	414	4,757	12,872
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	4,479	(805)	75,897	1,913	20,365	55,532	1,039	0	76,726	1,924	22,329	54,387
35	395.0	GENERAL PLANT: LAB EQUIPMENT	105	0	773	19	86	687	0	0	773	106	106	667
36	396.0	GENERAL PLANT: POWER EQUIPMENT	4,446	0	53,866	1,338	13,601	40,265	0	0	53,866	1,395	14,996	38,870
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	4,324	0	170,786	4,223	52,509	118,277	3,039	0	170,786	4,423	56,933	113,853
38	397.1	GENERAL PLANT: MOBILE RADIOS	137	0	14,449	318	2,134	12,314	0	0	17,488	414	2,548	14,940
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	55,687	1,441	10,512	45,174	7,551	0	63,237	1,540	12,052	51,185
40	398.0	GENERAL PLANT: MISC.	926	0	11,323	281	6,891	11,119	1,592	0	12,915	314	6,594	13,438
41	TOTALS		\$1,295,543	(\$94,557)	\$23,453,624	\$565,255	\$5,736,270	\$17,708,311	\$1,746,728	(\$190,323)	\$25,060,029	\$824,331	\$6,170,278	\$19,889,750
42														
43														
44														
45														
46														
47														
48														
49	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50	302.0	INTANGIBLES: FRANCHISES*	0	0	3,018	0	0	3,018	0	0	3,018	0	0	3,018
51	303.0	INTANGIBLES: MISC.	1,738	0	20,937	0	0	20,937	596	0	21,473	0	0	21,473
52	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
53	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	(305)	0	0	0	0	0	(1,325)	0
54	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	56,695	38,118	354,539	1,040,733	313,463	(100)	1,740,196	40,196	394,629	1,314,005
55	314.0	SOURCE OF SUPPLY: WELLS	1,494	0	1,395,277	0	0	6,013	0	0	1,395,277	0	0	6,013
56	320.0	PUMPING PLANT: LAND	2,447	0	12,960	294	3,157	9,403	0	0	17,195	385	3,543	13,852
57	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	2,447	0	12,960	294	3,157	9,403	0	0	17,195	385	3,543	13,852
58	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	170,149	(25,648)	1,671,294	43,091	145,919	1,525,375	346,596	(62,433)	1,955,447	46,369	(60,520)	1,904,924
59	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
60	330.0	WATER TREATMENT PLANT: LAND	0	0	0	0	0	0	0	0	0	0	0	0
61	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	2,602	67	804	156,352	3,193	0	174,566	109	21,851	152,745
62	332.0	WATER TREATMENT PLANT: EQUIPMENT	1,127	0	175,723	4,537	26,387	149,336	917	0	176,640	4,563	30,950	145,690
63	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	63,993	0	(723)	64,716	0	0	63,993	0	(927)	64,716
64	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
65	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
66	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
67	343.0	TRANSMISSION & DISTRIBUTION: MAINS	695,296	(22,647)	14,953,596	42,606	487,895	11,527,701	859,801	(32,637)	15,760,031	42,836	530,489	11,114,540
68	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	24,580	0	325,314	8,107	84,378	240,936	48,874	0	375,188	9,072	93,450	281,738
69	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	368,737	(32,526)	3,592,357	88,688	786,651	2,793,705	(35,282)	(3,860,641)	97,211	17,892	187,859	516,553
70	346.0	TRANSMISSION & DISTRIBUTION: METERS	35,329	(1,203)	787,220	17,285	174,209	503,011	67,447	(4,243)	704,412	24,002	289,171	691,417
71	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	66,922	0	892,842	22,248	245,169	647,672	81,747	0	904,419	24,002	289,171	691,417
72	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	8,772	0	0	8,772	0	0	8,772	0	0	8,772
73	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
74	389.3	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
75	390.1	GENERAL PLANT: OFFICE BUILDINGS	18,226	(350)	100,988	2,384	27,970	73,018	5,720	0	108,738	2,690	30,689	76,060
76	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	241,958	4,824	41,096	200,862	3,096	0	245,040	6,106	41,573	193,467
77	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	4,076	106	1,471	2,905	0	0	4,076	106	1,468	2,608
78	391.0	GENERAL PLANT: OFFICE EQUIPMENT	8,810	0	18,664	483	6,796	11,868	0	0	18,664	483	7,219	11,445
79	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	4,254	0	17,856	1,747	62,058	62,058	6,234	0</				

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1998 ADDITIONS PER COMPANY	1998 (RETIREMENTS) PER COMPANY	1998 YEAR END PLANT VALUE PER RUCCO	1998 DEPRECIATION EXPENSE PER RUCCO	1998 ACCUMULATED DEPRECIATION PER RUCCO	1998 YEAR END NET PLANT PER RUCCO	1999 ADDITIONS PER COMPANY	1999 (RETIREMENTS) PER COMPANY	1999 YEAR END PLANT VALUE PER RUCCO	1999 DEPRECIATION EXPENSE PER RUCCO	1999 ACCUMULATED DEPRECIATION PER RUCCO	1999 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	3,016	0	0	3,016	0	0	3,016	0	0	3,016
3	303.0	INTANGIBLES: MISCELLANEOUS*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	525	0	21,988	0	0	21,988	5,083	0	27,081	0	0	27,081
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	55,675	0	0	55,675	0	0	55,675	0	0	55,675
7	314.0	SOURCE OF SUPPLY: LAND - WELLS*	783	0	1,709,517	44,264	438,893	1,270,524	10,691	(27,371)	2,690,179	56,598	468,108	2,192,071
8	320.0	PUMPING PLANT: LAND*	0	0	6,013	0	0	6,013	0	0	6,013	0	0	6,013
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	42,716	(1,075)	88,616	1,756	5,157	83,459	124	0	88,740	2,297	7,453	81,286
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	44,753	(15,340)	1,984,960	51,027	82,640	1,902,220	230,383	(58,705)	2,156,538	53,031	(70,520)	2,078,972
11	330.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	(60,520)	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	5,796	150	1,363	4,432	14,720	0	20,515	341	1,704	18,811
14	331.0	WATER TREATMENT PLANT: ELECTRICAL EQUIPMENT	3,109	0	18,433	4,615	35,959	14,177	2,529	0	16,272	4,688	40,294	142,018
15	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	733	0	64,529	0	(927)	63,602	360	0	64,862	0	(927)	65,614
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	11,791	0	1,656,824	42,759	573,250	1,083,574	0	0	1,083,574	42,912	616,162	1,040,682
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	904,214	(22,093)	16,662,872	420,145	5,115,023	11,547,849	842,150	(22,384)	17,492,658	442,185	5,534,843	11,947,814
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	61,785	0	436,853	10,517	103,967	332,886	34,452	0	367,338	11,763	115,730	355,675
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	499,598	(27,092)	4,385,450	107,542	941,091	3,444,359	469,909	(41,384)	4,903,974	119,033	1,018,710	3,785,265
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	4,991	(4,991)	746,993	17,796	201,693	545,299	46,917	(4,916)	788,994	19,691	216,688	572,325
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	139,279	(1,593)	1,088,275	26,662	294,241	804,034	90,719	(1,923)	1,167,071	29,595	321,913	865,158
24	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	8,772	0	0	8,772	0	0	8,772	0	0	8,772
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT: LAND - MISCELLANEOUS*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	108,730	2,764	33,433	75,296	1,054	0	107,784	2,735	36,211	71,572
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	245,046	6,347	53,740	191,306	0	0	245,046	6,347	6,688	194,358
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	4,076	106	1,682	2,394	0	0	4,076	106	1,788	2,288
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	18,664	483	7,702	10,962	483	0	18,664	483	8,186	10,478
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	916	0	79,006	2,034	13,774	65,232	4,132	0	65,232	2,100	15,874	67,284
32	391.2	GENERAL PLANT: OFFICE FURNITURE	2,080	0	29,612	740	6,649	22,963	25	0	29,637	767	7,416	22,221
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	5,384	140	906	4,488	0	0	5,434	140	1,048	4,388
34	394.0	GENERAL PLANT: LAB EQUIPMENT	5,790	0	87,731	2,197	28,643	59,088	8,968	0	96,699	2,388	31,032	65,667
35	395.0	GENERAL PLANT: POWER EQUIPMENT	85	0	1,117	28	177	940	29	0	1,117	29	206	911
36	396.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	95,114	1,531	19,417	39,697	0	0	95,114	1,531	20,948	34,166
37	397.0	GENERAL PLANT: TELEPHONES	734	0	170,786	4,423	70,203	100,583	4,035	0	170,786	4,423	74,628	96,160
38	397.1	GENERAL PLANT: AUTO CONTROLS	588	0	24,450	655	4,335	21,115	0	0	24,450	655	5,052	24,643
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	0	0	0	0	0	0	0	0	0	0
40	398.0	GENERAL PLANT: MISC.	219	0	26,357	2,860	1,072	25,285	2,842	0	29,300	2,236	20,319	71,011
41	42	TOTALS	\$1,761,134	(\$72,154)	\$30,656,545	\$752,464	\$7,989,926	\$22,040,642	\$2,147,147	(\$156,693)	\$32,646,202	\$807,638	\$6,640,921	\$24,411,281

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2000 ADDITIONS PER COMPANY	2000 (RETIREMENTS) PER COMPANY	2000 YEAR END PLANT VALUE PER RUCCO	2000 DEPRECIATION EXPENSE PER RUCCO	2000 ACCUMULATED DEPRECIATION PER RUCCO	2000 YEAR END NET PLANT PER RUCCO	2001 ADDITIONS PER COMPANY	2001 (RETIREMENTS) PER COMPANY	2001 YEAR END PLANT VALUE PER RUCCO	2001 DEPRECIATION EXPENSE PER RUCCO	2001 ACCUMULATED DEPRECIATION PER RUCCO	2001 YEAR END NET PLANT PER RUCCO
49	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50	302.0	INTANGIBLES: FRANCHISES*	427,432	0	3,018	0	0	3,018	0	0	3,018	0	0	3,018
51	303.0	INTANGIBLES: MISCELLANEOUS*	3,864	0	427,432	0	0	427,432	224,505	0	651,937	0	0	651,937
52	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	30,940	0	0	30,940	982	0	31,937	0	0	31,937
53	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
54	310.3	SOURCE OF SUPPLY: LAND - WELLS*	27,091	0	93,457	0	0	93,457	0	0	93,457	0	0	93,457
55	314.0	SOURCE OF SUPPLY: LAND - WELLS*	34,513	0	2,694,692	69,346	537,454	2,157,238	7,371	0	2,702,063	69,888	607,342	2,094,721
56	320.0	PUMPING PLANT: LAND*	0	0	6,013	0	0	6,013	0	0	6,013	0	0	6,013
57	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	88,740	2,298	9,762	78,988	1,794	0	90,534	2,322	12,073	78,460
58	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	45,733	(11,506)	2,190,765	55,298	122,357	2,068,408	108,120	(38,438)	2,290,447	57,643	(60,520)	2,118,884
59	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	(60,520)	0	0	0	0	0	0	0
60	330.0	WATER TREATMENT PLANT: LAND	0	0	0	0	0	0	0	0	0	0	0	0
61	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	23,037	0	43,552	830	2,534	41,018	25,679	0	69,231	1,461	3,884	65,237
62	331.0	WATER TREATMENT PLANT: ELECTRICAL EQUIPMENT	32,043	(88,056)	126,259	3,956	(43,807)	170,066	19,122	(26,024)	119,357	3,181	(66,650)	186,007
63	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	64,867	0	(927)	65,814	0	0	64,867	0	(927)	65,814
64	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
65	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
66	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	1,656,824	42,912	659,074	997,750	51,372	(18,094)	1,600,143	43,343	684,333	1,065,779
67	343.0	TRANSMISSION & DISTRIBUTION: MAINS	1,416,895	(22,886)	18,878,867	470,865	5,983,013	12,895,853	2,480,239	(9,784)	21,347,322	503,333	6,343,298	14,004,024
68	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	87,180	0	558,565	13,338	129,068	429,497	37,640	(2,570)	503,535	14,821	141,119	462,416
69	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	745,371	(47,010)	5,502,336	133,467	1,105,167	4,397,169	1,032,554	(5,181)	6,511,179	155,575	1,237,031	5,274,148
70	346.0	TRANSMISSION & DISTRIBUTION: METERS	68,827	(3,445)	852,176	21,253	234,476	617,699	46,917	(4,916)	923,748	22,968	252,294	871,454
71	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	182,828	(1,909)	1,377,980	33,218	353,221	1,024,759	340,859	(1,872)	1,716,677	40,080	391,429	1,325,248
72	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	8,772	0	0	8,772	0	0	8,772	0	0	8,772
73	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
74	389.3	GENERAL PLANT: LAND - MISCELLANEOUS*	0	0	0	0	0	0	0	0	0	0	0	0
75	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	107,784	2,762	39,003	68,781	2,576	0	110,960	2,825	41,628	66,532
76	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	245,046	6,347	66,433	178,613	0	0	245,046	6,347	72,760	172,286
77	390.3	GENERAL PLANT: MISC. BUILDINGS	7,413	0	4,076	106	1,682	2,394	0	0	4,076	106	1,788	2,288
78	391.0	GENERAL PLANT: OFFICE EQUIPMENT	4,351	0	18,664	483	8,989	9,675	4,360	0	18,664	483	9,163	7,911
79	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	87,489	2,210	18,084	69,406	0	0	87,489	2,210	8,989	24,305
80	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	29,612	768	8,184	21,428	0	0	33,904	768	8,989	24,305
81	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	6,433	0	10,927	212	1,258	9,669	1,867	0	12,814	303	1,568	11,346
82	394.0	GENERAL PLANT: GARAGE EQUIPMENT	4,295	0	100,994	2,660	33,592	67,402	3,448	0	104,442	2,660	36,262	68,180
83	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	1,117	29	235	882	275	0	1,333	29	268	1,065
84	396.0	GENERAL PLANT: POWER EQUIPMENT	695	0	59,810	1,540	22,488	37,321	0	0	59,810	1,540	24,037	35,772
85	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	170,786	4,423	70,203	100,583	5,745	0	170,786	4,423	83,473	87,313
86	397.1	GENERAL PLANT: MOBILE RADIOS	2,669	0	32,365	804	5,856	26,509	0	0	38,110	913	6,789	31,341
87	397.2	GENERAL PLANT: AUTO CONTROLS	6,480	0	97,810	2,449	22,768	75,042	17,587	0	116,597	2,777	25,546	91,053
88	398.0	GENERAL PLANT: MISC.	2,552	0	31,755	789	2,591	29,166	674	0	32,429	789	3,412	

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2002 ADDITIONS PER COMPANY	2002 (RETIREMENTS) PER COMPANY	2002 YEAR END PLANT VALUE PER RUO	2002 DEPRECIATION EXPENSE PER RUO	2002 ACCUMULATED DEPRECIATION PER RUO	2002 YEAR END NET PLANT VALUE PER RUO	2003 ADDITIONS PER COMPANY	2003 (RETIREMENTS) PER COMPANY	2003 YEAR END PLANT VALUE PER RUO	2003 DEPRECIATION EXPENSE PER RUO	2003 ACCUMULATED DEPRECIATION PER RUO	2003 YEAR END NET PLANT VALUE PER RUO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	3,018	0	0	3,018	0	0	3,018	0	0	3,018
3	303.0	INTANGIBLES: MISC.*	114,163	0	766,100	0	0	880,263	56,274	0	936,537	0	0	936,537
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	13,024	0	44,961	0	0	57,985	22,231	0	80,216	0	0	80,216
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	408	0	95,865	0	(1,325)	94,540	0	0	94,540	0	0	94,540
7	314.0	SOURCE OF SUPPLY: LAND - WELLS*	1,468	0	2,158,512	70,002	(1,325)	2,157,187	7,906	0	2,165,093	70,123	(1,325)	2,163,768
8	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	1,074	0	91,607	2,359	14,432	77,175	0	0	77,175	2,370	0	79,545
9	321.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	103,819	(43,874)	2,320,392	59,322	(60,520)	2,160,192	98,380	(25,185)	2,333,387	61,059	(60,520)	2,332,916
10	321.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	328.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	69,231	1,793	5,787	74,014	1,307	0	75,321	1,810	0	77,131
13	331.0	WATER TREATMENT PLANT: EQUIPMENT	2,382	0	121,739	3,122	(63,528)	182,269	11,929	0	194,198	3,308	(60,220)	133,978
14	332.0	WATER TREATMENT PLANT: LAND - TANKS & MAINS*	0	0	64,867	0	(927)	63,940	0	0	63,940	0	0	63,940
15	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
16	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	11,321	(2,771)	1,696,663	43,885	725,447	973,216	1,084	0	974,300	44,009	0	1,018,309
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	1,632,948	(49,823)	22,890,448	573,397	7,017,707	15,912,741	2,680,465	(29,286)	18,563,915	628,231	0	19,192,146
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	84,132	(87)	877,668	157,602	157,602	819,864	172,312	0	992,176	19,784	0	1,011,960
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	656,599	(26,747)	7,340,940	178,985	1,386,669	5,951,271	1,393,545	(62,313)	7,272,493	207,370	0	7,479,863
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	108,912	(674)	1,028,665	25,232	219,917	752,768	177,158	(1,626)	928,299	28,942	0	957,241
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	209,252	(1,624)	1,368,953	47,932	437,711	1,331,242	410,855	(4,638)	1,736,459	56,669	0	1,793,128
24	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	8,772	0	0	8,772	0	0	8,772	0	0	8,772
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	563	0	110,943	2,866	44,694	66,249	0	0	66,249	2,873	0	69,122
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	1,329	0	246,375	6,364	78,144	167,231	0	0	167,231	6,381	0	173,612
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	0	298	2,584	8,905	0	0	8,905	2,882	0	11,787
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	11,469	483	9,636	9,028	0	0	9,028	483	0	9,511
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	7,541	0	18,664	483	22,883	76,508	6,800	0	83,308	2,662	0	85,970
32	391.2	GENERAL PLANT: OFFICE FURNITURE	2,021	0	96,390	2,477	8,888	25,437	1,328	0	26,765	932	0	27,697
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	35,325	889	9,888	25,437	13,544	0	38,981	3,207	0	42,188
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	12,593	0	117,035	2,869	39,120	77,915	13,544	0	91,459	1,176	0	92,635
35	395.0	GENERAL PLANT: LAB EQUIPMENT	2,103	0	3,496	63	331	3,164	1,768	0	4,932	113	0	5,045
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	58,810	1,549	25,688	34,223	0	0	34,223	1,549	0	35,772
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	170,786	4,423	87,896	82,890	0	0	82,890	4,423	0	87,313
38	397.1	GENERAL PLANT: MOBILE RADIOS	6,904	0	45,014	1,076	8,796	37,169	768	0	37,937	1,176	0	39,113
39	397.2	GENERAL PLANT: VIDEO CONTROLS	0	0	0	3,281	28,762	104,613	26,174	0	130,787	3,784	0	134,571
40	398.0	GENERAL PLANT: MISC.	3,283	0	135,725	3,283	28,762	104,613	26,174	0	130,787	3,784	0	134,571
41		TOTALS	\$3,250,267	(\$125,594)	\$43,056,439	\$1,050,772	\$11,096,139	\$31,922,550	\$5,097,240	(\$123,322)	\$48,030,397	\$1,152,953	\$12,127,770	\$55,992,626
42		BALANCES PER COMPANY									\$ 48,030,396			\$ 48,030,396
43		BALANCES PER RUO									\$ 48,030,397			\$ 48,030,397
44		TOTAL ADJUSTMENTS									\$ 1			\$ 55,553

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION

NOTE:
 * NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 CASA GRANDE SYSTEM
 RATE BASE ADJ. #2 - RESTATE ALLOCATED PHOENIX OFFICE
 & METER SHOP AND ACCUMULATED DEPRECIATION

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-5

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>TEST YEAR COMPANY</u>
1	GROSS PHOENIX OFFICE PLANT	\$ 4,999,117
2	GROSS METER SHOP	<u>113,608</u>
3	GROSS PHOENIX OFFICE PLANT & METER SHOP	\$ 5,112,725
4	TIMES: ALLOCATION FACTOR	<u>0.2070</u>
5	ALLOCATED GROSS PHOENIX OFFICE PLANT & METER SHOP	\$ 1,058,334
6	NET ALLOCATED PHOENIX OFFICE PLANT & METER SHOP	<u>947,818</u>
7	RUCO ADJUSTMENT TO PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION	\$ 110,516

REFERENCES:

- LINE 1: COMPANY SCHEDULE B-2 PAGE 7
- LINE 2: COMPANY SCHEDULE B-2 PAGE 8
- LINE 3: LINE 1 + LINE 2
- LINE 4: COMPANY SCHEDULE B-1 PAGE 1
- LINE 5: LINE 3 x LINE 4
- LINE 6: COMPANY SCHEDULE B-1 PAGE 1 (SUM OF LINES 6 AND 7)
- LINE 7: LINE 5 - LINE 6

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1990 PLANT VALUE PER COMPANY	1990 ACCUM DEPR. PER COMPANY	1990 NET PLANT PER PRIOR ACC PER COMPANY	1991 ADDITIONS PER COMPANY	1991 RETIREMENTS PER COMPANY	1991 YEAR END PLANT VALUE PER RUCCO	1991 DEPRECIATION EXPENSE PER RUCCO	1991 ACCUMULATED DEPRECIATION PER RUCCO	1991 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES ORGANIZATION*	\$651	\$0	\$651	\$0	\$0	\$651	\$0	\$0	\$651
2	302.0	INTANGIBLES FRANCHISES*	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES MISC.	8,496	0	8,496	0	0	8,496	0	0	8,496
4	310.1	SOURCE OF SUPPLY, LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY, LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY, LAND - WELLS*	0	0	0	0	0	0	0	0	0
7	314.0	SOURCE OF SUPPLY, WELLS	0	0	0	0	0	0	0	0	0
8	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0
15	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS, FEES*	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS, FEES*	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURE TANKS	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	0	0	0	0	0	0	0
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0
24	389.1	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0
25	389.2	GENERAL PLANT: OFFICE BUILDINGS	520,962	0	520,962	0	0	520,962	0	0	520,962
26	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	1,991	0	1,991	0	0	1,991	0	0	1,991
29	390.3	GENERAL PLANT: MISC. BUILDINGS	3,478	0	3,478	0	0	3,478	0	0	3,478
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	547,751	378	548,129	542	0	548,671	91	469	549,160
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	898,103	56,472	954,575	0	(1,399)	953,176	13,239	71,311	984,487
32	391.2	GENERAL PLANT: OFFICE FURNITURE	89,500	9,717	99,217	115,709	0	215,926	23,134	120,645	239,061
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	0	79,783	0	79,783	2,228	11,945	91,728
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	27,037	2,508	29,545	2,470	0	32,015	30	30	32,045
35	395.0	GENERAL PLANT: LAB EQUIPMENT	51	6	57	83	0	140	655	3,691	3,831
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	0	0	0	0	0	0	0
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	41,418	4,497	45,915	0	(510)	45,405	(6)	(619)	44,786
38	397.1	GENERAL PLANT: TELEPHONES	7,716	4,497	12,213	0	0	12,213	1,002	5,489	17,702
39	397.2	GENERAL PLANT: AUTO CONTROLS	8,696	940	9,636	1,346	0	11,000	226	1,166	12,166
40	398.0	GENERAL PLANT: MISC.	3,939	428	4,367	0	0	4,367	96	52	4,413
41		TOTALS	\$2,160,042	\$177,765	\$1,982,277	\$1,198,260	(\$1,909)	\$2,294,383	\$41,119	\$2,161,995	\$2,077,389

ACCT. NO.	PLANT ACCOUNT NAME	1992 ADDITIONS PER COMPANY	1992 RETIREMENTS PER COMPANY	1992 YEAR END PLANT VALUE PER RUCCO	1992 DEPRECIATION EXPENSE PER RUCCO	1992 ACCUMULATED DEPRECIATION PER RUCCO	1992 YEAR END NET PLANT PER RUCCO	1993 ADDITIONS PER COMPANY	1993 DEPRECIATION EXPENSE PER RUCCO	1993 ACCUMULATED DEPRECIATION PER RUCCO	1993 YEAR END NET PLANT PER RUCCO
49	301.0	INTANGIBLES ORGANIZATION*	\$0	\$0	\$651	\$0	\$651	\$0	\$0	\$0	\$651
50	302.0	INTANGIBLES FRANCHISES*	0	0	0	0	0	0	0	0	0
51	303.0	INTANGIBLES MISC.	0	0	8,496	0	8,496	0	0	0	8,496
52	310.1	SOURCE OF SUPPLY, LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0
53	310.2	SOURCE OF SUPPLY, LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0
54	310.3	SOURCE OF SUPPLY, LAND - WELLS*	0	0	0	0	0	0	0	0	0
55	314.0	SOURCE OF SUPPLY, WELLS	0	0	0	0	0	0	0	0	0
56	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0
57	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0
58	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0
59	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0
60	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0
61	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0
62	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0
63	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS, FEES*	0	0	0	0	0	0	0	0	0
64	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS, FEES*	0	0	0	0	0	0	0	0	0
65	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURE TANKS	0	0	0	0	0	0	0	0	0
66	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0
67	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0
68	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0
69	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	0	0	0	0	0	0	0
70	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0
71	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0
72	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0
73	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0
74	389.3	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0
75	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	541,639	0	541,639	0	0	0	541,639
76	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	1,991	0	1,991	0	0	0	1,991
77	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	3,478	0	3,478	0	0	0	3,478
78	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	548,129	0	548,129	0	0	0	548,129
79	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	123,305	0	1,137,117	13,222	1,150,339	(2,179)	14,115	95,989	1,246,438
80	391.2	GENERAL PLANT: OFFICE FURNITURE	3,614	0	99,217	29,026	128,243	209,346	32,114	174,350	202,703
81	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	(1,810)	79,783	12,447	91,956	(3,459)	2,488	11,477	103,479
82	394.0	GENERAL PLANT: GARAGE EQUIPMENT	30	0	2,470	60	2,530	0	64	154	2,684
83	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	140	657	297	884	712	4,990	5,287
84	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	0	0	0	0	0	0	0
85	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	45,405	1	45,406	0	1	9	46
86	397.1	GENERAL PLANT: TELEPHONES	1,775	0	41,418	1,002	42,420	4,091	1,126	7,627	49,047
87	397.2	GENERAL PLANT: MOBILE RADIOS	0	0	11,775	263	11,512	0	305	1,734	13,246
88	398.0	GENERAL PLANT: AUTO CONTROLS	0	0	0	95	95	0	0	0	95
89		TOTALS	\$128,724	(\$1,810)	\$2,421,129	\$44,147	\$2,565,332	(\$6,344)	\$51,618	\$2,616,976	\$2,515,292

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 * NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1998 ADDITIONS PER COMPANY	1998 (RETIREMENTS) PER COMPANY	1998 YEAR END PLANT VALUE PER RUO	1998 DEPRECIATION EXPENSE PER RUO	1998 ACCUMULATED DEPRECIATION PER RUO	1998 YEAR END NET PLANT PER RUO	1998 ADDITIONS PER COMPANY	1998 (RETIREMENTS) PER COMPANY	1998 YEAR END PLANT VALUE PER RUO	1998 DEPRECIATION EXPENSE PER RUO	1998 ACCUMULATED DEPRECIATION PER RUO	1998 YEAR END NET PLANT PER RUO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$651	\$0	\$0	\$651	\$0	\$0	\$651	\$0	\$0	\$651
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.	0	0	8,496	0	0	8,496	0	0	8,496	0	0	8,496
4	310.0	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	0	0	(588)	588	0	0	0	0	(588)	588
8	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
15	333.0	WATER TREATMENT PLANT: TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0	0	0	0
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	0	0	0	0	0	0	0	0	0	0
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0	0	0	0
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
24	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	390.1	GENERAL PLANT: OFFICE BUILDINGS	32,375	0	634,027	0	0	634,027	0	0	634,027	0	0	634,027
27	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	5,477	5,477	8,321	0	643,356	454	5,822	637,434
28	390.3	GENERAL PLANT: MISC. BUILDINGS	10,282	0	14,282	0	0	14,282	0	0	14,282	0	0	14,282
29	391.0	GENERAL PLANT: OFFICE EQUIPMENT	67,502	(197)	512,290	13,271	1,323	12,957	196,237	(220,044)	512,290	13,268	145,841	366,349
30	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	12,072	(406,605)	1,710,561	48,695	(28,401)	1,738,962	196,237	(220,044)	1,688,592	43,965	(204,448)	1,893,203
31	391.2	GENERAL PLANT: OFFICE FURNITURE	197	0	184,189	4,096	28,416	135,773	1,235	0	186,889	4,287	32,703	134,186
32	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	29,284	756	8,653	20,631	928	0	29,284	758	9,411	19,873
33	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	51	1	16	35	0	0	51	1	13	29
34	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	(510)	(13)	(609)	88	0	0	(510)	(13)	(621)	111
35	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	2,284	0	50,073	1,297	13,934	36,139	46,675	0	50,073	1,297	15,231	34,842
36	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	28,170	4,165	4,165	24,005	0	0	28,170	4,165	1,334	66,348
37	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	5,857	141	1,103	1,068	12	0	1,211	134	1,334	1,077
38	398.0	GENERAL PLANT: MISC.	124,987	295	5,857	141	1,103	5,999	12	0	1,211	134	1,334	1,077
39		TOTALS	\$124,987	\$4,06,802	\$3,161,102	\$69,737	\$168,959	\$2,989,934	\$257,227	\$(220,044)	\$3,189,626	\$68,028	\$12,844	\$3,185,911

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2000 ADDITIONS PER COMPANY	2000 (RETIREMENTS) PER COMPANY	2000 YEAR END PLANT VALUE PER RUO	2000 DEPRECIATION EXPENSE PER RUO	2000 ACCUMULATED DEPRECIATION PER RUO	2000 YEAR END NET PLANT PER RUO	2000 ADDITIONS PER COMPANY	2000 (RETIREMENTS) PER COMPANY	2000 YEAR END PLANT VALUE PER RUO	2000 DEPRECIATION EXPENSE PER RUO	2000 ACCUMULATED DEPRECIATION PER RUO	2000 YEAR END NET PLANT PER RUO
40	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$651	\$0	\$0	\$651	\$0	\$0	\$651	\$0	\$0	\$651
41	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
42	303.0	INTANGIBLES: MISC.	0	0	8,496	0	0	8,496	0	0	8,496	0	0	8,496
43	310.0	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
44	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
45	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
46	314.0	SOURCE OF SUPPLY: WELLS	0	0	0	0	(588)	588	0	0	0	0	(588)	588
47	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
48	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
49	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
50	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
51	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
52	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
53	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
54	333.0	WATER TREATMENT PLANT: TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
55	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
56	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
57	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
58	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0	0	0	0
59	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
60	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	0	0	0	0	0	0	0	0	0	0
61	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0	0	0	0
62	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
63	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
64	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
65	390.1	GENERAL PLANT: OFFICE BUILDINGS	73,580	0	716,938	454	6,378	710,990	11,791	0	728,729	454	6,831	721,898
66	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
67	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	14,282	0	0	14,282	0	0	14,282	0	0	14,282
68	391.0	GENERAL PLANT: OFFICE EQUIPMENT	312,681	0	512,290	13,280	2,063	12,219	377,076	(93,632)	512,290	13,280	172,478	339,812
69	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	14,611	(406,605)	1,909,435	47,738	(156,713)	2,158,148	377,076	(93,632)	2,129,586	55,555	(194,895)	2,477,686
70	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	181,500	4,512	37,215	144,285	1,983	0	183,263	4,722	41,152	137,131
71	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	3,705	96	649	3,056	0	0	3,705	96	3,705	2,960
72	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	29,284	758	8,649	20,635	709	0	29,993	768	10,938	19,055
73	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	25	1	55	922	0	0	25	1	80	897
74	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	(510)	(13)	(634)	124	0	0	(510)	(13)	(647)	137
75	397.1	GENERAL PLANT: MOBILE RADIOS	2,507	0	50,073	1,297	16,528	33,545	0	0	50,073	1,297	17,625	32,248
76	397.2	GENERAL PLANT: AUTO CONTROLS	343	0	77,352	1,971	7,470	69,882	3,950	0	81,302	2,055	13,474	67,828
77	398.0	GENERAL PLANT: MISC.	403,722	155	5,857	141	1,103	5,999	12	0	1,211	134	1,334	1,077
78		TOTALS	\$403,722	\$0	\$3,622,007	\$70,665	\$83,608	\$3,612,574	\$(89,652)	\$0	\$3,903,694	\$78,697	\$72,623	\$3,831,071

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 * NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 CASA GRANDE SYSTEM
 RATE BASE ADJUSTMENT #3 - ACCUMULATED DEPRECIATION - PHOENIX OFFICE

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-6
 PAGE 4 OF 4

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2002 ADDITIONS PER COMPANY	2002 (RETIREMENTS) PER COMPANY	2002 YEAR END PLANT VALUE PER RUO	2002 DEPRECIATION EXPENSE PER RUO	2002 ACCUMULATED DEPRECIATION PER RUO	2002 YEAR END NET PLANT PER RUO	2003 ADDITIONS PER COMPANY	2003 (RETIREMENTS) PER COMPANY	2003 YEAR END PLANT VALUE PER RUO	2003 DEPRECIATION EXPENSE PER RUO	2003 ACCUMULATED DEPRECIATION PER RUO	2003 YEAR END NET PLANT PER RUO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$651	\$0	\$0	\$651	\$0	\$0	\$651	\$0	\$0	\$651
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.*	0	0	8,496	0	0	8,496	0	0	8,496	0	0	8,496
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	588	0	(588)	0	0	0	0	0	(588)	588
8	320.0	PUMPING PLANT: LAND	0	0	0	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
10	322.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	323.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0	0	0	0
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	0	0	0	0	0	0	0	0	0	0
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0	0	0	0
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
24	388.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
25	388.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	389.1	GENERAL PLANT: LAND - MISCELLANEOUS*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	7,215	0	735,944	454	7,285	728,659	548,941	0	1,284,865	454	7,739	1,277,146
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	14,282	370	2,803	11,479	0	0	14,282	370	3,173	11,109
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	512,290	13,268	185,746	326,544	0	0	512,290	13,268	198,015	313,275
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	504,040	(153,472)	2,633,447	63,666	(284,695)	2,918,142	195,988	(75,130)	2,754,303	69,771	(290,053)	3,044,356
32	391.2	GENERAL PLANT: OFFICE FURNITURE	710	0	184,193	4,761	46,703	137,490	54,624	0	238,817	5,478	52,181	186,636
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	3,705	96	841	2,864	0	0	3,705	96	937	2,768
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	29,993	777	11,714	18,279	457	0	30,450	783	12,497	17,953
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	25	25	105	872	0	0	977	25	130	847
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	(510)	(13)	(691)	151	0	0	(510)	(13)	(674)	164
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	50,073	1,297	19,122	30,951	0	0	50,073	1,297	20,419	29,654
38	397.1	GENERAL PLANT: MOBILE RADIOS	2,762	0	84,064	2,141	15,616	68,448	7,874	0	91,938	2,279	17,895	74,043
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	1,554	40	250	1,304	0	0	1,554	40	291	1,263
40	398.0	GENERAL PLANT: MISC.	1,225	0	7,209	171	1,963	(1,792)	0	0	7,209	187	2,150	5,056
41		TOTALS	\$915,953	(\$153,472)	\$4,266,365	\$87,054	\$6,205	\$4,253,125	\$607,882	(\$75,130)	\$4,696,117	\$94,035	\$25,110	\$4,671,007
42		BALANCES PER COMPANY									\$ 4,696,117			\$ 9,125
43		BALANCES PER RUO									\$ 4,666,117			\$ 25,110
44		DIFFERENCE									\$			\$ 15,985
45		TOTAL ADJUSTMENTS									0.2070			0.2070
46		TOTAL ADJUSTMENTS									\$ 3,303			\$ 3,303

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION

NOTE:
 * NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1990 PLANT VALUE PER COMPANY	1990 ACCUM. DEPR. PER COMPANY	1990 NET PLANT VALUE PER COMPANY	1991 ADDITIONS PER COMPANY	1991 (RETIREMENTS) PER COMPANY	1991 YEAR END PLANT VALUE PER RUCO	1991 DEPRECIATION EXPENSE PER RUCO	1991 ACCUMULATED DEPRECIATION PER RUCO	1991 YEAR END NET PLANT PER RUCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*									
3	303.0	INTANGIBLES: MISC.*									
4	310.0	SOURCE OF SUPPLY: LAND - WATER RIGHTS*									
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*									
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	80	0	80	0	0	80	0	0	80
7	314.0	SOURCE OF SUPPLY: WELLS									
8	320.0	PUMPING PLANT: LAND*									
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS									
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT									
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT									
12	330.0	WATER TREATMENT PLANT: LAND*									
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	2,060	370	1,690			2,060	90	420	1,650
14	332.0	WATER TREATMENT PLANT: EQUIPMENT									
15	340.0	TRANSMISSION & DISTRIBUTION: TANKS & MAINS*									
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*									
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES									
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS									
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	6,066	1,095	4,971			6,066	147	1,242	4,824
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS									
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	43	8	35			43	1	9	34
22	346.0	TRANSMISSION & DISTRIBUTION: METERS									
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS									
24	388.1	GENERAL PLANT: LAND - OFFICE*									
25	388.2	GENERAL PLANT: LAND - WAREHOUSE*									
26	388.3	GENERAL PLANT: OFFICE BUILDINGS									
27	388.4	GENERAL PLANT: WAREHOUSE BUILDINGS	16,566	2,992	13,574			16,566	401	3,392	13,174
28	390.2	GENERAL PLANT: MISC. BUILDINGS									
29	390.3	GENERAL PLANT: MISC. BUILDINGS	742	134	608			742	18	162	590
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT									
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT									
32	391.2	GENERAL PLANT: OFFICE FURNITURE									
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT									
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	14,969	2,703	12,266			14,969	362	3,065	11,904
35	395.0	GENERAL PLANT: LAB EQUIPMENT	2,981	538	2,443			2,981	72	2,371	2,211
36	396.0	GENERAL PLANT: POWER EQUIPMENT	1,458	263	1,195			1,458	35	289	1,169
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT									
38	397.1	GENERAL PLANT: MOBILE RADIOS									
39	397.2	GENERAL PLANT: AUTO CONTROLS									
40	398.0	GENERAL PLANT: MISC.									
41		TOTALS	\$44,955	\$8,104	\$36,851	\$0	\$0	\$44,955	\$1,096	\$8,196	\$36,755

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1992 ADDITIONS PER COMPANY	1992 (RETIREMENTS) PER COMPANY	1992 YEAR END PLANT VALUE PER RUCO	1992 DEPRECIATION EXPENSE PER RUCO	1992 ACCUMULATED DEPRECIATION PER RUCO	1992 YEAR END NET PLANT PER RUCO	1993 ADDITIONS PER COMPANY	1993 (RETIREMENTS) PER COMPANY	1993 YEAR END PLANT VALUE PER RUCO	1993 DEPRECIATION EXPENSE PER RUCO	1993 ACCUMULATED DEPRECIATION PER RUCO	1993 YEAR END NET PLANT PER RUCO
49	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50	302.0	INTANGIBLES: FRANCHISES*												
51	303.0	INTANGIBLES: MISC.*												
52	310.0	SOURCE OF SUPPLY: LAND - WATER RIGHTS*												
53	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*												
54	310.3	SOURCE OF SUPPLY: LAND - WELLS*	80	0	80	0	0	80	0	0	80	0	0	80
55	314.0	SOURCE OF SUPPLY: WELLS												
56	320.0	PUMPING PLANT: LAND*												
57	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS												
58	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT												
59	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT												
60	330.0	WATER TREATMENT PLANT: LAND*												
61	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	2,050	0	2,050			2,050	0	0	2,050	53	523	1,527
62	332.0	WATER TREATMENT PLANT: EQUIPMENT												
63	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*												
64	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*												
65	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES												
66	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS												
67	343.0	TRANSMISSION & DISTRIBUTION: MAINS	6,066	147	5,919			6,066	0	0	6,066	157	1,546	4,520
68	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS												
69	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	43	1	43			43	0	0	43	1	11	32
70	346.0	TRANSMISSION & DISTRIBUTION: METERS												
71	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS												
72	389.1	GENERAL PLANT: LAND - OFFICE*												
73	389.2	GENERAL PLANT: LAND - WAREHOUSE*												
74	389.3	GENERAL PLANT: LAND - MISC.*												
75	390.1	GENERAL PLANT: OFFICE BUILDINGS												
76	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	16,566	0	16,566			16,566	0	0	16,566	429	4,222	12,344
77	390.3	GENERAL PLANT: MISC. BUILDINGS												
78	391.0	GENERAL PLANT: OFFICE EQUIPMENT	742	0	742			742	0	0	742	19	189	553
79	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT												
80	391.2	GENERAL PLANT: OFFICE FURNITURE												
81	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT												
82	394.0	GENERAL PLANT: GARAGE EQUIPMENT	14,969	362	14,607			14,969	333	0	15,302	392	3,820	11,482
83	395.0	GENERAL PLANT: LAB EQUIPMENT	2,981	72	2,909			2,981	0	0	2,981	77	2,221	2,221
84	396.0	GENERAL PLANT: POWER EQUIPMENT	1,458	35	1,423			1,458	0	0	1,458	38	372	1,086
85	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT												
86	397.1	GENERAL PLANT: MOBILE RADIOS												
87	397.2	GENERAL PLANT: AUTO CONTROLS												
88	398.0	GENERAL PLANT: MISC.												
89		TOTALS	\$0	\$0	\$44,955	\$1,096	\$10,276	\$44,679	\$333	\$1,167	\$45,288	\$1,442	\$33,846	

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 * NON-DEPRECIABLE PLANT

RATE BASE ADJUSTMENT #4 - ACCUMULATED DEPRECIATION - METER SHOP

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1984 ADDITIONS PER COMPANY	1984 (RETIREMENTS) PER COMPANY	1984 YEAR END PLANT VALUE PER RUJO	1984 DEPRECIATION PER RUJO	1984 ACCUMULATED DEPRECIATION PER RUJO	1984 YEAR END NET PLANT PER RUJO	1985 ADDITIONS PER COMPANY	1985 (RETIREMENTS) PER COMPANY	1985 YEAR END PLANT VALUE PER RUJO	1985 DEPRECIATION PER RUJO	1985 ACCUMULATED DEPRECIATION PER RUJO	1985 YEAR END NET PLANT PER RUJO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISCELLANEOUS*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	80	0	0	80	0	0	80	0	0	80
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	0	0	0	0	0	0	0	0	0	0
8	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	2,050	0	0	2,050	0	0	2,050	0	0	2,050
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
14	332.0	WATER TREATMENT PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
15	333.0	WATER TREATMENT PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS & MAINS*	0	0	576	0	0	576	0	0	0	0	0	0
17	340.2	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
18	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
19	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
20	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0	0	0	0
21	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
22	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	43	0	0	43	0	0	43	0	0	43
23	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0	0	0	0
24	348.0	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
25	349.0	GENERAL PLANT: LAND - MISCELLANEOUS*	0	0	0	0	0	0	0	0	0	0	0	0
26	388.1	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	16,566	0	0	16,566	0	0	16,566	0	0	16,566
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	742	0	0	742	0	0	742	0	0	742
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	15,529	0	0	15,529	0	0	20,239	0	0	20,239
35	386.0	GENERAL PLANT: CAR EQUIPMENT	227	0	2,981	0	0	2,981	4,710	0	2,981	0	0	2,981
36	386.0	GENERAL PLANT: POWER EQUIPMENT	0	0	1,458	0	0	1,458	38	0	1,458	0	0	1,458
37	387.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
38	397.0	GENERAL PLANT: MOBILE RADIOS	0	0	0	0	0	0	0	0	0	0	0	0
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	0	0	0	0	0	0	0	0	0	0
40	398.0	GENERAL PLANT: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
41		TOTALS	\$227	\$0	\$45,515	\$1,174	\$12,616	\$32,689	\$4,710	\$0	\$50,225	\$1,238	\$13,652	\$36,371

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1986 ADDITIONS PER COMPANY	1986 (RETIREMENTS) PER COMPANY	1986 YEAR END PLANT VALUE PER RUJO	1986 DEPRECIATION PER RUJO	1986 ACCUMULATED DEPRECIATION PER RUJO	1986 YEAR END NET PLANT PER RUJO	1987 ADDITIONS PER COMPANY	1987 (RETIREMENTS) PER COMPANY	1987 YEAR END PLANT VALUE PER RUJO	1987 DEPRECIATION PER RUJO	1987 ACCUMULATED DEPRECIATION PER RUJO	1987 YEAR END NET PLANT PER RUJO
42		TOTALS	\$1,087	(\$34)	\$82,058	\$1,322	\$15,142	\$69,916	\$16,682	\$0	\$70,760	\$1,588	\$16,731	\$54,019

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION

NOTE:
 * NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1998 ADDITIONS PER COMPANY	1998 (RETIREMENTS) PER COMPANY	1998 YEAR END PLANT VALUE PER RUCCO	1998 DEPRECIATION EXPENSE PER RUCCO	1998 ACCUMULATED DEPRECIATION PER RUCCO	1998 YEAR END NET PLANT PER RUCCO	1999 ADDITIONS PER COMPANY	1999 (RETIREMENTS) PER COMPANY	1999 YEAR END PLANT VALUE PER RUCCO	1999 DEPRECIATION EXPENSE PER RUCCO	1999 ACCUMULATED DEPRECIATION PER RUCCO	1999 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0
2	302.0	INTANGIBLES: FRANCHISES*												
3	303.0	INTANGIBLES: MISC.*												
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*												
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*												
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*			80			80						80
7	314.0	SOURCE OF SUPPLY: WELLS												
8	320.0	PUMPING PLANT: LAND*												
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS												
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT												
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT												
12	330.0	WATER TREATMENT PLANT: LAND*												
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS												
14	332.0	WATER TREATMENT PLANT: EQUIPMENT			2,050			2,050				53	841	1,209
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*												
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*												
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES												
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS												
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS			6,066			6,066				157	2,488	3,577
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS												
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES			795			795				5	(1,666)	1,239
22	346.0	TRANSMISSION & DISTRIBUTION: METERS												
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS												
24	389.1	GENERAL PLANT: LAND - OFFICE*												
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*												
26	389.3	GENERAL PLANT: LAND - MISC.*												
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	4,898		21,808			21,808				565	7,009	14,799
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS												
29	390.3	GENERAL PLANT: MISC. BUILDINGS			742			742				19	304	438
30	391.0	GENERAL PLANT: ELECTRICAL EQUIPMENT												
31	391.1	GENERAL PLANT: OFFICE FURNITURE												
32	391.2	GENERAL PLANT: OFFICE EQUIPMENT												
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT			40,737			40,737				1,066	8,125	33,429
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	1,541		2,881			2,881	817		41,554	1,223	1,758	860
35	395.0	GENERAL PLANT: LAB EQUIPMENT			1,458			1,458				38	598	860
36	396.0	GENERAL PLANT: POWER EQUIPMENT												
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT												
38	397.1	GENERAL PLANT: MOBILE RADIOS												
39	397.2	GENERAL PLANT: AUTO CONTROLS												
40	388.0	GENERAL PLANT: MISC.												
41		TOTALS	\$6,439	(\$472)	\$76,717	\$1,838	\$18,166	\$58,551	\$817	(\$1,223)	\$76,312	\$1,990	\$18,624	\$57,688

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2000 ADDITIONS PER COMPANY	2000 (RETIREMENTS) PER COMPANY	2000 YEAR END PLANT VALUE PER RUCCO	2000 DEPRECIATION EXPENSE PER RUCCO	2000 ACCUMULATED DEPRECIATION PER RUCCO	2000 YEAR END NET PLANT PER RUCCO	2001 ADDITIONS PER COMPANY	2001 (RETIREMENTS) PER COMPANY	2001 YEAR END PLANT VALUE PER RUCCO	2001 DEPRECIATION EXPENSE PER RUCCO	2001 ACCUMULATED DEPRECIATION PER RUCCO	2001 YEAR END NET PLANT PER RUCCO
49	301.0	INTANGIBLES: ORGANIZATION*	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0
50	302.0	INTANGIBLES: FRANCHISES*												
51	303.0	INTANGIBLES: MISC.*												
52	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*												
53	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*												
54	310.3	SOURCE OF SUPPLY: LAND - WELLS*			80			80						80
55	314.0	SOURCE OF SUPPLY: WELLS												
56	320.0	PUMPING PLANT: LAND*												
57	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS												
58	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT												
59	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT												
60	330.0	WATER TREATMENT PLANT: LAND*												
61	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS												
62	332.0	WATER TREATMENT PLANT: EQUIPMENT			2,050			2,050				53	947	1,103
63	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*												
64	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*												
65	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES												
66	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS												
67	343.0	TRANSMISSION & DISTRIBUTION: MAINS			6,066			6,066				157	2,803	3,263
68	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS												
69	345.0	TRANSMISSION & DISTRIBUTION: SERVICES			(427)			(427)				(1)	(1,686)	1,261
70	346.0	TRANSMISSION & DISTRIBUTION: METERS												
71	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS												
72	389.1	GENERAL PLANT: LAND - OFFICE*												
73	389.2	GENERAL PLANT: LAND - WAREHOUSE*												
74	389.3	GENERAL PLANT: LAND - MISC.*												
75	390.1	GENERAL PLANT: OFFICE BUILDINGS	1,654		1,654			1,654						
76	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	4,465		26,273			26,273				709	8,341	20,100
77	390.3	GENERAL PLANT: MISC. BUILDINGS			742			742						
78	391.0	GENERAL PLANT: ELECTRICAL EQUIPMENT			831			831				22	32	789
79	391.1	GENERAL PLANT: WAREHOUSE EQUIPMENT	801		801			801				19	343	389
80	391.2	GENERAL PLANT: OFFICE FURNITURE												
81	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT												
82	394.0	GENERAL PLANT: GARAGE EQUIPMENT	11,551		53,105			53,105	1,098		1,068	14	1,074	42,990
83	395.0	GENERAL PLANT: LAB EQUIPMENT			2,881			2,881	559		52,684	1,331	10,774	42,990
84	396.0	GENERAL PLANT: POWER EQUIPMENT			1,458			1,458				38	674	1,577
85	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT												
86	397.1	GENERAL PLANT: MOBILE RADIOS												
87	397.2	GENERAL PLANT: AUTO CONTROLS												
88	388.0	GENERAL PLANT: MISC.												
89		TOTALS	\$18,507	\$0	\$94,813	\$2,214	\$21,138	\$73,675	\$4,291	\$0	\$99,104	\$2,509	\$23,647	\$75,457

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 *NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2002 ADDITIONS PER COMPANY	2002 (RETIREMENTS) PER COMPANY	2002 YEAR END PLANT VALUE PER RUO	2002 DEPRECIATION EXPENSE PER RUO	2002 ACCUMULATED DEPRECIATION PER RUO	2002 YEAR END NET PLANT VALUE PER RUO	2003 ADDITIONS PER COMPANY	2003 (RETIREMENTS) PER COMPANY	2003 YEAR END PLANT VALUE PER RUO	2003 DEPRECIATION EXPENSE PER RUO	2003 ACCUMULATED DEPRECIATION PER RUO	2003 YEAR END NET PLANT VALUE PER RUO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY, LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY, LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY, LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
7	314.0	SOURCE OF SUPPLY, WELLS	0	0	80	0	0	80	0	0	80	0	0	80
8	321.0	PUMPING PLANT, STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT, ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
10	325.0	PUMPING PLANT, GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	328.0	PUMPING PLANT, LAND*	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT, STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT, EQUIPMENT	0	0	2,050	0	1,000	1,050	0	0	2,050	0	1,063	987
14	332.0	WATER TREATMENT PLANT, TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
15	340.0	TRANSMISSION & DISTRIBUTION, LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION, LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION, STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION, STORAGE TANKS	0	0	6,066	0	2,960	3,106	0	0	6,066	0	3,117	2,949
19	343.0	TRANSMISSION & DISTRIBUTION, MAINS	0	0	0	0	0	0	0	0	0	0	0	0
20	344.0	TRANSMISSION & DISTRIBUTION, FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
21	345.0	TRANSMISSION & DISTRIBUTION, SERVICES	426	0	(1)	0	(1,694)	1,693	0	0	(1)	0	(1,684)	1,683
22	346.0	TRANSMISSION & DISTRIBUTION, METERS	0	0	0	0	0	0	0	0	0	0	0	0
23	346.0	TRANSMISSION & DISTRIBUTION, HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
24	346.0	GENERAL PLANT, LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
25	388.2	GENERAL PLANT, LAND - GARAGE*	0	0	0	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT, LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT, OFFICE BUILDINGS	0	0	2,130	0	126	2,004	0	0	2,130	0	161	1,969
28	390.2	GENERAL PLANT, WAREHOUSE BUILDINGS	6,902	0	35,343	826	8,167	26,176	0	0	35,343	915	10,082	25,261
29	390.3	GENERAL PLANT, MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
30	391.0	GENERAL PLANT, OFFICE EQUIPMENT	0	0	742	0	362	380	0	0	742	0	381	361
31	391.1	GENERAL PLANT, ELECTRICAL EQUIPMENT	1,377	0	2,208	39	72	2,138	1,033	0	3,241	71	142	3,099
32	391.2	GENERAL PLANT, OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
33	393.0	GENERAL PLANT, WAREHOUSE EQUIPMENT	0	0	1,088	0	42	1,046	0	0	1,088	0	70	1,018
34	394.0	GENERAL PLANT, GARAGE EQUIPMENT	0	0	53,664	1,350	12,124	41,540	4,768	0	58,430	1,452	13,575	44,855
35	395.0	GENERAL PLANT, LAB EQUIPMENT	0	0	2,981	77	1,465	1,526	0	0	2,981	77	1,532	1,449
36	396.0	GENERAL PLANT, POWER EQUIPMENT	0	0	1,458	38	711	747	0	0	1,458	38	748	709
37	397.0	GENERAL PLANT, COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
38	397.1	GENERAL PLANT, MOBILE RADIOS	0	0	0	0	0	0	0	0	0	0	0	0
39	398.2	GENERAL PLANT, ALCO CONTROLS	0	0	0	0	0	0	0	0	0	0	0	0
40	398.0	GENERAL PLANT, MISC.	0	0	0	0	0	0	0	0	0	0	0	0
41		TOTALS	\$9,705	\$0	\$107,809	\$2,677	\$26,325	\$81,484	\$5,739	\$0	\$113,608	\$2,865	\$29,190	\$84,418
42		BALANCES PER COMPANY									\$ 113,607		\$ 30,118	
43		BALANCES PER RUO									\$ 113,608		\$ 29,190	
44		DIFFERENCE									\$ 1		\$ (928)	
45		TOTALS									\$ 0.2070		\$ 0.2070	
46		TOTAL ADJUSTMENTS									\$ (192)		\$ (192)	

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 * - NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 CASA GRANDE SYSTEM
 RATE BASE ADJUSTMENT #6 - WORKING CAPITAL

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-8
 PAGE 1 OF 5

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	CASH WORKING CAPITAL PER COMPANY	\$ (34,386)	COMPANY SCH. B-5, PG. 1
2	CASH WORKING CAPITAL PER RUCO	<u>(241,378)</u>	SCH. WAR-8, PG. 3
3	DECREASE IN CASH WORKING CAPITAL	\$ (206,992)	LINE 2 - LINE 1
4	MATERIALS & SUPPLIES PER COMPANY	\$ 62,214	COMPANY SCH. B-5, PG. 1
5	MATERIALS & SUPPLIES PER RUCO	<u>62,214</u>	
6	MATERIALS & SUPPLIES ADJUSTMENT	\$ -	LINE 5 - LINE 4
7	PREPAYMENTS PER COMPANY AND SPECIAL DEPOSITS	\$ 87,597	COMPANY SCH. B-5, PG. 1
8	PREPAYMENTS PER RUCO	<u>87,597</u>	
9	PREPAYMENTS ADJUSTMENT	\$ -	LINE 8 - LINE 7
10	REQUIRED BANK BALANCES PER COMPANY	\$ 134,829	COMPANY SCH. B-5, PG. 1
11	REQUIRED BANK BALANCES PER RUCO	<u>134,829</u>	
12	REQUIRED BANK BALANCE ADJUSTMENT	\$ -	LINE 11 - LINE 10
13	TOTAL WORKING CAPITAL ADJUSTMENT	<u>\$ (206,992)</u>	LINES 3, 6, 9 & 12

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2003
CASA GRANDE SYSTEM
RATE BASE ADJUSTMENT #6 - WORKING CAPITAL
LEAD/LAG CALCULATION

DOCKET NO. W-01445A-04-0650
SCHEDULE WAR-8
PAGE 2 OF 5

LINE NO.	DESCRIPTION	(A) EXPENSES PER COMPANY	(B) RUCO ADJUSTMENTS	(C) ADJUSTED EXPENSES	(D) (LEAD)/LAG DAYS	(E) \$ DAYS
1	PURCHASED POWER	798,786	\$ 23,471	\$ 822,257	35.77	\$ 29,412,126
2	PAYROLL	1,253,342	-	1,253,342	14.00	17,546,788
3	PURCHASED WATER	498,013	(159,449)	338,564	(19.99)	(6,767,894)
4	CHEMICALS	106,752	-	106,752	(31.45)	(3,357,350)
5	PROPERTY & LIABILITY INSURANCE	42,909	-	42,909	(45.27)	(1,942,490)
6	WORKER'S COMPENSATION	16,717	-	16,717	(46.50)	(777,341)
7	HEALTH INSURANCE	255,475	-	255,475	(8.92)	(2,278,837)
8	OTHER O&M EXPENSES	987,629	(699,797)	287,832	(9.27)	(2,668,200)
9	DEPRECIATION & AMORTIZATION	-	-	-	N/A	N/A
10	FEDERAL INCOME TAXES	537,526	82,447	619,973	61.95	38,409,979
11	STATE INCOME TAXES	196,721	(60,151)	136,570	99.80	13,629,681
12	DEFERRED INCOME TAXES	-	-	-	N/A	N/A
13	FICA TAXES	91,127	-	91,127	14.00	1,275,778
14	FUTA & SUTA TAXES	2,127	-	2,127	83.10	176,754
15	PROPERTY TAXES	1,014,452	(453,617)	560,835	212.00	118,897,023
16	REG., CONTRACT, & MISCELLANEOUS FEES	111,940	-	111,940	(98.83)	(11,063,055)
17	SALES & OCCUPATION TAXES	645,209	-	645,209	37.53	24,214,703
18	PENSION EXPENSE	103,726	-	103,726	34.72	3,601,375
19	SUBTOTAL	<u>\$ 6,662,452</u>	<u>\$ (1,267,097)</u>	<u>\$ 5,395,355 *</u>		<u>\$ 218,309,040</u>
20	SYNCHRONIZED INTEREST	489,294	(98,885)	390,409	91.25	35,624,858
21	TOTAL	<u>\$ 7,151,746</u>	<u>\$ (1,365,982)</u>	<u>\$ 5,785,764</u>	<u>43.89</u>	<u>\$ 253,933,898</u>

REFERENCES:

COLUMN (A): COMPANY SCHEDULE B-6, W/P B6-1, PAGE 1 OF 5
COLUMN (B): DIFFERENCE BETWEEN COLUMN (A) AND SCHEDULE WAR-9 COLUMN (E)
COLUMN (C): COLUMN (A) + COLUMN (B)
COLUMN (D): LINES 1 THRU 9 AND 11 THRU 17 - COMPANY SCHEDULE B-6, W/P B6-1, PAGE 1 OF 5
COLUMN (D): LINE 10 AND 11 - SCHEDULE WAR-8, PAGE 4 OF 5 AND PAGE 5 OF 5, LINE 7 RESPECTIVELY
COLUMN (E): COLUMN (C) x COLUMN (D)

NOTE

N/A = NON CASH CHARGES EXCLUDED FROM WORKING CAPITAL CALCULATION

* RUCO RECOMMENDED LEVEL OF OPERATING EXPENSE - SCHEDULE WAR-9, COLUMN (E), LINE 16 MINUS LINE 12

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2003
CASA GRANDE SYSTEM
RATE BASE ADJUSTMENT #6 - WORKING CAPITAL
CALCULATION OF CASH WORKING CAPITAL

DOCKET NO. W-01445A-04-0650
SCHEDULE WAR-8
PAGE 3 OF 5

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	AVERAGE EXPENSE LAG	43.89	SCH. WAR-8, PG. 2
2	AVERAGE REVENUE COLLECTION LAG	<u>27.56</u>	CO. SCH. B-6, PG. 2
3	EXCESS EXPENSE OVER REVENUE LAG	(16.33)	LINE 2 - LINE 1
4	TOTAL EXPENSES	\$ 5,395,355	SCH. WAR-8, PG. 2
5	CASH WORKING CAPITAL REQUIREMENT	(241,378)	(LINE 3 X LINE 4)/365 DAYS
6	PER COMPANY	<u>\$ (34,386)</u>	CO. SCH. B-6, PG. 1
7	INCREASE (DECREASE) IN WORKING CAPITAL	<u>\$ (206,992)</u>	LINE 5 - LINE 6

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 CASA GRANDE SYSTEM
 RATE BASE ADJUSTMENT #6 - WORKING CAPITAL
 CALCULATION OF FEDERAL INCOME TAX LAG

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-8
 PAGE 4 OF 5

LINE NO.	(A) PAYMENT DATE	-	(B) SERVICE PERIOD MIDPOINT	=	(C) (LEAD)/LAG DAYS	X	(D) PAYMENT AMOUNT	=	(E) DOLLAR DAYS
1	04/12/99		07/01/99		(80.00)		\$ 397,000		\$ (31,760,000)
2	06/11/99		07/01/99		(20.00)		50,000		(1,000,000)
3	09/14/99		07/01/99		75.00		486,000		36,450,000
4	12/14/99		07/01/99		166.00		970,000		161,020,000
5	03/14/00		07/01/99		257.00		<u>(240,000)</u>		<u>(61,680,000)</u>
6	TOTALS						\$ 1,663,000		\$ 103,030,000
7	INCOME TAX LAG				61.95				

REFERENCE
 COMPANY'S WORKPAPERS SCHEDULE B-6, W/P EL-11, PAGE 2 OF 2

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 CASA GRANDE SYSTEM
 RATE BASE ADJUSTMENT #6 - WORKING CAPITAL
 CALCULATION OF STATE INCOME TAX LAG

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-8
 PAGE 5 OF 5

LINE NO.	(A) PAYMENT DATE	-	(B) SERVICE PERIOD MIDPOINT	=	(C) (LEAD)/LAG DAYS	X	(D) PAYMENT AMOUNT	=	(E) DOLLAR DAYS	
1	04/15/99		07/01/99		(77.00)		\$ 50,000		\$ (3,850,000)	
2	06/15/99		07/01/99		(16.00)		12,000		(192,000)	
3	09/15/99		07/01/99		76.00		112,000		8,512,000	
4	12/15/99		07/01/99		167.00		220,000		36,740,000	
5	04/15/00		07/01/99		289.00		<u>(9,983)</u>		<u>(2,885,087)</u>	
6	TOTALS							\$ 384,017		\$ 38,324,913
7	INCOME TAX LAG				99.80					

REFERENCE

COMPANY'S WORKPAPERS SCHEDULE B-6, W/P EL-12, PAGE 2 OF 2

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2003
CASA GRANDE SYSTEM
OPERATING INCOME - TEST YEAR AND RUCO PROPOSED

DOCKET NO. W-01445A-04-0650
SCHEDULE WAR-9

LINE NO.	DESCRIPTION	(A) COMPANY TEST YEAR AS FILED	(B) RUCO TEST YEAR ADJUSTMENTS	(C) RUCO TEST YEAR AS ADJUSTED	(D) RUCO PROPOSED CHANGES	(E) RUCO RECOMMENDED
<u>REVENUES - WATER:</u>						
1	REVENUE FROM WATER SALES	\$ 7,298,464	\$ 67,740	\$ 7,366,204	\$ 15,481	\$ 7,381,685
2	OTHER REVENUES	622,917	-	622,917		622,917
3	TOTAL OPERATING REVENUES	\$ 7,921,381	\$ 67,740	\$ 7,989,121	\$ 15,481	\$ 8,004,602
<u>OPERATING EXPENSES:</u>						
4	PURCHASED WATER	\$ 498,013	\$ (159,449)	\$ 338,564	\$ -	\$ 338,564
5	OTHER	45,935	12,349	58,284		58,284
6	PURCHASED POWER	810,343	11,914	822,257		822,257
7	PURCHASED GAS	-	-	-		-
8	OTHER	286,696	(8,342)	278,354		278,354
9	WATER TREATMENT	187,995	2,242	190,237		190,237
10	TRANSMISSION & DISTRIBUTION	786,616	(30,887)	755,729		755,729
11	CUSTOMER ACCOUNTS	604,959	(2,837)	602,122		602,122
12	SALES	2,962	-	2,962		2,962
13	ADMINISTRATIVE & GENERAL	952,718	-	952,718		952,718
14	DEPRECIATION & AMORTIZATION	1,368,007	(352,580)	1,015,427		1,015,427
15	PROPERTY TAXES	612,639	(51,803)	560,835		560,835
16	OTHER TAXES	76,751	-	76,751		76,751
17	FEDERAL INCOME TAXES	439,020	176,034	615,054	4,919	619,973
18	STATE INCOME TAXES	68,546	66,945	135,491	1,079	136,570
19	TOTAL OPERATING EXPENSES	\$ 6,741,199	\$ (336,416)	\$ 6,404,783	\$ 5,998	\$ 6,410,781
20	NET INCOME	\$ 1,180,182	\$ 404,155	\$ 1,584,337	\$ 9,483	\$ 1,593,821

REFERENCES:

COLUMN (A): CO. SCH. C-1, PG. 1
COLUMN (B): SCH. WAR-10
COLUMN (C): COLUMN (A) + COLUMN (B)
COLUMN (D): SCH. WAR-1, PAGE 2 OF 2
COLUMN (E): COLUMN (C) + COLUMN (D)

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 CASA GRANDE SYSTEM
 SUMMARY OF OPERATING ADJUSTMENTS

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-10

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) ADJ. #1	(C) ADJ. #2	(D) ADJ. #3	(E) ADJ. #4	(F) ADJ. #5	(G) ADJ. #6	(H) ADJ. #7	(I) RUCO ADJUSTED
<u>REVENUES - WATER:</u>										
1	REVENUE FROM WATER SALES	\$ 7,298,464	\$ -	\$ -	\$ 67,740	\$ -	\$ -	\$ -	\$ -	\$ 7,366,204
2	OTHER REVENUES	622,917								622,917
3	TOTAL OPERATING REVENUES	\$ 7,921,381	\$ -	\$ -	\$ 67,740	\$ -	\$ -	\$ -	\$ -	\$ 7,989,121
<u>OPERATING EXPENSES:</u>										
4	PURCHASED WATER	\$ 498,013	\$ (159,449)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 338,564
5	OTHER	45,935			12,349					58,284
6	PURCHASED POWER	810,343				11,914				822,257
7	PURCHASED GAS	-								-
8	OTHER	286,696			(8,342)					278,354
9	WATER TREATMENT	187,995			2,242					190,237
10	TRANSMISSION & DISTRIBUTION	786,616			(30,887)					755,729
11	CUSTOMER ACCOUNTS	604,959			(2,837)					602,122
12	SALES	2,962								2,962
13	ADMINISTRATIVE & GENERAL	952,718								952,718
14	DEPRECIATION & AMORTIZATION	1,368,007		(352,580)			(0)			1,015,427
15	PROPERTY TAXES	612,639						(51,803)		560,835
16	OTHER TAXES	76,751								76,751
17	FEDERAL INCOME TAXES	439,020							176,034	615,054
18	STATE INCOME TAXES	68,546							66,945	135,491
19	TOTAL OPERATING EXPENSES	\$ 6,741,199	\$ (159,449)	\$ (352,580)	\$ (27,475)	\$ 11,914	\$ (0)	\$ (51,803)	\$ 242,979	\$ 6,404,783
20	NET INCOME	\$ 1,180,182	\$ 159,449	\$ 352,580	\$ 95,215	\$ (11,914)	\$ 0	\$ 51,803	\$ (242,979)	\$ 1,584,337

ADJUSTMENT #:

1. REMOVE PRO FORMA CAP M&I CHARGES
2. REMOVE AMORTIZATION OF DEFERRED CAP CHARGES
3. REVENUE AND EXPENSE ANNUALIZATION FOR 2003
4. PURCHASED POWER
5. DEPRECIATION AND AMORTIZATION EXPENSE
6. PROPERTY TAX EXPENSE
7. INCOME TAX EXPENSE

REFERENCE:

- TESTIMONY WAR
 TESTIMONY WAR
 SCHEDULE WAR-11
 SCHEDULE WAR-12
 SCHEDULE WAR-13
 SCHEDULE WAR-14
 SCHEDULE WAR-15

LINE NO.	DESCRIPTION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
1	YEAR END CUSTOMERS - 2003	14,981	14,981	14,981	14,981	14,981	14,981	14,981	14,981	14,981	14,981	14,981	14,981
2	2003 CUSTOMERS	13,868	13,961	14,052	14,179	14,282	14,413	14,565	14,629	14,702	14,846	14,985	14,981
3	INCREASE IN CUSTOMERS - 2003	1,113	1,020	929	802	699	568	416	352	279	135	(4)	-
4	AVERAGE REVENUE FOR THE MONTH	\$ 34.15	\$ 34.81	\$ 31.33	\$ 38.93	\$ 43.55	\$ 48.61	\$ 55.72	\$ 48.92	\$ 45.02	\$ 44.71	\$ 43.34	\$ 34.24
5	INCREASE IN REVENUES	\$ 38,008	\$ 35,507	\$ 29,101	\$ 31,223	\$ 30,440	\$ 27,613	\$ 23,179	\$ 17,219	\$ 12,559	\$ 6,035	\$ (173)	\$ -
6	TOTAL INCREASE IN REVENUE	250,712											
7	INCREASE IN REVENUE PER COMPANY	192,972											
8	REVENUE ADJUSTMENT PER RUO	\$ 67,740											
9	GALLONS SOLD PER AVERAGE CUSTOMER	14,871	15,180	12,837	17,810	20,925	24,055	28,584	23,999	22,110	21,501	20,527	14,672
10	INCREASE IN CUSTOMERS	1,113	1,020	929	802	699	568	416	352	279	135	(4)	0
11	INCREASE IN GALLONS	16,551,950	15,483,981	11,925,842	14,283,926	14,626,796	13,663,287	11,890,765	8,447,658	6,168,578	2,902,575	(82,107)	0
12	TOTAL INCREASE IN GALLONS	115,863,253											
13	PUMPING COST PER GALLON	0.000314											
14	INCREASE IN PUMPING COST PER RUO	36,381											
15	INCREASE IN PUMPING COST PER COMPANY	24,032											
16	PUMPING COST ADJUSTMENT PER RUO	\$ 12,349											
17	WATER TREATMENT COSTS PER GALLON	0.000057											
18	INCREASE IN WATER TREATMENT COSTS PER RUO	6,604											
19	INCREASE IN WATER TREATMENT COST PER CO.	4,362											
20	WATER TREATMENT COST ADJUSTMENT PER RUO	\$ 2,242											
21	SOURCE OF SUPPLY COST PER GALLON	0											
22	INCREASE IN SOURCE OF SUPPLY COST	0											
23	INCREASE IN SOURCE OF SUPPLY COST PER CO.	8,342											
24	SOURCE OF SUPPLY ADJUSTMENT PER RUO	\$ (8,342)											
25	TRANSMISSION & DISTRIBUTION COST PER GALLON	0											
26	INCREASE IN TRANSMISSION & DISTRIBUTION COST	0											
27	INCREASE IN T & D COST PER CO.	30,887											
28	T & D ADJUSTMENT PER RUO	\$ (30,887)											
29	TOTAL INCREASE IN BILLS	6,309											
30	MONTHLY ACCOUNTING COST PER BILL	3.37											
31	INCREASE IN ACCOUNTING COST PER RUO	21,231											
32	INCREASE IN ACCOUNTING COST PER COMPANY	24,068											
33	ACCOUNTING COST ADJUSTMENT PER RUO	\$ (2,837)											

REFERENCES:
 LINE #1 - COMPANY'S RATE FILING, BOOK 2 OF 2 - 2003 CUSTOMER COUNT
 LINE #2 - COMPANY'S RATE FILING, BOOK 2 OF 2 - 2003 CUSTOMER COUNT
 LINE #3 - LINE #1 MINUS LINE #2
 LINE #4 - TOTAL MONTH REV. MINUS OTHER REV. LESS SALES TAX / TOTAL MONTHLY CUSTOMERS FOR TEST-YEAR
 LINE #5 - LINE #3 MULTIPLIED BY LINE #4
 LINE #6 - SUMMATION OF LINE #5
 LINE #7 - COMPANY'S WORKPAPERS C2-5, RATE FILING - BOOK 1 OF 2
 LINE #8 - LINE #6 MINUS LINE #7
 LINE #9 - GALLONS SOLD / MONTHLY CUSTOMERS, COMPANY'S RATE FILING, BOOK 2 OF 2
 LINE #10 - LINE #8

LINE #11 - LINE #9 X LINE #10
 LINE #12 - SUMMATION OF LINE #11
 LINE #13 - CO. WIP C2-5a, PAGE 3 OF 4
 LINE #14 - LINE #12 X LINE #13
 LINE #15 - COMPANY'S WORKPAPERS, WIP C2-5
 LINE #16 - LINE #14 MINUS LINE #15
 LINE #17 - CO. WIP C2-5a, PAGE 3 OF 4
 LINE #18 - COMPANY'S WIPs, WIP C2-5, 2 OF 2
 LINE #19 - LINE #16 MINUS LINE #18
 LINE #20 - LINE #18 MINUS LINE #19

LINE #21 - RUO'S ANALYSIS
 LINE #23 - CO. WIP C2-5a, PAGE 1 OF 4
 LINE #25 - RUO'S ANALYSIS
 LINE #27 - CO. WIP C2-5a, PAGE 1 OF 4
 LINE #29 - SUMMATION OF LINE #s 3 OR 10
 LINE #30 - CO. WIP C2-5a, PAGE 4 OF 4
 LINE #31 - LINE #29 X LINE #30
 LINE #32 - CO. WIP C2-5a, PAGE 1 OF 4
 LINE #33 - LINE #31 MINUS LINE #32

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 CASA GRANDE SYSTEM
 OPERATING ADJ. #4 - PURCHASED POWER

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-12

<u>LINE NO.</u>	<u>DESCRIPTION</u>	
1	ACTUAL TEST YEAR PURCHASED POWER FROM APS	\$ 334,273
2	TEST YEAR PURCHASED POWER FROM OTHER SERVICE PROVIDERS	<u>461,498</u>
3	TOTAL TEST YEAR PURCHASED POWER (LINE 1 + LINE 2)	\$ 795,771
4	PERCENTAGE OF TEST YEAR PURCHASED POWER FROM APS (LINE 1 + LINE 3)	<u>42.01%</u>
5	COMPANY PROPOSED LEVEL OF PURCHASED POWER EXPENSE (LINE 3 X LINE 4)	\$ 810,343
6	TIMES: PERCENTAGE OF TEST YEAR PURCHASED POWER FROM APS (LINE 4)	<u>42.01%</u>
7	PERCENTAGE OF PURCHASED POWER SUBJECT TO APS INCREASE (LINE 5 X LINE 6)	\$ 340,394
8	TIMES APS COMMERCIAL RATE INCREASE	<u>3.50%</u>
9	INCREASE IN APS PORTION OF PURCHASED POWER (LINE 7 X LINE 8)	<u>\$ 11,914</u>

REFERENCES:

- LINE 1: COMPANY WORKPAPER EL-2 PAGE 2 OF 2
- LINE 2: COMPANY WORKPAPER EL-2 PAGE 2 OF 2
- LINE 5: COMPANY APPLICATION SCHEDULE C1 PAGE 2 OF 3
- LINE 8: ACC DECISION NO. 67744, DATED APRIL 7, 2005 - APS SETTLEMENT AGREEMENT

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 CASA GRANDE SYSTEM
 OPERATING ADJ. #5 - DEPRECIATION AND AMORTIZATION EXPENSE

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-13

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	(A) ACTUAL TEST YEAR BALANCE PER COMPANY	(B) RUCO ADJUSTMENTS	(C) RUCO ADJUSTED BALANCE	(D) COMPONENT DEPRECIATION RATES	(E) RUCO RECOMMENDED DEPRECIATION EXPENSE
1	301.0	INTANGIBLES: ORGANIZATION*	\$ -	\$ -	\$ -	0.00%	\$ -
2	302.0	INTANGIBLES: FRANCHISES*	3,018	-	3,018	0.00%	-
3	303.0	INTANGIBLES: MISC.*	824,374	-	824,374	0.00%	-
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	67,192	-	67,192	0.00%	-
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	-	-	-	0.00%	-
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	93,865	-	93,865	0.00%	-
7	314.0	SOURCE OF SUPPLY: WELLS	2,711,417	1	2,711,418	3.13%	84,867
8	320.0	PUMPING PLANT: LAND*	6,013	-	6,013	0.00%	-
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	91,607	-	91,607	2.86%	2,620
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	2,394,587	1	2,394,588	5.88%	140,802
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	-	-	-	4.00%	-
12	330.0	WATER TREATMENT PLANT: LAND*	-	-	-	0.00%	-
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	70,538	0	70,538	2.50%	1,763
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	133,666	2	133,668	2.86%	3,823
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	64,886	1	64,887	0.00%	-
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	-	-	-	0.00%	-
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	-	-	-	2.00%	-
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	1,699,748	(2)	1,699,747	2.00%	33,995
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	25,581,627	(1)	25,581,626	1.79%	457,911
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	849,998	-	849,998	2.00%	17,000
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	8,672,173	(1)	8,672,173	2.38%	206,398
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	1,205,217	(1)	1,205,217	4.55%	54,837
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	2,390,623	(1)	2,390,622	1.82%	43,509
24	389.1	GENERAL PLANT: LAND - OFFICE*	8,772	-	8,772	0.00%	-
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	-	-	-	0.00%	-
26	389.3	GENERAL PLANT: LAND - MISC.*	-	-	-	0.00%	-
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	110,943	(1)	110,943	2.50%	2,774
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	246,375	0	246,375	2.50%	6,159
29	390.3	GENERAL PLANT: MISC. BUILDINGS	11,489	-	11,489	2.50%	287
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	18,664	-	18,664	6.67%	1,245
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	106,190	(0)	106,190	6.67%	7,083
32	391.2	GENERAL PLANT: OFFICE FURNITURE	36,653	-	36,653	6.67%	2,445
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	12,913	1	12,914	5.00%	646
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	130,579	0	130,579	4.00%	5,223
35	395.0	GENERAL PLANT: LAB EQUIPMENT	5,253	1	5,254	5.00%	263
36	396.0	GENERAL PLANT: POWER EQUIPMENT	59,810	(1)	59,810	6.67%	3,989
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	170,786	-	170,786	6.67%	11,391
38	397.1	GENERAL PLANT: MOBILE RADIOS	45,782	(0)	45,782	6.67%	3,054
39	397.2	GENERAL PLANT: AUTO CONTROLS	159,570	(1)	159,570	6.67%	10,643
40	398.0	GENERAL PLANT: MISC.	46,069	(1)	46,068	3.33%	1,534
41							
42		TEST YEAR PLANT IN SERVICE TOTALS	\$ 48,030,397	\$ (1)	\$ 48,030,397		\$ 1,104,262
43							
44		GROSS DEPRECIABLE PHOENIX OFFICE AND METER SHOP ALLOCATION	1,058,334	-	1,058,334		\$ 51,718
45							
46		GROSS LEASHOLD IMPROVEMENTS	262,346	-	262,346 **		\$ 14,543
47							
48		DEFERRED CAP CHARGES	3,525,803	(3,525,803)	-		\$ -
49							
50		TEST YEAR TOTALS	\$ 52,876,880	\$ (3,525,804)	\$ 49,351,077		\$ 1,170,523
51							
52							
53		LESS:					
54		AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION @ 2.00% COMPOSITE RATE ***					155,096
55							
56		TOTAL PRO FORMA DEPRECIATION & AMORTIZATION EXPENSE PER RUCO					\$ 1,015,427
57							
58		DEPRECIATION & AMORTIZATION EXPENSE PER COMPANY					\$ 1,368,007
59							
60		LESS:					
61		10-YEAR AMORTIZATION OF DEFERRED CAP CHARGES					352,580
62							
63		DEPRECIATION & AMORTIZATION EXPENSE PER COMPANY EXCLUDING 10-YEAR AMORTIZATION OF DEFERRED CAP CHARGES					\$ 1,015,427
64							
65		DEPRECIATION & AMORTIZATION EXPENSE ADJUSTMENT (LINE 56 - LINE 63)					\$ (0)

REFERENCES:

COLUMN (A): COMPANY SCHEDULE E-5 PAGE 1 OF 3
 COLUMN (B): COLUMN (C) - COLUMN (A)
 COLUMN (C): RUCO SCHEDULE WAR-4, PAGE 4
 COLUMN (D): COMPANY SCHEDULE C-2, W/P C2-15b, PAGE 1 OF 4
 COLUMN (E): COLUMN (C) x COLUMN (D)

NOTE:

* NON-DEPRECIABLE PLANT ASSETS
 ** PHOENIX OFFICE LEASEHOLD IMPROVEMENTS x ALLOCATION FACTOR = \$1,267,373 x 0.2070 = \$262,346
 *** TEST YEAR ADJUSTED CIAC x 2.00% COMPOSITE RATE OF DEPRECIATION = \$7,754,812 x 2.00% = \$155,096

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 CASA GRANDE SYSTEM
 OPERATING ADJ. #6 - PROPERTY TAX EXPENSE

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-14

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	REVENUES - 2001	\$ 6,924,261	COMPANY SCH. C-2, W/P C2-16a
2	REVENUES - 2002	7,620,542	COMPANY SCH. C-2, W/P C2-16a
3	REVENUES - 2003	<u>7,703,445</u>	COMPANY SCH. C-2, W/P C2-16a
4	TOTAL	\$ 22,248,248	SUM LINES 1, 2, & 3
5	3 YEAR AVERAGE	\$ 7,416,083	LINE 4/3 YEARS
6	MULTIPLIER FOR REVENUES (2 X LAST 3 YRS. AVERAGE REVENUE)	<u>x 2</u>	ADOR VALUATION FACTOR
7	REVENUES FOR FULL CASH VALUE	\$ 14,832,165	LINE 5 X 2 (MULTIPLIER FOR REVENUES)
8	ADD: 10% OF CWIP BALANCE	14,629	COMPANY SCH. B-2, PG. 2; LINE 4 X 10%
9	LESS: LICENSED VEHICLES	<u>201,384</u>	COMPANY SCH. C-2, W/P C2-16a
10	FULL CASH VALUE	\$ 14,645,411	LINE 7 + LINE 8 MINUS LINE 9
11	ASSESSMENT RATIO	<u>25%</u>	PER ADOR VALUATION METHOD
12	ASSESSED VALUE	\$ 3,661,353	LINE 10 X LINE 11
13	PROPERTY TAX RATE	<u>15.3177%</u>	PER TAX BILLS
14	PROPERTY TAXES PAYABLE PER RUCO	\$ 560,835	LINE 12 X LINE 13
15	PROPERTY TAXES PER COMPANY	<u>612,639</u>	COMPANY SCH. C-1, PG. 1
16	ADJUSTMENT	<u>\$ (51,803)</u>	LINE 14 MINUS LINE 15

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 CASA GRANDE SYSTEM
 OPERATING ADJ. #7 - INCOME TAXES

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-15

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
<u>FEDERAL INCOME TAXES:</u>			
1	OPERATING INCOME BEFORE INCOME TAXES	\$ 2,334,882	SCH. WAR-9
LESS:			
2	ARIZONA STATE TAX	135,491	LINE 11
3	INTEREST EXPENSE	<u>390,409</u>	NOTE (a)
4	FEDERAL TAXABLE INCOME	\$ 1,808,982	LINE 1 - LINES 2 & 3
5	FEDERAL INCOME TAX RATE	<u>34.00%</u>	TAX RATE
6	FEDERAL INCOME TAX EXPENSE	\$ 615,054	LINE 4 X LINE 5
7	FEDERAL INCOME TAXES PER COMPANY FILING	<u>439,020</u>	COMPANY SCH. C-1, PG. 1
8	RUCO FEDERAL INCOME TAX ADJUSTMENT	<u>\$ 176,034</u>	LINE 6 - LINE 7
<u>STATE INCOME TAXES:</u>			
9	OPERATING INCOME BEFORE INCOME TAXES	\$ 2,334,882	LINE 1
LESS:			
10	INTEREST EXPENSE	<u>390,409</u>	NOTE (A)
11	STATE TAXABLE INCOME	\$ 1,944,473	LINE 7 - LINE 8
12	STATE TAX RATE	<u>6.968%</u>	TAX RATE
13	STATE INCOME TAX EXPENSE	\$ 135,491	LINE 9 X LINE 10
14	STATE INCOME TAXES PER COMPANY FILING	<u>68,546</u>	COMPANY SCH. C-1, PG. 1
15	RUCO STATE INCOME TAX ADJUSTMENT	<u>\$ 66,945</u>	LINE 13 - LINE 14
<u>NOTE (a):</u>			
INTEREST SYNCHRONIZATION			
	ADJUSTED RATE BASE	\$ 17,380,813	
	WEIGHTED COST OF DEBT	2.25%	
		<u>\$ 390,409</u>	

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 CASA GRANDE SYSTEM
 COST OF CAPITAL

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-16

LINE NO.	DESCRIPTION	(A) AMOUNT	(B) ADJUSTMENT	(C) ADJUSTED BALANCE	(D) CAPITAL RATIO	(E) COST	(F) WEIGHTED COST
1	LONG-TERM DEBT	\$ 22,200,000	-	\$ 22,200,000	26.65%	8.43%	2.25%
2	SHORT-TERM DEBT	-	-	-	0.00%	0.00%	0.00%
3	COMMON EQUITY	61,116,374	-	61,116,374	73.35%	9.44%	6.92%
4	TOTAL	\$ 83,316,374	\$ -	\$ 83,316,374	100.00%		9.17%

REFERENCES:

- COLUMN (A): COMPANY SCH. D - 1
- 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 WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 CASA GRAND SYSTEM
 PROPOSED RATES

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-17

LINE NO.	DESCRIPTION	PRESENT RATES	COMPANY PROPOSED	RUCO PROPOSED
1	MONTHLY MINIMUM USAGE CHARGE:			
2				
3	<u>(RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS)</u>			
4	5/8 X 3/4 - INCH	\$10.36	\$13.03	\$10.40
5	1 - INCH	24.86	31.92	24.96
6	2 - INCH	62.15	91.21	62.39
7	3 - INCH	103.58	162.88	104.92
8	4 - INCH	207.16	293.18	207.96
9	6 - INCH	362.53	553.78	363.93
10	8 - INCH	362.53	749.23	363.93
11	10 - INCH	673.27	1,237.72	675.87
12				
13	GALLONS INCLUDED IN MONTHLY MINIMUM USAGE CHARGE:			
14				
15	RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS	1,000	0	0
16				
17	<u>TIER 1</u>			
18				
19	COMMODITY RATE (PER 100 GAL. OVER MINIMUM) - 0 TO 4,000 GALLONS:	\$0.15590	\$ 0.18250	\$ 0.10000
20				
21	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - 0 TO 4,000 GALLONS:	\$ 1.55900	\$ 1.82500	\$ 1.00000
22				
23	<u>TIER 2</u>			
24				
25	COMMODITY RATE (PER 100 GAL. OVER MINIMUM) - OVER 4,000 GALLONS:	\$0.15590	\$ 0.18250	\$ 0.15910
26				
27	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 4,000 GALLONS:	\$ 1.55900	\$ 1.82500	\$ 1.59100

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 CASA GRAND SYSTEM
 MONTHLY MINIMUM CHARGES

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-18

LINE NO.	METER SIZE	(A) COMPANY PRESENT RATES	(B) COMPANY PROPOSED RATES	(C) COMPANY DOLLAR INCREASE	(D) COMPANY PERCENT. INCREASE	(E) RUCO PROPOSED RATES	(F) RUCO DOLLAR INCREASE	(G) RUCO PERCENT. INCREASE
1	5/8 X 3/4 - INCH	\$ 10.36	\$ 13.03	\$ 2.67	25.77%	\$ 10.40	\$ 0.04	0.39%
2	1 - INCH	24.86	31.92	7.06	28.40%	24.96	0.10	0.40%
3	2 - INCH	62.15	91.21	29.06	46.76%	62.39	0.24	0.39%
4	3 - INCH COMMERCIAL	103.58	162.88	59.30	57.25%	104.92	1.34	1.29%
5	4 - INCH COMMERCIAL	207.16	293.18	86.02	41.52%	207.96	0.80	0.39%
6	6 - INCH	362.53	553.78	191.25	52.75%	363.93	1.40	0.39%
7	8 - INCH	362.53	749.23	386.70	106.67%	363.93	1.40	0.39%
8	10 - INCH	673.27	1,237.72	564.45	83.84%	675.87	2.60	0.39%
9	GALLONS INCLUDED IN MONTHLY MINIMUM CHARGE	1,000	0			0		

REFERENCES

COLUMN (A) THRU COLUMN (D): COMPANY SCHEDULE H-3, PAGE 1 OF 3
 COLUMN (E): TESTIMONY WAR
 COLUMN (F): COLUMN (E) - COLUMN (A)
 COLUMN (G): COLUMN (F) + COLUMN (A)

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 CASA GRAND SYSTEM
 BILLING ANALYSIS

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-19
 PAGE 1 OF 4

PRESENT RATES

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 1 - INCH	(C) 2 - INCH	(D) 3 - INCH	(E) 4 - INCH	(F) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	\$10.36	\$24.86	\$62.15	\$103.58	\$207.16	\$362.53	\$362.53	\$0.00
2	1,000	10.36	24.86	62.15	103.58	207.16	362.53	362.53	0.00
3	2,000	11.92	26.42	63.71	105.14	208.72	364.09	364.09	0.00
4	3,000	13.48	27.98	65.27	106.70	210.28	365.65	365.65	0.00
5	4,000	15.04	29.54	66.83	108.26	211.84	367.21	367.21	0.00
6	5,000	16.60	31.10	68.39	109.82	213.40	368.77	368.77	0.00
7	6,000	18.16	32.66	69.95	111.38	214.96	370.33	370.33	0.00
8	7,000	19.71	34.21	71.50	112.93	216.51	371.88	371.88	0.00
9	8,000	21.27	35.77	73.06	114.49	218.07	373.44	373.44	0.00
10	9,000	22.83	37.33	74.62	116.05	219.63	375.00	375.00	0.00
11	10,000	24.39	38.89	76.18	117.61	221.19	376.56	376.56	0.00
12	15,000	32.19	46.69	83.98	125.41	228.99	384.36	384.36	0.00
13	20,000	39.98	54.48	91.77	133.20	236.78	392.15	392.15	0.00
14	25,000	47.78	62.28	99.57	141.00	244.58	399.95	399.95	0.00
15	50,000	86.75	101.25	138.54	179.97	283.55	438.92	438.92	0.00
16	75,000	125.73	140.23	177.52	218.95	322.53	477.90	477.90	0.00
17	100,000	164.70	179.20	216.49	257.92	361.50	516.87	516.87	0.00
18	125,000	203.68	218.18	255.47	296.90	400.48	555.85	555.85	0.00
19	150,000	242.65	257.15	294.44	335.87	439.45	594.82	594.82	0.00
20	175,000	281.63	296.13	333.42	374.85	478.43	633.80	633.80	0.00
21	200,000	320.60	335.10	372.39	413.82	517.40	672.77	672.77	0.00
22									
23	AVG. NO. OF CUST:	13,802	622	263	23	20	16	1	N/A
24									
25	AVG. USE (GAL.):	10,666	31,339	170,216	353,507	1,177,280	2,760,484	394,083	N/A
26	MONTHLY BILL:	\$25.43	\$72.16	\$325.96	\$653.14	\$2,040.98	\$4,664.57	\$975.35	N/A
27									
28	MEDIAN USE (GAL.):	7,718	14,931	80,129	100,456	97,537	97,275	96,000	N/A
29	MONTHLY BILL:	\$20.83	\$46.58	\$185.51	\$258.63	\$357.66	\$512.62	\$510.64	N/A

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 CASA GRAND SYSTEM
 BILLING ANALYSIS

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-19
 PAGE 2 OF 4

RUCO PROPOSED RATES

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 1 - INCH	(C) 2 - INCH	(D) 3 - INCH	(E) 4 - INCH	(F) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	\$10.40	\$24.96	\$62.39	\$104.92	\$207.96	\$363.93	\$675.87	\$0.00
2	1,000	11.40	25.96	63.39	105.92	208.96	364.93	676.87	0.00
3	2,000	12.40	26.96	64.39	106.92	209.96	365.93	677.87	0.00
4	3,000	13.40	27.96	65.39	107.92	210.96	366.93	678.87	0.00
5	4,000	14.40	28.96	66.39	108.92	211.96	367.93	679.87	0.00
6	5,000	15.99	30.55	67.98	110.51	213.55	369.52	681.46	0.00
7	6,000	17.58	32.14	69.57	112.10	215.14	371.11	683.05	0.00
8	7,000	19.17	33.73	71.16	113.69	216.73	372.70	684.64	0.00
9	8,000	20.76	35.32	72.75	115.28	218.32	374.29	686.23	0.00
10	9,000	22.36	36.92	74.35	116.88	219.92	375.89	687.83	0.00
11	10,000	23.95	38.51	75.94	118.47	221.51	377.48	689.42	0.00
12	15,000	31.90	46.46	83.89	126.42	229.46	385.43	697.37	0.00
13	20,000	39.86	54.42	91.85	134.38	237.42	393.39	705.33	0.00
14	25,000	47.81	62.37	99.80	142.33	245.37	401.34	713.28	0.00
15	50,000	87.59	102.15	139.58	182.11	285.15	441.12	753.06	0.00
16	75,000	127.36	141.92	179.35	221.88	324.92	480.89	792.83	0.00
17	100,000	167.14	181.70	219.13	261.66	364.70	520.67	832.61	0.00
18	125,000	206.91	221.47	258.90	301.43	404.47	560.44	872.38	0.00
19	150,000	246.69	261.25	298.68	341.21	444.25	600.22	912.16	0.00
20	175,000	286.46	301.02	338.45	380.98	484.02	639.99	951.93	0.00
21	200,000	326.24	340.80	378.23	420.76	523.80	679.77	991.71	0.00
22									
23	AVG. NO. OF CUST:	13,802	622	263	23	20	16	1	0
24									
25	AVG. USE (GAL.):	10,666	31,339	170,216	353,507	1,177,280	2,760,484	394,083	N/A
26	MONTHLY BILL:	\$25.01	\$72.46	\$330.84	\$664.99	\$2,078.65	\$4,753.50	\$1,300.49	N/A
27									
28	MEDIAN USE (GAL.):	7,718	14,931	80,129	100,456	97,537	97,275	96,000	N/A
29	MONTHLY BILL:	\$20.32	\$46.35	\$187.51	\$262.38	\$360.78	\$516.33	\$826.24	N/A

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 CASA GRAND SYSTEM
 BILLING ANALYSIS

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-19
 PAGE 3 OF 4

RUCO PROPOSED CHANGES EXPRESSED IN DOLLARS

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 1 - INCH	(C) 2 - INCH	(D) 3 - INCH	(E) 4 - INCH	(F) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	\$0.04	\$0.10	\$0.24	\$1.34	\$0.80	\$1.40	\$313.34	\$0.00
2	1,000	1.04	1.10	1.24	2.34	1.80	2.40	314.34	0.00
3	2,000	0.48	0.54	0.68	1.78	1.24	1.84	313.78	0.00
4	3,000	(0.08)	(0.02)	0.12	1.22	0.68	1.28	313.22	0.00
5	4,000	(0.64)	(0.58)	(0.44)	0.66	0.12	0.72	312.66	0.00
6	5,000	(0.61)	(0.54)	(0.41)	0.69	0.16	0.76	312.70	0.00
7	6,000	(0.57)	(0.51)	(0.37)	0.73	0.19	0.79	312.73	0.00
8	7,000	(0.54)	(0.48)	(0.34)	0.76	0.22	0.82	312.76	0.00
9	8,000	(0.51)	(0.45)	(0.31)	0.79	0.25	0.85	312.79	0.00
10	9,000	(0.48)	(0.42)	(0.28)	0.82	0.28	0.88	312.82	0.00
11	10,000	(0.45)	(0.38)	(0.24)	0.86	0.31	0.92	312.86	0.00
12	15,000	(0.28)	(0.23)	(0.08)	1.02	0.48	1.07	313.02	0.00
13	20,000	(0.12)	(0.06)	0.08	1.18	0.63	1.24	313.18	0.00
14	25,000	0.04	0.10	0.23	1.34	0.80	1.40	313.34	0.00
15	50,000	0.84	0.89	1.04	2.13	1.60	2.20	314.14	0.00
16	75,000	1.64	1.69	1.84	2.94	2.39	3.00	314.94	0.00
17	100,000	2.43	2.49	2.63	3.74	3.20	3.79	315.74	0.00
18	125,000	3.24	3.30	3.44	4.53	4.00	4.60	316.54	0.00
19	150,000	4.04	4.09	4.24	5.34	4.79	5.40	317.34	0.00
20	175,000	4.83	4.89	5.04	6.14	5.60	6.20	318.14	0.00
21	200,000	5.63	5.69	5.84	6.94	6.40	7.00	318.94	0.00
22									
23	AVG. NO. OF CUST:	13,802	622	263	23	20	16	1	0
24									
25	AVG. USE (GAL.):	10,666	31,339	170,216	353,507	1,177,280	2,760,484	394,083	N/A
26	MONTHLY BILL:	(\$0.42)	\$0.30	\$4.88	\$11.85	\$37.67	\$88.93	\$325.15	N/A
27									
28	MEDIAN USE (GAL.):	7,718	14,931	80,129	100,456	97,537	97,275	96,000	N/A
29	MONTHLY BILL:	(\$0.52)	(\$0.23)	\$2.00	\$3.75	\$3.12	\$3.71	\$315.61	N/A

RUCO PROPOSED CHANGES EXPRESSED AS A PERCENTAGE

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 1 - INCH	(C) 2 - INCH	(D) 3 - INCH	(E) 4 - INCH	(F) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	0.4%	0.4%	0.4%	1.3%	0.4%	0.4%	86.4%	0.0%
2	1,000	10.0%	4.4%	2.0%	2.3%	0.9%	0.7%	86.7%	0.0%
3	2,000	4.0%	2.0%	1.1%	1.7%	0.6%	0.5%	86.2%	0.0%
4	3,000	-0.6%	-0.1%	0.2%	1.1%	0.3%	0.4%	85.7%	0.0%
5	4,000	-4.2%	-2.0%	-0.7%	0.6%	0.1%	0.2%	85.1%	0.0%
6	5,000	-3.6%	-1.8%	-0.6%	0.6%	0.1%	0.2%	84.8%	0.0%
7	6,000	-3.2%	-1.6%	-0.5%	0.7%	0.1%	0.2%	84.4%	0.0%
8	7,000	-2.7%	-1.4%	-0.5%	0.7%	0.1%	0.2%	84.1%	0.0%
9	8,000	-2.4%	-1.3%	-0.4%	0.7%	0.1%	0.2%	83.8%	0.0%
10	9,000	-2.1%	-1.1%	-0.4%	0.7%	0.1%	0.2%	83.4%	0.0%
11	10,000	-1.8%	-1.0%	-0.3%	0.7%	0.1%	0.2%	83.1%	0.0%
12	15,000	-0.9%	-0.5%	-0.1%	0.8%	0.2%	0.3%	81.4%	0.0%
13	20,000	-0.3%	-0.1%	0.1%	0.9%	0.3%	0.3%	79.9%	0.0%
14	25,000	0.1%	0.2%	0.2%	0.9%	0.3%	0.3%	78.3%	0.0%
15	50,000	1.0%	0.9%	0.7%	1.2%	0.6%	0.5%	71.6%	0.0%
16	75,000	1.3%	1.2%	1.0%	1.3%	0.7%	0.6%	65.9%	0.0%
17	100,000	1.5%	1.4%	1.2%	1.4%	0.9%	0.7%	61.1%	0.0%
18	125,000	1.6%	1.5%	1.3%	1.5%	1.0%	0.8%	56.9%	0.0%
19	150,000	1.7%	1.6%	1.4%	1.6%	1.1%	0.9%	53.3%	0.0%
20	175,000	1.7%	1.7%	1.5%	1.6%	1.2%	1.0%	50.2%	0.0%
21	200,000	1.8%	1.7%	1.6%	1.7%	1.2%	1.0%	47.4%	0.0%
22									
23	AVG. NO. OF CUST:	13,802	622	263	23	20	16	1	0
24									
25	AVG. USE (GAL.):	10,666	31,339	170,216	353,507	1,177,280	2,760,484	394,083	N/A
26	MONTHLY BILL:	-1.7%	0.4%	1.5%	1.8%	1.8%	1.9%	25.0%	N/A
27									
28	MEDIAN USE (GAL.):	7,718	14,931	80,129	100,456	97,537	97,275	96,000	N/A
29	MONTHLY BILL:	-2.5%	-0.5%	1.1%	1.4%	0.9%	0.7%	38.2%	N/A

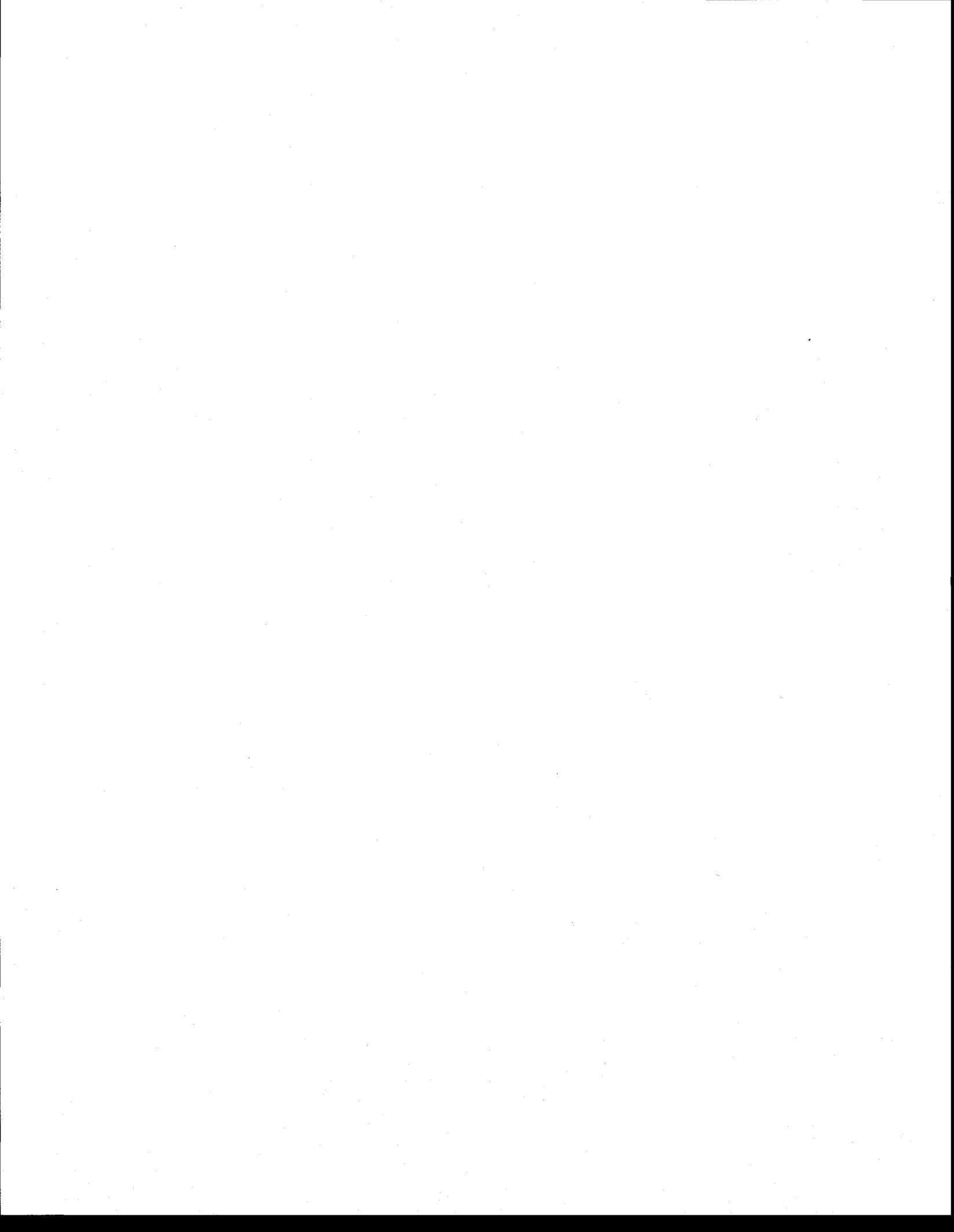
ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 CASA GRAND SYSTEM
 REVENUE SUMMARY BY METER SIZE AND CUSTOMER CLASS

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-20

LINE NO.	DESCRIPTION	(A) RUCO PROPOSED MINIMUM REVENUE	(B) RUCO PROPOSED COMMODITY REVENUE	(C) RUCO PROPOSED TOTAL REVENUE
1	5/8 X 3/4 - INCH	\$1,722,438	\$2,475,077	\$ 4,197,514
2	1 - INCH	186,351	356,641	542,993
3	2 - INCH	196,591	846,443	1,043,034
4	3 - INCH	29,483	157,415	186,897
5	4 - INCH	50,118	450,843	500,962
6	6 - INCH	68,783	829,640	898,423
7	8 - INCH	4,367	7,495	11,863
13	10 - INCH	0	0	0
14				
15	TOTALS	\$ 2,258,131	\$ 5,123,554	\$ 7,381,685 (a)
16				
17	PERCENTAGE OF TOTAL REVENUE	31.00%	69.00%	100.00%

NOTE (a):
 RUCO REQUIRED REVENUE \$ 8,004,602
 LESS:
 FIRE SPRINKLER REVENUE \$ 9,098
 FIRE HYDRANT REVENUE -
 MISCELLANEOUS REVENUE 524,652
 RENT - WATER PROPERTY REVENUE -
 OTHER WATER REVENUE 89,167
 TOTAL \$ 622,917

REVENUE TO BE GENERATED FROM WATER SALES \$ 7,381,685



**ARIZONA WATER COMPANY
STANFIELD SYSTEM
DOCKET NO. W-01445A-04-0650
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ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 STANFIELD SYSTEM
 REVENUE REQUIREMENTS

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-1
 PAGE 1 OF 2

LINE NO.	DESCRIPTION	(A) COMPANY REQUESTED	(B) RUCO RECOMMENDED
1	ADJUSTED RATE BASE	\$ 314,131	\$ 326,426
2	ADJUSTED OPERATING INCOME	25,878	29,512
3	CURRENT RATE OF RETURN (L2 / L1)	8.24%	9.04%
4	REQUIRED RATE OF RETURN	10.50%	9.17%
5	REQUIRED OPERATING INCOME (L4 * L1)	32,984	29,933
6	OPERATING INCOME DEFICIENCY (L5 - L2)	7,106	421
7	GROSS REVENUE CONVERSION FACTOR	1.63245	1.26758
8	GROSS REVENUE INCREASE	\$ 11,601	\$ 534
9	CURRENT REVENUES T/Y ADJUSTED	115,201	116,474
10	PROPOSED ANNUAL REVENUE (L8 + L9)	126,802	117,007
11	PERCENTAGE AVERAGE INCREASE	10.07%	0.46%

REFERENCES:

COLUMN (A): COMPANY SCHEDULE A-1

COLUMN (B): SCHEDULE WAR-1, PG. 2, WAR-2, WAR-9 AND WAR-16

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 STANFIELD SYSTEM
 GROSS REVENUE CONVERSION FACTOR

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-1
 PAGE 2 OF 2

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	REVENUE	1.00000	
2	UNCOLLECTIBLES	<u>0.00234</u>	COMPANY SCH. C-3
3	SUB-TOTAL	0.99766	LINE 1 - LINE 2
4	LESS: TAX RATE	<u>20.88%</u>	NOTE (a)
5	TOTAL	0.78890	LINE 3 - LINE 4
6	REVENUE CONVERSION FACTOR	<u><u>1.26758</u></u>	LINE 1/LINE 5

NOTE (a):
 CALCULATION OF EFFECTIVE TAX RATE

OPERATING INCOME BEFORE TAXES	100.00%
LESS: ARIZONA STATE TAX	<u>6.97%</u>
TAXABLE INCOME FEDERAL	93.03%
TIMES: FEDERAL INCOME TAX RATE	<u>15.00%</u>
SUBTOTAL	13.95%
ADD STATE TAX RATE	20.92%
LINE 3 ABOVE	<u>99.77%</u>
EFFECTIVE TAX RATE	20.88%

NOTE (b):

STATE INCOME TAX	\$ 37
FEDERAL INCOME TAX	<u>75</u>
TOTAL INCOME TAX LIABILITY	<u><u>\$ 113</u></u>

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 STANFIELD SYSTEM
 RATE BASE - ORIGINAL COST

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-2

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO ADJUSTMENTS	(C) RUCO AS ADJUSTED
1	PLANT IN SERVICE	\$ 602,560	\$ -	\$ 602,560
2	PHOENIX OFFICE & METER SHOP ALLOCATION	14,195	1,655	15,849
3	DEFERRED CAP CHARGES	-	-	-
4	ACCUMULATED DEPRECIATION	<u>(195,716)</u>	<u>7,969</u>	<u>(187,747)</u>
5	NET PLANT IN SERVICE	\$ 421,038	\$ 9,623	\$ 430,661
6	CONSTRUCTION WORK IN PROGRESS (CWIP)	<u>-</u>	<u>-</u>	<u>-</u>
7	TOTAL NET PLANT	\$ 421,038	\$ 9,623	\$ 430,661
8	ADVANCES IN AID OF CONSTRUCTION (AIAC)	-	-	-
9	CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	(49,164)	-	(49,164)
10	ACCUMULATED AMORTIZATION OF CIAC	7,813	-	7,813
11	DEFERRED INCOME TAXES	(62,528)	-	(62,528)
12	WORKING CAPITAL	<u>(3,029)</u>	<u>2,672</u>	<u>(357)</u>
13	TOTAL RATE BASE	<u>\$ 314,131</u>	<u>\$ 12,295</u>	<u>\$ 326,426</u>

REFERENCES:

COLUMN (A): COMPANY SCHEDULE B-1
 COLUMN (B): SCHEDULE WAR-3
 COLUMN (C): COLUMN (A) + COLUMN (B)

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 STANFIELD SYSTEM
 SUMMARY OF RATE BASE ADJUSTMENTS

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-3

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) ADJ #1	(C) ADJ #2	(D) ADJ #3	(E) ADJ #4	(F) ADJ #5	(G) ADJ #6	(H) RUCO ADJUSTED
1	PLANT IN SERVICE	\$ 602,560	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 602,560
2	PHOENIX OFFICE & METER SHOP ALLOCATION	14,195 (a)		1,655					15,849
3	DEFERRED CAP CHARGES	-							-
4	ACCUMULATED DEPRECIATION	(195,716)	9,670	(1,655)	(50)	3			(187,747)
5	NET PLANT IN SERVICE	\$ 421,038	\$ 9,670	\$ -	\$ (50)	\$ 3	\$ -	\$ -	\$ 430,661
6	CONSTRUCTION WORK IN PROGRESS (CWIP)	-							-
7	TOTAL NET PLANT	\$ 421,038	\$ 9,670	\$ -	\$ (50)	\$ 3	\$ -	\$ -	\$ 430,661
8	ADVANCES IN AID OF CONSTRUCTION (AIAC)	-							-
9	CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	(49,164)							(49,164)
10	ACCUMULATED AMORTIZATION OF CIAC	7,813							7,813
11	DEFERRED INCOME TAXES	(62,528)							(62,528)
12	WORKING CAPITAL	(3,029)						2,672	(357)
13	TOTAL RATE BASE	\$ 314,131	\$ 9,670	\$ -	\$ (50)	\$ 3	\$ -	\$ 2,672	\$ 326,426

ADJUSTMENT #:

1. ACCUMULATED DEPRECIATION - PLANT
2. RESTATE PHX. OFFICE & METER SHOP AND ACCUM. DEPR.
3. ACCUMULATED DEPRECIATION - PHOENIX OFFICE
4. ACCUMULATED DEPRECIATION - METER SHOP
5. NOT USED
6. WORKING CAPITAL

REFERENCE:

- SCHEDULE WAR-4
- SCHEDULE WAR-5
- SCHEDULE WAR-6
- SCHEDULE WAR-7
- N/A
- SCHEDULE WAR-8

NOTES:

- (a) NET OF ACCUMULATED DEPRECIATION

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1980 PLANT VALUE PER COMPANY	1980 ACCUM DEPR. PER COMPANY	1980 NET PLANT PER PRIOR ACC PER COMPANY	1981 ADDITIONS PER COMPANY	1981 (RETIREMENTS) PER COMPANY	1981 YEAR END PLANT VALUE PER RUCO	1981 DEPRECIATION EXPENSE PER RUCO	1981 ACCUMULATED DEPRECIATION PER RUCO	1981 YEAR END NET PLANT PER RUCO
1	301.0	INTANGIBLES ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	303.0	INTANGIBLES MISC.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	310.1	SOURCE OF SUPPLY, LAND - WATER RIGHTS*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	310.2	SOURCE OF SUPPLY, LAND - RESERVOIRS*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	310.3	SOURCE OF SUPPLY, LAND - WELLS*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	314.0	SOURCE OF SUPPLY, LAND - WELLS*	600	0	600	0	0	600	0	14,562	77,736
8	320.0	PUMPING PLANT, LAND*	200	0	200	0	0	200	0	200	200
9	321.0	PUMPING PLANT, STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0
10	325.0	PUMPING PLANT, ELECTRICAL EQUIPMENT	155,360	20,759	134,601	5,537	0	160,887	3,827	24,568	136,311
11	328.0	WATER TREATMENT PLANT, GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT, STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT, ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0
14	332.0	WATER TREATMENT PLANT, OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0
15	340.0	TRANSMISSION & DISTRIBUTION, LAND, TANKS & MAINS*	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION, LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION, STRUCTURES	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION, STORAGE TANKS	39,624	5,321	34,303	0	0	39,624	964	6,285	33,539
19	343.0	TRANSMISSION & DISTRIBUTION, MAINS	82,777	11,061	71,716	14,616	0	97,393	2,180	13,241	84,152
20	344.0	TRANSMISSION & DISTRIBUTION, FIRE SPRINKLERS	288	36	252	0	0	288	6	42	252
21	345.0	TRANSMISSION & DISTRIBUTION, SERVICES	23,276	3,110	20,166	5,635	(986)	27,843	620	2,762	25,181
22	346.0	TRANSMISSION & DISTRIBUTION, METERS	16,707	2,232	14,475	560	(392)	16,876	406	2,247	14,628
23	348.0	TRANSMISSION & DISTRIBUTION, HYDRANTS	4,441	583	3,858	4,802	0	9,243	166	759	8,484
24	369.1	GENERAL PLANT, LAND - OFFICE*	0	0	0	0	0	0	0	0	0
25	369.2	GENERAL PLANT, LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0
26	369.3	GENERAL PLANT, LAND - MISC.	0	0	0	0	0	0	0	0	0
27	380.1	GENERAL PLANT, OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0
28	390.2	GENERAL PLANT, WAREHOUSE BUILDINGS	600	80	520	0	0	600	15	95	505
29	390.3	GENERAL PLANT, MISC. BUILDINGS	712	96	616	0	0	712	17	112	600
30	391.0	GENERAL PLANT, OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0
31	391.1	GENERAL PLANT, ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0
32	391.2	GENERAL PLANT, OFFICE FURNITURE	0	0	0	0	0	0	0	0	0
33	393.0	GENERAL PLANT, WAREHOUSE EQUIPMENT	0	0	0	0	0	0	0	0	0
34	394.0	GENERAL PLANT, GARAGE EQUIPMENT	534	71	463	0	0	534	13	84	480
35	395.0	GENERAL PLANT, LAB EQUIPMENT	0	0	0	0	0	0	0	0	0
36	396.0	GENERAL PLANT, POWER EQUIPMENT	0	0	0	0	0	0	0	0	0
37	397.0	GENERAL PLANT, COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0
38	397.1	GENERAL PLANT, MOBILE RADIOS	0	0	0	0	0	0	0	0	0
39	397.2	GENERAL PLANT, AUTO CONTROLS	0	0	0	0	0	0	0	0	0
40	398.0	GENERAL PLANT, MISC.	534	71	463	0	0	534	13	84	480
41		TOTALS	\$418,036	\$55,751	\$362,285	\$31,235	(\$1,360)	\$447,811	\$10,459	\$64,850	\$383,061

ACCT. NO.	PLANT ACCOUNT NAME	1992 ADDITIONS PER COMPANY	1992 DEPRECIATION EXPENSE PER RUCO	1992 YEAR END PLANT VALUE PER RUCO	1992 ACCUMULATED DEPRECIATION PER RUCO	1992 YEAR END NET PLANT VALUE PER RUCO	1993 ADDITIONS PER COMPANY	1993 DEPRECIATION EXPENSE PER RUCO	1993 YEAR END PLANT VALUE PER RUCO	1993 ACCUMULATED DEPRECIATION PER RUCO	1993 YEAR END NET PLANT VALUE PER RUCO
48	301.0	INTANGIBLES ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
49	302.0	INTANGIBLES ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50	303.0	INTANGIBLES MISC.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
51	310.1	SOURCE OF SUPPLY, LAND - WATER RIGHTS*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
52	310.2	SOURCE OF SUPPLY, LAND - RESERVOIRS*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
53	310.3	SOURCE OF SUPPLY, LAND - WELLS*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
54	314.0	SOURCE OF SUPPLY, LAND - WELLS*	0	0	600	0	0	600	0	0	600
55	314.0	SOURCE OF SUPPLY, LAND - WELLS*	0	0	92,288	0	0	92,288	0	0	92,288
56	320.0	PUMPING PLANT, LAND*	0	0	200	0	0	200	0	0	200
57	321.0	PUMPING PLANT, STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0
58	325.0	PUMPING PLANT, ELECTRICAL EQUIPMENT	725	3,880	159,730	26,573	772	133,156	160,181	(321)	129,795
59	328.0	WATER TREATMENT PLANT, GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0
60	330.0	WATER TREATMENT PLANT, STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0
61	331.0	WATER TREATMENT PLANT, ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0
62	332.0	WATER TREATMENT PLANT, OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0
63	340.0	TRANSMISSION & DISTRIBUTION, LAND, TANKS & MAINS*	0	0	0	0	0	0	0	0	0
64	340.1	TRANSMISSION & DISTRIBUTION, LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0
65	341.0	TRANSMISSION & DISTRIBUTION, STRUCTURES	0	0	0	0	0	0	0	0	0
66	342.0	TRANSMISSION & DISTRIBUTION, STORAGE TANKS	47	994	39,624	7,249	0	32,575	39,624	1,031	31,544
67	343.0	TRANSMISSION & DISTRIBUTION, MAINS	94	2,357	97,440	15,598	0	81,842	97,440	2,524	79,318
68	344.0	TRANSMISSION & DISTRIBUTION, FIRE SPRINKLERS	0	6	268	49	0	219	268	56	212
69	345.0	TRANSMISSION & DISTRIBUTION, SERVICES	94	677	28,025	3,427	2,297	24,598	29,605	746	26,149
70	346.0	TRANSMISSION & DISTRIBUTION, METERS	0	(12)	16,750	2,528	407	14,221	16,750	434	13,788
71	348.0	TRANSMISSION & DISTRIBUTION, HYDRANTS	0	(126)	9,243	983	0	8,260	9,243	239	8,021
72	389.1	GENERAL PLANT, LAND - OFFICE*	0	0	0	0	0	0	0	0	0
73	389.2	GENERAL PLANT, LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0
74	389.3	GENERAL PLANT, LAND - MISC.	0	0	0	0	0	0	0	0	0
75	390.1	GENERAL PLANT, OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0
76	390.2	GENERAL PLANT, WAREHOUSE BUILDINGS	0	0	600	109	0	491	600	128	475
77	390.3	GENERAL PLANT, MISC. BUILDINGS	0	0	712	130	0	582	712	148	564
78	391.0	GENERAL PLANT, OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0
79	391.1	GENERAL PLANT, ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0
80	391.2	GENERAL PLANT, OFFICE FURNITURE	0	0	0	0	0	0	0	0	0
81	393.0	GENERAL PLANT, WAREHOUSE EQUIPMENT	0	0	0	0	0	0	0	0	0
82	394.0	GENERAL PLANT, GARAGE EQUIPMENT	0	0	534	97	0	437	534	14	423
83	395.0	GENERAL PLANT, LAB EQUIPMENT	0	0	0	0	0	0	0	0	0
84	396.0	GENERAL PLANT, POWER EQUIPMENT	0	0	0	0	0	0	0	0	0
85	397.0	GENERAL PLANT, COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0
86	397.1	GENERAL PLANT, MOBILE RADIOS	0	0	0	0	0	0	0	0	0
87	397.2	GENERAL PLANT, AUTO CONTROLS	0	0	0	0	0	0	0	0	0
88	398.0	GENERAL PLANT, MISC.	7,662	93	7,662	93	56	7,969	199	282	7,426
89		TOTALS	\$8,526	\$10,699	\$454,409	\$73,719	\$3,291	\$580,690	\$11,776	\$84,456	\$372,206

REFERENCE COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE: *NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1984 ADDITIONS PER COMPANY	1984 (RETIREMENTS) PER COMPANY	1984 YEAR END PLANT VALUE PER RUCCO	1984 DEPRECIATION EXPENSE PER RUCCO	1984 ACCUMULATED DEPRECIATION PER RUCCO	1984 YEAR END NET PLANT PER RUCCO	1985 ADDITIONS PER COMPANY	1985 (RETIREMENTS) PER COMPANY	1985 YEAR END PLANT VALUE PER RUCCO	1985 DEPRECIATION EXPENSE PER RUCCO	1985 ACCUMULATED DEPRECIATION PER RUCCO	1985 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: SUPPLY*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	38	0	191	0	0	191	193	0	330	0	0	330
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	28	0	600	0	0	600	0	0	600	0	0	600
7	314.0	SOURCE OF SUPPLY: WELLS	2,391	0	92,329	2,391	21,567	70,762	0	0	92,329	2,391	23,959	68,370
8	320.0	PUMPING PLANT: LAND*	0	0	200	0	0	200	0	0	200	0	0	200
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	159,992	4,146	34,353	125,639	0	0	159,992	4,144	38,496	121,495
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	328.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	10,727	0	10,727	139	139	10,868
12	328.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
14	340.0	TRANSMISSION & DISTRIBUTION: TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
15	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
16	340.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	39,824	1,031	9,312	30,512	0	0	39,824	1,031	10,343	29,481
19	343.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	248	0	97,688	2,527	20,649	77,039	0	0	97,688	2,520	23,179	74,509
20	344.0	TRANSMISSION & DISTRIBUTION: MISC BUILDINGS	0	0	268	63	63	205	0	0	268	7	70	198
21	345.0	TRANSMISSION & DISTRIBUTION: METERS	1,219	(288)	30,586	779	3,978	28,586	0	0	30,586	792	25,797	25,797
22	346.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	16,750	434	3,386	13,354	0	0	16,750	432	3,710	12,921
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	9,243	239	1,461	7,782	0	0	9,243	239	1,701	7,542
24	388.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
25	388.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	388.3	GENERAL PLANT: OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
27	388.4	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
28	390.2	GENERAL PLANT: MISC BUILDINGS	0	0	600	16	140	460	0	0	600	16	155	444
29	390.3	GENERAL PLANT: OFFICE EQUIPMENT	0	0	712	186	166	546	0	0	712	186	186	527
30	391.0	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
31	391.1	GENERAL PLANT: OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
32	391.2	GENERAL PLANT: OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	534	14	125	409	0	0	534	14	139	395
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
38	397.1	GENERAL PLANT: AUTO CONTROLS	0	0	7,718	200	492	7,226	0	0	7,718	200	662	7,028
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	534	14	125	409	0	0	534	14	139	395
40	398.0	GENERAL PLANT: INSC.	0	0	0	0	0	0	0	0	0	0	0	0
41		TOTALS	\$1,533	(\$447)	\$457,748	\$11,915	\$55,825	\$361,402	\$10,955	(\$118)	\$468,958	\$11,957	\$107,679	\$360,921

ACCT. NO.	PLANT ACCOUNT NAME	1986 ADDITIONS PER COMPANY	1986 (RETIREMENTS) PER COMPANY	1986 YEAR END PLANT VALUE PER RUCCO	1986 DEPRECIATION EXPENSE PER RUCCO	1986 ACCUMULATED DEPRECIATION PER RUCCO	1986 YEAR END NET PLANT PER RUCCO	1987 ADDITIONS PER COMPANY	1987 (RETIREMENTS) PER COMPANY	1987 YEAR END PLANT VALUE PER RUCCO	1987 DEPRECIATION EXPENSE PER RUCCO	1987 ACCUMULATED DEPRECIATION PER RUCCO	1987 YEAR END NET PLANT PER RUCCO	
49	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
50	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	
51	303.0	INTANGIBLES: SUPPLY*	0	0	0	0	0	0	0	0	0	0	0	
52	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	44	0	374	0	0	12	0	386	0	0	386	
53	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	
54	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	600	0	0	0	0	600	0	0	600	
55	314.0	SOURCE OF SUPPLY: WELLS	0	0	92,329	2,391	26,390	65,979	0	0	92,329	2,391	28,741	63,588
56	320.0	PUMPING PLANT: LAND*	0	0	200	0	0	200	0	0	200	0	0	200
57	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	187,968	4,508	32,509	155,448	1,243	0	187,968	4,868	37,377	150,590
58	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
59	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
60	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
61	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	10,727	278	417	10,310	0	0	10,727	278	695	10,022
62	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
63	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
64	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
65	340.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
66	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	39,824	1,031	11,375	28,449	0	0	39,824	1,031	12,405	27,418
67	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	97,688	2,530	25,709	71,979	0	0	97,688	2,530	28,230	69,448
68	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	268	7	77	191	0	0	268	7	63	205
69	345.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	30,279	788	5,270	25,009	1,406	(313)	31,372	798	5,755	25,617
70	346.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	(386)	(108)	16,138	424	4,027	12,111	0	0	16,138	418	4,445	11,693
71	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	9,243	239	1,940	7,303	0	0	9,243	239	2,160	7,083
72	388.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
73	388.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
74	388.3	GENERAL PLANT: OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
75	388.4	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	600	18	171	429	0	0	600	18	187	413
76	390.2	GENERAL PLANT: MISC BUILDINGS	0	0	712	203	203	509	0	0	712	203	222	490
77	390.3	GENERAL PLANT: OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
78	391.0	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
79	391.1	GENERAL PLANT: OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
80	391.2	GENERAL PLANT: OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
81	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	534	14	153	381	0	0	534	14	166	368
82	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
83	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
84	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
85	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
86	397.1	GENERAL PLANT: AUTO CONTROLS	0	0	7,718	200	882	6,896	0	0	7,718	200	1,091	6,027
87	397.2	GENERAL PLANT: MOBILE RADIOS	0	0	534	14	153	381	0	0	534	14	166	368
88	398.0	GENERAL PLANT: INSC.	0	0	0	0	0	0	0	0	0	0	0	0
		TOTALS	\$38,117	(\$10,889)	\$495,725	\$12,457	\$109,244	\$385,961	\$2,629	(\$313)	\$498,074	\$12,839	\$121,770	\$376,003

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 * NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1998 ADDITIONS PER COMPANY	1998 (RETIREMENTS) PER COMPANY	1998 YEAR END PLANT VALUE PER RUO	1998 DEPRECIATION EXPENSE PER RUO	1998 ACCUMULATED DEPRECIATION PER RUO	1998 YEAR END NET PLANT PER RUO	1998 ADDITIONS PER COMPANY	1998 (RETIREMENTS) PER COMPANY	1998 YEAR END PLANT VALUE PER RUO	1998 DEPRECIATION EXPENSE PER RUO	1998 ACCUMULATED DEPRECIATION PER RUO	1998 YEAR END NET PLANT PER RUO
1	301.0	INTANGIBLES ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES MISCELLANEOUS*	0	0	397	0	0	397	0	0	0	0	0	496
4	310.1	SOURCE OF SUPPLY, LAND - WATER RIGHTS*	11	0	0	0	0	101	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY, LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY, LAND - WELLS*	0	0	600	0	0	600	0	0	0	0	0	600
7	314.0	SOURCE OF SUPPLY, WELLS	0	0	92,329	2,391	31,133	61,196	0	0	92,329	2,391	33,524	58,805
8	320.0	PUMPING PLANT, LAND*	0	0	200	0	0	200	0	0	200	0	0	200
9	321.0	PUMPING PLANT, STRUCTURES & IMPROVEMENTS	0	0	1,243	32	48	1,195	0	0	1,243	32	81	1,163
10	325.0	PUMPING PLANT, ELECTRICAL EQUIPMENT	271	0	186,229	4,872	42,249	145,880	0	0	186,229	4,872	47,124	141,104
11	328.0	PUMPING PLANT, GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT, LAND*	0	0	10,727	0	0	10,727	0	0	10,727	0	0	0
13	331.0	WATER TREATMENT PLANT, STRUCTURES & IMPROVEMENTS	0	0	976	276	976	976	0	0	976	276	1,250	9,477
14	331.0	WATER TREATMENT PLANT, EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
15	340.0	TRANSMISSION & DISTRIBUTION, LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION, LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION, STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION, STORAGE TANKS	0	0	39,824	1,031	13,437	26,387	0	0	39,824	1,031	14,469	25,355
19	343.0	TRANSMISSION & DISTRIBUTION, MAINS	0	0	97,688	2,530	30,769	66,919	1,451	0	99,139	2,549	33,318	65,821
20	344.0	TRANSMISSION & DISTRIBUTION, FIRE SPRINKLERS	0	0	288	7	90	178	0	0	288	7	97	171
21	345.0	TRANSMISSION & DISTRIBUTION, SERVICES	549	(201)	31,720	817	6,371	25,349	2,903	(344)	34,279	855	6,882	27,397
22	346.0	TRANSMISSION & DISTRIBUTION, METERS	0	(23)	16,115	418	4,840	11,275	0	(23)	16,092	417	5,234	10,858
23	348.0	TRANSMISSION & DISTRIBUTION, HYDRANTS	0	0	9,243	239	2,419	6,824	0	0	9,243	239	2,658	6,585
24	389.1	GENERAL PLANT, LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
25	389.2	GENERAL PLANT, LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT, LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT, OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
28	390.2	GENERAL PLANT, WAREHOUSE BUILDINGS	0	0	600	18	202	398	0	0	600	18	216	382
29	390.3	GENERAL PLANT, MISC. BUILDINGS	0	0	712	18	240	472	0	0	712	18	259	463
30	391.0	GENERAL PLANT, OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
31	391.1	GENERAL PLANT, ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
32	391.2	GENERAL PLANT, OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
33	393.0	GENERAL PLANT, WAREHOUSE EQUIPMENT	0	0	534	14	180	354	0	0	534	14	194	340
34	394.0	GENERAL PLANT, LAB EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
35	395.0	GENERAL PLANT, POWER EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
36	396.0	GENERAL PLANT, COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
37	397.0	GENERAL PLANT, MOBILE RADIOS	0	0	0	0	0	0	0	0	0	0	0	0
38	397.1	GENERAL PLANT, AUTO CONTROLS	0	0	7,718	200	1,281	6,437	0	0	7,718	200	1,489	6,227
39	398.0	GENERAL PLANT, MISC.	0	0	534	14	180	354	0	0	534	14	194	340
40	398.0	TOTALS	\$831	(\$224)	\$496,631	\$12,877	\$134,423	\$363,737	\$4,455	(\$387)	\$502,769	\$12,836	\$148,983	\$355,776

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2000 ADDITIONS PER COMPANY	2000 (RETIREMENTS) PER COMPANY	2000 YEAR END PLANT VALUE PER RUO	2000 DEPRECIATION EXPENSE PER RUO	2000 ACCUMULATED DEPRECIATION PER RUO	2000 YEAR END NET PLANT PER RUO	2000 ADDITIONS PER COMPANY	2000 (RETIREMENTS) PER COMPANY	2000 YEAR END PLANT VALUE PER RUO	2000 DEPRECIATION EXPENSE PER RUO	2000 ACCUMULATED DEPRECIATION PER RUO	2000 YEAR END NET PLANT PER RUO
46	301.0	INTANGIBLES ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
47	302.0	INTANGIBLES FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
48	303.0	INTANGIBLES MISCELLANEOUS*	0	0	577	0	0	577	0	0	0	0	0	586
49	310.1	SOURCE OF SUPPLY, LAND - WATER RIGHTS*	79	0	0	0	0	19	0	0	0	0	0	0
50	310.2	SOURCE OF SUPPLY, LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
51	310.3	SOURCE OF SUPPLY, LAND - WELLS*	0	0	600	0	0	600	0	0	0	0	0	600
52	314.0	SOURCE OF SUPPLY, WELLS	14,555	0	106,884	2,580	36,104	70,780	91	0	106,975	2,769	38,873	68,102
53	320.0	PUMPING PLANT, LAND*	0	0	200	0	0	200	0	0	200	0	0	200
54	321.0	PUMPING PLANT, STRUCTURES & IMPROVEMENTS	0	0	1,243	32	113	1,131	0	0	1,243	32	145	1,098
55	325.0	PUMPING PLANT, ELECTRICAL EQUIPMENT	0	0	186,229	4,875	51,999	134,229	0	0	186,229	4,875	56,874	131,354
56	328.0	PUMPING PLANT, GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
57	330.0	WATER TREATMENT PLANT, LAND*	0	0	6,778	89	88	6,689	0	0	6,778	89	263	6,515
58	331.0	WATER TREATMENT PLANT, STRUCTURES & IMPROVEMENTS	0	0	13,763	317	(9,160)	22,923	0	0	13,763	356	(8,803)	22,569
59	331.0	WATER TREATMENT PLANT, EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
60	340.0	TRANSMISSION & DISTRIBUTION, LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
61	340.1	TRANSMISSION & DISTRIBUTION, LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
62	341.0	TRANSMISSION & DISTRIBUTION, STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
63	342.0	TRANSMISSION & DISTRIBUTION, STORAGE TANKS	0	0	39,824	1,031	15,500	24,324	513	0	40,337	1,038	16,538	23,799
64	343.0	TRANSMISSION & DISTRIBUTION, MAINS	0	0	96,139	2,568	35,866	60,273	0	0	96,139	2,568	38,454	60,685
65	344.0	TRANSMISSION & DISTRIBUTION, FIRE SPRINKLERS	0	0	268	7	104	164	0	0	268	7	111	157
66	345.0	TRANSMISSION & DISTRIBUTION, SERVICES	499	(104)	34,673	893	7,671	27,003	1,069	(48)	35,742	912	8,593	27,160
67	346.0	TRANSMISSION & DISTRIBUTION, METERS	1,053	0	17,145	430	5,684	11,461	0	0	17,097	443	6,059	11,037
68	348.0	TRANSMISSION & DISTRIBUTION, HYDRANTS	0	0	9,243	239	2,898	6,345	0	0	9,243	239	3,137	6,108
69	389.1	GENERAL PLANT, LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
70	389.2	GENERAL PLANT, LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
71	389.3	GENERAL PLANT, LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
72	390.1	GENERAL PLANT, OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
73	390.2	GENERAL PLANT, WAREHOUSE BUILDINGS	0	0	600	16	234	366	0	0	600	16	269	381
74	390.3	GENERAL PLANT, MISC. BUILDINGS	0	0	712	18	277	435	0	0	712	18	296	416
75	391.0	GENERAL PLANT, OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
76	391.1	GENERAL PLANT, ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
77	391.2	GENERAL PLANT, OFFICE FURNITURE	0	0	534	14	208	326	0	0	534	14	222	312
78	393.0	GENERAL PLANT, WAREHOUSE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
79	394.0	GENERAL PLANT, LAB EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
80	395.0	GENERAL PLANT, POWER EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
81	396.0	GENERAL PLANT, COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
82	397.0	GENERAL PLANT, MOBILE RADIOS	0	0	7,718	200	1,281	6,437	0	0	7,718	200	1,489	6,227
83	397.1	GENERAL PLANT, AUTO CONTROLS	0	0	534	14	180	354	0	0	534	14	194	340
84	398.0	GENERAL PLANT, MISC.	\$36,726	(\$10,831)	\$236,664	\$13,322	\$149,434	\$187,230	\$1,692	(\$48)	\$238,308	\$13,278	\$163,116	\$67,194
85	398.0	TOTALS	\$36,726	(\$10,831)	\$236,664	\$13,322	\$149,434	\$187,230	\$1,692	(\$48)	\$238,308	\$13,278	\$163,116	\$67,194

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 * NON-DEPRECIABLE PLANT

LINE NO.	ACCT NO.	PLANT ACCOUNT NAME	2002 ADDITIONS PER COMPANY	2002 (RETIREMENTS) PER COMPANY	2002 YEAR END PLANT VALUE PER RUCCO	2002 DEPRECIATION EXPENSE PER RUCCO	2002 ACCUMULATED DEPRECIATION PER RUCCO	2002 YEAR END NET PLANT PER RUCCO	2003 ADDITIONS PER COMPANY	2003 (RETIREMENTS) PER COMPANY	2003 YEAR END PLANT VALUE PER RUCCO	2003 DEPRECIATION EXPENSE PER RUCCO	2003 ACCUMULATED DEPRECIATION PER RUCCO	2003 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.2	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	200	0	796	0	0	796	0	0	1,129	0	0	1,129
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	600	0	0	600	0	0	600	0	0	600
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	106,975	2,771	41,644	66,331	0	0	106,975	2,771	44,414	62,561
8	320.0	PUMPING PLANT: LAND	0	0	200	0	0	200	0	0	200	0	0	200
9	320.0	PUMPING PLANT: ELECTRICALS & IMPROVEMENTS	0	0	1,066	52	17	1,049	0	0	1,066	32	1,034	209
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	190,368	4,932	61,777	128,591	0	0	190,368	4,931	65,708	123,660
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	6,778	176	439	6,339	0	0	6,778	176	6,164	6,164
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	13,763	356	(8,447)	22,210	0	0	13,763	356	(8,090)	21,853
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	539	0	40,876	1,062	17,590	23,286	0	0	40,876	1,059	18,649	22,227
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	98,139	2,588	41,021	58,118	0	0	98,139	2,568	43,589	55,550
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	268	7	118	150	0	0	268	7	125	143
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	769	(1,171)	35,340	921	8,332	27,008	608	(82)	35,866	922	8,193	26,684
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	(50)	17,047	442	5,452	10,595	0	(9)	17,038	441	6,884	10,154
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	9,243	239	3,377	5,866	0	0	9,243	239	3,616	5,627
24	389.1	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT: OFFICE BUILDINGS	0	0	600	16	265	335	0	0	600	16	260	320
27	389.3	GENERAL PLANT: OFFICE BUILDINGS	0	0	712	18	314	398	0	0	712	18	352	380
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	534	14	236	298	0	0	534	14	249	285
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
38	397.1	GENERAL PLANT: MOBILE RADIOS	74,904	(5,946)	76,676	1,093	(2,962)	76,639	0	0	76,676	1,969	(976)	77,652
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	534	14	236	514	0	0	534	14	249	285
40	388.0	GENERAL PLANT: MISC.	\$76,551	(\$7,167)	\$691,692	\$14,621	\$170,266	\$430,804	\$641	(\$71)	\$692,592	\$15,549	\$186,048	\$416,515
41		TOTALS												
42		BALANCES PER COMPANY			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
43		BALANCES PER RUCCO			602,560	602,562	185,716	602,562	185,046	185,716	602,562	185,716	185,046	602,562
44		TOTAL ADJUSTMENTS												
45														
46														
47														

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION

NOTE:
 * - NON-DEPRECIABLE PLANT
 ** - LEASEHOLD IMPROVEMENT

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 STANFIELD SYSTEM

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-5

RATE BASE ADJ. #2 - RESTATE ALLOCATED PHOENIX OFFICE
 & METER SHOP AND ACCUMULATED DEPRECIATION

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>TEST YEAR COMPANY</u>
1	GROSS PHOENIX OFFICE PLANT	\$ 4,999,117
2	GROSS METER SHOP	113,608
3	GROSS PHOENIX OFFICE PLANT & METER SHOP	\$ 5,112,725
4	TIMES: ALLOCATION FACTOR	0.0031
5	ALLOCATED GROSS PHOENIX OFFICE PLANT & METER SHOP	\$ 15,849
6	NET ALLOCATED PHOENIX OFFICE PLANT & METER SHOP	14,195
7	RUCO ADJUSTMENT TO PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION	\$ 1,655

REFERENCES:

- LINE 1: COMPANY SCHEDULE B-2 PAGE 7
- LINE 2: COMPANY SCHEDULE B-2 PAGE 8
- LINE 3: LINE 1 + LINE 2
- LINE 4: COMPANY SCHEDULE B-1 PAGE 1
- LINE 5: LINE 3 x LINE 4
- LINE 6: COMPANY SCHEDULE B-1 PAGE 1 (SUM OF LINES 6 AND 7)
- LINE 7: LINE 5 - LINE 6

STATE OF ARIZONA
 RATE BASE ADJUSTMENT #3 - ACCUMULATED DEPRECIATION - PHOENIX OFFICE

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1990 PLANT VALUE PER COMPANY	1990 ACCUM. DEPR. PER COMPANY	1990 NET PLANT PER PRIOR ACC PER COMPANY	1981 ADDITIONS PER COMPANY	1981 (RETIREMENTS) PER COMPANY	1981 YEAR END PLANT VALUE PER RUCO	1981 DEPRECIATION EXPENSE PER RUCO	1981 ACCUMULATED DEPRECIATION PER RUCO	1981 YEAR END NET PLANT PER RUCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$651	\$0	\$651	\$0	\$0	\$651	\$0	\$0	\$651
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISCELLANEOUS*	8,496	0	8,496	0	0	8,496	0	0	8,496
4	310.0	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0
5	310.1	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	0	0	0	0	0	0	0
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	0	0	0	0	0	0	0
8	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0
14	331.1	WATER TREATMENT PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0
15	331.2	WATER TREATMENT PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0
16	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0
17	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0
18	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0
19	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0
20	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0
21	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0
22	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	0	0	0	0	0	0	0
23	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0
24	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0
25	382.0	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0
26	382.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0
27	382.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0
28	390.1	GENERAL PLANT: MISC.	530,982	1,901	530,081	10,977	0	541,938	424	2,320	539,614
29	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0
30	390.3	GENERAL PLANT: MISC. BUILDINGS	3,478	378	3,100	542	0	4,020	91	468	3,552
31	391.0	GENERAL PLANT: OFFICE EQUIPMENT	547,751	59,472	488,279	0	(1,399)	486,880	13,239	71,311	415,569
32	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	898,103	97,511	800,592	115,708	0	1,016,300	23,134	120,645	895,655
33	391.2	GENERAL PLANT: OFFICE FURNITURE	89,500	9,717	79,783	5,125	0	84,908	2,228	11,945	72,963
34	394.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	0	2,470	0	2,470	30	30	2,440
35	395.0	GENERAL PLANT: GARAGE EQUIPMENT	27,037	2,896	24,141	83	0	24,224	655	3,591	20,633
36	395.0	GENERAL PLANT: LAB EQUIPMENT	51	6	45	0	0	45	1	1	44
37	395.0	GENERAL PLANT: POWER EQUIPMENT	41,418	4,497	36,921	0	(510)	36,411	(6)	(516)	35,895
38	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	6,569	840	5,729	1,344	0	7,073	1,002	5,489	6,071
39	397.1	GENERAL PLANT: MOBILE PHONES	0	0	0	0	0	0	0	0	0
40	398.0	GENERAL PLANT: AUTO CONTROLS	3,939	428	3,511	0	0	3,511	95	523	3,018
41		TOTALS	\$2,160,942	\$177,765	\$1,983,177	\$138,250	(\$1,909)	\$2,294,333	\$41,119	\$216,965	\$2,077,368

ACCT. NO.	PLANT ACCOUNT NAME	1992 ADDITIONS PER COMPANY	1992 (RETIREMENTS) PER COMPANY	1992 YEAR END PLANT VALUE PER RUCO	1992 ACCUMULATED DEPRECIATION PER RUCO	1992 YEAR END NET PLANT PER RUCO	1993 ADDITIONS PER COMPANY	1993 (RETIREMENTS) PER COMPANY	1993 DEPRECIATION EXPENSE PER RUCO	1993 ACCUMULATED DEPRECIATION PER RUCO	1993 YEAR END NET PLANT PER RUCO
48	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$651	\$0	\$0	\$0	\$0	\$0	\$651
49	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0
50	303.0	INTANGIBLES: MISCELLANEOUS*	0	0	8,496	0	0	0	0	0	8,496
51	310.0	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0
52	310.1	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0
53	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	0	0	0	0	0	0	0
54	314.0	SOURCE OF SUPPLY: WELLS	0	0	0	0	0	0	0	0	0
55	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0
56	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0
57	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0
58	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0
59	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0
60	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0
61	331.1	WATER TREATMENT PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0
62	331.2	WATER TREATMENT PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0
63	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0
64	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0
65	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0
66	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0
67	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0
68	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0
69	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	0	0	0	0	0	0	0
70	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0
71	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0
72	382.0	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0
73	382.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0
74	382.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0
75	390.1	GENERAL PLANT: MISC.	530,982	1,901	530,081	10,977	0	541,938	424	2,320	539,614
76	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0
77	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	0	0	0
78	391.0	GENERAL PLANT: OFFICE EQUIPMENT	13,222	1,466	11,756	97	0	11,853	104	80	11,753
79	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	1,137,117	126,028	1,011,089	0	(2,779)	1,008,310	14,115	96,869	911,441
80	391.2	GENERAL PLANT: OFFICE FURNITURE	3,814	2,312	1,502	209,346	0	1,711	32,161	178,728	1,322,662
81	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	(1,810)	0	2,749	0	2,749	64	11,477	84,243
82	394.0	GENERAL PLANT: GARAGE EQUIPMENT	30	0	30	60	0	90	64	164	2,316
83	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	0	657	0	657	712	4,960	22,874
84	395.0	GENERAL PLANT: POWER EQUIPMENT	0	0	0	1	0	1	9	9	42
85	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	0	(12)	0	(12)	(13)	(542)	32
86	397.1	GENERAL PLANT: MOBILE PHONES	0	0	0	1,002	0	1,002	1,126	7,927	37,862
87	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	0	1,775	0	1,775	305	1,754	10,041
88	398.0	GENERAL PLANT: MISC.	0	0	0	95	0	95	0	0	0
89		TOTALS	\$128,924	(\$1,810)	\$127,114	\$44,147	(\$5,344)	\$166,517	\$51,916	\$304,607	\$2,336,252

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 * NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1994 ADDITIONS PER COMPANY	1994 (RETIREMENTS) PER COMPANY	1994 YEAR END PLANT VALUE PER RUO	1994 DEPRECIATION PER RUO	1994 YEAR END NET PLANT PER RUO	1994 ADDITIONS PER COMPANY	1994 (RETIREMENTS) PER COMPANY	1994 YEAR END PLANT VALUE PER RUO	1994 DEPRECIATION PER RUO	1994 YEAR END NET PLANT PER RUO	1995 ADDITIONS PER COMPANY	1995 (RETIREMENTS) PER COMPANY	1995 YEAR END PLANT VALUE PER RUO	1995 DEPRECIATION PER RUO	1995 YEAR END NET PLANT PER RUO	1995 ADDITIONS PER COMPANY	1995 (RETIREMENTS) PER COMPANY	1995 YEAR END PLANT VALUE PER RUO	1995 DEPRECIATION PER RUO	1995 YEAR END NET PLANT PER RUO	
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$851	\$0	\$851	\$0	\$0	\$851	\$0	\$851	\$0	\$0	\$851	\$0	\$851	\$0	\$0	\$851	\$0	\$851	
2	302.0	INTANGIBLES: FRANCHISES*																					
3	303.0	INTANGIBLES: MISCELLANEOUS*																					
4	310.0	SOURCE OF SUPPLY: LAND - WATER RIGHTS*			8,496		8,496			8,496		8,496			8,496		8,496			8,496		8,496	
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*																					
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*																					
7	314.0	SOURCE OF SUPPLY: WELLS																					
8	320.0	PUMPING PLANT: LAND*																					
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS																					
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT																					
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT																					
12	330.0	WATER TREATMENT PLANT: LAND*																					
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS																					
14	332.0	WATER TREATMENT PLANT: ELECTRICAL EQUIPMENT																					
15	333.0	WATER TREATMENT PLANT: GAS ENGINE EQUIPMENT																					
16	340.0	TRANSMISSION & DISTRIBUTION: TANKS & MAINS*																					
17	341.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*																					
18	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES																					
19	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS																					
20	343.0	TRANSMISSION & DISTRIBUTION: MAINS																					
21	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS																					
22	345.0	TRANSMISSION & DISTRIBUTION: SERVICES																					
23	346.0	TRANSMISSION & DISTRIBUTION: METERS																					
24	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS																					
25	388.1	GENERAL PLANT: LAND - OFFICE*																					
26	388.2	GENERAL PLANT: LAND - WAREHOUSE*																					
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	17,033		571,048	3,650	567,398	9,407		580,455	4,647	576,345			580,455	4,647	576,345			580,455	4,647	576,345	
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS																					
29	390.3	GENERAL PLANT: MISC. BUILDINGS			4,020		4,020			4,020		4,020			4,020		4,020			4,020		4,020	
30	391.0	GENERAL PLANT: ELECTRICAL EQUIPMENT		(5,960)	537,613	103,910	433,703			537,613	13,924	419,779			537,613	13,924	419,779			537,613	13,924	419,779	
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	110,780		1,452,036	36,304	1,415,732	265,488		1,722,534	41,175	1,681,359			1,722,534	41,175	1,681,359			1,722,534	41,175	1,681,359	
32	391.2	GENERAL PLANT: OFFICE FURNITURE	15,196		110,906	2,676	108,230	7,313		118,219	2,967	105,263			118,219	2,967	105,263			118,219	2,967	105,263	
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT			2,470	64	2,534			2,470	84	2,518			2,470	84	2,518			2,470	84	2,518	
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT			27,834	721	28,555	203		28,037	724	28,761			28,037	724	28,761			28,037	724	28,761	
35	395.0	GENERAL PLANT: LAB EQUIPMENT			51	1	52			51	1	52			51	1	52			51	1	52	
36	396.0	GENERAL PLANT: POWER EQUIPMENT			(610)	(13)	(623)			(610)	(13)	(623)			(610)	(13)	(623)			(610)	(13)	(623)	
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT			45,509	8,006	53,515	4,564		50,073	1,238	51,283			50,073	1,238	51,283			50,073	1,238	51,283	
38	397.1	GENERAL PLANT: MOBILE RADIOS	2,306		14,081	335	13,746			14,081	365	13,716			14,081	365	13,716			14,081	365	13,716	
39	397.2	GENERAL PLANT: AUTO CONTROLS	462		3,939	6	4,401			4,401	12	4,389			4,401	12	4,389			4,401	12	4,389	
40	398.0	GENERAL PLANT: MISCELLANEOUS				82					102					102						18	
41		TOTALS	\$145,773	(\$5,060)	\$2,783,612	\$55,933	\$2,727,679	\$236,965	\$0	\$3,070,597	\$61,117	\$2,989,480	\$0	\$0	\$3,070,597	\$61,117	\$2,989,480	\$0	\$0	\$3,070,597	\$61,117	\$2,989,480	

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1996 ADDITIONS PER COMPANY	1996 (RETIREMENTS) PER COMPANY	1996 YEAR END PLANT VALUE PER RUO	1996 DEPRECIATION PER RUO	1996 YEAR END NET PLANT PER RUO	1996 ADDITIONS PER COMPANY	1996 (RETIREMENTS) PER COMPANY	1996 YEAR END PLANT VALUE PER RUO	1996 DEPRECIATION PER RUO	1996 YEAR END NET PLANT PER RUO	1997 ADDITIONS PER COMPANY	1997 (RETIREMENTS) PER COMPANY	1997 YEAR END PLANT VALUE PER RUO	1997 DEPRECIATION PER RUO	1997 YEAR END NET PLANT PER RUO	1997 ADDITIONS PER COMPANY	1997 (RETIREMENTS) PER COMPANY	1997 YEAR END PLANT VALUE PER RUO	1997 DEPRECIATION PER RUO	1997 YEAR END NET PLANT PER RUO	
48	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$851	\$0	\$851	\$0	\$0	\$851	\$0	\$851	\$0	\$0	\$851	\$0	\$851	\$0	\$0	\$851	\$0	\$851	
49	302.0	INTANGIBLES: FRANCHISES*																					
50	303.0	INTANGIBLES: MISCELLANEOUS*																					
51	310.0	SOURCE OF SUPPLY: LAND - WATER RIGHTS*			8,496		8,496			8,496		8,496			8,496		8,496			8,496		8,496	
52	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*																					
53	310.3	SOURCE OF SUPPLY: LAND - WELLS*																					
54	314.0	SOURCE OF SUPPLY: WELLS																					
55	320.0	PUMPING PLANT: LAND*																					
56	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS																					
57	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT																					
58	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT																					
59	330.0	WATER TREATMENT PLANT: LAND*																					
60	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS																					
61	332.0	WATER TREATMENT PLANT: ELECTRICAL EQUIPMENT																					
62	333.0	WATER TREATMENT PLANT: GAS ENGINE EQUIPMENT																					
63	340.0	TRANSMISSION & DISTRIBUTION: TANKS & MAINS*																					
64	341.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*																					
65	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES																					
66	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS																					
67	343.0	TRANSMISSION & DISTRIBUTION: MAINS																					
68	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS																					
69	345.0	TRANSMISSION & DISTRIBUTION: SERVICES																					
70	346.0	TRANSMISSION & DISTRIBUTION: METERS																					
71	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS																					
72	369.1	GENERAL PLANT: LAND - OFFICE*																					
73	369.2	GENERAL PLANT: LAND - WAREHOUSE*																					
74	388.1	GENERAL PLANT: OFFICE BUILDINGS																					
75	388.2	GENERAL PLANT: WAREHOUSE BUILDINGS																					
76	390.1	GENERAL PLANT: OFFICE BUILDINGS			4,020		4,020			4,020		4,020			4,020		4,020			4,020		4,020	
77	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS																					
78	391.0	GENERAL PLANT: ELECTRICAL EQUIPMENT		(34,400)	513,572	107,862	405,712			512,467	13,263	392,449			512,467	13,263	392,449			512,467	13,263	392,449	
79	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	78,774		1,783,536	283,720	1,499,816	286,956		1,783,536	48,640	1,724,896			1,783,536	48,640	1,724,896			1,783,536	48,640	1,724,896	
80	391.2	GENERAL PLANT: OFFICE FURNITURE	24,572		142,791	20,500	122,291	8,326		122,291	3,684	118,607			122,291	3,684	118,607			122,291	3,684	118,607	
81	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT			2,470	64	2,534			2,470	84	2,518			2,470	84	2,518			2,470	84	2,518	
82	394.0	GENERAL PLANT: GARAGE EQUIPMENT			29,067	7,144	36,211	2,124		34,345	884	34,257			34,345	884	34,257			34,345	884	34,257	
83	395.0	GENERAL PLANT: LAB EQUIPMENT	1,050		51	1	52			51	1	52			51	1	52			51	1	52	
84	396.0	GENERAL PLANT: POWER EQUIPMENT			(610)	(13)	(623)			(610)	(13)	(623)			(610)	(13)	(623)			(610)	(13)	(623)	
85	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT			50,073	11,341	61,414	6,062		56,352	1,297	57,651			56,352	1,297	57,651			56,352	1,297	57,651	
86	397.1	GENERAL PLANT: MOBILE RADIOS	5,743		19,824																		

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1998			1999			2000			2001		
			ADDITIONS PER COMPANY	RETIREMENTS PER COMPANY	YEAR END PLANT VALUE PER RUO	DEPRECIATION EXPENSE PER RUO	ACCUMULATED DEPRECIATION PER RUO	NET PLANT VALUE PER RUO	ADDITIONS PER COMPANY	RETIREMENTS PER COMPANY	YEAR END PLANT VALUE PER RUO	DEPRECIATION EXPENSE PER RUO	ACCUMULATED DEPRECIATION PER RUO	NET PLANT VALUE PER RUO
1	301.0	INTANGIBLES ORGANIZATION*	\$0	\$0	\$651	\$0	\$0	\$651	\$0	\$0	\$0	\$0	\$0	\$651
2	302.0	INTANGIBLES FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES MISC.	0	0	8,496	0	0	8,496	0	0	0	0	0	8,496
4	310.1	SOURCE OF SUPPLY, LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY, LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY, LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
7	314.0	SOURCE OF SUPPLY, WELLS	0	0	0	0	0	0	0	0	0	0	0	0
8	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
14	331.1	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
15	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0	0	0	0
19	343.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
20	344.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	0	0	0	0	0	0	0	0	0	0
21	345.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0	0	0	0
22	346.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
23	348.0	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
24	388.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
25	388.2	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
26	388.3	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	32,375	0	634,027	0	0	634,027	0	0	0	0	0	634,027
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
29	390.3	GENERAL PLANT: MISC. BUILDINGS	10,262	0	14,282	0	0	14,282	0	0	0	0	0	14,282
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	67,502	(197)	512,290	0	0	512,290	0	0	0	0	0	512,290
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	12,072	(406,805)	1,710,561	0	0	1,710,561	0	0	0	0	0	1,710,561
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	164,189	0	0	164,189	0	0	0	0	0	164,189
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	197	0	2,470	0	0	2,470	0	0	0	0	0	2,470
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	28,284	0	0	28,284	0	0	0	0	0	28,284
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	51	0	0	51	0	0	0	0	0	51
36	395.1	GENERAL PLANT: POWER EQUIPMENT	0	0	51	0	0	51	0	0	0	0	0	51
37	397.0	GENERAL PLANT: MOBILE EQUIPMENT	2,294	0	13,984	0	0	13,984	0	0	0	0	0	13,984
38	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	28,170	0	0	28,170	0	0	0	0	0	28,170
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	1,211	0	0	1,211	0	0	0	0	0	1,211
40	398.0	GENERAL PLANT: MISC.	295	0	5,857	0	0	5,857	0	0	0	0	0	5,857
41		TOTALS	\$124,987	(\$4,06,802)	\$3,161,102	\$69,737	(\$4,06,802)	\$2,985,037	\$257,227	(\$320,044)	\$3,168,235	\$66,023	(\$12,044)	\$3,183,261

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2000			2001			2002			2003		
			ADDITIONS PER COMPANY	RETIREMENTS PER COMPANY	YEAR END PLANT VALUE PER RUO	DEPRECIATION EXPENSE PER RUO	ACCUMULATED DEPRECIATION PER RUO	NET PLANT VALUE PER RUO	ADDITIONS PER COMPANY	RETIREMENTS PER COMPANY	YEAR END PLANT VALUE PER RUO	DEPRECIATION EXPENSE PER RUO	ACCUMULATED DEPRECIATION PER RUO	NET PLANT VALUE PER RUO
48	301.0	INTANGIBLES ORGANIZATION*	\$0	\$0	\$651	\$0	\$0	\$651	\$0	\$0	\$0	\$0	\$0	\$651
49	302.0	INTANGIBLES FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
50	303.0	INTANGIBLES MISC.	0	0	8,496	0	0	8,496	0	0	0	0	0	8,496
51	310.1	SOURCE OF SUPPLY, LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
52	310.2	SOURCE OF SUPPLY, LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
53	310.3	SOURCE OF SUPPLY, LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
54	314.0	SOURCE OF SUPPLY, WELLS	0	0	0	0	0	0	0	0	0	0	0	0
55	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
56	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
57	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
58	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
59	330.0	WATER TREATMENT PLANT: LAND	0	0	0	0	0	0	0	0	0	0	0	0
60	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
61	331.1	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
62	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
63	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
64	341.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
65	342.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0	0	0	0
66	343.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
67	344.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	0	0	0	0	0	0	0	0	0	0
68	345.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0	0	0	0
69	346.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
70	348.0	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
71	388.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
72	388.2	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
73	388.3	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
74	390.1	GENERAL PLANT: OFFICE BUILDINGS	73,580	0	716,938	0	0	716,938	0	0	0	0	0	716,938
75	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
76	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
77	391.0	GENERAL PLANT: OFFICE EQUIPMENT	312,881	0	1,428,210	0	0	1,428,210	0	0	0	0	0	1,428,210
78	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	512,290	0	0	512,290	0	0	0	0	0	512,290
79	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	1,999,435	0	0	1,999,435	0	0	0	0	0	1,999,435
80	391.3	GENERAL PLANT: WAREHOUSE EQUIPMENT	14,811	0	181,500	0	0	181,500	0	0	0	0	0	181,500
81	393.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	3,705	0	0	3,705	0	0	0	0	0	3,705
82	394.0	GENERAL PLANT: LAB EQUIPMENT	0	0	29,284	0	0	29,284	0	0	0	0	0	29,284
83	395.0	GENERAL PLANT: POWER EQUIPMENT	0	0	51	0	0	51	0	0	0	0	0	51
84	396.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	51	0	0	51	0	0	0	0	0	51
85	397.0	GENERAL PLANT: MOBILE RADIOS	2,597	0	50,073	0	0	50,073	0	0	0	0	0	50,073
86	397.1	GENERAL PLANT: AUTO CONTROLS	343	0	77,352	0	0	77,352	0	0	0	0	0	77,352
87	397.2	GENERAL PLANT: MISC.	0	0	5,584	0	0	5,584	0	0	0	0	0	5,584
88	388.0	TOTALS	\$403,722	\$0	\$3,022,007	\$70,682	(\$4,06,802)	\$2,685,887	\$391,559	(\$69,622)	\$3,903,684	\$78,697	(\$12,044)	\$3,983,261

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 * NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2002 ADDITIONS PER COMPANY	2002 (RETIREMENTS) PER COMPANY	2002 YEAR END PLANT VALUE PER RUO	2002 DEPRECIATION EXPENSE PER RUO	2002 ACCUMULATED DEPRECIATION PER RUO	2002 YEAR END NET PLANT PER RUO	2003 ADDITIONS PER COMPANY	2003 (RETIREMENTS) PER COMPANY	2003 YEAR END PLANT VALUE PER RUO	2003 DEPRECIATION EXPENSE PER RUO	2003 ACCUMULATED DEPRECIATION PER RUO	2003 YEAR END NET PLANT PER RUO
1	3010	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$651	\$0	\$0	\$651	\$0	\$0	\$651	\$0	\$0	\$651
2	3020	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	3030	INTANGIBLES: MISC.*	0	0	8,496	0	0	8,496	0	0	8,496	0	0	8,496
4	3101	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
5	3102	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	3103	SOURCE OF SUPPLY: LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
7	3140	SOURCE OF SUPPLY: WELLS	0	0	0	0	(588)	588	0	0	0	0	(588)	588
8	3210	PUMPING PLANT: LAND	0	0	0	0	0	0	0	0	0	0	0	0
9	3211	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
10	3250	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	3280	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	3300	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
13	3310	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
14	3320	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
15	3400	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
16	3401	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	3410	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	3420	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
19	3430	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0	0	0	0
20	3440	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
21	3450	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	0	0	0	0	0	0	0	0	0	0
22	3460	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0	0	0	0
23	3470	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
24	3891	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
25	3892	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	3893	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
27	3901	GENERAL PLANT: OFFICE BUILDINGS	7,215	0	735,944	454	7,285	728,659	548,941	0	1,284,895	464	7,739	1,277,148
28	3902	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
29	3903	GENERAL PLANT: MISC. BUILDINGS	0	0	14,282	370	2,803	11,479	0	0	14,282	370	3,173	11,109
30	3910	GENERAL PLANT: OFFICE EQUIPMENT	0	0	512,290	13,288	185,746	326,544	0	0	512,290	13,288	199,015	313,275
31	3911	GENERAL PLANT: ELECTRICAL EQUIPMENT	604,040	(153,472)	2,633,447	63,666	(284,695)	2,918,142	195,986	(75,130)	2,754,303	69,771	(290,053)	3,044,356
32	3912	GENERAL PLANT: OFFICE FURNITURE	710	0	184,143	4,761	46,703	137,490	54,624	0	238,817	5,478	52,181	186,636
33	3930	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	3,705	96	841	2,864	0	0	3,705	96	937	2,768
34	3940	GENERAL PLANT: GARAGE EQUIPMENT	0	0	29,963	777	11,714	18,279	457	0	30,450	783	12,497	17,953
35	3950	GENERAL PLANT: LAB EQUIPMENT	0	0	872	25	105	872	0	0	977	25	130	847
36	3960	GENERAL PLANT: POWER EQUIPMENT	0	0	(510)	(13)	(661)	151	0	0	(510)	(13)	(674)	164
37	3970	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	50,073	1,297	19,122	30,951	0	0	50,073	1,297	20,419	29,654
38	3980	GENERAL PLANT: MOBILE RADIOS	2,762	0	64,064	2,141	15,616	66,446	7,874	0	91,938	2,279	17,995	74,043
39	3972	GENERAL PLANT: TELEPHONE CONTROLS	41	0	1,304	41	1,480	1,304	0	0	1,354	40	291	1,293
40	3980	GENERAL PLANT: MISC.	1,226	0	7,206	47	1,466	7,206	0	0	7,206	187	2,150	5,056
41		TOTALS	\$515,953	(\$153,472)	\$4,266,365	\$87,054	\$6,235	\$4,253,125	\$607,882	(\$75,130)	\$4,995,117	\$94,039	\$25,110	\$4,974,007
42		BALANCES PER COMPANY							\$ 4,998,117		\$ 4,998,117		\$ 9,125	
43		BALANCES PER RUO							\$ 25,110		\$ 25,110		\$ 15,985	
44		DIFFERENCE							\$ 0.0031		\$ 0.0031		\$ 0.0031	
45		TOTAL ADJUSTMENTS												
46														
47														
48														
49														
50														
51														

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 * - NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1990 PLANT VALUE PER COMPANY	1990 ACCUM DEPR. PER COMPANY	1990 NET PLANT PER PRIOR ACC PER COMPANY	1991 ADDITIONS PER COMPANY	1991 (RETIREMENTS) PER COMPANY	1991 YEAR END PLANT VALUE PER RUCO	1991 DEPRECIATION EXPENSE PER RUCO	1991 ACCUMULATED DEPRECIATION PER RUCO	1991 YEAR END NET PLANT PER RUCO
1	301.0	INTANGIBLES ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES FRANCHISES*	0	0	0	0	0	0	0	0	0
3	303.0	SC.	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY, LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY, LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY, LAND - WELLS*	80	0	80	0	0	80	0	0	80
7	314.0	SOURCE OF SUPPLY, WELLS	0	0	0	0	0	0	0	0	0
8	320.0	PUMPING PLANT, LAND*	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT, STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0
10	325.0	PUMPING PLANT, ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0
11	328.0	PUMPING PLANT, GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT, LAND*	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT, STRUCTURES & IMPROVEMENTS	2,060	0	1,660	0	0	2,060	50	420	1,660
14	332.0	WATER TREATMENT PLANT, EQUIPMENT	0	370	0	0	0	0	0	0	0
15	340.0	TRANSMISSION & DISTRIBUTION, LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION, LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION, STRUCTURES	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION, STORAGE TANKS	0	0	0	0	0	0	0	0	0
19	343.0	TRANSMISSION & DISTRIBUTION, MAINS	6,066	1,095	4,971	0	0	6,066	147	1,242	4,824
20	344.0	TRANSMISSION & DISTRIBUTION, FIRE SPRINKLERS	43	0	35	0	0	43	1	9	34
21	345.0	TRANSMISSION & DISTRIBUTION, SERVICES	0	0	0	0	0	0	0	0	0
22	346.0	TRANSMISSION & DISTRIBUTION, METERS	0	0	0	0	0	0	0	0	0
23	348.0	TRANSMISSION & DISTRIBUTION, HYDRANTS	0	0	0	0	0	0	0	0	0
24	388.1	GENERAL PLANT, LAND - OFFICE*	0	0	0	0	0	0	0	0	0
25	389.2	GENERAL PLANT, LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0
26	390.1	GENERAL PLANT, OFFICE BUILDINGS	16,596	2,902	13,574	0	0	16,596	401	3,390	13,177
27	390.2	GENERAL PLANT, OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0
28	390.3	GENERAL PLANT, MISC. BUILDINGS	742	134	608	0	0	742	18	152	590
30	391.0	GENERAL PLANT, OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0
31	391.1	GENERAL PLANT, ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0
32	391.2	GENERAL PLANT, OFFICE FURNITURE	0	0	0	0	0	0	0	0	0
33	393.0	GENERAL PLANT, WAREHOUSE EQUIPMENT	14,969	2,703	12,266	0	0	14,969	362	3,065	11,904
34	394.0	GENERAL PLANT, GARAGE EQUIPMENT	2,981	538	2,443	0	0	2,443	72	299	2,144
35	395.0	GENERAL PLANT, LAB EQUIPMENT	1,458	263	1,195	0	0	1,195	35	299	1,159
36	396.0	GENERAL PLANT, POWER EQUIPMENT	0	0	0	0	0	0	0	0	0
37	397.0	GENERAL PLANT, COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0
38	397.1	GENERAL PLANT, MOBILE RADIOS	0	0	0	0	0	0	0	0	0
39	397.2	GENERAL PLANT, AUTO CONTROLS	0	0	0	0	0	0	0	0	0
40	398.0	GENERAL PLANT, MISC.	0	0	0	0	0	0	0	0	0
41		TOTALS	\$44,955	\$8,104	\$36,851	\$0	\$0	\$44,955	\$1,086	\$9,190	\$35,765

ACCT. NO.	PLANT ACCOUNT NAME	1992 ADDITIONS PER COMPANY	1992 (RETIREMENTS) PER COMPANY	1992 YEAR END PLANT VALUE PER RUCO	1992 DEPRECIATION EXPENSE PER RUCO	1992 ACCUMULATED DEPRECIATION PER RUCO	1992 YEAR END NET PLANT PER RUCO	1993 ADDITIONS PER COMPANY	1993 DEPRECIATION EXPENSE PER RUCO	1993 ACCUMULATED DEPRECIATION PER RUCO	1993 YEAR END NET PLANT PER RUCO
48	301.0	INTANGIBLES ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
49	302.0	INTANGIBLES FRANCHISES*	0	0	0	0	0	0	0	0	0
50	303.0	SC.	0	0	0	0	0	0	0	0	0
51	310.1	SOURCE OF SUPPLY, LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0
52	310.2	SOURCE OF SUPPLY, LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0
53	310.3	SOURCE OF SUPPLY, LAND - WELLS*	80	0	80	0	0	0	0	0	80
54	314.0	SOURCE OF SUPPLY, WELLS	0	0	0	0	0	0	0	0	0
55	320.0	PUMPING PLANT, LAND*	0	0	0	0	0	0	0	0	0
56	321.0	PUMPING PLANT, STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0
57	325.0	PUMPING PLANT, ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0
58	328.0	PUMPING PLANT, GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0
59	330.0	WATER TREATMENT PLANT, LAND*	0	0	0	0	0	0	0	0	0
60	331.0	WATER TREATMENT PLANT, STRUCTURES & IMPROVEMENTS	0	0	2,050	0	0	0	0	0	2,050
61	332.0	WATER TREATMENT PLANT, EQUIPMENT	0	0	0	0	0	0	0	0	0
62	340.0	TRANSMISSION & DISTRIBUTION, LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0
63	340.1	TRANSMISSION & DISTRIBUTION, LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0
64	341.0	TRANSMISSION & DISTRIBUTION, STRUCTURES	0	0	0	0	0	0	0	0	0
65	342.0	TRANSMISSION & DISTRIBUTION, STORAGE TANKS	0	0	0	0	0	0	0	0	0
66	343.0	TRANSMISSION & DISTRIBUTION, MAINS	6,066	1,389	6,066	0	0	0	167	1,546	4,520
67	344.0	TRANSMISSION & DISTRIBUTION, FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0
68	345.0	TRANSMISSION & DISTRIBUTION, SERVICES	43	0	43	0	0	0	1	11	32
69	346.0	TRANSMISSION & DISTRIBUTION, METERS	0	0	0	0	0	0	0	0	0
70	348.0	TRANSMISSION & DISTRIBUTION, HYDRANTS	0	0	0	0	0	0	0	0	0
71	388.1	GENERAL PLANT, LAND - OFFICE*	0	0	0	0	0	0	0	0	0
72	389.2	GENERAL PLANT, LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0
73	389.3	GENERAL PLANT, LAND - MISC.	0	0	0	0	0	0	0	0	0
74	389.4	GENERAL PLANT, OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0
75	389.5	GENERAL PLANT, WAREHOUSE BUILDINGS	16,596	401	16,596	0	0	0	429	4,222	12,344
76	390.1	GENERAL PLANT, OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0
77	390.2	GENERAL PLANT, OFFICE EQUIPMENT	0	18	0	0	0	0	19	189	553
78	391.0	GENERAL PLANT, ELECTRICAL EQUIPMENT	742	0	742	0	0	0	0	0	742
79	391.1	GENERAL PLANT, OFFICE FURNITURE	0	0	0	0	0	0	0	0	0
80	391.2	GENERAL PLANT, WAREHOUSE EQUIPMENT	0	0	0	0	0	0	0	0	0
81	393.0	GENERAL PLANT, GARAGE EQUIPMENT	14,969	3,428	11,541	0	0	0	382	3,820	11,482
82	394.0	GENERAL PLANT, LAB EQUIPMENT	2,298	683	2,298	0	0	0	77	760	2,221
83	395.0	GENERAL PLANT, POWER EQUIPMENT	683	334	1,124	0	0	0	38	372	1,066
84	396.0	GENERAL PLANT, COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0
85	397.0	GENERAL PLANT, MOBILE RADIOS	0	0	0	0	0	0	0	0	0
86	397.1	GENERAL PLANT, AUTO CONTROLS	0	0	0	0	0	0	0	0	0
87	397.2	GENERAL PLANT, MISC.	0	0	0	0	0	0	0	0	0
88	398.0	GENERAL PLANT, MISC.	0	0	0	0	0	0	0	0	0
89		TOTALS	\$0	\$0	\$44,955	\$1,086	\$46,276	\$0	\$1,167	\$11,442	\$33,845

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 * NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1994 ADDITIONS PER COMPANY	1994 (RETIREMENTS) PER COMPANY	1994 YEAR END PLANT VALUE PER RUO	1994 DEPRECIATION PER RUO	1994 ACCUMULATED DEPRECIATION PER RUO	1994 YEAR END NET PLANT PER RUO	1995 ADDITIONS PER COMPANY	1995 (RETIREMENTS) PER COMPANY	1995 YEAR END PLANT VALUE PER RUO	1995 DEPRECIATION PER RUO	1995 ACCUMULATED DEPRECIATION PER RUO	1995 YEAR END NET PLANT PER RUO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISCELLANEOUS*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.0	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	80	0	0	80	0	0	80	0	0	80
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	0	0	0	0	0	0	0	0	0	0
8	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	2,050	0	0	2,050	0	0	2,050	0	0	2,050
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
14	331.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	576	0	1,474	0	0	0	53	629	1,421
15	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0	0	0	0
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	43	12	31	43	0	0	43	1	13	30
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0	0	0	0
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
24	388.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
25	388.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	389.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	16,566	429	4,852	11,914	0	0	16,566	429	5,081	11,485
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	742	19	208	534	0	0	742	19	228	514
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	15,529	399	4,219	11,310	0	0	20,239	463	4,882	15,357
35	395.0	GENERAL PLANT: LAB EQUIPMENT	227	0	2,881	77	837	2,144	4,710	0	2,239	77	2,914	2,087
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	1,458	38	409	1,049	0	0	1,458	38	447	1,011
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
38	398.0	GENERAL PLANT: AUTOMATIC DEVICES	0	0	0	0	0	0	0	0	0	0	0	0
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	0	0	0	0	0	0	0	0	0	0
40	398.0	GENERAL PLANT: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
41		TOTALS	\$227	\$0	\$45,515	\$1,174	\$12,616	\$32,899	\$4,710	\$0	\$50,225	\$1,238	\$13,852	\$36,373

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1996 ADDITIONS PER COMPANY	1996 (RETIREMENTS) PER COMPANY	1996 YEAR END PLANT VALUE PER RUO	1996 DEPRECIATION PER RUO	1996 ACCUMULATED DEPRECIATION PER RUO	1996 YEAR END NET PLANT PER RUO	1997 ADDITIONS PER COMPANY	1997 (RETIREMENTS) PER COMPANY	1997 YEAR END PLANT VALUE PER RUO	1997 DEPRECIATION PER RUO	1997 ACCUMULATED DEPRECIATION PER RUO	1997 YEAR END NET PLANT PER RUO
42														
43														
44														
45														
46														
47														
48														
49	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
51	303.0	INTANGIBLES: MISCELLANEOUS*	0	0	0	0	0	0	0	0	0	0	0	0
52	310.0	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
53	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
54	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	80	0	0	80	0	0	80	0	0	80
55	314.0	SOURCE OF SUPPLY: WELLS	0	0	0	0	0	0	0	0	0	0	0	0
56	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
57	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
58	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
59	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
60	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
61	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
62	331.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	662	0	1,368	0	0	2,050	53	735	1,315
63	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
64	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
65	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
66	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
67	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0	0	0	0
68	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
69	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	9	(20)	29	0	1,258	0	1,267	17	(4)	1,271
70	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0	0	0	0
71	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
72	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
73	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
74	389.3	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
75	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
76	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	16,566	429	5,510	11,056	344	0	16,910	434	5,943	10,987
77	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	0	0	742	19	266	476
78	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
79	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
80	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
81	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
82	394.0	GENERAL PLANT: GARAGE EQUIPMENT	1,967	0	22,106	548	5,231	16,875	17,090	0	39,196	794	6,024	33,172
83	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	2,881	77	891	1,980	0	0	2,981	77	1,069	1,912
84	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	1,458	38	485	973	0	0	1,458	38	523	935
85	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
86	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	0	0	0	0	0	0	0	0	0	0
87	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	0	0	0	0	0	0	0	0	0	0
88		TOTALS	\$1,967	(\$34)	\$52,059	\$1,322	\$15,142	\$36,916	\$16,892	\$0	\$70,750	\$1,585	\$16,731	\$54,019

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 * NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1998		1998		1998		1998		1998		1998		1998							
			ADDITIONS PER COMPANY	RETIREMENTS PER COMPANY	YEAR END PLANT VALUE PER RUO	DEPRECIATION EXPENSE PER RUO	ACCUMULATED DEPRECIATION PER RUO	NET PLANT PER RUO	ADDITIONS PER COMPANY	RETIREMENTS PER COMPANY	YEAR END PLANT VALUE PER RUO	DEPRECIATION EXPENSE PER RUO	ACCUMULATED DEPRECIATION PER RUO	NET PLANT PER RUO	ADDITIONS PER COMPANY	RETIREMENTS PER COMPANY	YEAR END PLANT VALUE PER RUO	DEPRECIATION EXPENSE PER RUO	ACCUMULATED DEPRECIATION PER RUO	NET PLANT PER RUO		
1	301.0	INTANGIBLES ORGANIZATION*	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
2	302.0	INTANGIBLES FRANCHISES*																				
3	303.0	INTANGIBLES MISC.																				
4	310.1	SOURCE OF SUPPLY, LAND - WATER RIGHTS*																				
5	310.2	SOURCE OF SUPPLY, LAND - RESERVOIRS*																				
6	310.3	SOURCE OF SUPPLY, LAND - WELLS*			80																80	
7	314.0	SOURCE OF SUPPLY, WELLS																				
8	320.0	PUMPING PLANT, LAND*																				
9	321.0	PUMPING PLANT, STRUCTURES & IMPROVEMENTS																				
10	325.0	PUMPING PLANT, ELECTRICAL EQUIPMENT																				
11	328.0	PUMPING PLANT, GAS ENGINE EQUIPMENT																				
12	330.0	WATER TREATMENT PLANT, LAND*																				
13	331.0	WATER TREATMENT PLANT, STRUCTURES & IMPROVEMENTS																				
14	331.0	WATER TREATMENT PLANT, OFFICE FURNITURE			2,050																	
15	340.0	TRANSMISSION & DISTRIBUTION, LAND - TANKS & MAINS*																				
16	340.1	TRANSMISSION & DISTRIBUTION, LAND RIGHTS - FEES*																				
17	341.0	TRANSMISSION & DISTRIBUTION, STRUCTURES																				
18	342.0	TRANSMISSION & DISTRIBUTION, STORAGE TANKS																				
19	343.0	TRANSMISSION & DISTRIBUTION, MAINS																				
20	344.0	TRANSMISSION & DISTRIBUTION, FIRE SPRINKLERS																				
21	345.0	TRANSMISSION & DISTRIBUTION, SERVICES																				
22	346.0	TRANSMISSION & DISTRIBUTION, METERS																				
23	348.0	TRANSMISSION & DISTRIBUTION, HYDRANTS																				
24	369.1	GENERAL PLANT, LAND - OFFICE*																				
25	369.2	GENERAL PLANT, LAND - WAREHOUSE*																				
26	389.0	GENERAL PLANT, LAND - MISC.																				
27	390.1	GENERAL PLANT, OFFICE BUILDINGS																				
28	390.2	GENERAL PLANT, WAREHOUSE BUILDINGS			21,808																	
29	390.3	GENERAL PLANT, MISC. BUILDINGS																				
30	391.0	GENERAL PLANT, OFFICE EQUIPMENT																				
31	391.1	GENERAL PLANT, ELECTRICAL EQUIPMENT																				
32	391.2	GENERAL PLANT, OFFICE FURNITURE																				
33	393.0	GENERAL PLANT, WAREHOUSE EQUIPMENT																				
34	394.0	GENERAL PLANT, GARAGE EQUIPMENT																				
35	395.0	GENERAL PLANT, LAB EQUIPMENT																				
36	396.0	GENERAL PLANT, POWER EQUIPMENT																				
37	397.0	GENERAL PLANT, COMMUNICATIONS EQUIPMENT																				
38	397.1	GENERAL PLANT, MOBILE RADIOS																				
39	397.2	GENERAL PLANT, AUTO CONTROLS																				
40	398.0	GENERAL PLANT, MISC.																				
41		TOTALS	\$6,439	(\$472)	\$76,717	\$1,908	\$18,166	\$68,851	\$917	(\$1,222)	\$78,312	\$1,890	\$18,924	\$57,388	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2000		2000		2000		2000		2000		2000		2000		2000		2000		2000			
			ADDITIONS PER COMPANY	RETIREMENTS PER COMPANY	YEAR END PLANT VALUE PER RUO	DEPRECIATION EXPENSE PER RUO	ACCUMULATED DEPRECIATION PER RUO	NET PLANT PER RUO	ADDITIONS PER COMPANY	RETIREMENTS PER COMPANY	YEAR END PLANT VALUE PER RUO	DEPRECIATION EXPENSE PER RUO	ACCUMULATED DEPRECIATION PER RUO	NET PLANT PER RUO	ADDITIONS PER COMPANY	RETIREMENTS PER COMPANY	YEAR END PLANT VALUE PER RUO	DEPRECIATION EXPENSE PER RUO	ACCUMULATED DEPRECIATION PER RUO	NET PLANT PER RUO	ADDITIONS PER COMPANY	RETIREMENTS PER COMPANY	YEAR END PLANT VALUE PER RUO	DEPRECIATION EXPENSE PER RUO
42		TOTALS	\$18,600	\$0	\$34,813	\$2,214	\$21,138	\$73,815	\$4,291	\$0	\$98,104	\$2,650	\$23,843	\$75,457	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 * NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2002 ADDITIONS PER COMPANY	2002 (RETIREMENTS) PER COMPANY	2002 YEAR END PLANT VALUE PER RUO	2002 DEPRECIATION EXPENSE PER RUO	2002 ACCUMULATED DEPRECIATION PER RUO	2002 YEAR END NET PLANT PER RUO	2003 ADDITIONS PER COMPANY	2003 (RETIREMENTS) PER COMPANY	2003 YEAR END PLANT VALUE PER RUO	2003 DEPRECIATION EXPENSE PER RUO	2003 ACCUMULATED DEPRECIATION PER RUO	2003 YEAR END NET PLANT PER RUO
1	301.0	INTANGIBLES: ORGANIZATION*	0	0	0	0	0	0	0	0	0	0	0	0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	80	0	0	80	0	0	80	0	0	80
8	321.0	PUMPING PLANT: LAND	0	0	0	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	PUMPING PLANT: WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	2,050	53	1,000	1,050	0	0	2,050	53	1,053	987
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	6,066	157	2,960	3,106	0	0	6,066	157	3,117	2,949
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	426	0	(1)	(6)	(1,694)	1,693	0	0	(1)	(0)	(1,694)	1,693
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0	0	0	0
23	346.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
24	382.0	GENERAL PLANT: LAND - OFFICE	0	0	0	0	0	0	0	0	0	0	0	0
25	382.0	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
26	383.0	GENERAL PLANT: LAND - HOUSE	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	2,130	55	126	2,004	0	0	2,130	55	1,011	1,949
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	6,902	0	35,343	826	8,167	26,176	0	0	35,343	945	10,082	25,251
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	1,377	0	742	19	362	380	0	0	742	19	381	381
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	2,208	39	72	2,136	1,033	0	3,241	71	142	3,099
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
33	383.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	1,088	28	42	1,046	0	0	1,088	28	70	1,018
34	384.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	53,664	1,390	12,124	41,540	4,766	0	58,430	1,452	13,575	44,855
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	2,981	77	1,455	1,526	0	0	2,981	77	1,532	1,449
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	1,458	38	711	747	0	0	1,458	38	749	709
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
38	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	0	0	0	0	0	0	0	0	0	0
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	0	0	0	0	0	0	0	0	0	0
40	398.0	GENERAL PLANT: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
41		TOTALS	\$8,705	\$0	\$107,809	\$2,677	\$26,325	\$81,484	\$5,799	\$0	\$113,608	\$2,665	\$29,190	\$84,418
42		BALANCES PER COMPANY									\$ 113,607		\$ 30,118	
43		BALANCES PER RUO									\$ 113,608		\$ 29,190	
44		DIFFERENCE									\$ 1		\$ (928)	
45		TIMES ALLOCATION FACTOR									0.0031		0.0031	
46		TOTAL ADJUSTMENTS									\$ 0		\$ (3)	

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION

NOTE:
 * NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 STANFIELD SYSTEM
 RATE BASE ADJUSTMENT #6 - WORKING CAPITAL

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-8
 PAGE 1 OF 5

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	CASH WORKING CAPITAL PER COMPANY	\$ (7,291)	COMPANY SCH. B-5, PG. 1
2	CASH WORKING CAPITAL PER RUCO	(4,619)	SCH. WAR-8, PG. 3
3	DECREASE IN CASH WORKING CAPITAL	<u>2,672</u>	LINE 2 - LINE 1
4	MATERIALS & SUPPLIES PER COMPANY	\$ 931	COMPANY SCH. B-5, PG. 1
5	MATERIALS & SUPPLIES PER RUCO	931	
6	MATERIALS & SUPPLIES ADJUSTMENT	\$ -	LINE 5 - LINE 4
7	PREPAYMENTS PER COMPANY AND SPECIAL DEPOSITS	\$ 1,312	COMPANY SCH. B-5, PG. 1
8	PREPAYMENTS PER RUCO	<u>1,312</u>	
9	PREPAYMENTS ADJUSTMENT	\$ -	LINE 8 - LINE 7
10	REQUIRED BANK BALANCES PER COMPANY	\$ 2,019	COMPANY SCH. B-5, PG. 1
11	REQUIRED BANK BALANCES PER RUCO	<u>2,019</u>	
12	REQUIRED BANK BALANCE ADJUSTMENT	\$ -	LINE 11 - LINE 10
13	TOTAL WORKING CAPITAL ADJUSTMENT	<u>\$ 2,672</u>	LINES 3, 6, 9 & 12

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 STANFIELD SYSTEM
 RATE BASE ADJUSTMENT #6 - WORKING CAPITAL
 LEAD/LAG CALCULATION

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-8
 PAGE 2 OF 5

LINE NO.	DESCRIPTION	(A) EXPENSES PER COMPANY	(B) RUCO ADJUSTMENTS	(C) ADJUSTED EXPENSES	(D) (LEAD)/LAG DAYS	(E) \$ DAYS
1	PURCHASED POWER	\$ 17,399	\$ 619	\$ 18,018	30.85	\$ 555,865
2	PAYROLL	18,488	-	18,488	14.00	258,832
3	PURCHASED WATER	-	-	-	N/A	N/A
4	CHEMICALS	633	-	633	10.00	6,330
5	PROPERTY & LIABILITY INSURANCE	651	-	651	(45.27)	(29,471)
6	WORKER'S COMPENSATION	258	-	258	(46.50)	(11,997)
7	HEALTH INSURANCE	3,937	-	3,937	(8.92)	(35,118)
8	OTHER O&M EXPENSES	12,688	(8,760)	3,928	(9.27)	(36,416)
9	DEPRECIATION & AMORTIZATION	-	-	-	N/A	N/A
10	FEDERAL INCOME TAXES	1,792	2,198	3,990	61.95	247,172
11	STATE INCOME TAXES	1,859	133	1,992	99.80	198,764
12	DEFERRED INCOME TAXES	-	-	-	N/A	N/A
13	FICA TAXES	1,406	-	1,406	14.00	19,684
14	FUTA & SUTA TAXES	32	-	32	83.10	2,659
15	PROPERTY TAXES	24,998	(12,574)	12,424	212.00	2,633,843
16	REG., CONTRACT, & MISCELLANEOUS FEES	1,676	-	1,676	(98.83)	(165,664)
17	SALES & OCCUPATION TAXES	9,094	-	9,094	37.53	341,307
18	PENSION EXPENSE	1,599	-	1,599	34.72	55,526
19	SUBTOTAL	<u>\$ 96,511</u>	<u>\$ (18,385)</u>	<u>\$ 78,126</u>		<u>\$ 4,041,317</u>
20	SYNCHRONIZED INTEREST	7,136	196	7,332	91.25	669,064
21	TOTAL	<u>\$ 96,511</u>	<u>\$ (18,188)</u>	<u>\$ 85,459</u>	<u>47.29</u>	<u>\$ 4,041,317</u>

REFERENCES:

COLUMN (A): COMPANY SCHEDULE B-6, W/P B6-1, PAGE 2 OF 5
 COLUMN (B): DIFFERENCE BETWEEN COLUMN (A) AND SCHEDULE WAR-9 COLUMN (E)
 COLUMN (C): COLUMN (A) + COLUMN (B)
 COLUMN (D): LINES 1 THRU 9 AND 11 THRU 17 - COMPANY SCHEDULE B-6, W/P B6-1, PAGE 2 OF 5
 COLUMN (D): LINE 10 AND 11 - SCHEDULE WAR-8, PAGE 4 OF 5 AND PAGE 5 OF 5, LINE 7 RESPECTIVELY
 COLUMN (E): COLUMN (C) x COLUMN (D)

NOTE

N/A = NON CASH CHARGES EXCLUDED FROM WORKING CAPITAL CALCULATION
 * RUCO RECOMMENDED LEVEL OF OPERATING EXPENSE - SCHEDULE WAR-9, COLUMN (E), LINE 16 MINUS LINE 12

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2003
STANFIELD SYSTEM
RATE BASE ADJUSTMENT #6 - WORKING CAPITAL
CALCULATION OF CASH WORKING CAPITAL

DOCKET NO. W-01445A-04-0650
SCHEDULE WAR-8
PAGE 3 OF 5

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	AVERAGE EXPENSE LAG	47.29	SCH. WAR-8, PG. 2
2	AVERAGE REVENUE COLLECTION LAG	<u>27.56</u>	CO. SCH. B-6, PG. 2
3	EXCESS EXPENSE OVER REVENUE LAG	(19.73)	LINE 2 - LINE 1
4	TOTAL EXPENSES	\$ 85,459	SCH. WAR-8, PG. 2
5	CASH WORKING CAPITAL REQUIREMENT	(4,619)	(LINE 3 X LINE 4)/365 DAYS
6	PER COMPANY	<u>\$ (7,291)</u>	CO. SCH. B-6, PG. 1
7	INCREASE (DECREASE) IN WORKING CAPITAL	<u>\$ 2,672</u>	LINE 5 - LINE 6

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 STANFIELD SYSTEM
 RATE BASE ADJUSTMENT #6 - WORKING CAPITAL
 CALCULATION OF FEDERAL INCOME TAX LAG

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-8
 PAGE 4 OF 5

LINE NO.	(A) PAYMENT DATE	(B) SERVICE PERIOD MIDPOINT	=	(C) (LEAD)/LAG DAYS	X	(D) PAYMENT AMOUNT	=	(E) DOLLAR DAYS	
1	04/12/99	07/01/99		(80.00)		\$ 397,000		\$ (31,760,000)	
2	06/11/99	07/01/99		(20.00)		50,000		(1,000,000)	
3	09/14/99	07/01/99		75.00		486,000		36,450,000	
4	12/14/99	07/01/99		166.00		970,000		161,020,000	
5	03/14/00	07/01/99		257.00		<u>(240,000)</u>		<u>(61,680,000)</u>	
6	TOTALS					\$	1,663,000	\$	103,030,000
7	INCOME TAX LAG			61.95					

REFERENCE
 COMPANY'S WORKPAPERS SCHEDULE B-6, W/P EL-11, PAGE 2 OF 2

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 STANFIELD SYSTEM
 RATE BASE ADJUSTMENT #6 - WORKING CAPITAL
 CALCULATION OF STATE INCOME TAX LAG

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-8
 PAGE 5 OF 5

LINE NO.	(A) PAYMENT DATE	-	(B) SERVICE PERIOD MIDPOINT	=	(C) (LEAD)/LAG DAYS	X	(D) PAYMENT AMOUNT	=	(E) DOLLAR DAYS
1	04/15/99		07/01/99		(77.00)		\$ 50,000		\$ (3,850,000)
2	06/15/99		07/01/99		(16.00)		12,000		(192,000)
3	09/15/99		07/01/99		76.00		112,000		8,512,000
4	12/15/99		07/01/99		167.00		220,000		36,740,000
5	04/15/00		07/01/99		289.00		<u>(9,983)</u>		<u>(2,885,087)</u>
6	TOTALS						\$ 384,017		\$ 38,324,913
7	INCOME TAX LAG				99.80				

REFERENCE

COMPANY'S WORKPAPERS SCHEDULE B-6, W/P EL-12, PAGE 2 OF 2

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2003
STANFIELD SYSTEM
OPERATING INCOME - TEST YEAR AND RUCO PROPOSED

DOCKET NO. W-01445A-04-0650
SCHEDULE WAR-9

LINE NO.	DESCRIPTION	(A) COMPANY TEST YEAR AS FILED	(B) RUCO TEST YEAR ADJUSTMENTS	(C) RUCO TEST YEAR AS ADJUSTED	(D) RUCO PROPOSED CHANGES	(E) RUCO RECOMMENDED
<u>REVENUES - WATER:</u>						
1	REVENUE FROM WATER SALES	\$ 115,201	\$ 1,273	\$ 116,474	\$ 534	\$ 117,007
2	OTHER REVENUES	15,802	-	15,802		15,802
3	TOTAL OPERATING REVENUES	\$ 131,003	\$ 1,273	\$ 132,276	\$ 534	\$ 132,809
<u>OPERATING EXPENSES:</u>						
4	PURCHASED WATER	\$ -	\$ -	\$ -	\$ -	\$ -
5	OTHER	396	255	651		651
6	PURCHASED POWER	17,409	609	18,018		18,018
7	PURCHASED GAS	-	-	-		-
8	OTHER	4,120	(2)	4,118		4,118
9	WATER TREATMENT	430	23	453		453
10	TRANSMISSION & DISTRIBUTION	12,240	(57)	12,183		12,183
11	CUSTOMER ACCOUNTS	8,604	83	8,687		8,687
12	SALES	44	-	44		44
13	ADMINISTRATIVE & GENERAL	14,451	-	14,451		14,451
14	DEPRECIATION & AMORTIZATION	24,713	(0)	24,713		24,713
15	PROPERTY TAXES	13,290	(866)	12,424		12,424
16	OTHER TAXES	1,154	-	1,154		1,154
17	FEDERAL INCOME TAXES	7,221	(3,307)	3,914	75	3,990
18	STATE INCOME TAXES	1,053	901	1,954	37	1,992
19	TOTAL OPERATING EXPENSES	\$ 105,125	\$ (2,362)	\$ 102,763	\$ 75	\$ 102,839
20	NET INCOME	\$ 25,878	\$ 3,634	\$ 29,512	\$ 458	\$ 29,970

REFERENCES:

COLUMN (A): CO. SCH. C-1, PG. 2
COLUMN (B): SCH. WAR-10
COLUMN (C): COLUMN (A) + COLUMN (B)
COLUMN (D): SCH. WAR-1, PAGE 2 OF 2
COLUMN (E): COLUMN (C) + COLUMN (D)

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 STANFIELD SYSTEM
 SUMMARY OF OPERATING ADJUSTMENTS

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-10

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) ADJ. #1	(C) ADJ. #2	(D) ADJ. #3	(E) ADJ. #4	(F) ADJ. #5	(G) ADJ. #6	(H) ADJ. #7	(I) RUCO ADJUSTED
<u>REVENUES - WATER:</u>										
1	REVENUE FROM WATER SALES	\$ 115,201	\$ -	\$ -	\$ 1,273	\$ -	\$ -	\$ -	\$ -	\$ 116,474
2	OTHER REVENUES	15,802								15,802
3	TOTAL OPERATING REVENUES	\$ 131,003	\$ -	\$ -	\$ 1,273	\$ -	\$ -	\$ -	\$ -	\$ 132,276
<u>OPERATING EXPENSES:</u>										
4	PURCHASED WATER	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	OTHER	396			255					651
6	PURCHASED POWER	17,409				609				18,018
7	PURCHASED GAS	-								-
8	OTHER	4,120			(2)					4,118
9	WATER TREATMENT	430			23					453
10	TRANSMISSION & DISTRIBUTION	12,240			(57)					12,183
11	CUSTOMER ACCOUNTS	8,604			83					8,687
12	SALES	44								44
13	ADMINISTRATIVE & GENERAL	14,451								14,451
14	DEPRECIATION & AMORTIZATION	24,713					(0)			24,713
15	PROPERTY TAXES	13,290						(866)		12,424
16	OTHER TAXES	1,154								1,154
17	FEDERAL INCOME TAXES	7,221							(3,307)	3,914
18	STATE INCOME TAXES	1,053							901	1,954
19	TOTAL OPERATING EXPENSES	\$ 105,125	\$ -	\$ -	\$ 301	\$ 609	\$ (0)	\$ (866)	\$ (2,405)	\$ 102,763
20	NET INCOME	\$ 25,878	\$ -	\$ -	\$ 972	\$ (609)	\$ 0	\$ 866	\$ 2,405	\$ 29,512

ADJUSTMENT #:

1. NOT USED
2. NOT USED
3. REVENUE AND EXPENSE ANNUALIZATION FOR 2003
4. PURCHASED POWER
5. DEPRECIATION AND AMORTIZATION EXPENSE
6. PROPERTY TAX EXPENSE
7. INCOME TAX EXPENSE

REFERENCE:

- N/A
 N/A
 SCHEDULE WAR-11
 SCHEDULE WAR-12
 SCHEDULE WAR-13
 SCHEDULE WAR-14
 SCHEDULE WAR-15

LINE NO.	DESCRIPTION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
1	YEAR END CUSTOMERS - 2003	218	218	218	218	218	218	218	218	218	218	218	218
2	2003 CUSTOMERS	216	215	216	215	215	214	213	215	214	214	214	218
3	INCREASE IN CUSTOMERS - 2003	2	3	2	3	3	4	5	3	4	4	4	-
4	AVERAGE REVENUE FOR THE MONTH	\$ 35.74	\$ 36.47	\$ 33.54	\$ 38.61	\$ 47.32	\$ 54.60	\$ 65.49	\$ 55.17	\$ 47.36	\$ 45.26	\$ 45.05	\$ 32.75
5	INCREASE IN REVENUES	\$ 71	\$ 109	\$ 67	\$ 119	\$ 142	\$ 218	\$ 327	\$ 166	\$ 189	\$ 181	\$ 180	\$ -
6	TOTAL INCREASE IN REVENUE	1,771											
7	INCREASE IN REVENUE PER COMPANY	498											
8	REVENUE ADJUSTMENT PER RUCO	\$ 1,273											
9	GALLONS SOLD PER AVERAGE CUSTOMER	8,337	8,862	7,488	10,302	13,088	16,053	20,012	16,173	12,854	12,029	12,381	7,617
10	INCREASE IN CUSTOMERS	2	3	2	3	3	4	5	3	4	4	4	0
11	INCREASE IN GALLONS	16,673	26,587	14,936	30,906	39,113	64,211	100,061	48,519	51,415	48,114	49,523	0
12	TOTAL INCREASE IN GALLONS	490,058											
13	PUMPING COST PER GALLON	0.000687											
14	INCREASE IN PUMPING COST PER RUCO	337											
15	INCREASE IN PUMPING COST PER COMPANY	82											
16	PUMPING COST ADJUSTMENT PER RUCO	\$ 255											
17	WATER TREATMENT COSTS PER GALLON	0.000081											
18	INCREASE IN WATER TREATMENT COSTS PER RUCO	30											
19	INCREASE IN WATER TREATMENT COST PER CO.	7											
20	WATER TREATMENT COST ADJUSTMENT PER RUCO	\$ 23											
21	SOURCE OF SUPPLY COST PER GALLON	0											
22	INCREASE IN SOURCE OF SUPPLY COST	0											
23	INCREASE IN SOURCE OF SUPPLY COST PER CO.	2											
24	SOURCE OF SUPPLY ADJUSTMENT PER RUCO	\$ (2)											
25	TRANSMISSION & DISTRIBUTION COST PER GALLON	0											
26	INCREASE IN TRANSMISSION & DISTRIBUTION COST	57											
27	INCREASE IN T & D COST PER CO.	(57)											
28	T & D ADJUSTMENT PER RUCO	\$ (57)											
29	TOTAL INCREASE IN BILLS	37											
30	MONTHLY ACCOUNTING COST PER BILL	3.29											
31	INCREASE IN ACCOUNTING COST PER RUCO	122											
32	INCREASE IN ACCOUNTING COST PER COMPANY	39											
33	ACCOUNTING COST ADJUSTMENT PER RUCO	\$ 83											

REFERENCES:
 LINE #1 - COMPANY'S RATE FILING, BOOK 2 OF 2 - 2003 CUSTOMER COUNT
 LINE #2 - COMPANY'S RATE FILING, BOOK 2 OF 2 - 2003 CUSTOMER COUNT
 LINE #3 - LINE #1 MINUS LINE #2
 LINE #4 - TOTAL MONTH REV. MINUS OTHER REV. LESS SALES TAX / TOTAL MONTHLY CUSTOMERS FOR TEST-YEAR
 LINE #5 - LINE #3 MULTIPLIED BY LINE #4
 LINE #6 - SUMMATION OF LINE #5
 LINE #7 - COMPANY'S WORKPAPERS C2-5, RATE FILING - BOOK 1 OF 2
 LINE #8 - LINE #6 MINUS LINE #7
 LINE #9 - GALLONS SOLD / MONTHLY CUSTOMERS, COMPANY'S RATE FILING, BOOK 2 OF 2
 LINE #10 - LINE #3
 LINE #11 - LINE #9 X LINE #10
 LINE #12 - SUMMATION OF LINE #11
 LINE #13 - CO. W/P C2-5a, PAGE 3 OF 4
 LINE #14 - LINE #12 X LINE #13
 LINE #15 - COMPANY'S WORKPAPERS, W/P C2-5
 LINE #16 - LINE #14 MINUS LINE #15
 LINE #17 - CO. W/P C2-5a, PAGE 3 OF 4
 LINE #18 - COMPANY'S WORKPAPERS, W/P C2-5, 2 OF 2
 LINE #19 - LINE #16 MINUS LINE #17
 LINE #20 - LINE #18 MINUS LINE #19
 LINE #21 - RUCO'S ANALYSIS
 LINE #23 - CO. W/P C2-5a, PAGE 1 OF 4
 LINE #25 - RUCO'S ANALYSIS
 LINE #27 - CO. W/P C2-5a, PAGE 1 OF 4
 LINE #29 - SUMMATION OF LINE #s 3 OR 10
 LINE #30 - CO. W/P C2-5a, PAGE 4 OF 4
 LINE #31 - LINE #29 X LINE #30
 LINE #32 - CO. W/P C2-5a, PAGE 1 OF 4
 LINE #33 - LINE #31 MINUS LINE #32

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 STANFIELD SYSTEM
 OPERATING ADJ. #4 - PURCHASED POWER

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-12

<u>LINE NO.</u>	<u>DESCRIPTION</u>	
1	ACTUAL TEST YEAR PURCHASED POWER FROM APS	\$ 17,489
2	TEST YEAR PURCHASED POWER FROM OTHER SERVICE PROVIDERS	-
3	TOTAL TEST YEAR PURCHASED POWER (LINE 1 + LINE 2)	\$ 17,489
4	PERCENTAGE OF TEST YEAR PURCHASED POWER FROM APS (LINE 1 + LINE 3)	<u>100.00%</u>
5	COMPANY PROPOSED LEVEL OF PURCHASED POWER EXPENSE (LINE 3 X LINE 4)	\$ 17,409
6	TIMES: PERCENTAGE OF TEST YEAR PURCHASED POWER FROM APS (LINE 4)	<u>100.00%</u>
7	PERCENTAGE OF PURCHASED POWER SUBJECT TO APS INCREASE (LINE 5 X LINE 6)	\$ 17,409
8	TIMES APS COMMERCIAL RATE INCREASE	<u>3.50%</u>
9	INCREASE IN APS PORTION OF PURCHASED POWER (LINE 7 X LINE 8)	<u>\$ 609</u>

REFERENCES:

- LINE 1: COMPANY WORKPAPER EL-2 PAGE 2 OF 2
- LINE 2: COMPANY WORKPAPER EL-2 PAGE 2 OF 2
- LINE 5: COMPANY APPLICATION SCHEDULE C1 PAGE 2 OF 3
- LINE 8: ACC DECISION NO. 67744, DATED APRIL 7, 2005 - APS SETTLEMENT AGREEMENT

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 STANFIELD SYSTEM
 OPERATING ADJ. #5 - DEPRECIATION AND AMORTIZATION EXPENSE

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-13

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	(A) ACTUAL TEST YEAR BALANCE PER COMPANY	(B) RUCO ADJUSTMENTS	(C) RUCO ADJUSTED BALANCE	(D) COMPONENT DEPRECIATION RATES	(E) RUCO RECOMMENDED DEPRECIATION EXPENSE
1	301.0	INTANGIBLES: ORGANIZATION*	\$ -	\$ -	\$ -	0.00%	\$ -
2	302.0	INTANGIBLES: FRANCHISES*	-	-	-	0.00%	-
3	303.0	INTANGIBLES: MISC.*	-	-	-	0.00%	-
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	1,128	1	1,129	0.00%	-
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	-	-	-	0.00%	-
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	600	-	600	0.00%	-
7	314.0	SOURCE OF SUPPLY: WELLS	106,975	-	106,975	3.13%	3,348
8	320.0	PUMPING PLANT: LAND*	200	-	200	0.00%	-
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	1,243	0	1,243	2.86%	36
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	190,368	(1)	190,368	5.88%	11,194
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	-	-	-	4.00%	-
12	330.0	WATER TREATMENT PLANT: LAND*	-	-	-	0.00%	-
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	6,778	-	6,778	2.50%	169
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	13,763	-	13,763	2.86%	394
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	-	-	-	0.00%	-
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	-	-	-	0.00%	-
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	-	-	-	2.00%	-
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	40,876	-	40,876	2.00%	818
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	99,139	-	99,139	1.79%	1,775
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	268	-	268	2.00%	5
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	35,888	(2)	35,888	2.38%	854
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	17,035	3	17,038	4.55%	775
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	9,243	-	9,243	1.82%	168
24	389.1	GENERAL PLANT: LAND - OFFICE*	-	-	-	0.00%	-
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	-	-	-	0.00%	-
26	389.3	GENERAL PLANT: LAND - MISC.*	-	-	-	0.00%	-
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	-	-	-	2.50%	-
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	600	-	600	2.50%	15
29	390.3	GENERAL PLANT: MISC. BUILDINGS	712	-	712	2.50%	18
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	-	-	-	6.67%	-
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	-	-	-	6.67%	-
32	391.2	GENERAL PLANT: OFFICE FURNITURE	-	-	-	6.67%	-
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	-	-	-	5.00%	-
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	534	-	534	4.00%	21
35	395.0	GENERAL PLANT: LAB EQUIPMENT	-	-	-	5.00%	-
36	396.0	GENERAL PLANT: POWER EQUIPMENT	-	-	-	6.67%	-
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	-	-	-	6.67%	-
38	397.1	GENERAL PLANT: MOBILE RADIOS	-	-	-	6.67%	-
39	397.2	GENERAL PLANT: AUTO CONTROLS	76,676	-	76,676	6.67%	5,114
40	398.0	GENERAL PLANT: MISC.	534	-	534	3.33%	18
41							
42		TEST YEAR PLANT IN SERVICE TOTALS	\$ 602,560	\$ 2	\$ 602,562		\$ 24,722
43							
44		GROSS DEPRECIABLE PHOENIX OFFICE AND METER SHQP ALLOCATION	15,849	-	15,849		\$ 775
45							
46		GROSS LEASHOLD IMPROVEMENTS	3,929	-	3,929		\$ 199
47							
48		DEFERRED CAP CHARGES	-	-	-		\$ -
49							
50		TEST YEAR TOTALS	\$ 622,338	\$ 2	\$ 622,339		\$ 25,696
51							
52							
53		LESS:					
54		AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION @ 2.00% COMPOSITE RATE ***					983
55							
56		TOTAL PRO FORMA DEPRECIATION & AMORTIZATION EXPENSE PER RUCO					\$ 24,713
57							
58		DEPRECIATION & AMORTIZATION EXPENSE PER COMPANY					\$ 24,713
59							
60		LESS:					
61		10-YEAR AMORTIZATION OF DEFERRED CAP CHARGES					-
62							
63		DEPRECIATION & AMORTIZATION EXPENSE PER COMPANY EXCLUDING 10-YEAR AMORTIZATION OF DEFERRED CAP CHARGES					\$ 24,713
64							
65		DEPRECIATION & AMORTIZATION EXPENSE ADJUSTMENT (LINE 56 - LINE 63)					\$ (0)

REFERENCES:
 COLUMN (A): COMPANY SCHEDULE E-5 PAGE 1 OF 3
 COLUMN (B): COLUMN (C) - COLUMN (A)
 COLUMN (C): RUCO SCHEDULE WAR-4, PAGE 4
 COLUMN (D): COMPANY SCHEDULE C-2, W/P C2-15b, PAGE 1 OF 4
 COLUMN (E): COLUMN (C) x COLUMN (D)

NOTE:
 * NON-DEPRECIABLE PLANT ASSETS
 ** PHOENIX OFFICE LEASEHOLD IMPROVEMENTS x ALLOCATION FACTOR = \$1,267,373 x 0.0031 = \$3,929
 *** TEST YEAR ADJUSTED CIAC x 2.00% COMPOSITE RATE OF DEPRECIATION = \$49,164 x 2.00% = \$983

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 STANFIELD SYSTEM
 OPERATING ADJ. #6 - PROPERTY TAX EXPENSE

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-14

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	REVENUES - 2001	\$ 127,255	COMPANY SCH. C-2, W/P C2-16a
2	REVENUES - 2002	132,766	COMPANY SCH. C-2, W/P C2-16a
3	REVENUES - 2003	<u>129,811</u>	COMPANY SCH. C-2, W/P C2-16a
4	TOTAL	\$ 389,832	SUM LINES 1, 2, & 3
5	3 YEAR AVERAGE	\$ 129,944	LINE 4/3 YEARS
6	MULTIPLIER FOR REVENUES (2 X LAST 3 YRS. AVERAGE REVENUE)	x 2	ADOR VALUATION FACTOR
7	REVENUES FOR FULL CASH VALUE	<u>\$ 259,888</u>	LINE 5 X 2 (MULTIPLIER FOR REVENUES)
8	ADD: 10% OF CWIP BALANCE	999	COMPANY SCH. B-2, PG. 2; LINE 4 X 10%
9	LESS: LICENSED VEHICLES	<u>242</u>	COMPANY SCH. C-2, W/P C2-16a
10	FULL CASH VALUE	\$ 260,645	LINE 7 + LINE 8 MINUS LINE 9
11	ASSESSMENT RATIO	<u>25%</u>	PER ADOR VALUATION METHOD
12	ASSESSED VALUE	\$ 65,161	LINE 10 X LINE 11
13	PROPERTY TAX RATE	<u>19.0662%</u>	PER TAX BILLS
14	PROPERTY TAXES PAYABLE PER RUCO	\$ 12,424	LINE 12 X LINE 13
15	PROPERTY TAXES PER COMPANY	<u>13,290</u>	COMPANY SCH. C-1, PG. 2
16	ADJUSTMENT	<u>\$ (866)</u>	LINE 14 MINUS LINE 15

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 STANFIELD SYSTEM
 OPERATING ADJ. #7 - INCOME TAXES

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-15

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
<u>FEDERAL INCOME TAXES:</u>			
1	OPERATING INCOME BEFORE INCOME TAXES	\$ 35,381	SCH. WAR-9
LESS:			
2	ARIZONA STATE TAX	1,954	LINE 11
3	INTEREST EXPENSE	<u>7,332</u>	NOTE (a)
4	FEDERAL TAXABLE INCOME	\$ 26,094	LINE 1 - LINES 2 & 3
5	FEDERAL INCOME TAX RATE	<u>15.00%</u>	TAX RATE
6	FEDERAL INCOME TAX EXPENSE	\$ 3,914	LINE 4 X LINE 5
7	FEDERAL INCOME TAXES PER COMPANY FILING	<u>7,221</u>	COMPANY SCH. C-1, PG. 2
8	RUCO FEDERAL INCOME TAX ADJUSTMENT	<u>\$ (3,307)</u>	LINE 6 - LINE 7
<u>STATE INCOME TAXES:</u>			
9	OPERATING INCOME BEFORE INCOME TAXES	\$ 35,381	LINE 1
LESS:			
10	INTEREST EXPENSE	<u>7,332</u>	NOTE (A)
11	STATE TAXABLE INCOME	\$ 28,049	LINE 7 - LINE 8
12	STATE TAX RATE	<u>6.968%</u>	TAX RATE
13	STATE INCOME TAX EXPENSE	\$ 1,954	LINE 9 X LINE 10
14	STATE INCOME TAXES PER COMPANY FILING	<u>1,053</u>	COMPANY SCH. C-1, PG. 2
15	RUCO STATE INCOME TAX ADJUSTMENT	<u>\$ 901</u>	LINE 13 - LINE 14

NOTE (a):
 INTEREST SYNCHRONIZATION

ADJUSTED RATE BASE	\$ 326,426
WEIGHTED COST OF DEBT	<u>2.25%</u>
	<u>\$ 7,332</u>

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 STANFIELD SYSTEM
 COST OF CAPITAL

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-16

LINE NO.	DESCRIPTION	(A) AMOUNT	(B) ADJUSTMENT	(C) ADJUSTED BALANCE	(D) CAPITAL RATIO	(E) COST	(F) WEIGHTED COST
1	LONG-TERM DEBT	\$ 22,200,000	\$ -	\$ 22,200,000	26.65%	8.43%	2.25%
2	SHORT-TERM DEBT	-	-	-	0.00%	0.00%	0.00%
3	COMMON EQUITY	61,116,374	-	61,116,374	73.35%	9.44%	6.92%
4	TOTAL	\$ 83,316,374	\$ -	\$ 83,316,374	100.00%		9.17%

REFERENCES:

- COLUMN (A): COMPANY SCH. D - 1
- 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 WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 STANFIELD SYSTEM
 PROPOSED RATES

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-17

LINE NO.	DESCRIPTION	PRESENT RATES	COMPANY PROPOSED	RUCO PROPOSED
1	MONTHLY MINIMUM USAGE CHARGE:			
2	(RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS)			
3	5/8 X 3/4 - INCH	\$14.50	\$15.95	\$15.00
4	1 - INCH	36.25	39.88	36.93
5	2 - INCH	116.01	127.60	120.01
6	3 - INCH	155.37	205.12	160.73
7	4 - INCH	207.16	313.26	214.30
8	6 - INCH	362.53	598.13	375.03
9	8 - INCH	362.53	837.38	375.03
10	10 - INCH	673.27	1,367.23	696.49
11				
12				
13	GALLONS INCLUDED IN MONTHLY MINIMUM USAGE CHARGE:			
14	(RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS)			
15	RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS	1,000	0	0
16				
17	TIER 1			
18				
19	COMMODITY RATE (PER 100 GAL. OVER MINIMUM) - 0 TO 4,000 GALLONS:	\$0.30140	\$ 0.30160	\$ 0.20000
20				
21	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - 0 TO 4,000 GALLONS:	\$3.01400	\$ 3.01600	\$ 2.00000
22				
23	TIER 2			
24				
25	COMMODITY RATE (PER 100 GAL. OVER MINIMUM) - OVER 4,000 GALLONS:	\$0.30140	\$ 0.30160	\$ 0.30140
26				
27	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 4,000 GALLONS:	\$3.01400	\$ 3.01600	\$ 3.01400

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 STANFIELD SYSTEM
 MONTHLY MINIMUM CHARGES

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-18

LINE NO.	METER SIZE	(A) COMPANY PRESENT RATES	(B) COMPANY PROPOSED RATES	(C) COMPANY DOLLAR INCREASE	(D) COMPANY PERCENT. INCREASE	(E) RUCO PROPOSED RATES	(F) RUCO DOLLAR INCREASE	(G) RUCO PERCENT. INCREASE
1	5/8 X 3/4 - INCH	\$ 14.50	\$ 15.95	\$ 1.45	10.00%	\$ 15.00	\$ 0.50	3.45%
2	1 - INCH	36.25	39.88	3.63	10.01%	36.93	0.68	1.88%
3	2 - INCH	116.01	127.60	11.59	9.99%	120.01	4.00	3.45%
4	3 - INCH COMMERCIAL	155.37	205.12	49.75	32.02%	160.73	5.36	3.45%
5	4 - INCH COMMERCIAL	207.16	313.26	106.10	51.22%	214.30	7.14	3.45%
6	6 - INCH	362.53	598.13	235.60	64.99%	375.03	12.50	3.45%
7	8 - INCH	362.53	837.38	474.85	130.98%	375.03	12.50	3.45%
8	10 - INCH	673.27	1,367.23	693.96	103.07%	696.49	23.22	3.45%
9	GALLONS INCLUDED IN MONTHLY MINIMUM CHARGE	1,000	0			0		

REFERENCES

COLUMN (A) THRU COLUMN (D): COMPANY SCHEDULE H-3, PAGE 1 OF 3
 COLUMN (E): TESTIMONY WAR
 COLUMN (F): COLUMN (E) - COLUMN (A)
 COLUMN (G): COLUMN (F) + COLUMN (A)

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 STANFIELD SYSTEM
 BILLING ANALYSIS

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-19
 PAGE 1 OF 4

PRESENT RATES

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 1 - INCH	(C) 2 - INCH	(D) 3 - INCH	(E) 4 - INCH	(F) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	\$14.50	\$36.25	\$116.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2	1,000	14.50	36.25	116.01	0.00	0.00	0.00	0.00	0.00
3	2,000	17.51	39.26	119.02	0.00	0.00	0.00	0.00	0.00
4	3,000	20.53	42.28	122.04	0.00	0.00	0.00	0.00	0.00
5	4,000	23.54	45.29	125.05	0.00	0.00	0.00	0.00	0.00
6	5,000	26.56	48.31	128.07	0.00	0.00	0.00	0.00	0.00
7	6,000	29.57	51.32	131.08	0.00	0.00	0.00	0.00	0.00
8	7,000	32.58	54.33	134.09	0.00	0.00	0.00	0.00	0.00
9	8,000	35.60	57.35	137.11	0.00	0.00	0.00	0.00	0.00
10	9,000	38.61	60.36	140.12	0.00	0.00	0.00	0.00	0.00
11	10,000	41.63	63.38	143.14	0.00	0.00	0.00	0.00	0.00
12	15,000	56.70	78.45	158.21	0.00	0.00	0.00	0.00	0.00
13	20,000	71.77	93.52	173.28	0.00	0.00	0.00	0.00	0.00
14	25,000	86.84	108.59	188.35	0.00	0.00	0.00	0.00	0.00
15	50,000	162.19	183.94	263.70	0.00	0.00	0.00	0.00	0.00
16	75,000	237.54	259.29	339.05	0.00	0.00	0.00	0.00	0.00
17	100,000	312.89	334.64	414.40	0.00	0.00	0.00	0.00	0.00
18	125,000	388.24	409.99	489.75	0.00	0.00	0.00	0.00	0.00
19	150,000	463.59	485.34	565.10	0.00	0.00	0.00	0.00	0.00
20	175,000	538.94	560.69	640.45	0.00	0.00	0.00	0.00	0.00
21	200,000	614.29	636.04	715.80	0.00	0.00	0.00	0.00	0.00
22									
23	AVG. NO. OF CUST:	208	6	3	N/A	N/A	N/A	N/A	N/A
24									
25	AVG. USE (GAL.):	9,934	11,854	43,069	N/A	N/A	N/A	N/A	N/A
26	MONTHLY BILL:	\$41.43	\$68.96	\$242.81	N/A	N/A	N/A	N/A	N/A
27									
28	MEDIAN USE (GAL.):	7,647	9,800	35,000	N/A	N/A	N/A	N/A	N/A
29	MONTHLY BILL:	\$34.53	\$62.77	\$218.49	N/A	N/A	N/A	N/A	N/A

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 STANFIELD SYSTEM
 BILLING ANALYSIS

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-19
 PAGE 2 OF 4

RUCO PROPOSED RATES

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 1 - INCH	(C) 2 - INCH	(D) 3 - INCH	(E) 4 - INCH	(F) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	\$15.00	\$36.93	\$120.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2	1,000	17.00	38.93	122.01	0.00	0.00	0.00	0.00	0.00
3	2,000	19.00	40.93	124.01	0.00	0.00	0.00	0.00	0.00
4	3,000	21.00	42.93	126.01	0.00	0.00	0.00	0.00	0.00
5	4,000	23.00	44.93	128.01	0.00	0.00	0.00	0.00	0.00
6	5,000	26.01	47.94	131.02	0.00	0.00	0.00	0.00	0.00
7	6,000	29.03	50.96	134.04	0.00	0.00	0.00	0.00	0.00
8	7,000	32.04	53.97	137.05	0.00	0.00	0.00	0.00	0.00
9	8,000	35.06	56.99	140.07	0.00	0.00	0.00	0.00	0.00
10	9,000	38.07	60.00	143.08	0.00	0.00	0.00	0.00	0.00
11	10,000	41.08	63.01	146.09	0.00	0.00	0.00	0.00	0.00
12	15,000	56.15	78.08	161.16	0.00	0.00	0.00	0.00	0.00
13	20,000	71.22	93.15	176.23	0.00	0.00	0.00	0.00	0.00
14	25,000	86.29	108.22	191.30	0.00	0.00	0.00	0.00	0.00
15	50,000	161.64	183.57	266.65	0.00	0.00	0.00	0.00	0.00
16	75,000	236.99	258.92	342.00	0.00	0.00	0.00	0.00	0.00
17	100,000	312.34	334.27	417.35	0.00	0.00	0.00	0.00	0.00
18	125,000	387.69	409.62	492.70	0.00	0.00	0.00	0.00	0.00
19	150,000	463.04	484.97	568.05	0.00	0.00	0.00	0.00	0.00
20	175,000	538.39	560.32	643.40	0.00	0.00	0.00	0.00	0.00
21	200,000	613.74	635.67	718.75	0.00	0.00	0.00	0.00	0.00
22									
23	AVG. NO. OF CUST:	208	6	3	N/A	N/A	N/A	N/A	N/A
24									
25	AVG. USE (GAL.):	9,934	11,854	43,069	N/A	N/A	N/A	N/A	N/A
26	MONTHLY BILL:	\$40.88	\$68.60	\$245.77	N/A	N/A	N/A	N/A	N/A
27									
28	MEDIAN USE (GAL.):	7,647	9,800	35,000	N/A	N/A	N/A	N/A	N/A
29	MONTHLY BILL:	\$33.99	\$62.41	\$221.44	N/A	N/A	N/A	N/A	N/A

RUCO PROPOSED CHANGES EXPRESSED IN DOLLARS

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 1 - INCH	(C) 2 - INCH	(D) 3 - INCH	(E) 4 - INCH	(F) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	\$0.50	\$0.68	\$4.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2	1,000	2.50	2.68	6.00	0.00	0.00	0.00	0.00	0.00
3	2,000	1.49	1.67	4.99	0.00	0.00	0.00	0.00	0.00
4	3,000	0.47	0.65	3.97	0.00	0.00	0.00	0.00	0.00
5	4,000	(0.54)	(0.36)	2.96	0.00	0.00	0.00	0.00	0.00
6	5,000	(0.54)	(0.36)	2.96	0.00	0.00	0.00	0.00	0.00
7	6,000	(0.54)	(0.36)	2.96	0.00	0.00	0.00	0.00	0.00
8	7,000	(0.54)	(0.36)	2.96	0.00	0.00	0.00	0.00	0.00
9	8,000	(0.54)	(0.36)	2.96	0.00	0.00	0.00	0.00	0.00
10	9,000	(0.54)	(0.36)	2.96	0.00	0.00	0.00	0.00	0.00
11	10,000	(0.54)	(0.36)	2.96	0.00	0.00	0.00	0.00	0.00
12	15,000	(0.54)	(0.36)	2.96	0.00	0.00	0.00	0.00	0.00
13	20,000	(0.54)	(0.36)	2.96	0.00	0.00	0.00	0.00	0.00
14	25,000	(0.54)	(0.36)	2.96	0.00	0.00	0.00	0.00	0.00
15	50,000	(0.54)	(0.36)	2.96	0.00	0.00	0.00	0.00	0.00
16	75,000	(0.54)	(0.36)	2.96	0.00	0.00	0.00	0.00	0.00
17	100,000	(0.54)	(0.36)	2.96	0.00	0.00	0.00	0.00	0.00
18	125,000	(0.54)	(0.36)	2.96	0.00	0.00	0.00	0.00	0.00
19	150,000	(0.54)	(0.36)	2.96	0.00	0.00	0.00	0.00	0.00
20	175,000	(0.54)	(0.36)	2.96	0.00	0.00	0.00	0.00	0.00
21	200,000	(0.54)	(0.36)	2.96	0.00	0.00	0.00	0.00	0.00
22									
23	AVG. NO. OF CUST:	208	6	3	N/A	N/A	N/A	N/A	N/A
24									
25	AVG. USE (GAL.):	9,934	11,854	43,069	N/A	N/A	N/A	N/A	N/A
26	MONTHLY BILL:	(\$0.54)	(\$0.36)	\$2.96	N/A	N/A	N/A	N/A	N/A
27									
28	MEDIAN USE (GAL.):	7,647	9,800	35,000	N/A	N/A	N/A	N/A	N/A
29	MONTHLY BILL:	(\$0.54)	(\$0.36)	\$2.96	N/A	N/A	N/A	N/A	N/A

RUCO PROPOSED CHANGES EXPRESSED AS A PERCENTAGE

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 1 - INCH	(C) 2 - INCH	(D) 3 - INCH	(E) 4 - INCH	(F) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	3.4%	1.9%	3.4%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2	1,000	17.2%	7.4%	5.2%	0.00	0.00	0.00	0.00	0.00
3	2,000	8.5%	4.2%	4.2%	0.00	0.00	0.00	0.00	0.00
4	3,000	2.3%	1.5%	3.3%	0.00	0.00	0.00	0.00	0.00
5	4,000	-2.3%	-0.8%	2.4%	0.00	0.00	0.00	0.00	0.00
6	5,000	-2.0%	-0.7%	2.3%	0.00	0.00	0.00	0.00	0.00
7	6,000	-1.8%	-0.7%	2.3%	0.00	0.00	0.00	0.00	0.00
8	7,000	-1.7%	-0.7%	2.2%	0.00	0.00	0.00	0.00	0.00
9	8,000	-1.5%	-0.6%	2.2%	0.00	0.00	0.00	0.00	0.00
10	9,000	-1.4%	-0.6%	2.1%	0.00	0.00	0.00	0.00	0.00
11	10,000	-1.3%	-0.6%	2.1%	0.00	0.00	0.00	0.00	0.00
12	15,000	-1.0%	-0.5%	1.9%	0.00	0.00	0.00	0.00	0.00
13	20,000	-0.8%	-0.4%	1.7%	0.00	0.00	0.00	0.00	0.00
14	25,000	-0.6%	-0.3%	1.6%	0.00	0.00	0.00	0.00	0.00
15	50,000	-0.3%	-0.2%	1.1%	0.00	0.00	0.00	0.00	0.00
16	75,000	-0.2%	-0.1%	0.9%	0.00	0.00	0.00	0.00	0.00
17	100,000	-0.2%	-0.1%	0.7%	0.00	0.00	0.00	0.00	0.00
18	125,000	-0.1%	-0.1%	0.6%	0.00	0.00	0.00	0.00	0.00
19	150,000	-0.1%	-0.1%	0.5%	0.00	0.00	0.00	0.00	0.00
20	175,000	-0.1%	-0.1%	0.5%	0.00	0.00	0.00	0.00	0.00
21	200,000	-0.1%	-0.1%	0.4%	0.00	0.00	0.00	0.00	0.00
22									
23	AVG. NO. OF CUST:	208	6	3	N/A	N/A	N/A	N/A	N/A
24									
25	AVG. USE (GAL.):	9,934	11,854	43,069	N/A	N/A	N/A	N/A	N/A
26	MONTHLY BILL:	-1.3%	-0.5%	1.2%	N/A	N/A	N/A	N/A	N/A
27									
28	MEDIAN USE (GAL.):	7,647	9,800	35,000	N/A	N/A	N/A	N/A	N/A
29	MONTHLY BILL:	-1.6%	-0.6%	1.3%	N/A	N/A	N/A	N/A	N/A

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 STANFIELD SYSTEM

DOCKET NO. W-01445A-04-0650
 SCHEDULE WAR-20

REVENUE SUMMARY BY METER SIZE AND CUSTOMER CLASS

LINE NO.	DESCRIPTION	(A) RUCO PROPOSED MINIMUM REVENUE	(B) RUCO PROPOSED COMMODITY REVENUE	(C) RUCO PROPOSED TOTAL REVENUE
1	5/8 X 3/4 - INCH	\$37,365	\$65,793	\$ 103,158
2	1 - INCH	2,659	2,295	4,954
3	2 - INCH	4,320	4,575	8,896
4	3 - INCH	0	0	0
5	4 - INCH	0	0	0
6	6 - INCH	0	0	0
7	8 - INCH	0	0	0
13	10 - INCH	0	0	0
14				
15	TOTALS	\$ 44,344	\$ 72,663	\$ 117,007 (a)
16				
17	PERCENTAGE OF TOTAL REVENUE	38.00%	62.00%	100.00%

NOTE (a):

RUCO REQUIRED REVENUE	\$ 132,809
LESS:	
FIRE SPRINKLER REVENUE	\$ -
FIRE HYDRANT REVENUE	-
MISCELLANEOUS REVENUE	14,676
RENT - WATER PROPERTY REVENUE	-
OTHER WATER REVENUE	1,126
TOTAL	\$ 15,802

REVENUE TO BE GENERATED FROM WATER SALES \$ 117,007

ARIZONA WATER COMPANY
DOCKET NO. W-01445A-04-0650

DIRECT TESTIMONY
OF
TIMOTHY J. COLEY

ON BEHALF OF
THE
RESIDENTIAL UTILITY CONSUMER OFFICE

APRIL 20, 2005

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1 **INTRODUCTION**

2 Q. Please state your name and business address.

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

5

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

7 A. I am employed by the Residential Utility Consumer Office (RUCO) as a Public
8 Utilities Analyst.

9

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

11 A. I have a Masters Degree in Public Administration and Bachelor of Science
12 Degree in Business Management and Administration. I am currently completing
13 my Certificate in Accountancy at Arizona State University – West. My regulatory
14 utility experience includes eleven combined years in various utility auditing and
15 rate analyst positions with RUCO and the Georgia Public Service Commission. I
16 have been employed at RUCO since 2000.

17

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

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

22

23

1 Q. Please state the purpose of your testimony.

2 A. The purpose of my testimony is to present findings and recommendations
3 resulting from my analysis and review of Arizona Water Company, Inc. (hereafter
4 referred to as AWC, Company or Arizona Water) Rate Application for a
5 permanent rate increase in the Company's Western Group. The Western Group
6 is comprised of five individual water systems that provide water services in
7 Arizona. I will sponsor the revenue requirement recommendation for Ajo,
8 Coolidge, and White Tank systems. My testimony will also address the overall
9 rate design for all five systems in the Western Group. RUCO witness William A.
10 Rigsby will present the Company's other two systems, which are the Casa
11 Grande and Stanfield systems. He will also sponsor the cost of capital and
12 capital structure issues for all five systems in the Company's Western Group.

13
14 Q. Please describe your participation and work effort on this project.

15 A. I performed the following procedures to determine whether sufficient, relevant,
16 and reliable evidence exists to support the financial data and claims in the
17 Company's application: reviewed and analyzed the Company's application and
18 supporting work papers; reviewed all other intervenors' data requests; prepared
19 written data requests and evaluated the Company's responses; reviewed annual
20 reports and prior Commission decisions regarding Arizona Water.

21

22

23

1 Q. Please identify the exhibits and schedules that you are sponsoring.

2 A. My testimony is composed of separate Schedules TJC-1 through TJC-20 for the
3 Ajo, Coolidge, and White Tank systems located in AWC's Western Group.

4
5 Q. Does your silence on any issues or matters pertaining to the Company's
6 application constitute RUCO's acceptance of the Company's position?

7 A. No.

8

9 **THE TEST YEAR**

10 Q. Did the Company use a "strict" historical test year?

11 A. Yes, unlike the Company's previous two rate cases where the Company included
12 certain post-test year plant additions and estimated future expenses that
13 extended a full year outside the historical test year, the Company used a
14 historical test year in this rate application.

15

16 Q. What test year did AWC use for its rate application?

17 A. The Company selected the test year ending December 31, 2003 ("Test Year").

18

19 Q. Does RUCO agree with the Company's chosen historical Test Year?

20 A. Yes. RUCO has consistently supported the Commission's position that the most
21 "recent" known and measurable historical Test Year should be the Test Year
22 selected for rate applications when setting rates. This approach conforms to the
23 accounting framework established by Commission rules and principles. The

1 Company's selection of a 2003 test year in this case utilizes the most current
2 known and measurable test year numbers available.

3
4 **SUMMARY**

5 Q. Please summarize the recommendations and adjustments you address in your
6 testimony.

7 A. The following recommended adjustments summarize my testimony:

8
9 **Rate Base Adjustments:**

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

14 Reconcile Phoenix Office & Meter Shop and Accumulated Depreciation – This
15 adjustment was necessary to bring the Phoenix Office and Meter Shop back to a
16 gross amount as opposed to the Company's net amount, which also required
17 debiting (or backing out) the same amount out of accumulated depreciation.

18 Accumulated Depreciation – Phoenix Office – This adjustment calculates the
19 Phoenix Office accumulated depreciation since the Company's last rate case
20 proceeding. It reduces or increases the level of accumulated depreciation
21 (dependent upon the particular system) that was in the Company's rate
22 application.

1 Accumulated Depreciation – Meter Shop – This adjustment also calculates the
2 Meter Shop accumulated depreciation since the Company's last rate case
3 proceeding. It reduces or increases the level of accumulated depreciation
4 (dependent upon the particular system) that was in the Company's rate
5 application.

6 Deferred Central Arizona Project (CAP) Charges – This adjustment removes
7 from rate base the deferred CAP charges that the Company proposed in the
8 systems as follows: Casa Grande (\$3,525,803), Coolidge (\$1,046,011), and
9 White Tank (\$506,268) respectively. In its rate application, the Company seeks
10 to recover these deferral charges over a ten-year period. RUCO denies the
11 recovery of these charges because they do not meet the used and useful
12 principle of ratemaking.

13 Remove Casa Grande Legal Expenses – This adjustment removes \$824,374 of
14 legal expenses from the Casa Grande System rate base. The related expenses
15 are from litigation between the Company and the City of Casa Grande that are
16 charged to a non-depreciable account and if permitted would forever remain in
17 rate base.

18 Working Capital – This adjustment recalculates working capital based on
19 RUCO's recommended actual operating expenses and corrections in the
20 Company's lead/lag days.

1 **Operating Adjustments:**

2 Remove Pro Forma CAP M&I Charges – The adjustment removes pro forma
3 CAP water expenses on a going forward basis. The adjustment is part of
4 RUCO's recommendation to deny the Company's request for recovery of
5 deferred CAP charges over a ten-year period and to treat future CAP costs
6 associated with the Casa Grande, Coolidge and White Tank systems as an
7 operating expense.

8 Remove Amortization of Deferred CAP Charges – This adjustment is also part of
9 RUCO's recommendation to deny the Company's request for recovery of
10 deferred CAP charges over a ten-year period. The adjustment removes pro
11 forma amortization expense from the Casa Grande, Coolidge and White Tank
12 systems.

13 Annualize Additional Revenues & Expenses – This adjustment annualizes
14 revenues and associated expenses to 2003 Test Year-end levels rather than the
15 Company's 2003 average customer count.

16 Purchased Power Expense - This adjustment increases purchased power
17 expense. The adjustment takes into consideration both the recent increase in
18 rates granted to Arizona Public Service Company ("APS") by the ACC and
19 RUCO's recommended elimination of the Company's PPAM.

20 Rate Case Expense – This adjustment amortizes the Company's rate case
21 expenses over a three-year period. RUCO recommends that an adjustment be
22 made once the final expense is known and analyzed.

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

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

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

7 Rate Design – These schedules propose a two-tier rate design based on
8 RUCO’s recommended levels of revenue requirements.

9
10 **REVENUE REQUIREMENTS**

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

13 A. Arizona Water’s revenue should be increased by \$52,289 for the Ajo system,
14 increased by no more than \$50,532 for the Coolidge system, and decreased by
15 at least (\$8,568) for the White Tank system. These recommendations are
16 summarized on Schedule TJC-1, page 1 of 2 for each system respectively. My
17 recommended original cost rate base (“OCRB”) is \$846,711 for Ajo, \$2,868,652
18 for Coolidge, and \$1,919,400 for White Tank, which is shown on TJC-2. The
19 supporting detail for the OCRB can be found on Schedule TJC-3. RUCO’s
20 recommended adjusted operating income of \$37,857 for Ajo, \$231,813 for
21 Coolidge, and \$181,559 for White Tank systems are shown on Schedules TJC-9,
22 and the detail that supports my recommendations can be found on Schedules
23 TJC-10.

1 **RATE BASE**

2 Q. Did Arizona Water address the Environmental Protection Agency's ("EPA") new
3 arsenic maximum contaminant level (MCL) in this rate application?

4 A. Yes. Three of the Company's officers presented direct testimony addressing the
5 arsenic standard in the rate application. They included Mr. William M. Garfield,
6 AWC's President, Mr. Michael J. Whitehead, Vice President – Engineering, and
7 Mr. Ralph J. Kennedy, Vice President and Treasurer.

8
9 Mr. Garfield testified that the new arsenic treatment facilities must be constructed
10 and operational by January 23, 2006 in order to comply with the EPA's new 10
11 parts per billion ("ppb") arsenic MCL. He estimated that the Western Group
12 would need as many as 16 treatment facilities with a capital cost of \$13.6 million.
13 Mr. Whitehead testified that there were no costs in this case associated with
14 arsenic. He further testified that three of the five systems in the Western Group
15 would be affected by the new EPA standard. These systems are Casa Grande,
16 Stanfield, and White Tank water systems.

17
18 Mr. Kennedy's direct testimony provided details of how the costs to
19 construct/lease arsenic treatment facilities are to be recovered. The issue of
20 arsenic treatment was addressed in Phase II of the Company's Northern Group
21 rate case application. In that proceeding, the Commission was asked to consider
22 an arsenic cost recovery mechanism ("ACRM"). The matter was heard before an
23 Administrative Law Judge (ALJ), and the Commission approved an ACRM in

1 Dockets No. W-1445A-00-0962 and W-1445A-02-0619. Mr. Kennedy testified as
2 part of his direct testimony that the Western Group be approved for the same
3 cost recovery mechanism that the Commission ultimately approved for the
4 Northern and Eastern Groups with certain timing modifications in this case.

5
6 Q. Is RUCO opposing the Company's request in this case for an ACRM?

7 A. No.

8
9 Q. Is AWC requesting that the purchased power adjustor mechanism ("PPAM") and
10 purchased water adjustor mechanism ("PWAM") remain in place this rate
11 application?

12 A. Yes. RUCO witness Mr. Rigsby addresses RUCO's position regarding the
13 PPAM and PWAM in his direct testimony.

14
15 **Rate Base Adjustment #1 – Accumulated Depreciation – Plant**

16 Q. Please explain the adjustment to accumulated depreciation.

17 A. This adjustment increases/(decreases) accumulated depreciation by RUCO's
18 gross plant in service recommendation and calculation since the Company's last
19 rate case. Schedule TJC-4, page 4 shows the gross plant in service as
20 calculated and recommended by RUCO. The are as follows: Ajo - \$889,
21 Coolidge - (\$131,867), and White Tank - (\$15,781) as shown on Schedules TJC-
22 3.

1 A detailed discussion and explanation for RUCO's method for calculating this
2 adjustment is addressed in the testimony of RUCO witness William A. Rigsby.

3
4 **Rate Base Adjustment #2 – Restate Allocated Phoenix Office & Meter Shop and**
5 **Accumulated Depreciation**

6 Q. Please explain the purpose of the adjustment to reconcile the Phoenix Office and
7 Meter Shop along with the corresponding accumulated depreciation adjustment.

8 A. These simultaneous adjustments simply restate the Company's net of
9 depreciation figure to a gross of depreciation figure. Because the Company's
10 application reflected the accumulated depreciation on the Phoenix Office and
11 Meter Shop, it was necessary to add the accumulated depreciation back into
12 gross plant and remove the same amount from the accumulated depreciation
13 account. Schedule TJC-5 shows the necessary adjustment to restate the
14 Company's proposed net figure back to a gross figure. These adjustments would
15 increase the Company's proposed rate base by \$5,073 for Ajo and increase
16 accumulated depreciation by the same amount, \$23,439 for Coolidge and
17 increase accumulated depreciation by the same amount, and \$10,571 for White
18 Tank and increase accumulated depreciation by the same amount. The
19 adjustment has no net effect on rate base for the five Western Group systems.

20 A more detailed discussion and explanation for RUCO's method for calculating
21 this adjustment is addressed in the testimony of RUCO witness William A.
22 Rigsby.

1 **Rate Base Adjustment #3 – Accumulated Depreciation – Phoenix Office**

2 Q. Did RUCO perform a calculation similar to the one made in Rate Base
3 Adjustment #1 in order to determine the appropriate Test Year level of allocated
4 Phoenix Office plant in service?

5 A. Yes. The result of the analysis is an increase in allocated accumulated
6 depreciation of \$152 for Ajo, \$702 for Coolidge, and \$316 for White Tank as
7 shown on Schedule TJC-6, page 4 of 4. A more detailed discussion and
8 explanation for RUCO's method for calculating this adjustment is addressed in
9 the testimony of RUCO witness William A. Rigsby.

10
11 **Rate Base Adjustment #4 – Accumulated Depreciation – Meter Shop**

12 Q. Did RUCO also perform a calculation similar to the one made in Rate Base
13 Adjustment #1, to determine the appropriate Test Year level of allocated Meter
14 Shop plant in service?

15 A. Yes. As can be seen in Schedules TJC-7, page 4 of 4, the same analysis was
16 performed on the Meter Shop plant in service. The result of the analysis is an
17 increase allocated to accumulated depreciation of \$9 for Ajo, a decrease of \$41
18 for Coolidge, and a decrease of \$18 for White Tank.

19 For a more detailed explanation regarding this adjustment see testimony of
20 RUCO witness William A. Rigsby.

1 **Rate Base Adjustment #5 – Deferred CAP Charges**

2 Q. Is Arizona Water Company seeking to place in rate base the deferred charges
3 associated with the Central Arizona Project (“CAP”) for its Western Group water
4 systems?

5 A. Yes. RUCO witness William A. Rigby fully addresses RUCO’s rationale for
6 removing these deferred charges from the appropriate systems’ rate bases. Two
7 of three systems that I am sponsoring are affected. The Coolidge and White
8 Tank systems’ rate base will be reduced \$1,046,011 and \$506,268 accordingly
9 as shown on Schedule TJC-2 with supportive detail on Schedule TJC-3.
10

11 **Rate Base Adjustment #6 – Cash & Working Capital**

12 Q. What amount of working capital is the Company requesting?

13 A. The Company is requesting working capital in the amount of \$250,254 for the
14 Casa Grande system, (\$3,029) for the Stanfield system, \$36,105 for the White
15 Tank system, (\$4,209) for the Ajo system, and \$32,202 for its Coolidge system.
16

17 Q. How did the Company determine the requested amount of working capital?

18 A. The Company determined its working capital request utilizing a 1999 lead/lag
19 study.
20

21 Q. Please explain the concept of working capital?

22 A. A company’s working capital requirement represents the amount of cash the
23 company must have on hand to cover any differences in the time period between

1 when revenues are received and expenses must be paid. The most accurate
2 way to measure the working capital requirement is via a lead/lag study. The
3 lead/lag study measures the actual lead and lag days attributable to the
4 individual revenues and expenses.

5
6 Q. Are you proposing any adjustment to the Company-proposed working capital?

7 A. Yes. An adjustment is necessary to restate the working capital requirement
8 based on my recommended level of operating expenses. I have decreased the
9 amount of working capital by (\$206,992) for the Casa Grande system, increased
10 working capital by \$2,672 for the Stanfield system, decreased working capital by
11 (\$30,970) for the White Tank system, increased the working capital requirement
12 for the Ajo system by \$576, and decreased the working capital requirement by
13 (\$34,053) for the Coolidge system. These adjustments are shown on Schedule
14 TJC-8, page 1 – 5. These adjustments are due primarily to the level of expense I
15 am recommending in this case and to two corrections in the calculation of the
16 Company's federal and state income tax lag.

17
18 Q. Why do you disagree with the Company's calculation in the income tax lag?

19 A. The Company's calculation of both its federal and state income tax lag is
20 incorrect because it assumes that the Company makes monthly payments to the
21 Internal Revenue Service ("IRS"). The IRS requires five quarterly payments of
22 taxes, not monthly payments.

23

1 Q. What adjustment to the lead-lag study did you make to correct the income tax
2 day lag?

3 A. For federal income tax purposes, the necessary correction to reflect payments on
4 a quarterly payment schedule versus the Company's monthly payment
5 calculation is to change the tax lag to 61.95 days rather than the 2.52 days the
6 Company used for federal tax purposes. This calculation is shown on TJC-8,
7 page 4 of 5.

8 For state income tax purposes, the necessary correction to reflect payments on a
9 quarterly payment schedule versus the Company's monthly payment calculation
10 is to change the tax lag to 99.80 days rather than the 27.05 days the Company
11 used for state tax purposes. This calculation is shown on TJC-8, page 5 of 5.

12

13 **Rate Base Adjustment #7 – Remove Casa Grande Legal Expenses**

14 Q. Did RUCO remove an \$824,374 capitalized legal expense from a non-
15 depreciable account?

16 A. Yes. William A. Rigsby's testimony contains the full details regarding this
17 adjustment. The adjustment does not pertain to any of the three systems that I
18 sponsor.

19

20 Q. Does that conclude your Rate Base Adjustments?

21 A. Yes.

22

23

1 **OPERATING INCOME**

2 **Operating Adjustment #1 – Remove Pro Forma CAP M&I Charges**

3 Q. Please explain the operating adjustments you made to remove pro forma CAP
4 M&I charges.

5 A. The rationale for these adjustments is provided in RUCO witness William A.
6 Rigsby's testimony. This adjustment pertains only to two of the three systems I
7 sponsor. The adjustment reduces the Coolidge system operating expenses by
8 \$56,000 and reduces the operating expenses for the White Tank system by
9 \$27,104. Schedule TJC-9, Purchased Water line item, show these adjustments.
10 Further details are shown on Schedule TJC-10 and in Mr. William A. Rigsby's
11 testimony.

12
13 **Operating Adjustment #2 – Remove Amortization Of Deferred CAP Charges**

14 Q. Please provide an explanation for this adjustment.

15 A. This adjustment is fully discussed in RUCO witness William A. Rigsby's
16 testimony. Again, this adjustment only pertains to water systems with deferred
17 CAP charges. The adjustment reduces amortization expense by \$104,601 in the
18 Coolidge system and also reduces amortization expense in the White Tank
19 system by \$50,627 as shown in TJC-9, Depreciation & Amortization line item.
20 For further detail see Schedule TJC-10.

1 **Operating Adjustment #3 – Annualize Additional Revenues & Expenses**

2 Q. Has the Company made an adjustment to annualize its Test Year revenues and
3 expenses?

4 A. Yes. However, the Company has failed to recognize its Test Year-end number of
5 customers. Instead, it has made an adjustment to increase revenues to reflect
6 the average number of customers during the Test Year.

7
8 Q. Do you agree with this adjustment?

9 A. No. Arizona ratemaking requires the use of a test year-end rate base. It is
10 necessary to annualize revenues to the Test Year-end, not Test Year average in
11 order to match the level of net investment reflected in the rate base with the level
12 of revenue that investment will generate. The Company's adjustment to reflect
13 the average Test Year customers would only be appropriate if an average rate
14 base was used in Arizona ratemaking. Accordingly, the correct adjustment is to
15 use the Test Year-end number of customers.

16
17 Q. What adjustment is necessary to recognize the 2003 year-end customers?

18 A. As shown on Schedule TJC-11, the recognition of the 2003 year-end number of
19 customers increases revenues by \$67,740 for Casa Grande, increases revenues
20 by \$1,273 for Stanfield, decreases revenues by (\$3,148) for White Tank,
21 decreases revenues by (\$5,187) for Ajo, and decreases revenues by (\$4,928) for
22 Coolidge. Use of the 2003 year-end customer count is necessary to match with
23 the 2003 year-end rate base.

1 Q. Has the Company also proposed an adjustment to annualize expenses based on
2 its proposed increase in customers?

3 A. Yes. The Company has proposed an adjustment to annualize what it calls
4 "variable" expenses in order to match the annualized customers with annualized
5 costs. The Company claims that these "variable" costs are directly impacted by
6 changes in customers and consumption.

7

8 Q. What expenses has the Company defined as variable?

9 A. The Company has defined the following expenses as variable: Source of Supply,
10 Pumping, Water Treatment, Transmission and Distribution, and Customer
11 Accounts.

12

13 Q. Has the Company annualized all of these expenses?

14 A. Yes. The Company maintains that each of these expenses is directly impacted
15 by a change in the number of customers/gallons sold. The adjustment assumes
16 that there is a one-to-one relationship between cost and number of customers.

17

18 Q. Do you agree with the Company's "variable" expense adjustment?

19 A. No, not in its entirety. While it is true that certain expenses are directly impacted
20 by a change in sales, not all the expense categories adjusted by the Company
21 are in fact a direct function of sales.

22

23

1 Q. How was it determined which of these expense categories are truly variable?

2 A. In the Northern Group rate case, RUCO performed a regression analysis on each
3 of the expense categories that the Company has identified as variable. The
4 purpose of this analysis was to determine the degree of correlation between the
5 number of customers and the annual change in each expense.

6
7 Q. Which expenses had a significant correlation with the number of customers?

8 A. The regression analysis indicated that the only expenses that are directly
9 impacted by a change in customer levels are Pumping, Customer Accounts, and
10 Water Treatment expenses. These expenses all have an R squared factor that
11 equals or exceeds .75. An R squared factor of .75 or greater generally indicates
12 there is a significant relationship between data sets. Accordingly these are the
13 only expenses that require annualization. The necessary adjustment to
14 annualize only these expenses is shown on Schedules TJC-11, lines 16, 20, 24,
15 and 33 for each system.

16
17 Q. Did you also make the necessary expense adjustments associated with the
18 increases/decreases in 2003 year-end water sales attributable to the 2003 year-
19 end customer count?

20 A. Yes. I recognized and accounted for the change in expenses that results from
21 the change in 2003 year-end customer counts. I have annualized the Western
22 Group costs as follows:

1 Casa Grande - 1) Other – Purchased Power, i.e. pumping cost, increased an
2 additional \$12,349 to pump the additional necessary gallons, 2) Customer
3 Accounts decreased by \$2,837, which are the additional billing and accounting
4 costs, and 3) Water Treatment costs related to treating the annualized level of
5 water increased by \$2,242. All these adjustments were related to RUCO's year-
6 end customer count rather than the Company's average-year customer count.

7 Stanfield - Again, I recognized and accounted for the expenses required to
8 account for the 2003 year-end customer count. The 1) Purchased Power
9 increased an additional \$255, 2) Customer Accounts increased an additional
10 \$83, and 3) Water Treatment costs increased by \$23 more than what the
11 Company filed in its rate application.

12 White Tank – Since there was a decrease in revenue from what was filed in the
13 Company's rate application, the 2003 year-end customer count will decrease the
14 following expenses as follows: 1) Other – Purchased Power, i.e. pumping cost,
15 decreased by \$410 to pump the additional necessary gallons, (2) Customer
16 Accounts decreased by \$182, and 3) Water Treatment costs decreased by \$46.

17 Ajo – The 2003 year-end customer count will decrease 1) Purchased Power – by
18 \$225, 2) Customer Accounts decreased by \$325, 3) Water Treatment costs
19 decreased by \$52, and 4) Source of Supply decreased by \$2,008. That last
20 adjustment, 4) Source of Supply, is unique only to the Ajo system. Ajo
21 purchases all water sold from Ajo Improvement water system. Thus, an
22 adjustment is necessary to account for less water purchases. All of these
23 adjustments are shown in detail on Schedule TJC-11.

1 Coolidge – Since there was a decrease in revenue from what was filed in the
2 Company's rate application, the 2003 year-end customer count will decrease the
3 following expenses as follows: 1) Other – Purchased Power decreased by \$543
4 to pump the additional necessary gallons, 2) Customer Accounts decreased by
5 \$726, and 3) Water Treatment costs decreased by \$91.

6
7 **Operating Adjustment #4 – Purchased Power**

8 Q. Please explain the purchased power adjustment.

9 A. Please refer to RUCO witness William A. Rigsby for a full description and
10 explanation concerning this adjustment. The adjustment increased the
11 purchased power expense by \$6 for Ajo, increased purchased power expense by
12 \$1,088 for Coolidge, and increased purchased power expense by \$2,744 for
13 White Tank.

14
15 **Operating Adjustment #5 – Depreciation & Amortization Expense**

16 Q. Please describe and explain the depreciation and amortization adjustment.

17 A. RUCO witness Mr. William A. Rigsby sponsored this adjustment. Please refer to
18 his testimony for a full explanation and rationale regarding this adjustment. The
19 adjustment increased the depreciation & amortization expense by \$0 for Ajo,
20 increased depreciation & amortization expense by \$0 for Coolidge, and
21 increased depreciation & amortization expense by \$0 for White Tank.

1 **Operating Adjustment #6 – Property Tax Expense**

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

4 A. Yes.

5
6 Q. How did the Company arrive at its property tax amount as reported in its filing?

7 A. The Company computed its property tax calculation the same way I did using the
8 new ADOR formula. However, the Company has used its projected revenues for
9 the Test Year for purposes of valuation as opposed to three years of historical
10 revenue.

11
12 Q. How does the Company's methodology vary from the ADOR formula?

13 A. The property tax formula, as prescribed in ADOR's memo of January 3, 2001
14 determines the Full Cash Value ("FCV") of water and sewer utilities, for property
15 tax purposes, by multiplying the average of three previous years of reported
16 gross revenues of the Company by a factor of two.

17
18 Q. How does the methodology the Company uses to calculate property tax impact
19 the revenue requirement?

20 A. The Company's methodology overstates the FCV, which will likely allow the
21 Company to over-earn based on its expected property tax expense. Since future
22 revenues are unknown, future property taxes can only be estimated. As with any
23 estimate in the regulatory process, the objective is to be as accurate as possible.

1 Among the goals of ADOR was to arrive at a forward looking valuation formula
2 that would produce predictive values, logical results, minimize the tax impact
3 from the previous year, and assist in future cases with the ACC regarding
4 projections of future property tax expense.

5
6 Q. When will the Company actually pay property taxes based on increased or
7 decreased revenues approved in this case?

8 A. Assuming the rates go into effect around year-end 2005, it will not be until the
9 end of 2006 before the Company will have one full year of operating revenues at
10 the new rates. The Company will pay property taxes for tax-year 2006 semi-
11 annually, the first payment becoming due in October 2006, and the final payment
12 due in March 2007. Thus, use of the Company's proposed formula will permit
13 over-earnings for several future years.

14
15 Q. What adjustment is necessary?

16 A. It was necessary to recompute the property taxes based on historical revenues
17 as required by the ADOR formula. All five systems in the Western Group
18 experienced a decrease in property taxes as filed in the rate application as
19 follows: Casa Grande – (\$51,803), Ajo – (\$647), Stanfield – (\$866), Coolidge –
20 (\$13,765), and White Tank – (\$4,847). The adjustment is detailed on Schedule
21 TJC-14.

1 **Operating Adjustment #10 – Income Tax Expense**

2 Q. Please discuss your income tax expense adjustment.

3 A. As shown on Schedule TJC-14, I calculated Arizona Water Company's state and
4 federal income taxes based on RUCO's recommended level of operating income
5 at present water rates. RUCO witness Mr. William A. Rigsby addresses this
6 adjustment in detail in his testimony.

7
8 Q. What were the necessary adjustments based on RUCO's findings and
9 recommendations?

10 A. My revenue requirements would warrant an increase of \$242,979 in state and
11 federal income taxes for Casa Grande, a decrease of \$5,303 for Ajo, a decrease
12 of \$2,405 for Stanfield, an additional \$39,586 for Coolidge, and an additional
13 \$21,070 for White Tank. My calculations are supported in detail on Schedule
14 TJC-15.

15

16 **COST OF CAPITAL**

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

18 A. Yes, Mr. Rigsby will sponsor that section of the Rate Application in his testimony.

19

20 **RATE DESIGN**

21 Q. Have you reviewed Arizona Water's proposed rate design?

22 A. Yes. A comparison of the present rates, Arizona Water's proposed rates, and my
23 proposed rates are exhibited in Schedule TJC-17 for each of the Western Group

1 systems I am providing direct testimony on and Schedule WAR-17 for each of
2 the Western Group systems that RUCO witness Rigsby is providing direct
3 testimony on.

4
5 Q. What is the Company proposing in its rate designs?

6 A. The Company is proposing to continue the existing single-tier rate structure for all
7 meter sizes in all of the rate designs for the Western Group. The Company is
8 also proposing that the monthly minimum charge, for each of the five Western
9 Group systems, contain zero gallons as opposed to the current design that
10 includes 1,000 gallons in the minimum monthly charge.

11 Schedules TJC-17 and WAR-17 exhibit the changes in commodity charges that
12 the Company is requesting. For the sake of clarity, I have stated the commodity
13 charges for each of the Western Group systems in both per 100-gallon
14 increments, as the Company did in its Application, and in the more common per
15 1,000-gallon increments.

16
17 Q. Please summarize your recommended rate design for Arizona Water.

18 A. I recommend that a two-tier rate design be adopted. I also recommend that
19 uniform minimum charges be retained for both residential and commercial
20 customers and that no gallons be included in the minimum charge for all meter
21 sizes.

22 Schedules TJC-18 and WAR-18 compare my recommended monthly minimum
23 charges for each of the Western Group systems with the Company's present and

1 proposed monthly minimum charges. With the exception of several systems, I
2 am recommending a uniform increase in each of the monthly minimum charges.

3
4 Q. Why does RUCO agree with the Company's proposal to eliminate all gallons
5 from the monthly minimum charge?

6 A. RUCO believes that the elimination of gallons from the minimum will give
7 ratepayers greater control over their monthly bills. Those ratepayers who use
8 less than a thousand gallons per month would only be billed for their actual level
9 of consumption as opposed to being billed for a full thousand gallons whether
10 they use it or not. Further, it dispels the notion of "free" water, which is
11 counterproductive to conservation.

12
13 Q. Please provide a comparison of what a monthly charge would be, at the median
14 level of consumption for a 5/8 X 3/4-inch meter customer, with and without 1,000
15 gallons of water included in the minimum monthly charge.

16 A. I will use the Coolidge system as an example. My recommended rate design,
17 with zero gallons in the minimum, sets the monthly minimum charge for a 5/8 X
18 3/4-inch meter at \$11.25. At the 7,317-gallon median level of consumption, a
19 Coolidge system customer would be billed \$24.47 (\$11.25 minimum monthly
20 charge + \$13.22 commodity charge). With 1,000 gallons included in the
21 minimum, the same customer would be billed \$24.10 or \$0.37 less.

1 Q. How is your proposed rate design different from the Company's?

2 A. The biggest area of contention between my rate design and the Company's rate
3 design involves my two-tier commodity charge with a 4,000-gallon breakpoint.
4

5 Q. Why are you recommending a two-tier rate design in this case?

6 A. My decision to recommend a two-tier rate is based on the Commission's
7 preference for tiered rate designs.
8

9 Q. Why have you set the break point at 4,000 gallons?

10 A. The 4,000-gallon level is approximately 6,095 gallons below the average level of
11 consumption for the 5/8 X 3/4-inch meter sizes for all five systems. By placing
12 the break point at this level, a majority of the customers on each of the five
13 systems will experience a price signal as their consumption increases.
14

15 Q. Will your rate design provide Arizona Water with the level of revenue
16 recommended by RUCO?

17 A. Yes, it will. Based on the Test Year billing determinants as adjusted (i.e.
18 annualized), my rate design will generate RUCO's recommended levels of
19 revenue for each of the systems in the Western Group from water sales. This
20 can be viewed in Schedules TJC-20 and WAR-20.
21

1 Q. Do you agree with the Company that there should be no difference in the
2 minimum charges billed to either the residential or commercial classes of
3 customers?

4 A. Yes. There has been no demonstration in this case of a significant incremental
5 cost to the Company of providing service to commercial versus residential
6 customers; therefore, I have utilized a uniform rate design.

7
8 Q. For each meter size used during the Test Year; did you prepare a schedule that
9 shows at various consumption levels the resulting monthly bills under present
10 and your proposed rates?

11 A. Yes. This information is displayed on pages 1 and 2 of Schedules TJC-19 and
12 WAR-19. Pages 3 and 4 of these schedules also display the difference in
13 dollars and percent between the present rates and my proposed rates for each of
14 the Western Group systems.

15
16 Q. Does this conclude your testimony on Arizona Water's Western Group systems?

17 A. Yes, it does.

**ARIZONA WATER COMPANY
AJO SYSTEM
DOCKET NO. W-01445A-04-0650
TABLE OF CONTENTS TO SCHEDULES TJC**

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TJC - 4	RATE BASE ADJUSTMENT #1 - ACCUMULATED DEPRECIATION - PLANT
TJC - 5	RATE BASE ADJ. #2 - RESTATE ALLOCATED PHOENIX OFFICE & METER SHOP AND ACCUMULATED DEPRECIATION
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ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 AJO SYSTEM
 REVENUE REQUIREMENTS

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-1
 PAGE 1 OF 2

LINE NO.	DESCRIPTION	(A) COMPANY REQUESTED	(B) RUCO RECOMMENDED
1	ADJUSTED RATE BASE	\$ 847,167	\$ 846,711
2	ADJUSTED OPERATING INCOME	34,696	37,857
3	CURRENT RATE OF RETURN (L2 / L1)	4.10%	4.47%
4	REQUIRED RATE OF RETURN	10.50%	9.17%
5	REQUIRED OPERATING INCOME (L4 * L1)	88,953	77,643
6	OPERATING INCOME DEFICIENCY (L5 - L2)	54,256	39,786
7	GROSS REVENUE CONVERSION FACTOR	1.63245	1.31426
8	GROSS REVENUE INCREASE	\$ 88,571	\$ 52,289
9	CURRENT REVENUES T/Y ADJUSTED	409,259	404,072
10	PROPOSED ANNUAL REVENUE (L8 + L9)	497,830	456,361
11	PERCENTAGE AVERAGE INCREASE	21.64%	12.94%

REFERENCES:

COLUMN (A): COMPANY SCHEDULE A-1

COLUMN (B): SCHEDULE TJC-1, PG. 2, TJC-2, TJC-9 AND TJC-15

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 AJO SYSTEM
 GROSS REVENUE CONVERSION FACTOR

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-1
 PAGE 2 OF 2

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	REVENUE	1.0000	
2	UNCOLLECTIBLES	<u>0.00234</u>	COMPANY SCH. C-3
3	SUB-TOTAL	0.9977	LINE 1 - LINE 2
4	LESS: TAX RATE	<u>23.68%</u>	NOTE (a)
5	TOTAL	0.7609	LINE 3 - LINE 4
6	REVENUE CONVERSION FACTOR	<u>1.31426</u>	LINE 1/LINE 5

NOTE (a):
 CALCULATION OF EFFECTIVE TAX RATE

OPERATING INCOME BEFORE TAXES	100.00%
LESS: ARIZONA STATE TAX	<u>6.97%</u>
TAXABLE INCOME FEDERAL	93.03%
TIMES: FEDERAL INCOME TAX RATE	<u>18.02%</u>
SUBTOTAL	16.76%
ADD STATE TAX RATE	23.73%
LINE 3 ABOVE	<u>99.77%</u>
EFFECTIVE TAX RATE	23.68%

NOTE (b):

STATE INCOME TAX	\$ 3,645
FEDERAL INCOME TAX	<u>8,859</u>
TOTAL INCOME TAX LIABILITY	<u>\$ 12,503</u>

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 AJO SYSTEM
 RATE BASE - ORIGINAL COST

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-2

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO ADJUSTMENTS	(C) RUCO AS ADJUSTED
1	PLANT IN SERVICE	\$ 1,656,478	\$ -	\$ 1,656,478
2	PHOENIX OFFICE & METER SHOP ALLOCATION	43,498	5,073	48,571
3	DEFERRED CAP CHARGES	-	-	-
4	ACCUMULATED DEPRECIATION	<u>(624,244)</u>	<u>(6,105)</u>	<u>(630,349)</u>
5	NET PLANT IN SERVICE	\$ 1,075,732	\$ (1,032)	\$ 1,074,700
6	CONSTRUCTION WORK IN PROGRESS (CWIP)	<u>-</u>	<u>-</u>	<u>-</u>
7	TOTAL NET PLANT	\$ 1,075,732	\$ (1,032)	\$ 1,074,700
8	ADVANCES IN AID OF CONSTRUCTION (AIAC)	(36,395)	-	(36,395)
9	CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	(41,263)	-	(41,263)
10	ACCUMULATED AMORTIZATION OF CIAC	10,797	-	10,797
11	DEFERRED INCOME TAXES	(157,495)	-	(157,495)
12	WORKING CAPITAL	<u>(4,209)</u>	<u>576</u>	<u>(3,633)</u>
13	TOTAL RATE BASE	<u>\$ 847,167</u>	<u>\$ (456)</u>	<u>\$ 846,711</u>

REFERENCES:

COLUMN (A): COMPANY SCHEDULE B-1
 COLUMN (B): SCHEDULE TJC-3
 COLUMN (C): COLUMN (A) + COLUMN (B)

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) ADJ #1	(C) ADJ #2	(D) ADJ #3	(E) ADJ #4	(F) ADJ #5	(G) ADJ #6	(H) ADJ #7	(I) RUCO ADJUSTED
1	PLANT IN SERVICE	\$ 1,656,478	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,656,478
2	PHOENIX OFFICE & METER SHOP ALLOCATION	43,498 (a)		5,073						48,571
3	DEFERRED CAP CHARGES	-								-
4	ACCUMULATED DEPRECIATION	(624,244)	(889)	(5,073)	(152)	9				(630,349)
5	NET PLANT IN SERVICE	\$ 1,075,732	\$ (889)	\$ -	\$ (152)	\$ 9	\$ -	\$ -	\$ -	\$ 1,074,700
6	CONSTRUCTION WORK IN PROGRESS (CWIP)	-								-
7	TOTAL NET PLANT	\$ 1,075,732	\$ (889)	\$ -	\$ (152)	\$ 9	\$ -	\$ -	\$ -	\$ 1,074,700
8	ADVANCES IN AID OF CONSTRUCTION (AIAC)	(36,395)								(36,395)
9	CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	(41,263)								(41,263)
10	ACCUMULATED AMORTIZATION OF CIAC	10,797								10,797
11	DEFERRED INCOME TAXES	(157,495)								(157,495)
12	WORKING CAPITAL	(4,209)						576		(3,633)
13	TOTAL RATE BASE	\$ 847,167	\$ (889)	\$ -	\$ (152)	\$ 9	\$ -	\$ 576	\$ -	\$ 846,711

REFERENCE:
 SCHEDULE TJC-4
 SCHEDULE TJC-5
 SCHEDULE TJC-6
 SCHEDULE TJC-7
 N/A
 SCHEDULE TJC-8

ADJUSTMENT #:
 1. ACCUMULATED DEPRECIATION - PLANT
 2. RESTATE PHX. OFFICE & METER SHOP AND ACCUM. DEPR.
 3. ACCUMULATED DEPRECIATION - PHOENIX OFFICE
 4. ACCUMULATED DEPRECIATION - METER SHOP
 5. NOT USED
 6. WORKING CAPITAL

NOTES:
 (a) NET OF ACCUMULATED DEPRECIATION

ACCUMULATED DEPRECIATION - PLANT
 RATE BASE ADJUSTMENT #1

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1960 PLANT VALUE PER COMPANY	1960 ACCUM. DEPR. PER COMPANY	1960 NET PRIOR ACC PER COMPANY	1991 ADDITIONS PER COMPANY	1991 (RETIREMENTS) PER COMPANY	1991 PLANT VALUE PER RUCO	1991 DEPRECIATION EXPENSE PER RUCO	1991 ACCUMULATED DEPRECIATION PER RUCO	1991 YEAR END NET PLANT PER RUCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MIS-C.	0	0	0	0	0	0	0	0	0
4	304.0	LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	0	0	0	0	0	0	0
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	0	0	0	0	0	0	0
8	320.0	PUMPING PLANT: LAND*	3,208	0	3,208	0	0	3,208	0	48,006	3,208
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	3,015	865	2,150	0	0	3,015	73	938	2,077
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	58,232	16,728	41,504	6,724	0	65,018	1,492	18,220	46,796
11	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0
12	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0
13	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0
14	333.0	WATER TREATMENT PLANT: TANKS & MAINS*	6,065	0	6,065	0	0	6,065	0	0	6,065
15	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0
16	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	154,076	44,214	109,862	5,257	0	159,333	3,792	48,006	111,327
18	343.0	TRANSMISSION & DISTRIBUTION: MAINS	390,924	112,181	278,743	324	0	381,248	9,464	121,645	269,603
19	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	124,240	35,652	88,588	10,419	0	104	3	32	72
20	345.0	TRANSMISSION & DISTRIBUTION: METERS	44,117	12,660	31,457	1,431	(239)	45,309	3,133	36,785	95,874
21	346.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	31,019	8,901	22,118	0	0	31,019	751	9,852	21,367
22	348.0	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0
23	388.1	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0
24	388.2	GENERAL PLANT: LAND - MIS-C.	0	0	0	0	0	0	0	0	0
25	389.1	GENERAL PLANT: OFFICE BUILDINGS	34,987	10,040	24,947	2,038	0	34,987	84	10,882	24,105
26	389.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	0	2,038	25	25	2,010
27	390.0	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	0	0	0
28	390.2	GENERAL PLANT: MISC. BUILDINGS	5,562	1,506	3,956	0	0	5,562	135	1,731	3,831
29	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0
30	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0
31	391.2	GENERAL PLANT: OFFICE FURNITURE	43	12	31	193	0	15	3	15	178
32	391.3	GENERAL PLANT: WAREHOUSE EQUIPMENT	7,005	2,010	4,995	24	0	7,029	170	2,160	4,849
33	393.0	GENERAL PLANT: GARAGE EQUIPMENT	1,883	3,603	1,343	0	0	1,883	46	696	1,297
34	394.0	GENERAL PLANT: LAB EQUIPMENT	12,555	0	12,555	0	0	12,555	304	3,907	8,648
35	395.0	GENERAL PLANT: POWER EQUIPMENT	0	0	0	0	0	0	0	0	0
36	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0
37	397.0	GENERAL PLANT: MOBILE RADIOS	0	0	0	0	0	0	0	0	0
38	397.1	GENERAL PLANT: AUTO CONTROLS	0	0	0	0	0	0	0	0	0
39	397.2	GENERAL PLANT: MISC.	316	91	227	0	0	316	8	96	216
40	398.0	GENERAL PLANT: MISC.	0	0	0	0	0	0	0	0	0
41		TOTALS	\$877,413	\$249,124	\$628,289	\$26,367	(\$239)	\$853,541	\$21,325	\$270,210	\$653,331

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1992 ADDITIONS PER COMPANY	1992 (RETIREMENTS) PER COMPANY	1992 YEAR END PLANT VALUE PER RUCO	1992 DEPRECIATION EXPENSE PER RUCO	1992 ACCUMULATED DEPRECIATION PER RUCO	1992 YEAR END NET PLANT PER RUCO	1993 ADDITIONS PER COMPANY	1993 (RETIREMENTS) PER COMPANY	1993 YEAR END PLANT VALUE PER RUCO	1993 DEPRECIATION EXPENSE PER RUCO	1993 ACCUMULATED DEPRECIATION PER RUCO	1993 YEAR END NET PLANT PER RUCO
49	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
51	303.0	INTANGIBLES: MIS-C.	0	0	0	0	0	0	0	0	0	0	0	0
52	304.0	LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
53	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
54	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
55	314.0	SOURCE OF SUPPLY: WELLS	0	0	0	0	0	0	0	0	0	0	0	0
56	320.0	PUMPING PLANT: LAND*	0	0	3,208	0	0	3,208	0	0	3,208	0	0	3,208
57	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	3,015	73	1,011	3,015	0	0	3,015	78	1,089	1,928
58	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	65,016	1,573	19,783	45,233	0	0	65,016	1,894	21,477	43,539
59	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
60	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
61	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
62	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
63	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	6,065	0	0	6,065	0	0	6,065	0	0	6,065
64	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
65	341.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	26,037	(1,962)	159,333	3,856	51,862	107,471	0	0	159,333	4,127	55,986	103,344
66	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	415,323	8,760	129,442	285,881	660	(87)	415,896	10,764	140,130	275,776
67	343.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	104	35	35	69	0	0	104	3	3	66
68	344.0	TRANSMISSION & DISTRIBUTION: SERVICES	7,087	(479)	141,746	3,345	42,129	99,617	9,043	(43)	150,746	3,788	46,874	104,872
69	345.0	TRANSMISSION & DISTRIBUTION: METERS	1,905	0	46,735	1,114	14,138	32,597	0	0	46,735	1,210	15,348	31,387
70	346.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	31,019	751	10,403	20,618	0	0	31,019	803	11,208	19,813
71	348.0	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
72	388.1	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
73	388.2	GENERAL PLANT: LAND - MIS-C.	0	0	0	0	0	0	0	0	0	0	0	0
74	389.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	34,987	847	11,733	23,254	0	0	34,987	908	12,640	22,347
75	389.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	2,038	46	4	1,994	1,863	0	3,921	77	161	3,770
76	390.0	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
77	390.2	GENERAL PLANT: MISC. BUILDINGS	0	0	5,562	135	1,865	3,697	0	0	5,562	144	2,009	3,553
78	391.0	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
79	391.1	GENERAL PLANT: OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
80	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	193	5	20	173	0	0	193	5	25	168
81	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	7,029	170	2,350	4,679	0	0	7,029	182	2,532	4,497
82	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	1,996	0	0	0	0	0	1,996	0	0	1,996
83	395.0	GENERAL PLANT: LAB EQUIPMENT	113	0	12,555	304	633	1,383	657	0	12,555	60	683	1,900
84	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
85	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
86	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	44	1	1	43	0	0	44	1	2	42
87	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	0	0	0	0	0	0	0	0	0	0
88	398.0	GENERAL PLANT: MISC.	\$85,186	(\$2,441)	\$82,745	8	107	\$83,518	\$21,501	(\$130)	\$84,657	8	\$119,843	\$654,814
89		TOTALS	\$85,186	(\$2,441)	\$82,745	\$2,038	(\$239)	\$84,657	\$21,501	(\$130)	\$84,657	\$21,501	\$119,843	\$654,814

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 * NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1998 ADDITIONS PER COMPANY	1998 (RETIREMENTS) PER COMPANY	1998 YEAR END PLANT VALUE PER RUO	1998 DEPRECIATION EXPENSE PER RUO	1998 ACCUMULATED DEPRECIATION PER RUO	1998 YEAR END NET PLANT PER RUO	1999 ADDITIONS PER COMPANY	1999 (RETIREMENTS) PER COMPANY	1999 YEAR END PLANT VALUE PER RUO	1999 DEPRECIATION EXPENSE PER RUO	1999 ACCUMULATED DEPRECIATION PER RUO	1999 YEAR END NET PLANT PER RUO
1	301.0	INTANGIBLES ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES PATENTS*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY LAND - WATER RIGHTS*	25	0	765	0	0	765	254	0	1,016	0	0	1,016
5	310.2	SOURCE OF SUPPLY LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
7	314.0	SOURCE OF SUPPLY WELLS	0	0	0	0	0	0	0	0	0	0	0	0
8	320.0	PUMPING PLANT LAND*	0	0	3,208	0	0	3,208	0	0	3,208	0	0	3,208
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	1,480	78	1,480	1,555	0	0	3,015	78	1,558	3,145
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	1,799	0	67,051	1,713	29,947	37,104	871	0	67,922	1,748	31,695	36,227
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
14	331.1	WATER TREATMENT PLANT: OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
15	331.2	WATER TREATMENT PLANT: TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
16	340.0	TRANSMISSION & DISTRIBUTION LAND RIGHTS - FEES*	0	0	6,065	0	0	6,065	0	0	6,065	0	0	6,065
17	341.0	TRANSMISSION & DISTRIBUTION LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
18	341.1	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
19	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	159,438	4,129	76,635	82,803	0	0	159,438	4,129	80,764	78,674
20	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	660,360	18,668	203,866	456,464	81,214	(16)	741,558	18,155	222,035	519,523
21	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	35,466	(1,859)	104	3	51	53	0	0	104	3	54	50
22	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	4,032	(78)	207,084	5,311	85,410	141,674	3,475	(228)	208,333	5,406	70,589	139,744
23	348.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	48,310	1,252	20,679	27,631	0	0	48,310	1,251	21,930	26,380
24	348.1	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	31,019	803	15,223	15,796	0	0	31,019	803	16,026	14,993
25	388.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
26	388.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: LAND - MISC.	0	0	0	0	0	0	0	0	0	0	0	0
28	390.2	GENERAL PLANT: OFFICE BUILDINGS	0	0	34,987	906	17,170	17,817	0	0	34,987	906	18,076	16,911
29	390.3	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	11,424	296	1,533	9,891	0	0	11,424	296	1,826	9,595
30	391.0	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
31	391.1	GENERAL PLANT: OFFICE EQUIPMENT	0	0	5,562	144	2,730	2,832	0	0	5,562	144	2,874	2,688
32	391.2	GENERAL PLANT: ELECTRICAL EQUIPMENT	191	2	191	2	282	2,497	0	0	2,779	72	2,425	2,425
33	393.0	GENERAL PLANT: OFFICE FURNITURE	0	0	193	5	50	143	0	0	193	5	184	184
34	394.0	GENERAL PLANT: T/C HOUSE EQUIPMENT	0	0	7,029	182	3,442	3,587	0	0	7,029	182	3,624	3,405
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	1,104	84	1,104	2,130	0	0	1,104	84	2,046	2,046
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	12,579	325	6,162	6,393	0	0	12,579	325	6,487	6,068
38	397.1	GENERAL PLANT: MOBILE RADIOS	235	0	235	45	158	77	0	0	235	45	158	77
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	1,743	45	158	1,585	1,428	0	3,171	64	2,639	2,725
40	398.0	GENERAL PLANT: MISC.	0	0	788	20	174	614	0	0	788	20	152	636
41		TOTALS	\$41,748	(\$1,937)	\$1,267,163	\$32,044	\$446,138	\$820,277	\$57,319	(\$242)	\$1,354,240	\$33,684	\$479,650	\$874,690

ACCT. NO.	PLANT ACCOUNT NAME	2000 ADDITIONS PER COMPANY	2000 (RETIREMENTS) PER COMPANY	2000 YEAR END PLANT VALUE PER RUO	2000 DEPRECIATION EXPENSE PER RUO	2000 ACCUMULATED DEPRECIATION PER RUO	2000 YEAR END NET PLANT PER RUO	2001 ADDITIONS PER COMPANY	2001 (RETIREMENTS) PER COMPANY	2001 YEAR END PLANT VALUE PER RUO	2001 DEPRECIATION EXPENSE PER RUO	2001 ACCUMULATED DEPRECIATION PER RUO	2001 YEAR END NET PLANT PER RUO	
46	301.0	INTANGIBLES ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
47	302.0	INTANGIBLES FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	
48	303.0	INTANGIBLES PATENTS*	0	0	0	0	0	0	0	0	0	0	0	
49	310.1	SOURCE OF SUPPLY LAND - WATER RIGHTS*	199	0	1,218	0	0	63	0	1,271	0	0	1,271	
50	310.2	SOURCE OF SUPPLY LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	
51	310.3	SOURCE OF SUPPLY LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	
52	314.0	SOURCE OF SUPPLY WELLS	0	0	0	0	0	0	0	0	0	0	0	
53	320.0	PUMPING PLANT LAND*	0	0	3,208	0	3,208	0	0	3,208	0	0	3,208	
54	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	170	0	66,062	1,761	1,636	3,015	0	69,548	1,762	35,239	34,309	
55	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	
56	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	
57	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	
58	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	
59	331.1	WATER TREATMENT PLANT: OFFICE BUILDINGS	0	0	6,065	0	6,065	0	0	6,065	0	0	6,065	
60	331.2	WATER TREATMENT PLANT: TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	
61	340.0	TRANSMISSION & DISTRIBUTION LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	
62	341.0	TRANSMISSION & DISTRIBUTION LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	
63	341.1	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	
64	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	159,438	4,129	84,694	679	0	160,117	4,130	89,032	71,086	
65	343.0	TRANSMISSION & DISTRIBUTION: MAINS	103,210	(3,703)	841,065	20,495	238,827	101,409	(1,924)	940,550	23,072	299,875	660,575	
66	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	104	3	56	48	0	104	3	59	45	
67	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	6,375	(378)	216,330	5,525	75,736	140,594	16,501	232,283	5,810	80,988	151,285	
68	346.0	TRANSMISSION & DISTRIBUTION: METERS	609	(152)	48,767	1,257	23,035	25,732	16	48,767	1,253	24,299	24,484	
69	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	8,543	(709)	38,853	905	16,222	22,631	2,308	41,161	1,036	17,258	23,903	
70	388.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	
71	388.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	
72	390.1	GENERAL PLANT: LAND - MISC.	0	0	0	0	0	0	0	0	0	0	0	
73	390.2	GENERAL PLANT: OFFICE BUILDINGS	0	0	34,987	906	18,983	16,004	0	34,987	906	19,889	15,098	
74	390.3	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	11,424	296	2,125	9,299	0	11,424	296	2,421	9,003	
75	391.0	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	
76	391.1	GENERAL PLANT: OFFICE EQUIPMENT	0	0	5,562	144	3,018	2,544	0	5,562	144	3,162	2,460	
77	391.2	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	2,779	72	2,363	2,428	314	3,093	76	3,521	2,691	
78	391.3	GENERAL PLANT: OFFICE FURNITURE	0	0	193	5	12	179	0	193	5	17	174	
79	391.4	GENERAL PLANT: T/C HOUSE EQUIPMENT	0	0	7,029	182	3,806	3,223	203	7,232	185	3,991	3,241	
80	393.0	GENERAL PLANT: LAB EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	
81	394.0	GENERAL PLANT: POWER EQUIPMENT	0	0	1,104	84	1,272	1,992	0	1,104	84	2,324	1,878	
82	395.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	12,555	325	6,812	5,743	0	12,555	325	7,137	5,418	
83	396.0	GENERAL PLANT: MOBILE RADIOS	0	0	28	9	356	328	0	28	9	356	319	
84	397.0	GENERAL PLANT: AUTO CONTROLS	0	0	3,171	82	304	2,887	0	3,171	82	306	2,785	
85	397.1	GENERAL PLANT: MISC.	0	0	788	20	152	614	0	788	20	152	595	
86		TOTALS	\$119,108	(\$4,942)	\$1,468,404	\$38,298	\$510,922	\$566,193	\$122,939	(\$2,472)	\$1,588,671	\$39,919	\$547,710	\$1,041,101

REFERENCE COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 *NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2002 ADDITIONS PER COMPANY	2002 (RETIREMENTS) PER COMPANY	2002 YEAR END NET PLANT VALUE PER RUO	2002 DEPRECIATION EXPENSE PER RUO	2002 ACCUMULATED DEPRECIATION PER RUO	2002 YEAR END NET PLANT VALUE PER RUO	2003 ADDITIONS PER COMPANY	2003 (RETIREMENTS) PER COMPANY	2003 YEAR END NET PLANT VALUE PER RUO	2003 DEPRECIATION EXPENSE PER RUO	2003 ACCUMULATED DEPRECIATION PER RUO	2003 YEAR END NET PLANT VALUE PER RUO
1	301.0	INTANGIBLES ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES MISC*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	625	0	1,896	0	0	2,916	1,020	0	2,916	0	0	2,916
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
7	320.0	PUMPING PLANT: LAND - WELLS	0	0	0	0	0	0	0	0	0	0	0	0
8	320.0	PUMPING PLANT: LAND*	0	0	3,208	0	0	3,208	0	0	3,208	0	0	3,208
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	3,015	78	1,792	3,015	0	0	3,015	78	1,870	3,015
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	2,117	0	71,665	1,829	37,668	34,587	2,336	0	74,001	1,866	38,964	35,047
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	6,065	0	0	6,065	0	0	6,065	0	0	6,065
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	240	0	160,357	4,150	93,182	67,175	2,153	0	160,357	4,153	97,335	63,022
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	45,868	0	982,792	24,907	281,596	701,536	2,153	0	994,945	25,482	305,738	678,207
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	3	62	42	0	0	104	3	65	39
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	9,475	(394)	241,164	6,174	86,738	154,627	2,679	0	244,044	6,286	93,024	151,020
22	346.0	TRANSMISSION & DISTRIBUTION: RELAYS	1,427	(339)	48,593	1,527	23,324	24,239	0	(135)	48,397	1,280	26,409	22,969
23	347.0	TRANSMISSION & DISTRIBUTION: TOWERS	0	0	0	0	0	0	0	0	0	0	0	0
24	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	(526)	48,635	1,059	17,782	22,644	90	0	41,536	1,064	18,666	22,660
25	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
26	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	34,987	906	20,795	14,192	0	0	34,987	906	21,701	13,285
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	11,424	296	2,717	8,707	0	0	11,424	296	3,013	8,411
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	535	0	5,562	144	3,306	2,256	0	0	5,562	144	3,450	2,112
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	3,628	87	589	3,039	0	0	3,628	94	683	2,945
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	181	5	22	169	0	0	181	5	27	164
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	782	0	193	5	70	123	0	0	193	5	75	118
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	8,014	197	4,189	3,825	348	0	8,362	212	4,401	3,961
35	395.0	GENERAL PLANT: LAB EQUIPMENT	2,103	0	2,103	27	27	2,076	0	0	2,103	54	82	2,021
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	12,934	84	1,439	5,083	0	0	12,934	84	1,623	1,711
37	397.1	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	15,958	325	7,462	5,063	0	(1,743)	10,812	303	6,022	4,790
38	397.2	GENERAL PLANT: AUTO EQUIPMENT	0	0	3,171	82	468	2,710	2,101	0	2,457	86	83	2,374
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	0	20	186	166	0	0	186	20	151	2,048
40	398.0	GENERAL PLANT: MISC.	0	0	768	80	263	273	0	0	768	82	273	2,048
41		TOTALS	\$62,773	(\$4,854)	\$1,646,790	\$41,621	\$564,536	\$1,061,506	\$11,566	(\$1,870)	\$1,656,478	\$42,475	\$625,133	\$1,031,395
42		BALANCES PER COMPANY									\$ 1,656,478			\$ 624,244
43														
44		BALANCES PER RUO									\$ 1,656,478			\$ 625,133
45														
46		TOTAL ADJUSTMENTS									\$ -			\$ 889
47														

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION

NOTE:
 * NON-DEPRECIABLE PLANT
 ** LEASEHOLD IMPROVEMENT

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 AJO SYSTEM

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-5

RATE BASE ADJ. #2 - RESTATE ALLOCATED PHOENIX OFFICE
 & METER SHOP AND ACCUMULATED DEPRECIATION

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>TEST YEAR COMPANY</u>
1	GROSS PHOENIX OFFICE PLANT	\$ 4,999,117
2	GROSS METER SHOP	<u>113,608</u>
3	GROSS PHOENIX OFFICE PLANT & METER SHOP	\$ 5,112,725
4	TIMES: ALLOCATION FACTOR	<u>0.0095</u>
5	ALLOCATED GROSS PHOENIX OFFICE PLANT & METER SHOP	\$ 48,571
6	NET ALLOCATED PHOENIX OFFICE PLANT & METER SHOP	<u>43,498</u>
7	RUCO ADJUSTMENT TO PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION	<u>\$ 5,073</u>

REFERENCES:

- LINE 1: COMPANY SCHEDULE B-2 PAGE 7
- LINE 2: COMPANY SCHEDULE B-2 PAGE 8
- LINE 3: LINE 1 + LINE 2
- LINE 4: COMPANY SCHEDULE B-1 PAGE 2
- LINE 5: LINE 3 x LINE 4
- LINE 6: COMPANY SCHEDULE B-1 PAGE 2 (SUM OF LINES 6 AND 7)
- LINE 7: LINE 5 - LINE 6

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2003
AJD SYSTEM
RATE BASE ADJUSTMENT #3 - ACCUMULATED DEPRECIATION - PHOENIX OFFICE

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1990 PLANT VALUE PER COMPANY	1990 ACCUM. DEPR. PER COMPANY	1990 NET PLANT PER PRIOR ACC PER COMPANY	1990 ADDITIONS PER COMPANY	1991 (RETIREMENTS) PER COMPANY	1991 YEAR END NET PLANT VALUE PER RUCCO	1991 DEPRECIATION EXPENSE PER RUCCO	1991 ACCUMULATED DEPRECIATION PER RUCCO	1991 YEAR END NET PLANT VALUE PER RUCCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$651	\$0	\$651	\$0	\$0	\$651	\$0	\$0	\$651
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.*	8,496	0	8,496	0	0	8,496	0	0	8,496
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	0	0	0	0	0	0	0
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	0	0	0	0	0	0	0
8	320.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0
10	325.0	PUMPING PLANT: MECHANICAL EQUIPMENT	0	0	0	0	0	0	0	0	0
11	326.0	WATER TREATMENT PLANT: LAND	0	0	0	0	0	0	0	0	0
12	327.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	0	0	0	0	0	0	0
22	346.0	TRANSMISSION & DISTRIBUTION: HEADS	0	0	0	0	0	0	0	0	0
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0
24	349.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT: LAND - MISC.*	530,962	1,901	529,061	10,977	0	541,939	424	2,325	538,614
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0
29	390.3	GENERAL PLANT: MISC. BUILDINGS	3,478	378	3,100	542	0	4,020	91	488	3,552
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	547,751	59,472	488,279	0	(1,389)	488,279	13,239	71,311	475,041
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	888,103	97,511	790,592	115,709	0	1,013,612	23,134	120,645	893,167
32	391.2	GENERAL PLANT: OFFICE FURNITURE	89,900	9,717	80,183	5,125	0	85,308	2,228	11,945	82,680
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	27,077	0	27,077	2,470	0	29,547	30	30	2,440
34	395.0	GENERAL PLANT: LAB EQUIPMENT	51	2,686	2,737	63	0	2,800	655	3,581	23,529
35	396.0	GENERAL PLANT: POWER EQUIPMENT	46	0	46	0	0	46	0	0	46
36	396.0	GENERAL PLANT: POWER EQUIPMENT	46	0	46	0	(510)	(464)	0	(516)	0
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	41,418	4,497	36,921	1,344	0	41,418	1,002	5,489	35,939
38	397.1	GENERAL PLANT: MOBILE RADIOS	8,656	940	7,716	0	0	10,000	226	1,166	8,834
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	0	0	0	0	0	0	0
40	398.0	GENERAL PLANT: MISC.	3,939	428	3,511	0	0	3,939	95	523	3,416
41		TOTALS	\$2,160,242	\$177,785	\$1,982,457	\$198,250	(\$1,809)	\$2,294,383	\$41,119	\$218,995	\$2,077,388
42											
43											
44											
45											
46											
47											
48											
49	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$651	\$0	\$0	\$651	\$0	\$0	\$651
50	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0
51	303.0	INTANGIBLES: MISC.*	8,496	0	8,496	0	0	8,496	0	0	8,496
52	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0
53	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0
54	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	0	0	0	0	0	0	0
55	314.0	SOURCE OF SUPPLY: WELLS	0	0	0	0	0	0	0	0	0
56	320.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0
57	321.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0
58	325.0	PUMPING PLANT: MECHANICAL EQUIPMENT	0	0	0	0	0	0	0	0	0
59	326.0	WATER TREATMENT PLANT: LAND	0	0	0	0	0	0	0	0	0
60	327.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0
61	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0
62	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0
63	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0
64	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0
65	342.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0
66	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0
67	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0
68	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	0	0	0	0	0	0	0
69	346.0	TRANSMISSION & DISTRIBUTION: HEADS	0	0	0	0	0	0	0	0	0
70	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0
71	349.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0
72	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0
73	389.3	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0
74	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	541,939	424	2,749	538,190	12,076	3,203	550,812
75	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0
76	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	4,020	97	566	4,683	104	670	4,310
77	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	481,819	0	84,533	566,352	14,115	95,869	447,704
78	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	1,137,117	26,026	146,672	1,309,815	32,161	178,726	1,167,630
79	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	96,429	2,312	12,447	108,876	2,749	11,477	84,243
80	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	(1,810)	2,470	60	90	2,380	64	154	2,316
81	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	27,150	657	4,247	22,903	712	4,960	22,874
82	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	46	0	0	46	0	0	46
83	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	(50)	(12)	(529)	43	1	(942)	0
84	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	(50)	(12)	(529)	43	1	(942)	0
85	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	41,418	1,002	6,502	48,920	(13)	1,784	37,862
86	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	11,775	263	1,429	13,204	306	1,734	10,470
87	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	0	0	0	0	0	0	0
88	398.0	GENERAL PLANT: MISC.	0	0	3,939	95	618	3,939	102	720	3,219
89		TOTALS	\$1,824,724	(\$1,810)	\$2,421,287	\$44,147	(\$259,332)	\$2,616,955	\$51,616	\$304,607	\$2,312,348

REFERENCE:
COMPANY WORKPAPERS PROVIDED WITH APPLICATION
NOTE:
*NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1994 ADDITIONS PER COMPANY	1984 (RETIREMENTS) PER COMPANY	1984 YEAR END PLANT VALUE PER RUCCO	1994 DEPRECIATION EXPENSE PER RUCCO	1994 ACCUMULATED DEPRECIATION PER RUCCO	1994 YEAR END NET PLANT PER RUCCO	1995 ADDITIONS PER COMPANY	1985 (RETIREMENTS) PER COMPANY	1985 YEAR END PLANT VALUE PER RUCCO	1995 DEPRECIATION EXPENSE PER RUCCO	1995 ACCUMULATED DEPRECIATION PER RUCCO	1995 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$651	\$0	\$0	\$651	\$0	\$0	\$651	\$0	\$0	\$651
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.*	0	0	8,496	0	0	8,496	0	0	8,496	0	0	8,496
4	310.1	SOURCE OF SUPPLY, LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY, LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY, LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
7	314.0	SOURCE OF SUPPLY, WELLS	0	0	0	0	0	0	0	0	0	0	0	0
8	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	326.0	PUMPING PLANT: MECHANICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0	0	0	0
20	345.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
21	345.1	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	0	0	0	0	0	0	0	0	0	0
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0	0	0	0
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
24	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	17,033	0	571,048	454	3,656	567,392	9,407	0	580,485	454	4,110	576,345
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	4,020	0	0	4,020	0	0	4,020	0	0	4,020
30	391.0	GENERAL PLANT: OFFICE FURNITURE	110,780	(5,960)	1,257,013	104	103,774	1,337,013	265,496	0	1,115,534	104	117,664	1,468,229
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	15,186	(100)	36,304	36,304	1,214,809	1,287,309	7,313	0	1,115,534	36,304	256,165	1,468,229
32	391.2	GENERAL PLANT: OFFICE FURNITURE	15,186	0	110,906	2,576	14,153	146,755	7,313	0	146,755	2,576	17,262	158,000
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	2,470	64	218	2,652	203	0	2,470	64	2,604	2,188
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	27,834	721	5,660	22,164	203	0	28,037	724	6,404	21,633
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	51	1	(555)	11	0	0	51	1	12	39
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	(510)	(13)	(555)	45	0	0	(510)	(13)	(568)	58
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	2,306	0	45,509	1,179	8,806	36,703	4,564	0	50,073	1,238	10,044	40,029
38	397.1	GENERAL PLANT: MOBILE RADIOS	488	0	14,081	335	2,069	12,012	0	0	14,081	385	2,434	11,647
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	488	6	6	482	0	0	488	12	18	405
40	398.0	GENERAL PLANT: MISC.	0	0	3,939	822	3,857	3,939	0	0	3,939	102	924	3,015
41		TOTALS	\$148,773	(\$5,060)	\$2,733,912	\$55,833	\$364,460	\$2,425,286	\$285,965	\$0	\$3,070,587	\$91,177	\$415,987	\$2,655,000

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1996 ADDITIONS PER COMPANY	1986 (RETIREMENTS) PER COMPANY	1986 YEAR END PLANT VALUE PER RUCCO	1996 DEPRECIATION EXPENSE PER RUCCO	1996 ACCUMULATED DEPRECIATION PER RUCCO	1996 YEAR END NET PLANT PER RUCCO	1997 ADDITIONS PER COMPANY	1987 (RETIREMENTS) PER COMPANY	1987 YEAR END PLANT VALUE PER RUCCO	1997 DEPRECIATION EXPENSE PER RUCCO	1997 ACCUMULATED DEPRECIATION PER RUCCO	1997 YEAR END NET PLANT PER RUCCO
49	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$651	\$0	\$0	\$651	\$0	\$0	\$651	\$0	\$0	\$651
50	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
51	303.0	INTANGIBLES: MISC.*	0	0	8,496	0	0	8,496	0	0	8,496	0	0	8,496
52	310.1	SOURCE OF SUPPLY, LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
53	310.2	SOURCE OF SUPPLY, LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
54	310.3	SOURCE OF SUPPLY, LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
55	314.0	SOURCE OF SUPPLY, WELLS	0	0	0	0	0	0	0	0	0	0	0	0
56	320.0	PUMPING PLANT: LAND*	0	0	604	8	8	596	(604)	0	0	8	(598)	566
57	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
58	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
59	326.0	PUMPING PLANT: MECHANICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
60	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
61	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
62	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
63	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
64	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
65	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
66	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
67	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0	0	0	0
68	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
69	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	0	0	0	0	0	0	0	0	0	0
70	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0	0	0	0
71	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
72	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
73	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
74	389.3	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
75	390.1	GENERAL PLANT: OFFICE BUILDINGS	9,971	0	590,426	454	4,563	585,863	11,226	0	601,652	454	5,017	596,635
76	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
77	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	4,020	0	0	4,020	0	0	4,020	0	0	4,020
78	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	(24,401)	513,212	13,608	107,041	406,171	0	0	512,467	13,283	118,589	392,888
79	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	78,774	(17,770)	1,493,538	45,404	283,739	1,499,799	289,995	(725)	2,049,664	49,640	328,509	1,720,155
80	391.2	GENERAL PLANT: OFFICE FURNITURE	24,572	0	142,791	3,380	20,500	122,291	9,338	0	152,117	3,819	24,320	127,797
81	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	2,470	64	346	2,124	0	0	2,470	64	2,410	2,060
82	394.0	GENERAL PLANT: GARAGE EQUIPMENT	1,050	0	29,087	740	7,144	21,943	0	0	29,087	753	7,887	21,190
83	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	51	1	(555)	38	0	0	51	1	15	38
84	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	(510)	(13)	(555)	45	0	0	(510)	(13)	(568)	45
85	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	50,073	1,297	11,341	38,723	0	0	50,073	1,238	12,581	37,442
86	397.1	GENERAL PLANT: MOBILE RADIOS	5,743	0	19,824	439	2,873	16,951	6,082	0	25,886	582	3,485	21,401
87	397.2	GENERAL PLANT: AUTO CONTROLS	743	0	1,211	6	6	1,211	0	0	1,211	6	71	1,140
88	398.0	GENERAL PLANT: MISC.	1,227	0	5,166	118	1,042	4,124	396	0	5,562	138	1,181	4,381
89		TOTALS	\$122,684	(\$42,171)	\$3,151,110	\$65,825	\$439,051	\$2,707,011	\$297,025	(\$5,199)	\$3,442,917	\$70,172	\$504,024	\$2,938,893

REFERENCE COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE: *NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1998 ADDITIONS PER COMPANY	1998 (RETIREMENTS) PER COMPANY	1998 YEAR END PLANT VALUE PER RUCCO	1998 DEPRECIATION EXPENSE PER RUCCO	1998 ACCUMULATED DEPRECIATION PER RUCCO	1998 YEAR END NET PLANT PER RUCCO	1999 ADDITIONS PER COMPANY	1999 (RETIREMENTS) PER COMPANY	1999 YEAR END PLANT VALUE PER RUCCO	1999 DEPRECIATION EXPENSE PER RUCCO	1999 ACCUMULATED DEPRECIATION PER RUCCO	1999 YEAR END NET PLANT PER RUCCO
1	3010	INTANGIBLES: ORGANIZATION*	\$0		\$651	\$0	\$0	\$651	\$0	\$0	\$651	\$0	\$0	\$651
2	3020	INTANGIBLES: FRANCHISES*			0	0	0	0			0	0	0	0
3	3030	INTANGIBLES: MISC.			8,496	0	0	8,496			8,496	0	0	8,496
4	3101	SOURCE OF SUPPLY: LAND - WATER RIGHTS*			0	0	0	0			0	0	0	0
5	3102	SOURCE OF SUPPLY: LAND - RESERVOIRS*			0	0	0	0			0	0	0	0
6	3103	SOURCE OF SUPPLY: LAND - WELLS*			0	0	0	0			0	0	0	0
7	3140	SOURCE OF SUPPLY: WELLS			568	0	(568)	0			568	0	(568)	568
8	3200	PUMPING PLANT: LAND*			0	0	0	0			0	0	0	0
9	3210	PUMPING PLANT: STRUCTURES & IMPROVEMENTS			0	0	0	0			0	0	0	0
10	3250	PUMPING PLANT: ELECTRICAL EQUIPMENT			0	0	0	0			0	0	0	0
11	3280	PUMPING PLANT: GAS ENGINE EQUIPMENT			0	0	0	0			0	0	0	0
12	3300	WATER TREATMENT PLANT: LAND*			0	0	0	0			0	0	0	0
13	3310	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS			0	0	0	0			0	0	0	0
14	3320	WATER TREATMENT PLANT: EQUIPMENT			0	0	0	0			0	0	0	0
15	3400	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*			0	0	0	0			0	0	0	0
16	3410	TRANSMISSION & DISTRIBUTION: LAND - RIGHTS - FEES*			0	0	0	0			0	0	0	0
17	3420	TRANSMISSION & DISTRIBUTION: STRUCTURES			0	0	0	0			0	0	0	0
18	3430	TRANSMISSION & DISTRIBUTION: STORAGE TANKS			0	0	0	0			0	0	0	0
19	3440	TRANSMISSION & DISTRIBUTION: MAINS			0	0	0	0			0	0	0	0
20	3450	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS			0	0	0	0			0	0	0	0
21	3460	TRANSMISSION & DISTRIBUTION: SERVICES			0	0	0	0			0	0	0	0
22	3480	TRANSMISSION & DISTRIBUTION: METERS			0	0	0	0			0	0	0	0
23	3480	TRANSMISSION & DISTRIBUTION: HYDRANTS			0	0	0	0			0	0	0	0
24	3881	GENERAL PLANT: LAND - OFFICE*			0	0	0	0			0	0	0	0
25	3882	GENERAL PLANT: LAND - WAREHOUSE*			0	0	0	0			0	0	0	0
26	3883	GENERAL PLANT: LAND - MISC.			0	0	0	0			0	0	0	0
27	3883	GENERAL PLANT: OFFICE BUILDINGS	32,376		634,027	454	5,471	628,556	9,331		643,358	454	5,924	637,434
28	3902	GENERAL PLANT: WAREHOUSE BUILDINGS			0	0	0	0			0	0	0	0
29	3903	GENERAL PLANT: MISC. BUILDINGS	10,282		14,280	231	1,323	12,959			14,280	370	1,693	12,589
30	3910	GENERAL PLANT: ELECTRICAL EQUIPMENT			512,290	13,271	132,323	379,967			512,290	13,288	145,941	386,349
31	3911	GENERAL PLANT: OFFICE EQUIPMENT	67,502	(197)	1,710,581	48,655	(28,401)	1,738,981	196,337	(220,044)	1,685,754	43,995	(204,449)	1,891,203
32	3912	GENERAL PLANT: OFFICE FURNITURE	12,072		184,189	4,096	28,416	155,773	2,700		169,479	4,287	32,103	154,195
33	3930	GENERAL PLANT: WAREHOUSE EQUIPMENT			2,470	64	473	1,997	1,235		1,997	758	6,411	19,872
34	3940	GENERAL PLANT: GARAGE EQUIPMENT			28,284	756	8,653	20,631			29,284	758	8,411	19,872
35	3950	GENERAL PLANT: LAB EQUIPMENT	197		51	1	16	35	928		977	29	948	948
36	3960	GENERAL PLANT: POWER EQUIPMENT			(510)	(13)	(608)	98			(510)	(13)	(621)	111
37	3970	GENERAL PLANT: COMMUNICATIONS EQUIPMENT			50,073	1,297	13,934	36,139			50,073	1,297	15,231	34,842
38	3971	GENERAL PLANT: MOBILE RADIOS	2,284		28,170	700	4,165	24,005	46,675		74,845	1,334	5,489	69,346
39	3972	GENERAL PLANT: TELEPHONE CONTROLS	20		1,211	31	103	1,108			1,211	31	134	1,077
40	3980	GENERAL PLANT: MISC.	20		5,957	149	1,329	5,628	123		5,957	149	1,482	4,468
41		TOTALS	\$124,987	(\$405,925)	\$3,101,102	\$69,737	(\$16,959)	\$2,984,134	\$257,727	(\$220,044)	\$3,198,285	\$59,029	\$12,944	\$3,185,341

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2000 ADDITIONS PER COMPANY	2000 (RETIREMENTS) PER COMPANY	2000 YEAR END PLANT VALUE PER RUCCO	2000 DEPRECIATION EXPENSE PER RUCCO	2000 ACCUMULATED DEPRECIATION PER RUCCO	2000 YEAR END NET PLANT PER RUCCO	2001 ADDITIONS PER COMPANY	2001 (RETIREMENTS) PER COMPANY	2001 YEAR END PLANT VALUE PER RUCCO	2001 DEPRECIATION EXPENSE PER RUCCO	2001 ACCUMULATED DEPRECIATION PER RUCCO	2001 YEAR END NET PLANT PER RUCCO
49	3010	INTANGIBLES: ORGANIZATION*	\$0		\$651	\$0	\$0	\$651	\$0	\$0	\$651	\$0	\$0	\$651
50	3020	INTANGIBLES: FRANCHISES*			0	0	0	0			0	0	0	0
51	3030	INTANGIBLES: MISC.			8,496	0	0	8,496			8,496	0	0	8,496
52	3101	SOURCE OF SUPPLY: LAND - WATER RIGHTS*			0	0	0	0			0	0	0	0
53	3102	SOURCE OF SUPPLY: LAND - RESERVOIRS*			0	0	0	0			0	0	0	0
54	3103	SOURCE OF SUPPLY: LAND - WELLS*			0	0	0	0			0	0	0	0
55	3140	SOURCE OF SUPPLY: WELLS			568	0	(568)	0			568	0	(568)	568
56	3200	PUMPING PLANT: LAND*			0	0	0	0			0	0	0	0
57	3210	PUMPING PLANT: STRUCTURES & IMPROVEMENTS			0	0	0	0			0	0	0	0
58	3250	PUMPING PLANT: ELECTRICAL EQUIPMENT			0	0	0	0			0	0	0	0
59	3280	PUMPING PLANT: GAS ENGINE EQUIPMENT			0	0	0	0			0	0	0	0
60	3300	WATER TREATMENT PLANT: LAND*			0	0	0	0			0	0	0	0
61	3310	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS			0	0	0	0			0	0	0	0
62	3320	WATER TREATMENT PLANT: EQUIPMENT			0	0	0	0			0	0	0	0
63	3400	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*			0	0	0	0			0	0	0	0
64	3410	TRANSMISSION & DISTRIBUTION: LAND - RIGHTS - FEES*			0	0	0	0			0	0	0	0
65	3420	TRANSMISSION & DISTRIBUTION: STRUCTURES			0	0	0	0			0	0	0	0
66	3430	TRANSMISSION & DISTRIBUTION: STORAGE TANKS			0	0	0	0			0	0	0	0
67	3440	TRANSMISSION & DISTRIBUTION: MAINS			0	0	0	0			0	0	0	0
68	3450	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS			0	0	0	0			0	0	0	0
69	3460	TRANSMISSION & DISTRIBUTION: SERVICES			0	0	0	0			0	0	0	0
70	3480	TRANSMISSION & DISTRIBUTION: METERS			0	0	0	0			0	0	0	0
71	3480	TRANSMISSION & DISTRIBUTION: HYDRANTS			0	0	0	0			0	0	0	0
72	3881	GENERAL PLANT: LAND - OFFICE*			0	0	0	0			0	0	0	0
73	3882	GENERAL PLANT: LAND - WAREHOUSE*			0	0	0	0			0	0	0	0
74	3883	GENERAL PLANT: LAND - MISC.			0	0	0	0			0	0	0	0
75	3883	GENERAL PLANT: OFFICE BUILDINGS	73,580		716,938	454	6,378	710,560	11,791		728,729	454	6,831	721,898
76	3902	GENERAL PLANT: WAREHOUSE BUILDINGS			0	0	0	0			0	0	0	0
77	3903	GENERAL PLANT: MISC. BUILDINGS			14,280	370	2,063	12,219			14,280	370	2,433	11,849
78	3910	GENERAL PLANT: ELECTRICAL EQUIPMENT			512,290	13,288	152,910	359,380			512,290	13,288	172,478	339,812
79	3911	GENERAL PLANT: OFFICE EQUIPMENT	312,681		1,989,435	47,736	(156,711)	2,453,980			2,282,879	55,458	(194,889)	2,777,768
80	3912	GENERAL PLANT: OFFICE FURNITURE	14,611		181,500	4,512	37,215	144,285	1,983	(80,632)	165,463	4,727	41,941	141,542
81	3930	GENERAL PLANT: WAREHOUSE EQUIPMENT			3,705	649	3,056	649			3,705	649	3,056	649
82	3940	GENERAL PLANT: GARAGE EQUIPMENT			29,284	758	10,170	19,114	709		29,993	758	10,893	19,055
83	3950	GENERAL PLANT: LAB EQUIPMENT			977	25	55	922			977	25	80	897
84	3960	GENERAL PLANT: POWER EQUIPMENT			(510)	(13)	(634)	124			(510)	(13)	(647)	137
85	3970	GENERAL PLANT: COMMUNICATIONS EQUIPMENT			50,073	1,297	16,528	33,545			50,073	1,297	17,825	32,248
86	3971	GENERAL PLANT: MOBILE RADIOS	2,507		77,352	1,971	7,470	69,882	3,950		81,302	2,055	13,474	67,828
87	3972	GENERAL PLANT: TELEPHONE CONTROLS	343		1,954	36	170	1,784			1,954	36	210	1,344
88	3980	GENERAL PLANT: MISC.	20		5,950	155	1,482	5,695			5,950	155	1,792	4,188
89		TOTALS	\$403,722	\$0	\$3,602,007	\$70,665	\$83,609	\$3,518,397	\$391,559	(\$89,652)	\$3,903,854	\$79,697	\$12,924	\$3,824,151

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 * - NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2002 ADDITIONS PER COMPANY	2002 (RETIREMENTS) PER COMPANY	2002 YEAR END PLANT VALUE PER RUCCO	2002 DEPRECIATION EXPENSE PER RUCCO	2002 ACCUMULATED DEPRECIATION PER RUCCO	2002 YEAR END NET PLANT PER RUCCO	2003 ADDITIONS PER COMPANY	2003 (RETIREMENTS) PER COMPANY	2003 YEAR END PLANT VALUE PER RUCCO	2003 DEPRECIATION EXPENSE PER RUCCO	2003 ACCUMULATED DEPRECIATION PER RUCCO	2003 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES ORGANIZATION*	\$0	\$0	\$651	\$0	\$0	\$651	\$0	\$0	\$651	\$0	\$0	\$651
2	302.0	INTANGIBLES FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES MISC*	0	0	8,496	0	0	8,496	0	0	8,496	0	0	8,496
4	310.1	SOURCE OF SUPPLY LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
7	314.0	SOURCE OF SUPPLY WELLS	0	0	588	(588)	0	588	0	0	588	0	(588)	588
8	320.0	PUMPING PLANT LAND*	0	0	0	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
10	322.0	PUMPING PLANT EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	323.0	PUMPING PLANT ENGINES EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT LAND*	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
14	332.0	WATER TREATMENT PLANT EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
15	340.0	TRANSMISSION & DISTRIBUTION LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
19	343.0	TRANSMISSION & DISTRIBUTION MAINS	0	0	0	0	0	0	0	0	0	0	0	0
20	344.0	TRANSMISSION & DISTRIBUTION FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
21	345.0	TRANSMISSION & DISTRIBUTION SEDES	0	0	0	0	0	0	0	0	0	0	0	0
22	346.0	TRANSMISSION & DISTRIBUTION METERS	0	0	0	0	0	0	0	0	0	0	0	0
23	348.0	TRANSMISSION & DISTRIBUTION HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
24	389.1	GENERAL PLANT LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
25	389.2	GENERAL PLANT LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT LAND - MISC.*	7,215	0	735,944	0	7,285	728,659	548,941	0	1,284,865	0	7,739	1,277,146
27	390.1	GENERAL PLANT WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
28	390.2	GENERAL PLANT OFFICE BUILDINGS	0	0	14,282	0	0	14,282	0	0	14,282	0	0	14,282
29	390.3	GENERAL PLANT MISC. BUILDINGS	0	0	512,290	370	2,903	512,660	0	0	512,290	370	3,173	511,920
30	391.0	GENERAL PLANT OFFICE EQUIPMENT	504,040	(153,472)	2,184,193	13,268	185,195	2,066,266	0	0	2,184,193	13,268	198,016	2,044,435
31	391.1	GENERAL PLANT OFFICE FURNITURE	710	0	184,183	4,785	(2,626)	186,268	165,686	(75,130)	66,771	66,771	(90,083)	3,044,956
32	391.2	GENERAL PLANT OFFICE FURNITURE	0	0	3,705	96	46,703	40,804	54,626	0	3,705	96	59,527	185,956
33	391.3	GENERAL PLANT WAREHOUSE EQUIPMENT	0	0	29,993	777	84	30,770	0	0	30,450	783	12,497	17,953
34	394.0	GENERAL PLANT GARAGE EQUIPMENT	0	0	29,993	777	11,714	18,279	457	0	30,450	25	130	847
35	395.0	GENERAL PLANT LAB EQUIPMENT	0	0	872	25	105	977	0	0	977	(13)	(13)	964
36	396.0	GENERAL PLANT POWER EQUIPMENT	0	0	(510)	(13)	(661)	(1,171)	0	0	(510)	(13)	(674)	164
37	397.0	GENERAL PLANT COMMUNICATIONS EQUIPMENT	0	0	50,073	1,297	19,122	30,951	0	0	50,073	1,297	20,419	29,654
38	387.1	GENERAL PLANT MOBILE RADIOS	2,762	0	84,064	2,141	15,616	68,448	7,874	0	91,938	2,278	17,895	74,043
39	387.2	GENERAL PLANT AUTO CONTROLS	0	0	1,554	40	290	1,844	0	0	1,554	40	291	1,293
40	388.0	GENERAL PLANT MISC.	1,226	0	1,732	171	953	2,981	0	0	2,981	167	2,160	5,056
41	TOTALS		\$515,955	(\$153,472)	\$4,265,365	\$97,654	\$6,206	\$4,253,123	\$607,882	(\$75,130)	\$4,998,117	\$94,035	\$25,110	\$4,974,007
42	BALANCES PER COMPANY										\$ 4,998,117		\$ 9,125	
43	BALANCES PER RUCCO										\$ 4,998,117		\$ 25,110	
44	DIFFERENCE										\$ -		\$ 15,985	
45	TOTAL ADJUSTMENT FACTOR										0.0095		0.0095	
46	TOTAL ADJUSTMENTS										\$ -		\$ 152	

REFERENCE: COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE: *NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1990 PLANT VALUE PER COMPANY	1990 ACCUM DEPR. PER COMPANY	1990 NET PLANT PER PRIOR ACC PER COMPANY	1991 ADDITIONS PER COMPANY	1991 (RETIREMENTS) PER COMPANY	1991 YEAR END NET PLANT PER RUCO	1991 DEPRECIATION EXPENSE PER RUCO	1991 ACCUMULATED DEPRECIATION PER RUCO	1991 YEAR END NET PLANT PER RUCO
1	301.0	INTANGIBLES ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES FRANCHISES*	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES OTHER*	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY LAND - WELLS*	80	0	80	0	0	80	0	0	80
7	314.0	SOURCE OF SUPPLY WELLS	0	0	0	0	0	0	0	0	0
8	320.0	PUMPING PLANT LAND*	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0
10	325.0	PUMPING PLANT ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0
11	330.0	PUMPING PLANT GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT LAND*	0	0	0	0	0	0	0	0	0
13	330.0	WATER TREATMENT PLANT STRUCTURES & IMPROVEMENTS	2,060	0	2,060	0	0	2,060	0	0	2,060
14	332.0	WATER TREATMENT PLANT EQUIPMENT	370	0	370	0	0	370	50	420	1,830
15	340.0	TRANSMISSION & DISTRIBUTION LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION LAND - RIGHTS - FEES*	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION STRUCTURES	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION STORAGE TANKS	0	0	0	0	0	0	0	0	0
19	343.0	TRANSMISSION & DISTRIBUTION MAINS	4,971	1,095	4,971	0	0	6,066	147	1,242	4,824
20	344.0	TRANSMISSION & DISTRIBUTION FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0
21	345.0	TRANSMISSION & DISTRIBUTION SERVICES	35	8	35	0	0	43	1	9	34
22	346.0	TRANSMISSION & DISTRIBUTION METERS	0	0	0	0	0	0	0	0	0
23	348.0	TRANSMISSION & DISTRIBUTION HYDRANTS	0	0	0	0	0	0	0	0	0
24	388.1	GENERAL PLANT LAND - OFFICE*	0	0	0	0	0	0	0	0	0
25	388.2	GENERAL PLANT LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0
26	388.2	GENERAL PLANT LAND - MISC*	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0
28	390.2	GENERAL PLANT WAREHOUSE BUILDINGS	16,566	2,992	13,574	0	0	16,566	401	3,392	13,174
29	390.3	GENERAL PLANT MISC BUILDINGS	0	0	0	0	0	0	0	0	0
30	391.0	GENERAL PLANT MISC BUILDINGS	742	134	608	0	0	742	18	152	590
31	391.1	GENERAL PLANT OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0
32	391.2	GENERAL PLANT ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0
33	393.0	GENERAL PLANT OFFICE FURNITURE	0	0	0	0	0	0	0	0	0
34	394.0	GENERAL PLANT WAREHOUSE EQUIPMENT	14,969	2,703	12,266	0	0	14,969	362	3,065	11,904
35	395.0	GENERAL PLANT GARAGE EQUIPMENT	2,981	538	2,981	0	0	2,981	72	610	2,371
36	396.0	GENERAL PLANT POWER EQUIPMENT	1,458	263	1,195	0	0	1,458	35	299	1,159
37	397.0	GENERAL PLANT COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0
38	397.1	GENERAL PLANT MOBILE RADIOS	0	0	0	0	0	0	0	0	0
39	397.2	GENERAL PLANT AUTO CONTROLS	0	0	0	0	0	0	0	0	0
40	398.0	GENERAL PLANT MISC	0	0	0	0	0	0	0	0	0
41		TOTALS	\$44,955	\$8,104	\$36,851	\$0	\$0	\$44,955	\$1,096	\$0,190	\$35,765

ACCT. NO.	PLANT ACCOUNT NAME	1992 ADDITIONS PER COMPANY	1992 (RETIREMENTS) PER COMPANY	1992 YEAR END NET PLANT PER RUCO	1992 DEPRECIATION EXPENSE PER RUCO	1992 ACCUMULATED DEPRECIATION PER RUCO	1992 YEAR END NET PLANT PER RUCO	1993 ADDITIONS PER COMPANY	1993 DEPRECIATION EXPENSE PER RUCO	1993 ACCUMULATED DEPRECIATION PER RUCO	1993 YEAR END NET PLANT PER RUCO
49	301.0	INTANGIBLES ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50	302.0	INTANGIBLES FRANCHISES*	0	0	0	0	0	0	0	0	0
51	303.0	INTANGIBLES OTHER*	0	0	0	0	0	0	0	0	0
52	310.1	SOURCE OF SUPPLY LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0
53	310.2	SOURCE OF SUPPLY LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0
54	310.3	SOURCE OF SUPPLY LAND - WELLS*	80	0	80	0	0	0	0	0	80
55	314.0	SOURCE OF SUPPLY WELLS	0	0	0	0	0	0	0	0	0
56	320.0	PUMPING PLANT LAND*	0	0	0	0	0	0	0	0	0
57	321.0	PUMPING PLANT STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0
58	325.0	PUMPING PLANT ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0
59	328.0	PUMPING PLANT GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0
60	330.0	WATER TREATMENT PLANT LAND*	0	0	0	0	0	0	0	0	0
61	331.0	WATER TREATMENT PLANT STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0
62	332.0	WATER TREATMENT PLANT EQUIPMENT	2,050	0	2,050	0	0	2,050	53	523	1,527
63	334.0	WATER TREATMENT PLANT TANKS & MAINS*	0	0	0	0	0	0	0	0	0
64	340.1	TRANSMISSION & DISTRIBUTION LAND - RIGHTS - FEES*	0	0	0	0	0	0	0	0	0
65	341.0	TRANSMISSION & DISTRIBUTION STRUCTURES	0	0	0	0	0	0	0	0	0
66	342.0	TRANSMISSION & DISTRIBUTION STORAGE TANKS	0	0	0	0	0	0	0	0	0
67	343.0	TRANSMISSION & DISTRIBUTION MAINS	6,066	1,389	6,066	147	0	6,066	157	1,548	4,520
68	344.0	TRANSMISSION & DISTRIBUTION FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0
69	345.0	TRANSMISSION & DISTRIBUTION SERVICES	43	10	43	1	0	43	11	11	32
70	346.0	TRANSMISSION & DISTRIBUTION METERS	0	0	0	0	0	0	0	0	0
71	348.0	TRANSMISSION & DISTRIBUTION HYDRANTS	0	0	0	0	0	0	0	0	0
72	389.1	GENERAL PLANT LAND - OFFICE*	0	0	0	0	0	0	0	0	0
73	389.2	GENERAL PLANT LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0
74	389.3	GENERAL PLANT LAND - MISC*	0	0	0	0	0	0	0	0	0
75	390.1	GENERAL PLANT OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0
76	390.2	GENERAL PLANT WAREHOUSE BUILDINGS	16,566	0	16,566	401	0	16,566	429	4,222	12,344
77	390.3	GENERAL PLANT MISC BUILDINGS	0	0	0	0	0	0	0	0	0
78	391.0	GENERAL PLANT MISC BUILDINGS	742	170	742	0	0	742	18	169	553
79	391.1	GENERAL PLANT OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0
80	391.2	GENERAL PLANT ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0
81	393.0	GENERAL PLANT OFFICE FURNITURE	0	0	0	0	0	0	0	0	0
82	394.0	GENERAL PLANT WAREHOUSE EQUIPMENT	14,969	3,428	11,541	362	0	15,302	392	3,820	11,482
83	395.0	GENERAL PLANT GARAGE EQUIPMENT	2,981	683	2,298	72	0	2,981	780	780	2,221
84	396.0	GENERAL PLANT LAB EQUIPMENT	1,458	334	1,124	35	0	1,458	38	372	1,086
85	397.0	GENERAL PLANT COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0
86	397.1	GENERAL PLANT MOBILE RADIOS	0	0	0	0	0	0	0	0	0
87	397.2	GENERAL PLANT AUTO CONTROLS	0	0	0	0	0	0	0	0	0
88	398.0	GENERAL PLANT MISC	0	0	0	0	0	0	0	0	0
89		TOTALS	\$0	\$10,276	\$44,955	\$1,096	\$0	\$45,288	\$1,167	\$11,442	\$33,846

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 * NON-DEPRECIABLE PLANT

LINE NO.	ACCT NO.	PLANT ACCOUNT NAME	1984 ADDITIONS PER COMPANY	1984 (RETIREMENTS) PER COMPANY	1984 YEAR END PLANT VALUE PER RUCCO	1984 DEPRECIATION EXPENSE PER RUCCO	1984 ACCUMULATED DEPRECIATION PER RUCCO	1984 YEAR END NET PLANT PER RUCCO	1985 ADDITIONS PER COMPANY	1985 (RETIREMENTS) PER COMPANY	1985 YEAR END PLANT VALUE PER RUCCO	1985 DEPRECIATION EXPENSE PER RUCCO	1985 ACCUMULATED DEPRECIATION PER RUCCO	1985 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES, ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES, FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES, MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY, LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY, LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY, LAND - WELLS*	0	0	80	0	0	80	0	0	80	0	0	80
7	314.0	SOURCE OF SUPPLY, WELLS	0	0	0	0	0	0	0	0	0	0	0	0
8	320.0	PUMPING PLANT, LAND*	0	0	0	0	0	0	0	0	0	0	0	0
9	320.0	PUMPING PLANT, STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
10	325.0	PUMPING PLANT, ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	326.0	PUMPING PLANT, GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT, LAND*	0	0	0	0	0	0	0	0	0	0	0	0
13	330.0	WATER TREATMENT PLANT, STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
14	330.0	WATER TREATMENT PLANT, EQUIPMENT	0	0	2,050	0	576	1,474	0	0	2,050	53	629	1,421
15	340.0	TRANSMISSION & DISTRIBUTION, LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION, LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION, STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION, STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
19	343.0	TRANSMISSION & DISTRIBUTION, MAINS	0	0	6,066	0	1,703	4,363	0	0	6,066	157	1,860	4,208
20	344.0	TRANSMISSION & DISTRIBUTION, FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
21	345.0	TRANSMISSION & DISTRIBUTION, SERVICES	0	0	43	0	12	31	0	0	43	1	13	30
22	346.0	TRANSMISSION & DISTRIBUTION, METERS	0	0	0	0	0	0	0	0	0	0	0	0
23	346.0	TRANSMISSION & DISTRIBUTION, HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
24	347.0	GENERAL PLANT, LAND*	0	0	0	0	0	0	0	0	0	0	0	0
25	388.2	GENERAL PLANT, LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	398.3	GENERAL PLANT, LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT, OFFICE BUILDINGS	0	0	16,566	0	4,852	11,914	0	0	16,566	429	5,081	11,485
28	390.2	GENERAL PLANT, WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
29	390.3	GENERAL PLANT, MISC. BUILDINGS	0	0	742	0	208	534	0	0	742	19	228	514
30	391.0	GENERAL PLANT, OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
31	391.1	GENERAL PLANT, ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
32	391.2	GENERAL PLANT, OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
33	392.0	GENERAL PLANT, WAREHOUSE EQUIPMENT	0	0	15,529	0	0	0	0	0	15,529	0	0	0
34	394.0	GENERAL PLANT, GARAGE EQUIPMENT	227	0	2,981	0	4,219	11,310	4,710	0	20,239	463	4,682	15,557
35	396.0	GENERAL PLANT, LAB EQUIPMENT	0	0	1,468	0	837	2,144	0	0	2,081	77	614	2,087
36	397.0	GENERAL PLANT, COMMUNICATIONS EQUIPMENT	0	0	0	0	409	1,049	0	0	1,458	38	447	1,011
37	397.0	GENERAL PLANT, MOBILE RADIOS	0	0	0	0	0	0	0	0	0	0	0	0
38	397.0	GENERAL PLANT, AUTO CONTROLS	0	0	0	0	0	0	0	0	0	0	0	0
39	397.2	GENERAL PLANT, AUTO CONTROLS	0	0	0	0	0	0	0	0	0	0	0	0
40	398.0	GENERAL PLANT, MISC.	0	0	0	0	0	0	0	0	0	0	0	0
41		TOTALS	\$227	\$0	\$45,515	\$1,174	\$12,616	\$32,899	\$4,710	\$0	\$50,225	\$1,238	\$13,854	\$36,371

LINE NO.	ACCT NO.	PLANT ACCOUNT NAME	1986 ADDITIONS PER COMPANY	1986 (RETIREMENTS) PER COMPANY	1986 YEAR END PLANT VALUE PER RUCCO	1986 DEPRECIATION EXPENSE PER RUCCO	1986 ACCUMULATED DEPRECIATION PER RUCCO	1986 YEAR END NET PLANT PER RUCCO	1987 ADDITIONS PER COMPANY	1987 (RETIREMENTS) PER COMPANY	1987 YEAR END PLANT VALUE PER RUCCO	1987 DEPRECIATION EXPENSE PER RUCCO	1987 ACCUMULATED DEPRECIATION PER RUCCO	1987 YEAR END NET PLANT PER RUCCO
42	301.0	INTANGIBLES, ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
43	302.0	INTANGIBLES, FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
44	303.0	INTANGIBLES, MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
45	310.1	SOURCE OF SUPPLY, LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
46	310.2	SOURCE OF SUPPLY, LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
47	310.3	SOURCE OF SUPPLY, LAND - WELLS*	0	0	80	0	0	80	0	0	80	0	0	80
48	314.0	SOURCE OF SUPPLY, WELLS	0	0	0	0	0	0	0	0	0	0	0	0
49	320.0	PUMPING PLANT, LAND*	0	0	0	0	0	0	0	0	0	0	0	0
50	320.0	PUMPING PLANT, STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
51	325.0	PUMPING PLANT, ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
52	326.0	PUMPING PLANT, GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
53	330.0	WATER TREATMENT PLANT, LAND*	0	0	0	0	0	0	0	0	0	0	0	0
54	330.0	WATER TREATMENT PLANT, STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
55	330.0	WATER TREATMENT PLANT, EQUIPMENT	0	0	2,050	0	682	1,368	0	0	2,050	53	735	1,315
56	340.0	TRANSMISSION & DISTRIBUTION, LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
57	340.1	TRANSMISSION & DISTRIBUTION, LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
58	341.0	TRANSMISSION & DISTRIBUTION, STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
59	342.0	TRANSMISSION & DISTRIBUTION, STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
60	343.0	TRANSMISSION & DISTRIBUTION, MAINS	0	0	6,066	0	2,017	4,049	0	0	6,066	157	2,175	3,891
61	344.0	TRANSMISSION & DISTRIBUTION, FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
62	345.0	TRANSMISSION & DISTRIBUTION, SERVICES	0	0	9	0	(20)	29	1,258	0	1,267	0	(4)	1,271
63	346.0	TRANSMISSION & DISTRIBUTION, METERS	0	0	0	0	0	0	0	0	0	0	0	0
64	346.0	TRANSMISSION & DISTRIBUTION, HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
65	388.1	GENERAL PLANT, LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
66	388.2	GENERAL PLANT, LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
67	390.1	GENERAL PLANT, OFFICE BUILDINGS	0	0	16,566	0	5,510	11,056	0	0	16,566	434	5,940	10,887
68	390.2	GENERAL PLANT, WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
69	390.3	GENERAL PLANT, MISC. BUILDINGS	0	0	742	0	247	495	0	0	742	19	266	476
70	391.0	GENERAL PLANT, OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
71	391.1	GENERAL PLANT, ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
72	391.2	GENERAL PLANT, OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
73	392.0	GENERAL PLANT, WAREHOUSE EQUIPMENT	0	0	22,106	0	0	0	0	0	22,106	0	0	0
74	394.0	GENERAL PLANT, GARAGE EQUIPMENT	1,867	0	2,981	0	5,231	16,875	17,060	0	39,196	794	6,024	33,172
75	396.0	GENERAL PLANT, LAB EQUIPMENT	0	0	1,458	0	981	2,981	0	0	2,981	77	1,069	1,912
76	397.0	GENERAL PLANT, MOBILE RADIOS	0	0	0	0	485	973	0	0	1,458	38	523	955
77	397.0	GENERAL PLANT, AUTO CONTROLS	0	0	0	0	0	0	0	0	0	0	0	0
78	397.2	GENERAL PLANT, AUTO CONTROLS	0	0	0	0	0	0	0	0	0	0	0	0
79	398.0	GENERAL PLANT, MISC.	0	0	0	0	0	0	0	0	0	0	0	0
80		TOTALS	\$1,867	(\$34)	\$52,058	\$1,322	\$15,142	\$38,916	\$18,692	\$0	\$70,150	\$1,568	\$16,733	\$54,913

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 * - NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1998 ADDITIONS PER COMPANY	1998 (RETIREMENTS) PER COMPANY	1998 YEAR END PLANT VALUE PER RUO	1998 DEPRECIATION EXPENSE PER RUO	1998 ACCUMULATED DEPRECIATION PER RUO	1998 YEAR END NET PLANT PER RUO	1999 ADDITIONS PER COMPANY	1999 (RETIREMENTS) PER COMPANY	1999 YEAR END PLANT VALUE PER RUO	1999 DEPRECIATION EXPENSE PER RUO	1999 ACCUMULATED DEPRECIATION PER RUO	1999 YEAR END NET PLANT PER RUO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	80	0	0	80	0	0	80	0	0	80
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	0	0	0	0	0	0	0	0	0	0
8	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	2,050	0	0	2,050	0	0	2,050	0	0	2,050
15	340.0	TRANSMISSION & DISTRIBUTION: TANKS & MAINS*	0	0	789	53	789	841	0	0	841	53	841	1,209
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	3,734	0	3,734	0	0	0	3,734	0	0	3,734
20	344.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	2,332	157	2,332	2,489	0	0	2,489	157	2,646	3,577
21	345.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	795	27	(449)	(1,222)	0	0	(427)	5	(1,666)	1,239
22	346.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	0	0	0	0	0	0	0	0	0	0
23	348.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0	0	0	0
24	348.1	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
25	388.0	GENERAL PLANT: LAB - OFFICE	0	0	0	0	0	0	0	0	0	0	0	0
26	388.1	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
27	388.2	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
28	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
29	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	4,988	0	21,808	501	6,445	15,363	0	0	21,808	565	7,009	14,799
30	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
31	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	742	19	285	457	0	0	742	19	304	438
32	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
33	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
34	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
35	394.0	GENERAL PLANT: GARAGE EQUIPMENT	1,541	0	40,737	1,035	7,060	33,677	0	0	41,654	1,066	8,125	33,429
36	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	2,981	77	1,146	1,835	0	0	2,981	77	1,223	1,758
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	1,488	38	560	898	0	0	1,488	38	598	860
38	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	0	0	0	0	0	0	0	0	0	0
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	0	0	0	0	0	0	0	0	0	0
40	398.0	GENERAL PLANT: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
41	42	TOTALS	\$6,439	(\$472)	\$76,717	\$1,908	\$18,166	\$59,551	\$917	(\$1,222)	\$76,312	\$1,980	\$18,924	\$57,398

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2000 ADDITIONS PER COMPANY	2000 (RETIREMENTS) PER COMPANY	2000 YEAR END PLANT VALUE PER RUO	2000 DEPRECIATION EXPENSE PER RUO	2000 ACCUMULATED DEPRECIATION PER RUO	2000 YEAR END NET PLANT PER RUO	2001 ADDITIONS PER COMPANY	2001 (RETIREMENTS) PER COMPANY	2001 YEAR END PLANT VALUE PER RUO	2001 DEPRECIATION EXPENSE PER RUO	2001 ACCUMULATED DEPRECIATION PER RUO	2001 YEAR END NET PLANT PER RUO
46	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
47	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
48	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
49	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
50	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
51	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	80	0	0	80	0	0	80	0	0	80
52	314.0	SOURCE OF SUPPLY: WELLS	0	0	0	0	0	0	0	0	0	0	0	0
53	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
54	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
55	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
56	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
57	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
58	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
59	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	2,050	53	894	1,196	0	0	2,050	53	947	1,103
60	340.0	TRANSMISSION & DISTRIBUTION: TANKS & MAINS*	0	0	742	19	324	418	0	0	742	19	343	389
61	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
62	341.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
63	342.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
64	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	3,420	157	2,646	3,420	0	0	6,066	157	2,803	3,263
65	344.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	(427)	(11)	(1,677)	1,250	0	0	(427)	(11)	(1,688)	1,261
66	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	0	0	0	0	0	0	0	0	0	0
67	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0	0	0	0
68	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
69	348.1	TRANSMISSION & DISTRIBUTION: TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
70	388.0	GENERAL PLANT: LAB - OFFICE	1,854	0	1,654	21	1,654	1,654	0	0	1,654	21	1,654	1,654
71	388.1	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
72	388.2	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
73	390.0	GENERAL PLANT: OFFICE BUILDINGS	4,988	0	26,273	623	7,652	18,641	0	0	26,273	623	8,341	20,100
74	390.1	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
75	390.2	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
76	391.0	GENERAL PLANT: OFFICE EQUIPMENT	831	0	742	19	324	831	0	0	742	19	343	789
77	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
78	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
79	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
80	394.0	GENERAL PLANT: GARAGE EQUIPMENT	11,551	0	53,105	1,226	9,351	43,754	0	0	1,088	14	14	1,074
81	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	2,981	77	1,300	2,981	0	0	2,981	77	1,377	42,930
82	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	1,488	38	636	822	0	0	1,488	38	674	784
83	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
84	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	0	0	0	0	0	0	0	0	0	0
85	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	0	0	0	0	0	0	0	0	0	0
86	398.0	GENERAL PLANT: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
87	42	TOTALS	\$18,950	\$0	\$34,813	\$2,214	\$21,138	\$73,975	\$4,291	\$0	\$39,104	\$2,509	\$23,645	\$75,657

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 * NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2002 ADDITIONS PER COMPANY	2002 (RETIREMENTS) PER COMPANY	2002 YEAR END PLANT VALUE PER RUO	2002 DEPRECIATION EXPENSE PER RUO	2002 ACCUMULATED DEPRECIATION PER RUO	2002 YEAR END NET PLANT PER RUO	2003 ADDITIONS PER COMPANY	2003 (RETIREMENTS) PER COMPANY	2003 YEAR END PLANT VALUE PER RUO	2003 DEPRECIATION EXPENSE PER RUO	2003 ACCUMULATED DEPRECIATION PER RUO	2003 YEAR END NET PLANT PER RUO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	80	0	0	80	0	0	80	0	0	80
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	0	0	0	0	0	0	0	0	0	0
8	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
10	325.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	328.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	2,050	53	1,000	1,050	0	0	2,050	53	1,053	997
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0	0	0	0
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	426	0	0	0	0	0	0	0	0	0	0	0
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	(1)	(6)	(1,694)	1,693	0	0	(1)	0	(1,694)	1,693
23	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0	0	0	0
24	346.2	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
25	346.2	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
26	388.2	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
27	388.3	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
28	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	2,130	55	126	2,004	0	0	2,130	55	181	1,949
29	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	6,902	0	35,343	826	9,167	26,176	0	0	35,343	915	10,082	25,263
30	391.0	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
31	391.1	GENERAL PLANT: OFFICE EQUIPMENT	0	0	742	19	362	380	0	0	742	19	381	361
32	391.2	GENERAL PLANT: ELECTRICAL EQUIPMENT	1,377	0	2,298	39	72	2,136	1,033	0	3,241	71	142	3,099
33	393.0	GENERAL PLANT: OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
34	394.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	1,068	28	42	1,046	0	0	1,068	28	70	1,018
35	395.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	53,664	1,390	12,124	41,540	4,766	0	58,430	1,452	13,675	44,855
36	396.0	GENERAL PLANT: LAB EQUIPMENT	0	0	2,981	77	711	1,526	0	0	2,981	77	1,532	1,449
37	397.0	GENERAL PLANT: POWER EQUIPMENT	0	0	1,458	38	711	747	0	0	1,458	38	749	709
38	387.1	GENERAL PLANT: MOBILE RADIOS	0	0	0	0	0	0	0	0	0	0	0	0
39	387.2	GENERAL PLANT: AUTO CONTROLS	0	0	0	0	0	0	0	0	0	0	0	0
40	396.0	GENERAL PLANT: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
41		TOTALS	\$8,705	\$0	\$107,869	\$2,677	\$26,325	\$81,484	\$5,789	\$0	\$113,607	\$2,955	\$29,190	\$84,418
42		BALANCES PER COMPANY									\$		\$	
43											\$		\$	
44		BALANCES PER RUO									\$		\$	
45											\$		\$	
46		DIFFERENCE									\$		\$	
47											\$		\$	
48		TIMES: ALLOCATION FACTOR									0.0095		0.0095	
49														
50		TOTAL ADJUSTMENTS									\$		\$	
51											\$		\$	

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 * NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 AJO SYSTEM
 RATE BASE ADJUSTMENT #6 - WORKING CAPITAL

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-8
 PAGE 1 OF 5

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	CASH WORKING CAPITAL PER COMPANY	\$ (17,417)	COMPANY SCH. B-5, PG. 1
2	CASH WORKING CAPITAL PER RUCO	(16,841)	SCH. TJC-8, PG. 3
3	DECREASE IN CASH WORKING CAPITAL	\$ 576	LINE 2 - LINE 1
4	MATERIALS & SUPPLIES PER COMPANY	\$ 3,000	COMPANY SCH. B-5, PG. 1
5	MATERIALS & SUPPLIES PER RUCO	3,000	
6	MATERIALS & SUPPLIES ADJUSTMENT	\$ -	LINE 5 - LINE 4
7	PREPAYMENTS PER COMPANY AND SPECIAL DEPOSITS	\$ 4,020	COMPANY SCH. B-5, PG. 1
8	PREPAYMENTS PER RUCO	4,020	
9	PREPAYMENTS ADJUSTMENT	\$ -	LINE 8 - LINE 7
10	REQUIRED BANK BALANCES PER COMPANY	\$ 6,188	COMPANY SCH. B-5, PG. 1
11	REQUIRED BANK BALANCES PER RUCO	6,188	
12	REQUIRED BANK BALANCE ADJUSTMENT	\$ -	LINE 11 - LINE 10
13	TOTAL WORKING CAPITAL ADJUSTMENT	\$ 576	LINES 3, 6, 9 & 12

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 AJO SYSTEM
 RATE BASE ADJUSTMENT #6 - WORKING CAPITAL
 LEAD/LAG CALCULATION

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-8
 PAGE 2 OF 5

LINE NO.	DESCRIPTION	(A) EXPENSES PER COMPANY	(B) RUCO ADJUSTMENTS	(C) ADJUSTED EXPENSES	(D) (LEAD)/LAG DAYS	(E) \$ DAYS
1	PURCHASED POWER	\$ 3,458	\$ (476)	\$ 2,982	38.26	\$ 114,084
2	PAYROLL	59,654	-	59,654	14.00	835,156
3	PURCHASED WATER	162,873	(759)	162,114	40.34	6,539,679
4	CHEMICALS	-	-	-	N/A	N/A
5	PROPERTY & LIABILITY INSURANCE	2,050	-	2,050	(45.27)	(92,804)
6	WORKER'S COMPENSATION	835	-	835	(46.50)	(38,828)
7	HEALTH INSURANCE	12,758	-	12,758	(8.92)	(113,801)
8	OTHER O&M EXPENSES	42,528	(25,447)	17,081	(9.27)	(158,342)
9	DEPRECIATION & AMORTIZATION	-	-	-	N/A	N/A
10	FEDERAL INCOME TAXES	25,017	(12,018)	12,999	61.95	805,369
11	STATE INCOME TAXES	7,566	(2,200)	5,366	99.80	535,495
12	DEFERRED INCOME TAXES	-	-	-	N/A	N/A
13	FICA TAXES	4,555	-	4,555	14.00	63,770
14	FUTA & SUTA TAXES	106	-	106	83.10	8,809
15	PROPERTY TAXES	53,744	(27,292)	26,452	212.00	5,607,815
16	REG., CONTRACT, & MISCELLANEOUS FEES	5,137	-	5,137	(98.83)	(507,714)
17	SALES & OCCUPATION TAXES	24,407	-	24,407	37.53	916,004
18	PENSION EXPENSE	5,184	-	5,184	34.72	179,997
19	SUBTOTAL	<u>\$ 409,873</u>	<u>\$ (68,192)</u>	<u>\$ 341,681</u> *		<u>\$ 14,694,689</u>
20	SYNCHRONIZED INTEREST	19,156	(137)	19,019	91.25	1,735,475
21	TOTAL	<u>\$ 429,029</u>	<u>\$ (68,329)</u>	<u>\$ 360,700</u>	<u>45.55</u>	<u>\$ 16,430,163</u>

REFERENCES:

COLUMN (A): COMPANY SCHEDULE B-6, W/P B6-1, PAGE 4 of 5
 COLUMN (B): DIFFERENCE BETWEEN COLUMN (A) AND SCHEDULE TJC-9 COLUMN (E)
 COLUMN (C): COLUMN (A) + COLUMN (B)
 COLUMN (D): LINES 1 THRU 8 AND 13 THRU 18 AND LINE 20 - COMPANY SCHEDULE B-6, W/P B6-1, PAGE 4 OF 5
 COLUMN (D): LINE 10 AND 11 - SCHEDULE TJC-8, PAGE 4 OF 5 AND PAGE 5 OF 5, LINE 7 RESPECTIVELY
 COLUMN (E): COLUMN (C) x COLUMN (D)

NOTE

N/A = NON CASH CHARGES EXCLUDED FROM WORKING CAPITAL CALCULATION

* RUCO RECOMMENDED LEVEL OF OPERATING EXPENSE - SCHEDULE TJC-9 COLUMN (E), LINE 16 MINUS LINE 12

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2003
AJO SYSTEM
RATE BASE ADJUSTMENT #6 - WORKING CAPITAL
CALCULATION OF CASH WORKING CAPITAL

DOCKET NO. W-01445A-04-0650
SCHEDULE TJC-8
PAGE 3 OF 5

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	AVERAGE EXPENSE LAG	45.55	SCH. TJC-8, PG. 2
2	AVERAGE REVENUE COLLECTION LAG	<u>27.56</u>	CO. SCH. B-6, PG. 2
3	EXCESS EXPENSE OVER REVENUE LAG	(17.99)	LINE 2 - LINE 1
4	TOTAL EXPENSES	\$ 341,681	SCH. TJC-8, PG. 2
5	CASH WORKING CAPITAL REQUIREMENT	(16,841)	(LINE 3 X LINE 4)/365 DAYS
6	PER COMPANY	<u>\$ (17,417)</u>	CO. SCH. B-6, PG. 1
7	INCREASE (DECREASE) IN WORKING CAPITAL	<u>\$ 576</u>	LINE 5 - LINE 6

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 AJO SYSTEM
 RATE BASE ADJUSTMENT #6 - WORKING CAPITAL
 CALCULATION OF FEDERAL INCOME TAX LAG

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-8
 PAGE 4 OF 5

LINE NO.	(A) PAYMENT DATE	(B) SERVICE PERIOD MIDPOINT	=	(C) (LEAD)/LAG DAYS	X	(D) PAYMENT AMOUNT	=	(E) DOLLAR DAYS
1	04/12/99	07/01/99		(80.00)		\$ 397,000		\$ (31,760,000)
2	06/11/99	07/01/99		(20.00)		50,000		(1,000,000)
3	09/14/99	07/01/99		75.00		486,000		36,450,000
4	12/14/99	07/01/99		166.00		970,000		161,020,000
5	03/14/00	07/01/99		257.00		<u>(240,000)</u>		<u>(61,680,000)</u>
6	TOTALS					\$ 1,663,000		\$ 103,030,000
7	INCOME TAX LAG			61.95				

REFERENCE
 COMPANY'S WORKPAPERS SCHEDULE B-6, W/P EL-11, PAGE 2 OF 2

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 AJO SYSTEM
 RATE BASE ADJUSTMENT #6 - WORKING CAPITAL
 CALCULATION OF STATE INCOME TAX LAG

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-8
 PAGE 5 OF 5

LINE NO.	(A) PAYMENT DATE	(B) SERVICE PERIOD MIDPOINT	=	(C) (LEAD)/LAG DAYS	X	(D) PAYMENT AMOUNT	=	(E) DOLLAR DAYS	
1	04/15/99	07/01/99		(77.00)		\$ 50,000		\$ (3,850,000)	
2	06/15/99	07/01/99		(16.00)		12,000		(192,000)	
3	09/15/99	07/01/99		76.00		112,000		8,512,000	
4	12/15/99	07/01/99		167.00		220,000		36,740,000	
5	04/15/00	07/01/99		289.00		<u>(9,983)</u>		<u>(2,885,087)</u>	
6	TOTALS					\$	384,017	\$	38,324,913
7	INCOME TAX LAG			99.80					

REFERENCE
 COMPANY'S WORKPAPERS SCHEDULE B-6, W/P EL-12, PAGE 2 OF 2

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2003
AJO SYSTEM
OPERATING INCOME - TEST YEAR AND RUCO PROPOSED

DOCKET NO. W-01445A-04-0650
SCHEDULE TJC-9

LINE NO.	DESCRIPTION	(A) COMPANY TEST YEAR AS FILED	(B) RUCO TEST YEAR ADJUSTMENTS	(C) RUCO TEST YEAR AS ADJUSTED	(D) RUCO PROPOSED CHANGES	(E) RUCO RECOMMENDED
<u>REVENUES - WATER:</u>						
1	REVENUE FROM WATER SALES	\$ 409,259	\$ (5,187)	\$ 404,072	\$ 52,289	\$ 456,361
2	OTHER REVENUES	2,944	-	2,944		2,944
3	TOTAL OPERATING REVENUES	\$ 412,203	\$ (5,187)	\$ 407,016	\$ 52,289	\$ 459,305
<u>OPERATING EXPENSES:</u>						
4	PURCHASED WATER	\$ 162,114	\$ -	\$ 162,114	\$ -	\$ 162,114
5	OTHER	316	(225)	91		91
6	PURCHASED POWER	2,976	6	2,982		2,982
7	PURCHASED GAS	-	-	-		-
8	OTHER	14,594	(2,008)	12,586		12,586
9	WATER TREATMENT	3,443	(52)	3,391		3,391
10	TRANSMISSION & DISTRIBUTION	38,687	206	38,893		38,893
11	CUSTOMER ACCOUNTS	27,613	(325)	27,288		27,288
12	SALES	142	-	142		142
13	ADMINISTRATIVE & GENERAL	45,617	-	45,617		45,617
14	DEPRECIATION & AMORTIZATION	39,981	0	39,981		39,981
15	PROPERTY TAXES	27,099	(647)	26,452		26,452
16	OTHER TAXES	3,759	-	3,759		3,759
17	FEDERAL INCOME TAXES	9,756	(5,615)	4,141	8,859	12,999
18	STATE INCOME TAXES	1,409	312	1,721	3,645	5,366
19	TOTAL OPERATING EXPENSES	\$ 377,507	\$ (8,348)	\$ 369,159	\$ 12,503	\$ 381,662
20	NET INCOME	\$ 34,696	\$ 3,161	\$ 37,857	\$ 39,786	\$ 77,643

REFERENCES:

COLUMN (A): CO. SCH. C-1, PG. 3
COLUMN (B): SCH. TJC-10
COLUMN (C): COLUMN (A) + COLUMN (B)
COLUMN (D): SCH. TJC-1, PAGE 2 OF 2
COLUMN (E): COLUMN (C) + COLUMN (D)

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 AJO SYSTEM
 SUMMARY OF OPERATING ADJUSTMENTS

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-10

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) ADJ. #1	(C) ADJ. #2	(D) ADJ. #3	(E) ADJ. #4	(F) ADJ. #5	(G) ADJ. #6	(H) ADJ. #7	(I) RUCO ADJUSTED
<u>REVENUES - WATER:</u>										
1	REVENUE FROM WATER SALES	\$ 409,259	\$ -	\$ -	\$ (5,187)	\$ -	\$ -	\$ -	\$ -	\$ 404,072
2	OTHER REVENUES	2,944								2,944
3	TOTAL OPERATING REVENUES	\$ 412,203	\$ -	\$ -	\$ (5,187)	\$ -	\$ -	\$ -	\$ -	\$ 407,016
<u>OPERATING EXPENSES:</u>										
2	PURCHASED WATER	\$ 162,114	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 162,114
3	OTHER	316			(225)					91
4	PURCHASED POWER	2,976				6				2,982
5	PURCHASED GAS	-								-
6	OTHER	14,594			(2,008)					12,586
7	WATER TREATMENT	3,443			(52)					3,391
8	TRANSMISSION & DISTRIBUTION	38,687			206					38,893
9	CUSTOMER ACCOUNTS	27,813			(325)					27,288
10	SALES	142								142
11	ADMINISTRATIVE & GENERAL	45,617								45,617
12	DEPRECIATION & AMORTIZATION	39,981					0			39,981
13	PROPERTY TAXES	27,099						(647)		26,452
14	OTHER TAXES	3,759								3,759
15	FEDERAL INCOME TAXES	9,756							(5,615)	4,141
16	STATE INCOME TAXES	1,409							312	1,721
17	TOTAL OPERATING EXPENSES	\$ 377,507	\$ -	\$ -	\$ (2,404)	\$ 6	\$ 0	\$ (647)	\$ (5,303)	\$ 369,159
18	NET INCOME	\$ 34,696	\$ -	\$ -	\$ (2,783)	\$ (6)	\$ (0)	\$ 647	\$ 5,303	\$ 37,857

ADJUSTMENT #:

1. NOT USED
2. NOT USED
3. REVENUE AND EXPENSE ANNUALIZATION FOR 2003
4. PURCHASED POWER
5. DEPRECIATION AND AMORTIZATION EXPENSE
6. PROPERTY TAX EXPENSE
7. INCOME TAX EXPENSE

REFERENCE:

- N/A
 N/A
 SCHEDULE TJC-11
 SCHEDULE TJC-12
 SCHEDULE TJC-13
 SCHEDULE TJC-14
 SCHEDULE TJC-15

LINE NO.	DESCRIPTION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
1	YEAR END CUSTOMERS - 2003	681	681	681	681	681	681	681	681	681	681	681	681
2	2003 CUSTOMERS	694	695	699	701	701	692	697	695	688	688	685	681
3	INCREASE IN CUSTOMERS - 2003	(13)	(14)	(18)	(20)	(20)	(11)	(16)	(14)	(7)	(7)	(4)	-
4	AVERAGE REVENUE FOR THE MONTH	\$ 43.04	\$ 48.03	\$ 40.49	\$ 46.82	\$ 50.51	\$ 60.48	\$ 61.59	\$ 56.93	\$ 46.32	\$ 47.90	\$ 48.56	\$ 44.44
5	INCREASE IN REVENUES	\$ (560)	\$ (672)	\$ (729)	\$ (932)	\$ (1,010)	\$ (665)	\$ (685)	\$ (797)	\$ (338)	\$ (335)	\$ (194)	\$ -
6	TOTAL INCREASE IN REVENUE	(7,219)											
7	INCREASE IN REVENUE PER COMPANY	(2,032)											
8	REVENUE ADJUSTMENT PER RUCCO	\$ (5,187)											
9	GALLONS SOLD PER AVERAGE CUSTOMER	5,170	6,086	4,690	5,854	6,550	8,357	8,560	7,716	6,102	6,089	6,197	5,007
10	INCREASE IN CUSTOMERS	(13)	(14)	(18)	(20)	(20)	(11)	(16)	(14)	(7)	(7)	(4)	0
11	INCREASE IN GALLONS	(67,207)	(85,211)	(84,412)	(117,064)	(131,004)	(91,922)	(136,962)	(108,028)	(42,714)	(42,622)	(24,789)	0
12	TOTAL INCREASE IN GALLONS	(931,954)											
13	PUMPING COST PER GALLON	0.000333											
14	INCREASE IN PUMPING COST PER RUCCO	(310)											
15	INCREASE IN PUMPING COST PER COMPANY	(85)											
16	PUMPING COST ADJUSTMENT PER RUCCO	\$ (225)											
17	WATER TREATMENT COSTS PER GALLON	0.000077											
18	INCREASE IN WATER TREATMENT COSTS PER RUCCO	(72)											
19	INCREASE IN WATER TREATMENT COST PER CO.	(20)											
20	WATER TREATMENT COST ADJUSTMENT PER RUCCO	\$ (52)											
21	SOURCE OF SUPPLY COST PER GALLON	0.002969											
22	INCREASE IN SOURCE OF SUPPLY COST	(2,767)											
23	INCREASE IN SOURCE OF SUPPLY COST PER CO.	(759)											
24	SOURCE OF SUPPLY ADJUSTMENT PER RUCCO	\$ (2,008)											
25	TRANSMISSION & DISTRIBUTION COST PER GALLON	0											
26	INCREASE IN TRANSMISSION & DISTRIBUTION COST	0											
27	INCREASE IN T & D COST PER CO.	(206)											
28	T & D ADJUSTMENT PER RUCCO	\$ 206											
29	TOTAL INCREASE IN BILLS	(144)											
30	MONTHLY ACCOUNTING COST PER BILL	3.38											
31	INCREASE IN ACCOUNTING COST PER RUCCO	(487)											
32	INCREASE IN ACCOUNTING COST PER COMPANY	(162)											
33	ACCOUNTING COST ADJUSTMENT PER RUCCO	\$ (325)											

REFERENCES:
 LINE #1 - COMPANY'S RATE FILING, BOOK 2 OF 2 - 2003 CUSTOMER COUNT
 LINE #2 - COMPANY'S RATE FILING, BOOK 2 OF 2 - 2003 CUSTOMER COUNT
 LINE #3 - LINE #1 MINUS LINE #2
 LINE #4 - TOTAL MONTH REV. MINUS OTHER REV. LESS SALES TAX / TOTAL MONTHLY CUSTOMERS FOR TEST-YEAR
 LINE #5 - LINE #3 MULTIPLIED BY LINE #4
 LINE #6 - SUMMATION OF LINE #5
 LINE #7 - COMPANY'S WORKPAPERS C2-5, RATE FILING - BOOK 1 OF 2
 LINE #8 - LINE #6 MINUS LINE #7
 LINE #9 - GALLONS SOLD / MONTHLY CUSTOMERS, COMPANY'S RATE FILING, BOOK 2 OF 2
 LINE #10 - LINE #3
 LINE #11 - LINE #9 X LINE #10
 LINE #12 - SUMMATION OF LINE #11
 LINE #13 - CO. WIP C2-5a, PAGE 3 OF 4
 LINE #14 - LINE #12 X LINE #13
 LINE #15 - COMPANY'S WORKPAPERS, WIP C2-5
 LINE #16 - LINE #14 MINUS LINE #15
 LINE #17 - CO. WIP C2-5a, PAGE 3 OF 4
 LINE #18 - COMPANY'S WIP'S, WIP C2-5, 2 OF 2
 LINE #19 - LINE #18 MINUS LINE #17
 LINE #20 - LINE #19
 LINE #21 - PRICE OF PURCHASED WATER
 LINE #23 - CO. WIP C2-5a, PAGE 1 OF 4
 LINE #25 - RUCO'S ANALYSIS
 LINE #27 - CO. WIP C2-5a, PAGE 1 OF 4
 LINE #29 - SUMMATION OF LINE #25
 LINE #30 - CO. WIP C2-5a, PAGE 4 OF 4
 LINE #31 - LINE #29 X LINE #30
 LINE #32 - CO. WIP C2-5a, PAGE 1 OF 4
 LINE #33 - LINE #31 MINUS LINE #32

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 AJO SYSTEM
 OPERATING ADJ. #4 - PURCHASED POWER

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-12

<u>LINE NO.</u>	<u>DESCRIPTION</u>	
1	ACTUAL TEST YEAR PURCHASED POWER FROM APS	\$ 181
2	TEST YEAR PURCHASED POWER FROM OTHER SERVICE PROVIDERS	3,065
3	TOTAL TEST YEAR PURCHASED POWER (LINE 1 + LINE 2)	\$ 3,246
4	PERCENTAGE OF TEST YEAR PURCHASED POWER FROM APS (LINE 1 + LINE 3)	5.58%
5	COMPANY PROPOSED LEVEL OF PURCHASED POWER EXPENSE (LINE 3 X LINE 4)	\$ 2,976
6	TIMES: PERCENTAGE OF TEST YEAR PURCHASED POWER FROM APS (LINE 4)	5.58%
7	PERCENTAGE OF PURCHASED POWER SUBJECT TO APS INCREASE (LINE 5 X LINE 6)	\$ 166
8	TIMES APS COMMERCIAL RATE INCREASE	3.50%
9	INCREASE IN APS PORTION OF PURCHASED POWER (LINE 7 X LINE 8)	\$ 6

REFERENCES:

- LINE 1: COMPANY WORKPAPER EL-2 PAGE 2 OF 2
- LINE 2: COMPANY WORKPAPER EL-2 PAGE 2 OF 2
- LINE 5: COMPANY APPLICATION SCHEDULE C1 PAGE 2 OF 3
- LINE 8: ACC DECISION NO. 67744, DATED APRIL 7, 2005 - APS SETTLEMENT AGREEMENT

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 AJO SYSTEM
 OPERATING ADJ. #5 - DEPRECIATION AND AMORTIZATION EXPENSE

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-13

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	(A) ACTUAL TEST YEAR BALANCE PER COMPANY	(B) RUCO ADJUSTMENTS	(C) RUCO ADJUSTED BALANCE	(D) COMPONENT DEPRECIATION RATES	(E) RUCO RECOMMENDED DEPRECIATION EXPENSE
1	301.0	INTANGIBLES: ORGANIZATION*	\$ -	\$ -	\$0	0.00%	\$ -
2	302.0	INTANGIBLES: FRANCHISES*	-	-	-	0.00%	-
3	303.0	INTANGIBLES: MISC.*	-	-	-	0.00%	-
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	2,916	-	2,916	0.00%	-
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	-	-	-	0.00%	-
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	-	-	-	0.00%	-
7	314.0	SOURCE OF SUPPLY: WELLS	-	-	-	3.13%	-
8	320.0	PUMPING PLANT: LAND*	3,208	-	3,208	0.00%	-
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	3,015	-	3,015	2.86%	86
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	74,000	1	74,001	5.88%	4,351
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	-	-	-	4.00%	-
12	330.0	WATER TREATMENT PLANT: LAND*	-	-	-	0.00%	-
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	-	-	-	2.50%	-
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	-	-	-	2.86%	-
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	6,065	-	6,065	0.00%	-
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	-	-	-	0.00%	-
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	-	-	-	2.00%	-
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	160,356	1	160,357	2.00%	3,207
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	984,946	(1)	984,945	1.79%	17,631
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	104	-	104	2.00%	2
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	244,045	(1)	244,044	2.38%	5,808
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	49,367	-	49,367	4.55%	2,246
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	41,536	-	41,536	1.82%	756
24	389.1	GENERAL PLANT: LAND - OFFICE*	-	-	-	0.00%	-
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	-	-	-	0.00%	-
26	389.3	GENERAL PLANT: LAND - MISC.*	-	-	-	0.00%	-
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	34,987	-	34,987	2.50%	875
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	11,424	-	11,424	2.50%	286
29	390.3	GENERAL PLANT: MISC. BUILDINGS	-	-	-	2.50%	-
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	5,562	-	5,562	6.67%	371
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	3,628	-	3,628	6.67%	242
32	391.2	GENERAL PLANT: OFFICE FURNITURE	191	-	191	6.67%	13
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	193	-	193	5.00%	10
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	8,362	-	8,362	4.00%	334
35	395.0	GENERAL PLANT: LAB EQUIPMENT	2,103	-	2,103	5.00%	105
36	396.0	GENERAL PLANT: POWER EQUIPMENT	3,234	-	3,234	6.67%	216
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	10,812	-	10,812	6.67%	721
38	397.1	GENERAL PLANT: MOBILE RADIOS	2,457	-	2,457	6.67%	164
39	397.2	GENERAL PLANT: AUTO CONTROLS	3,199	-	3,199	6.67%	213
40	398.0	GENERAL PLANT: MISC.	788	-	788	3.33%	26
41							
42		TEST YEAR PLANT IN SERVICE TOTALS	\$ 1,656,478	\$ -	\$ 1,656,478		\$ 37,663
43							
44		GROSS DEPRECIABLE PHOENIX OFFICE AND METER SHOP ALLOCATION	48,571	1,009,763	1,058,334		\$ 2,374
45							
46		GROSS LEASHOLD IMPROVEMENTS	12,040	-	12,040	**	\$ 770
47							
48		DEFERRED CAP CHARGES	-	-	-		\$ -
49							
50		TEST YEAR TOTALS	\$ 1,717,089	\$ 1,009,763	\$ 2,726,852		\$ 40,807
51							
52							
53		LESS:					
54		AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION @ 2.00% COMPOSITE RATE ***					825
55							
56		TOTAL PRO FORMA DEPRECIATION & AMORTIZATION EXPENSE PER RUCO					\$ 39,981
57							
58		DEPRECIATION & AMORTIZATION EXPENSE PER COMPANY					\$ 39,981
59							
60		LESS:					
61		10-YEAR AMORTIZATION OF DEFERRED CAP CHARGES					-
62							
63		DEPRECIATION & AMORTIZATION EXPENSE PER COMPANY EXCLUDING 10-YEAR AMORTIZATION OF DEFERRED CAP CHARGES					\$ 39,981
64							
65		DEPRECIATION & AMORTIZATION EXPENSE ADJUSTMENT (LINE 56 - LINE 63)					\$ 0

REFERENCES:
 COLUMN (A): COMPANY SCHEDULE E-5 PAGE 2 OF 3
 COLUMN (B): COLUMN (C) - COLUMN (A)
 COLUMN (C): RUCO SCHEDULE TJC-4, PAGE 4
 COLUMN (D): COMPANY SCHEDULE C-2, W/P C2-15b, PAGE 2 OF 4
 COLUMN (E): COLUMN (C) x COLUMN (D)

NOTE:
 * NON-DEPRECIABLE PLANT ASSETS
 ** PHOENIX OFFICE LEASEHOLD IMPROVEMENTS x ALLOCATION FACTOR = \$1,267,373 x 0.0095 = \$12,040
 *** TEST YEAR ADJUSTED CIAC x 2.00% COMPOSITE RATE OF DEPRECIATION = \$41,263 x 2.00% = \$825

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 AJO SYSTEM
 OPERATING ADJ. #6 - PROPERTY TAX EXPENSE

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-14

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	REVENUES - 2001	\$ 414,383	COMPANY SCH. C-2, W/P C2-16a
2	REVENUES - 2002	435,154	COMPANY SCH. C-2, W/P C2-16a
3	REVENUES - 2003	<u>415,772</u>	COMPANY SCH. C-2, W/P C2-16a
4	TOTAL	\$ 1,265,309	SUM LINES 1, 2, & 3
5	3 YEAR AVERAGE	\$ 421,770	LINE 4/3 YEARS
6	MULTIPLIER FOR REVENUES (2 X LAST 3 YRS. AVERAGE REVENUE)	<u>x 2</u>	ADOR VALUATION FACTOR
7	REVENUES FOR FULL CASH VALUE	\$ 843,539	LINE 5 X 2 (MULTIPLIER FOR REVENUES)
8	ADD: 10% OF CWIP BALANCE	-	COMPANY SCH. B-2, PG. 5; LINE 4 X 10%
9	LESS: LICENSED VEHICLES	<u>664</u>	COMPANY SCH. C-2, W/P C2-16a
10	FULL CASH VALUE	\$ 842,875	LINE 7 + LINE 8 MINUS LINE 9
11	ASSESSMENT RATIO	<u>25%</u>	PER ADOR VALUATION METHOD
12	ASSESSED VALUE	\$ 210,719	LINE 10 X LINE 11
13	PROPERTY TAX RATE	<u>12.5532%</u>	PER TAX BILLS
14	PROPERTY TAXES PAYABLE PER RUCO	\$ 26,452	LINE 12 X LINE 13
15	PROPERTY TAXES PER COMPANY	<u>27,099</u>	COMPANY SCH. C-1, PG. 3
16	ADJUSTMENT	<u>\$ (647)</u>	LINE 14 MINUS LINE 15

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 AJO SYSTEM
 OPERATING ADJ. #7 - INCOME TAXES

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-15

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
<u>FEDERAL INCOME TAXES:</u>			
1	OPERATING INCOME BEFORE INCOME TAXES	\$ 43,719	SCH. TJC-9
LESS:			
2	ARIZONA STATE TAX	1,721	LINE 11
3	INTEREST EXPENSE	<u>19,019</u>	NOTE (a)
4	FEDERAL TAXABLE INCOME	\$ 22,979	LINE 1 - LINES 2 & 3
5	FEDERAL INCOME TAX RATE	<u>18.02%</u>	TAX RATE
6	FEDERAL INCOME TAX EXPENSE	\$ 4,141	LINE 4 X LINE 5
7	FEDERAL INCOME TAXES PER COMPANY FILING	<u>9,756</u>	COMPANY SCH. C-1, PG. 3
8	RUCO FEDERAL INCOME TAX ADJUSTMENT	<u>\$ (5,615)</u>	LINE 6 - LINE 7
<u>STATE INCOME TAXES:</u>			
9	OPERATING INCOME BEFORE INCOME TAXES	\$ 43,719	LINE 1
LESS:			
10	INTEREST EXPENSE	<u>19,019</u>	NOTE (A)
11	STATE TAXABLE INCOME	\$ 24,700	LINE 7 - LINE 8
12	STATE TAX RATE	<u>6.968%</u>	TAX RATE
13	STATE INCOME TAX EXPENSE	\$ 1,721	LINE 9 X LINE 10
14	STATE INCOME TAXES PER COMPANY FILING	<u>1,409</u>	COMPANY SCH. C-1, PG. 3
15	RUCO STATE INCOME TAX ADJUSTMENT	<u>\$ 312</u>	LINE 13 - LINE 14

NOTE (a):
 INTEREST SYNCHRONIZATION

ADJUSTED RATE BASE	\$ 846,711
WEIGHTED COST OF DEBT	<u>2.25%</u>
	<u>\$ 19,019</u>

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 AJO SYSTEM
 COST OF CAPITAL

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-16

LINE NO.	DESCRIPTION	(A) AMOUNT	(B) ADJUSTMENT	(C) ADJUSTED BALANCE	(D) CAPITAL RATIO	(E) COST	(F) WEIGHTED COST
1	LONG-TERM DEBT	\$ 22,200,000	\$ -	\$ 22,200,000	26.65%	8.43%	2.25%
2	SHORT-TERM DEBT	-	-	-	0.00%	0.00%	0.00%
3	COMMON EQUITY	61,116,374	-	61,116,374	73.35%	9.44%	6.92%
4	TOTAL	\$ 83,316,374	\$ -	\$ 83,316,374	100.00%		9.17%

REFERENCES:
 COLUMN (A): COMPANY SCH. D - 1
 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 WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 AJO SYSTEM
 PROPOSED RATES

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-17

LINE NO.	DESCRIPTION	PRESENT RATES	COMPANY PROPOSED	RUCO PROPOSED
1	MONTHLY MINIMUM USAGE CHARGE:			
2				
3	<u>(RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS)</u>			
4	5/8 X 3/4 - INCH	\$18.02	\$21.90	\$18.50
5	1 - INCH	46.61	55.63	47.85
6	2 - INCH	140.87	173.23	145.02
7	3 - INCH	155.37	258.64	159.51
8	4 - INCH	207.16	399.68	212.68
9	6 - INCH	362.53	767.81	372.19
10	8 - INCH	362.53	1,096.31	372.19
11	10 - INCH	673.27	1,777.84	691.20
12				
13	GALLONS INCLUDED IN MONTHLY MINIMUM USAGE CHARGE:			
14				
15	RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS	1,000	0	0
16				
17	<u>TIER 1</u>			
18				
19	COMMODITY RATE (PER 100 GAL. OVER MINIMUM) - 0 TO 4,000 GALLONS:	\$0.54560	\$ 0.57450	\$ 0.49500
20				
21	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - 0 TO 4,000 GALLONS:	\$5.45600	\$ 5.74500	\$ 4.95000
22				
23	<u>TIER 2</u>			
24				
25	COMMODITY RATE (PER 100 GAL. OVER MINIMUM) - OVER 4,000 GALLONS:	\$0.54560	\$ 0.57450	\$ 0.61350
26				
27	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 4,000 GALLONS:	\$5.45600	\$ 5.74500	\$ 6.13500

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 AJO SYSTEM
 MONTHLY MINIMUM CHARGES

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-18

LINE NO.	METER SIZE	(A) COMPANY PRESENT RATES	(B) COMPANY PROPOSED RATES	(C) COMPANY DOLLAR INCREASE	(D) COMPANY PERCENT. INCREASE	(E) RUCO PROPOSED RATES	(F) RUCO DOLLAR INCREASE	(G) RUCO PERCENT. INCREASE
1	5/8 X 3/4 - INCH	\$ 18.02	\$ 21.90	\$ 3.88	21.53%	\$ 18.50	\$ 0.48	2.66%
2	1 - INCH	46.61	55.63	9.02	19.35%	47.85	1.24	2.66%
3	2 - INCH	140.87	173.23	32.36	22.97%	145.02	4.15	2.95%
4	3 - INCH COMMERCIAL	155.37	258.64	103.27	66.47%	159.51	4.14	2.66%
5	4 - INCH COMMERCIAL	207.16	399.68	192.52	92.93%	212.68	5.52	2.66%
6	6 - INCH	362.53	767.81	405.28	111.79%	372.19	9.66	2.66%
7	8 - INCH	362.53	1,096.31	733.78	202.41%	372.19	9.66	2.66%
8	10 - INCH	673.27	1,777.84	1,104.57	164.06%	691.20	17.93	2.66%
9	GALLONS INCLUDED IN MONTHLY MINIMUM CHARGE	1,000	0			0		

REFERENCES

COLUMN (A) THRU COLUMN (D): COMPANY SCHEDULE H-3, PAGE 1 OF 3
 COLUMN (E): TESTIMONY WAR
 COLUMN (F): COLUMN (E) - COLUMN (A)
 COLUMN (G): COLUMN (F) + COLUMN (A)

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 AJO SYSTEM
 BILLING ANALYSIS

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-19
 PAGE 1 OF 4

PRESENT RATES

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 1 - INCH	(C) 2 - INCH	(D) 3 - INCH	(E) 4 - INCH	(F) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	\$18.02	\$46.61	\$140.87	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2	1,000	18.02	46.61	140.87	0.00	0.00	0.00	0.00	0.00
3	2,000	23.48	52.07	146.33	0.00	0.00	0.00	0.00	0.00
4	3,000	28.93	57.52	151.78	0.00	0.00	0.00	0.00	0.00
5	4,000	34.39	62.98	157.24	0.00	0.00	0.00	0.00	0.00
6	5,000	39.84	68.43	162.69	0.00	0.00	0.00	0.00	0.00
7	6,000	45.30	73.89	168.15	0.00	0.00	0.00	0.00	0.00
8	7,000	50.76	79.35	173.61	0.00	0.00	0.00	0.00	0.00
9	8,000	56.21	84.80	179.06	0.00	0.00	0.00	0.00	0.00
10	9,000	61.67	90.26	184.52	0.00	0.00	0.00	0.00	0.00
11	10,000	67.12	95.71	189.97	0.00	0.00	0.00	0.00	0.00
12	15,000	94.40	122.99	217.25	0.00	0.00	0.00	0.00	0.00
13	20,000	121.68	150.27	244.53	0.00	0.00	0.00	0.00	0.00
14	25,000	148.96	177.55	271.81	0.00	0.00	0.00	0.00	0.00
15	50,000	285.36	313.95	408.21	0.00	0.00	0.00	0.00	0.00
16	75,000	421.76	450.35	544.61	0.00	0.00	0.00	0.00	0.00
17	100,000	558.16	586.75	681.01	0.00	0.00	0.00	0.00	0.00
18	125,000	694.56	723.15	817.41	0.00	0.00	0.00	0.00	0.00
19	150,000	830.96	859.55	953.81	0.00	0.00	0.00	0.00	0.00
20	175,000	967.36	995.95	1,090.21	0.00	0.00	0.00	0.00	0.00
21	200,000	1,103.76	1,132.35	1,226.61	0.00	0.00	0.00	0.00	0.00
22									
23	AVG. NO. OF CUST:	646	29	2	N/A	N/A	N/A	N/A	N/A
24									
25	AVG. USE (GAL.):	5,315	29,898	20,021	N/A	N/A	N/A	N/A	N/A
26	MONTHLY BILL:	\$41.56	\$204.28	\$244.65	N/A	N/A	N/A	N/A	N/A
27									
28	MEDIAN USE (GAL.):	3,778	12,071	14,333	N/A	N/A	N/A	N/A	N/A
29	MONTHLY BILL:	\$33.18	\$107.02	\$213.62	N/A	N/A	N/A	N/A	N/A

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 AJO SYSTEM
 BILLING ANALYSIS

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-19
 PAGE 2 OF 4

RUCO PROPOSED RATES

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 1 - INCH	(C) 2 - INCH	(D) 3 - INCH	(E) 4 - INCH	(F) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	\$18.50	\$47.85	\$145.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2	1,000	23.45	52.80	149.97	0.00	0.00	0.00	0.00	0.00
3	2,000	28.40	57.75	154.92	0.00	0.00	0.00	0.00	0.00
4	3,000	33.35	62.70	159.87	0.00	0.00	0.00	0.00	0.00
5	4,000	38.30	67.65	164.82	0.00	0.00	0.00	0.00	0.00
6	5,000	44.44	73.79	170.96	0.00	0.00	0.00	0.00	0.00
7	6,000	50.57	79.92	177.09	0.00	0.00	0.00	0.00	0.00
8	7,000	56.71	86.06	183.23	0.00	0.00	0.00	0.00	0.00
9	8,000	62.84	92.19	189.36	0.00	0.00	0.00	0.00	0.00
10	9,000	68.98	98.33	195.50	0.00	0.00	0.00	0.00	0.00
11	10,000	75.11	104.46	201.63	0.00	0.00	0.00	0.00	0.00
12	15,000	105.79	135.14	232.31	0.00	0.00	0.00	0.00	0.00
13	20,000	136.46	165.81	262.98	0.00	0.00	0.00	0.00	0.00
14	25,000	167.14	196.49	293.66	0.00	0.00	0.00	0.00	0.00
15	50,000	320.51	349.86	447.03	0.00	0.00	0.00	0.00	0.00
16	75,000	473.89	503.24	600.41	0.00	0.00	0.00	0.00	0.00
17	100,000	627.26	656.61	753.78	0.00	0.00	0.00	0.00	0.00
18	125,000	780.64	809.99	907.16	0.00	0.00	0.00	0.00	0.00
19	150,000	934.01	963.36	1,060.53	0.00	0.00	0.00	0.00	0.00
20	175,000	1,087.39	1,116.74	1,213.91	0.00	0.00	0.00	0.00	0.00
21	200,000	1,240.76	1,270.11	1,367.28	0.00	0.00	0.00	0.00	0.00
22									
23	AVG. NO. OF CUST:	646	29	2	N/A	N/A	N/A	N/A	N/A
24									
25	AVG. USE (GAL.):	5,315	29,898	20,021	N/A	N/A	N/A	N/A	N/A
26	MONTHLY BILL:	\$46.37	\$226.54	\$263.11	N/A	N/A	N/A	N/A	N/A
27									
28	MEDIAN USE (GAL.):	3,778	12,071	14,333	N/A	N/A	N/A	N/A	N/A
29	MONTHLY BILL:	\$37.20	\$117.17	\$228.22	N/A	N/A	N/A	N/A	N/A

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 AJO SYSTEM
 BILLING ANALYSIS

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-19
 PAGE 3 OF 4

RUCO PROPOSED CHANGES EXPRESSED IN DOLLARS

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 1 - INCH	(C) 2 - INCH	(D) 3 - INCH	(E) 4 - INCH	(F) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	\$0.48	\$1.24	\$4.15	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2	1,000	5.43	6.19	9.10	0.00	0.00	0.00	0.00	0.00
3	2,000	4.92	5.68	8.59	0.00	0.00	0.00	0.00	0.00
4	3,000	4.42	5.18	8.09	0.00	0.00	0.00	0.00	0.00
5	4,000	3.91	4.67	7.58	0.00	0.00	0.00	0.00	0.00
6	5,000	4.59	5.35	8.26	0.00	0.00	0.00	0.00	0.00
7	6,000	5.27	6.03	8.94	0.00	0.00	0.00	0.00	0.00
8	7,000	5.95	6.71	9.62	0.00	0.00	0.00	0.00	0.00
9	8,000	6.63	7.39	10.30	0.00	0.00	0.00	0.00	0.00
10	9,000	7.31	8.07	10.98	0.00	0.00	0.00	0.00	0.00
11	10,000	7.99	8.75	11.66	0.00	0.00	0.00	0.00	0.00
12	15,000	11.38	12.14	15.05	0.00	0.00	0.00	0.00	0.00
13	20,000	14.78	15.54	18.45	0.00	0.00	0.00	0.00	0.00
14	25,000	18.17	18.93	21.84	0.00	0.00	0.00	0.00	0.00
15	50,000	35.15	35.91	38.82	0.00	0.00	0.00	0.00	0.00
16	75,000	52.12	52.88	55.79	0.00	0.00	0.00	0.00	0.00
17	100,000	69.10	69.86	72.77	0.00	0.00	0.00	0.00	0.00
18	125,000	86.07	86.83	89.74	0.00	0.00	0.00	0.00	0.00
19	150,000	103.05	103.81	106.72	0.00	0.00	0.00	0.00	0.00
20	175,000	120.02	120.78	123.69	0.00	0.00	0.00	0.00	0.00
21	200,000	137.00	137.76	140.67	0.00	0.00	0.00	0.00	0.00
22									
23	AVG. NO. OF CUST:	646	29	2	N/A	N/A	N/A	N/A	N/A
24									
25	AVG. USE (GAL.):	5,315	29,898	20,021	N/A	N/A	N/A	N/A	N/A
26	MONTHLY BILL:	\$4.80	\$22.26	\$18.46	N/A	N/A	N/A	N/A	N/A
27									
28	MEDIAN USE (GAL.):	3,778	12,071	14,333	N/A	N/A	N/A	N/A	N/A
29	MONTHLY BILL:	\$4.02	\$10.15	\$14.60	N/A	N/A	N/A	N/A	N/A

RUCO PROPOSED CHANGES EXPRESSED AS A PERCENTAGE

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 1 - INCH	(C) 2 - INCH	(D) 3 - INCH	(E) 4 - INCH	(F) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	2.7%	2.7%	2.9%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2	1,000	30.1%	13.3%	6.5%	0.00	0.00	0.00	0.00	0.00
3	2,000	21.0%	10.9%	5.9%	0.00	0.00	0.00	0.00	0.00
4	3,000	15.3%	9.0%	5.3%	0.00	0.00	0.00	0.00	0.00
5	4,000	11.4%	7.4%	4.8%	0.00	0.00	0.00	0.00	0.00
6	5,000	11.5%	7.8%	5.1%	0.00	0.00	0.00	0.00	0.00
7	6,000	11.6%	8.2%	5.3%	0.00	0.00	0.00	0.00	0.00
8	7,000	11.7%	8.5%	5.5%	0.00	0.00	0.00	0.00	0.00
9	8,000	11.8%	8.7%	5.8%	0.00	0.00	0.00	0.00	0.00
10	9,000	11.8%	8.9%	5.9%	0.00	0.00	0.00	0.00	0.00
11	10,000	11.9%	9.1%	6.1%	0.00	0.00	0.00	0.00	0.00
12	15,000	12.1%	9.9%	6.9%	0.00	0.00	0.00	0.00	0.00
13	20,000	12.1%	10.3%	7.5%	0.00	0.00	0.00	0.00	0.00
14	25,000	12.2%	10.7%	8.0%	0.00	0.00	0.00	0.00	0.00
15	50,000	12.3%	11.4%	9.5%	0.00	0.00	0.00	0.00	0.00
16	75,000	12.4%	11.7%	10.2%	0.00	0.00	0.00	0.00	0.00
17	100,000	12.4%	11.9%	10.7%	0.00	0.00	0.00	0.00	0.00
18	125,000	12.4%	12.0%	11.0%	0.00	0.00	0.00	0.00	0.00
19	150,000	12.4%	12.1%	11.2%	0.00	0.00	0.00	0.00	0.00
20	175,000	12.4%	12.1%	11.3%	0.00	0.00	0.00	0.00	0.00
21	200,000	12.4%	12.2%	11.5%	0.00	0.00	0.00	0.00	0.00
22									
23	AVG. NO. OF CUST:	646	29	2	N/A	N/A	N/A	N/A	N/A
24									
25	AVG. USE (GAL.):	5,315	29,898	20,021	N/A	N/A	N/A	N/A	N/A
26	MONTHLY BILL:	10.4%	9.8%	7.0%	N/A	N/A	N/A	N/A	N/A
27									
28	MEDIAN USE (GAL.):	3,778	12,071	14,333	N/A	N/A	N/A	N/A	N/A
29	MONTHLY BILL:	10.8%	8.7%	6.4%	N/A	N/A	N/A	N/A	N/A

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 AJO SYSTEM
 REVENUE SUMMARY BY METER SIZE AND CUSTOMER CLASS

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-20

LINE NO.	DESCRIPTION	(A) RUCO PROPOSED MINIMUM REVENUE	(B) RUCO PROPOSED COMMODITY REVENUE	(C) RUCO PROPOSED TOTAL REVENUE
1	5/8 X 3/4 - INCH	\$143,357	\$227,308	\$ 370,664
2	1 - INCH	16,700	62,673	79,373
3	2 - INCH	3,480	2,844	6,325
4	3 - INCH	0	0	0
5	4 - INCH	0	0	0
6	6 - INCH	0	0	0
7	8 - INCH	0	0	0
13	10 - INCH	0	0	0
14				
15	TOTALS	\$ 163,537	\$ 292,825	\$ 456,361 (a)
16				
17	PERCENTAGE OF TOTAL REVENUE	36.00%	64.00%	100.00%

NOTE (a):

RUCO REQUIRED REVENUE	\$ 459,305
LESS:	
FIRE SPRINKLER REVENUE	\$ -
FIRE HYDRANT REVENUE	-
MISCELLANEOUS REVENUE	1,167
RENT - WATER PROPERTY REVENUE	-
OTHER WATER REVENUE	1,777
TOTAL	\$ 2,944
REVENUE TO BE GENERATED FROM WATER SALES	\$ 456,361



**ARIZONA WATER COMPANY
COOLIDGE SYSTEM
DOCKET NO. W-01445A-04-0650
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ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 COOLIDGE SYSTEM
 REVENUE REQUIREMENTS

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-1
 PAGE 1 OF 2

LINE NO.	DESCRIPTION	(A) COMPANY REQUESTED	(B) RUCO RECOMMENDED
1	ADJUSTED RATE BASE	\$ 3,817,510	\$ 2,868,652
2	ADJUSTED OPERATING INCOME	100,737	231,813
3	CURRENT RATE OF RETURN (L2 / L1)	2.64%	8.08%
4	REQUIRED RATE OF RETURN	10.50%	9.17%
5	REQUIRED OPERATING INCOME (L4 * L1)	400,839	263,055
6	OPERATING INCOME DEFICIENCY (L5 - L2)	300,101	31,243
7	GROSS REVENUE CONVERSION FACTOR	1.63245	1.61740
8	GROSS REVENUE INCREASE	\$ 489,901	\$ 50,532
9	CURRENT REVENUES T/Y ADJUSTED	1,363,049	1,358,121
10	PROPOSED ANNUAL REVENUE (L8 + L9)	1,852,950	1,408,653
11	PERCENTAGE AVERAGE INCREASE	35.94%	3.72%

REFERENCES:

COLUMN (A): COMPANY SCHEDULE A-1

COLUMN (B): SCHEDULE TJC-1, PG. 2, TJC-2, TJC-9 AND TJC-16

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 COOLIDGE SYSTEM
 GROSS REVENUE CONVERSION FACTOR

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-1
 PAGE 2 OF 2

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	REVENUE	1.0000	
2	UNCOLLECTIBLES	<u>0.00234</u>	COMPANY SCH. C-3
3	SUB-TOTAL	0.9977	LINE 1 - LINE 2
4	LESS: TAX RATE	<u>37.94%</u>	NOTE (a)
5	TOTAL	0.6183	LINE 3 - LINE 4
6	REVENUE CONVERSION FACTOR	1.61740	LINE 1/LINE 5

NOTE (a):
 CALCULATION OF EFFECTIVE TAX RATE

OPERATING INCOME BEFORE TAXES	100.00%
LESS: ARIZONA STATE TAX	<u>6.97%</u>
TAXABLE INCOME FEDERAL	93.03%
TIMES: FEDERAL INCOME TAX RATE	<u>33.38%</u>
SUBTOTAL	31.06%
ADD STATE TAX RATE	38.03%
LINE 3 ABOVE	<u>99.77%</u>
EFFECTIVE TAX RATE	37.94%

NOTE (b):

STATE INCOME TAX	\$ 3,522
FEDERAL INCOME TAX	<u>15,767</u>
TOTAL INCOME TAX LIABILITY	<u><u>\$ 19,289</u></u>

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 COOLIDGE SYSTEM
 RATE BASE - ORIGINAL COST

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-2

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO ADJUSTMENTS	(C) RUCO AS ADJUSTED
1	PLANT IN SERVICE	\$ 6,083,129	\$ -	\$ 6,083,129
2	PHOENIX OFFICE & METER SHOP ALLOCATION	201,010	23,439	224,449
3	DEFERRED CAP CHARGES	1,046,011	(1,046,011)	-
4	ACCUMULATED DEPRECIATION	<u>(2,271,697)</u>	<u>107,767</u>	<u>(2,163,930)</u>
5	NET PLANT IN SERVICE	\$ 5,058,453	\$ (914,805)	\$ 4,143,648
6	CONSTRUCTION WORK IN PROGRESS (CWIP)	<u>-</u>	<u>-</u>	<u>-</u>
7	TOTAL NET PLANT	\$ 5,058,453	\$ (914,805)	\$ 4,143,648
8	ADVANCES IN AID OF CONSTRUCTION (AIAC)	(406,644)	-	(406,644)
9	CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	(437,102)	-	(437,102)
10	ACCUMULATED AMORTIZATION OF CIAC	74,970	-	74,970
11	DEFERRED INCOME TAXES	(504,369)	-	(504,369)
12	WORKING CAPITAL	<u>32,202</u>	<u>(34,053)</u>	<u>(1,851)</u>
13	TOTAL RATE BASE	<u>\$ 3,817,510</u>	<u>\$ (948,858)</u>	<u>\$ 2,868,652</u>

REFERENCES:

COLUMN (A): COMPANY SCHEDULE B-1
 COLUMN (B): SCHEDULE TJC-3
 COLUMN (C): COLUMN (A) + COLUMN (B)

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 COOLIDGE SYSTEM
 SUMMARY OF RATE BASE ADJUSTMENTS

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-3

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) ADJ #1	(C) ADJ #2	(D) ADJ #3	(E) ADJ #4	(F) ADJ #5	(G) ADJ #6	(H) RUCO ADJUSTED
1	PLANT IN SERVICE	\$ 6,083,129	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,083,129
2	PHOENIX OFFICE & METER SHOP ALLOCATION	201,010 (a)	23,439						224,449
3	DEFERRED CAP CHARGES	1,046,011					(1,046,011)		-
4	ACCUMULATED DEPRECIATION	(2,271,697)	131,867	(23,439)	(702)	41			(2,163,930)
5	NET PLANT IN SERVICE	\$ 5,058,453	\$ 131,867	\$ -	\$ (702)	\$ 41	\$ (1,046,011)	\$ -	\$ 4,143,648
6	CONSTRUCTION WORK IN PROGRESS (CWIP)	-							-
7	TOTAL NET PLANT	\$ 5,058,453	\$ 131,867	\$ -	\$ (702)	\$ 41	\$ (1,046,011)	\$ -	\$ 4,143,648
8	ADVANCES IN AID OF CONSTRUCTION (AIAC)	(406,644)							(406,644)
9	CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	(437,102)							(437,102)
10	ACCUMULATED AMORTIZATION OF CIAC	74,970							74,970
11	DEFERRED INCOME TAXES	(504,369)							(504,369)
12	WORKING CAPITAL	32,202						(34,053)	(1,851)
13	TOTAL RATE BASE	\$ 3,817,510	\$ 131,867	\$ -	\$ (702)	\$ 41	\$ (1,046,011)	\$ (34,053)	\$ 2,868,652

REFERENCE:
 SCHEDULE TJC-4
 SCHEDULE TJC-5
 SCHEDULE TJC-6
 SCHEDULE TJC-7
 TESTIMONY - WAR
 SCHEDULE TJC-8

ADJUSTMENT #:
 1. ACCUMULATED DEPRECIATION - PLANT
 2. RESTATE PHX. OFFICE & METER SHOP AND ACCUM. DEPR.
 3. ACCUMULATED DEPRECIATION - PHOENIX OFFICE
 4. ACCUMULATED DEPRECIATION - METER SHOP
 5. DEFERRED CAP CHARGES
 6. WORKING CAPITAL

NOTES:
 (a) NET OF ACCUMULATED DEPRECIATION

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2003
COOLIDGE SYSTEM
RATE BASE ADJUSTMENT #1 - ACCUMULATED DEPRECIATION - PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1980 PLANT VALUE PER COMPANY	1980 ACCUM DEPR PER COMPANY	1980 NET PLANT PER PRIOR ACC PER COMPANY	1981 DEPRECIATION PER COMPANY	1981 YEAR END PLANT VALUE PER RUCO	1981 DEPRECIATION EXPENSE PER RUCO	1981 ACCUMULATED DEPRECIATION PER RUCO	1981 YEAR END NET PLANT PER RUCO	1982 PLANT VALUE PER COMPANY	1982 ACCUM DEPR PER COMPANY	1982 NET PLANT PER RUCO	1982 DEPRECIATION PER COMPANY	1982 YEAR END PLANT VALUE PER RUCO	1982 DEPRECIATION EXPENSE PER RUCO	1982 ACCUMULATED DEPRECIATION PER RUCO	1982 YEAR END NET PLANT PER RUCO	1983 PLANT VALUE PER COMPANY	1983 ACCUM DEPR PER COMPANY	1983 NET PLANT PER RUCO	1983 DEPRECIATION PER COMPANY	1983 YEAR END PLANT VALUE PER RUCO	1983 DEPRECIATION EXPENSE PER RUCO	1983 ACCUMULATED DEPRECIATION PER RUCO	1983 YEAR END NET PLANT PER RUCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	3,716	0	3,716	0	0	3,716	0	3,716	0	0	0	0	3,716	0	0	3,716	0	0	0	0	0	0	0	3,716
3	303.0	INTANGIBLES: MISC.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
7	314.0	SOURCE OF SUPPLY: WELLS	194,304	55,193	139,111	3,077	0	3,077	0	194,304	4,702	59,885	3,077	194,304	4,702	59,885	3,077	194,304	4,702	59,885	3,077	194,304	4,702	59,885	3,077	
8	320.0	PUMPING PLANT: LAND*	25,685	0	25,685	0	0	25,685	0	25,685	0	0	0	25,685	0	0	25,685	0	0	0	25,685	0	0	0	25,685	
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	4,298	1,221	3,077	0	0	3,077	0	4,298	104	1,325	3,077	4,298	104	1,325	3,077	4,298	104	1,325	3,077	4,298	104	1,325	3,077	
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	538,392	152,933	385,459	6,296	(3,000)	388,459	6,296	541,688	13,069	163,002	378,686	13,069	541,688	13,069	163,002	378,686	13,069	541,688	13,069	541,688	13,069	163,002	378,686	
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	20,026	5,688	14,338	0	0	14,338	0	20,026	0	0	0	0	20,026	0	0	20,026	0	0	0	0	0	0	20,026	
12	330.0	WATER TREATMENT PLANT: LAND*	1,847	525	1,322	0	0	1,322	0	1,847	0	0	0	0	1,847	0	0	1,847	0	0	0	0	0	0	1,847	
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	62,136	23,332	38,804	0	0	38,804	0	62,136	1,968	25,319	56,819	1,968	62,136	1,968	25,319	56,819	1,968	62,136	1,968	25,319	56,819	1,968	56,819	
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	31,141	0	31,141	0	0	31,141	0	31,141	0	0	0	0	31,141	0	0	31,141	0	0	0	0	0	0	31,141	
15	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
16	340.2	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	283,268	80,464	202,804	0	0	202,804	0	283,268	6,742	77,863	196,062	6,742	283,268	6,742	77,863	196,062	6,742	283,268	6,742	77,863	196,062	6,742	196,062	
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	1,401,468	396,094	1,005,374	48,782	(9,343)	1,005,374	48,782	1,401,468	33,949	385,997	1,018,207	33,949	1,401,468	33,949	385,997	1,018,207	33,949	1,401,468	33,949	385,997	1,018,207	33,949	1,018,207	
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	18,557	5,271	13,286	0	0	13,286	0	18,557	0	0	0	0	18,557	0	0	18,557	0	0	0	0	0	0	18,557	
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	431,915	122,688	309,227	0	0	309,227	0	431,915	22,318	14,529	420,878	22,318	431,915	22,318	14,529	420,878	22,318	431,915	22,318	14,529	14,529	420,878	22,318	
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	160,302	45,535	114,767	0	0	114,767	0	160,302	4,549	158,943	112,131	4,549	160,302	4,549	158,943	112,131	4,549	160,302	4,549	158,943	112,131	4,549	112,131	
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	126,565	35,949	90,616	0	0	90,616	0	126,565	0	0	0	0	126,565	0	0	126,565	0	0	0	0	0	0	126,565	
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
24	349.0	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
25	388.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
26	389.3	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
27	390.1	GENERAL PLANT: OFFICE BUILDINGS**	13,767	0	13,767	0	0	13,767	0	13,767	0	0	0	0	13,767	0	0	13,767	0	0	0	0	0	0	13,767	
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	13,758	3,908	9,850	0	0	9,850	0	13,758	333	4,241	9,517	333	13,758	333	4,241	9,517	333	13,758	333	4,241	9,517	9,517		
29	390.3	GENERAL PLANT: MISC. BUILDINGS	7,060	2,005	5,055	0	0	5,055	0	7,060	0	0	0	0	7,060	0	0	7,060	0	0	0	0	0	0	7,060	
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	12,250	3,480	8,770	0	0	8,770	0	12,250	296	3,776	8,474	296	12,250	296	3,776	8,474	296	12,250	296	3,776	8,474	8,474		
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	12,965	3,663	9,302	0	0	9,302	0	12,965	13,424	4,002	9,422	13,424	12,965	4,002	9,422	13,424	12,965	4,002	9,422	13,424	4,002	9,422	9,422	
32	391.2	GENERAL PLANT: OFFICE FURNITURE	9,047	2,570	6,477	0	0	6,477	0	9,047	230	2,800	6,277	230	9,047	230	2,800	6,277	230	9,047	230	2,800	6,277	6,277		
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	32,726	0	32,726	0	0	32,726	0	32,726	0	0	0	0	32,726	0	0	32,726	0	0	0	0	0	0	32,726	
34	395.0	GENERAL PLANT: LAND EQUIPMENT	5,540	1,578	3,962	0	0	3,962	0	5,540	872	23,489	3,858	872	5,540	872	23,489	3,858	872	5,540	872	23,489	3,858	3,858		
35	396.0	GENERAL PLANT: POWER EQUIPMENT	11,782	3,347	8,435	0	0	8,435	0	11,782	1,782	3,481	8,254	1,782	11,782	1,782	3,481	8,254	1,782	11,782	1,782	3,481	8,254	8,254		
36	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	34,811	9,888	24,923	0	0	24,923	0	34,811	842	10,731	24,080	842	34,811	842	10,731	24,080	842	34,811	842	10,731	24,080	24,080		
37	397.1	GENERAL PLANT: MOBILE RADIOS	808	230	578	0	0	578	0	808	50	3,960	3,090	50	808	50	3,960	3,090	50	808	50	3,960	3,090	3,090		
38	397.2	GENERAL PLANT: AUTO CONTROLS	1,384	383	981	0	0	981	0	1,384	33	427	957	33	1,384	33	427	957	33	1,384	33	427	957	957		
39	397.3	GENERAL PLANT: AUTO CONTROLS	3,158	897	2,261	0	0	2,261	0	3,158	76	2,185	2,185	76	3,158	76	2,185	2,185	76	3,158	76	2,185	2,185	2,185		
40	398.0	TOTALS	\$3,454,942	\$965,164	\$2,489,778	\$89,508	(\$65,218)	\$2,424,560	\$89,508	\$3,454,942	\$2,424,560	\$2,359,342	\$89,508	\$2,424,560	\$89,508	\$2,359,342	\$2,359,342	\$89,508	\$2,424,560	\$89,508	\$2,359,342	\$89,508	\$2,359,342	\$2,359,342	\$2,359,342	
41																										
42																										
43																										
44																										
45																										
46																										
47																										
48																										
49	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
50	302.0	INTANGIBLES: FRANCHISES*	3,716	0	3,716	0	0	3,716	0	3,716	0	0	0	0	3,716	0	0	3,716	0	0	0	0	0	0	3,716	
51	303.0	INTANGIBLES: MISC.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
52	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
53	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
54	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
55	314.0	SOURCE OF SUPPLY: WELLS	194,304	55,193	139,111	3,077	0	3,077	0	194,304	4,702	194,304	4,702	194,304	4,702	194,304	4,702	194,304	4,702	194,304	4,702	194,304	4,702	194,304	4,702	
56	320.0	PUMPING PLANT: LAND*	25,685	0	25,685	0	0	25,685	0	25,685	0	0	0	0	25,685	0	0	25,685	0	0	0	0	0	0	25,685	
57	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	4,298	1,221	3,077	0	0	3,077	0	4,298	104	1,325	3,077	104	4,298	104	1,325	3,077	104	4,298	104	1,325	3,077	3,077		

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2003
COOLIDGE SYSTEM
RATE BASE ADJUSTMENT #1 - ACCUMULATED DEPRECIATION - PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1994 ADDITIONS PER COMPANY	1994 RETIREMENTS PER COMPANY	1994 YEAR END PLANT VALUE PER RUCCO	1994 DEPRECIATION EXPENSE PER RUCCO	1994 ACCUMULATED DEPRECIATION PER RUCCO	1994 YEAR END NET PLANT PER RUCCO	1995 ADDITIONS PER COMPANY	1995 RETIREMENTS PER COMPANY	1995 YEAR END PLANT VALUE PER RUCCO	1995 DEPRECIATION EXPENSE PER RUCCO	1995 ACCUMULATED DEPRECIATION PER RUCCO	1995 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0		\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0		3,716	0	0	3,716	0		0	0	0	3,716
3	303.0	INTANGIBLES: MISC.*	0		0	0	0	0	0		0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	255		1,186	0	0	1,186	2,563		3,749	0	0	3,749
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0		0	0	0	0	0		0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0		3,077	0	0	3,077	0		3,077	0	0	3,077
7	314.0	SOURCE OF SUPPLY: WELLS	787		165,343	5,049	74,682	120,661	0		165,343	5,059	79,741	115,602
8	320.0	PUMPING PLANT: LAND	0		25,685	0	0	25,685	0		25,685	0	0	25,685
9	320.1	PUMPING PLANT: ELECTRICAL EQUIPMENT	36		1,615	112	112	1,403	0		1,615	112	1,727	2,572
10	320.2	PUMPING PLANT: GAS ENGINE EQUIPMENT	243	(12,693)	655,211	14,542	192,349	362,862	21,552	(61)	576,335	14,655	208,146	384,189
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0		20,026	519	7,685	12,331	0		20,026	519	8,214	11,815
12	330.0	WATER TREATMENT PLANT: LAND*	0		0	0	0	0	0		0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0		1,847	48	370	1,477	0		1,847	48	758	1,089
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0		96,510	2,500	32,390	64,120	0		96,510	2,500	34,890	61,620
15	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0		0	0	(331)	0	0		0	0	(331)	0
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0		0	0	0	0	0		0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0		0	0	0	0	0		0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0		273,925	7,095	98,681	175,244	5,855	(1,884)	278,096	7,149	104,146	173,950
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	137,906	(8,192)	1,616,444	40,165	486,106	1,130,338	57,485	(2,847)	1,670,952	42,572	525,731	1,145,221
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	51,280	(1,155)	3,874	13,574	163,074	386,074	39,511	(6,000)	58,740	14,549	17,690	15,234
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	6,801	(1,975)	184,197	4,193	48,637	115,560	8,832	(3,413)	181,416	4,217	149,246	112,175
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	11,317	(668)	145,392	3,630	47,833	97,529	385	0	145,748	3,770	51,603	94,145
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0		0	0	0	0	0		0	0	0	0
24	389.1	GENERAL PLANT: LAND - OFFICE*	0		0	0	0	0	0		0	0	0	0
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0		0	0	0	0	0		0	0	0	0
26	389.3	GENERAL PLANT: LAND - MISC.*	0		0	0	0	0	0		0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS**	0		14,283	0	0	14,283	31,228	0	45,511	0	0	45,511
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	1,031		4,789	370	5,300	9,489	0		14,769	383	5,883	9,106
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0		7,060	183	2,713	4,347	0		7,060	183	2,886	4,164
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	534		10,750	278	3,111	7,639	17,429	(1,958)	10,750	652	3,990	7,360
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0		16,557	422	5,130	11,427	780	0	10,775	289	6,625	28,203
32	391.2	GENERAL PLANT: OFFICE EQUIPMENT	0		9,995	256	3,560	6,435	0		10,775	289	6,625	28,203
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	182		30,446	765	6,387	24,079	6,855	(287)	36,823	871	6,871	29,895
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0		144	0	2,132	3,416	0		144	0	2,132	3,416
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0		11,644	302	4,380	7,264	0		11,644	302	4,682	6,972
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0		34,811	902	13,376	21,435	0		34,811	902	14,278	20,533
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	38		5,013	129	622	4,391	0		5,013	130	4,261	4,261
38	397.1	GENERAL PLANT: MOBILE RADIOS	0		4,403	114	686	3,717	0		4,403	114	4,001	4,001
39	397.2	GENERAL PLANT: AUTO CONTROLS	0		3,155	52	1,213	1,942	0		3,155	52	1,295	1,893
40	398.0	GENERAL PLANT: MISC.	\$211,058	(\$24,823)	\$3,943,988	\$95,906	\$1,209,217	\$2,631,575	\$187,851	(\$14,720)	\$4,016,698	\$100,118	\$1,294,605	\$2,722,384
41	TOTALS													
42														
43														
44														
45														
46														
47														
48														
49	301.0	INTANGIBLES: ORGANIZATION*	\$0		\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0
50	302.0	INTANGIBLES: FRANCHISES*	0		3,716	0	0	3,716	0		0	0	0	3,716
51	303.0	INTANGIBLES: MISC.*	0		0	0	0	0	0		0	0	0	0
52	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	310		4,059	0	0	4,059	90		4,149	0	0	4,149
53	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0		0	0	0	0	0		0	0	0	0
54	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0		3,077	0	0	3,077	(150)		2,927	0	(150)	3,077
55	314.0	SOURCE OF SUPPLY: WELLS	0		165,343	5,059	84,801	110,542	0		165,343	5,059	89,860	105,483
56	320.0	PUMPING PLANT: LAND	0		25,685	0	0	25,685	0		25,685	0	0	25,685
57	320.1	PUMPING PLANT: ELECTRICAL EQUIPMENT	7,400		584,136	12	1,877	2,459	0		584,136	12	1,989	2,471
58	320.2	PUMPING PLANT: GAS ENGINE EQUIPMENT	0		20,026	519	7,732	12,294	52,566	(7,807)	22,792	15,707	229,778	389,014
59	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0		0	0	0	0	0		0	0	0	0
60	330.0	WATER TREATMENT PLANT: LAND*	0		0	0	0	0	0		0	0	0	0
61	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0		1,847	48	805	1,042	105		1,847	48	853	994
62	332.0	WATER TREATMENT PLANT: EQUIPMENT	987		97,507	2,513	37,403	60,104	0		97,507	2,527	39,829	57,683
63	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0		0	0	(331)	0	0		0	0	(331)	0
64	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0		0	0	0	0	0		0	0	0	0
65	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0		0	0	0	0	0		0	0	0	0
66	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0		278,096	7,203	111,348	166,748	0		278,096	7,203	118,551	159,545
67	343.0	TRANSMISSION & DISTRIBUTION: MAINS	138,430	(7,149)	1,602,233	44,978	583,560	1,238,673	93,334	(11,754)	1,683,813	47,734	599,540	1,294,273
68	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	112		23,136	998	8,288	14,848	0		23,136	998	8,887	14,249
69	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	164,865	(2,699)	140,980	17,161	186,248	597,612	23,865	(1,701)	166,042	19,586	204,103	561,939
70	346.0	TRANSMISSION & DISTRIBUTION: METERS	7,200	(1,985)	145,136	3,688	48,637	96,500	2,116	(1,063)	161,002	4,195	56,838	105,166
71	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	6,835	(96)	154,527	3,688	58,436	96,091	0		154,527	3,688	59,466	97,237
72	389.1	GENERAL PLANT: LAND - OFFICE*	0		0	0	0	0	0		0	0	0	0
73	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0		0	0	0	0	0		0	0	0	0
74	389.3	GENERAL PLANT: LAND - MISC.*	0		0	0	0	0	0		0	0	0	0
75	390.1	GENERAL PLANT: OFFICE BUILDINGS**	6,144		51,665	0	0	51,665	0		51,665	0	(7,519)	51,665
76	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0		14,789	383	6,066	8,723	0		14,789	383	6,449	8,340
77	390.3	GENERAL PLANT: MISC. BUILDINGS	0		7,060	183	3,079	3,981	0		7,060	183	3,291	3,789
78	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0		10,750	278	3,688	7,062	0		10,750	278	3,847	6,803
79	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	1,574		35,402	897	6,521	28,881	0		35,402	917	7,438	27,964
80	391.2	GENERAL PLANT: OFFICE FURNITURE	0		10,775	279	4,108	6,667	1,610		12,385	300	4,408	7,977
81	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	3,532	(207)	49,169	920	7,750	32,369	4,062		44,252	1,093	8,861	35,391
82	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0		144	0	2,139	3,416	0		144	0	2,139	3,416
83	395.0	GENERAL PLANT: LAB EQUIPMENT	0		11,644	302	4,984	6,660	0		11,644	302	4,984	6,660
84	396.0	GENERAL PLANT: POWER EQUIPMENT	0		34,811	902	15,180	19,631	0		34,811	902	16,585	18,729
85	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	458		5,471	136	887	4,584	0		5,471	142	4,029	4,442
86	397.1	GENERAL PLANT: MOBILE RADIOS	0		4,403	114	915	3,488	0		4,403	114	4,109	3,374
87	397.2	GENERAL PLANT: AUTO CONTROLS	0		3,950	92	1,387	2,563	0		3,950	102	1,480	2,460
88	TOTALS		\$334,929	(\$10,810)	\$4,341,108	\$106,037	\$1,369,832	\$2,974,419	\$176,822	(\$30,094)	\$4,471,638	\$112,149	\$1,471,886	\$3,015,950

REFERENCE:
COMPANY WORKPAPERS PROVIDED WITH APPLICATION
NOTE:
**NON-DEPRECIABLE PLANT
**LEASEHOLD IMPROVEMENT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2002 ADDITIONS PER COMPANY	2002 (RETIREMENTS) PER COMPANY	2002 YEAR END PLANT VALUE PER RUO	2002 DEPRECIATION EXPENSE PER RUO	2002 ACCUMULATED DEPRECIATION PER RUO	2002 YEAR END NET PLANT PER RUO	2003 ADDITIONS PER COMPANY	2003 (RETIREMENTS) PER COMPANY	2003 YEAR END PLANT VALUE PER RUO	2003 DEPRECIATION EXPENSE PER RUO	2003 ACCUMULATED DEPRECIATION PER RUO	2003 YEAR END NET PLANT PER RUO
1	301.0	INTANGIBLES ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	TOOLS & EQUIPMENT*	5,028	0	8,741	0	0	8,741	0	0	8,741	0	0	8,741
3	303.0	INTANGIBLES MISC.	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY, LAND - WATER RIGHTS*	2,932	0	8,794	0	0	13,590	4,715	0	13,590	0	0	13,590
5	310.2	SOURCE OF SUPPLY, LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY, LAND - WELLS*	0	0	2,927	0	0	2,927	0	0	2,927	0	0	2,927
7	314.0	SOURCE OF SUPPLY, LAND - WELLS**	22,569	0	115,971	(150)	115,821	115,671	0	0	115,671	0	0	115,671
8	320.0	PUMPING PLANT, STRUCTURES & IMPROVEMENTS	0	0	226,328	5,570	110,357	226,328	0	0	226,328	5,862	121,833	104,495
9	321.0	PUMPING PLANT, STRUCTURES & IMPROVEMENTS	0	0	25,685	0	0	25,685	0	0	25,685	0	0	25,685
10	325.0	PUMPING PLANT, ELECTRICAL EQUIPMENT	22,307	0	4,336	112	2,550	8,348	4,012	0	732,366	164	2,715	5,633
11	328.0	PUMPING PLANT, GAS ENGINE EQUIPMENT	0	(33,459)	684,519	17,873	248,963	434,656	47,847	0	732,366	18,349	288,212	464,154
12	330.0	WATER TREATMENT PLANT, LAND*	0	0	20,026	519	11,844	8,182	0	0	20,026	519	12,363	7,663
13	331.0	WATER TREATMENT PLANT, STRUCTURES & IMPROVEMENTS	0	0	1,847	0	0	1,847	0	0	1,847	0	0	1,847
14	332.0	WATER TREATMENT PLANT, EQUIPMENT	1,102	0	107,314	2,765	53,170	54,144	3,187	(6,866)	103,605	2,731	49,005	54,600
15	340.0	TRANSMISSION & DISTRIBUTION, TANKS & MAINS*	0	0	0	0	(391)	0	0	0	0	0	(391)	0
16	340.1	TRANSMISSION & DISTRIBUTION, TANKS & MAINS**	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION, STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION, STORAGE TANKS	1,019	0	286,756	7,414	154,875	131,883	0	0	286,756	7,427	162,300	124,456
19	343.0	TRANSMISSION & DISTRIBUTION, MAINS	184,449	(13,508)	2,616,765	65,561	861,911	1,754,874	104,800	(214)	2,721,371	68,129	930,827	1,790,544
20	344.0	TRANSMISSION & DISTRIBUTION, FIRE SPRINKLERS	42	0	48,131	1,246	13,717	34,414	25,000	0	73,131	1,570	15,287	81,849
21	345.0	TRANSMISSION & DISTRIBUTION, SERVICES	55,269	(455)	1,045,195	28,386	313,491	732,695	107,590	(2,575)	1,151,201	28,458	339,372	811,829
22	346.0	TRANSMISSION & DISTRIBUTION, METERS	4,380	(139)	191,054	4,684	76,335	114,719	18,822	(140)	209,738	5,190	81,365	128,351
23	348.0	TRANSMISSION & DISTRIBUTION, HYDRANTS	11,363	(197)	210,422	5,305	79,427	130,895	7,872	0	218,304	5,552	84,979	133,315
24	388.1	GENERAL PLANT, LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
25	388.2	GENERAL PLANT, LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT, LAND - MISC.	0	0	0	0	0	0	0	0	0	0	0	0
27	390.0	GENERAL PLANT, WAREHOUSE**	1,939	0	48,136	0	(7,519)	0	2,046	0	48,181	0	(7,519)	55,700
28	390.1	GENERAL PLANT, WAREHOUSE BUILDINGS	3,392	0	7,050	436	4,476	2,884	0	0	18,121	489	8,877	9,244
29	390.3	GENERAL PLANT, MISC. BUILDINGS	0	0	183	183	4,176	2,884	0	0	18,121	489	8,877	9,244
30	391.0	GENERAL PLANT, OFFICE EQUIPMENT	0	0	10,750	278	5,411	5,339	0	0	10,750	278	4,359	2,101
31	391.1	GENERAL PLANT, ELECTRICAL EQUIPMENT	181	0	48,890	1,264	13,101	35,789	2,123	0	51,013	1,234	14,385	36,618
32	391.2	GENERAL PLANT, OFFICE FURNITURE	2,423	0	15,629	373	6,134	9,495	520	0	16,149	412	6,546	9,603
33	393.0	GENERAL PLANT, WAREHOUSE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
34	394.0	GENERAL PLANT, GARAGE EQUIPMENT	2,861	0	51,556	1,298	14,928	36,628	4,740	(9,080)	47,216	1,279	7,127	40,089
35	395.0	GENERAL PLANT, LAB EQUIPMENT	2,103	0	6,726	2,222	2,222	4,504	0	0	6,726	174	2,396	4,330
36	396.0	GENERAL PLANT, POWER EQUIPMENT	0	0	15,015	389	7,089	7,916	0	0	15,015	389	7,488	7,527
37	397.0	GENERAL PLANT, COMMUNICATIONS EQUIPMENT	0	0	28,556	740	13,981	14,595	2,048	0	28,556	740	14,701	13,855
38	397.1	GENERAL PLANT, MOBILE RADIOS	777	0	13,823	348	2,242	11,581	0	0	15,871	385	2,827	13,244
39	397.2	GENERAL PLANT, AUTO CONTROLS	2,108	0	7,357	163	1,659	5,698	685	0	8,042	199	1,858	6,184
40	398.0	GENERAL PLANT, MISC.	0	0	6,554	170	2,851	(2,081)	0	0	6,554	170	2,421	4,133
41		TOTALS	\$326,213	(\$47,757)	\$5,726,028	\$143,473	\$2,007,766	\$3,751,816	\$38,006	(\$18,905)	\$6,083,127	\$150,960	\$2,139,830	\$3,943,297
42		BALANCES PER COMPANY									\$ 6,083,129			\$ 2,271,697
43											\$ 6,083,127			\$ 2,139,830
44														\$ (131,887)
45														
46														
47		TOTAL ADJUSTMENTS												

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 * - NON-DEPRECIABLE PLANT
 ** - LEASEHOLD IMPROVEMENT

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 COOLIDGE SYSTEM

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-5

RATE BASE ADJ. #2 - RESTATE ALLOCATED PHOENIX OFFICE
 & METER SHOP AND ACCUMULATED DEPRECIATION

LINE NO.	DESCRIPTION	TEST YEAR COMPANY
1	GROSS PHOENIX OFFICE PLANT	\$ 4,999,117
2	GROSS METER SHOP	113,608
3	GROSS PHOENIX OFFICE PLANT & METER SHOP	\$ 5,112,725
4	TIMES: ALLOCATION FACTOR	0.0439
5	ALLOCATED GROSS PHOENIX OFFICE PLANT & METER SHOP	\$ 224,449
6	NET ALLOCATED PHOENIX OFFICE PLANT & METER SHOP	201,010
7	RUCO ADJUSTMENT TO PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION	\$ 23,439

REFERENCES:

- LINE 1: COMPANY SCHEDULE B-2 PAGE 7
- LINE 2: COMPANY SCHEDULE B-2 PAGE 8
- LINE 3: LINE 1 + LINE 2
- LINE 4: COMPANY SCHEDULE B-1 PAGE 2
- LINE 5: LINE 3 x LINE 4
- LINE 6: COMPANY SCHEDULE B-1 PAGE 2 (SUM OF LINES 6 AND 7)
- LINE 7: LINE 5 - LINE 6

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1994 ADDITIONS PER COMPANY	1994 (RETIREMENTS) PER COMPANY	1994 YEAR END PLANT VALUE PER RUO	1994 DEPRECIATION EXPENSE PER RUO	1994 ACCUMULATED DEPRECIATION PER RUO	1994 NET PLANT PER RUO	1995 ADDITIONS PER COMPANY	1995 (RETIREMENTS) PER COMPANY	1995 YEAR END PLANT VALUE PER RUO	1995 DEPRECIATION EXPENSE PER RUO	1995 ACCUMULATED DEPRECIATION PER RUO	1995 NET PLANT PER RUO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$651	\$0	\$0	\$651	\$0	\$0	\$651	\$0	\$0	\$651
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.	0	0	8,496	0	0	8,496	0	0	8,496	0	0	8,496
4	310.0	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	0	0	0	0	0	0	0	0	0	0
8	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
14	332.0	WATER TREATMENT PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
15	333.0	WATER TREATMENT PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
16	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0	0	0	0
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	0	0	0	0	0	0	0	0	0	0
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0	0	0	0
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
24	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT: OFFICE BUILDINGS	17,093	0	571,048	454	3,658	567,922	9,407	0	580,455	454	4,110	576,345
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	4,020	104	774	3,246	0	0	4,020	104	878	3,142
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	(5,960)	537,613	14,001	103,910	433,703	0	0	537,613	13,924	117,834	419,779
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	110,790	(100)	1,457,036	36,304	214,929	1,242,107	265,498	0	1,722,534	41,175	256,105	1,466,429
32	391.2	GENERAL PLANT: OFFICE FURNITURE	15,186	0	110,906	2,676	14,153	96,751	7,313	0	118,219	2,967	17,120	101,099
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	2,470	64	218	2,252	0	0	2,470	64	282	2,188
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	27,634	721	5,680	22,154	203	0	28,037	724	6,404	21,633
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	51	11	(655)	45	0	0	(51)	(13)	12	39
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	(510)	(13)	(655)	45	0	0	(510)	(13)	(658)	58
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	2,306	0	45,509	6,006	8,006	38,703	4,564	0	50,073	1,238	10,044	40,029
38	397.1	GENERAL PLANT: MOBILE RADIOS	488	0	14,468	385	2,066	12,402	0	0	14,083	365	2,434	11,647
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	468	0	0	468	0	0	468	0	0	468
40	398.0	GENERAL PLANT: MISC.	102	0	3,939	102	822	3,837	0	0	3,939	102	822	3,837
41		TOTALS	\$145,773	(\$5,060)	\$2,783,612	\$55,933	\$354,460	\$2,429,252	\$286,985	\$0	\$3,070,597	\$61,117	\$415,557	\$2,655,040

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1996 ADDITIONS PER COMPANY	1996 (RETIREMENTS) PER COMPANY	1996 YEAR END PLANT VALUE PER RUO	1996 DEPRECIATION EXPENSE PER RUO	1996 ACCUMULATED DEPRECIATION PER RUO	1996 NET PLANT PER RUO	1997 ADDITIONS PER COMPANY	1997 (RETIREMENTS) PER COMPANY	1997 YEAR END PLANT VALUE PER RUO	1997 DEPRECIATION EXPENSE PER RUO	1997 ACCUMULATED DEPRECIATION PER RUO	1997 NET PLANT PER RUO
48	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$651	\$0	\$0	\$651	\$0	\$0	\$651	\$0	\$0	\$651
49	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
50	303.0	INTANGIBLES: MISC.	0	0	8,496	0	0	8,496	0	0	8,496	0	0	8,496
51	310.0	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
52	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
53	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
54	314.0	SOURCE OF SUPPLY: WELLS	0	0	0	0	0	0	0	0	0	0	0	0
55	314.0	SOURCE OF SUPPLY: WELLS	604	0	604	8	8	596	0	(604)	0	8	(598)	588
56	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
57	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
58	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
59	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
60	330.0	WATER TREATMENT PLANT: LAND	0	0	0	0	0	0	0	0	0	0	0	0
61	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
62	332.0	WATER TREATMENT PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
63	333.0	WATER TREATMENT PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
64	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
65	341.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
66	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
67	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0	0	0	0
68	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
69	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	0	0	0	0	0	0	0	0	0	0
70	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0	0	0	0
71	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
72	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
73	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
74	389.3	GENERAL PLANT: OFFICE BUILDINGS	9,971	0	590,426	454	4,563	585,863	11,228	0	601,652	454	5,017	596,635
75	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
76	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
77	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	4,020	104	888	3,088	0	0	4,020	104	1,086	2,984
78	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	(24,401)	513,212	13,608	107,041	405,171	0	(725)	512,486	13,233	110,938	392,248
79	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	78,774	(17,770)	1,783,538	45,404	283,739	1,499,799	265,995	(3,669)	2,189,564	48,640	329,599	1,762,065
80	391.2	GENERAL PLANT: OFFICE FURNITURE	24,572	0	142,791	3,380	20,500	122,291	8,326	0	152,117	8,319	24,320	127,797
81	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	2,470	64	346	2,124	0	0	2,470	64	410	2,060
82	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	29,087	740	7,144	21,943	0	0	29,087	753	7,897	21,190
83	395.0	GENERAL PLANT: LAB EQUIPMENT	1,050	0	51	1	(581)	38	0	0	51	1	15	36
84	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	(510)	(13)	(651)	71	0	0	(510)	(13)	(658)	85
85	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	50,073	1,297	11,341	38,732	0	0	50,073	1,297	12,638	37,435
86	397.1	GENERAL PLANT: MOBILE RADIOS	5,743	0	18,824	439	2,873	16,951	6,082	0	25,886	582	3,465	22,421
87	397.2	GENERAL PLANT: AUTO CONTROLS	122	0	1,211	40	1,171	1,071	0	0	1,211	40	71	1,140
88	398.0	GENERAL PLANT: MISC.	1,052	0	5,196	116	1,042	4,154	396	0	5,952	139	1,181	4,771
89		TOTALS	\$122,654	(\$2,171)	\$3,151,110	\$65,653	\$439,051	\$2,707,011	\$297,005	(\$5,196)	\$3,442,917	\$70,172	\$54,024	\$2,938,893

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 * NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1980 PLANT VALUE PER COMPANY	1980 ACCUM DEPR. PER COMPANY	1980 NET PRIOR ACC PER COMPANY	1981 ADDITIONS PER COMPANY	1981 (RETIREMENTS) PER COMPANY	1981 YEAR END NET PLANT VALUE PER RUCO	1981 DEPRECIATION EXPENSE PER RUCO	1981 ACCUMULATED DEPRECIATION PER RUCO	1981 YEAR END NET PLANT VALUE PER RUCO
1	301.0	INTANGIBLES ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES FRANCHISES*	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES SUPPLY*	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY, LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY, LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY, LAND - WELLS*	80	0	80	0	0	80	0	0	80
7	314.0	SOURCE OF SUPPLY, WELLS	0	0	0	0	0	0	0	0	0
8	320.0	PUMPING PLANT, LAND*	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT, STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0
10	325.0	PUMPING PLANT, ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0
11	328.0	PUMPING PLANT, GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT, LAND*	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT, STRUCTURES & IMPROVEMENTS	2,050	370	1,680	0	0	2,050	50	420	1,630
14	332.0	WATER TREATMENT PLANT, ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0
15	335.0	WATER TREATMENT PLANT, GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION, LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION, LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0
18	341.0	TRANSMISSION & DISTRIBUTION, STRUCTURES	0	0	0	0	0	0	0	0	0
19	342.0	TRANSMISSION & DISTRIBUTION, STORAGE TANKS	0	0	0	0	0	0	0	0	0
20	344.0	TRANSMISSION & DISTRIBUTION, MAINS	6,066	1,095	4,971	0	0	6,066	147	1,242	4,824
21	345.0	TRANSMISSION & DISTRIBUTION, FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0
22	346.0	TRANSMISSION & DISTRIBUTION, SERVICES	43	8	35	0	0	43	1	9	34
23	348.0	TRANSMISSION & DISTRIBUTION, METERS	0	0	0	0	0	0	0	0	0
24	388.1	GENERAL PLANT, LAND - OFFICE	0	0	0	0	0	0	0	0	0
25	388.2	GENERAL PLANT, LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0
26	388.2	GENERAL PLANT, WAREHOUSE*	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT, OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0
28	390.2	GENERAL PLANT, WAREHOUSE BUILDINGS	16,566	2,982	13,574	0	0	16,566	401	3,362	13,174
29	390.3	GENERAL PLANT, MISC. BUILDINGS	0	0	0	0	0	0	0	0	0
30	391.0	GENERAL PLANT, MISC. BUILDINGS	742	134	608	0	0	742	18	152	590
31	391.1	GENERAL PLANT, OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0
32	391.2	GENERAL PLANT, ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0
33	393.0	GENERAL PLANT, OFFICE FURNITURE	0	0	0	0	0	0	0	0	0
34	394.0	GENERAL PLANT, WAREHOUSE EQUIPMENT	14,989	2,703	12,286	0	0	14,989	362	3,065	11,904
35	395.0	GENERAL PLANT, GARAGE EQUIPMENT	2,981	538	2,443	0	0	2,981	72	610	2,371
36	395.0	GENERAL PLANT, LAB EQUIPMENT	1,458	263	1,195	0	0	1,458	35	289	1,159
37	397.0	GENERAL PLANT, POWER EQUIPMENT	0	0	0	0	0	0	0	0	0
38	397.1	GENERAL PLANT, COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0
39	397.2	GENERAL PLANT, MOBILE RADIOS	0	0	0	0	0	0	0	0	0
40	398.0	GENERAL PLANT, AUTO CONTROLS	0	0	0	0	0	0	0	0	0
41		GENERAL PLANT, MISC.	0	0	0	0	0	0	0	0	0
42		TOTALS	\$44,955	\$5,104	\$39,851	\$0	\$0	\$44,955	\$1,086	\$5,104	\$39,851

ACCT. NO.	PLANT ACCOUNT NAME	1982 ADDITIONS PER COMPANY	1982 (RETIREMENTS) PER COMPANY	1982 YEAR END NET PLANT VALUE PER RUCO	1982 ACCUMULATED DEPRECIATION PER RUCO	1982 YEAR END NET PLANT VALUE PER RUCO	1983 ADDITIONS PER COMPANY	1983 (RETIREMENTS) PER COMPANY	1983 YEAR END NET PLANT VALUE PER RUCO	1983 DEPRECIATION EXPENSE PER RUCO	1983 ACCUMULATED DEPRECIATION PER RUCO	1983 YEAR END NET PLANT VALUE PER RUCO
48	301.0	INTANGIBLES ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
49	302.0	INTANGIBLES FRANCHISES*	0	0	0	0	0	0	0	0	0	0
50	303.0	INTANGIBLES SUPPLY*	0	0	0	0	0	0	0	0	0	0
51	310.1	SOURCE OF SUPPLY, LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0
52	310.2	SOURCE OF SUPPLY, LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0
53	310.3	SOURCE OF SUPPLY, LAND - WELLS*	80	0	80	0	0	0	80	0	0	80
54	314.0	SOURCE OF SUPPLY, WELLS	0	0	0	0	0	0	0	0	0	0
55	320.0	PUMPING PLANT, LAND*	0	0	0	0	0	0	0	0	0	0
56	321.0	PUMPING PLANT, STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0
57	325.0	PUMPING PLANT, ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0
58	328.0	PUMPING PLANT, GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0
59	330.0	WATER TREATMENT PLANT, LAND*	0	0	0	0	0	0	0	0	0	0
60	331.0	WATER TREATMENT PLANT, STRUCTURES & IMPROVEMENTS	2,050	0	2,050	0	0	2,050	0	0	0	2,050
61	332.0	WATER TREATMENT PLANT, ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0
62	335.0	WATER TREATMENT PLANT, GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0
63	340.1	TRANSMISSION & DISTRIBUTION, LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0
64	341.0	TRANSMISSION & DISTRIBUTION, LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0
65	341.0	TRANSMISSION & DISTRIBUTION, STRUCTURES	0	0	0	0	0	0	0	0	0	0
66	342.0	TRANSMISSION & DISTRIBUTION, STORAGE TANKS	0	0	0	0	0	0	0	0	0	0
67	343.0	TRANSMISSION & DISTRIBUTION, MAINS	6,066	1,389	4,677	0	0	6,066	157	1,548	4,520	
68	344.0	TRANSMISSION & DISTRIBUTION, FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0	0
69	345.0	TRANSMISSION & DISTRIBUTION, SERVICES	43	10	33	0	0	43	1	11	32	0
70	346.0	TRANSMISSION & DISTRIBUTION, METERS	0	0	0	0	0	0	0	0	0	0
71	348.0	TRANSMISSION & DISTRIBUTION, HYDRANTS	0	0	0	0	0	0	0	0	0	0
72	388.1	GENERAL PLANT, LAND - OFFICE	0	0	0	0	0	0	0	0	0	0
73	388.2	GENERAL PLANT, LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0
74	388.3	GENERAL PLANT, LAND - MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0
75	388.3	GENERAL PLANT, WAREHOUSE*	16,566	0	16,566	0	0	16,566	0	0	0	16,566
76	390.1	GENERAL PLANT, OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0	0
77	390.2	GENERAL PLANT, WAREHOUSE BUILDINGS	742	170	572	0	0	742	16	186	556	
78	391.0	GENERAL PLANT, OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0
79	391.1	GENERAL PLANT, ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0
80	391.2	GENERAL PLANT, OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0
81	393.0	GENERAL PLANT, WAREHOUSE EQUIPMENT	14,989	3,428	11,561	0	0	14,989	333	3,820	11,169	
82	394.0	GENERAL PLANT, GARAGE EQUIPMENT	2,981	538	2,443	0	0	2,981	72	760	2,221	
83	395.0	GENERAL PLANT, LAB EQUIPMENT	1,458	334	1,124	0	0	1,458	38	372	1,086	
84	396.0	GENERAL PLANT, POWER EQUIPMENT	0	0	0	0	0	0	0	0	0	0
85	397.0	GENERAL PLANT, COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0	0
86	397.1	GENERAL PLANT, MOBILE RADIOS	0	0	0	0	0	0	0	0	0	0
87	397.2	GENERAL PLANT, AUTO CONTROLS	0	0	0	0	0	0	0	0	0	0
88	398.0	GENERAL PLANT, MISC.	0	0	0	0	0	0	0	0	0	0
89		TOTALS	\$0	\$0	\$0	\$1,086	\$10,276	\$34,679	\$329	\$1,167	\$45,288	\$33,846

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 * NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1984 ADDITIONS PER COMPANY	1984 (RETIREMENTS) PER COMPANY	1984 YEAR END PLANT VALUE PER RUCCO	1984 DEPRECIATION EXPENSE PER RUCCO	1984 ACCUMULATED DEPRECIATION PER RUCCO	1984 YEAR END NET PLANT PER RUCCO	1986 ADDITIONS PER COMPANY	1986 (RETIREMENTS) PER COMPANY	1986 YEAR END PLANT VALUE PER RUCCO	1986 DEPRECIATION EXPENSE PER RUCCO	1986 ACCUMULATED DEPRECIATION PER RUCCO	1986 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISCELLANEOUS*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	80	0	80	0	0	80	0	0	80	0	0	80
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	0	0	0	0	0	0	0	0	0	0
8	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND	0	0	2,060	0	0	2,060	0	0	2,060	0	0	2,060
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	576	0	576	0	0	0	53	53	1,421
14	332.0	WATER TREATMENT PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
15	333.0	WATER TREATMENT PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION: LAND, TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
19	343.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
20	344.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	1,703	0	1,703	0	0	0	157	1,860	4,206
21	345.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
22	346.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	43	12	0	31	0	0	43	1	13	30
23	348.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0	0	0	0
24	388.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
25	388.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	389.1	GENERAL PLANT: LAND - MISCELLANEOUS*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	16,566	4,652	0	11,914	0	0	16,566	4,628	5,081	11,486
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	742	19	0	534	0	0	742	19	228	514
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	15,529	4,219	0	11,310	0	0	20,239	4,63	4,682	15,557
35	386.0	GENERAL PLANT: POWER EQUIPMENT	227	0	837	77	0	2,144	4,710	0	2,039	77	914	2,067
36	387.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	1,458	38	0	1,498	0	0	1,458	38	447	1,011
37	387.1	GENERAL PLANT: MOBILE RADIOS	0	0	0	0	0	0	0	0	0	0	0	0
38	387.2	GENERAL PLANT: MOBILE RADIOS	0	0	0	0	0	0	0	0	0	0	0	0
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	0	0	0	0	0	0	0	0	0	0
40	398.0	GENERAL PLANT: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
41		TOTALS	\$277	\$0	\$45,515	\$1,174	\$12,616	\$32,899	\$4,710	\$0	\$50,225	\$1,238	\$13,852	\$36,373

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1986 ADDITIONS PER COMPANY	1986 (RETIREMENTS) PER COMPANY	1986 YEAR END PLANT VALUE PER RUCCO	1986 DEPRECIATION EXPENSE PER RUCCO	1986 ACCUMULATED DEPRECIATION PER RUCCO	1986 YEAR END NET PLANT PER RUCCO	1987 ADDITIONS PER COMPANY	1987 (RETIREMENTS) PER COMPANY	1987 YEAR END PLANT VALUE PER RUCCO	1987 DEPRECIATION EXPENSE PER RUCCO	1987 ACCUMULATED DEPRECIATION PER RUCCO	1987 YEAR END NET PLANT PER RUCCO
49	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
51	303.0	INTANGIBLES: MISCELLANEOUS*	0	0	0	0	0	0	0	0	0	0	0	0
52	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
53	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
54	310.3	SOURCE OF SUPPLY: LAND - WELLS*	80	0	80	0	0	80	0	0	80	0	0	80
55	314.0	SOURCE OF SUPPLY: WELLS	0	0	0	0	0	0	0	0	0	0	0	0
56	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
57	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
58	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
59	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
60	330.0	WATER TREATMENT PLANT: LAND*	0	0	2,060	0	0	2,060	0	0	2,060	0	0	2,060
61	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	662	0	1,268	0	0	0	63	735	1,315
62	332.0	WATER TREATMENT PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
63	333.0	WATER TREATMENT PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
64	340.1	TRANSMISSION & DISTRIBUTION: LAND, TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
65	341.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
66	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
67	343.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
68	344.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	2,017	0	4,048	0	0	6,066	167	2,175	3,869
69	345.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
70	346.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	9	(20)	0	29	1,258	0	1,267	17	(4)	1,271
71	348.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0	0	0	0
72	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
73	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
74	389.3	GENERAL PLANT: LAND - MISCELLANEOUS*	0	0	0	0	0	0	0	0	0	0	0	0
75	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	16,566	4,219	0	11,347	0	0	16,910	434	5,943	10,967
76	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
77	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
78	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	742	19	0	485	0	0	742	19	286	476
79	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
80	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
81	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
82	394.0	GENERAL PLANT: GARAGE EQUIPMENT	1,967	0	22,106	5,231	0	16,875	17,090	0	39,196	794	6,024	33,172
83	386.0	GENERAL PLANT: POWER EQUIPMENT	0	0	2,981	77	0	1,990	0	0	2,981	77	1,069	3,172
84	386.0	GENERAL PLANT: POWER EQUIPMENT	0	0	1,458	38	0	973	0	0	1,458	38	523	935
85	387.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
86	387.1	GENERAL PLANT: MOBILE RADIOS	0	0	0	0	0	0	0	0	0	0	0	0
87	387.2	GENERAL PLANT: MOBILE RADIOS	0	0	0	0	0	0	0	0	0	0	0	0
88	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	0	0	0	0	0	0	0	0	0	0
89		TOTALS	\$1,967	\$(34)	\$62,058	\$1,322	\$15,142	\$38,916	\$18,692	\$0	\$70,750	\$1,588	\$16,731	\$54,019

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 * NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2002 ADDITIONS PER COMPANY	2002 (RETIREMENTS) PER COMPANY	2002 YEAR END PLANT VALUE PER RUO	2002 DEPRECIATION EXPENSE PER RUO	2002 ACCUMULATED DEPRECIATION PER RUO	2002 YEAR END NET PLANT PER RUO	2003 ADDITIONS PER COMPANY	2003 (RETIREMENTS) PER COMPANY	2003 YEAR END PLANT VALUE PER RUO	2003 DEPRECIATION EXPENSE PER RUO	2003 ACCUMULATED DEPRECIATION PER RUO	2003 YEAR END NET PLANT PER RUO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	80	0	0	80	0	0	80	0	0	80
8	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
10	325.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	328.0	PUMPING PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	2,050	53	1,000	1,050	0	0	2,050	53	1,053	997
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
16	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0	0	0	0
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
21	346.0	TRANSMISSION & DISTRIBUTION: SERVICES	426	0	0	0	0	3,106	0	0	6,066	167	3,117	2,919
22	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	(1)	(6)	(1,694)	1,663	0	0	(1)	(9)	(1,694)	1,693
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
24	388.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
25	388.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	388.3	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	2,130	55	126	2,004	0	0	2,130	55	181	1,949
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	6,902	0	35,343	826	9,167	26,176	0	0	35,343	915	10,082	25,261
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	742	19	362	380	0	0	742	19	381	361
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	1,377	0	2,208	39	72	2,136	1,033	0	3,241	71	142	3,099
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	1,088	28	42	1,046	0	0	1,088	28	70	1,018
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	53,664	1,390	12,124	41,540	4,766	0	58,430	1,452	13,575	44,855
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	2,981	77	1,455	1,526	0	0	2,981	77	1,532	1,449
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	1,458	38	711	747	0	0	1,458	38	749	709
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
38	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	0	0	0	0	0	0	0	0	0	0
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	0	0	0	0	0	0	0	0	0	0
40	398.0	GENERAL PLANT: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
41		TOTALS	\$8,705	\$0	\$107,609	\$2,677	\$26,325	\$81,484	\$5,729	\$0	\$113,609	\$2,685	\$29,190	\$84,419
42		BALANCES PER COMPANY									\$ 113,607			\$ 30,118
43		BALANCES PER RUO									\$ 113,608			\$ 28,190
44		DIFFERENCE									\$ 1			\$ (828)
45		TOTAL ADJUSTMENTS									0.0439			0.0439
46														
47														
48														
49														
50														
51														

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 * NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 COOLIDGE SYSTEM
 RATE BASE ADJUSTMENT #6 - WORKING CAPITAL

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-8
 PAGE 1 OF 5

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	CASH WORKING CAPITAL PER COMPANY	\$ (14,437)	COMPANY SCH. B-5, PG. 1
2	CASH WORKING CAPITAL PER RUCO	(48,490)	SCH. TJC-8, PG. 3
3	DECREASE IN CASH WORKING CAPITAL	\$ (34,053)	LINE 2 - LINE 1
4	MATERIALS & SUPPLIES PER COMPANY	\$ (533)	COMPANY SCH. B-5, PG. 1
5	MATERIALS & SUPPLIES PER RUCO	(533)	
6	MATERIALS & SUPPLIES ADJUSTMENT	\$ -	LINE 5 - LINE 4
7	PREPAYMENTS PER COMPANY AND SPECIAL DEPOSITS	\$ 18,577	COMPANY SCH. B-5, PG. 1
8	PREPAYMENTS PER RUCO	18,577	
9	PREPAYMENTS ADJUSTMENT	\$ -	LINE 8 - LINE 7
10	REQUIRED BANK BALANCES PER COMPANY	\$ 28,594	COMPANY SCH. B-5, PG. 1
11	REQUIRED BANK BALANCES PER RUCO	28,594	
12	REQUIRED BANK BALANCE ADJUSTMENT	\$ -	LINE 11 - LINE 10
13	TOTAL WORKING CAPITAL ADJUSTMENT	\$ (34,053)	LINES 3, 6, 9 & 12

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 COOLIDGE SYSTEM
 RATE BASE ADJUSTMENT #6 - WORKING CAPITAL
 LEAD/LAG CALCULATION

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-8
 PAGE 2 OF 5

LINE NO.	DESCRIPTION	(A) EXPENSES PER COMPANY	(B) RUCO ADJUSTMENTS	(C) ADJUSTED EXPENSES	(D) (LEAD)/LAG DAYS	(E) \$ DAYS
1	PURCHASED POWER	\$ 101,696	\$ (3,200)	\$ 98,496	39.97	\$ 3,936,900
2	PAYROLL	330,868	-	330,868	14.00	4,632,152
3	PURCHASED WATER	56,000	(56,000)	-	N/A	N/A
4	CHEMICALS	7,049	-	7,049	28.05	197,724
5	PROPERTY & LIABILITY INSURANCE	12,070	-	12,070	(45.27)	(546,409)
6	WORKER'S COMPENSATION	4,959	-	4,959	(46.50)	(230,594)
7	HEALTH INSURANCE	75,836	-	75,836	(8.92)	(676,457)
8	OTHER O&M EXPENSES	192,774	(149,452)	43,322	(9.27)	(401,595)
9	DEPRECIATION & AMORTIZATION	-	-	-	N/A	N/A
10	FEDERAL INCOME TAXES	55,589	44,058	99,647	61.95	6,173,591
11	STATE INCOME TAXES	7,524	14,817	22,341	99.80	2,229,630
12	DEFERRED INCOME TAXES	-	-	-	N/A	N/A
13	FICA TAXES	27,033	-	27,033	14.00	378,462
14	FUTA & SUTA TAXES	631	-	631	83.10	52,436
15	PROPERTY TAXES	224,319	(110,974)	113,345	212.00	24,029,089
16	REG., CONTRACT, & MISCELLANEOUS FEES	23,770	-	23,770	(98.83)	(2,349,214)
17	SALES & OCCUPATION TAXES	149,174	-	149,174	37.53	5,598,510
18	PENSION EXPENSE	30,770	-	30,770	34.72	1,068,343
19	SUBTOTAL	<u>\$ 1,300,063</u>	<u>\$ (260,751)</u>	<u>\$ 1,039,312</u>		<u>\$ 44,092,569</u>
20	SYNCHRONIZED INTEREST	85,169	(20,733)	64,436	91.25	5,879,779
21	TOTAL	<u>\$ 1,385,232</u>	<u>\$ (281,484)</u>	<u>\$ 1,103,748</u>	<u>45.28</u>	<u>\$ 49,972,348</u>

REFERENCES:

COLUMN (A): COMPANY SCHEDULE B-6, W/P B6-1, PAGE 5
 COLUMN (B): DIFFERENCE BETWEEN COLUMN (A) AND SCHEDULE TJC-9 COLUMN (E)
 COLUMN (C): COLUMN (A) + COLUMN (B)
 COLUMN (D): LINES 1 THRU 9 AND 11 THRU 17 - COMPANY SCHEDULE B-6, W/P B6-1, PAGE 5 OF 5
 COLUMN (D): LINE 10 AND 11 - SCHEDULE TJC-8, PAGE 4 OF 5 AND PAGE 5 OF 5, LINE 7 RESPECTIVELY
 COLUMN (E): COLUMN (C) x COLUMN (D)

NOTE

N/A = NON CASH CHARGES EXCLUDED FROM WORKING CAPITAL CALCULATION

* RUCO RECOMMENDED LEVEL OF OPERATING EXPENSE - SCHEDULE TJC-9, COLUMN (E), LINE 16 MINUS LINE 12

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 COOLIDGE SYSTEM
 RATE BASE ADJUSTMENT #6 - WORKING CAPITAL
 CALCULATION OF CASH WORKING CAPITAL

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-8
 PAGE 3 OF 5

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	AVERAGE EXPENSE LAG	45.28	SCH. TJC-8, PG. 2
2	AVERAGE REVENUE COLLECTION LAG	<u>29.24</u>	CO. SCH. B-6, PG. 2
3	EXCESS EXPENSE OVER REVENUE LAG	(16.04)	LINE 2 - LINE 1
4	TOTAL EXPENSES	\$ 1,103,748	SCH. TJC-8, PG. 2
5	CASH WORKING CAPITAL REQUIREMENT	(48,490)	(LINE 3 X LINE 4)/365 DAYS
6	PER COMPANY	<u>\$ (14,437)</u>	CO. SCH. B-6, PG. 1
7	INCREASE (DECREASE) IN WORKING CAPITAL	<u>\$ (34,053)</u>	LINE 5 - LINE 6

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 COOLIDGE SYSTEM
 RATE BASE ADJUSTMENT #6 - WORKING CAPITAL
 CALCULATION OF FEDERAL INCOME TAX LAG

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-8
 PAGE 4 OF 5

LINE NO.	(A) PAYMENT DATE	(B) SERVICE PERIOD MIDPOINT	(C) (LEAD)/LAG DAYS	(D) PAYMENT AMOUNT	(E) DOLLAR DAYS
1	04/12/99	07/01/99	(80.00)	\$ 397,000	\$ (31,760,000)
2	06/11/99	07/01/99	(20.00)	50,000	(1,000,000)
3	09/14/99	07/01/99	75.00	486,000	36,450,000
4	12/14/99	07/01/99	166.00	970,000	161,020,000
5	03/14/00	07/01/99	257.00	(240,000)	(61,680,000)
6	TOTALS			\$ 1,663,000	\$ 103,030,000
7	INCOME TAX LAG		61.95		

REFERENCE
 COMPANY'S WORKPAPERS SCHEDULE B-6, W/P EL-11, PAGE 2 OF 2

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 COOLIDGE SYSTEM
 RATE BASE ADJUSTMENT #6 - WORKING CAPITAL
 CALCULATION OF STATE INCOME TAX LAG

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-8
 PAGE 5 OF 5

LINE NO.	(A) PAYMENT DATE	(B) SERVICE PERIOD MIDPOINT	(C) (LEAD)/LAG DAYS	X	(D) PAYMENT AMOUNT	=	(E) DOLLAR DAYS
1	04/15/99	07/01/99	(77.00)		\$ 50,000		\$ (3,850,000)
2	06/15/99	07/01/99	(16.00)		12,000		(192,000)
3	09/15/99	07/01/99	76.00		112,000		8,512,000
4	12/15/99	07/01/99	167.00		220,000		36,740,000
5	04/15/00	07/01/99	289.00		<u>(9,983)</u>		<u>(2,885,087)</u>
6	TOTALS				\$ 384,017		\$ 38,324,913
7	INCOME TAX LAG		99.80				

REFERENCE

COMPANY'S WORKPAPERS SCHEDULE B-6, W/P EL-12, PAGE 2 OF 2

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 COOLIDGE SYSTEM
 OPERATING INCOME - TEST YEAR AND RUCO PROPOSED

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-9

LINE NO.	DESCRIPTION	(A) COMPANY TEST YEAR AS FILED	(B) RUCO TEST YEAR ADJUSTMENTS	(C) RUCO TEST YEAR AS ADJUSTED	(D) RUCO PROPOSED CHANGES	(E) RUCO RECOMMENDED
<u>REVENUES - WATER:</u>						
1	REVENUE FROM WATER SALES	\$ 1,363,049	\$ (4,928)	\$ 1,358,121	\$ 50,532	\$ 1,408,653
2	OTHER REVENUES	64,236	-	64,236		64,236
3	TOTAL OPERATING REVENUES	\$ 1,427,285	\$ (4,928)	\$ 1,422,357	\$ 50,532	\$ 1,472,889
<u>OPERATING EXPENSES:</u>						
4	PURCHASED WATER	\$ 56,000	\$ (56,000)	\$ -	\$ -	\$ -
5	OTHER	7,914	(543)	7,371		7,371
6	PURCHASED POWER	97,408	1,088	98,496		98,496
7	PURCHASED GAS	603	-	603		603
8	OTHER	37,838	(31)	37,807		37,807
9	WATER TREATMENT	13,267	(91)	13,176		13,176
10	TRANSMISSION & DISTRIBUTION	196,681	(921)	195,760		195,760
11	CUSTOMER ACCOUNTS	191,070	(726)	190,344		190,344
12	SALES	259	-	259		259
13	ADMINISTRATIVE & GENERAL	235,586	-	235,586		235,586
14	DEPRECIATION & AMORTIZATION	275,122	(104,601)	170,521		170,521
15	PROPERTY TAXES	127,110	(13,765)	113,345		113,345
16	OTHER TAXES	24,577	-	24,577		24,577
17	FEDERAL INCOME TAXES	55,589	28,291	83,880	15,767	99,647
18	STATE INCOME TAXES	7,524	11,295	18,819	3,522	22,341
19	TOTAL OPERATING EXPENSES	\$ 1,326,548	\$ (136,004)	\$ 1,190,544	\$ 19,289	\$ 1,209,834
20	NET INCOME	\$ 100,737	\$ 131,076	\$ 231,813	\$ 31,243	\$ 263,055

REFERENCES:

COLUMN (A): CO. SCH. C-1, PG. 3
 COLUMN (B): SCH. TJC-10
 COLUMN (C): COLUMN (A) + COLUMN (B)
 COLUMN (D): SCH. TJC-1, PAGE 2 OF 2
 COLUMN (E): COLUMN (C) + COLUMN (D)

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 COOLIDGE SYSTEM
 SUMMARY OF OPERATING ADJUSTMENTS

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-10

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) ADJ.#1	(C) ADJ.#2	(D) ADJ.#3	(E) ADJ.#4	(F) ADJ.#5	(G) ADJ.#6	(H) ADJ.#7	(I) RUCO ADJUSTED
<u>REVENUES - WATER:</u>										
1	REVENUE FROM WATER SALES	\$ 1,363,049	\$ -	\$ -	\$ (4,928)	\$ -	\$ -	\$ -	\$ -	\$ 1,358,121
2	OTHER REVENUES	64,236								64,236
3	TOTAL OPERATING REVENUES	\$ 1,427,285	\$ -	\$ -	\$ (4,928)	\$ -	\$ -	\$ -	\$ -	\$ 1,422,357
<u>OPERATING EXPENSES:</u>										
4	PURCHASED WATER	\$ 56,000	\$ (56,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	OTHER	7,914			(543)					7,371
6	PURCHASED POWER	97,408				1,088				98,496
7	PURCHASED GAS	603								603
8	OTHER	37,838			(31)					37,807
9	WATER TREATMENT	13,267			(91)					13,176
10	TRANSMISSION & DISTRIBUTION	196,681			(921)					195,760
11	CUSTOMER ACCOUNTS	191,070			(726)					190,344
12	SALES	259								259
13	ADMINISTRATIVE & GENERAL	235,586								235,586
14	DEPRECIATION & AMORTIZATION	275,122		(104,601)			0			170,521
15	PROPERTY TAXES	127,110						(13,765)		113,345
16	OTHER TAXES	24,577								24,577
17	FEDERAL INCOME TAXES	55,589							28,291	83,880
18	STATE INCOME TAXES	7,524							11,295	18,819
19	TOTAL OPERATING EXPENSES	\$ 1,326,548	\$ (56,000)	\$ (104,601)	\$ (2,312)	\$ 1,088	\$ 0	\$ (13,765)	\$ 39,586	\$ 1,190,544
20	NET INCOME	\$ 100,737	\$ 56,000	\$ 104,601	\$ (2,615)	\$ (1,088)	\$ (0)	\$ 13,765	\$ (39,586)	\$ 231,813

ADJUSTMENT #:

1. REMOVE PRO FORMA CAP M&I CHARGES
2. REMOVE AMORTIZATION OF DEFERRED CAP CHARGES
3. REVENUE AND EXPENSE ANNUALIZATION FOR 2003
4. PURCHASED POWER
5. DEPRECIATION AND AMORTIZATION EXPENSE
6. PROPERTY TAX EXPENSE
7. INCOME TAX EXPENSE

REFERENCE:

- TESTIMONY WAR
- SCHEDULE TJC-11
- SCHEDULE TJC-12
- SCHEDULE TJC-13
- SCHEDULE TJC-14
- SCHEDULE TJC-15

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2003
COOLIDGE SYSTEM
OPERATING ADJ. #3 - REVENUE AND EXPENSE ANNUALIZATION FOR 2003

LINE NO.	DESCRIPTION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
1	YEAR END CUSTOMERS - 2003	3,049	3,049	3,049	3,049	3,049	3,049	3,049	3,049	3,049	3,049	3,049	3,049
2	2003 CUSTOMERS	3,019	3,019	3,026	3,039	3,039	3,048	3,064	3,065	3,062	3,060	3,057	3,049
3	INCREASE IN CUSTOMERS - 2003	30	30	23	10	10	1	(15)	(16)	(13)	(11)	(8)	-
4	AVERAGE REVENUE FOR THE MONTH	\$ 31.30	\$ 32.46	\$ 29.31	\$ 33.42	\$ 40.55	\$ 49.17	\$ 50.80	\$ 48.83	\$ 44.79	\$ 39.95	\$ 39.42	\$ 30.52
5	INCREASE IN REVENUES	\$ 939	\$ 974	\$ 651	\$ 334	\$ 405	\$ 49	\$ (762)	\$ (781)	\$ (582)	\$ (439)	\$ (315)	\$ -
6	TOTAL INCREASE IN REVENUE	472											
7	INCREASE IN REVENUE PER COMPANY	5,400											
8	REVENUE ADJUSTMENT PER RUCO	\$ (4,928)											
9	GALLONS SOLD PER AVERAGE CUSTOMER	9,616	9,810	7,660	10,348	13,232	17,246	17,942	17,958	15,547	13,249	13,232	8,804
10	INCREASE IN CUSTOMERS	30	30	23	10	10	1	(15)	(16)	(13)	(11)	(8)	0
11	INCREASE IN GALLONS	288,492	294,285	176,181	103,484	132,316	17,246	(269,131)	(287,330)	(202,107)	(145,744)	(105,857)	0
12	TOTAL INCREASE IN GALLONS	1,836											
13	PUMPING COST PER GALLON	0.0003											
14	INCREASE IN PUMPING COST PER RUCO	1											
15	INCREASE IN PUMPING COST PER COMPANY	544											
16	PUMPING COST ADJUSTMENT PER RUCO	\$ (543)											
17	WATER TREATMENT COSTS PER GALLON	0.00005											
18	INCREASE IN WATER TREATMENT COSTS PER RUCO	0											
19	INCREASE IN WATER TREATMENT COST PER CO.	91											
20	WATER TREATMENT COST ADJUSTMENT PER RUCO	\$ (91)											
21	SOURCE OF SUPPLY COST PER GALLON	0											
22	INCREASE IN SOURCE OF SUPPLY COST	31											
23	INCREASE IN SOURCE OF SUPPLY COST PER CO.	0											
24	SOURCE OF SUPPLY ADJUSTMENT PER RUCO	\$ (31)											
25	TRANSMISSION & DISTRIBUTION COST PER GALLON	0											
26	INCREASE IN TRANSMISSION & DISTRIBUTION COST	921											
27	INCREASE IN T & D COST PER CO.	0											
28	T & D ADJUSTMENT PER RUCO	\$ (921)											
29	TOTAL INCREASE IN BILLS	41											
30	MONTHLY ACCOUNTING COST PER BILL	5.22											
31	INCREASE IN ACCOUNTING COST PER RUCO	214											
32	INCREASE IN ACCOUNTING COST PER COMPANY	940											
33	ACCOUNTING COST ADJUSTMENT PER RUCO	\$ (726)											

REFERENCES:

- LINE #1 - COMPANY'S RATE FILING, BOOK 2 OF 2 - 2003 CUSTOMER COUNT
- LINE #2 - COMPANY'S RATE FILING, BOOK 2 OF 2 - 2003 CUSTOMER COUNT
- LINE #3 - LINE #1 MINUS LINE #2
- LINE #4 - TOTAL MONTH REV. MINUS OTHER REV. LESS SALES TAX / TOTAL MONTHLY CUSTOMERS FOR TEST-YEAR
- LINE #5 - LINE #3 MULTIPLIED BY LINE #4
- LINE #6 - SUMMATION OF LINE #5
- LINE #7 - COMPANY'S WORKPAPERS C2-5, RATE FILING - BOOK 1 OF 2
- LINE #8 - LINE #6 MINUS LINE #7
- LINE #9 - GALLONS SOLD / MONTHLY CUSTOMERS, COMPANY'S RATE FILING, BOOK 2 OF 2
- LINE #10 - LINE #3
- LINE #11 - LINE #9 X LINE #10
- LINE #12 - SUMMATION OF LINE #11
- LINE #13 - CO. WIP C2-5a, PAGE 3 OF 4
- LINE #14 - LINE #12 X LINE #13
- LINE #15 - COMPANY'S WORKPAPERS, WIP C2-5
- LINE #16 - LINE #14 MINUS LINE #15
- LINE #17 - CO. WIP C2-5a, PAGE 3 OF 4
- LINE #19 - COMPANY'S WIP'S, WIP C2-5, 2 OF 2
- LINE #20 - LINE #16 MINUS LINE #19
- LINE #21 - RUCO'S ANALYSIS
- LINE #23 - CO. WIP C2-5a, PAGE 1 OF 4
- LINE #25 - RUCO'S ANALYSIS
- LINE #27 - CO. WIP C2-5a, PAGE 1 OF 4
- LINE #29 - SUMMATION OF LINE #5, 3 OR 10
- LINE #30 - CO. WIP C2-5a, PAGE 4 OF 4 / 12
- LINE #31 - LINE #29 X LINE #30
- LINE #32 - CO. WIP C2-5a, PAGE 1 OF 4
- LINE #33 - LINE #31 MINUS LINE #32

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 COOLIDGE SYSTEM
 OPERATING ADJ. #4 - PURCHASED POWER

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-12

<u>LINE NO.</u>	<u>DESCRIPTION</u>	
1	ACTUAL TEST YEAR PURCHASED POWER FROM APS	\$ 32,252
2	TEST YEAR PURCHASED POWER FROM OTHER SERVICE PROVIDERS	<u>68,776</u>
3	TOTAL TEST YEAR PURCHASED POWER (LINE 1 + LINE 2)	\$ 101,028
4	PERCENTAGE OF TEST YEAR PURCHASED POWER FROM APS (LINE 1 + LINE 3)	<u>31.92%</u>
5	COMPANY PROPOSED LEVEL OF PURCHASED POWER EXPENSE (LINE 3 X LINE 4)	\$ 97,408
6	TIMES: PERCENTAGE OF TEST YEAR PURCHASED POWER FROM APS (LINE 4)	<u>31.92%</u>
7	PERCENTAGE OF PURCHASED POWER SUBJECT TO APS INCREASE (LINE 5 X LINE 6)	\$ 31,096
8	TIMES APS COMMERCIAL RATE INCREASE	<u>3.50%</u>
9	INCREASE IN APS PORTION OF PURCHASED POWER (LINE 7 X LINE 8)	<u>\$ 1,088</u>

REFERENCES:

- LINE 1: COMPANY WORKPAPER EL-2 PAGE 2 OF 2
- LINE 2: COMPANY WORKPAPER EL-2 PAGE 2 OF 2
- LINE 5: COMPANY APPLICATION SCHEDULE C1 PAGE 2 OF 3
- LINE 8: ACC DECISION NO. 67744, DATED APRIL 7, 2005 - APS SETTLEMENT AGREEMENT

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 COOLIDGE SYSTEM
 OPERATING ADJ. #8 - DEPRECIATION AND AMORTIZATION EXPENSE

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-13

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	(A) ACTUAL TEST YEAR BALANCE PER COMPANY	(B) RUCO ADJUSTMENTS	(C) RUCO ADJUSTED BALANCE	(D) COMPONENT DEPRECIATION RATES	(E) RUCO RECOMMENDED DEPRECIATION EXPENSE
1	301.0	INTANGIBLES: ORGANIZATION*	\$ -	\$ -	\$ -	0.00%	\$ -
2	302.0	INTANGIBLES: FRANCHISES*	8,740	1	8,741	0.00%	-
3	303.0	INTANGIBLES: MISC.*	-	-	-	0.00%	-
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	13,508	1	13,509	0.00%	-
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	-	-	-	0.00%	-
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	2,927	-	2,927	0.00%	-
7	314.0	SOURCE OF SUPPLY: WELLS	226,328	-	226,328	3.13%	7,084
8	320.0	PUMPING PLANT: LAND*	25,684	1	25,685	0.00%	-
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	8,348	-	8,348	2.86%	239
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	732,365	1	732,366	5.88%	43,063
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	20,026	-	20,026	4.00%	801
12	330.0	WATER TREATMENT PLANT: LAND*	-	-	-	0.00%	-
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	1,847	-	1,847	2.50%	46
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	103,606	(1)	103,605	2.86%	2,963
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	-	-	-	0.00%	-
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	-	-	-	0.00%	-
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	-	-	-	2.00%	-
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	286,758	-	286,758	2.00%	5,735
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	2,721,370	1	2,721,371	1.79%	48,713
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	73,130	1	73,131	2.00%	1,463
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	1,151,206	(5)	1,151,201	2.38%	27,399
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	209,735	1	209,736	4.55%	9,543
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	218,296	(2)	218,294	1.82%	3,973
24	389.1	GENERAL PLANT: LAND - OFFICE*	-	-	-	0.00%	-
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	-	-	-	0.00%	-
26	389.3	GENERAL PLANT: LAND - MISC.*	-	-	-	0.00%	-
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	48,181	-	48,181	2.50%	1,205
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	18,121	-	18,121	2.50%	453
29	390.3	GENERAL PLANT: MISC. BUILDINGS	7,080	-	7,080	2.50%	177
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	10,750	-	10,750	6.67%	717
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	51,013	-	51,013	6.67%	3,403
32	391.2	GENERAL PLANT: OFFICE FURNITURE	16,149	-	16,149	6.67%	1,077
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	-	-	-	5.00%	-
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	47,217	(1)	47,216	4.00%	1,889
35	395.0	GENERAL PLANT: LAB EQUIPMENT	6,726	-	6,726	5.00%	336
36	396.0	GENERAL PLANT: POWER EQUIPMENT	15,016	(1)	15,015	6.67%	1,002
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	28,556	-	28,556	6.67%	1,905
38	397.1	GENERAL PLANT: MOBILE RADIOS	15,871	-	15,871	6.67%	1,059
39	397.2	GENERAL PLANT: AUTO CONTROLS	8,042	-	8,042	6.67%	536
40	398.0	GENERAL PLANT: MISC.	6,554	-	6,554	3.33%	218
41							
42		TEST YEAR PLANT IN SERVICE TOTALS	\$ 6,083,130	\$ (3)	\$ 6,083,127		\$ 164,996
43							
44		GROSS DEPRECIABLE PHOENIX OFFICE AND METER SHOP ALLOCATION	224,449	-	224,449		\$ 10,968
45							
46		GROSS LEASEHOLD IMPROVEMENTS	103,819	-	103,819	**	\$ 3,299
47							
48		DEFERRED CAP CHARGES	1,046,011	(1,046,011)	-		\$ -
49							
50		TEST YEAR TOTALS	\$ 7,457,409	\$ (1,046,014)	\$ 6,411,395		\$ 179,263
51							
52							
53		LESS:					
54		AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION @ 2.00% COMPOSITE RATE ***					\$ 8,742
55							
56		TOTAL PRO FORMA DEPRECIATION & AMORTIZATION EXPENSE PER RUCO					\$ 170,521
57							
58		DEPRECIATION & AMORTIZATION EXPENSE PER COMPANY					\$ 275,122
59							
60		LESS:					
61		10-YEAR AMORTIZATION OF DEFERRED CAP CHARGES					\$ 104,601
62							
63		DEPRECIATION & AMORTIZATION EXPENSE PER COMPANY EXCLUDING 10-YEAR AMORTIZATION OF DEFERRED CAP CHARGES					\$ 170,521
64							
65		DEPRECIATION & AMORTIZATION EXPENSE ADJUSTMENT (LINE 56 - LINE 63)					\$ 0

REFERENCES:

COLUMN (A): COMPANY SCHEDULE E-5 PAGE 2 OF 3
 COLUMN (B): COLUMN (C) - COLUMN (A)
 COLUMN (C): RUCO SCHEDULE TJC-4, PAGE 4
 COLUMN (D): COMPANY SCHEDULE C-2, W/P C2-15b, PAGE 2 OF 4
 COLUMN (E): COLUMN (C) x COLUMN (D)

NOTE:

* NON-DEPRECIABLE PLANT ASSETS
 ** [PHOENIX OFFICE LEASEHOLD IMPROVEMENTS x ALLOCATION FACTOR] + COOLIDGE LEASEHOLD IMPROVEMENTS = [\$1,267,373 x 0.0439] + \$48,181 = \$103,819
 *** TEST YEAR ADJUSTED CIAC x 2.00% COMPOSITE RATE OF DEPRECIATION = \$437,102 x 2.00% = \$8,742

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 COOLIDGE SYSTEM
 OPERATING ADJ. #9 - PROPERTY TAX EXPENSE

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-14

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	REVENUES - 2001	\$ 1,327,428	COMPANY SCH. C-2, W/P C2-16a
2	REVENUES - 2002	1,399,667	COMPANY SCH. C-2, W/P C2-16a
3	REVENUES - 2003	<u>1,427,538</u>	COMPANY SCH. C-2, W/P C2-16a
4	TOTAL	\$ 4,154,633	SUM LINES 1, 2, & 3
5	3 YEAR AVERAGE	\$ 1,384,878	LINE 4/3 YEARS
6	MULTIPLIER FOR REVENUES (2 X LAST 3 YRS. AVERAGE REVENUE)	<u>x 2</u>	ADOR VALUATION FACTOR
7	REVENUES FOR FULL CASH VALUE	\$ 2,769,755	LINE 5 X 2 (MULTIPLIER FOR REVENUES)
8	ADD: 10% OF CWIP BALANCE	\$ 12,783	COMPANY SCH. B-2, PG. 6; LINE 4 X 10%
9	LESS: LICENSED VEHICLES	<u>38,379</u>	COMPANY SCH. C-2, W/P C2-16a
10	FULL CASH VALUE	\$ 2,744,159	LINE 7 + LINE 8 MINUS LINE 9
11	ASSESSMENT RATIO	<u>25%</u>	PER ADOR VALUATION METHOD
12	ASSESSED VALUE	\$ 686,040	LINE 10 X LINE 11
13	PROPERTY TAX RATE	<u>16.5216%</u>	PER TAX BILLS
14	PROPERTY TAXES PAYABLE PER RUCO	\$ 113,345	LINE 12 X LINE 13
15	PROPERTY TAXES PER COMPANY	<u>127,110</u>	COMPANY SCH. C-1, PG. 3
16	ADJUSTMENT	<u>\$ (13,765)</u>	LINE 14 MINUS LINE 15

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 COOLIDGE SYSTEM
 OPERATING ADJ. #10 - INCOME TAXES

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-15

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
<u>FEDERAL INCOME TAXES:</u>			
1	OPERATING INCOME BEFORE INCOME TAXES	\$ 334,512	SCH. TJC-9
LESS:			
2	ARIZONA STATE TAX	18,819	LINE 11
3	INTEREST EXPENSE	<u>64,436</u>	NOTE (a)
4	FEDERAL TAXABLE INCOME	\$ 251,257	LINE 1 - LINES 2 & 3
5	FEDERAL INCOME TAX RATE	<u>33.38%</u>	TAX RATE
6	FEDERAL INCOME TAX EXPENSE	\$ 83,880	LINE 4 X LINE 5
7	FEDERAL INCOME TAXES PER COMPANY FILING	<u>55,589</u>	COMPANY SCH. C-1, PG. 3
8	RUCO FEDERAL INCOME TAX ADJUSTMENT	<u>\$ 28,291</u>	LINE 6 - LINE 7
<u>STATE INCOME TAXES:</u>			
9	OPERATING INCOME BEFORE INCOME TAXES	\$ 334,512	LINE 1
LESS:			
10	INTEREST EXPENSE	<u>64,436</u>	NOTE (A)
11	STATE TAXABLE INCOME	\$ 270,076	LINE 7 - LINE 8
12	STATE TAX RATE	<u>6.968%</u>	TAX RATE
13	STATE INCOME TAX EXPENSE	\$ 18,819	LINE 9 X LINE 10
14	STATE INCOME TAXES PER COMPANY FILING	<u>7,524</u>	COMPANY SCH. C-1, PG. 3
15	RUCO STATE INCOME TAX ADJUSTMENT	<u>\$ 11,295</u>	LINE 13 - LINE 14
<u>NOTE (a):</u>			
INTEREST SYNCHRONIZATION			
ADJUSTED RATE BASE		\$ 2,868,652	
WEIGHTED COST OF DEBT		<u>2.25%</u>	
		<u>\$ 64,436</u>	

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 COOLIDGE SYSTEM
 COST OF CAPITAL

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-16

LINE NO.	DESCRIPTION	(A) AMOUNT	(B) ADJUSTMENT	(C) ADJUSTED BALANCE	(D) CAPITAL RATIO	(E) COST	(F) WEIGHTED COST
1	LONG-TERM DEBT	\$ 22,200,000	\$ -	\$ 22,200,000	26.65%	8.43%	2.25%
2	SHORT-TERM DEBT	-	-	-	0.00%	0.00%	0.00%
3	COMMON EQUITY	61,116,374	-	61,116,374	73.35%	9.44%	6.92%
4	TOTAL	\$ 83,316,374	\$ -	\$ 83,316,374	100.00%		9.17%

REFERENCES:

- COLUMN (A): COMPANY SCH. D - 1
- 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 WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 COOLIDGE SYSTEM
 PROPOSED RATES

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-17

LINE NO.	DESCRIPTION	PRESENT RATES	COMPANY PROPOSED	RUCO PROPOSED
1	MONTHLY MINIMUM USAGE CHARGE:			
2				
3	(RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS)			
4	5/8 X 3/4 - INCH	\$10.88	\$14.79	\$11.25
5	1 - INCH	26.93	36.83	27.85
6	2 - INCH	88.04	119.06	91.03
7	3 - INCH	165.73	223.62	171.37
8	4 - INCH	274.49	371.38	286.22
9	6 - INCH	543.80	739.35	562.29
10	8 - INCH	621.48	1,014.00	642.61
11	10 - INCH	673.27	1,381.98	696.17
12				
13	GALLONS INCLUDED IN MONTHLY MINIMUM USAGE CHARGE:			
14				
15	RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS	1,000	0	0
16				
17	<u>TIER 1</u>			
18				
19	COMMODITY RATE (PER 100 GAL. OVER MINIMUM) - 0 TO 4,000 GALLONS:	\$0.20920	\$ 0.26340	\$ 0.15000
20				
21	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - 0 TO 4,000 GALLONS:	\$2.09200	\$ 2.63400	\$ 1.50000
22				
23	<u>TIER 2</u>			
24				
25	COMMODITY RATE (PER 100 GAL. OVER MINIMUM) - OVER 4,000 GALLONS:	\$0.20920	\$ 0.26340	\$ 0.21770
26				
27	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 4,000 GALLONS:	\$2.09200	\$ 2.63400	\$ 2.17700

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 COOLIDGE SYSTEM
 MONTHLY MINIMUM CHARGES

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-18

LINE NO.	METER SIZE	(A) COMPANY PRESENT RATES	(B) COMPANY PROPOSED RATES	(C) COMPANY DOLLAR INCREASE	(D) COMPANY PERCENT. INCREASE	(E) RUCO PROPOSED RATES	(F) RUCO DOLLAR INCREASE	(G) RUCO PERCENT. INCREASE
1	5/8 X 3/4 - INCH	\$ 10.88	\$ 14.79	\$ 3.91	35.94%	\$ 11.25	\$ 0.37	3.40%
2	1 - INCH	26.93	36.83	9.90	36.76%	27.85	0.92	3.42%
3	2 - INCH	88.04	119.06	31.02	35.23%	91.03	2.99	3.40%
4	3 - INCH COMMERCIAL	165.73	223.62	57.89	34.93%	171.37	5.64	3.40%
5	4 - INCH COMMERCIAL	274.49	371.38	96.89	35.30%	286.22	11.73	4.27%
6	6 - INCH	543.80	739.35	195.55	35.96%	562.29	18.49	3.40%
7	8 - INCH	621.48	1,014.00	392.52	63.16%	642.61	21.13	3.40%
8	10 - INCH	673.27	1,381.98	708.71	105.26%	696.17	22.90	3.40%
9	GALLONS INCLUDED IN MONTHLY MINIMUM CHARGE	1,000	0			0		

REFERENCES

COLUMN (A) THRU COLUMN (D): COMPANY SCHEDULE H-3, PAGE 1 OF 3
 COLUMN (E): TESTIMONY WAR
 COLUMN (F): COLUMN (E) - COLUMN (A)
 COLUMN (G): COLUMN (F) + COLUMN (A)

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 COOLIDGE SYSTEM
 BILLING ANALYSIS

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-19
 PAGE 1 OF 4

PRESENT RATES

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 1 - INCH	(C) 2 - INCH	(D) 3 - INCH	(E) 4 - INCH	(F) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	\$10.88	\$26.93	\$88.04	\$165.73	\$274.49	\$543.80	\$0.00	\$0.00
2	1,000	10.88	26.93	88.04	165.73	274.49	543.80	0.00	0.00
3	2,000	12.97	29.02	90.13	167.82	276.58	545.89	0.00	0.00
4	3,000	15.06	31.11	92.22	169.91	278.67	547.98	0.00	0.00
5	4,000	17.16	33.21	94.32	172.01	280.77	550.08	0.00	0.00
6	5,000	19.25	35.30	96.41	174.10	282.86	552.17	0.00	0.00
7	6,000	21.34	37.39	98.50	176.19	284.95	554.26	0.00	0.00
8	7,000	23.43	39.48	100.59	178.28	287.04	556.35	0.00	0.00
9	8,000	25.52	41.57	102.68	180.37	289.13	558.44	0.00	0.00
10	9,000	27.62	43.67	104.78	182.47	291.23	560.54	0.00	0.00
11	10,000	29.71	45.76	106.87	184.56	293.32	562.63	0.00	0.00
12	15,000	40.17	56.22	117.33	195.02	303.78	573.09	0.00	0.00
13	20,000	50.63	66.68	127.79	205.48	314.24	583.55	0.00	0.00
14	25,000	61.09	77.14	138.25	215.94	324.70	594.01	0.00	0.00
15	50,000	113.39	129.44	190.55	268.24	377.00	646.31	0.00	0.00
16	75,000	165.69	181.74	242.85	320.54	429.30	698.61	0.00	0.00
17	100,000	217.99	234.04	295.15	372.84	481.60	750.91	0.00	0.00
18	125,000	270.29	286.34	347.45	425.14	533.90	803.21	0.00	0.00
19	150,000	322.59	338.64	399.75	477.44	586.20	855.51	0.00	0.00
20	175,000	374.89	390.94	452.05	529.74	638.50	907.81	0.00	0.00
21	200,000	427.19	443.24	504.35	582.04	690.80	960.11	0.00	0.00
22									
23	AVG. NO. OF CUST:	2,877	91	41	2	5	5	N/A	N/A
24									
25	AVG. USE (GAL.):	10,095	23,148	96,381	255,500	556,609	556,609	N/A	N/A
26	MONTHLY BILL:	\$29.91	\$73.26	\$287.58	\$698.14	\$1,436.82	\$1,436.82	N/A	N/A
27									
28	MEDIAN USE (GAL.):	7,317	12,063	60,656	100,000	100,942	100,942	N/A	N/A
29	MONTHLY BILL:	\$24.10	\$50.07	\$212.84	\$372.84	\$483.57	\$483.57	N/A	N/A

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 COOLIDGE SYSTEM
 BILLING ANALYSIS

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-19
 PAGE 2 OF 4

RUCO PROPOSED RATES

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 1 - INCH	(C) 2 - INCH	(D) 3 - INCH	(E) 4 - INCH	(F) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	\$11.25	\$27.85	\$91.03	\$171.37	\$286.22	\$562.29	\$0.00	\$0.00
2	1,000	12.75	29.35	92.53	172.87	287.72	563.79	0.00	0.00
3	2,000	14.25	30.85	94.03	174.37	289.22	565.29	0.00	0.00
4	3,000	15.75	32.35	95.53	175.87	290.72	566.79	0.00	0.00
5	4,000	17.25	33.85	97.03	177.37	292.22	568.29	0.00	0.00
6	5,000	19.43	36.03	99.21	179.55	294.40	570.47	0.00	0.00
7	6,000	21.60	38.20	101.38	181.72	296.57	572.64	0.00	0.00
8	7,000	23.78	40.38	103.56	183.90	298.75	574.82	0.00	0.00
9	8,000	25.96	42.56	105.74	186.08	300.93	577.00	0.00	0.00
10	9,000	28.14	44.74	107.92	188.26	303.11	579.18	0.00	0.00
11	10,000	30.31	46.91	110.09	190.43	305.28	581.35	0.00	0.00
12	15,000	41.20	57.80	120.98	201.32	316.17	592.24	0.00	0.00
13	20,000	52.08	68.68	131.86	212.20	327.05	603.12	0.00	0.00
14	25,000	62.97	79.57	142.75	223.09	337.94	614.01	0.00	0.00
15	50,000	117.39	133.99	197.17	277.51	392.36	668.43	0.00	0.00
16	75,000	171.82	188.42	251.60	331.94	446.79	722.86	0.00	0.00
17	100,000	226.24	242.84	306.02	386.36	501.21	777.28	0.00	0.00
18	125,000	280.67	297.27	360.45	440.79	555.64	831.71	0.00	0.00
19	150,000	335.09	351.69	414.87	495.21	610.06	886.13	0.00	0.00
20	175,000	389.52	406.12	469.30	549.64	664.49	940.56	0.00	0.00
21	200,000	443.94	460.54	523.72	604.06	718.91	994.98	0.00	0.00
22									
23	AVG. NO. OF CUST:	2,877	91	41	2	5	1	N/A	N/A
24									
25	AVG. USE (GAL.):	10,095	23,148	96,381	255,500	556,609	232,917	N/A	N/A
26	MONTHLY BILL:	\$30.52	\$75.53	\$298.14	\$724.89	\$1,495.25	\$1,066.64	N/A	N/A
27									
28	MEDIAN USE (GAL.):	7,317	12,063	60,656	100,000	100,942	96,000	N/A	N/A
29	MONTHLY BILL:	\$24.47	\$51.40	\$220.37	\$386.36	\$503.26	\$768.57	N/A	N/A

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 COOLIDGE SYSTEM
 BILLING ANALYSIS

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-19
 PAGE 3 OF 4

RUCO PROPOSED CHANGES EXPRESSED IN DOLLARS

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 1 - INCH	(C) 2 - INCH	(D) 3 - INCH	(E) 4 - INCH	(F) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	\$0.37	\$0.92	\$2.99	\$5.64	\$11.73	\$18.49	\$0.00	\$0.00
2	1,000	1.87	2.42	4.49	7.14	13.23	19.99	0.00	0.00
3	2,000	1.28	1.83	3.90	6.55	12.64	19.40	0.00	0.00
4	3,000	0.69	1.24	3.31	5.96	12.05	18.81	0.00	0.00
5	4,000	0.09	0.64	2.71	5.36	11.45	18.21	0.00	0.00
6	5,000	0.18	0.73	2.80	5.45	11.54	18.30	0.00	0.00
7	6,000	0.26	0.81	2.88	5.53	11.62	18.38	0.00	0.00
8	7,000	0.35	0.90	2.97	5.62	11.71	18.47	0.00	0.00
9	8,000	0.43	0.98	3.05	5.70	11.79	18.55	0.00	0.00
10	9,000	0.52	1.07	3.14	5.79	11.88	18.64	0.00	0.00
11	10,000	0.60	1.15	3.22	5.87	11.96	18.72	0.00	0.00
12	15,000	1.03	1.58	3.65	6.30	12.39	19.15	0.00	0.00
13	20,000	1.45	2.00	4.07	6.72	12.81	19.57	0.00	0.00
14	25,000	1.88	2.43	4.50	7.15	13.24	20.00	0.00	0.00
15	50,000	4.00	4.55	6.62	9.27	15.36	22.12	0.00	0.00
16	75,000	6.13	6.68	8.75	11.40	17.49	24.25	0.00	0.00
17	100,000	8.25	8.80	10.87	13.52	19.61	26.37	0.00	0.00
18	125,000	10.38	10.93	13.00	15.65	21.74	28.50	0.00	0.00
19	150,000	12.50	13.05	15.12	17.77	23.86	30.62	0.00	0.00
20	175,000	14.63	15.18	17.25	19.90	25.99	32.75	0.00	0.00
21	200,000	16.75	17.30	19.37	22.02	28.11	34.87	0.00	0.00
22									
23	AVG. NO. OF CUST:	2,877	91	41	2	5	1	N/A	N/A
24									
25	AVG. USE (GAL.):	10,095	23,148	96,381	255,500	556,609	232,917	N/A	N/A
26	MONTHLY BILL:	\$0.61	\$2.27	\$10.57	\$26.74	\$58.43	(\$370.18)	N/A	N/A
27									
28	MEDIAN USE (GAL.):	7,317	12,063	60,656	100,000	100,942	96,000	N/A	N/A
29	MONTHLY BILL:	\$0.38	\$1.33	\$7.53	\$13.52	\$19.69	\$285.00	N/A	N/A

RUCO PROPOSED CHANGES EXPRESSED AS A PERCENTAGE

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 1 - INCH	(C) 2 - INCH	(D) 3 - INCH	(E) 4 - INCH	(F) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	3.4%	3.4%	3.4%	3.4%	4.3%	3.4%	0.0%	0.0%
2	1,000	17.2%	9.0%	5.1%	4.3%	4.8%	3.7%	0.0%	0.0%
3	2,000	9.9%	6.3%	4.3%	3.9%	4.6%	3.6%	0.0%	0.0%
4	3,000	4.6%	4.0%	3.6%	3.5%	4.3%	3.4%	0.0%	0.0%
5	4,000	0.5%	1.9%	2.9%	3.1%	4.1%	3.3%	0.0%	0.0%
6	5,000	0.9%	2.1%	2.9%	3.1%	4.1%	3.3%	0.0%	0.0%
7	6,000	1.2%	2.2%	2.9%	3.1%	4.1%	3.3%	0.0%	0.0%
8	7,000	1.5%	2.3%	3.0%	3.2%	4.1%	3.3%	0.0%	0.0%
9	8,000	1.7%	2.4%	3.0%	3.2%	4.1%	3.3%	0.0%	0.0%
10	9,000	1.9%	2.4%	3.0%	3.2%	4.1%	3.3%	0.0%	0.0%
11	10,000	2.0%	2.5%	3.0%	3.2%	4.1%	3.3%	0.0%	0.0%
12	15,000	2.6%	2.8%	3.1%	3.2%	4.1%	3.3%	0.0%	0.0%
13	20,000	2.9%	3.0%	3.2%	3.3%	4.1%	3.4%	0.0%	0.0%
14	25,000	3.1%	3.1%	3.3%	3.3%	4.1%	3.4%	0.0%	0.0%
15	50,000	3.5%	3.5%	3.5%	3.5%	4.1%	3.4%	0.0%	0.0%
16	75,000	3.7%	3.7%	3.6%	3.6%	4.1%	3.5%	0.0%	0.0%
17	100,000	3.8%	3.8%	3.7%	3.6%	4.1%	3.5%	0.0%	0.0%
18	125,000	3.8%	3.8%	3.7%	3.7%	4.1%	3.5%	0.0%	0.0%
19	150,000	3.9%	3.9%	3.8%	3.7%	4.1%	3.6%	0.0%	0.0%
20	175,000	3.9%	3.9%	3.8%	3.8%	4.1%	3.6%	0.0%	0.0%
21	200,000	3.9%	3.9%	3.8%	3.8%	4.1%	3.6%	0.0%	0.0%
22									
23	AVG. NO. OF CUST:	2,877	91	41	2	5	1	N/A	N/A
24									
25	AVG. USE (GAL.):	10,095	23,148	96,381	255,500	556,609	232,917	N/A	N/A
26	MONTHLY BILL:	2.0%	3.0%	3.5%	3.7%	3.9%	-34.7%	N/A	N/A
27									
28	MEDIAN USE (GAL.):	7,317	12,063	60,656	100,000	100,942	96,000	N/A	N/A
29	MONTHLY BILL:	1.5%	2.6%	3.4%	3.5%	3.9%	37.1%	N/A	N/A

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 COOLIDGE SYSTEM

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-20

REVENUE SUMMARY BY METER SIZE AND CUSTOMER CLASS

LINE NO.	DESCRIPTION	(A) RUCO PROPOSED MINIMUM REVENUE	(B) RUCO PROPOSED COMMODITY REVENUE	(C) RUCO PROPOSED TOTAL REVENUE
1	5/8 X 3/4 - INCH	\$388,384	\$679,019	\$ 1,067,402
2	1 - INCH	30,412	52,487	82,900
3	2 - INCH	44,514	101,402	145,915
4	3 - INCH	4,113	13,284	17,397
5	4 - INCH	15,742	66,497	82,239
6	6 - INCH	6,747	6,052	12,800
7	8 - INCH	0	0	0
13	10 - INCH	0	0	0
14				
15	TOTALS	\$ 489,912	\$ 918,741	\$ 1,408,653 (a)
16				
17	PERCENTAGE OF TOTAL REVENUE	35.00%	65.00%	100.00%

NOTE (a):

RUCO REQUIRED REVENUE \$ 1,472,889

LESS:

FIRE SPRINKLER REVENUE \$ 1,305

FIRE HYDRANT REVENUE -

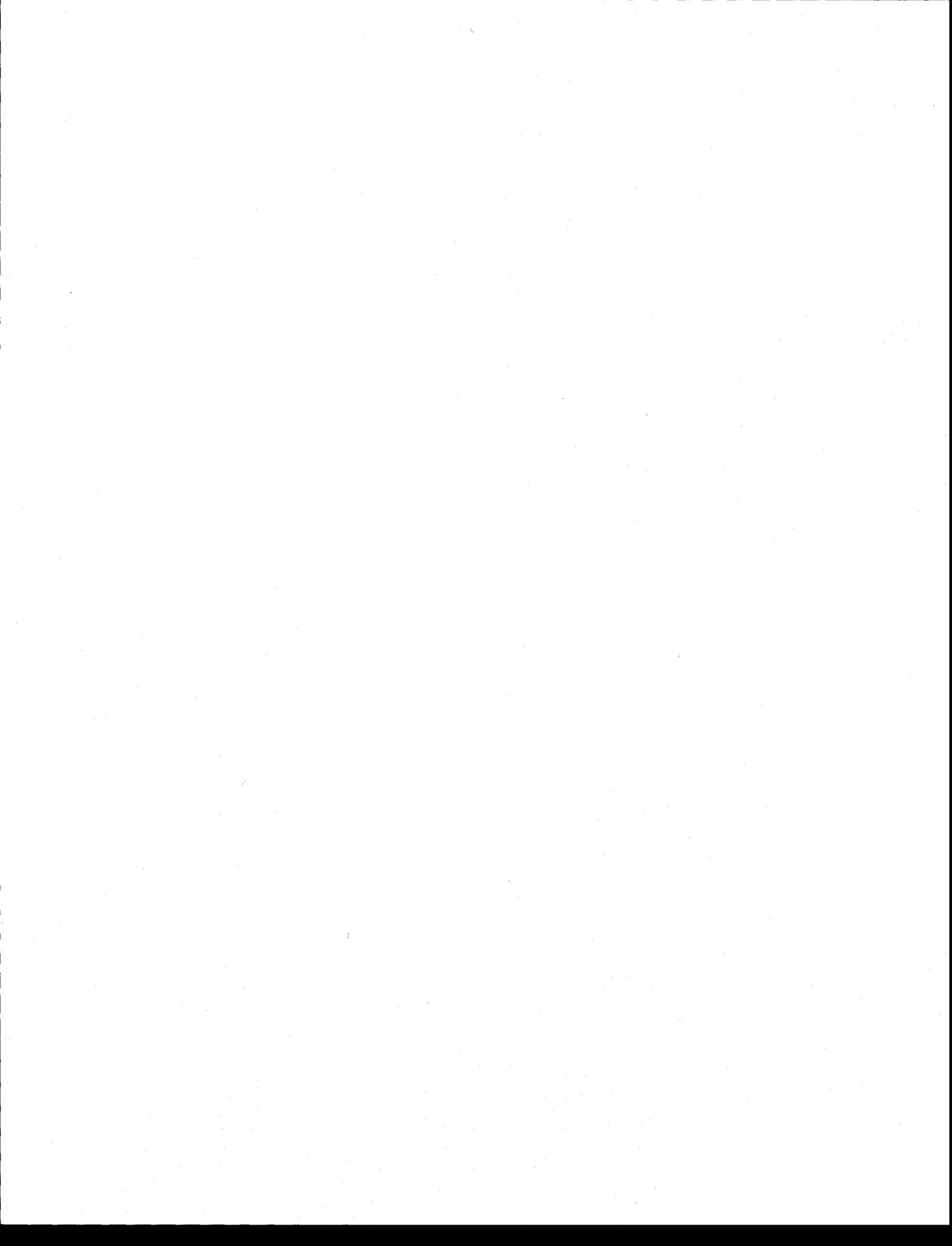
MISCELLANEOUS REVENUE 51,777

RENT - WATER PROPERTY REVENUE -

OTHER WATER REVENUE 11,154

TOTAL \$ 64,236

REVENUE TO BE GENERATED FROM WATER SALES \$ 1,408,653



**ARIZONA WATER COMPANY
WHITE TANK SYSTEM
DOCKET NO. W-01445A-04-0650
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TJC - 4	RATE BASE ADJUSTMENT #1 - ACCUMULATED DEPRECIATION - PLANT
TJC - 5	RATE BASE ADJ. #2 - RESTATE ALLOCATED PHOENIX OFFICE & METER SHOP AND ACCUMULATED DEPRECIATION
TJC - 6	RATE BASE ADJUSTMENT #3 - ACCUMULATED DEPRECIATION - PHOENIX OFFICE
TJC - 7	RATE BASE ADJUSTMENT #4 - ACCUMULATED DEPRECIATION - METER SHOP
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ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 WHITE TANK SYSTEM
 REVENUE REQUIREMENTS

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-1
 PAGE 1 OF 2

LINE NO.	DESCRIPTION	(A) COMPANY REQUESTED	(B) RUCO RECOMMENDED
1	ADJUSTED RATE BASE	\$ 2,441,155	\$ 1,919,400
2	ADJUSTED OPERATING INCOME	121,440	181,559
3	CURRENT RATE OF RETURN (L2 / L1)	4.97%	9.46%
4	REQUIRED RATE OF RETURN	10.50%	9.17%
5	REQUIRED OPERATING INCOME (L4 * L1)	256,321	176,009
6	OPERATING INCOME DEFICIENCY (L5 - L2)	134,882	(5,550)
7	GROSS REVENUE CONVERSION FACTOR	1.63245	1.54366
8	GROSS REVENUE INCREASE	\$ 220,188	\$ (8,568)
9	CURRENT REVENUES T/Y ADJUSTED	761,530	758,382
10	PROPOSED ANNUAL REVENUE (L8 + L9)	981,718	749,814
11	PERCENTAGE AVERAGE INCREASE	28.91%	-1.13%

REFERENCES:

COLUMN (A): COMPANY SCHEDULE A-1

COLUMN (B): SCHEDULE TJC-1, PG. 2, TJC-2, TJC-9 AND TJC-16

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 WHITE TANK SYSTEM
 GROSS REVENUE CONVERSION FACTOR

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-1
 PAGE 2 OF 2

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	REVENUE	1.0000	
2	UNCOLLECTIBLES	<u>0.00234</u>	COMPANY SCH. C-3
3	SUB-TOTAL	0.9977	LINE 1 - LINE 2
4	LESS: TAX RATE	<u>34.98%</u>	NOTE (a)
5	TOTAL	0.6478	LINE 3 - LINE 4
6	REVENUE CONVERSION FACTOR	<u>1.54366</u>	LINE 1/LINE 5

NOTE (a):
 CALCULATION OF EFFECTIVE TAX RATE

OPERATING INCOME BEFORE TAXES	100.00%
LESS: ARIZONA STATE TAX	<u>6.97%</u>
TAXABLE INCOME FEDERAL	93.03%
TIMES: FEDERAL INCOME TAX RATE	<u>30.20%</u>
SUBTOTAL	28.10%
ADD STATE TAX RATE	35.07%
LINE 3 ABOVE	<u>99.77%</u>
EFFECTIVE TAX RATE	34.98%

NOTE (b):

STATE INCOME TAX	\$ (597)
FEDERAL INCOME TAX	<u>(2,420)</u>
TOTAL INCOME TAX LIABILITY	<u>\$ (3,017)</u>

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 WHITE TANK SYSTEM
 RATE BASE - ORIGINAL COST

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-2

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO ADJUSTMENTS	(C) RUCO AS ADJUSTED
1	PLANT IN SERVICE	\$ 5,580,520	\$ -	\$ 5,580,520
2	PHOENIX OFFICE & METER SHOP ALLOCATION	90,661	10,571	101,232
3	DEFERRED CAP CHARGES	506,268	(506,268)	-
4	ACCUMULATED DEPRECIATION	<u>(1,088,906)</u>	<u>4,912</u>	<u>(1,083,994)</u>
5	NET PLANT IN SERVICE	\$ 5,088,543	\$ (490,785)	\$ 4,597,758
6	CONSTRUCTION WORK IN PROGRESS (CWIP)	<u>-</u>	<u>-</u>	<u>-</u>
7	TOTAL NET PLANT	\$ 5,088,543	\$ (490,785)	\$ 4,597,758
8	ADVANCES IN AID OF CONSTRUCTION (AIAC)	(1,887,880)	-	(1,887,880)
9	CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	(554,839)	-	(554,839)
10	ACCUMULATED AMORTIZATION OF CIAC	111,896	-	111,896
11	DEFERRED INCOME TAXES	(352,670)	-	(352,670)
12	WORKING CAPITAL	<u>36,105</u>	<u>(30,970)</u>	<u>5,135</u>
13	TOTAL RATE BASE	<u>\$ 2,441,155</u>	<u>\$ (521,755)</u>	<u>\$ 1,919,400</u>

REFERENCES:

COLUMN (A): COMPANY SCHEDULE B-1
 COLUMN (B): SCHEDULE TJC-3
 COLUMN (C): COLUMN (A) + COLUMN (B)

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 WHITE TANK SYSTEM
 SUMMARY OF RATE BASE ADJUSTMENTS

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-3

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) ADJ #1	(C) ADJ #2	(D) ADJ #3	(E) ADJ #4	(F) ADJ #5	(G) ADJ #6	(H) RUCO ADJUSTED
1	PLANT IN SERVICE	\$ 5,580,520	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,580,520
2	PHOENIX OFFICE & METER SHOP ALLOCATION	90,661 (a)		10,571					101,232
3	DEFERRED CAP CHARGES	506,268					(506,268)		-
4	ACCUMULATED DEPRECIATION	(1,088,906)	\$ 15,781	\$ (10,571)	\$ (316)	\$ 18			(1,083,994)
5	NET PLANT IN SERVICE	\$ 5,088,543	\$ 15,781	\$ -	\$ (316)	\$ 18	\$ (506,268)	\$ -	\$ 4,597,758
6	CONSTRUCTION WORK IN PROGRESS (CWIP)	-							-
7	TOTAL NET PLANT	\$ 5,088,543	\$ 15,781	\$ -	\$ (316)	\$ 18	\$ (506,268)	\$ -	\$ 4,597,758
8	ADVANCES IN AID OF CONSTRUCTION (AIAC)	(1,887,880)							(1,887,880)
9	CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	(554,839)							(554,839)
10	ACCUMULATED AMORTIZATION OF CIAC	111,896							111,896
11	DEFERRED INCOME TAXES	(352,670)							(352,670)
12	WORKING CAPITAL	36,105						(30,970)	5,135
13	TOTAL RATE BASE	\$ 2,441,155	\$ 15,781	\$ -	\$ (316)	\$ 18	\$ (506,268)	\$ (30,970)	\$ 1,919,400

ADJUSTMENT #:
 1. ACCUMULATED DEPRECIATION - PLANT
 2. RESTATE PHX. OFFICE & METER SHOP AND ACCUM. DEPR.
 3. ACCUMULATED DEPRECIATION - PHOENIX OFFICE
 4. ACCUMULATED DEPRECIATION - METER SHOP
 5. DEFERRED CAP CHARGES
 6. WORKING CAPITAL

REFERENCE:
 SCHEDULE TJC-4
 SCHEDULE TJC-5
 SCHEDULE TJC-6
 SCHEDULE TJC-7
 TESTIMONY - WAR
 SCHEDULE TJC-8

NOTES:
 (a) NET OF ACCUMULATED DEPRECIATION

LINE NO.	ACCT NO.	PLANT ACCOUNT NAME	1994 ADDITIONS PER COMPANY	1994 (RETIREMENTS) PER COMPANY	1994 PLANT VALUE PER RUCO	1994 DEPRECIATION EXPENSE PER RUCO	1994 ACCUMULATED DEPRECIATION PER RUCO	1994 YEAR END NET PLANT PER RUCO	1985 ADDITIONS PER COMPANY	1985 (RETIREMENTS) PER COMPANY	1985 PLANT VALUE PER RUCO	1985 DEPRECIATION EXPENSE PER RUCO	1985 ACCUMULATED DEPRECIATION PER RUCO	1985 YEAR END NET PLANT PER RUCO
1	301.0	INTANGIBLES- ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES- FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES- OTHER*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.0	SOURCE OF SUPPLY- LAND- WATER RIGHTS*	124	0	554	0	0	554	465	0	1,005	0	0	1,005
5	310.2	SOURCE OF SUPPLY- LAND- RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY- LAND- WELLS*	0	0	6,771	0	0	6,771	0	0	6,771	0	0	6,771
7	314.0	SOURCE OF SUPPLY- WELLS*	147	0	77,791	2,013	24,765	52,996	3,994	0	81,785	2,067	26,861	54,924
8	320.0	PUMPING PLANT- LAND*	0	0	0	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT- STRUCTURES & IMPROVEMENTS*	0	0	4,967	1,609	3,358	3,358	872	0	4,967	1,29	1,738	3,229
10	325.0	PUMPING PLANT- ELECTRICAL EQUIPMENT	37,421	(3,026)	315,815	7,742	60,337	255,478	8,720	0	316,887	8,191	68,528	248,159
11	328.0	WATER TREATMENT PLANT- LAND*	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT- STRUCTURES & IMPROVEMENTS*	0	0	9,857	246	32	9,265	0	0	9,857	250	622	9,035
13	331.0	WATER TREATMENT PLANT- OFFICE BUILDINGS	137	0	35,980	0	0	35,980	0	0	35,980	0	0	35,980
14	340.0	TRANSMISSION & DISTRIBUTION- LAND- TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
15	340.1	TRANSMISSION & DISTRIBUTION- LAND- RIGHTS- FEES*	0	0	0	0	0	0	0	0	0	0	0	0
16	341.0	TRANSMISSION & DISTRIBUTION- STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION- STORAGE TANKS	0	(3,045)	160,897	4,201	48,217	112,480	(5,000)	0	155,897	4,067	52,315	103,382
18	343.0	TRANSMISSION & DISTRIBUTION- MAINS	95,738	0	1,107,549	27,446	288,944	816,705	919	0	1,108,468	28,657	317,541	790,927
19	343.0	TRANSMISSION & DISTRIBUTION- FIRE SPRINKLERS	0	0	10,366	268	3,358	7,008	0	0	10,366	298	3,627	6,739
20	345.0	TRANSMISSION & DISTRIBUTION- SERVICES	11,619	(780)	178,196	4,475	44,666	133,630	5,180	(118)	183,258	4,661	48,129	134,129
21	346.0	TRANSMISSION & DISTRIBUTION- METERS	1,947	(116)	40,578	1,027	8,900	31,676	(45)	0	40,531	1,050	30,626	30,626
22	349.0	TRANSMISSION & DISTRIBUTION- HYDRANTS	0	0	11,142	289	3,610	7,532	0	0	11,142	289	3,898	7,244
23	388.1	GENERAL PLANT- LAND- OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
24	388.2	GENERAL PLANT- LAND- WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
25	388.3	GENERAL PLANT- LAND- MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
26	391.0	GENERAL PLANT- OFFICE BUILDINGS	27	0	7,868	206	2,882	5,386	0	0	7,868	206	2,768	5,160
27	396.1	GENERAL PLANT- MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
28	390.2	GENERAL PLANT- MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
29	390.3	GENERAL PLANT- MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
30	391.0	GENERAL PLANT- OFFICE EQUIPMENT	0	0	354	115	239	354	0	0	354	9	124	230
31	391.1	GENERAL PLANT- ELECTRICAL EQUIPMENT	1,071	0	1,071	14	1,057	8,939	8,768	0	9,839	141	155	9,684
32	391.2	GENERAL PLANT- OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
33	393.0	GENERAL PLANT- WAREHOUSE EQUIPMENT	0	0	8,470	219	2,744	5,726	0	0	8,470	219	2,864	5,566
34	394.0	GENERAL PLANT- GARAGE EQUIPMENT	0	0	635	25	610	610	373	0	635	16	5	368
35	395.0	GENERAL PLANT- LAB EQUIPMENT	0	0	2,939	77	962	2,007	0	0	2,939	77	1,039	1,930
36	396.0	GENERAL PLANT- POWER EQUIPMENT	0	0	43	11	32	11	659	0	688	10	11	687
37	397.0	GENERAL PLANT- COMMUNICATIONS EQUIPMENT	0	0	403	8	395	8	0	0	403	11	21	392
38	397.2	GENERAL PLANT- AUTO CONTROLS	213	0	767	0	0	767	0	0	767	0	0	767
39	397.2	GENERAL PLANT- AUTO CONTROLS	0	0	0	0	0	0	0	0	0	0	0	0
40	398.0	GENERAL PLANT- MISC.	0	0	0	0	0	0	0	0	0	0	0	0
41	TOTALS		\$148,417	(\$7,257)	\$1,961,960	\$48,369	\$431,061	\$1,480,929	\$16,683	(\$63)	\$1,968,910	\$50,424	\$541,322	\$1,457,468

LINE NO.	ACCT NO.	PLANT ACCOUNT NAME	1996 ADDITIONS PER COMPANY	1996 (RETIREMENTS) PER COMPANY	1996 PLANT VALUE PER RUCO	1996 DEPRECIATION EXPENSE PER RUCO	1996 ACCUMULATED DEPRECIATION PER RUCO	1996 YEAR END NET PLANT PER RUCO	1987 ADDITIONS PER COMPANY	1987 (RETIREMENTS) PER COMPANY	1987 PLANT VALUE PER RUCO	1987 DEPRECIATION EXPENSE PER RUCO	1987 ACCUMULATED DEPRECIATION PER RUCO	1987 YEAR END NET PLANT PER RUCO
49	301.0	INTANGIBLES- ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50	302.0	INTANGIBLES- FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
51	303.0	INTANGIBLES- OTHER*	0	0	0	0	0	0	0	0	0	0	0	0
52	310.0	SOURCE OF SUPPLY- LAND- WATER RIGHTS*	133	0	1,138	0	0	1,138	36	0	1,176	0	0	1,176
53	310.2	SOURCE OF SUPPLY- LAND- RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
54	310.3	SOURCE OF SUPPLY- LAND- WELLS*	0	0	6,771	0	0	6,771	(250)	0	6,521	0	(350)	6,171
55	314.0	SOURCE OF SUPPLY- WELLS*	0	0	81,765	2,118	28,960	52,805	11	0	81,766	2,118	31,680	50,086
56	320.0	PUMPING PLANT- LAND*	0	0	0	0	0	0	0	0	0	0	0	0
57	321.0	PUMPING PLANT- STRUCTURES & IMPROVEMENTS*	0	0	4,967	1,29	3,100	3,100	0	0	4,967	129	1,966	2,972
58	325.0	PUMPING PLANT- ELECTRICAL EQUIPMENT	37,749	(26,441)	327,995	8,349	50,335	277,590	10,869	(6,498)	332,378	8,552	52,501	279,877
59	328.0	WATER TREATMENT PLANT- LAND*	0	0	0	0	0	0	0	0	0	0	0	0
60	330.0	WATER TREATMENT PLANT- STRUCTURES & IMPROVEMENTS*	0	0	9,857	250	872	8,785	0	0	9,857	250	622	9,035
61	331.0	WATER TREATMENT PLANT- OFFICE BUILDINGS	0	0	35,980	0	0	35,980	329	0	36,319	0	0	36,319
62	340.0	TRANSMISSION & DISTRIBUTION- LAND- TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
63	340.1	TRANSMISSION & DISTRIBUTION- LAND- RIGHTS- FEES*	0	0	0	0	0	0	0	0	0	0	0	0
64	341.0	TRANSMISSION & DISTRIBUTION- STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
65	341.0	TRANSMISSION & DISTRIBUTION- STORAGE TANKS	0	0	155,697	4,033	56,437	99,350	0	0	155,697	4,033	60,340	95,317
66	343.0	TRANSMISSION & DISTRIBUTION- MAINS	13,328	0	1,121,796	28,882	346,323	775,373	111,572	(95)	1,233,333	30,499	376,887	865,246
67	343.0	TRANSMISSION & DISTRIBUTION- FIRE SPRINKLERS	0	0	10,366	268	3,358	6,471	0	0	10,366	268	4,164	6,202
68	345.0	TRANSMISSION & DISTRIBUTION- SERVICES	26,009	0	209,267	5,083	54,212	155,055	38,510	0	248,777	5,932	4,164	188,534
69	346.0	TRANSMISSION & DISTRIBUTION- METERS	(102)	0	40,429	1,048	10,652	29,577	5,051	(39)	40,441	1,112	11,625	33,516
70	349.0	TRANSMISSION & DISTRIBUTION- HYDRANTS	0	0	11,142	289	4,187	6,955	0	0	11,142	289	4,478	6,666
71	388.1	GENERAL PLANT- LAND- OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
72	388.2	GENERAL PLANT- LAND- WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
73	388.3	GENERAL PLANT- LAND- MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
74	391.0	GENERAL PLANT- OFFICE BUILDINGS	3,324	0	11,292	249	3,037	8,295	0	0	11,292	292	3,330	7,962
75	396.1	GENERAL PLANT- MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
76	390.2	GENERAL PLANT- MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
77	390.3	GENERAL PLANT- MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
78	391.0	GENERAL PLANT- OFFICE EQUIPMENT	0	0	354	133	221	354	0	0	354	9	142	212
79	391.1	GENERAL PLANT- ELECTRICAL EQUIPMENT	1,179	0	11,619	278	433	10,811	(807)	0	10,811	293	733	10,069
80	391.2	GENERAL PLANT- OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
81	393.0	GENERAL PLANT- WAREHOUSE EQUIPMENT	0	0	8,470	219	3,183	5,287	683	0	8,470	219	3,402	5,068
82	394.0	GENERAL PLANT- GARAGE EQUIPMENT	0	0	373	14	359	359	0	0	373	10	24	349
83	395.0	GENERAL PLANT- LAB EQUIPMENT	0	0	635	25	577	577	0	0	635	16	74	561
84	396.0	GENERAL PLANT- POWER EQUIPMENT	0	0	2,969	77	1,116	1,853	0	0	2,969	77	1,193	1,776
85	397.0	GENERAL PLANT- COMMUNICATIONS EQUIPMENT	0	0	688	18	29	669	0	0	688	18	47	661
86	397.2	GENERAL PLANT- MOBILE RADIOS	1,942	0	2,955	36	57	2,288	0	0	2,955	61	118	2,237
87	397.2	GENERAL PLANT- AUTO CONTROLS	0	0	767	0	0	767	0	0	767	0	0	767
88	398.0	GENERAL PLANT- MISC.	0	0	0	0	0	0	0	0	0	0	0	0
89	TOTALS		\$84,204	(\$26,543)	\$2,056,531	\$51,590	\$566,160	\$1,485,924	\$167,256	(\$6,810)	\$2,216,817	\$54,203	\$673,953	\$1,603,424

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 * - NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1998 ADDITIONS PER COMPANY	1998 (RETIREMENTS) PER COMPANY	1998 YEAR END NET PLANT PER RUCO	1998 DEPRECIATION EXPENSE PER RUCO	1998 ACCUMULATED DEPRECIATION PER RUCO	1998 YEAR END NET PLANT PER RUCO	1999 ADDITIONS PER COMPANY	1999 (RETIREMENTS) PER COMPANY	1999 YEAR END NET PLANT PER RUCO	1999 DEPRECIATION EXPENSE PER RUCO	1999 ACCUMULATED DEPRECIATION PER RUCO	1999 YEAR END NET PLANT PER RUCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0		\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0		0	0	0	0	0		0	0	0	0
3	303.0	INTANGIBLES: MISC. LAND - WATER RIGHTS*	0		0	0	0	0	0		0	0	0	0
4	310.0	SOURCE OF SUPPLY: LAND - RESERVOIRS*	41		1,217	0	0	1,639	0		0	0	0	1,639
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0		0	0	0	0	0		0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0		6,521	(259)	6,262	6,771	0		(250)	0	6,521	48,543
7	314.0	SOURCE OF SUPPLY: WELLS	0		48,530	2,119	50,649	48,530	3,122		0	0	53,761	48,543
8	320.0	PUMPING PLANT: LAND*	0		0	0	0	0	0		0	0	0	0
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0		4,967	129	5,096	4,967	0		0	0	5,096	2,715
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	27,089	(11,435)	348,032	8,811	367,418	298,154	0		0	9,014	376,432	289,140
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0		0	0	0	0	0		0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0		0	0	0	0	0		0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0		9,657	250	9,907	9,657	0		0	1,622	11,529	8,035
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0		36,316	0	36,316	36,316	(329)		0	0	36,087	36,316
15	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0		0	0	0	0	0		0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0		0	0	0	0	0		0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0		0	0	0	0	0		0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	227		155,924	4,035	156,151	91,509	0		0	4,038	160,189	67,470
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	116,001	(871)	1,348,463	33,434	1,381,892	839,013	276,559		0	38,507	1,420,401	1,177,065
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0		10,366	268	10,634	10,366	11,848		0	4,720	15,084	7,128
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	28,089	(3,284)	207,982	6,739	211,797	207,982	30,855	(1,186)	0	7,418	211,571	231,371
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	4,773	(106)	50,108	1,237	51,341	50,108	4,131	(109)	0	1,350	51,309	39,833
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	89		11,231	290	11,521	6,466	23,418		0	584	20,000	29,289
24	388.1	GENERAL PLANT: LAND - WAREHOUSE*	0		0	0	0	0	0		0	0	0	0
25	388.2	GENERAL PLANT: LAND - WAREHOUSE*	0		0	0	0	0	0		0	0	0	0
26	388.3	GENERAL PLANT: OFFICE BUILDINGS	0		11,290	292	11,582	7,670	0		0	11,292	11,582	7,377
27	388.4	GENERAL PLANT: OFFICE BUILDINGS	0		0	0	0	0	0		0	0	0	0
28	389.0	GENERAL PLANT: WAREHOUSE BUILDINGS	0		0	0	0	0	0		0	0	0	0
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0		354	0	354	354	0		0	0	354	193
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	2,411		13,222	311	14,933	12,187	0		0	9	13,222	11,845
31	391.1	GENERAL PLANT: OFFICE FURNITURE	0		0	0	0	0	0		0	0	0	0
32	391.2	GENERAL PLANT: OFFICE EQUIPMENT	0		683	18	691	683	0		0	18	691	639
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0		8,470	219	8,689	4,848	0		0	3,841	12,530	4,629
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0		373	34	407	373	0		0	373	746	330
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0		635	16	651	635	0		0	16	651	528
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0		2,969	77	3,046	1,699	0		0	2,869	3,046	1,823
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0		633	6	639	633	0		0	6	639	615
38	397.1	GENERAL PLANT: MOBILE RADIOS	0		2,169	0	2,169	2,169	0		0	0	2,169	2,115
39	397.2	GENERAL PLANT: AUTO CONTROLS	0		76	20	96	76	0		0	61	137	99
40	398.0	GENERAL PLANT: MISC.	0		78	0	78	78	0		0	0	78	67
41		TOTALS	\$176,700	(\$15,676)	\$2,378,001	\$58,364	\$2,436,365	\$1,721,012	\$339,959	(\$1,624)	\$2,716,536	\$64,829	\$719,447	\$1,956,089

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2000 ADDITIONS PER COMPANY	2000 (RETIREMENTS) PER COMPANY	2000 YEAR END NET PLANT PER RUCO	2000 DEPRECIATION EXPENSE PER RUCO	2000 ACCUMULATED DEPRECIATION PER RUCO	2000 YEAR END NET PLANT PER RUCO	2001 ADDITIONS PER COMPANY	2001 (RETIREMENTS) PER COMPANY	2001 YEAR END NET PLANT PER RUCO	2001 DEPRECIATION EXPENSE PER RUCO	2001 ACCUMULATED DEPRECIATION PER RUCO	2001 YEAR END NET PLANT PER RUCO
49	301.0	INTANGIBLES: ORGANIZATION*	\$0		\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0
50	302.0	INTANGIBLES: FRANCHISES*	0		0	0	0	0	0		0	0	0	0
51	303.0	INTANGIBLES: MISC. LAND - WATER RIGHTS*	0		0	0	0	0	0		0	0	0	0
52	310.0	SOURCE OF SUPPLY: LAND - RESERVOIRS*	370		2,009	0	0	2,009	86		0	0	2,094	2,064
53	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0		0	0	0	0	0		0	0	0	0
54	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0		6,521	(250)	6,271	28,821	0		(31)	0	28,790	28,774
55	314.0	SOURCE OF SUPPLY: WELLS	0		48,530	2,198	50,728	47,343	22,000		0	2,189	52,533	48,144
56	320.0	PUMPING PLANT: LAND*	0		0	0	0	0	0		0	0	0	0
57	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0		4,967	129	5,096	4,967	0		0	0	5,096	2,457
58	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	19,422	(5,385)	382,069	9,196	391,484	296,367	10,418	(7,304)	0	9,418	400,882	300,367
59	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0		0	0	0	0	0		0	0	0	0
60	330.0	WATER TREATMENT PLANT: LAND*	0		0	0	0	0	0		0	0	0	0
61	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0		9,657	250	9,907	9,657	79		0	1	10,037	78
62	332.0	WATER TREATMENT PLANT: EQUIPMENT	0		35,990	0	35,990	35,990	0		0	2,122	38,112	36,319
63	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0		0	0	0	0	0		0	0	0	0
64	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0		0	0	0	0	0		0	0	0	0
65	341.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0		0	0	0	0	0		0	0	0	0
66	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0		155,924	4,038	160,062	83,432	897		0	4,038	164,101	89,279
67	343.0	TRANSMISSION & DISTRIBUTION: MAINS	418,218	(2,988)	4,967	307	5,274	1,545,625	67,161	(5,881)	0	54,080	1,600,705	1,594,824
68	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0		11,848	307	12,155	11,848	0		0	307	12,155	6,514
69	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	70,520	(2,988)	389,673	8,988	398,661	293,203	39,137	(2,749)	0	40,691	434,900	322,246
70	346.0	TRANSMISSION & DISTRIBUTION: METERS	4,921		59,051	1,466	64,417	43,288	2,000	(91)	0	1,555	60,990	43,734
71	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	46,897		81,456	1,504	82,960	74,593	3,807		0	2,159	86,742	76,241
72	389.1	GENERAL PLANT: LAND - OFFICE*	0		0	0	0	0	0		0	0	0	0
73	389.2	GENERAL PLANT: LAND - OFFICE*	0		0	0	0	0	0		0	0	0	0
74	389.3	GENERAL PLANT: LAND - WAREHOUSE*	0		0	0	0	0	0		0	0	0	0
75	389.4	GENERAL PLANT: OFFICE BUILDINGS	0		11,290	292	11,582	7,670	0		0	11,292	11,582	6,792
76	389.5	GENERAL PLANT: OFFICE BUILDINGS	482		482	0	482	482	0		0	12	494	463
77	389.6	GENERAL PLANT: WAREHOUSE BUILDINGS	0		0	0	0	0	0		0	0	0	0
78	391.0	GENERAL PLANT: MISC. BUILDINGS	0		354	0	354	354	0		0	0	354	175
79	391.1	GENERAL PLANT: OFFICE EQUIPMENT	0		13,222	342	13,564	13,222	0		0	342	13,564	11,160
80	391.2	GENERAL PLANT: OFFICE FURNITURE	0		0	0	0	0	0		0	0	0	0
81	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0		883	18	891	883	0		0	18	891	803
82	394.0	GENERAL PLANT: GARAGE EQUIPMENT	135		8,065	221	8,296	4,543	2,755		0	4,321	12,617	7,039
83	395.0	GENERAL PLANT: LAB EQUIPMENT	0		373	10	383	373	0		0	10	383	310
84	396.0	GENERAL PLANT: POWER EQUIPMENT	0		2,969	16	3,085	1,699	0		0	16	3,085	1,469
85	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0		635	6	641	635	0		0	6	641	615
86	397.1	GENERAL PLANT: MOBILE RADIOS	0		2,355	81	2,436	2,355	4,960		0	1,078	3,434	954
87	397.2	GENERAL PLANT: AUTO CONTROLS	0		76	20	96	76	8,989		0	125	9,065	6,879
88		TOTALS	\$558,675	(\$7,453)	\$3,267,726	\$78,349	\$3,346,075	\$2,478,871	\$92,667	(\$15,965)	\$3,444,906	\$95,484	\$487,859	\$2,956,051

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 * NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2002 ADDITIONS PER COMPANY	2002 (RETIREMENTS) PER COMPANY	2002 YEAR END PLANT VALUE PER RUCCO	2002 DEPRECIATION EXPENSE PER RUCCO	2002 ACCUMULATED DEPRECIATION PER RUCCO	2002 YEAR END NET PLANT PER RUCCO	2003 ADDITIONS PER COMPANY	2003 (RETIREMENTS) PER COMPANY	2003 YEAR END PLANT VALUE PER RUCCO	2003 DEPRECIATION EXPENSE PER RUCCO	2003 ACCUMULATED DEPRECIATION PER RUCCO	2003 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	1,160	0	3,254	0	0	3,254	0	0	5,390	0	0	5,390
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	28,521	0	(250)	28,271	0	0	28,521	0	(250)	28,271
7	314.0	SOURCE OF SUPPLY: WELLS	448,081	0	534,009	8,015	47,785	486,220	1,359	0	535,368	13,848	61,538	473,730
8	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	10,513	0	15,488	265	2,775	12,705	3,145	0	18,637	442	3,216	15,421
9	321.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	146,338	(12,980)	489,441	11,197	63,593	435,609	10,476	0	509,977	13,071	77,004	432,973
10	321.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: EQUIPMENT	5,395	0	79	2	3	76	0	0	15,053	390	2,832	12,221
14	332.0	WATER TREATMENT PLANT: TANKS & MAINS*	0	0	15,053	320	2,442	12,611	0	0	15,053	0	0	15,053
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	35,960	0	(323)	36,319	0	0	35,960	0	(323)	36,319
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	324,216	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	128,071	0	481,037	8,280	64,802	396,235	169	0	481,206	12,461	97,263	383,943
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	2,280,651	56,892	600,527	1,680,124	718,920	0	2,979,571	67,861	666,388	2,311,183
20	344.0	TRANSMISSION & DISTRIBUTION: SERVICES	48,771	(3,540)	451,192	11,101	5,641	6,207	103,729	0	11,848	307	5,948	5,900
21	345.0	TRANSMISSION & DISTRIBUTION: METERS	8,493	(103)	69,360	1,888	16,842	50,538	21,144	(936)	554,285	13,021	103,613	460,672
22	346.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	11,334	0	86,597	2,355	11,377	85,220	121,734	0	218,331	4,078	15,485	202,876
23	381.0	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
24	382.0	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
25	382.0	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
26	383.0	GENERAL PLANT: OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: WAREHOUSE BUILDINGS	8,137	0	11,292	292	4,792	6,500	0	0	11,292	292	5,085	6,207
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	8,619	118	137	8,482	0	0	8,619	223	360	8,259
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	66	0	0	0	1	65
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	69	0	354	9	188	166	1,177	0	354	9	197	157
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	174	0	13,311	344	2,406	10,905	0	0	14,488	360	2,766	11,722
32	391.2	GENERAL PLANT: OFFICE FURNITURE	360	0	1,74	2	172	172	0	0	174	0	7	167
33	393.0	GENERAL PLANT: GARAGE EQUIPMENT	5,722	(400)	1,043	22	102	841	2,014	0	1,043	27	129	914
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	2,103	0	16,682	363	4,284	12,398	0	0	18,696	458	4,742	13,954
35	395.0	GENERAL PLANT: POWER EQUIPMENT	0	0	2,476	37	100	2,376	0	0	2,476	0	64	2,312
36	396.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	635	16	156	478	0	0	635	0	173	462
37	397.0	GENERAL PLANT: MOBILE RADIOS	74	0	2,969	77	1,577	1,392	108	0	2,969	77	1,654	1,315
38	397.1	GENERAL PLANT: AUTO CONTROLS	8,186	0	1,152	29	153	999	0	0	1,260	31	185	1,075
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	15,501	285	721	14,780	7,699	0	23,200	901	1,223	21,977
40	398.0	GENERAL PLANT: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
41		TOTALS	\$1,159,036	(\$16,223)	\$4,591,313	\$102,272	\$943,928	\$3,633,085	\$993,876	(\$674)	\$5,580,517	\$129,691	\$1,073,125	\$4,507,392
42		BALANCES PER COMPANY									\$ 5,580,520		\$ 1,086,906	
43		BALANCES PER RUCCO									\$ 5,580,517		\$ 1,073,125	
44		TOTAL ADJUSTMENTS									\$ (3)		\$ (15,781)	

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION

NOTE:
 * NON-DEPRECIABLE PLANT
 ** LEASEHOLD IMPROVEMENT

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 WHITE TANK SYSTEM

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-5

RATE BASE ADJ. #2 - RESTATE ALLOCATED PHOENIX OFFICE
 & METER SHOP AND ACCUMULATED DEPRECIATION

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>TEST YEAR COMPANY</u>
1	GROSS PHOENIX OFFICE PLANT	\$ 4,999,117
2	GROSS METER SHOP	<u>113,608</u>
3	GROSS PHOENIX OFFICE PLANT & METER SHOP	\$ 5,112,725
4	TIMES: ALLOCATION FACTOR	<u>0.0198</u>
5	ALLOCATED GROSS PHOENIX OFFICE PLANT & METER SHOP	\$ 101,232
6	NET ALLOCATED PHOENIX OFFICE PLANT & METER SHOP	<u>90,661</u>
7	RUCO ADJUSTMENT TO PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION	\$ 10,571

REFERENCES:

- LINE 1: COMPANY SCHEDULE B-2 PAGE 7
- LINE 2: COMPANY SCHEDULE B-2 PAGE 8
- LINE 3: LINE 1 + LINE 2
- LINE 4: COMPANY SCHEDULE B-1 PAGE 1
- LINE 5: LINE 3 x LINE 4
- LINE 6: COMPANY SCHEDULE B-1 PAGE 1 (SUM OF LINES 6 AND 7)
- LINE 7: LINE 5 - LINE 6

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 WHITE TANK SYSTEM
 RATE BASE ADJUSTMENT #3 - ACCUMULATED DEPRECIATION - PHOENIX OFFICE

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1990 PLANT VALUE PER COMPANY	1990 ACCUM DEPR. PER COMPANY	1990 NET PRIOR ACC PER COMPANY	1991 ADDITIONS PER COMPANY	1991 RETIREMENTS PER COMPANY	1991 YEAR END PLANT VALUE PER RUCCO	1991 DEPRECIATION EXPENSE PER RUCCO	1991 ACCUMULATED DEPRECIATION PER RUCCO	1991 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$651	\$0	\$651	\$0	\$0	\$651	\$0	\$0	\$651
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISCELLANEOUS*	8,496	0	8,496	0	0	8,496	0	0	8,496
4	310.0	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	0	0	0	0	0	0	0
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	0	0	0	0	0	0	0
8	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0
14	332.0	WATER TREATMENT PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0
15	333.0	WATER TREATMENT PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	0	0	0	0	0	0	0
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0
24	389.1	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0
25	389.2	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0
26	390.1	GENERAL PLANT: WAREHOUSE BUILDINGS	530,962	1,901	529,061	10,977	0	541,039	426	2,325	538,614
27	390.2	GENERAL PLANT: OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	3,478	378	3,100	542	0	4,020	91	468	3,552
29	390.3	GENERAL PLANT: MISC. BUILDINGS	547,751	59,472	488,279	115,709	(1,399)	546,352	13,239	71,311	475,041
30	391.1	GENERAL PLANT: OFFICE EQUIPMENT	886,103	8,717	877,386	9,751	0	1,013,812	23,134	120,645	893,167
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	86,500	9,717	76,783	5,125	0	84,625	2,228	11,945	82,680
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	0	2,470	0	2,470	30	30	2,440
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	27,037	2,938	24,101	83	0	27,120	655	3,591	23,529
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	51	6	45	0	0	51	7	7	44
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	0	0	0	0	0	0	0
36	396.0	GENERAL PLANT: POWER EQUIPMENT	41,416	4,407	36,999	0	(510)	36,489	1,002	5,469	35,919
37	397.0	GENERAL PLANT: MOBILE RADIOS	6,658	90	6,568	1,344	0	10,000	226	1,160	8,634
38	397.0	GENERAL PLANT: MOBILE RADIOS	0	0	0	0	0	0	0	0	0
39	397.2	GENERAL PLANT: AUTO CONTROLS	3,939	428	3,511	95	0	3,839	95	523	3,416
40	398.0	GENERAL PLANT: MISC.	\$2,160,042	\$177,765	\$1,982,277	\$136,250	(\$1,509)	\$2,094,393	\$41,119	\$216,955	\$2,077,388
41		TOTALS									

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1992 PLANT VALUE PER COMPANY	1992 ACCUM DEPR. PER COMPANY	1992 NET PRIOR ACC PER COMPANY	1993 ADDITIONS PER COMPANY	1993 RETIREMENTS PER COMPANY	1993 YEAR END PLANT VALUE PER RUCCO	1993 DEPRECIATION EXPENSE PER RUCCO	1993 ACCUMULATED DEPRECIATION PER RUCCO	1993 YEAR END NET PLANT PER RUCCO
48	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
49	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0
50	303.0	INTANGIBLES: MISCELLANEOUS*	8,496	0	8,496	0	0	8,496	0	0	8,496
51	310.0	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0
52	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0
53	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	0	0	0	0	0	0	0
54	314.0	SOURCE OF SUPPLY: WELLS	0	0	0	0	0	0	0	0	0
55	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0
56	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0
57	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0
58	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0
59	330.0	WATER TREATMENT PLANT: LAND	0	0	0	0	0	0	0	0	0
60	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0
61	332.0	WATER TREATMENT PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0
62	333.0	WATER TREATMENT PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0
63	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0
64	340.2	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0
65	341.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0
66	342.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0
67	343.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0
68	344.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	0	0	0	0	0	0	0
69	345.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0
70	346.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0
71	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0
72	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0
73	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0
74	389.3	GENERAL PLANT: LAND - MISC*	0	0	0	0	0	0	0	0	0
75	390.1	GENERAL PLANT: WAREHOUSE BUILDINGS	541,039	424	541,039	12,076	0	554,015	464	3,203	550,812
76	390.2	GENERAL PLANT: OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0
77	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	3,457	97	3,457	0	0	4,020	104	670	3,350
78	390.3	GENERAL PLANT: MISC. BUILDINGS	546,352	6,593	461,819	84,539	(2,729)	546,352	14,125	65,704	470,648
79	391.1	GENERAL PLANT: OFFICE EQUIPMENT	1,137,117	13,222	1,123,895	146,672	(1,107)	1,346,345	32,181	178,728	1,167,617
80	391.2	GENERAL PLANT: ELECTRICAL EQUIPMENT	83,962	26,026	57,936	209,346	(3,488)	1,346,345	2,488	11,477	84,243
81	391.2	GENERAL PLANT: OFFICE FURNITURE	0	2,312	96,429	2,749	0	85,720	2,488	11,477	84,243
82	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	2,470	60	2,410	80	0	2,470	64	164	2,316
83	394.0	GENERAL PLANT: GARAGE EQUIPMENT	30	657	27,150	657	0	27,834	712	4,960	22,874
84	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	0	0	0	0	0	0	0
85	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	0	0	0	0	0	0	0
86	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0
87	397.0	GENERAL PLANT: MOBILE RADIOS	1,775	1,002	41,418	4,091	0	45,509	1,126	7,627	37,882
88	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	0	0	0	0	0	0	0
89	398.0	GENERAL PLANT: MISC.	\$128,724	\$18,810	\$2,421,639	\$44,167	\$616	\$2,486,102	\$102	\$34,607	\$2,451,495
		TOTALS									

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 * NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1984 ADDITIONS PER COMPANY	1984 (RETIREMENTS) PER COMPANY	1984 YEAR END PLANT VALUE PER RUCCO	1984 DEPRECIATION EXPENSE PER RUCCO	1984 ACCUMULATED DEPRECIATION PER RUCCO	1984 YEAR END NET PLANT PER RUCCO	1985 ADDITIONS PER COMPANY	1985 (RETIREMENTS) PER COMPANY	1985 YEAR END PLANT VALUE PER RUCCO	1985 DEPRECIATION EXPENSE PER RUCCO	1985 ACCUMULATED DEPRECIATION PER RUCCO	1985 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$951	\$0	\$0	\$951	\$0	\$0	\$951	\$0	\$0	\$951
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: LICENSING*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	8,496	0	0	8,496	0	0	8,496	0	0	8,496
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	0	0	0	0	0	0	0	0	0	0
8	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
9	320.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	330.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
14	331.0	WATER TREATMENT PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
15	331.0	WATER TREATMENT PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0	0	0	0
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	0	0	0	0	0	0	0	0	0	0
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0	0	0	0
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
24	388.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
25	388.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	388.2	GENERAL PLANT: OFFICE BUILDINGS	17,033	0	571,948	454	3,869	567,392	9,407	0	580,455	454	4,110	576,345
27	390.1	GENERAL PLANT: WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
28	390.2	GENERAL PLANT: OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	4,020	104	774	4,224	0	0	4,224	104	878	3,142
30	391.0	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	(5,960)	537,613	14,001	103,910	433,703	0	0	537,613	13,924	117,834	419,779
31	391.1	GENERAL PLANT: OFFICE EQUIPMENT	110,780	(1,000)	1,457,038	36,304	214,929	1,242,107	265,498	0	1,722,524	41,175	256,105	1,466,419
32	391.2	GENERAL PLANT: OFFICE FURNITURE	15,186	0	110,906	2,676	14,153	96,753	7,313	0	118,219	2,967	17,120	101,089
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	2,470	64	218	2,252	0	0	2,470	64	282	2,188
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	27,634	721	5,680	22,154	203	0	28,037	724	6,404	21,633
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	51	1	11	40	0	0	51	1	12	39
36	395.0	GENERAL PLANT: POWER EQUIPMENT	0	0	(510)	(13)	(555)	45	0	0	(510)	(13)	(666)	56
37	396.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	45,589	1,179	8,805	36,783	4,564	0	50,073	1,238	10,044	40,029
38	397.1	GENERAL PLANT: MOBILE RADIOS	2,306	0	14,811	335	2,069	12,012	0	0	14,811	365	2,434	11,847
39	397.2	GENERAL PLANT: AUTO CONTROLS	468	0	14,181	6	1,468	12,713	0	0	14,181	6	1,468	12,713
40	398.0	GENERAL PLANT: MISC.	0	0	3,939	102	822	3,117	0	0	3,939	102	822	3,117
41		TOTALS	\$145,773	(\$5,960)	\$2,763,812	\$55,933	\$354,480	\$2,425,295	\$286,985	\$0	\$3,070,597	\$61,117	\$415,527	\$2,655,070

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1986 ADDITIONS PER COMPANY	1986 (RETIREMENTS) PER COMPANY	1986 YEAR END PLANT VALUE PER RUCCO	1986 DEPRECIATION EXPENSE PER RUCCO	1986 ACCUMULATED DEPRECIATION PER RUCCO	1986 YEAR END NET PLANT PER RUCCO	1987 ADDITIONS PER COMPANY	1987 (RETIREMENTS) PER COMPANY	1987 YEAR END PLANT VALUE PER RUCCO	1987 DEPRECIATION EXPENSE PER RUCCO	1987 ACCUMULATED DEPRECIATION PER RUCCO	1987 YEAR END NET PLANT PER RUCCO
49	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$951	\$0	\$0	\$951	\$0	\$0	\$951	\$0	\$0	\$951
50	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
51	303.0	INTANGIBLES: LICENSING*	0	0	0	0	0	0	0	0	0	0	0	0
52	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	8,496	0	0	8,496	0	0	8,496	0	0	8,496
53	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
54	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
55	314.0	SOURCE OF SUPPLY: WELLS	604	0	604	8	8	596	(604)	0	0	8	(588)	588
56	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
57	320.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
58	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
59	325.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
60	330.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
61	331.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
62	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
63	331.0	WATER TREATMENT PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
64	331.0	WATER TREATMENT PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
65	340.1	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
66	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
67	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
68	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0	0	0	0
69	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
70	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	0	0	0	0	0	0	0	0	0	0
71	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0	0	0	0
72	388.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
73	388.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
74	388.2	GENERAL PLANT: OFFICE BUILDINGS	9,971	0	590,426	454	4,593	585,863	11,226	0	601,652	454	5,017	596,635
75	388.2	GENERAL PLANT: WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
76	390.1	GENERAL PLANT: WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
77	390.2	GENERAL PLANT: OFFICE BUILDINGS	0	0	4,020	104	982	3,038	0	0	4,020	104	1,085	2,954
78	391.0	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	(24,401)	513,212	13,808	107,811	405,401	0	0	513,212	13,734	111,985	393,417
79	391.1	GENERAL PLANT: OFFICE EQUIPMENT	78,774	(17,770)	1,763,538	45,404	293,739	1,469,799	269,985	(725)	2,049,864	49,654	329,526	1,720,338
80	391.2	GENERAL PLANT: OFFICE FURNITURE	24,572	0	142,781	3,380	20,500	122,281	9,328	0	152,117	3,819	24,320	127,797
81	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	2,470	64	346	2,124	0	0	2,470	64	410	2,060
82	394.0	GENERAL PLANT: GARAGE EQUIPMENT	1,050	0	29,887	740	7,144	21,943	0	0	29,887	753	7,897	21,190
83	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	51	1	13	38	0	0	51	1	15	36
84	395.0	GENERAL PLANT: POWER EQUIPMENT	0	0	(510)	(13)	(581)	71	0	0	(510)	(13)	(656)	85
85	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	5,743	0	50,073	1,297	11,341	38,732	6,062	0	50,703	1,287	12,538	37,435
86	397.1	GENERAL PLANT: MOBILE RADIOS	1,743	0	19,824	439	2,873	16,951	0	0	19,824	439	2,873	16,951
87	397.2	GENERAL PLANT: AUTO CONTROLS	173	0	1,211	22	1,40	1,171	0	0	1,211	22	1,171	1,190
88	398.0	GENERAL PLANT: MISC.	0	0	3,939	102	822	3,117	0	0	3,939	102	822	3,117
89		TOTALS	\$122,654	(\$42,171)	\$3,151,110	\$65,625	\$433,051	\$2,707,911	\$297,025	(\$5,196)	\$3,442,917	\$70,172	\$564,024	\$2,878,893

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 * NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1998 ADDITIONS PER COMPANY	1998 (RETIREMENTS) PER COMPANY	1998 YEAR END PLANT VALUE PER RUO	1998 DEPRECIATION EXPENSE PER RUO	1998 ACCUMULATED DEPRECIATION PER RUO	1998 YEAR END NET PLANT PER RUO	1998 ADDITIONS PER COMPANY	1998 (RETIREMENTS) PER COMPANY	1998 YEAR END PLANT VALUE PER RUO	1998 DEPRECIATION EXPENSE PER RUO	1998 ACCUMULATED DEPRECIATION PER RUO	1998 YEAR END NET PLANT PER RUO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$651	\$0	\$0	\$651	\$0	\$0	\$651	\$0	\$0	\$651
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.	0	0	8,496	0	0	8,496	0	0	8,496	0	0	8,496
4	310.0	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	0	0	(588)	588	0	0	0	0	(588)	588
8	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
15	333.0	WATER TREATMENT PLANT: TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0	0	0	0
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	0	0	0	0	0	0	0	0	0	0
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0	0	0	0
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
24	388.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
25	388.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT: OFFICE BUILDINGS	32,375	0	634,027	454	5,471	628,556	9,331	0	643,886	454	5,624	637,454
27	390.0	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
28	390.2	GENERAL PLANT: MISC. BUILDINGS	10,282	0	14,282	237	1,323	12,959	0	0	14,282	237	1,610	12,589
29	390.3	GENERAL PLANT: OFFICE BUILDINGS	0	0	512,990	13,271	132,673	375,617	0	0	512,990	13,288	145,941	366,349
30	391.0	GENERAL PLANT: ELECTRICAL EQUIPMENT	67,502	(197)	1,710,561	48,695	(28,401)	1,738,962	196,237	(220,044)	1,895,754	43,995	(204,449)	1,891,203
31	391.2	GENERAL PLANT: OFFICE FURNITURE	12,072	(406,805)	184,169	4,096	28,416	135,773	0	0	166,889	4,287	32,703	134,186
32	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	29,284	64	2,470	29,220	1,235	0	29,284	80	553	3,152
33	394.0	GENERAL PLANT: GARAGE EQUIPMENT	197	0	51	759	8,653	20,631	0	0	29,284	758	9,411	19,873
34	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	51	1	16	35	926	0	977	13	29	948
35	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	(610)	(13)	(608)	98	0	0	(510)	(13)	(621)	111
36	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	2,284	0	50,073	1,297	13,934	38,139	0	0	50,073	1,297	(621)	34,842
37	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	28,170	700	4,165	24,005	46,875	0	74,885	1,334	5,499	69,346
38	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	5,857	148	1,108	4,749	0	0	5,857	134	1,077	4,781
39	397.3	GENERAL PLANT: MISC.	295	0	1,183	1	1,182	1	127	0	1,211	153	1,462	6,498
40	398.0	GENERAL PLANT: MISC.	0	0	5,857	148	1,108	4,749	0	0	5,857	134	1,077	4,781
41	TOTALS		\$124,987	(\$406,802)	\$3,181,110	\$69,133	\$169,955	\$2,985,434	\$267,227	(\$220,044)	\$3,189,855	\$86,079	\$12,844	\$3,176,311

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2000 ADDITIONS PER COMPANY	2000 (RETIREMENTS) PER COMPANY	2000 YEAR END PLANT VALUE PER RUO	2000 DEPRECIATION EXPENSE PER RUO	2000 ACCUMULATED DEPRECIATION PER RUO	2000 YEAR END NET PLANT PER RUO	2000 ADDITIONS PER COMPANY	2000 (RETIREMENTS) PER COMPANY	2000 YEAR END PLANT VALUE PER RUO	2000 DEPRECIATION EXPENSE PER RUO	2000 ACCUMULATED DEPRECIATION PER RUO	2000 YEAR END NET PLANT PER RUO
49	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$651	\$0	\$0	\$651	\$0	\$0	\$651	\$0	\$0	\$651
50	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
51	303.0	INTANGIBLES: MISC.	0	0	8,496	0	0	8,496	0	0	8,496	0	0	8,496
52	310.0	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
53	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
54	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
55	314.0	SOURCE OF SUPPLY: WELLS	0	0	0	0	(588)	588	0	0	0	0	(588)	588
56	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
57	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
58	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
59	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
60	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
61	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
62	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
63	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
64	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
65	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
66	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0	0	0	0
67	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
68	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	0	0	0	0	0	0	0	0	0	0
69	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0	0	0	0
70	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
71	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
72	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
73	389.3	GENERAL PLANT: OFFICE BUILDINGS	73,580	0	716,898	494	6,378	710,560	11,791	0	728,729	454	6,831	721,898
74	390.0	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
75	390.2	GENERAL PLANT: MISC. BUILDINGS	0	0	14,282	0	0	14,282	0	0	14,282	0	0	14,282
76	390.3	GENERAL PLANT: OFFICE BUILDINGS	0	0	512,990	13,268	156,333	356,657	0	0	512,990	13,268	172,478	339,812
77	391.0	GENERAL PLANT: ELECTRICAL EQUIPMENT	312,881	(406,805)	1,999,435	47,728	(58,713)	2,154,148	377,070	(63,832)	2,182,078	59,492	(94,869)	2,177,768
78	391.2	GENERAL PLANT: OFFICE FURNITURE	14,611	0	181,500	4,512	37,215	144,285	1,883	0	183,168	4,745	7,454	178,414
79	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	3,705	96	649	3,609	0	0	3,705	64	745	2,960
80	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	29,284	759	8,653	29,220	709	0	29,938	788	10,938	19,055
81	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	977	25	952	922	0	0	977	25	80	987
82	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	(510)	(13)	(634)	124	0	0	(510)	(13)	(647)	137
83	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	2,507	0	50,073	1,297	16,528	33,545	0	0	50,073	1,297	(647)	32,248
84	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	77,352	1,971	7,470	69,882	3,950	0	81,302	2,055	13,474	67,828
85	397.2	GENERAL PLANT: AUTO CONTROLS	343	0	1,954	36	170	1,784	0	0	1,954	210	1,344	474
86	398.0	GENERAL PLANT: MISC.	0	0	5,857	155	1,637	5,702	0	0	5,857	155	1,792	4,188
87	TOTALS		\$403,722	\$0	\$3,802,107	\$10,865	\$83,808	\$3,812,574	\$391,559	(\$69,832)	\$3,903,884	\$76,697	\$72,823	\$3,831,261

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 * NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2002 ADDITIONS PER COMPANY	2002 (RETIREMENTS) PER COMPANY	2002 YEAR END PLANT VALUE PER RUO	2002 DEPRECIATION EXPENSE PER RUO	2002 ACCUMULATED DEPRECIATION PER RUO	2002 YEAR END NET PLANT PER RUO	2003 ADDITIONS PER COMPANY	2003 (RETIREMENTS) PER COMPANY	2003 YEAR END PLANT VALUE PER RUO	2003 DEPRECIATION EXPENSE PER RUO	2003 ACCUMULATED DEPRECIATION PER RUO	2003 YEAR END NET PLANT PER RUO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$851	\$0	\$0	\$851	\$0	\$0	\$851	\$0	\$0	\$851
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.*	0	0	8,496	0	0	8,496	0	0	8,496	0	0	8,496
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	598	0	(598)	0	0	0	0	0	(598)	598
8	320.0	PLANT: OFFICE	0	0	0	0	0	0	0	0	0	0	0	0
9	320.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0	0	0	0
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	0	0	0	0	0	0	0	0	0	0
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0	0	0	0
23	346.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
24	346.0	TRANSMISSION & DISTRIBUTION: VALVES	0	0	0	0	0	0	0	0	0	0	0	0
25	388.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	388.3	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	7,215	0	735,944	454	7,265	728,659	548,841	0	1,284,865	454	7,739	1,277,146
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	14,282	370	2,803	11,479	0	0	14,282	370	3,173	11,109
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	512,290	13,268	185,746	326,544	0	0	512,290	13,268	198,015	313,275
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	604,040	(153,472)	2,633,447	63,696	(284,695)	2,918,142	185,968	(75,130)	2,754,303	69,771	(290,053)	3,044,356
32	391.2	GENERAL PLANT: OFFICE FURNITURE	710	0	184,193	4,761	48,703	137,490	54,624	0	238,817	5,478	52,181	186,636
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	3,705	96	841	2,864	0	0	3,705	96	937	2,768
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	29,993	777	11,714	18,279	457	0	30,450	783	12,497	17,953
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	977	25	105	872	0	0	977	25	130	847
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	(510)	(19)	(661)	(151)	0	0	(510)	(13)	(674)	164
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	90,073	1,297	19,122	30,951	0	0	90,073	1,297	20,419	29,654
38	397.1	GENERAL PLANT: MOBILE RADIOS	2,762	0	84,064	2,141	15,616	68,448	7,874	0	91,698	2,279	17,895	74,043
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	1,354	40	1,280	1,304	0	0	1,564	40	291	1,283
40	398.0	GENERAL PLANT: MISC.	1,223	0	7,268	171	1,963	(1,792)	0	0	7,206	167	2,150	5,056
41		TOTALS	\$916,593	(\$153,472)	\$4,266,335	\$87,054	\$67,205	\$4,253,128	\$807,882	(\$75,130)	\$4,996,117	\$94,035	\$25,110	\$4,974,007
42		BALANCES PER COMPANY							\$		\$		\$	\$
43		BALANCES PER RUO							\$		\$		\$	\$
44		DIFFERENCE							\$		\$		\$	\$
45		TOTAL ADJUSTMENTS												
46														
47														
48														
49														
50														
51														

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 * NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1994 ADDITIONS PER COMPANY	1994 (RETIREMENTS) PER COMPANY	1994 YEAR END PLANT VALUE PER RUCCO	1994 DEPRECIATION EXPENSE PER RUCCO	1994 ACCUMULATED DEPRECIATION PER RUCCO	1994 YEAR END NET PLANT PER RUCCO	1995 ADDITIONS PER COMPANY	1995 (RETIREMENTS) PER COMPANY	1995 YEAR END PLANT VALUE PER RUCCO	1995 DEPRECIATION EXPENSE PER RUCCO	1995 ACCUMULATED DEPRECIATION PER RUCCO	1995 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	80	0	0	80	0	0	80	0	0	80
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	0	0	0	0	0	0	0	0	0	0
8	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
10	322.0	PUMPING PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	323.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	2,050	53	576	1,474	0	0	2,050	53	629	1,421
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	6,066	0	1,703	4,363	0	0	6,066	0	1,880	4,206
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	40	0	12	28	0	0	40	0	13	27
20	345.0	TRANSMISSION & DISTRIBUTION: SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
21	346.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	0	0	0	0	0	0	0	0	0	0
22	348.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0	0	0	0
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
24	369.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
25	369.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	369.3	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	18,566	429	4,652	11,914	0	0	18,566	429	5,081	11,485
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
29	390.3	GENERAL PLANT: OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	742	16	206	534	0	0	742	16	228	514
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	227	0	15,529	399	4,219	11,310	4,710	0	20,239	463	4,682	15,557
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	2,981	77	837	2,144	0	0	2,981	77	914	2,067
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	1,458	38	409	1,049	0	0	1,458	38	447	1,011
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
38	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	0	0	0	0	0	0	0	0	0	0
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	0	0	0	0	0	0	0	0	0	0
40	398.0	GENERAL PLANT: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
41		TOTALS	\$277	\$0	\$45,510	\$1,174	\$12,810	\$32,699	\$4,710	\$0	\$50,225	\$1,238	\$13,654	\$36,571

ACCT. NO.	PLANT ACCOUNT NAME	1996 ADDITIONS PER COMPANY	1996 (RETIREMENTS) PER COMPANY	1996 YEAR END PLANT VALUE PER RUCCO	1996 DEPRECIATION EXPENSE PER RUCCO	1996 ACCUMULATED DEPRECIATION PER RUCCO	1996 YEAR END NET PLANT PER RUCCO	1997 ADDITIONS PER COMPANY	1997 (RETIREMENTS) PER COMPANY	1997 YEAR END PLANT VALUE PER RUCCO	1997 DEPRECIATION EXPENSE PER RUCCO	1997 ACCUMULATED DEPRECIATION PER RUCCO	1997 YEAR END NET PLANT PER RUCCO
49	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0
51	303.0	INTANGIBLES: MISC.	0	0	0	0	0	0	0	0	0	0	0
52	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0
53	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0
54	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	80	0	80	0	0	80	0	0	80
55	314.0	SOURCE OF SUPPLY: WELLS	0	0	0	0	0	0	0	0	0	0	0
56	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0
57	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0
58	322.0	PUMPING PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0
59	323.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0
60	330.0	WATER TREATMENT PLANT: LAND*	0	0	2,050	0	0	0	0	2,050	0	0	2,050
61	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0
62	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0
63	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0
64	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0
65	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0
66	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	6,066	157	2,017	4,049	0	6,066	157	2,175	3,891
67	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	9	1	(20)	1,258	0	1,267	17	(4)	1,271
68	344.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	0	0	0	0	0	0	0	0	0
69	345.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0	0	0
70	346.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0	0	0
71	348.0	TRANSMISSION & DISTRIBUTION: SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0
72	348.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	0	0	0	0	0	0	0	0	0
73	369.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0
74	369.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0
75	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	16,566	429	5,510	344	0	16,910	434	5,943	10,967
76	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0
77	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	742	19	247	495	0	742	19	266	476
78	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0
79	391.1	GENERAL PLANT: OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0
80	391.2	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0
81	393.0	GENERAL PLANT: GARAGE EQUIPMENT	1,867	0	22,406	545	5,231	17,080	0	38,196	794	6,024	33,172
82	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	2,981	77	888	2,091	0	2,981	77	1,069	1,912
83	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	1,458	38	465	1,069	0	1,458	38	523	935
84	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0
85	397.0	GENERAL PLANT: MOBILE RADIOS	0	0	0	0	0	0	0	0	0	0	0
86	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	0	0	0	0	0	0	0	0	0
87	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	0	0	0	0	0	0	0	0	0
88	398.0	GENERAL PLANT: MISC.	0	0	0	0	0	0	0	0	0	0	0
89		TOTALS	\$1,867	(\$34)	\$52,058	\$1,322	\$15,142	\$18,632	\$0	\$70,750	\$1,568	\$16,731	\$54,019

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 *NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1998 ADDITIONS PER COMPANY	1998 (RETIREMENTS) PER COMPANY	1998 YEAR END PLANT VALUE PER RUCCO	1998 DEPRECIATION EXPENSE PER RUCCO	1998 ACCUMULATED DEPRECIATION PER RUCCO	1998 YEAR END NET PLANT PER RUCCO	1999 ADDITIONS PER COMPANY	1999 (RETIREMENTS) PER COMPANY	1999 YEAR END PLANT VALUE PER RUCCO	1999 DEPRECIATION EXPENSE PER RUCCO	1999 ACCUMULATED DEPRECIATION PER RUCCO	1999 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY LAND - WELLS*	0	0	80	0	0	80	0	0	80	0	0	80
7	314.0	SOURCE OF SUPPLY WELLS	0	0	0	0	0	0	0	0	0	0	0	0
8	320.0	PUMPING PLANT LAND*	0	0	0	0	0	0	0	0	0	0	0	0
9	320.1	STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
10	320.2	PUMPING PLANT ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	328.0	PUMPING PLANT GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT LAND*	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
14	332.0	WATER TREATMENT PLANT EQUIPMENT	0	0	2,050	0	788	1,262	0	0	2,050	0	841	1,209
15	340.0	TRANSMISSION & DISTRIBUTION LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION STORAGE TANKS	0	0	6,066	0	2,332	3,734	0	0	6,066	0	2,489	3,577
19	343.0	TRANSMISSION & DISTRIBUTION FIRE SPRINKLERS	0	0	795	0	(449)	1,244	0	(1,222)	(437)	0	(1,660)	1,238
20	344.0	TRANSMISSION & DISTRIBUTION METERS	0	0	0	0	0	0	0	0	0	0	0	0
21	345.0	TRANSMISSION & DISTRIBUTION HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
22	346.0	TRANSMISSION & DISTRIBUTION METERS	0	0	0	0	0	0	0	0	0	0	0	0
23	348.0	GENERAL PLANT LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
24	389.1	GENERAL PLANT LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
25	389.2	GENERAL PLANT LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT OFFICE BUILDINGS	4,898	0	21,808	0	6,445	15,363	0	0	21,808	0	7,008	14,799
27	390.1	GENERAL PLANT WAREHOUSE BUILDINGS	0	0	742	0	285	457	0	0	742	0	304	438
28	390.2	GENERAL PLANT OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
29	391.0	GENERAL PLANT ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
30	391.1	GENERAL PLANT ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
31	391.2	GENERAL PLANT OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
32	391.2	GENERAL PLANT OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
33	393.0	GENERAL PLANT WAREHOUSE EQUIPMENT	1,541	0	40,737	0	7,060	33,677	817	0	41,554	1,066	8,125	33,429
34	394.0	GENERAL PLANT GARAGE EQUIPMENT	0	0	2,981	0	1,146	1,835	0	0	2,981	0	1,223	1,758
35	395.0	GENERAL PLANT LAB EQUIPMENT	0	0	1,458	0	560	898	0	0	1,458	0	588	860
36	396.0	GENERAL PLANT POWER EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
37	397.0	GENERAL PLANT COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
38	397.1	GENERAL PLANT MOBILE RADIOS	0	0	0	0	0	0	0	0	0	0	0	0
39	397.2	GENERAL PLANT AUTO CONTROLS	0	0	0	0	0	0	0	0	0	0	0	0
40	398.0	GENERAL PLANT AUTO CONTROLS	0	0	0	0	0	0	0	0	0	0	0	0
41		TOTALS	\$6,639	(\$472)	\$76,717	\$1,908	\$18,168	\$59,551	\$817	(\$1,222)	\$75,312	\$1,950	\$18,924	\$57,388

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2000 ADDITIONS PER COMPANY	2000 (RETIREMENTS) PER COMPANY	2000 YEAR END PLANT VALUE PER RUCCO	2000 DEPRECIATION EXPENSE PER RUCCO	2000 ACCUMULATED DEPRECIATION PER RUCCO	2000 YEAR END NET PLANT PER RUCCO	2001 ADDITIONS PER COMPANY	2001 (RETIREMENTS) PER COMPANY	2001 YEAR END PLANT VALUE PER RUCCO	2001 DEPRECIATION EXPENSE PER RUCCO	2001 ACCUMULATED DEPRECIATION PER RUCCO	2001 YEAR END NET PLANT PER RUCCO
42	301.0	INTANGIBLES ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
43	302.0	INTANGIBLES FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
44	303.0	INTANGIBLES MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
45	310.1	SOURCE OF SUPPLY LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
46	310.2	SOURCE OF SUPPLY LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
47	310.3	SOURCE OF SUPPLY LAND - WELLS*	0	0	80	0	0	80	0	0	80	0	0	80
48	314.0	SOURCE OF SUPPLY WELLS	0	0	0	0	0	0	0	0	0	0	0	0
49	320.0	PUMPING PLANT LAND*	0	0	0	0	0	0	0	0	0	0	0	0
50	320.1	STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
51	320.2	PUMPING PLANT ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
52	328.0	PUMPING PLANT GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
53	330.0	WATER TREATMENT PLANT LAND*	0	0	0	0	0	0	0	0	0	0	0	0
54	331.0	WATER TREATMENT PLANT STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
55	332.0	WATER TREATMENT PLANT EQUIPMENT	0	0	2,050	0	864	1,186	0	0	2,050	0	847	1,103
56	340.0	TRANSMISSION & DISTRIBUTION LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
57	340.1	TRANSMISSION & DISTRIBUTION LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
58	341.0	TRANSMISSION & DISTRIBUTION STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
59	342.0	TRANSMISSION & DISTRIBUTION STORAGE TANKS	0	0	6,066	0	2,646	3,420	0	0	6,066	0	2,803	3,263
60	343.0	TRANSMISSION & DISTRIBUTION FIRE SPRINKLERS	0	0	(427)	0	(1,677)	1,250	0	0	(427)	0	(1,688)	1,261
61	344.0	TRANSMISSION & DISTRIBUTION METERS	0	0	0	0	0	0	0	0	0	0	0	0
62	345.0	TRANSMISSION & DISTRIBUTION HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
63	346.0	TRANSMISSION & DISTRIBUTION METERS	0	0	0	0	0	0	0	0	0	0	0	0
64	348.0	GENERAL PLANT LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
65	389.1	GENERAL PLANT LAND - WAREHOUSE*	1,654	0	1,654	0	21	1,633	478	0	2,130	0	70	2,060
66	389.2	GENERAL PLANT LAND - WAREHOUSE*	4,465	0	26,273	0	7,632	18,641	2,168	0	28,441	0	8,341	20,100
67	390.1	GENERAL PLANT OFFICE BUILDINGS	0	0	742	0	324	418	0	0	742	0	343	399
68	390.2	GENERAL PLANT WAREHOUSE BUILDINGS	831	0	831	0	11	820	0	0	831	0	32	799
69	391.0	GENERAL PLANT ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
70	391.1	GENERAL PLANT ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
71	391.2	GENERAL PLANT OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
72	393.0	GENERAL PLANT WAREHOUSE EQUIPMENT	11,561	0	53,105	0	9,351	43,754	1,088	0	55,684	1,383	10,794	42,890
73	394.0	GENERAL PLANT GARAGE EQUIPMENT	0	0	1,981	0	77	1,904	0	0	1,981	0	77	1,904
74	395.0	GENERAL PLANT LAB EQUIPMENT	0	0	1,458	0	636	822	0	0	1,458	0	614	1,604
75	396.0	GENERAL PLANT POWER EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
76	397.0	GENERAL PLANT COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
77	397.1	GENERAL PLANT MOBILE RADIOS	0	0	0	0	0	0	0	0	0	0	0	0
78	397.2	GENERAL PLANT AUTO CONTROLS	0	0	0	0	0	0	0	0	0	0	0	0
79	398.0	GENERAL PLANT AUTO CONTROLS	0	0	0	0	0	0	0	0	0	0	0	0
80		TOTALS	\$16,501	\$0	\$84,813	\$2,214	\$21,138	\$73,675	\$4,291	\$0	\$89,104	\$2,509	\$23,647	\$75,457

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION
 NOTE:
 *NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2002 ADDITIONS PER COMPANY	2002 (RETIREMENTS) PER COMPANY	2002 YEAR END PLANT VALUE PER RUCCO	2002 DEPRECIATION EXPENSE PER RUCCO	2002 ACCUMULATED DEPRECIATION PER RUCCO	2002 YEAR END PLANT VALUE PER RUCCO	2003 ADDITIONS PER COMPANY	2003 (RETIREMENTS) PER COMPANY	2003 YEAR END PLANT VALUE PER RUCCO	2003 DEPRECIATION EXPENSE PER RUCCO	2003 ACCUMULATED DEPRECIATION PER RUCCO	2003 YEAR END PLANT VALUE PER RUCCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	80	0	0	80	0	0	80	0	0	80
7	314.0	SOURCE OF SUPPLY: LAND - WELLS	0	0	0	0	0	0	0	0	0	0	0	0
8	321.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
9	321.1	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
10	321.2	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	2,050	53	1,000	2,050	0	0	2,050	53	1,053	987
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0	0	0	0
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	426	0	0	157	2,560	3,106	0	0	6,066	157	3,117	2,949
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	(1)	(6)	(1,694)	1,693	0	0	(1)	(0)	(1,694)	1,693
23	348.0	TRANSMISSION & DISTRIBUTION: MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
24	349.0	GENERAL PLANT: LAND - OFFICE	0	0	0	0	0	0	0	0	0	0	0	0
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	2,130	55	126	2,004	0	0	2,130	55	181	1,949
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	6,902	0	35,343	826	9,167	26,176	0	0	35,343	915	10,082	25,261
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	742	19	362	380	0	0	742	19	381	381
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	1,377	0	2,208	39	72	2,136	1,033	0	3,241	71	142	3,069
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	1,088	28	42	1,046	0	0	1,088	28	70	1,018
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	53,664	1,390	12,124	41,540	4,766	0	56,430	1,452	13,575	44,855
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	2,981	77	1,455	1,526	0	0	2,981	77	1,532	1,449
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	1,458	38	711	747	0	0	1,458	38	749	709
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
38	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	0	0	0	0	0	0	0	0	0	0
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	0	0	0	0	0	0	0	0	0	0
40	398.0	GENERAL PLANT: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
41		TOTALS	\$8,755	\$0	\$107,809	\$2,677	\$26,325	\$81,484	\$5,799	\$0	\$113,608	\$2,965	\$29,190	\$84,418
42		BALANCES PER COMPANY							\$		\$		\$	
43		BALANCES PER RUCCO							\$		\$		\$	
44		DIFFERENCE							\$		\$		\$	
45									\$		\$		\$	
46									\$		\$		\$	
47									\$		\$		\$	
48									\$		\$		\$	
49									\$		\$		\$	
50									\$		\$		\$	
51									\$		\$		\$	

REFERENCE:
 COMPANY WORKPAPERS PROVIDED WITH APPLICATION

NOTE:
 * NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 WHITE TANK SYSTEM
 RATE BASE ADJUSTMENT #6 - WORKING CAPITAL

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-8
 PAGE 1 OF 5

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	CASH WORKING CAPITAL PER COMPANY	\$ 9,329	COMPANY SCH. B-5, PG. 1
2	CASH WORKING CAPITAL PER RUCO	(21,641)	SCH. TJC-8, PG. 3
3	DECREASE IN CASH WORKING CAPITAL	\$ (30,970)	LINE 2 - LINE 1
4	MATERIALS & SUPPLIES PER COMPANY	\$ 5,500	COMPANY SCH. B-5, PG. 1
5	MATERIALS & SUPPLIES PER RUCO	5,500	
6	MATERIALS & SUPPLIES ADJUSTMENT	\$ -	LINE 5 - LINE 4
7	PREPAYMENTS PER COMPANY AND SPECIAL DEPOSITS	\$ 8,379	COMPANY SCH. B-5, PG. 1
8	PREPAYMENTS PER RUCO	8,379	
9	PREPAYMENTS ADJUSTMENT	\$ -	LINE 8 - LINE 7
10	REQUIRED BANK BALANCES PER COMPANY	\$ 12,897	COMPANY SCH. B-5, PG. 1
11	REQUIRED BANK BALANCES PER RUCO	12,897	
12	REQUIRED BANK BALANCE ADJUSTMENT	\$ -	LINE 11 - LINE 10
13	TOTAL WORKING CAPITAL ADJUSTMENT	\$ (30,970)	LINES 3, 6, 9 & 12

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 WHITE TANK SYSTEM
 RATE BASE ADJUSTMENT #6 - WORKING CAPITAL
 LEAD/LAG CALCULATION

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-8
 PAGE 2 OF 5

LINE NO.	DESCRIPTION	(A) EXPENSES PER COMPANY	(B) RUCO ADJUSTMENTS	(C) ADJUSTED EXPENSES	(D) (LEAD)/LAG DAYS	(E) \$ DAYS
1	PURCHASED POWER	\$ 74,278	\$ 6,870	\$ 81,148	33.11	\$ 2,686,815
2	PAYROLL	108,671	-	108,671	14.00	1,521,394
3	PURCHASED WATER	37,383	(27,104)	10,279	37.37	384,126
4	CHEMICALS	3,823	-	3,823	18.00	68,814
5	PROPERTY & LIABILITY INSURANCE	3,957	-	3,957	(45.27)	(179,133)
6	WORKER'S COMPENSATION	1,475	-	1,475	(46.50)	(68,588)
7	HEALTH INSURANCE	22,547	-	22,547	(8.92)	(201,119)
8	OTHER O&M EXPENSES	102,123	(57,421)	44,702	(9.27)	(414,392)
9	DEPRECIATION & AMORTIZATION	-	-	-	N/A	N/A
10	FEDERAL INCOME TAXES	62,272	(4,787)	57,485	61.95	3,561,469
11	STATE INCOME TAXES	22,430	(8,171)	14,259	99.80	1,423,062
12	DEFERRED INCOME TAXES	-	-	-	N/A	N/A
13	FICA TAXES	8,042	-	8,042	14.00	112,588
14	FUTA & SUTA TAXES	188	-	188	83.10	15,623
15	PROPERTY TAXES	71,259	(34,113)	37,146	212.00	7,874,964
16	REG., CONTRACT, & MISCELLANEOUS FEES	10,707	-	10,707	(98.83)	(1,058,198)
17	SALES & OCCUPATION TAXES	50,772	-	50,772	37.53	1,905,483
18	PENSION EXPENSE	9,154	-	9,154	34.72	317,836
19	SUBTOTAL	<u>\$ 589,082</u>	<u>\$ (124,725)</u>	<u>\$ 464,357</u>		<u>\$ 17,950,744</u>
20	SYNCHRONIZED INTEREST	54,114	\$ (11,000)	43,114	91.25	3,934,129
21	TOTAL	<u>\$ 643,196</u>	<u>\$ (135,725)</u>	<u>\$ 507,471</u>	<u>43.13</u>	<u>\$ 21,884,872</u>

REFERENCES:

COLUMN (A): COMPANY SCHEDULE B-6, W/P B6-1, PAGE 3
 COLUMN (B): DIFFERENCE BETWEEN COLUMN (A) AND SCHEDULE TJC-9 COLUMN (E)
 COLUMN (C): COLUMN (A) + COLUMN (B)
 COLUMN (D): LINES 1 THRU 9 AND 11 THRU 17 - COMPANY SCHEDULE B-6, W/P B6-1, PAGE 3 OF 5
 COLUMN (D): LINE 10 AND 11 - SCHEDULE TJC-8, PAGE 4 OF 5 AND PAGE 5 OF 5, LINE 7 RESPECTIVELY
 COLUMN (E): COLUMN (C) x COLUMN (D)

NOTE

N/A = NON CASH CHARGES EXCLUDED FROM WORKING CAPITAL CALCULATION

* RUCO RECOMMENDED LEVEL OF OPERATING EXPENSE - SCHEDULE TJC-9, COLUMN (E), LINE 16 MINUS LINE 12

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 WHITE TANK SYSTEM
 RATE BASE ADJUSTMENT #6 - WORKING CAPITAL
 CALCULATION OF CASH WORKING CAPITAL

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-8
 PAGE 3 OF 5

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	AVERAGE EXPENSE LAG	43	SCH. TJC-8, PG. 2
2	AVERAGE REVENUE COLLECTION LAG	<u>27.56</u>	CO. SCH. B-6, PG. 2
3	EXCESS EXPENSE OVER REVENUE LAG	(15.57)	LINE 2 - LINE 1
4	TOTAL EXPENSES	\$ 507,471	SCH. TJC-8, PG. 2
5	CASH WORKING CAPITAL REQUIREMENT	(21,641)	(LINE 3 X LINE 4)/365 DAYS
6	PER COMPANY	<u>\$ 9,329</u>	CO. SCH. B-6, PG. 1
7	INCREASE (DECREASE) IN WORKING CAPITAL	<u>\$ (30,970)</u>	LINE 5 - LINE 6

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 WHITE TANK SYSTEM
 RATE BASE ADJUSTMENT #6 - WORKING CAPITAL
 CALCULATION OF FEDERAL INCOME TAX LAG

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-8
 PAGE 4 OF 5

LINE NO.	(A) PAYMENT DATE	(B) SERVICE PERIOD MIDPOINT	=	(C) (LEAD)/LAG DAYS	X	(D) PAYMENT AMOUNT	=	(E) DOLLAR DAYS
1	04/12/99	07/01/99		(80.00)		\$ 397,000		\$ (31,760,000)
2	06/11/99	07/01/99		(20.00)		50,000		(1,000,000)
3	09/14/99	07/01/99		75.00		486,000		36,450,000
4	12/14/99	07/01/99		166.00		970,000		161,020,000
5	03/14/00	07/01/99		257.00		<u>(240,000)</u>		<u>(61,680,000)</u>
6	TOTALS					\$ 1,663,000		\$ 103,030,000
7	INCOME TAX LAG			61.95				

REFERENCE
 COMPANY'S WORKPAPERS SCHEDULE B-6, W/P EL-11, PAGE 2 OF 2

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 WHITE TANK SYSTEM
 RATE BASE ADJUSTMENT #6 - WORKING CAPITAL
 CALCULATION OF FEDERAL INCOME TAX LAG

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-8
 PAGE 5 OF 5

LINE NO.	(A) PAYMENT DATE	(B) SERVICE PERIOD MIDPOINT	(C) (LEAD)/LAG DAYS	X	(D) PAYMENT AMOUNT	=	(E) DOLLAR DAYS
1	04/15/99	07/01/99	(77.00)		\$ 50,000		\$ (3,850,000)
2	06/15/99	07/01/99	(16.00)		12,000		(192,000)
3	09/15/99	07/01/99	76.00		112,000		8,512,000
4	12/15/99	07/01/99	167.00		220,000		36,740,000
5	04/15/00	07/01/99	289.00		<u>(9,983)</u>		<u>(2,885,087)</u>
6	TOTALS				\$ 384,017		\$ 38,324,913
7	INCOME TAX LAG		99.80				

REFERENCE
 COMPANY'S WORKPAPERS SCHEDULE B-6, W/P EL-12, PAGE 2 OF 2

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 WHITE TANK SYSTEM
 OPERATING INCOME - TEST YEAR AND RUCO PROPOSED

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-9

LINE NO.	DESCRIPTION	(A) COMPANY TEST YEAR AS FILED	(B) RUCO TEST YEAR ADJUSTMENTS	(C) RUCO TEST YEAR AS ADJUSTED	(D) RUCO PROPOSED CHANGES	(E) RUCO RECOMMENDED
<u>REVENUES - WATER:</u>						
1	REVENUE FROM WATER SALES	\$ 761,530	\$ (3,148)	\$ 758,382	\$ (8,568)	\$ 749,814
2	OTHER REVENUES	21,953	-	21,953		21,953
3	TOTAL OPERATING REVENUES	\$ 783,483	\$ (3,148)	\$ 780,335	\$ (8,568)	\$ 771,767
<u>OPERATING EXPENSES:</u>						
4	PURCHASED WATER	\$ 37,383	\$ (27,104)	\$ 10,279	\$ -	\$ 10,279
5	OTHER	2,880	(410)	2,470		2,470
6	PURCHASED POWER	78,404	2,744	81,148		81,148
7	PURCHASED GAS	-	-	-		-
8	OTHER	27,057	(571)	26,486		26,486
9	WATER TREATMENT	9,655	(46)	9,609		9,609
10	TRANSMISSION & DISTRIBUTION	79,261	(3,294)	75,967		75,967
11	CUSTOMER ACCOUNTS	54,850	(182)	54,668		54,668
12	SALES	263	-	263		263
13	ADMINISTRATIVE & GENERAL	87,371	-	87,371		87,371
14	DEPRECIATION & AMORTIZATION	182,626	(50,627)	131,999		131,999
15	PROPERTY TAXES	41,993	(4,847)	37,146		37,146
16	OTHER TAXES	6,608	-	6,608		6,608
17	FEDERAL INCOME TAXES	46,569	13,337	59,906	(2,420)	57,485
18	STATE INCOME TAXES	7,123	7,733	14,856	(597)	14,259
19	TOTAL OPERATING EXPENSES	\$ 662,043	\$ (63,267)	\$ 598,776	\$ (2,420)	\$ 596,356
20	NET INCOME	\$ 121,440	\$ 60,119	\$ 181,559	\$ (6,147)	\$ 175,412

REFERENCES:

COLUMN (A): CO. SCH. C-1, PG. 2
 COLUMN (B): SCH. TJC-10
 COLUMN (C): COLUMN (A) + COLUMN (B)
 COLUMN (D): SCH. TJC-1, PAGE 2 OF 2
 COLUMN (E): COLUMN (C) + COLUMN (D)

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2003
WHITE TANK SYSTEM
SUMMARY OF OPERATING ADJUSTMENTS

DOCKET NO. W-01445A-04-0650
SCHEDULE TJC-10

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) ADJ. #1	(C) ADJ. #2	(D) ADJ. #3	(E) ADJ. #4	(F) ADJ. #5	(G) ADJ. #6	(H) ADJ. #7	(I) RUCO ADJUSTED
REVENUES - WATER:										
1	REVENUE FROM WATER SALES	\$ 761,530	\$ -	\$ -	\$ (3,148)	\$ -	\$ -	\$ -	\$ -	\$ 758,382
2	OTHER REVENUES	21,953								21,953
3	TOTAL OPERATING REVENUES	\$ 783,483	\$ -	\$ -	\$ (3,148)	\$ -	\$ -	\$ -	\$ -	\$ 780,335
OPERATING EXPENSES:										
4	PURCHASED WATER	\$ 37,383	\$ (27,104)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,279
5	OTHER	2,880			(410)					2,470
6	PURCHASED POWER	78,404				2,744				81,148
7	PURCHASED GAS	-								-
8	OTHER	27,057			(571)					26,486
9	WATER TREATMENT	9,655			(46)					9,609
10	TRANSMISSION & DISTRIBUTION	79,261			(3,294)					75,967
11	CUSTOMER ACCOUNTS	54,850			(182)					54,668
12	SALES	263								263
13	ADMINISTRATIVE & GENERAL	87,371								87,371
14	DEPRECIATION & AMORTIZATION	182,626		(50,627)			(0)			131,999
15	PROPERTY TAXES	41,993						(4,847)		37,146
16	OTHER TAXES	6,608								6,608
17	FEDERAL INCOME TAXES	46,569							13,337	59,906
18	STATE INCOME TAXES	7,123							7,733	14,856
19	TOTAL OPERATING EXPENSES	\$ 662,043	\$ (27,104)	\$ (50,627)	\$ (4,503)	\$ 2,744	\$ (0)	\$ (4,847)	\$ 21,070	\$ 598,776
20	NET INCOME	\$ 121,440	\$ 27,104	\$ 50,627	\$ 1,355	\$ (2,744)	\$ 0	\$ 4,847	\$ (21,070)	\$ 181,559

ADJUSTMENT #:

1. REMOVE PRO FORMA CAP M&I CHARGES
2. REMOVE AMORTIZATION OF DEFERRED CAP CHARGES
3. REVENUE AND EXPENSE ANNUALIZATION FOR 2003
4. PURCHASED POWER
5. DEPRECIATION AND AMORTIZATION EXPENSE
6. PROPERTY TAX EXPENSE
7. INCOME TAX EXPENSE

REFERENCE:

- TESTIMONY WAR
- TESTIMONY WAR
- SCHEDULE TJC-11
- SCHEDULE TJC-12
- SCHEDULE TJC-13
- SCHEDULE TJC-14
- SCHEDULE TJC-15

LINE NO.	DESCRIPTION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
1	YEAR END CUSTOMERS - 2003	1,337	1,337	1,337	1,337	1,337	1,337	1,337	1,337	1,337	1,337	1,337	1,337
2	2003 CUSTOMERS	1,212	1,234	1,248	1,253	1,268	1,281	1,284	1,291	1,298	1,319	1,328	1,337
3	INCREASE IN CUSTOMERS - 2003	125	103	89	84	69	56	53	46	39	18	9	-
4	AVERAGE REVENUE FOR THE MONTH	\$ 33,866	\$ 37,430	\$ 33,622	\$ 36,500	\$ 45,899	\$ 60,420	\$ 64,970	\$ 64,170	\$ 54,655	\$ 49,790	\$ 46,030	\$ 39,040
5	INCREASE IN REVENUES	\$ 4,232	\$ 3,855	\$ 2,992	\$ 3,066	\$ 3,152	\$ 3,384	\$ 3,443	\$ 2,952	\$ 2,131	\$ 896	\$ 414	\$ -
6	TOTAL INCREASE IN REVENUE	30,516											
7	INCREASE IN REVENUE PER COMPANY	33,666											
8	REVENUE ADJUSTMENT PER RUO	\$ (3,148)											
9	GALLONS SOLD PER AVERAGE CUSTOMER	8,943	10,439	8,188	9,406	13,536	19,142	20,996	20,664	16,697	14,699	13,104	11,206
10	INCREASE IN CUSTOMERS	125	103	89	84	69	56	53	46	39	18	9	0
11	INCREASE IN GALLONS	1,117,955	1,075,215	728,745	790,143	934,014	1,071,948	1,112,794	950,540	651,786	284,588	117,937	0
12	TOTAL INCREASE IN GALLONS	8,815,043											
13	PUMPING COST PER GALLON	0.000473	Line 12 X Line 13										
14	INCREASE IN PUMPING COST PER RUO	4,170											
15	INCREASE IN PUMPING COST PER COMPANY	4,580											
16	PUMPING COST ADJUSTMENT PER RUO	\$ (410)											
17	WATER TREATMENT COSTS PER GALLON	0.000053	Line 12 X Line 17										
18	INCREASE IN WATER TREATMENT COSTS PER RUO	467											
19	INCREASE IN WATER TREATMENT COST PER CO.	513											
20	WATER TREATMENT COST ADJUSTMENT PER RUO	\$ (46)											
21	SOURCE OF SUPPLY COST PER GALLON	0											
22	INCREASE IN SOURCE OF SUPPLY COST	0											
23	INCREASE IN SOURCE OF SUPPLY COST PER CO.	971											
24	SOURCE OF SUPPLY ADJUSTMENT PER RUO	\$ (571)											
25	TRANSMISSION & DISTRIBUTION COST PER GALLON	0											
26	INCREASE IN TRANSMISSION & DISTRIBUTION COST	0											
27	INCREASE IN T & D COST PER CO.	3,294											
28	T & D ADJUSTMENT PER RUO	\$ (3,294)											
29	TOTAL INCREASE IN BILLS	691											
30	MONTHLY ACCOUNTING COST PER BILL	3.42											
31	INCREASE IN ACCOUNTING COST PER RUO	2,362											
32	INCREASE IN ACCOUNTING COST PER COMPANY	2,544											
33	ACCOUNTING COST ADJUSTMENT PER RUO	\$ (162)											

REFERENCES:
 LINE #1 - COMPANY'S RATE FILING, BOOK 2 OF 2 - 2003 CUSTOMER COUNT
 LINE #2 - COMPANY'S RATE FILING, BOOK 2 OF 2 - 2003 CUSTOMER COUNT
 LINE #3 - LINE #1 MINUS LINE #2
 LINE #4 - TOTAL MONTH REV. MINUS OTHER REV. LESS SALES TAX / TOTAL MONTHLY CUSTOMERS FOR TEST-YEAR
 LINE #5 - LINE #3 MULTIPLIED BY LINE #4
 LINE #6 - SUMMATION OF LINE #5
 LINE #7 - COMPANY'S WORKPAPERS C2-5, RATE FILING - BOOK 1 OF 2
 LINE #8 - LINE #6 MINUS LINE #7
 LINE #9 - GALLONS SOLD / MONTHLY CUSTOMERS, COMPANY'S RATE FILING, BOOK 2 OF 2
 LINE #10 - LINE #3
 LINE #11 - LINE #9 X LINE #10
 LINE #12 - SUMMATION OF LINE #11
 LINE #13 - CO. WIP C2-5a, PAGE 3 OF 4
 LINE #14 - LINE #12 X LINE #13
 LINE #15 - COMPANY'S WORKPAPERS, WIP C2-5
 LINE #16 - LINE #14 MINUS LINE #15
 LINE #17 - CO. WIP C2-5a, PAGE 3 OF 4
 LINE #18 - COMPANY'S WIPs, WIP C2-5, 2 OF 2
 LINE #19 - LINE #16 MINUS LINE #18
 LINE #20 - LINE #19
 LINE #21 - RUO'S ANALYSIS
 LINE #23 - CO. WIP C2-5a, PAGE 1 OF 4
 LINE #25 - RUO'S ANALYSIS
 LINE #27 - CO. WIP C2-5a, PAGE 1 OF 4
 LINE #29 - SUMMATION OF LINE #23
 LINE #30 - CO. WIP C2-5a, PAGE 4 OF 4
 LINE #31 - LINE #29 X LINE #30
 LINE #32 - CO. WIP C2-5a, PAGE 1 OF 4
 LINE #33 - LINE #31 MINUS LINE #32

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 WHITE TANK SYSTEM
 OPERATING ADJ. #4 - PURCHASED POWER

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-12

<u>LINE NO.</u>	<u>DESCRIPTION</u>	
1	ACTUAL TEST YEAR PURCHASED POWER FROM APS	\$ 74,305
2	TEST YEAR PURCHASED POWER FROM OTHER SERVICE PROVIDERS	-
3	TOTAL TEST YEAR PURCHASED POWER (LINE 1 + LINE 2)	\$ 74,305
4	PERCENTAGE OF TEST YEAR PURCHASED POWER FROM APS (LINE 1 + LINE 3)	100.00%
5	COMPANY PROPOSED LEVEL OF PURCHASED POWER EXPENSE (LINE 3 X LINE 4)	\$ 78,404
6	TIMES: PERCENTAGE OF TEST YEAR PURCHASED POWER FROM APS (LINE 4)	100.00%
7	PERCENTAGE OF PURCHASED POWER SUBJECT TO APS INCREASE (LINE 5 X LINE 6)	\$ 78,404
8	TIMES APS COMMERCIAL RATE INCREASE	3.50%
9	INCREASE IN APS PORTION OF PURCHASED POWER (LINE 7 X LINE 8)	\$ 2,744

REFERENCES:

- LINE 1: COMPANY WORKPAPER EL-2 PAGE 2 OF 2
- LINE 2: COMPANY WORKPAPER EL-2 PAGE 2 OF 2
- LINE 5: COMPANY APPLICATION SCHEDULE C1 PAGE 2 OF 3
- LINE 8: ACC DECISION NO. 67744, DATED APRIL 7, 2005 - APS SETTLEMENT AGREEMENT

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 WHITE TANK SYSTEM
 OPERATING ADJ. #5 - DEPRECIATION AND AMORTIZATION EXPENSE

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-13

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	(A) ACTUAL TEST YEAR BALANCE PER COMPANY	(B) RUCO ADJUSTMENTS	(C) RUCO ADJUSTED BALANCE	(D) COMPONENT DEPRECIATION RATES	(E) RUCO RECOMMENDED DEPRECIATION EXPENSE
1	301.0	INTANGIBLES: ORGANIZATION*	\$ -	\$ -	\$ -	0.00%	\$ -
2	302.0	INTANGIBLES: FRANCHISES*	-	-	-	0.00%	-
3	303.0	INTANGIBLES: MISC.*	-	-	-	0.00%	-
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	5,379	1	5,380	0.00%	-
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	-	-	-	0.00%	-
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	28,521	-	28,521	0.00%	-
7	314.0	SOURCE OF SUPPLY: WELLS	535,369	(1)	535,368	3.13%	16,757
8	320.0	PUMPING PLANT: LAND*	-	-	-	0.00%	-
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	18,637	-	18,637	2.86%	533
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	509,917	-	509,917	5.88%	29,963
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	-	-	-	4.00%	-
12	330.0	WATER TREATMENT PLANT: LAND*	-	-	-	0.00%	-
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	79	-	79	2.50%	2
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	15,053	-	15,053	2.86%	431
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	35,990	-	35,990	0.00%	-
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	-	-	-	0.00%	-
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	-	-	-	2.00%	-
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	481,206	-	481,206	2.00%	9,624
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	2,979,570	1	2,979,571	1.79%	53,334
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	11,849	(1)	11,848	2.00%	237
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	554,285	-	554,285	2.38%	13,192
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	90,488	(2)	90,486	4.55%	4,117
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	218,331	-	218,331	1.82%	3,974
24	389.1	GENERAL PLANT: LAND - OFFICE*	-	-	-	0.00%	-
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	-	-	-	0.00%	-
26	389.3	GENERAL PLANT: LAND - MISC.*	-	-	-	0.00%	-
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	11,292	-	11,292	2.50%	282
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	8,619	-	8,619	2.50%	215
29	390.3	GENERAL PLANT: MISC. BUILDINGS	66	-	66	2.50%	2
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	354	-	354	6.67%	24
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	14,488	-	14,488	6.67%	966
32	391.2	GENERAL PLANT: OFFICE FURNITURE	174	-	174	6.67%	12
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	1,043	-	1,043	5.00%	52
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	18,697	(1)	18,696	4.00%	748
35	395.0	GENERAL PLANT: LAB EQUIPMENT	2,477	(1)	2,476	5.00%	124
36	396.0	GENERAL PLANT: POWER EQUIPMENT	635	-	635	6.67%	42
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	2,969	0	2,969	6.67%	198
38	397.1	GENERAL PLANT: MOBILE RADIOS	1,260	0	1,260	6.67%	84
39	397.2	GENERAL PLANT: AUTO CONTROLS	23,200	0	23,200	6.67%	1,547
40	398.0	GENERAL PLANT: MISC.	10,573	0	10,573	3.33%	352
41							
42		TEST YEAR PLANT IN SERVICE TOTALS	\$ 5,580,520	\$ (3)	\$ 5,580,517		\$ 136,833
43							
44		GROSS DEPRECIABLE PHOENIX OFFICE AND METER SHOP ALLOCATION	101,232	-	101,232		\$ 4,947
45							
46		GROSS LEASHOLD IMPROVEMENTS	25,094	-	25,094		\$ 1,316
47							
48		DEFERRED CAP CHARGES	506,268	(506,268)	-		\$ -
49							
50		TEST YEAR TOTALS	\$ 6,213,114	\$ (506,271)	\$ 5,706,843		\$ 143,096
51							
52							
53		LESS:					
54		AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION @ 2.00% COMPOSITE RATE ***					11,097
55							
56		TOTAL PRO FORMA DEPRECIATION & AMORTIZATION EXPENSE PER RUCO					\$ 131,999
57							
58		DEPRECIATION & AMORTIZATION EXPENSE PER COMPANY					\$ 182,626
59							
60		LESS:					
61		10-YEAR AMORTIZATION OF DEFERRED CAP CHARGES					50,627
62							
63		DEPRECIATION & AMORTIZATION EXPENSE PER COMPANY EXCLUDING 10-YEAR AMORTIZATION OF DEFERRED CAP CHARGES					\$ 131,999
64							
65		DEPRECIATION & AMORTIZATION EXPENSE ADJUSTMENT (LINE 56 - LINE 63)					\$ (0)

REFERENCES:

COLUMN (A): COMPANY SCHEDULE E-5 PAGE 2 OF 3
 COLUMN (B): COLUMN (C) - COLUMN (A)
 COLUMN (C): RUCO SCHEDULE TJC-4, PAGE 4
 COLUMN (D): COMPANY SCHEDULE C-2, W/P C2-15b, PAGE 1 OF 4
 COLUMN (E): COLUMN (C) x COLUMN (D)

NOTE:

* NON-DEPRECIABLE PLANT ASSETS
 ** PHOENIX OFFICE LEASEHOLD IMPROVEMENTS x ALLOCATION FACTOR = \$1,267,373 x 0.0198 = \$25,094
 ** TEST YEAR ADJUSTED CIAC x 2.00% COMPOSITE RATE OF DEPRECIATION = \$554,839 x 2.00% = \$11,097

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 WHITE TANK SYSTEM
 OPERATING ADJ. #6 - PROPERTY TAX EXPENSE

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-14

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	REVENUES - 2001	\$ 653,896	COMPANY SCH. C-2, W/P C2-16a
2	REVENUES - 2002	693,746	COMPANY SCH. C-2, W/P C2-16a
3	REVENUES - 2003	<u>740,391</u>	COMPANY SCH. C-2, W/P C2-16a
4	TOTAL	\$ 2,088,033	SUM LINES 1, 2, & 3
5	3 YEAR AVERAGE	\$ 696,011	LINE 4/3 YEARS
6	MULTIPLIER FOR REVENUES (2 X LAST 3 YRS. AVERAGE REVENUE)	<u>x 2</u>	ADOR VALUATION FACTOR
7	REVENUES FOR FULL CASH VALUE	\$ 1,392,022	LINE 5 X 2 (MULTIPLIER FOR REVENUES)
8	ADD: 10% OF CWIP BALANCE	-	COMPANY SCH. B-2, PG. 4; LINE 4 X 10%
9	LESS: LICENSED VEHICLES	<u>38,463</u>	COMPANY SCH. C-2, W/P C2-16a
10	FULL CASH VALUE	\$ 1,353,559	LINE 7 + LINE 8 MINUS LINE 9
11	ASSESSMENT RATIO	<u>25%</u>	PER ADOR VALUATION METHOD
12	ASSESSED VALUE	\$ 338,390	LINE 10 X LINE 11
13	PROPERTY TAX RATE	<u>10.9773%</u>	PER TAX BILLS
14	PROPERTY TAXES PAYABLE PER RUCO	\$ 37,146	LINE 12 X LINE 13
15	PROPERTY TAXES PER COMPANY	<u>41,993</u>	COMPANY SCH. C-1, PG. 1
16	ADJUSTMENT	<u>\$ (4,847)</u>	LINE 14 MINUS LINE 15

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 WHITE TANK SYSTEM
 OPERATING ADJ. #7 - INCOME TAXES

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-15

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
<u>FEDERAL INCOME TAXES:</u>			
1	OPERATING INCOME BEFORE INCOME TAXES	\$ 256,321	SCH. TJC-9
LESS:			
2	ARIZONA STATE TAX	14,856	LINE 11
3	INTEREST EXPENSE	<u>43,114</u>	NOTE (a)
4	FEDERAL TAXABLE INCOME	\$ 198,351	LINE 1 - LINES 2 & 3
5	FEDERAL INCOME TAX RATE	<u>30.20%</u>	TAX RATE
6	FEDERAL INCOME TAX EXPENSE	\$ 59,906	LINE 4 X LINE 5
7	FEDERAL INCOME TAXES PER COMPANY FILING	<u>46,569</u>	COMPANY SCH. C-1, PG. 2
8	RUCO FEDERAL INCOME TAX ADJUSTMENT	<u>\$ 13,337</u>	LINE 6 - LINE 7
<u>STATE INCOME TAXES:</u>			
9	OPERATING INCOME BEFORE INCOME TAXES	\$ 256,321	LINE 1
LESS:			
10	INTEREST EXPENSE	<u>43,114</u>	NOTE (A)
11	STATE TAXABLE INCOME	\$ 213,208	LINE 9 - LINE 10
12	STATE TAX RATE	<u>6.968%</u>	TAX RATE
13	STATE INCOME TAX EXPENSE	\$ 14,856	LINE 11 X LINE 12
14	STATE INCOME TAXES PER COMPANY FILING	<u>7,123</u>	COMPANY SCH. C-1, PG. 2
15	RUCO STATE INCOME TAX ADJUSTMENT	<u>\$ 7,733</u>	LINE 13 - LINE 14

NOTE (a):
 INTEREST SYNCHRONIZATION

ADJUSTED RATE BASE	\$ 1,919,400
WEIGHTED COST OF DEBT	<u>2.25%</u>
	<u>\$ 43,114</u>

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 WHITE TANK SYSTEM
 COST OF CAPITAL

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-16

LINE NO.	DESCRIPTION	(A) AMOUNT	(B) ADJUSTMENT	(C) ADJUSTED BALANCE	(D) CAPITAL RATIO	(E) COST	(F) WEIGHTED COST
1	LONG-TERM DEBT	\$ 22,200,000	\$ -	\$ 22,200,000	26.65%	8.43%	2.25%
2	SHORT-TERM DEBT	-	-	-	0.00%	0.00%	0.00%
3	COMMON EQUITY	61,116,374	-	61,116,374	73.35%	9.44%	6.92%
4	TOTAL	\$ 83,316,374	\$ -	\$ 83,316,374	100.00%		9.17%

REFERENCES:

- COLUMN (A): COMPANY SCH. D - 1
- 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 WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 WHITE TANK SYSTEM
 PROPOSED RATES

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-17

LINE NO.	DESCRIPTION	PRESENT RATES	COMPANY PROPOSED	RUCO PROPOSED
1	MONTHLY MINIMUM USAGE CHARGE:			
2				
3	(RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS)			
4	5/8 X 3/4 - INCH	\$16.05	\$20.90	\$16.05
5	1 - INCH	31.07	46.40	31.07
6	2 - INCH	82.86	137.52	85.36
7	3 - INCH	155.37	257.91	155.37
8	4 - INCH	284.85	446.63	284.85
9	6 - INCH	362.53	758.46	362.53
10	8 - INCH	362.53	1,071.96	362.53
11	10 - INCH	673.27	1,744.52	673.27
12				
13	GALLONS INCLUDED IN MONTHLY MINIMUM USAGE CHARGE:			
14				
15	RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS	1,000	0	0
16				
17	<u>TIER 1</u>			
18				
19	COMMODITY RATE (PER 100 GAL. OVER MINIMUM) - 0 TO 4,000 GALLONS:	\$0.24240	\$0.29210	\$0.10690
20				
21	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - 0 TO 4,000 GALLONS:	\$2.42400	\$2.92100	\$1.06900
22				
23	<u>TIER 2</u>			
24				
25	COMMODITY RATE (PER 100 GAL. OVER MINIMUM) - OVER 4,000 GALLONS:	\$0.24240	\$0.29210	\$0.26030
26				
27	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 4,000 GALLONS:	\$2.42400	\$2.92100	\$2.60300

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 WHITE TANK SYSTEM
 MONTHLY MINIMUM CHARGES

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-18

LINE NO.	METER SIZE	(A) COMPANY PRESENT RATES	(B) COMPANY PROPOSED RATES	(C) COMPANY DOLLAR INCREASE	(D) COMPANY PERCENT. INCREASE	(E) RUCO PROPOSED RATES	(F) RUCO DOLLAR INCREASE	(G) RUCO PERCENT. INCREASE
1	5/8 X 3/4 - INCH	\$ 16.05	\$ 20.90	\$ 4.85	30.22%	\$ 16.05	\$ -	0.00%
2	1 - INCH	31.07	46.40	15.33	49.34%	31.07	0.00	0.00%
3	2 - INCH	82.86	137.52	54.66	65.97%	85.36	2.50	3.02%
4	3 - INCH COMMERCIAL	155.37	257.91	102.54	66.00%	155.37	0.00	0.00%
5	4 - INCH COMMERCIAL	284.85	446.63	161.78	56.79%	284.85	0.00	0.00%
6	6 - INCH	362.53	758.46	395.93	109.21%	362.53	0.00	0.00%
7	8 - INCH	362.53	1,071.96	709.43	195.69%	362.53	0.00	0.00%
8	10 - INCH	673.27	1,744.52	1,071.25	159.11%	673.27	0.00	0.00%
9	GALLONS INCLUDED IN MONTHLY MINIMUM CHARGE	1,000	0			0		

REFERENCES

COLUMN (A) THRU COLUMN (D): COMPANY SCHEDULE H-3, PAGE 1 OF 3
 COLUMN (E): TESTIMONY WAR
 COLUMN (F): COLUMN (E) - COLUMN (A)
 COLUMN (G): COLUMN (F) + COLUMN (A)

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 WHITE TANK SYSTEM
 BILLING ANALYSIS

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-19
 PAGE 1 OF 4

PRESENT RATES

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 1 - INCH	(C) 2 - INCH	(D) 3 - INCH	(E) 4 - INCH	(F) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	\$16.05	\$31.07	\$82.86	\$155.37	\$0.00	\$0.00	\$0.00	\$0.00
2	1,000	16.05	31.07	82.86	155.37	0.00	0.00	0.00	0.00
3	2,000	18.47	33.49	85.28	157.79	0.00	0.00	0.00	0.00
4	3,000	20.90	35.92	87.71	160.22	0.00	0.00	0.00	0.00
5	4,000	23.32	38.34	90.13	162.64	0.00	0.00	0.00	0.00
6	5,000	25.75	40.77	92.56	165.07	0.00	0.00	0.00	0.00
7	6,000	28.17	43.19	94.98	167.49	0.00	0.00	0.00	0.00
8	7,000	30.59	45.61	97.40	169.91	0.00	0.00	0.00	0.00
9	8,000	33.02	48.04	99.83	172.34	0.00	0.00	0.00	0.00
10	9,000	35.44	50.46	102.25	174.76	0.00	0.00	0.00	0.00
11	10,000	37.87	52.89	104.68	177.19	0.00	0.00	0.00	0.00
12	15,000	49.99	65.01	116.80	189.31	0.00	0.00	0.00	0.00
13	20,000	62.11	77.13	128.92	201.43	0.00	0.00	0.00	0.00
14	25,000	74.23	89.25	141.04	213.55	0.00	0.00	0.00	0.00
15	50,000	134.83	149.85	201.64	274.15	0.00	0.00	0.00	0.00
16	75,000	195.43	210.45	262.24	334.75	0.00	0.00	0.00	0.00
17	100,000	256.03	271.05	322.84	395.35	0.00	0.00	0.00	0.00
18	125,000	316.63	331.65	383.44	455.95	0.00	0.00	0.00	0.00
19	150,000	377.23	392.25	444.04	516.55	0.00	0.00	0.00	0.00
20	175,000	437.83	452.85	504.64	577.15	0.00	0.00	0.00	0.00
21	200,000	498.43	513.45	565.24	637.75	0.00	0.00	0.00	0.00
22									
23	AVG. NO. OF CUST:	1,309	15	2	2	N/A	N/A	N/A	N/A
24									
25	AVG. USE (GAL.):	13,039	44,555	124,521	212,563	N/A	N/A	N/A	N/A
26	MONTHLY BILL:	\$45.23	\$136.65	\$382.27	\$668.20	N/A	N/A	N/A	N/A
27									
28	MEDIAN USE (GAL.):	9,104	20,042	40,600	100,667	N/A	N/A	N/A	N/A
29	MONTHLY BILL:	\$35.69	\$77.23	\$178.85	\$396.96	N/A	N/A	N/A	N/A

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 WHITE TANK SYSTEM
 BILLING ANALYSIS

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-19
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RUCO PROPOSED RATES

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 1 - INCH	(C) 2 - INCH	(D) 3 - INCH	(E) 4 - INCH	(F) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	\$16.05	\$31.07	\$85.36	\$155.37	\$0.00	\$0.00	\$0.00	\$0.00
2	1,000	17.12	32.14	86.43	156.44	0.00	0.00	0.00	0.00
3	2,000	18.19	33.21	87.50	157.51	0.00	0.00	0.00	0.00
4	3,000	19.26	34.28	88.57	158.58	0.00	0.00	0.00	0.00
5	4,000	20.33	35.35	89.64	159.65	0.00	0.00	0.00	0.00
6	5,000	22.93	37.95	92.24	162.25	0.00	0.00	0.00	0.00
7	6,000	25.53	40.55	94.84	164.85	0.00	0.00	0.00	0.00
8	7,000	28.14	43.16	97.45	167.46	0.00	0.00	0.00	0.00
9	8,000	30.74	45.76	100.05	170.06	0.00	0.00	0.00	0.00
10	9,000	33.34	48.36	102.65	172.66	0.00	0.00	0.00	0.00
11	10,000	35.94	50.96	105.25	175.26	0.00	0.00	0.00	0.00
12	15,000	48.96	63.98	118.27	188.28	0.00	0.00	0.00	0.00
13	20,000	61.97	76.99	131.28	201.29	0.00	0.00	0.00	0.00
14	25,000	74.99	90.01	144.30	214.31	0.00	0.00	0.00	0.00
15	50,000	140.06	155.08	209.37	279.38	0.00	0.00	0.00	0.00
16	75,000	205.14	220.16	274.45	344.46	0.00	0.00	0.00	0.00
17	100,000	270.21	285.23	339.52	409.53	0.00	0.00	0.00	0.00
18	125,000	335.29	350.31	404.60	474.61	0.00	0.00	0.00	0.00
19	150,000	400.36	415.38	469.67	539.68	0.00	0.00	0.00	0.00
20	175,000	465.44	480.46	534.75	604.76	0.00	0.00	0.00	0.00
21	200,000	530.51	545.53	599.82	669.83	0.00	0.00	0.00	0.00
22									
23	AVG. NO. OF CUST:	1,309	15	2	2	N/A	N/A	N/A	N/A
24									
25	AVG. USE (GAL.):	13,039	44,555	124,521	212,563	N/A	N/A	N/A	N/A
26	MONTHLY BILL:	\$43.85	\$140.91	\$403.35	\$702.53	N/A	N/A	N/A	N/A
27									
28	MEDIAN USE (GAL.):	9,104	20,042	40,600	100,667	N/A	N/A	N/A	N/A
29	MONTHLY BILL:	\$33.61	\$77.10	\$184.91	\$411.27	N/A	N/A	N/A	N/A

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 WHITE TANK SYSTEM
 BILLING ANALYSIS

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-19
 PAGE 3 OF 4

RUCO PROPOSED CHANGES EXPRESSED IN DOLLARS

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 1 - INCH	(C) 2 - INCH	(D) 3 - INCH	(E) 4 - INCH	(F) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	\$0.00	\$0.00	\$2.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2	1,000	1.07	1.07	3.57	1.07	0.00	0.00	0.00	0.00
3	2,000	(0.29)	(0.29)	2.21	(0.29)	0.00	0.00	0.00	0.00
4	3,000	(1.64)	(1.64)	0.86	(1.64)	0.00	0.00	0.00	0.00
5	4,000	(3.00)	(3.00)	(0.50)	(3.00)	0.00	0.00	0.00	0.00
6	5,000	(2.82)	(2.82)	(0.32)	(2.82)	0.00	0.00	0.00	0.00
7	6,000	(2.64)	(2.64)	(0.14)	(2.64)	0.00	0.00	0.00	0.00
8	7,000	(2.46)	(2.46)	0.04	(2.46)	0.00	0.00	0.00	0.00
9	8,000	(2.28)	(2.28)	0.22	(2.28)	0.00	0.00	0.00	0.00
10	9,000	(2.10)	(2.10)	0.40	(2.10)	0.00	0.00	0.00	0.00
11	10,000	(1.92)	(1.92)	0.58	(1.92)	0.00	0.00	0.00	0.00
12	15,000	(1.03)	(1.03)	1.47	(1.03)	0.00	0.00	0.00	0.00
13	20,000	(0.13)	(0.13)	2.37	(0.13)	0.00	0.00	0.00	0.00
14	25,000	0.76	0.76	3.26	0.76	0.00	0.00	0.00	0.00
15	50,000	5.24	5.24	7.74	5.24	0.00	0.00	0.00	0.00
16	75,000	9.71	9.71	12.21	9.71	0.00	0.00	0.00	0.00
17	100,000	14.19	14.19	16.69	14.19	0.00	0.00	0.00	0.00
18	125,000	18.66	18.66	21.16	18.66	0.00	0.00	0.00	0.00
19	150,000	23.14	23.14	25.64	23.14	0.00	0.00	0.00	0.00
20	175,000	27.61	27.61	30.11	27.61	0.00	0.00	0.00	0.00
21	200,000	32.09	32.09	34.59	32.09	0.00	0.00	0.00	0.00
22									
23	AVG. NO. OF CUST:	1,309	15	2	2	N/A	N/A	N/A	N/A
24									
25	AVG. USE (GAL.):	13,039	44,555	124,521	212,563	N/A	N/A	N/A	N/A
26	MONTHLY BILL:	(\$1.38)	\$4.26	\$21.08	\$34.34	N/A	N/A	N/A	N/A
27									
28	MEDIAN USE (GAL.):	9,104	20,042	40,600	100,667	N/A	N/A	N/A	N/A
29	MONTHLY BILL:	(\$2.08)	(\$0.12)	\$6.06	\$14.31	N/A	N/A	N/A	N/A

RUCO PROPOSED CHANGES EXPRESSED AS A PERCENTAGE

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 1 - INCH	(C) 2 - INCH	(D) 3 - INCH	(E) 4 - INCH	(F) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	0.0%	0.0%	3.0%	0.0%	\$0.00	\$0.00	\$0.00	\$0.00
2	1,000	6.7%	3.4%	4.3%	0.7%	0.00	0.00	0.00	0.00
3	2,000	-1.5%	-0.9%	2.6%	-0.2%	0.00	0.00	0.00	0.00
4	3,000	-7.9%	-4.6%	1.0%	-1.0%	0.00	0.00	0.00	0.00
5	4,000	-12.8%	-7.8%	-0.6%	-1.8%	0.00	0.00	0.00	0.00
6	5,000	-10.9%	-6.9%	-0.3%	-1.7%	0.00	0.00	0.00	0.00
7	6,000	-9.4%	-6.1%	-0.1%	-1.6%	0.00	0.00	0.00	0.00
8	7,000	-8.0%	-5.4%	0.0%	-1.4%	0.00	0.00	0.00	0.00
9	8,000	-6.9%	-4.7%	0.2%	-1.3%	0.00	0.00	0.00	0.00
10	9,000	-5.9%	-4.2%	0.4%	-1.2%	0.00	0.00	0.00	0.00
11	10,000	-5.1%	-3.6%	0.6%	-1.1%	0.00	0.00	0.00	0.00
12	15,000	-2.1%	-1.6%	1.3%	-0.5%	0.00	0.00	0.00	0.00
13	20,000	-0.2%	-0.2%	1.8%	-0.1%	0.00	0.00	0.00	0.00
14	25,000	1.0%	0.9%	2.3%	0.4%	0.00	0.00	0.00	0.00
15	50,000	3.9%	3.5%	3.8%	1.9%	0.00	0.00	0.00	0.00
16	75,000	5.0%	4.6%	4.7%	2.9%	0.00	0.00	0.00	0.00
17	100,000	5.5%	5.2%	5.2%	3.6%	0.00	0.00	0.00	0.00
18	125,000	5.9%	5.6%	5.5%	4.1%	0.00	0.00	0.00	0.00
19	150,000	6.1%	5.9%	5.8%	4.5%	0.00	0.00	0.00	0.00
20	175,000	6.3%	6.1%	6.0%	4.8%	0.00	0.00	0.00	0.00
21	200,000	6.4%	6.2%	6.1%	5.0%	0.00	0.00	0.00	0.00
22									
23	AVG. NO. OF CUST:	1,309	15	2	2	N/A	N/A	N/A	N/A
24									
25	AVG. USE (GAL.):	13,039	44,555	124,521	212,563	N/A	N/A	N/A	N/A
26	MONTHLY BILL:	-3.1%	3.0%	5.2%	4.9%	N/A	N/A	N/A	N/A
27									
28	MEDIAN USE (GAL.):	9,104	20,042	40,600	100,667	N/A	N/A	N/A	N/A
29	MONTHLY BILL:	-6.2%	-0.2%	3.3%	3.5%	N/A	N/A	N/A	N/A

ARIZONA WATER COMPANY
 TEST YEAR ENDED DECEMBER 31, 2003
 WHITE TANK SYSTEM
 REVENUE SUMMARY BY METER SIZE AND CUSTOMER CLASS

DOCKET NO. W-01445A-04-0650
 SCHEDULE TJC-20

LINE NO.	DESCRIPTION	(A) RUCO PROPOSED MINIMUM REVENUE	(B) RUCO PROPOSED COMMODITY REVENUE	(C) RUCO PROPOSED TOTAL REVENUE
1	5/8 X 3/4 - INCH	\$252,065	\$445,327	\$ 697,392
2	1 - INCH	5,686	20,193	25,879
3	2 - INCH	2,049	7,633	9,682
4	3 - INCH	3,729	13,132	16,861
5	4 - INCH	0	0	0
6	6 - INCH	0	0	0
7	8 - INCH	0	0	0
13	10 - INCH	0	0	0
14				
15	TOTALS	\$ 263,529	\$ 486,286	\$ 749,814 (a)
16				
17	PERCENTAGE OF TOTAL REVENUE	35.00%	65.00%	100.00%

NOTE (a):

RUCO REQUIRED REVENUE	\$ 771,767
LESS:	
FIRE SPRINKLER REVENUE	\$ 132
FIRE HYDRANT REVENUE	-
MISCELLANEOUS REVENUE	16,546
RENT - WATER PROPERTY REVENUE	-
OTHER WATER REVENUE	5,275
TOTAL	\$ 21,953

REVENUE TO BE GENERATED FROM WATER SALES \$ 749,814