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BEFORE THE ARIZONA CORPORATION COMMISSION

WILLIAM A. MUNDELL
Chairman
JIM IRVIN
Commissioner
MARC SPITZER
Commissioner

2002 JUN 14 P 3:48

AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF) DOCKET NO. W-01737A-01-0662
NEW RIVER UTILITY COMPANY FOR A)
RATE INCREASE.)

ADDENDUM TO SETTLEMENT AGREEMENT

Applicant New River Utility Company ("Applicant"), Intervenor Residential Utility Consumer Office ("RUCO" or "Intervenor"), and Staff for the Utilities Division of Arizona Corporation Commission ("Staff"), each a party (and collectively the "Parties") to Arizona Corporation Commission Docket No. W-01737A-01-0662 captioned IN THE MATTER OF THE APPLICATION OF NEW RIVER UTILITY COMPANY FOR A RATE INCREASE (the "Application"), hereby stipulate and agree to the following addendum to the Settlement Agreement in this matter filed on June 3, 2002.

Terms and Conditions

The Parties to the Agreement include Applicant, Intervenor and Staff, who hereby agree to the following additional term and condition:

1. Depreciation Rate. The parties hereby agree that the Company's depreciation rates shall be as set forth in Attachment B.
2. Effect of Addendum. Each and every term of the original Settlement Agreement shall remain in effect. This addendum shall be incorporated by reference into the original Settlement Agreement and made a part thereof.

Arizona Corporation Commission
DOCKETED

JUN 14 2002

DOCKETED BY	PAR
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1 IN WITNESS WHEREOF, the Parties hereto have executed this Addendum to Settlement
2 Agreement on this 14 day of June, 2002.

3 NEW RIVER UTILITY COMPANY

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION STAFF

4
5 By: _____

By: _____

6 Its: _____

Its: Director, Utilities Division

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8 INTERVENOR
9 R.U.C.O.
(Residential Utility Consumer Office)

10 By: Brian Morsen

11 Its: Deputy Director

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IN WITNESS WHEREOF, the Parties hereto have executed this Addendum to Settlement Agreement on this ___ day of June, 2002.

NEW RIVER UTILITY COMPANY

ARIZONA CORPORATION
COMMISSION UTILITIES DIVISION
STAFF

By: 
Its: Attorney of Record

By: _____
Its: Director, Utilities Division

INTERVENOR
R.U.C.O.
(Residential Utility Consumer Office)

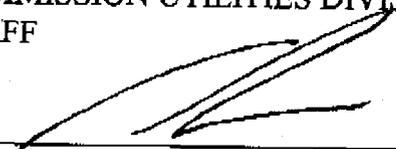
By: _____
Its: _____

1 IN WITNESS WHEREOF, the Parties hereto have executed this Addendum to Settlement
2 Agreement on this ___ day of June, 2002.

3 NEW RIVER UTILITY COMPANY

ARIZONA CORPORATION
COMMISSION UTILITIES DIVISION
STAFF

4
5
6 By: _____

By:  _____

7 Its: _____

Its: Director, Utilities Division

for

8 INTERVENOR
9 R.U.C.O.
(Residential Utility Consumer Office)

10
11 By: _____

12 Its: _____

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1 ATTACHMENT B

2 NEW RIVER UTILITY COMPANY
 3 DOCKET NO. W-01 737A-01 -0662

4	ACCT	ACCOUNT TITLE	DEPREC. RATE
5	304	STRUCTURES & IMPROVEMENTS	3.33%
6	305	COLLECTING & IMPOUNDING RESERVOIRS	2.50%
	306	LAKE, RIVER, CANAL INTAKES	2.50%
7	307	WELLS & SPRINGS	3.33%
	308	INFILTRATION GALLERIES	6.67%
8	309	RAW WATER SUPPLY MAINS	2.00%
	310	POWER GENERATION EQUIP.	5.00%
9	311	PUMPING EQUIP.	12.50%
10	320	WATER TREATMENT EQUIP.	-----
	320.1	WATER TREATMENT PLANTS	3.33%
11	320.2	SOLUTION CHEMICAL FEEDERS	20.00%
	330	DISTRIBUTION RESERVOIRS & STANDPIPES	-----
12	330.1	STORAGE TANKS	2.22%
	330.2	PRESSURE TANKS	5.00%
13	331	TRANSMISSION & DISTRIBUTION MAINS	2.00%
	333	SERVICES	3.33%
14	334	METERS	8.33%
	335	HYDRANTS	2.00%
15	336	BACKFLOW PREVENTION DEVICES	6.67%
	339	OTHER PLANT & MISC EQUIP	6.67%
16	340	OFFICE FURNITURE & EQUIP	6.67%
17	340.1	COMPUTERS & SOFTWARE	20.00%
	341	TRANSPORTATION EQUIP.	20.00%
18	342	STORES EQUIP.	4.00%
	343	TOOLS, SHOP & GARAGE EQUIP.	5.00%
19	344	LABORATORY EQUIP.	10.00%
	345	POWER OPERATED EQUIP.	5.00%
20	346	COMMUNICATIONS EQUIP.	10.00%
	347	MISC. EQUIP.	10.00%
21	348	OTHER TANGIBLE PLANT*	-----

22 *Acct. 348, OTHER TANGIBLE PLANT may vary from 5 percent to 50 percent.
 23 The depreciation rate would be set in accordance with specific capital items in this
 24 account.