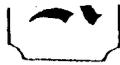




0000051688

Ronald L. Kozoman

Certified Public Accountant  
1605 W. Mulberry Drive  
Phoenix, AZ 85015



(602) 274-7325

FAX (602) 274-7374

Toll Free 888-293-7503

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May 1, 2002

Mr. Nancy Cole, Manager  
Docket Control Division  
Arizona Corporation Commission  
1200 W. Washington  
Phoenix, AZ 85007

New River Utility Company, Docket No. W-01737A-01-0662 / Rebuttal Schedule  
Revision

Ms. Nancy Cole:

Attached are the revised rebuttal schedules of Mr. Ronald Kozoman, CPA, on behalf of  
New River Utility Company, Docket No. W-01737A-01-0662.

Sincerely,

Ronald L. Kozoman, CPA

Attachments:  
Certificate of Delivery and Service List  
Rebuttal Schedules

Arizona Corporation Commission

DOCKETED

MAY 01 2002

DOCKETED BY	<i>rac</i>
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New River Utility Company, Docket No. W-01737A-01-0662

Revised Rebuttal Schedules of Ronald Kozoman

I hereby certify that on this 25<sup>th</sup> day of April 2002, I caused the foregoing documents to be served on the Arizona Corporation Commission by hand delivering the original and ten (10) copies of the above to:

Docket Control Division  
Arizona Corporation Commission  
1200 W. Washington  
Phoenix, AZ 85007

Copies were either mailed or hand delivered to the following:

Service List for New River Utility Company, Docket No. W-01737A-01-0662

Ms. Tena Wolfe Hearing Division, Arizona Corporation Commission  
Ms. Lyn Farmer, Chief Hearing Office, Arizona Corporation Commission  
Mr. Ernst Johnson, Director of Utilities, Arizona Corporation Commission  
Mr. Chris Kempley, Chief Legal Counsel, Arizona Corporation Commission  
Ms. Lisa Ann Nelson, Attorney, Legal Division, Arizona Corporation Commission  
Mr. John Thorton, Chief Rate Analyst, Arizona Corporation Commission  
Mr. Marlin Scott, Jr., Engineering, Arizona Corporation Commission  
Mr. Claudio Fernandez, Manager of Audits, Arizona Corporation Commission  
Mr. Charles Myhlhousen, Public Utilities Analyst, Arizona Corporation Commission  
Mr. Joel Reiker, Senior Regulatory Analyst, Arizona Corporation Commission  
Mr. Daniel W. Pozefsky, Attorney, Residential Utility Consumers Office  
Mr. Rodney Moore, Public Utilities Analyst, Residential Utility Consumers Office  
Mr. Norm James, Attorney for the Applicant, Fennamore Craig  
Mr. Robert Fletcher, President, New River Utility Company

**New River Utility Company, Inc.**  
**Index of Rebuttal Filing Schedules / Revised**

Schedule  
Number

- A-1 Summary of the increase in revenue requirement and the spread of the revenue increase by customer classification
  
- B-1 Schedule showing the elements of original cost rate base
  
- B-5 Schedule showing the computation of working capital allowance.
  
- C-1 Test year operating income statement, with pro forma adjustments.
  
- C-2 Schedule showing the detail of all pro forma adjustments.
  - Revenue Annualization for 5/8 x 3/4" Meters
  - Revenue Annualization for meters larger than 5/8 x 3/4" Meters
  - Revenue Annualization for Establishment Fee
  - Expense Annualization for Pumping Power
  - Expense Annualization for Postage
  - Rate Case Expense
  - Property Tax Expense at Proposed Rates
  
- C-3 Schedule showing the incremental taxes on gross revenue and the computation of an incremental gross revenue conversion factor
  
- H-1 Comparison of revenues by customer classification or other classification of revenue for the test year, at present and proposed rates.
  
- H-2 Comparison of revenues by class of service and by rate schedule for the test year at present and proposed rates
  
- H-3 Comparison of present and proposed rates schedules.
  
- H-4 Typical bill analysis.

**New River Utility Company, Inc.**  
 Test Year Ended December 31, 2000  
 Summary of Rate Filing

Exhibit  
 Rebuttal Schedule A-1  
 Page 1  
 Witness: Kozoman  
**Revised**

Line  
No.

1	Rate Base, based on Arizona Corporation Commission	
2	Staff Schedule CRM-2, Adjusted for Working Capital	\$ 829,010
3		
4	Adjusted Operating Income, based on Arizona	
5	Corporation Commission Staff's Statement of Operating Income, Sch.	
6	CRM-5, with adjustments for Revenue Annualization, Property Taxes	
7	Pumping Power, Postage for Additional Customer Billings,	
8	Rate Case Expense, and Income Taxes.	
9	Amount from Rebuttal Schedule C-1, Line 36	\$ (35,244)
10		
11	Current Rate of Return (Line 9 divided by Line 2)	-4.251%
12		
13	Required Operating Income (Line 2 times Lines 16)	\$ 72,124
14		
15	Required Rate of Return, Per Arizona Corporation Commission	
16	Staff Schedule JMR-9	8.70%
17		
18	Operating Income Deficiency	\$ 107,368
19		
20	Gross Revenue Conversion Factor, from Rebuttal Schedule C-3, Line 16	1.3634212
21		
22	Increase in Gross Revenue Requirement	\$ 146,387
23		
24		

	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
26 <u>Meter Size or Sales Classification</u>				
27 5/8 X 3/4 Inch Meter	\$265,119	\$332,513	\$67,395	25.42%
28 5/8 X 3/4 Inch Meter Revenue Annualization	44,082	53,962	9,880	22.41%
29 1 Inch Meter	15,977	19,658	3,681	23.04%
30 1 Inch Meter Revenue Annualization	17,327	20,776	3,449	19.90%
31 1.5 Inch Meter	5,635	8,311	2,676	47.50%
32 1.5 Inch Meter Revenue Annualization	2,167	3,188	1,021	47.13%
33 2 Inch Meter	99,973	142,864	42,891	42.90%
34 2 Inch Meter Revenue Annualization	26,612	37,983	11,372	42.73%
35 Metered Standpipe	67,748	71,813	4,065	6.00%
36 Miscellaneous Revenues with Annualization	11,500	11,500	0	0.00%
37 to reflect Establishment fee that was not				
38 existence during the whole test year				
39 Total Revenues	\$556,139	\$702,568	\$146,430	26.33%

**New River Utility Company, Inc.**  
 Test Year Ended December 31, 2000  
 Rate Base at Original Cost

Exhibit  
 Rebuttal Schedule B-1  
 Page 1  
 Witness: Kozoman  
**Revised**

Line No.		ACC Staff <u>Proposed</u>	Company's Rebuttal Adjustments to ACC Staff <u>Adjusted</u>	
1	Gross Utility Plant in Service	\$ 4,331,809		\$ 4,331,809
2	Less: Accumulated Depreciation	<u>229,030</u>		<u>229,030</u>
3				
4	Net Utility Plant in Service	4,102,779		4,102,779
5				
6	Less:			
7	Advances in Aid of			
8	Construction	3,305,891		3,305,891
9	Contributions in Aid of			
10	Construction - Net of amortization	-		
11	Customer Meter Deposits			
12	Deferred Income Taxes & Credits	6,722		6,722
13				
14	Plus:			
15	Allowance for Working Capital			
16	1/24 Pumping Power	3,929	763 (1)	4,692
17	1/8 Operation & Maintenance	<u>43,477</u>	<u>(9,325) (2)</u>	<u>34,152</u>
18				
19	Total Rate Base	<u><u>837,572</u></u>	<u><u>(8,562)</u></u>	<u><u>829,010</u></u>
20				
21	(1) Adjust to 1/24 of adjusted power costs, as shown on Rebuttal Schedule B-5			
22				
23	(2) Adjust to 1/8 of allowable adjusted operation & maintenance expense, as shown			
24	on Rebuttal Schedule B-5			
25				
26				
27				
28				
29				
30				
31				
32				
33				

**New River Utility Company, Inc.**  
Test Year Ended December 31, 2000  
Working Capital Computation

Exhibit  
Rebuttal Schedule B-5  
Page 1  
Witness: Kozoman  
**Revised**

Line No.			
1	Adjusted Purchased Power		<u>\$ 112,607</u>
2			
3	1/24 of Adjusted Purchased Power		<u>\$ 4,692</u>
4			
5	Total Operating & Maintenance Expense		\$ 630,413
6	Less:		
7	Adjusted Purchased Power	\$ 112,607	
8	Property Taxes	37,891	
9	Depreciation	180,473	
10	Income Taxes	<u>26,223</u>	
11	Total Deduction from Operating & Maintenance		
12	Expense		<u>357,194</u>
13			
14	Operation & Maintenance Expense Allowable for		
15	Working Capital Computation		<u>\$ 273,220</u>
16			
17			
18	1/8 of Allowable Operation & Maintenance Expense		<u>\$ 34,152</u>
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			

**New River Utility Company, Inc.**  
 Test Year Ended December 31, 2000  
 Statement of Operating Income

Exhibit  
 Rebuttal Schedule C-1  
 Page 1  
 Witness: Kozoman  
**Revised**

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	ACC Staff Adjustments	ACC Staff Label	Present Rates Staff Adjusted	Company's or RUCO's Rebuttal Adjustments to ACC Staff Adjusted	Label	Present Rates Company Adjusted	Proposed Increase in Revenues	Proposed Revenue
1	<b>OPERATING REVENUES:</b>									
2	Metered Water Sales:									
3	Residential	\$ 252,254	\$ 39,010	A	\$ 291,264	\$ 17,937	(1)	309,201	\$77,275	\$386,475
4	Commercial	106,345			106,345	61,345	(2)	167,690	65,090	232,780
5	Standpipe	45,165	22,583	B	67,748	-		67,748	4,065	71,813
6	Miscellaneous Service Revenues	8,875			8,875	2,625	RUCO	11,500		11,500
7	<b>TOTAL OPERATING REVENUES</b>	<b>\$ 412,639</b>	<b>\$ 61,593</b>		<b>\$474,232</b>	<b>81,907</b>		<b>556,139</b>	<b>146,430</b>	<b>\$ 702,568</b>
8	<b>OPERATING EXPENSES:</b>									
9	Salaries And Wages	\$ 140,103			140,103			140,103		\$ 140,103
10	Purchased Power	94,303	6,881	C	101,184	11,423	(3)	112,607		112,607
11	Chemicals	2,438			2,438			2,438		2,438
12	Material And Supplies	8,631	(2,913)	D	5,718			5,718		5,718
13	Telephone	2,307			2,307			2,307		2,307
14	Payroll Service	376			376			376		376
15	Postage	3,322	415	E	3,737	111	(4)	3,848		3,848
16	Temporary Labor	592			592			592		592
17	Office Supplies	3,091	(2,002)	F	1,089			1,089		1,089
18	Professional	580			580			580		580
19	Accounting	16,000			16,000			16,000		16,000
20	Legal	5,174			5,174			5,174		5,174
21	Testing	25,756	(16,618)	G	9,138			9,138		9,138
22	Other	5,083	12,316	H	17,399			17,399		17,399
23	Rents	27,600			27,600			27,600		27,600
24	Insurance Expense	5,448			5,448			5,448		5,448
25	Regulatory Commission Expense	5,955			5,955			5,955		5,955
26	Rate Case Expense	10,000	(5,000)	I	5,000	2,500	(5)	7,500		7,500
27	Inspection Fees	16,637	(16,637)	J	-			-		-
28	Bank Charges	1,432			1,432			1,432		1,432
29	Blue Stake	684			684			684		684
30	Other Operation Expenses	3,517			3,517			3,517		3,517
31	Taxes Other than Property Or Income	16,322			16,322			16,322		16,322
32	Property Taxes	21,341			21,341	16,549	(6)	37,891		37,891
33	Depreciation	181,302	(109,581)	L	71,721	108,752	L	180,473		180,473
34	Income Taxes		1,962	M	1,962	(14,770)		-12,808	13,414	26,223
35	<b>TOTAL EXPENSE</b>	<b>\$ 597,995</b>	<b>\$ (131,177)</b>		<b>\$466,818</b>	<b>\$ 124,564</b>		<b>\$ 591,382</b>	<b>\$ 13,414</b>	<b>\$ 630,413</b>
36	<b>OPERATING INCOME (LOSS):</b>	<b>\$ (185,356)</b>	<b>\$ 192,770</b>		<b>\$ 7,414</b>	<b>\$ (42,658)</b>		<b>\$ (35,244)</b>	<b>\$ 133,015</b>	<b>\$ 72,155</b>
37	Interest Expense	\$ 22,150	\$ (22,150)	N	\$ -			\$ -		\$ -
38	<b>NET INCOME (LOSS)</b>	<b>\$ (207,506)</b>	<b>\$ 214,920</b>		<b>\$ 7,414</b>	<b>\$ (42,658)</b>		<b>\$ (35,244)</b>	<b>\$ 133,015</b>	<b>\$ 72,155</b>

**New River Utility Company, Inc.**  
 Test Year Ended December 31, 2000  
 Adjustment to Revenues and Expenses

Exhibit  
 Rebuttal Schedule C-2  
 Page 1  
 Witness: Kozoman  
**Revised**

Line No.	No. 1	No. 2	Adjustment RUCO	No. 3	No. 4	No. 5	No. 6	ACC Staff Adjust. L	Income Tax	Totals
1	\$ 17,937	61,345	2,625							\$ 81,907
2										
3				11,423	111	2,500	16,549	108,752	(14,770)	124,564
4										
5	17,937	61,345	2,625	(11,423)	(111)	(2,500)	(16,549)	(108,752)	14,770	(42,658)
6										
7										
8										
9	17,937	61,345	2,625	(11,423)	(111)	(2,500)	(16,549)	(108,752)	14,770	(42,658)
10										
11										
12										
13										
14										
15	5/8 x 3/4"	Meters								
16	Meters	Larger								
17		than								
18		5/8 x 3/4"								
19										
20										
21										

Annualize Revenues to Year End Customers Levels  
 Recognize Establishment fee charge for customer additions from Jan. through April 2000 (No Est. Fee Prior to Jan. 2000)  
 Annualize Expenses to match Revenue Annualization  
 Pumping Power for additional gallons to be pumped  
 Rate Case Expense  
 Property Tax at Proposed Rates  
 ACC Staff Depr.  
 Income Tax at Proposed Rates



**New River Utility Company, Inc.**  
 Test Year Ended December 31, 2000  
 Adjustment to Revenues and Expenses  
 Adjustment Number 2 / Revenue at Present Rates

Exhibit  
 Rebuttal Schedule C-2  
 Page 3  
 Witness: Kozoman  
**Revised**

Line No.		Jan	Feb	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Totals	
1	<b>1-Inch Meters</b>														
2	Month end Customers	12	13	13	13	13	28	34	45	51	62	68	74	36	<-(A)
3	End of Year	74	74	74	74	74	74	74	74	74	74	74	74		
4	Change in Number of Billing to the														
5	End of Year	62	61	61	61	61	46	40	29	23	12	6	0	462	<-(B)
6	Average Usage	18,754	18,754	18,754	18,754	18,754	18,754	18,754	18,754	18,754	18,754	18,754	18,754	8,664	<-(C)
7	Revenue Annualization	2,325	2,288	2,288	2,288	2,288	1,725	1,500	1,088	863	450	225		17,327	
8														17,327	
9														15,977	
10														33,304	
11															
12															
13															
14	<b>1 1/2-Inch Meters</b>														
15	Month end Customers	1	1	1	1	1	3	3	3	3	3	3	3	2	<-(A)
16	End of Year	3	3	3	3	3	3	3	3	3	3	3	3		
17	Change in Number of Billing to the														
18	End of Year	2	2	2	2	2	0	0	0	0	0	0	0	10	<-(B)
19	Average Usage	179,212	179,212	179,212	179,212	179,212	179,212	179,212	179,212	179,212	179,212	179,212	179,212	1,792	<-(C)
20	Revenue Annualization	433	433	433	433	433								2,167	
21														2,167	
22														5,635	
23														7,802	
24															
25															
26	<b>2-Inch Meters</b>														
27	Month end Customers	25	26	27	28	29	34	35	40	41	44	44	44	35	<-(A)
28	End of Year	44	44	44	44	44	44	44	44	44	44	44	44		
29	Change in Number of Billing to the														
30	End of Year	19	18	17	16	15	10	9	4	3	0	0	0	111	<-(B)
31	Average Usage	179,744	179,744	179,744	179,744	179,744	179,744	179,744	179,744	179,744	179,744	179,744	179,744	19,952	<-(C)
32	Revenue Annualization	4,555	4,315	4,076	3,836	3,596	2,397	2,158	959	719				26,612	
33														26,612	
34	(A) Average Number of Customers													99,973	
35	(B) Additional Billings to be issued, due to annualization													126,585	
36	(C) Additional Gallons to be pumped, due to annualization														
37															
38															
39														46,106	
40														121,584	
41														167,690	
42														106,345	
43														61,345	
44															
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47															
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**Rebuttal Adjustment 2**

**New River Utility Company, Inc.**  
 Test Year Ended December 31, 2000  
 Adjustment to Revenues and Expenses  
 Adjustment Number 3 / Purchased Power for Additional Gallons  
 which will be sold via the revenue annualization

Exhibit  
 Rebuttal Schedule C-2  
 Page 4  
 Witness: Kozoman  
**Revised**

Line  
 No.

1	<b>Power Cost Annualization</b>	
2		
3		
4		
5	Power Cost	\$ 94,303
6		
7	Gallons Sold during the Test Year in 1,000's	<u>299,418</u>
8		
9	Cost Per 1,000 Gallons	0.314954
10		
11		
12	1,000's of Gallons in Annualization computation (A)	<u>58,118</u>
13		
14	Additional Power Costs	\$ 18,304
15		
16	ACC Staff Power Cost Adjustment	<u>\$ 6,881</u>
17		
18	Additional Power Cost Adjustment, <b>Rebuttal Adjustment 3</b>	<u><u>\$ 11,423</u></u>
19		
20	(A) Gallons from Rebuttal Schedule C-2, Pages 2 and 3	
21		
22		
23		Additional Gallons in
24		<u>1,000's</u>
25	5/8 x 3/4" Meter, Line 9, Sch. C-2, Page 2	27,710
26	1" Meter, Line 6, Sch. C-2, Page 3	8,664
27	1 1/2" Meter, Line 19, Sch. C-2, Page 3	1,792
28	2" Meter, Line 31, Sch. C-2, Page 3	<u>19,952</u>
29	Total Gallons in Annualization	<u><u>58,118</u></u>

**New River Utility Company, Inc.**

Test Year Ended December 31, 2000

Adjustment to Revenues and Expenses

Adjustment Number 4 / Postage due to Additional Billings  
which will be issued due to the revenue annualization

Exhibit  
Rebuttal Schedule C-2  
Page 5  
Witness: Kozoman  
**Revised**

Line

No.

1	<b>Postage Cost Annualization</b>	
2		
3	Additional Billings Per Revenue Annualization (A)	2,766
4	ACC Staff Billings Used in Annualization	<u>2,183</u>
5		583
6	Postage per Billing	<u>\$ 0.19</u>
7		
8	Additional Postage Expense, <b>Rebuttal Adjustment 4</b>	<u><u>\$ 110.77</u></u>
9		
10		
11	(A) Additional Billings from Rebuttal Schedule C-2, Pages 2 and 3	
12		
13		Additional
14		<u>Billings</u>
15	5/8 x 3/4" Meter, Line 8, Sch. C-2, Page 2	2,183
16	1" Meter, Line 5, Sch. C-2, Page 3	462
17	1 1/2" Meter, Line 18, Sch. C-2, Page 3	10
18	2" Meter, Line 30, Sch. C-2, Page 3	<u>111</u>
19	Total Additional Billing in Annualization	<u><u>2,766</u></u>

**New River Utility Company, Inc.**  
Test Year Ended December 31, 2000  
Adjustment to Revenues and Expenses  
Adjustment Number 5 / Rate Case Expense

Exhibit  
Rebuttal Schedule C-2  
Page 6  
Witness: Kozoman  
**Revised**

Line No.		
1	Original Cost Estimate for Rate Case Expense	<u>\$ 10,000</u>
2		
3	New Cost Estimate	\$ 22,500
4	Amortization Period in Years	<u>3</u>
5	Annual Amortization Expense	\$ 7,500
6		
7	ACC Staff Allowance for Rate Case Expense, Sch. CRM-5, Line 26	<u>5,000</u>
8		
9	Adjustment to Rate Case Expense, <b>Rebuttal Adjustment 5</b>	<u>\$ 2,500</u>
10		
11		

**New River Utility Company, Inc.**  
 Test Year Ended December 31, 2000  
 Adjustment to Revenues and Expenses  
 Adjustment Number 6 / Property Taxes at Proposed Rates

Exhibit  
 Rebuttal Schedule C-2  
 Page 7  
 Witness: Kozoman  
**Revised**

Line  
No.

1	<b>Property Taxes at Proposed Rates</b>	
2		
3	Revenues from year ended December 31, 2000	412,639
4	Adjusted Test Year Revenues	556,139
5	Proposed Revenues	<u>702,568</u>
6	Average of Three Periods of Revenue	<u>557,115</u>
7		
8	Two times Average of Three Periods of Revenue	1,114,231
9		
10	Add:	
11	10% of Construction Work in Progress	
12	Deduct:	
13	Book Value of Transportation Equipment	<u>                    </u>
14		
15	Full Cash Value	1,114,231
16		
17	Assessment Ratio	<u>25.00%</u>
18		
19	Assessed Valuation	278,558
20		
21	Property Tax Rate (from RUCO Sch. RLM-10, Line 17)	<u>13.6024%</u>
22		
23	Property Taxes at Proposed Rates, Rebuttal Adjustment 6	37,891
24		
25	ACC Unadjusted Staff Property Taxes (Sch. CRM-5, Line 32)	<u>21,341</u>
26		
27	Adjustment to Property Tax Expense, <b>Rebuttal Adjustment 6</b>	<u>16,549</u>
28		

New River Utility Company, Inc.  
Test Year Ended December 31, 2000

Exhibit  
Rebuttal Schedule C-3  
Page 1  
Witness: Kozoman  
**Revised**

Line No.	Description	Percentage of Incremental Gross Revenues
1	Federal Income Taxes	19.69%
2		
3	State Income Taxes	6.97%
4		
5	Other Taxes and Expenses	<u>0.00%</u>
6		
7		
8	Total Tax Percentage	26.66%
9		
10	Operating Income % = 100% - Tax Percentage	73.34%
11		
12		
13		
14		
15	<u>1</u> = Gross Revenue Conversion Factor	
16	Operating Income %	1.3634
17		
18		
19		
20		

**New River Utility Company**  
 Test Year Ended December 31, 2000  
 Summary of Revenues by Meter Size at  
 Present and Proposed Rates

Exhibit  
 Rebuttal Schedule H-1  
 Page 1  
 Witness: Kozoman  
**Revised**

Line No.	Meter Size	Present Revenues	Proposed Revenues	Dollar Change	Percent Change	Percent of Revenues	
						Present Rates	Proposed Rates
1	5/8 X 3/4 Inch Meter - Residential	\$265,119	\$332,513	\$67,395	25.42%	47.67%	47.33%
2	Revenue Annualization	44,082	53,962	9,880	22.41%	7.93%	7.68%
3	1 Inch Meter - Residential	15,977	19,658	3,681	23.04%	2.87%	2.80%
4	Revenue Annualization	17,327	20,776	3,449	19.90%	3.12%	2.96%
5	1.5 Inch Meter - Commercial	5,635	8,311	2,676	47.50%	1.01%	1.18%
6	Revenue Annualization	2,167	3,188	1,021	47.13%	0.39%	0.45%
7	2 Inch Meter - Commercial	99,973	142,864	42,891	42.90%	17.98%	20.33%
8	Revenue Annualization	26,612	37,983	11,372	42.73%	4.79%	5.41%
9	Standpipe Sales	67,748	71,813	4,065	6.00%	12.18%	10.22%
10							
11	Water Revenues with adjustments for Customer Growth	\$544,639	\$691,068	\$146,430	26.89%	97.932%	98.363%
12	Miscellaneous Revenues	8,875	8,875	0	0.00%	1.596%	1.263%
13	Establishment Fee Annualization	2,625	2,625	0	0.00%	0.472%	0.374%
14	Total Revenues	\$556,139	\$702,568	\$146,430	26.33%	100.000%	100.000%

**New River Utility Company**  
 Test Year Ended December 31, 2000  
 Analysis of Revenue by Detailed Class

Exhibit  
 Rebuttal Schedule H-2  
 Page 1  
 Witness: Kozoman  
**Revised**

Line No.	Customers Classification and/or Meter Size	Average Number of Customers as of 12/31/00	Average Consumption	Average Bil		Proposed Increase	
				Present Rates	Proposed Rates	Dollar Amount	Proposed
1	5/8 x 3/4 Inch Meter	1,094	12,693	\$20.19	\$26.16	\$5.97	29.54%
2	1 Inch Meter	36	18,754	\$37.50	\$46.32	\$8.81	23.50%
3	1.5 Inch Meter	2	179,212	\$216.71	\$300.94	\$84.23	38.87%
4	2 Inch Meter	35	179,744	\$239.74	\$324.22	\$84.48	35.24%

**New River Utility Company**  
Test Year Ended December 31, 2000  
Gallons Sold

Exhibit  
Rebuttal Schedule H-2  
Page 2  
Witness: Kozoman  
**Revised**

Line

<u>No.</u>	<u>Meter Size</u>	<u>Totals</u>
1	5/8 X 3/4 Inch Meter	166,651
2	1 Inch Meter - Residential	7,989
3	1.5 Inch Meter - Commercial	4,660
4	2 Inch Meter - Commercial	74,953
5	Standpipe	<u>45,165</u>
6		
7	Totals for the Year	<u><u>299,418</u></u>
8		

**New River Utility Company**  
 Changes in Representative Rate Schedules  
 Test Year Ended December 31, 2000

Exhibit  
 Rebuttal Schedule H-3  
 Page 1  
 Witness: Kozoman  
**Revised**

Line No.	Customer Classification and Meter Size	Present Rates	Proposed Rates	Percent Change
1	<b>Monthly Usage Charge for:</b>			
2	<u>Residential, Commercial, Industrial</u>			
3	5/8 x 3/4 Inch	\$7.50	\$7.50	0.00%
4	3 / 4 Inch	\$7.50	\$7.50	0.00%
5	1 Inch	\$18.75	\$18.75	0.00%
6	1 1/2 Inch	\$37.50	\$37.50	0.00%
7	2 Inch	\$60.00	\$60.00	0.00%
8	3 Inch	\$120.00	\$120.00	0.00%
9	4 Inch	\$190.00	\$190.00	0.00%
10	6 Inch	\$375.00	\$375.00	0.00%
11	8 Inch	\$750.00	\$750.00	0.00%
12				
13	<b>Gallons included in Monthly Usage Charge</b>			
14	<u>Residential, Commercial, Industrial</u>			
15	5/8 x 3/4 Inch Meters	0	0	0.00%
16	3/4 Inch Meters	0	0	0.00%
17	1 Inch	0	0	0.00%
18	1 1/2 Inch	0	0	0.00%
19	2 Inch	0	0	0.00%
20	3 Inch	0	0	0.00%
21	4 Inch	0	0	0.00%
22	6 Inch	0	0	0.00%
23	6 Inch	0	0	0.00%
24	8 Inch	0	0	0.00%
25	Standpipe	0	0	0.00%
26				
27	<b>Commodity Rates:</b>			
28	Charge per 1,000 Gallons in excess of gallons included in Monthly			
29	<u>Residential, Commercial, Industrial</u>			
30	Usage Charge up to <b>12,000</b> Gallons	\$1.00	\$1.35	35.00%
31	Usage Charge up to <b>18,000</b> Gallons	\$1.00	\$1.47	47.00%
32	Over <b>18,001</b> Gallons	\$1.00	\$1.59	59.00%
33				
34				
35				
36	<u>Construction (bulk water sales)</u>			
37	<b>Usage Charge</b>	\$1.50	\$1.59	6.00%

New River Utility Company  
 Bill Comparison  
 Bill Count 5/8 X 3/4 Inch Meter  
 Residential

Exhibit  
 Rebuttal Schedule H-4  
 Page 1  
 Witness: Kozoman  
**Revised**

MidPoint Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
.	\$7.50	\$7.50	\$ -	0.00%
.	7.50	7.50	0.00	0.00%
1	7.50	7.50	0.00	0.00%
1,001	8.50	8.85	0.35	4.12%
2,001	9.50	10.20	0.70	7.37%
3,001	10.50	11.55	1.05	10.00%
4,001	11.50	12.90	1.40	12.18%
5,001	12.50	14.25	1.75	14.00%
6,001	13.50	15.60	2.10	15.56%
7,001	14.50	16.95	2.45	16.90%
8,001	15.50	18.30	2.80	18.07%
9,001	16.50	19.65	3.15	19.09%
10,001	17.50	21.00	3.50	20.00%
15,001	22.50	28.11	5.61	24.93%
20,001	27.50	35.70	8.20	29.82%
25,001	32.50	43.65	11.15	34.31%
30,001	37.50	51.60	14.10	37.60%
35,001	42.50	59.55	17.05	40.12%
40,001	47.50	67.50	20.00	42.11%
45,001	52.50	75.45	22.95	43.71%
50,001	57.50	83.40	25.90	45.04%
55,001	62.50	91.35	28.85	46.16%
60,001	67.50	99.30	31.80	47.11%
65,001	72.50	107.25	34.75	47.93%
70,001	77.50	115.20	37.70	48.65%
75,001	82.50	123.15	40.65	49.27%
80,001	87.50	131.10	43.60	49.83%
85,001	92.50	139.05	46.55	50.32%
90,001	97.50	147.00	49.50	50.77%
95,001	102.50	154.95	52.45	51.17%
100,001	107.50	162.90	55.40	51.53%
125,001	132.50	202.65	70.15	52.94%
150,001	157.50	242.40	84.90	53.90%
175,001	182.50	282.15	99.65	54.60%
200,001	207.50	321.90	114.40	55.13%
225,001	232.50	361.65	129.15	55.55%
250,001	257.50	401.40	143.90	55.88%
275,001	282.50	441.15	158.65	56.16%
Median Usage				
12,501	20.00	24.44	4.44	22.18%
Average Usage				
12,693	20.19	24.72	4.53	22.41%

**Present Rates:**

Monthly Minimum:	\$7.50
Gallons in Minimum	.
Charge Per 1,000 Gallons	
Up to 999,999,999	\$1.00
Over 1,000,000,000	
1,000,000,000	
1,000,000,000	

**Proposed Rates:**

Monthly Minimum:	\$7.50
Gallons in Minimum	.
Charge Per 1,000 Gallons	
Up to 12,000	\$1.35
Up to 18,000	\$1.47
Over 18,001	\$1.59
18,001	\$1.59

Additional Billings	2,183	2,183
Annualization of Revenues at Present and Proposed Rates	\$44,082	\$53,962

New River Utility Company  
 Test Year Ended December 31, 2000  
 Bill Comparison  
 Bill Count 1 Inch Meter

Exhibit  
 Rebuttal Schedule H-4  
 Page 2  
 Witness: Kozoman  
 Revised

MidPoint Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
.	\$18.75	\$18.75	\$ .	0.00%
1	18.75	18.75	0.00	0.00%
1,001	19.75	20.10	0.35	1.77%
2,001	20.75	21.45	0.70	3.38%
3,001	21.75	22.80	1.05	4.83%
4,001	22.75	24.15	1.40	6.16%
5,001	23.75	25.50	1.75	7.37%
6,001	24.75	26.85	2.10	8.49%
7,001	25.75	28.20	2.45	9.52%
8,001	26.75	29.55	2.80	10.47%
9,001	27.75	30.90	3.15	11.35%
10,001	28.75	32.25	3.50	12.17%
15,001	33.75	39.36	5.61	16.62%
20,001	38.75	46.95	8.20	21.16%
25,001	43.75	54.90	11.15	25.49%
30,001	48.75	62.85	14.10	28.92%
35,001	53.75	70.80	17.05	31.72%
40,001	58.75	78.75	20.00	34.04%
45,001	63.75	86.70	22.95	36.00%
50,001	68.75	94.65	25.90	37.67%
55,001	73.75	102.60	28.85	39.12%
60,001	78.75	110.55	31.80	40.38%
65,001	83.75	118.50	34.75	41.49%
70,001	88.75	126.45	37.70	42.48%
75,001	93.75	134.40	40.65	43.36%
80,001	98.75	142.35	43.60	44.15%
85,001	103.75	150.30	46.55	44.87%
90,001	108.75	158.25	49.50	45.52%
95,001	113.75	166.20	52.45	46.11%
100,001	118.75	174.15	55.40	46.65%
125,001	143.75	213.90	70.15	48.80%
150,001	168.75	253.65	84.90	50.31%
175,001	193.75	293.40	99.65	51.43%
200,001	218.75	333.15	114.40	52.30%
225,001	243.75	372.90	129.15	52.98%
250,001	268.75	412.65	143.90	53.54%
275,001	293.75	452.40	158.65	54.01%
Median Usage 12,501	31.25	35.69	4.44	14.19%
Average Usage 18,754	37.50	44.97	7.46	19.90%

**Present Rates:**

Monthly Minimum:	\$18.75
Gallons in Minimum	.
Charge Per 1,000 Gallons	
Up to 999,999,999	\$1.00
Over 1,000,000,000	
1,000,000,000	
1,000,000,000	

**Proposed Rates:**

Monthly Minimum:	\$18.75
Gallons in Minimum	.
Charge Per 1,000 Gallons	
Up to 12,000	\$1.35
Up to 18,000	\$1.47
Over 18,001	\$1.59
18,001	\$1.59

Additional Billings	462	462
Annualization of Revenues at Present and Proposed Rates	\$17,327	\$20,776

New River Utility Company  
 Test Year Ended December 31, 2000  
 Bill Comparison  
 Bill Count 1 .5 Inch Meter

Exhibit  
 Rebuttal Schedule H-4  
 Page 3  
 Witness: Kozoman  
**Revised**

MidPoint Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$37.50	\$37.50	\$ -	0.00%
501	37.50	37.50	0.00	0.00%
1,501	39.00	39.53	0.53	1.35%
2,501	40.00	40.88	0.88	2.19%
3,501	41.00	42.23	1.23	2.99%
4,501	42.00	43.58	1.58	3.75%
5,501	43.00	44.93	1.93	4.48%
6,501	44.00	46.28	2.28	5.17%
7,501	45.00	47.63	2.63	5.83%
8,501	46.00	48.98	2.98	6.47%
9,501	47.00	50.33	3.33	7.07%
12,501	50.00	54.44	4.44	8.87%
17,501	55.00	61.79	6.79	12.34%
22,501	60.00	69.68	9.68	16.13%
27,501	65.00	77.63	12.63	19.42%
32,501	70.00	85.58	15.58	22.25%
37,501	75.00	93.53	18.53	24.70%
42,501	80.00	101.48	21.48	26.84%
47,501	85.00	109.43	24.43	28.74%
52,501	90.00	117.38	27.38	30.42%
57,501	95.00	125.33	30.33	31.92%
62,501	100.00	133.28	33.28	33.28%
67,501	105.00	141.23	36.23	34.50%
72,501	110.00	149.18	39.18	35.61%
77,501	115.00	157.13	42.13	36.63%
82,501	120.00	165.08	45.08	37.56%
87,501	125.00	173.03	48.03	38.42%
92,501	130.00	180.98	50.98	39.21%
97,501	135.00	188.93	53.93	39.94%
112,501	150.00	212.78	62.78	41.85%
137,501	175.00	252.53	77.53	44.30%
162,501	200.00	292.28	92.28	46.14%
187,501	225.00	332.03	107.03	47.57%
212,501	250.00	371.78	121.78	48.71%
237,501	275.00	411.53	136.53	49.65%
262,501	300.00	451.28	151.28	50.43%
287,501	325.00	491.03	166.03	51.08%
325,001	362.50	550.65	188.15	51.90%
375,001	412.50	630.15	217.65	52.76%
450,001	487.50	749.40	261.90	53.72%
625,001	662.50	1,027.65	365.15	55.12%
Median Usage				
57,501	95.00	125.33	30.33	31.92%
Average Usage				
179,212	216.71	318.85	102.14	47.13%

**Present Rates:**

Monthly Minimum:	\$37.50
Gallons in Minimum	-
Charge Per 1,000 Gallons	
Up to 999,999,999	\$1.00
Over 1,000,000,000	\$1.00
1,000,000,000	\$1.00
1,000,000,000	\$1.00

**Proposed Rates:**

Monthly Minimum:	\$37.50
Gallons in Minimum	-
Charge Per 1,000 Gallons	
Up to 12,000	\$1.35
Up to 18,000	\$1.47
Over 18,001	\$1.59
18,001	\$1.59

Additional Billings 10 10  
 Annualizaiton of Revenues at Present and  
 Proposed Rates \$2,167 \$3,188

New River Utility Company  
 Test Year Ended December 31, 2000  
 Bill Comparison  
 Bill Count 2 Inch Meter

Exhibit  
 Rebuttal Schedule H-4  
 Page 4  
 Witness: Kozoman  
**Revised**

MidPoint Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$60.00	\$60.00	0.00	0.00%
501	60.00	60.00	0.00	0.00%
1,501	61.50	62.03	0.53	0.85%
2,501	62.50	63.38	0.88	1.40%
3,501	63.50	64.73	1.23	1.93%
4,501	64.50	66.08	1.58	2.44%
5,501	65.50	67.43	1.93	2.94%
6,501	66.50	68.78	2.28	3.42%
7,501	67.50	70.13	2.63	3.89%
8,501	68.50	71.48	2.98	4.34%
9,501	69.50	72.83	3.33	4.78%
12,501	72.50	76.94	4.44	6.12%
17,501	77.50	84.29	6.79	8.76%
22,501	82.50	92.18	9.68	11.73%
27,501	87.50	100.13	12.63	14.43%
32,501	92.50	108.08	15.58	16.84%
37,501	97.50	116.03	18.53	19.00%
42,501	102.50	123.98	21.48	20.95%
47,501	107.50	131.93	24.43	22.72%
52,501	112.50	139.88	27.38	24.33%
57,501	117.50	147.83	30.33	25.81%
62,501	122.50	155.78	33.28	27.16%
67,501	127.50	163.73	36.23	28.41%
72,501	132.50	171.68	39.18	29.57%
77,501	137.50	179.63	42.13	30.64%
82,501	142.50	187.58	45.08	31.63%
87,501	147.50	195.53	48.03	32.56%
92,501	152.50	203.48	50.98	33.43%
97,501	157.50	211.43	53.93	34.24%
112,501	172.50	235.28	62.78	36.39%
137,501	197.50	275.03	77.53	39.25%
162,501	222.50	314.78	92.28	41.47%
187,501	247.50	354.53	107.03	43.24%
225,001	285.00	414.15	129.15	45.32%
275,001	335.00	493.65	158.65	47.36%
400,001	460.00	692.40	232.40	50.52%
625,001	685.00	1,050.15	365.15	53.31%
Median Usage				
137,501	197.50	275.03	77.53	39.25%
Average Usage				
179,744	239.74	342.19	102.45	42.73%

**Present Rates:**

Monthly Minimum:	\$60.00
Gallons in Minimum	-
Charge Per 1,000 Gallons	
Up to 999,999,999	\$1.00
Over 1,000,000,000	
1,000,000,000	
1,000,000,000	

**Proposed Rates:**

Monthly Minimum:	\$60.00
Gallons in Minimum	-
Charge Per 1,000 Gallons	
Up to 12,000	\$1.35
Up to 18,000	\$1.47
Over 18,001	\$1.59
18,001	\$1.59

Additional Billings 111 111  
 Annualization of Revenues at Present and  
 Proposed Rates \$26,612 \$37,983

**New River Utility Company**  
 BILL COMPARISON - PRESENT AND PROPOSED RATES  
 Construction Bulk Water Sales

Exhibit  
 Rebuttal Schedule H-4  
 Page 5  
 Witness: Kozoman  
**Revised**

<u>GALLONS BILLED</u>	<u>PRESENT BILL</u>	<u>PROPOSED BILL</u>	<u>DOLLAR INCREASE</u>	<u>PERCENT INCREASE</u>
1,000	1.50	1.59	0.09	6.00%
2,000	3.00	3.18	0.18	6.00%
3,000	4.50	4.77	0.27	6.00%
4,000	6.00	6.36	0.36	6.00%
5,000	7.50	7.95	0.45	6.00%
6,000	9.00	9.54	0.54	6.00%
7,000	10.50	11.13	0.63	6.00%
8,000	12.00	12.72	0.72	6.00%
9,000	13.50	14.31	0.81	6.00%
10,000	15.00	15.90	0.90	6.00%
20,000	30.00	31.80	1.80	6.00%
30,000	45.00	47.70	2.70	6.00%
40,000	60.00	63.60	3.60	6.00%
50,000	75.00	79.50	4.50	6.00%
60,000	90.00	95.40	5.40	6.00%
70,000	105.00	111.30	6.30	6.00%
80,000	120.00	127.20	7.20	6.00%
90,000	135.00	143.10	8.10	6.00%
100,000	150.00	159.00	9.00	6.00%
110,000	165.00	174.90	9.90	6.00%
120,000	180.00	190.80	10.80	6.00%
130,000	195.00	206.70	11.70	6.00%
140,000	210.00	222.60	12.60	6.00%
150,000	225.00	238.50	13.50	6.00%
160,000	240.00	254.40	14.40	6.00%
170,000	255.00	270.30	15.30	6.00%
180,000	270.00	286.20	16.20	6.00%
190,000	285.00	302.10	17.10	6.00%
200,000	300.00	318.00	18.00	6.00%
210,000	315.00	333.90	18.90	6.00%
220,000	330.00	349.80	19.80	6.00%
230,000	345.00	365.70	20.70	6.00%
240,000	360.00	381.60	21.60	6.00%
250,000	375.00	397.50	22.50	6.00%
260,000	390.00	413.40	23.40	6.00%
270,000	405.00	429.30	24.30	6.00%
280,000	420.00	445.20	25.20	6.00%
290,000	435.00	461.10	26.10	6.00%
300,000	450.00	477.00	27.00	6.00%
310,000	465.00	492.90	27.90	6.00%
320,000	480.00	508.80	28.80	6.00%
330,000	495.00	524.70	29.70	6.00%
340,000	510.00	540.60	30.60	6.00%
350,000	525.00	556.50	31.50	6.00%
360,000	540.00	572.40	32.40	6.00%
370,000	555.00	588.30	33.30	6.00%
380,000	570.00	604.20	34.20	6.00%

**PRESENT RATES:**

MONTHLY MINIMUM	\$0.00
GALLONS IN MINIMUM	0
CHARGE PER 1,000 GALLONS	\$1.50

**PROPOSED RATES:**

MONTHLY MINIMUM	\$0.00
GALLONS IN MINIMUM	0
CHARGE PER 1,000 GALLONS	\$1.59