

**NEW APPLICATION**



0000060672

BEFORE THE ARIZONA CORPORATION

COMMISSIONERS

**ORIGINAL**

RECEIVED

MIKE GLEASON – Chairman  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE

2007 JUN 26 P 3:42

AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission  
**DOCKETED**

JUN 26 2007

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF  
ICR WATER USERS ASSOCIATION, AN  
ARIZONA CORPORATION, FOR A  
DETERMINATION OF THE CURRENT FAIR  
VALUE OF ITS UTILITY PLANT AND  
PROPERTY AND FOR INCREASES IN ITS  
RATES AND CHARGES FOR UTILITY SERVICE

**DOCKET NO. W-02824A-07-0388**

**APPLICATION**

ICR Water Users Association, an Arizona non-profit corporation (“ICR” or the “Company”), submits this Application for an order establishing the fair value of its plant and property for the provision of public utility service and, based on such fair value, approving permanent rates and charges for utility service provided by the Company designed to produce a fair return thereon. In support of its request, ICR states as follows:

**I. INTRODUCTION**

1. ICR is a public service corporation engaged in providing water service in portions of Yavapai County, Arizona, pursuant to a certificate of convenience and necessity (“CC&N”) granted by the Arizona Corporation Commission (“Commission”) in Decision No. 64008 (Aug. 30, 1995). ICR’s current rates were also approved in that same decision.

2. ICR applied for and was granted an extension of its CC&N in Decision No. 64360 (Jan. 15, 2002). In Decision 64360, the Company was ordered to file a rate case within five years. The Company then filed and obtained an extension to file its rate case by July 15, 2007. The Company files this Application in compliance with that requirement.

3. Since the Company’s inception, it has grown and served approximately 360 member-customers at the end of the Test Year. The member-customers elect a board of directors who manage and operate the Company according to its by-laws. The Company expects to add approximately 50 member-customers per year for the next five years, including 2007.

**Snell & Wilmer**

LLP  
LAW OFFICES  
One Arizona Center, 400 E. Van Buren  
Phoenix, Arizona 85004-2202  
(602) 382-6000

1 4. ICR operates two water systems, System Nos. 13-303 and 13-263. In addition to  
2 serving its member-customers, the Company also furnishes water to be used for construction and  
3 a golf course pursuant to a well agreement.

4 **II. FAIR VALUE DETERMINATION AND RATE INCREASE**

5 5. In this Application, ICR seeks a determination of the current, fair value of its property  
6 devoted to public service and approval of permanent adjustments to its rates and charges for  
7 utility service based upon that determination.

8 6. Filed concurrently in support of this Application is the direct testimony Thomas J.  
9 Bourassa, C.P.A., who will be sponsoring the Company's schedules. Mr. Bourassa has prepared  
10 the schedules required for the rate applications of Class C water utilities in accordance with  
11 A.A.C. R14-2-103, with the exception of Schedules B-3 and B-4 because the Company is  
12 requesting to use its original cost rate base ("OCRB") as its FVRB, instead of using a  
13 reconstructed cost new rate base. Mr. Bourassa's testimony and supporting schedules are  
14 attached as Exhibit A. The Test Year used by the Company in connection with the preparation of  
15 such schedules is the 12-month period ending December 31, 2006.

16 7. During the Test Year, the Company's adjusted FVRB was negative \$554,252 and the  
17 adjusted operating income was negative \$33,632. Consequently, a rate increase is necessary to  
18 earn a reasonable return on the fair value of its utility plant and property devoted to public  
19 service. Therefore, the Company requests certain adjustments to its rates and charges for water  
20 service be approved by the Commission. The Company is requesting an increase in revenues  
21 equal to \$86,899, which constitutes an increase in revenues of 32.43%.

22 **III. APPLICATION REQUIREMENTS RELATING TO WATER QUALITY**

23 8. Per A.A.C. R14-2-103(B)(5), Commission Staff requests additional information  
24 relating to water quality to be included in Class C water utility rate applications. In compliance  
25 with this request, ICR attaches, as Exhibit B, the Company's Arizona Department of  
26 Environmental Quality ("ADEQ") compliance status reports for its two water systems. ICR  
27 acknowledges that its water systems are not currently in compliance with ADEQ reporting  
28

1 requirements. ICR is currently working with ADEQ and has the following compliance plan in  
2 place.

3 In regards to the lead and copper monitoring and reporting deficiencies, ICR has already  
4 prepared a sampling plan in accordance with ADEQ rules, where the Company collects two sets  
5 of samples, six-months apart. The Company has already completed the first set of sample  
6 collections. The second sample collections will be completed by the end of January 2008. The  
7 data from these collections will be reported to ADEQ by the end of February 2008. However,  
8 ADEQ may require additional or extended monitoring requirements, which would extend the  
9 proposed timeframe, even though current water quality results indicate that ICR's water systems  
10 meet the current lead and copper standards.

11 As to the Maximum Residual Disinfection Levels reporting deficiencies, all required  
12 samples and tests were conducted and previously reported to ADEQ; however, out of caution,  
13 ICR re-filed all of the required reports.

14 9. ICR also attaches, as Exhibit C, the Company's 2006 and 2007 annual sampling fee  
15 invoices for ADEQ's Monitoring Assistance Program.

16 10. As noted in its Utilities 2006 Annual Report, the arsenic level of each well that ICR  
17 uses to provide water service to its member-customers is 2.3 parts per billion, which complies  
18 with federal arsenic standards.

19 11. ICR attaches its "Water Use Data Sheet" and "Water Company Plant Description,"  
20 respectively as Exhibits D and E. Exhibit D details the amount of water sold and pumped during  
21 the Test Year, and Exhibit E provides an inventory of the major plant in service. Mr. Bourassa  
22 also prepared Schedules E-5, which details the Company's plant in service.

23 **IV. NOTICE**

24 12. All communications, correspondence, and discovery regarding this Application, as  
25 well as communications and pleadings filed by any other parties, should be served on the  
26 following:

27  
28

1 Robert M. Busch  
2 ICR Water Users Association, Inc.  
3 P.O. Box 5669  
4 Chino Valley, Arizona 86323  
5 Phone: (928) 583-0741  
6 Fax: (928) 636-9771  
7 Email: [rmbusch@cableone.net](mailto:rmbusch@cableone.net)

8 Robert J. Metli, Esq.  
9 Marcie A. Shuman, Esq.  
10 Snell & Wilmer L.L.P.  
11 One Arizona Center  
12 Phoenix, Arizona 85004-2202  
13 Phone: (602) 382-6000  
14 Fax: (602) 382-6070  
15 Email: [rmetli@swlaw.com](mailto:rmetli@swlaw.com)  
16 [mshuman@swlaw.com](mailto:mshuman@swlaw.com)

17 **V. PRAYER FOR RELIEF**

18 For the foregoing reasons, ICR requests the following relief:

19 A. That the Commission at the earliest time possible conduct a hearing in accordance  
20 with A.R.S. § 40-251 and determine the fair value of ICR's utility plant and property devoted to  
21 public service;

22 B. Based upon such determination, that the Commission approve permanent  
23 adjustments to the rates and charges for utility service provided by ICR, as proposed in this  
24 Application, or approve such other just and reasonable rates and charges based upon the fair value  
25 of the Company's utility plant and property; and

26 C. That the Commission authorize such other and further relief as may be appropriate  
27 to ensure that ICR has an opportunity to earn just and reasonable rates and charges and as may  
28 otherwise may be required under Arizona law.

29 RESPECTFULLY SUBMITTED this 26<sup>th</sup> day of June, 2007.

30 SNELL & WILMER

31 By   
32 Robert J. Metli  
33 Marcie A. Shuman  
34 One Arizona Center  
35 Phoenix, Arizona 85004-2202  
36 Attorneys for ICR Water Users Association

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

Original and thirteen (13) copies  
filed this 26th day of June, 2007, with:

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

*Janice L. Johnson*

2009633.1

# **EXHIBIT A**

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE  
APPLICATION OF ICR WATER  
USERS ASSOCIATION, AN ARIZONA  
CORPORATION, FOR A  
DETERMINATION OF THE  
CURRENT FAIR VALUE OF ITS  
UTILITY PLANT AND PROPERTY  
AND FOR INCREASES IN ITS RATES  
AND CHARGES FOR UTILITY  
SERVICE.

DOCKET NO.

DIRECT TESTIMONY OF  
THOMAS J. BOURASSA  
ON BEHALF OF  
ICR WATER USERS ASSOCIATION

1       **I. INTRODUCTION AND QUALIFICATIONS.**

2       **Q. PLEASE STATE YOUR NAME AND ADDRESS.**

3       A. My name is Thomas J. Bourassa. My business address is 139 W. Wood Drive,  
4       Phoenix, Arizona 85029.

5       **Q. WHAT IS YOUR PROFESSION AND BACKGROUND?**

6       A. I am a Certified Public Accountant and am self-employed, providing consulting  
7       services to utility companies as well as general accounting services. I have a B.S.  
8       in Chemistry/Accounting from Northern Arizona University (1980) and an M.B.A.  
9       with an emphasis in Finance from the University of Phoenix (1991).

10      **Q. COULD YOU BRIEFLY SUMMARIZE YOUR PRIOR WORK AND  
11      REGULATORY EXPERIENCE?**

12      A. Yes. I was employed by High-Tech Institute, Inc., and served as controller and  
13      chief financial officer, prior to becoming a private consultant. Prior to working  
14      for High-Tech Institute, I worked as a division controller for the Apollo Group,  
15      Inc. Before joining the Apollo Group, I was employed at Kozoman & Kermode,  
16      CPAs. In that position, I prepared compilations and other write-up work for water  
17      and wastewater utilities, as well as tax returns.

18                In my private practice, I have prepared and/or assisted in the preparation of  
19      several water and wastewater utility rate applications before the Arizona  
20      Corporation Commission ("Commission"). Attached at Exhibit 1 is a summary of  
21      my regulatory work experience.

22      **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?**

23      A. I am testifying in this proceeding on behalf of the applicant, ICR Water Users  
24      Association ("ICR" or the "Company"). ICR is seeking increases in its rates and  
25      charges for water utility service in its certificated service area in Yavapai County.

1        **II.    OVERVIEW OF THE COMPANY'S APPLICATION.**

2        **Q.    WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

3        A.    I will testify in support of the Company's proposed rates. I am sponsoring  
4        Schedules A through H, which are filed concurrently herewith in support of the  
5        Company's application. I was responsible for the preparation of these schedules  
6        based on my investigation and review of the relevant books and records for the  
7        Company.

8        **Q.    PLEASE SUMMARIZE THE COMPANY'S APPLICATION.**

9        A.    The test year used by ICR is the 12-month period which ended December 31,  
10       2006. Since the Company is a member owned non-profit corporation, a cost of  
11       capital analysis has not been performed. Instead, the revenue requirement is  
12       determined based on an operating margin approach.

13                The Company proposes a 15 percent operating margin which will provide  
14       revenues sufficient to provide sufficient funds for on-going operating expenses  
15       help fund capital repairs and improvements and to maintain financial stability.

16                The Company has proposed certain pro forma adjustments to take into  
17       account known and measurable changes to rate base, expenses and revenues.  
18       These pro forma adjustments are consistent with normal ratemaking and with the  
19       Commission's rules and regulations. They are also necessary to obtain a normal  
20       or realistic relationship between revenues, expenses and rate base.

21                The Company's fair value rate base is a negative \$554,252. The increase in  
22       revenues to provide a 15 percent operating margin is approximately \$86,908, an  
23       increase of approximately 32.4 percent over the adjusted and annualized test year  
24       revenues.  
25

1 **Q. WHY IS THE COMPANY FILING FOR RATE INCREASES AT THIS**  
2 **TIME?**

3 **A.** The Company was ordered to file a rate case in its last decision on January 15,  
4 2002 (Decision 64360). In Decision 64360, the Company applied for and was  
5 granted an extension of its Certificate of Convenience and Necessity ('CC&N').  
6 As a condition of that decision, the Company was ordered to file a rate case within  
7 5 years. The Company then filed and obtained an extension to file its rate case by  
8 July 15, 2007.

9 The Company's initial rates were approved on August 30, 1995. (Decision  
10 64008). Since that time the Company has grown and serves approximately 360  
11 member-customers at the end of the test year. The member-customers elect a  
12 board of directors who manage and operate the Company according to its by-laws.  
13 The adjusted test year results show an operating loss of over \$33,000.

14 **III. SUMMARY OF A, E AND F SCHEDULES.**

15 **Q. MR. BOURASSA, LET'S TURN TO THE COMPANY'S SCHEDULES.**  
16 **PLEASE DESCRIBE THE SCHEDULES LABELED AS A, E, AND F.**

17 **A.** Schedule A-1 is a summary of the rate base, operating income, current operating  
18 margin, required operating margin, operating income deficiency, and the increase  
19 in gross revenue. The fair value rate base ("FVRB") on this schedule is based on  
20 the original cost rate base ("OCRB"), which is described in more detail on  
21 Schedule B-1. The Company requests a 15 percent operating margin. Revenues  
22 at present and proposed and customer classifications are also shown on this  
23 schedule.

1 **Q. WHY IS THE COMPANY REQUESTING A 15 PERCENT OPERATING**  
2 **MARGIN?**

3 A. To provide sufficient annual cash flows to pay operating expenses as well as to  
4 fund anticipated capital repairs, maintenance and improvements over the next  
5 several years, as well as to begin building up a capital replacement reserve. The  
6 Company believes it has insufficient emergency power generation equipment to  
7 handle power outages. It also expects to clean and repair its main storage tank  
8 within two years, purchase and install a Supervisory Control & Data Acquisition  
9 ("SCADA") system to provide better monitoring of the Company's well and  
10 storage system, as well as refurbish an old booster station. At some point in the  
11 next three to five years, the Company may well have to raise additional capital  
12 though long-term debt in order to fund additional storage capacity and related  
13 system improvements.

14 **Q. PLEASE CONTINUE.**

15 The A-2 Schedule is a summary of results of operations for the test year,  
16 prior years, and a projected year at present rates and proposed rates.

17 Schedule A-3 is not required for a Class C utility and has been excluded.  
18 This schedule normally contains the capital structure for the test year and the two  
19 prior years.

20 Schedule A-4 contains the plant construction and plant-in-service for the  
21 test year and prior years. The projected plant additions are also shown on this  
22 schedule.

23 Schedule A-5 is not required for a Class C utility and has been excluded.  
24 This schedule is the summary of the changes in financial position (cash flow) for  
25

1 the prior two years, the test year at present rates, and a projected year at present  
2 and proposed rates.

3 The E Schedules are based on the Company's actual operating results, as  
4 reported by the Company in annual reports filed with the Commission. The E-1  
5 Schedule contains the comparative balance sheet data the years 2004, 2005, and  
6 2006.

7 Schedule E-2, page 1, contains the income statement for the years 2004,  
8 2005, and 2006.

9 Schedule E-3 is not required for a Class C utility and has been excluded.  
10 This schedule normally contains the statements of changes in financial position for  
11 the test year and the two prior years.

12 Schedule E-4 is not required for a Class C utility and has been excluded.  
13 The schedule normally provides the changes in membership equity.

14 Schedule E-5 contains the Company's plant in service at the end of the test  
15 year, and one year prior to the end of the test year.

16 Schedule E-7 contains operating statistics for the years 2004, 2005, and  
17 2006.

18 Schedule E-8 contains the taxes charged to operations.

19 The accountant's notes to the financial statements and the financial  
20 assumptions used in preparing the rate filing schedules are shown on Schedules E-  
21 9 and F-4, respectively, in accordance with the Commission's standard filing  
22 requirements. By practice, the Company does not prepare audited financial  
23 statements.

24 Schedule F-1 contains the results of operations at the present rates (actual  
25 and adjusted), and at proposed rates.

1 Schedule F-2 is not required for a Class C utility and has been excluded.  
2 This schedule normally contains the summary of changes in financial position  
3 (cash flow) for the prior two years, the test year at present rates, and a projected  
4 year at present and proposed rates.

5 Schedule F-3 shows the Company's projected construction requirements for  
6 2007, 2008, 2009, and 2010+.

7 Schedule F-4 contains the assumptions used in developing the adjustments  
8 and projections contained in the rate filing.

9 **IV. COST OF CAPITAL (D SCHEDULES).**

10 **Q. PLEASE DISCUSS THE D SCHEDULES.**

11 A. Schedule D-1 shows the summary membership equity and long-term debt. Since  
12 the Company is a non-profit corporation, a cost of capital analysis has not been  
13 performed. There currently is no long-term debt. The Company has recently  
14 made a financing application for a line of credit up to \$100,000 as an offensive  
15 measure to help the Company with its cash flows until new rates are in effect.

16 **V. RATE BASE (B SCHEDULES).**

17 **Q. WOULD YOU EXPLAIN THE RATE BASE SCHEDULES, WHICH ARE  
18 LABELED AS THE B SCHEDULES?**

19 A. Yes. I will start with schedules B-5, which is the working capital allowance.  
20 The results produced by the "formula method" of computing the working capital  
21 allowance are shown on each.

22 **Q. PLEASE CONTINUE.**

23 A. The Company did not file Schedules B-3 and B-4. The Company is requesting its  
24 OCRB be used as its FVRB, which is shown on Schedule B-1.

25

1 **Q. HAVE YOU PREPARED SCHEDULES SHOWING ADJUSTMENTS TO**  
2 **THE ORIGINAL COST RATE BASE?**

3 A. Yes. Schedule B-2 shows adjustments to the OCRB proposed by the  
4 Company. Adjustment number 1 reduces accumulated depreciation to the re-  
5 computed amounts per the Company's plant schedules. Adjustment number 2  
6 increases accumulated amortization of contributions in aid of construction  
7 ("CIAC") to the re-computed amounts. Adjustment number 3 reflects the  
8 Company proposed working capital allowance. Pages 2, 2a through 2m,  
9 and 3 of schedule B-2 detail the calculations that support the adjustments 1 and 2  
10 to the OCRB, while Schedule B-5 supports adjustment 3 to the OCRB.

11 **Q. DO THE PLANT AND ACCUMULATED DEPRECIATION SHOWN ON**  
12 **B-2 REFLECT THE LAST COMMISSION RATE ORDER?**

13 A. Yes. The plant shown on Schedule B-2 started with the Commission-determined  
14 plant from the last rate case. Pages 2a through 2k of Schedule B-2 show plant  
15 additions and retirements since the test year of the last rate case that have been  
16 added to and deducted from total plant shown on Schedule B-2. Pages 2l and 2m  
17 of Schedule B-2 show the computed accumulated depreciation balances by year  
18 since the last test year through the end of the test year in the instant case.

19 **Q. WHY WAS THERE A DIFFERENCE BETWEEN THE RECORDED**  
20 **ACCUMULATED DEPRECIATION AT THE END OF THE TEST YEAR**  
21 **AND THE RECOMPUTED AMOUNT?**

22 A. Because the Company incorrectly recorded accumulated depreciation in the past  
23 and has been corrected here.  
24  
25

1 **VI. TEST YEAR INCOME STATEMENTS (C SCHEDULES).**

2 **Q. LET'S MOVE ON TO THE C SCHEDULES. PLEASE EXPLAIN THE**  
3 **FIRST TWO ADJUSTMENTS YOU ARE PROPOSING TO THE INCOME**  
4 **STATEMENT AS SHOWN ON SCHEDULES C-1 AND C-2.**

5 A. Adjustment 1 annualizes depreciation expense. The depreciation rates  
6 approved in the prior rate case was a composite 2.5 percent. The Company  
7 proposes change to the depreciation rate from a composite 2.5 percent to  
8 individual rates by plant account. Individual rates by plant account more  
9 accurately reflect individual plant lives and the rates used in this case are adopted  
10 from the Commission's Utilities Division Staff's ("Staff") "typical and  
11 customary" depreciation rates. The proposed depreciation rate for each  
12 component of utility plant is shown on Schedule C-2, page 2.

13 Adjustment 2 increases the property taxes based on proposed revenues.  
14 The Company has recognized the recently passed Arizona legislation (H.B. 2779)  
15 now codified in A.R.S. § 42-15001, entitled "Assessed Valuation of Class One  
16 Property." A.R.S. § 42-15001 reduces the assessment ratio one-half percent for  
17 the next ten years starting in 2006. The Company has proposed a three year  
18 reduction in the assessment ratio or a reduction from 25 percent to 23.5 percent.

19 **Q. HOW DID YOU COMPUTE THE PROPERTY TAXES AT PROPOSED**  
20 **RATES?**

21 A. To determine full cash value, I used the method employed by the Arizona  
22 Department of Revenue - Centrally Valued Properties ("ADOR" or the  
23 "Department"). This method determines full cash value by using twice the  
24 average of three years of revenue, plus an addition for construction work in  
25 progress ("CWIP") and a deduction for the book value of transportation

1 equipment. In the instant case, I used two times the adjusted revenues for 2006,  
2 and revenues at proposed rates. The assessed value (23.5 percent of full cash  
3 value) was then multiplied by the property tax rate to determined adjusted property  
4 tax expense.

5 **Q. IS THIS SYNCHRONIZATION OF PROPERTY TAX EXPENSE WITH**  
6 **REVENUES PROPER RATE MAKING?**

7 A. Yes. Like income taxes, property taxes must be adjusted to ensure that the new  
8 rates are sufficient to produce the authorized return on rate base. For this reason,  
9 the Commission has repeatedly utilized proposed revenue increases to determine  
10 an appropriate level of property tax expense to be recovered through rates.

11 **Q. IS THIS CONSISTENT WITH PRIOR COMMISSION DECISIONS?**

12 A. Yes. See, e.g., Chaparral City Water Company, Decision No. 68176 (Sept. 30,  
13 2005); Rio Rico Utilities, Decision No. 67279 at 8; Arizona Water Company,  
14 Decision No. 64282 at 12-13; Bella Vista Water Company, Decision No. 65350 at  
15 16; Arizona-American Water Company, Decision No. 67093 at 9-10. In fact, the  
16 methodology is consistent with these decisions where two years of adjusted test  
17 year revenues and one year of proposed revenues were used to determine full cash  
18 value. In the Arizona-American Water Company rate proceeding (Decision  
19 67093), the Commission concluded that "Staff calculated property taxes using its  
20 proposed adjusted test year revenues twice and its recommended revenues once to  
21 calculate a three year average of revenues. We agree with Staff that using only  
22 historical revenues to calculate property taxes to include in the cost of service fails  
23 to capture the effects of future revenue from new rates, and can result in an  
24 understatement or overstatement of property tax expense." Decision 67093 at 9-  
25 10.

1 **Q. MR. BOURASSA, ISN'T THERE A LAG FROM THE TIME NEW RATES**  
2 **CHARGED CUSTOMERS GO INTO EFFECT AND THE DATE ON**  
3 **WHICH PROPERTY TAXES ARE ACTUALLY PAID?**

4 A. Yes. As an example, if new rates for the Company went into effect on January 1,  
5 2007, property taxes based on these new rates would first appear on the property  
6 tax bill received in September 2008. However, the Company should be accruing  
7 property taxes to match the revenues collected. Thus, there is no mismatch  
8 between revenues and expenses. Moreover, the property taxes resulting from my  
9 calculation are based on only a portion of proposed revenues. To properly  
10 consider the future impact of the rate increases, I should have computed the  
11 proposed property taxes based only on proposed revenues rather than averaging  
12 proposed and historic revenues. Consequently, this adjustment is conservative.

13 **Q. PLEASE DISCUSS ADJUSTMENT 3 TO THE INCOME STATEMENT.**

14 A. Adjustment 3 shows the rate case expense. Rate case expense is estimated to be  
15 \$60,000. The Company is proposing to amortize rate case expense over three  
16 years. The impact on the test year is \$20,000.

17 **Q. DO YOU BELIEVE THIS IS A REASONABLE AMOUNT OF RATE CASE**  
18 **EXPENSE GIVEN THE REQUESTED INCREASE IN REVENUE?**

19 A. Yes. Factors that influence rate case expense include the nature and requirements  
20 of the Commission's ratemaking process and the number of parties, issues and  
21 complexity of the proceedings.

22 **Q. PLEASE DISCUSS THESE FACTORS.**

23 A. The Company cannot raise its rates except by filing for rate relief and the  
24 Commission dictates the process for obtaining rate relief. The Company, with  
25 roughly 360 member-customers at the end of the test year, is a Class C utility,

1 which requires a notice and hearing. In addition, as a Class C utility, the  
2 Commission requires the Company to file most of the same schedules as a Class A  
3 (i.e., APS, Arizona Water, SW Gas) utility with hundreds of thousands of  
4 customers. The Company must also prepare three rounds of pre-filed testimony,  
5 participate in all of the procedural and evidentiary hearings and open meetings,  
6 and file closing briefs.

7 The number of parties also has a substantial impact on rate case expense.  
8 Customers and other interveners add to rate case expense and the complexity of  
9 the proceedings. The number and complexity of disputed issues also influences  
10 total rate case expense, and those impacts cannot be known until the case  
11 proceeds.

12 **Q. IS THIS WHY YOU REFERRED TO THE RATE CASE EXPENSE AS AN**  
13 **ESTIMATE?**

14 **A.** Yes, and I can only consider the foreseeable. If things turn out to be more  
15 complicated than anticipated, i.e., if there are third-party interveners, the Company  
16 will modify its request to account for that increased expense. Conversely, if the  
17 case proceeds and rate case expense is lower than expected, we would make an  
18 appropriate adjustment downward.

19 **Q. SHOULDN'T THE COMPANY BEAR SOME OF THE BURDEN OF RATE**  
20 **CASE EXPENSE?**

21 **A.** As a practical matter, the utility always does. My estimate of \$60,000 assumes the  
22 Company will actually incur a higher amount of total rate case expense. I would  
23 also agree that if the utility does something improper, or advances positions in  
24 bad-faith, it should shoulder the burden of such actions. But, as I testified, the  
25

1 Commission dictates the process, not the utility and absent such circumstances, the  
2 utility must be allowed to recover its reasonably incurred rate case expense.

3 **Q. WHY IS THE COMPANY PROPOSING TO USE A THREE-YEAR**  
4 **AMORTIZATION PERIOD?**

5 A. This is approximately the time period the Company expects to file another case.

6 **Q. PLEASE DISCUSS ADJUSTMENTS 4, 5, AND 6 TO THE INCOME**  
7 **STATEMENT.**

8 Adjustment 4 annualizes revenues to the year-end number of customers for each  
9 meter size. This adjustment is intended to increase revenues on the basis that the  
10 number of customers at year end were receiving service during the entire 12  
11 months of the test year. The annualization was based on the number of customers  
12 at the end of the test year, compared to the actual number of customers on each  
13 size meter during each month of the test year. Average revenues by month were  
14 computed for the test year for each meter size. The average revenues were then  
15 multiplied by the increase (or decrease) in number of customers for each month of  
16 the test year. Customer growth during the test year was less than 30 customers.

17 Adjustment 5 annualizes purchased power costs based on the additional  
18 gallons sold by annualizing revenues to the year-end number of customers.

19 Adjustment 6 reverses an amount recorded during the test year which was  
20 applicable to a prior year.

21 **Q. PLEASE EXPLAIN WHY ADJUSTMENT 6 REVERSES A PREVIOUSLY**  
22 **RECORDED AMOUNT.**

23 Q. An entry was made to repairs and maintenance expense in 2006 to re-class a 2005  
24 repairs and maintenance expense to plant-in-service. This entry reduced repairs  
25

1 and maintenance expense for the test year. Without this adjustment, repairs and  
2 maintenance expense is understated.

3 **Q. PLEASE DISCUSS THE REMAINING ADJUSTMENTS TO THE**  
4 **INCOME STATEMENT.**

5 A. Adjustment 7 increases outside service costs for operations provided to the  
6 Company by A Quality Water Company. The increase is based on the contract  
7 between ICR and A Quality Water Company.

8 Adjustment 8 increases outside service costs for billing and accounting  
9 provided to the Company by MDI Financial Services. The increase is based on  
10 the contract between ICR and MDI Financial Services.

11 Adjustment 9 increases outside service costs for management services  
12 provided to the Company by MDI Financial Services. The increase is based on  
13 the contract between ICR and MDI Financial Services.

14 Adjustment 10 removes from legal expense amounts related to rate case  
15 expense. Rate case expense is included separately and removal is necessary in  
16 order to avoid double counting the expense.

17 Adjustment 11 removes costs from outside services related to a contract  
18 termination settlement. These costs are non-recurring and appropriately excluded  
19 from the test year expenses.

20 **VII. EFFECT OF PROPOSED RATE SCHEDULES (H SCHEDULES).**

21 **Q. WHAT ARE THE COMPANY'S PRESENT RATES?**

22 A. The proposed rates for customers with a water meter size of:

<u>Meter Size</u>	<u>Monthly Minimum</u>	<u>Gallons included in Monthly Minimum</u>
5/8	\$ 20.00	0

1	3/4	\$ 20.00	0
2	1	\$ 50.00	0
3	1 1/2	\$ 100.00	0
4	2	\$ 160.00	0
5	3	\$ 300.00	0
6	4	\$ 500.00	0
7	6	\$1,000.00	0

8 The commodity charges and tiers by meter size are:

9	Meter Size	Tier (gallons)	Charge per 1,000 gallons
11	All meter sizes	All gallons	\$ 2.80

12 The standpipe service or bulk rate has no minimum charge but follows the  
13 commodity rates specified above.

14 **Q. WHAT ARE THE COMPANY'S PROPOSED RATES?**

15 A. The proposed rates for customers with a water meter size of:

16	Meter Size	Monthly Minimum	Gallons included in Monthly Minimum
18	5/8	\$ 25.50	0
19	3/4	\$ 38.25	0
20	1	\$ 63.75	0
21	1 1/2	\$ 127.50	0
22	2	\$ 204.00	0
23	3	\$ 382.50	0
24	4	\$ 637.50	0
25	6	\$1,275.00	0

1 The commodity charges and tiers by meter size are:

2	Meter		Charge
3	<u>Size</u>	<u>Tier (gallons)</u>	<u>per 1,000 gallons</u>
4	5/8 and 3/4	1 to 4,000	\$ 3.19
5		4,001 to 10,000	\$ 3.83
6		Over 10,000	\$ 4.47
7	1	1 to 25,000	\$ 3.83
8		Over 25,000	\$ 4.47
9	1 1/2	1 to 50,000	\$ 3.83
10		Over 50,000	\$ 4.47
11	2	1 to 80,000	\$ 3.83
12		Over 80,000	\$ 4.47
13	3	1 to 160,000	\$ 3.83
14		Over 80,000	\$ 4.47
15	4	1 to 250,000	\$ 3.83
16		Over 250,000	\$ 4.47
17	6	1 to 500,000	\$ 3.83
18		Over 500,000	\$ 4.47

19 The proposed standpipe rate and bulk water rate is \$3.83 per 1,000 gallons with no  
20 minimum monthly charge.

21 **Q. DID YOU PREPARE A COST OF SERVICE STUDY TO DERIVE THE**  
22 **MONTHLY MINIMUMS AND COMMODITY RATES?**

23 **A.** No. The monthly minimums are based on the rates from the prior rate case  
24 increased by the same percentage for all meter sizes. The percentage increase  
25 applied to the monthly minimums is higher than that applied to the commodity

1 rates in order to achieve a similar level of revenues derived from the monthly  
2 minimums as was obtained from the present rates.

3 **Q. HOW MUCH OF THE REVENUE REQUIREMENT IS DERIVED FROM**  
4 **THE MONTHLY MINIMUMS?**

5 A. Approximately 37 percent. Most of the revenue requirement is derived from the  
6 commodity charges. Too much of the revenue requirement derived from the  
7 commodity charges can result in revenue instability and increased risk.

8 **Q. PLEASE CONTINUE.**

9 A. In the prior rate case the monthly minimums were scaled based on the flows from  
10 a 5/8 inch meter, except for the 3/4 inch meters which was set at the same rate as the  
11 5/8 inch meter. In the instant case, the Company proposes to scale the 3/4 inch  
12 meter to be consistent with the scaling on the other meter sizes. Simply due to the  
13 scaling, the 3/4 inch metered customers will see the greatest increase.

14 **Q. HOW MANY 3/4 INCH METERED CUSTOMERS ARE AFFECTED?**

15 A. Zero. The Company currently has no 3/4 inch metered customers.

16 **Q. WOULD A COST OF SERVICE STUDY DETERMINE THE**  
17 **COMMODITY RATES, IF THE COMMODITY RATES ARE INVERTED,**  
18 **THAT IS THE CHARGE PER 1,000 GALLONS INCREASES AS MORE**  
19 **WATER IS USED?**

20 A. No. A cost of service study will determine the revenues that should be collected  
21 from monthly minimum charges and the revenues that should be collected from  
22 the rates charged for the commodity. Inverted rates for the commodity charge are  
23 not justified based cost of service. Inverted rates are really to encourage  
24 conservation.

25

1 **Q. ARE THE TIERS FOR THE COMMODITY RATES THE SAME FOR**  
2 **EACH SIZE METER? IF NOT, WOULD YOU PLEASE EXPLAIN WHY**  
3 **THE TIERS ARE DIFFERENT?**

4 A. No, the commodity rate tiers are different for 5/8 inch and 3/4 inch, and 1 inch and  
5 larger meters. The 5/8 and 3/4 inch meters have a three tier design, while the 1 inch  
6 and larger meters have a two tier design with break over points scaled by meter  
7 size. The monthly minimum charges are higher for meters larger than 5/8 inch  
8 and reflect the higher potential demand that these customers place on the system.  
9 A customer on a meter size larger than 5/8 inch, is already paying for his or her  
10 higher demand. Thus, the commodity rate tiers reflect the higher monthly  
11 minimums already being paid. To achieve a balance for higher monthly  
12 minimums being paid, customers on larger sized meters should have more gallons  
13 in each rate tier.

14 **Q. WHAT IS THE IMPORTANCE OF THE COMMODITY RATES, AND**  
15 **HOW DID YOU COMPUTE THEM?**

16 A. The first goal of commodity rates should be to generate the revenue requirement.  
17 Thus, commodity rates are very important. The second goal of the commodity  
18 rates should be that they are understandable by customers. The third goal of the  
19 commodity rates is to give customers a price signal to encourage water usage  
20 conservation.

21 **Q. WHY IS THE COMPANY PROPOSING THIS RATE DESIGN?**

22 A. The Company chose this rate design to help maintain some revenue stability,  
23 distribute the rate increase to all meter sizes as equitably as possible, and  
24 encourage water conservation,

25

1 **Q. WHAT IS THE RATE IMPACT ON RESIDENTIAL CUSTOMERS USING**  
2 **THE MONTHLY AVERAGE WATER USAGE?**

3 A. Customers on 5/8 meters who consume the average quantity of water (7,085  
4 gallons per month) will experience a rate increase of \$13.05 per month, or an  
5 increase of approximately 35.24 percent.

6 **Q. WHAT IS THE RATE IMPACT ON THE 1 INCH AND 2 INCH**  
7 **CUSTOMERS USING THE MONTHLY AVERAGE WATER USAGE?**

8 A. Customers on 1 inch meters who consume the average quantity of water (144,861  
9 gallons per month) will experience a rate increase of \$26.31 per month, or an  
10 increase of approximately 35.7 percent.

11 Customers on 2 inch meters who consume the average quantity of water  
12 (82,182 gallons per month) will experience a rate increase of \$168.05 per month,  
13 or an increase of approximately 43.39 percent.

14 **Q. ARE THERE ANY CHANGES TO MISCELLANEOUS CHANGES?**

15 A. Yes. The Company wishes to add an after hours reconnection fee, which will be  
16 double the current reconnection fee. The doubling of the fee is similar to the  
17 establishment fee during business hours and after business hours. All other  
18 miscellaneous charges remain the same.

19 The Company also proposes new service line and meter installation charges  
20 that are based on Staff Engineering estimates. It has been over 10 years since the  
21 current charges were set and need to be updated to reflect more current costs.

22 **Q. DOES THAT CONCLUDE YOUR DIRECT TESTIMONY?**

23 A. Yes.

24  
25 2008473.5

# **EXHIBIT 1**

**Exhibit 1**  
**RESUME OF THOMAS J. BOURASSA, CPA**

**EDUCATIONAL BACKGROUND**

B.S. Northern Arizona University Chemistry/Accounting (1980)  
M.B.A. University of Phoenix with Emphasis in Finance (1991)  
C.P.A. State of Arizona (1995)

**EMPLOYMENT EXPERIENCE**

1995 – Present	CPA - Self Employed Consultant to utilities on regulatory matters including all aspects of rate applications (rate base, income statement, cost of capital, cost of service, and rate design), rate reviews, certificates of convenience and necessity (CC&N), CC&N extensions, financing applications, accounting order applications, and off-site facilities hook-up fee applications. Provide expert testimony as required.  Consult on various aspects of business, financial and accounting matters including best business practices, generally accepted accounting principles, project analysis, cash flow analysis, regulatory treatment of certain expenditures and investments, business valuations, and rate reviews.
1992-1995	Employed by High-Tech Institute, Phoenix, Arizona as Controller and C.F.O.
1989-1992	Employed by Alta Technical School, a division of University of Phoenix as Division Controller.
1985-1989	Employed by M.L.R. Builders, Tampa and Pensacola, Florida as Operations/Accounting Manager
1982-1985	Employed by and part owner in Area Sand and Clay Company, Pensacola, Florida.
1981-1982	Employed by Purdue University, West Lafayette, Indiana as Teaching Assistant.

**SUMMARY OF REGULATORY WORK EXPERIENCE AS SELF EMPLOYED  
CONSULTANT**

**COMPANY/CLIENT**

ICR Water Users Association

Diamond Ventures – Verano

Valley Utilities

Litchfield Park Service Company

Golden Shores Water Company

Diablo Village Water Company

Utility Source, L.L.C.

Goodman Water Company

Links at Coyote Wash Utilities

**FUNCTION**

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design.

Certificate of Convenience and Necessity – Water. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Financing Application.

Accounting Order. Assist in preparing definition and scope of costs for deferral for future regulatory consideration and treatment.

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Off-site facilities hook-up fee application.

Permanent Rate Application- Water and Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, and Cost of Capital.

Certificate of Convenience and Necessity – Sewer. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

**COMPANY/CLIENT**

**FUNCTION**

New River Utilities

Extension Certificate of Convenience and Necessity – Water. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, and financing.

Johnson Utilities

Extension of Certificate of Convenience and Necessity – Sewer. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Bachmann Springs Utility

Permanent Rate Application – Water and Sewer. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Avra Valley Co-Op

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Gold Canyon Sewer Company

Permanent Rate Application – Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Far West Water and Sewer Company

Permanent Rate Application – Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Black Mountain Sewer Company

Permanent Rate Application – Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Balterra Sewer Company

Certificate of Convenience and Necessity – Sewer. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

**COMPANY/CLIENT**

Community Water Company

McClain Water Systems

Valley Utilities Water Company

Beardsley Water Company

Chaparral City Water Company

Pine Water Company, Inc.

Tierra Linda Home Owners Association

Diamond Ventures - Red Rock Utilities

**FUNCTION**

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Certificate of Convenience and Necessity – Water. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, and Revenue Requirement. Assisted in preparation of Rate Design.

Permanent Rate Application – Water. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, and Income Statement. Assisted in preparation Rate Design.

Interim and Permanent Rate Application, Financing Application - Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Cost of Capital, and Rate Design.

Certificate of Convenience and Necessity – Water. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Certificate of Convenience and Necessity – Water and Sewer. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

**COMPANY/CLIENT**

**FUNCTION**

Arizona-American Water Company, Inc.

Permanent Rate Application Water and Sewer (10 divisions). Prepared schedules and testimony on Rate Base, Plant, Income Statement, and Revenue Requirement. Assisted in preparation of Rate Design.

Bella Vista Water Company, Inc.

Permanent Rate Application - Water. Prepared schedules and testimony on Rate Base, Plant, Income Statement, and Revenue Requirement. Assisted in preparation of Cost of Capital and Rate Design.

Green Valley Water Company

Permanent Rate Application. Prepared schedules and testimony on Rate Base, Plant, Income Statement, and Revenue Requirement. Assisted in preparation of Cost of Capital and Rate Design.

Gold Canyon Sewer Company

Permanent Rate Application - Sewer. Prepared schedules and testimony on Rate Base, Plant, Revenue Requirement, and Income Statement. Assisted in preparation of Cost of Capital and Rate Design.

Rio Verde Utilities, Inc.

Permanent Rate Application – Water and Sewer. Prepared schedules and testimony on Rate Base, Plant, Revenue Requirement, and Income Statement. Assisted in preparation of Cost of Capital and Rate Design.

Chaparral City Water Company

Permanent Rate Application - Water. Prepared schedules and testimony on Rate Base, Plant, Revenue Requirement, and Income Statement. Assisted in preparation of Cost of Capital and Rate Design.

Livco Water and Sewer Company

Permanent Rate Application – Water and Sewer. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

**COMPANY/CLIENT**

**FUNCTION**

Cave Creek Sewer Company

Revenue Requirement, Rate Adjustment and Rate Design - Sewer.

Avra CO-OP, Inc.

Permanent Rate Application – Water. Assisted in preparation of Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Town of Oro Valley

Revenue Requirements, Water Rate Adjustments and Rate Design.

Far West Water Company (Water and Sewer)

Permanent Rate Application – Water. Assisted in preparation of schedules for Rate Base, Income Statement, Revenue Requirement, Lead-Lag Study, Cost of Capital, and Rate Design.

Sedona Venture Water and Sewer

Permanent Rate Application – Water and Sewer. Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

Vail Water Company

Permanent Rate Application. Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

E&T Water Company

Permanent Rate Application - Water. Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

New River Utility

Permanent Rate Application - Water. Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

Golden Shores Water

Permanent Rate Application – Water. Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

Ponderosa Utility Company

Permanent Rate Application – Water. Assisted in preparation of schedules for

**COMPANY/CLIENT**

**FUNCTION**

Rate Base, Plant, Income Statement, and  
Rate Design.

**ICR Water Users Association**  
 Test Year Ended December 31, 2006  
 Computation of Increase in Gross Revenue  
 Requirements As Adjusted

Exhibit  
 Schedule A-1  
 Page 1  
 Witness: Bourassa

Line  
No.

1	Fair Value Rate Base			\$	(554,252)					
2										
3	Adjusted Operating Income				(33,632)					
4										
5	Current Rate of Return				N/A					
6										
7	Required Operating Income	Operating Margin =	15.00%	\$	53,276					
8										
9	Required Rate of Return on Fair Value Rate Base (Operating Margin)				N/A					
10										
11	Operating Income Deficiency			\$	86,908					
12										
13	Gross Revenue Conversion Factor				1.0000					
14										
15	Increase in Gross Revenue									
16	Requirement			\$	86,908					
17										
18	<b>Customer</b>									
19	<b>Classification</b>									
20	<b><u>(Residential Commercial, Irrigation)</u></b>									
21	5/8 x 3/4 Inch Residential			\$	148,282	\$	206,976	\$	58,694	39.58%
22	3/4 Inch Residential				-		-		0.00%	
23	1 Inch Residential				15,942		21,935		5,993	37.59%
24	2 Inch Residential				39,929		57,841		17,912	44.86%
25	Construction Water				417		571		154	36.82%
26									-	0.00%
27	Revenue Annualization				9,957		14,104		4,147	41.64%
28										
29	<b>Subtotal</b>			\$	214,528	\$	301,427	\$	86,899	40.51%
30										
31	Other Water Revenues				53,403		53,403		-	0.00%
32										
33										
34	<b>Total of Water Revenues (a)</b>			\$	267,931	\$	354,830	\$	86,899	32.43%

41 SUPPORTING SCHEDULES:

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

ICR Water Users Association  
 Test Year Ended December 31, 2006  
 Summary of Results of Operations

Exhibit  
 Schedule A-2  
 Page 1  
 Witness: Bourassa

Line No.	Description	Prior Years Ended		Test Year		Projected Year	
		12/31/2004	12/31/2005	Actual 12/31/2006	Adjusted 12/31/2006	Present Rates 12/31/2007	Proposed Rates 12/31/2007
1	Gross Revenues	\$ 123,675	\$ 147,067	\$ 258,309	\$ 258,921	\$ 258,921	\$ 333,380
2							
3	Revenue Deductions and	224,438	244,016	295,734	300,042	300,042	299,997
4	Operating Expenses						
5							
6	Operating Income	\$ (100,763)	\$ (96,949)	\$ (37,425)	\$ (41,122)	\$ (41,122)	\$ 33,383
7							
8	Other Income and	-	5,983	779	959	959	959
9	Deductions						
10							
11	Interest Expense	-	-	-	-	-	-
12							
13	Net Income	\$ (100,763)	\$ (90,967)	\$ (36,646)	\$ (40,162)	\$ (40,162)	\$ 34,342
14							
15	Earned Per Average						
16	Common Share	(0.22)	(0.20)	(0.08)	(0.09)	(0.09)	0.07
17							
18	Dividends Per						
19	Common Share	-	-	-	-	-	-
20							
21	Payout Ratio	-	-	-	-	-	-
22							
23	Return on Average						
24	Invested Capital	-2.00%	-1.83%	-0.75%	-0.81%	-0.66%	0.57%
25							
26	Return on Year End						
27	Capital	-2.00%	-1.84%	-0.75%	-0.81%	-0.56%	0.48%
28							
29	Return on Average						
30	Common Equity	64.57%	30.16%	8.97%	9.64%	9.11%	-8.51%
31							
32	Return on Year End						
33	Common Equity	48.68%	22.95%	8.71%	9.20%	8.71%	-8.89%
34							
35	Times Bond Interest Earned						
36	Before Income Taxes	-	-	-	-	-	-
37							
38	Times Total Interest and						
39	Preferred Dividends Earned						
40	After Income Taxes	-	-	-	-	-	-
41							
42							
43	<u>SUPPORTING SCHEDULES</u>						
44	C-1						
45	E-2						
46	F-1						

**ICR Water Users Association**  
**Test Year Ended December 31, 2006**  
**Construction Expenditures**  
**and Gross Utility Plant in Service**

**Exhibit**  
**Schedule A-4**  
**Page 1**  
**Witness: Bourassa**

<u>Line</u> <u>No.</u>		<u>Construction</u> <u>Expenditures</u>	<u>Net Plant</u> <u>Placed</u> <u>in</u> <u>Service</u>	<u>Gross</u> <u>Utility</u> <u>Plant</u> <u>in Service</u>
1				
2	Prior Year Ended 12/31/2003	3,528,300	3,528,300	3,528,300
3				
4	Prior Year Ended 12/31/2004	456,133	456,133	456,133
5				
6	Prior Year Ended 12/31/2005	15,168	15,168	15,168
7				
8	Test Year Ended 12/31/2006	29,066	29,066	29,066
9				
10	Projected Year Ended 12/31/2007	2,350,000	2,350,000	2,350,000
11				
12				
13				
14				
15	<u>SUPPORTING SCHEDULES:</u>			
16	B-2			
17	E-5			
18	F-3			
19				
20				

**ICR Water Users Association**  
 Test Year Ended December 31, 2006  
 Summary of Rate Base

Exhibit  
 Schedule B-1  
 Page 1  
 Witness: Bourassa

Line No.		<u>Original Cost</u> <u>Rate base</u>	<u>Fair Value</u> <u>Rate Base</u>
1			
2	Gross Utility Plant in Service	\$ 5,331,978	\$ 5,331,978
3	Less: Accumulated Depreciation	<u>625,682</u>	<u>625,682</u>
4			
5	Net Utility Plant in Service	\$ 4,706,296	\$ 4,706,296
6			
7	<u>Less:</u>		
8	Advances in Aid of		
9	Construction	3,932,263	3,932,263
10	Contributions in Aid of		
11	Construction - Net of amortization	1,330,469	1,330,469
12	Customer Meter Deposits	20,550	20,550
13	Deferred Income Taxes & Credits	-	-
14	Investment tax Credits	-	-
15			
16			
17	<u>Plus:</u>		
18	Unamortized Finance		
19	Charges	-	-
20	Deferred Tax Assets	-	-
21	Allowance for Working Capital	22,734	22,734
22			
23			
24	Total Rate Base	<u>\$ (554,252)</u>	<u>\$ (554,252)</u>

28 SUPPORTING SCHEDULES:  
 29 B-2  
 30 B-3  
 31 B-5  
 32 E-1  
 33

**ICR Water Users Association**  
 Test Year Ended December 31, 2006  
 Original Cost Rate Base Proforma Adjustments

Exhibit  
 Schedule B-2  
 Page 1  
 Witness: Bourassa

Line No.		Actual at End of Test Year	Proforma Label	Adjustments Amount	Adjusted at end of Test Year
1	Gross Utility				
2	Plant in Service	\$ 5,331,978			\$ 5,331,978
3					
4	<b>Less:</b>				
5	Accumulated				
6	Depreciation	601,004	1	24,678	625,682
7					
8					
9	Net Utility Plant				
10	in Service	\$ 4,730,974			\$ 4,706,296
11					
12	<b>Less:</b>				
13	Advances in Aid of				
14	Construction	3,932,263			3,932,263
15					
16	Contributions in Aid of				
17	Construction - Net	1,344,539	2	(14,070)	1,330,469
18					
19	Customer Refundable Meter Deposits	20,550			20,550
20	Deferred Income Tax Liability	-			-
21	Investment Tax Credits	-			-
22		-			-
23					
24	<b>Plus:</b>				
25	Unamortized Finance				
26	Charges	-			-
27	Deferred Income Tax Asset	-			-
28	Working capital	-	3	22,734	22,734
29		-			-
30					
31	Total	\$ (566,378)			\$ (554,252)

32  
33  
34  
35 SUPPORTING SCHEDULES:  
36 B-2, pages 2-3  
37 B-5  
38 E-1  
39  
40  
41  
42  
43  
44

RECAP SCHEDULES:  
B-1

**ICR Water Users Association**  
Test Year Ended December 31, 2006  
Original Cost Rate Base Proforma Adjustments  
Adjustment 1

Exhibit  
Schedule B-2  
Page 2  
Witness: Bourassa

Line

No.

1	<u>Accumulated Depreciation Adjustment</u>	
2		
3	Computed Balance	\$ 625,682
4	Balance per Company Schedule E-1	<u>601,004</u>
5	Difference	<u>\$ 24,678</u>
6		
7		
8		
9		
10		
11	Increase (Decrease) to Accumulated Depreciation	<u>\$ 24,678</u>
12		
13		
14		
15	<u>SUPPORTING SCHEDULES</u>	
16	B-2, pages 2a-3m	
17		
18		
19		
20		

ICR Water Users Association  
Plant Additions and Retirements

Exhibit  
Schedule B-2  
Page 2a  
Witness: Bourassa

Account No.	Description	Deprec. Rate	12/31/1995	Accum. Depr.	1996 Plant Additions	1996 Plant Adjustments	1996 Adjusted Additions	1996 Plant Retirements	1996 Plant Balance	1996 Depr.
301	Organization Cost	0.00%	-	-	-	-	-	-	-	-
302	Franchise Cost	0.00%	-	-	-	-	-	-	-	-
303	Land and Land Rights	0.00%	-	-	-	-	-	-	-	-
304	Structures and Improvements	2.50%	-	-	73,011	-	73,011	-	73,011	913
305	Collecting and Impounding Res.	2.50%	-	-	-	-	-	-	-	-
306	Lake River and Other Intakes	2.50%	-	-	-	-	-	-	-	-
307	Wells and Springs	2.50%	-	-	49,559	-	49,559	-	49,559	619
308	Infiltration Galleries and Tunnels	2.50%	-	-	-	-	-	-	-	-
309	Supply Mains	2.50%	-	-	-	-	-	-	-	-
310	Power Generation Equipment	2.50%	-	-	-	-	-	-	-	-
311	Electric Pumping Equipment	2.50%	-	-	-	-	-	-	-	-
320	Water Treatment Equipment	2.50%	-	-	68,454	-	68,454	-	68,454	856
330	Distribution Reservoirs & Standpipe	2.50%	-	-	304,860	-	304,860	-	304,860	3,811
331	Transmission and Distribution Mains	2.50%	-	-	65,835	-	65,835	-	65,835	823
333	Services	2.50%	-	-	-	-	-	-	-	-
334	Meters	2.50%	-	-	-	-	-	-	-	-
335	Hydrants	2.50%	-	-	-	-	-	-	-	-
336	Backflow Prevention Devices	2.50%	-	-	-	-	-	-	-	-
339	Other Plant and Miscellaneous Equipment	2.50%	-	-	-	-	-	-	-	-
340	Office Furniture and Fixtures	2.50%	-	-	-	-	-	-	-	-
341	Transportation Equipment	2.50%	-	-	-	-	-	-	-	-
342	Stores Equipment	2.50%	-	-	-	-	-	-	-	-
343	Tools and Work Equipment	2.50%	-	-	-	-	-	-	-	-
344	Laboratory Equipment	2.50%	-	-	-	-	-	-	-	-
345	Power Operated Equipment	2.50%	-	-	-	-	-	-	-	-
346	Communications Equipment	2.50%	-	-	-	-	-	-	-	-
347	Miscellaneous Equipment	2.50%	-	-	-	-	-	-	-	-
348	Other Tangible Plant	2.50%	-	-	11,763	-	11,763	-	11,763	147
	Plant Held for Future Use		-	-	-	-	-	-	-	-
<b>TOTAL WATER PLANT</b>										
			-	-	573,482	-	573,482	-	573,482	7,169
			-	-	-	-	-	-	7,169	-

(a) Depreciation Staff Accumulated Depreciation Allocated to Plant.  
Retirements (excluding land)  
Accumulated Depreciation Balance  
Half Year Convention used on depreciation

ICR Water Users Association  
 Plant Additions and Retirements

Exhibit  
 Schedule B-2  
 Page 2b  
 Witness: Bourassa

Account No.	Description	Deprec. Rate	1997 Plant Additions	1997 Plant Adjustments	1997 Adjusted Plant Additions	1997 Plant Retirements	1997 Plant Balance	1997 Deprec.
301	Organization Cost	0.00%	-	-	-	-	-	-
302	Franchise Cost	0.00%	-	-	-	-	-	-
303	Land and Land Rights	0.00%	-	-	-	-	1,874	-
304	Structures and Improvements	2.50%	3,902	-	3,902	-	-	-
305	Collecting and Impounding Res.	2.50%	-	-	-	-	-	-
306	Lake River and Other Intakes	2.50%	-	-	-	-	1,239	-
307	Wells and Springs	2.50%	-	-	-	-	-	-
308	Infiltration Galleries and Tunnels	2.50%	-	-	-	-	-	-
309	Supply Mains	2.50%	-	-	-	-	-	-
310	Power Generation Equipment	2.50%	-	-	-	-	-	-
311	Electric Pumping Equipment	2.50%	28,235	-	28,235	-	96,689	2,064
320	Water Treatment Equipment	2.50%	-	-	-	-	-	-
330	Distribution Reservoirs & Standpipe	2.50%	161,611	-	161,611	-	466,471	9,642
331	Transmission and Distribution Mains	2.50%	2,398	-	2,398	-	68,233	1,676
333	Services	2.50%	-	-	-	-	-	-
334	Meters	2.50%	-	-	-	-	-	-
335	Hydrants	2.50%	-	-	-	-	-	-
336	Backflow Prevention Devices	2.50%	-	-	-	-	-	-
339	Other Plant and Miscellaneous Equipment	2.50%	-	-	-	-	-	-
340	Office Furniture and Fixtures	2.50%	-	-	-	-	-	-
341	Transportation Equipment	2.50%	-	-	-	-	-	-
342	Stores Equipment	2.50%	-	-	-	-	-	-
343	Tools and Work Equipment	2.50%	-	-	-	-	-	-
344	Laboratory Equipment	2.50%	-	-	-	-	-	-
345	Power Operated Equipment	2.50%	-	-	-	-	-	-
346	Communications Equipment	2.50%	-	-	-	-	-	-
347	Miscellaneous Equipment	2.50%	36	-	36	-	11,799	295
348	Other Tangible Plant	2.50%	-	-	-	-	-	-
	Plant Held for Future Use		-	-	-	-	-	-

TOTAL WATER PLANT	196,182	-	196,182	-	196,182	-	769,664	16,789
Depreciation							16,789	
Staff Accumulated Depreciation Allocated to Plant.							-	
Retirements (excluding land)							-	
Accumulated Depreciation Balance							23,958	
Half Year Convention used on depreciation								

(a)

ICR Water Users Association  
Plant Additions and Retirements

Exhibit  
 Schedule B-2  
 Page 2c  
 Witness: Bourassa

Account No.	Description	Deprec. Rate	1998 Plant Additions	1998 Plant Adjustments	1998 Adjusted Plant Additions	1998 Plant Retirements	1998 Plant Balance	1998 Deprec.
301	Organization Cost	0.00%	-	-	-	-	-	-
302	Franchise Cost	0.00%	-	-	-	-	-	-
303	Land and Land Rights	0.00%	-	-	-	-	-	-
304	Structures and Improvements	2.50%	-	-	-	76,913	1,923	
305	Collecting and Impounding Res.	2.50%	-	-	-	-	-	
306	Lake River and Other Intakes	2.50%	-	-	-	-	-	
307	Wells and Springs	2.50%	-	-	-	49,559	1,239	
308	Infiltration Galleries and Tunnels	2.50%	-	-	-	-	-	
309	Supply Mains	2.50%	-	-	-	-	-	
310	Power Generation Equipment	2.50%	-	-	-	-	-	
311	Electric Pumping Equipment	2.50%	-	-	-	-	-	
320	Water Treatment Equipment	2.50%	-	-	-	96,689	2,417	
330	Distribution Reservoirs & Standpipe	2.50%	152,112	-	152,112	-	-	
331	Transmission and Distribution Mains	2.50%	-	-	-	618,583	13,563	
333	Services	2.50%	-	-	-	68,233	1,706	
334	Meters	2.50%	-	-	-	-	-	
335	Hydrants	2.50%	-	-	-	-	-	
336	Backflow Prevention Devices	2.50%	-	-	-	-	-	
339	Other Plant and Miscellaneous Equipment	2.50%	-	-	-	-	-	
340	Office Furniture and Fixtures	2.50%	-	-	-	-	-	
341	Transportation Equipment	2.50%	-	-	-	-	-	
342	Stores Equipment	2.50%	-	-	-	-	-	
343	Tools and Work Equipment	2.50%	-	-	-	-	-	
344	Laboratory Equipment	2.50%	-	-	-	-	-	
345	Power Operated Equipment	2.50%	-	-	-	-	-	
346	Communications Equipment	2.50%	-	-	-	-	-	
347	Miscellaneous Equipment	2.50%	-	-	-	-	-	
348	Other Tangible Plant	2.50%	-	-	-	11,799	295	
	Plant Held for Future Use		-	-	-	-	-	

	152,112	-	152,112	-	921,776	21,143
<b>TOTAL WATER PLANT</b>						
Depreciation					21,143	
Staff Accumulated Depreciation Allocated to Plant.					-	
Retirements (excluding land)					-	
Accumulated Depreciation Balance					45,101	
Half Year Convention used on depreciation						

(a)

ICE Water Users Association  
Plant Additions and Retirements

Exhibit  
 Schedule B-2  
 Page 2d  
 Witness: Bourassa

Account No.	Description	Deprec. Rate	1999 Plant Additions	1999 Plant Adjustments	1999 Adjusted Plant Additions	1999 Plant Retirements	1999 Plant Balance	1999 Deprec.
301	Organization Cost	0.00%	-	-	-	-	-	-
302	Franchise Cost	0.00%	-	-	-	-	-	-
303	Land and Land Rights	0.00%	-	-	-	-	-	-
304	Structures and Improvements	2.50%	-	-	-	76,913	1,923	
305	Collecting and Impounding Res.	2.50%	-	-	-	-	-	
306	Lake River and Other Intakes	2.50%	-	-	-	-	-	
307	Wells and Springs	2.50%	-	-	-	49,559	1,239	
308	Infiltration Galleries and Tunnels	2.50%	-	-	-	-	-	
309	Supply Mains	2.50%	-	-	-	-	-	
310	Power Generation Equipment	2.50%	-	-	-	-	-	
311	Electric Pumping Equipment	2.50%	-	-	-	-	-	
320	Water Treatment Equipment	2.50%	-	-	-	96,689	2,417	
330	Distribution Reservoirs & Standpipe	2.50%	91,955	-	91,955	710,538	16,614	
331	Transmission and Distribution Mains	2.50%	-	-	-	68,233	1,706	
333	Services	2.50%	-	-	-	-	-	
334	Meters	2.50%	-	-	-	-	-	
335	Hydrants	2.50%	-	-	-	-	-	
336	Backflow Prevention Devices	2.50%	-	-	-	-	-	
339	Other Plant and Miscellaneous Equipment	2.50%	-	-	-	-	-	
340	Office Furniture and Fixtures	2.50%	-	-	-	-	-	
341	Transportation Equipment	2.50%	-	-	-	-	-	
342	Stores Equipment	2.50%	-	-	-	-	-	
343	Tools and Work Equipment	2.50%	-	-	-	-	-	
344	Laboratory Equipment	2.50%	-	-	-	-	-	
345	Power Operated Equipment	2.50%	-	-	-	-	-	
346	Communications Equipment	2.50%	-	-	-	-	-	
347	Miscellaneous Equipment	2.50%	-	-	-	-	-	
348	Other Tangible Plant	2.50%	-	-	-	11,799	295	
	Plant Held for Future Use		-	-	-	-	-	

91,955	-	91,955	-	1,013,731	24,194
				24,194	
				-	
				69,295	

**(a)** TOTAL WATER PLANT  
 Depreciation  
 Staff Accumulated Depreciation Allocated to Plant.  
 Retirements (excluding land)  
 Accumulated Depreciation Balance  
 Half Year Convention used on depreciation

ICR Water Users Association  
Plant Additions and Retirements

Exhibit  
Schedule B-2  
Page 2e  
Witness: Bourassa

Account No.	Description	Deprec. Rate	2000 Plant Additions	2000 Plant Adjustments*	2000 Adjusted Plant Additions	2000 Plant Retirements	2000 Plant Balance	2000 Deprec.
301	Organization Cost	0.00%	-	-	-	-	-	-
302	Franchise Cost	0.00%	-	-	-	-	-	-
303	Land and Land Rights	0.00%	-	-	-	-	-	-
304	Structures and Improvements	2.50%	-	-	-	76,913	1,923	
305	Collecting and Impounding Res.	2.50%	-	-	-	-	-	
306	Lake River and Other Intakes	2.50%	-	-	-	-	-	
307	Wells and Springs	2.50%	-	-	-	49,559	1,239	
308	Infiltration Galleries and Tunnels	2.50%	-	-	-	-	-	
309	Supply Mains	2.50%	-	-	-	-	-	
310	Power Generation Equipment	2.50%	-	-	-	-	-	
311	Electric Pumping Equipment	2.50%	-	-	-	-	-	
320	Water Treatment Equipment	2.50%	-	-	-	96,689	2,417	
330	Distribution Reservoirs & Standpipe	2.50%	-	-	-	-	-	
331	Transmission and Distribution Mains	2.50%	103,806	-	103,806	814,344	19,061	
333	Services	2.50%	-	-	-	68,233	1,706	
334	Meters	2.50%	-	-	-	-	-	
335	Hydrants	2.50%	-	-	-	-	-	
336	Backflow Prevention Devices	2.50%	-	-	-	-	-	
339	Other Plant and Miscellaneous Equipment	2.50%	-	-	-	-	-	
340	Office Furniture and Fixtures	2.50%	-	-	-	-	-	
341	Transportation Equipment	2.50%	-	-	-	-	-	
342	Stores Equipment	2.50%	-	-	-	-	-	
343	Tools and Work Equipment	2.50%	-	-	-	-	-	
344	Laboratory Equipment	2.50%	-	-	-	-	-	
345	Power Operated Equipment	2.50%	-	-	-	-	-	
346	Communications Equipment	2.50%	-	-	-	-	-	
347	Miscellaneous Equipment	2.50%	-	-	-	-	-	
348	Other Tangible Plant	2.50%	-	-	-	11,799	295	
	Plant Held for Future Use		-	-	-	-	-	

TOTAL WATER PLANT	103,806	-	103,806	-	1,117,537	26,641
-------------------	---------	---	---------	---	-----------	--------

(a) Depreciation  
Staff Accumulated Depreciation Allocated to Plant.  
Retirements (excluding land)  
Accumulated Depreciation Balance  
Half Year Convention used on depreciation

\* Adjustment for actual expenses  
adjustment recorded in 2005

26,641
95,936

ICR Water Users Association  
Plant Additions and Retirements

Exhibit  
Schedule B-2  
Page 21  
Witness: Bourassa

Account No.	Description	Deprec. Rate	2001 Plant Additions	2001 Plant Adjustments	2001 Adjusted Plant Additions	2001 Plant Retirements	2001 Plant Balance	2001 Deprec.
301	Organization Cost	0.00%	-	-	-	-	-	-
302	Franchise Cost	0.00%	-	-	-	-	-	-
303	Land and Land Rights	0.00%	-	-	-	-	-	-
304	Structures and Improvements	2.50%	-	-	-	76,913	1,923	-
305	Collecting and Impounding Res.	2.50%	-	-	-	-	-	-
306	Lake River and Other Intakes	2.50%	-	-	-	-	-	-
307	Wells and Springs	2.50%	-	-	-	49,559	1,239	-
308	Infiltration Galleries and Tunnels	2.50%	-	-	-	-	-	-
309	Supply Mains	2.50%	-	-	-	-	-	-
310	Power Generation Equipment	2.50%	-	-	-	-	-	-
311	Electric Pumping Equipment	2.50%	-	-	-	-	-	-
320	Water Treatment Equipment	2.50%	-	-	-	96,689	2,417	-
330	Distribution Reservoirs & Standpipe	2.50%	-	-	-	936,342	21,884	-
331	Transmission and Distribution Mains	2.50%	121,988	-	121,988	68,233	1,706	-
333	Services	2.50%	-	-	-	-	-	-
334	Meters	2.50%	-	-	-	-	-	-
335	Hydrants	2.50%	-	-	-	-	-	-
336	Backflow Prevention Devices	2.50%	-	-	-	-	-	-
339	Other Plant and Miscellaneous Equipment	2.50%	-	-	-	-	-	-
340	Office Furniture and Fixtures	2.50%	-	-	-	-	-	-
341	Transportation Equipment	2.50%	-	-	-	-	-	-
342	Stores Equipment	2.50%	-	-	-	-	-	-
343	Tools and Work Equipment	2.50%	-	-	-	-	-	-
344	Laboratory Equipment	2.50%	-	-	-	-	-	-
345	Power Operated Equipment	2.50%	-	-	-	-	-	-
346	Communications Equipment	2.50%	-	-	-	-	-	-
347	Miscellaneous Equipment	2.50%	-	-	-	-	-	-
348	Other Tangible Plant	2.50%	-	-	-	11,799	295	-
	Plant Held for Future Use		-	-	-	-	-	-
	<b>TOTAL WATER PLANT</b>		<b>121,988</b>	<b>-</b>	<b>121,988</b>	<b>-</b>	<b>1,239,535</b>	<b>29,463</b>
	<b>Depreciation</b>						<b>29,463</b>	
	<b>Staff Accumulated Depreciation Allocated to Plant.</b>							
	<b>Retirements (excluding land)</b>							
	<b>Accumulated Depreciation Balance</b>							
	<b>Half Year Convention used on depreciation</b>							

(a)

ICR Water Users Association  
 Plant Additions and Retirements

Exhibit  
 Schedule B-2  
 Page 2g  
 Witness: Bourassa

Account No.	Description	Deprec. Rate	2002 Plant Additions	2002 Plant Adjustments	2002 Adjusted Plant Additions	2002 Plant Retirements To Date	2002 Plant Balance	2002 Depreciable Balance	2002 Deprec.
301	Organization Cost	0.00%	-	-	-	-	-	-	-
302	Franchise Cost	0.00%	-	-	-	-	-	-	-
303	Land and Land Rights	0.00%	-	-	-	-	-	-	-
304	Structures and Improvements	2.50%	-	-	-	76,913	76,913	1,923	-
305	Collecting and Impounding Res.	2.50%	-	-	-	-	-	-	-
306	Lake River and Other Intakes	2.50%	-	-	-	-	-	-	-
307	Wells and Springs	2.50%	-	-	-	49,559	49,559	1,239	-
308	Infiltration Galleries and Tunnels	2.50%	-	-	-	-	-	-	-
309	Supply Mains	2.50%	-	-	-	-	-	-	-
310	Power Generation Equipment	2.50%	-	-	-	-	-	-	-
311	Electric Pumping Equipment	2.50%	-	-	-	-	-	-	-
320	Water Treatment Equipment	2.50%	-	-	-	96,689	96,689	2,417	-
330	Distribution Reservoirs & Standpipe	2.50%	62,793	-	62,793	-	999,135	24,193	-
331	Transmission and Distribution Mains	2.50%	-	-	-	68,233	68,233	1,706	-
333	Services	2.50%	-	-	-	-	-	-	-
334	Meters	2.50%	-	-	-	-	-	-	-
335	Hydrants	2.50%	-	-	-	-	-	-	-
336	Backflow Prevention Devices	2.50%	-	-	-	-	-	-	-
339	Other Plant and Miscellaneous Equipment	2.50%	-	-	-	-	-	-	-
340	Office Furniture and Fixtures	2.50%	-	-	-	-	-	-	-
341	Transportation Equipment	2.50%	-	-	-	-	-	-	-
342	Stores Equipment	2.50%	-	-	-	-	-	-	-
343	Tools and Work Equipment	2.50%	-	-	-	-	-	-	-
344	Laboratory Equipment	2.50%	-	-	-	-	-	-	-
345	Power Operated Equipment	2.50%	-	-	-	-	-	-	-
346	Communications Equipment	2.50%	982	-	982	-	982	982	12
347	Miscellaneous Equipment	2.50%	-	-	-	-	-	-	-
348	Other Tangible Plant	2.50%	-	-	-	11,799	11,799	295	-
	Plant Held for Future Use		-	-	-	-	-	-	-
			63,775	-	63,775	-	1,303,310	1,303,310	31,786
TOTAL WATER PLANT									
Depreciation							31,786		
Staff Accumulated Depreciation Allocated to Plant.									
Retirements (excluding land)									
Accumulated Depreciation Balance									
Half Year Convention used on depreciation									

(a)

ICR Water Users Association  
Plant Additions and Retirements

Exhibit  
 Schedule B-2  
 Page 2h  
 Witness: Bourassa

Account No.	Description	Deprec. Rate	2003 Plant Additions	2003 Plant Adjustments	2003 Adjusted Plant Additions	2003 Plant Retirements To Date	2003 Plant Balance	2003 Deprec.
301	Organization Cost	0.00%	-	-	-	-	-	-
302	Franchise Cost	0.00%	-	-	-	-	-	-
303	Land and Land Rights	0.00%	-	-	-	-	-	-
304	Structures and Improvements	2.50%	321,135	-	321,135	-	398,048	5,937
305	Collecting and Impounding Res.	2.50%	-	-	-	-	-	-
306	Lake River and Other Intakes	2.50%	-	-	-	-	-	-
307	Wells and Springs	2.50%	607,439	-	607,439	-	656,998	8,832
308	Infiltration Galleries and Tunnels	2.50%	-	-	-	-	-	-
309	Supply Mains	2.50%	-	-	-	-	-	-
310	Power Generation Equipment	2.50%	-	-	-	-	-	-
311	Electric Pumping Equipment	2.50%	-	-	-	-	-	-
320	Water Treatment Equipment	2.50%	10,000	-	10,000	-	106,689	2,542
330	Distribution Reservoirs & Standpipe	2.50%	-	-	-	-	-	-
331	Transmission and Distribution Mains	2.50%	2,569,726	-	2,569,726	-	3,588,861	57,350
333	Services	2.50%	-	-	-	-	68,233	1,706
334	Meters	2.50%	-	-	-	-	-	-
335	Hydrants	2.50%	-	-	-	-	-	-
336	Backflow Prevention Devices	2.50%	-	-	-	-	-	-
339	Other Plant and Miscellaneous Equipment	2.50%	-	-	-	-	-	-
340	Office Furniture and Fixtures	2.50%	-	-	-	-	-	-
341	Transportation Equipment	2.50%	-	-	-	-	-	-
342	Stores Equipment	2.50%	-	-	-	-	-	-
343	Tools and Work Equipment	2.50%	-	-	-	-	-	-
344	Laboratory Equipment	2.50%	-	-	-	-	-	-
345	Power Operated Equipment	2.50%	-	-	-	-	-	-
346	Communications Equipment	2.50%	-	-	-	-	982	25
347	Miscellaneous Equipment	2.50%	-	-	-	-	-	-
348	Other Tangible Plant	2.50%	-	-	-	-	11,799	295
	Plant Held for Future Use		-	-	-	-	-	-

3,528,300	-	3,528,300	-	4,831,610	76,687
-----------	---	-----------	---	-----------	--------

**TOTAL WATER PLANT**

- (a) Depreciation
- Staff Accumulated Depreciation Allocated to Plant.
- Retirements (excluding land)
- Accumulated Depreciation Balance
- Half Year Convention used on depreciation

76,687	233,871
--------	---------



ICR Water Users Association  
 Plant Additions and Retirements

Exhibit  
 Schedule B-2  
 Page 2j  
 Witness: Bourassa

Account No.	Description	Deprec. Rate	2005 Plant Additions	2005 Plant Adjustments	2005 Adjusted Plant Additions	2005 Plant Retirements To Date	2005 Plant Balance	2005 Deprec.
301	Organization Cost	0.00%	-	-	-	-	-	-
302	Franchise Cost	0.00%	-	-	-	-	-	-
303	Land and Land Rights	0.00%	-	-	-	-	-	-
304	Structures and Improvements	2.50%	-	-	-	-	398,048	9,951
305	Collecting and Impounding Res.	2.50%	-	-	-	-	-	-
306	Lake River and Other Intakes	2.50%	-	-	-	-	-	-
307	Wells and Springs	2.50%	-	-	-	-	656,998	16,425
308	Infiltration Galleries and Tunnels	2.50%	-	-	-	-	-	-
309	Supply Mains	2.50%	-	-	-	-	-	-
310	Power Generation Equipment	2.50%	-	-	-	-	-	-
311	Electric Pumping Equipment	2.50%	-	-	-	-	-	-
320	Water Treatment Equipment	2.50%	-	-	-	-	106,689	2,667
330	Distribution Reservoirs & Standpipe	2.50%	-	-	-	-	-	-
331	Transmission and Distribution Mains	2.50%	-	-	-	-	4,037,457	100,936
333	Services	2.50%	-	-	-	-	68,233	1,706
334	Meters	2.50%	-	-	-	-	-	-
335	Hydrants	2.50%	-	-	-	-	-	-
336	Backflow Prevention Devices	2.50%	-	-	-	-	-	-
339	Other Plant and Miscellaneous Equipment	2.50%	-	-	-	-	-	-
340	Office Furniture and Fixtures	2.50%	-	-	-	-	-	-
341	Transportation Equipment	2.50%	-	-	-	-	-	-
342	Stores Equipment	2.50%	-	-	-	-	-	-
343	Tools and Work Equipment	2.50%	-	-	-	-	-	-
344	Laboratory Equipment	2.50%	-	-	-	-	-	-
345	Power Operated Equipment	2.50%	-	-	-	-	-	-
346	Communications Equipment	2.50%	9,551	-	9,551	-	10,533	144
347	Miscellaneous Equipment	2.50%	1,495	-	1,495	-	1,495	19
348	Other Tangible Plant	2.50%	4,122	-	4,122	-	23,458	535
	Plant Held for Future Use		-	-	-	-	-	-
			15,168	-	15,168	-	5,302,911	132,383
							132,383	

TOTAL WATER PLANT

- (a) Depreciation
- Staff Accumulated Depreciation Allocated to Plant.
- Retirements (excluding land)
- Accumulated Depreciation Balance
- Half Year Convention used on depreciation

ICR Water Users Association  
 Plant Additions and Retirements

Exhibit  
 Schedule B-2  
 Page 2k  
 Witness: Bourassa

Account No.	Description	Deprec. Rate	2006 Plant Additions	2006 Plant Adjustments	2006 Adjusted Plant Additions	2006 Plant Retirements	Plant Retirements To Date	2006 Plant Balance	2006 Deprec.
301	Organization Cost	0.00%	-	-	-	-	-	-	-
302	Franchise Cost	0.00%	-	-	-	-	-	-	-
303	Land and Land Rights	0.00%	-	-	-	-	398,048	-	9,951
304	Structures and Improvements	2.50%	-	-	-	-	-	-	-
305	Collecting and Impounding Res.	2.50%	-	-	-	-	-	-	-
306	Lake River and Other Intakes	2.50%	-	-	-	-	656,998	-	16,425
307	Wells and Springs	2.50%	-	-	-	-	-	-	-
308	Infiltration Galleries and Tunnels	2.50%	-	-	-	-	-	-	-
309	Supply Mains	2.50%	-	-	-	-	-	-	-
310	Power Generation Equipment	2.50%	-	-	-	-	-	-	-
311	Electric Pumping Equipment	2.50%	1,808	-	1,808	-	1,808	-	23
320	Water Treatment Equipment	2.50%	-	-	-	-	106,689	-	2,667
330	Distribution Reservoirs & Standpipe	2.50%	-	-	-	-	-	-	-
331	Transmission and Distribution Mains	2.50%	-	-	-	-	4,037,457	-	100,936
333	Services	2.50%	-	-	-	-	68,233	-	1,706
334	Meters	2.50%	27,117	-	27,117	-	27,117	-	339
335	Hydrants	2.50%	-	-	-	-	-	-	-
336	Backflow Prevention Devices	2.50%	-	-	-	-	-	-	-
339	Other Plant and Miscellaneous Equipment	2.50%	-	-	-	-	-	-	-
340	Office Furniture and Fixtures	2.50%	141	-	141	-	141	-	2
341	Transportation Equipment	2.50%	-	-	-	-	-	-	-
342	Stores Equipment	2.50%	-	-	-	-	-	-	-
343	Tools and Work Equipment	2.50%	-	-	-	-	-	-	-
344	Laboratory Equipment	2.50%	-	-	-	-	-	-	-
345	Power Operated Equipment	2.50%	-	-	-	-	-	-	-
346	Communications Equipment	2.50%	-	-	-	-	10,533	-	263
347	Miscellaneous Equipment	2.50%	-	-	-	-	1,495	-	37
348	Other Tangible Plant	2.50%	-	-	-	-	23,458	-	586
	Plant Held for Future Use								
<b>TOTAL WATER PLANT</b>									
Depreciation			29,066	-	29,066	-	-	5,331,977	132,936
Staff Accumulated Depreciation Allocated to Plant.								132,936	
Retirements (excluding land)								-	
Accumulated Depreciation Balance								625,682	
Half Year Convention used on depreciation									

(a)

ICB Water Users Association  
 Plant Additions and Retirements

Exhibit  
 Schedule B-2  
 Page 21  
 Witness: Bouras

Account No.	Description	Deprec. Rate	Year End Accumulated Depreciation by Account							
			1995	1996	1997	1998	1999	2000	2001	
301	Organization Cost	0.00%	-	-	-	-	-	-	-	-
302	Franchise Cost	0.00%	-	-	-	-	-	-	-	-
303	Land and Land Rights	0.00%	-	-	-	-	-	-	-	-
304	Structures and Improvements	2.50%	913	2,787	4,710	6,632	8,555	10,478		
305	Collecting and Impounding Res.	2.50%	-	-	-	-	-	-	-	-
306	Lake River and Other Intakes	2.50%	-	-	-	-	-	-	-	-
307	Wells and Springs	2.50%	619	1,858	3,097	4,336	5,575	6,814		
308	Infiltration Galleries and Tunnels	2.50%	-	-	-	-	-	-	-	-
309	Supply Mains	2.50%	-	-	-	-	-	-	-	-
310	Power Generation Equipment	2.50%	-	-	-	-	-	-	-	-
311	Electric Pumping Equipment	2.50%	-	-	-	-	-	-	-	-
320	Water Treatment Equipment	2.50%	856	2,920	5,337	7,754	10,172	12,589		
330	Distribution Reservoirs & Standpipe	2.50%	-	-	-	-	-	-	-	-
331	Transmission and Distribution Mains	2.50%	3,811	13,452	27,016	43,630	62,691	84,574		
333	Services	2.50%	823	2,499	4,205	5,910	7,616	9,322		
334	Meters	2.50%	-	-	-	-	-	-	-	-
335	Hydrants	2.50%	-	-	-	-	-	-	-	-
336	Backflow Prevention Devices	2.50%	-	-	-	-	-	-	-	-
339	Other Plant and Miscellaneous Equipment	2.50%	-	-	-	-	-	-	-	-
340	Office Furniture and Fixtures	2.50%	-	-	-	-	-	-	-	-
341	Transportation Equipment	2.50%	-	-	-	-	-	-	-	-
342	Stores Equipment	2.50%	-	-	-	-	-	-	-	-
343	Tools and Work Equipment	2.50%	-	-	-	-	-	-	-	-
344	Laboratory Equipment	2.50%	-	-	-	-	-	-	-	-
345	Power Operated Equipment	2.50%	-	-	-	-	-	-	-	-
346	Communications Equipment	2.50%	-	-	-	-	-	-	-	-
347	Miscellaneous Equipment	2.50%	-	-	-	-	-	-	-	-
348	Other Tangible Plant	2.50%	147	442	737	1,032	1,326	1,621		
	Plant Held for Future Use		-	-	-	-	-	-	-	-
<b>TOTAL WATER PLANT</b>			<b>7,169</b>	<b>23,958</b>	<b>45,101</b>	<b>69,295</b>	<b>95,936</b>	<b>125,399</b>		

(a) Depreciation  
 Staff Accumulated Depreciation Allocated to Plant.  
 Retirements (excluding land)  
 Accumulated Depreciation Balance  
 Half Year Convention used on depreciation

ICB Water Users Association  
Plant Additions and Retirements

Exhibit  
 Schedule B-2  
 Page 2m  
 Witness: Bourassa

ssa

Account No.	Description	Deprec. Rate	Year End Accumulated Depreciation by Account				
			2002	2003	2004	2005	2006
301	Organization Cost	0.00%	-	-	-	-	-
302	Franchise Cost	0.00%	-	-	-	-	-
303	Land and Land Rights	0.00%	-	-	-	-	-
304	Structures and Improvements	2.50%	12,401	18,338	28,289	38,240	48,191
305	Collecting and Impounding Res.	2.50%	-	-	-	-	-
306	Lake River and Other Intakes	2.50%	-	-	-	-	-
307	Wells and Springs	2.50%	8,053	16,885	33,310	49,735	66,160
308	Infiltration Galleries and Tunnels	2.50%	-	-	-	-	-
309	Supply Mains	2.50%	-	-	-	-	-
310	Power Generation Equipment	2.50%	-	-	-	-	-
311	Electric Pumping Equipment	2.50%	-	-	-	-	23
320	Water Treatment Equipment	2.50%	15,006	17,548	20,216	22,883	25,550
330	Distribution Reservoirs & Standpipe	2.50%	-	-	-	-	-
331	Transmission and Distribution Mains	2.50%	108,768	166,118	261,447	362,383	483,319
333	Services	2.50%	11,028	12,734	14,440	16,145	17,851
334	Meters	2.50%	-	-	-	-	339
335	Hydrants	2.50%	-	-	-	-	-
336	Backflow Prevention Devices	2.50%	-	-	-	-	-
339	Other Plant and Miscellaneous Equipment	2.50%	-	-	-	-	-
340	Office Furniture and Fixtures	2.50%	-	-	-	-	2
341	Transportation Equipment	2.50%	-	-	-	-	-
342	Stores Equipment	2.50%	-	-	-	-	-
343	Tools and Work Equipment	2.50%	-	-	-	-	-
344	Laboratory Equipment	2.50%	-	-	-	-	-
345	Power Operated Equipment	2.50%	12	37	61	205	469
346	Communications Equipment	2.50%	-	-	-	-	56
347	Miscellaneous Equipment	2.50%	-	-	-	-	19
348	Other Tangible Plant	2.50%	1,916	2,211	2,601	3,136	3,722
	Plant Held for Future Use		-	-	-	-	-
<b>TOTAL WATER PLANT</b>			<b>157,165</b>	<b>233,871</b>	<b>360,363</b>	<b>492,746</b>	<b>625,682</b>

(a) Depreciation  
 Staff Accumulated Depreciation Allocated to Plant.  
 Retirements (excluding land)  
 Accumulated Depreciation Balance  
 Half Year Convention used on depreciation

ICR Water Users Association  
Test Year Ended December 31, 2006  
Original Cost Rate Base Proforma Adjustments  
Adjustment 2

Exhibit  
Schedule B-2  
Page 3  
Witness: Bourassa

Line  
No.

1	Computation of Accumulated Amortization		
2			
3	Contributions added in 2004	\$	1,419,166
4	Composite Depreciation Rate		2.50%
5	Number of Years (half-year convention)		2.5
6	Accumulated Amortization Balance at 12/31/2006	\$	88,698
7			
8	Accumulated Amortization Balance per Books	\$	<u>74,628</u>
9			
10	Difference	\$	14,070
11			
12	Decrease (Increase) to Accumulated Amortization	\$	<u>(14,070)</u>
13			
14			
15			
16			

**ICR Water Users Association**  
Test Year Ended December 31, 2006  
Computation of Working Capital

Exhibit  
Schedule B-5  
Page 1  
Witness: Bourassa

Line  
No.

1	Cash Working Capital (1/8 of Allowance		
2	Operation and Maintenance Expense)	\$	21,791
3	Pumping Power (1/24 of Pumping Power)		677
4	Purchased Water (1/24 of Purchased Water)		266
5	Material and Supplies Inventories		-
6	Prepayments		-
7			
8			
9	Total Working Capital Allowance	<u>\$</u>	<u>22,734</u>
10			
11			
12	Working Capital Requested	<u>\$</u>	<u>22,734</u>
13			
14			
15	<u>SUPPORTING SCHEDULES:</u>	<u>RECAP SCHEDULES:</u>	
16	E-1	B-1	
17			

**ICR Water Users Association**  
 Test Year Ended December 31, 2006  
 Income Statement

Exhibit  
 Schedule C-1  
 Page 1  
 Witness: Bourassa

Line No.		Test Year Book Results	Label	Adjustment	Test Year Adjusted Results	Proposed Rate Increase	Adjusted with Rate Increase
1	<b>Revenues</b>						
2	Metered Water Revenues	\$ 204,906	4	\$ 9,957	\$ 214,863	\$ 86,908	\$ 301,771
3	Unmetered Water Revenues	-			-		-
4	Other Water Revenues	53,403			53,403		53,403
5		<u>\$ 258,309</u>		<u>\$ 9,957</u>	<u>\$ 268,266</u>	<u>\$ 86,908</u>	<u>\$ 355,174</u>
6	<b>Operating Expenses</b>						
7	Salaries and Wages - Employees	\$ -			\$ -		\$ -
8	Purchased Water	6,388			6,388		6,388
9	Purchased Power	15,577	5	662	16,239		16,239
10	Fuel for Power Production	-			-		-
11	Chemicals	2,516			2,516		2,516
12	Water Testing	4,946			4,946		4,946
13	Repairs and Maintenance	8,170	6	6,372	14,542		14,542
14	Office Expense	1,720			1,720		1,720
15	Contractual Services - Accounting	32,549			32,549		32,549
16	Contractual Services - Legal	2,911	10	(2,398)	513		513
17	Contractual Services - Operations	107,355	7/8/9/11	(23,392)	83,963		83,963
18	Contractual Services - Other	-			-		-
19	Rental of Building/Real Property	3,600			3,600		3,600
20	Rental of Equipment	-			-		-
21	Transportation Expenses	-			-		-
22	Telephone	751			751		751
23	Insurance	8,995			8,995		8,995
24	Reg. Comm. Exp. - Amortization of Rate Case	-	3	20,000	20,000		20,000
25	Bad Debt Expense	-			-		-
26	Miscellaneous Expenses	235			235		235
27	Depreciation Expenses	97,180	1	(3,432)	93,748		93,748
28	Property Taxes	2,795	2	8,353	11,148		11,148
29	Payroll Taxes	-			-		-
30	Sales Tax Expense	-			-		-
31	Income Tax	45			45		45
32							
33	<b>Total Operating Expenses</b>	<u>\$ 295,734</u>		<u>\$ 6,164</u>	<u>\$ 301,898</u>	<u>\$ -</u>	<u>\$ 301,898</u>
34	<b>Operating Income</b>	<u>\$ (37,425)</u>		<u>\$ 3,793</u>	<u>\$ (33,632)</u>	<u>\$ 86,908</u>	<u>\$ 53,276</u>
35	<b>Other Income (Expense)</b>						
36	Interest Income	180			180		180
37	Other income	779			779		779
38	Interest Expense	-			-		-
39	Other Expense	-			-		-
40							
41	<b>Total Other Income (Expense)</b>	<u>\$ 959</u>			<u>\$ 959</u>	<u>\$ -</u>	<u>\$ 959</u>
42	<b>Net Profit (Loss)</b>	<u>\$ (36,466)</u>			<u>\$ 3,793</u>	<u>\$ (32,673)</u>	<u>\$ 86,908</u>
43							

44 SUPPORTING SCHEDULES:  
 45 C-2  
 46 E-2  
 47

RECAP SCHEDULES:  
 A-1

ICR Water Users Association  
 Test Year Ended December 31, 2006  
 Adjustments to Revenues and Expenses

Exhibit  
 Schedule C-2  
 Page 1  
 Witness: Bourassa

Line No.	Adjustments to Revenues and Expenses						Subtotal
	1 Depreciation Expense	2 Property Taxes	3 Rate Case Expense	4 Revenue Annualization	5 Purchased Power Annualization	6 Corr. to Repairs and Maint. Expense	
1							
2							
3	Revenues			9,957			9,957
4							
5	Expenses	(3,432)	8,353	20,000	662	6,372	31,955
6							
7	Operating						
8	Income	3,432	(8,353)	(20,000)	9,957	(662)	(21,998)
9							
10	Interest						
11	Expense						
12	Other						
13	Income /						
14	Expense						
15							
16	Net Income	3,432	(8,353)	(20,000)	9,957	(662)	(21,998)
17							
18							
19							
20							
21							
22							
23	Revenues						9,957
24							
25	Expenses	2,119	325	1,590	(2,398)	(27,426)	6,164
26							
27	Operating						
28	Income	(2,119)	(325)	(1,590)	2,398	27,426	3,793
29							
30	Interest						
31	Expense						
32	Other						
33	Income /						
34	Expense						
35							
36	Net Income	(2,119)	(325)	(1,590)	2,398	27,426	3,793
37							
38							
39							
40							
41							
42							
43	Revenues						9,957
44							
45	Expenses						6,164
46							
47	Operating						
48	Income	-	-	-	-	-	3,793
49							
50	Interest						
51	Expense						
52	Other						
53	Income /						
54	Expense						
55							
56	Net Income	-	-	-	-	-	3,793

**ICR Water Users Association**  
 Test Year Ended December 31, 2006  
 Adjustments to Revenues and Expenses  
 Adjustment Number 1

Exhibit  
 Schedule C-2  
 Page 2  
 Witness: Bourassa

Line				
<u>No.</u>				
1	<u>Depreciation Expense</u>			
2				
3	<b>Account</b>		<b>Proposed</b>	<b>Depreciation</b>
4	<b>No.</b>	<b>Description</b>	<b>Original Cost</b>	<b>Rate</b>
5	301	Organization Cost	-	0.00%
6	302	Franchise Cost	-	0.00%
7	303	Land and Land Rights	-	0.00%
8	304	Structures and Improvements	398,048	3.33%
9	305	Collecting and Impounding Res.	-	2.50%
10	306	Lake River and Other Intakes	-	2.50%
11	307	Wells and Springs	656,998	3.33%
12	308	Infiltration Galleries and Tunnels	-	6.67%
13	309	Supply Mains	-	2.00%
14	310	Power Generation Equipment	-	5.00%
15	311	Electric Pumping Equipment	1,808	12.50%
16	320	Water Treatment Equipment	106,689	3.33%
17	330	Distribution Reservoirs & Standpipe	-	2.22%
18	331	Transmission and Distribution Mains	4,037,457	2.00%
19	333	Services	68,233	3.33%
20	334	Meters	27,117	8.33%
21	335	Hydrants	-	2.00%
22	336	Backflow Prevention Devices	-	6.67%
23	339	Other Plant and Miscellaneous Equipment	-	6.67%
24	340	Office Furniture and Fixtures	141	6.67%
25	341	Transportation Equipment	-	20.00%
26	342	Stores Equipment	-	4.00%
27	343	Tools and Work Equipment	-	5.00%
28	344	Laboratory Equipment	-	10.00%
29	345	Power Operated Equipment	-	5.00%
30	346	Communications Equipment	10,533	10.00%
31	347	Miscellaneous Equipment	1,495	10.00%
32	348	Other Tangible Plant	23,458	10.00%
33				
34		TOTALS	\$ 5,331,977	\$ 127,750
35				
36				
37				
38	Less: Amortization of Contributions - Balance End of TY		\$ 1,419,166	2.3959%
39				\$ (34,002)
40	Total Depreciation Expense			\$ 93,748
41				
42	Test Year Depreciation Expense			97,180
43				
44	Increase (decrease) in Depreciation Expense			(3,432)
45				
46	Adjustment to Revenues and/or Expenses			\$ (3,432)
47				

**ICR Water Users Association**  
 Test Year Ended December 31, 2006  
 Adjustment to Revenues and Expenses  
 Adjustment Number 2

Exhibit  
 Schedule C-2  
 Page 3  
 Witness: Bourassa

Line No.		
1	<u>Adjust Property Taxes to Reflect Proposed Revenues:</u>	
2		
3	Adjusted Revenues in year ended 09/31/05	\$ 268,266
4	Adjusted Revenues in year ended 09/31/05	268,266
5	Proposed Revenues	<u>355,174</u>
6	Average of three year's of revenue	\$ 297,235
7	Average of three year's of revenue, times 2	\$ 594,471
8	Add:	
9	Construction Work in Progress at 10%	\$ 120
10	Deduct:	
11	Book Value of Transportation Equipment	<u>-</u>
12		
13	Full Cash Value	\$ 594,471
14	Assessment Ratio	<u>23.50%</u>
15	Assessed Value	139,701
16	Property Tax Rate	7.9800%
17		
18	Property Tax	11,148
19	Tax on Parcels	0
20		
21	Total Property Tax at Proposed Rates	\$ 11,148
22	Property Taxes in the test year	<u>2,795</u>
23	Change in Property Taxes	<u>\$ 8,353</u>
24		
25		
26	Adjustment to Revenues and/or Expenses	<u>\$ 8,353</u>
27		
28		

**ICR Water Users Association**  
Test Year Ended December 31, 2006  
**ADJUSTMENTS TO REVENUES AND/OR EXPENSES**  
Adjustment Number 3

Exhibit  
Schedule C-2  
Page 4  
Witness: Bourassa

Line

No.

1	<u>Rate Case Expense</u>		
2			
3	Estimated Rate Case Expense	\$	60,000
4			
5	Estimated Amortization Period in Years		3
6			
7	Annual Rate Case Expense	<u>\$</u>	<u>20,000</u>
8			
9	Test Year Rate Case Expense	\$	-
10			
11	Increase(decrease) Rate Case Expense	<u>\$</u>	<u>20,000</u>
12			
13	Adjustment to Revenue and/or Expense	<u>\$</u>	<u>20,000</u>
14			
15			
16			
17			
18			
19			
20			

ICR Water Users Association  
Test Year Ended December 31, 2006  
Adjustment to Revenues and Expenses  
Adjustment Number 4

Exhibit  
Schedule C-2  
Page 5  
Witness: Bourassa

Line

No.

1	<u>Revenue Annualization</u>	
2		
3		
4	Revenue Annualization	\$ 9,957
5		
6		
7		
8	Total Revenue from Annualization	<u>\$ 9,957</u>
9		
10		
11	Adjustment to Revenue and/or Expense	<u>\$ 9,957</u>
12		
13	<u>SUPPORTING SCHEDULES</u>	
14	C-2 pages 5a to 5c	
15	H-1	
16		
17		
18		
19		
20		

**ICR Water Users Association**

Revenue Annualization to Year End Customers: 5/8 Inch Meter  
 Test Year Ended December 31, 2006

Exhibit  
 Schedule C-2  
 Page 5a  
 Witness: Bourassa

Line No.		Month of Jan.	Month of Feb.	Month of March	Month of April	Month of May	Month of June	Month of July
1	Year End Number of Customers	334	334	334	334	334	334	334
2	Actual Customers	312	313	317	321	332	333	334
3	Increase in Number of Customers/Bills	22	21	17	13	2	1	-
4	Average Revenue / Present Rates	\$ 34.62	\$ 31.39	\$ 29.02	\$ 33.02	\$ 51.82	\$ 45.08	\$ 37.66
5	Revenue Annualization / Present Rates	\$ 762	\$ 659	\$ 493	\$ 429	\$ 104	\$ 45	\$ -
6								
7	Increase in Number of Customers	22	21	17	13	2	1	-
8	Average Revenue / Proposed Rates	\$ 46.77	\$ 42.36	\$ 39.12	\$ 44.60	\$ 71.82	\$ 61.10	\$ 50.93
9	Revenue Annualization / Proposed Rates	\$ 1,029	\$ 890	\$ 665	\$ 580	\$ 144	\$ 61	\$ -
10	Additional Gallons to be Produced	6,864	6,573	5,389	4,173	664	333	-
11								
12								
13								
14								
15	Year End Number of Customers	334	334	334	334	334	334	334
16	Actual Customers	344	334	344	343	339	339	339
17	Increase in Number of Customers/Bills	(10)	(9)	(5)	(1)	-	-	51
18	Average Revenue / Present Rates	\$ 42.40	\$ 33.79	\$ 36.12	\$ 36.42	\$ 36.42	\$ 36.42	\$ 36.42
19	Revenue Annualization / Present Rates	\$ (424)	\$ (304)	\$ (181)	\$ (36)	\$ -	\$ -	\$ 1,547
20								
21	Increase in Number of Customers	(10)	(9)	(5)	(1)	-	-	51
22	Average Revenue / Proposed Rates	\$ 57.42	\$ 45.65	\$ 48.83	\$ 49.24	\$ 49.24	\$ 49.24	\$ 49.24
23	Revenue Annualization / Proposed Rates	\$ (424)	\$ (304)	\$ (181)	\$ (36)	\$ -	\$ -	\$ 2,090
24	Additional Gallons to be Produced	(3,440)	(3,087)	(1,695)	(335)	-	-	15,439

ICR Water Users Association  
Revenue Annualization to Year End Customers:  
Test Year Ended December 31, 2006  
1 Inch Meter

Line No.	Month of Jan.	Month of Feb.	Month of March	Month of April	Month of May	Month of June	Month of July
1	20	20	20	20	20	20	20
2	13	16	11	16	18	18	19
3	7	4	9	4	2	2	1
4	\$ 51.66	\$ 54.38	\$ 75.98	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00
5	\$ 362	\$ 218	\$ 684	\$ 200	\$ 100	\$ 100	\$ 50
6							
7	7	4	9	4	2	2	1
8	\$ 69.85	\$ 73.57	\$ 103.13	\$ 63.75	\$ 63.75	\$ 63.75	\$ 63.75
9	\$ 489	\$ 294	\$ 928	\$ 255	\$ 128	\$ 128	\$ 64
10	11,139	10,252	92,504	72	38	40	24
11							
12							
13							
14							
15	20	20	20	20	20	20	20
16	20	19	20	24	24	21	
17	-	(4)	(1)	2	-		26
18	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ -	\$ -
19	\$ -	\$ (200)	\$ (50)	\$ 100	\$ -	\$ -	\$ 1,563
20							
21	-	(4)	(1)	2	-		
22	\$ 63.75	\$ 63.75	\$ 63.75	\$ 63.75	\$ 63.75	\$ -	\$ 2,094
23	\$ -	\$ (200)	\$ (50)	\$ 100	\$ -	\$ -	\$ 114,404
24	-	(72)	(20)	428	-		

**ICR Water Users Association**

Exhibit  
Schedule C-2  
Page 5c  
Witness: Bourassa

Revenue Annualization / 1 Inch Residential Customers to Year End Number of Customers  
Test Year Ended December 31, 2006

Line No.		Month of Jan.	Month of Feb.	Month of March	Month of April	Month of May	Month of June	Month of July
1	Year End Number of Customers	10	10	10	10	10	10	10
2	Actual Customers	10	10	6	7	8	8	9
3	Increase in Number of Customers/Bills	-	-	4	3	2	2	1
4	Average Revenue / Present Rates	\$ 224.12	\$ 279.81	\$ 229.53	\$ 626.84	\$ 458.55	\$ 856.57	\$ 581.24
5	Revenue Annualization / Present Rates	\$ -	\$ -	\$ 918	\$ 1,881	\$ 917	\$ 1,713	\$ 581
6								
7	Increase in Number of Customers	-	-	4	3	2	2	1
8	Average Revenue / Proposed Rates	\$ 295.56	\$ 383.76	\$ 303.50	\$ 937.72	\$ 669.08	\$ 1,304.43	\$ 864.93
9	Revenue Annualization / Proposed Rates	\$ -	\$ -	\$ 1,214	\$ 2,813	\$ 1,338	\$ 2,609	\$ 865
10	Additional Gallons to be Produced	-	-	103,335	503,187	215,250	499,550	151,445

Line No.		Month of Aug.	Month of Sept.	Month of Oct.	Month of Nov.	Month of Dec.	Total Year
11	Year End Number of Customers	10	10	10	10	10	
12	Actual Customers	10	9	10	5	11	
13	Increase in Number of Customers/Bills	-	5	(1)	1	-	17
14	Average Revenue / Present Rates	\$ 408.28	\$ 175.12	\$ 289.26	\$ 250.72	\$ 250.72	
15	Revenue Annualization / Present Rates	\$ -	\$ 876	\$ (289)	\$ 251	\$ -	\$ 6,847
16							
17	Increase in Number of Customers	-	5	(1)	1	-	
18	Average Revenue / Proposed Rates	\$ 588.83	\$ 228.52	\$ 398.84	\$ 337.32	\$ 337.32	\$ 9,920
19	Revenue Annualization / Proposed Rates	\$ -	\$ 876	\$ (289)	\$ 251	\$ -	\$ 1,508,161
20	Additional Gallons to be Produced	-	32,002	(47,164)	50,556	-	

ICR Water Users Association  
Test Year Ended December 31, 2001  
Adjustment to Revenues and Expenses  
Adjustment Number 5

Exhibit  
Schedule C-2  
Page 6  
Witness: Bourassa

Line  
No.

1	<u>Annualize power cost for additonal gallons from annualization of revenues</u>	
2		
3	Test Year Power Costs	\$ 15,577
4	Gallons sold in Test Year (1,000's)	38,525
5	Cost per 1,000 gallons	0.40432
6	Additonal gallons from annualization (in 1,000's)	1,638
7		
8	Additional Expense	<u>\$ 662</u>
9		
10		
11	Adjustment to Revenue and/or Expense	<u>\$ 662</u>
12		
13		
14		
15		
16		
17		
18		
19		
20		

ICR Water Users Association  
Test Year Ended December 31, 2006  
Adjustment to Revenues and Expenses  
Adjustment Number 6

Exhibit  
Schedule C-2  
Page 7  
Witness: Bourassa

Line

No.

1	<u>Remove reclassification of Repairs and Maintenance for a 2005 amount</u>		
2			
3			
4	Capital item recorded as expense in 2005 but reclassification recorded in 2006	\$	6,372
5			
6			
7	Increase (decrease) in Outside Services	\$	6,372
8			
9			
10	Adjustment to Revenue and/or Expense	\$	<u>6,372</u>
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			

ICR Water Users Association  
Test Year Ended December 31, 2006  
Adjustment to Revenues and Expenses  
Adjustment Number 7

Exhibit  
Schedule C-2  
Page 8  
Witness: Bourassa

Line  
No.

1	<u>Expected Increase in Outside Service Operator Costs for AQuality Water Co.</u>		
2			
3			
4	Current Annual Contract Amount	\$ 70,620	
5	CPI	3.0%	
6	Increase (decrease) in Outside Services	\$	2,119
7			
8	Adjustment to Outside Services	<u>\$</u>	<u>2,119</u>
9			
10			
11			
12			
13	Adjustment to Revenue and/or Expense	<u>\$</u>	<u>2,119</u>
14			
15			
16			
17			
18			
19			
20			

**ICR Water Users Association**  
 Test Year Ended December 31, 2006  
 Adjustment to Revenues and Expenses  
 Adjustment Number 8

Exhibit  
 Schedule C-2  
 Page 9  
 Witness: Bourassa

Line No.	<u>Annualization of Outside Service Costs for Accounting and Billing from MDI Financial Services.</u>			
2				
3	<u>Billing</u>			
4	Cost per Customer Per Month	\$	2.50	
5	Additional Bills from Annualization of Revenues		94	
6	Increase (decrease) in per Billing Charges			\$ 235
7				
8	<u>Accounting</u>			
9	Accounting Fees effective July 2007 (\$160 per month)	\$	1,920	
10	Accounting Fees Recorded during Test Year			
11	January thru June 2006 (\$150 per month)	\$	900	
12	July thru December 2006 (\$155 per month)		930	
13	Annual Cost recorded during the test year		<u>1,830</u>	
14	Increase (decrease) in Accounting Fees			<u>\$ 90</u>
15				
16	Increase (decrease) to Outside Services			\$ 325
17				
18				
19				
20	Adjustment to Revenue and/or Expense			<u>\$ 325</u>
21				
22				
23	Note: Excludes non-routine services			
24				
25				

ICR Water Users Association  
Test Year Ended December 31, 2006  
Adjustment to Revenues and Expenses  
Adjustment Number 9

Exhibit  
Schedule C-2  
Page 10  
Witness: Bourassa

Line  
No.

1	<u>Annualization of Outside Service Costs for Management Services from Miscellaneous Deductions Inc.</u>		
2			
3			
4	Annual Cost at 351-450 customer level starting June 2007 (\$1,040 per month)	\$	12,480
5	Amounts Recorded during Test Year Per Contract for 2006		
6	January thru June 2006 (\$805 per month)	\$	4,830
7	July thru December 2006 (\$1,010 per month)	<u>6,060</u>	
8	Annual Cost recorded during the test year	\$	10,890
9	Increase (decrease) in Outside Services	\$	1,590
10			
11			
12	Adjustment to Revenue and/or Expense	<u>\$</u>	<u>1,590</u>
13			
14			
15			
16			
17	Note: Excludes non-routine services		
18			
19			
20			
21			
22			
23			

ICR Water Users Association  
Test Year Ended December 31, 2006  
Adjustment to Revenues and Expenses  
Adjustment Number 10

Exhibit  
Schedule C-2  
Page 11  
Witness: Bourassa

Line

No.

1	<u>Remove Rate Case Expenses from Legal Expense</u>	
2		
3		
4	Accounting Services - Snell & Wilmer	
5	August 2006	\$ 558
6	October 2006	471
7	December 2006	1,369
8	Total	<u>\$ 2,398</u>
9		
10		
11		
12	Adjustment to Revenue and/or Expense	<u>\$ (2,398)</u>
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		

ICR Water Users Association  
Test Year Ended December 31, 2006  
Adjustment to Revenues and Expenses  
Adjustment Number 11

Exhibit  
Schedule C-2  
Page 12  
Witness: Bourassa

Line

No.

1	<u>Remove Non-recurring Expense from Outside Services</u>	
2		
3	Yavapai Water Productions (Contract Termination Settlement)	\$ 27,426
4		
5		
6		
7		
8		
9		
10	Adjustment to Revenue and/or Expense	<u>\$ (27,426)</u>
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		

**ICR Water Users Association**  
 Test Year Ended December 31, 2006  
 Computation of Gross Revenue Conversion Factor

Exhibit  
 Schedule C-3  
 Page 1  
 Witness: Bourassa

Line No.	<u>Description</u>	Percentage of Incremental Gross <u>Revenues</u>
1	Federal Income Taxes	0.00%
2		
3	State Income Taxes	0.00%
4		
5	Other Taxes and Expenses	0.00%
6		
7		
8	Total Tax Percentage	0.00%
9		
10	Operating Income % = 100% - Tax Percentage	100.00%
11		
12		
13		
14		
15	<u>1</u> = Gross Revenue Conversion Factor	
16	Operating Income %	1.0000
17		
18	<u>SUPPORTING SCHEDULES:</u>	<u>RECAP SCHEDULES:</u>
19		A-1
20		

**ICR Water Users Association**  
 Test Year Ended December 31, 2006  
 Summary of Cost of Capital

Exhibit  
 Schedule D-1  
 Page 1  
 Witness: Bourassa

Line No.	Item of Capital	End of Test Year			End of Projected Year				
		Dollar Amount	Percent of Total	(e) Cost Rate	Weighted Cost	Dollar Amount	Percent of Total	(e) Cost Rate	Weighted Cost
1	Long-Term Debt	-	0.00%	0.00%	N/A	-	0.00%	0.00%	N/A
2	Member Equity (1) (2)	(431,465)	100.00%	0.00%	N/A	(377,229)	100.00%	0.00%	N/A
3									
4									
5	Totals	(431,465)	100.00%	0.00%	0.00%	(377,229)	100.00%	0.00%	0.00%
6									
7									
8	(1) Increase (decrease) Equity for A/D adjustment 1, B-2, page \$			(24,678)					
9	(2) Increase (decrease) Equity for CIAC Adjustment, B-2, pag \$			14,070					
10									

SUPPORTING SCHEDULES:

- D-1
- D-3
- D-4
- E-1

RECAP SCHEDULES:  
 A-3

Line No. 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

ICR Water Users Association  
 Test Year Ended December 31, 2006  
 Cost of Long Term Debt

Exhibit  
 Schedule D-2  
 Page 1  
 Witness: Bourassa

Line No.	Description of Debt	End of Test Year			End of Projected Year		
		Amount Outstanding	Annual Interest	Interest Rate	Amount Outstanding	Annual Interest	Interest Rate
1		-	-	0.00%	-	-	0.00%
2		-	-	0.00%	-	-	0.00%
3		-	-	0.00%	-	-	0.00%
4		-	-	0.00%	-	-	0.00%
5		-	-	0.00%	-	-	0.00%
6		-	-	0.00%	-	-	0.00%
7		-	-	0.00%	-	-	0.00%
8		-	-	0.00%	-	-	0.00%
9		-	-	0.00%	-	-	0.00%
10		-	-	0.00%	-	-	0.00%
11		-	-	0.00%	-	-	0.00%
12		-	-	0.00%	-	-	0.00%
13	Totals	\$ -	-		0.00% \$ -	-	0.00%
14							
15	Supporting Schedules:						
16	E-2						
17							
18							
19							
20							
21							

ICR Water Users Association  
 Test Year Ended December 31, 2006  
 Comparative Balance Sheets

Exhibit  
 Schedule E-1  
 Page 1  
 Witness: Bourassa

Line No.		Test Year Ended 12/31/2006	Year Ended 12/31/2005	Year Ended 12/31/2004
1	<b>ASSETS</b>			
2	Plant In Service	\$ 5,331,978	\$ 5,302,911	\$ 5,287,744
3				
4	Non-Utility Plant	-	-	-
5	Construction Work in Progress	1,200	-	-
6	Less: Accumulated Depreciation	(601,004)	(465,033)	(330,574)
7	Net Plant	\$ 4,732,174	\$ 4,837,878	\$ 4,957,170
8				
9	Debt Reserve Fund	\$ -	\$ -	\$ -
10				
11		\$ -	\$ -	\$ -
12				
13	<b>CURRENT ASSETS</b>			
14	Cash and Equivalents	\$ 129,437	\$ 82,819	\$ 74,664
15	Restricted Cash	-	-	-
16	Accounts Receivable, Net	12,372	10,074	826
17	Notes/Receivables from Assoc. Companies	-	-	-
18	Unbilled Revenues	-	-	-
19	Materials and Supplies	-	-	-
20	Prepayments	-	-	-
21	Other Current Assets	3,673	-	-
22	Total Current Assets	\$ 145,482	\$ 92,893	\$ 75,490
23				
24	Deferred Debits	\$ -	\$ -	\$ -
25				
26	Other Investments & Special Funds	\$ -	\$ -	\$ -
27				
28	<b>TOTAL ASSETS</b>	\$ 4,877,656	\$ 4,930,771	\$ 5,032,660
29				
30				
31	<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
32				
33	Member Equity	\$ (420,856)	\$ (396,325)	\$ (206,994)
34				
35	Long-Term Debt	\$ -	\$ -	\$ -
36				
37	<b>CURRENT LIABILITIES</b>			
38	Accounts Payable	\$ -	\$ -	\$ 892
39	Current Portion of Long-Term Debt	-	-	-
40	Payables to Associated Companies	-	-	-
41	Customer Meter Deposits, Current	-	-	5,950
42	Accrued Taxes	1,009	929	428
43	Accrued Interest	-	-	-
44	Other Current Liabilities	151	151	-
45	Total Current Liabilities	\$ 1,160	\$ 1,080	\$ 7,270
46	<b>DEFERRED CREDITS</b>			
47	Customer Meter Deposits, less current	\$ 20,550	\$ 11,550	\$ 43,325
48	Advances in Aid of Construction	3,932,263	3,930,773	3,769,893
49	Accumulated Deferred Income Taxes	-	-	-
50	Contributions In Aid of Construction, Net	1,344,539	1,383,693	1,419,166
51	Asset Retirement Obligations	-	-	-
52	Total Deferred Credits	\$ 5,297,352	\$ 5,326,016	\$ 5,232,384
53				
54	Total Liabilities & Common Equity	\$ 4,877,656	\$ 4,930,771	\$ 5,032,660
55				
56	<b>SUPPORTING SCHEDULES:</b>			
57	E-5			
58				

ICR Water Users Association  
 Test Year Ended December 31, 2006  
 Comparative Income Statements

Exhibit  
 Schedule E-2  
 Page 1  
 Witness: Bourassa

Line No.		Test Year Ended 12/31/2006	Prior Year Ended 12/31/2005	Prior Year Ended 12/31/2004
1	<b>Revenues</b>			
2	Metered Water Revenues	\$ 204,906	\$ 132,894	\$ 118,706
3	Unmetered Water Revenues	-	-	-
4	Other Water Revenues	53,403	14,172	4,969
5	<b>Total Revenues</b>	<b>\$ 258,309</b>	<b>\$ 147,067</b>	<b>\$ 123,675</b>
6	<b>Operating Expenses</b>			
7	Salaries and Wages - Employees	\$ -	\$ -	\$ -
8	Purchased Water	6,388	4,460	3,766
9	Purchased Power	15,577	15,656	13,255
10	Fuel for Power Production	-	-	-
11	Chemicals	2,516	612	-
12	Water Testing	4,946	1,294	1,828
13	Repairs and Maintenance	8,170	12,137	19,825
14	Office Expense	1,720	4,410	7,739
15	Contractual Services - Accounting	32,549	14,726	-
16	Contractual Services - Legal	2,911	-	-
17	Contractual Services - Operations	107,355	74,598	46,950
18	Contractual Services - Other	-	-	-
19	Rental of Building/Real Property	3,600	1,200	-
20	Rental of Equipment	-	-	-
21	Transportation Expenses	-	-	-
22	Telephone	751	465	-
23	Insurance	8,995	2,489	2,462
24	Reg. Comm. Exp. - Amortization of Rate Case	-	-	-
25	Bad Debt Expense	-	-	-
26	Miscellaneous Expenses	235	10,159	-
27	Depreciation Expenses	97,180	98,985	126,163
28	Property Taxes	2,795	2,095	1,390
29	Payroll Taxes	-	-	-
30	Sales Tax Expense	-	680	1,010
31	Income Tax	45	50	50
32				
33				
34	<b>Total Operating Expenses</b>	<b>\$ 295,734</b>	<b>\$ 244,016</b>	<b>\$ 224,438</b>
35	<b>Operating Income</b>	<b>\$ (37,425)</b>	<b>\$ (96,949)</b>	<b>\$ (100,763)</b>
36	<b>Other Income (Expense)</b>			
37	Interest Income	180	97	62
38	Other income	779	5,983	-
39	Interest Expense	-	-	-
40	Other Expense	-	(1,528)	(1,189)
41				
42	<b>Total Other Income (Expense)</b>	<b>\$ 959</b>	<b>\$ 4,552</b>	<b>\$ (1,127)</b>
43	<b>Net Profit (Loss)</b>	<b>\$ (36,466)</b>	<b>\$ (92,397)</b>	<b>\$ (101,890)</b>
44				
45				

**ICR Water Users Association**  
 Test Year Ended December 31, 2006  
 Detail of Plant in Service

Exhibit  
 Schedule E-5  
 Page 1  
 Witness: Bourassa

Line No.	Acct. No.	Plant Description	Plant Balance at 12/31/2005	Plant Additions, Reclassifications or Retirements	Plant Balance at 12/31/2006
1					
2	301	Organization Cost	\$ -	\$ -	\$ -
3	302	Franchise Cost	-	-	-
4	303	Land and Land Rights	-	-	-
5	304	Structures and Improvements	398,048	-	398,048
6	305	Collecting and Impounding Res.	-	-	-
7	306	Lake River and Other Intakes	-	-	-
8	307	Wells and Springs	656,998	-	656,998
9	308	Infiltration Galleries and Tunnels	-	-	-
10	309	Supply Mains	-	-	-
11	310	Power Generation Equipment	-	-	-
12	311	Electric Pumping Equipment	-	1,808	1,808
13	320	Water Treatment Equipment	106,689	-	106,689
14	330	Distribution Reservoirs & Standpipe	-	-	-
15	331	Transmission and Distribution Mains	4,037,457	-	4,037,457
16	333	Services	68,233	-	68,233
17	334	Meters	-	27,117	27,117
18	335	Hydrants	-	-	-
19	336	Backflow Prevention Devices	-	-	-
20	339	Other Plant and Miscellaneous Equipment	-	-	-
21	340	Office Furniture and Fixtures	-	141	141
22	341	Transportation Equipment	-	-	-
23	342	Stores Equipment	-	-	-
24	343	Tools and Work Equipment	-	-	-
25	344	Laboratory Equipment	-	-	-
26	345	Power Operated Equipment	-	-	-
27	346	Communications Equipment	10,533	-	10,533
28	347	Miscellaneous Equipment	1,495	-	1,495
29	348	Other Tangible Plant	23,458	-	23,458
30		Plant Held for Future Use	-	-	-
31					
32		TOTAL WATER PLANT	\$ 5,302,911	\$ 29,066	\$ 5,331,977

SUPPORTING SCHEDULES

RECAP SCHEDULES:

33  
 34  
 35  
 36  
 37

A-4  
 E-1

**ICR Water Users Association**  
**Test Year Ended December 31, 2006**  
**Operating Statistics**

Exhibit  
 Schedule E-7  
 Page 1  
 Witness: Bouras

Line No.		Test Year Ended <u>12/31/2006</u>	Prior Year Ended <u>12/31/2005</u>	Prior Year Ended <u>12/31/2004</u>
1	<u>WATER STATISTICS:</u>			
2				
3				
4				
5	Total Gallons Sold (in Thousands)	38,674	35,909	30,994
6				
7				
8				
9	Water Revenues from Customers:	\$ 204,906	\$ 132,894	\$ 118,706
10				
11				
12				
13				
14	Year End Number of Customers	364	302	214
15				
16				
17	Annual Gallons (in Thousands)			
18	Sold Per Year End Customer	106	119	145
19				
20				
21				
22	Annual Revenue per Year End Customer	\$ 562.93	\$ 440.05	\$ 554.70
23				
24	Pumping Cost Per 1,000 Gallons	\$ 0.4028	\$ 0.4360	\$ 0.4277
25	Purchased Water Cost per 1,000 Gallons	\$ -	\$ -	\$ -

**ICR Water Users Association**  
Test Year Ended December 31, 2006  
Taxes Charged to Operations

Exhibit  
Schedule E-8  
Page 1  
Witness: Bourassa

Line No.	Description	Test Year Ended <u>12/31/2006</u>	Prior Year Ended <u>12/31/2005</u>	Prior Year Ended <u>12/31/2004</u>
1	Description			
2				
3	Federal Income Taxes	\$ -	\$ -	\$ -
4	State Income Taxes	45	50	50
5	Payroll Taxes	-	-	-
6	Property Taxes	2,795	2,095	1,390
7				
8	Totals	<u>\$ 2,840</u>	<u>\$ 2,145</u>	<u>\$ 1,440</u>
9				
10				
11				
12				
13				
14				

**ICR Water Users Association**  
Test Year Ended December 31, 2006  
Notes To Financial Statements

Exhibit  
Schedule E-9  
Page 1  
Witness: Bourassa

The Company does not conduct independent audits

**ICR Water Users Association**  
 Test Year Ended December 31, 2006  
 Projected Income Statements - Present & Proposed Rates

Exhibit  
 Schedule F-1  
 Page 1  
 Witness: Bourassa

Line No.		Test Year Actual Results	At Present Rates Year Ended 12/31/2007	At Proposed Rates Year Ended 12/31/2007
1	<b>Revenues</b>			
2	Metered Water Revenues	\$ 204,906	\$ 214,863	\$ 301,771
3	Unmetered Water Revenues	-	-	-
4	Other Water Revenues	53,403	53,403	53,403
5		<u>\$ 258,309</u>	<u>\$ 268,266</u>	<u>\$ 355,174</u>
6	<b>Operating Expenses</b>			
7	Salaries and Wages - Employees	\$ -	\$ -	\$ -
8	Purchased Water .	6,388	6,388	6,388
9	Purchased Power	15,577	16,239	16,239
10	Fuel for Power Production	-	-	-
11	Chemicals	2,516	2,516	2,516
12	Water Testing	4,946	4,946	4,946
13	Repairs and Maintenance	8,170	14,542	14,542
14	Office Expense	1,720	1,720	1,720
15	Contractual Services - Accounting .	32,549	32,549	32,549
16	Contractual Services - Legal .	2,911	513	513
17	Contractual Services - Operations	107,355	83,963	83,963
18	Contractual Services - Other .	-	-	-
19	Rental of Building/Real Property .	3,600	3,600	3,600
20	Rental of Equipment .	-	-	-
21	Transportation Expenses .	-	-	-
22	Telephone	751	751	751
23	Insurance	8,995	8,995	8,995
24	Reg. Comm. Exp. - Amortization of Rate Case	-	20,000	20,000
25	Bad Debt Expense .	-	-	-
26	Miscellaneous Expenses .	235	235	235
27	Depreciation Expenses .	97,180	93,748	93,748
28	Property Taxes .	2,795	11,148	11,148
29	Payroll Taxes	-	-	-
30	Sales Tax Expense	-	-	-
31	Income Tax	45	45	45
32				
33	<b>Total Operating Expenses</b>	<u>\$ 295,734</u>	<u>\$ 301,898</u>	<u>\$ 301,898</u>
34	<b>Operating Income</b>	<u>\$ (37,425)</u>	<u>\$ (33,632)</u>	<u>\$ 53,276</u>
35	<b>Other Income (Expense)</b>			
36	Interest Income	180	180	180
37	Other income	779	779	779
38	Interest Expense	-	-	-
39	Other Expense	-	-	-
40	Gain/Loss Sale of Fixed Assets	-	-	-
41	<b>Total Other Income (Expense)</b>	<u>\$ 959</u>	<u>\$ 959</u>	<u>\$ 959</u>
42	<b>Net Profit (Loss)</b>	<u>\$ (36,466)</u>	<u>\$ (32,673)</u>	<u>\$ 54,235</u>
43				

ICR Water Users Association  
 Test Year Ended December 31, 2006  
 Projected Construction Requirements

Exhibit  
 Schedule F-3  
 Page 1  
 Witness: Bourassa

Line No.	Account Number	Plant Asset:	Test Year	2007	2008	2009	2010+
			\$	\$	\$	\$	\$
1	301	Organization Cost	-	-	-	-	-
2	302	Franchise Cost	-	-	-	-	-
3	303	Land and Land Rights	-	-	-	-	-
4	304	Structures and Improvements	-	8,500	20,000	45,000	
5	306	Lake, River and Other Intakes	-	-	-	-	
6	307	Wells and Springs	-	-	-	-	
7	310	Power Generation Equipment	-	40,000	40,000	600,000	
8	311	Electric Pumping Equipment	-	-	-	75,000	
9	320	Water Treatment Equipment	-	-	-	40,000	
10	330	Distribution Reservoirs & Standpipe	-	10,000	4,000	840,000	
11	331	Transmission and Distribution Mains	1,808	50,000	-	170,000	
12	333	Services	-	25,000	-	-	
13	334	Meters	-	-	-	-	
14	335	Hydrants	-	-	-	-	
15	339	Plant Structures and Improvements	-	-	-	-	
16	340	Office Furniture and Fixtures	27,117	-	-	-	
17	341	Transportation Equipment	-	-	-	-	
18	343	Tools and Work Equipment	-	-	-	-	
19	344	Power Operated Equipment	-	-	-	-	
20	345	Communications Equipment	141	-	125,000	-	
21	346	Miscellaneous Equipment	-	-	-	10,000	
22	348	Other Tangible Plant	-	-	-	-	
23							
24							
25							
26							
27	Total		\$ 29,066	\$ 98,500	\$ 85,000	\$ 189,000	\$ 1,780,000

28  
 29  
 30

**ICR Water Users Association**  
**Test Year Ended December 31, 2006**  
**Assumptions Used in Rate Filing**

**Exhibit**  
**Schedule F-4**  
**Page 1**  
**Witness: Bourassa**

Line

No.

- 1 Property Taxes were computed using the method used by the Arizona Department
- 2 of Revenue
- 3
- 4 Projected construction expenditures are shown on Schedule A-4.
- 5
- 6 Expense adjustments are shown on Schedule C2, and are explained in the testimony.
- 7
- 8 Income taxes were computed using statutory state and federal income tax rates.
- 9
- 10
- 11
- 12
- 13
- 14
- 15

ICR Water Users Association  
 Revenue Summary  
 Test Year Ended December 31, 2006

Exhibit  
 Schedule H-1  
 Page 1  
 Witness: Bourassa

Line No.	Customer Classification and/or Meter Size	Total Revenues at		Dollar Change	Percent Change	Additional Bills	Additional Gallons
		Present Rates	Proposed Rates				
1	5/8 x 3/4 Inch Residential	\$ 148,282	\$ 206,976	\$ 58,694	39.58%	-	-
2	3/4 Inch Residential	-	-	-	0.00%	-	-
3	1 Inch Residential	15,942	21,935	5,993	37.59%	-	-
4	2 Inch Residential	39,929	57,841	17,912	44.86%	26	114,404
5	Construction Water	417	571	154	36.82%	17	1,508,161
6		-	-	-		-	-
7		-	-	-		-	-
8							
9							
10	Subtotals of Revenues	\$ 204,571	\$ 287,323	\$ 82,752	40.45%		
11							
12	Other Water Revenues	53,403	53,403	-	0.00%		
13							
14							
15	Subtotals of Revenues	\$ 257,974	\$ 340,726	\$ 82,752	32.08%		
16	Revenue Annualizations:						
17	5/8 Inch Residential	1,547	2,090	543	35.08%	51	15,439
18	3/4 Inch Residential	-	-	-	0.00%	-	-
19	1 Inch Residential	1,563	2,094	531	33.97%	26	114,404
20	2 Inch Residential	6,847	9,920	3,073	44.88%	17	1,508,161
21	Construction Water	-	-	-	0.00%	-	-
22							
23	Subtotal Revenue Annualization	9,957	14,104	4,147	41.64%	94	1,638,004
24							
25	Total Revenues Per Bill Count	\$ 267,931	\$ 354,830	\$ 86,899	32.43%		
26	With Annualization						
27							
28	Subtotal of Revenues Above w/o Annualization	\$ 257,974					
29	Revenues Per C-1	\$ 258,309					
30	Difference in Dollars	\$ (335)					
31	Difference in Percentage	\$ -0.13%					
32	Tolerance Allowed by ACC Staff	\$ 0.50%					
33							
34							



**ICR Water Users Association**  
 Present and Proposed Rates  
 Test Year Ended December 31, 2006

Exhibit  
 Schedule H-3  
 Page 1  
 Witness: Bourassa

Line No.	Customer Classification and Meter Size (Residential, Commercial, Irrigation)	Present Rates	Proposed Rates (a)	Percent Change
1	Monthly Usage Charge for:			
2	5/8 x 3/4 Inch	\$ 20.00	\$ 25.50	27.50%
3	3/4 Inch	20.00	38.25	91.25%
4	1 Inch	50.00	63.75	27.50%
5	1 1/2 Inch	100.00	127.50	27.50%
6	2 Inch	160.00	204.00	27.50%
7	3 Inch	300.00	382.50	27.50%
8	4 Inch	500.00	637.50	27.50%
9	5 Inch	N/A	N/A	
10	6 Inch	1,000.00	1,275.00	27.50%
11				
12				
13				
14				
15	Gallons included in Minimum	1,000		
16				
17	<u>Tier 1: (Gallon upper limit, up to, but not exceeding)</u>			
18	5/8 x 3/4 Inch	All gallons over min.		
19	3/4 Inch	All gallons over min.		
20	1 Inch	All gallons over min.		
21	1.5 Inch	All gallons over min.		
22	2 Inch	All gallons over min.		
23	3 Inch	All gallons over min.		
24	4 Inch	All gallons over min.		
25	6 Inch	All gallons over min.		
26	8 Inch	All gallons over min.		
27				
28	<u>Tier 2: (Gallon upper limit, up to, but not exceeding)</u>			
29	5/8 x 3/4 Inch	Residential, Commercial, Irrigation		
30	3/4 Inch	Residential, Commercial, Irrigation		
31	1 Inch	Residential, Commercial, Irrigation		
32	1.5 Inch	Residential, Commercial, Irrigation		
33	2 Inch	Residential, Commercial, Irrigation		
34	3 Inch	Residential, Commercial, Irrigation		
35	4 Inch	Residential, Commercial, Irrigation		
36	6 Inch	Residential, Commercial, Irrigation		
37	8 Inch	Residential, Commercial, Irrigation		
38				

Please See  
 Pages 2 and 3

Please See  
 Pages 2 and 3

ICR Water Users Association  
Present and Proposed Rates  
Test Year Ended December 31, 2006

Line No.	Customer Classification and Meter Size	Present Rates	Proposed Rates	Percent Change
1	<u>Tier 3: (Gallon upper limit, up to, but not exceeding)</u>			
2	5/8 x 3/4 Inch Residential, Commercial, Irrigation			
3	3/4 Inch Residential, Commercial, Irrigation			
4	1 Inch Residential, Commercial, Irrigation			
5	1.5 Inch Residential, Commercial, Irrigation			
6	2 Inch Residential, Commercial, Irrigation			
7	3 Inch Residential, Commercial, Irrigation			
8	4 Inch Residential, Commercial, Irrigation			
9	6 Inch Residential, Commercial, Irrigation			
10	8 Inch Residential, Commercial, Irrigation			
11				
12				
13	<u>Commodity Rates (per 1,000 gallons in excess of gallons in Each Tier)</u>			
14	All customer classes except Bulk Water	\$ 2.80	\$ 3.19	14.02%
15	All customer classes except Bulk Water	2.80	3.83	36.82%
16	All customer classes except Bulk Water	2.80	4.47	59.63%
17				
18				
19				
20				
21				
22				
23	<u>5/8 and 3/4 Inch Meters</u>			
24	Tier 1	-	up to 4,000	\$ 3.19
25	Tier 2	4,000	up to 10,000	\$ 3.83
26	Tier 3	10,000		\$ 4.47
27				
28				
29	<u>1 Inch Meter</u>			
30	Tier 1	-	up to 25,000	\$ 3.83
31	Tier 2			\$ 4.47
32	Tier 3			
33				
34				

Proposed Rates From Gallons To Gallons Price

From Gallons	To Gallons	Price
-	up to 4,000	\$ 3.19
4,000	up to 10,000	\$ 3.83
10,000		\$ 4.47
-	up to 25,000	\$ 3.83
25,000		\$ 4.47

ICR Water Users Association  
 Present and Proposed Rates  
 Test Year Ended December 31, 2006

Line No.	Customer Classification and Meter Size	Average Usage	Proposed Rates		Percent Change
			From Gallons	To Gallons	
1					
2					
3	1.5 Inch Meter				
4	Tier 1	$(100/20) \times (4,000) =$	20,000	50,000	3.83
5	Tier 2	$(100/20) \times (10,000) =$	50,000		4.47
6	Tier 3				
7					
8	2 Inch Meter	82,182			
9	Tier 1	Average Usage	32,000	80,000	3.83
10	Tier 2	$(160/20) \times (4,000) =$	80,000		4.47
11	Tier 3	$(160/20) \times (10,000) =$			
12					
13	3 Inch Meter				
14	Tier 1	$(320/20) \times (4,000) =$	64,000	160,000	3.83
15	Tier 2	$(320/20) \times (10,000) =$	160,000		4.47
16	Tier 3				
17					
18	4 Inch Meter				
19	Tier 1	$(500/20) \times (4,000) =$	100,000	250,000	3.83
20	Tier 2	$(500/20) \times (10,000) =$	250,000		4.47
21	Tier 3				
22					
23					
24	6 Inch Meter				
25	Tier 1	$(1000/20) \times (4,000) =$	200,000	500,000	3.83
26	Tier 2	$(1000/20) \times (10,000) =$	500,000		4.47
27	Tier 3				
28					
29	Constuction Water	Average Usage		All Gallons	3.83

ICR Water Users Association  
Present and Proposed Rates  
Test Year Ended December 31, 2006

Line No.	Meter and Service Line Charges	Present Service Line Charge	Present Meter Installation Charge	Total Present Charge	Proposed Service Line Charge	Proposed Meter Installation Charge	Total Proposed Charge
7	5/8 x 3/4 Inch	\$ 385.00	\$ 135.00	\$ 520.00	\$ 385.00	\$ 135.00	\$ 520.00
8	3/4 Inch	600.00	215.00	815.00	600.00	215.00	815.00
9	1 Inch	690.00	255.00	945.00	690.00	255.00	945.00
10	1 1/2 Inch	935.00	465.00	1,400.00	935.00	465.00	1,400.00
11	2 Inch Turbo	1,595.00	965.00	2,560.00	1,595.00	965.00	2,560.00
12	2 Inch Compound	2,320.00	1,690.00	4,010.00	2,320.00	1,690.00	4,010.00
13	3 Inch Turbo	2,275.00	1,470.00	3,745.00	2,275.00	1,470.00	3,745.00
14	3 Inch Compound	3,110.00	2,265.00	5,375.00	3,110.00	2,265.00	5,375.00
15	4 Inch Turbo	3,520.00	2,350.00	5,870.00	3,520.00	2,350.00	5,870.00
16	4 Inch Compound	4,475.00	3,245.00	7,720.00	4,475.00	3,245.00	7,720.00
17	6 Inch Turbo	6,275.00	4,545.00	10,820.00	6,275.00	4,545.00	10,820.00
18	6 Inch Compound	8,050.00	6,280.00	14,330.00	8,050.00	6,280.00	14,330.00
19	8 Inch	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost
20	10 Inch	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost
21	12 Inch	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost

Other Charges:

Establishment	\$ 25.00
Establishment (After Hours)	\$ 50.00
Reconnection (Delinquent)	\$ 20.00
Reconnection (Delinquent) after hours	N/A
Meter Test	\$ 20.00
Deposit	PER RULE
Deposit Interest	PER RULE
Re-establishment (Within 12 months)	PER RULE
NSF Check	\$ 15.00
Deferred Payment	1.5%
Meter Re-read	\$ 10.00
Late Fee	(a)

Establishment	\$ 25.00
Establishment (After Hours)	\$ 50.00
Meter Test	\$ 20.00
Deposit	\$ 40.00
Deposit Interest	PER RULE
Re-establishment	PER RULE
NSF Check	\$ 15.00
Deferred Payment	1.5%
Meter Re-read	\$ 10.00
Meter Re-read	(a)

Establishment (R14-2-403.D.1)
Establishment (After Hours) (R14-2-403.D.2)
Meter Test (R14-2-408.F)
Deposit (R14-2-403.B)
Deposit Interest (R14-2-403.B.3)
Re-establishment (R14-2-403.D.1)
NSF Check (R14-2-409.F.1)
Deferred Payment (R14-2-409.G.6)
Meter Re-read (R14-2-408.C.2)

(a) \$ 5.00 minimum or 1.5% of unpaid balance whichever is greater.

ICR Water Users Association  
 Bill Comparison of Present and Proposed Rates  
 Customer Classification 5/8 Inch Meter  
 Test Year Ended December 31, 2006  
 (Excludes all Revenue Related Taxes)

Exhibit  
 Schedule H-4  
 Page 1  
 Witness: Bourassa

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase	
-	\$ 20.00	\$ 25.50	\$ 5.50	27.50%	
1,000	20.00	28.69	\$ 8.69	43.46%	
2,000	22.80	31.89	\$ 9.09	39.85%	
3,000	25.60	35.08	\$ 9.48	37.02%	
4,000	28.40	38.27	\$ 9.87	34.75%	
5,000	31.20	42.10	\$ 10.90	34.94%	
6,000	34.00	45.93	\$ 11.93	35.10%	
7,000	36.80	49.76	\$ 12.96	35.23%	
8,000	39.60	53.59	\$ 13.99	35.34%	
9,000	42.40	57.43	\$ 15.03	35.44%	
10,000	45.20	61.26	\$ 16.06	35.52%	
12,000	50.80	70.20	\$ 19.40	38.18%	
14,000	56.40	79.14	\$ 22.74	40.31%	
16,000	62.00	88.07	\$ 26.07	42.06%	
18,000	67.60	97.01	\$ 29.41	43.51%	
20,000	73.20	105.95	\$ 32.75	44.74%	
25,000	87.20	128.30	\$ 41.10	47.13%	
30,000	101.20	150.65	\$ 49.45	48.86%	
35,000	115.20	173.00	\$ 57.80	50.17%	
40,000	129.20	195.34	\$ 66.14	51.20%	
45,000	143.20	217.69	\$ 74.49	52.02%	
50,000	157.20	240.04	\$ 82.84	52.70%	
60,000	185.20	284.74	\$ 99.54	53.75%	
70,000	213.20	329.43	\$ 116.23	54.52%	
80,000	241.20	374.13	\$ 132.93	55.11%	
90,000	269.20	418.82	\$ 149.62	55.58%	
100,000	297.20	463.52	\$ 166.32	55.96%	
Average Usage	7,085	\$ 37.04	\$ 50.09	\$ 13.05	35.24%
Median Usage	4,500	\$ 29.80	\$ 40.19	\$ 10.39	34.85%

**Present Rates:**  
 Monthly Minimum: \$ 20.00  
 Gallons in Minimum: 1,000  
 Charge Per 1,000 Gallons: \$ 2.80

**Proposed Rates:**  
 Monthly Minimum: \$ 25.50  
 Gallons in Minimum: -  
 Charge Per 1,000 Gallons: 4,000 \$ 3.19  
 Up to 10,000 \$ 3.83  
 Over 10,000 \$ 4.47

ICR Water Users Association  
 Bill Comparison of Present and Proposed Rates  
 Customer Classification 1 Inch Meter  
 Test Year Ended December 31, 2006  
 (Excludes all Revenue Related Taxes)

Exhibit  
 Schedule H-4  
 Page 2  
 Witness: Bourassa

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase	
-	\$ 50.00	\$ 63.75	\$ 13.75	27.50%	
1,000	50.00	67.58	\$ 17.58	35.16%	
2,000	52.80	71.41	\$ 18.61	35.25%	
3,000	55.60	75.24	\$ 19.64	35.33%	
4,000	58.40	79.07	\$ 20.67	35.40%	
5,000	61.20	82.91	\$ 21.71	35.47%	
6,000	64.00	86.74	\$ 22.74	35.53%	
7,000	66.80	90.57	\$ 23.77	35.58%	
8,000	69.60	94.40	\$ 24.80	35.63%	
9,000	72.40	98.23	\$ 25.83	35.68%	
10,000	75.20	102.06	\$ 26.86	35.72%	
12,000	80.80	109.72	\$ 28.92	35.80%	
14,000	86.40	117.39	\$ 30.99	35.86%	
16,000	92.00	125.05	\$ 33.05	35.92%	
18,000	97.60	132.71	\$ 35.11	35.97%	
20,000	103.20	140.37	\$ 37.17	36.02%	
25,000	117.20	159.53	\$ 42.33	36.12%	
30,000	131.20	181.87	\$ 50.67	38.62%	
35,000	145.20	204.22	\$ 59.02	40.65%	
40,000	159.20	226.57	\$ 67.37	42.32%	
45,000	173.20	248.92	\$ 75.72	43.72%	
50,000	187.20	271.27	\$ 84.07	44.91%	
60,000	215.20	315.96	\$ 100.76	46.82%	
70,000	243.20	360.66	\$ 117.46	48.30%	
80,000	271.20	405.35	\$ 134.15	49.47%	
90,000	299.20	450.05	\$ 150.85	50.42%	
100,000	327.20	494.75	\$ 167.55	51.21%	
Average Usage	9,470	\$ 73.72	\$ 100.03	\$ 26.31	35.70%
Median Usage	1,500	\$ 51.40	\$ 69.50	\$ 18.10	35.21%

**Present Rates:**  
 Monthly Minimum:  
 Gallons in Minimum  
 Charge Per 1,000 Gallons  
 All gallons  
 \$ 50.00  
 1,000  
 \$ 2.80

**Proposed Rates:**  
 Monthly Minimum:  
 Gallons in Minimum  
 Charge Per 1,000 Gallons  
 Up to  
 Over  
 \$ -  
 -  
 25,000 \$ 3.83  
 25,000 \$ 4.47

ICR Water Users Association  
 Bill Comparison of Present and Proposed Rates  
 Customer Classification  
 2 Inch Meter  
 Test Year Ended December 31, 2006  
 (Excludes all Revenue Related Taxes)

Exhibit  
 Schedule H-4  
 Page 3  
 Witness: Bourassa

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ 160.00	\$ 204.00	\$ 44.00	27.50%
1,000	160.00	207.83	\$ 47.83	29.89%
2,000	162.80	211.66	\$ 48.86	30.01%
3,000	165.60	215.49	\$ 49.89	30.13%
4,000	168.40	219.32	\$ 50.92	30.24%
5,000	171.20	223.16	\$ 51.96	30.35%
6,000	174.00	226.99	\$ 52.99	30.45%
7,000	176.80	230.82	\$ 54.02	30.55%
8,000	179.60	234.65	\$ 55.05	30.65%
9,000	182.40	238.48	\$ 56.08	30.75%
10,000	185.20	242.31	\$ 57.11	30.84%
12,000	190.80	249.97	\$ 59.17	31.01%
14,000	196.40	257.64	\$ 61.24	31.18%
16,000	202.00	265.30	\$ 63.30	31.34%
18,000	207.60	272.96	\$ 65.36	31.48%
20,000	213.20	280.62	\$ 67.42	31.62%
25,000	227.20	299.78	\$ 72.58	31.94%
30,000	241.20	322.12	\$ 80.92	33.55%
35,000	255.20	344.47	\$ 89.27	34.98%
40,000	269.20	366.82	\$ 97.62	36.26%
45,000	283.20	389.17	\$ 105.97	37.42%
50,000	297.20	411.52	\$ 114.32	38.46%
60,000	325.20	456.21	\$ 131.01	40.29%
70,000	353.20	500.91	\$ 147.71	41.82%
80,000	381.20	545.60	\$ 164.40	43.13%
90,000	409.20	590.30	\$ 181.10	44.26%
100,000	437.20	635.00	\$ 197.80	45.24%
<b>Average Usage</b>	<b>82,182</b>	<b>\$ 387.31</b>	<b>\$ 168.05</b>	<b>43.39%</b>
<b>Median Usage</b>	<b>22,500</b>	<b>\$ 290.20</b>	<b>\$ 70.00</b>	<b>31.79%</b>

**Present Rates:**  
 Monthly Minimum:  
 Gallons in Minimum  
 Charge Per 1,000 Gallons  
 All Gallons

\$ 160.00  
 1,000  
 \$ 2.80

**Proposed Rates:**  
 Monthly Minimum:  
 Gallons in Minimum  
 Charge Per 1,000 Gallons  
 Up to  
 Over

\$ 204.00  
 -  
 25,000 \$ 3.83  
 25,000 \$ 4.47

Exhibit  
 Schedule H-4  
 Page 4  
 Witness: Bourassa

ICR Water Users Association  
 Bill Comparison of Present and Proposed Rates  
 Customer Classification Construction Water  
 Test Year Ended December 31, 2006  
 (Excludes all Revenue Related Taxes)

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1,000	2.80	3.83	1.03	36.82%
2,000	5.60	7.66	2.06	36.82%
3,000	8.40	11.49	3.09	36.82%
4,000	11.20	15.32	4.12	36.82%
5,000	14.00	19.16	5.16	36.82%
6,000	16.80	22.99	6.19	36.82%
7,000	19.60	26.82	7.22	36.82%
8,000	22.40	30.65	8.25	36.82%
9,000	25.20	34.48	9.28	36.82%
10,000	28.00	38.31	10.31	36.82%
12,000	33.60	45.97	12.37	36.82%
14,000	39.20	53.64	14.44	36.82%
16,000	44.80	61.30	16.50	36.82%
18,000	50.40	68.96	18.56	36.82%
20,000	56.00	76.62	20.62	36.82%
25,000	70.00	95.78	25.78	36.82%
30,000	84.00	114.93	30.93	36.82%
35,000	98.00	134.09	36.09	36.82%
40,000	112.00	153.24	41.24	36.82%
45,000	126.00	172.40	46.40	36.82%
50,000	140.00	191.55	51.55	36.82%
60,000	168.00	229.86	61.86	36.82%
70,000	196.00	268.18	72.18	36.82%
80,000	224.00	306.49	82.49	36.82%
90,000	252.00	344.80	92.80	36.82%
100,000	280.00	383.11	103.11	36.82%

**Present Rates:**  
 Monthly Minimum: \$ -  
 Gallons in Minimum  
 Charge Per 1,000 Gallons \$ 2.80

**Proposed Rates:**  
 Monthly Minimum: \$ -  
 Gallons in Minimum  
 Charge Per 1,000 Gallons \$ 3.83

Average Usage	149,000	\$ 417.20	\$ 570.83	\$ 153.63	36.82%
Median Usage	74,500	\$ 208.60	\$ 285.41	\$ 76.81	36.82%

ICR Water Users Association  
 Test Year Ended December 31, 2006  
 Customer Classification 5/8 Inch Meter

Exhibit  
 Schedule H-5  
 Page 1  
 Witness: Bourassa

Usage From:	Usage To:	Month of Jan.	Month of Feb.	Month of March	Month of April	Month of May	Month of June	Month of July	Month of Aug.	Month of Sept.	Month of Oct.	Month of Nov.	Month of Dec.	Total Year	Cumulative Billing
0	0	41	40	30	27	19	22	18	17	13	16	9	10	262	262
1	1,000	52	53	63	59	58	54	65	58	74	54	60	61	711	973
1,001	2,000	15	27	30	35	20	17	28	22	27	23	29	18	291	1,264
2,001	3,000	23	26	32	26	19	21	29	22	32	26	32	17	305	1,569
3,001	4,000	26	24	32	24	24	20	19	18	35	31	36	23	312	1,881
4,001	5,000	20	28	25	29	13	16	27	17	30	28	33	32	298	2,179
5,001	6,000	19	21	29	21	16	19	16	16	17	18	32	26	250	2,429
6,001	7,000	13	16	23	23	17	9	17	22	16	20	18	18	212	2,641
7,001	8,000	22	15	12	7	10	13	16	19	18	17	19	21	189	2,830
8,001	9,000	10	8	8	9	9	10	11	15	12	15	13	20	140	2,970
9,001	10,000	13	9	7	7	9	13	11	9	8	15	8	13	122	3,092
10,001	12,000	15	19	7	24	27	23	20	27	15	23	15	18	233	3,325
12,001	14,000	12	10	6	7	14	10	14	14	14	10	8	20	139	3,464
14,001	16,000	11	5	7	5	13	19	6	12	7	10	3	12	110	3,574
16,001	18,000	5	2	1	3	9	12	4	8	7	10	10	9	80	3,654
18,001	20,000	1	2	1	4	6	7	4	4	4	5	2	4	50	3,704
20,001	25,000	7	1	2	1	14	12	16	13	3	7	4	7	87	3,791
25,001	30,000	2	2	2	6	16	11	5	7	8	8	3	2	70	3,861
30,001	35,000	2	4	4	2	6	11	6	6	1	1	3	1	32	3,893
35,001	40,000	1	1	1	2	2	6	3	3	3	1	1	1	19	3,912
40,001	50,000	1	1	1	1	1	3	2	6	1	2	1	1	17	3,929
50,001	60,000	1	1	1	1	5	3	2	1	1	1	1	1	12	3,941
60,001	70,000	1	1	1	1	2	1	2	1	1	1	1	1	4	3,945
70,001	80,000	1	1	1	1	1	1	2	2	1	1	1	1	5	3,950
80,001	90,000	1	1	1	1	1	1	1	1	1	1	1	1	1	3,951
90,001	100,000	1	1	1	1	1	1	1	1	1	1	1	1	2	3,953
130,950	130,950	1	1	1	1	1	1	1	1	1	1	1	1	1	3,954
107,400	107,400	1	1	1	1	1	1	1	1	1	1	1	1	1	3,955
843,900	843,900	1	1	1	1	1	1	1	1	1	1	1	1	1	3,956
142,390	142,390	1	1	1	1	1	1	1	1	1	1	1	1	1	3,957
Totals		312	313	317	321	332	333	334	344	343	339	335	334	3,957	3,957
														7,085	
														4,500	
														330	
														22	

Average Usage  
 Median Usage  
 Average # Customers  
 Change in Number of Customers

**ICR Water Users Association**  
**Test Year Ended December 31, 2006**  
**Customer Classification 1 Inch Meter**

Exhibit  
 Schedule H-5  
 Page 2  
 Witness: Bourassa

Usage From:	Usage To:	Month of Jan.	Month of Feb.	Month of March	Month of April	Month of May	Month of June	Month of July	Month of Aug.	Month of Sept.	Month of Oct.	Month of Nov.	Month of Dec.	Total Year	Cumulative Billing
0	0	3	3	4	3	2	2	2	2	2	2	1	26	26	26
1	1,000	3	6	3	6	3	6	7	9	7	5	7	5	67	93
1,001	2,000	1	1	1	2	3	3	1	1	2	3	2	2	18	111
2,001	3,000	1	1	1	2	2	3	1	2	1	1	2	2	15	126
3,001	4,000	1	1	1	1	2	2	2	2	2	2	2	3	12	138
4,001	5,000	2	1	1	2	1	1	1	1	1	2	1	7	7	145
5,001	6,000	1	2	2	1	2	2	1	1	1	1	1	8	8	153
6,001	7,000	1	1	1	1	1	1	1	1	1	1	2	6	6	159
7,001	8,000	1	1	1	1	1	1	1	1	1	1	1	3	3	162
8,001	9,000	1	1	1	1	1	1	1	1	1	1	1	2	2	164
9,001	10,000	1	1	1	1	1	1	1	1	1	1	1	2	2	166
10,001	12,000	2	2	2	1	2	1	2	1	1	2	2	10	10	176
12,001	14,000	1	1	1	1	1	1	1	1	1	2	1	3	9	185
14,001	16,000	1	1	1	1	1	1	1	1	1	2	1	5	5	186
16,001	18,000	1	1	1	1	1	1	1	1	1	2	1	1	1	191
18,001	20,000	1	1	1	1	1	1	1	1	1	2	1	1	1	192
20,001	25,000	1	1	1	1	1	1	1	1	1	1	1	4	4	196
25,001	30,000	1	1	1	1	1	1	1	1	1	1	1	1	1	197
30,001	35,000	1	1	1	1	1	1	1	1	1	1	1	1	1	198
35,001	40,000	1	1	1	1	1	1	1	1	1	1	1	2	2	200
40,001	50,000	1	1	1	1	1	1	1	1	1	1	1	2	2	202
50,001	60,000	1	1	1	1	1	1	1	1	1	1	1	1	1	203
60,001	70,000	1	1	1	1	1	1	1	1	1	1	1	2	2	205
70,001	80,000	1	1	1	1	1	1	1	1	1	1	1	1	1	207
80,001	90,000	1	1	1	1	1	1	1	1	1	1	1	2	2	209
90,001	100,000	1	1	1	1	1	1	1	1	1	1	1	2	2	211
110,470	110,470	1	1	1	1	1	1	1	1	1	1	1	1	1	212
111,920	111,920	1	1	1	1	1	1	1	1	1	1	1	1	1	213
135,200	135,200	1	1	1	1	1	1	1	1	1	1	1	1	1	214
Totals		13	16	11	16	18	18	19	20	24	21	18	20	214	214

Average Usage 9,470  
 Median Usage 1,500  
 Average # Customers 18  
 Change in Number of Customers 7



ICR Water Users Association  
 Test Year Ended December 31, 2006  
 Customer Classification 2 Inch Meter

Exhibit  
 Schedule H-5  
 Page 3  
 Witness: Bourassa

Usage From:	Usage To:	Month of Jan.	Month of Feb.	Month of March	Month of April	Month of May	Month of June	Month of July	Month of Aug.	Month of Sept.	Month of Oct.	Month of Nov.	Month of Dec.	Total Year	Cumulative Billing
331,800	331,800						1							1	98
341,200	341,200		1											1	99
365,400	365,400						1							1	100
511,600	511,600							1						1	101
891,600	891,600						1							1	102
1,023,600	1,023,600			1										1	103
		10	10	6	7	8	8	9	10	5	11	9	10	103	0

Totals  
 Average Usage 82,182  
 Median Usage 22,500  
 Average # Customers 9  
 Change in Number of Customers -

ICR Water Users Association  
 Test Year Ended December 31, 2006  
 Customer Classification Construction Water

Exhibit  
 Schedule H-5  
 Page 4  
 Witness: Bourassa

Usage From:	Usage To:	Month of Jan.	Month of Feb.	Month of March	Month of April	Month of May	Month of June	Month of July	Month of Aug.	Month of Sept.	Month of Oct.	Month of Nov.	Month of Dec.	Total Year	Cumulative Billing
0	0														
1	1,000														
1,001	2,000														
2,001	3,000														
3,001	4,000														
4,001	5,000														
5,001	6,000														
6,001	7,000														
7,001	8,000														
8,001	9,000														
9,001	10,000														
10,001	12,000														
12,001	14,000														
14,001	16,000														
16,001	18,000														
18,001	20,000														
20,001	25,000														
25,001	30,000														
30,001	35,000														
35,001	40,000														
40,001	50,000														
50,001	60,000														
60,001	70,000														
70,001	80,000														
80,001	90,000														
90,001	100,000														
149,000	149,000													1	1

Totals	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1
Average Usage															149,000
Median Usage															74,500
Average # Customers															0
Change in Number of Customers															-

# **EXHIBIT B**

**Arizona Department of Environmental Quality**  
**Water Quality Compliance Assurance Unit**  
1110 W. Washington Street, 5415B-1  
Phoenix, AZ 85007

**Drinking Water Compliance Status Report**

**Public Water System Name:** Inscription Canyon Ranch System

**Public Water System ID #:** 13-303

**Public Water System Type:**             Community     Non-transient Non-community     Transient Non-community

**Overall Compliance Status:**             No Major Deficiencies             Major Deficiencies

**Monitoring and Reporting Status:**     No Major Deficiencies             Major Deficiencies

**Comments:**

The ADEQ data base does not show that the required initial two consecutive six month lead and copper monitoring has been completed. This system is required to provide 20 lead and copper analysis per monitoring period but has only been providing five per monitoring period.

The ADEQ data base does not show that the required monthly Maximum Residual Disinfection Levels (MRDLs) have been done for this water system.

**Operation and Maintenance Status:**     No Major Deficiencies             Major Deficiencies

**Comments:**

**Major unresolved/ongoing operation and maintenance deficiencies:**

- |   |   |
|---|---|
| <input type="checkbox"/> unable to maintain 20psi           | <input type="checkbox"/> inadequate storage           |
| <input type="checkbox"/> cross connection/backflow problems | <input type="checkbox"/> surface water treatment rule |
| <input type="checkbox"/> treatment deficiencies             | <input type="checkbox"/> approval of construction     |
| <input type="checkbox"/> certified operator                 | <input type="checkbox"/> other                        |

Date of last inspection / sanitary survey: 10-5-05

**Administrative Orders:**

Is an ADEQ administrative order in effect?     Yes             No

**Comments:**

**System information:**

Number of Entry Points to the Distribution System 1            Number of Sources 2

Population Served 600            Service Connections 250            Initial Monitoring Year 1999

**Evaluation completed by: Jim Puckett**

**Phone: 602-771-4649            Date: 4-4-07**

Because of the previously identified compliance monitoring deficiencies, ADEQ cannot determine if this system is currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, Chapter 4. This compliance status report does not guarantee the water quality for this system in the future. This compliance status report does not reflect the status of any other water system owned by this utility company.

**Arizona Department of Environmental Quality**  
**Drinking Water Monitoring and Protection Unit**  
1110 W. Washington Street, 5415B-1  
Phoenix, AZ 85007

**Drinking Water Compliance Status Report**

**Public Water System Name:** ICR Talking Rock

**Public Water System ID #:** 13-263

**Public Water System Type:**         Community     Non-transient Non-community     Transient Non-community

**Overall Compliance Status:**         No Major Deficiencies         Major Deficiencies

**Monitoring and Reporting Status:**     No Major Deficiencies         Major Deficiencies

**Comments:**

This system has provided lead and copper monitoring for samples taken on September 2005 and July 2006 but the ADEQ data base does not show that the required initial two consecutive six month lead and copper monitoring has been completed.

The ADEQ data base does not show that the required monthly Maximum Residual Disinfection Levels (MRDLs) have been done for this water system. This system has only provided one MRDL analysis in 2006.

**Operation and Maintenance Status:**     No Major Deficiencies         Major Deficiencies

**Comments:**

**Major unresolved/ongoing operation and maintenance deficiencies:**

- |   |   |
|---|---|
| <input type="checkbox"/> unable to maintain 20psi           | <input type="checkbox"/> inadequate storage           |
| <input type="checkbox"/> cross connection/backflow problems | <input type="checkbox"/> surface water treatment rule |
| <input type="checkbox"/> treatment deficiencies             | <input type="checkbox"/> approval of construction     |
| <input type="checkbox"/> certified operator                 | <input type="checkbox"/> other                        |

Date of last inspection / sanitary survey: N/A

**Administrative Orders:**

Is an ADEQ administrative order in effect?     Yes         No

**Comments:**

**System information:**

Number of Entry Points to the Distribution System 1        Number of Sources 3

Population Served 140        Service Connections 70        Initial Monitoring Year 2008

**Evaluation completed by:**    **Jim Puckett**

**Phone:** 602-771-4649        **Date:** 4-4-2007

Because of the previously identified compliance monitoring deficiencies, ADEQ cannot determine if this system is currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, Chapter 4. This compliance status report does not guarantee the water quality for this system in the future. This compliance status report does not reflect the status of any other water system owned by this utility company.

# **EXHIBIT C**



**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY  
MONITORING ASSISTANCE PROGRAM  
ANNUAL SAMPLING FEE INVOICE**

\* Pursuant to A.R.S. § 49-113, interest will be charged if full payment is not received by the specified due date. If you dispute the amount listed, please contact ADEQ as soon as possible. To reduce interest costs on an unpaid invoice, you may remit an amount that you believe is not in dispute. However, if nonpayment is due to wilful neglect, you may suffer an additional five percent penalty of up to twenty-five percent of the amount due for each month or fraction of a month the amount is past due.

If you have any questions about your invoice, contact W. Scott Steinhagen at (602) 771-4445 or toll-free within Arizona at (800) 234-5677, extension 771-4445.

Pursuant to A.R.S. § 49-360 F and A.A.C. R18-4-224 through R18-4-226, "The director shall establish fees for the monitoring assistance program to be collected from all public water systems..."

Owner Id #: 9230	Invoice Number 63600
To: INSCRIPTION CANYON RANCH SYSTEM PO BOX 5669 CHINO VALLEY, AZ 86323	Public Water System ID #: 13303
	Billing for Calendar Year: 2007
	Due Date: December 18, 2006
	Total Amount Due ..... \$ 892.50
	Amount Paid ..... \$

↑ Keep the top portion for your records. ↑ ADEQ Federal Tax #866004791

↓ This entire bottom portion must be returned to ADEQ. ↓

ADEQ Federal Tax #866004791  
Invoice # 63600

Annual Sampling Fee Invoice

INSCRIPTION CANYON RANCH SYSTEM PO BOX 5669 CHINO VALLEY, AZ 86323 13303 - Inscription Canyon Ranch System	Owner Id #: 9230 MAP
	Billing for Calendar Year: 2007
	Due Date: 12/18/2006

**ANNUAL SAMPLING FEE WORKSHEET**

Base Fee (all MAP systems) .....	\$ 250.00
Fee per Connection in 2007 ..... 250 connections X \$ 2.57 .....	\$ 642.50
Total Sampling Fee .....	\$ 892.50
Plus Paid Interest Charges and/or Other Adjustments .....	\$ 0.00
Plus Unpaid Interest Charges as of 11/01/2006 .....	\$ 0.00
Minus Payments Received and/or Other Adjustments .....	\$ 0.00
Amount Due .....	\$ 892.50
Amount received by ADEQ (Make check payable to State of Arizona) .....	\$

\* A \$12 fee will be charged for any check not honored by the bank.

Do not write below this line

Make your check or money order payable to **State of Arizona**  
**THIS FORM MUST ACCOMPANY YOUR REMITTANCE.**

Mail to: Arizona Department of Environmental Quality  
PO Box 18228  
Phoenix, AZ 85005-8228

Check Number:
Received:
Postmarked:
Entered:

MW1 11/01/2006



**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY  
MONITORING ASSISTANCE PROGRAM  
ANNUAL SAMPLING FEE INVOICE**

\* Pursuant to A.R.S. § 49-113, interest will be charged if full payment is not received by the specified due date. If you dispute the amount listed, please contact ADEQ as soon as possible. To reduce interest costs on an unpaid invoice, you may remit an amount that you believe is not in dispute. However, if nonpayment is due to willful neglect, you may suffer an additional five percent penalty of up to twenty-five percent of the amount due for each month or fraction of a month the amount is past due.

If you have any questions about your invoice, contact W. Scott Steinhagen at (602) 771-4445 or toll-free within Arizona at (800) 234-5677, extension 771-4445.

Pursuant to A.R.S. § 49-360 F and A.A.C. R18-4-224 through R18-4-226, "The director shall establish fees for the monitoring assistance program to be collected from all public water systems..."

Owner Id #: 9230	Invoice Number 63599
To: INSCRIPTION CANYON RANCH SYSTEM PO BOX 5669 CHINO VALLEY, AZ 86323	Public Water System ID #: 13263
	Billing for Calendar Year: 2007
	Due Date: December 18, 2006
	Total Amount Due ..... \$ 429.90
	Amount Paid ..... \$

↑ Keep the top portion for your records. ↑

ADEQ Federal Tax #866004791

↓ This entire bottom portion must be returned to ADEQ. ↓

ADEQ Federal Tax #866004791

Annual Sampling Fee Invoice

Invoice # 63599

INSCRIPTION CANYON RANCH SYSTEM PO BOX 5669 CHINO VALLEY, AZ 86323  13263 - Icr Talking Rock	Owner Id #: 9230	MAP
	Billing for Calendar Year: 2007	
	Due Date: 12/18/2006	

**ANNUAL SAMPLING FEE WORKSHEET**

Base Fee (all MAP systems) .....	\$ 250.00
Fee per Connection in 2007..... 70 connections X \$ 2.57.....	\$ 179.90
Total Sampling Fee .....	\$ 429.90
Plus Paid Interest Charges and/or Other Adjustments .....	\$ 0.00
Plus Unpaid Interest Charges as of 11/01/2006.....	\$ 0.00
Minus Payments Received and/or Other Adjustments .....	\$ 0.00
Amount Due .....	\$ 429.90
Amount received by ADEQ (Make check payable to State of Arizona) .....	\$

\* A \$12 fee will be charged for any check not honored by the bank.

Do not write below this line

Make your check or money order payable to **State of Arizona**  
**THIS FORM MUST ACCOMPANY YOUR REMITTANCE.**

Mail to: Arizona Department of Environmental Quality  
PO Box 18228  
Phoenix, AZ 85005-8228

Check Number:
Received:
Postmarked:
Entered:

MW1 11/01/2006  
WM300Go



**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY  
MONITORING ASSISTANCE PROGRAM  
ANNUAL SAMPLING FEE INVOICE**



Pursuant to A.R.S. § 49-113, interest will be charged if full payment is not received by the specified due date. If you dispute the amount listed, please contact ADEQ as soon as possible. To reduce interest costs on an unpaid invoice, you may remit an amount that you believe is not in dispute. However, if nonpayment is due to willful neglect, you may suffer an additional five percent penalty of up to twenty-five percent of the amount due for each month or fraction of a month the amount is past due.

If you have any questions about your invoice, contact W. Scot Steinhagen at (602) 771-4445 or Mike Hill at (602) 771-4518 or toll-free within Arizona at (800) 234-5677, extension 771-4445.

Pursuant to A.R.S. § 49-360 F and A.A.C. R18-4-224 through R18-4-226, "The director shall establish fees for the monitoring assistance program to be collected from all public water systems..."

Owner Id #: 9230	Invoice Number 62744
To: ICR WATER USERS ASSOCIATION PO BOX 5669 CHINO VALLEY, AZ 86323	Public Water System ID #: 13303
	Billing for Calendar Year: 2006
	Due Date: January 30, 2006
	Total Amount Due . . . . . \$ 828.25
	Amount Paid . . . . . \$

↑ Keep the top portion for your records. ↑ ADEQ Federal Tax #866004791

↓ This entire bottom portion must be returned to ADEQ. ↓  
ADEQ Federal Tax #866004791  
Annual Sampling Fee Invoice Invoice # 62744

ICR WATER USERS ASSOCIATION PO BOX 5669 CHINO VALLEY, AZ 86323 13303 - Icr Water Users Associati	Owner Id #: 9230 MAP
	Billing for Calendar Year: 2006
	Due Date: 01/30/2006

**ANNUAL SAMPLING FEE WORKSHEET**

For the past several years, the MAP Annual invoice has included a credit to refund surplus dollars above the cost, at the rate of fifty cents (50¢) per connecton. This process is changing. Instead, a refund check will be issued to all eligible water systems by April 1, 2006. We ask you to be patient and wait until after April 1 to call with questions on the refund.

Base Fee (all MAP systems) . . . . .	\$ 250.00
Fee per Connection in 2006 . . . . . 225 connections X \$ 2.57 . . . . .	\$ 578.25
Total Sampling Fee . . . . .	\$ 828.25
Plus Paid Interest Charges and/or Other Adjustments . . . . .	\$ 0.00
Plus Unpaid Interest Charges as of 12/15/2005 . . . . .	\$ 0.00
Minus Payments Received and/or Other Adjustments . . . . .	\$ 0.00
Amount Due . . . . .	\$ 828.25
Amount received by ADEQ (Make check payable to State of Arizona) . . . . .	\$



A \$12 fee will be charged for any check not honored by the bank.

Do not write below this line

Make your check or money order payable to State of Arizona  
**THIS FORM MUST ACCOMPANY YOUR REMITTANCE.**

Mail to: Arizona Department of Environmental Quality  
PO Box 18228  
Phoenix, AZ 85005-8228

Check Number:
Received:
Postmarked:
Entered:

MW1 12/15/2005  
WM300Go

# **EXHIBIT D**

**WATER USE DATA SHEET**

<b>NAME OF COMPANY</b>	ICR Water Users Association
<b>ADEQ Public Water System Number:</b>	13-303 & 13-263

Golf Course & Construction Water(000)

MONTH/YEAR (12 Months of Test Year)	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)
1. JANUARY	337	2019	6776
2. FEBRUARY	338	2020	6917
3. MARCH	336	1537	4139
4. APRIL	345	3029	5203
5. MAY	359	5149	11550
6. JUNE	360	5588	14072
7. JULY	364	3992	10095
8. AUGUST	375	4189	8491
9. SEPTEMBER	373	2566	7218
10. OCTOBER	367	2973	9282
11. NOVEMBER	364	2316	4624
12. DECEMBER	364	2498	5123
<b>TOTAL</b>	N/A	37786 0*	93490 0**

4757  
4897  
2602  
2174  
6401  
8484  
6103  
4302  
4652  
6309  
2312  
2625  
55618

Is the water utility located in an ADWR Active Management Area ("AMA")?

YES  NO

Does the Company have an ADWR gallons per capita day ("GPCD") requirement?

YES  NO

If Yes, please provide the GPCD amount: \_\_\_\_\_

*Note: If you are filing for more than one system, please provide separate data sheets for each system. For explanation of any of the above, please contact the Engineering Supervisor at 602-542-7277.*

\* This number must be equal to the number entered on Page 6, "sold gallons."

\*\* Gallons pumped cannot equal or be less than the gallons sold.

NOTE: Golf Course & Const. Water furnished per Well Agreement

# **EXHIBIT E**

Company Name: ICR Water Users Association	Test Year Ended: December 31, 2006
--	---------------------------------------

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Meter Size (inches)	Year Drilled
55-547062	50	225	260	10	3	1994
55-589660	50	430	250	8	4	2002
55-59550	75	580	220	10	4	2002

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Agua Meadows LLC		32.265

**BOOSTER PUMPS**

Horsepower	Quantity
15/20	6
25	3
30	2
50	2

**FIRE HYDRANTS**

Quantity Standard	Quantity Other
125	

**STORAGE TANKS**

Capacity	Quantity
210,000	1
300,000	2

**PRESSURE TANKS**

Capacity	Quantity
3200	2

Company Name:  
ICR Water Users Association

Test Year Ended:  
December 31, 2006

### WATER COMPANY PLANT DESCRIPTION CONTINUED

#### MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	180
5		
6	PVC	24937
8	PVC	95507
10	PVC	10731
12	PVC	11832

#### CUSTOMER METERS

Size (in inches)	Quantity
5/8 x 3/4	337
3/4	
1	21
1 1/2	
2	6
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, please list the utility owned assets in each category.

#### TREATMENT EQUIPMENT:

3 - Chlorination pumps

#### STRUCTURES:

4 Pump Houses

3 Well Houses

#### OTHER: