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BEFORE THE ARIZONA CORPORATION COMMISSION RECEIVED

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COMMISSIONERS

JEFF HATCH-MILLER, Chairman  
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2006 AUG 22 P 3:44

AZ CORP COMMISSION  
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF  
ARIZONA-AMERICAN WATER COMPANY,  
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 BASED THEREON  
FOR UTILITY SERVICE BY ITS SUN CITY  
WASTEWATER AND SUN CITY WEST  
WASTEWATER DISTRICTS

DOCKET NO. WS-01303A-06-0491

**ARIZONA-AMERICAN WATER  
COMPANY'S NOTICE OF  
FILING REVISED H-2  
SCHEDULES**

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At the request of Staff, Arizona-American Water Company hereby files revised H-2  
schedules, which reconcile to the Company's C-1 schedules.

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Arizona Corporation Commission  
**DOCKETED**  
AUG 22 2006

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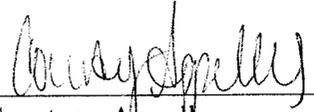
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**Original** and 14 copies filed  
on August 22, 2006, with:

Docket Control  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

**Copies** of the foregoing mailed on  
August 22, 2006, to:

James Dorf  
Utilities Division  
Arizona Corporation Commission  
1200 West Washington St.  
Phoenix, Arizona 85007

By:   
Courtney Appelhans

Arizona American - Sun City Wastewater  
 Test Year Ended December 2005  
 Analysis of Revenues by Detailed Class

Exhibit  
 Schedule H-2

Rate Schedule	Description	Average Number of Customers	Total Number of Bills	Average Consumption or Units	Total Consumption or Units	Revenues		Proposed Increase	
						Present Rates	Proposed Rates	Amount	%
A1MS1	General Sanitary Sewer Service Residential per Unit	21,644	259,729	1	373,753	\$4,103,802			
A2MS1	General Sanitary Sewer Service Commercial per Unit	421	5,050	2	7,579	\$99,890			
A2MS2	General Sanitary Sewer Service Commercial per Additional Toilet	10	121	292	35,355	\$114,905			
A2MS3	General Sanitary Sewer Service Restaurants per Dishwasher	2	25	37	914	\$22,649			
A2MS4	General Sanitary Sewer Service Laundromats per Wash Mach	6	74	10	767	\$4,623			
A2MS5	General Sanitary Sewer Service Commercial per Wash Rack	6	72	3	192	\$2,357			
A2MS6	General Sanitary Sewer Service Commercial Rental Rooms	0	5	1	5	\$87			
A2MS7	General Sanitary Sewer Service Commercial Large Users	7	78	684,923	53,424,000	\$58,410			
A2MSP	General Sanitary Sewer Service Paradise Park Contract	1	12	3,069,833	36,838,000	\$73,132			
A1MS1A	Residential - 5/8" & 3/4"	18,081	216,969	8,437	1,830,558,000		\$3,326,440		
A1MS1B	Residential - 1"	156	1,868	24,043	44,912,000		\$64,594		
A1MS1C	Residential - 1 1/2"	1,238	14,859	69,499	1,032,679,000		\$1,262,525		
A1MS1D	Residential - 2"	378	4,531	85,982	389,585,000		\$600,089		
A1MS1E	Residential - 3"	1	14	330,857	4,632,000		\$3,695		
A1MS1F	Residential - 4"	0	0	0	0		\$0		
A1MS1G	Residential - 6"	1	17	162,353	2,760,000		\$11,764		
A1MS1H	Residential - 8"	0	0	0	0		\$0		
A1MS0	Residential - Flat Rate	7	83	92	7,642		\$113,718		
A2MS1A	Commercial - 5/8" & 3/4"	110	1,318	8,492	11,193,000		\$21,974		
A2MS1B	Commercial - 1"	77	924	20,553	18,991,000		\$37,782		
A2MS1C	Commercial - 1 1/2"	94	1,129	54,674	61,727,000		\$112,541		
A2MS1D	Commercial - 2"	89	1,066	103,294	110,111,000		\$175,341		
A2MS1E	Commercial - 3"	8	90	314,700	28,323,000		\$31,179		
A2MS1F	Commercial - 4"	4	45	1,010,933	45,492,000		\$36,658		
A2MS1G	Commercial - 6"	2	23	1,136,870	26,148,000		\$29,607		
A2MS1H	Commercial - 8"	0	0	0	0		\$0		
A2MS0	Commercial - Flat Rate	6	69	1	72		\$1,293		
A2MSLA	Commercial Large Users - 5/8" & 3/4"	0	0	0	0		\$0		
A2MSLB	Commercial Large Users - 1"	0	0	0	0		\$0		
A2MSLC	Commercial Large Users - 1 1/2"	0	0	0	0		\$0		
A2MSLD	Commercial Large Users - 2"	5	54	45,611	2,463,000		\$26,801		
A2MSLE	Commercial Large Users - 3"	0	4	87,250	349,000		\$3,722		
A2MSLF	Commercial Large Users - 4"	0	0	0	0		\$0		
A2MSLG	Commercial Large Users - 6"	2	19	4,699,053	89,282,000		\$97,450		
A2MSLH	Commercial Large Users - 8"	0	0	0	0		\$0		
A2MSPP	Commercial - Paradise Park	1	12	3,069,833	36,838,000		\$132,122		
						\$4,479,855	\$6,089,295		

Total Unadjusted Revenues

Residential	\$4,103,802	\$5,382,825	\$1,279,023	31.17%
Commercial	\$244,510	\$446,374	\$201,864	82.56%
Commercial Large User	\$58,410	\$127,974	\$69,564	119.10%
Commercial - Paradise Park	\$73,132	\$132,122	\$58,990	80.66%
Total Company	\$4,479,855	\$6,089,295	\$1,609,441	35.93%
Residential	\$0	\$0		
Commercial (JMR-19)	\$3,000	\$0		
Commercial Large User	\$0	\$0		
Commercial - Paradise Park	\$0	\$0		
	\$3,000	\$0		

Total Adjusted Revenues

Residential	\$4,103,802	\$5,382,825	\$1,279,023	31.17%
Commercial	\$247,510	\$446,374	\$198,864	80.35%
Commercial Large User	\$58,410	\$127,974	\$69,564	119.10%
Commercial - Paradise Park	\$73,132	\$132,122	\$58,990	80.66%
Total Company Including Test Year Adjustment / Customer Growth	\$4,482,855	\$6,089,295	\$1,606,441	35.84%

Target Revenue Deficiency

\$1,606,472

Total Over / (Under) Recovery

(\$31)

Pro-Forma Adjustments to Booked Sewer Revenues

Test Year Unbilled Revenue Adjustment - Per Books (JMR-16)	\$ (138,049)
Adjust Revenues to Reflect Annual Fee for Industrial Discharge Service (JMR-19)	(3,000)
Adjust Revenue for Miscellaneous Billing Errors (GDS-20)	(910)
Total Adjustments to Booked Sewer Revenues	\$ (141,959)
Total Adjusted Company Revenues at Present Rates	\$4,340,896
Test Year Book Revenues (Sch. C-1, Col. A)	\$4,340,896
Difference	\$ 0

Arizona American - Sun City West Wastewater  
 Test Year Ended December 2005  
 Analysis of Revenues by Detailed Class

Exhibit  
 Schedule H-2

Rate Schedule	Description	Average	Total	Average	Total	Revenues		Proposed Increase	
		Number of Customers	Number of Bills	Consumption or Units	Consumption or Units	Present Rates	Proposed Rates	Amount	%
B1MS1	General Sanitary Sewer Service Residential/Multi-Residential per Unit	14,784	177,413	1	207,194	\$4,259,910			
B2MS1	General Sanitary Sewer Service Commercial per Unit	200	2,399	2	4,079	\$119,297			
B2MS2	General Sanitary Sewer Service Commercial per Additional Toilet	110	1,320	10	13,122	\$88,180			
B2MS3	General Sanitary Sewer Service Restaurants per Dishwasher	14	169	2	277	\$14,919			
B2MS4	General Sanitary Sewer Service Laundromats per Wash Mach	6	72	6	396	\$4,982			
B2MS5	General Sanitary Sewer Service Commercial per Wash Rack	5	60	2	120	\$3,162			
B2MS7	General Sanitary Sewer Service Commercial & Industrial Large Users	4	43	847,116	36,426,000	\$46,955			
B1MS1A	Residential - 5/8" & 3/4"	12,804	153,649	7,500	1,152,322,000		\$5,141,849		
B1MS1B	Residential - 1"	52	628	13,882	8,718,000		\$46,177		
B1MS1C	Residential - 1 1/2"	315	3,782	62,542	236,534,000		\$739,328		
B1MS1D	Residential - 2"	128	1,530	55,231	84,503,000		\$431,086		
B1MS1E	Residential - 3"	0	0	0	0		\$0		
B1MS1F	Residential - 4"	1	12	10,130,250	121,563,000		\$9,888		
B1MS1G	Residential - 6"	0	0	0	0		\$0		
B1MS1H	Residential - 8"	0	0	0	0		\$0		
B1MS0	Residential - Flat Rate	0	3	0	0		\$10		
B2MS1A	Commercial - 5/8" & 3/4"	14	168	20,661	3,471,000		\$6,259		
B2MS1B	Commercial - 1"	30	362	35,412	12,819,000		\$30,053		
B2MS1C	Commercial - 1 1/2"	41	487	43,801	21,331,000		\$87,964		
B2MS1D	Commercial - 2"	66	789	90,090	71,081,000		\$236,046		
B2MS1E	Commercial - 3"	2	24	169,042	4,057,000		\$14,220		
B2MS1F	Commercial - 4"	0	0	0	0		\$0		
B2MS1G	Commercial - 6"	1	10	265,100	2,651,000		\$19,774		
B2MS1H	Commercial - 8"	0	0	0	0		\$0		
B2MS0	Commercial - Flat Rate	40	482	1	504		\$22,322		
B2MSLA	Commercial Large Users - 5/8" & 3/4"	0	0	0	0		\$0		
B2MSLB	Commercial Large Users - 1"	0	0	0	0		\$0		
B2MSLC	Commercial Large Users - 1 1/2"	1	7	53,429	374,000		\$2,428		
B2MSLD	Commercial Large Users - 2"	0	0	0	0		\$0		
B2MSLE	Commercial Large Users - 3"	2	23	1,144,217	26,317,000		\$56,900		
B2MSLF	Commercial Large Users - 4"	1	12	811,250	9,735,000		\$31,293		
B2MSLG	Commercial Large Users - 6"	0	0	0	0		\$0		
B2MSLH	Commercial Large Users - 8"	0	0	0	0		\$0		
						\$4,537,405	\$6,875,594		

Total Unadjusted Revenues

Residential	\$4,259,910	\$6,368,337	\$2,108,427	49.49%
Commercial	\$230,540	\$416,637	\$186,096	80.72%
Commercial Large User	\$46,955	\$90,620		
Total Company	\$4,537,405	\$6,875,594	\$2,338,189	51.53%
Residential	\$0	\$0		
Commercial (JMR-19)	\$1,000	\$0		
Commercial Large User	\$0	\$0		

Total Adjusted Revenues

Residential	\$4,259,910	\$6,368,337	\$2,108,427	49.49%
Commercial	\$231,540	\$416,637	\$185,096	79.94%
Commercial Large User	\$46,955	\$90,620	\$43,665	92.99%
Total Company Including Test Year Adjustment	\$4,538,405	\$6,875,594	\$2,337,189	51.50%

Target Revenue Deficiency

\$2,337,017

Total Over / (Under) Recovery

\$172

Pro-Forma Adjustments to Booked Sewer Revenues

Test Year Unbilled Revenue Adjustment - Per Books (JMR-16)	\$ (224,529)
Adjust Revenues to Reflect Annual Fee for Industrial Discharge Service (JMR-19)	(1,000)
Adjust Revenue for Miscellaneous Billing Errors (GDS-20)	(9,853)
Total Adjustments to Booked Sewer Revenues	\$ (235,382)
Total Adjusted Company Revenues at Present Rates	\$4,303,023
Test Year Book Revenues (Sch. C-1, Col. A)	\$4,303,023
Difference	\$ (0)

Supporting Schedules:

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