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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission
DOCKETED

DEC -4 2006

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IN THE MATTER OF THE)
APPLICATION OF GOODMAN)
WATER COMPANY FOR A)
DETERMINATION OF THE FAIR)
VALUE OF ITS UTILITY PLANT AND)
PROPERTY AND FOR INCREASES IN)
ITS RATES AND CHARGES FOR)
UTILITY SERVICES BASED THEREON)

No. W-02500A- 06-0281

APPLICANT'S FIRST DATA
REQUEST

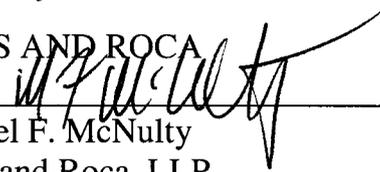
1. Workpapers - Please provide a copy of all work papers including electronic copies of schedules, copies articles, studies, and/or references used in the rate case that support the Staff's recommendations for rate base adjustments, operating statement adjustments, and cost of capital.
2. Income Tax Computation and Interest Synchronization - Please explain the basis for Staff's interest expense synchronization computation in the determination of income tax expense. Please provide supporting data and computation for the 2.10% weighted cost of debt used. Please provide the actual amounts of debt and equity used by Staff, and not simply percentages.
3. Please acknowledge that the Company has no long-term debt in its capital structure.

- 1 4. Please acknowledge that the Staff has not proposed long-term debt in the
2 Company's capital structure.
- 3 5. Please acknowledge that the Commission has accepted the formula method for
4 computing working capital for Class C utilities in the past.
- 5 6. Outside Services - Please identify what services provided by CWH2 and YL
6 Technology are duplicative. Please be specific. (Refer to page 7, line 9-10 of Mr.
7 Mylousen's direct testimony.) As part of your response, please specify what
8 portion of the services provided by each of these contractors that Staff deems to be
9 duplicated? How did Staff determine that portion which was duplicated? Please
10 provide basis, computation, and/or detailed analysis.
- 11 7. Outside Services - Please provide the rationale and basis for the amount of expense
12 Staff deemed 'appropriate' for the services of Mr. J.A. Shiner. (Refer to page 7, line
13 14-15 of Mr. Mylousen's direct testimony.) Please include any computations made
14 in determining the amount of services Staff found to be appropriate.
- 15 8. Please define 'day to day operations' as referred to by Mr. Mylousen on page 6,
16 line 20 of his direct testimony.
- 17 9. Salaries and Wages - Please describe how Staff determined the portion of the
18 employee's duties that were dedicated to 'day to day' operations? Please provide
19 basis, computation, and/or detailed analysis. (Refer to page 6, line 19-20 of Mr.
20 Mylousen's direct testimony.)
- 21 10. Repairs and Maintenance - Please respond to the following:
- 22 a. Were the services provided by P&H Contracting the same types of services later
23 provided by other contractors? If not, please explain.
- 24 b. Were the services provided by P&H Contracting duplicated by other
25 contractors? If so, please explain.
- 26 c. Regardless of whether the same contractor(s) is(are) providing the repairs and
27 maintenance services to the Company, is the Company is expected to incur a full
28 12 months of expense. If not, please explain.

- 1 e. Does Staff's recommended repairs and maintenance expense include a full 12
2 months of test year expense? If so, please explain.
3 f. Please identify the specific type of service for repairs and maintenance expense
4 that will not be recurring on a going forward basis, whether those services were
5 performed by P&H Contracting or by other contractors.
- 6 11. Please provide a proof of revenues using Staff proposed rates and the Company's
7 bill counts.

8 RESPECTFULLY SUBMITTED this 1st day of December, 2006.

9 LEWIS AND ROCA

10 
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14 Attorneys for Goodman Water Company

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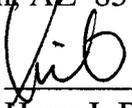
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By: 

Hope I. Bracken
Secretary to Michael F. McNulty