



BEFORE THE ARIZONA CORPORATION COMMISSION

EXHIBIT

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*Admitted*

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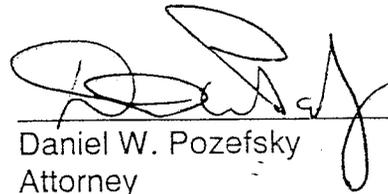
Docket No. W-01445A-02-0619

IN THE MATTER OF THE APPLICATION  
ARIZONA WATER COMPANY, AN  
ARIZONA CORPORATION, FOR  
ADJUSTMENTS TO ITS RATES AND  
CHARGES FOR UTILITY SERVICE  
FURNISHED BY ITS EASTERN GROUP  
AND FOR CERTAIN RELATED  
APPROVAL.

NOTICE OF FILING

The Residential Utility Consumer Office ("RUCO") hereby provides notice of filing  
the ~~Redacted~~ *unredacted* Surrebuttal Testimony of William A. Rigsby in the above-referenced matter.  
The unredacted testimony of Mr. Rigsby is being filed under-seal and will be provided to  
parties who have executed a confidentiality agreement.

RESPECTFULLY SUBMITTED this 3<sup>rd</sup> day of September, 2003.




---

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Attorney

1 AN ORIGINAL AND THIRTEEN COPIES  
2 of the foregoing filed this 3<sup>rd</sup> day  
3 of September, 2003 with:

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16  
17 By   
Jennifer Rumph

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**ARIZONA WATER COMPANY**  
**DOCKET NO. W-01445A-02-0619**

**SURREBUTTAL TESTIMONY**  
**OF**  
**WILLIAM A. RIGSBY**

**ON BEHALF OF**  
**THE**  
**RESIDENTIAL UTILITY CONSUMER OFFICE**

**SEPTEMBER 3, 2003**

1	INTRODUCTION.....	1
2	SUMMARY OF ARIZONA WATER'S REBUTTAL TESTIMONY .....	2
3	PINAL CREEK GROUP MATTER.....	4
4	TEST YEAR ADJUSTMENTS.....	12
5	RECOVERY OF DEFERRED CAP CHARGES .....	19
6	APACHE JUNCTION/SUPERIOR RATE CONSOLIDATION.....	21
7	RATE DESIGN.....	24
8	COST OF CAPITAL .....	25
9		

1 **INTRODUCTION**

2 Q. Please state your name, occupation, and business address.

3 A. My Name is William A. Rigsby. I am a Public Utilities Analyst V employed  
4 by the Residential Utility Consumer Office ("RUCO") located at 1110 W.  
5 Washington, Suite 220, Phoenix, Arizona 85007.

6  
7 Q. Please state the purpose of your testimony.

8 A. The purpose of my testimony is to respond to Arizona Water Company's  
9 ("Arizona Water" or "Company") rebuttal testimony on RUCO's  
10 recommended rate base, revenue requirement, rate design and rate of  
11 return on invested capital (which includes RUCO's recommended cost of  
12 debt and common equity) for the Company's Eastern Group. My  
13 surrebuttal testimony will present the positions of both myself and RUCO  
14 witness Timothy J. Coley.

15  
16 Q. Has RUCO filed any prior testimony in regard to this case?

17 A. Yes, both Mr. Coley and myself filed direct testimony on July 8, 2003. Our  
18 direct testimony presented RUCO's recommended rate base, revenue  
19 requirement, rate design and cost of capital figures for the instant case.  
20 Mr. Coley presented direct testimony on RUCO's recommended rate base  
21 and revenue requirements for the Oracle, San Manuel, Sierra Vista and  
22 Winkelman systems. My direct testimony presented RUCO's  
23 recommended rate base and revenue requirements for the Apache

1 Junction, Bisbee, Miami and Superior systems. My direct testimony also  
2 presented RUCO's recommended rate design for each of the eight  
3 aforementioned systems that comprise the Company's Eastern Group. I  
4 also filed, under separate cover, direct testimony which presented  
5 RUCO's recommended rate of return for Arizona Water's invested capital  
6 in the Eastern Group.

7  
8 **SUMMARY OF ARIZONA WATER'S REBUTTAL TESTIMONY**

9 Q. Have you reviewed the rebuttal testimony of Company witnesses William  
10 M. Garfield, Sheryl L. Hubbard, Ralph J. Kennedy, Walter W. Meek,  
11 Michael J. Whitehead and Dr. Thomas M. Zepp?

12 A. Yes, both Mr. Coley and myself reviewed the rebuttal testimony that was  
13 filed by the aforementioned Company witnesses on August 5, 2003.

14  
15 Q. Please summarize the Company's rebuttal testimony.

16 A. Mr. Garfield's rebuttal testimony provided an overview of, and presented  
17 positions on, issues that were addressed by the Company's other five  
18 witnesses. Mr. Garfield's overview includes the following issues: RUCO's  
19 recommended cost of capital, RUCO's recommended treatment of the  
20 Pinal Creek Group ("PCG") matter, RUCO's recommendation on rate  
21 consolidation for the Apache Junction and Superior systems, and RUCO's  
22 recommendations for the recovery of deferred Central Arizona Project  
23 ("CAP") charges in the Apache Junction System. Mr. Garfield's rebuttal

1 testimony also contains an in-depth discussion of the PCG matter and  
2 presents the Company's position on RUCO's recommendations regarding  
3 the PCG matter as it pertains to the Company's Miami system.

4 Ms. Hubbard's rebuttal testimony directly addresses RUCO's adjustments  
5 to the Company's test year ended December 31, 2001 ("Test Year") and  
6 indirectly addresses RUCO's recommended level of accumulated  
7 depreciation which was calculated under a half year convention. Her  
8 rebuttal testimony also presents revised rate base schedules.

9 Mr. Kennedy's rebuttal testimony concentrates on the PCG matter, rate  
10 consolidation for the Apache Junction and Superior systems, and RUCO's  
11 recommended monthly minimum charges. Mr. Kennedy also addresses  
12 the Company's request for arsenic recovery that is moving forward in a  
13 separate proceeding before the Commission.

14 Mr. Whitehead's rebuttal testimony addresses post-test year plant  
15 additions and rate consolidation in the Apache Junction and Superior  
16 systems.

17 Both Mr. Meek and Dr. Zepp address cost of capital issues.

18  
19 Q. How is your surrebuttal testimony organized?

20 A. Because many of the issues summarized above were addressed by either  
21 two or more of the Company's witnesses, my surrebuttal testimony will be  
22 organized by the issues associated with the case as opposed to being  
23 organized by individual witness.

*CAR*

1 [BEGIN CONFIDENTIAL]

2 PINAL CREEK GROUP MATTER

3 Q. Please describe the Company's rebuttal testimony regarding the PCG  
4 settlement agreement.

5 A. Mr. Garfield provides an historical background on the events that led up to  
6 the Company's settlement agreement with the PCG. He then attempts to  
7 defend the Company's position on the PCG matter by reasoning that the  
8 settlement proceeds were not given to the Company to remedy past  
9 damages alone, but were provided in conjunction with replacement water  
10 in exchange for the release of any claims against the PCG for all potential  
11 losses and future claims. Both Mr. Garfield and Mr. Kennedy cite what  
12 they believe are benefits to Miami system ratepayers as a result of the  
13 settlement agreement.

14  
15 Q. What is the Company's position on RUCO's treatment of the PCG  
16 settlement proceeds?

17 A. The Company is opposed to RUCO's recommendation that the proceeds  
18 from the \$1.4 million PCG settlement agreement be shared with the Miami  
19 system ratepayers on a 50/50 basis.

20

21

22

23

1 Q. What is the basis for the Company's position on not sharing the PCG  
2 settlement proceeds as RUCO has recommended?

3 A. The Company has taken the position that the cases cited in my direct  
4 testimony (which Mr. Garfield mistakenly identifies as being in Mr. Coley's  
5 direct testimony) deal only with the sharing of gains on the sale of assets  
6 and do not apply to this case. Mr. Garfield also stated that a Commission  
7 requirement to share the settlement proceeds with the Miami system's  
8 ratepayers would constitute "poor public policy" and would serve as a  
9 disincentive for the Company to pursue polluters for future damages. He  
10 further states that Arizona Water's gain in this matter is not a "one-way  
11 street" in that the Company has "invested capital in the Miami system to  
12 meet the needs of the Company's customers."

13  
14 Q. Has RUCO changed its position on this matter as a result of the rebuttal  
15 testimony presented by either Mr. Garfield or Mr. Kennedy?

16 A. No. RUCO believes that the 50/50 sharing of the \$1.4 million in proceeds  
17 is appropriate. RUCO disagrees with the Company's position on the PCG  
18 matter for several reasons.

19  
20 Q. Please explain RUCO's reasons for disagreeing with the Company's  
21 position on the PCG matter.

22 A. RUCO's principal disagreement is that Miami system ratepayers are also  
23 experiencing whatever damages the Company claims it is experiencing as

1 a result of the copper mining activities in the Miami community.  
2 Accordingly, ratepayers also are entitled to a portion of the actual  
3 monetary settlement. Although Mr. Garfield states that Arizona Water's  
4 actions in the PCG matter were in both the Company's and its customers  
5 best interest, the Company refuses to share the gains in an equitable  
6 manner.

7  
8 Q. Please explain RUCO's rationale for recommending a 50/50 sharing of the  
9 PCG settlement funds?

10 The concept that ratepayers are entitled to gains by utilities, whether they  
11 result from the sale of assets or for some other compelling reason, such  
12 as the one in this proceeding, is rooted in the fact that ratepayers are  
13 captive customers of an incumbent local monopoly (in this case Arizona  
14 Water). Because ratepayers have no other choice but to accept service  
15 from their incumbent utility, a portion of the rates that they pay include the  
16 non-cash depreciation expense from which the incumbent utility recovers  
17 its costs for the assets that are used to provide service. Since ratepayers  
18 are in effect forced to pay down the mortgage on the assets that provide  
19 service to them as well as a fair rate of return to the utility, state regulatory  
20 commissions, including Arizona, have ruled that ratepayers are entitled to  
21 a sharing of the gains that are associated with utility assets.  
22  
23

1 Q. Can you cite any other cases where the Commission ordered a utility to  
2 share gains with its ratepayers that did not directly involve the sale of  
3 utility assets?

4 A. The most recent example is Decision No. 66028, dated July 3, 2003 in  
5 which the Commission ordered UniSource Energy Corporation  
6 ("UniSource") to share the savings that are realized from the renegotiation  
7 of an existing purchased power contract. The Commission ordered  
8 UniSource to share 90 percent of any realized savings with the  
9 Company's ratepayers and 10 percent with its shareholders.

10  
11 Q. Please address the Company's position that a 50/50 sharing would be  
12 poor public policy and a disincentive for the Company to pursue polluters.

13 A. Based on the aforementioned UniSource decision and other prior  
14 decisions wherein the Commission has ordered that a gain be shared, it  
15 does not appear that the Commission believes that gain sharing is poor  
16 public policy. Moreover, I do not believe that an arrangement that  
17 provides real dollar reductions in rates to ratepayers who have suffered  
18 from damages to utility assets that they have paid for is poor public policy.  
19 Contrary to Arizona Water's position, such a policy would create  
20 incentives to go after even larger settlements in the future knowing that it  
21 will be required to share the gains with ratepayers.

22

23

1 Q. How does this gain sharing concept apply to the situation in this case?

2 A. As I stated earlier, the concept applies to this case by virtue of the fact that  
3 not only Arizona Water experienced damages related to utility assets but  
4 their ratepayers, who paid for the utility assets, were damaged also.  
5 Ratepayers have borne the cost of operation and maintenance expenses  
6 associated with the damaged physical assets that provided service to  
7 them, yet Arizona Water continues to maintain that ratepayers are not  
8 entitled to any of the \$1.4 million in compensation.

9  
10 Q. Please address the Company's assertion that the PCG settlement will  
11 provide savings benefits to the Miami system ratepayers.

12 A. Mr. Kennedy provides nothing more than a speculative present value  
13 analysis of avoided financial costs. Nowhere in the Company's rebuttal  
14 testimony does it make a recommendation to directly pass these projected  
15 savings on to Miami system customers through a revised rate design. In  
16 fact, none of the benefits cited in the Company's rebuttal testimony by  
17 either Mr. Garfield or Mr. Kennedy, translate directly into a tangible  
18 reduction in rates as RUCO recommends.

19  
20  
21  
22  
23

1 Q. Please respond to Mr. Garfield's argument that ratepayers have already  
2 benefited from the PCG settlement because the Company has "invested  
3 capital in the Miami system to meet the needs of the Company's  
4 customers."

5 A. As a regulated monopoly, Arizona Water is required to invest capital in  
6 order to serve its customers. Furthermore, the Company will recover that  
7 invested capital, along with a rate of return on it, through the rates that it  
8 collects from the Miami system ratepayers. If the Commission does not  
9 allow for a sharing of the gain, the Company will reap the entire \$1.4  
10 million of the PCG settlement money.

11  
12 Q. Is there any reason to believe Arizona Water shareholders have already  
13 received windfall profits from the PCG settlement?

14 A. Yes. According to Arizona Water's 1999 audited financial statements<sup>1</sup>, the  
15 Company paid a special dividend. Company shareholders received this  
16 special dividend in addition to the regular dividend that was paid during  
17 the 1999 operating period. The payment of the special dividend (totaling  
18 \$2,000,700) occurred a year after the PCG settlement was reached in  
19 1998 and during the same time frame that Arizona Water was receiving  
20 monetary disbursements of the settlement proceeds.

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<sup>1</sup> Obtained during discovery in the Company's Northern Group proceeding (Docket No. W-01445A-00-0962). When the Company was asked by RUCO why the special dividend was paid, the Company's response was that the dividend payment was made to adjust the Company's capital structure.

1 Q. Are there any other points of contention between the Company and RUCO  
2 on the PCG matter?

3 A. For the sake of clarification, RUCO recommended that the Company be  
4 required to file a rate application on the Miami system in three years as  
5 opposed to the entire Eastern Group. RUCO believes that this will be an  
6 adequate time period to determine what additional savings Miami system  
7 ratepayers may be entitled to as a result of the PCG settlement  
8 agreement.

9  
10 Q. Does RUCO accept the Company's offer to establish a PCG water  
11 adjustment mechanism, to flow through any savings realized from the  
12 PCG settlement as noted on page 30 of Mr. Garfield's rebuttal testimony?

13 A. Once the Company presents the details of such a mechanism, RUCO will  
14 consider such a proposal from both a legal and technical ratemaking  
15 aspect.

16  
17 Q. Are there any other reasons why RUCO's recommended 50/50 sharing of  
18 the \$1.4 million PCG settlement is appropriate?

19 A. Yes. Despite all the discussion and arguments presented on this issue by  
20 the Company's witnesses, the fact remains that Arizona Water realized a  
21 \$1.4 million windfall that it booked as other income in its 1998 Annual  
22 Report to the Utilities Division. If the gain is not shared, not only will the  
23 Company be compensated by ratepayers for whatever portions of the

1           PCG settlement proceeds, if any, were used to finance the Miami system  
2           plant assets as discussed by Mr. Garfield in his rebuttal testimony, it will  
3           also enjoy the entire settlement of \$1.4 million. Moreover, in the absence  
4           of a 50/50 gain sharing arrangement, there is no guarantee that the Miami  
5           system ratepayers will realize any savings or compensation connected  
6           with the damages that they have also suffered as a result of the copper  
7           mining activities in their service territory.

8  
9           **[END CONFIDENTIAL]**

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1 **TEST YEAR ADJUSTMENTS**

2 Q. Please discuss the Company's position regarding RUCO's adjustments to  
3 Test Year revenues and expenses.

4 A. In her rebuttal testimony, Company witness Hubbard has described  
5 RUCO's revenue and expense adjustments to the Test Year as an  
6 "unadjusted test year." Ms. Hubbard claims that RUCO's approach in this  
7 case violates the definition of "test year" per A.A.C. R14-2-103(A)(p). She  
8 further urges the Commission to reject RUCO's recommendation. Ms.  
9 Hubbard's rebuttal testimony includes revised rate base schedules which I  
10 will comment on later in my surrebuttal testimony.

11  
12 Q. Do you agree with Ms. Hubbard's characterization of RUCO's approach in  
13 this case as an "unadjusted test year?"

14 A. No, I do not agree with the characterization of an "unadjusted test year."  
15 Contrary to Ms. Hubbard's allegation that RUCO is proposing to "change  
16 the test year used in this proceeding," RUCO has simply made  
17 adjustments to the Company's pro forma estimates to reflect actual known  
18 and measurable changes to test year revenues and expenses. RUCO  
19 has adjusted the 2001 test year revenue and expense levels to reflect the  
20 actual results of a number of, but not all of, the expense items that were  
21 recorded during the 2002 post-test year period. This is the same period  
22 in which the actual revenues and expenses were matched *not only* to the  
23 post-test year plant additions that the Company is seeking in this case, but

1 also with the advanced and contributed plant that went into service as well  
2 (as confirmed on Page 2, Lines 13 and 14 of the rebuttal testimony of  
3 Company witness Whitehead). A review of Schedules WAR-8 and TJC-8  
4 in RUCO's direct testimony will reveal that RUCO made adjustments to  
5 virtually every test year revenue and expense item presented in the  
6 Company's application. A sound argument can be made that RUCO's  
7 adjustments demonstrate that the Company has overstated its overall  
8 level of adjusted test year expenses.

9  
10 Q. Why do you believe that the Company's overall level of adjusted test year  
11 expenses may be overstated?

12 A. A comparison of Company and RUCO income statements will reveal that  
13 the recommended levels of individual line item expenses are quite close to  
14 one another with the exceptions of the transmission & distribution,  
15 property tax, and depreciation & amortization expense items.

16 RUCO believes that the actual transmission and distribution expense  
17 levels that it is recommending are a much better barometer for future  
18 levels than the Company-proposed figure. This is because RUCO's figure  
19 includes a full year of *actual* operating results during the *actual* period that  
20 the Company's post-test year additions went into service. In addition,  
21 RUCO believes that it is only reasonable to expect operating and  
22 maintenance expense associated with transmission and distribution lines  
23 to decrease, as newer transmission and distribution line assets are placed

1 into service (i.e. fewer line breaks that will have to be repaired and more  
2 efficient use of pumping assets).

3 In regard to property taxes, Mr. Coley's direct testimony explains the  
4 differences between the Company's calculation of property tax and  
5 RUCO's calculation of property taxes and why the RUCO figure should be  
6 adopted.

7 In addressing the issue of depreciation & amortization expense, it has to  
8 be understood that the Company failed to properly match the post-test  
9 year additions which were provided through contributions in aid of  
10 construction ("CIAC"). This results in an overstated depreciation and  
11 amortization expense level because the pro forma credit entry for  
12 amortization of CIAC expense (associated with the post-test year CIAC)  
13 has not been recognized to reduce the Company's pro forma depreciation  
14 & amortization expense on a going forward basis. The Company's pro  
15 forma depreciation & amortization expense figure also includes  
16 depreciation expense on post-test year plant additions that did not make  
17 the December 31, cutoff date. Although the Company admitted that a  
18 number of those revenue neutral additions did not go into service by the  
19 December 31, 2002 cut-off date, the Company made no revisions to the  
20 adjusted test year expense items that took the aforementioned additions  
21 into consideration.

22

1 Q. Do RUCO's adjustments to the 2001 Test Year violate the provisions of  
2 A.A.C. R14-2-103(A)(p) as Ms. Hubbard has stated?

3 A. No. In no way are RUCO's adjustments to the Test Year in violation of  
4 A.A.C. R14-2-103(A)(p). The rule, which is a definition of what constitutes  
5 a test year, states the following:

6  
7 "Test year" -- The 1-year historical period used in  
8 determining rate base, operating income and rate  
9 of return. The end of the test year shall be the  
10 most recent practical date available prior to the  
11 filing.  
12

13 In this proceeding, the Company has chosen to use the period ended  
14 December 31, 2001 as the test year and, as I cannot emphasize enough,  
15 RUCO has made not only known and measureable adjustments to  
16 revenues and expenses that were incurred during the Test Year selected  
17 by the Company, but, on many expense items, has made adjustments that  
18 reflect the actual matching revenues and expenses that were recorded by  
19 the company during the 2002 operating period. This is the same  
20 operating period that the Company-proposed post-test year additions were  
21 placed into service.

22 What the Company is really saying in its rebuttal testimony is that it is  
23 okay to make adjustments to test year expenses based on speculative pro  
24 forma estimates for one to two years *after* post-test year plant is placed  
25 into service, but it is in violation of the Commission rule to make  
26 adjustments to certain test year expenses based on *actual* recorded

1 operating results that occurred during the *same post-test year operating*  
2 *period* that *post-test year* plant was actually placed into service.

3  
4 Q. Are there extreme differences between the levels of operating expense  
5 proposed by RUCO and the levels of operating expense proposed by the  
6 Company?

7 A. No. On some line items, RUCO's recommended levels of expense are  
8 actually higher than what the Company is proposing. It must also be  
9 remembered that in the case of such expense items as water testing (with  
10 the exception of the Apache Junction system), purchased water, and  
11 purchased power, Arizona Water has mechanisms in place (i.e. purchased  
12 water adjuster and purchased power adjuster) that will allow the Company  
13 to pass through increases or decreases to ratepayers. In regard to  
14 expense items with pass through mechanisms, the expense levels that  
15 RUCO is recommending in this proceeding will be included in the  
16 Company's base rates.

17  
18 Q. Has RUCO made any revisions to its revenue and expense levels as  
19 recommended in its direct testimony?

20 A. RUCO has made two changes to its recommended revenue and expense  
21 levels. The results of these changes can be viewed in the set of revised  
22 schedules that are a part of this surrebuttal testimony.

1 The first change corrects an error in the amount of Monitoring Assistance  
2 Program ("MAP") surcharge revenue that was removed from the Test Year  
3 Level of operating revenue (Operating Adjustment #7 – Remove MAP  
4 Surcharge Revenues). In Mr. Coley's and my direct testimony, RUCO  
5 incorrectly removed only a month's worth of the Company's 2002 MAP  
6 surcharge revenue. RUCO's adjusted operating revenue figure in the  
7 revised schedules correctly reflects the removal of the full twelve months  
8 of MAP surcharge revenue that was collected by the Company during the  
9 2002 operating period.

10 The second change is a restatement of RUCO's adjusted purchased CAP  
11 water expense. The change, which is exhibited in RUCO's Operating  
12 Adjustment #11 – Purchased CAP Water Expense (Apache Junction  
13 Revised Schedules, Schedule WAR-15), takes into account the changes  
14 in the CAP M&I charges that were noted in both my direct testimony and  
15 in Ms. Hubbard's rebuttal testimony. Accordingly, RUCO has also made  
16 changes in its recommended rate design in order to allow the Company to  
17 achieve RUCO's revised recommended level of revenue.

18  
19 Q. Do your revised schedules provide a final adjusted figure for the  
20 Company's requested rate case expense?

21 A. No. As stated in my direct testimony, RUCO will provide a revised rate  
22 case figure after the Company's final rate case expense has been  
23 tabulated.

1 Q. Have you reviewed the revised rate base schedules that were included in  
2 Ms. Hubbard's rebuttal testimony?

3 A. Yes.  
4

5 Q. Are there any comments that you want to make regarding the Company's  
6 revised rate base schedules?

7 A. Yes. There are three areas of concern. First, Ms. Hubbard has not  
8 included the post-test year advances in aid of construction "(AIAC") and  
9 CIAC additions that I discussed earlier which are necessary to achieve a  
10 proper matching of post-test year plant with revenues and expenses. By  
11 not including post-test year additions that were funded by AIAC's and by  
12 CIAC's, the Company continues to use only those ratemaking elements  
13 that provide both the most favorable return on investment and higher  
14 levels of operating expense. Second, Ms. Hubbard has failed to make a  
15 correction for the \$126,565 in construction work in progress ("CWIP"), that  
16 the Company did not remove from the \$3,577,227 (net of accumulated  
17 depreciation) Phoenix Office plant figure allocated among the eight  
18 systems in the Eastern Group. The adjustment for each of the eight  
19 systems can be viewed in RUCO's Rate Base Adjustment #5 which is  
20 exhibited in Schedules WAR-3 and TJC-3 of RUCO's direct and  
21 surrebuttal testimony. Failure to remove the CWIP will result in a double  
22 count of post-test year Phoenix Office plant allocated among the Eastern  
23 Group systems. A full explanation of the adjustment appears on page 23

1 of my direct testimony. Finally, Ms. Hubbard has failed to make a  
2 correction for the proper number of lead/lag days associated with the  
3 Company's federal & state income taxes. The Company continues to use  
4 the incorrect number of 2.52 days as opposed to the correct number of  
5 61.95 days, which is explained on page 25 in the direct testimony of Mr.  
6 Coley (Rate Base Adjustment #9 – Cash & Working Capital). Unless this  
7 correction is made, the Company's proposed level of cash working capital  
8 will be overstated for each of the eight systems in the Eastern Group.

9  
10 Q. Has RUCO made changes to its recommended level of accumulated  
11 depreciation expense based on the rebuttal testimony of Ms. Hubbard?

12 A. No. RUCO's recommended level of accumulated depreciation expense  
13 was calculated correctly under the half-year convention and there is no  
14 need to increase it by six months worth of net depreciation expense  
15 associated with new plant additions and retirements.

16  
17 **RECOVERY OF DEFERRED CAP CHARGES**

18 Q. Please address the Company's position in regard to RUCO's  
19 recommended treatment of the recovery of deferred CAP charges for the  
20 Company's Apache Junction system.

21 A. Both Arizona Water and RUCO are in agreement that the Company  
22 should be allowed to recover deferred CAP charges for the Apache  
23 Junction system. RUCO and the Company differ primarily on the amount

1 to be recovered. Based on Ms. Hubbard's rebuttal testimony, it appears  
2 that the Company also agrees with RUCO's recommended time period for  
3 recovery.

4

5 Q. What is the difference between the dollar amount that the Company is  
6 seeking recovery on and the dollar amount that RUCO is recommending  
7 recovery on?

8 A. The difference between the amount that the Company is seeking recovery  
9 on and the amount that RUCO is recommending recovery on is \$59,696  
10 (\$704,903 - \$645,207 = \$59,696).

11

12 Q. Why should the Company's recovery of deferred CAP charges be limited  
13 to RUCO's recommended figure of \$645,207?

14 A. RUCO views the deferred CAP charges as a recoverable asset that is no  
15 different from plant assets. In fact, the Company even treated the  
16 \$704,903 that it is seeking recovery on as an adjustment to gross plant in  
17 service (Company Application, Schedule B-2, Page 2 of 11). This being  
18 the case, RUCO believes that any amount in excess of the \$645,207 level  
19 of deferred CAP charges recorded at December 31, 2002 should be  
20 excluded from rate base as were plant additions that were not providing  
21 service as of that date.

22

23

1 Q. What is RUCO's recommended recovery period for the deferred CAP  
2 charges?

3 A. RUCO has recommended a ten-year recovery period that is similar to the  
4 time period in which the deferred charges were accumulated. Although  
5 Arizona Water originally sought a three-year recovery period, it would  
6 appear that the Company is willing to accept RUCO's recommendation  
7 based on Ms. Hubbard's rebuttal testimony, in which she states (on page  
8 14) that RUCO's recommended ten-year amortization period "is  
9 reasonable."

10

11 **APACHE JUNCTION/SUPERIOR RATE CONSOLIDATION**

12 Q. Has the Company accepted RUCO's recommendation regarding rate  
13 consolidation for the two Eastern group systems serving Apache Junction  
14 and Superior?

15 A. No. The Company continues to seek rate consolidation for the Apache  
16 Junction and Superior systems.

17

18 Q. Has RUCO changed its position on rate consolidation for the Apache  
19 Junction and Superior systems based on the Company's rebuttal  
20 testimony?

21 A. No. The Company has offered no new evidence that would support rate  
22 consolidation for Apache Junction and Superior. Mr. Whitehead has  
23 stated in his rebuttal testimony that it will be another two years before the

1 interconnection is completed near Florence Junction. Mr. Whitehead's  
2 rebuttal testimony supports RUCO's position that the Company-proposed  
3 rate design will subsidize Superior system ratepayers at the expense of  
4 Apache Junction system ratepayers.

5  
6 Q. Do you agree with the Company's position that the time to consolidate  
7 rates is now due to the higher rates that Superior system customers are  
8 faced with?

9 A. No, I do not agree with the Company's position. The 71.4 percent  
10 increase cited by Mr. Whitehead is purely based on the assumption that  
11 the Commission will adopt the Company-proposed revenue requirement  
12 for the Superior system. RUCO's recommended increase in revenue for  
13 the Superior system is 39.5 percent or just over half of the revenue  
14 increase that the Company is seeking in this proceeding. As much as  
15 RUCO would like to avoid any increase for the Superior system  
16 ratepayers, RUCO believes that a dangerous precedent would be set if  
17 the Commission were to begin forcing ratepayers to subsidize the rates of  
18 customers who receive service in unconnected systems simply because of  
19 differences in the cost to provide service. The Company is trying to  
20 advance this same notion in regard to the revised arsenic standard under  
21 the banner of "statewide problem." Individuals have choices in where they  
22 live. Ratepayers who choose to live in an area that has acceptable levels  
23 of arsenic should not be required to pay the treatment costs of ratepayers

1           who choose to live in areas that have unacceptable levels of arsenic.  
2           Subsidization on the backs of Apache Junction customers is not the  
3           answer to Superior's arsenic problems. If Apache Junction customers  
4           desire to assist it should be their decision. The Company could establish  
5           a voluntary contribution fund (such as the "Warm Spirit" program  
6           established by Citizens Communications) to provide assistance for  
7           individuals who have difficulty paying their monthly bills. Arizona Water  
8           customers could make a voluntary donation when they make their monthly  
9           payments to help less fortunate customers who are also served by the  
10          Company. For the reasons that I have cited, RUCO's position on this  
11          matter is unchanged. Absent an actual physical interconnection between  
12          the two systems, the cost of serving Apache Junction and Superior are  
13          independent and any consolidation will result in an unacceptable  
14          subsidization of Superior ratepayers by Apache Junction ratepayers.

15  
16       Q.    Has RUCO changed its position regarding future rate consolidation after  
17           the two systems are connected?

18       A.    No. RUCO has not changed its position on the possibility of future rate  
19           consolidation for the Apache Junction and Superior systems. As I stated  
20           in my direct testimony, RUCO believes that the costs of service for the two  
21           systems should be studied in the context of a rate case proceeding after  
22           the projected interconnection is completed. If it is evident that customers  
23           on both systems are receiving the benefits of the interconnection and

1 share a common cost of service, then rate consolidation may be  
2 warranted.

3  
4 **RATE DESIGN**

5 Q. Are there any major areas of disagreement between the Company and  
6 RUCO regarding rate design?

7 A. For the most part, the answer is no. Both the Company and RUCO have  
8 proposed a single tier rate design with no gallons included in the minimum  
9 monthly charge. However Mr. Kennedy has presented some charts in his  
10 rebuttal testimony that compare the proposed minimum monthly charges  
11 that I would like to address.

12  
13 Q. What point do you want to address in regard to monthly minimum  
14 charges?

15 A. The point that I want to address is that although RUCO is recommending  
16 some monthly minimums that may not be completely in line with the  
17 NARUC multiplier that Mr. Kennedy speaks of in his rebuttal testimony,  
18 the majority of these situations involve meter sizes in which there are no  
19 existing customers. In addition, the higher monthly minimums provide  
20 more stable streams of revenue to the Company during lower periods of  
21 consumption. For these reasons, the monthly minimum charges  
22 recommended by RUCO are reasonable and should be adopted by the  
23 Commission.

1 **COST OF CAPITAL**

2 Q. Has the Company accepted RUCO's recommended cost of capital?

3 A. There does not appear to be any dispute regarding RUCO's  
4 recommended cost of debt in this proceeding, however the Company has  
5 presented rebuttal testimony that rejects my 9.18 percent recommended  
6 cost of equity capital.

7  
8 Q. What issues have the Company's witnesses raised in regard to RUCO's  
9 recommended 9.18 percent cost of equity capital.

10 A. The Company's witnesses have continued to advance many of the same  
11 arguments that I addressed in my direct testimony. This includes  
12 testimony that attempts to justify the Company's argument that it faces  
13 additional risks not faced by the sample utilities included in my proxy.

14  
15 Q. Please address the rate of return issues raised by Mr. Garfield in his  
16 rebuttal testimony.

17 A. Mr. Garfield asserts that Arizona Water should be permitted a higher  
18 return on investment because the Company is well run and has  
19 consolidated smaller utilities into the Arizona Water family of water  
20 systems.

21

22

23

1 Q. Do you agree with Mr. Garfield on these points?

2 A. No. First, I do not believe that a regulated utility should be entitled to an  
3 additional rate of return simply because it is doing what it is required to do  
4 by the ACC. If a non-regulated company, operating in a competitive  
5 environment, failed to do such things as maintain proper accounting  
6 records, provide good customer service, plan for future needs, and  
7 maintain the assets that provide it with revenue streams, it would be  
8 forced out of business for providing poor products or services. Because  
9 public utilities, such as Arizona Water, which operate in protected service  
10 territories, do not face such competitive pressures, they are required by  
11 regulators to meet prescribed service requirements and accounting  
12 methods. It is to a utility's advantage to meet or exceed such  
13 requirements in order to provide its shareholders with the rate of return  
14 that it has been authorized to earn on its invested capital. Regulated  
15 utilities, such as Arizona Water, are required to comply with Commission  
16 rules or face revocation of their certificates of convenience of necessity.  
17 In fact, there have been cases where the ACC removed utility operators  
18 who failed to provide good service to their customers.

19 Second, in regard to Mr. Garfield's assertion that the Company is entitled  
20 to an additional rate of return because it acquired other smaller systems in  
21 the past, it needs to be pointed out that this was purely a business  
22 decision on the part of Arizona Water's management, as opposed to the  
23 Company acting on any type of regulatory incentive. It is reasonable to

1           assume that the Company's management believed that it would be  
2           profitable to acquire these systems since no type of incentive return was  
3           being offered by the Commission during the period in which the  
4           acquisitions occurred. The Company now wants the Commission to  
5           consider such a return on equity after the fact.

6  
7   Q.    What cost of capital issues were addressed in the testimony of Mr.  
8           Kennedy?

9   A.    Mr. Kennedy's rebuttal testimony on cost of capital issues concentrated on  
10          the circumstances surrounding the placement of the Company's Series K  
11          bonds and perceived risks associated with the revised arsenic standard.  
12          As I stated in my direct testimony, any arguments related to the  
13          Company's Series K bond issue are moot given the fact that the bonds  
14          were successfully placed. In regard to arsenic recovery, it is almost a  
15          near certainty that the Commission will approve an arsenic cost recovery  
16          mechanism ("ACRM") that will permit the Company to recover the costs  
17          associated with the Environmental Protection Agency's ("EPA") revised  
18          arsenic standard of 10 parts per billion. This last point renders moot all of  
19          the Company's rebuttal arguments on the subject of arsenic recovery in  
20          my opinion.

1 Q. What cost of capital issues does Mr. Meek address in his rebuttal  
2 testimony?

3 A. Mr. Meek, the president of the Arizona Utility Investors Association  
4 ("AUIA"), expresses concerns regarding what he describes as a  
5 "dangerous trend" in the returns on common equity being recommended  
6 by ACC Staff. Mr. Meek devotes the majority of his testimony attacking  
7 ACC staff witness Reiker over his use of the capital asset pricing model  
8 ("CAPM"). More to the point Mr. Meek is highly critical of the beta  
9 component of the CAPM model, which is the cornerstone of CAPM theory.  
10 Mr. Meek goes on to cite other factors that investors weigh in deciding  
11 whether or not to invest in a utility, including the returns of other utilities, all  
12 of which amounts to nothing more than an endorsement of the  
13 comparable earnings method (which has been discredited for almost two  
14 decades). Mr. Meek also addresses the moot issue of risk associated with  
15 arsenic recovery.

16  
17 Q. Does Mr. Meek specifically address RUCO's recommended cost of capital  
18 in his rebuttal testimony?

19 A. Mr. Meek criticizes my 9.18 percent return on common equity on page 13  
20 of his rebuttal testimony. As I stated earlier, he is critical of some of the  
21 same methods that I also used in deriving RUCO's recommended cost of  
22 equity. If you are persuaded by Mr. Meek's arguments against what he  
23 characterizes as being a textbook theory approach to determining cost of

1 common equity, then the testimony of Company witness Dr. Zepp must  
2 also be disregarded, since Dr. Zepp relies even more heavily on the same  
3 textbook theories criticized by Mr. Meek.

4  
5 Q. What is the comparable earnings methodology that you say Mr. Meek  
6 appears to be advocating in his rebuttal testimony?

7 A. The comparable earnings methodology arrives at a return on common  
8 equity that is largely based on the authorized returns of other utilities. One  
9 local utility company cost of capital consultant probably described it best  
10 when he referred to it as "circular logic<sup>2</sup>."

11  
12 Q. What are the problems associated with a comparable earnings analysis?

13 A. The best response that I can give to this question is to provide a quote  
14 from a work titled The Cost of Capital – Estimating the Rate of Return for  
15 Public Utilities<sup>3</sup> in which the authors, A. Lawrence Kolbe, James A.  
16 Read, Jr. and George R. Hall ("Kolbe et al."), analyzed the five most  
17 commonly used methods for estimating the cost of common equity. Their  
18 evaluation of the comparable earnings method is as follows:

19 "There are serious problems with the Comparable Earnings  
20 method. Only by chance will conventional application of  
21 comparable earnings yield an estimate of the rate of return

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<sup>2</sup> Rebuttal Testimony of Ronald L. Kozoman, Vail Water Company Docket No. W-01651A-97-0539 et al.

<sup>3</sup> A. Lawrence Kolbe and James A Read Jr., The Cost of Capital – Estimating the Rate of Return for Public Utilities, The MIT Press: Cambridge, Massachusetts, 1984, pp. 91-92.

1 equal to the cost of capital. Furthermore, the difference  
2 between this estimate and the cost of capital is likely to be  
3 significant. The CE [comparable earnings] method scores  
4 quite poorly on most conceptual criteria and it is clearly the  
5 worst of the five methods examined in detail.”  
6

7 Kolbe et al. go on to state:

8 “In fairness it should be noted that an expert may sometimes  
9 use the CE method as a rough guide to his or her judgment  
10 or experience or as a supplement to the results of other  
11 methods.”  
12

13 Q. Have you used the comparable earnings method in the same manner that  
14 Kolbe et al. have recommended?

15 A. To a degree yes. In this proceeding I have made no secret of the fact that  
16 I have looked at what the historic and projected returns of my sample  
17 utilities are in relation to their levels of debt and equity and weighed these  
18 facts with the estimates of independent analysts to arrive at my  
19 recommended cost of equity.  
20

21 Q. Why do you believe that Mr. Meek’s rebuttal testimony advocates the use  
22 of the comparable earnings methodology?

23 A. The views presented by Mr. Meek on pages 9 through 11 of his rebuttal  
24 testimony support the use of a comparable earnings analysis.  
25 Specifically, his reference to the 11.00 percent return on equity that was  
26 authorized for Southwest Gas Corporation in Decision No. 64172, dated  
27 October 30, 2001. The fact that Southwest Gas Corporation was

1 authorized an 11.00 percent rate of return almost two years ago has little  
2 meaning in this case when one considers what has occurred in the  
3 financial markets since that time. As I pointed out in my direct testimony,  
4 interest rates (including the yields on utility bonds as noted on page 9 in  
5 the rebuttal testimony of Dr. Zepp) have fallen dramatically and, as a  
6 result, publicly held companies do not have to offer higher dividend yields  
7 on their stocks to attract investors. On page 13 of his testimony, Mr. Meek  
8 specifically cites the fact that Value Line Investment Survey ("Value Line")  
9 has projected a 14.00 percent return on equity for Philadelphia Suburban  
10 Corp. during 2004, but doesn't bother to note the fact that Value Line is  
11 projecting a 9.50 percent return on equity for American States Water  
12 Company and a 9.00 percent return on equity for California Water Service  
13 Group, during the same 2004 period (Attachment 1). Both American  
14 States Water Company and California Water Service Group were included  
15 in my sample of utilities and, I believe it is fair to say, have more in  
16 common with Arizona Water (even in terms of arsenic removal) than what  
17 Philadelphia Suburban Corp. has. In fact, American States Water  
18 Company has an Arizona presence<sup>4</sup>.

<sup>4</sup> Arizona States Water Company is the parent company of Chaparral City Water Company in Fountain Hills, Arizona.

1 Q. Please summarize the rebuttal testimony of Dr. Zepp.

2 A. Dr. Zepp takes issue with, and restates, the results of both my discounted  
3 cash flow ("DCF") analysis and my CAPM analysis. Dr. Zepp also  
4 addresses cost of capital issues such as company size, arsenic recovery,  
5 Arizona Water's placement of the Company's Series K bonds (a moot  
6 argument which I addressed earlier), and small firm effect, all of which he  
7 believes justifies an equity premium for Arizona Water. Dr. Zepp also  
8 presents a paper that he has written that disputes the Wong study that I  
9 cited in my direct testimony.

10

11 Q. Have you reviewed Dr. Zepp's Rebuttal Table 1?

12 A. Yes. Dr. Zepp's Rebuttal Table 1 is nothing more than a comparable  
13 earnings analysis. His reasoning is that authorized and actual returns are  
14 reflective of the true cost of capital. Rebuttal Table 1 basically attempts to  
15 do what Mr. Meek attempts to do in his argument on the 11.0 percent rate  
16 of return for Southwest Gas discussed earlier. Dr. Zepp only exhibits the  
17 higher Value Line composite statistics for the entire water utility industry  
18 as opposed to presenting the Value Line forecasts for the individual  
19 utilities that make up the industry. Like Mr. Meek, Dr. Zepp ignores the  
20 fact that the same two-year forecast for American States Water Company  
21 and California Water Service Group (water utilities that operate in the  
22 western region of the U.S. and share the same geographic diversity as

1 Arizona Water) are 9.50 percent and 9.0 percent respectively (Attachment  
2 1).

3  
4 Q. Do you agree with Dr. Zepp's restatement of the results of your DCF  
5 analysis?

6 A. No, I do not. Dr. Zepp has restated the growth rate ("g") in my DCF  
7 analysis, which is the sum of a utility's internal, or sustainable growth rate  
8 (br), and the external growth rate estimate (sv). As I stated in my direct  
9 testimony, my estimate of g is in line with the projections of analysts at  
10 Zacks Investment Research, Inc. and are somewhat more optimistic when  
11 compared with the projections of analysts at Value Line. This comparison  
12 was presented in Schedule WAR-7 of my direct testimony. The numbers  
13 of independent analysts exhibited in schedule WAR-7 speak for  
14 themselves and are a far better check on my estimate of g than the  
15 restatement that Dr. Zepp presents in his rebuttal testimony. Based on my  
16 review of Dr. Zepp's DCF analysis, I believe that he relies too heavily on  
17 the higher 2006-08 Value Line projections.

18  
19 Q. Do you agree with Dr. Zepp's restatement of your CAPM analysis?

20 A. No, I do not. First, as I stated in my direct testimony, my CAPM analysis  
21 was preformed as a check on my DCF result, which I believe is valid for  
22 the reasons stated above. Further I do not intend to engage Dr. Zepp in  
23 what will ultimately become a meaningless esoteric argument that debates

1 the merits of the Sharpe-Lintner model over the merits of the zero-beta  
2 CAPM model (the type of exercise in academia that I think Mr. Meek  
3 would probably deplore). My analysis used the closest possible analog to  
4 a risk free asset, an average of the "real world" 91-day Treasury bill ("T-  
5 Bill") rate<sup>5</sup> and the 91-day T-Bill futures rate that appeared in the June 20,  
6 2003 issue of The Wall Street Journal ("WSJ"). This resulted in a risk-free  
7 ( $r_f$ ) rate of return of 0.91 percent, which produced an expected return of  
8 8.06 percent. At the other extreme Dr. Zepp has chosen to use what he  
9 considers to be a "conservative" proxy for the risk-free asset (i.e. a 30-  
10 year zero coupon treasury bond yield of 5.60 percent which is currently  
11 the highest yield for Treasury instruments). This is based on his faith in  
12 empirical tests on the zero-beta model, which "indicate" that the risk free  
13 asset should be even higher. Dr. Zepp's restatement of my CAPM  
14 analysis produces an expected return of 9.80 percent. For the sake of  
15 argument I will substitute the current 3.40 percent yield of a five-year  
16 Treasury instrument into my model<sup>6</sup>. This produces an expected return of  
17 8.97 percent (using the higher arithmetic mean to calculate the return on  
18 the market). When the three expected returns (i.e. 8.06 percent short-  
19 term, 8.97 percent intermediate-term and 9.80 percent long-term) are  
20 averaged, they produce an expected rate of return of 8.94 percent or 24

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<sup>5</sup> A six-week average was computed for the current rate using 91-day T-Bill quotes listed in Value Line's Selection and Opinion newsletter from May 16, 2003 to June 20, 2003.

<sup>6</sup> Some analysts argue that the intermediate-term rate is a better holding period yield for utilities since it more closely resembles the time frame that utilities apply for rate relief. Dr. Zepp's use of the long-term rate would assume that Arizona Water applies for rate relief every 30 years.

1 basis points lower than the 9.18 percent cost of common equity that I am  
2 recommending. I believe that this is a reasonable check on RUCO's  
3 recommended 9.18 percent cost of equity.

4  
5 Q. Please comment on Dr. Zepp's paper that takes issue with the findings of  
6 the Wong study.

7 A. I think that Dr. Zepp's work should be afforded the same level of credibility  
8 that any other article published in a scholarly journal should have. The  
9 position that it attempts to advance should be weighed with both the  
10 motives of the author and the positions that are advanced by other  
11 academicians who present their findings on the same subject. Certainly  
12 Ms. Wong should have the opportunity to defend her findings. I personally  
13 will hold off on any judgment until I have the opportunity to see the types  
14 of responses that Dr. Zepp's paper generates in the academic community.

15  
16 Q. Have any of the arguments advanced by the Company's witnesses in their  
17 rebuttal testimony persuaded you to revise your 9.18 percent cost of  
18 common equity?

19 A. No. However, a combination of recent events have led me to believe that,  
20 if anything, Arizona Water faces less risk now than it did when this  
21 proceeding began and my recommended 9.18 percent cost of equity  
22 should be revised downward. The events that I am referring to include the  
23 almost near certainty that Arizona Water will face no additional risk as a

1 result of the EPA's revised arsenic standard (as a result of the proposed  
2 ACRM that I discussed earlier) and a recent Arizona Court of Appeals  
3 decision<sup>7</sup> that has voided Department of Water Resources ("DWR") rules  
4 on reducing the pumping of both groundwater and CAP water.

5  
6 Q. Please discuss the recent Arizona Court of Appeals ruling.

7 A. Prior to the ruling, DWR rules forced conservation by making public and  
8 private water companies responsible for encouraging their customers to  
9 cut back on usage by implementing measures such as inverted block rate  
10 structures. The Arizona Court of Appeals decision now also places the  
11 burden of conservation on residents and businesses. The decision was  
12 the result of a lawsuit, filed by Arizona Water, which argued that the  
13 Company should not be held responsible for infractions of DWR rules if  
14 Apache Junction customers did not reduce water usage.

15  
16 Q. How do you view these events from a cost of capital standpoint?

17 A. From a cost of capital standpoint, both the pending approval of the ACRM  
18 by the Commission and the favorable ruling by the Arizona Court of  
19 Appeals generally reduces the perceived risks cited by Company  
20 witnesses. Accordingly, a risk premium adjustment as advocated by Dr.  
21 Zepp is not warranted. Quite simply, Arizona Water facers less risk now

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<sup>7</sup> Arizona Water Company v. Arizona Department of Water Resources, – Ariz. –, 73 P.3d 1267  
(Ariz.App. Div.1 Aug. 12, 2003) (No. 1 CA-CV 02-0276)

1           than it did when the Company filed its Application. If anything, given  
2           current circumstances, my recommended 9.18 percent cost of equity  
3           capital is overstated.

4

5   Q.    Does your silence on any of the issues or positions addressed in the  
6           rebuttal testimony of the Company's witnesses constitute acceptance?

7   A.    No, it does not.

8

9   Q.    Does this conclude your surrebuttal testimony on Arizona Water's Eastern  
10           Group systems?

11   A.    Yes, it does.



## INDUSTRY TIMELINESS: 92 (of 98)

The high costs of maintaining and upgrading the country's water and wastewater distribution systems have led to widespread consolidation in the Water Utility Industry.

The Water utility stocks in this review are not timely for year-ahead investment. Income-oriented investors may, however, find an appealing choice here, based upon above-average Safety ranks and healthy dividend payouts.

### The Need For Consolidation

Long-term trends in the Water Utility Industry indicate that infrastructure costs will continue to escalate. Water Utilities must maintain and upgrade existing facilities in order to remain in compliance with increasingly strict rules mandated by the Environmental Protection Agency (EPA) and other local regulators. Many of the water/wastewater systems that are presently in use were originally built about 100 years ago. The EPA and other industry sources indicate that hundreds of billions of dollars over the next 20 years will be needed to repair the nation's entire water system. The Water Infrastructure Network believes that there will be a \$12 billion annual shortfall for wastewater infrastructure over that period, and long-term help from the federal government is needed to solve the problem. Also, transportation costs will continue to rise, as nearby sources of water are exhausted. Water is difficult and expensive to transport, because it is heavy and cannot be compressed. Increased federal spending will cover some of the industry's long-term costs, but water companies will probably foot most of the bill.

The costs of staying in compliance with numerous laws are particularly burdensome for smaller utilities because they have a smaller base of customers over which they can spread costs. Small and mid-sized water companies usually welcome takeover offers from large-scale suitors and the significant capital resources they bring. The larger utilities benefit from economies of scale, which enables them to reduce overhead. They also gain enhanced geographic diversity from acquisitions, which reduces their susceptibility to weather fluctuations that may cause undesirable volatility in earnings. The heavy regulatory oversight that the industry faces means that some local regulators are bound to be more cooperative with utilities than officials from a different locale. A multistate territory helps to limit a company's exposure to especially onerous regulatory atmospheres.

In the past few years, large foreign utilities have swallowed up domestic water companies in an effort to gain exposure to this country's stable regulatory environment and steady population growth.

### Regulatory Challenges

These are difficult times for water utilities. Budget deficits at the federal, state, and local levels imply that scarce public funds will likely be allocated to places other than major infrastructure projects. This hardship is exacerbated by increased spending by the industry on security to protect the nation's water-distribution network from potential attacks. The industry has, however, sought regulatory relief through tort reform and changes in the tax code. In particular, they are seeking laws to make compliance with federal drinking water standards a defense in lawsuits involving contaminants covered by such standards, and they are looking for legislation that would remove existing volume caps on private activity bonds for infrastructure improvements.

### Meeting Government Regulations

The Safe Drinking Water Act (SDWA) of 1974 (amended in 1996) authorizes the EPA to work with state and local governments to periodically test for impurities in drinking water. The EPA regulates the levels of contaminants that are acceptable per a specified amount of water. These standards have been developed taking into account the health effects of chemicals, measurement capabilities, and technical feasibility. Water utilities spend a large portion of their annual capital budgets on infrastructure improvements in order to stay in compliance with the SDWA, the Clean Water Act, and numerous state and local laws.

### Investment Advice

None of the stocks in the industry are ranked to outperform the year-ahead market. Nevertheless, the recent passage of a federal tax bill has reduced the top rate investors pay on dividend income to 15%. The change has enhanced the popularity of income stocks, including water utilities. Also, *Philadelphia Suburban* and *California Water* have above-average Safety ranks, and offer decent risk-adjusted total return potential over the coming 3 to 5 years.

Joseph Espailat

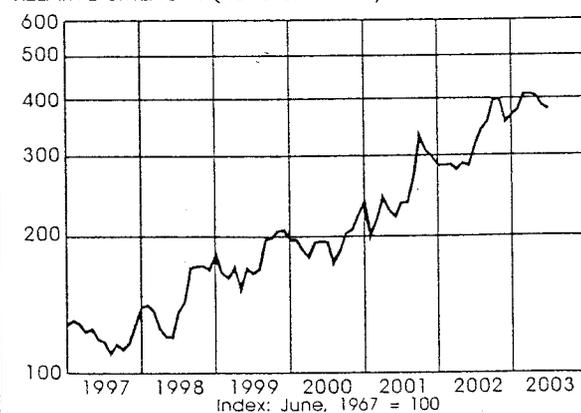
Composite Statistics: Water Utility Industry

1999	2000	2001	2002	2003	2004		06-08
637.2	704.3	751.8	794.4	835	880	Revenues (\$mill)	1090
72.4	90.9	95.4	106.6	110	130	Net Profit (\$mill)	180
40.0%	41.2%	40.2%	38.8%	39.0%	39.5%	Income Tax Rate	40.0%
--	--	--	--	Nil	.5%	AFUDC % to Net Profit	.5%
51.1%	50.3%	52.4%	53.9%	53.0%	51.5%	Long-Term Debt Ratio	51.0%
48.3%	49.3%	47.2%	45.9%	46.5%	48.5%	Common Equity Ratio	49.0%
1444.7	1661.0	1840.7	1973.6	2200	2380	Total Capital (\$mill)	2900
2100.3	2342.5	2532.3	2751.1	2990	3180	Net Plant (\$mill)	3850
7.4%	7.0%	6.8%	7.0%	6.5%	7.0%	Return on Total Cap'l	7.5%
11.5%	10.7%	10.6%	11.2%	10.0%	10.5%	Return on Shr. Equity	12.0%
11.5%	10.8%	10.7%	11.2%	10.0%	11.0%	Return on Com Equity	12.0%
3.8%	3.6%	3.3%	3.9%	3.0%	4.0%	Retained to Com Eq	5.5%
68%	67%	69%	66%	75%	65%	All Div'ds to Net Prof	54%
19.5	18.6	22.6	21.5			Avg Ann'l P/E Ratio	13.5
1.11	1.21	1.16	1.17			Relative P/E Ratio	.90
3.5%	3.6%	3.1%	3.1%			Avg Ann'l Div'd Yield	3.0%

*Bold figures are Value Line estimates*

Water Utility

RELATIVE STRENGTH (Ratio of Industry to Value Line Comp.)





# CALIFORNIA WATER

NYSE-CWT

RECENT PRICE **29.88**

P/E RATIO **27.2** (Trailing: 27.9 Median: 16.0)

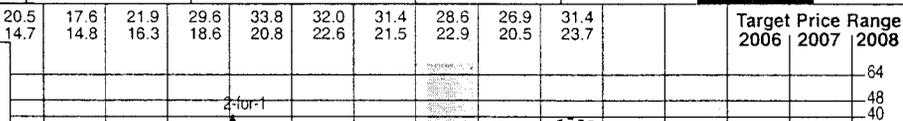
RELATIVE P/E RATIO **1.56**

DIV'D YLD **3.7%**

**VALUE LINE**

**TIMELINESS** 4 Lowered 8/1/03  
**SAFETY** 2 Lowered 8/11/95  
**TECHNICAL** 3 Lowered 7/18/03  
**BETA** .60 (1.00 = Market)

High: 17.5, 20.6, 20.5, 17.6, 21.9, 29.6, 33.8, 32.0, 31.4, 28.6, 26.9, 31.4  
 Low: 13.1, 16.1, 14.7, 14.8, 16.3, 18.6, 20.8, 22.6, 21.5, 22.9, 20.5, 23.7



**2006-08 PROJECTIONS**

Price	Gain	Ann'l Total Return
High 35	(+15%)	7%
Low 25	(-15%)	Nil

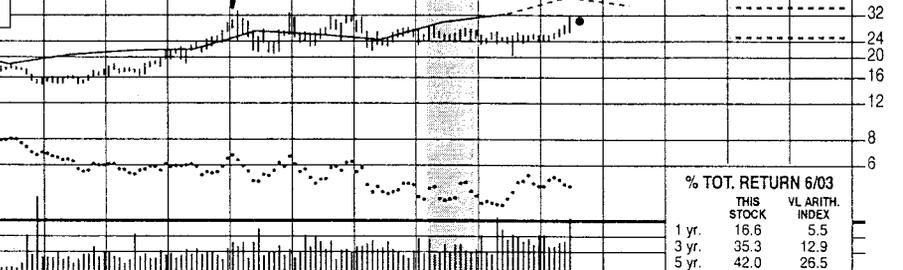
**Insider Decisions**

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

**Institutional Decisions**

	3Q2002	4Q2002	1Q2003
to Buy	26	28	24
to Sell	13	10	18
Hld's(000)	2633	2901	2803

**LEGENDS**  
 --- 1.33 x Dividends p sh divided by Interest Rate  
 .... Relative Price Strength  
 2-for-1 split 1/98  
 Options: No  
 Shaded areas indicate recession



1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	© VALUE LINE PUB., INC.	06-08
10.13	10.03	10.33	10.93	11.18	12.29	13.34	12.59	13.17	14.48	15.48	14.76	15.96	16.16	16.26	17.33	15.60	14.90	Revenues per sh	19.15
1.94	1.87	1.89	1.97	1.98	1.92	2.25	2.02	2.07	2.50	2.92	2.60	2.75	2.52	2.20	2.65	2.50	2.75	"Cash Flow" per sh	3.60
1.32	1.23	1.20	1.25	1.21	1.09	1.35	1.22	1.17	1.51	1.83	1.45	1.53	1.31	.94	1.25	1.10	1.45	Earnings per sh A	1.95
.74	.80	.84	.87	.90	.93	.96	.99	1.02	1.04	1.06	1.07	1.09	1.10	1.12	1.12	1.12	1.13	Div'd Decl'd per sh B	1.18
1.75	2.12	2.40	2.36	3.03	3.09	2.53	2.26	2.17	2.83	2.61	2.74	3.44	2.45	4.09	5.82	4.70	4.25	Cap'l Spending per sh	5.30
8.85	9.30	9.66	10.04	10.35	10.51	10.90	11.56	11.72	12.22	13.00	13.38	13.43	12.90	12.95	13.12	13.90	15.75	Book Value per sh C	18.45
11.13	11.34	11.38	11.38	11.38	11.38	11.38	12.49	12.54	12.62	12.62	12.62	12.94	15.15	15.18	15.18	17.00	18.80	Common Shs Outst'g D	18.80
10.5	11.5	10.6	10.4	11.2	14.1	13.6	14.1	13.7	11.9	12.6	17.8	17.8	19.6	27.1	19.8	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	14.5
.70	.95	.80	.77	.72	.86	.80	.92	.75	.73	.93	.93	1.01	1.27	1.39	1.08			Relative P/E Ratio	.95
5.3%	5.7%	6.6%	6.7%	6.6%	6.1%	5.2%	5.8%	6.4%	5.8%	4.6%	4.2%	4.0%	4.3%	4.4%	4.5%			Avg Ann'l Div'd Yield	4.2%

**CAPITAL STRUCTURE as of 3/31/03**  
 Total Debt \$301.7 mill. Due in 5 Yrs \$28.5 mill.  
 LT Debt \$270.1 mill. LT Interest \$16.4 mill.

(LT interest earned: 2.6x; total int. cov.: 2.4x)

**Pension Assets-12/02** \$56.3 mill. **Oblig.** \$79.6 mill.  
**Pfd Stock** \$3.5 mill. **Pfd Div'd** \$ .15 mill.  
 139,000 shares, 4.4% cumulative (\$25 par).

**Common Stock** 15,182,046 shs. as of 5/5/03  
**MARKET CAP:** \$450 million (Small Cap)

CURRENT POSITION	2001	2002	3/31/03
Cash Assets	1.0	1.1	1.7
Other	39.4	41.9	36.6
Current Assets	40.4	43.0	38.3
Accts Payable	24.0	23.7	23.0
Debt Due	26.6	24.8	31.6
Other	28.4	43.0	34.2
Current Liab.	79.0	91.5	88.8
Fix. Chg. Cov.	214%	250%	242%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '00-'02	'00-'02
Revenues	4.0%	3.0%	3.0%	2.5%
"Cash Flow"	2.5%	-5%	-	6.5%
Earnings	-	-5.0%	-	9.0%
Dividends	2.0%	1.5%	1.0%	1.0%
Book Value	2.5%	1.0%	7.0%	7.0%

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2000	46.6	66.0	76.6	55.6	244.8
2001	47.0	67.0	76.3	56.5	246.8
2002	51.7	69.2	81.4	60.9	263.2
2003	51.3	68.0	82.0	63.7	265
2004	55.0	73.0	85.0	67.0	280

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2000	.09	.40	.60	.22	1.31
2001	.01	.34	.39	.20	.94
2002	.12	.43	.50	.20	1.25
2003	d.05	.30	.60	.25	1.10
2004	.15	.40	.62	.28	1.45

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1999	.272	.271	.271	.271	1.09
2000	.275	.275	.275	.275	1.10
2001	.279	.279	.279	.279	1.12
2002	.28	.28	.28	.28	1.12
2003	.281	.281			

151.7	157.3	165.1	182.8	195.3	186.3	206.4	244.8	246.8	263.2	265	280	Revenues (\$mill)	360
15.5	14.4	14.7	19.1	23.3	18.4	19.9	20.0	14.4	19.1	18.5	27.5	Net Profit (\$mill)	37.0
40.6%	40.0%	40.1%	38.9%	37.4%	36.4%	37.9%	42.3%	39.4%	39.7%	42.0%	42.0%	Income Tax Rate	42.0%
---	---	---	---	---	---	---	---	---	---	Nil	Nil	AFUDC % to Net Profit	Nil
50.4%	46.6%	49.2%	47.4%	45.4%	44.2%	46.9%	48.9%	50.3%	55.3%	57.0%	53.0%	Long-Term Debt Ratio	51.5%
48.2%	52.2%	49.7%	51.4%	53.5%	54.7%	52.0%	50.2%	48.8%	44.0%	42.5%	46.5%	Common Equity Ratio	48.0%
257.1	276.9	296.0	299.9	306.7	308.6	333.8	388.8	402.7	453.1	555	635	Total Capital (\$mill)	725
391.7	407.9	422.2	443.6	460.4	478.3	515.4	582.0	624.3	697.0	780	820	Net Plant (\$mill)	950
8.1%	7.1%	6.8%	8.3%	9.4%	7.8%	7.8%	6.8%	5.3%	5.9%	5.0%	6.0%	Return on Total Cap'l	6.5%
12.2%	9.7%	9.8%	12.1%	13.9%	10.7%	11.2%	10.0%	7.2%	9.4%	8.0%	9.0%	Return on Shr. Equity	10.5%
12.4%	9.9%	9.9%	12.3%	14.1%	10.8%	11.4%	10.1%	7.2%	9.5%	8.0%	9.0%	Return on Com Equity	10.5%
3.6%	1.9%	1.2%	3.8%	6.0%	2.8%	3.5%	1.8%	NMF	1.0%	NMF	2.0%	Retained to Com Eq	4.0%
71%	81%	88%	69%	58%	74%	70%	82%	119%	90%	102%	78%	All Div'ds to Net Prof	61%

**BUSINESS:** California Water Service Group provides regulated and nonregulated water service to over 2 million people (461,200 customers) in 98 communities in California, Washington, and New Mexico. Main service areas: San Francisco Bay area, Sacramento Valley, Salinas Valley, San Joaquin Valley & parts of Los Angeles. Acquired Dominguez Services Corp. (5/00); Rio Grande Corp. (11/00).

Revenue breakdown, '02: residential, 70%; business, 18%; public authorities, 5%; industrial, 4%; other, 3%. '02 reported deprec. rate: 2.1%. Has about 800 employees. Chairman: Robert W. Foy. President & CEO: Peter C. Nelson. Inc.: Delaware. Address: 1720 North First Street, San Jose, California 95112-4598. Telephone: 408-367-8200. Internet: www.calwater.com.

**California Water's second-quarter results were weak.** Year-over-year share net fell 30%, to \$0.30, due mainly to continued delays in receiving rate relief from the California Public Utilities Commission (CPUC). The company is still awaiting a decision on 15 rate cases filed in July 2001 that ought to add at least \$12.8 million to revenues. Also, cool and wet weather led to lower water usage. Indeed, water sales to existing customers declined \$4.5 million. This was partially offset, however, by \$1.4 million in sales to new customers and \$1.9 million in rate increases. Meanwhile, production costs decreased \$1 million because of lower water usage.

**California Water ought to generate solid share-earnings advances over the coming 3 to 5 years.** Ongoing delays at the CPUC will probably continue to plague the company's revenues, but there have been some recent changes to the makeup of the commission. As a result, we expect rate relief to gradually improve for the water utility. Moreover, regular rate increases and steady population growth should help sustain solid revenue momentum. The company recently completed its acquisition of Ka'anapali Water, which is a Hawaii-based, 500-customer utility. We believe that California Water will continue to make small out-of-state purchases like this in an effort to achieve cost synergies and diversify its regulatory environment.

**The company's results should get better in the second half of 2003.** The top line ought to benefit from recent rate decisions for \$2.8 million and \$1.8 million that are to be collected through June 2004 and June 2005, respectively. CWT plans to submit the third of three filings for the recovery of costs associated with a new treatment plant in the September quarter, and may receive a decision this year. But if it does not, cost containment should help buoy the bottom line.

**These shares are an untimely selection for investment over the coming 12 months,** due to unfavorable price and earnings trends. Although the stock has an above-average Safety rank (2) and appealing dividend-growth prospects, its total-return potential out to 2006-2008 is negligible.

Joseph Espailant August 1, 2003

(A) Basic EPS. Excl. nonrecurring gain (loss): '87, 39c; '00, (7c); '01, 4c; Q2'02, 8c. Next earnings report due late Oct.

(B) Dividends historically paid in mid-Feb., May, Aug., Nov. ■ Div'd reinvestment plan available.

(C) Incl. deferred charges. In '02: \$31.4 mill., \$2.07/sh.  
 (D) In millions, adjusted for split.

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	55
Earnings Predictability	70

**To subscribe call 1-800-833-0046.**

# PHILA. SUBURBAN

NYSE-PSC

RECENT PRICE **23.67**

P/E RATIO **23.7** (Trailing: 25.7) (Median: 18.0)

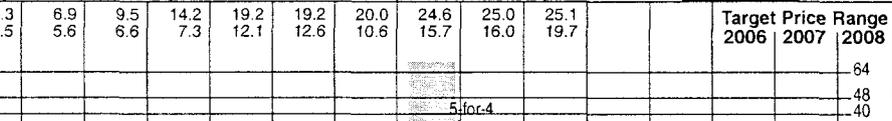
RELATIVE P/E RATIO **1.36**

DIV'D YLD **2.5%**

VALUE LINE

**TIMELINESS 3** Lowered 2/1/02  
**SAFETY 3** Lowered 8/1/03  
**TECHNICAL 3** Lowered 7/18/03  
 BETA .70 (1.00 = Market)

High: 5.3 6.6 6.3 6.9 9.5 14.2 19.2 19.2 20.0 24.6 25.0 25.1  
 Low: 4.4 5.0 5.5 5.6 6.6 7.3 12.1 12.6 10.6 15.7 16.0 19.7



**2006-08 PROJECTIONS**

	Price	Gain	Ann'l Total Return
High	35	(+50%)	12%
Low	25	(+5%)	4%

**Insider Decisions**

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	1	1	0	1	0
to Sell	0	0	0	0	0	0	1	0	0

**Institutional Decisions**

	3Q2002	4Q2002	1Q2003
to Buy	99	78	85
to Sell	37	55	55
Hld's(000)	24196	23378	23158

LEGENDS  
 — 2.00 x Dividends p sh divided by Interest Rate  
 ..... Relative Price Strength  
 3-for-2 split 7/96  
 4-for-3 split 1/98  
 5-for-4 split 12/00  
 5-for-4 split 12/01  
 Options: Yes  
 Shaded areas indicate recession

	3Q2002	4Q2002	1Q2003	2Q2003
Percent shares traded	4.5	3	3	1.5

Year	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	Value Line Pub., Inc.	06-08
Revenues per sh	4.60	5.57	5.67	3.37	3.57	3.04	2.84	3.03	3.06	3.11	3.36	3.49	4.02	4.11	4.49	4.74	5.00	5.20	5.20	6.00
"Cash Flow" per sh	.75	.83	.81	.72	.74	.65	.70	.70	.78	.84	.93	1.02	1.20	1.26	1.44	1.57	1.75	1.90	1.90	2.45
Earnings per sh <sup>A</sup>	.36	.37	.34	.41	.41	.39	.41	.43	.49	.50	.57	.66	.70	.78	.85	.90	1.00	1.10	1.10	1.45
Div'd Decl'd per sh <sup>B</sup>	.30	.30	.30	.32	.32	.33	.34	.35	.36	.38	.40	.43	.45	.47	.50	.54	.57	.60	.60	.70
Cap'l Spending per sh	.92	1.10	1.44	1.26	.90	1.00	.78	.76	.87	.80	.96	1.36	1.50	1.93	1.81	2.00	2.20	2.35	2.35	2.85
Book Value per sh	3.52	3.60	3.65	3.50	3.45	3.48	3.81	4.01	4.10	4.48	4.73	5.34	5.71	6.42	6.91	7.26	7.55	8.00	8.00	9.90
Common Shs Outs'tg <sup>C</sup>	22.59	22.62	23.56	24.39	24.85	30.72	35.64	35.87	38.25	39.45	40.48	43.32	64.08	67.10	68.39	67.92	69.00	70.50	70.50	75.00
Avg Ann'l P/E Ratio	14.0	12.3	12.9	10.2	10.8	12.5	14.4	13.5	12.0	15.6	17.8	22.5	21.2	18.2	23.6	23.6	23.6	23.6	23.6	21.0
Relative P/E Ratio	.94	1.02	.98	.76	.69	.76	.85	.89	.80	.98	1.03	1.17	1.21	1.18	1.21	1.29	1.29	1.29	1.29	1.40
Avg Ann'l Div'd Yield	6.0%	6.5%	6.9%	7.7%	7.2%	6.8%	5.9%	6.0%	6.2%	4.9%	3.9%	2.9%	3.0%	3.3%	2.5%	2.5%	2.5%	2.5%	2.5%	2.3%

**CAPITAL STRUCTURE as of 3/31/03**  
 Total Debt \$741.9 mill. Due in 5 Yrs \$260.0 mill.  
 LT Debt \$580.8 mill. LT Interest \$35.0 mill.  
 (Total interest coverage: 3.5x)

101.2	108.6	117.0	122.5	136.2	151.0	257.3	275.5	307.3	322.0	345	365	Revenues (\$mill)	450
14.7	15.6	19.0	19.8	23.2	28.8	45.0	50.7	58.5	62.7	70.0	77.5	Net Profit (\$mill)	110
41.5%	42.5%	40.4%	41.4%	40.6%	40.5%	38.4%	38.9%	39.3%	38.5%	39.5%	39.5%	Income Tax Rate	39.5%
5.5%	8%	1.6%	--	--	--	1.5%	4.2%	--	--	Nil	1.0%	AFUDC % to Net Profit	2.0%

**Pension Assets-12/02** \$94.4 mill. **Oblig.** \$131.1 mill.  
**Pfd Stock** \$.2 mill. **Pfd Div'd** \$.1 mill.

49.9%	50.2%	51.9%	54.1%	54.4%	52.7%	52.9%	52.0%	52.2%	54.2%	54.0%	55.0%	Long-Term Debt Ratio	52.0%
46.7%	47.4%	46.4%	44.0%	44.8%	46.6%	46.7%	47.8%	47.7%	45.8%	46.0%	45.0%	Common Equity Ratio	48.0%
291.2	303.1	338.0	401.7	427.2	496.6	782.7	901.1	990.4	1076.2	1160	1250	Total Capital (\$mill)	1550
366.2	385.7	436.9	502.9	534.5	609.8	1135.4	1251.4	1368.1	1490.8	1600	1720	Net Plant (\$mill)	2100

**Common Stock** 68,097,741 shares as of 4/29/03

7.1%	7.0%	7.7%	6.8%	7.4%	7.6%	7.4%	7.4%	7.8%	7.6%	7.5%	8.0%	Return on Total Cap'l	9.0%
10.1%	10.4%	11.7%	10.7%	11.9%	12.3%	12.2%	11.7%	12.3%	12.7%	13.0%	14.0%	Return on Shr. Equity	15.0%
10.2%	10.3%	11.7%	11.2%	12.0%	12.4%	12.3%	11.7%	12.4%	12.7%	13.0%	14.0%	Return on Com Equity	15.0%

**MARKET CAP: \$1.6 billion (Mid Cap)**

1.6%	2.1%	3.5%	2.8%	3.6%	4.5%	4.3%	4.7%	5.1%	5.2%	6.0%	6.5%	Retained to Com Eq <sup>D</sup>	8.0%
85%	81%	71%	75%	70%	64%	65%	60%	59%	59%	56%	55%	All Div'ds to Net Prof	48%

**CURRENT POSITION (\$MILL.)**

	2001	2002	3/31/03
Cash Assets	20.8	49.7	49.7
Receivables	56.3	57.7	56.7
Inventory (AvgCst)	4.4	4.6	5.1
Other	8.1	2.7	2.3
Current Assets	89.6	114.7	113.8
Accts Payable	27.7	31.1	17.7
Debt Due	124.6	149.4	161.1
Other	50.3	46.0	49.1
Current Liab.	202.6	226.5	227.9
Fix. Chg. Cov.	335%	347%	340%

**BUSINESS:** Philadelphia Suburban Corp., parent of Philadelphia Suburban Water Co. (PSWC), a regulated utility, provides water to approximately 2.0 million residents in Pennsylvania, Ohio, New Jersey, Illinois, Maine and North Carolina. Sold three of four non-water businesses in '91; sold telemarketing group in '93. Acquired Consumers Water 4/99. Water supply revenues '02: residential, 61%; commercial, 17%; industrial & other, 22%. Has about 970 employees, 21,600 stockholders. Officers and directors own 1.6% of the common stock (4/03 Proxy). Chairman & Chief Executive Officer: Nicholas DeBenedictis. Incorporated: Pennsylvania. Address: 762 Lancaster Avenue, Bryn Mawr, Pennsylvania 19010. Telephone: 610-527-8000. Internet: www.suburbanwater.com.

**ANNUAL RATES of change (per sh)**

	Past 10 Yrs.	Past 5 Yrs.	Est'd '00-'02
Revenues	3.0%	7.0%	5.0%
"Cash Flow"	7.5%	11.0%	9.5%
Earnings	7.5%	10.0%	10.0%
Dividends	4.5%	6.0%	5.5%
Book Value	7.0%	9.0%	6.5%

**Philadelphia Suburban Corp. has generated solid operating results thus far in 2003.** This is attributable, in part, to the many growth ventures (i.e., new contracts and acquisitions) conducted over the past year. And thanks to substantial rainfall late in 2002 and early this year, the company has been well positioned to meet the heavy demand during the summer months in its core Pennsylvania service territory. (Last year, consumption here was held back by drought restrictions.) Finally, earnings are being boosted by higher water rates in Pennsylvania, New Jersey, and Ohio. All things considered, we believe that Philadelphia Suburban's bottom line will advance in the 10% range this year.

**QUARTERLY REVENUES (\$ mill.)**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2000	64.5	68.5	73.3	69.2	275.5
2001	70.2	77.3	84.7	75.1	307.3
2002	71.7	76.6	91.9	81.8	322.0
2003	80.5	84.5	95.0	85.0	345
2004	83.0	90.0	101	91.0	365

**The company remains an active participant in the ongoing consolidation in the water-service industry.** The costs required for compliance with current quality standards for drinking water have risen to the point where a number of the many small water suppliers in the United States have been struggling financially. This has resulted in a buyer's market in which a well-capitalized company (such as Philadelphia Suburban) can enforce its customer base at relatively low cost. The latest additions to its portfolio are Village of Grant Park water system, serving roughly 1,500 residents in Kankakee County, Illinois, and Deep Well Terrace water system, serving around 150 customers in Burlington County, New Jersey. (Note that future acquisitions are excluded from our figures because of timing issues and other uncertainties associated with that strategy.)

**EARNINGS PER SHARE <sup>A</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2000	.16	.19	.24	.19	.78
2001	.17	.22	.28	.18	.85
2002	.17	.20	.31	.22	.90
2003	.19	.23	.33	.25	1.00
2004	.22	.25	.35	.28	1.10

**Philadelphia Suburban shares are ranked to perform only in line with the market for the coming year.** That's based on recent price and earnings momentum. And though we project solid bottom-line advances out to 2006-2008 (aided by rate increases and productivity enhancements), total-return potential at the current quotation is moderate, assuming 5% to 6% average annual dividend growth during that time. These shares possess some positive attributes, though, including a high mark for Price Growth Persistence and a good Price Stability rating.

**QUARTERLY DIVIDENDS PAID <sup>B</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1999	.109	.109	.115	.115	.45
2000	.115	.115	.115	.124	.47
2001	.124	.124	.124	.132	.50
2002	.132	.132	.132	.14	.54
2003	.14	.14			

**Frederick L. Harris, III August 1, 2003**

(A) Primary shares outstanding through '96; diluted thereafter. Excl. nonrec. gains (losses): '90, (47c); '91, (43c); '92, (47c); '99, (14c); '00, 3c; '01, 2c; '02, 6c. Excl. gain from disc. opera-

tions: '96, 3c. Next earnings report due late Oct. (B) Dividends historically paid in early March, June, Sept. & Dec. Div'd reinvestment plan available. (C) in millions, adjusted

for stock splits. (D) Return on common equity allowed by PA PUC in '91 rate adjustment: 12.0%. Return on avg. common equity in '02, 13.9%.

Company's Financial Strength	8+
Stock's Price Stability	85
Price Growth Persistence	90
Earnings Predictability	100



ARIZONA WATER COMPANY  
APACHE JUNCTION SYSTEM - REVISED SCHEDULES  
DOCKET NO. W-1445A-02-0619  
TABLE OF CONTENTS TO SCHEDULES WAR

SCHEDULE #

WAR - 1	REVENUE REQUIREMENTS
WAR - 2	RATE BASE - ORIGINAL COST
WAR - 3	SUMMARY OF RATE BASE ADJUSTMENTS
WAR - 4	RATE BASE ADJUSTMENTS #1, #2 & #3 - PLANT IN SERVICE/POST TEST YEAR PLANT, PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION
WAR - 5	RATE BASE ADJ. #4 - RECONCILE TEST YEAR ALLOCATED PHOENIX OFFICE & METER SHOP AND ACCUMULATED DEPRECIATION BALANCES
WAR - 6	RATE BASE ADJ. #5 - REMOVE CWIP FROM PHOENIX OFFICE ALLOCATION
WAR - 7	RATE BASE ADJUSTMENT #9 - WORKING CAPITAL
WAR - 8	OPERATING INCOME - TEST YEAR AND RUCO PROPOSED
WAR - 9	SUMMARY OF OPERATING ADJUSTMENTS
WAR - 10	OPERATING ADJ. #1 - RECONCILE COMPANY PROPOSED OPERATING INCOME TO 2002 ACTUAL
WAR - 11	OPERATING ADJ. #5 - REVENUE ANNUALIZATION FOR 2002
WAR - 12	OPERATING ADJ. #8 - DEPRECIATION & AMORTIZATION EXPENSE
WAR - 13	OPERATING ADJ. #9 - PROPERTY TAX EXPENSE
WAR - 14	OPERATING ADJ. #10 - INCOME TAXES
WAR - 15	OPERATING ADJ. #11 - APACHE JUNCTION PURCHASED CAP WATER EXPENSE
WAR - 16	COST OF CAPITAL
WAR - 17	PROPOSED RATES
WAR - 18	MONTHLY MINIMUM CHARGES
WAR - 19	BILLING ANALYSIS
WAR - 20	REVENUE SUMMARY BY METER SIZE AND CUSTOMER CLASS

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 APACHE JUNCTION SYSTEM - REVISED SCHEDULES  
 REVENUE REQUIREMENTS

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-1  
 PAGE 1 OF 2

LINE NO.	DESCRIPTION	(A) COMPANY REQUESTED	(B) RUCO RECOMMENDED
1	ADJUSTED RATE BASE	\$ 24,207,015	\$ 19,793,353
2	ADJUSTED OPERATING INCOME	1,862,935	2,099,279
3	CURRENT RATE OF RETURN (L2 / L1)	7.70%	10.61%
4	REQUIRED RATE OF RETURN	11.00%	8.68%
5	REQUIRED OPERATING INCOME (L4 * L1)	2,662,772	1,718,626
6	OPERATING INCOME DEFICIENCY (L5 - L2)	799,837	(380,654)
7	GROSS REVENUE CONVERSION FACTOR	1.63241	1.63245
8	GROSS REVENUE INCREASE	\$ 1,305,661	\$ (621,398)
9	CURRENT REVENUES T/Y ADJUSTED	8,943,927	9,612,009
10	PROPOSED ANNUAL REVENUE (L8 + L9)	10,249,588	8,990,611
11	PERCENTAGE AVERAGE INCREASE	14.60%	-6.46%

REFERENCES:

COLUMN (A): COMPANY SCHEDULE A-1

COLUMN (B): SCHEDULE WAR-1, PG. 2, WAR-2, AND WAR-8

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 APACHE JUNCTION SYSTEM - REVISED SCHEDULES  
 GROSS REVENUE CONVERSION FACTOR

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-1  
 PAGE 2 OF 2

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	REVENUE	1.0000	
2	UNCOLLECTIBLES	<u>0.002316</u>	COMPANY SCH. C-3
3	SUB-TOTAL	0.9977	LINE 1 - LINE 2
4	LESS: TAX RATE	<u>38.51%</u>	NOTE (a)
5	TOTAL	0.6126	LINE 3 - LINE 4
6	REVENUE CONVERSION FACTOR	<u>1.63245</u>	LINE 1/LINE 5

NOTE (a):  
 CALCULATION OF EFFECTIVE TAX RATE

OPERATING INCOME BEFORE TAXES	100.00%
ARIZONA STATE TAX	<u>6.97%</u>
TAXABLE INCOME FEDERAL	93.03%
FEDERAL INCOME TAX RATE	<u>34.00%</u>
SUBTOTAL	31.63%
ADD STATE TAX RATE	38.60%
LINE 3 ABOVE	<u>99.77%</u>
EFFECTIVE TAX RATE	38.51%

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 APACHE JUNCTION SYSTEM - REVISED SCHEDULES  
 RATE BASE - ORIGINAL COST

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-2

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO ADJUSTMENTS	(C) RUCO AS ADJUSTED
1	PLANT IN SERVICE/POST-TEST YEAR ADDITIONS	\$ 54,521,888	\$ (733,301)	\$ 53,788,587
2	PHOENIX OFFICE & METER SHOP ALLOCATION	870,209	214,642	1,084,851
3	DEFERRED CAP CHARGES	704,903	(59,696)	645,207
4	ACCUMULATED DEPRECIATION	<u>(8,791,705)</u>	<u>(1,102,379)</u>	<u>(9,894,085)</u>
5	NET PLANT IN SERVICE	\$ 47,305,294	\$ (1,680,734)	\$ 45,624,560
6	CONSTRUCTION WORK IN PROGRESS (CWIP)	<u>-</u>	<u>-</u>	<u>-</u>
7	TOTAL NET PLANT	\$ 47,305,294	\$ (1,680,734)	\$ 45,624,560
8	ADVANCES IN AID OF CONSTRUCTION (AIAC)	(15,443,377)	(1,264,007)	(16,707,384)
9	CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	(6,228,486)	(668,894)	(6,897,380)
10	ACCUMULATED AMORTIZATION OF CIAC	713,806	169,980	883,786
11	DEFERRED INCOME TAXES	(2,699,309)	(409,446)	(3,108,755)
14	WORKING CAPITAL	<u>559,087</u>	<u>(560,561)</u>	<u>(1,474)</u>
15	TOTAL RATE BASE	<u>\$ 24,207,015</u>	<u>\$ (4,413,662)</u>	<u>\$ 19,793,353</u>

REFERENCES:

COLUMN (A): COMPANY SCHEDULE B-1  
 COLUMN (B): SCHEDULE WAR-3  
 COLUMN (C): COLUMN (A) + COLUMN (B)

ARIZONA WATER COMPANY  
TEST YEAR ENDED DECEMBER 31, 2001  
APACHE JUNCTION SYSTEM - REVISED SCHEDULES  
SUMMARY OF RATE BASE ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) ADJ.#1	(C) ADJ.#2	(D) ADJ.#3	(E) ADJ.#4	(F) ADJ.#5	(G) ADJ.#6	(H) ADJ.#7	(I) ADJ.#8	(J) ADJ.#9	(K) ADJ.#10	(L) ADJ.#11	(M) RUCCO ADJUSTED
1	PLANT IN SERVICE/POST-TEST YEAR ADDITIONS	\$54,521,888	(\$733,301)	\$130,939 (b)		113,863	(30,160)							\$ 53,788,587
2	PHOENIX OFFICE & METER SHOP ALLOCATION	870,209 (a)												1,084,351
3	DEFERRED CAP CHARGES	704,903										(59,696)		845,207
4	ACCUMULATED DEPRECIATION	(8,791,705)		(\$988,516) (c)	(113,863)									(9,894,085)
5	NET PLANT IN SERVICE	\$47,305,294	\$ (733,301)	\$ 130,939	\$ (988,516)	\$ -	\$ (30,160)	\$ -	\$ -	\$ -	\$ -	\$ (59,696)	\$ -	\$ 45,624,560
6	CONSTRUCTION WORK IN PROGRESS (CWIP)													
7	TOTAL NET PLANT	\$47,305,294	\$ (733,301)	\$ 130,939	\$ (988,516)	\$ -	\$ (30,160)	\$ -	\$ -	\$ -	\$ -	\$ (59,696)	\$ -	\$ 45,624,560
8	ADVANCES IN AID OF CONSTRUCTION (AIAC)	(15,443,377)						(1,264,007)						(16,707,384)
9	CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	(6,228,486)							(666,894)					(6,897,380)
10	ACCUMULATED AMORTIZATION OF CIAC	713,806							169,960					883,766
11	DEFERRED INCOME TAXES	(2,699,309)								(409,446)				(3,108,755)
12	WORKING CAPITAL	559,087												(1,474)
13	TOTAL RATE BASE	\$24,207,015	\$ (733,301)	\$ 130,939	\$ (988,516)	\$ -	\$ (30,160)	\$ (1,264,007)	\$ (498,914)	\$ (409,446)	\$ (560,561)	\$ (59,696)	\$ -	\$ 19,793,353

ADJUSTMENT #:  
1. PLANT IN SERVICE/POST-TEST YEAR ADDITIONS  
2. PHOENIX OFFICE & METER SHOP ALLOCATION  
3. ACCUMULATED DEPRECIATION  
4. RECONCILE PHX OFFICE & METER SHOP AND ACCUM DEPR.  
5. REMOVE CWIP FROM PHOENIX OFFICE ALLOCATION  
6. AIAC - 2002 BALANCE

ADJUSTMENT #:  
7. CIAC - 2002 BAL. & AMORTIZATION  
8. ACCUMULATED DEFERRED INCOME TAXES  
9. WORKING CAPITAL  
10. DEFERRED CAP CHARGES  
11. NOT USED

REFERENCE:  
SCHEDULE WAR-4, PAGE 7  
SCHEDULE WAR-4, PAGE 7  
SCHEDULE WAR-4, PAGE 7  
SCHEDULE WAR-3  
SCHEDULE WAR-8  
RUCCO D.R. NO. 6.3

REFERENCE:  
RUCCO D.R. NO. 6.3, TESTIMONY - WAR  
RUCCO D.R. NO. 6.3  
SCHEDULE WAR-7, PAGE 3  
TESTIMONY - WAR  
N/A

NOTES:  
(a) NET OF ACCUMULATED DEPRECIATION  
(b) GROSS PHOENIX OFFICE AND METER SHOP ADDITIONS ALLOCATED DURING 2002  
(c) INCLUDES ACCUMULATED DEPRECIATION ON 2002 PHOENIX OFFICE AND METER SHOP ADDITIONS

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1990 PLANT VALUE PER COMPANY	1990 ACCUM DEPR. PER COMPANY	1990 NET PRIOR ACC PER COMPANY	1991 ADDITIONS PER COMPANY	1991 (RETIREMENTS) PER COMPANY	1991 YEAR END PLANT VALUE PER RUCO	1991 DEPRECIATION EXPENSE PER RUCO	1991 ACCUMULATED DEPRECIATION PER RUCO	1991 YEAR END NET PLANT PER RUCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	6,545	0	6,545	0	0	6,545	0	0	6,545
7	311.0	SOURCE OF SUPPLY: LAND - WELLS*	260,702	39,338	221,364	14,195	0	274,897	6,481	45,818	229,079
8	320.0	PUMPING PLANT: LAND*	3,901	0	3,901	0	0	3,901	0	0	3,901
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	12,328	1,860	10,468	59,691	0	12,328	298	2,159	10,169
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	958,523	144,633	813,890	0	0	1,018,214	23,919	168,551	849,663
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	4,211	635	3,576	0	0	4,211	102	737	3,474
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	55,552	0	55,552	0	0	55,552	0	0	55,552
16	340.1	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	1,663,153	250,955	1,412,198	7,347	0	1,670,500	40,337	291,292	1,379,208
18	342.0	TRANSMISSION & DISTRIBUTION: MAINS	9,502,472	1,433,839	8,068,633	278,270	(8,806)	9,771,936	233,220	1,658,254	8,113,682
19	343.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	91,874	13,863	78,011	6,640	0	98,514	2,304	16,167	82,347
20	344.0	TRANSMISSION & DISTRIBUTION: SERVICES	1,999,217	301,664	1,697,553	118,842	(10,476)	2,107,583	49,692	340,881	1,766,702
21	345.0	TRANSMISSION & DISTRIBUTION: METERS	464,083	70,026	394,057	4,962	(3,428)	465,617	11,249	77,847	387,770
22	346.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	562,609	84,893	477,716	3,216	0	565,825	13,654	98,547	467,278
23	348.0	GENERAL PLANT: LAND - OFFICE*	6,307	0	6,307	0	0	6,307	0	0	6,307
24	389.1	GENERAL PLANT: LAND - WAREHOUSE*	63	0	63	0	0	63	0	0	63
25	389.2	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0
26	390.1	GENERAL PLANT: OFFICE BUILDINGS	124,389	18,769	105,620	0	0	124,389	3,010	21,779	102,610
27	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	22,681	3,422	19,259	121	0	22,802	550	3,973	18,829
28	390.3	GENERAL PLANT: MISC. BUILDINGS	478	72	406	0	0	478	12	84	394
29	390.3	GENERAL PLANT: MISC. BUILDINGS	22,903	3,456	19,447	0	(139)	22,764	553	3,869	18,895
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	18,824	2,840	15,984	1,213	0	20,037	470	3,311	16,726
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	16,241	2,451	13,790	339	0	16,580	397	2,848	13,732
32	391.2	GENERAL PLANT: OFFICE FURNITURE	259	39	220	0	0	259	6	45	214
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	56,177	8,477	47,700	1,526	(37)	57,666	1,378	9,817	47,849
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	1,148	173	975	49	0	1,197	28	202	995
35	395.0	GENERAL PLANT: LAB EQUIPMENT	30,101	4,542	25,559	1,916	(514)	31,503	745	4,773	26,730
36	397.0	GENERAL PLANT: POWER EQUIPMENTS EQUIPMENT	126,784	19,131	107,653	0	0	126,784	3,068	22,199	104,585
37	397.1	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	1,781	289	1,512	464	0	2,245	49	317	1,928
38	397.1	GENERAL PLANT: MOBILE RADIOS	59	9	50	1,460	0	1,519	19	28	1,491
39	397.2	GENERAL PLANT: AUTO CONTROLS	232	35	197	0	0	232	6	41	191
40	398.0	GENERAL PLANT: MISC.	0	0	0	0	0	0	0	0	0
41		TOTALS	\$16,013,597	\$2,405,391	\$13,608,206	\$500,251	(\$23,400)	\$16,490,448	\$391,548	\$2,773,639	\$13,716,909

REFERENCE:  
 ACC STAFF D.R. NO. REL 1-24

NOTE:  
 \* NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY  
TEST YEAR ENDED DECEMBER 31, 2001  
APACHE JUNCTION SYSTEM - REVISED SCHEDULES  
RATE BASE ADJUSTMENTS #1, #2 & #3 - PLANT IN SERVICE POST TEST YEAR PLANT,  
PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1992 ADDITIONS PER COMPANY	1992 (RETIREMENTS) PER COMPANY	1992 YEAR END PLANT VALUE PER RUCCO	1992 DEPRECIATION EXPENSE PER RUCCO	1992 ACCUMULATED DEPRECIATION PER RUCCO	1992 YEAR END NET PLANT PER RUCCO	1993 ADDITIONS PER COMPANY	1993 (RETIREMENTS) PER COMPANY	1993 YEAR END PLANT VALUE PER RUCCO	1993 DEPRECIATION EXPENSE PER RUCCO	1993 ACCUMULATED DEPRECIATION PER RUCCO	1993 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0	4,648	0	4,648	0	0	4,648
4	304.0	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	333	0	6,878	7,137	59,615	216,101
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	6,545	0	0	22,961	278	0	3,901	0	0	9,901
7	314.0	SOURCE OF SUPPLY: WELLS	541	0	275,438	0	0	3,901	0	0	12,328	319	0	9,552
8	320.0	PUMPING PLANT: LAND*	0	0	12,328	288	0	9,871	41,295	(9,246)	1,111,245	28,366	180,873	930,372
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	93,159	(32,177)	1,079,196	25,379	161,753	917,443	0	0	0	0	0	0
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	43,940	1,396	0	43,940	4,024	0	49,300	1,225	2,561	46,739
13	331.0	WATER TREATMENT PLANT: LAND	41,065	0	0	0	0	0	0	0	55,552	0	0	55,552
14	332.0	WATER TREATMENT PLANT: STRUCTURES	0	0	55,552	0	0	0	0	0	0	0	0	0
15	340.0	WATER TREATMENT PLANT: LAND, TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	16,705,000	40,426	331,718	1,338,782	14,915	(60,523)	10,814,058	43,451	375,170	1,309,645
18	342.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	10,186,853	241,501	1,873,540	8,307,313	697,728	0	109,954	271,962	2,090,379	8,723,079
19	343.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	435,132	(20,215)	103,108	2,440	18,666	84,502	17,879	(7,729)	2,420,447	60,486	435,365	1,985,939
20	344.0	TRANSMISSION & DISTRIBUTION: SERVICES	158,716	(11,002)	2,250,297	52,730	382,609	1,867,688	14,358	(12,212)	508,598	12,749	78,142	1,965,454
21	345.0	TRANSMISSION & DISTRIBUTION: METERS	21,969	(11,634)	475,552	11,392	77,695	396,247	71,822	(6,601)	654,759	16,140	117,848	536,911
22	346.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	27,964	(2,241)	591,538	14,004	110,310	481,269	0	0	6,307	0	0	6,307
23	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	6,307	0	0	6,307	0	0	63	0	0	63
24	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
25	389.3	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
26	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	124,389	3,010	24,790	98,599	274,962	(16,682)	382,669	6,366	14,674	367,995
27	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	22,802	582	4,525	19,277	143,308	0	186,110	2,416	6,971	159,139
28	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	478	12	4,320	383	0	0	478	59	5,010	17,754
29	390.4	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	22,764	551	17,438	18,344	3,131	0	22,764	59	4,401	19,978
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	1,211	0	21,248	3,810	3,810	17,438	800	0	18,142	461	3,721	14,494
31	391.1	GENERAL PLANT: OFFICE FURNITURE	835	0	17,415	4	3,259	14,156	0	0	49,552	11	65	357
32	391.2	GENERAL PLANT: OFFICE EQUIPMENT	163	0	422	54	8	368	334	(874)	1,290	2,482	2,482	47,070
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	1,481	(9,065)	50,192	1,304	2,068	48,026	0	0	1,197	31	262	935
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	42,181	29	231	966	0	0	42,561	1,102	5,926	36,635
35	395.0	GENERAL PLANT: LABOR EQUIPMENT	11,904	(846)	125,784	896	4,824	37,737	0	0	126,784	3,284	29,551	99,233
36	396.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	2,245	372	25,267	101,517	3,527	0	5,812	104	476	5,336
37	397.0	GENERAL PLANT: MOBILE RADIOS	1,596	0	3,115	54	54	1,873	2,423	0	5,538	112	196	5,342
38	397.1	GENERAL PLANT: AUTO CONTROLS	0	0	232	84	84	3,031	0	0	192	5	12	12
39	397.2	GENERAL PLANT: MISC.	0	0	0	46	46	108	0	0	0	0	0	0
40	398.0	TOTALS	\$795,220	(\$67,170)	\$17,186,498	\$405,885	\$3,082,254	\$14,106,244	\$1,482,653	(\$115,907)	\$18,365,242	\$461,702	\$3,437,546	\$15,127,696

REFERENCE  
ACC STAFF D.R. NO. REL 1-24

NOTE:  
\* - NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1984 ADDITIONS PER COMPANY	1984 (RETIREMENTS) PER COMPANY	1984 YEAR END PLANT VALUE PER RUCCO	1984 DEPRECIATION EXPENSE PER RUCCO	1984 ACCUMULATED DEPRECIATION PER RUCCO	1984 YEAR END NET PLANT PER RUCCO	1985 ADDITIONS PER COMPANY	1985 (RETIREMENTS) PER COMPANY	1985 YEAR END PLANT VALUE PER RUCCO	1985 DEPRECIATION EXPENSE PER RUCCO	1985 ACCUMULATED DEPRECIATION PER RUCCO	1985 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES ORGANIZATION	0	0	0	0	0	0	0	0	0	0	0	0
2	302.0	INTANGIBLES FRANCHISES	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES PATENTS	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY - LAND - WATER RIGHTS	1,290	0	5,938	0	0	5,938	5,044	0	10,982	0	0	10,982
5	310.2	SOURCE OF SUPPLY - LAND - RESERVOIRS	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY - LAND - WELLS	490	0	7,368	0	0	7,368	0	0	7,368	0	0	7,368
7	311.0	SOURCE OF SUPPLY - WELLS	2,244	0	277,960	7,170	0	285,130	555	(29,528)	255,602	8,624	44,083	204,506
8	320.0	PUMPING PLANT - LAND	584	0	3,901	327	0	4,228	10,854	(1,238)	22,528	459	2,324	20,204
9	321.0	PUMPING PLANT - STRUCTURES & IMPROVEMENTS	15,548	0	1,126,793	28,983	0	1,155,776	80,859	(1,718)	1,205,706	30,206	238,346	967,360
10	325.0	PUMPING PLANT - ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	328.0	PUMPING PLANT - GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT - LAND	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT - STRUCTURES & IMPROVEMENTS	361	0	381	5	0	742	0	0	381	9	14	347
14	332.0	WATER TREATMENT PLANT - EQUIPMENT	3,327	0	52,852	1,320	0	54,172	0	0	52,852	1,364	5,126	47,726
15	333.0	WATER TREATMENT PLANT - TANKS & MAINS	0	0	55,552	0	0	55,552	0	0	55,552	0	0	55,552
16	340.1	TRANSMISSION & DISTRIBUTION - LAND RIGHTS, FEES	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION - STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION - STORAGE TANKS	0	0	1,684,815	43,637	0	1,728,452	333	0	1,685,148	43,641	462,447	1,222,701
19	343.0	TRANSMISSION & DISTRIBUTION - MAINS	898,588	(39,829)	11,672,815	291,205	2,342,355	9,330,460	796,502	(38,876)	12,430,441	312,137	2,615,616	9,814,825
20	344.0	TRANSMISSION & DISTRIBUTION - FIRE SPRINKLERS	3,161	0	113,115	2,889	24,254	88,861	4,482	0	117,597	2,988	27,242	90,355
21	345.0	TRANSMISSION & DISTRIBUTION - SERVICES	245,332	(6,049)	2,659,730	85,768	495,105	2,164,625	392,187	(13,428)	3,039,499	73,805	555,482	2,484,017
22	346.0	TRANSMISSION & DISTRIBUTION - METERS	40,332	(8,548)	540,382	13,584	83,178	457,204	31,421	(6,502)	563,301	14,293	88,969	474,332
23	348.0	TRANSMISSION & DISTRIBUTION - HYDRANTS	15,329	(1,864)	689,224	17,146	133,150	536,094	48,717	0	715,941	17,938	151,088	564,873
24	389.1	GENERAL PLANT - LAND - OFFICE	0	0	6,307	0	0	6,307	0	0	6,307	0	0	6,307
25	389.2	GENERAL PLANT - LAND - METERHOUSE	0	0	63	0	0	63	0	0	63	0	0	63
26	390.1	GENERAL PLANT - MISC.	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT - OFFICE BUILDINGS	6,911	0	388,716	9,989	23,769	364,917	3,724	0	392,440	10,118	33,915	358,525
28	390.2	GENERAL PLANT - WAREHOUSE BUILDINGS	5,724	(864)	171,834	4,376	11,347	160,487	0	0	171,834	4,451	15,768	156,036
29	390.3	GENERAL PLANT - MISC. BUILDINGS	0	0	478	12	120	358	0	0	478	12	132	346
30	391.0	GENERAL PLANT - OFFICE EQUIPMENT	867	(630)	22,134	561	4,961	17,173	23,837	0	45,971	882	5,843	40,128
31	391.1	GENERAL PLANT - ELECTRICAL EQUIPMENT	1,128	0	25,246	643	5,044	20,202	0	0	25,246	654	5,698	19,548
32	391.2	GENERAL PLANT - ELECTRICAL EQUIPMENT	2,034	0	19,343	486	4,207	15,136	11,085	0	19,343	501	4,708	14,635
33	393.0	GENERAL PLANT - WAREHOUSE EQUIPMENT	11,768	(295)	61,025	1,432	3,819	57,406	0	0	61,025	1,981	5,200	55,825
34	394.0	GENERAL PLANT - GARAGE EQUIPMENT	0	0	1,197	31	293	904	0	0	1,197	31	324	873
35	395.0	GENERAL PLANT - LAB EQUIPMENT	0	(326)	126,786	1,197	6,324	121,463	0	0	126,786	1,393	7,759	118,727
36	396.0	GENERAL PLANT - POWER EQUIPMENT	0	0	126,786	3,284	31,863	94,923	4,639	0	131,562	3,324	35,583	96,079
37	397.0	GENERAL PLANT - MOBILE EQUIPMENT	4,320	0	10,132	298	663	9,469	2,916	0	13,048	300	883	12,165
38	397.1	GENERAL PLANT - MOBILE RADIOS	0	0	0	0	0	0	8,394	(1,469)	12,600	237	891	13,085
39	397.2	GENERAL PLANT - AUTO CONTROLS	924	0	5,675	145	341	5,334	0	0	5,675	237	891	13,085
40	398.0	GENERAL PLANT - MISC.	0	0	0	0	0	0	0	0	0	0	0	0
41		TOTALS	\$1,261,427	(\$59,051)	\$19,767,618	\$484,384	\$3,872,881	\$15,894,638	\$1,424,333	(\$95,308)	\$21,096,043	\$527,077	\$4,304,651	\$16,791,392

REFERENCE:  
 ACC STAFF D.R. NO. REL 1-24  
 NOTE:  
 NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1996 ADDITIONS PER COMPANY	1996 (RETIREMENTS) PER COMPANY	1996 YEAR END PLANT VALUE PER RUO	1996 DEPRECIATION EXPENSE PER RUO	1996 ACCUMULATED DEPRECIATION PER RUO	1996 YEAR END NET PLANT PER RUO	1997 ADDITIONS PER COMPANY	1997 (RETIREMENTS) PER COMPANY	1997 YEAR END PLANT VALUE PER RUO	1997 DEPRECIATION EXPENSE PER RUO	1997 ACCUMULATED DEPRECIATION PER RUO	1997 YEAR END NET PLANT PER RUO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	3,439	0	14,421	0	0	14,567	0	0	14,567	0	0	14,567
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	7,368	0	0	4,772	0	0	4,772	0	0	4,772
7	314.0	SOURCE OF SUPPLY: WELLS	75,462	(4,429)	319,962	7,368	47,022	381,946	61,860	(2,569)	381,946	8,090	(2,569)	385,834
8	320.0	PUMPING PLANT: LAND*	0	0	2,150	0	2,150	3,900	0	0	3,900	0	0	3,900
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	2,022	0	2,934	610	2,934	24,550	0	0	24,550	636	3,569	20,981
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	118,664	(6,303)	1,318,227	32,665	264,727	1,053,500	83,154	(10,606)	1,930,775	35,082	289,203	1,101,572
11	326.0	PUMPING PLANT: MECHANICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	327.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	381	0	23	338	0	0	361	9	33	328
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	26,024	0	78,681	1,701	6,946	71,735	251	0	78,982	2,041	8,987	89,945
15	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	55,552	0	0	55,552	0	0	55,552	0	0	55,552
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	18,084	0	1,703,242	536,277	0	1,166,915	0	0	1,704,179	44,126	550,453	1,153,726
18	342.0	TRANSMISSION & DISTRIBUTION: MAINS	577,596	(39,124)	12,468,913	325,322	2,905,477	10,863,436	1,682,768	(40,575)	14,611,104	357,161	3,222,000	11,389,104
19	343.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	443,244	0	3,449,230	31,111	30,353	3,489,288	16,958	0	3,949,929	3,356	33,749	105,848
20	344.0	TRANSMISSION & DISTRIBUTION: SETS	43,264	(39,530)	608,918	84,029	608,918	2,842,312	517,254	(16,555)	3,449,929	95,819	686,182	3,263,747
21	345.0	TRANSMISSION & DISTRIBUTION: SETS	43,264	(39,530)	608,918	84,029	608,918	2,842,312	517,254	(16,401)	3,449,929	95,819	686,182	3,263,747
22	346.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	63,244	(12,374)	600,965	15,070	91,665	508,790	118,551	(16,401)	702,545	16,873	92,137	610,408
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	63,244	(12,374)	600,965	15,070	91,665	508,790	118,551	(16,401)	702,545	16,873	92,137	610,408
24	368.1	GENERAL PLANT: LAND - OFFICE*	0	0	779,185	19,362	170,430	608,755	158,649	(13,228)	924,906	22,068	179,270	745,636
25	369.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	6,307	0	0	6,307	0	0	6,307	0	0	6,307
26	369.3	GENERAL PLANT: LAND - MISC.*	0	0	63	0	0	63	0	0	63	0	0	63
27	380.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	382,440	10,164	4,080	348,360	0	0	392,440	10,164	54,264	338,176
28	380.2	GENERAL PLANT: OFFICE BUILDINGS	0	0	171,634	4,451	20,248	151,386	0	0	171,634	4,451	24,669	147,134
29	390.3	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	45,571	1,191	7,034	38,837	0	0	45,571	1,191	157	44,321
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	5,675	0	30,921	727	6,425	24,496	0	0	30,921	801	8,225	37,746
31	391.1	GENERAL PLANT: OFFICE EQUIPMENT	5,675	0	30,921	727	6,425	24,496	0	0	30,921	801	8,225	37,746
32	391.2	GENERAL PLANT: OFFICE EQUIPMENT	1,508	0	20,851	5,228	5,228	15,623	1,940	0	22,791	565	7,226	23,695
33	391.3	GENERAL PLANT: OFFICE EQUIPMENT	1,508	0	20,851	5,228	5,228	15,623	1,940	0	22,791	565	7,226	23,695
34	394.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	15,169	(1,369)	74,925	1,759	5,590	69,235	7,567	0	82,378	2,038	(254)	12,832
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	1,197	355	355	842	0	0	1,197	31	386	74,766
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	(1,207)	41,002	1,078	7,635	33,367	0	0	41,002	1,062	8,697	32,305
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	6,667	0	131,417	3,404	38,592	92,835	0	0	131,417	3,404	41,985	89,432
38	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	19,715	424	1,407	18,308	2,162	0	21,877	3,404	1,949	19,928
39	397.2	GENERAL PLANT: AUTO CONTROLS	4,376	0	12,634	329	(962)	13,396	5,590	0	18,986	329	(209)	18,642
40	398.0	GENERAL PLANT: MISC.	0	0	5,282	0	0	5,282	0	0	5,282	0	0	5,282
41		TOTALS	\$14,916,110	(\$67,329)	\$22,414,254	\$561,243	\$4,768,495	\$17,644,453	\$2,660,526	(\$89,960)	\$24,974,920	\$611,419	\$5,279,963	\$19,694,937

REFERENCE:  
 ACC STAFF R. NO. REL 1-24  
 NOTE:  
 \* NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1998 ADDITIONS PER COMPANY	1998 (RETIREMENTS) PER COMPANY	1998 YEAR END PLANT VALUE PER RUCCO	1998 DEPRECIATION EXPENSE PER RUCCO	1998 ACCUMULATED DEPRECIATION PER RUCCO	1998 YEAR END NET PLANT PER RUCCO	1999 ADDITIONS PER COMPANY	1999 (RETIREMENTS) PER COMPANY	1999 YEAR END PLANT VALUE PER RUCCO	1999 DEPRECIATION EXPENSE PER RUCCO	1999 ACCUMULATED DEPRECIATION PER RUCCO	1999 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	1,435	0	1,435	0	0	1,435	0	0	1,435	0	0	1,435
3	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0	23,668	0	39,252	0	0	39,252
4	310.0	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	627	0	15,584	0	0	15,584	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	40,592	0	45,725	0	(2,595)	48,320
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	4,773	0	(2,595)	2,178	609,923	(13,268)	1,025,771	18,842	57,529	968,242
7	314.0	SOURCE OF SUPPLY: LAND - WELLS*	61,932	(14,644)	429,234	10,505	51,972	377,262	0	0	3,901	0	0	3,901
8	320.0	PUMPING PLANT: LAND*	0	0	3,901	636	24,550	2,945	4,529	0	29,102	695	4,900	24,202
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	496,758	(118)	1,827,415	41,570	330,761	1,496,654	139,982	0	1,566,997	49,138	379,998	1,587,099
10	322.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	323.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	85	9	42	319	0	0	361	9	51	310
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	78,832	2,044	11,031	67,901	1,004	0	79,936	2,057	13,069	66,847
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	107,694	0	0	107,694	75,765	0	183,459	0	0	183,459
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	52,142	0	0	0	0	0	0	0	0	0	0	0
16	341.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES**	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	1,957,381	0	3,061,560	61,716	612,170	2,449,390	411,603	(30,806)	3,473,163	84,625	696,794	2,776,369
18	342.0	TRANSMISSION & DISTRIBUTION: MAINS	3,604,740	(26,938)	18,188,906	424,760	3,619,822	14,569,084	3,410,550	0	21,568,650	514,860	4,103,976	17,464,774
19	343.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	789,137	(9,711)	174,160	4,063	37,812	136,348	62,860	0	237,020	5,325	43,137	193,883
20	344.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	(9,711)	4,729,355	112,957	788,868	3,940,487	1,036,559	(15,515)	5,750,399	135,713	909,066	4,841,333
21	345.0	TRANSMISSION & DISTRIBUTION: METERS	127,183	(5,208)	824,420	19,774	106,603	717,817	107,199	(6,213)	925,406	22,860	123,050	802,356
22	346.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	346,777	(2,503)	1,269,180	28,413	205,180	1,064,000	488,648	(7,611)	1,550,217	39,101	236,670	1,313,547
23	389.1	GENERAL PLANT: LAND - WAREHOUSE*	0	0	6,307	0	6,307	6,307	0	0	6,307	0	0	6,307
24	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	63	0	0	63	0	0	40,846	0	0	40,846
25	389.3	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	40,646	0	392,440	0	0	317,868
26	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	392,440	10,164	64,408	328,032	1,317	0	392,440	10,164	74,572	317,868
27	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	171,834	4,451	29,149	142,685	1,317	0	173,151	4,488	33,617	139,534
28	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	171,834	12	170	308	0	0	173,151	12	182	171,969
29	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	45,971	1,191	9,415	36,556	33,438	0	45,971	1,191	10,606	35,365
30	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	17,624	0	48,545	1,029	8,255	40,290	3,712	0	45,971	1,191	10,606	35,365
31	391.2	GENERAL PLANT: OFFICE FURNITURE	608	0	23,399	598	6,392	12,015	0	0	27,111	654	7,046	20,065
32	391.3	GENERAL PLANT: WAREHOUSE EQUIPMENT	105	0	12,463	322	9,926	12,141	0	0	12,463	322	391	12,092
33	394.0	GENERAL PLANT: GARAGE EQUIPMENT	13,798	0	56,190	2,313	9,926	86,251	17,182	0	113,372	2,714	12,653	100,719
34	394.0	GENERAL PLANT: LAB EQUIPMENT	0	0	1,197	1,082	817	86,740	5,998	0	7,195	109	525	6,670
35	395.0	GENERAL PLANT: POWER EQUIPMENT	0	0	41,002	9,759	7,759	31,243	0	0	41,002	1,062	10,821	30,181
36	396.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	86,028	45,389	45,389	86,028	0	0	131,417	3,404	48,793	82,624
37	397.0	GENERAL PLANT: MOBILE RADIOS	3,395	0	15,272	611	2,558	22,716	11,103	0	36,375	798	3,355	33,020
38	397.2	GENERAL PLANT: AUTO CONTROLS	377,076	0	381,509	5,257	5,048	386,461	6,197	0	425,734	10,583	15,632	410,102
39	397.2	GENERAL PLANT: MISC.	0	0	16,139	357	719	15,422	6,197	0	22,336	498	1,217	21,119
40	398.0	TOTALS	\$7,220,006	(\$59,222)	\$32,145,706	\$736,794	\$5,957,555	\$28,172,368	\$6,586,583	(\$73,431)	\$38,638,658	\$910,696	\$6,794,871	\$31,844,037

REFERENCE:  
 ACC STAFF D.R. NO. REL 1-24

NOTE:  
 \*NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2000 ADDITIONS PER COMPANY	2000 (RETIREMENTS) PER COMPANY	2000 YEAR END PLANT VALUE PER RUCCO	2000 DEPRECIATION EXPENSE PER RUCCO	2000 ACCUMULATED DEPRECIATION PER RUCCO	2000 YEAR END NET PLANT PER RUCCO	2001 ADDITIONS PER COMPANY	2001 (RETIREMENTS) PER COMPANY	2001 YEAR END PLANT VALUE PER RUCCO	2001 DEPRECIATION EXPENSE PER RUCCO	2001 ACCUMULATED DEPRECIATION PER RUCCO	2001 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES: ORGANIZATION*	0	0	0	0	0	0	0	0	0	0	0	0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	1,435	0	0	1,435	0	0	1,435	0	0	1,435
3	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	71,284	0	110,536	0	0	110,536	3,420	0	113,956	0	0	113,956
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	6,774	0	38,951	0	(9,369)	48,320	10,488	0	58,808	0	(9,369)	58,808
7	314.0	SOURCE OF SUPPLY: WELLS	114,403	0	1,140,274	28,049	85,578	1,054,596	1,385,263	0	2,439,859	47,211	132,788	2,307,071
8	320.0	PUMPING PLANT: LAND*	0	0	3,901	0	0	3,901	10,296	0	14,187	0	0	14,187
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	91	0	23,193	755	5,655	23,538	14,429	0	43,622	943	6,598	37,024
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	45,014	0	2,003,136	51,413	422,496	1,580,700	530,580	(72,125)	2,461,591	57,818	408,130	2,053,461
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	361	0	0	361	0	0	361	0	0	361
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	80,244	2,074	(29,103)	109,347	9,999	0	122,744	131	192	122,552
14	332.0	WATER TREATMENT PLANT: EQUIPMENT, TANKS & MAINS*	44,574	0	183,459	0	0	183,459	42,500	0	227,959	2,629	(26,474)	201,485
15	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	339	0	339	0	0	339
16	341.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	341.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	2,164,775	0	3,473,163	89,955	786,749	2,686,414	282,173	0	3,755,336	93,609	880,358	2,874,978
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	54,029	0	23,705,364	586,299	4,662,134	19,043,250	4,712,004	(67,919)	26,239,469	673,851	5,248,066	25,081,403
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	707,721	0	291,049	6,838	49,975	241,074	61,362	0	352,431	8,333	58,308	294,123
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	205,811	0	1,115,470	157,946	1,055,113	5,391,108	1,013,319	(16,604)	7,442,956	179,865	1,218,374	6,224,582
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	233,228	0	1,892,175	28,429	133,733	981,737	166,809	(19,007)	2,022,467	30,805	145,530	1,876,937
24	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	6,307	0	0	6,307	446,189	(5,877)	2,422,467	57,040	334,696	2,087,839
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	63	0	0	63	0	0	63	0	0	63
26	389.3	GENERAL PLANT: LAND - MISC.*	0	0	40,646	0	0	40,646	0	0	40,646	0	0	40,646
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	10,872	0	403,312	10,305	84,877	318,435	0	0	403,312	10,445	95,323	307,989
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	173,151	4,485	36,101	135,050	0	0	173,151	4,485	42,586	130,565
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	478	12	194	344	0	0	478	12	207	466
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	45,971	1,191	11,797	34,174	7,820	0	45,971	1,191	12,587	32,984
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	2,673	0	84,656	2,158	12,763	72,555	9,265	0	92,476	2,294	14,397	78,079
32	391.2	GENERAL PLANT: OFFICE FURNITURE	2,968	0	35,073	776	7,786	27,287	9,365	0	39,444	8,687	8,687	30,757
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	16,446	0	125,918	3,149	11,768	114,015	1,528	0	14,011	343	1,058	12,953
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	8,708	0	15,802	114,015	10,724	(3,500)	137,052	3,455	15,758	121,294
35	395.0	GENERAL PLANT: LAB EQUIPMENT	1,511	0	206	206	731	7,975	0	0	8,706	225	957	7,749
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	30,447	925	1,192	29,255	0	0	30,447	789	1,960	28,487
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	6,093	0	131,417	3,404	52,197	79,220	0	0	131,417	3,404	55,600	75,817
38	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	42,468	1,021	4,376	38,092	451	0	42,919	1,106	5,481	37,438
39	397.2	GENERAL PLANT: AUTO CONTROLS	34,715	0	460,449	11,476	27,108	433,341	43,800	0	504,249	12,493	39,601	464,648
40	398.0	GENERAL PLANT: MISC.	3,653	0	25,989	676	1,843	25,989	0	0	25,989	673	2,516	23,473
41		TOTALS	\$3,719,871	(\$127,427)	\$42,231,902	\$1,036,125	\$7,705,518	\$34,500,411	\$6,742,278	(\$205,032)	\$50,768,548	\$1,194,051	\$8,694,537	\$42,074,011

REFERENCE:  
 ACC STAFF D.R. NO. REL 1-24  
 \*NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 APACHE JUNCTION SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENTS #1, #2 & #3 - PLANT IN SERVICE/POST TEST YEAR PLANT,  
 PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2002 ADDITIONS PER COMPANY	2002 (RETIREMENTS) PER COMPANY	2002 YEAR END PLANT VALUE PER RUCO	2002 DEPRECIATION EXPENSE PER RUCO	2002 ACCUMULATED DEPRECIATION PER RUCO	2002 YEAR END NET PLANT PER RUCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	1,435	0	0	1,435
3	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	16,998	0	130,954	0	0	130,954
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	49,439	0	(9,369)	58,808
7	314.0	SOURCE OF SUPPLY: WELLS	594,081	(24,552)	3,074,966	72,266	180,503	2,894,463
8	320.0	PUMPING PLANT: LAND*	0	0	14,187	0	0	14,187
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	1,790	(69,656)	45,412	1,153	7,751	37,661
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	399,104	0	2,791,039	68,022	406,495	2,384,544
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	9,760	253	445	9,315
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	8,861	(26,754)	104,851	2,947	(50,281)	155,132
15	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - TANKS & MAINS*	0	0	183,798	0	0	183,798
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	45,648	(65,546)	3,800,984	97,854	978,213	2,822,771
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	1,161,156	0	29,425,079	747,921	5,990,442	23,494,637
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	14,968	(9,951)	367,399	9,322	67,530	299,769
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	720,050	(8,645)	8,153,035	201,968	1,410,391	6,742,644
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	112,121	(12,421)	1,366,748	34,059	170,944	1,195,804
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	146,918	(12,421)	2,556,984	64,484	386,961	2,170,023
24	389.1	GENERAL PLANT: LAND - OFFICE*	1,802	0	8,109	0	0	8,109
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	63	0	0	63
26	389.3	GENERAL PLANT: LAND - MISC.*	0	0	40,646	0	0	40,646
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	26,162	0	429,474	10,765	106,108	323,367
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	173,151	4,485	47,071	126,080
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	478	12	219	259
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	137,836	(38,337)	145,469	2,479	(22,871)	166,340
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	92,476	2,395	16,792	75,684
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	39,444	1,022	9,708	29,736
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	846	0	14,857	374	1,432	13,425
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	12,348	(2,265)	147,135	3,680	17,173	129,961
35	395.0	GENERAL PLANT: POWER EQUIPMENT	1,845	0	10,551	249	1,206	9,344
36	396.0	GENERAL PLANT: LAB EQUIPMENT	0	0	30,447	789	2,769	27,678
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	7,307	0	138,724	3,498	59,099	79,626
38	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	42,919	1,112	6,593	36,326
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	504,249	13,060	52,661	451,588
40	398.0	GENERAL PLANT: MISC.	306	(1,041)	25,264	664	2,139	(1,475)
41		TOTALS	\$3,410,146	(62,591,168)	\$53,919,526	\$1,344,852	\$9,780,222	\$44,134,704
42		BALANCES PER COMPANY			\$ 54,521,888		\$ 8,791,705	
43		BALANCES PER RUCO			\$ 53,919,526		\$ 9,780,222	
44		LESS: POST-TEST YEAR ALLOCATED PHOENIX OFFICE & METER SHOP ADDITIONS**			\$130,939			
45		TOTAL ADJUSTMENTS			\$ (733,301)		\$ 988,516	

REFERENCES:  
 ACC STAFF D.R. NO. REL 1-24  
 ACC STAFF D.R. NO. REL 18-1  
 RUCO D.R. NO. 6.2

NOTE:  
 \* NON-DEPRECIABLE PLANT  
 \*\* BASED ON AN ALLOCATION FACTOR OF 0.2498 PER RUCO D.R. NO. 4.2

LINE NO.	DESCRIPTION	TEST YEAR COMPANY
1	GROSS PHOENIX OFFICE PLANT & METER SHOP	\$ 4,002,988
2	ADD: PHOENIX OFFICE CONSTRUCTION WORK IN PROGRESS (CWIP)	126,565
3	GROSS PHOENIX OFFICE PLANT & METER SHOP WITH CWIP	\$ 4,129,553
4	TIMES: ALLOCATION FACTOR	0.2383
5	ALLOCATED GROSS PHOENIX OFFICE PLANT & METER SHOP WITH CWIP	\$ 984,072
6	NET ALLOCATED PHOENIX OFFICE PLANT & METER SHOP WITH CWIP	870,209
7	RUCO ADJUSTMENT TO PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION	<b>\$ 113,863</b>

REFERENCES:

- LINE 1: COMPANY SCHEDULE B-2 PAGES 10 AND 11
- LINE 2: COMPANY SCHEDULE B-2 PAGE 10
- LINE 3: LINE 1 + LINE 2
- LINE 4: COMPANY SCHEDULE B-1 PAGE 1
- LINE 5: LINE 3 x LINE 4
- LINE 6: COMPANY SCHEDULE B-1 PAGE 1 (SUM OF LINES 6 AND 7)

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 APACHE JUNCTION SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJ. #5 - REMOVE CWIP FROM PHOENIX OFFICE ALLOCATION

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-6

LINE NO.	DESCRIPTION	(A) TEST YEAR COMPANY	(B) TEST YEAR RUCO	
1	GROSS PHOENIX OFFICE PLANT	\$ 3,903,884	\$ 3,903,884	COMPANY SCHEDULE B-2 PAGE 10
2	LESS: ACCUMULATED DEPRECIATION	453,222	453,222	COMPANY SCHEDULE B-2 PAGE 10
3	NET PHOENIX OFFICE PLANT	\$ 3,450,662	\$ 3,450,662	LINE 1 + LINE 2
4	ADD: CWIP	126,565	-	COMPANY SCHEDULE B-2 PAGE 10
5	TOTALS	\$ 3,577,227	\$ 3,450,662	LINE 3 + LINE 4
4	TIMES: ALLOCATION FACTOR	0.2383	0.2383	COMPANY SCHEDULE B-1 PAGE 2
5	ALLOCATED PHOENIX OFFICE PLANT	\$ 852,453	\$ 822,293	COMPANY SCHEDULE B-1 PAGE 2
6	RUCO ADJUSTMENT		\$ (30,160)	LINE 5 COLUMN (B) - LINE 5 COLUMN (A)

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 1999  
 APACHE JUNCTION SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENT #9 - WORKING CAPITAL

DOCKET NO. W-1445A-00-0962  
 SCHEDULE WAR-7  
 PAGE 1 OF 4

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	CASH WORKING CAPITAL PER COMPANY	\$ 328,417	COMPANY SCH. B-5, PG. 1
2	CASH WORKING CAPITAL PER RUCO	(216,633)	SCH. WAR-7, PG. 3
3	DECREASE IN CASH WORKING CAPITAL	(545,050)	LINE 2 - LINE 1
4	MATERIALS & SUPPLIES PER COMPANY	43,863	COMPANY SCH. B-5, PG. 1
5	MATERIALS & SUPPLIES PER RUCO	42,142	DATA REQUEST RUCO 6.4 a)
6	MATERIALS & SUPPLIES ADJUSTMENT	(1,721)	LINE 5 - LINE 4
7	PREPAYMENTS PER COMPANY AND SPECIAL DEPOSITS	68,040	COMPANY SCH. B-5, PG. 1
8	PREPAYMENTS PER RUCO	63,414	DATA REQUEST RUCO 6.4 b)
9	PREPAYMENTS ADJUSTMENT	(4,626)	LINE 8 - LINE 7
10	REQUIRED BANK BALANCES PER COMPANY	118,768	COMPANY SCH. B-5, PG. 1
11	REQUIRED BANK BALANCES PER RUCO	109,604	DATA REQUEST RUCO 6.4 c)
12	REQUIRED BANK BALANCE ADJUSTMENT	(9,164)	LINE 11 - LINE 10
13	TOTAL WORKING CAPITAL ADJUSTMENT	(560,561)	LINES 3, 6, 9 & 12

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 APACHE JUNCTION SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENT #9 - WORKING CAPITAL  
 LEAD/LAG CALCULATION

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-7  
 PAGE 2 OF 4

LINE NO.	DESCRIPTION	EXPENSES PER COMPANY	RUCO ADJUSTMENTS	ADJUSTED EXPENSES	(LEAD)/LAG DAYS	\$ DAYS
1	PURCHASED POWER	\$ 645,378	\$ 24,205	\$ 669,583	27.97	\$ 18,728,237
2	PAYROLL	1,170,887	47,955	1,218,842	14.00	17,063,793
3	PURCHASED WATER	971,436	(170,229)	801,207	(17.45)	(13,981,062)
4	CHEMICALS	52,405	10,667	63,072	25.00	1,576,800
5	PROPERTY & LIABILITY INSURANCE	20,666	(179)	20,487	(45.27)	(927,461)
6	WORKER'S COMPENSATION	15,713	2,532	18,245	(46.50)	(848,386)
7	HEALTH INSURANCE	228,778	(15,701)	213,077	(8.92)	(1,900,646)
8	OTHER O&M EXPENSES	873,925	(530,649)	343,276	(9.27)	(3,182,172)
9	DEPRECIATION & AMORTIZATION	1,425,604	(129,165)	1,296,439	N/A	N/A
10	FEDERAL & STATE INCOME TAXES	922,496	(168,188)	754,308	61.95	46,732,642
11	DEFERRED INCOME TAXES	165,955	N/A	N/A	N/A	N/A
12	FICA TAXES	87,552	4,770	92,322	14.00	1,292,508
13	FUTA & SUTA TAXES	1,919	260	2,179	83.10	181,075
14	PROPERTY TAXES	758,542	(16,482)	742,060	212.00	157,316,800
15	REG., CONTRACT, & MISCELLANEOUS FEES	145,480	10,837	156,317	(98.83)	(15,448,804)
16	SALES & OCCUPATION TAXES	715,798	56,022	771,820	37.53	28,966,405
17	PENSION EXPENSE	100,078	8,671	108,749	34.72	3,775,765
18	TOTAL	\$ 8,302,612	\$ (864,672)	\$ 7,271,985 *	32.91	\$ 239,345,493

NOTE

N/A = NON CASH CHARGES EXCLUDED FROM WORKING CAPITAL CALCULATION

\* RUCO RECOMMENDED LEVEL OF OPERATING EXPENSE - SCHEDULE WAR-8, COLUMN (E), LINE 16

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 APACHE JUNCTION SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENT #9 - WORKING CAPITAL  
 CALCULATION OF CASH WORKING CAPITAL

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-7  
 PAGE 3 OF 4

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	AVERAGE EXPENSE LAG	32.91	SCH. WAR-7, PG. 2
2	AVERAGE REVENUE COLLECTION LAG	<u>22.04</u>	CO. SCH. B-5, PG. 2
3	EXCESS EXPENSE OVER REVENUE LAG	(10.87)	LINE 2 - LINE 1
4	TOTAL EXPENSES	\$ 7,271,985	SCH. WAR-7, PG. 2
5	CASH WORKING CAPITAL REQUIREMENT	(216,633)	(LINE 3 X LINE 4)/365 DAYS
6	PER COMPANY	<u>\$ 328,417</u>	CO. SCH. B-5, PG. 2
7	INCREASE (DECREASE) IN WORKING CAPITAL	<u>\$ (545,050)</u>	LINE 5 - LINE 6

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 APACHE JUNCTION SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENT #9 - WORKING CAPITAL  
 CALCULATION OF INCOME TAX LAG

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-7  
 PAGE 4 OF 4

<u>LINE NO.</u>	<u>(A) PAYMENT DATE</u>	<u>(B) SERVICE PERIOD MIDPOINT</u>	<u>(C) (LEAD)/LAG DAYS</u>	<u>(D) PAYMENT AMOUNT</u>	<u>(E) DOLLAR DAYS</u>
1	04/12/99	07/01/99	(80.00)	\$ 397,000	(31,760,000)
2	06/11/99	07/01/99	(20.00)	50,000	(1,000,000)
3	09/14/99	07/01/99	75.00	486,000	36,450,000
4	12/14/99	07/01/99	166.00	970,000	161,020,000
5	03/14/00	07/01/99	257.00	<u>(240,000)</u>	<u>(61,680,000)</u>
6	TOTALS			\$ 1,663,000	103,030,000
7	INCOME TAX LAG		<span style="border: 1px solid black; padding: 2px;">61.95</span>		

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 APACHE JUNCTION SYSTEM - REVISED SCHEDULES  
 OPERATING INCOME - TEST YEAR AND RUCO PROPOSED

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-8

LINE NO.	DESCRIPTION	(A) COMPANY TEST YEAR AS FILED	(B) RUCO TEST YEAR ADJUSTMENTS	(C) RUCO TEST YEAR AS ADJUSTED	(D) RUCO PROPOSED CHANGES	(E) RUCO RECOMMENDED
<u>REVENUES - WATER:</u>						
1	REVENUE FROM WATER SALES	\$ 8,943,927	\$ 668,082	\$ 9,612,009	\$ (621,398)	\$ 8,990,611
2	OTHER REVENUES	-	-	-	-	-
3	TOTAL OPERATING REVENUES	\$ 8,943,927	\$ 668,082	\$ 9,612,009	\$ (621,398)	\$ 8,990,611
<u>OPERATING EXPENSES:</u>						
2	PURCHASED WATER	\$ 1,003,040	\$ (60,304)	\$ 942,736	\$ -	\$ 942,736
3	OTHER	23,251	136	23,387		23,387
4	PURCHASED POWER	618,711	65,047	683,758		683,758
5	PURCHASED GAS	-	-	-		-
6	OTHER	117,465	49,419	166,884		166,884
7	WATER TREATMENT	191,642	1,958	193,600		193,600
8	TRANSMISSION & DISTRIBUTION	758,594	13,231	771,825		771,825
9	CUSTOMER ACCOUNTS	636,246	28,603	664,849		664,849
10	SALES	2,059	(406)	1,653		1,653
11	ADMINISTRATIVE & GENERAL	896,828	39,156	935,984		935,984
12	DEPRECIATION & AMORTIZATION	1,425,605	(129,166)	1,296,439		1,296,439
13	PROPERTY TAXES	751,447	(9,387)	742,060		742,060
14	OTHER TAXES	70,454	24,048	94,501		94,501
15	INCOME TAXES	585,651	409,402	995,053	(240,745)	754,308
16	TOTAL OPERATING EXPENSES	\$ 7,080,992	\$ 431,737	7,512,729	\$ (240,745)	\$ 7,271,985
17	NET INCOME	\$ 1,862,935	\$ 236,344	\$ 2,099,279	\$ (380,654)	\$ 1,718,626

REFERENCES:

COLUMN (A): CO. SCH. C-1, PG. 1  
 COLUMN (B): SCH. WAR-9  
 COLUMN (C): COLUMN (A) + COLUMN (B)  
 COLUMN (D): SCH. WAR-1  
 COLUMN (E): COLUMN (C) + COLUMN (D)

ARIZONA WATER COMPANY  
TEST YEAR ENDED DECEMBER 31, 2001  
APACHE JUNCTION SYSTEM - REVISED SCHEDULES  
SUMMARY OF OPERATING ADJUSTMENTS

LINE NO.	DESCRIPTION	COMPANY PROPOSED	ADJ. #1	ADJ. #2	ADJ. #3	ADJ. #4	ADJ. #5	ADJ. #6	ADJ. #7	ADJ. #8	ADJ. #9	ADJ. #10	ADJ. #11	RUCO ADJUSTED
<u>REVENUES - WATER:</u>														
1	REVENUE FROM WATER SALES	\$ 8,943,927	\$ 1,187,356	\$ (771,820)	\$ 49,226	\$ (13,615)	\$ 216,935							\$ 9,612,009
2	OTHER REVENUES													
3	TOTAL OPERATING REVENUES	\$ 8,943,927	\$ 1,187,356	\$ (771,820)	\$ 49,226	\$ (13,615)	\$ 216,935	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,612,009
<u>OPERATING EXPENSES:</u>														
2	PURCHASED WATER	\$ 1,003,040	\$ (201,833)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 942,736
3	OTHER	23,251	136											23,387
4	PURCHASED POWER	618,711	50,872			(3,791)	17,966							683,758
5	PURCHASED GAS													
6	OTHER	117,465	49,419											166,884
7	WATER TREATMENT	191,642	(2,868)				4,826							193,600
8	TRANSMISSION & DISTRIBUTION	758,594	21,371		(8,140)									771,825
9	CUSTOMER ACCOUNTS	636,246	28,603											664,849
10	SALES	2,059	(406)											1,653
11	ADMINISTRATIVE & GENERAL	896,828	(43,101)	(19,504)		15,911	85,850							935,984
12	DEPRECIATION & AMORTIZATION	1,425,605								(129,166)				1,296,439
13	PROPERTY TAXES	751,447									(9,387)			742,060
14	OTHER TAXES	70,454	776,364	(752,316)										94,501
15	INCOME TAXES	585,651										409,402		995,053
16	TOTAL OPERATING EXPENSES	\$ 7,080,992	\$ 678,557	\$ (771,820)	\$ -	\$ (11,931)	\$ 38,703	\$ 85,850	\$ -	\$ (129,166)	\$ (9,387)	\$ 409,402	\$ 141,529	\$ 7,512,729
17	NET INCOME	\$ 1,862,935	\$ 508,800	\$ -	\$ 49,226	\$ (1,684)	\$ 178,232	\$ (85,850)	\$ -	\$ 129,166	\$ 9,387	\$ (409,402)	\$ (141,529)	\$ 2,099,279

ADJUSTMENT #:

1. RECONCILE COMPANY PROPOSED OPERATING INCOME TO 2002 ACTUAL
2. REMOVE 2002 REGULATORY ASSESSMENT & SALES TAXES
3. ELIMINATE PPAM AND PWAM REVENUES
4. ELIMINATE UNBILLED REVENUES & EXPENSES
5. ANNUALIZE ADDITIONAL REVENUES & EXPENSES
6. AMORTIZATION OF RATE CASE EXPENSE

REFERENCE:

RUCO D.R. NO. 1.10  
RUCO D.R. NO. 1.10 & ACC STAFF D.R. NO. REL 19-1  
RUCO D.R. NO. 7.1 & RUCO D.R. NO. 7.2  
RUCO D.R. NO. 7.3  
RUCO D.R. NO. 6.6  
COMPANY SCHEDULE C-2, PAGE 7, TESTIMONY WAR

ADJUSTMENT #:

7. REMOVE MAP SURCHARGE REVENUES
8. DEPRECIATION & AMORTIZATION EXPENSE
9. PROPERTY TAX EXPENSE
10. INCOME TAX EXPENSE
11. PURCHASED CAP WATER EXPENSE

REFERENCE:

TESTIMONY WAR  
SCHEDULE WAR-12  
SCHEDULE WAR-13  
SCHEDULE WAR-14  
SCHEDULE WAR-15

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 APACHE JUNCTION SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #1 - RECONCILE COMPANY  
 PROPOSED OPERATING INCOME TO 2002 ACTUAL

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-10  
 PAGE 1 OF 2

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) 2002 ACTUAL	(C) DIFFERENCE	(D) RUCO ADJUSTMENT
	<u>REVENUES - WATER:</u>				
1	REVENUE FROM WATER SALES	\$ 8,943,927	\$ 10,131,283	\$ 8,943,927	\$ 1,187,356
2	OTHER REVENUES	0.00	0.00	0.00	0.00
3	TOTAL OPERATING REVENUES	\$ 8,943,927	\$ 10,131,283	\$ 8,943,927	\$ 1,187,356
	<u>OPERATING EXPENSES:</u>				
4	PURCHASED WATER	\$ 1,003,040	\$ 801,207	\$ 1,003,040	\$ (201,833)
5	OTHER	23,251	23,387	23,251	136
6	PURCHASED POWER	618,711	669,583	618,711	50,872
7	PURCHASED GAS	-	-	-	-
8	OTHER	117,465	166,884	117,465	49,419
9	WATER TREATMENT	191,642	188,774	191,642	(2,868)
10	TRANSMISSION & DISTRIBUTION	758,594	779,965	758,594	21,371
11	CUSTOMER ACCOUNTS	636,246	664,849	636,246	28,603
12	SALES	2,059	1,653	2,059	(406)
13	ADMINISTRATIVE & GENERAL	896,828	853,727	896,828	(43,101)
14	DEPRECIATION & AMORTIZATION	1,425,605	1,224,438	1,425,605	- (a)
15	PROPERTY TAXES	751,447	639,367	751,447	- (a)
16	OTHER TAXES	70,454	846,817	70,454	776,364
17	INCOME TAXES	585,651	868,112	585,651	- (a)
	TOTAL OPERATING EXPENSES	\$ 7,080,992	\$ 7,728,763	\$ 7,080,992	\$ 678,557
19	NET INCOME	<u>\$ 1,862,935</u>	<u>\$ 2,402,520</u>	<u>\$ 1,862,935</u>	<u>\$ 508,800</u>

REFERENCES:

COLUMN (A): COMPANY SCHEDULE C-1 PAGE 1 OF 5  
 COLUMN (B): DATA REQUEST RUCO 1.10  
 COLUMN (C): COLUMN (B) - COLUMN (A)  
 COLUMN (D): COLUMN (C) LINES 1 THRU 13, LINES 16, 18 & 19

NOTE:

(a) SEPARATE PRO FORMA ADJUSTMENTS NOT INCLUDED IN RECONCILIATION

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 APACHE JUNCTION SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #1 - RECONCILE COMPANY  
 PROPOSED OPERATING INCOME TO 2002 ACTUAL

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-10  
 PAGE 2 OF 2

LINE NO.	DESCRIPTION	(A) TEST YEAR ACTUAL	(B) 2002 ACTUAL	(C) DIFFERENCE
	<u>REVENUES - WATER:</u>			
1	REVENUE FROM WATER SALES	\$ 9,314,017	\$10,131,283	\$ 817,266
2	OTHER REVENUES	0.00	0.00	0.00
3	TOTAL OPERATING REVENUES	\$ 9,314,017	\$10,131,283	\$ 817,266
	<u>OPERATING EXPENSES:</u>			
4	PURCHASED WATER	805,211	801,207	(4,004)
5	OTHER	23,251	23,387	136
6	PURCHASED POWER	588,864	669,583	80,719
7	PURCHASED GAS	-	-	-
8	OTHER	117,465	166,884	49,419
9	WATER TREATMENT	189,843	188,774	(1,069)
10	TRANSMISSION & DISTRIBUTION	682,301	779,965	97,664
11	CUSTOMER ACCOUNTS	606,014	664,849	58,835
12	SALES	2,059	1,653	(406)
13	ADMINISTRATIVE & GENERAL	774,394	853,727	79,333
14	DEPRECIATION & AMORTIZATION	1,082,006	1,224,438	142,432
15	PROPERTY TAXES	647,720	639,367	(8,353)
16	OTHER TAXES	784,012	846,817	62,805
17	INCOME TAXES	889,813	868,112	(21,701)
	TOTAL OPERATING EXPENSES	7,192,953	7,728,763	535,810
19	NET INCOME	\$ 2,121,064	\$ 2,402,520	\$ 281,456

REFERENCES:

COLUMN (A): COMPANY SCHEDULE C-1 PAGE 1 OF 5  
 COLUMN (B): DATA REQUEST RUCO 1.10  
 COLUMN (C): COLUMN (B) - COLUMN (A)

ARIZONA WATER COMPANY  
TEST YEAR ENDED DECEMBER 31, 2001  
APACHE JUNCTION SYSTEM - REVISED SCHEDULES  
OPERATING ADJ. #5 - REVENUE ANNUALIZATION FOR 2002

LINE NO.	DESCRIPTION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
1	YEAR END CUSTOMERS - 2002	17,027	17,027	17,027	17,027	17,027	17,027	17,027	17,027	17,027	17,027	17,027	17,027
2	2002 CUSTOMERS	16,198	16,244	16,329	16,403	16,512	16,597	16,680	16,765	16,847	16,877	16,961	17,027
3	INCREASE IN CUSTOMERS - 2002	829	783	698	624	515	430	347	262	180	150	66	-
4	AVERAGE REVENUE FOR THE MONTH	\$ 39.24	\$ 40.89	\$ 40.95	\$ 42.61	\$ 46.87	\$ 53.32	\$ 52.31	\$ 50.92	\$ 50.74	\$ 43.94	\$ 44.39	\$ 42.98
5	INCREASE IN REVENUES	\$ 32,534	\$ 32,017	\$ 28,563	\$ 26,590	\$ 24,138	\$ 22,927	\$ 18,150	\$ 13,342	\$ 9,133	\$ 6,591	\$ 2,930	\$ -
6	TOTAL INCREASE IN REVENUE	\$ 216,935											
7	INCREASE IN REVENUE PER COMPANY												
8	REVENUE ADJUSTMENT	216,935											
9	GALLONS SOLD PER AVERAGE CUSTOMER	9,608	10,288	10,860	11,079	13,100	15,665	14,882	14,899	14,345	11,549	11,593	10,723
10	INCREASE IN CUSTOMERS	829	783	698	624	515	430	347	262	180	150	66	0
11	INCREASE IN GALLONS	7,964,884	8,055,563	7,580,244	6,913,234	6,746,344	6,735,820	5,163,905	3,903,598	2,582,046	1,732,348	765,144	0
12	TOTAL INCREASE IN GALLONS	58,143,131											
13	PUMPING COST PER GALLON	0.000309											
14	INCREASE IN PUMPING COST	17,966											
15	WATER TREATMENT COSTS PER GALLON	0.000093											
16	INCREASE IN WATER TREATMENT COSTS	4,826											
17	TOTAL INCREASE IN BILLS	4,884											
18	MONTHLY ACCOUNTING COST PER BILL	3.26											
19	INCREASE IN ACCOUNTING COST	15,911											

REFERENCES:

- LINE #1 - RUCO DATA REQUEST #6 6
- LINE #2 - RUCO DATA REQUEST #6 6
- LINE #3 = LINE #1 MINUS LINE #2
- LINE #4 - RUCO DR #1,10 = TOTAL MONTH REV. MINUS OTHER REV. / TOTAL MONTHLY CUSTOMERS FOR POST-TEST-YEAR
- LINE #5 = LINE #3 MULTIPLIED BY LINE #4
- LINE #6 = SUMMATION OF LINE #5
- LINE #7 - NO REFERENCE
- LINE #8 - LINE #6 MINUS LINE #7
- LINE #9 - GALLONS SOLD, AWC's ANNUAL REPORT & MONTHLY CUSTOMERS, RUCO DR #6 6
- LINE #10 = LINE #3
- LINE #11 = LINE #9 MULTIPLIED BY LINE #10
- LINE #12 = SUMMATION OF LINE #11
- LINE #13 - CO. W/P C2-5, PAGE 3
- LINE #14 = LINE #12 X LINE #13
- LINE #15 - CO. W/P C2-5, PAGE 3
- LINE #16 = LINE #12 MULTIPLIED BY LINE #15
- LINE #17 = SUMMATION OF LINE #3
- LINE #18 - CO. W/P C2-5, PAGE 4
- LINE #19 = LINE #17 X LINE #18

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 APACHE JUNCTION SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #8 - DEPRECIATION & AMORTIZATION EXPENSE

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-12

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	(A) ACTUAL TEST YEAR BALANCE PER COMPANY	(B) RUCO ADJUSTMENTS	(C) RUCO ADJUSTED BALANCE	(D) COMPOSITE DEPRECIATION RATE	(E) RUCO RECOMMENDED DEPRECIATION EXPENSE
1	301.0	INTANGIBLES: ORGANIZATION*	\$ -	\$ -	\$ -	0.00%	\$ -
2	302.0	INTANGIBLES: FRANCHISES*	1,435	-	1,435	0.00%	-
3	303.0	INTANGIBLES: MISC.*	-	-	-	0.00%	-
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	113,958	(2)	113,956	0.00%	-
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	-	-	-	0.00%	-
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	49,438	2	49,439	0.00%	-
7	314.0	SOURCE OF SUPPLY: WELLS	2,505,438	(1)	2,505,437	2.59%	64,891
8	320.0	PUMPING PLANT: LAND*	-	-	14,187	0.00%	-
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	43,621	2	43,622	2.59%	1,130
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	2,461,590	1	2,461,591	2.59%	63,755
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	-	-	-	2.59%	-
12	330.0	WATER TREATMENT PLANT: LAND*	-	-	-	0.00%	-
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	9,760	-	9,760	2.59%	253
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	122,743	2	122,744	2.59%	3,179
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	183,798	-	183,798	0.00%	-
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	-	-	-	0.00%	-
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	-	-	-	2.59%	-
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	3,755,335	1	3,755,336	2.59%	97,263
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	28,329,468	1	28,329,469	2.59%	733,733
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	352,430	2	352,431	2.59%	9,128
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	7,442,934	2	7,442,936	2.59%	192,772
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	1,263,272	-	1,263,272	2.59%	32,719
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	2,422,487	-	2,422,487	2.59%	62,742
24	389.1	GENERAL PLANT: LAND - OFFICE*	6,307	-	6,307	0.00%	-
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	63	-	63	0.00%	-
26	389.3	GENERAL PLANT: LAND - MISC.*	40,646	-	40,646	0.00%	-
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	403,312	-	403,312	2.59%	10,446
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	173,152	(1)	173,151	2.59%	4,485
29	390.3	GENERAL PLANT: MISC. BUILDINGS	478	-	478	2.59%	12
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	22,133	23,838	45,971	2.59%	1,191
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	116,312	(23,836)	92,476	2.59%	2,395
32	391.2	GENERAL PLANT: OFFICE FURNITURE	39,445	(1)	39,444	2.59%	1,022
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	3,469	10,542	14,011	2.59%	363
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	147,593	(10,541)	137,052	2.59%	3,550
35	395.0	GENERAL PLANT: LAB EQUIPMENT	8,707	(1)	8,706	2.59%	225
36	396.0	GENERAL PLANT: POWER EQUIPMENT	30,448	(1)	30,447	2.59%	789
1	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	126,784	4,633	131,417	2.59%	3,404
2	397.1	GENERAL PLANT: MOBILE RADIOS	44,636	(1,717)	42,919	2.59%	1,112
3	397.2	GENERAL PLANT: AUTO CONTROLS	500,241	4,008	504,249	2.59%	13,060
3	398.0	GENERAL PLANT: MISC.	32,926	(6,927)	25,999	2.59%	673
4							
5		TEST YEAR TOTALS	\$ 50,768,542	\$ 6	\$ 50,768,548		\$ 1,304,291
6							
7		POST TEST YEAR ADDITIONS	3,048,443	(28,404)	\$3,020,039	2.59%	78,219
8							
9		GROSS DEPRECIABLE PHOENIX OFFICE AND METER SHOP ALLOCATION	953,912	129,137	1,083,049 **	2.59%	28,051
10							
11		2002 TOTALS	\$ 54,770,897	\$ 100,739	\$ 54,871,635		\$ 1,410,561
12							
13		ADD:					
14		AMORTIZATION OF DEFERRED CAP CHARGES INCURRED THROUGH 2002 ***					64,521
15							
16		LESS:					
17		AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION @ 2.59% COMPOSITE RATE ****					178,642
18							
19		TOTAL PRO FORMA DEPRECIATION & AMORTIZATION EXPENSE					\$ 1,296,439
20							
21		DEPRECIATION & AMORTIZATION EXPENSE PER COMPANY					1,425,605
22							
23		DEPRECIATION & AMORTIZATION EXPENSE ADJUSTMENT (LINE 56 - LINE 58)					\$ (129,166)

REFERENCES:

COLUMN (A): COMPANY SCHEDULE E-5 PAGE 1 OF 4 AND STAFF DATA REQUEST REL 1-24  
 COLUMN (B): COLUMN (C) - COLUMN (A)  
 COLUMN (C): RUCO SCHEDULE WAR-4 PAGE 7  
 COLUMN (D): COMPOSITE DEPRECIATION RATE OF 2.59%  
 COLUMN (E): COLUMN (C) x COLUMN (D)

NOTES:

\* NON-DEPRECIABLE PLANT ASSETS  
 \*\* NET OF \$1,802 IN NON-DEPRECIABLE LEASEHOLD IMPROVEMENTS (\$7,215 x 0.2498 ALLOCATION FACTOR FOR 2002 = \$1,802)  
 \*\*\* DEFERRED CAP CHARGES AMORTIZED OVER TEN YEARS = \$645,207 ÷ 10 YEARS = \$64,521  
 \*\*\*\* RUCO ADJUSTED CIAC BALANCE x COMPOSITE RATE = \$6,897,380 x 2.59% = \$178,642

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 APACHE JUNCTION SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #9 - PROPERTY TAX EXPENSE

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-13

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	REVENUES - 2000	\$ 8,487,722	COMPANY SCH. C-2, W/P C2-19a
2	REVENUES - 2001	8,598,219	COMPANY SCH. C-2, W/P C2-19a
3	REVENUES - 2002	9,359,462	D. R. NO. REL 19-1
4	TOTAL	\$ 26,445,403	SUM LINES 1, 2, & 3
5	3 YEAR AVERAGE	8,815,134	LINE 4/3 YEARS
6	MULTIPLIER FOR REVENUES (2 X LAST 3 YRS. AVERAGE REVENUE)	x 2	ADOR VALUATION FACTOR
7	REVENUES FOR FULL CASH VALUE	17,630,269	LINE 5 X 2 (MULTIPLIER FOR REVENUES)
8	ADD: 10% OF CWIP BALANCE	11,268	COMPANY SCH. B-2, PG. 2; LINE 4 X 10%
9	LESS: LICENSED VEHICLES	-	STAFF DATA REQUEST REL 23-1
10	FULL CASH VALUE	17,641,537	LINE 7 + LINE 8 MINUS LINE 9
11	ASSESSMENT RATIO	25%	PER ADOR VALUATION METHOD
12	ASSESSED VALUE	4,410,384	LINE 10 X LINE 11
13	PROPERTY TAX RATE	16.8253%	PER TAX BILLS
14	PROPERTY TAXES PAYABLE PER RUCO	742,060	LINE 12 X LINE 13
15	PROPERTY TAXES PER COMPANY	751,447	COMPANY SCH. C-1, PG. 1
16	ADJUSTMENT	(9,387)	LINE 14 MINUS LINE 15

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 APACHE JUNCTION SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #10 - INCOME TAXES

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-14

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
	<u>FEDERAL INCOME TAXES:</u>		
1	OPERATING INCOME BEFORE INCOME TAXES	\$ 3,094,332	SCH. WAR-9
	LESS:		
2	ARIZONA STATE TAX	179,630	LINE 11
3	INTEREST EXPENSE	<u>516,400</u>	NOTE (a)
4	FEDERAL TAXABLE INCOME	2,398,302	LINE 1 - LINES 2 & 3
5	FEDERAL INCOME TAX RATE	<u>34.00%</u>	TAX RATE
6	FEDERAL INCOME TAX EXPENSE	815,423	LINE 4 X LINE 5
	<u>STATE INCOME TAXES:</u>		
7	OPERATING INCOME BEFORE INCOME TAXES	3,094,332	LINE 1
	LESS:		
8	INTEREST EXPENSE	<u>516,400</u>	NOTE (A)
9	STATE TAXABLE INCOME	2,577,932	LINE 7 - LINE 8
10	STATE TAX RATE	<u>6.968%</u>	TAX RATE
11	STATE INCOME TAX EXPENSE	179,630	LINE 9 X LINE 10
12	TOTAL INCOME TAXES	995,053	LINE 6 + LINE 11
13	INCOME TAXES PER COMPANY	<u>585,651</u>	COMPANY SCH. C-1, PG. 2
14	ADJUSTMENT	<u>\$ 409,402</u>	LINE 12 - LINE 13
	<u>NOTE (a):</u>		
	INTEREST SYCHRONIZATION		
	ADJUSTED RATE BASE	\$ 19,793,353	
	WEIGHTED COST OF DEBT	<u>2.61%</u>	
		\$ 516,400	

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 APACHE JUNCTION SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #11 - APACHE JUNCTION PURCHASED CAP WATER EXPENSE

DOCKET NO. W-1445A-02-0615  
 SCHEDULE WAR-15

LINE NO.	DESCRIPTION	(A) PER COMPANY	(B) PER RUCO
1	CAWCD DELIVERY CHARGES (5,163 ACRE FEET)	\$ 299,454	\$ 299,454
2	M&I CHARGES (5,163 ACRE FEET)	144,061	144,061
3	MESA TREATMENT PLANT CHARGES	120,801	120,801
4	RESERVE CAPACITY & LEASE	137,769	137,769
5	TOTALS	<u>\$ 702,085</u>	<u>\$ 702,085</u>
5	TREATMENT COST NOVEMBER 2001 (120,801/11)=10,982 "CAP CANAL CLOSED NOV 2001 FOR REPAIRS.	\$ 10,982	\$ 10,982
6	ADDITIONAL M&I COST	113,939 (a)	47,939 (b)
7	ADDITIONAL CAWCD PER ACRE-FEET	41,304	82,608 (c)
8	TOTAL APACHE JUNCTION PURCHASED CAP WATER EXPENSE	\$ 166,225	<u>\$ 141,529</u>

REFERENCES:  
 COMPANY WORKPAPER FOR SCHEDULE C-2  
 CENTRAL ARIZONA WATER CONSERVATION DISTRICT WEB SITE

NOTES:  
 (a) BASED ON AN M&I CHARGE OF \$43.00 PER ACRE FOOT IN EFFECT UNTIL JUNE 30, 2003  
 (b) BASED ON AN M&I CHARGE OF \$32.00 PER ACRE FOOT APPROVED BY THE CAWCD BOARD IN MARCH 2003  
 (c) BASED ON A DELIVERY CHARGE OF \$74.00 PER ACRE FOOT APPROVED BY THE CAWCD BOARD IN JUNE 2003

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 APACHE JUNCTION SYSTEM - REVISED SCHEDULES  
 COST OF CAPITAL

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-16

LINE NO.	DESCRIPTION	(A) AMOUNT	(B) ADJUSTMENT	(C) ADJUSTED BALANCE	(D) CAPITAL RATIO	(E) COST	(F) WEIGHTED COST
1	SHORT-TERM DEBT	\$ 2,850,000	\$ 1,650,000	\$ 4,500,000	5.62%	4.00%	0.22%
2	LONG-TERM DEBT:	23,000,677	(400,677)	22,600,000	28.24%	8.44%	2.38%
3	COMMON EQUITY	49,442,738	3,473,716	52,916,454	66.13%	9.18%	6.07%
4	TOTAL	\$ 75,293,415	4,723,039	\$ 80,016,454	100.00%		8.68%

REFERENCES:

- COLUMN (A): COMPANY SCH. D - 1
- COLUMN (B): TESTIMONY, WAR
- COLUMN (C): COLUMN (A) + COLUMN (B)
- COLUMN (D): COLUMN (C) ÷ COLUMN (C), LINE 5
- COLUMN (E): TESTIMONY, WAR
- COLUMN (F): COLUMN (D) x COLUMN (E)

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 APACHE JUNCTION SYSTEM - REVISED SCHEDULES  
 PROPOSED RATES

DOCKET NO. W-01445A-02-0619  
 SCHEDULE WAR-17

LINE NO.	DESCRIPTION	PRESENT RATES	COMPANY PROPOSED	RUCO PROPOSED
1	MONTHLY MINIMUM USAGE CHARGE:			
2				
3	(RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS)			
4	5/8 X 3/4 - INCH	\$ 12.43	\$ 18.13	\$8.05
5	1 - INCH	24.86	40.79	20.98
6	2 - INCH	62.15	117.85	61.17
7	3 - INCH	103.58	211.58	115.35
8	4 - INCH	207.16	377.65	257.70
9	6 - INCH	362.53	717.59	500.35
10	8 - INCH	362.53	989.54	547.06
11	10 - INCH	673.27	1,624.09	1,104.33
12				
13	GALLONS INCLUDED IN MONTHLY MINIMUM USAGE CHARGE:			
14				
15	RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS	1,000	0	0
16				
17	COMMODITY RATE (PER 100 GAL. OVER MINIMUM):	\$0.25690	\$ 0.25250	\$ 0.25740
18				
19	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM):	\$2.56900	\$ 2.52500	\$ 2.57400

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 APACHE JUNCTION SYSTEM - REVISED SCHEDULES  
 MONTHLY MINIMUM CHARGES

DOCKET NO. W-01445A-02-0619  
 SCHEDULE WAR-18

LINE NO.	METER SIZE	(A) COMPANY PRESENT RATES	(B) COMPANY PROPOSED RATES	(C) COMPANY DOLLAR INCREASE	(D) COMPANY PERCENT. INCREASE	(E) RUCO PROPOSED RATES	(F) RUCO DOLLAR INCREASE	(G) RUCO PERCENT. INCREASE
1	5/8 X 3/4 - INCH	\$ 12.43	\$ 18.13	\$ 5.70	45.86%	\$ 8.05	\$ (4.38)	-35.24%
2	1 - INCH	24.86	40.79	15.93	64.08%	20.98	(3.88)	-15.61%
3	2 - INCH	62.15	117.85	55.70	89.62%	61.17	(0.98)	-1.58%
4	3 - INCH COMMERCIAL	103.58	211.58	108.00	104.27%	115.35	11.77	11.36%
5	4 - INCH COMMERCIAL	207.16	377.65	170.49	82.30%	257.70	50.54	24.40%
6	6 - INCH	362.53	717.59	355.06	97.94%	500.35	137.82	38.02%
7	8 - INCH	362.53	989.54	627.01	172.95%	547.06	184.53	50.90%
8	10 - INCH	673.27	1,624.09	950.82	141.22%	1,104.33	431.06	64.02%
9	GALLONS INCLUDED IN MONTHLY MINIMUM CHARGE	1,000	0			0		

REFERENCES  
 COLUMN (A) THRU COLUMN (D): COMPANY SCHEDULE H-3, PAGE 1 OF 4  
 COLUMN (E): TESTIMONY WAR  
 COLUMN (F): COLUMN (E) - COLUMN (A)  
 COLUMN (G): COLUMN (F) ÷ COLUMN (A)

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 APACHE JUNCTION SYSTEM - REVISED SCHEDULES  
 BILLING ANALYSIS

DOCKET NO. W-01445A-02-0619  
 SCHEDULE WAR-19  
 PAGE 1 OF 4

PRESENT RATES

LINE NO.	CONSUMPTION IN GALLONS	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		5/8 - INCH	1 - INCH	2 - INCH	3 - INCH	4 - INCH	6 - INCH	8 - INCH	10 - INCH
1	0	\$12.43	\$24.86	\$62.15	\$103.58	\$207.16	\$362.53	\$362.53	\$ 673.27
2	1,000	12.43	24.86	62.15	103.58	207.16	362.53	362.53	673.27
3	2,000	15.00	27.43	64.72	106.15	209.73	365.10	365.10	675.84
4	3,000	17.57	30.00	67.29	108.72	212.30	367.67	367.67	678.41
5	4,000	20.14	32.57	69.86	111.29	214.87	370.24	370.24	680.98
6	5,000	22.71	35.14	72.43	113.86	217.44	372.81	372.81	683.55
7	6,000	25.28	37.71	75.00	116.43	220.01	375.38	375.38	686.12
8	7,000	27.84	40.27	77.56	118.99	222.57	377.94	377.94	688.68
9	8,000	30.41	42.84	80.13	121.56	225.14	380.51	380.51	691.25
10	9,000	32.98	45.41	82.70	124.13	227.71	383.08	383.08	693.82
11	10,000	35.55	47.98	85.27	126.70	230.28	385.65	385.65	696.39
12	15,000	48.40	60.83	98.12	139.55	243.13	398.50	398.50	709.24
13	20,000	61.24	73.67	110.96	152.39	255.97	411.34	411.34	722.08
14	25,000	74.09	86.52	123.81	165.24	268.82	424.19	424.19	734.93
15	50,000	138.31	150.74	188.03	229.46	333.04	488.41	488.41	799.15
16	75,000	202.54	214.97	252.26	293.69	397.27	552.64	552.64	863.38
17	100,000	266.76	279.19	316.48	357.91	461.49	616.86	616.86	927.60
18	125,000	330.99	343.42	380.71	422.14	525.72	681.09	681.09	991.83
19	150,000	395.21	407.64	444.93	486.36	589.94	745.31	745.31	1,056.05
20	175,000	459.44	471.87	509.16	550.59	654.17	809.54	809.54	1,120.28
21	200,000	523.66	536.09	573.38	614.81	718.39	873.76	873.76	1,184.50
22									
23	AVG. NO. OF CUST:	16,102	692	175	21	17	21	0	0
24									
25	AVG. USE (GAL.):	7,268	21,013	133,651	416,966	782,385	702,178	N/A	N/A
26	MONTHLY BILL:	\$28.53	\$76.27	\$402.93	\$1,172.20	\$2,214.54	\$2,163.86	N/A	N/A
27									
28	MEDIAN USE (GAL.):	5,530	6,761	80,968	100,777	99,167	96,920	N/A	N/A
29	MONTHLY BILL:	\$24.07	\$39.66	\$267.59	\$359.91	\$459.35	\$608.95	N/A	N/A

RUCO PROPOSED RATES

LINE NO.	CONSUMPTION IN GALLONS	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		5/8 - INCH	1 - INCH	2 - INCH	3 - INCH	4 - INCH	6 - INCH	8 - INCH	10 - INCH
1	0	\$8.05	\$20.98	\$61.17	\$115.35	\$257.70	\$500.35	\$547.06	\$ 1,104.33
2	1,000	10.62	23.55	63.74	117.92	260.27	502.93	549.63	1,106.90
3	2,000	13.20	26.13	66.32	120.50	262.85	505.50	552.21	1,109.48
4	3,000	15.77	28.70	68.89	123.07	265.42	508.08	554.78	1,112.05
5	4,000	18.35	31.28	71.47	125.65	268.00	510.65	557.36	1,114.63
6	5,000	20.92	33.85	74.04	128.22	270.57	513.22	559.93	1,117.20
7	6,000	23.49	36.42	76.61	130.79	273.14	515.80	562.50	1,119.77
8	7,000	26.07	39.00	79.19	133.37	275.72	518.37	565.08	1,122.35
9	8,000	28.64	41.57	81.76	135.94	278.29	520.95	567.65	1,124.92
10	9,000	31.22	44.15	84.34	138.52	280.87	523.52	570.23	1,127.50
11	10,000	33.79	46.72	86.91	141.09	283.44	526.09	572.80	1,130.07
12	15,000	46.66	59.59	99.78	153.96	296.31	538.96	585.67	1,142.94
13	20,000	59.53	72.46	112.65	166.83	309.18	551.83	598.54	1,155.81
14	25,000	72.40	85.33	125.52	179.70	322.05	564.70	611.41	1,168.68
15	50,000	136.75	149.68	189.87	244.05	386.40	629.05	675.76	1,233.03
16	75,000	201.10	214.03	254.22	308.40	450.75	693.40	740.11	1,297.38
17	100,000	265.45	278.38	318.57	372.75	515.10	757.75	804.46	1,361.73
18	125,000	329.80	342.73	382.92	437.10	579.45	822.10	868.81	1,426.08
19	150,000	394.15	407.08	447.27	501.45	643.80	886.45	933.16	1,490.43
20	175,000	458.50	471.43	511.62	565.80	708.15	950.80	997.51	1,554.78
21	200,000	522.85	535.78	575.97	630.15	772.50	1,015.15	1,061.86	1,619.13
22									
23	AVG. NO. OF CUST:	16,102	692	175	21	17	21	0	0
24									
25	AVG. USE (GAL.):	7,268	21,013	133,651	416,966	782,385	702,178	N/A	N/A
26	MONTHLY BILL:	\$26.76	\$75.07	\$405.19	\$1,188.62	\$2,271.56	\$2,307.76	N/A	N/A
27									
28	MEDIAN USE (GAL.):	5,530	6,761	80,968	100,777	99,167	96,920	N/A	N/A
29	MONTHLY BILL:	\$22.28	\$38.38	\$269.58	\$374.75	\$512.96	\$749.83	N/A	N/A

RUCO PROPOSED CHANGES EXPRESSED IN DOLLARS

LINE NO.	CONSUMPTION IN GALLONS	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		5/8 - INCH	1 - INCH	2 - INCH	3 - INCH	4 - INCH	6 - INCH	8 - INCH	10 - INCH
1	0	\$ (4.38)	\$ (3.88)	\$ (0.98)	\$ 11.77	\$ 50.54	\$ 137.82	\$ 184.53	\$ 431.06
2	1,000	(1.81)	(1.31)	1.59	14.34	53.11	140.40	187.10	433.63
3	2,000	(1.80)	(1.30)	1.60	14.35	53.12	140.40	187.11	433.64
4	3,000	(1.80)	(1.30)	1.60	14.35	53.12	140.41	187.11	433.64
5	4,000	(1.79)	(1.29)	1.61	14.36	53.13	140.41	187.12	433.65
6	5,000	(1.79)	(1.29)	1.61	14.36	53.13	140.42	187.12	433.65
7	6,000	(1.78)	(1.28)	1.62	14.37	53.14	140.42	187.13	433.66
8	7,000	(1.78)	(1.28)	1.62	14.37	53.14	140.43	187.13	433.66
9	8,000	(1.77)	(1.27)	1.63	14.38	53.15	140.43	187.14	433.67
10	9,000	(1.77)	(1.27)	1.63	14.38	53.15	140.44	187.14	433.67
11	10,000	(1.76)	(1.26)	1.64	14.39	53.16	140.44	187.15	433.68
12	15,000	(1.74)	(1.24)	1.66	14.41	53.18	140.47	187.17	433.70
13	20,000	(1.71)	(1.21)	1.69	14.44	53.21	140.49	187.20	433.73
14	25,000	(1.69)	(1.19)	1.71	14.46	53.23	140.52	187.22	433.75
15	50,000	(1.56)	(1.06)	1.84	14.59	53.36	140.64	187.35	433.88
16	75,000	(1.44)	(0.94)	1.96	14.71	53.48	140.77	187.47	434.00
17	100,000	(1.31)	(0.81)	2.09	14.84	53.61	140.89	187.60	434.13
18	125,000	(1.19)	(0.69)	2.21	14.96	53.73	141.02	187.72	434.25
19	150,000	(1.06)	(0.56)	2.34	15.09	53.86	141.14	187.85	434.38
20	175,000	(0.94)	(0.44)	2.46	15.21	53.98	141.27	187.97	434.50
21	200,000	(0.81)	(0.31)	2.59	15.34	54.11	141.39	188.10	434.63
22									
23	AVG. NO. OF CUST:	16,102	692	175	21	17	21	0	0
24									
25	AVG. USE (GAL.):	7,268	21,013	133,651	416,966	782,385	702,178	N/A	N/A
26	MONTHLY BILL:	\$ (1.77)	\$ (1.21)	\$ 2.26	\$ 16.42	\$ 57.02	\$ 143.90	N/A	N/A
27									
28	MEDIAN USE (GAL.):	5,530	6,761	80,968	100,777	99,167	96,920	N/A	N/A
29	MONTHLY BILL:	\$ (1.78)	\$ (1.28)	\$ 1.99	\$ 14.84	\$ 53.60	\$ 140.88	N/A	N/A

**RUCO PROPOSED CHANGES EXPRESSED AS A PERCENTAGE**

LINE NO.	CONSUMPTION IN GALLONS	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		5/8 - INCH	1 - INCH	2 - INCH	3 - INCH	4 - INCH	6 - INCH	8 - INCH	10 - INCH
1	0	-35.2%	-15.6%	-1.6%	11.4%	24.4%	38.0%	50.9%	64.0%
2	1,000	-14.5%	-5.3%	2.6%	13.8%	25.6%	38.7%	51.6%	64.4%
3	2,000	-12.0%	-4.7%	2.5%	13.5%	25.3%	38.5%	51.2%	64.2%
4	3,000	-10.2%	-4.3%	2.4%	13.2%	25.0%	38.2%	50.9%	63.9%
5	4,000	-8.9%	-4.0%	2.3%	12.9%	24.7%	37.9%	50.5%	63.7%
6	5,000	-7.9%	-3.7%	2.2%	12.6%	24.4%	37.7%	50.2%	63.4%
7	6,000	-7.0%	-3.4%	2.2%	12.3%	24.2%	37.4%	49.9%	63.2%
8	7,000	-6.4%	-3.2%	2.1%	12.1%	23.9%	37.2%	49.5%	63.0%
9	8,000	-5.8%	-3.0%	2.0%	11.8%	23.6%	36.9%	49.2%	62.7%
10	9,000	-5.4%	-2.8%	2.0%	11.6%	23.3%	36.7%	48.9%	62.5%
11	10,000	-5.0%	-2.6%	1.9%	11.4%	23.1%	36.4%	48.5%	62.3%
12	15,000	-3.6%	-2.0%	1.7%	10.3%	21.9%	35.2%	47.0%	61.2%
13	20,000	-2.8%	-1.6%	1.5%	9.5%	20.8%	34.2%	45.5%	60.1%
14	25,000	-2.3%	-1.4%	1.4%	8.8%	19.8%	33.1%	44.1%	59.0%
15	50,000	-1.1%	-0.7%	1.0%	6.4%	16.0%	28.8%	38.4%	54.3%
16	75,000	-0.7%	-0.4%	0.8%	5.0%	13.5%	25.5%	33.9%	50.3%
17	100,000	-0.5%	-0.3%	0.7%	4.1%	11.6%	22.8%	30.4%	46.8%
18	125,000	-0.4%	-0.2%	0.6%	3.5%	10.2%	20.7%	27.6%	43.8%
19	150,000	-0.3%	-0.1%	0.5%	3.1%	9.1%	18.9%	25.2%	41.1%
20	175,000	-0.2%	-0.1%	0.5%	2.8%	8.3%	17.5%	23.2%	38.8%
21	200,000	-0.2%	-0.1%	0.5%	2.5%	7.5%	16.2%	21.5%	36.7%
22									
23	AVG. NO. OF CUST:	16,102	692	175	21	17	21	0	0
24									
25	AVG. USE (GAL.):	7,268	21,013	133,651	416,966	782,385	702,178	N/A	N/A
26	MONTHLY BILL:	-6.2%	-1.6%	0.6%	1.4%	2.6%	6.7%	N/A	N/A
27									
28	MEDIAN USE (GAL.):	5,530	6,761	80,968	100,777	99,167	96,920	N/A	N/A
29	MONTHLY BILL:	-7.4%	-3.2%	0.7%	4.1%	11.7%	23.1%	N/A	N/A

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 APACHE JUNCTION SYSTEM - REVISED SCHEDULES  
 REVENUE SUMMARY BY METER SIZE AND CUSTOMER CLASS

DOCKET NO. W-01445A-02-061  
 SCHEDULE WAR-20

LINE NO.	DESCRIPTION	(A) RUCO PROPOSED MINIMUM REVENUE	(B) RUCO PROPOSED COMMODITY REVENUE	(C) RUCO PROPOSED TOTAL REVENUE
1	5/8 X 3/4 - INCH	\$1,555,429	\$ 3,614,929	\$ 5,170,358
2	1 - INCH	174,134	448,926	623,060
3	2 - INCH	128,396	722,091	850,486
4	3 - INCH	29,068	270,464	299,533
5	4 - INCH	52,571	410,827	463,398
6	6 - INCH	127,090	459,081	586,171
7	8 - INCH	0	0	0
13	10 - INCH	0	0	0
14				
15	TOTALS	<u>\$ 2,066,688</u>	<u>\$ 5,926,318</u>	<u>\$ 7,993,006 (a)</u>
16				
17	PERCENTAGE OF TOTAL REVENUE	26.00%	74.00%	100.00%

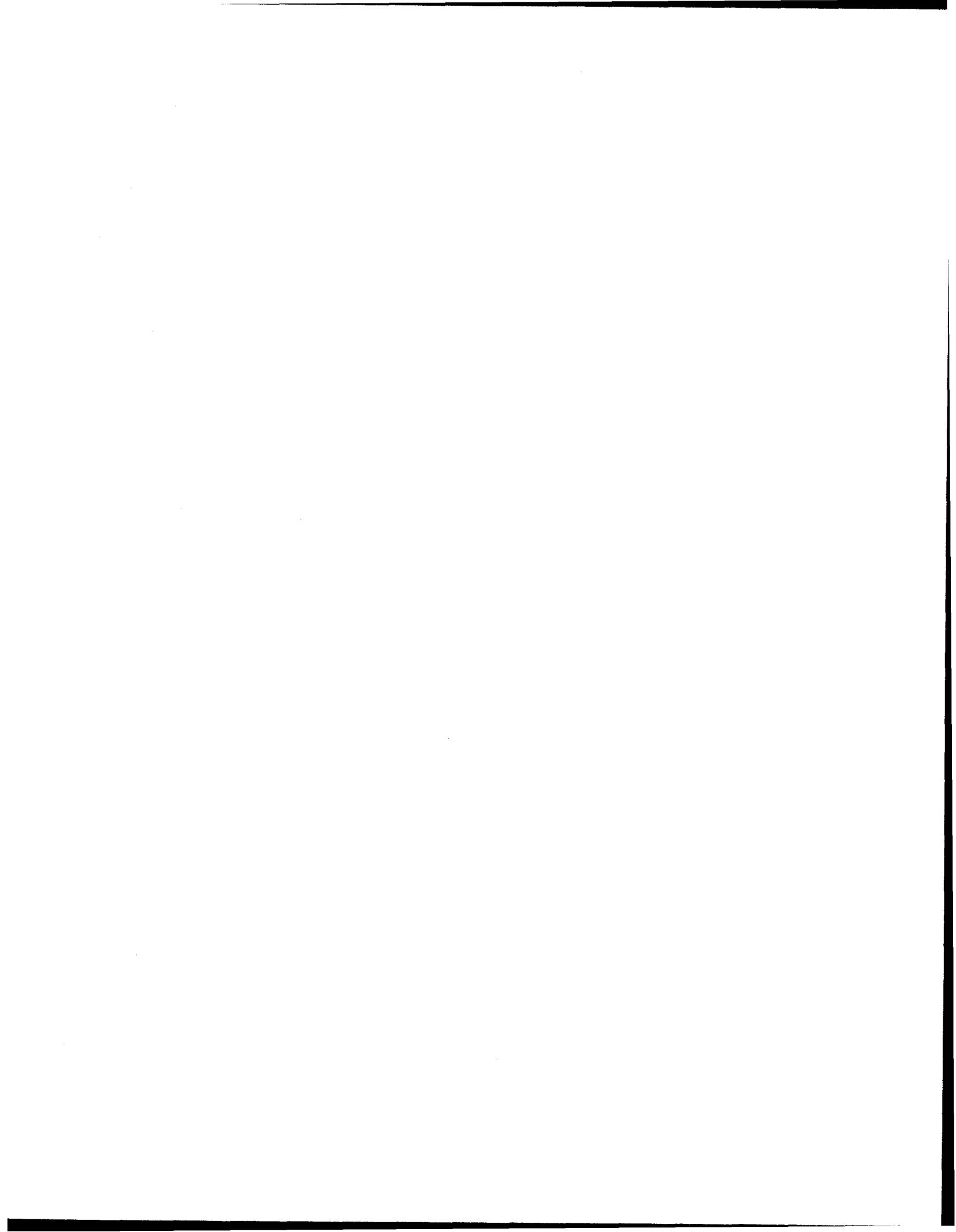
NOTE (a):

RUCO REQUIRED REVENUE	\$ 8,990,611
LESS:	
FIRE SPRINKLER REVENUE	\$ 6,530
FIRE HYDRANT REVENUE	-
MISCELLANEOUS REVENUE	835,820
RENT - WATER PROPERTY REVENUE	-
OTHER WATER REVENUE	<u>155,255</u>
TOTAL	<u>\$ 997,605</u>

REVENUE TO BE GENERATED FROM WATER SALES \$ 7,993,006

REFERENCE:

NOTE (a) 2002 REVENUE INFORMATION OBTAINED FROM RUCO D.R. NO. 1.10



ARIZONA WATER COMPANY  
BISBEE SYSTEM - REVISED SCHEDULES  
DOCKET NO. W-1445A-02-0619  
TABLE OF CONTENTS TO SCHEDULES WAR

SCHEDULE #

WAR - 1	REVENUE REQUIREMENTS
WAR - 2	RATE BASE - ORIGINAL COST
WAR - 3	SUMMARY OF RATE BASE ADJUSTMENTS
WAR - 4	RATE BASE ADJUSTMENTS #1, #2 & #3 - PLANT IN SERVICE/POST TEST YEAR PLANT, PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION
WAR - 5	RATE BASE ADJ. #4 - RECONCILE TEST YEAR ALLOCATED PHOENIX OFFICE & METER SHOP AND ACCUMULATED DEPRECIATION BALANCES
WAR - 6	RATE BASE ADJ. #5 - REMOVE CWIP FROM PHOENIX OFFICE ALLOCATION
WAR - 7	RATE BASE ADJUSTMENT #9 - WORKING CAPITAL
WAR - 8	OPERATING INCOME - TEST YEAR AND RUCO PROPOSED
WAR - 9	SUMMARY OF OPERATING ADJUSTMENTS
WAR - 10	OPERATING ADJ. #1 - RECONCILE COMPANY PROPOSED OPERATING INCOME TO 2002 ACTUAL
WAR - 11	OPERATING ADJ. #5 - REVENUE ANNUALIZATION FOR 2002
WAR - 12	OPERATING ADJ. #8 - DEPRECIATION & AMORTIZATION EXPENSE
WAR - 13	OPERATING ADJ. #9 - PROPERTY TAX EXPENSE
WAR - 14	OPERATING ADJ. #10 - INCOME TAXES
WAR - 15	OPERATING ADJ. #11 - NOT USED FOR THIS SYSTEM
WAR - 16	COST OF CAPITAL
WAR - 17	PROPOSED RATES
WAR - 18	MONTHLY MINIMUM CHARGES
WAR - 19	BILLING ANALYSIS
WAR - 20	REVENUE SUMMARY BY METER SIZE AND CUSTOMER CLASS

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 BISBEE SYSTEM - REVISED SCHEDULES  
 REVENUE REQUIREMENTS

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-1  
 PAGE 1 OF 2

<u>LINE NO.</u>	<u>DESCRIPTION</u>	(A) COMPANY <u>REQUESTED</u>	(B) RUCO <u>RECOMMENDED</u>
1	ADJUSTED RATE BASE	\$ 3,700,113	\$ 3,603,096
2	ADJUSTED OPERATING INCOME	31,709	113,053
3	CURRENT RATE OF RETURN (L2 / L1)	0.86%	3.14%
4	REQUIRED RATE OF RETURN	11.00%	8.68%
5	REQUIRED OPERATING INCOME (L4 * L1)	407,012	312,851
6	OPERATING INCOME DEFICIENCY (L5 - L2)	375,303	199,798
7	GROSS REVENUE CONVERSION FACTOR	<u>1.63241</u>	<u>1.63136</u>
8	GROSS REVENUE INCREASE	<u>\$ 612,649</u>	<u>\$ 325,943</u>
9	CURRENT REVENUES T/Y ADJUSTED	1,256,950	1,313,153
10	PROPOSED ANNUAL REVENUE (L8 + L9)	1,869,599	1,639,096
11	PERCENTAGE AVERAGE INCREASE	48.74%	24.82%

REFERENCES:

COLUMN (A): COMPANY SCHEDULE A-1

COLUMN (B): SCHEDULE WAR-1, PG. 2, WAR-2, AND WAR-8

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 BISBEE SYSTEM - REVISED SCHEDULES  
 GROSS REVENUE CONVERSION FACTOR

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-1  
 PAGE 2 OF 2

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	REVENUE	1.0000	
2	UNCOLLECTIBLES	<u>0.002316</u>	COMPANY SCH. C-3
3	SUB-TOTAL	0.9977	LINE 1 - LINE 2
4	LESS: TAX RATE	<u>38.47%</u>	NOTE (a)
5	TOTAL	0.6130	LINE 3 - LINE 4
6	REVENUE CONVERSION FACTOR	<span style="border: 1px solid black; padding: 2px;">1.63136</span>	LINE 1/LINE 5

NOTE (a):  
 CALCULATION OF EFFECTIVE TAX RATE

OPERATING INCOME BEFORE TAXES	100.00%
ARIZONA STATE TAX	<u>6.97%</u>
TAXABLE INCOME FEDERAL	93.03%
FEDERAL INCOME TAX RATE	<u>33.96%</u>
SUBTOTAL	31.59%
ADD STATE TAX RATE	38.56%
LINE 3 ABOVE	<u>99.77%</u>
EFFECTIVE TAX RATE	38.47%

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 BISBEE SYSTEM - REVISED SCHEDULES  
 RATE BASE - ORIGINAL COST

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-2

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO ADJUSTMENTS	(C) RUCO AS ADJUSTED
1	PLANT IN SERVICE/POST-TEST YEAR ADDITIONS	\$ 7,433,939	\$ 187,076	\$ 7,621,015
2	PHOENIX OFFICE & METER SHOP ALLOCATION	193,907	47,638	241,545
3	ACCUMULATED DEPRECIATION	<u>(3,099,049)</u>	<u>(121,468)</u>	<u>(3,220,517)</u>
4	NET PLANT IN SERVICE	\$ 4,528,797	\$ 113,246	\$ 4,642,043
5	CONSTRUCTION WORK IN PROGRESS (CWIP)	<u>-</u>	<u>-</u>	<u>-</u>
6	TOTAL NET PLANT	\$ 4,528,797	\$ 113,246	\$ 4,642,043
7	ADVANCES IN AID OF CONSTRUCTION (AIAC)	(190,083)	(11,491)	(201,574)
8	CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	(372,133)	(2,425)	(374,558)
9	ACCUMULATED AMORTIZATION OF CIAC	55,613	9,670	65,283
10	DEFERRED INCOME TAXES	(423,066)	(146,467)	(569,533)
11	WORKING CAPITAL	<u>100,985</u>	<u>(59,549)</u>	<u>41,436</u>
12	TOTAL RATE BASE	<u>\$ 3,700,113</u>	<u>\$ (97,017)</u>	<u>\$ 3,603,096</u>

REFERENCES:

COLUMN (A): COMPANY SCHEDULE B-1  
 COLUMN (B): SCHEDULE WAR-3  
 COLUMN (C): COLUMN (A) + COLUMN (B)

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 BISBEE SYSTEM - REVISED SCHEDULES  
 SUMMARY OF RATE BASE ADJUSTMENTS

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-3

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) ADJ.#1	(C) ADJ.#2	(D) ADJ.#3	(E) ADJ.#4	(F) ADJ.#5	(G) ADJ.#6	(H) ADJ.#7	(I) ADJ.#8	(J) ADJ.#9	(K) ADJ.#10	(L) ADJ.#11	(M) RUCCO ADJUSTED
1	PLANT IN SERVICE/POST-TEST YEAR ADDITIONS	\$ 7,433,939	\$ 187,076	\$ 28,987	\$ (96,096)	\$ 25,372	\$ (6,721)							\$ 7,621,015
2	PHOENIX OFFICE & METER SHOP ALLOCATION	193,907												241,545
3	ACCUMULATED DEPRECIATION	(3,098,049)			(96,096) (c)	(25,372)								(3,220,517)
4	NET PLANT IN SERVICE	\$ 4,528,797	\$ 187,076	\$ 28,987	\$ (96,096)	\$ 25,372	\$ (6,721)							\$ 4,642,043
5	CONSTRUCTION WORK IN PROGRESS (CWIP)													
6	TOTAL NET PLANT	\$ 4,528,797	\$ 187,076	\$ 28,987	\$ (96,096)	\$ 25,372	\$ (6,721)							\$ 4,642,043
7	ADVANCES IN AID OF CONSTRUCTION (AIAC)	(190,083)						(11,491)						
8	CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	(372,193)						(2,425)						(201,574)
9	ACCUMULATED AMORTIZATION OF CIAC	55,613						9,670						66,283
10	DEFERRED INCOME TAXES	(423,086)							(146,467)					(569,533)
11	WORKING CAPITAL	100,965												41,436
12	TOTAL RATE BASE	\$ 3,700,113	\$ 187,076	\$ 28,987	\$ (96,096)	\$ 25,372	\$ (6,721)	\$ (11,491)	\$ 7,245	\$ (146,467)	\$ (59,549)	\$ 59,549	\$ 59,549	\$ 3,803,096

ADJUSTMENT #  
 1. PLANT IN SERVICE/POST-TEST YEAR ADDITIONS  
 2. PHOENIX OFFICE & METER SHOP ALLOCATION  
 3. ACCUMULATED DEPRECIATION  
 4. RECONCILE PHX. OFFICE & METER SHOP AND ACCUM. DEPR.  
 5. REMOVE CWIP FROM PHOENIX OFFICE ALLOCATION  
 6. AIAC - 2002 BALANCE

ADJUSTMENT #  
 7. CIAC - 2002 BAL. & AMORTIZATION  
 8. ACCUMULATED DEFERRED INCOME TAXES  
 9. WORKING CAPITAL  
 10. NOT USED  
 11. NOT USED

REFERENCE:  
 SCHEDULE WAR 4, PAGE 7  
 SCHEDULE WAR 4, PAGE 7  
 SCHEDULE WAR 4, PAGE 7  
 SCHEDULE WAR-5  
 SCHEDULE WAR-6  
 RUCCO D.R. NO. 6.3

REFERENCE:  
 SCHEDULE WAR-7, PAGE 3  
 SCHEDULE WAR-7, PAGE 3  
 N/A  
 N/A

NOTES:  
 (a) NET OF ACCUMULATED DEPRECIATION  
 (b) GROSS PHOENIX OFFICE AND METER SHOP ADDITIONS ALLOCATED DURING 2002  
 (c) INCLUDES ACCUMULATED DEPRECIATION ON 2002 PHOENIX OFFICE AND METER SHOP ADDITIONS

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1990 PLANT VALUE PER COMPANY	1990 ACCUM DEPR. PER COMPANY	1990 NET PLANT PER PRIOR ACC PER COMPANY	1991 ADDITIONS PER COMPANY	1991 (RETIREMENTS) PER COMPANY	1991 PLANT VALUE PER RUCCO	1991 DEPRECIATION EXPENSE PER RUCCO	1991 ACCUMULATED DEPRECIATION PER RUCCO	1991 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	36	0	36	0	0	36	0	0	36
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	2,415	0	2,415	0	0	2,415	0	0	2,415
7	314.0	SOURCE OF SUPPLY: WELLS	33,511	12,642	20,869	0	0	33,511	811	13,453	20,058
8	320.0	PUMPING PLANT: LAND*	6,371	0	6,371	0	0	6,371	0	0	6,371
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	25,821	9,741	16,080	0	0	25,821	625	10,366	15,455
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	375,837	141,787	234,050	7,617	(724)	382,730	9,179	150,241	232,489
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	187,548	70,754	116,794	0	0	187,548	4,539	75,292	112,256
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	1,476	557	919	0	0	1,476	36	593	883
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	21,084	7,954	13,130	0	0	21,084	510	8,464	12,620
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	5,044	0	5,044	0	0	5,044	0	0	5,044
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	238,057	89,808	148,249	0	0	238,057	5,761	95,569	142,488
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	2,518,894	950,267	1,568,627	365,471	(5,804)	2,878,561	65,309	1,009,772	1,868,789
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	7,151	2,698	4,453	6,487	0	13,638	252	2,949	10,689
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	400,625	151,138	249,487	51,234	(2,041)	449,818	10,290	159,387	290,431
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	210,774	79,516	131,258	580	(382)	210,942	5,103	84,226	126,716
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	125,708	47,424	78,284	12,908	0	138,616	3,196	50,622	87,994
24	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	21,513	8,116	13,397	1,519	0	23,032	539	8,655	14,377
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	11,938	4,504	7,434	0	0	11,938	289	4,793	7,145
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	0	0	0
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	12,605	4,755	7,850	0	(127)	12,478	304	4,932	7,546
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	14,919	5,628	9,291	576	0	15,495	368	5,996	9,499
32	391.2	GENERAL PLANT: OFFICE FURNITURE	10,811	4,075	6,732	146	0	10,957	263	4,342	6,615
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	0	0	0	0	0	0	0
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	24,983	9,429	15,564	1,131	0	26,124	619	10,047	16,077
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	0	0	0	0	0	0	0
36	396.0	GENERAL PLANT: POWER EQUIPMENT	13,884	5,238	8,646	0	0	13,884	336	5,574	8,310
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	48,810	18,414	30,396	0	0	48,810	1,181	19,595	29,215
38	397.1	GENERAL PLANT: MOBILE RADIOS	300	113	187	614	0	914	15	128	786
39	397.2	GENERAL PLANT: AUTO CONTROLS	95,233	35,927	59,306	11,373	0	106,606	2,442	38,369	68,237
40	398.0	GENERAL PLANT: MISC.	8,251	3,113	5,138	0	0	8,251	200	3,312	4,939
41		TOTALS	\$4,423,609	\$1,663,600	\$2,760,009	\$459,636	(\$9,088)	\$4,874,157	\$112,167	\$1,766,679	\$3,107,478

REFERENCE:  
 ACC STAFF D.R. NO. REL 1-24

NOTE:  
 \*NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1992 ADDITIONS PER COMPANY	1992 (RETIREMENTS) PER COMPANY	1992 YEAR END NET PLANT VALUE PER RUCCO	1992 DEPRECIATION EXPENSE PER RUCCO	1992 ACCUMULATED DEPRECIATION PER RUCCO	1993 ADDITIONS PER COMPANY	1993 (RETIREMENTS) PER COMPANY	1993 YEAR END NET PLANT VALUE PER RUCCO	1993 DEPRECIATION EXPENSE PER RUCCO	1993 ACCUMULATED DEPRECIATION PER RUCCO	1993 YEAR END NET PLANT VALUE PER RUCCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	36	0	0	1,282	0	1,288	0	0	1,288
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	2,415	0	0	0	0	2,415	0	0	2,415
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	35,511	811	14,264	178	0	35,689	870	15,134	18,555
8	320.0	PUMPING PLANT: LAND*	0	0	6,371	0	0	0	0	6,371	0	0	6,371
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	25,917	626	10,992	600	0	26,517	679	11,671	14,846
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	96	0	29,970	9,285	15,926	67,493	(7,617)	44,722	10,729	162,548	281,827
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	1,866	0	187,548	4,539	79,831	0	(24,000)	163,548	4,547	80,396	103,170
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	1,476	36	628	0	0	1,476	38	666	810
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	425	0	21,509	515	8,980	0	0	21,509	557	9,537	11,972
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	5,044	0	0	0	0	5,044	0	0	5,044
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	11,472	0	249,529	5,900	101,469	0	0	249,529	6,463	107,932	141,597
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	73,410	(954)	2,951,617	70,545	1,079,963	78,340	(794)	3,029,163	77,451	1,156,620	1,872,543
20	345.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	2,290	(22)	15,996	326	3,285	2,599	0	18,505	446	3,730	14,775
21	346.0	TRANSMISSION & DISTRIBUTION: SERVICES	20,475	(1,503)	468,790	11,115	169,000	43,707	(27,611)	508,736	12,672	178,910	330,826
22	346.1	TRANSMISSION & DISTRIBUTION: WILDFIRES	966	(4,535)	207,375	5,062	84,753	1,222	(1,065)	207,532	5,373	89,061	118,471
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	136,616	3,355	53,977	5,595	0	144,211	3,663	57,639	86,572
24	369.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0
25	369.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0
26	369.3	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	23,032	557	9,212	0	0	23,032	597	9,809	13,223
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	5,085	(1,000)	16,023	338	4,131	0	0	16,023	415	4,548	11,477
29	390.3	GENERAL PLANT: MISC BUILDINGS	0	0	0	0	0	0	0	0	0	0	0
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	12,478	302	5,234	0	0	12,478	323	5,557	6,921
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	360	0	15,855	379	6,376	3,392	0	19,247	455	6,830	12,477
32	391.2	GENERAL PLANT: OFFICE FURNITURE	31	0	10,968	266	4,607	0	0	10,968	285	4,892	6,036
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	2,206	0	28,330	659	10,706	365	0	28,695	738	11,445	17,250
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0
36	396.0	GENERAL PLANT: POWER EQUIPMENTS	0	0	13,884	336	5,910	0	0	13,884	360	6,269	7,615
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	48,810	1,181	20,776	0	(632)	48,178	1,256	21,400	26,778
38	397.1	GENERAL PLANT: MOBILE RADIOS	625	0	1,559	30	158	10,726	0	12,265	179	336	11,929
39	397.2	GENERAL PLANT: TELECONTROLS	1,798	0	108,404	2,602	40,971	1,151	0	109,555	2,823	43,794	65,781
40	398.0	GENERAL PLANT: MISC.	484	0	8,735	206	3,518	0	0	8,735	226	3,744	4,991
41		TOTALS	\$12,129	(\$7,414)	\$4,986,334	\$119,001	\$1,878,266	\$216,620	(\$36,659)	\$5,168,085	\$131,150	\$1,972,547	\$3,195,538

REFERENCE:  
 ACC STAFF D.R. NO. REL 124

NOTE:  
 \* NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1994 ADDITIONS PER COMPANY	1994 (RETIREMENTS) PER COMPANY	1994 YEAR END PLANT VALUE PER RUCCO	1994 DEPRECIATION EXPENSE PER RUCCO	1994 ACCUMULATED DEPRECIATION PER RUCCO	1994 YEAR END NET PLANT PER RUCCO	1995 ADDITIONS PER COMPANY	1995 (RETIREMENTS) PER COMPANY	1995 YEAR END PLANT VALUE PER RUCCO	1995 DEPRECIATION EXPENSE PER RUCCO	1995 ACCUMULATED DEPRECIATION PER RUCCO	1995 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES ORGANIZATION*	0	0	0	0	0	0	0	0	0	0	0	0
2	302.0	INTANGIBLES FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY LAND - WATER RIGHTS*	334	0	1,622	0	0	1,622	1,257	0	2,879	0	0	2,879
5	310.2	SOURCE OF SUPPLY LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY LAND - WELLS*	0	0	2,415	0	0	2,415	0	0	2,415	0	0	2,415
7	314.0	SOURCE OF SUPPLY WELLS	967	0	34,658	885	16,019	18,637	11,887	0	30,524	1,051	17,071	29,452
8	320.0	PUMPING PLANT LAND*	0	0	6,371	687	12,358	6,371	6,371	0	12,748	687	13,045	6,371
9	321.0	PUMPING PLANT STRUCTURES & IMPROVEMENTS	0	0	26,517	687	14,159	26,517	0	0	26,517	0	13,045	13,472
10	325.0	PUMPING PLANT ELECTRICAL EQUIPMENT	80,582	(7,802)	497,252	12,195	167,039	330,213	14,746	(3,815)	508,183	13,020	178,244	330,939
11	328.0	PUMPING PLANT GAS ENGINE EQUIPMENT	0	0	183,548	0	64,613	118,935	0	0	183,548	4,236	68,849	94,699
12	331.0	WATER TREATMENT PLANT STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT EQUIPMENT	0	0	1,476	38	705	1,476	0	0	1,476	0	0	1,476
14	332.0	WATER TREATMENT PLANT TANKS & MAINS*	2,997	0	24,506	596	10,133	14,373	30,479	(1,278)	30,677	416	15,717	30,834
15	340.0	TRANSMISSION & DISTRIBUTION LAND RIGHTS - FEES*	0	0	5,044	0	0	5,044	0	0	5,044	0	0	5,044
16	340.1	TRANSMISSION & DISTRIBUTION STRUCTURES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION STORAGE TANKS	0	0	249,529	0	114,395	135,134	0	0	135,134	0	0	135,134
18	342.0	TRANSMISSION & DISTRIBUTION FIRE SPRINKLERS	127,570	(2,028)	3,154,305	80,078	1,234,268	1,920,037	12,707	(3,577)	2,255,746	6,543	120,938	2,134,808
19	343.0	TRANSMISSION & DISTRIBUTION MAINS	0	0	18,505	479	4,210	14,285	0	0	14,285	0	0	14,285
20	344.0	TRANSMISSION & DISTRIBUTION SERVICES	0	0	588,429	13,833	191,979	386,450	30,090	(1,084)	417,465	479	4,889	417,584
21	345.0	TRANSMISSION & DISTRIBUTION METER SERVICES	49,457	(784)	206,224	5,358	93,111	113,113	0	(3,278)	202,848	14,339	205,724	381,701
22	346.0	TRANSMISSION & DISTRIBUTION HYDRANTS	0	(1,308)	144,211	3,735	61,375	82,836	0	0	144,211	3,735	65,110	79,106
23	347.1	GENERAL PLANT LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
24	347.2	GENERAL PLANT LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
25	348.1	GENERAL PLANT LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
26	348.2	GENERAL PLANT LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
27	349.1	GENERAL PLANT WAREHOUSE*	0	0	23,032	597	10,405	12,627	262	(22,617)	677	307	(11,935)	12,582
28	350.1	GENERAL PLANT WAREHOUSE BUILDINGS	0	0	10,623	410	4,361	11,062	0	0	11,062	415	5,378	10,847
29	350.2	GENERAL PLANT WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
30	350.3	GENERAL PLANT MISC. BUILDINGS	0	0	9,498	285	2,862	6,636	0	0	6,636	248	3,108	6,390
31	391.0	GENERAL PLANT OFFICE EQUIPMENT	0	(2,980)	20,105	510	7,280	12,825	17,641	0	37,466	749	8,029	29,717
32	391.1	GENERAL PLANT ELECTRICAL EQUIPMENT	918	(60)	10,988	285	5,177	5,811	39	0	11,027	285	5,482	5,585
33	391.2	GENERAL PLANT OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
34	394.0	GENERAL PLANT WAREHOUSE EQUIPMENT	0	0	29,169	749	12,184	16,975	1,541	0	30,710	710	12,969	17,741
35	395.0	GENERAL PLANT GARAGE EQUIPMENT	474	0	0	0	0	0	0	0	0	0	0	0
36	395.0	GENERAL PLANT LAB EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
37	395.0	GENERAL PLANT POWER EQUIPMENT	0	0	13,884	380	6,629	7,255	0	0	13,884	360	6,889	6,895
38	397.0	GENERAL PLANT POWER EQUIPMENT	0	0	48,778	1,248	22,648	25,530	1,767	0	48,778	1,248	23,688	24,282
39	397.1	GENERAL PLANT MOBILE EQUIPMENT	125	0	11,784	558	658	11,784	1,195	0	14,157	344	989	13,158
39	397.2	GENERAL PLANT AUTO CONTROLS	544	0	110,989	2,845	48,638	63,481	1,195	0	111,284	2,867	49,505	61,789
40	398.0	GENERAL PLANT AUTO CONTROLS	0	0	3,970	278	3,970	3,970	0	0	3,970	278	3,970	3,970
41		TOTALS	\$243,968	(\$13,342)	\$5,395,111	\$1,026,418	\$2,083,624	\$3,274,579	\$238,808	(\$32,659)	\$5,599,860	\$14,989	\$2,199,954	\$3,399,906

REFERENCE:  
 ACC STAFF D.R. NO. REL 1-24  
 NOTE:  
 \*NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1996 ADDITIONS PER COMPANY	1996 (RETIREMENTS) PER COMPANY	1996 YEAR-END PLANT VALUE PER RUO	1996 DEPRECIATION EXPENSE PER RUO	1996 ACCUMULATED DEPRECIATION PER RUO	1996 YEAR-END NET PLANT VALUE PER RUO	1997 ADDITIONS PER COMPANY	1997 (RETIREMENTS) PER COMPANY	1997 YEAR-END PLANT VALUE PER RUO	1997 DEPRECIATION EXPENSE PER RUO	1997 ACCUMULATED DEPRECIATION PER RUO	1997 YEAR-END NET PLANT VALUE PER RUO
1	301.0	INTANGIBLES ORGANIZATION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES FRANCHISES	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES MISC.	0	0	0	0	0	0	0	0	0	0	0	0
4	304.0	LAND RIGHTS	380	0	3,264	0	0	3,264	(763)	0	2,501	0	(763)	3,264
5	310.0	SOURCE OF SUPPLY LAND - RESERVOIRS	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY LAND - WELLS	0	0	2,415	0	0	2,415	2,480	0	4,905	0	0	4,905
7	314.0	SOURCE OF SUPPLY WELLS	384	0	46,887	1,210	18,280	28,607	0	0	46,887	1,214	18,495	27,392
8	320.0	PUMPING PLANT LAND	0	0	6,371	0	0	6,371	0	0	6,371	0	0	6,371
9	321.0	PUMPING PLANT STRUCTURES & IMPROVEMENTS	0	0	28,517	687	13,731	12,786	0	0	28,517	687	14,418	12,099
10	325.0	PUMPING PLANT ELECTRICAL EQUIPMENT	5,778	(725)	513,232	13,227	185,742	324,490	0	(74)	513,158	13,292	201,960	311,198
11	328.0	PUMPING PLANT GAS ENGINE EQUIPMENT	0	0	163,548	4,236	73,085	90,463	5,872	(5,335)	164,085	4,243	71,993	92,092
12	330.0	WATER TREATMENT PLANT LAND	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT STRUCTURES & IMPROVEMENTS	789	0	31,466	648	648	30,818	0	0	31,466	648	1,463	30,003
14	332.0	WATER TREATMENT PLANT EQUIPMENT	13,004	(1,703)	35,749	9,787	9,787	25,962	0	0	35,749	926	10,713	25,036
15	340.0	TRANSMISSION & DISTRIBUTION TANKS & MAINS	0	0	5,074	0	0	5,074	81	0	5,155	0	0	5,155
16	340.1	TRANSMISSION & DISTRIBUTION LAND RIGHTS - FEES	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION STORAGE TANKS	0	0	255,746	6,624	127,562	128,184	0	0	255,746	6,624	134,166	121,580
19	343.0	TRANSMISSION & DISTRIBUTION MAINS	86,000	(688)	3,357,767	85,861	1,395,110	1,958,657	114,887	(5,340)	3,467,314	88,385	1,482,155	1,965,159
20	344.0	TRANSMISSION & DISTRIBUTION FIRE SPRINKLERS	3,514	0	22,019	5,214	16,805	16,805	0	0	22,019	5,784	5,784	16,235
21	345.0	TRANSMISSION & DISTRIBUTION SERVICES	59,038	(1,543)	844,920	15,959	220,140	424,780	32,176	(484)	676,812	17,114	236,770	439,042
22	346.0	TRANSMISSION & DISTRIBUTION METERS	0	(3,703)	196,243	5,208	96,637	102,606	6,169	(2,670)	202,742	5,206	89,173	103,569
23	348.0	TRANSMISSION & DISTRIBUTION HYDRANTS	57	0	144,288	3,736	68,845	75,443	17,077	0	161,345	3,958	72,803	88,542
24	383.1	GENERAL PLANT LAND - OFFICE	0	0	0	0	0	0	0	0	0	0	0	0
25	383.2	GENERAL PLANT LAND - WAREHOUSE	0	0	0	0	0	0	0	0	0	0	0	0
26	383.3	GENERAL PLANT LAND - MISC.	0	0	0	0	0	0	0	0	0	0	0	0
27	383.4	GENERAL PLANT BUILDINGS	0	0	18	18	(11,887)	12,569	7,786	0	8,473	115	(11,769)	20,242
28	383.2	GENERAL PLANT WAREHOUSE BUILDINGS	0	0	677	415	5,791	10,232	0	0	16,023	415	6,206	9,817
29	390.3	GENERAL PLANT MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
30	391.0	GENERAL PLANT OFFICE EQUIPMENT	0	0	9,488	246	3,354	6,144	0	(479)	9,019	240	3,114	5,905
31	391.1	GENERAL PLANT ELECTRICAL EQUIPMENT	1,025	0	36,771	991	9,020	29,751	982	0	39,763	1,017	10,037	29,726
32	391.2	GENERAL PLANT OFFICE FURNITURE	0	0	11,027	286	5,747	5,280	3,472	0	14,499	331	6,078	8,421
33	393.0	GENERAL PLANT WAREHOUSE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
34	394.0	GENERAL PLANT GARAGE EQUIPMENT	969	0	31,679	808	13,777	17,902	285	0	31,944	824	14,601	17,343
35	395.0	GENERAL PLANT LAB EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
36	396.0	GENERAL PLANT POWER EQUIPMENT	0	0	13,984	960	7,348	6,636	0	0	13,984	960	7,708	6,176
37	397.0	GENERAL PLANT TELEPHONE EQUIPMENT	0	(2,383)	20,875	1,216	22,145	19,659	1,480	0	21,139	1,152	23,346	21,990
38	397.1	GENERAL PLANT MISC. EQUIPMENT	6,719	0	20,875	454	1,453	19,422	58,104	(16,612)	150,786	3,394	59,171	111,516
39	397.2	GENERAL PLANT MISC. EQUIPMENT	0	0	111,294	2,853	52,368	58,926	58,104	(16,612)	150,786	3,394	59,171	111,516
40	398.0	GENERAL PLANT AUTO CONTROLS	4,333	0	13,068	282	4,479	(4,197)	0	0	13,068	338	4,817	8,251
41		TOTALS	\$181,974	(\$11,334)	\$5,779,500	\$146,806	\$2,335,438	\$3,443,062	\$248,481	(\$31,257)	\$5,988,204	\$151,801	\$2,455,472	\$3,532,732

REFERENCE:  
 ACC STAFF D.R. NO. REL 1:24  
 NOTE:  
 \* NON DEPRECIABLE PLANT  
 \*\* NON DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1988 ADDITIONS PER COMPANY	1988 DEPRECIATION EXPENSE PER RUCCO	1988 YEAR END PLANT VALUE PER RUCCO	1988 NET PLANT PER RUCCO	1989 ADDITIONS PER COMPANY	1989 DEPRECIATION EXPENSE PER RUCCO	1989 YEAR END PLANT VALUE PER RUCCO	1989 NET PLANT PER RUCCO	1989 ACCUMULATED DEPRECIATION PER RUCCO	1989 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES; ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES; FRANCHISES*	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES; MISC.	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY; LAND - WATER RIGHTS*	102	0	2,600	0	911	0	3,514	0	(763)	4,277
5	310.2	SOURCE OF SUPPLY; LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY; LAND - WELLS*	0	0	4,905	0	0	0	4,905	0	0	4,905
7	314.0	SOURCE OF SUPPLY; WELLS	0	1,214	20,709	0	963	1,227	47,840	21,936	0	25,904
8	320.0	PUMPING PLANT; LAND	682	0	7,054	0	0	0	7,054	0	0	7,054
9	321.0	PUMPING PLANT; STRUCTURES & IMPROVEMENTS	66	688	11,477	0	0	688	26,583	15,794	0	10,789
10	325.0	PUMPING PLANT; ELECTRICAL EQUIPMENT	3,018	13,330	215,290	0	8,849	13,472	524,150	227,869	0	296,281
11	328.0	PUMPING PLANT; METER EQUIPMENT	0	0	516,174	0	0	4,250	164,085	0	0	83,552
12	330.0	PUMPING PLANT; LAND*	0	0	164,085	0	0	0	0	0	0	0
13	332.0	WATER TREATMENT PLANT; LAND*	0	0	31,466	0	0	815	31,466	0	0	28,373
14	332.0	WATER TREATMENT PLANT; EQUIPMENT	1,823	950	37,572	0	0	973	37,572	0	0	24,937
15	340.0	WATER TREATMENT PLANT; TANKS & MAINS*	0	0	5,715	0	0	0	5,715	0	0	5,715
16	341.0	TRANSMISSION & DISTRIBUTION; LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION; STRUCTURES	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION; STORAGE TANKS	4,390	6,652	257,890	0	0	6,679	367,890	0	145,971	112,619
19	343.0	TRANSMISSION & DISTRIBUTION; MAINS	102,628	91,109	3,568,159	(2,248)	114,894	3,681,690	3,581,690	1,684,312	2,017,593	2,017,593
20	344.0	TRANSMISSION & DISTRIBUTION; FIRE SPRINKLERS	0	0	22,019	0	0	0	29,546	0	7,022	22,524
21	345.0	TRANSMISSION & DISTRIBUTION; SERVICES	24,161	17,655	700,607	(166)	4,782	18,645	739,180	271,455	467,705	467,705
22	346.0	TRANSMISSION & DISTRIBUTION; METERS	4,841	3,522	103,138	(3,254)	7,579	5,334	207,565	102,182	105,383	105,383
23	348.0	TRANSMISSION & DISTRIBUTION; HYDRANTS	6,973	4,265	168,269	(49)	2,535	4,392	170,904	81,415	89,489	89,489
24	389.1	GENERAL PLANT; LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0
25	389.2	GENERAL PLANT; LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT; LAND - MISC.	0	219	8,473	0	0	219	8,473	0	(11,330)	19,803
27	390.1	GENERAL PLANT; OFFICE BUILDINGS	0	415	16,023	0	9,402	415	16,023	415	7,036	8,987
28	390.2	GENERAL PLANT; WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0	0
29	390.3	GENERAL PLANT; MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0
30	391.0	GENERAL PLANT; ELECTRICAL EQUIPMENT	598	234	9,019	0	5,671	234	9,019	3,582	5,437	5,437
31	391.1	GENERAL PLANT; OFFICE EQUIPMENT	1,165	1,038	40,361	0	10,892	1,186	51,253	12,261	38,992	38,992
32	392.0	GENERAL PLANT; ELECTRICAL EQUIPMENT	0	391	15,664	0	1,888	430	17,552	6,899	10,653	10,653
33	393.0	GENERAL PLANT; OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0
34	394.0	GENERAL PLANT; WAREHOUSE EQUIPMENT	302	831	32,246	0	3,356	879	35,602	16,311	19,291	19,291
35	395.0	GENERAL PLANT; GARAGE EQUIPMENT	0	0	0	0	1,141	15	1,141	15	0	1,126
36	396.0	GENERAL PLANT; LAB EQUIPMENT	0	360	13,884	0	8,057	360	13,884	8,427	19,567	19,567
37	397.0	GENERAL PLANT; POWER EQUIPMENT	0	1,169	24,320	(197)	0	1,167	45,051	23,924	20,497	20,497
38	397.1	GENERAL PLANT; COMMUNICATIONS EQUIPMENT	1,345	597	23,710	0	2,610	597	23,710	4,034	169,935	169,935
39	397.2	GENERAL PLANT; MOBILE RADIOS	3,614	3,952	154,400	0	2,691	4,034	157,721	47,156	109,565	109,565
40	398.0	GENERAL PLANT; AUTO CONTROLS	0	339	13,068	0	6,817	339	20,062	5,985	14,477	14,477
41		TOTALS	\$155,707	\$156,496	\$6,136,216	(\$7,695)	\$2,041,313	\$161,014	\$6,338,726	\$2,757,384	\$3,581,342	\$3,581,342

REFERENCE:  
 ACC STAFF D/R NO. REL 1-24  
 NOTE:  
 \*NON-DEPRECIABLE PLANT  
 \*NON-DEPRECIABLE PLANT

LINE NO.	ACCT NO.	PLANT ACCOUNT NAME	2000 ADDITIONS PER COMPANY	2000 (RETIREMENTS) PER COMPANY	2000 YEAR END PLANT VALUE PER RUCCO	2000 DEPRECIATION EXPENSE PER RUCCO	2000 ACCUMULATED DEPRECIATION PER RUCCO	2000 YEAR END NET PLANT PER RUCCO	2001 ADDITIONS PER COMPANY	2001 (RETIREMENTS) PER COMPANY	2001 YEAR END PLANT VALUE PER RUCCO	2001 DEPRECIATION EXPENSE PER RUCCO	2001 ACCUMULATED DEPRECIATION PER RUCCO	2001 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES MISC*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY, LAND - WATER RIGHTS*	0	0	3,514	0	(763)	4,277	181	0	3,695	0	(763)	4,458
5	310.2	SOURCE OF SUPPLY, LAND - RESERVOIRS*	0	0	726	0	0	726	0	0	726	0	0	726
6	310.3	SOURCE OF SUPPLY, LAND - WELLS*	0	0	4,905	0	0	4,905	0	0	4,905	0	0	4,905
7	314.0	SOURCE OF SUPPLY, WELLS	0	0	47,840	1,239	23,175	24,665	927	0	48,767	1,251	24,426	24,341
8	320.0	PUMPING PLANT, LAND*	0	0	7,054	0	0	7,054	0	0	7,054	0	0	7,054
9	321.0	PUMPING PLANT, STRUCTURES & IMPROVEMENTS	0	0	25,583	688	16,483	24,141	0	0	26,583	688	17,171	9,412
10	325.0	PUMPING PLANT, ELECTRICAL EQUIPMENT	0	0	525,155	13,601	284,714	241,441	10,556	(23,918)	512,753	13,454	230,977	281,816
11	328.0	PUMPING PLANT, GAS ENGINE EQUIPMENT	2,055	(90)	164,085	4,250	84,742	164,343	672	0	164,577	4,259	89,001	75,756
12	330.0	WATER TREATMENT PLANT, LAND*	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT, STRUCTURES & IMPROVEMENTS	0	0	31,468	815	3,908	27,558	465	0	31,931	821	4,729	27,202
14	332.0	WATER TREATMENT PLANT, EQUIPMENT	0	0	37,572	973	13,608	23,964	0	0	37,572	973	14,581	22,991
15	340.0	TRANSMISSION & DISTRIBUTION, LAND - TANKS & MAINS*	0	0	5,715	0	0	5,715	0	0	5,715	0	0	5,715
16	341.0	TRANSMISSION & DISTRIBUTION, LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION, LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION, STORAGE TANKS	102,475	0	553,043	7,912	145,860	207,163	0	0	353,043	9,144	155,004	198,039
19	343.0	TRANSMISSION & DISTRIBUTION, MAINS	127,163	0	3,807,642	96,782	1,739,259	2,047,784	159,335	(804)	3,965,593	100,556	1,859,120	2,106,473
20	344.0	TRANSMISSION & DISTRIBUTION, FIRE SPRINKLERS	0	0	29,536	785	0	29,546	0	0	29,546	785	0	20,993
21	345.0	TRANSMISSION & DISTRIBUTION, MISC. BUILDINGS	34,846	(4,309)	769,597	19,540	266,695	483,748	53,700	(5,239)	817,068	20,549	301,905	515,163
22	346.0	TRANSMISSION & DISTRIBUTION, METERS	2,275	(2,112)	207,728	103,448	105,448	102,285	4,670	(653)	211,657	5,494	110,361	101,516
23	348.0	TRANSMISSION & DISTRIBUTION, HYDRANTS	12,735	0	183,639	4,591	86,006	97,633	10,245	(593)	193,566	4,865	90,563	102,993
24	389.1	GENERAL PLANT, LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
25	389.2	GENERAL PLANT, LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT, LAND - MISC*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT, OFFICE BUILDINGS	0	0	8,473	219	(11,110)	19,583	0	0	8,473	219	(10,801)	19,364
28	390.2	GENERAL PLANT, WAREHOUSE BUILDINGS	0	0	16,023	415	7,451	8,572	0	0	16,023	415	7,866	8,157
29	390.3	GENERAL PLANT, MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
30	391.0	GENERAL PLANT, OFFICE EQUIPMENT	0	0	9,019	234	3,815	5,204	0	0	9,019	234	4,049	4,970
31	391.1	GENERAL PLANT, ELECTRICAL EQUIPMENT	1,099	0	52,352	1,342	13,603	38,749	930	0	53,282	1,368	14,971	38,311
32	391.2	GENERAL PLANT, OFFICE FURNITURE	0	0	17,552	455	7,353	10,199	0	0	17,552	455	7,808	9,744
33	393.0	GENERAL PLANT, WAREHOUSE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
34	394.0	GENERAL PLANT, GARAGE EQUIPMENT	1,117	(295)	36,424	933	16,949	19,475	1,258	0	37,682	960	17,909	19,773
35	395.0	GENERAL PLANT, LAB EQUIPMENT	0	0	1,141	30	44	1,097	543	0	1,684	37	81	1,603
36	396.0	GENERAL PLANT, POWER EQUIPMENT	558	0	14,442	367	8,794	5,648	0	0	14,442	374	9,168	5,274
37	397.0	GENERAL PLANT, TELEPHONE EQUIPMENT	0	0	45,051	1,157	26,654	18,397	0	(17,142)	27,909	945	10,456	17,453
38	397.1	GENERAL PLANT, MOBILE RADIO	653	0	24,976	623	3,847	20,529	4,168	0	28,544	665	4,532	24,012
39	397.2	GENERAL PLANT, AUTO CONTROLS	13,559	0	120,864	4,745	51,400	119,284	15,862	0	186,546	4,626	56,026	130,520
40	398.0	GENERAL PLANT, MISC.	0	0	20,582	500	11,110	9,472	0	0	20,582	520	6,674	13,498
41		TOTALS	\$299,317	(\$16,114)	\$6,621,929	\$167,262	\$2,989,553	\$3,635,634	\$282,512	(\$48,042)	\$6,636,399	\$173,715	\$3,034,226	\$3,602,173

REFERENCE:  
 ACC STAFF D. R. NO. REL 1-24

NOTE:  
 \* NON-DEPRECIABLE PLANT  
 \* NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 BISBEE SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENTS #1, #2 & #3 - PLANT IN SERVICE/POST TEST YEAR PLANT,  
 PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-4  
 PAGE 7 OF 7

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2002 ADDITIONS PER COMPANY	2002 (RETIREMENTS) PER COMPANY	2002 YEAR END PLANT VALUE PER RUCO	2002 DEPRECIATION EXPENSE PER RUCO	2002 ACCUMULATED DEPRECIATION PER RUCO	2002 YEAR END NET PLANT PER RUCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	3,564	0	7,259	0	(763)	8,022
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	726	0	0	726
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	4,905	0	0	4,905
7	314.0	SOURCE OF SUPPLY: WELLS	486,276	0	535,043	7,560	31,986	503,057
8	320.0	PUMPING PLANT: LAND*	0	0	7,064	0	0	7,064
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	7,028	0	33,611	780	17,951	15,660
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	131,452	(10,501)	633,744	14,848	235,324	398,420
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	164,757	4,267	93,268	71,489
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	31,931	827	5,556	26,375
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	2,328	0	39,900	1,003	15,585	24,315
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	5,715	0	0	5,715
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	1,716	0	354,759	9,166	164,170	190,589
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	124,382	(239)	4,089,736	104,317	1,963,198	2,126,538
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	29,546	765	9,318	20,228
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	30,667	(3,106)	844,629	21,519	320,318	524,311
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	1,871	(758)	212,990	5,502	115,105	97,885
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	6,640	0	200,196	5,099	95,662	104,534
24	389.1	GENERAL PLANT: LAND - OFFICE*	399	0	399	0	0	399
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0
26	389.3	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	382	0	8,855	224	(10,666)	19,521
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	16,023	415	8,281	7,742
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	33,843	(8,487)	34,375	562	(3,876)	38,251
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	53,282	1,380	16,351	36,931
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	17,552	455	8,262	9,290
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	0	0	0	0
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	5,936	0	43,618	1,053	18,961	24,657
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	1,684	44	125	1,559
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	14,442	374	9,542	4,900
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	2,387	(2,965)	27,331	715	8,207	19,124
38	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	28,544	739	5,271	23,273
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	186,546	4,832	60,858	125,688
40	398.0	GENERAL PLANT: MISC.	788	0	20,850	530	7,154	(6,624)
41		TOTALS	\$839,658	(\$26,056)	\$7,650,001	\$186,975	\$3,195,145	\$4,434,536
42		BALANCES PER COMPANY			\$ 7,433,939		\$3,099,049	
43		BALANCES PER RUCO			\$7,650,001		\$3,195,145	
44		LESS: POST-TEST YEAR ALLOCATED PHOENIX OFFICE & METER SHOP ADDITIONS**			\$28,987			
45		TOTAL ADJUSTMENTS			\$187,076		\$96,096	

REFERENCES:  
 ACC STAFF D.R. NO. REL 1-24  
 ACC STAFF D.R. NO. REL 18-1  
 RUCO D.R. NO. 6 2

NOTE:  
 \* NON-DEPRECIABLE PLANT  
 \*\* BASED ON AN ALLOCATION FACTOR OF 0.0553 PER RUCO D.R. NO. 4 2

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 BISBEE SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJ. #4 - RECONCILE TEST YEAR ALLOCATED PHOENIX OFFICE  
 & METER SHOP AND ACCUMULATED DEPRECIATION BALANCES

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-5

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>TEST YEAR COMPANY</u>
1	GROSS PHOENIX OFFICE PLANT & METER SHOP	\$ 4,002,988
2	ADD: PHOENIX OFFICE CONSTRUCTION WORK IN PROGRESS (CWIP)	126,565
3	GROSS PHOENIX OFFICE PLANT & METER SHOP WITH CWIP	\$ 4,129,553
4	TIMES: ALLOCATION FACTOR	0.0531
5	ALLOCATED GROSS PHOENIX OFFICE PLANT & METER SHOP WITH CWIP	\$ 219,279
6	NET ALLOCATED PHOENIX OFFICE PLANT & METER SHOP WITH CWIP	193,907
7	RUCO ADJUSTMENT TO PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION	\$ 25,372

REFERENCES:

- LINE 1: COMPANY SCHEDULE B-2 PAGES 10 AND 11
- LINE 2: COMPANY SCHEDULE B-2 PAGE 10
- LINE 3: LINE 1 + LINE 2
- LINE 4: COMPANY SCHEDULE B-1 PAGE 1
- LINE 5: LINE 3 x LINE 4
- LINE 6: COMPANY SCHEDULE B-1 PAGE 1 (SUM OF LINES 6 AND 7)

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 BISBEE SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJ. #5 - REMOVE CWIP FROM PHOENIX OFFICE ALLOCATION

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-6

LINE NO.	DESCRIPTION	(A) TEST YEAR COMPANY	(B) TEST YEAR RUCO	
1	GROSS PHOENIX OFFICE PLANT	\$ 3,903,884	\$ 3,903,884	COMPANY SCHEDULE B-2 PAGE 10
2	LESS: ACCUMULATED DEPRECIATION	453,222	453,222	COMPANY SCHEDULE B-2 PAGE 10
3	NET PHOENIX OFFICE PLANT	\$ 3,450,662	\$ 3,450,662	LINE 1 + LINE 2
4	ADD: CWIP	126,565	-	COMPANY SCHEDULE B-2 PAGE 10
5	TOTALS	\$ 3,577,227	\$ 3,450,662	LINE 3 + LINE 4
4	TIMES: ALLOCATION FACTOR	0.0531	0.0531	COMPANY SCHEDULE B-1 PAGE 2
5	ALLOCATED PHOENIX OFFICE PLANT	\$ 189,951	\$ 183,230	COMPANY SCHEDULE B-1 PAGE 2
6	RUCO ADJUSTMENT		\$ (6,721)	LINE 5 COLUMN (B) - LINE 5 COLUMN (A)

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 1999  
 BISBEE SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENT #9 - WORKING CAPITAL

DOCKET NO. W-1445A-00-0962  
 SCHEDULE WAR-7  
 PAGE 1 OF 4

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	CASH WORKING CAPITAL PER COMPANY	\$ 28,193	COMPANY SCH. B-5, PG. 1
2	CASH WORKING CAPITAL PER RUCO	(29,704)	SCH. WAR-7, PG. 3
3	DECREASE IN CASH WORKING CAPITAL	(57,897)	LINE 2 - LINE 1
4	MATERIALS & SUPPLIES PER COMPANY	31,166	COMPANY SCH. B-5, PG. 1
5	MATERIALS & SUPPLIES PER RUCO	32,838	DATA REQUEST RUCO 6.4 a)
6	MATERIALS & SUPPLIES ADJUSTMENT	1,672	LINE 5 - LINE 4
7	PREPAYMENTS PER COMPANY AND SPECIAL DEPOSITS	15,161	COMPANY SCH. B-5, PG. 1
8	PREPAYMENTS PER RUCO	14,038	DATA REQUEST RUCO 6.4 b)
9	PREPAYMENTS ADJUSTMENT	(1,123)	LINE 8 - LINE 7
10	REQUIRED BANK BALANCES PER COMPANY	26,465	COMPANY SCH. B-5, PG. 1
11	REQUIRED BANK BALANCES PER RUCO	24,264	DATA REQUEST RUCO 6.4 c)
12	REQUIRED BANK BALANCE ADJUSTMENT	(2,201)	LINE 11 - LINE 10
13	TOTAL WORKING CAPITAL ADJUSTMENT	(59,549)	LINES 3, 6, 9 & 12

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 BISBEE SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENT #9 - WORKING CAPITAL  
 LEAD/LAG CALCULATION

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-7  
 PAGE 2 OF 4

LINE NO.	DESCRIPTION	EXPENSES PER COMPANY	RUCO ADJUSTMENTS	ADJUSTED EXPENSES	(LEAD)/LAG DAYS	\$ DAYS
1	PURCHASED POWER	\$ 186,397	\$ 2,110	\$ 188,507	34.13	\$ 6,433,744
2	PAYROLL	344,997	3,389	348,386	14.00	4,877,407
3	PURCHASED WATER	-	-	-	N/A	N/A
4	CHEMICALS	37,321	(24,908)	12,413	27.94	346,819
5	PROPERTY & LIABILITY INSURANCE	5,386	(150)	5,236	(45.27)	(237,024)
6	WORKER'S COMPENSATION	4,761	605	5,366	(46.50)	(249,525)
7	HEALTH INSURANCE	69,198	(6,734)	62,464	(8.92)	(557,182)
8	OTHER O&M EXPENSES	183,157	(121,144)	62,013	(9.27)	(574,864)
9	DEPRECIATION & AMORTIZATION	200,874	(7,517)	193,357	N/A	N/A
10	FEDERAL & STATE INCOME TAXES	187,043	(48,943)	138,100	61.95	8,555,866
11	DEFERRED INCOME TAXES	7,138	N/A	N/A	N/A	N/A
12	FICA TAXES	26,530	6,180	32,710	14.00	457,940
13	FUTA & SUTA TAXES	582	186	768	83.10	63,821
14	PROPERTY TAXES	105,773	(18,688)	87,085	212.00	18,462,083
15	REG., CONTRACT, & MISCELLANEOUS FEES	31,809	1,361	33,170	(98.83)	(3,278,157)
16	SALES & OCCUPATION TAXES	104,739	13,398	118,137	37.53	4,433,682
17	PENSION EXPENSE	30,327	8,206	38,533	34.72	1,337,866
18	TOTAL	\$ 1,526,032	\$ (192,649)	\$ 1,326,245 *	30.21	\$ 40,072,476

NOTE

N/A = NON CASH CHARGES EXCLUDED FROM WORKING CAPITAL CALCULATION

\* RUCO RECOMMENDED LEVEL OF OPERATING EXPENSE - SCHEDULE WAR-8, COLUMN (E), LINE 16

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 BISBEE SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENT #9 - WORKING CAPITAL  
 CALCULATION OF CASH WORKING CAPITAL

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-7  
 PAGE 3 OF 4

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	AVERAGE EXPENSE LAG	30.21	SCH. WAR-7, PG. 2
2	AVERAGE REVENUE COLLECTION LAG	<u>22.04</u>	CO. SCH. B-5, PG. 2
3	EXCESS EXPENSE OVER REVENUE LAG	(8.17)	LINE 2 - LINE 1
4	TOTAL EXPENSES	\$ 1,326,245	SCH. WAR-7, PG. 2
5	CASH WORKING CAPITAL REQUIREMENT	(29,704)	(LINE 3 X LINE 4)/365 DAYS
6	PER COMPANY	<u>\$ 28,193</u>	CO. SCH. B-5, PG. 2
7	INCREASE (DECREASE) IN WORKING CAPITAL	<u>\$ (57,897)</u>	LINE 5 - LINE 6

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 BISBEE SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENT #9 - WORKING CAPITAL  
 CALCULATION OF INCOME TAX LAG

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-7  
 PAGE 4 OF 4

<u>LINE NO.</u>	<u>(A) PAYMENT DATE</u>	<u>(B) SERVICE PERIOD MIDPOINT</u>	<u>(C) (LEAD)/LAG DAYS</u>	<u>(D) PAYMENT AMOUNT</u>	<u>(E) DOLLAR DAYS</u>
1	04/12/99	07/01/99	(80.00)	\$ 397,000	(31,760,000)
2	06/11/99	07/01/99	(20.00)	50,000	(1,000,000)
3	09/14/99	07/01/99	75.00	486,000	36,450,000
4	12/14/99	07/01/99	166.00	970,000	161,020,000
5	03/14/00	07/01/99	257.00	<u>(240,000)</u>	<u>(61,680,000)</u>
6	TOTALS			\$ 1,663,000	103,030,000
7	INCOME TAX LAG		<span style="border: 1px solid black; padding: 2px;">61.95</span>		

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 BISBEE SYSTEM - REVISED SCHEDULES  
 OPERATING INCOME - TEST YEAR AND RUCO PROPOSED

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-8

LINE NO.	DESCRIPTION	(A) COMPANY TEST YEAR AS FILED	(B) RUCO TEST YEAR ADJUSTMENTS	(C) RUCO TEST YEAR AS ADJUSTED	(D) RUCO PROPOSED CHANGES	(E) RUCO RECOMMENDED
<u>REVENUES - WATER:</u>						
1	REVENUE FROM WATER SALES	\$ 1,256,950	\$ 56,203	\$ 1,313,153	\$ 325,943	\$ 1,639,096
2	OTHER REVENUES	0.00	-	0.00		0.00
3	TOTAL OPERATING REVENUES	\$ 1,256,950	\$ 56,203	\$ 1,313,153	\$ 325,943	\$ 1,639,096
<u>OPERATING EXPENSES:</u>						
2	PURCHASED WATER	\$ -	\$ -	\$ -	\$ -	\$ -
3	OTHER	2,275	(141)	2,134		2,134
4	PURCHASED POWER	181,448	3,540	184,988		184,988
5	PURCHASED GAS	401	802	1,203		1,203
6	OTHER	43,218	(5,664)	37,554		37,554
7	WATER TREATMENT	47,494	(5,739)	41,755		41,755
8	TRANSMISSION & DISTRIBUTION	213,823	(17,959)	195,864		195,864
9	CUSTOMER ACCOUNTS	168,474	1,619	170,093		170,093
10	SALES	987	(751)	236		236
11	ADMINISTRATIVE & GENERAL	235,785	4,613	240,398		240,398
12	DEPRECIATION & AMORTIZATION	200,874	(7,517)	193,357		193,357
13	PROPERTY TAXES	106,595	(19,510)	87,085		87,085
14	OTHER TAXES	24,319	9,159	33,478		33,478
15	INCOME TAXES	(452)	12,407	11,955	126,145	138,100
16	TOTAL OPERATING EXPENSES	\$ 1,225,241	\$ (25,141)	\$ 1,200,100	\$ 126,145	\$ 1,326,245
17	NET INCOME	\$ 31,709	\$ 81,344	\$ 113,053	\$ 199,798	\$ 312,851

REFERENCES:  
 COLUMN (A): CO. SCH. C-1, PG. 2  
 COLUMN (B): SCH. WAR-9  
 COLUMN (C): COLUMN (A) + COLUMN (B)  
 COLUMN (D): SCH. WAR-1  
 COLUMN (E): COLUMN (C) + COLUMN (D)



ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 BISBEE SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #1 - RECONCILE COMPANY  
 PROPOSED OPERATING INCOME TO 2002 ACTUAL

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-10  
 PAGE 1 OF 2

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) 2002 ACTUAL	(C) DIFFERENCE	(D) RUCO ADJUSTMENT
<u>REVENUES - WATER:</u>					
1	REVENUE FROM WATER SALES	\$ 1,256,950	\$ 1,422,778	\$ 1,256,950	\$ 165,828
2	OTHER REVENUES	0.00	0.00	0.00	0.00
3	TOTAL OPERATING REVENUES	\$ 1,256,950	\$ 1,422,778	\$ 1,256,950	\$ 165,828
<u>OPERATING EXPENSES:</u>					
4	PURCHASED WATER	\$ -	\$ -	\$ -	\$ -
5	OTHER	2,275	2,134	2,275	(141)
6	PURCHASED POWER	181,448	187,304	181,448	5,856
7	PURCHASED GAS	401	1,203	401	802
8	OTHER	43,218	37,554	43,218	(5,664)
9	WATER TREATMENT	47,494	41,704	47,494	(5,790)
10	TRANSMISSION & DISTRIBUTION	213,823	197,649	213,823	(16,174)
11	CUSTOMER ACCOUNTS	168,474	170,093	168,474	1,619
12	SALES	987	236	987	(751)
13	ADMINISTRATIVE & GENERAL	235,785	232,943	235,785	(2,842)
14	DEPRECIATION & AMORTIZATION	200,874	185,093	200,874	- (a)
15	PROPERTY TAXES	106,595	87,465	106,595	- (a)
16	OTHER TAXES	24,319	148,838	24,319	124,519
17	INCOME TAXES	(452)	34,513	(452)	- (a)
18	TOTAL OPERATING EXPENSES	\$ 1,225,241	\$ 1,326,729	\$ 1,225,241	\$ 101,434
19	NET INCOME	\$ 31,709	\$ 96,049	\$ 31,709	\$ 64,394

REFERENCES:

COLUMN (A): COMPANY SCHEDULE C-1 PAGE 2 OF 5  
 COLUMN (B): DATA REQUEST RUCO 1.10  
 COLUMN (C): COLUMN (B) - COLUMN (A)  
 COLUMN (D): COLUMN (C) LINES 1 THRU 13, LINES 16, 18 & 19

NOTE:

(a) SEPARATE PRO FORMA ADJUSTMENTS NOT INCLUDED IN RECONCILIATION

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 BISBEE SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #1 - RECONCILE COMPANY  
 PROPOSED OPERATING INCOME TO 2002 ACTUAL

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-10  
 PAGE 2 OF 2

LINE NO.	DESCRIPTION	(A) TEST YEAR ACTUAL	(B) 2002 ACTUAL	(C) DIFFERENCE
	<u>REVENUES - WATER:</u>			
1	REVENUE FROM WATER SALES	\$ 1,363,532	\$ 1,422,778	\$ 59,246
2	OTHER REVENUES	0.00	0.00	0.00
3	TOTAL OPERATING REVENUES	\$ 1,363,532	\$ 1,422,778	\$ 59,246
	<u>OPERATING EXPENSES:</u>			
4	PURCHASED WATER	\$ -	\$ -	\$ -
5	OTHER	2,279	2,134	(145)
6	PURCHASED POWER	180,807	187,304	6,497
7	PURCHASED GAS	401	1,203	802
8	OTHER	43,218	37,554	(5,664)
9	WATER TREATMENT	34,435	41,704	7,269
10	TRANSMISSION & DISTRIBUTION	203,387	197,649	(5,738)
11	CUSTOMER ACCOUNTS	167,213	170,093	2,880
12	SALES	987	236	(751)
13	ADMINISTRATIVE & GENERAL	204,408	232,943	28,535
14	DEPRECIATION & AMORTIZATION	173,245	185,093	11,848
15	PROPERTY TAXES	95,358	87,465	(7,893)
16	OTHER TAXES	128,331	148,838	20,507
17	INCOME TAXES	38,236	34,513	(3,723)
18	TOTAL OPERATING EXPENSES	1,272,305	1,326,729	54,424
19	NET INCOME	\$ 91,227	\$ 96,049	\$ 4,822

REFERENCES:

COLUMN (A): COMPANY SCHEDULE C-1 PAGE 2 OF 5  
 COLUMN (B): DATA REQUEST RUCO 1.10  
 COLUMN (C): COLUMN (B) - COLUMN (A)

LINE NO.	DESCRIPTION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
1	YEAR END CUSTOMERS - 2002	3,406	3,406	3,406	3,406	3,406	3,406	3,406	3,406	3,406	3,406	3,406	3,406
2	2002 CUSTOMERS	3,388	3,387	3,397	3,394	3,408	3,405	3,406	3,404	3,403	3,406	3,399	3,406
3	INCREASE IN CUSTOMERS - 2002	18	19	9	12	(2)	1	-	2	3	-	7	0
4	AVERAGE REVENUE FOR THE MONTH	\$ 29.03	\$ 29.75	\$ 30.60	\$ 33.67	\$ 38.10	\$ 44.03	\$ 45.67	\$ 32.32	\$ 35.27	\$ 33.25	\$ 31.30	\$ 28.12
5	INCREASE IN REVENUES	\$ 523	\$ 565	\$ 275	\$ 404	\$ (76)	\$ 44	\$ -	\$ 65	\$ 106	\$ -	\$ 219	\$ 0
6	TOTAL INCREASE IN REVENUE	2,124											
7	INCREASE IN REVENUE PER COMPANY												
8	REVENUE ADJUSTMENT	2,124											
9	GALLONS SOLD PER AVERAGE CUSTOMER	5,803	6,079	6,391	7,572	9,267	11,501	12,206	7,151	8,189	7,392	6,685	5,848
10	INCREASE IN CUSTOMERS	18	19	9	12	(2)	1	-	2	3	-	7	0
11	INCREASE IN GALLONS	104,446	115,507	57,515	90,869	(18,534)	11,501	-	14,303	24,567	-	46,798	0
12	TOTAL INCREASE IN GALLONS	446,971											
13	PUMPING COST PER GALLON	0.00075											
14	INCREASE IN PUMPING COST	335											
15	WATER TREATMENT COSTS PER GALLON	0.000115											
16	INCREASE IN WATER TREATMENT COSTS	51											
17	TOTAL INCREASE IN BILLS	69											
18	MONTHLY ACCOUNTING COST PER BILL	4.10											
19	INCREASE IN ACCOUNTING COST	283											

REFERENCES:

- LINE #1 - RUCO DATA REQUEST #6.6
- LINE #2 - RUCO DATA REQUEST #6.6
- LINE #3 = LINE #1 MINUS LINE #2
- LINE #4 - RUCO DR #1.10 = TOTAL MONTH REV. MINUS OTHER REV. / TOTAL MONTHLY CUSTOMERS FOR POST-TEST-YEAR
- LINE #5 = LINE #3 MULTIPLIED BY LINE #4
- LINE #6 = SUMMATION OF LINE #5
- LINE #7 - NO REFERENCE
- LINE #8 - LINE #6 MINUS LINE #7
- LINE #9 - GALLONS SOLD, AWC's ANNUAL REPORT & MONTHLY CUSTOMERS, RUCO DR #6.6
- LINE #10 = LINE #3
- LINE #11 = LINE #9 MULTIPLIED BY LINE #10
- LINE #12 = SUMMATION OF LINE #11
- LINE #13 - CO. WIP C2-5, PAGE 3
- LINE #14 = LINE #12 X LINE #13
- LINE #15 - CO. WIP C2-5, PAGE 3
- LINE #16 = LINE #12 MULTIPLIED BY LINE #15
- LINE #17 = SUMMATION OF LINE #3
- LINE #18 - CO. WIP C2-5, PAGE 4
- LINE #19 = LINE #17 X LINE #18

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 BISBEE SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #8 - DEPRECIATION & AMORTIZATION EXPENSE

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-12

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	(A) ACTUAL TEST YEAR BALANCE PER COMPANY	(B) RUCO ADJUSTMENTS	(C) RUCO ADJUSTED BALANCE	(D) COMPOSITE DEPRECIATION RATE	(E) RUCO RECOMMENDED DEPRECIATION EXPENSE
1	301.0	INTANGIBLES: ORGANIZATION*	\$ -	\$ -	\$0	0.00%	\$ -
2	302.0	INTANGIBLES: FRANCHISES*	-	-	-	0.00%	-
3	303.0	INTANGIBLES: MISC.*	-	-	-	0.00%	-
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	4,422	(727)	3,695	0.00%	-
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	-	726	726	0.00%	-
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	4,905	-	4,905	0.00%	-
7	314.0	SOURCE OF SUPPLY: WELLS	48,766	1	48,767	2.59%	1,263
8	320.0	PUMPING PLANT: LAND*	7,054	-	7,054	0.00%	-
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	26,509	74	26,583	2.59%	688
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	513,405	(612)	512,793	2.59%	13,281
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	164,220	537	164,757	2.59%	4,267
12	330.0	WATER TREATMENT PLANT: LAND*	-	-	-	0.00%	-
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	31,930	1	31,931	2.59%	827
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	38,243	(671)	37,572	2.59%	973
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	5,044	671	5,715	0.00%	-
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	-	-	-	0.00%	-
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	-	-	-	2.59%	-
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	353,044	(1)	353,043	2.59%	9,144
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	3,965,590	3	3,965,593	2.59%	102,709
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	29,546	-	29,546	2.59%	765
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	817,067	1	817,068	2.59%	21,152
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	211,876	1	211,877	2.59%	5,488
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	193,556	-	193,556	2.59%	5,013
24	389.1	GENERAL PLANT: LAND - OFFICE*	-	-	-	0.00%	-
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	-	-	-	0.00%	-
26	389.3	GENERAL PLANT: LAND - MISC.*	-	-	-	0.00%	-
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	8,474	(1)	8,473	2.59%	219
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	16,023	-	16,023	2.59%	415
29	390.3	GENERAL PLANT: MISC. BUILDINGS	-	-	-	2.59%	-
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	9,020	(1)	9,019	2.59%	234
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	53,283	(1)	53,282	2.59%	1,380
32	391.2	GENERAL PLANT: OFFICE FURNITURE	17,552	-	17,552	2.59%	455
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	-	-	-	2.59%	-
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	37,881	1	37,882	2.59%	976
35	395.0	GENERAL PLANT: LAB EQUIPMENT	1,684	-	1,684	2.59%	44
36	396.0	GENERAL PLANT: POWER EQUIPMENT	14,442	-	14,442	2.59%	374
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	27,910	(1)	27,909	2.59%	723
38	397.1	GENERAL PLANT: MOBILE RADIOS	28,544	1	28,544	2.59%	739
39	397.2	GENERAL PLANT: AUTO CONTROLS	186,546	1	186,546	2.59%	4,832
40	398.0	GENERAL PLANT: MISC.	20,062	1	20,062	2.59%	520
41							
42		TEST YEAR TOTALS	\$ 6,836,396	\$ 3	\$ 6,836,399		\$ 176,490
43							
44		POST TEST YEAR ADDITIONS	597,543	187,073	\$784,616	2.59%	20,322
45							
46		GROSS DEPRECIABLE PHOENIX OFFICE AND METER SHOP ALLOCATION	212,559	28,588	241,146 **	2.59%	6,246
47							
48		2002 TOTALS	\$ 7,646,498	\$ 215,663	\$ 7,862,161		\$ 203,058
49							
50		LESS:					
51		AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION @ 2.59% COMPOSITE RATE ***					9,701
52							
53		TOTAL PRO FORMA DEPRECIATION & AMORTIZATION EXPENSE					\$ 193,357
54							
55		DEPRECIATION & AMORTIZATION EXPENSE PER COMPANY					200,874
56							
57		DEPRECIATION & AMORTIZATION EXPENSE ADJUSTMENT (LINE 53 - LINE 55)					\$ (7,517)

REFERENCES:

COLUMN (A): COMPANY SCHEDULE E-5 PAGE 1 OF 4 AND STAFF DATA REQUEST REL 1-24  
 COLUMN (B): COLUMN (C) - COLUMN (A)  
 COLUMN (C): RUCO SCHEDULE WAR-4 PAGE 7  
 COLUMN (D): COMPOSITE DEPRECIATION RATE OF 2.59%  
 COLUMN (E): COLUMN (C) x COLUMN (D)

NOTES:

\* NON-DEPRECIABLE PLANT ASSETS  
 \*\* NET OF \$399 IN NON-DEPRECIABLE LEASEHOLD IMPROVEMENTS ( $\$7,215 \times 0.0553$  ALLOCATION FACTOR FOR 2002 = \$399)  
 \*\*\* RUCO ADJUSTED CIAC BALANCE x COMPOSITE RATE =  $\$374,558 \times 2.59\% = \$9,701$

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 BISBEE SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #9 - PROPERTY TAX EXPENSE

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-13

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	REVENUES - 2000	\$ 1,322,741	COMPANY SCH. C-2, W/P C2-19a
2	REVENUES - 2001	1,258,793	COMPANY SCH. C-2, W/P C2-19a
3	REVENUES - 2002	<u>1,304,641</u>	D. R. NO. REL 19-1
4	TOTAL	\$ 3,886,175	SUM LINES 1, 2, & 3
5	3 YEAR AVERAGE	1,295,392	LINE 4/3 YEARS
6	MULTIPLIER FOR REVENUES (2 X LAST 3 YRS. AVERAGE REVENUE)	<u>x 2</u>	ADOR VALUATION FACTOR
7	REVENUES FOR FULL CASH VALUE	2,590,783	LINE 5 X 2 (MULTIPLIER FOR REVENUES)
8	ADD: 10% OF CWIP BALANCE	-	COMPANY SCH. B-2, PG. 3; LINE 4 X 10%
9	LESS: LICENSED VEHICLES	<u>-</u>	STAFF DATA REQUEST REL 23-1
10	FULL CASH VALUE	2,590,783	LINE 7 + LINE 8 MINUS LINE 9
11	ASSESSMENT RATIO	<u>25%</u>	PER ADOR VALUATION METHOD
12	ASSESSED VALUE	647,696	LINE 10 X LINE 11
13	PROPERTY TAX RATE	<u>13.4454%</u>	PER TAX BILLS
14	PROPERTY TAXES PAYABLE PER RUCO	87,085	LINE 12 X LINE 13
15	PROPERTY TAXES PER COMPANY	<u>106,595</u>	COMPANY SCH. C-1, PG. 2
16	ADJUSTMENT	<u>(19,510)</u>	LINE 14 MINUS LINE 15

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 BISBEE SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #10 - INCOME TAXES

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-14

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
	<u>FEDERAL INCOME TAXES:</u>		
1	OPERATING INCOME BEFORE INCOME TAXES	\$ 125,008	SCH. WAR-9
	LESS:		
2	ARIZONA STATE TAX	2,160	LINE 11
3	INTEREST EXPENSE	<u>94,003</u>	NOTE (a)
4	FEDERAL TAXABLE INCOME	28,844	LINE 1 - LINES 2 & 3
5	FEDERAL INCOME TAX RATE	<u>33.96%</u>	TAX RATE
6	FEDERAL INCOME TAX EXPENSE	9,794	LINE 4 X LINE 5
	<u>STATE INCOME TAXES:</u>		
7	OPERATING INCOME BEFORE INCOME TAXES	125,008	LINE 1
	LESS:		
8	INTEREST EXPENSE	<u>94,003</u>	NOTE (A)
9	STATE TAXABLE INCOME	31,005	LINE 7 - LINE 8
10	STATE TAX RATE	<u>6.968%</u>	TAX RATE
11	STATE INCOME TAX EXPENSE	2,160	LINE 9 X LINE 10
12	TOTAL INCOME TAXES	11,955	LINE 6 + LINE 11
13	INCOME TAXES PER COMPANY	<u>(452)</u>	COMPANY SCH. C-1, PG. 2
14	ADJUSTMENT	<u>\$ 12,407</u>	LINE 12 - LINE 13

NOTE (a):  
 INTEREST SYCHRONIZATION

ADJUSTED RATE BASE	\$ 3,603,096
WEIGHTED COST OF DEBT	2.61%
INTEREST EXPENSE	<u>\$ 94,003</u>

ARIZONA WATER COMPANY  
TEST YEAR ENDED DECEMBER 31, 2001  
BISBEE SYSTEM - REVISED SCHEDULES  
OPERATING ADJ. #11 - NOT USED FOR THIS SYSTEM

DOCKET NO. W-1445A-02-0619  
SCHEDULE WAR-15

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 BISBEE SYSTEM - REVISED SCHEDULES  
 COST OF CAPITAL

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-16

LINE NO.	DESCRIPTION	(A) AMOUNT	(B) ADJUSTMENT	(C) ADJUSTED BALANCE	(D) CAPITAL RATIO	(E) COST	(F) WEIGHTED COST
1	SHORT-TERM DEBT	\$ 2,850,000	\$ 1,650,000	\$ 4,500,000	5.62%	4.00%	0.22%
2	LONG-TERM DEBT:	23,000,677	(400,677)	22,600,000	28.24%	8.44%	2.38%
3	COMMON EQUITY	49,442,738	3,473,716	52,916,454	66.13%	9.18%	6.07%
4	TOTAL	\$ 75,293,415	4,723,039	\$ 80,016,454	100.00%		8.68%

REFERENCES:

- COLUMN (A): COMPANY SCH. D - 1
- COLUMN (B): TESTIMONY, WAR
- COLUMN (C): COLUMN (A) + COLUMN (B)
- COLUMN (D): COLUMN (C) ÷ COLUMN (C), LINE 5
- COLUMN (E): TESTIMONY, WAR
- COLUMN (F): COLUMN (D) x COLUMN (E)

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 BISBEE SYSTEM - REVISED SCHEDULES  
 PROPOSED RATES

DOCKET NO. W-01445A-02-0619  
 SCHEDULE WAR-17

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>PRESENT RATES</u>	<u>COMPANY PROPOSED</u>	<u>RUCO PROPOSED</u>
1	<b>MONTHLY MINIMUM USAGE CHARGE:</b>			
2				
3	<u>(RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS)</u>			
4	5/8 X 3/4 - INCH	\$13.47	\$20.11	\$14.82
5	1 - INCH	24.86	43.64	32.32
6	2 - INCH	62.15	126.89	93.23
7	3 - INCH	155.37	266.86	264.13
8	4 - INCH	207.16	406.02	391.75
9	6 - INCH	362.53	773.43	761.31
10	8 - INCH	362.53	1,075.08	833.82
11	10 - INCH	673.27	1,759.42	1,683.18
12				
13	<b>GALLONS INCLUDED IN MONTHLY MINIMUM USAGE CHARGE:</b>			
14				
15	RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS	1,000	0	0
16				
17	<b>COMMODITY RATE (PER 100 GAL. OVER MINIMUM):</b>	\$0.24860	\$0.31600	\$0.31020
18				
19	<b>COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM):</b>	\$2.48600	\$3.16000	\$3.10200

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 BISBEE SYSTEM - REVISED SCHEDULES  
 MONTHLY MINIMUM CHARGES

DOCKET NO. W-01445A-02-0619  
 SCHEDULE WAR-18

LINE NO.	METER SIZE	(A) COMPANY PRESENT RATES	(B) COMPANY PROPOSED RATES	(C) COMPANY DOLLAR INCREASE	(D) COMPANY PERCENT. INCREASE	(E) RUCO PROPOSED RATES	(F) RUCO DOLLAR INCREASE	(G) RUCO PERCENT. INCREASE
1	5/8 X 3/4 - INCH	\$13.47	\$20.11	\$6.64	49.29%	\$14.82	\$1.35	10.02%
2	1 - INCH	24.86	43.64	18.78	75.54%	32.32	7.46	30.01%
3	2 - INCH	62.15	126.89	64.74	104.17%	93.23	31.08	50.01%
4	3 - INCH COMMERCIAL	155.37	266.86	111.49	71.76%	264.13	108.76	70.00%
5	4 - INCH COMMERCIAL	207.16	406.02	198.86	95.99%	391.75	184.59	89.11%
6	6 - INCH	362.53	773.43	410.90	113.34%	761.31	398.78	110.00%
7	8 - INCH	362.53	1,075.08	712.55	196.55%	833.82	471.29	130.00%
8	10 - INCH	673.27	1,759.42	1,086.15	161.32%	1,683.18	1,009.91	150.00%
9	GALLONS INCLUDED IN MONTHLY MINIMUM CHARGE	1,000	0			0		

REFERENCES

COLUMN (A) THRU COLUMN (D): COMPANY SCHEDULE H-3, PAGE 1 OF 4  
 COLUMN (E): TESTIMONY WAR  
 COLUMN (F): COLUMN (E) - COLUMN (A)  
 COLUMN (G): COLUMN (F) ÷ COLUMN (A)

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 BISBEE SYSTEM - REVISED SCHEDULES  
 BILLING ANALYSIS

DOCKET NO. W-01445A-02-0619  
 SCHEDULE WAR-19  
 PAGE 1 OF 4

PRESENT RATES

LINE NO.	CONSUMPTION IN GALLONS	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		5/8 - INCH	1 - INCH	2 - INCH	3 - INCH	4 - INCH	6 - INCH	8 - INCH	10 - INCH
1	0	\$13.47	\$24.86	\$62.15	\$155.37	\$207.16	\$362.53	\$362.53	\$673.27
2	1,000	13.47	24.86	62.15	155.37	207.16	362.53	362.53	673.27
3	2,000	15.96	27.35	64.64	157.86	209.65	365.02	365.02	675.76
4	3,000	18.44	29.83	67.12	160.34	212.13	367.50	367.50	678.24
5	4,000	20.93	32.32	69.61	162.83	214.62	369.99	369.99	680.73
6	5,000	23.41	34.80	72.09	165.31	217.10	372.47	372.47	683.21
7	6,000	25.90	37.29	74.58	167.80	219.59	374.96	374.96	685.70
8	7,000	28.39	39.78	77.07	170.29	222.08	377.45	377.45	688.19
9	8,000	30.87	42.26	79.55	172.77	224.56	379.93	379.93	690.67
10	9,000	33.36	44.75	82.04	175.26	227.05	382.42	382.42	693.16
11	10,000	35.84	47.23	84.52	177.74	229.53	384.90	384.90	695.64
12	15,000	48.27	59.66	96.95	190.17	241.96	397.33	397.33	708.07
13	20,000	60.70	72.09	109.38	202.60	254.39	409.76	409.76	720.50
14	25,000	73.13	84.52	121.81	215.03	266.82	422.19	422.19	732.93
15	50,000	135.28	146.67	183.96	277.18	328.97	484.34	484.34	795.08
16	75,000	197.43	208.82	246.11	339.33	391.12	546.49	546.49	857.23
17	100,000	259.58	270.97	308.26	401.48	453.27	608.64	608.64	919.38
18	125,000	321.73	333.12	370.41	463.63	515.42	670.79	670.79	981.53
19	150,000	383.88	395.27	432.56	525.78	577.57	732.94	732.94	1,043.68
20	175,000	446.03	457.42	494.71	587.93	639.72	795.09	795.09	1,105.83
21	200,000	508.18	519.57	556.86	650.08	701.87	857.24	857.24	1,167.98
22									
23	AVG. NO. OF CUST:	3,273	83	47	0	3	0	0	0
24									
25	AVG. USE (GAL.):	5,904	19,466	71,039	N/A	279,472	N/A	N/A	N/A
26	MONTHLY BILL:	\$25.66	\$70.77	\$236.27	N/A	\$899.44	N/A	N/A	N/A
27									
28	MEDIAN USE (GAL.):	4,191	9,154	40,433	N/A	100,714	N/A	N/A	N/A
29	MONTHLY BILL:	\$21.40	\$45.13	\$160.18	N/A	\$455.05	N/A	N/A	N/A

RUCO PROPOSED RATES

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 1 - INCH	(C) 2 - INCH	(D) 3 - INCH	(E) 4 - INCH	(F) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	\$14.82	\$32.32	\$93.23	\$264.13	\$391.75	\$761.31	\$833.82	\$1,683.18
2	1,000	17.92	35.42	96.33	267.23	394.85	764.41	836.92	1,686.28
3	2,000	21.02	38.52	99.43	270.33	397.95	767.51	840.02	1,689.38
4	3,000	24.13	41.63	102.54	273.44	401.06	770.62	843.13	1,692.49
5	4,000	27.23	44.73	105.64	276.54	404.16	773.72	846.23	1,695.59
6	5,000	30.33	47.83	108.74	279.64	407.26	776.82	849.33	1,698.69
7	6,000	33.43	50.93	111.84	282.74	410.36	779.92	852.43	1,701.79
8	7,000	36.53	54.03	114.94	285.84	413.46	783.02	855.53	1,704.89
9	8,000	39.64	57.14	118.05	288.95	416.57	786.13	858.64	1,708.00
10	9,000	42.74	60.24	121.15	292.05	419.67	789.23	861.74	1,711.10
11	10,000	45.84	63.34	124.25	295.15	422.77	792.33	864.84	1,714.20
12	15,000	61.35	78.85	139.76	310.66	438.28	807.84	880.35	1,729.71
13	20,000	76.86	94.36	155.27	326.17	453.79	823.35	895.86	1,745.22
14	25,000	92.37	109.87	170.78	341.68	469.30	838.86	911.37	1,760.73
15	50,000	169.92	187.42	248.33	419.23	546.85	916.41	988.92	1,838.28
16	75,000	247.47	264.97	325.88	496.78	624.40	993.96	1,066.47	1,915.83
17	100,000	325.02	342.52	403.43	574.33	701.95	1,071.51	1,144.02	1,993.38
18	125,000	402.57	420.07	480.98	651.88	779.50	1,149.06	1,221.57	2,070.93
19	150,000	480.12	497.62	558.53	729.43	857.05	1,226.61	1,299.12	2,148.48
20	175,000	557.67	575.17	636.08	806.98	934.60	1,304.16	1,376.67	2,226.03
21	200,000	635.22	652.72	713.63	884.53	1,012.15	1,381.71	1,454.22	2,303.58
22									
23	AVG. NO. OF CUST:	3,273	83	47	0	3	0	0	0
24									
25	AVG. USE (GAL.):	5,904	19,466	71,039	N/A	279,472	N/A	N/A	N/A
26	MONTHLY BILL:	\$33.14	\$92.70	\$313.59	N/A	\$1,258.67	N/A	N/A	N/A
27									
28	MEDIAN USE (GAL.):	4,191	9,154	40,433	N/A	100,714	N/A	N/A	N/A
29	MONTHLY BILL:	\$27.82	\$60.72	\$218.65	N/A	\$704.17	N/A	N/A	N/A

RUCO PROPOSED CHANGES EXPRESSED IN DOLLARS

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 1 - INCH	(C) 2 - INCH	(D) 3 - INCH	(E) 4 - INCH	(F) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	\$1.35	\$7.46	\$31.08	\$108.76	\$184.59	\$398.78	\$471.29	\$1,009.91
2	1,000	4.45	10.56	34.18	111.86	187.69	401.88	474.39	1,013.01
3	2,000	5.07	11.18	34.80	112.48	188.31	402.50	475.01	1,013.63
4	3,000	5.68	11.79	35.41	113.09	188.92	403.11	475.62	1,014.24
5	4,000	6.30	12.41	36.03	113.71	189.54	403.73	476.24	1,014.86
6	5,000	6.92	13.03	36.65	114.33	190.16	404.35	476.86	1,015.48
7	6,000	7.53	13.64	37.26	114.94	190.77	404.96	477.47	1,016.09
8	7,000	8.15	14.26	37.88	115.56	191.39	405.58	478.09	1,016.71
9	8,000	8.76	14.87	38.49	116.17	192.00	406.19	478.70	1,017.32
10	9,000	9.38	15.49	39.11	116.79	192.62	406.81	479.32	1,017.94
11	10,000	10.00	16.11	39.73	117.41	193.24	407.43	479.94	1,018.56
12	15,000	13.08	19.19	42.81	120.49	196.32	410.51	483.02	1,021.64
13	20,000	16.16	22.27	45.89	123.57	199.40	413.59	486.10	1,024.72
14	25,000	19.24	25.35	48.97	126.65	202.48	416.67	489.18	1,027.80
15	50,000	34.64	40.75	64.37	142.05	217.88	432.07	504.58	1,043.20
16	75,000	50.04	56.15	79.77	157.45	233.28	447.47	519.98	1,058.60
17	100,000	65.44	71.55	95.17	172.85	248.68	462.87	535.38	1,074.00
18	125,000	80.84	86.95	110.57	188.25	264.08	478.27	550.78	1,089.40
19	150,000	96.24	102.35	125.97	203.65	279.48	493.67	566.18	1,104.80
20	175,000	111.64	117.75	141.37	219.05	294.88	509.07	581.58	1,120.20
21	200,000	127.04	133.15	156.77	234.45	310.28	524.47	596.98	1,135.60
22									
23	AVG. NO. OF CUST:	3,273	83	47	0	3	0	0	0
24									
25	AVG. USE (GAL.):	5,904	19,466	71,039	N/A	279,472	N/A	N/A	N/A
26	MONTHLY BILL:	\$7.47	\$21.94	\$77.33	N/A	\$359.23	N/A	N/A	N/A
27									
28	MEDIAN USE (GAL.):	4,191	9,154	40,433	N/A	100,714	N/A	N/A	N/A
29	MONTHLY BILL:	\$6.42	\$15.58	\$58.47	N/A	\$249.12	N/A	N/A	N/A

RUCO PROPOSED CHANGES EXPRESSED AS A PERCENTAGE

LINE NO.	CONSUMPTION IN GALLONS	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		5/8 - INCH	1 - INCH	2 - INCH	3 - INCH	4 - INCH	6 - INCH	8 - INCH	10 - INCH
1	0	10.0%	30.0%	50.0%	70.0%	89.1%	110.0%	130.0%	150.0%
2	1,000	33.1%	42.5%	55.0%	72.0%	90.6%	110.9%	130.9%	150.5%
3	2,000	31.8%	40.9%	53.8%	71.3%	89.8%	110.3%	130.1%	150.0%
4	3,000	30.8%	39.5%	52.8%	70.5%	89.1%	109.7%	129.4%	149.5%
5	4,000	30.1%	38.4%	51.8%	69.8%	88.3%	109.1%	128.7%	149.1%
6	5,000	29.5%	37.4%	50.8%	69.2%	87.6%	108.6%	128.0%	148.6%
7	6,000	29.1%	36.6%	50.0%	68.5%	86.9%	108.0%	127.3%	148.2%
8	7,000	28.7%	35.8%	49.2%	67.9%	86.2%	107.5%	126.7%	147.7%
9	8,000	28.4%	35.2%	48.4%	67.2%	85.5%	106.9%	126.0%	147.3%
10	9,000	28.1%	34.6%	47.7%	66.6%	84.8%	106.4%	125.3%	146.9%
11	10,000	27.9%	34.1%	47.0%	66.1%	84.2%	105.9%	124.7%	146.4%
12	15,000	27.1%	32.2%	44.2%	63.4%	81.1%	103.3%	121.6%	144.3%
13	20,000	26.6%	30.9%	41.9%	61.0%	78.4%	100.9%	118.6%	142.2%
14	25,000	26.3%	30.0%	40.2%	58.9%	75.9%	98.7%	115.9%	140.2%
15	50,000	25.6%	27.8%	35.0%	51.2%	66.2%	89.2%	104.2%	131.2%
16	75,000	25.3%	26.9%	32.4%	46.4%	59.6%	81.9%	95.1%	123.5%
17	100,000	25.2%	26.4%	30.9%	43.1%	54.9%	76.0%	88.0%	116.8%
18	125,000	25.1%	26.1%	29.8%	40.6%	51.2%	71.3%	82.1%	111.0%
19	150,000	25.1%	25.9%	29.1%	38.7%	48.4%	67.4%	77.2%	105.9%
20	175,000	25.0%	25.7%	28.6%	37.3%	46.1%	64.0%	73.1%	101.3%
21	200,000	25.0%	25.6%	28.2%	36.1%	44.2%	61.2%	69.6%	97.2%
22									
23	AVG. NO. OF CUST:	3,273	83	47	0	3	0	0	0
24									
25	AVG. USE (GAL.):	5,904	19,466	71,039	N/A	279,472	N/A	N/A	N/A
26	MONTHLY BILL:	29.1%	31.0%	32.7%	N/A	39.9%	N/A	N/A	N/A
27									
28	MEDIAN USE (GAL.):	4,191	9,154	40,433	N/A	100,714	N/A	N/A	N/A
29	MONTHLY BILL:	30.0%	34.5%	36.5%	N/A	54.7%	N/A	N/A	N/A

REFERENCE

LINES 1 THRU 21 - COMPANY SCHEDULE H-4, PAGE 1 OF 4

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 BISBEE SYSTEM - REVISED SCHEDULES  
 REVENUE SUMMARY BY METER SIZE AND CUSTOMER CLASS

DOCKET NO. W-01445A-02-061  
 SCHEDULE WAR-20

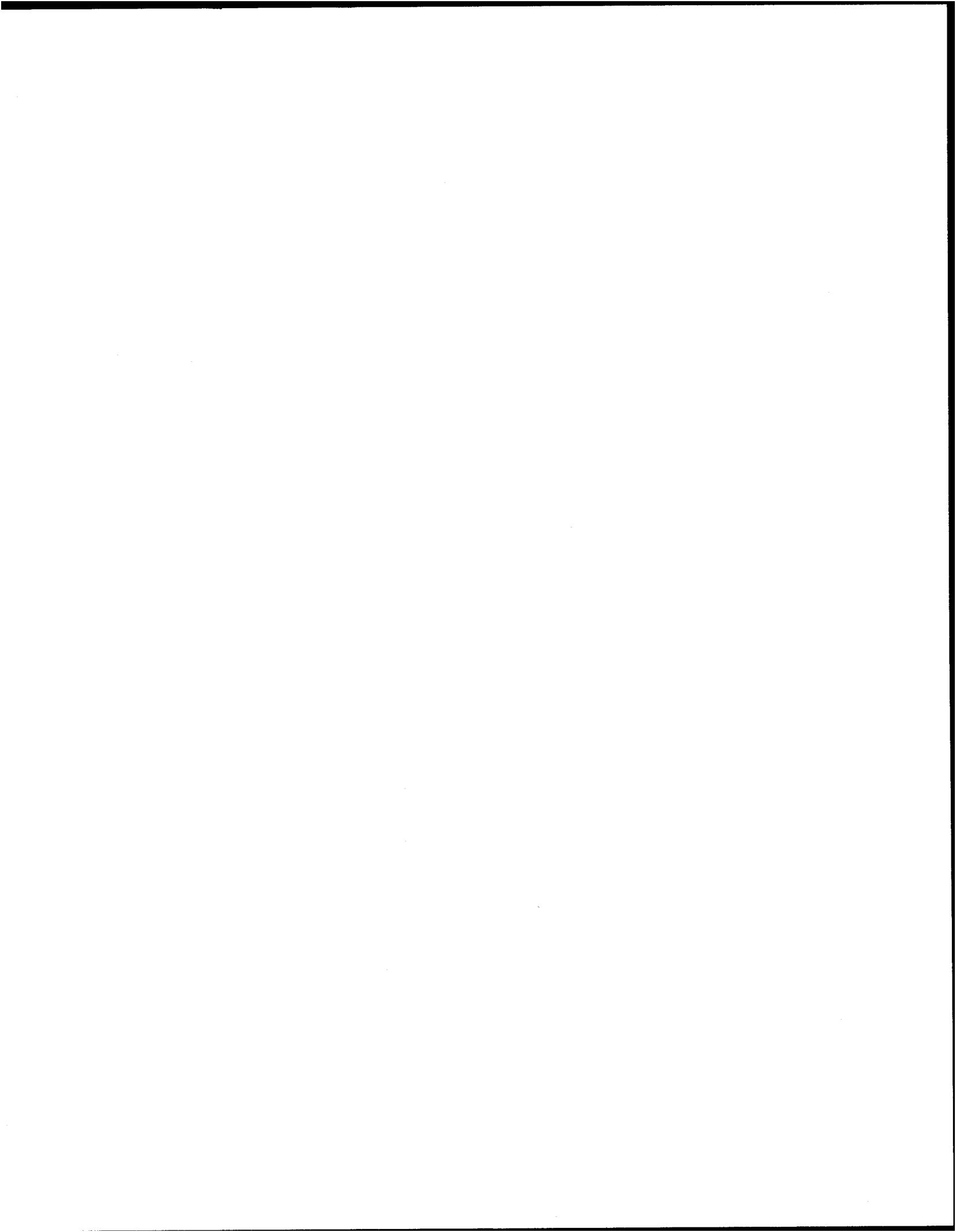
LINE NO.	DESCRIPTION	(A) RUCO PROPOSED MINIMUM REVENUE	(B) RUCO PROPOSED COMMODITY REVENUE	(C) RUCO PROPOSED TOTAL REVENUE
1	5/8 X 3/4 - INCH	\$582,070	\$719,360	\$1,301,430
2	1 - INCH	32,320	60,382	92,702
3	2 - INCH	52,022	122,962	174,985
4	3 - INCH	0	0	0
5	4 - INCH	14,103	31,209	45,312
6	6 - INCH	0	0	0
7	8 - INCH	0	0	0
13	10 - INCH	0	0	0
14				
15	TOTALS	<u>\$680,516</u>	<u>\$933,914</u>	<u>\$1,614,429</u> (a)
16				
17	PERCENTAGE OF TOTAL REVENUE	42.00%	58.00%	100.00%

NOTE (a):

RUCO REQUIRED REVENUE		\$ 1,639,096
LESS:		
FIRE SPRINKLER REVENUE	\$ 840	
FIRE HYDRANT REVENUE	-	
MISCELLANEOUS REVENUE	12,110	
RENT - WATER PROPERTY REVENUE	-	
OTHER WATER REVENUE	11,717	
TOTAL		<u>\$ 24,667</u>
REVENUE TO BE GENERATED FROM WATER SALES		<u>\$ 1,614,429</u>

REFERENCE:

NOTE (a) 2002 REVENUE INFORMATION OBTAINED FROM RUCO D.R. NO. 1.10



**ARIZONA WATER COMPANY  
MIAMI SYSTEM - REVISED SCHEDULES  
DOCKET NO. W-1445A-02-0619  
TABLE OF CONTENTS TO SCHEDULES WAR**

SCHEDULE #

WAR - 1	REVENUE REQUIREMENTS
WAR - 2	RATE BASE - ORIGINAL COST
WAR - 3	SUMMARY OF RATE BASE ADJUSTMENTS
WAR - 4	RATE BASE ADJUSTMENTS #1, #2 & #3 - PLANT IN SERVICE/POST TEST YEAR PLANT, PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION
WAR - 5	RATE BASE ADJ. #4 - RECONCILE TEST YEAR ALLOCATED PHOENIX OFFICE & METER SHOP AND ACCUMULATED DEPRECIATION BALANCES
WAR - 6	RATE BASE ADJ. #5 - REMOVE CWIP FROM PHOENIX OFFICE ALLOCATION
WAR - 7	RATE BASE ADJUSTMENT #9 - WORKING CAPITAL
WAR - 8	OPERATING INCOME - TEST YEAR AND RUCO PROPOSED
WAR - 9	SUMMARY OF OPERATING ADJUSTMENTS
WAR - 10	OPERATING ADJ. #1 - RECONCILE COMPANY PROPOSED OPERATING INCOME TO 2002 ACTUAL
WAR - 11	OPERATING ADJ. #5 - REVENUE ANNUALIZATION FOR 2002
WAR - 12	OPERATING ADJ. #8 - DEPRECIATION & AMORTIZATION EXPENSE
WAR - 13	OPERATING ADJ. #9 - PROPERTY TAX EXPENSE
WAR - 14	OPERATING ADJ. #10 - INCOME TAXES
WAR - 15	OPERATING ADJ. #11 - NOT USED FOR THIS SYSTEM
WAR - 16	COST OF CAPITAL
WAR - 17	PROPOSED RATES
WAR - 18	MONTHLY MINIMUM CHARGES
WAR - 19	BILLING ANALYSIS
WAR - 20	REVENUE SUMMARY BY METER SIZE AND CUSTOMER CLASS

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 MIAMI SYSTEM - REVISED SCHEDULES  
 REVENUE REQUIREMENTS

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-1  
 PAGE 1 OF 2

LINE NO.	DESCRIPTION	(A) COMPANY REQUESTED	(B) RUCO RECOMMENDED
1	ADJUSTED RATE BASE	\$ 4,570,196	\$ 3,600,868
2	ADJUSTED OPERATING INCOME	59,991	161,156
3	CURRENT RATE OF RETURN (L2 / L1)	1.31%	4.48%
4	REQUIRED RATE OF RETURN	11.00%	8.68%
5	REQUIRED OPERATING INCOME (L4 * L1)	502,722	312,658
6	OPERATING INCOME DEFICIENCY (L5 - L2)	442,731	151,501
7	GROSS REVENUE CONVERSION FACTOR	1.63241	1.63121
8	GROSS REVENUE INCREASE	\$ 722,718	\$ 247,130
9	CURRENT REVENUES T/Y ADJUSTED	1,456,939	1,503,652
10	PROPOSED ANNUAL REVENUE (L8 + L9)	2,179,657	1,750,782
11	PERCENTAGE AVERAGE INCREASE	49.61%	16.44%

REFERENCES:

COLUMN (A): COMPANY SCHEDULE A-1  
 COLUMN (B): SCHEDULE WAR-1, PG. 2, WAR-2, AND WAR-8

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 MIAMI SYSTEM - REVISED SCHEDULES  
 GROSS REVENUE CONVERSION FACTOR

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-1  
 PAGE 2 OF 2

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	REVENUE	1.0000	
2	UNCOLLECTIBLES	<u>0.002316</u>	COMPANY SCH. C-3
3	SUB-TOTAL	0.9977	LINE 1 - LINE 2
4	LESS: TAX RATE	<u>38.46%</u>	NOTE (A)
5	TOTAL	0.6130	LINE 3 - LINE 4
6	REVENUE CONVERSION FACTOR	<span style="border: 1px solid black; padding: 2px;">1.63121</span>	LINE 1/LINE 5

NOTE (a):  
 CALCULATION OF EFFECTIVE TAX RATE

OPERATING INCOME BEFORE TAXES	100.00%
ARIZONA STATE TAX	<u>6.97%</u>
TAXABLE INCOME FEDERAL	93.03%
FEDERAL INCOME TAX RATE	<u>33.95%</u>
SUBTOTAL	31.58%
ADD STATE TAX RATE	38.55%
LINE 3 ABOVE	<u>99.77%</u>
EFFECTIVE TAX RATE	38.46%

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 MIAMI SYSTEM - REVISED SCHEDULES  
 RATE BASE - ORIGINAL COST

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-2

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO ADJUSTMENTS	(C) RUCO AS ADJUSTED
1	PLANT IN SERVICE/POST-TEST YEAR ADDITIONS	\$ 6,837,666	\$ (103,965)	\$ 6,733,700
2	PHOENIX OFFICE & METER SHOP ALLOCATION	197,194	45,963	243,157
3	ACCUMULATED DEPRECIATION	<u>(1,713,976)</u>	<u>(13,420)</u>	<u>(1,727,396)</u>
4	NET PLANT IN SERVICE	\$ 5,320,883	\$ (71,423)	\$ 5,249,460
5	CONSTRUCTION WORK IN PROGRESS (CWIP)	<u>-</u>	<u>-</u>	<u>-</u>
6	TOTAL NET PLANT	\$ 5,320,883	\$ (71,423)	\$ 5,249,460
7	ADVANCES IN AID OF CONSTRUCTION (AIAC)	(109,428)	6,180	(103,248)
8	CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	(188,394)	(13,660)	(202,054)
9	ACCUMULATED AMORTIZATION OF CIAC	32,086	5,056	37,142
10	DEFERRED INCOME TAXES	(566,719)	(122,314)	(689,033)
12	50/50 SHARING OF \$1.4 MILLION PCG SETTLEMENT	-	(700,000)	(700,000)
13	AMORTIZATION OF 50/50 SHARING OF PCG SETTLEMENT	-	-	-
14	WORKING CAPITAL	<u>81,768</u>	<u>(73,168)</u>	<u>8,600</u>
15	TOTAL RATE BASE	<u>\$ 4,570,196</u>	<u>\$ (969,328)</u>	<u>\$ 3,600,868</u>

REFERENCES:

COLUMN (A): COMPANY SCHEDULE B-1  
 COLUMN (B): SCHEDULE WAR-3  
 COLUMN (C): COLUMN (A) + COLUMN (B)

ARIZONA WATER COMPANY  
TEST YEAR ENDED DECEMBER 31, 2001  
MIAMI SYSTEM - REVISED SCHEDULES  
SUMMARY OF RATE BASE ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) ADJ.1	(C) ADJ.2	(D) ADJ.3	(E) ADJ.4	(F) ADJ.5	(G) ADJ.6	(H) ADJ.7	(I) ADJ.8	(J) ADJ.9	(K) ADJ.10	(L) ADJ.11	(M) RUCCO ADJUSTED
1	PLANT IN SERVICE/POST-TEST YEAR ADDITIONS	\$ 6,837,666	(\$103,965)											\$ 6,733,700
2	PHOENIX OFFICE & METER SHOP ALLOCATION	197,194 (a)		26,995 (b)		25,802	(6,835)							243,157
3	ACCUMULATED DEPRECIATION	(1,713,976)			12,382 (c)	(25,802)								(1,727,996)
4	NET PLANT IN SERVICE	\$ 5,320,883	\$ (103,965)	\$ 26,995	\$ 12,382	\$ -	\$ (6,835)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,249,460
5	CONSTRUCTION WORK IN PROGRESS (CWIP)	\$ 5,320,883	\$ (103,965)	\$ 26,995	\$ 12,382	\$ -	\$ (6,835)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,249,460
6	TOTAL NET PLANT	(109,428)						6,180						(103,248)
7	ADVANCES IN AID OF CONSTRUCTION (AIAC)	(188,394)						(13,600)						(202,054)
8	CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	32,086						5,058						37,142
9	ACCUMULATED AMORTIZATION OF CIAC	(966,719)								(122,314)				(889,033)
10	DEFERRED INCOME TAXES												(700,000)	(700,000)
12	50/50 SHARING OF \$1.4 MILLION PCG SETTLEMENT													
13	AMORTIZATION OF 50/50 SHARING OF PCG SETTLEMENT													
14	WORKING CAPITAL	81,795												8,620
15	TOTAL RATE BASE	\$ 4,970,196	\$ (103,965)	\$ 26,995	\$ 12,382	\$ -	\$ (6,835)	\$ 6,180	\$ (6,604)	\$ (122,314)	\$ (73,169)	\$ -	\$ (700,000)	\$ 3,600,868

ADJUSTMENT #1  
SCHEDULE WAR 4, PAGE 7  
PHOENIX OFFICE & METER SHOP ALLOCATION  
ACCUMULATED DEPRECIATION  
RECONCILE PHX. OFFICE & METER SHOP AND ACCUM. DEPR.  
REMOVE CWIP FROM PHOENIX OFFICE ALLOCATION  
AIAC - 2002 BALANCE

ADJUSTMENT #2  
CIAC - 2002 BAL. & AMORTIZATION  
ACCUMULATED DEFERRED INCOME TAXES  
WORKING CAPITAL  
50/50 SHARING OF PCG SETTLEMENT

REFERENCE:  
RUCCO D.R. NO. 6.3, TESTIMONY - WAR  
RUCCO D.R. NO. 8.3  
SCHEDULE WAR-7, PAGE 3  
N/A  
TESTIMONY - WAR

NOTES:  
(A) NET OF ACCUMULATED DEPRECIATION  
(B) GROSS PHOENIX OFFICE AND METER SHOP ADDITIONS ALLOCATED DURING 2002  
(C) INCLUDES ACCUMULATED DEPRECIATION ON 2002 PHOENIX OFFICE AND METER SHOP ADDITIONS

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1990 PLANT VALUE PER COMPANY	1990 ACCUM DEPR. PER COMPANY	1990 NET PLANT PER PRIOR ACC PER COMPANY	1991 ADDITIONS PER COMPANY	1991 (RETIREMENTS) PER COMPANY	1991 PLANT VALUE PER RUCCO	1991 DEPRECIATION EXPENSE PER RUCCO	1991 ACCUMULATED DEPRECIATION PER RUCCO	1991 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	1,225	0	1,225	0	0	1,225	0	0	1,225
3	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	15,023	0	15,023	0	0	15,023	0	0	15,023
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	34,237	0	34,237	0	0	34,237	0	0	34,237
7	314.0	SOURCE OF SUPPLY: WELLS	682,912	135,630	547,282	2,573	0	685,485	16,558	152,188	533,297
8	320.0	PUMPING PLANT: LAND*	3,885	3,939	0	0	0	3,885	0	0	3,885
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	19,835	3,939	15,896	0	0	19,835	480	4,419	15,416
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	444,659	88,312	356,347	73,931	(20,522)	498,068	11,407	79,197	418,871
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	550	0	550	0	0	550	0	0	550
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	3,932	781	3,151	0	0	3,932	95	876	3,056
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	14,953	2,970	11,983	0	0	14,953	362	3,332	11,621
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	4,353	0	4,353	0	0	4,353	0	0	4,353
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	208,114	41,333	166,781	5,499	0	213,613	5,103	46,435	167,178
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	1,401,122	278,270	1,122,852	68,364	(8,068)	1,461,418	34,637	304,839	1,156,579
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	17,360	3,448	13,912	2,902	0	20,262	455	3,903	16,359
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	410,100	81,448	328,652	16,158	(4,643)	421,615	10,084	86,869	334,746
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	182,513	36,248	146,265	4,326	(2,495)	184,344	4,439	38,192	146,152
23	346.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	85,554	16,991	68,563	2,381	(17)	87,918	2,099	19,074	68,844
24	389.1	GENERAL PLANT: LAND - OFFICE*	424	0	424	0	0	424	0	0	424
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	2,471	0	2,471	0	0	2,471	0	0	2,471
26	389.3	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	17,344	3,445	13,899	0	0	17,344	420	3,864	13,480
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	7,361	1,462	5,899	0	0	7,361	178	1,840	5,521
29	390.3	GENERAL PLANT: MISC. BUILDINGS	6,201	1,232	4,969	0	0	6,201	150	1,382	4,819
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	14,685	2,917	11,768	0	0	14,685	355	3,272	11,413
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	15,022	2,983	12,039	459	0	15,481	389	3,353	12,128
32	391.2	GENERAL PLANT: OFFICE FURNITURE	9,603	1,907	7,696	0	0	9,603	232	2,140	7,463
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	713	142	571	0	0	713	17	159	554
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	39,974	7,939	32,035	212	0	40,186	970	8,909	31,277
35	395.0	GENERAL PLANT: POWER EQUIPMENT	1,014	201	813	54	0	1,068	25	227	841
36	396.0	GENERAL PLANT: POWER EQUIPMENT	5,338	1,060	4,278	0	0	5,338	129	1,189	4,149
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	96,434	19,152	77,282	0	0	96,434	2,334	21,486	74,948
38	397.1	GENERAL PLANT: MOBILE RADIOS	424	84	340	191	0	615	13	97	518
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	0	449	0	449	5	5	444
40	398.0	GENERAL PLANT: MISC.	3,564	708	2,856	0	0	3,564	86	794	2,770
41		TOTALS	\$3,750,898	\$732,602	\$3,018,297	\$177,499	(\$35,745)	\$3,892,653	\$30,983	\$787,640	\$3,104,813

REFERENCE:  
 ACC STAFF D.R. NO. REL 1-24

NOTE:  
 \* NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY  
TEST YEAR ENDED DECEMBER 31, 2001  
MIAMI SYSTEM - REVISED SCHEDULES  
RATE BASE ADJUSTMENTS #1, #2 & #3 - PLANT IN SERVICE/POST TEST YEAR PLANT.  
PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION

LINE NO.	ACCT NO.	PLANT ACCOUNT NAME	1992 ADDITIONS PER COMPANY	1992 (RETIREMENTS) PER COMPANY	1992 YEAR END NET PLANT VALUE PER RUO	1992 DEPRECIATION EXPENSE PER RUO	1992 ACCUMULATED DEPRECIATION PER RUO	1992 YEAR END NET PLANT VALUE PER RUO	1993 (RETIREMENTS) PER COMPANY	1993 ADDITIONS PER COMPANY	1993 DEPRECIATION EXPENSE PER RUO	1993 ACCUMULATED DEPRECIATION PER RUO	1993 YEAR END NET PLANT VALUE PER RUO
1	301.0	INTANGIBLES ORGANIZATION*	\$0		\$0			\$0					\$0
2	302.0	INTANGIBLES FRANCHISES*	0		1,225	0	0	1,225	0	0	0	0	0
3	303.0	INTANGIBLES MISC.	0		0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY LAND, WATER RIGHTS*	0		15,023	0	0	16,427	0	0	0	0	16,427
5	310.2	SOURCE OF SUPPLY LAND, RESERVOIRS*	0		0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY LAND, WELLS*	0		34,237	0	0	34,237	0	0	0	0	34,237
7	314.0	SOURCE OF SUPPLY WELLS	45,975		731,480	17,145	189,333	562,127	16,100	16,100	19,153	188,488	559,074
8	321.0	PUMPING PLANT LAND*	0		3,885	0	0	3,885	0	0	0	0	3,885
9	321.0	PUMPING PLANT STRUCTURES & IMPROVEMENTS	0		19,855	480	4,859	19,385	(231)	19,604	511	5,179	14,425
10	325.0	PUMPING PLANT ELECTRICAL EQUIPMENT	73,062	(66,642)	504,488	12,131	24,686	479,802	96,915	571,522	13,934	9,339	562,183
11	328.0	PUMPING PLANT GAS ENGINE EQUIPMENT	0		550	0	0	550	0	0	0	0	550
12	330.0	WATER TREATMENT PLANT LAND*	0		550	95	971	2,961	0	0	102	1,073	2,859
13	331.0	WATER TREATMENT PLANT STRUCTURES & IMPROVEMENTS	0		3,952	362	3,693	11,260	19	14,972	388	4,081	10,891
14	332.0	WATER TREATMENT PLANT EQUIPMENT	0		1,353	0	0	1,353	0	0	0	0	1,353
15	340.0	TRANSMISSION & DISTRIBUTION LAND - TANKS & MAINS*	0		0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION LAND RIGHTS - FEES*	0		0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION STRUCTURES	202,858		416,471	7,624	54,059	362,412	0	0	0	0	362,412
18	342.0	TRANSMISSION & DISTRIBUTION STORAGE TANKS	62,983	(3,194)	1,521,207	36,090	337,735	1,183,472	19,283	1,202,755	10,767	64,846	1,183,128
19	343.0	TRANSMISSION & DISTRIBUTION MAINS	3,184		23,446	529	4,432	19,014	72	19,086	606	373,708	18,478
20	344.0	TRANSMISSION & DISTRIBUTION FIRE SPRINKLERS	23,980	(823)	444,772	10,463	96,529	348,243	(614)	457,009	11,826	107,569	349,418
21	345.0	TRANSMISSION & DISTRIBUTION SERVICES	4,021	(3,599)	184,766	4,466	39,059	145,707	11,128	156,835	2,310	37,724	151,965
22	346.0	TRANSMISSION & DISTRIBUTION METERS	0		87,918	2,128	21,201	66,717	3,077	70,794	2,310	23,227	67,483
23	348.0	TRANSMISSION & DISTRIBUTION HYDRANTS	0		424	0	0	424	0	0	0	0	424
24	388.1	GENERAL PLANT LAND - WAREHOUSE*	0		2,471	0	0	2,471	0	0	0	0	2,471
25	388.2	GENERAL PLANT LAND - MISC.*	0		17,344	0	0	17,344	0	0	0	0	17,344
26	390.1	GENERAL PLANT OFFICE BUILDINGS	0		17,344	420	4,284	13,060	0	0	449	4,733	12,611
27	390.2	GENERAL PLANT WAREHOUSE BUILDINGS	0		7,361	178	1,818	5,543	0	0	191	2,009	5,352
28	390.3	GENERAL PLANT MISC. BUILDINGS	0		6,201	326	3,627	4,574	0	0	181	1,692	4,509
29	391.0	GENERAL PLANT ELECTRICAL EQUIPMENT	55		13,538	375	3,728	11,810	(120)	14,565	379	3,886	10,679
30	391.1	GENERAL PLANT OFFICE FURNITURE	0		9,009	232	2,372	7,231	2,599	18,135	436	4,164	13,971
31	391.2	GENERAL PLANT WAREHOUSE EQUIPMENT	0		17	17	176	537	265	9,868	252	2,624	7,244
32	393.0	GENERAL PLANT GARAGE EQUIPMENT	0		42,463	1,000	9,909	32,550	0	0	18	195	518
33	394.0	GENERAL PLANT WAREHOUSE EQUIPMENT	2,273		1,263	28	255	1,008	646	43,105	1,108	11,017	32,088
34	395.0	GENERAL PLANT LAB EQUIPMENT	195		4,990	28	255	1,008	0	0	33	287	976
35	395.0	GENERAL PLANT POWER EQUIPMENT	662	(1,590)	96,058	2,329	23,439	72,619	0	0	116	75	4,365
36	397.0	GENERAL PLANT MOBILE RADIOS	4,784	(376)	5,235	74	170	5,229	721	6,120	248	25,927	70,131
37	397.1	GENERAL PLANT MOBILE RADIOS	5,235	0	5,684	80	80	5,604	4,393	10,077	149	319	9,793
38	397.2	GENERAL PLANT AUTO CONTROLS	2,818	0	6,900	120	914	6,784	621	7,001	173	1,884	5,913
39	398.0	GENERAL PLANT MISC.	\$432,073	(578,134)	\$4,218,592	\$97,005	\$808,710	\$3,439,882	\$169,494	\$4,379,724	\$110,102	\$880,456	\$3,659,268
40	398.0	TOTALS											

REFERENCE  
ACC STAFF D.R. NO. REL 1-24  
NOTE:  
\*NON-DEPRECIABLE PLANT

LINE NO.	ACCT NO.	PLANT ACCOUNT NAME	1984 ADDITIONS PER COMPANY	1984 DEPRECIATION EXPENSE PER RUO	1984 YEAR END NET PLANT VALUE PER RUO	1984 ACCUMULATED DEPRECIATION PER RUO	1984 YEAR END NET PLANT VALUE PER RUO	1985 ADDITIONS PER COMPANY	1985 DEPRECIATION EXPENSE PER RUO	1985 YEAR END NET PLANT VALUE PER RUO	1985 ACCUMULATED DEPRECIATION PER RUO	1985 YEAR END NET PLANT VALUE PER RUO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	1,225	0	1,225	0	0	0	0	1,225
3	303.0	INTANGIBLES: MISCS*	0	0	16,805	0	16,805	0	0	0	0	16,805
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	378	0	16,805	0	18,258	0	0	0	0	18,258
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	316	0	34,553	0	34,553	0	0	0	0	34,553
7	314.0	SOURCE OF SUPPLY: WELLS	636	0	748,196	207,866	540,340	79,177	20,404	519,936	228,260	599,113
8	320.0	PUMPING PLANT: LAND*	0	0	3,885	0	3,885	0	0	0	0	3,885
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	538	19,604	5,687	13,917	0	508	19,604	6,195	13,405
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	112,832	15,421	619,251	(40,344)	659,585	96,147	18,782	675,119	(63,860)	738,979
11	326.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND	0	0	550	0	550	0	0	0	0	550
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	102	3,832	0	3,832	0	102	3,832	0	2,655
14	332.0	WATER TREATMENT PLANT: ELECTRICAL EQUIPMENT	0	388	14,972	4,469	10,503	0	388	14,972	4,857	10,115
15	340.0	TRANSMISSION & DISTRIBUTION: LAND, TANKS & MAINS*	0	0	4,353	0	4,353	0	0	0	0	4,353
16	341.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	2,445	10,818	418,916	75,684	343,232	0	10,850	418,916	86,511	332,402
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	12,606	39,974	1,547,984	412,235	1,135,759	48,917	40,670	1,582,554	488,548	1,112,006
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	609	23,518	5,649	17,869	0	609	23,518	6,258	17,260
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	17,732	12,063	474,488	119,403	355,085	15,578	12,472	488,615	130,424	358,191
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	7,014	4,954	192,842	38,787	154,045	1	4,971	191,022	41,947	149,075
23	346.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	2,349	90,708	25,577	65,131	14,448	2,524	104,175	27,121	77,054
24	346.0	GENERAL PLANT: LAND - WAREHOUSE*	0	0	424	0	424	0	0	424	0	424
25	352.0	GENERAL PLANT: LAND - MISC*	0	0	2,471	0	2,471	0	0	2,471	0	2,471
26	353.0	GENERAL PLANT: OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0	0
27	3501	GENERAL PLANT: OFFICE BUILDINGS	257	453	17,801	5,186	12,615	0	456	17,801	5,842	11,959
28	3502	GENERAL PLANT: WAREHOUSE BUILDINGS	0	191	7,981	2,200	5,781	0	191	7,981	2,390	4,571
29	3503	GENERAL PLANT: MISC. BUILDINGS	0	181	6,201	1,853	4,348	0	181	6,201	2,013	4,188
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	377	14,585	4,263	10,322	0	377	14,585	5,380	33,075
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	534	477	18,889	4,640	14,249	19,790	740	38,459	3,140	6,838
32	391.2	GENERAL PLANT: OFFICE FURNITURE	110	257	9,978	2,881	7,097	0	258	9,978	3,140	6,838
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	3,471	63	4,184	258	3,926	0	108	4,184	366	3,818
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	548	1,124	43,653	12,141	31,512	2,687	1,182	48,054	13,036	33,018
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	33	320	350	843	0	33	320	353	810
36	396.0	GENERAL PLANT: LABORATORY EQUIPMENT	0	109	3,898	559	4,457	0	109	3,898	458	4,356
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	2,488	96,056	28,415	67,643	0	2,473	94,944	29,774	65,170
38	397.1	GENERAL PLANT: MOBILE RADIOS	45	309	5,691	78	5,613	0	309	5,613	657	7,014
39	397.2	GENERAL PLANT: AUTO CONTROLS	3,098	0	15,175	548	14,627	0	179	15,345	954	14,391
40	398.0	GENERAL PLANT: MISC.	914	183	7,915	1,281	6,634	0	183	7,915	1,449	13,083
41		TOTALS	\$182,940	\$112,940	\$4,469,917	\$920,110	\$3,549,845	\$268,985	\$117,158	\$4,107,552	\$988,879	\$3,720,674

REFERENCE:  
 ACC STAFF D.R. NO. REL 1:24  
 NOTE:  
 \*NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1996 ADDITIONS PER COMPANY	1996 RETIREMENTS PER COMPANY	1996 YEAR END PLANT VALUE PER RUCCO	1996 DEPRECIATION EXPENSE PER RUCCO	1996 ACCUMULATED DEPRECIATION PER RUCCO	1996 YEAR END NET PLANT VALUE PER RUCCO	1996 ADDITIONS PER COMPANY	1996 RETIREMENTS PER COMPANY	1997 YEAR END PLANT VALUE PER RUCCO	1997 DEPRECIATION EXPENSE PER RUCCO	1997 ACCUMULATED DEPRECIATION PER RUCCO	1997 YEAR END NET PLANT VALUE PER RUCCO
1	301.0	INTANGIBLES; ORGANIZATION*	\$0	\$0	0	0	0	0	0	0	0	0	0	0
2	302.0	INTANGIBLES; FRANCHISES*	0	0	1,225	0	0	1,225	0	0	0	0	0	1,225
3	303.0	INTANGIBLES; MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY; LAND - WATER RIGHTS*	0	0	18,701	0	0	18,701	127	0	0	0	0	18,828
5	310.2	SOURCE OF SUPPLY; LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY; LAND - WELLS*	0	0	34,553	0	0	34,553	0	0	0	0	0	34,553
7	314.0	SOURCE OF SUPPLY; WELLS	1,398	0	828,709	21,446	249,708	579,003	3,995	0	832,704	21,515	271,221	581,483
8	320.0	PUMPING PLANT; STRUCTURES & IMPROVEMENTS	0	0	3,865	0	0	3,865	0	0	3,865	0	0	3,865
9	320.0	PUMPING PLANT; ELECTRICAL EQUIPMENT	0	0	19,362	58	6,735	12,627	11,303	(1,975)	29,632	638	5,485	24,167
10	323.0	PUMPING PLANT; GAS ENGINE EQUIPMENT	79,783	(13,312)	74,157	18,348	(59,263)	860,359	43,176	(32,445)	752,863	19,353	(71,916)	824,779
11	330.0	WATER TREATMENT PLANT; LAND*	0	0	550	0	0	550	0	0	550	0	0	550
12	330.0	WATER TREATMENT PLANT; STRUCTURES & IMPROVEMENTS	0	0	3,932	102	1,379	2,553	0	0	3,932	102	1,480	2,452
13	331.0	WATER TREATMENT PLANT; EQUIPMENT	0	0	14,972	388	5,244	9,728	655	0	15,627	396	5,641	9,989
14	332.0	WATER TREATMENT PLANT; TANKS & MAINS*	581	0	4,934	0	0	4,934	0	0	4,934	0	0	4,934
15	340.0	TRANSMISSION & DISTRIBUTION; LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION; STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION; STORAGE TANKS	0	0	418,916	10,850	97,364	321,552	0	0	418,916	10,850	108,214	310,702
18	342.0	TRANSMISSION & DISTRIBUTION; FIRE SPRINKLERS	10,001	(5,276)	1,597,279	41,308	484,580	1,122,699	76,619	(212)	1,673,886	42,362	576,730	1,147,156
19	344.0	TRANSMISSION & DISTRIBUTION; MISC. EQUIPMENT	41,937	(587)	529,965	13,161	143,028	388,937	25,570	(173)	529,864	14,713	7,606	522,258
20	345.0	TRANSMISSION & DISTRIBUTION; METERS	8,558	(5,344)	184,236	4,989	41,592	132,644	5,422	(1,929)	197,722	5,074	156,910	396,632
21	346.0	TRANSMISSION & DISTRIBUTION; HYDRANTS	4,516	(2,379)	106,312	2,726	27,468	78,844	15,281	(1,922)	121,401	2,849	30,225	91,176
22	348.0	GENERAL PLANT; LAND - OFFICE*	0	0	424	0	0	424	0	0	424	0	0	424
23	389.1	GENERAL PLANT; LAND - WAREHOUSE*	0	0	2,471	0	0	2,471	0	0	2,471	0	0	2,471
24	389.2	GENERAL PLANT; LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
25	389.3	GENERAL PLANT; OFFICE BUILDINGS	57	0	17,658	457	6,096	11,560	16,753	(16,681)	977	241	(10,341)	11,318
26	390.1	GENERAL PLANT; WAREHOUSE BUILDINGS	0	0	7,261	191	2,581	4,780	0	0	7,261	191	2,581	4,780
27	390.2	GENERAL PLANT; MISC. BUILDINGS	0	0	6,201	161	2,174	4,027	0	0	6,201	161	2,335	3,868
28	390.3	GENERAL PLANT; OFFICE EQUIPMENT	0	0	35,283	305	9,916	25,367	4	0	35,287	377	5,395	9,170
29	391.0	GENERAL PLANT; ELECTRICAL EQUIPMENT	926	(4,096)	15,531	3,915	2,918	12,613	6	0	14,565	915	3,154	32,199
30	391.1	GENERAL PLANT; OFFICE FURNITURE	5,553	0	15,331	3,470	4,270	12,061	378	0	15,439	378	3,154	32,199
31	391.2	GENERAL PLANT; WAREHOUSE EQUIPMENT	0	0	4,184	108	475	3,709	0	0	4,184	108	3,547	3,547
32	393.0	GENERAL PLANT; GARAGE EQUIPMENT	1,775	0	47,829	1,216	14,252	33,577	6,582	0	54,391	1,324	15,576	38,815
33	394.0	GENERAL PLANT; LAB EQUIPMENT	0	0	1,283	33	386	877	0	0	1,283	33	418	845
34	395.0	GENERAL PLANT; POWER EQUIPMENT	0	0	3,898	101	(367)	4,255	0	0	3,898	101	(258)	4,154
35	396.0	GENERAL PLANT; COMMUNICATIONS EQUIPMENT	0	(2,331)	92,613	2,209	28,872	62,741	1,132	0	92,613	2,399	32,271	60,342
36	397.0	GENERAL PLANT; MOBILE RADIOS	573	0	8,244	206	863	7,381	789	(48)	9,376	228	1,091	8,285
37	397.1	GENERAL PLANT; AUTO CONTROLS	9,820	0	25,185	525	1,479	23,666	1,003	0	25,909	661	2,095	23,814
38	397.2	GENERAL PLANT; MISC.	1,051	0	15,265	1,339	1,839	(1,449)	0	0	16,598	416	2,255	14,311
39	398.0	GENERAL PLANT; MISC.	0	0	0	0	0	0	0	0	0	0	0	0
40	398.0	TOTALS	\$1,622,865	(\$23,325)	\$4,843,036	\$121,386	\$1,075,519	\$3,722,403	\$214,275	(\$53,547)	\$5,003,854	\$125,787	\$1,147,760	\$3,856,084

REFERENCE:  
 ACC STAFF D.R. NO. REL 1-24  
 NOTE:  
 \* - NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1998 ADDITIONS PER COMPANY	1998 (RETIREMENTS) PER COMPANY	1998 YEAR END PLANT VALUE PER RUCCO	1998 DEPRECIATION EXPENSE PER RUCCO	1998 ACCUMULATED DEPRECIATION PER RUCCO	1998 YEAR END NET PLANT PER RUCCO	1989 ADDITIONS PER COMPANY	1989 (RETIREMENTS) PER COMPANY	1989 YEAR END PLANT VALUE PER RUCCO	1989 DEPRECIATION EXPENSE PER RUCCO	1989 ACCUMULATED DEPRECIATION PER RUCCO	1989 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	1,225	0	0	1,225	0	0	1,225	0	0	1,225
3	303.0	INTANGIBLES: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	307,164	0	325,992	0	0	325,992	1,331	0	327,323	0	0	327,323
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	26,165	0	60,718	0	0	60,718	0	0	60,718	0	0	60,718
7	314.0	SOURCE OF SUPPLY: WELLS	275,810	0	1,108,514	25,139	0	812,154	2,728	0	1,111,242	28,746	325,106	786,136
8	320.0	PUMPING PLANT: LAND	838	0	4,723	0	0	4,723	0	0	4,723	0	0	4,723
9	325.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	745	0	6,242	0	0	6,242	2,051	0	32,428	813	7,055	25,373
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	86,177	0	20,211	0	0	86,177	49,849	0	845,161	21,407	(74,026)	919,187
11	328.0	PUMPING PLANT: MISC. EQUIPMENT	1,104	(31,176)	807,864	(942)	(940)	1,102	0	(12,552)	162	4	(936)	1,098
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	550	0	0	550	0	0	550	0	0	550
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	3,952	102	0	2,350	14,095	0	18,027	284	1,867	16,160
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	1,116	0	18,572	416	5,826	10,686	18,317	0	33,505	648	5,150	28,355
15	340.0	TRANSMISSION & DISTRIBUTION: LAND, TANKS & MAINS*	3	(231)	4,937	0	0	4,937	0	(1,324)	0	0	0	4,937
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	42,147	(2,171)	418,916	10,850	119,064	299,862	343	0	419,259	10,864	129,918	289,341
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	1,713,862	43,871	588,430	1,145,432	71,753	(2,269)	1,783,362	45,289	611,450	1,171,902
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	16,464	(761)	29,580	8,372	8,372	21,208	28,121	0	29,580	766	9,138	20,442
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	4,397	(2,481)	571,065	14,587	170,796	400,269	0	(1,275)	571,065	15,138	184,598	413,312
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	9,012	0	199,638	5,146	47,407	152,231	368	(630)	199,638	5,164	51,641	147,465
24	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	130,413	3,263	33,486	96,927	7,468	0	137,881	3,474	36,960	100,921
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	424	0	0	424	0	0	424	0	0	424
26	389.3	GENERAL PLANT: LAND - MISC.*	0	0	2,471	0	0	2,471	0	0	2,471	0	0	2,471
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	30,562	0	31,539	421	(9,920)	41,459	1,826	0	1,826	0	0	1,826
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	1,666	0	25,780	646	3,635	22,145	0	0	31,539	817	(9,103)	40,656
29	390.3	GENERAL PLANT: MISC. BUILDINGS	2,239	0	8,440	190	2,524	5,916	0	0	25,780	658	4,302	21,478
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	14,565	377	5,772	8,793	12,186	0	20,626	376	2,901	17,725
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	331	(1,570)	34,114	900	5,772	8,793	0	0	14,565	377	6,149	8,416
32	391.2	GENERAL PLANT: OFFICE FURNITURE	984	0	16,893	425	4,302	31,630	6,519	0	14,565	968	3,452	37,181
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	325	0	4,509	113	696	4,313	451	0	17,344	443	4,745	12,599
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	4,272	0	59,663	1,464	17,040	41,623	801	0	4,509	117	812	3,697
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	1,263	33	451	812	0	0	59,464	1,530	18,570	40,894
36	396.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	3,898	101	(155)	4,053	0	0	1,263	33	484	779
37	397.0	GENERAL PLANT: MOBILE RADIOS	0	0	92,613	2,399	34,670	57,943	0	0	3,898	101	(54)	3,952
38	397.1	GENERAL PLANT: MOBILE RADIOS	4,197	0	13,573	297	1,399	12,184	0	0	92,613	2,399	37,068	55,545
39	397.2	GENERAL PLANT: AUTO CONTROLS	647	0	26,556	679	2,775	23,781	2,344	0	13,573	352	1,740	11,833
40	398.0	GENERAL PLANT: MISC.	1,038	0	20,974	462	2,737	17,237	0	0	28,900	718	3,493	25,407
41		TOTALS	\$820,463	(\$39,322)	\$5,784,352	\$133,656	\$1,242,063	\$4,522,680	\$220,387	(\$18,351)	\$5,988,991	\$142,021	\$1,385,753	\$4,621,238

REFERENCE:  
 ACC STAFF R. NO. REL 1-24  
 NOTE:  
 \* NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY  
TEST YEAR ENDED DECEMBER 31, 2001  
MIAMI SYSTEM - REVISED SCHEDULES  
RATE BASE ADJUSTMENTS #1, #2 & #3 - PLANT IN SERVICE/POST TEST YEAR PLANT.  
PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2000 ADDITIONS PER COMPANY	2000 (RETIREMENTS) PER COMPANY	2000 YEAR END PLANT VALUE PER RUCCO	2000 DEPRECIATION EXPENSE PER RUCCO	2000 ACCUMULATED DEPRECIATION PER RUCCO	2000 YEAR END NET PLANT PER RUCCO	2001 ADDITIONS PER COMPANY	2001 (RETIREMENTS) PER COMPANY	2001 YEAR END PLANT VALUE PER RUCCO	2001 DEPRECIATION EXPENSE PER RUCCO	2001 ACCUMULATED DEPRECIATION PER RUCCO	2001 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES ORGANIZATION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES FRANCHISES	0	0	1,225	0	0	1,225	0	0	0	0	0	0
3	303.0	INTANGIBLES MISC.	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY LAND - WATER RIGHTS	965	0	328,288	0	0	328,531	243	0	0	0	0	328,531
5	310.2	SOURCE OF SUPPLY LAND - RESERVOIRS	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY LAND - WELLS	1,707	0	62,425	0	0	62,425	0	0	0	0	0	62,425
7	314.0	SOURCE OF SUPPLY WELLS	20,837	0	1,132,079	29,051	354,157	777,922	1,099	0	1,133,178	29,335	383,482	749,696
8	320.0	PUMPING PLANT	0	(450)	4,723	836	7,441	4,723	285	0	1,723	835	8,277	24,113
9	321.0	PUMPING PLANT STRUCTURES & IMPROVEMENTS	147	0	32,125	32,125	32,125	24,684	285	0	32,125	32,125	64,704	64,704
10	325.0	PUMPING PLANT ELECTRICAL EQUIPMENT	25,658	(10,834)	853,985	22,082	(62,719)	922,764	4,058	(549)	863,474	22,319	(41,009)	904,483
11	328.0	PUMPING PLANT GAS ENGINE EQUIPMENT	0	0	162	4	(92)	1,650	0	0	1,650	4	(927)	1,089
12	330.0	WATER TREATMENT PLANT	0	0	550	487	2,334	15,693	1,613	0	19,640	488	2,821	16,819
13	331.0	WATER TREATMENT PLANT STRUCTURES & IMPROVEMENTS	0	0	13,027	487	2,334	15,693	8,610	(11,123)	61,624	1,829	(3,080)	64,704
14	332.0	WATER TREATMENT PLANT EQUIPMENT	30,632	0	84,137	1,284	6,414	57,723	898	0	5,835	0	0	5,835
15	340.0	TRANSMISSION & DISTRIBUTION LAND RIGHTS - FEES	0	0	4,337	0	0	4,337	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION LAND RIGHTS	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION STRUCTURES	1,819	0	421,078	10,882	140,801	290,277	3,098	0	424,176	10,946	151,747	272,429
18	342.0	TRANSMISSION & DISTRIBUTION STORAGE TANKS	0	0	1,858,179	47,158	654,523	1,203,656	99,647	(656)	1,957,170	49,409	703,276	1,253,894
19	343.0	TRANSMISSION & DISTRIBUTION TANKS	78,912	(4,085)	29,980	756	9,905	19,675	0	0	29,980	768	10,671	18,909
20	345.0	TRANSMISSION & DISTRIBUTION FIRE SPRINKLERS	0	0	626,690	15,658	196,233	428,447	38,934	(1,119)	664,495	16,721	213,834	450,661
21	345.0	TRANSMISSION & DISTRIBUTION SERVICES	30,994	(2,224)	201,814	5,192	55,289	146,525	1,839	(1,208)	202,445	5,235	59,316	143,129
22	346.0	TRANSMISSION & DISTRIBUTION METERS	4,252	(1,544)	143,457	3,643	40,604	102,853	0	(51)	143,406	3,715	44,268	99,138
23	348.0	TRANSMISSION & DISTRIBUTION HYDRANTS	5,576	0	424	0	0	424	0	0	424	0	0	424
24	369.1	GENERAL PLANT LAND - OFFICE	0	0	2,471	0	0	2,471	0	0	2,471	0	0	2,471
25	389.2	GENERAL PLANT LAND - WAREHOUSE	0	0	1,628	0	(1,707)	1,628	0	0	0	0	(1,707)	626
26	389.3	GENERAL PLANT LAND - MISC.	0	(1,707)	(81)	817	(8,287)	39,828	0	0	31,539	817	(1,707)	30,832
27	390.1	GENERAL PLANT OFFICE BUILDINGS	405	0	31,539	673	4,975	21,210	0	0	31,539	673	5,652	20,532
28	390.2	GENERAL PLANT WAREHOUSE BUILDINGS	1,109	0	26,185	549	3,449	16,286	189	0	21,996	565	4,015	17,981
29	390.3	GENERAL PLANT MISC BUILDINGS	0	0	14,555	377	6,527	13,028	0	0	14,555	377	6,904	7,651
30	391.0	GENERAL PLANT OFFICE EQUIPMENT	1,157	0	41,759	1,082	5,207	37,271	932	0	42,722	1,094	5,614	37,108
31	391.1	GENERAL PLANT ELECTRICAL EQUIPMENT	971	0	19,525	117	5,207	13,108	0	0	16,315	474	5,681	12,634
32	391.2	GENERAL PLANT OFFICE FURNITURE	0	0	68,563	117	929	3,580	0	0	4,509	117	1,046	3,463
33	393.0	GENERAL PLANT WAREHOUSE EQUIPMENT	7,088	0	68,563	1,632	20,202	46,361	8,029	0	74,592	1,828	22,030	52,562
34	394.0	GENERAL PLANT GARAGE EQUIPMENT	86	0	2,065	43	527	1,539	0	0	2,065	54	580	1,486
35	395.0	GENERAL PLANT LAB EQUIPMENT	0	0	3,898	101	47	3,851	0	0	3,898	101	148	3,750
36	396.0	GENERAL PLANT POWER EQUIPMENT	405	0	92,813	2,359	39,467	53,146	0	0	92,813	2,359	41,866	50,747
37	397.0	GENERAL PLANT COMMUNICATIONS EQUIPMENT	0	0	13,978	357	2,097	11,881	147	0	14,125	384	2,461	11,664
38	397.1	GENERAL PLANT COMMUNICATIONS	0	0	29,734	759	4,252	25,482	0	0	29,734	770	5,022	24,712
39	397.2	GENERAL PLANT AUTO CONTROLS	834	0	20,674	535	3,808	(3,273)	1,388	0	22,062	553	4,381	17,701
40	398.0	GENERAL PLANT MISC.	0	0	56,180,429	\$147,932	\$1,492,001	\$4,668,289	\$170,959	(\$14,708)	\$5,336,692	\$151,583	\$1,628,889	\$4,707,803
41		TOTALS	\$214,282	(\$20,844)	\$6,180,429	\$147,932	\$1,492,001	\$4,668,289	\$170,959	(\$14,708)	\$5,336,692	\$151,583	\$1,628,889	\$4,707,803

REFERENCE:  
ACC STAFF D.R. NO. REL 1-24

NOTE:  
\* NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 MIAMI SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENTS #1, #2 & #3 - PLANT IN SERVICE/POST TEST YEAR PLANT,  
 PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2002 ADDITIONS PER COMPANY	2002 (RETIREMENTS) PER COMPANY	2002 YEAR END PLANT VALUE PER RUO	2002 DEPRECIATION EXPENSE PER RUO	2002 ACCUMULATED DEPRECIATION PER RUO	2002 YEAR END NET PLANT PER RUO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	1,225	0	0	1,225
3	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	3,238	0	331,769	0	0	331,769
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	62,425	0	0	62,425
7	314.0	SOURCE OF SUPPLY: WELLS	3,329	0	1,136,507	29,392	412,884	723,623
8	320.0	PUMPING PLANT: LAND*	0	0	4,723	0	0	4,723
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	3,588	(43,726)	885	22,509	9,162	26,816
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	54,890	0	874,636	0	(62,228)	936,664
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	162	4	(923)	1,085
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	550	0	0	550
13	331.0	WATER TREATMENT PLANT: EQUIPMENT	918	0	19,640	509	3,330	16,310
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	62,542	1,608	(1,472)	64,014
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	5,835	0	0	5,835
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	660	0	424,836	10,985	162,742	262,094
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	263,826	(13,449)	2,207,547	53,933	743,760	1,463,787
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	4,732	0	34,312	827	11,498	22,814
20	345.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	92,132	(3,787)	752,840	18,354	228,402	524,438
21	346.0	TRANSMISSION & DISTRIBUTION: SERVICES	11,414	(562)	213,297	5,384	64,138	149,159
22	348.0	TRANSMISSION & DISTRIBUTION: METERS	2,551	0	145,957	3,747	48,015	97,942
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	453	0	877	0	0	877
24	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	2,471	0	0	2,471
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	(81)	0	(1,707)	1,626
26	389.3	GENERAL PLANT: LAND - MISC.*	355	0	31,894	821	(6,648)	38,543
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	26,185	678	6,332	19,853
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	21,924	568	4,583	17,341
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	35,995	655	(345)	36,340
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	29,334	(7,904)	42,722	1,106	6,720	36,002
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	18,315	474	6,156	12,159
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	4,509	117	1,163	3,346
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	4,771	0	79,363	1,994	24,023	55,340
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	519	0	2,585	60	641	1,944
35	395.0	GENERAL PLANT: POWER EQUIPMENT	0	0	3,898	101	249	3,649
36	396.0	GENERAL PLANT: LAB EQUIPMENT	0	0	108,554	2,605	27,561	80,993
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	32,851	(16,910)	14,125	366	2,827	11,298
38	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	29,734	770	5,792	23,942
39	397.2	GENERAL PLANT: AUTO CONTROLS	783	0	22,845	582	4,943	(4,361)
40	398.0	GENERAL PLANT: MISC.	\$510,343	(\$86,340)	\$6,760,695	\$159,045	\$1,701,594	\$5,036,838
41		TOTALS						
42		BALANCES PER COMPANY			\$ 6,837,666		1,713,976	
43								
44		BALANCES PER RUO			\$6,760,695		\$1,701,594	
45								
46		LESS: POST-TEST YEAR ALLOCATED PHOENIX OFFICE & METER SHOP ADDITIONS**			\$26,995			
47								
48		TOTAL ADJUSTMENTS			(\$103,965)		(\$12,382)	
49								

NOTE:  
 \* NON-DEPRECIABLE PLANT  
 \*\* BASED ON AN ALLOCATION FACTOR OF 0.0515 PER RUO D.R. NO. 4.2

REFERENCES:  
 ACC STAFF D.R. NO. REL 1-24  
 ACC STAFF D.R. NO. REL 18-1  
 RUO D.R. NO. 6.2

LINE NO.	DESCRIPTION	TEST YEAR COMPANY
1	GROSS PHOENIX OFFICE PLANT & METER SHOP	\$ 4,002,988
2	ADD: PHOENIX OFFICE CONSTRUCTION WORK IN PROGRESS (CWIP)	126,565
3	GROSS PHOENIX OFFICE PLANT & METER SHOP WITH CWIP	\$ 4,129,553
4	TIMES: ALLOCATION FACTOR	0.0540
5	ALLOCATED GROSS PHOENIX OFFICE PLANT & METER SHOP WITH CWIP	\$ 222,996
6	NET ALLOCATED PHOENIX OFFICE PLANT & METER SHOP WITH CWIP	197,194
7	RUCO ADJUSTMENT TO PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION	<b>\$ 25,802</b>

REFERENCES:

- LINE 1: COMPANY SCHEDULE B-2 PAGES 10 AND 11
- LINE 2: COMPANY SCHEDULE B-2 PAGE 10
- LINE 3: LINE 1 + LINE 2
- LINE 4: COMPANY SCHEDULE B-1 PAGE 1
- LINE 5: LINE 3 x LINE 4
- LINE 6: COMPANY SCHEDULE B-1 PAGE 1 (SUM OF LINES 6 AND 7)

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 MIAMI SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJ. #5 - REMOVE CWIP FROM PHOENIX OFFICE ALLOCATION

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-6

LINE NO.	DESCRIPTION	(A) TEST YEAR COMPANY	(B) TEST YEAR RUCO	
1	GROSS PHOENIX OFFICE PLANT	\$ 3,903,884	\$ 3,903,884	COMPANY SCHEDULE B-2 PAGE 10
2	LESS: ACCUMULATED DEPRECIATION	453,222	453,222	COMPANY SCHEDULE B-2 PAGE 10
3	NET PHOENIX OFFICE PLANT	\$ 3,450,662	\$ 3,450,662	LINE 1 + LINE 2
4	ADD: CWIP	126,565	-	COMPANY SCHEDULE B-2 PAGE 10
5	TOTALS	\$ 3,577,227	\$ 3,450,662	LINE 3 + LINE 4
4	TIMES: ALLOCATION FACTOR	0.0540	0.0540	COMPANY SCHEDULE B-1 PAGE 2
5	ALLOCATED PHOENIX OFFICE PLANT	\$ 193,170	\$ 186,336	COMPANY SCHEDULE B-1 PAGE 2
6	RUCO ADJUSTMENT		\$ (6,835)	LINE 5 COLUMN (B) - LINE 5 COLUMN (A)

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 1999  
 MIAMI SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENT #9 - WORKING CAPITAL

DOCKET NO. W-1445A-00-0962  
 SCHEDULE WAR-7  
 PAGE 1 OF 4

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	CASH WORKING CAPITAL PER COMPANY	\$ 30,159	COMPANY SCH. B-5, PG. 1
2	CASH WORKING CAPITAL PER RUCO	(37,215)	SCH. WAR-7, PG. 3
3	DECREASE IN CASH WORKING CAPITAL	(67,374)	LINE 2 - LINE 1
4	MATERIALS & SUPPLIES PER COMPANY	9,277	COMPANY SCH. B-5, PG. 1
5	MATERIALS & SUPPLIES PER RUCO	10,143	DATA REQUEST RUCO 6.4 a)
6	MATERIALS & SUPPLIES ADJUSTMENT	866	LINE 5 - LINE 4
7	PREPAYMENTS PER COMPANY AND SPECIAL DEPOSITS	15,418	COMPANY SCH. B-5, PG. 1
8	PREPAYMENTS PER RUCO	13,074	DATA REQUEST RUCO 6.4 b)
9	PREPAYMENTS ADJUSTMENT	(2,344)	LINE 8 - LINE 7
10	REQUIRED BANK BALANCES PER COMPANY	26,913	COMPANY SCH. B-5, PG. 1
11	REQUIRED BANK BALANCES PER RUCO	22,597	DATA REQUEST RUCO 6.4 c)
12	REQUIRED BANK BALANCE ADJUSTMENT	(4,316)	LINE 11 - LINE 10
13	TOTAL WORKING CAPITAL ADJUSTMENT	(73,168)	LINES 3, 6, 9 & 12

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 MIAMI SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENT #9 - WORKING CAPITAL  
 LEAD/LAG CALCULATION

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-7  
 PAGE 2 OF 4

LINE NO.	DESCRIPTION	EXPENSES PER COMPANY	RUCO ADJUSTMENTS	ADJUSTED EXPENSES	(LEAD)/LAG DAYS	\$ DAYS
1	PURCHASED POWER	\$ 155,214	\$ (8,426)	\$ 146,788	44.35	\$ 6,510,048
2	PAYROLL	394,635	10,553	405,188	14.00	5,672,638
3	PURCHASED WATER	-	-	-	N/A	N/A
4	CHEMICALS	77,706	(64,504)	13,202	169.13	2,232,854
5	PROPERTY & LIABILITY INSURANCE	6,439	(78)	6,361	(45.27)	(287,942)
6	WORKER'S COMPENSATION	5,645	823	6,468	(46.50)	(300,745)
7	HEALTH INSURANCE	81,989	(6,840)	75,149	(8.92)	(670,325)
8	OTHER O&M EXPENSES	261,716	(84,943)	176,773	(9.27)	(1,638,681)
9	DEPRECIATION & AMORTIZATION	204,884	(67,944)	136,940	N/A	N/A
10	FEDERAL & STATE INCOME TAXES	206,404	(68,607)	137,797	61.95	8,537,123
11	DEFERRED INCOME TAXES	13,171	N/A	N/A	N/A	N/A
12	FICA TAXES	31,452	(107)	31,345	14.00	438,830
13	FUTA & SUTA TAXES	690	47	737	83.10	61,245
14	PROPERTY TAXES	122,648	(20,784)	101,864	212.00	21,595,062
15	REG., CONTRACT, & MISCELLANEOUS FEES	32,761	1,974	34,735	(98.83)	(3,432,900)
16	SALES & OCCUPATION TAXES	120,724	7,131	127,855	41.30	5,280,412
17	PENSION EXPENSE	35,951	973	36,924	34.72	1,282,001
18	TOTAL	\$ 1,752,029	\$ (300,734)	\$ 1,438,124 *	31.49	\$ 45,279,620

NOTE

N/A = NON CASH CHARGES EXCLUDED FROM WORKING CAPITAL CALCULATION

\* RUCO RECOMMENDED LEVEL OF OPERATING EXPENSE - SCHEDULE WAR-8, COLUMN (E), LINE 16

ARIZONA WATER COMPANY  
TEST YEAR ENDED DECEMBER 31, 2001  
MIAMI SYSTEM - REVISED SCHEDULES  
RATE BASE ADJUSTMENT #9 - WORKING CAPITAL  
CALCULATION OF CASH WORKING CAPITAL

DOCKET NO. W-1445A-02-0619  
SCHEDULE WAR-7  
PAGE 3 OF 4

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	AVERAGE EXPENSE LAG	31.49	SCH. WAR-7, PG. 2
2	AVERAGE REVENUE COLLECTION LAG	<u>22.04</u>	CO. SCH. B-5, PG. 2
3	EXCESS EXPENSE OVER REVENUE LAG	(9.45)	LINE 2 - LINE 1
4	TOTAL EXPENSES	\$ 1,438,124	SCH. WAR-7, PG. 2
5	CASH WORKING CAPITAL REQUIREMENT	(37,215)	(LINE 3 X LINE 4)/365 DAYS
6	PER COMPANY	<u>\$ 30,159</u>	CO. SCH. B-5, PG. 2
7	INCREASE (DECREASE) IN WORKING CAPITAL	<u>\$ (67,374)</u>	LINE 5 - LINE 6

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 MIAMI SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENT #9 - WORKING CAPITAL  
 CALCULATION OF INCOME TAX LAG

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-7  
 PAGE 4 OF 4

<u>LINE NO.</u>	<u>(A) PAYMENT DATE</u>	<u>(B) SERVICE PERIOD MIDPOINT</u>	<u>(C) (LEAD)/LAG DAYS</u>	<u>(D) PAYMENT AMOUNT</u>	<u>(E) DOLLAR DAYS</u>
1	04/12/99	07/01/99	(80.00)	\$ 397,000	(31,760,000)
2	06/11/99	07/01/99	(20.00)	50,000	(1,000,000)
3	09/14/99	07/01/99	75.00	486,000	36,450,000
4	12/14/99	07/01/99	166.00	970,000	161,020,000
5	03/14/00	07/01/99	257.00	<u>(240,000)</u>	<u>(61,680,000)</u>
6	TOTALS			\$ 1,663,000	103,030,000
7	INCOME TAX LAG		61.95		

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 MIAMI SYSTEM - REVISED SCHEDULES  
 OPERATING INCOME - TEST YEAR AND RUCO PROPOSED

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-8

LINE NO.	DESCRIPTION	(A) COMPANY TEST YEAR AS FILED	(B) RUCO TEST YEAR ADJUSTMENTS	(C) RUCO TEST YEAR AS ADJUSTED	(D) RUCO PROPOSED CHANGES	(E) RUCO RECOMMENDED
<u>REVENUES - WATER:</u>						
1	REVENUE FROM WATER SALES	\$ 1,456,939	\$ 46,713	\$ 1,503,652	\$ 247,130	\$ 1,750,782
2	OTHER REVENUES	0.00	-	0.00		0.00
3	TOTAL OPERATING REVENUES	\$ 1,456,939	\$ 46,713	\$ 1,503,652	\$ 247,130	\$ 1,750,782
<u>OPERATING EXPENSES:</u>						
2	PURCHASED WATER	\$ -	\$ -	\$ -	\$ -	\$ -
3	OTHER	8,832	388	9,220		9,220
4	PURCHASED POWER	151,322	(6,363)	144,959		144,959
5	PURCHASED GAS	-	22	22		22
6	OTHER	97,770	29,558	127,328		127,328
7	WATER TREATMENT	95,544	(52,550)	42,994		42,994
8	TRANSMISSION & DISTRIBUTION	263,028	21,449	284,477		284,477
9	CUSTOMER ACCOUNTS	190,636	268	190,904		190,904
10	SALES	1,311	53	1,364		1,364
11	ADMINISTRATIVE & GENERAL	246,728	(18,554)	228,174		228,174
12	DEPRECIATION & AMORTIZATION	204,884	(67,944)	136,940		136,940
13	PROPERTY TAXES	121,044	(19,180)	101,864		101,864
14	OTHER TAXES	28,957	3,125	32,082		32,082
15	INCOME TAXES	(13,108)	55,276	42,168	95,629	137,797
16	TOTAL OPERATING EXPENSES	\$ 1,396,948	\$ (54,453)	\$ 1,342,495	\$ 95,629	\$ 1,438,124
17	NET INCOME	\$ 59,991	\$ 101,165	\$ 161,156	\$ 151,501	\$ 312,658

REFERENCES:

COLUMN (A): CO. SCH. C-1, PG. 3  
 COLUMN (B): SCH. WAR-9  
 COLUMN (C): COLUMN (A) + COLUMN (B)  
 COLUMN (D): SCH. WAR-1  
 COLUMN (E): COLUMN (C) + COLUMN (D)

ARIZONA WATER COMPANY  
TEST YEAR ENDED DECEMBER 31, 2001  
MIAMI SYSTEM - REVISED SCHEDULES  
SUMMARY OF OPERATING ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) ADJ #1	(C) ADJ #2	(D) ADJ #3	(E) ADJ #4	(F) ADJ #5	(G) ADJ #6	(H) ADJ #7	(I) ADJ #8	(J) ADJ #9	(K) ADJ #10	(L) ADJ #11	(M) RUCO ADJUSTED
<b>REVENUES - WATER</b>														
1	REVENUE FROM WATER SALES	\$ 1,456,939	\$ 154,976	\$ (127,855)	\$ 14,067	\$ 24,919	\$ (8,571)	\$ (10,823)						\$ 1,503,652
2	OTHER REVENUES													
3	TOTAL OPERATING REVENUES	\$ 1,456,939	\$ 154,976	\$ (127,855)	\$ 14,067	\$ 24,919	\$ (8,571)	\$ (10,823)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,503,652
<b>OPERATING EXPENSES</b>														
2	PURCHASED WATER	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	OTHER	8,832	388											9,220
4	PURCHASED POWER	151,322	(4,556)	(387)			(1,420)							144,959
5	PURCHASED GAS	-	22											22
6	OTHER	97,770	29,558											127,328
7	WATER TREATMENT	95,544	(52,410)				(140)							42,994
8	TRANSMISSION & DISTRIBUTION	263,028	22,037	(588)										284,477
9	CUSTOMER ACCOUNTS	190,636	268											190,904
10	SALES	1,311	53											1,364
11	ADMINISTRATIVE & GENERAL	246,728	(24,551)	(3,157)			(964)	10,118		(67,944)				228,174
12	DEPRECIATION & AMORTIZATION	204,884												136,940
13	PROPERTY TAXES	121,044								(19,180)				101,864
14	OTHER TAXES	28,957	127,823	(124,698)										32,082
15	INCOME TAXES	(13,108)										55,276		42,168
16	TOTAL OPERATING EXPENSES	\$ 1,396,948	\$ 98,632	\$ (127,855)	\$ -	\$ (975)	\$ (2,524)	\$ 10,118	\$ -	\$ (67,944)	\$ (19,180)	\$ 55,276	\$ -	\$ 1,342,495
17	NET INCOME	\$ 59,991	\$ 56,344	\$ -	\$ 14,067	\$ 25,894	\$ (6,047)	\$ (10,118)	\$ (10,823)	\$ 67,944	\$ 19,180	\$ (55,276)	\$ -	\$ 161,156

ADJUSTMENT #:  
1. RECONCILE COMPANY PROPOSED OPERATING INCOME TO 2002 ACTUAL  
2. REMOVE 2002 REGULATORY ASSESSMENT & SALES TAXES  
3. ELIMINATE PPAM AND PWAM REVENUES  
4. ELIMINATE UNBILLED REVENUES & EXPENSES  
5. ANNUALIZE ADDITIONAL REVENUES & EXPENSES  
6. AMORTIZATION OF RATE CASE EXPENSE

ADJUSTMENT #:  
7. REMOVE MAP SURCHARGE REVENUES  
8. DEPRECIATION & AMORTIZATION EXPENSE  
9. PROPERTY TAX EXPENSE  
10. INCOME TAX EXPENSE  
11. NOT USED

ADJUSTMENT #:  
7. REMOVE MAP SURCHARGE REVENUES  
8. DEPRECIATION & AMORTIZATION EXPENSE  
9. PROPERTY TAX EXPENSE  
10. INCOME TAX EXPENSE  
11. NOT USED

ADJUSTMENT #:  
7. REMOVE MAP SURCHARGE REVENUES  
8. DEPRECIATION & AMORTIZATION EXPENSE  
9. PROPERTY TAX EXPENSE  
10. INCOME TAX EXPENSE  
11. NOT USED

ADJUSTMENT #:  
7. REMOVE MAP SURCHARGE REVENUES  
8. DEPRECIATION & AMORTIZATION EXPENSE  
9. PROPERTY TAX EXPENSE  
10. INCOME TAX EXPENSE  
11. NOT USED

ADJUSTMENT #:  
7. REMOVE MAP SURCHARGE REVENUES  
8. DEPRECIATION & AMORTIZATION EXPENSE  
9. PROPERTY TAX EXPENSE  
10. INCOME TAX EXPENSE  
11. NOT USED

ADJUSTMENT #:  
7. REMOVE MAP SURCHARGE REVENUES  
8. DEPRECIATION & AMORTIZATION EXPENSE  
9. PROPERTY TAX EXPENSE  
10. INCOME TAX EXPENSE  
11. NOT USED

ADJUSTMENT #:  
7. REMOVE MAP SURCHARGE REVENUES  
8. DEPRECIATION & AMORTIZATION EXPENSE  
9. PROPERTY TAX EXPENSE  
10. INCOME TAX EXPENSE  
11. NOT USED

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 MIAMI SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #1 - RECONCILE COMPANY  
 PROPOSED OPERATING INCOME TO 2002 ACTUAL

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-10  
 PAGE 1 OF 2

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) 2002 ACTUAL	(C) DIFFERENCE	(D) RUCO ADJUSTMENT
<u>REVENUES - WATER:</u>					
1	REVENUE FROM WATER SALES	\$ 1,456,939	\$ 1,611,915	\$ 1,456,939	\$ 154,976
2	OTHER REVENUES	0.00	0.00	0.00	0.00
3	TOTAL OPERATING REVENUES	\$ 1,456,939	\$ 1,611,915	\$ 1,456,939	\$ 154,976
<u>OPERATING EXPENSES:</u>					
4	PURCHASED WATER	\$ -	\$ -	\$ -	\$ -
5	OTHER	8,832	9,220	8,832	388
6	PURCHASED POWER	151,322	146,766	151,322	(4,556)
7	PURCHASED GAS	-	22	-	22
8	OTHER	97,770	127,328	97,770	29,558
9	WATER TREATMENT	95,544	43,134	95,544	(52,410)
10	TRANSMISSION & DISTRIBUTION	263,028	285,065	263,028	22,037
11	CUSTOMER ACCOUNTS	190,636	190,904	190,636	268
12	SALES	1,311	1,364	1,311	53
13	ADMINISTRATIVE & GENERAL	246,728	222,177	246,728	(24,551)
14	DEPRECIATION & AMORTIZATION	204,884	166,150	204,884	- (a)
15	PROPERTY TAXES	121,044	102,755	121,044	- (a)
16	OTHER TAXES	28,957	156,780	28,957	127,823
17	INCOME TAXES	(13,108)	42,585	(13,108)	- (a)
18	TOTAL OPERATING EXPENSES	\$ 1,396,948	\$ 1,494,250	\$ 1,396,948	\$ 98,632
19	NET INCOME	\$ 59,991	\$ 117,665	\$ 59,991	\$ 56,344

REFERENCES:

COLUMN (A): COMPANY SCHEDULE C-1 PAGE 3 OF 5  
 COLUMN (B): DATA REQUEST RUCO 1.10  
 COLUMN (C): COLUMN (B) - COLUMN (A)  
 COLUMN (D): COLUMN (C) LINES 1 THRU 13, LINES 16, 18 & 19

NOTE:

(a) SEPARATE PRO FORMA ADJUSTMENTS NOT INCLUDED IN RECONCILIATION

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 MIAMI SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #1 - RECONCILE COMPANY  
 PROPOSED OPERATING INCOME TO 2002 ACTUAL

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-10  
 PAGE 2 OF 2

LINE NO.	DESCRIPTION	(A) TEST YEAR ACTUAL	(B) 2002 ACTUAL	(C) DIFFERENCE
<u>REVENUES - WATER:</u>				
1	REVENUE FROM WATER SALES	\$ 1,577,658	\$ 1,611,915	\$ 34,257
2	OTHER REVENUES	0.00	0.00	0.00
3	TOTAL OPERATING REVENUES	\$ 1,577,658	\$ 1,611,915	\$ 34,257
<u>OPERATING EXPENSES:</u>				
4	PURCHASED WATER	\$ -	\$ -	\$ -
5	OTHER	8,838	9,220	382
6	PURCHASED POWER	150,420	146,766	(3,654)
7	PURCHASED GAS	-	22	22
8	OTHER	97,770	127,328	29,558
9	WATER TREATMENT	24,368	43,134	18,766
10	TRANSMISSION & DISTRIBUTION	236,363	285,065	48,702
11	CUSTOMER ACCOUNTS	189,374	190,904	1,530
12	SALES	1,311	1,364	53
13	ADMINISTRATIVE & GENERAL	211,602	222,177	10,575
14	DEPRECIATION & AMORTIZATION	158,782	166,150	7,368
15	PROPERTY TAXES	111,042	102,755	(8,287)
16	OTHER TAXES	148,797	156,780	7,983
17	INCOME TAXES	70,648	42,585	(28,063)
18	TOTAL OPERATING EXPENSES	1,409,315	1,494,250	84,935
19	NET INCOME	<u>\$ 168,343</u>	<u>\$ 117,665</u>	<u>\$ (50,678)</u>

REFERENCES:

COLUMN (A): COMPANY SCHEDULE C-1 PAGE 3 OF 5  
 COLUMN (B): DATA REQUEST RUCO 1.10  
 COLUMN (C): COLUMN (B) - COLUMN (A)

ARIZONA WATER COMPANY  
TEST YEAR ENDED DECEMBER 31, 2001  
MIAMI SYSTEM - REVISED SCHEDULES  
OPERATING ADJ. #5 - REVENUE ANNUALIZATION FOR 2002

LINE NO.	DESCRIPTION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
1	YEAR END CUSTOMERS - 2002	3,010	3,010	3,010	3,010	3,010	3,010	3,010	3,010	3,010	3,010	3,010	3,010
2	2002 CUSTOMERS	3,031	3,018	3,013	3,018	3,021	3,028	3,037	3,025	3,031	3,043	3,030	3,010
3	INCREASE IN CUSTOMERS - 2002	(21)	(8)	(3)	(8)	(11)	(18)	(27)	(15)	(21)	(33)	(20)	
4	AVERAGE REVENUE FOR THE MONTH	\$ 35.27	\$ 35.96	\$ 37.46	\$ 39.45	\$ 46.21	\$ 52.83	\$ 56.04	\$ 56.92	\$ 52.01	\$ 44.13	\$ 37.19	\$ 27.40
5	INCREASE IN REVENUES	\$ (741)	\$ (288)	\$ (112)	\$ (316)	\$ (508)	\$ (947)	\$ (1,513)	\$ (854)	\$ (1,092)	\$ (1,456)	\$ (744)	\$
6	TOTAL INCREASE IN REVENUE	\$ (8,571)											
7	INCREASE IN REVENUE PER COMPANY												
8	REVENUE ADJUSTMENT												
9	GALLONS SOLD PER AVERAGE CUSTOMER	6,325	6,817	7,105	7,614	9,523	11,399	12,486	12,738	11,189	8,854	7,002	6,522
10	INCREASE IN CUSTOMERS	(21)	(8)	(3)	(8)	(11)	(18)	(27)	(15)	(21)	(33)	(20)	0
11	INCREASE IN GALLONS	(132,831)	(54,535)	(21,314)	(60,914)	(104,756)	(205,186)	(337,112)	(191,063)	(234,959)	(292,181)	(140,038)	0
12	TOTAL INCREASE IN GALLONS	(1,774,891)											
13	PUMPING COST PER GALLON	0.0008											
14	INCREASE IN PUMPING COST	(1,420)											
15	WATER TREATMENT COSTS PER GALLON	0.000079											
16	INCREASE IN WATER TREATMENT COSTS	(140)											
17	TOTAL INCREASE IN BILLS	(185)											
18	MONTHLY ACCOUNTING COST PER BILL	5.21											
19	INCREASE IN ACCOUNTING COST	(964)											

LINE #10 = LINE #3

LINE #11 = LINE #9 MULTIPLIED BY LINE #10

LINE #12 = SUMMATION OF LINE #11

LINE #13 = CO. W/P C2-5, PAGE 3

LINE #14 = LINE #12 X LINE #13

LINE #15 = CO. W/P C2-5, PAGE 3

LINE #16 = LINE #12 MULTIPLIED BY LINE #15

LINE #17 = SUMMATION OF LINE #3

LINE #18 = CO. W/P C2-5, PAGE 4

LINE #19 = LINE #17 X LINE #18

REFERENCES:

LINE #1 - RUCO DATA REQUEST #6.6

LINE #2 - RUCO DATA REQUEST #6.6

LINE #3 = LINE #1 MINUS LINE #2

LINE #4 - RUCO DR #1,10 = TOTAL MONTH REV. MINUS OTHER REV. / TOTAL MONTHLY CUSTOMERS FOR POST-TEST-YEAR

LINE #5 = LINE #3 MULTIPLIED BY LINE #4

LINE #6 = SUMMATION OF LINE #5

LINE #7 - NO REFERENCE

LINE #8 - LINE #6 MINUS LINE #7

LINE #9 - GALLONS SOLD, AWC'S ANNUAL REPORT & MONTHLY CUSTOMERS, RUCO DR #6.6

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 MIAMI SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #8 - DEPRECIATION & AMORTIZATION EXPENSE

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-12

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	(A) ACTUAL TEST YEAR BALANCE PER COMPANY	(B) RUCO ADJUSTMENTS	(C) RUCO ADJUSTED BALANCE	(D) COMPOSITE DEPRECIATION RATE	(E) RUCO RECOMMENDED DEPRECIATION EXPENSE
1	301.0	INTANGIBLES: ORGANIZATION*	\$ -	\$ -	\$0	0.00%	\$ -
2	302.0	INTANGIBLES: FRANCHISES*	1,225	-	1,225	0.00%	-
3	303.0	INTANGIBLES: MISC.*	-	-	-	0.00%	-
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	328,531	-	328,531	0.00%	-
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	-	-	-	0.00%	-
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	62,425	-	62,425	0.00%	-
7	314.0	SOURCE OF SUPPLY: WELLS	1,133,176	2	1,133,178	2.59%	29,349
8	320.0	PUMPING PLANT: LAND*	4,723	-	4,723	0.00%	-
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	32,391	(1)	32,390	2.59%	839
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	863,472	2	863,474	2.59%	22,364
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	163	(1)	162	2.59%	4
12	330.0	WATER TREATMENT PLANT: LAND*	550	-	550	0.00%	-
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	19,640	-	19,640	2.59%	509
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	61,624	-	61,624	2.59%	1,596
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	5,835	-	5,835	0.00%	-
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	-	-	-	0.00%	-
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	-	-	-	2.59%	-
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	424,176	-	424,176	2.59%	10,986
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	1,957,169	1	1,957,170	2.59%	50,691
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	29,580	-	29,580	2.59%	766
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	664,496	(1)	664,495	2.59%	17,210
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	202,443	2	202,445	2.59%	5,243
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	143,406	-	143,406	2.59%	3,714
24	389.1	GENERAL PLANT: LAND - OFFICE*	424	-	424	0.00%	-
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	2,471	-	2,471	0.00%	-
26	389.3	GENERAL PLANT: LAND - MISC.*	(81)	-	(81)	0.00%	-
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	31,539	-	31,539	2.59%	817
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	26,185	2	26,185	2.59%	678
29	390.3	GENERAL PLANT: MISC. BUILDINGS	21,924	-	21,924	2.59%	568
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	14,565	-	14,565	2.59%	377
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	42,719	3	42,722	2.59%	1,106
32	391.2	GENERAL PLANT: OFFICE FURNITURE	18,315	-	18,315	2.59%	474
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	4,509	-	4,509	2.59%	117
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	74,593	(1)	74,592	2.59%	1,932
35	395.0	GENERAL PLANT: LAB EQUIPMENT	2,066	-	2,066	2.59%	54
36	396.0	GENERAL PLANT: POWER EQUIPMENT	3,898	-	3,898	2.59%	101
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	92,613	-	92,613	2.59%	2,399
38	397.1	GENERAL PLANT: MOBILE RADIOS	14,126	(1)	14,125	2.59%	368
39	397.2	GENERAL PLANT: AUTO CONTROLS	29,734	-	29,734	2.59%	770
40	398.0	GENERAL PLANT: MISC.	22,062	-	22,062	2.59%	571
41							
42		TEST YEAR TOTALS	\$ 6,336,685	\$ 7	\$ 6,336,692		\$ 153,602
43							
44		POST TEST YEAR ADDITIONS	500,981	(103,972)	5397,008	2.59%	10,283
45							
46		GROSS DEPRECIABLE PHOENIX OFFICE AND METER SHOP ALLOCATION	216,161	26,624	242,785	2.59%	6,288
47							
48		2002 TOTALS	\$ 7,053,827	\$ (77,342)	\$ 5,976,485		\$ 170,173
49							
50		LESS:					
51		AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION @ 2.59% COMPOSITE RATE ***					5,233
52							
53		LESS:					
54		AMORTIZATION OF 50/50 SHARING OF \$1.4 MILLION PCG SETTLEMENT ****					28,000
55							
56		TOTAL PRO FORMA DEPRECIATION & AMORTIZATION EXPENSE					\$ 136,940
57							
58		DEPRECIATION & AMORTIZATION EXPENSE PER COMPANY					204,884
59							
60		DEPRECIATION & AMORTIZATION EXPENSE ADJUSTMENT (LINE 56 - LINE 58)					\$ (67,944)

REFERENCES:

COLUMN (A): COMPANY SCHEDULE E-5 PAGE 2 OF 4 AND STAFF DATA REQUEST REL 1-24  
 COLUMN (B): COLUMN (C) - COLUMN (A)  
 COLUMN (C): RUCO SCHEDULE WAR-4 PAGE 7  
 COLUMN (D): COMPOSITE DEPRECIATION RATE OF 2.59%  
 COLUMN (E): COLUMN (C) x COLUMN (D)

NOTES:

\* NON-DEPRECIABLE PLANT ASSETS  
 \*\* NET OF \$372 IN NON-DEPRECIABLE LEASEHOLD IMPROVEMENTS (\$7,215 x 0.0515 ALLOCATION FACTOR FOR 2002 = \$372)  
 \*\*\* RUCO ADJUSTED CIAC BALANCE x COMPOSITE RATE = \$202,054 x 2.59% = \$5,233  
 \*\*\*\* \$700,000 ÷ 25 YEARS = \$28,000

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 MIAMI SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #9 - PROPERTY TAX EXPENSE

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-13

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	REVENUES - 2000	\$ 1,522,007	COMPANY SCH. C-2, W/P C2-19a
2	REVENUES - 2001	1,456,934	COMPANY SCH. C-2, W/P C2-19a
3	REVENUES - 2002	<u>1,484,061</u>	D. R. NO. REL 19-1
4	TOTAL	\$ 4,463,002	SUM LINES 1, 2, & 3
5	3 YEAR AVERAGE	1,487,667	LINE 4/3 YEARS
6	MULTIPLIER FOR REVENUES (2 X LAST 3 YRS. AVERAGE REVENUE)	<u>x 2</u>	ADOR VALUATION FACTOR
7	REVENUES FOR FULL CASH VALUE	2,975,335	LINE 5 X 2 (MULTIPLIER FOR REVENUES
8	ADD: 10% OF CWIP BALANCE	(2)	COMPANY SCH. B-2, PG. 5; LINE 4 X 10%
9	LESS: LICENSED VEHICLES	<u>-</u>	STAFF DATA REQUEST REL 23-1
10	FULL CASH VALUE	2,975,333	LINE 7 + LINE 8 MINUS LINE 9
11	ASSESSMENT RATIO	<u>25%</u>	PER ADOR VALUATION METHOD
12	ASSESSED VALUE	743,833	LINE 10 X LINE 11
13	PROPERTY TAX RATE	<u>13.6944%</u>	PER TAX BILLS
14	PROPERTY TAXES PAYABLE PER RUCO	101,864	LINE 12 X LINE 13
15	PROPERTY TAXES PER COMPANY	<u>121,044</u>	COMPANY SCH. C-1, PG. 3
16	ADJUSTMENT	<u>(19,180)</u>	LINE 14 MINUS LINE 15

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 MIAMI SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #10 - INCOME TAXES

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-14

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
<u>FEDERAL INCOME TAXES:</u>			
1	OPERATING INCOME BEFORE INCOME TAXES	\$ 203,325	SCH. WAR-9
LESS:			
2	ARIZONA STATE TAX	7,622	LINE 11
3	INTEREST EXPENSE	<u>93,945</u>	NOTE (a)
4	FEDERAL TAXABLE INCOME	101,758	LINE 1 - LINES 2 & 3
5	FEDERAL INCOME TAX RATE	<u>33.95%</u>	TAX RATE
6	FEDERAL INCOME TAX EXPENSE	34,547	LINE 4 X LINE 5
<u>STATE INCOME TAXES:</u>			
7	OPERATING INCOME BEFORE INCOME TAXES	203,325	LINE 1
LESS:			
8	INTEREST EXPENSE	<u>93,945</u>	NOTE (A)
9	STATE TAXABLE INCOME	109,379	LINE 7 - LINE 8
10	STATE TAX RATE	<u>6.968%</u>	TAX RATE
11	STATE INCOME TAX EXPENSE	7,622	LINE 9 X LINE 10
12	TOTAL INCOME TAXES	42,168	LINE 6 + LINE 11
13	INCOME TAXES PER COMPANY	<u>(13,108)</u>	COMPANY SCH. C-1, PG. 2
14	ADJUSTMENT	<u>\$ 55,276</u>	LINE 12 - LINE 13

NOTE (a):  
 INTEREST SYCHRONIZATION

ADJUSTED RATE BASE	\$ 3,600,868
WEIGHTED COST OF DEBT	<u>2.61%</u>
INTEREST EXPENSE	\$ 93,945

ARIZONA WATER COMPANY  
TEST YEAR ENDED DECEMBER 31, 2001  
MIAMI SYSTEM - REVISED SCHEDULES  
OPERATING ADJ. #11 - NOT USED FOR THIS SYSTEM

DOCKET NO. W-1445A-02-0619  
SCHEDULE WAR-15

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 MIAMI SYSTEM - REVISED SCHEDULES  
 COST OF CAPITAL

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-16

LINE NO.	DESCRIPTION	(A) AMOUNT	(B) ADJUSTMENT	(C) ADJUSTED BALANCE	(D) CAPITAL RATIO	(E) COST	(F) WEIGHTED COST
1	SHORT-TERM DEBT	\$ 2,850,000	\$ 1,650,000	\$ 4,500,000	5.62%	4.00%	0.22%
2	LONG-TERM DEBT:	23,000,677	(400,677)	22,600,000	28.24%	8.44%	2.38%
3	COMMON EQUITY	49,442,738	3,473,716	52,916,454	66.13%	9.18%	6.07%
4	TOTAL	\$ 75,293,415	4,723,039	\$ 80,016,454	100.00%		8.68%

REFERENCES:

- COLUMN (A): COMPANY SCH. D - 1
- COLUMN (B): TESTIMONY, WAR
- COLUMN (C): COLUMN (A) + COLUMN (B)
- COLUMN (D): COLUMN (C) ÷ COLUMN (C), LINE 5
- COLUMN (E): TESTIMONY, WAR
- COLUMN (F): COLUMN (D) x COLUMN (E)

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 MIAMI SYSTEM - REVISED SCHEDULES  
 PROPOSED RATES

DOCKET NO. W-01445A-02-0619  
 SCHEDULE WAR-17

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>PRESENT RATES</u>	<u>COMPANY PROPOSED</u>	<u>RUCO PROPOSED</u>
1	<b>MONTHLY MINIMUM USAGE CHARGE:</b>			
2				
3	<u>(RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS)</u>			
4	5/8 X 3/4 - INCH	\$ 13.47	\$ 20.22	\$ 17.00
5	1 - INCH	24.86	43.88	42.50
6	2 - INCH	62.15	127.59	85.00
7	3 - INCH	103.58	229.29	134.55
8	4 - INCH	207.16	408.24	256.04
9	6 - INCH	362.53	777.66	426.04
10	8 - INCH	362.53	1,080.96	850.00
11	10 - INCH	673.27	1,769.05	1,275.00
12				
13	<b>GALLONS INCLUDED IN MONTHLY MINIMUM USAGE CHARGE:</b>			
14				
15	RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS	1,000	0	0
16				
17	<b>COMMODITY RATE (PER 100 GAL. OVER MINIMUM):</b>	\$0.33040	\$ 0.43300	\$ 0.33330
18				
19	<b>COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM):</b>	\$3.30400	\$ 4.33000	\$ 3.33300

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 MIAMI SYSTEM - REVISED SCHEDULES  
 MONTHLY MINIMUM CHARGES

DOCKET NO. W-01445A-02-0619  
 SCHEDULE WAR-18

LINE NO.	METER SIZE	(A) COMPANY PRESENT RATES	(B) COMPANY PROPOSED RATES	(C) COMPANY DOLLAR INCREASE	(D) COMPANY PERCENT. INCREASE	(E) RUCO PROPOSED RATES	(F) RUCO DOLLAR INCREASE	(G) RUCO PERCENT. INCREASE
1	5/8 X 3/4 - INCH	\$ 13.47	\$ 20.22	\$ 6.75	50.11%	\$ 17.00	\$ 3.53	26.21%
2	1 - INCH	24.86	43.88	19.02	76.51%	42.50	17.64	70.96%
3	2 - INCH	62.15	127.59	65.44	105.29%	85.00	22.85	36.77%
4	3 - INCH COMMERCIAL	103.58	229.29	125.71	121.37%	134.55	30.97	29.90%
5	4 - INCH COMMERCIAL	207.16	408.24	201.08	97.07%	256.04	48.88	23.60%
6	6 - INCH	362.53	777.66	415.13	114.51%	426.04	63.51	17.52%
7	8 - INCH	362.53	1,080.96	718.43	198.17%	850.00	487.47	134.46%
8	10 - INCH	673.27	1,769.05	1,095.78	162.75%	1,275.00	601.73	89.37%
9	GALLONS INCLUDED IN MONTHLY MINIMUM CHARGE	1,000	0			0		

REFERENCES

COLUMN (A) THRU COLUMN (D): COMPANY SCHEDULE H-3, PAGE 2 OF 4  
 COLUMN (E): TESTIMONY WAR  
 COLUMN (F): COLUMN (E) - COLUMN (A)  
 COLUMN (G): COLUMN (F) ÷ COLUMN (A)

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 MIAMI SYSTEM - REVISED SCHEDULES  
 BILLING ANALYSIS

DOCKET NO. W-01445A-02-0619  
 SCHEDULE WAR-19  
 PAGE 1 OF 4

PRESENT RATES

LINE NO.	CONSUMPTION IN GALLONS	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		5/8 - INCH	1 - INCH	2 - INCH	3 - INCH	4 - INCH	6 - INCH	8 - INCH	10 - INCH
1	0	\$13.47	\$24.86	\$62.15	\$103.58	\$207.16	\$362.53	\$362.53	\$673.27
2	1,000	13.47	24.86	62.15	103.58	207.16	362.53	362.53	673.27
3	2,000	16.77	28.16	65.45	106.88	210.46	365.83	365.83	676.57
4	3,000	20.08	31.47	68.76	110.19	213.77	369.14	369.14	679.88
5	4,000	23.38	34.77	72.06	113.49	217.07	372.44	372.44	683.18
6	5,000	26.69	38.08	75.37	116.80	220.38	375.75	375.75	686.49
7	6,000	29.99	41.38	78.67	120.10	223.68	379.05	379.05	689.79
8	7,000	33.29	44.68	81.97	123.40	226.98	382.35	382.35	693.09
9	8,000	36.60	47.99	85.28	126.71	230.29	385.66	385.66	696.40
10	9,000	39.90	51.29	88.58	130.01	233.59	388.96	388.96	699.70
11	10,000	43.21	54.60	91.89	133.32	236.90	392.27	392.27	703.01
12	15,000	59.73	71.12	108.41	149.84	253.42	408.79	408.79	719.53
13	20,000	76.25	87.64	124.93	166.36	269.94	425.31	425.31	736.05
14	25,000	92.77	104.16	141.45	182.88	286.46	441.83	441.83	752.57
15	50,000	175.37	186.76	224.05	265.48	369.06	524.43	524.43	835.17
16	75,000	257.97	269.36	306.65	348.08	451.66	607.03	607.03	917.77
17	100,000	340.57	351.96	389.25	430.68	534.26	689.63	689.63	1,000.37
18	125,000	423.17	434.56	471.85	513.28	616.86	772.23	772.23	1,082.97
19	150,000	505.77	517.16	554.45	595.88	699.46	854.83	854.83	1,165.57
20	175,000	588.37	599.76	637.05	678.48	782.06	937.43	937.43	1,248.17
21	200,000	670.97	682.36	719.65	761.08	864.66	1,020.03	1,020.03	1,330.77
22									
23	AVG. NO. OF CUST:	2,898	64	43	3	1	1	0	0
24									
25	AVG. USE (GAL.):	6,186	21,082	93,451	224,331	963,417	948,583	N/A	N/A
26	MONTHLY BILL:	\$30.60	\$91.21	\$367.61	\$841.46	\$3,386.98	\$3,493.35	N/A	N/A
27									
28	MEDIAN USE (GAL.):	4,636	6,946	30,650	100,000	N/M	N/M	N/A	N/A
29	MONTHLY BILL:	\$25.48	\$44.51	\$160.11	\$430.68	N/M	N/M	N/A	N/A

RUCO PROPOSED RATES

LINE NO.	CONSUMPTION IN GALLONS	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		5/8 - INCH	1 - INCH	2 - INCH	3 - INCH	4 - INCH	6 - INCH	8 - INCH	10 - INCH
1	0	\$17.00	\$42.50	\$85.00	\$134.55	\$256.04	\$426.04	\$850.00	\$1,275.00
2	1,000	20.33	45.83	88.33	137.88	259.37	429.37	853.33	1,278.33
3	2,000	23.67	49.17	91.67	141.22	262.71	432.71	856.67	1,281.67
4	3,000	27.00	52.50	95.00	144.55	266.04	436.04	860.00	1,285.00
5	4,000	30.33	55.83	98.33	147.88	269.37	439.37	863.33	1,288.33
6	5,000	33.67	59.17	101.67	151.22	272.71	442.71	866.67	1,291.67
7	6,000	37.00	62.50	105.00	154.55	276.04	446.04	870.00	1,295.00
8	7,000	40.33	65.83	108.33	157.88	279.37	449.37	873.33	1,298.33
9	8,000	43.66	69.16	111.66	161.21	282.70	452.70	876.66	1,301.66
10	9,000	47.00	72.50	115.00	164.55	286.04	456.04	880.00	1,305.00
11	10,000	50.33	75.83	118.33	167.88	289.37	459.37	883.33	1,308.33
12	15,000	67.00	92.50	135.00	184.55	306.04	476.04	900.00	1,325.00
13	20,000	83.66	109.16	151.66	201.21	322.70	492.70	916.66	1,341.66
14	25,000	100.33	125.83	168.33	217.88	339.37	509.37	933.33	1,358.33
15	50,000	183.65	209.15	251.65	301.20	422.69	592.69	1,016.65	1,441.65
16	75,000	266.98	292.48	334.98	384.53	506.02	676.02	1,099.98	1,524.98
17	100,000	350.30	375.80	418.30	467.85	589.34	759.34	1,183.30	1,608.30
18	125,000	433.63	459.13	501.63	551.18	672.67	842.67	1,266.63	1,691.63
19	150,000	516.95	542.45	584.95	634.50	755.99	925.99	1,349.95	1,774.95
20	175,000	600.28	625.78	668.28	717.83	839.32	1,009.32	1,433.28	1,858.28
21	200,000	683.60	709.10	751.60	801.15	922.64	1,092.64	1,516.60	1,941.60
22									
23	AVG. NO. OF CUST:	2,898	64	43	3	1	1	0	0
24									
25	AVG. USE (GAL.):	6,186	21,082	93,451	224,331	963,417	948,583	N/A	N/A
26	MONTHLY BILL:	\$37.62	\$112.77	\$396.47	\$882.24	\$3,467.11	\$3,587.67	N/A	N/A
27									
28	MEDIAN USE (GAL.):	4,636	6,946	30,650	100,000	N/M	N/M	N/A	N/A
29	MONTHLY BILL:	\$32.45	\$65.65	\$187.16	\$467.85	N/M	N/M	N/A	N/A

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 MIAMI SYSTEM - REVISED SCHEDULES  
 BILLING ANALYSIS

DOCKET NO. W-01445A-02-0619  
 SCHEDULE WAR-19  
 PAGE 3 OF 4

RUCO PROPOSED CHANGES EXPRESSED IN DOLLARS

LINE NO.	CONSUMPTION IN GALLONS	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		5/8 - INCH	1 - INCH	2 - INCH	3 - INCH	4 - INCH	6 - INCH	8 - INCH	10 - INCH
1	0	\$ 3.53	\$ 17.64	\$ 22.85	\$ 30.97	\$ 48.88	\$ 63.51	\$ 487.47	\$ 601.73
2	1,000	6.86	20.97	26.18	34.30	52.21	66.84	490.80	605.06
3	2,000	6.89	21.00	26.21	34.33	52.24	66.87	490.83	605.09
4	3,000	6.92	21.03	26.24	34.36	52.27	66.90	490.86	605.12
5	4,000	6.95	21.06	26.27	34.39	52.30	66.93	490.89	605.15
6	5,000	6.98	21.09	26.30	34.42	52.33	66.96	490.92	605.18
7	6,000	7.01	21.12	26.33	34.45	52.36	66.99	490.95	605.21
8	7,000	7.04	21.15	26.36	34.48	52.39	67.02	490.98	605.24
9	8,000	7.07	21.18	26.39	34.51	52.42	67.05	491.01	605.27
10	9,000	7.10	21.21	26.42	34.54	52.45	67.08	491.04	605.30
11	10,000	7.12	21.23	26.44	34.56	52.47	67.10	491.06	605.32
12	15,000	7.27	21.38	26.59	34.71	52.62	67.25	491.21	605.47
13	20,000	7.41	21.52	26.73	34.85	52.76	67.39	491.35	605.61
14	25,000	7.56	21.67	26.88	35.00	52.91	67.54	491.50	605.76
15	50,000	8.28	22.39	27.60	35.72	53.63	68.26	492.22	606.48
16	75,000	9.01	23.12	28.33	36.45	54.36	68.99	492.95	607.21
17	100,000	9.73	23.84	29.05	37.17	55.08	69.71	493.67	607.93
18	125,000	10.46	24.57	29.78	37.90	55.81	70.44	494.40	608.66
19	150,000	11.18	25.29	30.50	38.62	56.53	71.16	495.12	609.38
20	175,000	11.91	26.02	31.23	39.35	57.26	71.89	495.85	610.11
21	200,000	12.63	26.74	31.95	40.07	57.98	72.61	496.57	610.83
22									
23	AVG. NO. OF CUST:	2,898	64	43	3	1	1	0	0
24									
25	AVG. USE (GAL.):	6,186	21,082	93,451	224,331	963,417	948,583	N/A	N/A
26	MONTHLY BILL:	\$ 7.01	\$ 21.56	\$ 28.86	\$ 40.78	\$ 80.12	\$ 94.32	N/A	N/A
27									
28	MEDIAN USE (GAL.):	4,636	6,946	30,650	100,000	N/M	N/M	N/A	N/A
29	MONTHLY BILL:	\$ 6.97	\$ 21.15	\$ 27.04	\$ 37.17	N/M	N/M	N/A	N/A

**RUCO PROPOSED CHANGES EXPRESSED AS A PERCENTAGE**

LINE NO.	CONSUMPTION IN GALLONS	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		5/8 - INCH	1 - INCH	2 - INCH	3 - INCH	4 - INCH	6 - INCH	8 - INCH	10 - INCH
1	0	26.2%	71.0%	36.8%	29.9%	23.6%	17.5%	134.5%	89.4%
2	1,000	51.0%	84.4%	42.1%	33.1%	25.2%	18.4%	135.4%	89.9%
3	2,000	41.1%	74.6%	40.0%	32.1%	24.8%	18.3%	134.2%	89.4%
4	3,000	34.5%	66.8%	38.2%	31.2%	24.5%	18.1%	133.0%	89.0%
5	4,000	29.7%	60.6%	36.5%	30.3%	24.1%	18.0%	131.8%	88.6%
6	5,000	26.2%	55.4%	34.9%	29.5%	23.7%	17.8%	130.7%	88.2%
7	6,000	23.4%	51.0%	33.5%	28.7%	23.4%	17.7%	129.5%	87.7%
8	7,000	21.1%	47.3%	32.2%	27.9%	23.1%	17.5%	128.4%	87.3%
9	8,000	19.3%	44.1%	30.9%	27.2%	22.8%	17.4%	127.3%	86.9%
10	9,000	17.8%	41.3%	29.8%	26.6%	22.5%	17.2%	126.2%	86.5%
11	10,000	16.5%	38.9%	28.8%	25.9%	22.2%	17.1%	125.2%	86.1%
12	15,000	12.2%	30.1%	24.5%	23.2%	20.8%	16.5%	120.2%	84.1%
13	20,000	9.7%	24.6%	21.4%	21.0%	19.5%	15.8%	115.5%	82.3%
14	25,000	8.1%	20.8%	19.0%	19.1%	18.5%	15.3%	111.2%	80.5%
15	50,000	4.7%	12.0%	12.3%	13.5%	14.5%	13.0%	93.9%	72.6%
16	75,000	3.5%	8.6%	9.2%	10.5%	12.0%	11.4%	81.2%	66.2%
17	100,000	2.9%	6.8%	7.5%	8.6%	10.3%	10.1%	71.6%	60.8%
18	125,000	2.5%	5.7%	6.3%	7.4%	9.0%	9.1%	64.0%	56.2%
19	150,000	2.2%	4.9%	5.5%	6.5%	8.1%	8.3%	57.9%	52.3%
20	175,000	2.0%	4.3%	4.9%	5.8%	7.3%	7.7%	52.9%	48.9%
21	200,000	1.9%	3.9%	4.4%	5.3%	6.7%	7.1%	48.7%	45.9%
22									
23	AVG. NO. OF CUST:	2,898	64	43	3	1	1	0	0
24									
25	AVG. USE (GAL.):	6,186	21,082	93,451	224,331	963,417	948,583	N/A	N/A
26	MONTHLY BILL:	22.9%	23.6%	7.9%	4.8%	2.4%	2.7%	N/A	N/A
27									
28	MEDIAN USE (GAL.):	4,636	6,946	30,650	100,000	N/M	N/M	N/A	N/A
29	MONTHLY BILL:	27.3%	47.5%	16.9%	8.6%	N/M	N/M	N/A	N/A

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 MIAMI SYSTEM - REVISED SCHEDULES  
 REVENUE SUMMARY BY METER SIZE AND CUSTOMER CLASS

DOCKET NO. W-01445A-02-061  
 SCHEDULE WAR-20

LINE NO.	DESCRIPTION	(A) RUCO PROPOSED MINIMUM REVENUE	(B) RUCO PROPOSED COMMODITY REVENUE	(C) RUCO PROPOSED TOTAL REVENUE
1	5/8 X 3/4 - INCH	\$591,192	\$ 717,021	\$ 1,308,213
2	1 - INCH	32,810	54,247	87,057
3	2 - INCH	43,520	159,474	202,994
4	3 - INCH	4,844	26,917	31,761
5	4 - INCH	3,072	38,533	41,605
6	6 - INCH	5,112	37,940	43,052
7	8 - INCH	0	0	0
13	10 - INCH	0	0	0
14				
15	TOTALS	<u>\$ 680,551</u>	<u>\$ 1,034,130</u>	<u>\$ 1,714,681 (a)</u>
16				
17	PERCENTAGE OF TOTAL REVENUE	40.00%	60.00%	100.00%

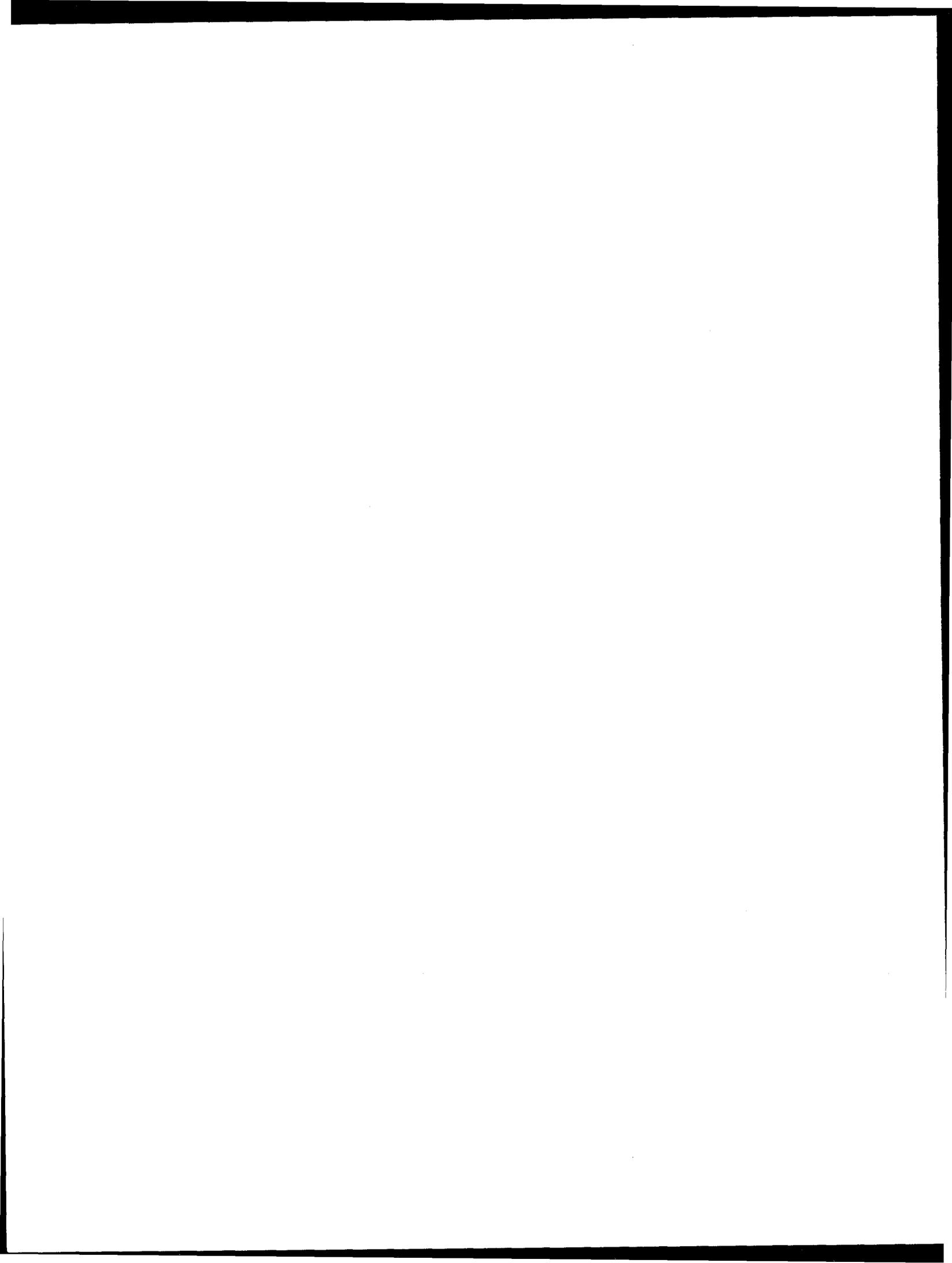
NOTE (a):

RUCO REQUIRED REVENUE		\$ 1,750,782
LESS:		
FIRE SPRINKLER REVENUE	\$ 714	
FIRE HYDRANT REVENUE	3,843	
MISCELLANEOUS REVENUE	22,583	
RENT - WATER PROPERTY REVENUE	683	
OTHER WATER REVENUE	8,278	
TOTAL	<u>\$ 36,101</u>	

REVENUE TO BE GENERATED FROM WATER SALES \$ 1,714,681

REFERENCE:

NOTE (a) 2002 REVENUE INFORMATION OBTAINED FROM RUCO D.R. NO. 1.10



ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SUPERIOR SYSTEM - REVISED SCHEDULES  
 REVENUE REQUIREMENTS

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-1  
 PAGE 1 OF 2

LINE NO.	DESCRIPTION	(A) COMPANY REQUESTED	(B) RUCO RECOMMENDED
1	ADJUSTED RATE BASE	\$ 2,673,576	\$ 2,471,296
2	ADJUSTED OPERATING INCOME	(6,905)	37,724
3	CURRENT RATE OF RETURN (L2 / L1)	-0.26%	1.53%
4	REQUIRED RATE OF RETURN	11.00%	8.68%
5	REQUIRED OPERATING INCOME (L4 * L1)	294,093	214,579
6	OPERATING INCOME DEFICIENCY (L5 - L2)	300,998	176,855
7	GROSS REVENUE CONVERSION FACTOR	1.63241	1.5697
8	GROSS REVENUE INCREASE	\$ 491,353	\$ 277,615
9	CURRENT REVENUES T/Y ADJUSTED	698,968	703,289
10	PROPOSED ANNUAL REVENUE (L8 + L9)	1,190,321	980,905
11	PERCENTAGE AVERAGE INCREASE	70.30%	39.47%

REFERENCES:

COLUMN (A): COMPANY SCHEDULE A-1  
 COLUMN (B): SCHEDULE WAR-1, PG. 2, WAR-2, AND WAR-8

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SUPERIOR SYSTEM - REVISED SCHEDULES  
 GROSS REVENUE CONVERSION FACTOR

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-1  
 PAGE 2 OF 2

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	REVENUE	1.0000	
2	UNCOLLECTIBLES	<u>0.002316</u>	COMPANY SCH. C-3
3	SUB-TOTAL	0.9977	LINE 1 - LINE 2
4	LESS: TAX RATE	36.06%	NOTE (a)
5	TOTAL	0.6371	LINE 3 - LINE 4
6	REVENUE CONVERSION FACTOR	<span style="border: 1px solid black; padding: 2px;">1.56973</span>	LINE 1/LINE 5

NOTE (a):  
 CALCULATION OF EFFECTIVE TAX RATE

OPERATING INCOME BEFORE TAXES	100.00%
ARIZONA STATE TAX	<u>6.97%</u>
TAXABLE INCOME FEDERAL	93.03%
FEDERAL INCOME TAX RATE	<u>31.36%</u>
SUBTOTAL	29.18%
ADD STATE TAX RATE	36.15%
LINE 3 ABOVE	<u>99.77%</u>
EFFECTIVE TAX RATE	36.06%

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SUPERIOR SYSTEM - REVISED SCHEDULES  
 RATE BASE - ORIGINAL COST

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-2

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO ADJUSTMENTS	(C) RUCO AS ADJUSTED
1	PLANT IN SERVICE/POST-TEST YEAR ADDITIONS	\$ 4,327,525	\$ (55,250)	\$ 4,272,275
2	PHOENIX OFFICE & METER SHOP ALLOCATION	91,658	21,240	112,898
3	ACCUMULATED DEPRECIATION	<u>(986,086)</u>	<u>(63,277)</u>	<u>(1,049,363)</u>
4	NET PLANT IN SERVICE	\$ 3,433,097	\$ (97,287)	\$ 3,335,810
5	CONSTRUCTION WORK IN PROGRESS (CWIP)	<u>-</u>	<u>-</u>	<u>-</u>
6	TOTAL NET PLANT	\$ 3,433,097	\$ (97,287)	\$ 3,335,810
7	ADVANCES IN AID OF CONSTRUCTION (AIAC)	(384,759)	1,718	(383,041)
8	CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	(82,088)	-	(82,088)
9	ACCUMULATED AMORTIZATION OF CIAC	11,961	2,126	14,087
10	DEFERRED INCOME TAXES	(332,521)	(70,880)	(403,401)
11	WORKING CAPITAL	<u>27,886</u>	<u>(37,957)</u>	<u>(10,071)</u>
12	TOTAL RATE BASE	<u>\$ 2,673,576</u>	<u>\$ (202,280)</u>	<u>\$ 2,471,296</u>

REFERENCES:  
 COLUMN (A): COMPANY SCHEDULE B-1  
 COLUMN (B): SCHEDULE WAR-3  
 COLUMN (C): COLUMN (A) + COLUMN (B)

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) ADJ.#1	(C) ADJ.#2	(D) ADJ.#3	(E) ADJ.#4	(F) ADJ.#5	(G) ADJ.#6	(H) ADJ.#7	(I) ADJ.#8	(J) ADJ.#9	(K) ADJ.#10	(L) ADJ.#11	(M) RUCCO ADJUSTED
1	PLANT IN SERVICE/POST-TEST YEAR ADDITIONS	\$ 4,327,525	(\$55,250)	12,423	(51,283)	11,994	(3,177)							\$ 4,272,275
2	PHOENIX OFFICE & METER SHOP ALLOCATION	91,668				11,994								112,868
3	ACCUMULATED DEPRECIATION	(886,088)			(51,283)	(11,994)								(1,049,363)
4	NET PLANT IN SERVICE	\$ 3,433,097	(\$55,250)	\$ 12,423	(\$51,283)	\$ 11,994	(\$3,177)							\$ 3,335,810
5	CONSTRUCTION WORK IN PROGRESS (CWIP)													
6	TOTAL NET PLANT	\$ 3,433,097	(\$55,250)	\$ 12,423	(\$51,283)	\$ 11,994	(\$3,177)							\$ 3,335,810
7	ADVANCES IN AID OF CONSTRUCTION (AIAC)	(384,759)					1,718							(383,041)
8	CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	(82,088)							2,126					(82,088)
9	ACCUMULATED AMORTIZATION OF CIAC	11,961												14,087
10	DEFERRED INCOME TAXES	(632,521)						(70,880)						(403,401)
11	WORKING CAPITAL	27,886									(37,857)			(10,071)
12	TOTAL RATE BASE	\$ 2,673,576	(\$55,250)	\$ 12,423	(\$51,283)	\$ 1,718	(\$3,177)	\$ 1,718	\$ 2,126	(\$70,880)	(\$37,857)			2,471,296

ADJUSTMENT #1: PLANT IN SERVICE/POST-TEST YEAR ADDITIONS  
 ADJUSTMENT #2: PHOENIX OFFICE & METER SHOP ALLOCATION  
 ADJUSTMENT #3: ACCUMULATED DEPRECIATION  
 ADJUSTMENT #4: RECONCILE PHX OFFICE & METER SHOP AND ACCUM. DEPR.  
 ADJUSTMENT #5: REMOVE CWIP FROM PHOENIX OFFICE ALLOCATION  
 ADJUSTMENT #6: AIAC - 2002 BALANCE

ADJUSTMENT #7: CIAC - 2002 BAL. & AMORTIZATION  
 ADJUSTMENT #8: ACCUMULATED DEFERRED INCOME TAXES  
 ADJUSTMENT #9: WORKING CAPITAL  
 ADJUSTMENT #10: NOT USED  
 ADJUSTMENT #11: NOT USED

REFERENCE:  
 SCHEDULE WAR 4, PAGE 7  
 SCHEDULE WAR 4, PAGE 7  
 SCHEDULE WAR 4, PAGE 7  
 SCHEDULE WAR 5  
 SCHEDULE WAR 6  
 RUCCO D.R. NO. 6.3

REFERENCE:  
 RUCCO D.R. NO. 6.3, TESTIMONY - WAR  
 RUCCO D.R. NO. 6.3  
 SCHEDULE WAR-7, PAGE 3  
 N/A  
 N/A

NOTES:  
 (a) NET OF ACCUMULATED DEPRECIATION  
 (b) GROSS PHOENIX OFFICE AND METER SHOP ADDITIONS ALLOCATED DURING 2002  
 (c) INCLUDES ACCUMULATED DEPRECIATION ON 2002 PHOENIX OFFICE AND METER SHOP ADDITIONS

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SUPERIOR SYSTEM  
 RATE BASE ADJUSTMENTS #1, #2 & #3 - PLANT IN SERVICE/POST TEST YEAR PLANT,  
 PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1990 PLANT VALUE PER COMPANY	1990 ACCUM DEPR. PER COMPANY	1990 NET PLANT PER PRIOR ACC PER COMPANY	1991 ADDITIONS PER COMPANY	1991 (RETIREMENTS) PER COMPANY	1991 YEAR END PLANT VALUE PER RUCO	1991 DEPRECIATION EXPENSE PER RUCO	1991 ACCUMULATED DEPRECIATION PER RUCO	1991 YEAR END NET PLANT PER RUCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	4,209	0	4,209	0	0	4,209	0	0	4,209
3	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	20,194	0	20,194	0	0	20,194	0	0	20,194
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	13,752	0	13,752	0	0	13,752	0	0	13,752
7	314.0	SOURCE OF SUPPLY: WELLS	74,013	12,214	61,799	0	0	74,013	1,791	14,005	60,008
8	320.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	33,261	5,489	27,772	0	0	33,261	805	6,294	26,967
10	325.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	327,070	53,976	273,094	15,785	0	342,855	8,106	62,082	280,773
11	328.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	848	140	708	0	0	848	21	160	688
13	331.0	WATER TREATMENT PLANT: EQUIPMENT	38,655	6,379	32,276	618	0	39,273	943	7,322	31,951
14	332.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	1,975	0	1,975	0	0	1,975	0	0	1,975
15	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	142,702	23,550	119,152	15,654	(471)	157,885	3,637	26,716	131,169
18	342.0	TRANSMISSION & DISTRIBUTION: MAINS	1,022,325	168,712	853,613	46,420	(2,567)	1,066,178	25,271	191,416	874,762
19	343.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	970	160	810	0	0	970	23	184	786
20	344.0	TRANSMISSION & DISTRIBUTION: SERVICES	221,072	36,483	184,589	13,141	(1,785)	232,428	5,487	40,185	192,243
21	345.0	TRANSMISSION & DISTRIBUTION: METERS	87,377	14,420	72,957	182	0	87,559	2,117	16,536	71,023
22	346.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	35,764	5,902	29,862	1,964	(1,684)	36,044	869	5,087	30,957
23	348.0	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0
24	389.1	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0
25	389.2	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT: OFFICE BUILDINGS	23,713	3,913	19,800	0	0	23,713	574	4,487	19,226
27	390.1	GENERAL PLANT: WAREHOUSE BUILDINGS	3,916	646	3,270	0	0	3,916	95	741	3,175
28	390.2	GENERAL PLANT: MISC. BUILDINGS	1,730	285	1,445	0	0	1,730	42	327	1,403
29	390.3	GENERAL PLANT: OFFICE EQUIPMENT	6,410	1,058	5,352	0	0	6,410	155	1,213	5,197
30	391.0	GENERAL PLANT: ELECTRICAL EQUIPMENT	7,585	1,282	6,303	241	0	7,826	186	1,438	6,388
31	391.1	GENERAL PLANT: OFFICE FURNITURE	4,600	759	3,841	953	0	5,553	123	882	4,671
32	391.2	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	0	0	0	0	0	0	0
33	393.0	GENERAL PLANT: GARAGE EQUIPMENT	28,304	4,671	23,633	0	0	28,304	685	5,356	22,948
34	394.0	GENERAL PLANT: LAB EQUIPMENT	3,725	615	3,110	0	0	3,725	90	705	3,020
35	395.0	GENERAL PLANT: POWER EQUIPMENT	129	21	108	0	0	129	3	24	105
36	396.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	15,825	2,612	13,213	1,465	0	17,290	401	3,012	14,278
37	397.0	GENERAL PLANT: MOBILE RADIOS	7,178	1,185	5,993	0	0	7,178	174	1,358	5,820
38	397.1	GENERAL PLANT: AUTO CONTROLS	257	257	0	0	0	1,556	38	294	1,262
39	397.2	GENERAL PLANT: MISC.	2,268	374	1,894	0	0	2,268	55	429	1,839
40	398.0	TOTALS	\$2,131,126	\$345,072	\$1,786,054	\$96,423	(\$6,507)	\$2,221,042	\$51,690	\$390,255	\$1,830,787

REFERENCE:  
 ACC STAFF D.R. NO. REL 1-24

NOTE:  
 \* NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY  
TEST YEAR ENDED DECEMBER 31, 2001  
SUPERIOR SYSTEM  
RATE BASE ADJUSTMENTS #1, #2 & #3 - PLANT IN SERVICE/POST TEST YEAR PLANT,  
PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION

LINE NO.	ACCT NO.	PLANT ACCOUNT NAME	1992 ADDITIONS PER COMPANY	1992 (RETIREMENTS) PER COMPANY	1992 YEAR END PLANT VALUE PER RUCC	1992 DEPRECIATION EXPENSE PER RUCC	1992 ACCUMULATED DEPRECIATION PER RUCC	1992 YEAR END NET PLANT PER RUCC	1993 ADDITIONS PER COMPANY	1993 (RETIREMENTS) PER COMPANY	1993 YEAR END PLANT VALUE PER RUCC	1993 DEPRECIATION EXPENSE PER RUCC	1993 ACCUMULATED DEPRECIATION PER RUCC	1993 YEAR END NET PLANT PER RUCC
1	301.0	INTANGIBLES ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES FRANCHISES*	0	0	4,209	0	0	4,209	0	0	4,209	0	0	4,209
3	303.0	INTANGIBLES MISC.	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY - LAND - WATER RIGHTS*	0	0	20,194	0	0	21,003	0	0	21,003	0	0	21,003
5	310.2	SOURCE OF SUPPLY - LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY - LAND - WELLS*	0	0	13,752	0	0	13,752	0	0	13,752	0	0	13,752
7	314.9	SOURCE OF SUPPLY - WELLS	0	0	74,013	1,791	15,796	74,219	206	0	74,219	1,920	17,716	56,503
8	321.0	PUMPING PLANT - MANUFACTURES & IMPROVEMENTS	0	0	33,261	7,099	0	33,261	0	0	33,261	851	7,960	53,301
9	321.0	PUMPING PLANT - ELECTRICAL EQUIPMENT	5,075	0	347,930	8,338	70,440	367,789	20,444	(585)	367,789	9,259	79,124	288,665
10	325.0	PUMPING PLANT - GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	326.0	PUMPING PLANT - WATER TREATMENT PLANT - LAND*	0	0	84	0	0	84	0	0	84	0	0	84
12	331.0	WATER TREATMENT PLANT - EQUIPMENT	0	0	53,898	1,127	8,449	60,668	12,113	(5,345)	60,668	1,464	4,588	56,078
13	332.0	WATER TREATMENT PLANT - STRUCTURES & IMPROVEMENTS	14,825	0	1,975	0	0	1,975	0	0	1,975	0	0	1,975
14	340.0	TRANSMISSION & DISTRIBUTION - LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
15	341.0	TRANSMISSION & DISTRIBUTION - LAND RIGHTS - FEES*	0	0	157,885	0	0	157,885	0	0	157,885	4,089	34,626	123,259
16	342.0	TRANSMISSION & DISTRIBUTION - STRUCTURES	0	0	1,107,367	26,300	217,027	890,340	20,484	(234)	1,127,617	28,943	245,736	881,881
17	343.0	TRANSMISSION & DISTRIBUTION - STORAGE TANKS	41,870	(689)	0	3,821	30,537	27,027	0	0	27,027	0	0	27,027
18	344.0	TRANSMISSION & DISTRIBUTION - MAINS	0	0	970	23	207	763	19,628	(1,559)	282,391	7,080	48,865	233,526
19	345.0	TRANSMISSION & DISTRIBUTION - FIRE SPRINKLERS	34,748	(2,855)	264,319	6,011	43,341	220,978	913	(1,314)	52,091	2,396	17,344	74,747
20	345.0	TRANSMISSION & DISTRIBUTION - SERVICES	7,799	(2,457)	52,892	2,183	16,203	76,629	4,246	(939)	41,754	1,032	6,614	35,140
21	346.0	TRANSMISSION & DISTRIBUTION - METERS	1,861	0	37,505	895	5,962	31,543	0	0	31,543	0	0	31,543
22	348.0	GENERAL PLANT - LAND - OFFICE	0	0	0	0	0	0	0	0	0	0	0	0
23	389.1	GENERAL PLANT - LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
24	389.2	GENERAL PLANT - WAREHOUSE BUILDINGS	0	0	25,713	574	5,051	18,652	0	0	23,713	614	5,675	18,038
25	390.1	GENERAL PLANT - WAREHOUSE BUILDINGS	0	0	3,916	836	3,060	4,053	137	0	4,053	939	1,316	4,874
26	390.2	GENERAL PLANT - WAREHOUSE BUILDINGS	0	0	6,730	42	369	1,381	0	0	1,730	45	154	1,876
27	390.3	GENERAL PLANT - MISC. BUILDINGS	0	0	4,427	155	1,368	6,410	0	0	6,410	168	1,524	4,876
28	391.0	GENERAL PLANT - OFFICE EQUIPMENT	2,801	0	10,427	221	1,659	8,768	710	0	11,137	279	1,938	9,199
29	391.1	GENERAL PLANT - ELECTRICAL EQUIPMENT	0	0	5,553	134	1,016	5,023	470	0	5,023	152	1,186	4,857
30	391.2	GENERAL PLANT - OFFICE FURNITURE	59	0	59	1	1	58	0	0	59	2	2	57
31	393.0	GENERAL PLANT - WAREHOUSE EQUIPMENT	3,968	0	32,212	732	6,088	26,124	1,118	0	33,242	849	6,937	26,393
32	394.0	GENERAL PLANT - GARAGE EQUIPMENT	0	0	3,725	795	2,930	5,726	0	0	5,726	96	891	2,834
33	395.0	GENERAL PLANT - LAB EQUIPMENT	513	0	17,290	418	3,431	13,859	0	0	17,290	136	226	5,034
34	396.0	GENERAL PLANT - POWER EQUIPMENT	100	0	18,065	237	1,533	17,533	15,352	0	33,388	666	1,198	32,190
35	397.0	GENERAL PLANT - COMMUNICATIONS EQUIPMENT	16,509	0	2,268	55	464	17,553	0	0	17,553	59	543	1,725
36	397.1	GENERAL PLANT - MOBILE RADIOS	0	0	0	0	0	0	0	0	0	0	0	0
37	397.2	GENERAL PLANT - AUTO CONTROLS	0	0	0	0	0	0	0	0	0	0	0	0
38	398.0	TOTALS	\$134,283	\$(6,001)	\$2,349,324	\$54,330	\$438,584	\$1,310,740	\$96,559	\$(54,433)	\$2,436,450	\$60,926	\$490,077	\$1,946,373

REFERENCE  
ACC STAFF D.R. NO. REL 1-24  
NOTE:  
\*NON-DEPRECIABLE PLANT

LINE NO.	ACCT NO.	PLANT ACCOUNT NAME	1994 ADDITIONS PER COMPANY	1994 (RETIREMENTS) PER COMPANY	1994 YEAR END NET PLANT VALUE PER RUCCO	1994 DEPRECIATION EXPENSE PER RUCCO	1994 ACCUMULATED DEPRECIATION PER RUCCO	1994 YEAR END PLANT VALUE PER RUCCO	1994 ADDITIONS PER COMPANY	1994 (RETIREMENTS) PER COMPANY	1994 YEAR END NET PLANT VALUE PER RUCCO	1994 DEPRECIATION EXPENSE PER RUCCO	1994 ACCUMULATED DEPRECIATION PER RUCCO	1995 ADDITIONS PER COMPANY	1995 (RETIREMENTS) PER COMPANY	1995 YEAR END NET PLANT VALUE PER RUCCO	1995 DEPRECIATION EXPENSE PER RUCCO	1995 ACCUMULATED DEPRECIATION PER RUCCO	1995 YEAR END NET PLANT VALUE PER RUCCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	4,209	0	0	4,209	0	0	4,209	0	0	0	0	4,209	0	0	4,209
3	303.0	INTANGIBLES: MISC.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	222	0	21,225	0	0	21,225	876	0	21,225	0	0	0	0	22,101	0	0	22,101
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	13,752	0	0	13,752	0	0	13,752	0	0	0	0	13,752	0	0	13,752
7	310.4	SOURCE OF SUPPLY: LAND - WELLS*	523	0	74,742	0	0	74,742	1,936	0	74,742	1,936	21,591	0	0	73,146	1,936	21,591	71,210
8	310.5	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	13,826	(6,615)	33,281	861	82,128	282,572	14,354	(1,116)	46,699	10,225	90,169	0	0	47,815	8,711	98,886	37,104
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	375,000	9,619	82,128	282,572	41,153	(1,366)	414,767	10,225	90,169	0	0	414,767	10,225	90,169	414,767
11	329.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	84	21	0	84	0	0	84	22	0	0	84	22	0	84	601
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	62,150	1,591	6,179	56,011	81,666	(23,831)	120,225	2,362	(15,290)	0	0	135,515	2,362	(15,290)	133,225
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	1,524	0	1,975	0	0	1,975	0	0	1,975	0	0	0	0	1,975	0	0	1,975
15	340.0	TRANSMISSION & DISTRIBUTION: TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	341.0	TRANSMISSION & DISTRIBUTION: TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	341.0	TRANSMISSION & DISTRIBUTION: TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	343.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	79,908	0	1,208,474	30,226	274,911	931,853	21,456	(1,197)	1,226,733	31,510	305,224	0	0	1,531,957	31,510	305,224	1,563,477
20	344.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	970	25	257	713	0	0	970	8	25	0	0	978	33	28	1,001
21	345.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	24,995	0	305,352	7,611	55,042	290,310	42,654	(2,439)	345,334	8,225	61,033	0	0	353,559	8,225	61,033	361,784
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	92,091	2,365	19,729	72,362	4,327	(1,460)	73,822	2,427	21,077	0	0	75,289	2,427	21,077	77,716
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	40,855	1,070	6,235	34,620	3,371	(359)	43,867	1,097	7,523	0	0	45,390	1,097	7,523	46,417
24	385.1	GENERAL PLANT: LAND - OFFICE*	10,560	0	9,566	(574)	0	10,560	0	0	9,566	0	0	0	0	9,566	0	0	9,566
25	385.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26	385.3	GENERAL PLANT: LAND - MISC*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	23,713	614	6,289	17,424	1,609	(13,004)	12,318	467	(6,248)	0	0	18,568	467	(6,248)	12,811
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	4,053	105	1,044	3,009	0	0	4,053	105	1,149	0	0	4,204	105	1,149	4,309
29	390.3	GENERAL PLANT: OFFICE EQUIPMENT	0	0	1,730	45	459	1,271	0	0	1,730	45	504	0	0	1,730	45	504	1,775
30	391.0	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	6,410	166	1,700	4,710	0	0	6,410	166	1,866	0	0	6,576	166	1,866	6,742
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	2,341	0	13,478	319	2,257	11,221	21,381	0	34,859	626	2,853	0	0	35,682	626	2,853	36,508
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	6,023	158	1,322	4,701	0	0	6,023	158	1,476	0	0	6,499	158	1,476	6,657
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	59	2	4	55	0	0	59	2	4	0	0	61	2	4	63
34	394.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	1,212	0	33,288	863	6,546	26,742	4,733	(4,415)	33,059	866	2,897	0	0	33,925	866	2,897	36,822
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	37,25	96	385	34,465	0	0	37,25	96	1,084	0	0	38,339	96	1,084	39,423
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	17,250	448	4,326	12,924	0	0	17,250	448	4,98	0	0	17,698	448	4,98	18,146
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	7,672	198	1,825	5,747	66	0	7,739	200	2,124	0	0	7,939	200	2,124	8,063
38	397.1	GENERAL PLANT: MOBILE RADIOS	36	0	33,388	865	2,063	31,325	0	0	33,388	865	2,828	0	0	34,213	865	2,828	37,041
39	398.0	GENERAL PLANT: AUTO CONTROLS	0	0	1,448	48	(229)	1,219	438	(100)	1,796	42	(297)	0	0	1,541	42	(297)	1,244
40	398.0	GENERAL PLANT: MISC.	\$134,549	(820)	\$2,558,352	\$63,490	\$540,920	\$2,016,032	\$240,031	(\$48,807)	\$2,748,476	\$97,400	\$559,413	0	0	\$2,845,889	\$97,400	\$559,413	\$2,943,292
41		TOTALS																	

REFERENCE:  
 ACC-STAFF D.R. NO. REL 1:24  
 NOTE:  
 \* - NON-DEPRECIABLE PLANT

LINE NO.	ACC. NO.	PLANT ACCOUNT NAME	1996 ADDITIONS PER COMPANY	1996 (RETIREMENTS) PER COMPANY	1996 YEAR END PLANT VALUE PER RUCC	1996 DEPRECIATION EXPENSE PER RUCC	1996 ACCUMULATED DEPRECIATION PER RUCC	1996 YEAR END NET PLANT PER RUCC	1997 ADDITIONS PER COMPANY	1997 (RETIREMENTS) PER COMPANY	1997 YEAR END PLANT VALUE PER RUCC	1997 DEPRECIATION EXPENSE PER RUCC	1997 ACCUMULATED DEPRECIATION PER RUCC	1997 YEAR END NET PLANT PER RUCC
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	4,209	0	0	4,209	0	0	4,209	0	0	4,209
3	303.0	INTANGIBLES: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	299	0	22,400	0	0	22,400	86	0	22,486	0	0	22,486
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: WELLS*	0	0	13,752	0	0	13,752	0	0	13,752	0	0	13,752
7	311.0	SOURCE OF SUPPLY: WELLS*	78,874	(18,561)	133,035	2,717	5,737	129,318	0	0	135,055	3,498	9,235	125,820
8	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	48,659	1,210	9,951	36,748	0	0	46,599	1,210	11,160	35,539
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	96,473	(9,373)	501,887	11,871	93,488	408,399	12,636	0	514,523	13,163	106,650	407,873
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	848	0	0	848	0	0	848	0	0	848
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	458	0	120,653	3,120	(12,170)	138,523	15,728	0	120,925	3,128	(9,942)	129,878
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	1,975	0	0	1,975	0	0	1,975	0	0	1,975
16	340.1	TRANSMISSION & DISTRIBUTION: TANKS	0	0	0	0	0	0	0	0	0	0	0	0
17	340.2	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	15,850	0	175,092	4,332	47,156	127,928	0	0	175,092	4,332	51,891	123,391
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	160,400	(24,392)	1,362,741	33,534	314,366	1,048,375	74,860	(2,610)	1,434,991	36,231	347,988	1,087,005
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	13,033	0	358,076	9,112	69,621	288,455	28,026	(682)	385,440	9,659	78,587	306,853
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	3,768	(186)	95,152	2,487	23,358	71,794	1,481	(234)	95,999	2,481	25,604	70,795
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	45,280	1,155	6,333	38,947	1,557	(411)	48,336	1,188	7,110	39,326
24	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	9,986	0	(574)	10,560	0	0	9,986	0	(374)	10,560
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	12,318	319	(5,929)	18,247	0	0	12,318	319	(5,610)	17,928
28	390.2	GENERAL PLANT: MISC. BUILDINGS	412	0	4,465	110	1,259	3,208	0	0	4,465	118	1,375	3,090
29	391.0	GENERAL PLANT: MISC. EQUIPMENT	0	0	1,730	45	548	1,182	0	0	1,730	45	593	1,137
30	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	954	(5,354)	6,410	166	2,032	4,378	0	0	6,410	166	2,198	4,212
31	391.2	GENERAL PLANT: OFFICE FURNITURE	211	0	30,459	846	(1,825)	32,084	0	0	30,459	789	(836)	31,295
32	391.3	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	6,234	159	1,637	4,597	0	0	6,234	181	1,798	4,436
33	393.0	GENERAL PLANT: LAB EQUIPMENT	5,169	(37)	38,738	937	3,897	34,841	180	0	38,918	1,008	4,922	34,016
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	3,725	96	1,181	2,544	0	0	3,725	96	1,277	2,448
35	395.0	GENERAL PLANT: POWER EQUIPMENT	0	0	5,280	136	835	4,625	0	0	5,280	136	1,771	4,489
36	396.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	16,396	36	436	16,024	0	0	16,396	36	436	15,924
37	397.0	GENERAL PLANT: MOBILE RADIOS	2,639	(904)	23,388	23	2,365	21,046	217	0	23,388	277	2,639	8,125
38	397.2	GENERAL PLANT: AUTO CONTROLS	620	0	33,388	865	3,792	29,596	0	0	33,388	865	4,657	28,731
39	399.0	GENERAL PLANT: MISC.	820	0	2,408	54	(233)	2,877	0	0	2,408	62	(171)	2,577
40	399.0	TOTALS	\$379,180	(\$81,676)	\$3,066,980	\$73,972	\$571,710	\$2,495,270	\$119,196	(\$3,917)	\$3,192,259	\$79,571	\$647,364	\$2,544,895

REFERENCE:  
 ACC STAFF O R NO. REL 1.24

NOTE:  
 \* - NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1988 ADDITIONS PER COMPANY	1988 (RETIREMENTS) PER COMPANY	1988 YEAR END PLANT VALUE PER RUO	1988 DEPRECIATION EXPENSE PER RUO	1988 ACCUMULATED DEPRECIATION PER RUO	1988 YEAR END NET PLANT PER RUO	1989 ADDITIONS PER COMPANY	1989 (RETIREMENTS) PER COMPANY	1989 YEAR END PLANT VALUE PER RUO	1989 DEPRECIATION EXPENSE PER RUO	1989 ACCUMULATED DEPRECIATION PER RUO	1989 YEAR END NET PLANT PER RUO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	4,209	0	0	4,209	0	0	0	0	0	4,209
3	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	81	0	22,567	0	0	22,567	748	0	0	0	0	23,315
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	13,752	0	0	13,752	0	0	0	0	0	13,752
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	136,055	3,498	12,733	122,322	0	0	0	3,498	16,231	118,824
8	320.0	PUMPING PLANT: LAND*	0	0	46,699	0	0	46,699	0	0	0	0	0	46,699
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	12,370	1,210	12,370	11,160	0	0	0	1,210	13,579	93,120
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	6,080	0	520,603	13,405	120,055	400,548	1,082	0	0	13,498	135,553	386,132
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	848	22	313	826	0	0	0	0	335	519
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	12,542	0	139,378	3,252	(5,751)	133,627	0	0	0	3,454	(2,296)	135,674
15	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS*	0	0	1,975	0	0	1,975	0	0	0	0	0	1,975
16	341.1	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
17	341.2	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	175,082	4,535	56,226	118,856	0	0	0	4,535	60,760	114,322
19	343.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	35,479	(719)	1,469,751	37,616	384,684	1,084,667	105,395	(2,926)	1,572,220	39,394	421,351	1,150,869
20	344.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	970	25	358	612	0	0	0	25	383	587
21	345.0	TRANSMISSION & DISTRIBUTION: METERS	26,438	(660)	411,218	10,317	88,244	322,974	22,145	(49)	433,314	10,937	96,132	334,182
22	346.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	2,921	(1,137)	95,262	2,482	26,949	68,313	1,672	(40)	96,894	2,488	29,398	67,496
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	49,357	1,241	8,350	41,007	16,482	0	65,839	1,452	9,842	55,987
24	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	9,986	0	(674)	10,560	0	0	0	0	(574)	10,560
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	12,318	319	(5,291)	17,609	0	0	0	0	(4,972)	17,280
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	4,465	116	1,491	2,974	0	0	4,465	116	1,606	2,859
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	1,730	45	638	1,092	0	0	1,730	45	683	1,047
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	6,410	166	2,364	4,046	0	0	6,410	166	2,530	3,880
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	3,603	0	34,062	836	(1)	34,063	7,187	0	41,249	975	975	40,274
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	6,234	161	1,960	4,274	0	0	6,234	161	2,121	4,113
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	59	2	10	49	0	0	59	2	11	48
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	313	0	39,231	1,012	514	38,717	221	0	39,438	1,012	6,953	32,485
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	1,371	0	1,371	1,371	0	0	1,371	0	0	1,371
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	5,263	136	907	4,353	0	0	5,263	136	1,043	4,217
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	18,386	424	5,155	11,231	0	0	18,386	424	5,579	10,807
38	397.1	GENERAL PLANT: MOBILE RADIO	830	0	11,634	291	2,930	8,714	0	0	11,634	302	3,231	8,413
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	33,388	865	5,522	27,866	0	0	33,388	865	6,367	27,001
40	398.0	GENERAL PLANT: MISC.	0	0	2,406	62	(1,08)	171	0	0	2,406	62	(46)	2,452
41		TOTALS	\$88,287	(52,516)	\$3,269,030	\$82,173	\$727,021	\$2,538,665	\$154,932	(83,015)	\$3,419,947	\$85,240	\$609,246	\$2,810,701

REFERENCE:  
 ACC STAFF D.R. NO. REL 1-24

NOTE:  
 \* - NON-DEPRECIABLE PLANT

LINE NO.	ACCT NO.	PLANT ACCOUNT NAME	2000 ADDITIONS PER COMPANY	2000 (RETIREMENTS) PER COMPANY	2000 YEAR END PLANT VALUE PER RUCCO	2000 DEPRECIATION EXPENSE PER RUCCO	2000 ACCUMULATED DEPRECIATION PER RUCCO	2000 YEAR END NET PLANT PER RUCCO	2001 ADDITIONS PER COMPANY	2001 (RETIREMENTS) PER COMPANY	2001 YEAR END PLANT VALUE PER RUCCO	2001 DEPRECIATION EXPENSE PER RUCCO	2001 ACCUMULATED DEPRECIATION PER RUCCO	2001 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES FRANCHISES*	0	0	4,209	0	0	4,209	0	0	4,209	0	0	4,209
3	303.0	INTANGIBLES MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY LAND - WATER RIGHTS*	555	0	23,870	0	0	24,010	0	0	24,010	0	0	24,010
5	310.2	SOURCE OF SUPPLY LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY LAND - WELLS*	1,903	0	13,752	0	0	13,752	0	0	13,752	0	0	13,752
7	314.0	SOURCE OF SUPPLY LAND - WELLS*	0	0	136,958	3,523	19,753	137,394	0	0	137,394	3,553	23,306	114,088
8	320.0	PUMPING PLANT LAND*	0	0	0	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT STRUCTURES & IMPROVEMENTS	67,848	0	46,699	1,210	14,789	31,910	1,225	(1,068)	47,505	1,225	16,014	31,891
10	325.0	PUMPING PLANT ELECTRICAL EQUIPMENT	0	(7,897)	581,536	14,288	138,944	441,692	3,295	0	583,863	15,093	153,969	428,894
11	328.0	PUMPING PLANT GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT LAND*	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT STRUCTURES & IMPROVEMENTS	7,186	0	8,034	115	450	7,584	26	0	8,060	208	658	7,402
14	332.0	WATER TREATMENT PLANT EQUIPMENT	6,852	(11,007)	129,223	3,401	(9,502)	135,125	0	(1,709)	127,454	3,324	(8,347)	135,801
15	340.0	TRANSMISSION & DISTRIBUTION TANKS & MAINS*	0	0	1,975	0	0	1,975	0	0	1,975	0	0	1,975
16	340.1	TRANSMISSION & DISTRIBUTION LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION STORAGE TANKS	1,865	0	176,947	4,559	65,319	111,628	3,429	0	180,376	4,697	69,946	110,430
19	343.0	TRANSMISSION & DISTRIBUTION MAINS	325,071	(12,846)	1,864,445	44,784	453,269	1,431,176	110,561	(6,209)	1,988,797	50,158	497,219	1,491,578
20	344.0	TRANSMISSION & DISTRIBUTION FIRE SPRINKLERS	7,348	0	8,318	120	503	7,815	0	0	8,318	215	719	7,599
21	345.0	TRANSMISSION & DISTRIBUTION SERVICES	41,554	(28)	474,840	11,761	110,864	363,976	32,456	(115)	507,181	12,717	123,466	383,715
22	346.0	TRANSMISSION & DISTRIBUTION METERS	1,335	(381)	97,848	2,522	31,538	66,310	909	(653)	98,104	2,538	33,423	64,681
23	348.0	TRANSMISSION & DISTRIBUTION HYDRANTS	25,741	0	91,590	2,039	11,881	79,699	3,342	(1,075)	93,847	2,401	13,207	80,640
24	385.1	GENERAL PLANT LAND - OFFICE*	0	0	9,986	0	(574)	10,560	0	0	9,986	0	(574)	10,560
25	385.2	GENERAL PLANT LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	385.3	GENERAL PLANT LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT OFFICE BUILDINGS	0	0	12,318	319	(4,653)	16,971	0	0	12,318	319	(4,334)	16,652
28	390.2	GENERAL PLANT WAREHOUSE BUILDINGS	0	0	4,465	116	1,722	2,743	407	0	4,872	121	1,843	3,029
29	390.3	GENERAL PLANT MISC BUILDINGS	0	0	1,730	45	728	1,002	0	0	1,730	45	772	958
30	391.0	GENERAL PLANT OFFICE EQUIPMENT	0	0	6,410	166	2,696	3,714	0	0	6,410	166	2,862	3,548
31	391.1	GENERAL PLANT ELECTRICAL EQUIPMENT	75	0	41,324	1,069	2,044	39,280	554	0	41,878	1,077	3,121	38,757
32	391.2	GENERAL PLANT OFFICE FURNITURE	61	0	6,295	182	2,284	4,011	1,470	0	7,765	182	2,466	5,299
33	392.0	GENERAL PLANT WAREHOUSE EQUIPMENT	0	0	59	2	13	46	0	0	59	2	14	45
34	395.0	GENERAL PLANT GARAGE EQUIPMENT	433	0	39,985	1,027	7,961	31,924	0	0	39,985	1,033	8,994	30,891
35	396.0	GENERAL PLANT POWER EQUIPMENT	0	0	3,725	96	1,567	2,158	0	0	3,725	96	1,663	2,062
36	396.1	GENERAL PLANT COMMUNICATIONS EQUIPMENT	0	0	1,179	132	617	1,081	0	0	1,179	136	1,316	3,944
37	397.0	GENERAL PLANT MOBILE RADIOS	0	0	16,386	424	5,007	10,981	0	0	16,386	424	6,428	9,958
38	397.1	GENERAL PLANT AUTO CONTROLS	338	0	11,982	306	3,537	8,445	385	0	12,367	315	3,852	8,484
39	397.2	GENERAL PLANT AUTO CONTROLS	0	0	33,388	865	7,251	26,137	0	0	33,388	865	8,119	25,272
40	398.0	GENERAL PLANT MISC.	0	0	2,406	82	16	2,406	0	0	2,406	82	16	2,406
41		TOTALS	\$488,165	(\$321,159)	\$3,875,563	\$93,096	\$670,163	\$3,003,426	\$158,565	(\$10,899)	\$4,023,649	\$100,905	\$860,159	\$3,063,490

REFERENCE:  
 ACC STAFF D.R. NO. REL 1-24  
 NOTE:  
 \* NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SUPERIOR SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENTS #1, #2 & #3 - PLANT IN SERVICE/POST TEST YEAR PLANT,  
 PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2002 ADDITIONS PER COMPANY	2002 (RETIREMENTS) PER COMPANY	2002 YEAR END PLANT VALUE PER RUCO	2002 DEPRECIATION EXPENSE PER RUCO	2002 ACCUMULATED DEPRECIATION PER RUCO	2002 YEAR END NET PLANT PER RUCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	4,209	0	0	4,209
3	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	1,527	0	25,537	0	0	25,537
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	13,752	0	0	13,752
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	137,394	3,559	26,884	110,530
8	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	5,276	0	53,181	1,309	17,323	35,858
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	4,197	(2,562)	585,508	15,143	186,560	418,948
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	8,060	209	867	7,193
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	1,286	0	128,740	3,318	(5,029)	133,769
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	1,975	0	0	1,975
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	145	0	180,521	4,674	74,620	105,901
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	54,165	0	0	54,165
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	227,174	(22,170)	2,193,801	54,165	529,213	1,664,588
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	215	0	0	215
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	28,873	(576)	535,478	13,502	136,393	399,085
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	1,976	0	98,104	2,541	35,964	62,140
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	171	0	95,823	2,456	15,663	80,160
24	388.1	GENERAL PLANT: LAND - OFFICE*	0	0	10,157	0	(574)	10,731
25	388.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0
26	388.3	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	2,526	(69)	14,775	351	(4,052)	18,827
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	4,872	126	1,989	2,903
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	1,730	45	817	913
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	13,650	(3,637)	16,422	296	(479)	16,902
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	41,878	1,085	4,206	37,672
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	7,765	201	2,667	5,098
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	59	2	16	43
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	3,159	0	43,044	1,074	10,068	32,976
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	3,725	96	1,760	1,965
36	396.0	GENERAL PLANT: POWER EQUIPMENT	65	0	5,260	136	1,482	3,808
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	16,451	425	6,853	9,598
38	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	12,336	320	4,172	8,164
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	33,388	865	8,981	24,407
40	398.0	GENERAL PLANT: MISC.	29	0	2,435	63	141	(79)
41		TOTALS	\$290,053	(\$29,004)	\$4,284,658	\$106,174	\$1,037,369	\$3,244,957
42		BALANCES PER COMPANY			\$ 4,327,525		986,086	
43		BALANCES PER RUCO			\$4,284,698		\$1,037,369	
44		LESS: POST-TEST YEAR ALLOCATED PHOENIX OFFICE & METER SHOP ADDITIONS**			\$12,423			
45		TOTAL ADJUSTMENTS			(\$55,250)		\$51,283	

REFERENCES:  
 ACC STAFF D.R. NO. REL 1-24  
 ACC STAFF D.R. NO. REL 18-1  
 RUCO D.R. NO. 62

NOTE:  
 \* NON-DEPRECIABLE PLANT  
 \*\* BASED ON AN ALLOCATION FACTOR OF 0.0237 PER RUCO D.R. NO. 4.2

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SUPERIOR SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJ. #4 - RECONCILE TEST YEAR ALLOCATED PHOENIX OFFICE  
 & METER SHOP AND ACCUMULATED DEPRECIATION BALANCES

LINE NO.	DESCRIPTION	TEST YEAR COMPANY
1	GROSS PHOENIX OFFICE PLANT & METER SHOP	\$ 4,002,988
2	ADD: PHOENIX OFFICE CONSTRUCTION WORK IN PROGRESS (CWIP)	126,565
3	GROSS PHOENIX OFFICE PLANT & METER SHOP WITH CWIP	\$ 4,129,553
4	TIMES: ALLOCATION FACTOR	0.0251
5	ALLOCATED GROSS PHOENIX OFFICE PLANT & METER SHOP WITH CWIP	\$ 103,652
6	NET ALLOCATED PHOENIX OFFICE PLANT & METER SHOP WITH CWIP	91,658
7	INCREASE/DECREASE TO PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION	\$ 11,994

REFERENCES:

- LINE 1: COMPANY SCHEDULE B-2 PAGES 10 AND 11
- LINE 2: COMPANY SCHEDULE B-2 PAGE 10
- LINE 3: LINE 1 + LINE 2
- LINE 4: COMPANY SCHEDULE B-1 PAGE 2
- LINE 5: LINE 3 x LINE 4
- LINE 6: COMPANY SCHEDULE B-1 PAGE 2 (SUM OF LINES 6 AND 7)

LINE NO.	DESCRIPTION	(A) TEST YEAR COMPANY	(B) TEST YEAR RUCO	
1	GROSS PHOENIX OFFICE PLANT	\$ 3,903,884	\$ 3,903,884	COMPANY SCHEDULE B-2 PAGE 10
2	LESS: ACCUMULATED DEPRECIATION	453,222	453,222	COMPANY SCHEDULE B-2 PAGE 10
3	NET PHOENIX OFFICE PLANT	\$ 3,450,662	\$ 3,450,662	LINE 1 + LINE 2
4	ADD: CWIP	126,565	-	COMPANY SCHEDULE B-2 PAGE 10
5	TOTALS	\$ 3,577,227	\$ 3,450,662	LINE 3 + LINE 4
4	TIMES: ALLOCATION FACTOR	0.0251	0.0251	COMPANY SCHEDULE B-1 PAGE 2
5	ALLOCATED PHOENIX OFFICE PLANT	\$ 89,788	\$ 86,612	COMPANY SCHEDULE B-1 PAGE 2
6	RUCO ADJUSTMENT		\$ (3,177)	LINE 5 COLUMN (B) - LINE 5 COLUMN (A)

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 1999  
 SUPERIOR SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENT #9 - WORKING CAPITAL

DOCKET NO. W-1445A-00-0962  
 SCHEDULE WAR-7  
 PAGE 1 OF 4

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	CASH WORKING CAPITAL PER COMPANY	\$ 7,767	COMPANY SCH. B-5, PG. 1
2	CASH WORKING CAPITAL PER RUCO	(26,552)	SCH. WAR-7, PG. 3
3	DECREASE IN CASH WORKING CAPITAL	<u>(34,319)</u>	LINE 2 - LINE 1
4	MATERIALS & SUPPLIES PER COMPANY	443	COMPANY SCH. B-5, PG. 1
5	MATERIALS & SUPPLIES PER RUCO	67	DATA REQUEST RUCO 6.4 a)
6	MATERIALS & SUPPLIES ADJUSTMENT	<u>(376)</u>	LINE 5 - LINE 4
7	PREPAYMENTS PER COMPANY AND SPECIAL DEPOSITS	7,167	COMPANY SCH. B-5, PG. 1
8	PREPAYMENTS PER RUCO	6,016	DATA REQUEST RUCO 6.4 b)
9	PREPAYMENTS ADJUSTMENT	<u>(1,151)</u>	LINE 8 - LINE 7
10	REQUIRED BANK BALANCES PER COMPANY	12,510	COMPANY SCH. B-5, PG. 1
11	REQUIRED BANK BALANCES PER RUCO	10,399	DATA REQUEST RUCO 6.4 c)
12	REQUIRED BANK BALANCE ADJUSTMENT	<u>(2,111)</u>	LINE 11 - LINE 10
13	TOTAL WORKING CAPITAL ADJUSTMENT	<u>(37,957)</u>	LINES 3, 6, 9 & 12

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SUPERIOR SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENT #9 - WORKING CAPITAL  
 LEAD/LAG CALCULATION

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-7  
 PAGE 2 OF 4

LINE NO.	DESCRIPTION	EXPENSES PER COMPANY	RUCO ADJUSTMENTS	ADJUSTED EXPENSES	(LEAD)/LAG DAYS	\$ DAYS
1	PURCHASED POWER	\$ 79,558	\$ (15,686)	\$ 63,872	31.85	\$ 2,034,323
2	PAYROLL	189,736	250	189,986	14.00	2,659,806
3	PURCHASED WATER	-	-	-	N/A	N/A
4	CHEMICALS	17,199	(10,037)	7,162	27.61	197,743
5	PROPERTY & LIABILITY INSURANCE	2,626	(116)	2,510	(45.27)	(113,631)
6	WORKER'S COMPENSATION	2,266	263	2,529	(46.50)	(117,583)
7	HEALTH INSURANCE	32,884	(3,555)	29,329	(8.92)	(261,610)
8	OTHER O&M EXPENSES	184,740	(98,711)	86,029	(9.27)	(797,493)
9	DEPRECIATION & AMORTIZATION	118,817	(8,768)	110,049	N/A	N/A
10	FEDERAL & STATE INCOME TAXES	130,031	(44,414)	85,617	61.95	5,304,360
11	DEFERRED INCOME TAXES	2,400	N/A	N/A	N/A	N/A
12	FICA TAXES	12,623	(165)	12,458	14.00	174,412
13	FUTA & SUTA TAXES	276	18	294	83.10	24,431
14	PROPERTY TAXES	64,817	8,270	73,087	212.00	15,494,365
15	REG., CONTRACT, & MISCELLANEOUS FEES	15,142	499	15,641	(98.83)	(1,545,791)
16	SALES & OCCUPATION TAXES	74,997	(1,910)	73,087	41.30	3,018,478
17	PENSION EXPENSE	14,429	248	14,677	34.72	509,585
18	TOTAL	\$ 942,541	\$ (173,815)	\$ 766,326 *	34.69	\$ 26,581,395

NOTE

N/A = NON CASH CHARGES EXCLUDED FROM WORKING CAPITAL CALCULATION

\* RUCO RECOMMENDED LEVEL OF OPERATING EXPENSE - SCHEDULE WAR-8, COLUMN (E), LINE 16

ARIZONA WATER COMPANY  
TEST YEAR ENDED DECEMBER 31, 2001  
SUPERIOR SYSTEM - REVISED SCHEDULES  
RATE BASE ADJUSTMENT #9 - WORKING CAPITAL  
CALCULATION OF CASH WORKING CAPITAL

DOCKET NO. W-1445A-02-0619  
SCHEDULE WAR-7  
PAGE 3 OF 4

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	AVERAGE EXPENSE LAG	34.69	SCH. WAR-7, PG. 2
2	AVERAGE REVENUE COLLECTION LAG	<u>22.04</u>	CO. SCH. B-5, PG. 2
3	EXCESS EXPENSE OVER REVENUE LAG	(12.65)	LINE 2 - LINE 1
4	TOTAL EXPENSES	\$ 766,326	SCH. WAR-7, PG. 2
5	CASH WORKING CAPITAL REQUIREMENT	(26,552)	(LINE 3 X LINE 4)/365 DAYS
6	PER COMPANY	<u>\$ 7,767</u>	CO. SCH. B-5, PG. 2
7	INCREASE (DECREASE) IN WORKING CAPITAL	<u>\$ (34,319)</u>	LINE 5 - LINE 6

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SUPERIOR SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENT #9 - WORKING CAPITAL  
 CALCULATION OF INCOME TAX LAG

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-7  
 PAGE 4 OF 4

<u>LINE NO.</u>	<u>(A) PAYMENT DATE</u>	<u>(B) SERVICE PERIOD MIDPOINT</u>	<u>(C) (LEAD)/LAG DAYS</u>	<u>(D) PAYMENT AMOUNT</u>	<u>(E) DOLLAR DAYS</u>
1	04/12/99	07/01/99	(80.00)	\$ 397,000	(31,760,000)
2	06/11/99	07/01/99	(20.00)	50,000	(1,000,000)
3	09/14/99	07/01/99	75.00	486,000	36,450,000
4	12/14/99	07/01/99	166.00	970,000	161,020,000
5	03/14/00	07/01/99	257.00	<u>(240,000)</u>	<u>(61,680,000)</u>
6	TOTALS			\$ 1,663,000	103,030,000
7	INCOME TAX LAG		61.95		

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SUPERIOR SYSTEM - REVISED SCHEDULES  
 OPERATING INCOME - TEST YEAR AND RUCO PROPOSED

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-8

LINE NO.	DESCRIPTION	(A) COMPANY TEST YEAR AS FILED	(B) RUCO TEST YEAR ADJUSTMENTS	(C) RUCO TEST YEAR AS ADJUSTED	(D) RUCO PROPOSED CHANGES	(E) RUCO RECOMMENDED
<u>REVENUES - WATER:</u>						
1	REVENUE FROM WATER SALES	\$ 698,968	\$ 4,321	\$ 703,289	\$ 277,615	\$ 980,905
2	OTHER REVENUES	-	35	35		35
3	TOTAL OPERATING REVENUES	\$ 698,968	\$ 4,356	\$ 703,324	\$ 277,615	\$ 980,940
<u>OPERATING EXPENSES:</u>						
2	PURCHASED WATER	\$ -	\$ -	\$ -	\$ -	\$ -
3	OTHER	4,729	23	4,752		4,752
4	PURCHASED POWER	76,290	(13,099)	63,191		63,191
5	PURCHASED GAS	-	22	22		22
6	OTHER	54,189	24,376	78,565		78,565
7	WATER TREATMENT	30,792	(7,127)	23,665		23,665
8	TRANSMISSION & DISTRIBUTION	159,574	(51,756)	107,818		107,818
9	CUSTOMER ACCOUNTS	114,326	(5,494)	108,832		108,832
10	SALES	872	(615)	257		257
11	ADMINISTRATIVE & GENERAL	98,965	(1,246)	97,719		97,719
12	DEPRECIATION & AMORTIZATION	118,817	(8,768)	110,049		110,049
13	PROPERTY TAXES	64,071	9,016	73,087		73,087
14	OTHER TAXES	11,348	1,404	12,752		12,752
15	INCOME TAXES	(28,101)	12,958	(15,143)	100,760	85,617
16	TOTAL OPERATING EXPENSES	\$ 705,873	\$ (40,307)	\$ 665,566	\$ 100,760	\$ 766,326
17	NET INCOME	\$ (6,905)	\$ 44,629	\$ 37,724	\$ 176,855	\$ 214,579

REFERENCES:

COLUMN (A): CO. SCH. C-1, PG. 5  
 COLUMN (B): SCH. WAR-9  
 COLUMN (C): COLUMN (A) + COLUMN (B)  
 COLUMN (D): SCH. WAR-1  
 COLUMN (E): COLUMN (C) + COLUMN (D)

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) ADJ.#1	(C) ADJ.#2	(D) ADJ.#3	(E) ADJ.#4	(F) ADJ.#5	(G) ADJ.#6	(H) ADJ.#7	(I) ADJ.#8	(J) ADJ.#9	(K) ADJ.#10	(L) ADJ.#11	(M) RUCO ADJUSTED
<b>REVENUES - WATER:</b>														
1	REVENUE FROM WATER SALES	\$ 698,968	\$ 110,851	\$ (76,119)	\$ 2,193	\$ (27,262)	\$ (838)		\$ (4,504)					\$ 703,289
2	OTHER REVENUES	-	-	-	35	-	-	-	-	-	-	-	-	35
3	TOTAL OPERATING REVENUES	\$ 698,968	\$ 110,851	\$ (76,119)	\$ 2,228	\$ (27,262)	\$ (838)	\$ -	\$ (4,504)	\$ -	\$ -	\$ -	\$ -	\$ 703,324
<b>OPERATING EXPENSES:</b>														
2	PURCHASED WATER	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	OTHER	4,729	23											4,752
4	PURCHASED POWER	76,290	(12,440)			(606)	(153)							63,191
5	PURCHASED GAS	-	22											22
6	OTHER	54,189	24,376											78,565
7	WATER TREATMENT	30,792	(7,104)				(23)							23,665
8	TRANSMISSION & DISTRIBUTION	159,574	(50,843)		(913)									107,818
9	CUSTOMER ACCOUNTS	114,326	(5,494)											108,832
10	SALES	872	(615)											257
11	ADMINISTRATIVE & GENERAL	98,965	(4,347)	(1,484)			(118)	4,703						97,719
12	DEPRECIATION & AMORTIZATION	118,817								(8,768)				110,049
13	PROPERTY TAXES	64,071									9,016			73,087
14	OTHER TAXES	11,348	76,039	(74,635)										12,752
15	INCOME TAXES	(28,101)										12,958		(15,143)
16	TOTAL OPERATING EXPENSES	\$ 705,873	\$ 19,616	\$ (76,119)	\$ -	\$ (1,419)	\$ (294)	\$ 4,703	\$ -	\$ (8,768)	\$ 9,016	\$ 12,958	\$ -	\$ 665,566
17	NET INCOME	\$ (6,905)	\$ 91,235	\$ -	\$ 2,228	\$ (25,843)	\$ (544)	\$ (4,703)	\$ (4,504)	\$ 8,768	\$ (9,016)	\$ (12,958)	\$ -	\$ 37,759

**ADJUSTMENT #:**  
 1. RECONCILE COMPANY PROPOSED OPERATING INCOME TO 2002 ACTUAL  
 2. REMOVE 2002 REGULATORY ASSESSMENT & SALES TAXES  
 3. ELIMINATE PPAM AND PWAM REVENUES  
 4. ELIMINATE UNBILLED REVENUES & EXPENSES  
 5. ANNUALIZE ADDITIONAL REVENUES & EXPENSES  
 6. AMORTIZATION OF RATE CASE EXPENSE

**ADJUSTMENT #:**  
 7. REMOVE MAP SURCHARGE REVENUES  
 8. DEPRECIATION & AMORTIZATION EXPENSE  
 9. PROPERTY TAX EXPENSE  
 10. INCOME TAX EXPENSE  
 11. NOT USED

**ADJUSTMENT #:**  
 7. REMOVE MAP SURCHARGE REVENUES  
 8. DEPRECIATION & AMORTIZATION EXPENSE  
 9. PROPERTY TAX EXPENSE  
 10. INCOME TAX EXPENSE  
 11. NOT USED

**REFERENCE:**  
 TESTIMONY WAR  
 SCHEDULE WAR-12  
 SCHEDULE WAR-13  
 SCHEDULE WAR-14  
 N/A

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SUPERIOR SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #1 - RECONCILE COMPANY  
 PROPOSED OPERATING INCOME TO 2002 ACTUAL

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-10  
 PAGE 1 OF 2

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) 2002 ACTUAL	(C) DIFFERENCE	(D) RUCO ADJUSTMENT
<u>REVENUES - WATER:</u>					
1	REVENUE FROM WATER SALES	\$ 698,968	\$ 809,819	\$ 698,968	\$ 110,851
2	OTHER REVENUES	0.00	0.00	0.00	0.00
3	TOTAL OPERATING REVENUES	\$ 698,968	\$ 809,819	\$ 698,968	\$ 110,851
<u>OPERATING EXPENSES:</u>					
4	PURCHASED WATER	\$ -	\$ -	\$ -	\$ -
5	OTHER	4,729	4,752	4,729	23
6	PURCHASED POWER	76,290	63,850	76,290	(12,440)
7	PURCHASED GAS	-	22	-	22
8	OTHER	54,189	78,565	54,189	24,376
9	WATER TREATMENT	30,792	23,688	30,792	(7,104)
10	TRANSMISSION & DISTRIBUTION	159,574	108,731	159,574	(50,843)
11	CUSTOMER ACCOUNTS	114,326	108,832	114,326	(5,494)
12	SALES	872	257	872	(615)
13	ADMINISTRATIVE & GENERAL	98,965	94,618	98,965	(4,347)
14	DEPRECIATION & AMORTIZATION	118,817	108,088	118,817	- (a)
15	PROPERTY TAXES	64,071	73,380	64,071	- (a)
16	OTHER TAXES	11,348	87,387	11,348	76,039
17	INCOME TAXES	(28,101)	15,030	(28,101)	- (a)
18	TOTAL OPERATING EXPENSES	\$ 705,873	\$ 767,200	\$ 705,873	\$ 19,616
19	NET INCOME	\$ (6,905)	\$ 42,619	\$ (6,905)	\$ 91,235

REFERENCES:

COLUMN (A): COMPANY SCHEDULE C-1 PAGE 5 OF 5  
 COLUMN (B): DATA REQUEST RUCO 1.10  
 COLUMN (C): COLUMN (B) - COLUMN (A)  
 COLUMN (D): COLUMN (C) LINES 1 THRU 13, LINES 16, 18 & 19

NOTE:

(a) SEPARATE PRO FORMA ADJUSTMENTS NOT INCLUDED IN RECONCILIATION

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SUPERIOR SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #1 - RECONCILE COMPANY  
 PROPOSED OPERATING INCOME TO 2002 ACTUAL

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-10  
 PAGE 2 OF 2

LINE NO.	DESCRIPTION	(A) TEST YEAR ACTUAL	(B) 2002 ACTUAL	(C) DIFFERENCE
<u>REVENUES - WATER:</u>				
1	REVENUE FROM WATER SALES	\$ 773,405	\$ 809,819	\$ 36,414
2	OTHER REVENUES	0.00	0.00	0.00
3	TOTAL OPERATING REVENUES	\$ 773,405	\$ 809,819	\$ 36,414
<u>OPERATING EXPENSES:</u>				
4	PURCHASED WATER	\$ -	\$ -	\$ -
5	OTHER	4,755	4,752	(3)
6	PURCHASED POWER	76,492	63,850	(12,642)
7	PURCHASED GAS	-	22	22
8	OTHER	54,189	78,565	24,376
9	WATER TREATMENT	19,636	23,688	4,052
10	TRANSMISSION & DISTRIBUTION	122,942	108,731	(14,211)
11	CUSTOMER ACCOUNTS	114,349	108,832	(5,517)
12	SALES	872	257	(615)
13	ADMINISTRATIVE & GENERAL	83,004	94,618	11,614
14	DEPRECIATION & AMORTIZATION	102,778	108,088	5,310
15	PROPERTY TAXES	65,046	73,380	8,334
16	OTHER TAXES	86,003	87,387	1,384
17	INCOME TAXES	12,662	15,030	2,368
18	TOTAL OPERATING EXPENSES	742,728	767,200	24,472
19	NET INCOME	\$ 30,677	\$ 42,619	\$ 11,942

REFERENCES:

COLUMN (A): COMPANY SCHEDULE C-1 PAGE 5 OF 5  
 COLUMN (B): DATA REQUEST RUCO 1.10  
 COLUMN (C): COLUMN (B) - COLUMN (A)

LINE NO.	DESCRIPTION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
1	YEAR END CUSTOMERS - 2002	1,282	1,282	1,282	1,282	1,282	1,282	1,282	1,282	1,282	1,282	1,282	1,282
2	2002 CUSTOMERS	1,278	1,284	1,284	1,284	1,281	1,287	1,266	1,278	1,280	1,288	1,288	1,282
3	INCREASE IN CUSTOMERS - 2002	4	(2)	(2)	(2)	1	(5)	(4)	4	2	(6)	(6)	0
4	AVERAGE REVENUE FOR THE MONTH	\$ 44.40	\$ 40.97	\$ 43.75	\$ 47.60	\$ 51.04	\$ 57.60	\$ 63.28	\$ 51.46	\$ 53.32	\$ 48.79	\$ 46.71	\$ 65.72
5	INCREASE IN REVENUES	\$ 178	\$ (82)	\$ (88)	\$ (95)	\$ 51	\$ (288)	\$ (253)	\$ 206	\$ 107	\$ (293)	\$ (280)	\$ 0
6	TOTAL INCREASE IN REVENUE	(838)											
7	INCREASE IN REVENUE PER COMPANY												
8	REVENUE ADJUSTMENT	(838)											
9	GALLONS SOLD PER AVERAGE CUSTOMER	5,968	5,213	5,848	6,729	7,599	9,130	10,319	7,846	7,956	7,035	7,081	6,289
10	INCREASE IN CUSTOMERS	4	(2)	(2)	(2)	1	(5)	(4)	4	2	(6)	(6)	0
11	INCREASE IN GALLONS	23,873	(10,425)	(11,697)	(13,458)	7,599	(45,650)	(41,276)	30,584	15,911	(42,207)	(42,489)	0
12	TOTAL INCREASE IN GALLONS	(129,234)											
13	PUMPING COST PER GALLON	0.001183											
14	INCREASE IN PUMPING COST	(153)											
15	WATER TREATMENT COSTS PER GALLON	0.000178											
16	INCREASE IN WATER TREATMENT COSTS	(23)											
17	TOTAL INCREASE IN BILLS	(16)											
18	MONTHLY ACCOUNTING COST PER BILL	7.36											
19	INCREASE IN ACCOUNTING COST	(118)											

REFERENCES:

- LINE #1 - RUCO DATA REQUEST #6.6
- LINE #2 - RUCO DATA REQUEST #6.6
- LINE #3 = LINE #1 MINUS LINE #2
- LINE #4 - RUCO DR #1.10 = TOTAL MONTH REV. MINUS OTHER REV. / TOTAL MONTHLY CUSTOMERS FOR POST-TEST-YEAR
- LINE #5 = LINE #3 MULTIPLIED BY LINE #4
- LINE #6 = SUMMATION OF LINE #5
- LINE #7 - NO REFERENCE
- LINE #8 - LINE #6 MINUS LINE #7
- LINE #9 - GALLONS SOLD, AWC's ANNUAL REPORT & MONTHLY CUSTOMERS, RUCO DR #6.6
- LINE #10 = LINE #3
- LINE #11 = LINE #9 MULTIPLIED BY LINE #10
- LINE #12 = SUMMATION OF LINE #11
- LINE #13 - CO. W/P C2-5, PAGE 3
- LINE #14 = LINE #12 X LINE #13
- LINE #15 - CO. W/P C2-5, PAGE 3
- LINE #16 = LINE #12 MULTIPLIED BY LINE #15
- LINE #17 = SUMMATION OF LINE #3
- LINE #18 - CO. W/P C2-5, PAGE 4
- LINE #19 = LINE #17 X LINE #18

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SUPERIOR SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #8 - DEPRECIATION & AMORTIZATION EXPENSE

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-12

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	(A) ACTUAL TEST YEAR BALANCE PER COMPANY	(B) RUCO ADJUSTMENTS	(C) RUCO ADJUSTED BALANCE	(D) COMPOSITE DEPRECIATION RATE	(E) RUCO RECOMMENDED DEPRECIATION EXPENSE
1	301.0	INTANGIBLES: ORGANIZATION*	\$ -	\$ -	\$0	0.00%	\$ -
2	302.0	INTANGIBLES: FRANCHISES*	4,209	-	4,209	0.00%	-
3	303.0	INTANGIBLES: MISC.*	-	-	-	0.00%	-
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	24,009	1	24,010	0.00%	-
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	-	-	-	0.00%	-
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	13,752	-	13,752	0.00%	-
7	314.0	SOURCE OF SUPPLY: WELLS	137,392	2	137,394	2.59%	3,559
8	320.0	PUMPING PLANT: LAND*	-	-	-	0.00%	-
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	47,905	-	47,905	2.59%	1,241
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	583,864	(1)	583,863	2.59%	15,122
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	-	-	-	2.59%	-
12	330.0	WATER TREATMENT PLANT: LAND*	-	-	-	0.00%	-
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	8,061	(1)	8,060	2.59%	209
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	127,455	(1)	127,454	2.59%	3,301
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	1,975	-	1,975	0.00%	-
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	-	-	-	0.00%	-
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	-	-	-	2.59%	-
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	180,377	(1)	180,376	2.59%	4,672
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	1,988,797	-	1,988,797	2.59%	51,510
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	8,318	-	8,318	2.59%	215
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	507,180	1	507,181	2.59%	13,136
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	97,206	898	98,104	2.59%	2,541
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	104,732	(10,885)	93,847	2.59%	2,431
24	389.1	GENERAL PLANT: LAND - OFFICE*	-	9,986	9,986	0.00%	-
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	-	-	-	0.00%	-
26	389.3	GENERAL PLANT: LAND - MISC.*	-	-	-	0.00%	-
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	12,318	-	12,318	2.59%	319
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	4,872	-	4,872	2.59%	126
29	390.3	GENERAL PLANT: MISC. BUILDINGS	1,730	-	1,730	2.59%	45
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	6,410	-	6,410	2.59%	166
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	41,876	2	41,878	2.59%	1,085
32	391.2	GENERAL PLANT: OFFICE FURNITURE	7,765	-	7,765	2.59%	201
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	59	-	59	2.59%	2
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	39,885	-	39,885	2.59%	1,033
35	395.0	GENERAL PLANT: LAB EQUIPMENT	3,725	-	3,725	2.59%	96
36	396.0	GENERAL PLANT: POWER EQUIPMENT	5,261	(1)	5,260	2.59%	136
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	14,921	1,465	16,386	2.59%	424
38	397.1	GENERAL PLANT: MOBILE RADIOS	12,336	-	12,336	2.59%	320
39	397.2	GENERAL PLANT: AUTO CONTROLS	34,852	(1,464)	33,388	2.59%	865
40	398.0	GENERAL PLANT: MISC.	2,406	-	2,406	2.59%	62
41							
42		TEST YEAR TOTALS	\$ 4,023,648	\$ 1	\$ 4,023,649		\$ 102,816
43							
44		POST TEST YEAR ADDITIONS	303,877	(55,251)	\$248,626	2.59%	6,439
45							
46		GROSS DEPRECIABLE PHOENIX OFFICE AND METER SHOP ALLOCATION	100,475	12,252	112,727 **	2.59%	2,920
47							
48		2002 TOTALS	\$ 4,428,000	\$ (42,998)	\$ 4,385,002		\$ 112,175
49							
50		LESS:					
51		AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION @ 2.59% COMPOSITE RATE ***					2,126
52							
53		TOTAL PRO FORMA DEPRECIATION & AMORTIZATION EXPENSE					\$ 110,049
54							
55		DEPRECIATION & AMORTIZATION EXPENSE PER COMPANY					118,817
56							
57		DEPRECIATION & AMORTIZATION EXPENSE ADJUSTMENT (LINE 53 - LINE 55)					\$ (8,768)

REFERENCES:

COLUMN (A): COMPANY SCHEDULE E-5 PAGE 3 OF 4 AND STAFF DATA REQUEST REL 1-24  
 COLUMN (B): COLUMN (C) - COLUMN (A)  
 COLUMN (C): RUCO SCHEDULE WAR-4 PAGE 7  
 COLUMN (D): COMPOSITE DEPRECIATION RATE OF 2.59%  
 COLUMN (E): COLUMN (C) x COLUMN (D)

NOTES:

\* NON-DEPRECIABLE PLANT ASSETS  
 \*\* NET OF \$171 IN NON-DEPRECIABLE LEASEHOLD IMPROVEMENTS (\$7,215 x 0.2498 ALLOCATION FACTOR FOR 2002 = \$171)  
 \*\*\* RUCO ADJUSTED CIAC BALANCE x COMPOSITE RATE = \$82,088 x 2.59% = \$2,126

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SUPERIOR SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #9 - PROPERTY TAX EXPENSE

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-13

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	REVENUES - 2000	\$ 744,641	COMPANY SCH. C-2, W/P C2-19a
2	REVENUES - 2001	698,408	COMPANY SCH. C-2, W/P C2-19a
3	REVENUES - 2002	<u>733,703</u>	D. R. NO. REL 19-1
4	TOTAL	\$ 2,176,752	SUM LINES 1, 2, & 3
5	3 YEAR AVERAGE	725,584	LINE 4/3 YEARS
6	MULTIPLIER FOR REVENUES (2 X LAST 3 YRS. AVERAGE REVENUE)	<u>x 2</u>	ADOR VALUATION FACTOR
7	REVENUES FOR FULL CASH VALUE	1,451,168	LINE 5 X 2 (MULTIPLIER FOR REVENUES)
8	ADD: 10% OF CWIP BALANCE	-	COMPANY SCH. B-2, PG. 9; LINE 4 X 10%
9	LESS: LICENSED VEHICLES	<u>-</u>	STAFF DATA REQUEST REL 23-1
10	FULL CASH VALUE	1,451,168	LINE 7 + LINE 8 MINUS LINE 9
11	ASSESSMENT RATIO	<u>25%</u>	PER ADOR VALUATION METHOD
12	ASSESSED VALUE	362,792	LINE 10 X LINE 11
13	PROPERTY TAX RATE	<u>20.1456%</u>	PER TAX BILLS
14	PROPERTY TAXES PAYABLE PER RUCO	73,087	LINE 12 X LINE 13
15	PROPERTY TAXES PER COMPANY	<u>64,071</u>	COMPANY SCH. C-1, PG. 5
16	ADJUSTMENT	<u>9,016</u>	LINE 14 MINUS LINE 15

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SUPERIOR SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #10 - INCOME TAXES

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-14

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
	<u>FEDERAL INCOME TAXES:</u>		
1	OPERATING INCOME BEFORE INCOME TAXES	\$ 22,581	SCH. WAR-9
	LESS:		
2	ARIZONA STATE TAX	(2,919)	LINE 11
3	INTEREST EXPENSE	<u>64,475</u>	NOTE (a)
4	FEDERAL TAXABLE INCOME	(38,975)	LINE 1 - LINES 2 & 3
5	FEDERAL INCOME TAX RATE	<u>31.36%</u>	TAX RATE
6	FEDERAL INCOME TAX EXPENSE	(12,224)	LINE 4 X LINE 5
	<u>STATE INCOME TAXES:</u>		
7	OPERATING INCOME BEFORE INCOME TAXES	22,581	LINE 1
	LESS:		
8	INTEREST EXPENSE	<u>64,475</u>	NOTE (A)
9	STATE TAXABLE INCOME	(41,894)	LINE 7 - LINE 8
10	STATE TAX RATE	<u>6.968%</u>	TAX RATE
11	STATE INCOME TAX EXPENSE	(2,919)	LINE 9 X LINE 10
12	TOTAL INCOME TAXES	(15,143)	LINE 6 + LINE 11
13	INCOME TAXES PER COMPANY	<u>(28,101)</u>	COMPANY SCH. C-1, PG. 2
14	ADJUSTMENT	<u>\$ 12,958</u>	LINE 12 - LINE 13

NOTE (a):  
 INTEREST SYCHRONIZATION

ADJUSTED RATE BASE	\$ 2,471,296
WEIGHTED COST OF DEBT	<u>2.61%</u>
INTEREST EXPENSE	\$ 64,475

ARIZONA WATER COMPANY  
TEST YEAR ENDED DECEMBER 31, 2001  
SUPERIOR SYSTEM - REVISED SCHEDULES  
OPERATING ADJ. #11 - NOT USED FOR THIS SYSTEM

DOCKET NO. W-1445A-02-0619  
SCHEDULE WAR-15

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SUPERIOR SYSTEM - REVISED SCHEDULES  
 COST OF CAPITAL

DOCKET NO. W-1445A-02-0619  
 SCHEDULE WAR-16

LINE NO.	DESCRIPTION	(A) AMOUNT	(B) ADJUSTMENT	(C) ADJUSTED BALANCE	(D) CAPITAL RATIO	(E) COST	(F) WEIGHTED COST
1	SHORT-TERM DEBT	\$ 2,850,000	\$ 1,650,000	\$ 4,500,000	5.62%	4.00%	0.22%
2	LONG-TERM DEBT:	23,000,677	(400,677)	22,600,000	28.24%	8.44%	2.38%
3	COMMON EQUITY	49,442,738	3,473,716	52,916,454	66.13%	9.18%	6.07%
4	TOTAL	\$ 75,293,415	4,723,039	\$ 80,016,454	100.00%		8.68%

REFERENCES:

- COLUMN (A): COMPANY SCH. D - 1
- COLUMN (B): TESTIMONY, WAR
- COLUMN (C): COLUMN (A) + COLUMN (B)
- COLUMN (D): COLUMN (C) ÷ COLUMN (C), LINE 5
- COLUMN (E): TESTIMONY, WAR
- COLUMN (F): COLUMN (D) x COLUMN (E)

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SUPERIOR SYSTEM - REVISED SCHEDULES  
 PROPOSED RATES

DOCKET NO. W-01445A-02-0619  
 SCHEDULE WAR-17

LINE NO.	DESCRIPTION	PRESENT RATES	COMPANY PROPOSED	RUCO PROPOSED
1	<b>MONTHLY MINIMUM USAGE CHARGE:</b>			
2				
3	<u>(RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS)</u>			
4	5/8 X 3/4 - INCH	\$ 18.13	\$ 18.13	\$ 18.13
5	1 - INCH	38.84	40.79	38.84
6	2 - INCH	103.58	117.85	103.58
7	3 - INCH	155.37	211.58	159.07
8	4 - INCH	207.16	377.65	207.16
9	6 - INCH	362.53	717.59	362.53
10	8 - INCH	362.53	989.54	362.53
11	10 - INCH	673.27	1,624.09	673.27
12				
13	<b>GALLONS INCLUDED IN MONTHLY MINIMUM USAGE CHARGE:</b>			
14				
15	RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS	1,000	0	0
16				
17	<b>COMMODITY RATE (PER 100 GAL. OVER MINIMUM):</b>	\$0.40600	\$ 0.40600	\$ 0.60130
18				
19	<b>COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM):</b>	\$4.06000	\$ 4.06000	\$ 6.01300

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SUPERIOR SYSTEM - REVISED SCHEDULES  
 MONTHLY MINIMUM CHARGES

DOCKET NO. W-01445A-02-0619  
 SCHEDULE WAR-18

LINE NO.	METER SIZE	(A) COMPANY PRESENT RATES	(B) COMPANY PROPOSED RATES	(C) COMPANY DOLLAR INCREASE	(D) COMPANY PERCENT. INCREASE	(E) RUCO PROPOSED RATES	(F) RUCO DOLLAR INCREASE	(G) RUCO PERCENT. INCREASE
1	5/8 X 3/4 - INCH	\$ 18.13	\$ 18.13	\$ -	0.00%	\$ 18.13	\$ -	0.00%
2	1 - INCH	38.84	40.79	1.95	5.02%	38.84	0.00	0.00%
3	2 - INCH	103.58	117.85	14.27	13.78%	103.58	0.00	0.00%
4	3 - INCH COMMERCIAL	155.37	211.58	56.21	36.18%	159.07	3.70	2.38%
5	4 - INCH COMMERCIAL	207.16	377.65	170.49	82.30%	207.16	0.00	0.00%
6	6 - INCH	362.53	717.59	355.06	97.94%	362.53	0.00	0.00%
7	8 - INCH	362.53	989.54	627.01	172.95%	362.53	0.00	0.00%
8	10 - INCH	673.27	1,624.09	950.82	141.22%	673.27	0.00	0.00%
9	GALLONS INCLUDED IN MONTHLY MINIMUM CHARGE	1,000	0			0		

REFERENCES

COLUMN (A) THRU COLUMN (D): COMPANY SCHEDULE H-3, PAGE 4 OF 4  
 COLUMN (E): TESTIMONY WAR  
 COLUMN (F): COLUMN (E) - COLUMN (A)  
 COLUMN (G): COLUMN (F) ÷ COLUMN (A)

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SUPERIOR SYSTEM - REVISED SCHEDULES  
 BILLING ANALYSIS

DOCKET NO. W-01445A-02-0619  
 SCHEDULE WAR-19  
 PAGE 1 OF 4

PRESENT RATES

LINE NO.	CONSUMPTION IN GALLONS	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		5/8 - INCH	1 - INCH	2 - INCH	3 - INCH	4 - INCH	6 - INCH	8 - INCH	10 - INCH
1	0	\$ 18.13	\$ 38.84	\$ 103.58	\$ 155.37	\$ 207.16	\$ 362.53	\$ 362.53	\$ 673.27
2	1,000	18.13	38.84	103.58	155.37	207.16	362.53	362.53	673.27
3	2,000	22.19	42.90	107.64	159.43	211.22	366.59	366.59	677.33
4	3,000	26.25	46.96	111.70	163.49	215.28	370.65	370.65	681.39
5	4,000	30.31	51.02	115.76	167.55	219.34	374.71	374.71	685.45
6	5,000	34.37	55.08	119.82	171.61	223.40	378.77	378.77	689.51
7	6,000	38.43	59.14	123.88	175.67	227.46	382.83	382.83	693.57
8	7,000	42.49	63.20	127.94	179.73	231.52	386.89	386.89	697.63
9	8,000	46.55	67.26	132.00	183.79	235.58	390.95	390.95	701.69
10	9,000	50.61	71.32	136.06	187.85	239.64	395.01	395.01	705.75
11	10,000	54.67	75.38	140.12	191.91	243.70	399.07	399.07	709.81
12	15,000	74.97	95.68	160.42	212.21	264.00	419.37	419.37	730.11
13	20,000	95.27	115.98	180.72	232.51	284.30	439.67	439.67	750.41
14	25,000	115.57	136.28	201.02	252.81	304.60	459.97	459.97	770.71
15	50,000	217.07	237.78	302.52	354.31	406.10	561.47	561.47	872.21
16	75,000	318.57	339.28	404.02	455.81	507.60	662.97	662.97	973.71
17	100,000	420.07	440.78	505.52	557.31	609.10	764.47	764.47	1,075.21
18	125,000	521.57	542.28	607.02	658.81	710.60	865.97	865.97	1,176.71
19	150,000	623.07	643.78	708.52	760.31	812.10	967.47	967.47	1,278.21
20	175,000	724.57	745.28	810.02	861.81	913.60	1,068.97	1,068.97	1,379.71
21	200,000	826.07	846.78	911.52	963.31	1,015.10	1,170.47	1,170.47	1,481.21
22									
23	AVG. NO. OF CUST:	1,258	9	13	2	0	0	0	0
24									
25	AVG. USE (GAL.):	6,350	19,096	40,640	233,858	N/A	N/A	N/A	N/A
26	MONTHLY BILL:	\$ 39.85	\$ 112.31	\$ 264.52	\$ 1,100.77	N/A	N/A	N/A	N/A
27									
28	MEDIAN USE (GAL.):	5,009	2,607	9,500	98,000	N/A	N/A	N/A	N/A
29	MONTHLY BILL:	\$ 34.41	\$ 45.37	\$ 138.09	\$ 549.19	N/A	N/A	N/A	N/A

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SUPERIOR SYSTEM - REVISED SCHEDULES  
 BILLING ANALYSIS

DOCKET NO. W-01445A-02-0619  
 SCHEDULE WAR-19  
 PAGE 2 OF 4

RUCO PROPOSED RATES

LINE NO.	CONSUMPTION IN GALLONS	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		5/8 - INCH	1 - INCH	2 - INCH	3 - INCH	4 - INCH	6 - INCH	8 - INCH	10 - INCH
1	0	\$ 18.13	\$ 38.84	\$ 103.58	\$ 159.07	\$ 207.16	\$ 362.53	\$ 362.53	\$ 673.27
2	1,000	24.14	44.85	109.59	165.08	213.17	368.54	368.54	679.28
3	2,000	30.16	50.87	115.61	171.10	219.19	374.56	374.56	685.30
4	3,000	36.17	56.88	121.62	177.11	225.20	380.57	380.57	691.31
5	4,000	42.18	62.89	127.63	183.12	231.21	386.58	386.58	697.32
6	5,000	48.20	68.91	133.65	189.14	237.23	392.60	392.60	703.34
7	6,000	54.21	74.92	139.66	195.15	243.24	398.61	398.61	709.35
8	7,000	60.22	80.93	145.67	201.16	249.25	404.62	404.62	715.36
9	8,000	66.23	86.94	151.68	207.17	255.26	410.63	410.63	721.37
10	9,000	72.25	92.96	157.70	213.19	261.28	416.65	416.65	727.39
11	10,000	78.26	98.97	163.71	219.20	267.29	422.66	422.66	733.40
12	15,000	108.33	129.04	193.78	249.27	297.36	452.73	452.73	763.47
13	20,000	138.39	159.10	223.84	279.33	327.42	482.79	482.79	793.53
14	25,000	168.46	189.17	253.91	309.40	357.49	512.86	512.86	823.60
15	50,000	318.78	339.49	404.23	459.72	507.81	663.18	663.18	973.92
16	75,000	469.11	489.82	554.56	610.05	658.14	813.51	813.51	1,124.25
17	100,000	619.43	640.14	704.88	760.37	808.46	963.83	963.83	1,274.57
18	125,000	769.76	790.47	855.21	910.70	958.79	1,114.16	1,114.16	1,424.90
19	150,000	920.08	940.79	1,005.53	1,061.02	1,109.11	1,264.48	1,264.48	1,575.22
20	175,000	1,070.41	1,091.12	1,155.86	1,211.35	1,259.44	1,414.81	1,414.81	1,725.55
21	200,000	1,220.73	1,241.44	1,306.18	1,361.67	1,409.76	1,565.13	1,565.13	1,875.87
22									
23	AVG. NO. OF CUST:	1,258	9	13	2	0	0	0	0
24									
25	AVG. USE (GAL.):	6,350	19,096	40,640	233,858	N/A	N/A	N/A	N/A
26	MONTHLY BILL:	\$ 56.31	\$ 153.67	\$ 347.95	\$ 1,565.26	N/A	N/A	N/A	N/A
27									
28	MEDIAN USE (GAL.):	5,009	2,607	9,500	98,000	N/A	N/A	N/A	N/A
29	MONTHLY BILL:	\$ 48.25	\$ 54.52	\$ 160.70	\$ 748.34	N/A	N/A	N/A	N/A

RUCO PROPOSED CHANGES EXPRESSED IN DOLLARS

LINE NO.	CONSUMPTION IN GALLONS	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		5/8 - INCH	1 - INCH	2 - INCH	3 - INCH	4 - INCH	6 - INCH	8 - INCH	10 - INCH
1	0	\$ -	\$ -	\$ -	\$ 3.70	\$ -	\$ -	\$ -	\$ -
2	1,000	6.01	6.01	6.01	9.71	6.01	6.01	6.01	6.01
3	2,000	7.97	7.97	7.97	11.67	7.97	7.97	7.97	7.97
4	3,000	9.92	9.92	9.92	13.62	9.92	9.92	9.92	9.92
5	4,000	11.87	11.87	11.87	15.57	11.87	11.87	11.87	11.87
6	5,000	13.83	13.83	13.83	17.53	13.83	13.83	13.83	13.83
7	6,000	15.78	15.78	15.78	19.48	15.78	15.78	15.78	15.78
8	7,000	17.73	17.73	17.73	21.43	17.73	17.73	17.73	17.73
9	8,000	19.68	19.68	19.68	23.38	19.68	19.68	19.68	19.68
10	9,000	21.64	21.64	21.64	25.34	21.64	21.64	21.64	21.64
11	10,000	23.59	23.59	23.59	27.29	23.59	23.59	23.59	23.59
12	15,000	33.36	33.36	33.36	37.06	33.36	33.36	33.36	33.36
13	20,000	43.12	43.12	43.12	46.82	43.12	43.12	43.12	43.12
14	25,000	52.89	52.89	52.89	56.59	52.89	52.89	52.89	52.89
15	50,000	101.71	101.71	101.71	105.41	101.71	101.71	101.71	101.71
16	75,000	150.54	150.54	150.54	154.24	150.54	150.54	150.54	150.54
17	100,000	199.36	199.36	199.36	203.06	199.36	199.36	199.36	199.36
18	125,000	248.19	248.19	248.19	251.89	248.19	248.19	248.19	248.19
19	150,000	297.01	297.01	297.01	300.71	297.01	297.01	297.01	297.01
20	175,000	345.84	345.84	345.84	349.54	345.84	345.84	345.84	345.84
21	200,000	394.66	394.66	394.66	398.36	394.66	394.66	394.66	394.66
22									
23	AVG. NO. OF CUST:	1,258	9	13	2	0	0	0	0
24									
25	AVG. USE (GAL.):	6,350	19,096	40,640	233,858	N/A	N/A	N/A	N/A
26	MONTHLY BILL:	\$ 16.46	\$ 41.36	\$ 83.43	\$ 464.49	N/A	N/A	N/A	N/A
27									
28	MEDIAN USE (GAL.):	5,009	2,607	9,500	98,000	N/A	N/A	N/A	N/A
29	MONTHLY BILL:	\$ 13.84	\$ 9.15	\$ 22.61	\$ 199.15	N/A	N/A	N/A	N/A

RUCO PROPOSED CHANGES EXPRESSED AS A PERCENTAGE

LINE NO.	CONSUMPTION IN GALLONS	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		5/8 - INCH	1 - INCH	2 - INCH	3 - INCH	4 - INCH	6 - INCH	8 - INCH	10 - INCH
1	0	0.0%	0.0%	0.0%	2.4%	0.0%	0.0%	0.0%	0.0%
2	1,000	33.2%	15.5%	5.8%	6.3%	2.9%	1.7%	1.7%	0.9%
3	2,000	35.9%	18.6%	7.4%	7.3%	3.8%	2.2%	2.2%	1.2%
4	3,000	37.8%	21.1%	8.9%	8.3%	4.6%	2.7%	2.7%	1.5%
5	4,000	39.2%	23.3%	10.3%	9.3%	5.4%	3.2%	3.2%	1.7%
6	5,000	40.2%	25.1%	11.5%	10.2%	6.2%	3.6%	3.6%	2.0%
7	6,000	41.1%	26.7%	12.7%	11.1%	6.9%	4.1%	4.1%	2.3%
8	7,000	41.7%	28.1%	13.9%	11.9%	7.7%	4.6%	4.6%	2.5%
9	8,000	42.3%	29.3%	14.9%	12.7%	8.4%	5.0%	5.0%	2.8%
10	9,000	42.8%	30.3%	15.9%	13.5%	9.0%	5.5%	5.5%	3.1%
11	10,000	43.1%	31.3%	16.8%	14.2%	9.7%	5.9%	5.9%	3.3%
12	15,000	44.5%	34.9%	20.8%	17.5%	12.6%	8.0%	8.0%	4.6%
13	20,000	45.3%	37.2%	23.9%	20.1%	15.2%	9.8%	9.8%	5.7%
14	25,000	45.8%	38.8%	26.3%	22.4%	17.4%	11.5%	11.5%	6.9%
15	50,000	46.9%	42.8%	33.6%	29.8%	25.0%	18.1%	18.1%	11.7%
16	75,000	47.3%	44.4%	37.3%	33.8%	29.7%	22.7%	22.7%	15.5%
17	100,000	47.5%	45.2%	39.4%	36.4%	32.7%	26.1%	26.1%	18.5%
18	125,000	47.6%	45.8%	40.9%	38.2%	34.9%	28.7%	28.7%	21.1%
19	150,000	47.7%	46.1%	41.9%	39.6%	36.6%	30.7%	30.7%	23.2%
20	175,000	47.7%	46.4%	42.7%	40.6%	37.9%	32.4%	32.4%	25.1%
21	200,000	47.8%	46.6%	43.3%	41.4%	38.9%	33.7%	33.7%	26.6%
22									
23	AVG. NO. OF CUST:	1,258	9	13	2	0	0	0	0
24									
25	AVG. USE (GAL.):	6,350	19,096	40,640	233,858	N/A	N/A	N/A	N/A
26	MONTHLY BILL:	41.3%	36.8%	31.5%	42.2%	N/A	N/A	N/A	N/A
27									
28	MEDIAN USE (GAL.):	5,009	2,607	9,500	98,000	N/A	N/A	N/A	N/A
29	MONTHLY BILL:	40.2%	20.2%	16.4%	36.3%	N/A	N/A	N/A	N/A

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SUPERIOR SYSTEM - REVISED SCHEDULES  
 REVENUE SUMMARY BY METER SIZE AND CUSTOMER CLASS

DOCKET NO. W-01445A-02-061  
 SCHEDULE WAR-20

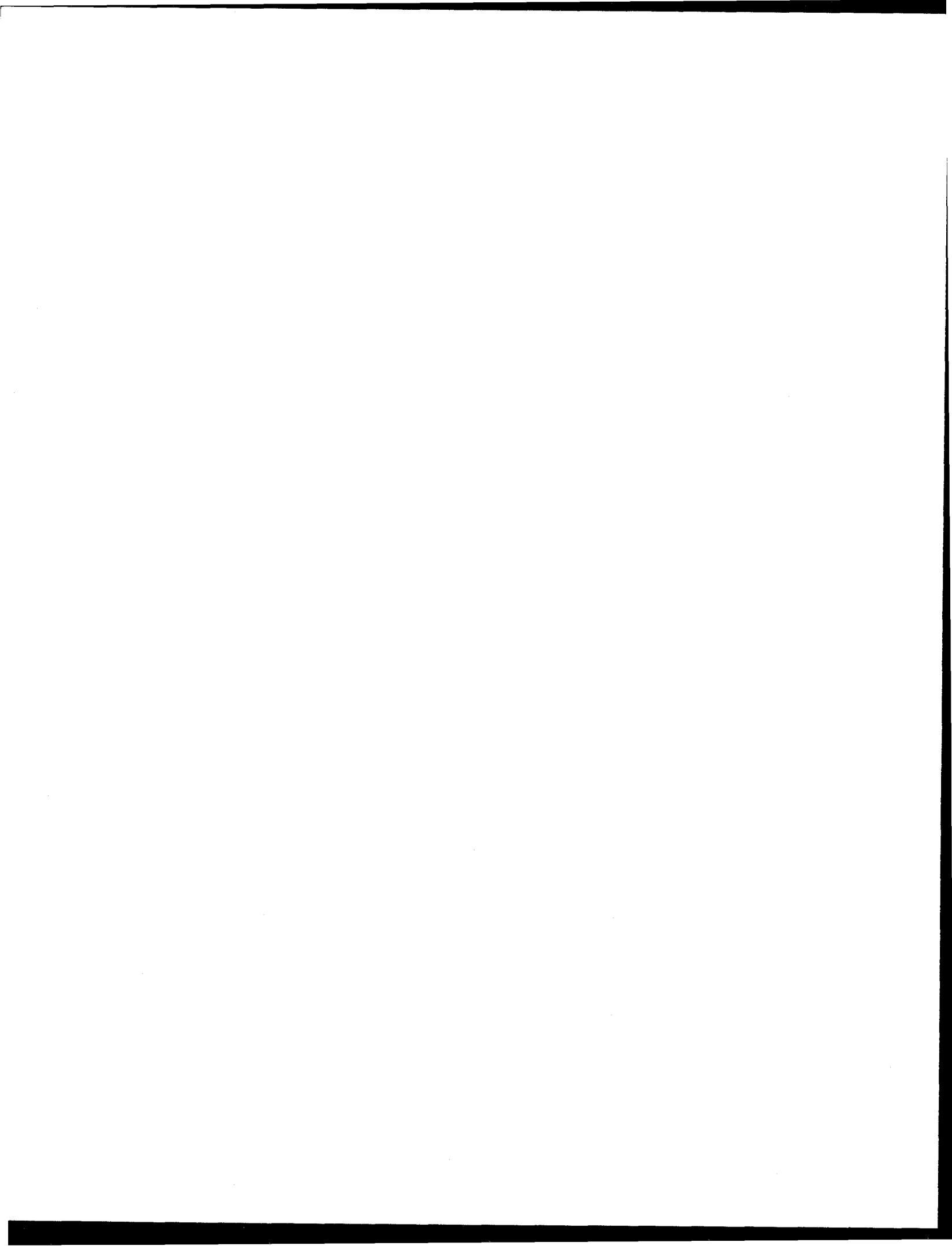
LINE NO.	DESCRIPTION	(A) RUCO PROPOSED MINIMUM REVENUE	(B) RUCO PROPOSED COMMODITY REVENUE	(C) RUCO PROPOSED TOTAL REVENUE
1	5/8 X 3/4 - INCH	\$ 273,654	\$ 576,327	\$ 849,982
2	1 - INCH	4,311	12,746	17,057
3	2 - INCH	16,469	38,855	55,324
4	3 - INCH	3,818	33,749	37,566
5	4 - INCH	0	0	0
6	6 - INCH	0	0	0
7	8 - INCH	0	0	0
13	10 - INCH	0	0	0
14				
15	TOTALS	<u>\$ 298,252</u>	<u>\$ 661,677</u>	<u>\$ 959,929 (a)</u>
16				
17	PERCENTAGE OF TOTAL REVENUE	31.00%	69.00%	100.00%

NOTE (a):

RUCO REQUIRED REVENUE		\$ 980,940
LESS:		
FIRE SPRINKLER REVENUE	\$ 336	
FIRE HYDRANT REVENUE	-	
MISCELLANEOUS REVENUE	16,073	
RENT - WATER PROPERTY REVENUE	-	
OTHER WATER REVENUE	<u>4,602</u>	
TOTAL		<u>\$ 21,011</u>
REVENUE TO BE GENERATED FROM WATER SALES		<u>\$ 959,929</u>

REFERENCE:

NOTE (a) 2002 REVENUE INFORMATION OBTAINED FROM RUCO D.R. NO. 1.10



**ARIZONA WATER COMPANY  
ORACLE SYSTEM - REVISED SCHEDULES  
DOCKET NO. W-1445A-02-0619  
TABLE OF CONTENTS TO SCHEDULES TJC**

SCHEDULE #

TJC - 1	REVENUE REQUIREMENTS
TJC - 2	RATE BASE - ORIGINAL COST
TJC - 3	SUMMARY OF RATE BASE ADJUSTMENTS
TJC - 4	RATE BASE ADJUSTMENTS #1, #2 & #3 - PLANT IN SERVICE/POST TEST YEAR PLANT, PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION
TJC - 5	RATE BASE ADJ. #4 - RECONCILE TEST YEAR ALLOCATED PHOENIX OFFICE & METER SHOP AND ACCUMULATED DEPRECIATION BALANCES
TJC - 6	RATE BASE ADJ. #5 - REMOVE CWIP FROM PHOENIX OFFICE ALLOCATION
TJC - 7	RATE BASE ADJUSTMENT #9 - WORKING CAPITAL
TJC - 8	OPERATING INCOME - TEST YEAR AND RUCO PROPOSED
TJC - 9	SUMMARY OF OPERATING ADJUSTMENTS
TJC - 10	OPERATING ADJ. #1 - RECONCILE COMPANY PROPOSED OPERATING INCOME TO 2002 ACTUAL
TJC - 11	OPERATING ADJ. #5 - REVENUE ANNUALIZATION FOR 2002
TJC - 12	OPERATING ADJ. #8 - DEPRECIATION & AMORTIZATION EXPENSE
TJC - 13	OPERATING ADJ. #9 - PROPERTY TAX EXPENSE
TJC - 14	OPERATING ADJ. #10 - INCOME TAXES
TJC - 15	OPERATING ADJ. #11 - NOT USED FOR THIS SYSTEM
TJC - 16	COST OF CAPITAL
TJC - 17	PROPOSED RATES
TJC - 18	MONTHLY MINIMUM CHARGES
TJC - 19	BILLING ANALYSIS
TJC - 20	REVENUE SUMMARY BY METER SIZE AND CUSTOMER CLASS

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 ORACLE SYSTEM - REVISED SCHEDULES  
 REVENUE REQUIREMENTS

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-1  
 PAGE 1 OF 2

LINE NO.	DESCRIPTION	(A) COMPANY REQUESTED	(B) RUCO RECOMMENDED
1	ADJUSTED RATE BASE	\$ 2,819,400	\$ 2,513,634
2	ADJUSTED OPERATING INCOME	167,200	230,837
3	CURRENT RATE OF RETURN (L2 / L1)	5.93%	9.18%
4	REQUIRED RATE OF RETURN	11.00%	8.68%
5	REQUIRED OPERATING INCOME (L4 * L1)	310,134	218,255
6	OPERATING INCOME DEFICIENCY (L5 - L2)	142,934	(12,582)
7	GROSS REVENUE CONVERSION FACTOR	1.63241	1.57244
8	GROSS REVENUE INCREASE	\$ 233,328	\$ (19,785)
9	CURRENT REVENUES T/Y ADJUSTED	827,577	931,139
10	PROPOSED ANNUAL REVENUE (L8 + L9)	1,060,904	911,354
11	PERCENTAGE AVERAGE INCREASE	28.19%	-2.12%

REFERENCES:

COLUMN (A): COMPANY SCHEDULE A-1  
 COLUMN (B): SCHEDULE TJC-1, PG. 2, TJC-2, AND TJC-8

TJC - 17

TJC - 18

TJC - 19

TJC - 20

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 ORACLE SYSTEM - REVISED SCHEDULES  
 GROSS REVENUE CONVERSION FACTOR

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-1  
 PAGE 2 OF 2

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	REVENUE	1.0000	
2	UNCOLLECTIBLES	<u>0.002316</u>	COMPANY SCH. C-3
3	SUB-TOTAL	0.9977	LINE 1 - LINE 2
4	LESS: TAX RATE	<u>36.17%</u>	NOTE (a)
5	TOTAL	0.6360	LINE 3 - LINE 4
6	REVENUE CONVERSION FACTOR	<span style="border: 1px solid black; padding: 2px;">1.57244</span>	LINE 1/LINE 5

NOTE (a):  
 CALCULATION OF EFFECTIVE TAX RATE

OPERATING INCOME BEFORE TAXES	100.00%
ARIZONA STATE TAX	<u>6.97%</u>
TAXABLE INCOME FEDERAL	93.03%
FEDERAL INCOME TAX RATE	<u>31.48%</u>
SUBTOTAL	29.29%
ADD STATE TAX RATE	36.26%
LINE 3 ABOVE	<u>99.77%</u>
EFFECTIVE TAX RATE	36.17%

TJC - 17

TJC - 18

TJC - 19

TJC - 20

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 ORACLE SYSTEM - REVISED SCHEDULES  
 RATE BASE - ORIGINAL COST

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-2

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO ADJUSTMENTS	(C) RUCO AS ADJUSTED
1	PLANT IN SERVICE/POST-TEST YEAR ADDITIONS	\$ 5,179,022	\$ (99,184)	\$ 5,079,838
2	PHOENIX OFFICE & METER SHOP ALLOCATION	94,945	22,551	117,496
3	ACCUMULATED DEPRECIATION	<u>(1,468,546)</u>	<u>(117,761)</u>	<u>(1,586,306)</u>
4	NET PLANT IN SERVICE	\$ 3,805,422	\$ (194,394)	\$ 3,611,028
5	CONSTRUCTION WORK IN PROGRESS (CWIP)	<u>-</u>	<u>-</u>	<u>-</u>
6	TOTAL NET PLANT	\$ 3,805,422	\$ (194,394)	\$ 3,611,028
7	ADVANCES IN AID OF CONSTRUCTION (AIAC)	(473,356)	10,013	(463,343)
8	CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	(258,151)	(11,741)	(269,892)
9	ACCUMULATED AMORTIZATION OF CIAC	37,740	6,838	44,578
10	DEFERRED INCOME TAXES	(344,341)	(63,763)	(408,104)
11	WORKING CAPITAL	<u>52,086</u>	<u>(52,719)</u>	<u>(633)</u>
12	TOTAL RATE BASE	<u>\$ 2,819,400</u>	<u>\$ (305,765)</u>	<u>\$ 2,513,634</u>

REFERENCES:

COLUMN (A): COMPANY SCHEDULE B-1  
 COLUMN (B): SCHEDULE TJC-3  
 COLUMN (C): COLUMN (A) + COLUMN (B)

TJC - 17

TJC - 18

TJC - 19

TJC - 20

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 ORACLE SYSTEM - REVISED SCHEDULES  
 SUMMARY OF RATE BASE ADJUSTMENTS

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-3

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) ADJ.#1	(C) ADJ.#2	(D) ADJ.#3	(E) ADJ.#4	(F) ADJ.#5	(G) ADJ.#6	(H) ADJ.#7	(I) ADJ.#8	(J) ADJ.#9	(K) ADJ.#10	(L) ADJ.#11	(M) RUCC ADJUSTED
1	PLANT IN SERVICE/POST-TEST YEAR ADDITIONS	\$ 5,179,022	(\$99,184)	13,419	(105,338)	12,423	(3,291)							\$ 5,079,838
2	PHOENIX OFFICE & METER SHOP ALLOCATION	94,945	(a)	13,419	(b)	12,423	(3,291)							117,496
3	ACCUMULATED DEPRECIATION	(1,468,546)			(105,338)	(12,423)								(1,586,306)
4	NET PLANT IN SERVICE	\$ 3,805,422	\$ (99,184)	\$ 13,419	\$ (105,338)	\$ -	\$ (3,291)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,611,028
5	CONSTRUCTION WORK IN PROGRESS (CWIP)													
6	TOTAL NET PLANT	\$ 3,805,422	\$ (99,184)	\$ 13,419	\$ (105,338)	\$ -	\$ (3,291)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,611,028
7	ADVANCES IN AID OF CONSTRUCTION (AIAC)	(473,356)						10,013						(463,343)
8	CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	(258,151)							(11,741)					(269,892)
9	ACCUMULATED AMORTIZATION OF CIAC	37,740							6,838					44,578
10	DEFERRED INCOME TAXES	(344,341)								(63,763)				(408,104)
11	WORKING CAPITAL	52,088												(633)
12	TOTAL RATE BASE	\$ 2,819,400	\$ (99,184)	\$ 13,419	\$ (105,338)	\$ -	\$ (3,291)	\$ 10,013	\$ (4,903)	\$ (63,763)	\$ (52,719)	\$ -	\$ -	\$ 2,513,634

ADJUSTMENT #:  
 1. PLANT IN SERVICE/POST-TEST YEAR ADDITIONS  
 2. PHOENIX OFFICE & METER SHOP ALLOCATION  
 3. ACCUMULATED DEPRECIATION  
 4. RECONCILE PHX OFFICE & METER SHOP AND ACCUM. DEPR.  
 5. REMOVE CWIP FROM PHOENIX OFFICE ALLOCATION  
 6. AIAC - 2002 BALANCE

ADJUSTMENT #:  
 7. CIAC - 2002 BAL. & AMORTIZATION  
 8. ACCUMULATED DEFERRED INCOME TAXES  
 9. WORKING CAPITAL  
 10. NOT USED  
 11. NOT USED

REFERENCE:  
 SCHEDULE TJC 4, PAGE 7  
 SCHEDULE TJC 4, PAGE 7  
 SCHEDULE TJC 4, PAGE 7  
 SCHEDULE TJC-5  
 SCHEDULE TJC-6  
 RUCC D.R. NO. 6.3

REFERENCE:  
 RUCC D.R. NO. 6.3 TESTIMONY - TJC  
 RUCC D.R. NO. 6.3  
 SCHEDULE TJC-7, PAGE 9  
 N/A  
 N/A

NOTES:  
 (a) NET OF ACCUMULATED DEPRECIATION  
 (b) GROSS PHOENIX OFFICE AND METER SHOP ADDITIONS ALLOCATED DURING 2002  
 (c) INCLUDES ACCUMULATED DEPRECIATION ON 2002 PHOENIX OFFICE AND METER SHOP ADDITIONS

JC - 18  
 JC - 19  
 JC - 20

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1990 PLANT VALUE PER COMPANY	1990 ACCUM DEPR. PER COMPANY	1990 NET PLANT PER PRIOR ACC PER COMPANY	1991 ADDITIONS PER COMPANY	1991 (RETIREMENTS) PER COMPANY	1991 YEAR END PLANT VALUE PER RUCCO	1991 DEPRECIATION EXPENSE PER RUCCO	1991 ACCUMULATED DEPRECIATION PER RUCCO	1991 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0		0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC*	0		0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0		0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0		0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	15,943		15,943	0	0	15,943	0	0	15,943
7	314.0	SOURCE OF SUPPLY: LAND - WELLS	193,345	44,799	148,546	0	0	193,345	4,679	49,478	143,867
8	320.0	PUMPING PLANT: LAND*	2,742	0	2,742	0	0	2,742	0	0	2,742
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	18,099	4,194	13,905	0	0	18,099	438	4,632	13,467
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	516,857	119,759	397,098	1,994	0	518,851	12,532	132,291	386,560
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	2,817	653	2,164	0	0	2,817	68	721	2,096
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	6,441	1,492	4,949	0	0	6,441	156	1,648	4,793
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	17,290	0	17,290	0	0	17,290	0	0	17,290
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	271,267	62,854	208,413	0	0	271,267	6,565	69,419	201,848
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	1,160,038	288,788	871,250	120,551	(1,476)	1,279,113	29,514	296,825	982,288
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	216,927	50,263	166,664	11,547	(557)	227,917	5,383	55,089	172,828
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	59,799	13,856	45,943	3,064	(789)	62,074	1,475	14,541	47,533
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	81,382	18,857	62,525	2,559	0	83,941	2,000	20,857	63,084
24	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT: LAND - MISC*	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	9,378	2,173	7,205	0	0	9,378	227	2,400	6,978
29	390.3	GENERAL PLANT: MISC: BUILDINGS	771	179	592	0	0	771	19	197	574
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	0	0	0	0	0	0	0
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	32	7	25	0	0	32	1	6	24
JC-17	394.0	GENERAL PLANT: GARAGE EQUIPMENT	923	214	709	0	0	923	22	236	687
JC-18	396.0	GENERAL PLANT: LAB EQUIPMENT	0	0	0	0	0	0	0	0	0
JC-19	397.0	GENERAL PLANT: POWER EQUIPMENT	0	0	0	0	0	0	0	0	0
JC-19	397.1	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	21,149	4,900	16,249	0	0	21,149	512	5,412	15,737
JC-20	397.2	GENERAL PLANT: MOBILE RADIOS	0	0	0	0	0	0	0	0	0
JC-20	398.0	GENERAL PLANT: AUTO CONTROLS	7,487	1,735	5,752	1,830	0	9,317	203	1,938	7,379
###		TOTALS	\$2,602,687	\$594,722	\$2,007,965	\$141,545	(\$2,822)	\$2,741,410	\$63,793	\$655,693	\$2,085,717

REFERENCE:  
 ACC STAFF D.R. NO. REL 1-24

NOTE:  
 \*NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1992 ADDITIONS PER COMPANY	1992 (RETIREMENTS) PER COMPANY	1992 YEAR END PLANT VALUE PER RUCCO	1992 DEPRECIATION EXPENSE PER RUCCO	1992 ACCUMULATED DEPRECIATION PER RUCCO	1992 YEAR END NET PLANT PER RUCCO	1993 ADDITIONS PER COMPANY	1993 (RETIREMENTS) PER COMPANY	1993 YEAR END PLANT VALUE PER RUCCO	1993 DEPRECIATION EXPENSE PER RUCCO	1993 ACCUMULATED DEPRECIATION PER RUCCO	1993 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES ORGANIZATION*	0	0	0	0	0	0	0	0	0	0	0	0
2	302.0	INTANGIBLES FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY - LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY - LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY - LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
7	310.4	SOURCE OF SUPPLY - LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
8	320.0	PUMPING PLANT - SUPPLY WELLS	230	0	15,943	4,682	54,160	138,415	0	0	15,943	5,639	59,799	182,067
9	320.0	PUMPING PLANT - SUPPLY WELLS	0	0	18,099	438	5,070	2,742	0	0	241,868	0	182,067	182,067
10	320.0	PUMPING PLANT - ELECTRICAL EQUIPMENT	22	0	518,873	12,956	144,847	374,028	0	0	18,099	469	5,538	12,561
11	320.0	PUMPING PLANT - GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	518,873	13,439	158,286	360,587
12	330.0	WATER TREATMENT PLANT - LAND*	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT - STRUCTURES & IMPROVEMENTS	0	0	2,817	68	789	0	0	0	2,817	73	862	1,955
14	332.0	WATER TREATMENT PLANT - EQUIPMENT	0	0	1,884	186	1,884	4,029	0	0	5,441	167	1,971	4,470
15	340.0	TRANSMISSION & DISTRIBUTION - LAND - TANKS & MAINS*	0	0	17,290	0	0	17,290	0	0	17,290	0	0	17,290
16	340.1	TRANSMISSION & DISTRIBUTION - LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION - STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION - STORAGE TANKS	0	0	271,267	6,565	75,983	195,284	0	0	271,267	7,026	83,009	168,258
19	343.0	TRANSMISSION & DISTRIBUTION - MAINS	0	0	1,297,067	31,172	327,709	969,358	0	0	1,402,303	34,367	361,010	1,041,290
20	344.0	TRANSMISSION & DISTRIBUTION - FIRE SPRINKLERS	18,242	(288)	0	0	0	0	106,869	(1,656)	0	0	0	0
21	345.0	TRANSMISSION & DISTRIBUTION - SERVICES	13,893	(259)	241,551	5,681	60,510	181,041	6,445	(62)	247,934	6,339	66,787	181,147
22	346.0	TRANSMISSION & DISTRIBUTION - METERS	4,087	(399)	65,762	1,547	15,689	50,073	930	(640)	66,052	1,707	15,756	49,296
23	348.0	TRANSMISSION & DISTRIBUTION - HYDRANTS	0	0	83,941	2,031	22,888	61,053	0	0	83,941	2,174	25,063	58,878
24	388.1	GENERAL PLANT - LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
25	388.2	GENERAL PLANT - LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	388.3	GENERAL PLANT - LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT - OFFICE BUILDINGS	0	0	9,378	0	0	9,378	0	0	9,378	243	2,870	6,508
28	390.2	GENERAL PLANT - WAREHOUSE BUILDINGS	0	0	227	227	2,627	6,751	0	0	0	0	0	0
29	390.3	GENERAL PLANT - MISC. BUILDINGS	0	0	771	19	216	565	0	0	771	20	236	535
30	391.0	GENERAL PLANT - ELECTRIC EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
31	391.1	GENERAL PLANT - ELECTRIC EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
32	391.2	GENERAL PLANT - OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
33	393.0	GENERAL PLANT - WAREHOUSE EQUIPMENT	0	0	923	22	259	664	4,918	0	4,950	65	73	4,877
JC - 17	394.0	GENERAL PLANT - GARAGE EQUIPMENT	0	0	0	0	0	0	0	0	923	24	282	641
JC - 18	395.0	GENERAL PLANT - POWER EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
JC - 19	397.0	GENERAL PLANT - COMMUNICATIONS EQUIPMENT	0	0	19,014	486	3,763	15,251	0	0	19,014	482	4,286	14,759
JC - 19	397.1	GENERAL PLANT - MOBILE RADIOS	753	0	753	0	0	753	0	0	753	20	29	724
JC - 20	398.0	GENERAL PLANT - AUTO CONTROLS	5,565	0	14,882	293	2,231	12,651	0	0	14,882	385	2,616	12,266
JC - 20	398.0	GENERAL PLANT - MISC.	0	0	0	0	0	0	0	0	0	0	0	0
###		TOTALS	\$42,792	(\$3,061)	\$2,781,121	\$65,952	\$718,564	\$2,062,557	\$182,587	(\$2,353)	\$2,961,350	\$70,238	\$789,444	\$2,171,906

REFERENCE:  
 ACC STAFF D.R. NO. REL 1-24

NOTE:  
 \*NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1994 ADDITIONS PER COMPANY	1994 (RETIREMENTS) PER COMPANY	1994 YEAR END PLANT VALUE PER RUCCO	1994 DEPRECIATION EXPENSE PER RUCCO	1994 ACCUMULATED DEPRECIATION PER RUCCO	1994 YEAR END NET PLANT VALUE PER RUCCO	1995 ADDITIONS PER COMPANY	1995 (RETIREMENTS) PER COMPANY	1995 YEAR END PLANT VALUE PER RUCCO	1995 DEPRECIATION EXPENSE PER RUCCO	1995 ACCUMULATED DEPRECIATION PER RUCCO	1995 YEAR END NET PLANT VALUE PER RUCCO
1	301.0	INTANGIBLES ORGANIZATION*	0	0	0	0	0	0	0	0	0	0	0	0
2	302.0	INTANGIBLES FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES MISC.	0	0	0	0	0	0	0	0	0	0	0	0
4	304.0	LAND WATER RIGHTS*	6,518	0	21,632	0	0	21,632	3,562	0	25,214	0	0	25,214
5	310.1	SOURCE OF SUPPLY LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY LAND - WELLS*	0	0	15,943	0	0	15,943	0	0	15,943	0	0	15,943
7	314.0	SOURCE OF SUPPLY WELLS	1,599	0	243,465	6,285	68,084	177,381	0	0	243,465	6,306	72,390	171,075
8	320.0	PUMPING PLANT - LAND*	0	0	2,742	0	0	2,742	0	0	2,742	0	0	2,742
9	321.0	PUMPING PLANT - STRUCTURES & IMPROVEMENTS	0	0	6,007	469	6,007	12,052	0	0	18,059	469	6,476	11,623
10	325.0	PUMPING PLANT - ELECTRICAL EQUIPMENT	102,506	(46,210)	576,169	14,181	127,257	448,912	35,294	(20,362)	591,081	15,116	121,991	469,090
11	328.0	PUMPING PLANT - GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT - LAND*	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT - STRUCTURES & IMPROVEMENTS	0	0	2,817	73	939	1,862	0	0	2,817	73	1,009	1,809
14	332.0	WATER TREATMENT PLANT - EQUIPMENT	0	0	6,441	167	2,138	4,303	0	0	6,441	167	2,305	4,136
15	340.0	TRANSMISSION & DISTRIBUTION - TANKS & MAINS*	0	0	17,290	0	0	17,290	0	0	17,290	0	0	17,290
16	340.1	TRANSMISSION & DISTRIBUTION - LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION - STRUCTURES*	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION - STORAGE TANKS	0	0	271,267	7,028	90,035	181,232	11,859	(906)	282,220	7,188	96,297	185,923
19	343.0	TRANSMISSION & DISTRIBUTION - MAINS	136,115	(1,303)	1,537,112	38,065	397,772	1,139,340	133,464	0	1,670,576	41,540	439,312	1,231,264
20	344.0	TRANSMISSION & DISTRIBUTION - FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
21	345.0	TRANSMISSION & DISTRIBUTION - SERVICES	20,215	(13)	268,136	6,683	73,457	194,679	19,962	(529)	287,589	7,197	90,125	207,464
22	346.0	TRANSMISSION & DISTRIBUTION - METERS	0	(254)	65,796	1,707	18,210	47,586	1,521	(209)	67,110	1,721	19,722	47,388
23	348.0	TRANSMISSION & DISTRIBUTION - HYDRANTS	0	0	83,941	2,174	27,237	56,704	0	0	83,941	2,174	29,411	54,530
24	369.1	GENERAL PLANT - LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
25	369.2	GENERAL PLANT - LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	369.3	GENERAL PLANT - LAND - MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
27	369.4	GENERAL PLANT - LAND - MISC. BUILDINGS	5,699	0	15,077	317	3,186	11,891	660	0	15,792	399	3,586	12,176
28	390.1	GENERAL PLANT - WAREHOUSE BUILDINGS	0	0	771	20	256	515	0	0	771	20	276	495
29	390.2	GENERAL PLANT - OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
30	391.0	GENERAL PLANT - OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
31	391.1	GENERAL PLANT - ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
32	391.2	GENERAL PLANT - OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
33	393.0	GENERAL PLANT - WAREHOUSE EQUIPMENT	0	0	4,950	128	202	4,748	0	0	4,950	128	330	4,820
JC-17	394.0	GENERAL PLANT - GARAGE EQUIPMENT	1,823	0	2,748	48	330	2,418	0	0	2,748	71	401	2,345
JC-18	395.0	GENERAL PLANT - LAB EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
JC-19	396.0	GENERAL PLANT - POWER EQUIPMENT	0	(7,516)	11,496	395	(2,865)	14,363	0	0	11,496	298	(2,567)	14,065
JC-19	397.0	GENERAL PLANT - COMMUNICATIONS EQUIPMENT	0	0	1,495	0	0	1,495	0	0	1,495	0	0	1,495
JC-19	397.1	GENERAL PLANT - TELEPHONE EQUIPMENT	0	0	1,495	0	0	1,495	0	0	1,495	0	0	1,495
JC-20	398.0	GENERAL PLANT - AUTO CONTROLS	4,103	0	18,985	439	3,085	15,900	742	0	19,727	501	3,556	16,171
JC-20	398.0	GENERAL PLANT - MISC.	0	0	0	0	0	0	0	0	0	0	0	0
****		TOTALS	\$278,578	(\$54,296)	\$3,165,632	\$78,196	\$813,343	\$2,372,289	\$207,128	(\$22,026)	\$3,370,735	\$53,367	\$871,634	\$2,499,051

REFERENCE:  
 ACC STAFF D.R. NO. REL 1.24  
 NOTE:  
 \*NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 ORACLE SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENTS #1, #2 & #3 - PLANT IN SERVICE/POST TEST YEAR PLANT,  
 PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1986 ADDITIONS PER COMPANY	1986 (RETIREMENTS) PER COMPANY	1986 YEAR END NET PLANT VALUE PER RUO	1986 DEPRECIATION EXPENSE PER RUO	1986 ACCUMULATED DEPRECIATION PER RUO	1986 YEAR END NET PLANT VALUE PER RUO	1987 ADDITIONS PER COMPANY	1987 (RETIREMENTS) PER COMPANY	1987 YEAR END NET PLANT VALUE PER RUO	1987 DEPRECIATION EXPENSE PER RUO	1987 ACCUMULATED DEPRECIATION PER RUO	1987 YEAR END NET PLANT VALUE PER RUO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	4,450	0	28,664	0	0	28,664	5,992	0	35,656	0	0	35,656
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	15,943	0	0	15,943	0	0	15,943	0	0	15,943
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	23,455	6,308	78,895	184,770	0	0	243,665	8,306	85,001	158,484
8	320.0	PUMPING PLANT: LAND*	0	0	2,742	0	0	2,742	0	0	2,742	0	0	2,742
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	678	(268)	18,509	474	6,882	11,827	0	0	18,509	479	7,161	11,348
10	322.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	2,770	(543)	593,308	15,338	136,785	456,522	0	0	593,308	15,357	152,152	441,156
11	323.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	2,817	73	1,081	1,736	0	0	2,817	73	1,154	1,663
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	6,441	167	2,471	3,970	0	0	6,441	167	2,603	3,883
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	17,290	0	0	17,290	2,390	0	19,680	0	0	19,680
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	282,220	7,309	103,606	178,614	0	0	282,220	7,309	110,918	171,304
19	343.0	TRANSMISSION & DISTRIBUTION: MISC. BUILDINGS	171,374	(89)	1,841,861	45,486	484,709	1,357,152	183,596	(484)	2,024,963	50,075	534,290	1,490,673
20	344.0	TRANSMISSION & DISTRIBUTION: MISC. SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
21	345.0	TRANSMISSION & DISTRIBUTION: MISC. SERVICES	22,555	(193)	309,951	7,738	87,670	222,281	28,146	(785)	337,332	8,382	95,287	242,045
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	6,035	(409)	72,736	1,811	21,124	51,612	4,228	(1,361)	75,603	1,821	21,894	53,919
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	83,941	2,174	31,585	52,356	8,490	0	92,431	2,284	33,689	58,562
24	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	390.1	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.2	GENERAL PLANT: OFFICE BUILDINGS	0	0	21,457	482	4,085	17,389	815	0	22,272	568	4,634	17,638
28	390.3	GENERAL PLANT: WAREHOUSE BUILDINGS	5,695	0	771	20	296	475	0	0	771	20	318	455
29	391.0	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
30	391.1	GENERAL PLANT: OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
31	391.2	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
32	391.3	GENERAL PLANT: FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
33	391.4	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	4,950	128	458	4,822	0	0	4,950	128	586	4,384
34	391.5	GENERAL PLANT: GARAGE EQUIPMENT	0	0	2,746	71	472	2,274	0	0	2,746	71	543	2,203
JC - 17	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
JC - 18	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
JC - 19	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	11,488	288	(2,270)	13,766	0	0	11,488	288	(1,972)	13,470
JC - 19	397.1	GENERAL PLANT: MOBILE RADIOS	90	0	843	21	4,085	843	0	0	843	22	110	733
JC - 20	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	19,174	91	4,085	15,680	334	0	20,081	515	4,582	15,479
JC - 20	398.0	GENERAL PLANT: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
###		TOTALS	\$213,847	(\$1,502)	\$3,482,880	\$89,407	\$90,159	\$2,621,291	\$233,991	(\$2,820)	\$3,814,251	\$83,984	\$1,052,953	\$2,761,298

REFERENCE:  
 ACC STAFF D. R. NO. REL 1-24

NOTE:  
 \* - NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1998 ADDITIONS PER COMPANY	1998 (RETIREMENTS) PER COMPANY	1998 YEAR-END PLANT VALUE PER RUCO	1998 DEPRECIATION EXPENSE PER RUCO	1998 ACCUMULATED DEPRECIATION PER RUCO	1998 YEAR-END NET PLANT PER RUCO	1999 ADDITIONS PER COMPANY	1999 (RETIREMENTS) PER COMPANY	1999 YEAR-END PLANT VALUE PER RUCO	1999 DEPRECIATION EXPENSE PER RUCO	1999 ACCUMULATED DEPRECIATION PER RUCO	1999 YEAR-END NET PLANT PER RUCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY, LAND - WATER RIGHTS*	10,850	0	46,506	0	0	51,420	4,914	0	51,420	0	0	51,420
5	310.2	SOURCE OF SUPPLY, LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY, LAND - WELLS*	0	0	15,943	0	0	15,943	0	0	15,943	0	0	15,943
7	314.0	SOURCE OF SUPPLY, WELLS	0	0	243,465	6,306	91,307	243,465	0	0	243,465	6,306	97,613	145,852
8	320.0	PUMPING PLANT: LAND*	0	0	19,461	482	7,653	21,518	2,250	(193)	21,518	531	7,991	13,527
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	852	0	628,345	15,820	167,873	480,372	11,558	(3,849)	636,054	16,374	180,488	455,556
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	35,037	0	0	0	0	0	0	0	0	0	0	0
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	2,817	73	1,227	35,054	32,237	0	35,054	490	1,717	33,337
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	5,806	0	12,247	242	2,880	12,303	56	0	12,303	318	3,198	9,105
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	19,680	0	0	19,680	0	0	19,680	0	0	19,680
16	341.0	TRANSMISSION & DISTRIBUTION: TUBES - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES*	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	282,220	7,309	118,225	282,220	0	0	282,220	7,309	125,535	156,685
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	182,783	(374)	2,187,372	54,550	588,468	2,596,350	370,983	0	2,596,350	61,449	648,923	1,968,412
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0	0	0	0
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	18,963	(386)	355,909	8,977	103,879	355,909	21,107	(303)	376,713	9,487	113,063	263,650
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	(524)	75,079	1,951	23,111	79,364	6,408	(2,123)	79,364	2,000	22,988	56,376
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	4,560	0	96,991	2,452	36,322	101,903	4,912	0	101,903	2,576	38,897	63,006
24	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	22,272	577	5,211	17,061	282	0	22,554	590	5,791	16,763
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	771	20	336	435	0	0	771	20	356	415
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	644	0	4,950	128	715	4,235	1,509	0	4,950	128	843	4,107
JC - 17	384.0	GENERAL PLANT: GARAGE EQUIPMENT	146	0	3,390	79	623	2,767	0	0	4,899	107	730	4,169
JC - 18	386.0	GENERAL PLANT: LAB EQUIPMENT	0	0	146	2	2	144	0	0	146	4	6	140
JC - 19	377.0	GENERAL PLANT: POWER EQUIPMENT	0	0	11,498	298	(1,674)	13,172	0	0	11,498	298	(1,376)	12,874
JC - 19	387.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	843	22	132	711	0	0	843	22	154	689
JC - 20	387.2	GENERAL PLANT: TELEPHONES	2,014	0	22,075	546	5,128	16,947	1,120	0	23,195	586	5,714	17,481
JC - 20	388.0	GENERAL PLANT: AUTO CONTROLS	0	0	0	0	0	0	0	0	0	0	0	0
###		TOTALS	\$241,755	(\$1,284)	\$4,054,722	\$99,846	\$1,151,515	\$2,903,207	\$457,316	(\$6,469)	\$4,585,570	\$108,594	\$1,253,641	\$3,251,929

REFERENCE:  
 ACC STAFF D.R. NO. REL 1-24

NOTE:  
 \* NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2000 ADDITIONS PER COMPANY	2000 (RETIREMENTS) PER COMPANY	2000 YEAR END PLANT VALUE PER RUCCO	2000 DEPRECIATION EXPENSE PER RUCCO	2000 ACCUMULATED DEPRECIATION PER RUCCO	2000 YEAR END NET PLANT PER RUCCO	2001 ADDITIONS PER COMPANY	2001 (RETIREMENTS) PER COMPANY	2001 YEAR END PLANT VALUE PER RUCCO	2001 DEPRECIATION EXPENSE PER RUCCO	2001 ACCUMULATED DEPRECIATION PER RUCCO	2001 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES: ORGANIZATION*	0	0	0	0	0	0	0	0	0	0	0	0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	1,671	0	53,091	0	0	53,091	1,464	0	54,555	0	0	54,555
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	15,943	0	0	15,943	0	0	15,943	0	0	15,943
7	314.0	SOURCE OF SUPPLY: WELLS	180	0	243,845	6,308	103,921	139,724	865	0	144,589	6,322	110,242	134,288
8	320.0	PUMPING PLANT: LAND*	0	0	2,742	0	2,742	2,742	0	0	2,742	0	0	2,742
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	525	0	22,043	564	8,555	13,488	0	0	22,043	571	9,126	12,917
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	5,491	0	641,545	16,545	197,043	444,502	108,169	(25,928)	723,788	17,581	188,796	534,960
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	35,054	908	2,626	0	0	0	35,054	0	0	35,054
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	39,978	677	3,875	36,101	4,746	0	44,722	1,097	4,972	31,521
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	27,673	0	19,880	0	0	19,880	0	0	19,880	0	0	19,880
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	282,220	7,309	132,844	149,376	4,833	0	287,059	7,372	140,216	146,837
19	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	42,777	0	2,601,112	66,815	716,738	1,884,374	113,677	(1,896)	2,712,853	68,810	783,618	1,929,235
20	345.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0	0	0	0
21	346.0	TRANSMISSION & DISTRIBUTION: SERVICES	8,957	(87)	386,583	9,872	122,848	262,735	21,570	(76)	407,077	10,265	133,037	274,046
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	4,094	(1,914)	81,544	2,084	23,158	58,386	654	(423)	81,775	2,115	24,650	56,925
23	347.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	933	(799)	102,037	2,641	40,739	61,298	460	0	102,497	2,849	43,388	59,108
24	389.1	GENERAL PLANT: LAND - WATERHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
25	389.2	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	22,554	584	6,376	16,178	53	0	93	1	92	92
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	771	20	376	385	4,724	0	27,278	645	7,021	20,257
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	1,161	0	4,950	128	971	3,979	1,440	0	1,440	19	19	1,421
JC-17	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	6,060	142	872	5,188	1,578	0	6,766	128	1,099	3,851
JC-18	395.0	GENERAL PLANT: POWER EQUIPMENT	0	0	146	4	9	137	0	0	146	4	13	133
JC-18	396.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
JC-19	397.0	GENERAL PLANT: MOBILE RADIOS	0	0	11,498	288	(1,078)	12,576	0	(3,597)	7,901	251	(4,422)	12,923
397.2	GENERAL PLANT: AUTO CONTROLS	1,808	0	843	22	176	667	18,215	17,372	0	18,215	247	(4,422)	17,793
JC-20	398.0	GENERAL PLANT: MISC.	0	0	25,003	624	6,339	18,664	395	0	25,398	653	6,891	18,407
###		TOTALS	\$55,270	(\$2,800)	\$4,598,040	\$115,545	\$1,368,385	\$3,231,655	\$292,040	(\$31,960)	\$4,848,120	\$119,940	\$1,454,365	\$3,393,755

REFERENCE:  
 ACC STAFF O.R. NO. REL 1-24

NOTE:  
 \* NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 ORACLE SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENTS #1, #2 & #3 - PLANT IN SERVICE/POST TEST YEAR PLANT,  
 PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2002 ADDITIONS PER COMPANY	2002 (RETIREMENTS) PER COMPANY	2002 YEAR END PLANT VALUE PER RUCCO	2002 DEPRECIATION EXPENSE PER RUCCO	2002 ACCUMULATED DEPRECIATION PER RUCCO	2002 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	5,705	0	60,261	0	0	60,261
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	15,943	0	0	15,943
7	314.0	SOURCE OF SUPPLY: WELLS	96	0	244,606	6,334	116,576	128,030
8	320.0	PUMPING PLANT: LAND*	0	0	2,742	0	0	2,742
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	37,786	(2,120)	57,709	1,033	8,039	49,670
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	7,158	0	730,944	18,839	207,634	523,310
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	1,819	0	35,054	908	4,441	30,613
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	46,541	1,182	6,154	40,387
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	19,680	0	0	19,680
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	1,503	0	288,556	7,454	147,670	140,886
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	159,945	0	2,871,798	72,321	855,939	2,015,859
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	15,513	(180)	422,410	10,742	143,599	278,811
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	1,978	(434)	83,319	2,138	26,554	56,765
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	1,727	(77)	104,147	2,676	45,987	58,159
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	185	0	185	0	0	185
24	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0
26	389.3	GENERAL PLANT: LAND - MISC.*	1,368	0	1,461	20	21	1,439
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	27,278	707	7,727	19,551
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	771	20	416	355
29	390.3	GENERAL PLANT: MISC. BUILDINGS	13,034	(3,929)	9,105	118	(3,811)	12,916
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	1,440	37	56	1,384
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	0	0	0	0
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	1,441	0	4,950	128	1,227	3,723
JC - 17	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	9,079	216	1,266	7,813
395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	146	4	17	129	0
JC - 18	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	0	0	0	0
397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	514	0	8,415	211	(4,213)	12,628	0
JC - 19	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	18,215	472	894	17,321
397.2	GENERAL PLANT: AUTO CONTROLS	0	0	25,398	658	7,649	17,749	0
JC - 20	398.0	GENERAL PLANT: MISC.	3,105	0	3,105	40	40	0
###		TOTALS	\$251,877	(\$6,740)	\$5,093,257	\$126,258	\$1,573,883	\$3,516,309
###		BALANCES PER COMPANY	\$	\$	\$ 5,179,022	\$	\$ 1,468,546	\$
###		BALANCES PER RUCCO	\$	\$	\$ 5,093,257	\$	\$ 1,573,883	\$
###		LESS: POST-TEST YEAR ALLOCATED PHOENIX OFFICE & METER SHOP ADDITIONS**	\$	\$	\$ 13,419	\$	\$	\$
###		TOTAL ADJUSTMENTS	\$	\$	\$ (99,164)	\$	\$	\$
###								\$ 105,338

REFERENCES:  
 ACC STAFF D.R. NO. REL 1-24  
 ACC STAFF D.R. NO. REL 18-1  
 RUCCO D.R. NO. 6.2

NOTE:  
 \* - NON-DEPRECIABLE PLANT  
 \*\* - BASED ON AN ALLOCATION FACTOR OF 0.0256 PER RUCCO D.R. NO. 4.2

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 ORACLE SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJ. #4 - RECONCILE TEST YEAR ALLOCATED PHOENIX OFFICE  
 & METER SHOP AND ACCUMULATED DEPRECIATION BALANCES

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-5

LINE NO.	DESCRIPTION	TEST YEAR COMPANY
1	GROSS PHOENIX OFFICE PLANT & METER SHOP	\$ 4,002,988
2	ADD: PHOENIX OFFICE CONSTRUCTION WORK IN PROGRESS (CWIP)	126,565
3	GROSS PHOENIX OFFICE PLANT & METER SHOP WITH CWIP	\$ 4,129,553
4	TIMES: ALLOCATION FACTOR	0.0260
5	ALLOCATED GROSS PHOENIX OFFICE PLANT & METER SHOP WITH CWIP	\$ 107,368
6	NET ALLOCATED PHOENIX OFFICE PLANT & METER SHOP WITH CWIP	94,945
7	RUCO ADJUSTMENT TO PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION	\$ 12,423

REFERENCES:

- LINE 1: COMPANY SCHEDULE B-2 PAGES 10 AND 11
- LINE 2: COMPANY SCHEDULE B-2 PAGE 10
- LINE 3: LINE 1 + LINE 2
- LINE 4: COMPANY SCHEDULE B-1 PAGE 2
- LINE 5: LINE 3 x LINE 4
- LINE 6: COMPANY SCHEDULE B-1 PAGE 2 (SUM OF LINES 6 AND 7)

JC - 17

JC - 18

JC - 19

JC - 20

LINE NO.	DESCRIPTION	(A) TEST YEAR COMPANY	(B) TEST YEAR RUCO	
1	GROSS PHOENIX OFFICE PLANT	\$ 3,903,884	\$ 3,903,884	COMPANY SCHEDULE B-2 PAGE 10
2	LESS: ACCUMULATED DEPRECIATION	<u>453,222</u>	<u>453,222</u>	COMPANY SCHEDULE B-2 PAGE 10
3	NET PHOENIX OFFICE PLANT	\$ 3,450,662	\$ 3,450,662	LINE 1 + LINE 2
4	ADD: CWIP	<u>126,565</u>	-	COMPANY SCHEDULE B-2 PAGE 10
5	TOTALS	\$ 3,577,227	\$ 3,450,662	LINE 3 + LINE 4
4	TIMES: ALLOCATION FACTOR	<u>0.0260</u>	<u>0.0260</u>	COMPANY SCHEDULE B-1 PAGE 2
5	ALLOCATED PHOENIX OFFICE PLANT	\$ 93,008	\$ 89,717	COMPANY SCHEDULE B-1 PAGE 2
6	RUCO ADJUSTMENT		<u>\$ (3,291)</u>	LINE 5 COLUMN (B) - LINE 5 COLUMN (A)

JC - 17  
 JC - 18  
 JC - 19  
 JC - 20

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 1999  
 ORACLE SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENT #9 - WORKING CAPITAL

DOCKET NO. W-1445A-00-0962  
 SCHEDULE TJC-7  
 PAGE 1 OF 4

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	CASH WORKING CAPITAL PER COMPANY	\$ 28,184	COMPANY SCH. B-5, PG. 2
2	CASH WORKING CAPITAL PER RUCO	(21,873)	SCH. TJC-7, PG. 3
3	DECREASE IN CASH WORKING CAPITAL	(50,057)	LINE 2 - LINE 1
4	MATERIALS & SUPPLIES PER COMPANY	3,519	COMPANY SCH. B-5, PG. 2
5	MATERIALS & SUPPLIES PER RUCO	3,508	DATA REQUEST 6.4 a)
6	MATERIALS & SUPPLIES ADJUSTMENT	(11)	LINE 5 - LINE 4
7	PREPAYMENTS PER COMPANY AND SPECIAL DEPOSITS	7,424	COMPANY SCH. B-5, PG. 2
8	PREPAYMENTS PER RUCO	6,499	DATA REQUEST 6.4 b)
9	PREPAYMENTS ADJUSTMENT	(925)	LINE 8 - LINE 7
10	REQUIRED BANK BALANCES PER COMPANY	12,958	COMPANY SCH. B-5, PG. 2
11	REQUIRED BANK BALANCES PER RUCO	11,232	DATA REQUEST 6.4 c)
12	REQUIRED BANK BALANCE ADJUSTMENT	(1,726)	LINE 11 - LINE 10
13	TOTAL WORKING CAPITAL ADJUSTMENT	(52,719)	LINES 3, 6, 9 & 12

JC - 17

JC - 18

JC - 19

JC - 20

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 ORACLE SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENT #9 - WORKING CAPITAL  
 LEAD/LAG CALCULATION

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-7  
 PAGE 2 OF 4

LINE NO.	DESCRIPTION	EXPENSES PER COMPANY	RUCO ADJUSTMENTS	ADJUSTED EXPENSES	(LEAD)/LAG DAYS	\$ DAYS
1	PURCHASED POWER	\$ 83,124	\$ 8,394	\$ 91,518	40.31	\$ 3,689,091
2	PAYROLL	162,002	7,404	169,406	14.00	2,371,681
3	PURCHASED WATER	-	-	-	-	-
4	CHEMICALS	1,678	1,742	3,420	15.00	51,300
5	PROPERTY & LIABILITY INSURANCE	2,578	11	2,589	(45.27)	(117,183)
6	WORKER'S COMPENSATION	2,050	346	2,396	(46.50)	(111,417)
7	HEALTH INSURANCE	29,809	(1,924)	27,885	(8.92)	(248,730)
8	OTHER O&M EXPENSES	100,473	(76,247)	24,226	(9.27)	(224,574)
9	DEPRECIATION & AMORTIZATION	129,495	(4,286)	125,209	N/A	N/A
10	FEDERAL & STATE INCOME TAXES	104,942	(18,151)	86,791	61.95	5,377,056
11	DEFERRED INCOME TAXES	13,105	N/A	N/A	N/A	N/A
12	FICA TAXES	11,425	592	12,017	14.00	168,238
13	FUTA & SUTA TAXES	251	30	281	83.10	23,351
14	PROPERTY TAXES	57,842	(5,689)	52,153	212.00	11,056,346
15	REG., CONTRACT, & MISCELLANEOUS FEES	15,661	1,273	16,934	(98.83)	(1,673,543)
16	SALES & OCCUPATION TAXES	53,536	10,582	64,118	37.53	2,406,349
18	PENSION EXPENSE	13,060	1,098	14,158	34.72	491,566
JC - 17	TOTAL	\$ 781,031	\$ (74,827)	\$ 693,099 *	33.56	\$ 23,259,531
JC - 18						

JC - 19 NOTE

N/A = NON CASH CHARGES EXCLUDED FROM WORKING CAPITAL CALCULATION

JC - 20 \* RUCO RECOMMENDED LEVEL OF OPERATING EXPENSE - SCHEDULE TJC-8, COLUMN (E), LINE 16

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 ORACLE SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENT #9 - WORKING CAPITAL  
 CALCULATION OF CASH WORKING CAPITAL

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-7  
 PAGE 3 OF 4

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	AVERAGE EXPENSE LAG	33.56	SCH. TJC-7, PG. 2
2	AVERAGE REVENUE COLLECTION LAG	<u>22.04</u>	CO. SCH. B-5, PG. 2
3	EXCESS EXPENSE OVER REVENUE LAG	(11.52)	LINE 2 - LINE 1
4	TOTAL EXPENSES	\$ 693,099	SCH. TJC-7, PG. 2
5	CASH WORKING CAPITAL REQUIREMENT	(21,873)	(LINE 3 X LINE 4)/365 DAYS
6	PER COMPANY	<u>\$ 28,184</u>	CO. SCH. B-5, PG. 2
7	INCREASE (DECREASE) IN WORKING CAPITAL	<u>\$ (50,057)</u>	LINE 5 - LINE 6

JC - 17

JC - 18

JC - 19

JC - 20

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 ORACLE SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENT #9 - WORKING CAPITAL  
 CALCULATION OF INCOME TAX LAG

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-7  
 PAGE 4 OF 4

<u>LINE NO.</u>	<u>(A) PAYMENT DATE</u>	<u>(B) SERVICE PERIOD MIDPOINT</u>	<u>(C) (LEAD)/LAG DAYS</u>	<u>(D) PAYMENT AMOUNT</u>	<u>(E) DOLLAR DAYS</u>
1	04/12/99	07/01/99	(80.00)	\$ 397,000	(31,760,000)
2	06/11/99	07/01/99	(20.00)	50,000	(1,000,000)
3	09/14/99	07/01/99	75.00	486,000	36,450,000
4	12/14/99	07/01/99	166.00	970,000	161,020,000
5	03/14/00	07/01/99	257.00	<u>(240,000)</u>	<u>(61,680,000)</u>
6	TOTALS			\$ 1,663,000	103,030,000
7	INCOME TAX LAG		61.95		

JC - 17

JC - 18

JC - 19

JC - 20

ARIZONA WATER COMPANY  
TEST YEAR ENDED DECEMBER 31, 2001  
ORACLE SYSTEM - REVISED SCHEDULES  
OPERATING INCOME - TEST YEAR AND RUCO PROPOSED

DOCKET NO. W-1445A-02-0619  
SCHEDULE TJC-8

LINE NO.	DESCRIPTION	(A) COMPANY TEST YEAR AS FILED	(B) RUCO TEST YEAR ADJUSTMENTS	(C) RUCO TEST YEAR AS ADJUSTED	(D) RUCO PROPOSED CHANGES	(E) RUCO RECOMMENDED
<u>REVENUES - WATER:</u>						
1	REVENUE FROM WATER SALES	\$ 827,577	\$ 103,562	\$ 931,139	\$ (19,785)	\$ 911,354
2	OTHER REVENUES	-	-	-	-	-
3	TOTAL OPERATING REVENUES	\$ 827,577	\$ 103,562	\$ 931,139	\$ (19,785)	\$ 911,354
<u>OPERATING EXPENSES:</u>						
2	PURCHASED WATER	\$ -	\$ -	\$ -	\$ -	\$ -
3	OTHER	6,728	573	7,301		7,301
4	PURCHASED POWER	83,755	6,867	90,622		90,622
5	PURCHASED GAS	-	-	-		-
6	OTHER	29,003	(2,448)	26,555		26,555
7	WATER TREATMENT	13,318	10,260	23,578		23,578
8	TRANSMISSION & DISTRIBUTION	89,698	(5,850)	83,848		83,848
9	CUSTOMER ACCOUNTS	84,928	397	85,325		85,325
10	SALES	428	(214)	214		214
11	ADMINISTRATIVE & GENERAL	104,590	(5,384)	99,206		99,206
12	DEPRECIATION & AMORTIZATION	129,495	(4,286)	125,209		125,209
13	PROPERTY TAXES	57,070	(4,917)	52,153		52,153
14	OTHER TAXES	9,895	2,403	12,298		12,298
JC - 1	INCOME TAXES	51,469	42,524	93,993	(7,203)	86,791
JC - 1	TOTAL OPERATING EXPENSES	\$ 660,377	\$ 39,925	\$ 700,302	\$ (7,203)	\$ 693,099
JC - 1	NET INCOME	\$ 167,200	\$ 63,638	\$ 230,837	\$ (12,582)	\$ 218,255
JC - 20						

REFERENCES:

COLUMN (A): CO. SCH. C-1, PG. 4  
COLUMN (B): SCH. TJC-9  
COLUMN (C): COLUMN (A) + COLUMN (B)  
COLUMN (D): SCH. TJC-1  
COLUMN (E): COLUMN (C) + COLUMN (D)

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 ORACLE SYSTEM - REVISED SCHEDULES  
 SUMMARY OF OPERATING ADJUSTMENTS

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-9

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) ADJ.#1	(C) ADJ.#2	(D) ADJ.#3	(E) ADJ.#4	(F) ADJ.#5	(G) ADJ.#6	(H) ADJ.#7	(I) ADJ.#8	(J) ADJ.#9	(K) ADJ.#10	(L) ADJ.#11	(M) RUCO ADJUSTED
<b>REVENUES - WATER:</b>														
1	REVENUE FROM WATER SALES	\$ 827,577	\$ 170,819	\$ (64,118)	\$ (824)	\$ (1,364)	\$ 4,001		\$ (4,951)					\$ 931,139
2	OTHER REVENUES													
3	TOTAL OPERATING REVENUES	\$ 827,577	\$ 170,819	\$ (64,118)	\$ (824)	\$ (1,364)	\$ 4,001		\$ (4,951)					\$ 931,139
<b>OPERATING EXPENSES:</b>														
2	PURCHASED WATER	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	OTHER	6,728	573											7,301
4	PURCHASED POWER	83,755	7,763	(1,462)		566								90,622
5	PURCHASED GAS													
6	OTHER	29,003	(2,448)											26,555
7	WATER TREATMENT	13,318	10,176			84								23,578
8	TRANSMISSION & DISTRIBUTION	89,698	(5,174)	(676)										83,848
9	CUSTOMER ACCOUNTS	84,928	397											85,325
10	SALES	428	(214)											214
11	ADMINISTRATIVE & GENERAL	104,590	(8,642)	(1,959)		346	4,871			(4,286)				99,206
12	DEPRECIATION & AMORTIZATION	129,495												125,209
13	PROPERTY TAXES	57,070									(4,917)			52,153
14	OTHER TAXES	9,895	64,562	(62,159)										12,298
TJC - 19	TOTAL OPERATING EXPENSES	\$ 660,377	\$ 66,993	\$ (64,118)	\$ -	\$ (2,138)	\$ 995	\$ 4,871	\$ -	\$ (4,286)	\$ (4,917)	\$ 42,524	\$ -	\$ 700,302
TJC - 20	NET INCOME	\$ 167,200	\$ 103,826	\$ -	\$ (824)	\$ 774	\$ 3,006	\$ (4,871)	\$ (4,951)	\$ 4,286	\$ 4,917	\$ (42,524)	\$ -	\$ 230,837

ADJUSTMENT #:  
 1. RECONCILE COMPANY PROPOSED OPERATING INCOME TO 2002 ACTUAL  
 2. REMOVE 2002 REGULATORY ASSESSMENT & SALES TAXES  
 3. ELIMINATE PPAM AND PWAM REVENUES  
 4. ELIMINATE UNBILLED REVENUES & EXPENSES  
 5. ANNUALIZE ADDITIONAL REVENUES & EXPENSES  
 6. AMORTIZATION OF RATE CASE EXPENSE

ADJUSTMENT #:  
 7. REMOVE MAP SURCHARGE REVENUES  
 8. DEPRECIATION & AMORTIZATION EXPENSE  
 9. PROPERTY TAX EXPENSE  
 10. INCOME TAX EXPENSE  
 11. NOT USED

ADJUSTMENT #:  
 RUCO D.R. NO. 1.10  
 RUCO D.R. NO. 1.10 & ACC STAFF D.R. NO. REL 19-1  
 RUCO D.R. NO. 7.1 & RUCO D.R. NO. 7.2  
 RUCO D.R. NO. 7.3  
 RUCO D.R. NO. 6.6  
 COMPANY SCHEDULE C-2, PAGE 7, TESTIMONY TJC

ADJUSTMENT #:  
 7. REMOVE MAP SURCHARGE REVENUES  
 8. DEPRECIATION & AMORTIZATION EXPENSE  
 9. PROPERTY TAX EXPENSE  
 10. INCOME TAX EXPENSE  
 11. NOT USED

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 ORACLE SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #1 - RECONCILE COMPANY  
 PROPOSED OPERATING INCOME TO 2002 ACTUAL

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-10  
 PAGE 1 OF 2

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) 2002 ACTUAL	(C) DIFFERENCE	(D) RUCO ADJUSTMENT
<u>REVENUES - WATER:</u>					
1	REVENUE FROM WATER SALES	\$ 827,577	\$ 998,395	\$ 827,577	\$ 170,819
2	OTHER REVENUES	0.00	0.00	0.00	0.00
3	TOTAL OPERATING REVENUES	\$ 827,577	\$ 998,395	\$ 827,577	\$ 170,819
<u>OPERATING EXPENSES:</u>					
4	PURCHASED WATER	\$ -	\$ -	\$ -	\$ -
5	OTHER	6,728	7,301	6,728	573
6	PURCHASED POWER	83,755	91,518	83,755	7,763
7	PURCHASED GAS	-	-	-	-
8	OTHER	29,003	26,555	29,003	(2,448)
9	WATER TREATMENT	13,318	23,494	13,318	10,176
10	TRANSMISSION & DISTRIBUTION	89,698	84,524	89,698	(5,174)
11	CUSTOMER ACCOUNTS	84,928	85,325	84,928	397
12	SALES	428	214	428	(214)
13	ADMINISTRATIVE & GENERAL	104,590	95,948	104,590	(8,642)
14	DEPRECIATION & AMORTIZATION	129,495	123,023	129,495	- (a)
15	PROPERTY TAXES	57,070	49,928	57,070	- (a)
> - 17					
16	OTHER TAXES	9,895	74,457	9,895	64,562
> - 18					
17	INCOME TAXES	51,469	89,066	51,469	- (a)
> - 19					
18	TOTAL OPERATING EXPENSES	\$ 660,377	\$ 751,353	\$ 660,377	\$ 66,993
> - 20					
19	NET INCOME	\$ 167,200	\$ 247,042	\$ 167,200	\$ 103,826

REFERENCES:

COLUMN (A): COMPANY SCHEDULE C-1 PAGE 4 OF 5  
 COLUMN (B): DATA REQUEST RUCO 1.10  
 COLUMN (C): COLUMN (B) - COLUMN (A)  
 COLUMN (D): COLUMN (C) LINES 1 THRU 13, LINES 16, 18 & 19

NOTE:

(a) SEPARATE PRO FORMA ADJUSTMENTS NOT INCLUDED IN RECONCILIATION

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 ORACLE SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #1 - RECONCILE COMPANY  
 PROPOSED OPERATING INCOME TO 2002 ACTUAL

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-10  
 PAGE 2 OF 2

LINE NO.	DESCRIPTION	(A) TEST YEAR ACTUAL	(B) 2002 ACTUAL	(C) DIFFERENCE
<u>REVENUES - WATER:</u>				
1	REVENUE FROM WATER SALES	\$ 862,383	\$ 998,395	\$ 136,012
2	OTHER REVENUES	0.00	0.00	0.00
3	TOTAL OPERATING REVENUES	\$ 862,383	\$ 998,395	\$ 136,012
<u>OPERATING EXPENSES:</u>				
4	PURCHASED WATER	\$ -	\$ -	\$ -
5	OTHER	6,656	7,301	645
6	PURCHASED POWER	87,807	91,518	3,711
7	PURCHASED GAS	-	-	-
8	OTHER	29,003	26,555	(2,448)
9	WATER TREATMENT	17,309	23,494	6,185
10	TRANSMISSION & DISTRIBUTION	79,930	84,524	4,594
11	CUSTOMER ACCOUNTS	83,391	85,325	1,934
12	SALES	428	214	(214)
13	ADMINISTRATIVE & GENERAL	90,154	95,948	5,794
14	DEPRECIATION & AMORTIZATION	116,913	123,023	6,110
15	PROPERTY TAXES	49,774	49,928	154
> - 17				
16	OTHER TAXES	63,130	74,457	11,327
> - 18				
17	INCOME TAXES	70,394	89,066	18,672
> - 19				
18	TOTAL OPERATING EXPENSES	694,889	751,353	56,464
> - 20				
19	NET INCOME	\$ 167,494	\$ 247,042	\$ 79,548

REFERENCES:

COLUMN (A): COMPANY SCHEDULE C-1 PAGE 4 OF 5  
 COLUMN (B): DATA REQUEST RUCO 1.10  
 COLUMN (C): COLUMN (B) - COLUMN (A)

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 ORACLE SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #5 - REVENUE ANNUALIZATION FOR 2002

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-11

LINE NO.	DESCRIPTION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
1	YEAR END CUSTOMERS - 2002	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410
2	2002 CUSTOMERS	1,403	1,401	1,406	1,398	1,403	1,403	1,403	1,407	1,409	1,402	1,406	1,410
3	INCREASE IN CUSTOMERS - 2002	7	9	4	12	7	7	7	3	1	8	4	-
4	AVERAGE REVENUE FOR THE MONTH	\$ 46.95	\$ 40.97	\$ 47.71	\$ 51.64	\$ 64.26	\$ 76.67	\$ 86.79	\$ 61.17	\$ 64.72	\$ 55.90	\$ 50.88	\$ 46.82
5	INCREASE IN REVENUES	\$ 329	\$ 369	\$ 191	\$ 620	\$ 450	\$ 537	\$ 608	\$ 184	\$ 65	\$ 447	\$ 204	\$ -
6	TOTAL INCREASE IN REVENUE	\$ 4,001											
7	INCREASE IN REVENUE PER COMPANY												
8	REVENUE ADJUSTMENT	4,001											
9	GALLONS SOLD PER AVERAGE CUSTOMER	5,669	4,865	5,753	6,335	8,510	10,516	12,162	7,850	8,440	7,005	6,336	5,332
10	INCREASE IN CUSTOMERS	7	9	4	12	7	7	7	3	1	8	4	0
11	INCREASE IN GALLONS	39,683	43,783	23,010	76,020	59,572	73,611	85,136	23,549	8,440	56,039	25,342	0
12	TOTAL INCREASE IN GALLONS	514,185											
13	PUMPING COST PER GALLON	0.0011											
14	INCREASE IN PUMPING COST	566											
15	WATER TREATMENT COSTS PER GALLON	0.000163											
16	INCREASE IN WATER TREATMENT COSTS	84											
17	TOTAL INCREASE IN BILLS	89											
18	MONTHLY ACCOUNTING COST PER BILL	5.01											
	INCREASE IN ACCOUNTING COST	346											

TJC - 17  
 TJC - 18  
 TJC - 19  
 TJC - 20  
 LINE #5 = LINE #3 MULTIPLIED BY LINE #4  
 LINE #6 = SUMMATION OF LINE #5  
 LINE #7 = NO REFERENCE  
 LINE #8 = LINE #6 MINUS LINE #7  
 LINE #9 = GALLONS SOLD, AWC's ANNUAL REPORT & MONTHLY CUSTOMERS, RUCO DR #6.6  
 LINE #10 = LINE #3  
 LINE #11 = LINE #9 MULTIPLIED BY LINE #10  
 LINE #12 = SUMMATION OF LINE #11  
 LINE #13 = CO. W/P C2-5, PAGE 3  
 LINE #14 = LINE #12 X LINE #13  
 LINE #15 = CO. W/P C2-5, PAGE 3  
 LINE #16 = LINE #12 MULTIPLIED BY LINE #15  
 LINE #17 = SUMMATION OF LINE #3  
 LINE #18 = CO. W/P C2-5, PAGE 4  
 LINE #19 = LINE #17 X LINE #18

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 ORACLE SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #8 - DEPRECIATION & AMORTIZATION EXPENSE

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-12

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	(A) ACTUAL TEST YEAR BALANCE PER COMPANY	(B) RUCO ADJUSTMENTS	(C) RUCO ADJUSTED BALANCE	(D) COMPOSITE DEPRECIATION RATE	(E) RUCO RECOMMENDED DEPRECIATION EXPENSE
1	301.0	INTANGIBLES: ORGANIZATION*	\$ -	\$ -	\$0	0.00%	\$ -
2	302.0	INTANGIBLES: FRANCHISES*	-	-	-	0.00%	-
3	303.0	INTANGIBLES: MISC.*	-	-	-	0.00%	-
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	54,555	-	54,555	0.00%	-
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	-	-	-	0.00%	-
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	15,943	-	15,943	0.00%	-
7	314.0	SOURCE OF SUPPLY: WELLS	244,509	1	244,510	2.59%	6,333
8	320.0	PUMPING PLANT: LAND*	2,742	-	2,742	0.00%	-
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	22,043	-	22,043	2.59%	571
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	723,785	1	723,786	2.59%	18,746
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	-	-	-	2.59%	-
12	330.0	WATER TREATMENT PLANT: LAND*	-	-	-	0.00%	-
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	35,054	-	35,054	2.59%	908
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	44,721	1	44,722	2.59%	1,158
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	19,680	-	19,680	0.00%	-
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	-	-	-	0.00%	-
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	-	-	-	2.59%	-
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	287,052	1	287,053	2.59%	7,435
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	2,712,853	-	2,712,853	2.59%	70,263
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	-	-	-	2.59%	-
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	407,077	-	407,077	2.59%	10,543
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	81,774	1	81,775	2.59%	2,118
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	102,497	-	102,497	2.59%	2,655
24	389.1	GENERAL PLANT: LAND - OFFICE*	-	-	-	0.00%	-
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	-	-	-	0.00%	-
26	389.3	GENERAL PLANT: LAND - MISC.*	-	-	-	0.00%	-
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	93	-	93	2.59%	2
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	27,277	1	27,278	2.59%	707
29	390.3	GENERAL PLANT: MISC. BUILDINGS	771	-	771	2.59%	20
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	-	-	-	2.59%	-
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	1,440	-	1,440	2.59%	37
32	391.2	GENERAL PLANT: OFFICE FURNITURE	-	-	-	2.59%	-
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	32	4,918	4,950	2.59%	128
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	12,557	(4,919)	7,638	2.59%	198
35	395.0	GENERAL PLANT: LAB EQUIPMENT	146	-	146	2.59%	4
36	396.0	GENERAL PLANT: POWER EQUIPMENT	-	-	-	2.59%	-
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	7,901	-	7,901	2.59%	205
38	397.1	GENERAL PLANT: MOBILE RADIOS	18,215	-	18,215	2.59%	472
39	397.2	GENERAL PLANT: AUTO CONTROLS	25,398	-	25,398	2.59%	658
40	398.0	GENERAL PLANT: MISC.	-	-	-	2.59%	-
41							
42		TEST YEAR TOTALS	\$ 4,848,115	\$ 5	\$ 4,848,120		\$ 123,160
43							
44		POST TEST YEAR ADDITIONS	330,907	(99,189)	231,718	2.59%	6,001
45							
46		GROSS DEPRECIABLE PHOENIX OFFICE AND METER SHOP ALLOCATION	104,078	13,234	117,312 **	2.59%	3,038
47							
48		2002 TOTALS	\$ 5,283,100	\$ (85,950)	\$ 5,197,150		\$ 132,200
49							
50		LESS:					
51		AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION @ 2.59% COMPOSITE RATE **					6,990
52							
53		TOTAL PRO FORMA DEPRECIATION & AMORTIZATION EXPENSE					\$ 125,209
54							
55		DEPRECIATION & AMORTIZATION EXPENSE PER COMPANY					\$ 129,495
56							
57		DEPRECIATION & AMORTIZATION EXPENSE ADJUSTMENT (LINE 53 - LINE 55)					\$ (4,286)

REFERENCES:

COLUMN (A): COMPANY SCHEDULE E-5 PAGE 3 OF 4 AND STAFF DATA REQUEST REL 1-24  
 COLUMN (B): COLUMN (C) - COLUMN (A)  
 COLUMN (C): RUCO SCHEDULE TJC-4 PAGE 7  
 COLUMN (D): COMPOSITE DEPRECIATION RATE OF 2.59%  
 COLUMN (E): COLUMN (C) x COLUMN (D)

NOTES:

\* NON-DEPRECIABLE PLANT ASSETS  
 \*\* NET OF \$184 IN NON-DEPRECIABLE LEASEHOLD IMPROVEMENTS (\$7,215 x 0.0256 ALLOCATION FACTOR FOR 2002 = \$184)  
 \*\*\* RUCO ADJUSTED CIAC BALANCE x COMPOSITE RATE = \$269,892 x 2.59% = \$6,990

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 ORACLE SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #9 - PROPERTY TAX EXPENSE

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-13

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	REVENUES - 2000	\$ 834,637	COMPANY SCH. C-2, W/P C2-19a
2	REVENUES - 2001	808,847	COMPANY SCH. C-2, W/P C2-19a
3	REVENUES - 2002	<u>934,278</u>	D. R. NO. REL 19-1
4	TOTAL	\$ 2,577,762	SUM LINES 1, 2, & 3
5	3 YEAR AVERAGE	859,254	LINE 4/3 YEARS
6	MULTIPLIER FOR REVENUES (2 X LAST 3 YRS. AVERAGE REVENUE)	<u>x 2</u>	ADOR VALUATION FACTOR
7	REVENUES FOR FULL CASH VALUE	1,718,508	LINE 5 X 2 (MULTIPLIER FOR REVENUES)
8	ADD: 10% OF CWIP BALANCE	19	COMPANY SCH. B-2, PG. 7; LINE 4 X 10%
9	LESS: LICENSED VEHICLES	<u>-</u>	STAFF DATA REQUEST REL 23-1
10	FULL CASH VALUE	1,718,527	LINE 7 + LINE 8 MINUS LINE 9
11	ASSESSMENT RATIO	<u>25%</u>	PER ADOR VALUATION METHOD
12	ASSESSED VALUE	429,632	LINE 10 X LINE 11
13	PROPERTY TAX RATE	<u>12.1389%</u>	PER TAX BILLS
14	PROPERTY TAXES PAYABLE PER RUCO	52,153	LINE 12 X LINE 13
15	PROPERTY TAXES PER COMPANY	<u>57,070</u>	COMPANY SCH. C-1, PG. 4
16	ADJUSTMENT	<u>(4,917)</u>	LINE 14 MINUS LINE 15

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 ORACLE SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #10 - INCOME TAXES

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-14

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
	<u>FEDERAL INCOME TAXES:</u>		
1	OPERATING INCOME BEFORE INCOME TAXES	\$ 324,831	SCH. TJC-9
	LESS:		
2	ARIZONA STATE TAX	18,065	LINE 11
3	INTEREST EXPENSE	<u>65,580</u>	NOTE (a)
4	FEDERAL TAXABLE INCOME	241,186	LINE 1 - LINES 2 & 3
5	FEDERAL INCOME TAX RATE	<u>31.48%</u>	TAX RATE
6	FEDERAL INCOME TAX EXPENSE	75,929	LINE 4 X LINE 5
	<u>STATE INCOME TAXES:</u>		
7	OPERATING INCOME BEFORE INCOME TAXES	324,831	LINE 1
	LESS:		
8	INTEREST EXPENSE	<u>65,580</u>	NOTE (A)
9	STATE TAXABLE INCOME	259,251	LINE 7 - LINE 8
10	STATE TAX RATE	<u>6.968%</u>	TAX RATE
11	STATE INCOME TAX EXPENSE	18,065	LINE 9 X LINE 10
12	TOTAL INCOME TAXES	93,993	LINE 6 + LINE 11
13	INCOME TAXES PER COMPANY	<u>51,469</u>	COMPANY SCH. C-1, PG. 2
14	ADJUSTMENT	<u>\$ 42,524</u>	LINE 12 - LINE 13

NOTE (a):

TJC - 1; INTEREST SYNCHRONIZATION

TJC - 1; ADJUSTED RATE BASE	\$ 2,513,634
WEIGHTED COST OF DEBT	<u>2.61%</u>
TJC - 1; INTEREST EXPENSE	\$ 65,580

TJC - 20

ARIZONA WATER COMPANY  
TEST YEAR ENDED DECEMBER 31, 2001  
ORACLE SYSTEM - REVISED SCHEDULES  
OPERATING ADJ. #11 - NOT USED FOR THIS SYSTEM

DOCKET NO. W-1445A-02-0619  
SCHEDULE TJC-15

LINE NO.	DESCRIPTION	(A) AMOUNT	(B) ADJUSTMENT	(C) ADJUSTED BALANCE	(D) CAPITAL RATIO	(E) COST	(F) WEIGHTED COST
1	SHORT-TERM DEBT	\$ 2,850,000	\$ 1,650,000	\$ 4,500,000	5.62%	4.00%	0.22%
2	LONG-TERM DEBT:	23,000,677	(400,677)	22,600,000	28.24%	8.44%	2.38%
3	COMMON EQUITY	49,442,738	3,473,716	52,916,454	66.13%	9.18%	6.07%
4	TOTAL	\$ 75,293,415	4,723,039	\$ 80,016,454	100.00%		8.68%

REFERENCES:  
 COLUMN (A): COMPANY SCH. D - 1  
 COLUMN (B): TESTIMONY, WAR  
 COLUMN (C): COLUMN (A) + COLUMN (B)  
 COLUMN (D): COLUMN (C) ÷ COLUMN (C), LINE 5  
 COLUMN (E): TESTIMONY, WAR  
 COLUMN (F): COLUMN (D) x COLUMN (E)

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 ORACLE SYSTEM - REVISED SCHEDULES  
 PROPOSED RATES

DOCKET NO. W-01445A-02-0619  
 SCHEDULE TJC-17

LINE NO.	DESCRIPTION	PRESENT RATES	COMPANY PROPOSED	RUCO PROPOSED
1	MONTHLY MINIMUM USAGE CHARGE:			
2				
3	<u>(RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS)</u>			
4	5/8 X 3/4 - INCH	\$ 15.54	\$ 20.05	\$ 13.22
5	1 - INCH	38.84	50.13	42.95
6	2 - INCH	103.58	146.97	131.35
7	3 - INCH	155.37	250.63	224.65
8	4 - INCH	207.16	384.36	334.76
9	6 - INCH	492.01	818.64	697.21
10	8 - INCH	621.48	1,203.00	1,215.70
11	10 - INCH	673.27	1,687.41	1,431.54
12				
13	GALLONS INCLUDED IN MONTHLY MINIMUM USAGE CHARGE:			
14				
15	RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS	1,000	0	0
16				
17	COMMODITY RATE (PER 100 GAL. OVER MINIMUM):	\$0.57490	\$ 0.62980	\$ 0.58470
18				
19	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM):	\$5.74900	\$ 6.29800	\$ 5.84700

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 ORACLE SYSTEM - REVISED SCHEDULES  
 MONTHLY MINIMUM CHARGES

DOCKET NO. W-01445A-02-0619  
 SCHEDULE TJC-18

LINE NO.	METER SIZE	(A) COMPANY PRESENT RATES	(B) COMPANY PROPOSED RATES	(C) COMPANY DOLLAR INCREASE	(D) COMPANY PERCENT. INCREASE	(E) RUCO PROPOSED RATES	(F) RUCO DOLLAR INCREASE	(G) RUCO PERCENT. INCREASE
1	5/8 X 3/4 - INCH	\$ 15.54	\$ 20.05	\$ 4.51	29.02%	\$ 13.22	\$ (2.32)	-14.93%
2	1 - INCH	38.84	50.13	11.29	29.07%	42.95	4.11	10.58%
3	2 - INCH	103.58	146.97	43.39	41.89%	131.35	27.77	26.81%
4	3 - INCH COMMERCIAL	155.37	250.63	95.26	61.31%	224.65	69.28	44.59%
5	4 - INCH COMMERCIAL	207.16	384.36	177.20	85.54%	334.76	127.60	61.59%
6	6 - INCH	492.01	818.64	326.63	66.39%	697.21	205.20	41.71%
7	8 - INCH	621.48	1,203.00	581.52	93.57%	1,215.70	594.22	95.61%
8	10 - INCH	673.27	1,687.41	1,014.14	150.63%	1,431.54	758.27	112.62%
9	GALLONS INCLUDED IN MONTHLY MINIMUM CHARGE	1,000	0			0		

REFERENCES

COLUMN (A) THRU COLUMN (D): COMPANY SCHEDULE H-3, PAGE 3 OF 4  
 COLUMN (E): TESTIMONY WAR  
 COLUMN (F): COLUMN (E) - COLUMN (A)  
 COLUMN (G): COLUMN (F) ÷ COLUMN (A)

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 ORACLE SYSTEM - REVISED SCHEDULES  
 BILLING ANALYSIS

DOCKET NO. W-01445A-02-0619  
 SCHEDULE TJC-19  
 PAGE 1 OF 4

PRESENT RATES

LINE NO.	CONSUMPTION IN GALLONS	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		5/8 - INCH	1 - INCH	2 - INCH	3 - INCH	4 - INCH	6 - INCH	8 - INCH	10 - INCH
1	0	\$ 15.54	\$ 38.84	\$ 103.58	\$ 155.37	\$ 207.16	\$ 492.01	\$ 621.48	\$ 673.27
2	1,000	15.54	38.84	103.58	155.37	207.16	492.01	621.48	673.27
3	2,000	21.29	44.59	109.33	161.12	212.91	497.76	627.23	679.02
4	3,000	27.04	50.34	115.08	166.87	218.66	503.51	632.98	684.77
5	4,000	32.79	56.09	120.83	172.62	224.41	509.26	638.73	690.52
6	5,000	38.54	61.84	126.58	178.37	230.16	515.01	644.48	696.27
7	6,000	44.29	67.59	132.33	184.12	235.91	520.76	650.23	702.02
8	7,000	50.03	73.33	138.07	189.86	241.65	526.50	655.97	707.76
9	8,000	55.78	79.08	143.82	195.61	247.40	532.25	661.72	713.51
10	9,000	61.53	84.83	149.57	201.36	253.15	538.00	667.47	719.26
11	10,000	67.28	90.58	155.32	207.11	258.90	543.75	673.22	725.01
12	15,000	96.03	119.33	184.07	235.86	287.65	572.50	701.97	753.76
13	20,000	124.77	148.07	212.81	264.60	316.39	601.24	730.71	782.50
14	25,000	153.52	176.82	241.56	293.35	345.14	629.99	759.46	811.25
15	50,000	297.24	320.54	385.28	437.07	488.86	773.71	903.18	954.97
16	75,000	440.97	464.27	529.01	580.80	632.59	917.44	1,046.91	1,098.70
17	100,000	584.69	607.99	672.73	724.52	776.31	1,061.16	1,190.63	1,242.42
18	125,000	728.42	751.72	816.46	868.25	920.04	1,204.89	1,334.36	1,386.15
19	150,000	872.14	895.44	960.18	1,011.97	1,063.76	1,348.61	1,478.08	1,529.87
20	175,000	1,015.87	1,039.17	1,103.91	1,155.70	1,207.49	1,492.34	1,621.81	1,673.60
21	200,000	1,159.59	1,182.89	1,247.63	1,299.42	1,351.21	1,636.06	1,765.53	1,817.32
22									
23	AVG. NO. OF CUST:	1,331	66	7	0	0	1	0	0
24									
25	AVG. USE (GAL.):	5,519	11,237	105,688	N/A	N/A	56,225	N/A	N/A
26	MONTHLY BILL:	\$ 41.52	\$ 97.70	\$ 705.43	N/A	N/A	\$ 809.50	N/A	N/A
27									
28	MEDIAN USE (GAL.):	4,515	6,009	60,000	N/A	N/A	50,000	N/A	N/A
29	MONTHLY BILL:	\$ 35.75	\$ 67.64	\$ 442.77	N/A	N/A	\$ 773.71	N/A	N/A

RUCO PROPOSED RATES

LINE NO.	CONSUMPTION IN GALLONS	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		5/8 - INCH	1 - INCH	2 - INCH	3 - INCH	4 - INCH	6 - INCH	8 - INCH	10 - INCH
1	0	\$ 13.22	\$ 42.95	\$ 131.35	\$ 224.65	\$ 334.76	\$ 697.21	\$ 1,215.70	\$ 1,431.54
2	1,000	19.07	48.80	137.20	230.50	340.61	703.06	1,221.55	1,437.39
3	2,000	24.91	54.64	143.04	236.34	346.45	708.90	1,227.39	1,443.23
4	3,000	30.76	60.49	148.89	242.19	352.30	714.75	1,233.24	1,449.08
5	4,000	36.61	66.34	154.74	248.04	358.15	720.60	1,239.09	1,454.93
6	5,000	42.46	72.19	160.59	253.89	364.00	726.45	1,244.94	1,460.78
7	6,000	48.30	78.03	166.43	259.73	369.84	732.29	1,250.78	1,466.62
8	7,000	54.15	83.88	172.28	265.58	375.69	738.14	1,256.63	1,472.47
9	8,000	60.00	89.73	178.13	271.43	381.54	743.99	1,262.48	1,478.32
10	9,000	65.84	95.57	183.97	277.27	387.38	749.83	1,268.32	1,484.16
11	10,000	71.69	101.42	189.82	283.12	393.23	755.68	1,274.17	1,490.01
12	15,000	100.93	130.66	219.06	312.36	422.47	784.92	1,303.41	1,519.25
13	20,000	130.16	159.89	248.29	341.59	451.70	814.15	1,332.64	1,548.48
14	25,000	159.40	189.13	277.53	370.83	480.94	843.39	1,361.88	1,577.72
15	50,000	305.57	335.30	423.70	517.00	627.11	989.56	1,508.05	1,723.89
16	75,000	451.75	481.48	569.88	663.18	773.29	1,135.74	1,654.23	1,870.07
17	100,000	597.92	627.65	716.05	809.35	919.46	1,281.91	1,800.40	2,016.24
18	125,000	744.10	773.83	862.23	955.53	1,065.64	1,428.09	1,946.58	2,162.42
19	150,000	890.27	920.00	1,008.40	1,101.70	1,211.81	1,574.26	2,092.75	2,308.59
20	175,000	1,036.45	1,066.18	1,154.58	1,247.88	1,357.99	1,720.44	2,238.93	2,454.77
21	200,000	1,182.62	1,212.35	1,300.75	1,394.05	1,504.16	1,866.61	2,385.10	2,600.94
22									
23	AVG. NO. OF CUST:	1,331	66	7	0	0	1	0	0
24									
25	AVG. USE (GAL.):	5,519	11,237	105,688	N/A	N/A	56,225	N/A	N/A
26	MONTHLY BILL:	\$ 45.49	\$ 108.66	\$ 749.31	N/A	N/A	\$ 1,025.96	N/A	N/A
27									
28	MEDIAN USE (GAL.):	4,515	6,009	60,000	N/A	N/A	50,000	N/A	N/A
29	MONTHLY BILL:	\$ 39.62	\$ 78.08	\$ 482.17	N/A	N/A	\$ 989.56	N/A	N/A

RUCO PROPOSED CHANGES EXPRESSED IN DOLLARS

LINE NO.	CONSUMPTION IN GALLONS	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		5/8 - INCH	1 - INCH	2 - INCH	3 - INCH	4 - INCH	6 - INCH	8 - INCH	10 - INCH
1	0	\$ (2.32)	\$ 4.11	\$ 27.77	\$ 69.28	\$ 127.60	\$ 205.20	\$ 594.22	\$ 758.27
2	1,000	3.53	9.96	33.62	75.13	133.45	211.05	600.07	764.12
3	2,000	3.63	10.06	33.72	75.23	133.55	211.15	600.17	764.22
4	3,000	3.72	10.15	33.81	75.32	133.64	211.24	600.26	764.31
5	4,000	3.82	10.25	33.91	75.42	133.74	211.34	600.36	764.41
6	5,000	3.92	10.35	34.01	75.52	133.84	211.44	600.46	764.51
7	6,000	4.02	10.45	34.11	75.62	133.94	211.54	600.56	764.61
8	7,000	4.11	10.55	34.21	75.72	134.04	211.64	600.66	764.71
9	8,000	4.21	10.64	34.30	75.81	134.13	211.73	600.75	764.80
10	9,000	4.31	10.74	34.40	75.91	134.23	211.83	600.85	764.90
11	10,000	4.41	10.84	34.50	76.01	134.33	211.93	600.95	765.00
12	15,000	4.90	11.33	34.99	76.50	134.82	212.42	601.44	765.49
13	20,000	5.39	11.82	35.48	76.99	135.31	212.91	601.93	765.98
14	25,000	5.88	12.31	35.97	77.48	135.80	213.40	602.42	766.47
15	50,000	8.33	14.76	38.42	79.93	138.25	215.85	604.87	768.92
16	75,000	10.78	17.21	40.87	82.38	140.70	218.30	607.32	771.37
17	100,000	13.23	19.66	43.32	84.83	143.15	220.75	609.77	773.82
18	125,000	15.68	22.11	45.77	87.28	145.60	223.20	612.22	776.27
19	150,000	18.13	24.56	48.22	89.73	148.05	225.65	614.67	778.72
20	175,000	20.58	27.01	50.67	92.18	150.50	228.10	617.12	781.17
21	200,000	23.03	29.46	53.12	94.63	152.95	230.55	619.57	783.62
22									
23	AVG. NO. OF CUST:	1,331	66	7	0	0	1	0	0
24									
25	AVG. USE (GAL.):	5,519	11,237	105,688	N/A	N/A	56,225	N/A	N/A
26	MONTHLY BILL:	\$ 3.97	\$ 10.96	\$ 43.88	N/A	N/A	\$ 216.46	N/A	N/A
27									
28	MEDIAN USE (GAL.):	4,515	6,009	60,000	N/A	N/A	50,000	N/A	N/A
29	MONTHLY BILL:	\$ 3.87	\$ 10.45	\$ 39.40	N/A	N/A	\$ 215.85	N/A	N/A

RUCO PROPOSED CHANGES EXPRESSED AS A PERCENTAGE

LINE NO.	CONSUMPTION IN GALLONS	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		5/8 - INCH	1 - INCH	2 - INCH	3 - INCH	4 - INCH	6 - INCH	8 - INCH	10 - INCH
1	0	-14.9%	10.6%	26.8%	44.6%	61.6%	41.7%	95.6%	112.6%
2	1,000	22.7%	25.6%	32.5%	48.4%	64.4%	42.9%	96.6%	113.5%
3	2,000	17.0%	22.6%	30.8%	46.7%	62.7%	42.4%	95.7%	112.5%
4	3,000	13.8%	20.2%	29.4%	45.1%	61.1%	42.0%	94.8%	111.6%
5	4,000	11.7%	18.3%	28.1%	43.7%	59.6%	41.5%	94.0%	110.7%
6	5,000	10.2%	16.7%	26.9%	42.3%	58.2%	41.1%	93.2%	109.8%
7	6,000	9.1%	15.5%	25.8%	41.1%	56.8%	40.6%	92.4%	108.9%
8	7,000	8.2%	14.4%	24.8%	39.9%	55.5%	40.2%	91.6%	108.0%
9	8,000	7.6%	13.5%	23.9%	38.8%	54.2%	39.8%	90.8%	107.2%
10	9,000	7.0%	12.7%	23.0%	37.7%	53.0%	39.4%	90.0%	106.3%
11	10,000	6.6%	12.0%	22.2%	36.7%	51.9%	39.0%	89.3%	105.5%
12	15,000	5.1%	9.5%	19.0%	32.4%	46.9%	37.1%	85.7%	101.6%
13	20,000	4.3%	8.0%	16.7%	29.1%	42.8%	35.4%	82.4%	97.9%
14	25,000	3.8%	7.0%	14.9%	26.4%	39.3%	33.9%	79.3%	94.5%
15	50,000	2.8%	4.6%	10.0%	18.3%	28.3%	27.9%	67.0%	80.5%
16	75,000	2.4%	3.7%	7.7%	14.2%	22.2%	23.8%	58.0%	70.2%
17	100,000	2.3%	3.2%	6.4%	11.7%	18.4%	20.8%	51.2%	62.3%
18	125,000	2.2%	2.9%	5.6%	10.1%	15.8%	18.5%	45.9%	56.0%
19	150,000	2.1%	2.7%	5.0%	8.9%	13.9%	16.7%	41.6%	50.9%
20	175,000	2.0%	2.6%	4.6%	8.0%	12.5%	15.3%	38.1%	46.7%
21	200,000	2.0%	2.5%	4.3%	7.3%	11.3%	14.1%	35.1%	43.1%
22									
23	AVG. NO. OF CUST:	1,331	66	7	0	0	1	0	0
24									
25	AVG. USE (GAL.):	5,519	11,237	105,688	N/A	N/A	56,225	N/A	N/A
26	MONTHLY BILL:	9.6%	11.2%	6.2%	N/A	N/A	26.7%	N/A	N/A
27									
28	MEDIAN USE (GAL.):	4,515	6,009	60,000	N/A	N/A	50,000	N/A	N/A
29	MONTHLY BILL:	10.8%	15.4%	8.9%	N/A	N/A	27.9%	N/A	N/A

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 ORACLE SYSTEM - REVISED SCHEDULES  
 REVENUE SUMMARY BY METER SIZE AND CUSTOMER CLASS

DOCKET NO. W-01445A-02-061  
 SCHEDULE TJC-20

LINE NO.	DESCRIPTION	(A) RUCO PROPOSED MINIMUM REVENUE	(B) RUCO PROPOSED COMMODITY REVENUE	(C) RUCO PROPOSED TOTAL REVENUE
1	5/8 X 3/4 - INCH	\$ 211,150	\$ 515,398	\$ 726,548
2	1 - INCH	34,145	52,236	86,381
3	2 - INCH	11,033	51,908	62,942
4	3 - INCH	0	0	0
5	4 - INCH	0	0	0
6	6 - INCH	8,367	3,945	12,311
7	8 - INCH	0	0	0
13	10 - INCH	0	0	0
14				
15	TOTALS	<u>\$ 264,695</u>	<u>\$ 623,488</u>	<u>\$ 888,183 (a)</u>
16				
17	PERCENTAGE OF TOTAL REVENUE	30.00%	70.00%	100.00%

NOTE (a):

RUCO REQUIRED REVENUE		\$ 911,354
LESS:		
FIRE SPRINKLER REVENUE	\$ 60	
FIRE HYDRANT REVENUE	-	
MISCELLANEOUS REVENUE	19,334	
RENT - WATER PROPERTY REVENUE	-	
OTHER WATER REVENUE	<u>3,777</u>	
TOTAL		<u>\$ 23,171</u>

REVENUE TO BE GENERATED FROM WATER SALES \$ 888,183

REFERENCE:

NOTE (a) 2002 REVENUE INFORMATION OBTAINED FROM RUCO D.R. NO. 1.10



**ARIZONA WATER COMPANY  
SAN MANUEL SYSTEM - REVISED SCHEDULES  
DOCKET NO. W-1445A-02-0619  
TABLE OF CONTENTS TO SCHEDULES TJC**

SCHEDULE #

TJC - 1	REVENUE REQUIREMENTS
TJC - 2	RATE BASE - ORIGINAL COST
TJC - 3	SUMMARY OF RATE BASE ADJUSTMENTS
TJC - 4	RATE BASE ADJUSTMENTS #1, #2 & #3 - PLANT IN SERVICE/POST TEST YEAR PLANT, PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION
TJC - 5	RATE BASE ADJ. #4 - RECONCILE TEST YEAR ALLOCATED PHOENIX OFFICE & METER SHOP AND ACCUMULATED DEPRECIATION BALANCES
TJC - 6	RATE BASE ADJ. #5 - REMOVE CWIP FROM PHOENIX OFFICE ALLOCATION
TJC - 7	RATE BASE ADJUSTMENT #9 - WORKING CAPITAL
TJC - 8	OPERATING INCOME - TEST YEAR AND RUCO PROPOSED
TJC - 9	SUMMARY OF OPERATING ADJUSTMENTS
TJC - 10	OPERATING ADJ. #1 - RECONCILE COMPANY PROPOSED OPERATING INCOME TO 2002 ACTUAL
TJC - 11	OPERATING ADJ. #5 - REVENUE ANNUALIZATION FOR 2002
TJC - 12	OPERATING ADJ. #8 - DEPRECIATION & AMORTIZATION EXPENSE
TJC - 13	OPERATING ADJ. #9 - PROPERTY TAX EXPENSE
TJC - 14	OPERATING ADJ. #10 - INCOME TAXES
TJC - 15	OPERATING ADJ. #11 - SAN MANUEL PURCHASED WATER EXPENSE
TJC - 16	COST OF CAPITAL
TJC - 17	PROPOSED RATES
TJC - 18	MONTHLY MINIMUM CHARGES
TJC - 19	BILLING ANALYSIS
TJC - 20	REVENUE SUMMARY BY METER SIZE AND CUSTOMER CLASS

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SAN MANUEL SYSTEM - REVISED SCHEDULES  
 REVENUE REQUIREMENTS

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-1  
 PAGE 1 OF 2

LINE NO.	DESCRIPTION	(A) COMPANY REQUESTED	(B) RUCO RECOMMENDED
1	ADJUSTED RATE BASE	\$ 793,993	\$ 746,994
2	ADJUSTED OPERATING INCOME	(186,410)	(196,714)
3	CURRENT RATE OF RETURN (L2 / L1)	-23.48%	-26.33%
4	REQUIRED RATE OF RETURN	11.00%	8.68%
5	REQUIRED OPERATING INCOME (L4 * L1)	87,339	64,860
6	OPERATING INCOME DEFICIENCY (L5 - L2)	273,749	261,574
7	GROSS REVENUE CONVERSION FACTOR	<u>1.63241</u>	<u>1.28036</u>
8	GROSS REVENUE INCREASE	<u>\$ 446,870</u>	<u>\$ 334,908</u>
9	CURRENT REVENUES T/Y ADJUSTED	474,250	509,760
10	PROPOSED ANNUAL REVENUE (L8 + L9)	921,120	844,668
11	PERCENTAGE AVERAGE INCREASE	94.23%	65.70%

REFERENCES:

COLUMN (A): COMPANY SCHEDULE A-1  
 COLUMN (B): SCHEDULE TJC-1, PG. 2, TJC-2, AND TJC-8

TJC - 17

TJC - 18

TJC - 19

TJC - 20

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SAN MANUEL SYSTEM - REVISED SCHEDULES  
 GROSS REVENUE CONVERSION FACTOR

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-1  
 PAGE 2 OF 2

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	REVENUE	1.0000	
2	UNCOLLECTIBLES	<u>0.002316</u>	COMPANY SCH. C-3
3	SUB-TOTAL	0.9977	LINE 1 - LINE 2
4	LESS: TAX RATE	<u>21.67%</u>	NOTE (a)
5	TOTAL	0.7810	LINE 3 - LINE 4
6	REVENUE CONVERSION FACTOR	<span style="border: 1px solid black; padding: 2px;">1.28036</span>	LINE 1/LINE 5

NOTE (a):  
 CALCULATION OF EFFECTIVE TAX RATE

OPERATING INCOME BEFORE TAXES	100.00%
ARIZONA STATE TAX	<u>6.97%</u>
TAXABLE INCOME FEDERAL	93.03%
FEDERAL INCOME TAX RATE	<u>15.85%</u>
SUBTOTAL	14.75%
ADD STATE TAX RATE	21.72%
LINE 3 ABOVE	<u>99.77%</u>
EFFECTIVE TAX RATE	21.67%

TJC - 17

TJC - 18

TJC - 19

TJC - 20

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SAN MANUEL SYSTEM - REVISED SCHEDULES  
 RATE BASE - ORIGINAL COST

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-2

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO ADJUSTMENTS	(C) RUCO AS ADJUSTED
1	PLANT IN SERVICE/POST-TEST YEAR ADDITIONS	\$ 1,554,600	\$ (42,467)	\$ 1,512,133
2	PHOENIX OFFICE & METER SHOP ALLOCATION	80,704	18,717	99,421
3	ACCUMULATED DEPRECIATION	<u>(736,074)</u>	<u>16,092</u>	<u>(719,982)</u>
4	NET PLANT IN SERVICE	\$ 899,230	\$ (7,658)	\$ 891,572
5	CONSTRUCTION WORK IN PROGRESS (CWIP)	<u>-</u>	<u>-</u>	<u>-</u>
6	TOTAL NET PLANT	\$ 899,230	\$ (7,658)	\$ 891,572
7	ADVANCES IN AID OF CONSTRUCTION (AIAC)	(23,194)	-	(23,194)
8	CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	(20,375)	-	(20,375)
9	ACCUMULATED AMORTIZATION OF CIAC	2,990	528	3,518
10	DEFERRED INCOME TAXES	(93,372)	(17,534)	(110,906)
11	WORKING CAPITAL	<u>28,714</u>	<u>(22,334)</u>	<u>6,380</u>
12	TOTAL RATE BASE	<u>\$ 793,993</u>	<u>\$ (46,999)</u>	<u>\$ 746,994</u>

REFERENCES:

COLUMN (A): COMPANY SCHEDULE B-1  
 COLUMN (B): SCHEDULE TJC-3  
 COLUMN (C): COLUMN (A) + COLUMN (B)

TJC - 17

TJC - 18

TJC - 19

TJC - 20

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SAN MANUEL SYSTEM - REVISED SCHEDULES  
 SUMMARY OF RATE BASE ADJUSTMENTS

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-3

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) ADJ.#1	(C) ADJ.#2	(D) ADJ.#3	(E) ADJ.#4	(F) ADJ.#5	(G) ADJ.#6	(H) ADJ.#7	(I) ADJ.#8	(J) ADJ.#9	(K) ADJ.#10	(L) ADJ.#11	(M) RUCO ADJUSTED
1	PLANT IN SERVICE/POST-TEST YEAR ADDITIONS	\$ 1,554,800	(\$42,467)	10,955	26,651	10,559	(2,797)							\$ 1,512,133
2	PHOENIX OFFICE & METER SHOP ALLOCATION	80,704												98,421
3	ACCUMULATED DEPRECIATION	(736,074)			26,651	(10,559)								(719,982)
4	NET PLANT IN SERVICE	\$ 898,230	\$ (42,467)	\$ 10,955	\$ 26,651	\$ (2,797)	\$ (2,797)							\$ 891,572
5	CONSTRUCTION WORK IN PROGRESS (CWIP)													
6	TOTAL NET PLANT	\$ 898,230	\$ (42,467)	\$ 10,955	\$ 26,651	\$ (2,797)	\$ (2,797)							\$ 891,572
7	ADVANCES IN AID OF CONSTRUCTION (AIAC)	(23,194)												(23,194)
8	CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	(20,375)												(20,375)
9	ACCUMULATED AMORTIZATION OF CIAC	2,990							528					3,518
10	DEFERRED INCOME TAXES	(63,372)												(110,908)
11	WORKING CAPITAL	28,714								(17,594)				6,380
12	TOTAL RATE BASE	\$ 793,993	\$ (42,467)	\$ 10,955	\$ 26,651	\$ (2,797)	\$ (2,797)		\$ 528	\$ (17,534)	\$ (22,334)			\$ 746,994

ADJUSTMENT #:  
 1. PLANT IN SERVICE/POST-TEST YEAR ADDITIONS  
 2. PHOENIX OFFICE & METER SHOP ALLOCATION  
 3. ACCUMULATED DEPRECIATION  
 4. RECONCILE PHX OFFICE & METER SHOP AND ACCUM. DEPR.  
 5. REMOVE CWIP FROM PHOENIX OFFICE ALLOCATION

ADJUSTMENT #:  
 7. CIAC - 2002 BAL. & AMORTIZATION  
 8. ACCUMULATED DEFERRED INCOME TAXES  
 9. WORKING CAPITAL  
 10. NOT USED  
 11. NOT USED

REFERENCE:  
 RUCO D.R. NO. 6.3, TESTIMONY - TJC  
 RUCO D.R. NO. 6.3  
 SCHEDULE TJC-7, PAGE 3  
 N/A  
 N/A

NOTES:  
 (a) NET OF ACCUMULATED DEPRECIATION  
 (b) GROSS PHOENIX OFFICE AND METER SHOP ADDITIONS ALLOCATED DURING 2002  
 (c) INCLUDES ACCUMULATED DEPRECIATION ON 2002 PHOENIX OFFICE AND METER SHOP ADDITIONS

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1990 PLANT VALUE PER COMPANY	1990 ACCUM. DEPR. PER COMPANY	1990 NET PLANT PER PRIOR ACC. PER COMPANY	1991 ADDITIONS PER COMPANY	1991 (RETIREMENTS) PER COMPANY	1991 YEAR END PLANT VALUE PER RUCCO	1991 DEPRECIATION EXPENSE PER RUCCO	1991 ACCUMULATED DEPRECIATION PER RUCCO	1991 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	0	0	0	0	0	0	0
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	0	0	0	0	0	0	0
8	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	457	216	241	0	0	457	11	228	229
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	1,990	943	1,047	0	0	1,990	48	991	999
11	326.0	WATER TREATMENT PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	920	1,022	0	0	1,942	47	967	975
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	7,483	3,544	3,939	252	0	7,735	184	3,728	4,007
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	82,187	38,928	43,259	0	0	82,187	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	441,782	209,249	232,533	9,308	0	451,090	1,989	40,917	41,270
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	84,956	40,239	44,717	13,475	(303)	98,128	2,215	220,053	231,037
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	102,307	48,457	53,850	8,414	(4,186)	106,535	2,527	42,152	55,976
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	49,065	23,240	25,825	2,457	0	51,522	1,217	46,796	59,737
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0
24	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	3,175	1,504	1,671	0	0	3,175	77	1,581	1,594
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	3,296	1,562	1,736	0	0	3,296	80	1,642	1,656
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	0	0	0
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	11,912	5,642	6,270	0	0	11,912	288	5,930	5,982
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	16,568	7,847	8,721	54	0	16,622	402	8,249	8,373
32	391.2	GENERAL PLANT: OFFICE FURNITURE	9,214	4,364	4,850	306	0	9,520	227	4,591	4,929
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	21	10	11	0	0	21	1	10	11
JC - 17	394.0	GENERAL PLANT: GARAGE EQUIPMENT	35,533	16,830	18,703	1,666	0	37,199	880	17,770	19,489
JC - 18	395.0	GENERAL PLANT: LAB EQUIPMENT	2,599	1,231	1,368	0	0	2,599	63	1,294	1,305
JC - 19	397.0	GENERAL PLANT: POWER EQUIPMENT	2,695	1,276	1,419	0	0	2,695	65	1,342	1,353
JC - 19	397.1	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	14,647	6,938	7,709	0	(1,528)	13,119	336	5,745	7,374
JC - 19	397.2	GENERAL PLANT: MOBILE RADIOS	5,857	2,774	3,083	0	0	5,857	161	2,935	2,935
JC - 20	398.0	GENERAL PLANT: AUTO CONTROLS	13,813	6,542	7,271	1,555	0	15,923	437	6,979	15,296
###		TOTALS	\$396,569	\$424,658	\$471,911	\$45,949	(\$6,017)	\$936,501	\$22,160	\$440,821	\$495,680

REFERENCE:  
 ACC STAFF D.R. NO. REL. 1-24

NOTE:  
 \*NON-DEPRECIABLE PLANT

LINE NO.	ACCT NO.	PLANT ACCOUNT NAME	1992 ADDITIONS PER COMPANY	1992 (RETIREMENTS) PER COMPANY	1992 YEAR END PLANT VALUE PER RUCCO	1992 DEPRECIATION EXPENSE PER RUCCO	1992 ACCUMULATED DEPRECIATION PER RUCCO	1992 YEAR END NET PLANT PER RUCCO	1993 ADDITIONS PER COMPANY	1993 (RETIREMENTS) PER COMPANY	1993 YEAR END PLANT VALUE PER RUCCO	1993 DEPRECIATION EXPENSE PER RUCCO	1993 ACCUMULATED DEPRECIATION PER RUCCO	1993 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES- ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES- FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES- MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY- LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY- LAND - RESERVOIRS*	0	0	0	0	0	249	0	0	249	0	0	249
6	310.3	SOURCE OF SUPPLY- LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
7	314.0	SOURCE OF SUPPLY- WELLS	0	0	0	0	0	0	0	0	0	0	0	0
8	320.0	PUMPING PLANT- LAND*	0	0	0	0	0	0	0	0	0	0	0	0
9	320.0	PUMPING PLANT- STRUCTURES & IMPROVEMENTS	0	0	457	11	239	216	0	0	457	0	0	207
10	325.0	PUMPING PLANT- ELECTRICAL EQUIPMENT	0	0	3,081	61	1,052	2,029	0	0	3,081	12	250	207
11	326.0	PUMPING PLANT- GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	80	1,132	1,949
12	330.0	WATER TREATMENT PLANT- LAND*	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT- STRUCTURES & IMPROVEMENTS	0	0	1,942	47	1,014	928	0	0	1,942	0	0	0
14	332.0	WATER TREATMENT PLANT- EQUIPMENT	0	0	7,735	187	3,916	3,819	0	0	7,735	200	1,064	878
15	340.0	TRANSMISSION & DISTRIBUTION- LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION- STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
17	340.2	TRANSMISSION & DISTRIBUTION- STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
18	340.3	TRANSMISSION & DISTRIBUTION- FIRE SPRINKLERS	0	0	82,187	1,989	42,906	39,281	0	0	82,187	2,129	45,024	37,153
19	343.0	TRANSMISSION & DISTRIBUTION- MAINS	0	0	451,230	10,918	230,971	220,259	0	0	451,230	12,350	243,321	207,909
20	344.0	TRANSMISSION & DISTRIBUTION- SERVICES	0	0	0	0	0	0	0	0	0	0	0	0
21	345.0	TRANSMISSION & DISTRIBUTION- MISC.	0	0	0	0	0	0	0	0	0	0	0	0
22	346.0	TRANSMISSION & DISTRIBUTION- MISC.	3,101	(496)	100,733	2,406	44,062	56,671	(802)	(802)	142,380	3,148	43,581	98,799
23	348.0	TRANSMISSION & DISTRIBUTION- MISC.	3,363	(1,853)	108,045	2,596	47,542	60,503	4,017	(1,858)	110,184	2,826	48,500	61,684
24	389.1	GENERAL PLANT- LAND - OFFICE*	0	0	51,522	1,247	25,703	25,819	0	0	51,522	1,334	27,038	24,484
25	389.2	GENERAL PLANT- LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT- LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT- OFFICE BUILDINGS	2,660	0	5,835	109	1,690	4,145	0	0	5,835	151	1,841	3,994
28	390.2	GENERAL PLANT- WAREHOUSE BUILDINGS	0	0	3,296	80	1,722	1,576	0	0	3,296	85	1,807	1,491
29	390.3	GENERAL PLANT- MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
30	391.0	GENERAL PLANT- OFFICE EQUIPMENT	0	0	11,912	28	6218	5,694	0	0	11,912	309	6,527	5,385
31	391.1	GENERAL PLANT- ELECTRICAL EQUIPMENT	283	0	16,905	408	8,655	8,250	0	0	16,905	474	9,129	10,573
32	391.2	GENERAL PLANT- OFFICE FURNITURE	0	0	9,520	230	4,821	4,699	113	0	9,633	248	5,069	4,564
33	393.0	GENERAL PLANT- WAREHOUSE EQUIPMENT	0	0	21	1	18,604	23,282	0	0	21	1	12	9
JC - 17	384.0	GENERAL PLANT- GARAGE EQUIPMENT	4,750	(63)	41,866	957	18,604	23,282	1,341	0	43,227	1,102	19,706	23,521
JC - 18	395.0	GENERAL PLANT- LAB EQUIPMENT	0	0	2,559	63	1,357	1,286	0	0	2,559	68	1,425	1,217
JC - 19	397.0	GENERAL PLANT- POWER EQUIPMENT	0	0	2,695	65	1,407	1,286	43	0	2,642	70	1,477	1,218
JC - 19	397.1	GENERAL PLANT- COMMUNICATIONS EQUIPMENT	0	0	13,119	317	6,063	7,056	0	0	13,119	340	6,403	6,716
JC - 19	397.2	GENERAL PLANT- MOBILE RADIOS	709	0	8,121	188	3,123	4,998	36	0	8,158	211	3,333	4,823
JC - 20	398.0	GENERAL PLANT- AUTO CONTROLS	71	0	22,346	540	7,519	14,827	2,948	0	29,294	617	8,136	17,158
###		TOTALS	\$16,168	0	\$950,257	\$22,830	\$461,239	\$489,018	\$108,017	(\$6,290)	\$1,051,925	\$25,926	\$460,865	\$571,109

REFERENCE:  
 ACC STAFF D.R. NO. REL 1.24

NOTE:  
 \*NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1994 ADDITIONS PER COMPANY	1994 (RETIREMENTS) PER COMPANY	1994 YEAR END PLANT VALUE PER RUCCO	1994 DEPRECIATION EXPENSE PER RUCCO	1994 ACCUMULATED DEPRECIATION PER RUCCO	1994 YEAR END NET PLANT PER RUCCO	1995 ADDITIONS PER COMPANY	1995 (RETIREMENTS) PER COMPANY	1995 YEAR END PLANT VALUE PER RUCCO	1995 DEPRECIATION EXPENSE PER RUCCO	1995 ACCUMULATED DEPRECIATION PER RUCCO	1995 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	68	0	315	0	0	315	240	0	555	0	0	555
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
7	314.0	SOURCE OF SUPPLY: LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
8	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	457	12	282	195	0	0	457	12	274	183
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	3,081	80	1,212	1,869	0	0	3,081	80	1,291	1,790
11	328.0	WATER TREATMENT PLANT: LAND	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	1,942	50	1,114	828	0	0	1,942	50	1,165	777
13	332.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	7,735	200	4,316	3,419	0	0	7,735	200	4,517	3,218
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
15	340.0	TRANSMISSION & DISTRIBUTION: LAND, TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
16	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	4,667	0	86,014	2,178	46,372	39,642	0	0	86,014	2,229	48,600	37,414
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	(552)	0	501,876	13,008	256,327	245,549	250	0	502,126	13,002	269,328	232,798
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	(802)	(21)	(833)	31	0	0	(802)	(21)	(821)	52
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	3,184	0	144,445	3,714	46,176	98,269	5,147	0	149,592	3,808	49,984	99,608
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	3,614	(1,119)	113,662	2,899	51,253	82,409	10,658	(7,480)	117,036	2,968	46,761	70,277
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	51,522	1,334	28,372	23,150	0	0	51,522	1,334	29,707	21,815
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
24	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	389.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	5,825	150	1,892	1,460	0	0	5,825	151	2,143	3,682
27	389.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	3,298	85	1,822	1,460	0	0	3,298	85	1,978	1,320
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	11,912	309	6,836	5,076	0	0	11,912	309	7,144	4,768
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	709	0	20,411	519	9,648	10,763	16,288	0	36,699	740	10,384	26,315
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	9,633	249	5,319	4,314	0	0	9,633	249	5,568	4,065
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	21	1	12	9	0	0	21	1	13	8
JC - 17	394.0	GENERAL PLANT: GARAGE EQUIPMENT	2,460	0	45,687	1,151	20,858	24,829	13,079	0	58,766	1,353	22,210	36,556
JC - 18	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	2,642	68	1,483	1,149	0	0	2,642	68	1,562	1,080
JC - 19	397.0	GENERAL PLANT: POWER EQUIPMENT	0	0	1,695	70	1,547	1,148	0	0	1,695	70	1,616	1,079
JC - 19	397.1	GENERAL PLANT: POWER EQUIPMENT	0	0	13,119	340	6,743	6,376	0	0	13,119	340	7,082	6,037
JC - 19	397.2	GENERAL PLANT: MOBILE RADIOS	70	0	2,326	52	876	4,686	1,718	0	9,951	235	3,781	6,170
JC - 20	398.0	GENERAL PLANT: AUTO CONTROLS	0	0	25,284	655	8,709	16,575	0	0	25,284	655	9,446	15,848
JC - 20	398.0	GENERAL PLANT: MISC.	0	0	5,068	131	2,909	12,777	0	0	5,068	131	3,040	2,028
###		TOTALS	\$14,224	(\$2,105)	\$1,064,094	\$27,396	\$506,136	\$553,001	\$47,579	(\$7,480)	\$1,104,132	\$28,069	\$526,744	\$577,418

REFERENCE:  
 ACC STAFF D.R. NO. REL 1-24  
 NOTE:  
 \*NON-DEPRECIABLE PLANT

LINE NO.	ACC. NO.	PLANT ACCOUNT NAME	1996 ADDITIONS PER COMPANY	1996 (RETIREMENTS) PER COMPANY	1996 YEAR-END PLANT VALUE PER RUO	1996 DEPRECIATION EXPENSE PER RUO	1996 ACCUMULATED DEPRECIATION PER RUO	1996 YEAR-END NET PLANT PER RUO	1997 ADDITIONS PER COMPANY	1997 (RETIREMENTS) PER COMPANY	1997 YEAR-END PLANT VALUE PER RUO	1997 DEPRECIATION EXPENSE PER RUO	1997 ACCUMULATED DEPRECIATION PER RUO	1997 YEAR-END NET PLANT PER RUO
1	301.0	INTANGIBLES; ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES; FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES; MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY; LAND - WATER RIGHTS*	71	0	656	0	0	648	0	0	0	0	0	648
5	310.2	SOURCE OF SUPPLY; LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY; LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
7	314.0	SOURCE OF SUPPLY; WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
8	314.1	WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT; STRUCTURES & IMPROVEMENTS	0	0	457	12	288	467	0	0	0	12	288	159
10	325.0	PUMPING PLANT; ELECTRICAL EQUIPMENT	0	0	3,081	80	1,371	3,763	702	0	0	88	1,460	2,323
11	330.0	PUMPING PLANT; GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT; LAND*	0	0	1,942	0	0	1,942	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT; STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
14	332.0	WATER TREATMENT PLANT; EQUIPMENT	0	0	7,735	200	4,717	7,893	158	0	0	202	4,919	2,974
15	340.0	TRANSMISSION & DISTRIBUTION; LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION; LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION; STRUCTURES	0	0	86,014	0	0	86,014	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION; STORAGE TANKS	0	0	50,828	2,225	50,828	50,828	0	0	0	0	0	0
19	343.0	TRANSMISSION & DISTRIBUTION; TOWER	0	0	15,763	15,763	15,763	15,763	0	0	0	0	0	0
20	344.0	TRANSMISSION & DISTRIBUTION; TOWER	0	0	50,194	15,763	282,333	519,889	15,964	0	0	13,268	298,537	222,838
21	345.0	TRANSMISSION & DISTRIBUTION; FIRE SPRINKLERS	0	0	17,421	(20)	(874)	17,421	0	0	0	(18)	(893)	146
22	346.0	TRANSMISSION & DISTRIBUTION; METERS	8,773	(208)	156,157	3,959	53,796	102,421	2,837	(50)	156,944	4,081	57,766	101,178
23	348.0	TRANSMISSION & DISTRIBUTION; HYDRANTS	4,823	(2,253)	119,408	3,062	47,570	71,838	(1,241)	(323)	117,844	3,072	50,319	67,525
24	389.1	GENERAL PLANT; LAND - OFFICE*	0	0	51,522	1,334	31,041	20,481	0	0	51,522	1,334	32,376	19,146
25	389.2	GENERAL PLANT; LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT; LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT; OFFICE BUILDINGS	0	0	5,835	151	2,294	3,541	35,214	(5,836)	35,213	532	(3,010)	38,223
28	390.2	GENERAL PLANT; WAREHOUSE BUILDINGS	0	0	3,296	85	2,053	1,255	3,984	0	7,262	131	2,200	5,062
29	391.0	GENERAL PLANT; OFFICE EQUIPMENT	0	0	11,912	0	0	11,912	0	0	0	0	0	0
30	391.1	GENERAL PLANT; OFFICE EQUIPMENT	0	0	309	309	7,453	4,459	0	(406)	11,506	303	7,360	4,156
31	391.2	GENERAL PLANT; OFFICE FURNITURE	378	(2,900)	34,575	823	8,811	25,784	2,820	0	37,395	932	9,743	27,652
32	391.2	GENERAL PLANT; OFFICE FURNITURE	5,701	0	15,334	323	5,892	9,442	7,921	0	23,255	500	6,391	18,864
33	393.0	GENERAL PLANT; WAREHOUSE EQUIPMENT	0	0	21	1	13	8	0	0	21	1	14	7
JC - 17	394.0	GENERAL PLANT; GARAGE EQUIPMENT	532	(154)	59,144	1,927	23,583	35,561	1,232	0	60,376	1,548	25,131	35,245
395.0	GENERAL PLANT; LAB EQUIPMENT	0	0	2,842	68	1,630	1,012	2,642	0	0	2,642	68	1,698	944
JC - 18	396.0	GENERAL PLANT; POWER EQUIPMENT	0	0	2,695	70	1,686	1,009	0	0	2,695	70	1,756	939
397.0	GENERAL PLANT; COMMUNICATIONS EQUIPMENT	1,839	0	13,119	340	7,422	5,697	10,099	0	0	13,119	340	7,762	5,357
JC - 19	397.1	GENERAL PLANT; MOBILE RADIOS	4,339	0	11,790	262	7,422	5,697	1,612	0	13,402	326	4,389	9,013
JC - 20	397.2	GENERAL PLANT; AUTO CONTROLS	131	0	5,068	131	1,612	3,456	634	0	5,098	177	1,935	19,386
###		TOTALS	\$24,141	(\$5,115)	\$1,123,219	\$28,850	\$550,458	\$877,823	\$71,853	(\$6,615)	\$1,183,463	\$29,920	\$573,754	\$614,659

REFERENCE:  
 ACC STAFF D.R. NO. REL 1-24

NOTE:  
 \* NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SAN MANUEL SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENTS #1, #2 & #3 - PLANT IN SERVICE POST TEST YEAR PLANT,  
 PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1998 ADDITIONS PER COMPANY	1998 (RETIREMENTS) PER COMPANY	1998 YEAR END PLANT VALUE PER RUCCO	1998 DEPRECIATION EXPENSE PER RUCCO	1998 ACCUMULATED DEPRECIATION PER RUCCO	1998 YEAR END NET PLANT PER RUCCO	1999 ADDITIONS PER COMPANY	1999 (RETIREMENTS) PER COMPANY	1999 YEAR END PLANT VALUE PER RUCCO	1999 DEPRECIATION EXPENSE PER RUCCO	1999 ACCUMULATED DEPRECIATION PER RUCCO	1999 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES MISC.	0	0	0	0	0	0	0	0	0	0	0	0
4	310.0	SOURCE OF SUPPLY LAND - WATER RIGHTS*	153,069	0	153,717	0	0	153,963	236	0	153,963	0	0	153,963
5	311.0	SOURCE OF SUPPLY LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	312.0	SOURCE OF SUPPLY LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
7	314.0	SOURCE OF SUPPLY WELLS	0	0	0	0	0	0	0	0	0	0	0	0
8	320.0	PUMPING PLANT LAND*	0	0	457	0	0	457	0	0	457	0	0	457
9	321.0	PUMPING PLANT STRUCTURES & IMPROVEMENTS	1,027	(340)	4,470	12	310	4,470	0	0	4,470	12	321	4,470
10	323.0	PUMPING PLANT ELECTRICAL EQUIPMENT	0	0	0	107	1,227	3,243	0	0	3,243	116	1,343	3,127
11	324.0	PUMPING PLANT GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT LAND*	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT STRUCTURES & IMPROVEMENTS	15	0	1,942	50	1,316	626	0	0	120	27	(480)	600
14	332.0	WATER TREATMENT PLANT EQUIPMENT	0	0	7,908	205	5,124	2,784	0	(1,822)	7,908	205	5,329	2,579
15	340.0	TRANSMISSION & DISTRIBUTION LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION STORAGE TANKS	0	0	86,014	2,228	55,283	30,731	10,289	0	96,283	2,361	57,644	38,639
19	343.0	TRANSMISSION & DISTRIBUTION MAINS	2,073	0	519,941	13,440	308,976	210,965	0	0	520,132	13,469	322,445	197,707
20	344.0	TRANSMISSION & DISTRIBUTION FIRE SPRINKLERS	0	0	(747)	(19)	(913)	166	0	0	(747)	(19)	(932)	185
21	345.0	TRANSMISSION & DISTRIBUTION SERVICES	14,809	(340)	173,413	4,304	61,730	111,683	17,004	(341)	190,076	4,707	66,096	123,980
22	346.0	TRANSMISSION & DISTRIBUTION METERS	607	(443)	118,008	3,054	52,930	65,078	4,191	(909)	121,890	3,107	55,728	66,162
23	348.0	TRANSMISSION & DISTRIBUTION HYDRANTS	0	0	51,522	1,334	33,710	17,812	0	0	51,522	1,334	35,044	16,478
24	389.1	GENERAL PLANT LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
25	389.2	GENERAL PLANT LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT OFFICE BUILDINGS	0	0	35,213	912	(2,098)	37,311	0	0	35,213	912	(1,186)	36,399
28	390.2	GENERAL PLANT WAREHOUSE BUILDINGS	5,213	0	12,495	286	2,457	10,038	0	0	12,495	324	2,780	9,715
29	390.3	GENERAL PLANT MISC BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
30	391.0	GENERAL PLANT OFFICE EQUIPMENT	764	0	11,506	288	7,648	3,858	0	0	11,506	298	7,946	3,560
31	391.1	GENERAL PLANT ELECTRICAL EQUIPMENT	0	0	38,076	977	10,637	27,439	13,251	0	51,327	1,158	11,795	39,532
32	391.2	GENERAL PLANT FURNITURE EQUIPMENT	0	0	23,235	602	6,994	16,241	0	0	23,235	602	7,596	15,659
33	393	GENERAL PLANT WAREHOUSE EQUIPMENT	0	0	0	0	0	0	1,107	0	1,128	15	29	1,099
JC-17	394.0	GENERAL PLANT GARAGE EQUIPMENT	225	(1128)	59,473	1,652	25,555	33,918	1,386	0	60,061	1,558	27,114	33,747
		GENERAL PLANT LAB EQUIPMENT	0	(24)	2,618	68	1,743	875	0	0	2,618	68	1,810	908
JC-18	395.0	GENERAL PLANT POWER EQUIPMENT	0	0	2,695	70	1,826	869	0	0	2,695	70	1,896	799
JC-19	397.0	GENERAL PLANT COMMUNICATIONS EQUIPMENT	0	0	13,119	340	8,102	5,017	0	0	13,119	340	8,441	4,678
JC-19	397.2	GENERAL PLANT MOBILE RADIOS	0	0	13,402	347	4,736	8,666	0	0	13,402	347	5,441	8,319
JC-20	398.0	GENERAL PLANT AUTO CONTROLS	832	0	30,321	785	11,721	18,600	292	0	30,813	789	12,518	18,103
###		TOTALS	\$178,634	\$0	\$1,364,739	\$31,065	\$602,471	\$756,510	\$48,801	\$(2,472)	\$1,411,068	\$31,962	\$631,961	\$779,107

REFERENCE:  
 ACC STAFF D.R. NO. REL 1-24

NOTE:  
 \*NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2000 ADDITIONS PER COMPANY	2000 (RETIREMENTS) PER COMPANY	2000 YEAR END PLANT VALUE PER RUO	2000 DEPRECIATION EXPENSE PER RUO	2000 ACCUMULATED DEPRECIATION PER RUO	2000 YEAR END NET PLANT PER RUO	2001 ADDITIONS PER COMPANY	2001 (RETIREMENTS) PER COMPANY	2001 YEAR END PLANT VALUE PER RUO	2001 DEPRECIATION EXPENSE PER RUO	2001 ACCUMULATED DEPRECIATION PER RUO	2001 YEAR END NET PLANT PER RUO
1	301.0	INTANGIBLES ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES FRANCHISES*	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES LICENSES*	0	0	0	0	0	0	0	0	0	0	0	0
4	304.0	LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0	0	0	0
5	310.1	SOURCE OF SUPPLY - LAND - RESERVOIRS*	164	0	154,117	0	0	154,157	40	0	0	0	0	154,157
6	310.2	SOURCE OF SUPPLY - LAND - WELLS*	0	0	0	0	0	0	0	0	0	0	0	0
7	314.0	SOURCE OF SUPPLY - WELLS	0	0	0	0	0	0	0	0	0	0	0	0
8	320.0	PUMPING PLANT - LAND*	0	0	0	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT - STRUCTURES & IMPROVEMENTS	0	0	457	12	333	457	0	0	457	12	345	112
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	184	0	3,193	118	1,461	3,193	0	0	4,654	121	1,582	3,072
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT - LAND*	0	0	120	3	(477)	0	0	0	410	7	(470)	890
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	7,908	205	5,534	2,374	(4,605)	0	3,303	145	5,079	(2,376)
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
16	341.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.1	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	96,283	2,494	60,138	36,145	0	0	58,950	2,520	62,658	35,692
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	(270)	0	519,662	13,468	333,314	183,368	2,087	(1,244)	520,822	13,728	344,148	172,775
20	344.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	(747)	(15)	70,569	124,753	2,289	(585)	235,141	5,605	75,568	159,183
21	345.0	TRANSMISSION & DISTRIBUTION: METERS	7,785	(269)	187,942	5,175	107,549	62,720	38,034	(463)	120,285	3,108	59,834	60,651
22	346.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	(303)	(1,998)	15,173	3,123	56,989	16,782	1,023	(382)	53,666	1,380	37,149	16,517
23	348.0	GENERAL PLANT: LAND - OFFICE*	1,957	(27)	52,300	1,352	36,121	16,782	1,115	0	0	0	0	0
24	369.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
25	369.2	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
26	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
27	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	35,213	912	(274)	35,487	0	0	35,213	912	638	34,575
28	390.3	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	12,495	324	3,104	9,391	0	0	12,495	324	3,427	9,068
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	11,506	298	8,244	3,262	0	(854)	10,652	287	7,877	2,975
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	75	0	51,402	1,330	13,125	38,277	1,001	0	52,403	1,344	14,470	37,933
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	23,255	602	8,198	15,057	500	0	23,755	609	8,807	14,948
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	1,128	29	58	1,070	0	0	1,128	29	88	1,040
JC-17	394.0	GENERAL PLANT: GARAGE EQUIPMENT	599	(1,904)	59,556	1,559	26,769	32,787	1,816	(366)	61,006	1,561	27,964	33,042
JC-18	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	2,618	68	1,878	740	0	0	2,618	68	1,946	672
JC-19	397.0	GENERAL PLANT: POWER EQUIPMENT	0	0	2,695	70	1,965	730	0	0	2,695	70	2,035	490
JC-19	397.1	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	(1,801)	11,318	316	6,897	4,381	0	(381)	10,927	268	5,781	493
JC-20	397.2	GENERAL PLANT: MOBILE RADIOS	352	0	13,754	343	9,453	4,301	0	0	13,754	343	9,453	4,301
JC-20	398.0	GENERAL PLANT: AUTO CONTROLS	410	(109)	27,083	723	15,933	12,110	0	0	30,613	793	14,098	16,517
###		TOTALS	\$10,635	(\$5,167)	\$1,415,596	\$32,516	\$658,410	\$750,280	\$43,621	(\$4,215)	\$1,455,002	\$33,182	\$667,377	\$767,625

REFERENCE:  
 ACC STATE FOR. NO. REL 1-24

NOTE:  
 \*NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SAN MANUEL SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENTS #1, #2 & #3 - PLANT IN SERVICE/POST TEST YEAR PLANT,  
 PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2002 ADDITIONS PER COMPANY	2002 (RETIREMENTS) PER COMPANY	2002 YEAR END PLANT VALUE PER RUCO	2002 DEPRECIATION EXPENSE PER RUCO	2002 ACCUMULATED DEPRECIATION PER RUCO	2002 YEAR END NET PLANT PER RUCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	1,347	0	155,504	0	0	155,504
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	0	0	0	0
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	0	0	0	0
8	320.0	PUMPING PLANT: LAND*	0	0	457	12	357	100
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	4,654	121	1,702	2,952
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0
12	330.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	410	11	(459)	859
13	331.0	WATER TREATMENT PLANT: LAND*	0	(3,303)	0	43	2,419	(2,419)
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	0	0	0
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	55	0	98,405	2,548	65,206	33,199
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	23,445	0	544,372	13,796	361,944	182,428
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	(702)	(18)	(988)	286
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	8,483	(476)	243,146	6,194	81,576	161,472
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	2,294	(1,304)	121,273	3,128	61,458	59,817
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	1,674	(233)	55,107	1,409	38,324	16,783
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	151	0	151	0	0	151
24	388.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0
25	388.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0
26	388.3	GENERAL PLANT: LAND - MISC.*	144	0	36,357	914	1,552	33,806
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	12,495	324	3,751	8,744
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	0	0
29	390.3	GENERAL PLANT: MISC. BUILDINGS	10,578	0	21,230	413	8,090	13,140
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	52,403	1,357	15,827	36,576
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	3,378	0	27,133	659	9,466	17,667
32	391.2	GENERAL PLANT: OFFICE FURNITURE	1,113	0	1,128	29	117	1,011
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	1,113	0	62,119	1,594	29,559	32,560
JC - 17	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	2,618	68	2,014	604
		GENERAL PLANT: LAB EQUIPMENT	0	0	2,695	70	2,105	590
JC - 18	395.0	GENERAL PLANT: POWER EQUIPMENT	24,113	(7,192)	27,858	502	174	27,683
		GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	13,754	356	1,147	7,607
JC - 19	397.0	GENERAL PLANT: MOBILE RADIOS	0	0	30,613	793	14,888	15,725
		GENERAL PLANT: AUTO CONTROLS	0	0	10,905	233	4,095	(3,862)
JC - 20	397.2	GENERAL PLANT: MISC.	3,820	0	10,905	233	4,095	(3,862)
TOTALS			\$30,594	(\$12,509)	\$1,523,088	\$34,554	\$709,423	\$802,993
#####		BALANCES PER COMPANY			\$ 1,554,600		\$ 736,074	
#####		BALANCES PER RUCO			\$ 1,523,088		\$ 709,423	
#####		LESS: POST-TEST YEAR ALLOCATED PHOENIX OFFICE & METER SHOP ADDITIONS**			\$ 10,955		\$ (26,651)	
#####		TOTAL ADJUSTMENTS			\$ (42,457)		\$ (26,651)	

REFERENCES:  
 ACC STAFF D.R. NO. REL 1-24  
 ACC STAFF D.R. NO. REL 18-1  
 RUCC D.R. NO. 6.2

NOTE:  
 \* - NON-DEPRECIABLE PLANT  
 \*\* - BASED ON AN ALLOCATION FACTOR OF 0.0209 PER RUCC D.R. NO. 4.2

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SAN MANUEL SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJ. #4 - RECONCILE TEST YEAR ALLOCATED PHOENIX OFFICE  
 & METER SHOP AND ACCUMULATED DEPRECIATION BALANCES

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-5

LINE NO.	DESCRIPTION	TEST YEAR COMPANY
1	GROSS PHOENIX OFFICE PLANT & METER SHOP	\$ 4,002,988
2	ADD: PHOENIX OFFICE CONSTRUCTION WORK IN PROGRESS (CWIP)	126,565
3	GROSS PHOENIX OFFICE PLANT & METER SHOP WITH CWIP	\$ 4,129,553
4	TIMES: ALLOCATION FACTOR	0.0221
5	ALLOCATED GROSS PHOENIX OFFICE PLANT & METER SHOP WITH CWIP	\$ 91,263
6	NET ALLOCATED PHOENIX OFFICE PLANT & METER SHOP WITH CWIP	80,704
7	RUCO ADJUSTMENT TO PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION	\$ 10,559

REFERENCES:

- LINE 1: COMPANY SCHEDULE B-2 PAGES 10 AND 11
- LINE 2: COMPANY SCHEDULE B-2 PAGE 10
- LINE 3: LINE 1 + LINE 2
- LINE 4: COMPANY SCHEDULE B-1 PAGE 2
- LINE 5: LINE 3 x LINE 4
- LINE 6: COMPANY SCHEDULE B-1 PAGE 2 (SUM OF LINES 6 AND 7)

JC - 17

JC - 18

JC - 19

JC - 20

LINE NO.	DESCRIPTION	(A) TEST YEAR COMPANY	(B) TEST YEAR RUCO	
1	GROSS PHOENIX OFFICE PLANT	\$ 3,903,884	\$ 3,903,884	COMPANY SCHEDULE B-2 PAGE 10
2	LESS: ACCUMULATED DEPRECIATION	453,222	453,222	COMPANY SCHEDULE B-2 PAGE 10
3	NET PHOENIX OFFICE PLANT	\$ 3,450,662	\$ 3,450,662	LINE 1 + LINE 2
4	ADD: CWIP	126,565	-	COMPANY SCHEDULE B-2 PAGE 10
5	TOTALS	\$ 3,577,227	\$ 3,450,662	LINE 3 + LINE 4
4	TIMES: ALLOCATION FACTOR	0.0221	0.0221	COMPANY SCHEDULE B-1 PAGE 2
5	ALLOCATED PHOENIX OFFICE PLANT	\$ 79,057	\$ 76,260	COMPANY SCHEDULE B-1 PAGE 2
6	RUCO ADJUSTMENT		\$ (2,797)	LINE 5 COLUMN (B) - LINE 5 COLUMN (A)

JC - 17  
 JC - 18  
 JC - 19  
 JC - 20

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 1999  
 SAN MANUEL SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENT #9 - WORKING CAPITAL

DOCKET NO. W-1445A-00-0962  
 SCHEDULE TJC-7  
 PAGE 1 OF 4

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	CASH WORKING CAPITAL PER COMPANY	\$ 7,402	COMPANY SCH. B-5, PG. 2
2	CASH WORKING CAPITAL PER RUCO	(12,024)	SCH. TJC-7, PG. 3
3	DECREASE IN CASH WORKING CAPITAL	(19,426)	LINE 2 - LINE 1
4	MATERIALS & SUPPLIES PER COMPANY	3,987	COMPANY SCH. B-5, PG. 2
5	MATERIALS & SUPPLIES PER RUCO	3,928	DATA REQUEST 6.4 a)
6	MATERIALS & SUPPLIES ADJUSTMENT	(59)	LINE 5 - LINE 4
7	PREPAYMENTS PER COMPANY AND SPECIAL DEPOSITS	6,310	COMPANY SCH. B-5, PG. 2
8	PREPAYMENTS PER RUCO	5,306	DATA REQUEST 6.4 b)
9	PREPAYMENTS ADJUSTMENT	(1,004)	LINE 8 - LINE 7
10	REQUIRED BANK BALANCES PER COMPANY	11,015	COMPANY SCH. B-5, PG. 2
11	REQUIRED BANK BALANCES PER RUCO	9,170	DATA REQUEST 6.4 c)
12	REQUIRED BANK BALANCE ADJUSTMENT	(1,845)	LINE 11 - LINE 10
13	TOTAL WORKING CAPITAL ADJUSTMENT	(22,334)	LINES 3, 6, 9 & 12

JC - 17

JC - 18

JC - 19

JC - 20

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SAN MANUEL SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENT #9 - WORKING CAPITAL  
 LEAD/LAG CALCULATION

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-7  
 PAGE 2 OF 4

LINE NO.	DESCRIPTION	EXPENSES PER COMPANY	RUCO ADJUSTMENTS	ADJUSTED EXPENSES	(LEAD)/LAG DAYS	\$ DAYS
1	PURCHASED POWER	\$ 34,327	\$ 3,428	\$ 37,755	34.69	\$ 1,309,721
2	PAYROLL	177,010	51,637	228,647	14.00	3,201,064
3	PURCHASED WATER	135,178	144,298	279,476	26.38	7,372,577
4	CHEMICALS	1,548	(1,389)	159	18.00	2,862
5	PROPERTY & LIABILITY INSURANCE	2,457	717	3,174	(45.27)	(143,676)
6	WORKER'S COMPENSATION	2,656	775	3,431	(46.50)	(159,533)
7	HEALTH INSURANCE	30,866	9,004	39,870	(8.92)	(355,643)
8	OTHER O&M EXPENSES	79,074	(39,898)	\$ 39,176	(9.27)	(363,164)
9	DEPRECIATION & AMORTIZATION	40,950	(3,735)	37,215	N/A	N/A
10	FEDERAL & STATE INCOME TAXES	(11,982)	25,349	13,367	61.95	828,158
11	DEFERRED INCOME TAXES	(3,322)	N/A	N/A	N/A	N/A
12	FICA TAXES	13,229	68	13,297	14.00	186,158
13	FUTA & SUTA TAXES	319	(5)	314	83.10	26,093
14	PROPERTY TAXES	38,948	12,121	51,069	212.00	10,826,608
15	REG., CONTRACT, & MISCELLANEOUS FEES	13,311	3,883	17,194	(98.83)	(1,699,292)
17	PENSION EXPENSE	15,145	518	15,663	34.72	543,819
18	TOTAL	\$ 569,714	\$ 206,772	\$ 779,808 *	27.67	\$ 21,575,754

JC - 17

JC - 18 NOTE

N/A = NON CASH CHARGES EXCLUDED FROM WORKING CAPITAL CALCULATION

JC - 19 \* RUCO RECOMMENDED LEVEL OF OPERATING EXPENSE - SCHEDULE TJC-8, COLUMN (E), LINE 16

JC - 20

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SAN MANUEL SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENT #9 - WORKING CAPITAL  
 CALCULATION OF CASH WORKING CAPITAL

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-7  
 PAGE 3 OF 4

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	AVERAGE EXPENSE LAG	27.67	SCH. TJC-7, PG. 2
2	AVERAGE REVENUE COLLECTION LAG	<u>22.04</u>	CO. SCH. B-5, PG. 2
3	EXCESS EXPENSE OVER REVENUE LAG	(5.63)	LINE 2 - LINE 1
4	TOTAL EXPENSES	\$ 779,808	SCH. TJC-7, PG. 2
5	CASH WORKING CAPITAL REQUIREMENT	(12,024)	(LINE 3 X LINE 4)/365 DAYS
6	PER COMPANY	<u>\$ 7,402</u>	CO. SCH. B-5, PG. 2
7	INCREASE (DECREASE) IN WORKING CAPITAL	<u>\$ (19,426)</u>	LINE 5 - LINE 6

JC - 17

JC - 18

JC - 19

JC - 20

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SAN MANUEL SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENT #9 - WORKING CAPITAL  
 CALCULATION OF INCOME TAX LAG

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-7  
 PAGE 4 OF 4

<u>LINE NO.</u>	<u>(A) PAYMENT DATE</u>	<u>(B) SERVICE PERIOD MIDPOINT</u>	<u>(C) (LEAD)/LAG DAYS</u>	<u>(D) PAYMENT AMOUNT</u>	<u>(E) DOLLAR DAYS</u>
1	04/12/99	07/01/99	(80.00)	\$ 397,000	(31,760,000)
2	06/11/99	07/01/99	(20.00)	50,000	(1,000,000)
3	09/14/99	07/01/99	75.00	486,000	36,450,000
4	12/14/99	07/01/99	166.00	970,000	161,020,000
5	03/14/00	07/01/99	257.00	<u>(240,000)</u>	<u>(61,680,000)</u>
6	TOTALS			\$ 1,663,000	103,030,000
7	INCOME TAX LAG		61.95		

JC - 17

JC - 18

JC - 19

JC - 20

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SAN MANUEL SYSTEM - REVISED SCHEDULES  
 OPERATING INCOME - TEST YEAR AND RUCO PROPOSED

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-8

LINE NO.	DESCRIPTION	(A) COMPANY TEST YEAR AS FILED	(B) RUCO TEST YEAR ADJUSTMENTS	(C) RUCO TEST YEAR AS ADJUSTED	(D) RUCO PROPOSED CHANGES	(E) RUCO RECOMMENDED
<u>REVENUES - WATER:</u>						
1	REVENUE FROM WATER SALES	\$ 474,250	\$ 35,510	\$ 509,760	\$ 334,908	\$ 844,668
2	OTHER REVENUES	-	-	-	-	-
3	TOTAL OPERATING REVENUES	\$ 474,250	\$ 35,510	\$ 509,760	\$ 334,908	\$ 844,668
<u>OPERATING EXPENSES:</u>						
2	PURCHASED WATER	\$ 258,703	\$ 28,748	\$ 287,451	\$ -	\$ 287,451
3	OTHER	6,246	671	6,917		6,917
4	PURCHASED POWER	31,358	7,783	39,141		39,141
5	PURCHASED GAS	-	-	-		-
6	OTHER	32,609	(3,189)	29,420		29,420
7	WATER TREATMENT	30,393	(8,030)	22,363		22,363
8	TRANSMISSION & DISTRIBUTION	83,146	8,845	91,991		91,991
9	CUSTOMER ACCOUNTS	86,740	3,077	89,817		89,817
10	SALES	472	(237)	235		235
11	ADMINISTRATIVE & GENERAL	107,529	(10,318)	97,212		97,212
12	DEPRECIATION & AMORTIZATION	52,727	(15,512)	37,215		37,215
13	PROPERTY TAXES	53,253	(2,184)	51,069		51,069
14	OTHER TAXES	12,838	773	13,611		13,611
JC - 1	INCOME TAXES	(95,355)	35,388	(59,967)	73,334	13,367
JC - 1	TOTAL OPERATING EXPENSES	\$ 660,660	\$ 45,814	\$ 706,474	\$ 73,334	\$ 779,808
JC - 1	NET INCOME	\$ (186,410)	\$ (10,304)	\$ (196,714)	\$ 261,574	\$ 64,860
JC - 20						

REFERENCES:

COLUMN (A): CO. SCH. C-1, PG. 4  
 COLUMN (B): SCH. TJC-9  
 COLUMN (C): COLUMN (A) + COLUMN (B)  
 COLUMN (D): SCH. TJC-1  
 COLUMN (E): COLUMN (C) + COLUMN (D)

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SAN MANUEL SYSTEM - REVISED SCHEDULES  
 SUMMARY OF OPERATING ADJUSTMENTS

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-9

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) ADJ.#1	(C) ADJ.#2	(D) ADJ.#3	(E) ADJ.#4	(F) ADJ.#5	(G) ADJ.#6	(H) ADJ.#7	(I) ADJ.#8	(J) ADJ.#9	(K) ADJ.#10	(L) ADJ.#11	(M) RUCO ADJUSTED
<b>REVENUES - WATER:</b>														
1	REVENUE FROM WATER SALES	\$ 474,250	\$ 249,317	\$ (47,010)	\$ (167,309)	\$ (6,667)	\$ 7,179							\$ 509,760
2	OTHER REVENUES													
3	TOTAL OPERATING REVENUES	\$ 474,250	\$ 249,317	\$ (47,010)	\$ (167,309)	\$ (6,667)	\$ 7,179	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 509,760
<b>OPERATING EXPENSES:</b>														
2	PURCHASED WATER	\$ 258,703	\$ 20,773	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,975	\$ 287,451
3	OTHER	6,246	671											6,917
4	PURCHASED POWER	31,358	6,397			655	731							39,141
5	PURCHASED GAS													
6	OTHER	32,609	(3,189)											29,420
7	WATER TREATMENT	30,393	(8,240)				210							22,363
8	TRANSMISSION & DISTRIBUTION	83,146	9,696		(851)									91,991
9	CUSTOMER ACCOUNTS	86,740	3,077											89,817
10	SALES	472	(237)											235
11	ADMINISTRATIVE & GENERAL	107,529	(13,982)	(1,417)			941	4,141						97,212
12	DEPRECIATION & AMORTIZATION	52,727							(15,512)					37,215
13	PROPERTY TAXES	53,253									(2,184)			51,069
14	OTHER TAXES	12,838	46,366	(45,593)										13,611
TJC - 11	INCOME TAXES	(95,355)										\$ 35,388		(59,967)
TJC - 11	TOTAL OPERATING EXPENSES	\$ 660,660	\$ 61,332	\$ (47,010)	\$ -	\$ (196)	\$ 1,881	\$ 4,141	\$ -	\$ (15,512)	\$ (2,184)	\$ 35,388	\$ 7,975	\$ 706,474
TJC - 19	NET INCOME	\$ (186,410)	\$ 187,985	\$ -	\$ (167,309)	\$ (6,471)	\$ 5,298	\$ (4,141)	\$ -	\$ 15,512	\$ 2,184	\$ (35,388)	\$ (7,975)	\$ (196,714)
TJC - 20														

**ADJUSTMENT #:**  
 1. RECONCILE COMPANY PROPOSED OPERATING INCOME TO 2002 ACTUAL  
 2. REMOVE 2002 REGULATORY ASSESSMENT & SALES TAXES  
 3. ELIMINATE PPAM AND PWAM REVENUES  
 4. ELIMINATE UNBILLED REVENUES & EXPENSES  
 5. ANNUALIZE ADDITIONAL REVENUES & EXPENSES  
 6. AMORTIZATION OF RATE CASE EXPENSE

**ADJUSTMENT #:**  
 7. REMOVE MAP SURCHARGE REVENUES  
 8. DEPRECIATION & AMORTIZATION EXPENSE  
 9. PROPERTY TAX EXPENSE  
 10. INCOME TAX EXPENSE  
 11. PURCHASED WATER EXPENSE

**ADJUSTMENT #:**  
 7. REMOVE MAP SURCHARGE REVENUES  
 8. DEPRECIATION & AMORTIZATION EXPENSE  
 9. PROPERTY TAX EXPENSE  
 10. INCOME TAX EXPENSE  
 11. PURCHASED WATER EXPENSE

**REFERENCE:**  
 RUCO D.R. NO. 1.10  
 RUCO D.R. NO. 1.10 & ACC STAFF D.R. NO. REL 19-1  
 RUCO D.R. NO. 7.1 & RUCO D.R. NO. 7.2  
 RUCO D.R. NO. 7.3  
 RUCO D.R. NO. 6.6  
 COMPANY SCHEDULE C-2, PAGE 7, TESTIMONY TJC

**REFERENCE:**  
 TESTIMONY TJC  
 SCHEDULE TJC-12  
 SCHEDULE TJC-13  
 SCHEDULE TJC-14  
 SCHEDULE TJC-15

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SAN MANUEL SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #1 - RECONCILE COMPANY  
 PROPOSED OPERATING INCOME TO 2002 ACTUAL

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-10  
 PAGE 1 OF 2

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) 2002 ACTUAL	(C) DIFFERENCE	(D) RUCO ADJUSTMENT
<u>REVENUES - WATER:</u>					
1	REVENUE FROM WATER SALES	\$ 474,250	\$ 723,567	\$ 474,250	\$ 249,317
2	OTHER REVENUES	0.00	0.00	0.00	0.00
3	TOTAL OPERATING REVENUES	\$ 474,250	\$ 723,567	\$ 474,250	\$ 249,317
<u>OPERATING EXPENSES:</u>					
4	PURCHASED WATER	\$ 258,703	\$ 279,476	\$ 258,703	\$ 20,773
5	OTHER	6,246	6,917	6,246	671
6	PURCHASED POWER	31,358	37,755	31,358	6,397
7	PURCHASED GAS	-	-	-	-
8	OTHER	32,609	29,420	32,609	(3,189)
9	WATER TREATMENT	30,393	22,153	30,393	(8,240)
10	TRANSMISSION & DISTRIBUTION	83,146	92,842	83,146	9,696
11	CUSTOMER ACCOUNTS	86,740	89,817	86,740	3,077
12	SALES	472	235	472	(237)
13	ADMINISTRATIVE & GENERAL	107,529	93,547	107,529	(13,982)
15	PROPERTY TAXES	53,253	48,776	53,253	- (a)
16	OTHER TAXES	12,838	59,204	12,838	46,366
>- 17	INCOME TAXES	(95,355)	(20,040)	(95,355)	- (a)
>- 18	TOTAL OPERATING EXPENSES	\$ 607,932	\$ 740,102	\$ 607,932	\$ 61,332
>- 19	NET INCOME	<u>\$ (133,682)</u>	<u>\$ (16,535)</u>	<u>\$ (133,682)</u>	<u>\$ 187,985</u>

REFERENCES:

COLUMN (A): COMPANY SCHEDULE C-1 PAGE 4 OF 5  
 COLUMN (B): DATA REQUEST RUCO 1.10  
 COLUMN (C): COLUMN (B) - COLUMN (A)  
 COLUMN (D): COLUMN (C) LINES 1 THRU 13, LINES 16, 18 & 19

NOTE:

(a) SEPARATE PRO FORMA ADJUSTMENTS NOT INCLUDED IN RECONCILIATION

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SAN MANUEL SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #1 - RECONCILE COMPANY  
 PROPOSED OPERATING INCOME TO 2002 ACTUAL

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-10  
 PAGE 2 OF 2

LINE NO.	DESCRIPTION	(A) TEST YEAR ACTUAL	(B) 2002 ACTUAL	(C) DIFFERENCE
<u>REVENUES - WATER:</u>				
1	REVENUE FROM WATER SALES	\$ 560,527	\$ 723,567	\$ 163,040
2	OTHER REVENUES	0.00	0.00	0.00
3	TOTAL OPERATING REVENUES	\$ 560,527	\$ 723,567	\$ 163,040
<u>OPERATING EXPENSES:</u>				
4	PURCHASED WATER	\$ 135,178	\$ 279,476	\$ 144,298
5	OTHER	6,246	6,917	671
6	PURCHASED POWER	32,506	37,755	5,249
7	PURCHASED GAS	-	-	-
8	OTHER	32,609	29,420	(3,189)
9	WATER TREATMENT	18,742	22,153	3,411
10	TRANSMISSION & DISTRIBUTION	88,796	92,842	4,046
11	CUSTOMER ACCOUNTS	86,301	89,817	3,516
12	SALES	472	235	(237)
13	ADMINISTRATIVE & GENERAL	92,577	93,547	970
15	PROPERTY TAXES	38,291	48,776	10,485
16	OTHER TAXES	48,298	59,204	10,906
> - 17	INCOME TAXES	(17,978)	(20,040)	(2,062)
> - 18	TOTAL OPERATING EXPENSES	562,038	740,102	178,064
> - 19	NET INCOME	\$ (1,511)	\$ (16,535)	\$ (15,024)

REFERENCES:

COLUMN (A): COMPANY SCHEDULE C-1 PAGE 4 OF 5  
 COLUMN (B): DATA REQUEST RUCO 1.10  
 COLUMN (C): COLUMN (B) - COLUMN (A)

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SAN MANUEL SYSTEM  
 OPERATING ADJ. #5 - REVENUE ANNUALIZATION FOR 2002

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-11

LINE NO.	DESCRIPTION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
1	YEAR END CUSTOMERS - 2002	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590
2	2002 YEAR-END CUSTOMERS	1,544	1,557	1,559	1,565	1,577	1,575	1,572	1,583	1,582	1,583	1,583	1,590
3	INCREASE IN CUSTOMERS - 2002	46	33	31	25	13	15	18	7	8	7	7	-
4	AVERAGE REVENUE FOR THE MONTH	\$ 24.50	\$ 25.45	\$ 32.48	\$ 34.92	\$ 41.75	\$ 46.88	\$ 52.33	\$ 42.57	\$ 44.26	\$ 36.94	\$ 33.68	\$ 35.65
5	INCREASE IN REVENUES	\$ 1,127	\$ 840	\$ 1,007	\$ 870	\$ 543	\$ 703	\$ 942	\$ 298	\$ 354	\$ 259	\$ 236	\$ -
6	TOTAL INCREASE IN REVENUE	\$ 7,179											
7	INCREASE IN REVENUE PER COMPANY												
8	REVENUE ADJUSTMENT												
9	GALLONS SOLD PER AVERAGE CUSTOMER	7,511	8,185	9,609	10,947	14,777	17,707	20,736	15,299	16,202	12,109	10,285	9,077
10	INCREASE IN CUSTOMERS	46	33	31	25	13	15	18	7	8	7	7	0
11	INCREASE IN GALLONS	345,498	270,119	297,882	273,668	192,105	265,609	373,253	107,096	129,616	84,765	71,993	0
12	TOTAL INCREASE IN GALLONS	2,411,602											
13	PUMPING COST PER GALLON	0.000303											
14	INCREASE IN PUMPING COST	731											
15	WATER TREATMENT COSTS PER GALLON	0.000087											
16	INCREASE IN WATER TREATMENT COSTS	210											
19	INCREASE IN ACCOUNTING COST	941											

TJC - 17  
 TJC - 18  
 TJC - 19  
 TJC - 20  
 LINE #7 - NO REFERENCE  
 LINE #8 - LINE #6 MINUS LINE #7  
 LINE #9 - GALLONS SOLD, AWC'S ANNUAL REPORT & MONTHLY CUSTOMERS, RUCO DR #6.6  
 LINE #10 = LINE #3  
 LINE #11 = LINE #9 MULTIPLIED BY LINE #10  
 LINE #12 = SUMMATION OF LINE #11  
 LINE #13 - CO. W/P C2-5, PAGE 3  
 LINE #14 = LINE #12 X LINE #13  
 LINE #15 - CO. W/P C2-5, PAGE 3  
 LINE #16 = LINE #12 MULTIPLIED BY LINE #15  
 LINE #17 = SUMMATION OF LINE #3  
 LINE #18 - CO. W/P C2-5, PAGE 4  
 LINE #19 = LINE #17 X LINE #18

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SAN MANUEL SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #8 - DEPRECIATION & AMORTIZATION EXPENSE

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-12

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	(A) ACTUAL TEST YEAR BALANCE PER COMPANY	(B) RUCO ADJUSTMENTS	(C) RUCO ADJUSTED BALANCE	(D) COMPOSITE DEPRECIATION RATE	(E) RUCO RECOMMENDED DEPRECIATION EXPENSE
1	301.0	INTANGIBLES: ORGANIZATION*	\$ -	\$ -	\$0	0.00%	\$ -
2	302.0	INTANGIBLES: FRANCHISES*	-	-	-	0.00%	-
3	303.0	INTANGIBLES: MISC.*	-	-	-	0.00%	-
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	154,157	-	154,157	0.00%	-
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	-	-	-	0.00%	-
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	-	-	-	0.00%	-
7	314.0	SOURCE OF SUPPLY: WELLS	-	-	-	2.59%	-
8	320.0	PUMPING PLANT: LAND*	-	-	-	0.00%	-
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	457	-	457	2.59%	12
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	4,653	1	4,654	2.59%	121
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	-	-	-	2.59%	-
12	330.0	WATER TREATMENT PLANT: LAND*	-	-	-	0.00%	-
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	411	(1)	410	2.59%	11
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	3,303	-	3,303	2.59%	86
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	-	-	-	0.00%	-
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	-	-	-	0.00%	-
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	-	-	-	2.59%	-
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	98,349	1	98,350	2.59%	2,547
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	520,927	-	520,927	2.59%	13,492
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	(702)	-	(702)	2.59%	(18)
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	235,142	(1)	235,141	2.59%	6,090
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	120,289	(4)	120,285	2.59%	3,115
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	53,666	-	53,666	2.59%	1,390
24	389.1	GENERAL PLANT: LAND - OFFICE*	-	-	-	0.00%	-
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	-	-	-	0.00%	-
26	389.3	GENERAL PLANT: LAND - MISC.*	-	-	-	0.00%	-
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	35,214	(1)	35,213	2.59%	912
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	12,495	-	12,495	2.59%	324
29	391.0	GENERAL PLANT: OFFICE EQUIPMENT	10,652	-	10,652	2.59%	276
30	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	52,404	(1)	52,403	2.59%	1,357
31	391.2	GENERAL PLANT: OFFICE FURNITURE	23,755	-	23,755	2.59%	615
32	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	1,128	-	1,128	2.59%	29
33	394.0	GENERAL PLANT: GARAGE EQUIPMENT	61,006	-	61,006	2.59%	1,580
34	395.0	GENERAL PLANT: LAB EQUIPMENT	2,618	-	2,618	2.59%	68
35	396.0	GENERAL PLANT: POWER EQUIPMENT	2,695	-	2,695	2.59%	70
36	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	10,937	(0)	10,937	2.59%	283
37	397.1	GENERAL PLANT: MOBILE RADIOS	13,754	(0)	13,754	2.59%	356
38	397.2	GENERAL PLANT: AUTO CONTROLS	30,614	(1)	30,613	2.59%	793
39	398.0	GENERAL PLANT: MISC.	7,084	1	7,085	2.59%	184
40							
41		TEST YEAR TOTALS	\$ 1,455,009	\$ (7)	\$ 1,455,002		\$ 33,692
42							
43		POST TEST YEAR ADDITIONS	99,591	(42,460)	57,131	2.59%	1,480
44							
45		GROSS DEPRECIABLE PHOENIX OFFICE AND METER SHOP ALLOCATION	88,466	10,804	99,270 **	2.59%	2,571
46							
47		2002 TOTALS	\$ 1,643,066	\$ (31,663)	\$ 1,611,403		\$ 37,743
48							
49		LESS:					
50		AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION @ 2.59% COMPOSITE RATE **					528
51							
52		TOTAL PRO FORMA DEPRECIATION & AMORTIZATION EXPENSE					\$ 37,215
53							
54		DEPRECIATION & AMORTIZATION EXPENSE PER COMPANY					\$ 52,727
55							
56		DEPRECIATION & AMORTIZATION EXPENSE ADJUSTMENT (LINE 53 - LINE 55)					\$ (15,512)

REFERENCES:  
 COLUMN (A): COMPANY SCHEDULE E-5 PAGE 2 OF 4 AND STAFF DATA REQUEST REL 1-24  
 COLUMN (B): COLUMN (C) - COLUMN (A)  
 COLUMN (C): RUCO SCHEDULE TJC-4 PAGE 7  
 COLUMN (D): COMPOSITE DEPRECIATION RATE OF 2.59%  
 COLUMN (E): COLUMN (C) x COLUMN (D)

NOTES:  
 \* NON-DEPRECIABLE PLANT ASSETS  
 \*\* NET OF \$151 IN NON-DEPRECIABLE LEASEHOLD IMPROVEMENTS (\$7,215 x 0.0209 ALLOCATION FACTOR FOR 2002 = \$151)  
 \*\*\* RUCO ADJUSTED CIAC BALANCE x COMPOSITE RATE = \$20,375 x 2.59% = \$528

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SAN MANUEL SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #9 - PROPERTY TAX EXPENSE

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-13

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	REVENUES - 2000	\$ 540,035	COMPANY SCH. C-2, W/P C2-19a
2	REVENUES - 2001	524,678	COMPANY SCH. C-2, W/P C2-19a
3	REVENUES - 2002	<u>676,557</u>	D. R. NO. REL 19-1
4	TOTAL	\$ 1,741,270	SUM LINES 1, 2, & 3
5	3 YEAR AVERAGE	580,423	LINE 4/3 YEARS
6	MULTIPLIER FOR REVENUES (2 X LAST 3 YRS. AVERAGE REVENUE)	<u>x 2</u>	ADOR VALUATION FACTOR
7	REVENUES FOR FULL CASH VALUE	1,160,847	LINE 5 X 2 (MULTIPLIER FOR REVENUES
8	ADD: 10% OF CWIP BALANCE	277	COMPANY SCH. B-2, PG. 7; LINE 4 X 10%
9	LESS: LICENSED VEHICLES	<u>-</u>	STAFF DATA REQUEST REL 23-1
10	FULL CASH VALUE	1,161,124	LINE 7 + LINE 8 MINUS LINE 9
11	ASSESSMENT RATIO	<u>25%</u>	PER ADOR VALUATION METHOD
12	ASSESSED VALUE	290,281	LINE 10 X LINE 11
13	PROPERTY TAX RATE	<u>17.5929%</u>	PER TAX BILLS
14	PROPERTY TAXES PAYABLE PER RUCO	51,069	LINE 12 X LINE 13
15	PROPERTY TAXES PER COMPANY	<u>53,253</u>	COMPANY SCH. C-1, PG. 4
16	ADJUSTMENT	<u>(2,184)</u>	LINE 14 MINUS LINE 15

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SAN MANUEL SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #10 - INCOME TAXES

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-14

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
	<u>FEDERAL INCOME TAXES:</u>		
1	OPERATING INCOME BEFORE INCOME TAXES	\$ (256,681)	SCH. TJC-9
	LESS:		
2	ARIZONA STATE TAX	(19,243)	LINE 11
3	INTEREST EXPENSE	<u>19,489</u>	NOTE (a)
4	FEDERAL TAXABLE INCOME	(256,926)	LINE 1 - LINES 2 & 3
5	FEDERAL INCOME TAX RATE	<u>15.85%</u>	TAX RATE
6	FEDERAL INCOME TAX EXPENSE	(40,723)	LINE 4 X LINE 5
	<u>STATE INCOME TAXES:</u>		
7	OPERATING INCOME BEFORE INCOME TAXES	(256,681)	LINE 1
	LESS:		
8	INTEREST EXPENSE	<u>19,489</u>	NOTE (A)
9	STATE TAXABLE INCOME	(276,169)	LINE 7 - LINE 8
10	STATE TAX RATE	<u>6.968%</u>	TAX RATE
11	STATE INCOME TAX EXPENSE	(19,243)	LINE 9 X LINE 10
12	TOTAL INCOME TAXES	(59,967)	LINE 6 + LINE 11
13	INCOME TAXES PER COMPANY	<u>(95,355)</u>	COMPANY SCH. C-1, PG. 2
14	ADJUSTMENT	<u>\$ 35,388</u>	LINE 12 - LINE 13
	<u>NOTE (a):</u>		
	INTEREST SYCHRONIZATION		
TJC - 17	ADJUSTED RATE BASE	\$ 746,994	
	WEIGHTED COST OF DEBT	<u>2.61%</u>	
TJC - 18	INTEREST EXPENSE	\$ 19,489	

TJC - 19

TJC - 20

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SAN MANUEL SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #11 - SAN MANUEL PURCHASED WATER EXPENSE

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-15

<u>LINE NO.</u>	<u>DESCRIPTION</u>	(A) ACTUAL PER COMPANY	(B) PROFORMA PER RUCO
1	JANUARY 2002 PURCHASED WATER EXPENSE	\$ 9,585	\$ 12,988
2	FEBRUARY 2002 PURCHASED WATER EXPENSE	<u>9,702</u>	<u>14,274</u>
3	TOTAL SAN MANUEL PURCHASED WATER EXPENSE FOR JAN. & FEB. 2002	\$ 19,287	\$ 27,262
4	RUCO ADJUSTMENT		<span style="border: 1px solid black; padding: 2px;">\$ 7,975</span>

REFERENCES:  
 COLUMN (A): RUCO DATA REQUEST #1.10  
 COLUMN (B): GALLONAGE SOLD PER 2002 ANNUAL REPORT x NEW COMMODITY RATE

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SAN MANUEL SYSTEM - REVISED SCHEDULES  
 COST OF CAPITAL

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-16

LINE NO.	DESCRIPTION	(A) AMOUNT	(B) ADJUSTMENT	(C) ADJUSTED BALANCE	(D) CAPITAL RATIO	(E) COST	(F) WEIGHTED COST
1	SHORT-TERM DEBT	\$ 2,850,000	\$ 1,650,000	\$ 4,500,000	5.62%	4.00%	0.22%
2	LONG-TERM DEBT:	23,000,677	(400,677)	22,600,000	28.24%	8.44%	2.38%
3	COMMON EQUITY	49,442,738	3,473,716	52,916,454	66.13%	9.18%	6.07%
4	TOTAL	\$ 75,293,415	4,723,039	\$ 80,016,454	100.00%		8.68%

REFERENCES:

- COLUMN (A): COMPANY SCH. D - 1
- COLUMN (B): TESTIMONY, WAR
- COLUMN (C): COLUMN (A) + COLUMN (B)
- COLUMN (D): COLUMN (C) ÷ COLUMN (C), LINE 5
- COLUMN (E): TESTIMONY, WAR
- COLUMN (F): COLUMN (D) x COLUMN (E)

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SAN MANUEL SYSTEM - REVISED SCHEDULES  
 PROPOSED RATES

DOCKET NO. W-01445A-02-0619  
 SCHEDULE TJC-17

LINE NO.	DESCRIPTION	PRESENT RATES	COMPANY PROPOSED	RUCO PROPOSED
1	MONTHLY MINIMUM USAGE CHARGE:			
2				
3	(RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS)			
4	5/8 X 3/4 - INCH	\$ 13.98	\$ 27.47	\$ 15.38
5	1 - INCH	31.07	64.83	40.39
6	2 - INCH	93.22	201.36	139.83
7	3 - INCH	155.37	358.76	264.13
8	4 - INCH	269.31	607.91	509.69
9	6 - INCH	362.53	1,043.04	759.41
10	8 - INCH	362.53	1,455.09	833.82
11	10 - INCH	673.27	2,378.35	1,683.18
12				
13	GALLONS INCLUDED IN MONTHLY MINIMUM USAGE CHARGE:			
14				
15	RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS	1,000	0	0
16				
17	COMMODITY RATE (PER 100 GAL. OVER MINIMUM):	\$ 0.09220	\$ 0.16220	\$ 0.23120
18				
19	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM):	\$ 0.92200	\$ 1.62200	\$ 2.31200

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SAN MANUEL SYSTEM - REVISED SCHEDULES  
 MONTHLY MINIMUM CHARGES

DOCKET NO. W-01445A-02-0619  
 SCHEDULE TJC-18

LINE NO.	METER SIZE	(A) COMPANY PRESENT RATES	(B) COMPANY PROPOSED RATES	(C) COMPANY DOLLAR INCREASE	(D) COMPANY PERCENT. INCREASE	(E) RUCO PROPOSED RATES	(F) RUCO DOLLAR INCREASE	(G) RUCO PERCENT. INCREASE
1	5/8 X 3/4 - INCH	\$ 13.98	\$ 27.47	\$ 13.49	96.49%	\$ 15.38	\$ 1.40	10.01%
2	1 - INCH	31.07	64.83	33.76	108.66%	40.39	9.32	30.00%
3	2 - INCH	93.22	201.36	108.14	116.01%	139.83	46.61	50.00%
4	3 - INCH COMMERCIAL	155.37	358.76	203.39	130.91%	264.13	108.76	70.00%
5	4 - INCH COMMERCIAL	269.31	607.91	338.60	125.73%	509.69	240.38	89.26%
6	6 - INCH	362.53	1,043.04	680.51	187.71%	759.41	396.88	109.48%
7	8 - INCH	362.53	1,455.09	1,092.56	301.37%	833.82	471.29	130.00%
8	10 - INCH	673.27	2,378.35	1,705.08	253.25%	1,683.18	1,009.91	150.00%
9	GALLONS INCLUDED IN MONTHLY MINIMUM CHARGE	1,000	0			0		

REFERENCES

COLUMN (A) THRU COLUMN (D): COMPANY SCHEDULE H-3, PAGE 3 OF 4  
 COLUMN (E): TESTIMONY WAR  
 COLUMN (F): COLUMN (E) - COLUMN (A)  
 COLUMN (G): COLUMN (F) ÷ COLUMN (A)

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SAN MANUEL SYSTEM - REVISED SCHEDULES  
 BILLING ANALYSIS

DOCKET NO. W-01445A-02-0619  
 SCHEDULE TJC-19  
 PAGE 1 OF 4

PRESENT RATES

LINE NO.	CONSUMPTION IN GALLONS	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		5/8 - INCH	1 - INCH	2 - INCH	3 - INCH	4 - INCH	6 - INCH	8 - INCH	10 - INCH
1	0	\$ 13.98	\$ 31.07	\$ 93.22	\$ 155.37	\$ 269.31	\$ 362.53	\$ 362.53	\$ 673.27
2	1,000	13.98	31.07	93.22	155.37	269.31	362.53	362.53	673.27
3	2,000	14.90	31.99	94.14	156.29	270.23	363.45	363.45	674.19
4	3,000	15.82	32.91	95.06	157.21	271.15	364.37	364.37	675.11
5	4,000	16.75	33.84	95.99	158.14	272.08	365.30	365.30	676.04
6	5,000	17.67	34.76	96.91	159.06	273.00	366.22	366.22	676.96
7	6,000	18.59	35.68	97.83	159.98	273.92	367.14	367.14	677.88
8	7,000	19.51	36.60	98.75	160.90	274.84	368.06	368.06	678.80
9	8,000	20.43	37.52	99.67	161.82	275.76	368.98	368.98	679.72
10	9,000	21.36	38.45	100.60	162.75	276.69	369.91	369.91	680.65
11	10,000	22.28	39.37	101.52	163.67	277.61	370.83	370.83	681.57
12	15,000	26.89	43.98	106.13	168.28	282.22	375.44	375.44	686.18
13	20,000	31.50	48.59	110.74	172.89	286.83	380.05	380.05	690.79
14	25,000	36.11	53.20	115.35	177.50	291.44	384.66	384.66	695.40
15	50,000	59.16	76.25	138.40	200.55	314.49	407.71	407.71	718.45
16	75,000	82.21	99.30	161.45	223.60	337.54	430.76	430.76	741.50
17	100,000	105.26	122.35	184.50	246.65	360.59	453.81	453.81	764.55
18	125,000	128.31	145.40	207.55	269.70	383.64	476.86	476.86	787.60
19	150,000	151.36	168.45	230.60	292.75	406.69	499.91	499.91	810.65
20	175,000	174.41	191.50	253.65	315.80	429.74	522.96	522.96	833.70
21	200,000	197.46	214.55	276.70	338.85	452.79	546.01	546.01	856.75
22									
23	AVG. NO. OF CUST:	1,556	22	9	1	1	1	0	0
24									
25	AVG. USE (GAL.):	10,191	21,816	120,468	92,942	233,208	276,192	N/A	N/A
26	MONTHLY BILL:	\$ 22.45	\$ 50.26	\$ 203.37	\$ 240.14	\$ 483.41	\$ 616.26	N/A	N/A
27									
28	MEDIAN USE (GAL.):	7,752	12,000	50,000	90,000	100,800	100,800	N/A	N/A
29	MONTHLY BILL:	\$ 20.21	\$ 41.21	\$ 138.40	\$ 237.43	\$ 361.33	\$ 454.55	N/A	N/A

RUCO PROPOSED RATES

LINE NO.	CONSUMPTION IN GALLONS	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		5/8 - INCH	1 - INCH	2 - INCH	3 - INCH	4 - INCH	6 - INCH	8 - INCH	10 - INCH
1	0	\$ 15.38	\$ 40.39	\$ 139.83	\$ 264.13	\$ 509.69	\$ 759.41	\$ 1,373.50	\$ 2,060.25
2	1,000	17.69	42.70	142.14	266.44	512.00	761.72	1,375.19	2,061.94
3	2,000	20.00	45.01	144.45	268.75	514.31	764.03	1,376.88	2,063.63
4	3,000	22.32	47.33	146.77	271.07	516.63	766.35	1,378.57	2,065.32
5	4,000	24.63	49.64	149.08	273.38	518.94	768.66	1,380.26	2,067.01
6	5,000	26.94	51.95	151.39	275.69	521.25	770.97	1,381.95	2,068.70
7	6,000	29.25	54.26	153.70	278.00	523.56	773.28	1,383.63	2,070.38
8	7,000	31.56	56.57	156.01	280.31	525.87	775.59	1,385.32	2,072.07
9	8,000	33.88	58.89	158.33	282.63	528.19	777.91	1,387.01	2,073.76
10	9,000	36.19	61.20	160.64	284.94	530.50	780.22	1,388.70	2,075.45
11	10,000	38.50	63.51	162.95	287.25	532.81	782.53	1,390.39	2,077.14
12	15,000	50.06	75.07	174.51	298.81	544.37	794.09	1,398.84	2,085.59
13	20,000	61.62	86.63	186.07	310.37	555.93	805.65	1,407.28	2,094.03
14	25,000	73.18	98.19	197.63	321.93	567.49	817.21	1,415.73	2,102.48
15	50,000	130.98	155.99	255.43	379.73	625.29	875.01	1,457.95	2,144.70
16	75,000	188.78	213.79	313.23	437.53	683.09	932.81	1,500.18	2,186.93
17	100,000	246.58	271.59	371.03	495.33	740.89	990.61	1,542.40	2,229.15
18	125,000	304.38	329.39	428.83	553.13	798.69	1,048.41	1,584.63	2,271.38
19	150,000	362.18	387.19	486.63	610.93	856.49	1,106.21	1,626.85	2,313.60
20	175,000	419.98	444.99	544.43	668.73	914.29	1,164.01	1,669.08	2,355.83
21	200,000	477.78	502.79	602.23	726.53	972.09	1,221.81	1,711.30	2,398.05
22									
23	AVG. NO. OF CUST:	1,556	22	9	1	1	1	0	0
24									
25	AVG. USE (GAL.):	10,191	21,816	120,468	92,942	233,208	276,192	N/A	N/A
26	MONTHLY BILL:	\$ 38.94	\$ 90.83	\$ 418.35	\$ 479.01	\$ 1,048.87	\$ 1,397.97	N/A	N/A
27									
28	MEDIAN USE (GAL.):	7,752	12,000	50,000	90,000	100,800	100,800	N/A	N/A
29	MONTHLY BILL:	\$ 33.30	\$ 68.13	\$ 255.43	\$ 472.21	\$ 742.74	\$ 992.46	N/A	N/A

RUCO PROPOSED CHANGES EXPRESSED IN DOLLARS

LINE NO.	CONSUMPTION IN GALLONS	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		5/8 - INCH	1 - INCH	2 - INCH	3 - INCH	4 - INCH	6 - INCH	8 - INCH	10 - INCH
1	0	\$ 1.40	\$ 9.32	\$ 46.61	\$ 108.76	\$ 240.38	\$ 396.88	\$ 1,010.97	\$ 1,386.98
2	1,000	3.71	11.63	48.92	111.07	242.69	399.19	1,012.66	1,388.67
3	2,000	5.10	13.02	50.31	112.46	244.08	400.58	1,013.43	1,389.44
4	3,000	6.49	14.41	51.70	113.85	245.47	401.97	1,014.19	1,390.20
5	4,000	7.88	15.80	53.09	115.24	246.86	403.36	1,014.96	1,390.97
6	5,000	9.27	17.19	54.48	116.63	248.25	404.75	1,015.73	1,391.74
7	6,000	10.66	18.58	55.87	118.02	249.64	406.14	1,016.49	1,392.50
8	7,000	12.05	19.97	57.26	119.41	251.03	407.53	1,017.26	1,393.27
9	8,000	13.44	21.36	58.65	120.80	252.42	408.92	1,018.03	1,394.04
10	9,000	14.83	22.75	60.04	122.19	253.81	410.31	1,018.80	1,394.81
11	10,000	16.22	24.14	61.43	123.58	255.20	411.70	1,019.56	1,395.57
12	15,000	23.17	31.09	68.38	130.53	262.15	418.65	1,023.40	1,399.41
13	20,000	30.12	38.04	75.33	137.48	269.10	425.60	1,027.23	1,403.24
14	25,000	37.07	44.99	82.28	144.43	276.05	432.55	1,031.07	1,407.08
15	50,000	71.82	79.74	117.03	179.18	310.80	467.30	1,050.24	1,426.25
16	75,000	106.57	114.49	151.78	213.93	345.55	502.05	1,069.42	1,445.43
17	100,000	141.32	149.24	186.53	248.68	380.30	536.80	1,088.59	1,464.60
18	125,000	176.07	183.99	221.28	283.43	415.05	571.55	1,107.77	1,483.78
19	150,000	210.82	218.74	256.03	318.18	449.80	606.30	1,126.94	1,502.95
20	175,000	245.57	253.49	290.78	352.93	484.55	641.05	1,146.12	1,522.13
21	200,000	280.32	288.24	325.53	387.68	519.30	675.80	1,165.29	1,541.30
22									
23	AVG. NO. OF CUST:	1,556	22	9	1	1	1	0	0
24									
25	AVG. USE (GAL.):	10,191	21,816	120,468	92,942	233,208	276,192	N/A	N/A
26	MONTHLY BILL:	\$ 16.49	\$ 40.57	\$ 214.98	\$ 238.87	\$ 565.46	\$ 781.71	N/A	N/A
27									
28	MEDIAN USE (GAL.):	7,752	12,000	50,000	90,000	100,800	100,800	N/A	N/A
29	MONTHLY BILL:	\$ 13.10	\$ 26.92	\$ 117.03	\$ 234.78	\$ 381.41	\$ 537.91	N/A	N/A

RUCO PROPOSED CHANGES EXPRESSED AS A PERCENTAGE

LINE NO.	CONSUMPTION IN GALLONS	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		5/8 - INCH	1 - INCH	2 - INCH	3 - INCH	4 - INCH	6 - INCH	8 - INCH	10 - INCH
1	0	10.0%	30.0%	50.0%	70.0%	89.3%	109.5%	278.9%	206.0%
2	1,000	26.6%	37.4%	52.5%	71.5%	90.1%	110.1%	279.3%	206.3%
3	2,000	34.2%	40.7%	53.4%	72.0%	90.3%	110.2%	278.8%	206.1%
4	3,000	41.0%	43.8%	54.4%	72.4%	90.5%	110.3%	278.3%	205.9%
5	4,000	47.1%	46.7%	55.3%	72.9%	90.7%	110.4%	277.8%	205.8%
6	5,000	52.5%	49.5%	56.2%	73.3%	90.9%	110.5%	277.4%	205.6%
7	6,000	57.4%	52.1%	57.1%	73.8%	91.1%	110.6%	276.9%	205.4%
8	7,000	61.8%	54.6%	58.0%	74.2%	91.3%	110.7%	276.4%	205.3%
9	8,000	65.8%	56.9%	58.8%	74.7%	91.5%	110.8%	275.9%	205.1%
10	9,000	69.5%	59.2%	59.7%	75.1%	91.7%	110.9%	275.4%	204.9%
11	10,000	72.8%	61.3%	60.5%	75.5%	91.9%	111.0%	274.9%	204.8%
12	15,000	86.2%	70.7%	64.4%	77.6%	92.9%	111.5%	272.6%	203.9%
13	20,000	95.6%	78.3%	68.0%	79.5%	93.8%	112.0%	270.3%	203.1%
14	25,000	102.7%	84.6%	71.3%	81.4%	94.7%	112.5%	268.0%	202.3%
15	50,000	121.4%	104.6%	84.6%	89.3%	98.8%	114.6%	257.6%	198.5%
16	75,000	129.6%	115.3%	94.0%	95.7%	102.4%	116.6%	248.3%	194.9%
17	100,000	134.3%	122.0%	101.1%	100.8%	105.5%	118.3%	239.9%	191.6%
18	125,000	137.2%	126.5%	106.6%	105.1%	108.2%	119.9%	232.3%	188.4%
19	150,000	139.3%	129.9%	111.0%	108.7%	110.6%	121.3%	225.4%	185.4%
20	175,000	140.8%	132.4%	114.6%	111.8%	112.8%	122.6%	219.2%	182.6%
21	200,000	142.0%	134.3%	117.6%	114.4%	114.7%	123.8%	213.4%	179.9%
22									
23	AVG. NO. OF CUST:	1,556	22	9	1	1	1	0	0
24									
25	AVG. USE (GAL.):	10,191	21,816	120,468	92,942	233,208	276,192	N/A	N/A
26	MONTHLY BILL:	73.4%	80.7%	105.7%	99.5%	117.0%	126.8%	N/A	N/A
27									
28	MEDIAN USE (GAL.):	7,752	12,000	50,000	90,000	100,800	100,800	N/A	N/A
29	MONTHLY BILL:	64.8%	65.3%	84.6%	98.9%	105.6%	118.3%	N/A	N/A

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SAN MANUEL SYSTEM - REVISED SCHEDULES  
 REVENUE SUMMARY BY METER SIZE AND CUSTOMER CLASS

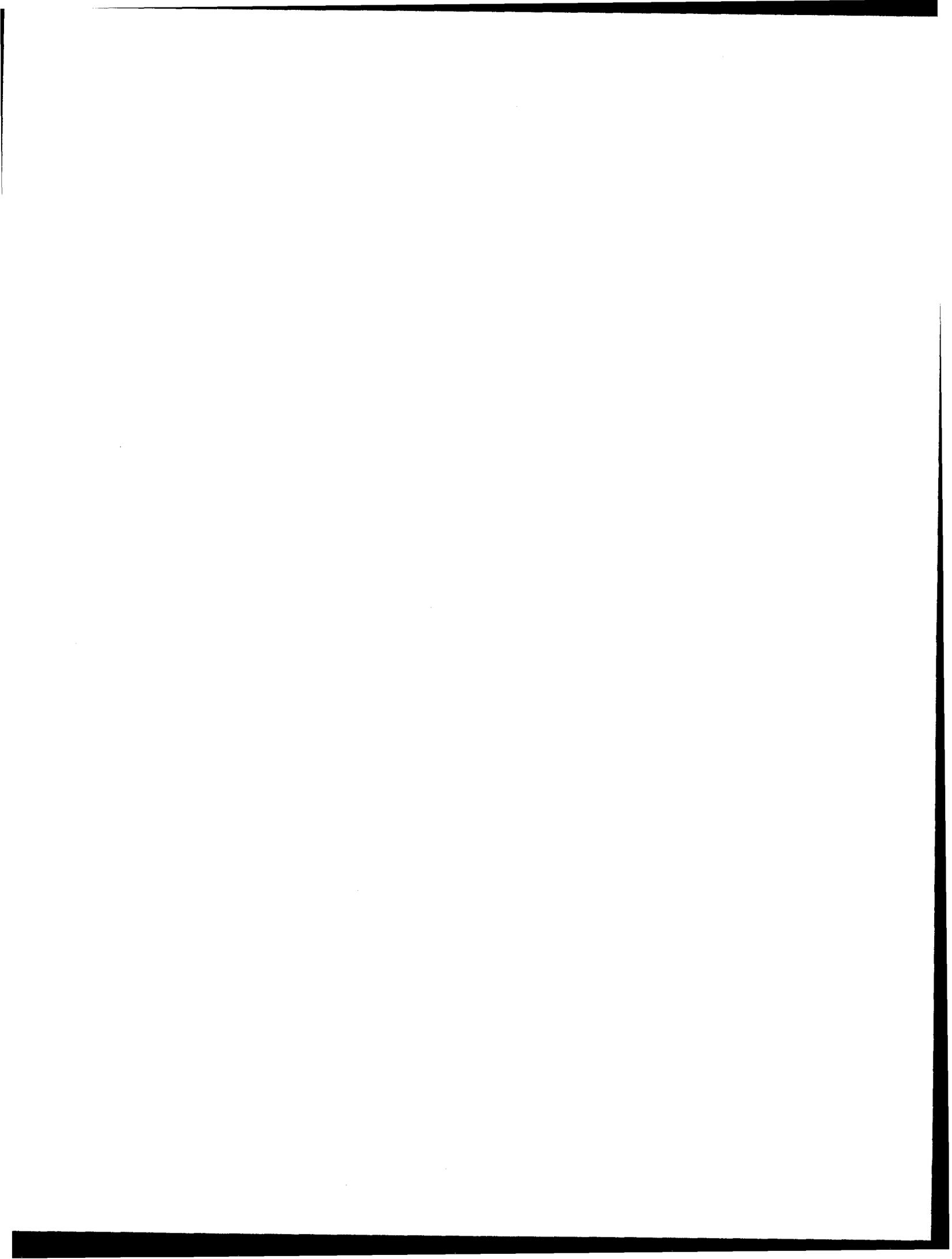
DOCKET NO. W-01445A-02-061  
 SCHEDULE TJC-20

LINE NO.	DESCRIPTION	(A) RUCO PROPOSED MINIMUM REVENUE	(B) RUCO PROPOSED COMMODITY REVENUE	(C) RUCO PROPOSED TOTAL REVENUE
1	5/8 X 3/4 - INCH	\$ 287,114	\$ 439,860	\$ 726,974
2	1 - INCH	10,663	13,316	23,979
3	2 - INCH	15,102	30,080	45,182
4	3 - INCH	3,170	2,579	5,748
5	4 - INCH	6,116	6,470	12,586
6	6 - INCH	9,113	7,663	16,776
7	8 - INCH	0	0	0
13	10 - INCH	0	0	0
14				
15	TOTALS	<u>\$ 331,277</u>	<u>\$ 499,967</u>	<u>\$ 831,245 (a)</u>
16				
17	PERCENTAGE OF TOTAL REVENUE	40.00%	60.00%	100.00%

NOTE (a):

RUCO REQUIRED REVENUE		\$ 844,390
LESS:		
FIRE SPRINKLER REVENUE	\$ 60	
FIRE HYDRANT REVENUE	-	
MISCELLANEOUS REVENUE	7,003	
RENT - WATER PROPERTY REVENUE	-	
OTHER WATER REVENUE	6,082	
TOTAL		<u>\$ 13,145</u>
REVENUE TO BE GENERATED FROM WATER SALES		<u>\$ 831,245</u>

REFERENCE:  
 NOTE (a) 2002 REVENUE INFORMATION OBTAINED FROM RUCO D.R. NO. 1.10



**ARIZONA WATER COMPANY  
SIERRA VISTA SYSTEM - REVISED SCHEDULES  
DOCKET NO. W-1445A-02-0619  
TABLE OF CONTENTS TO SCHEDULES TJC**

SCHEDULE #

TJC - 1	REVENUE REQUIREMENTS
TJC - 2	RATE BASE - ORIGINAL COST
TJC - 3	SUMMARY OF RATE BASE ADJUSTMENTS
TJC - 4	RATE BASE ADJUSTMENTS #1, #2 & #3 - PLANT IN SERVICE/POST TEST YEAR PLANT, PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION
TJC - 5	RATE BASE ADJ. #4 - RECONCILE TEST YEAR ALLOCATED PHOENIX OFFICE & METER SHOP AND ACCUMULATED DEPRECIATION BALANCES
TJC - 6	RATE BASE ADJ. #5 - REMOVE CWIP FROM PHOENIX OFFICE ALLOCATION
TJC - 7	RATE BASE ADJUSTMENT #9 - WORKING CAPITAL
TJC - 8	OPERATING INCOME - TEST YEAR AND RUCO PROPOSED
TJC - 9	SUMMARY OF OPERATING ADJUSTMENTS
TJC - 10	OPERATING ADJ. #1 - RECONCILE COMPANY PROPOSED OPERATING INCOME TO 2002 ACTUAL
TJC - 11	OPERATING ADJ. #5 - REVENUE ANNUALIZATION FOR 2002
TJC - 12	OPERATING ADJ. #8 - DEPRECIATION & AMORTIZATION EXPENSE
TJC - 13	OPERATING ADJ. #9 - PROPERTY TAX EXPENSE
TJC - 14	OPERATING ADJ. #10 - INCOME TAXES
TJC - 15	OPERATING ADJ. #11 - NOT USED FOR THIS SYSTEM
TJC - 16	COST OF CAPITAL
TJC - 17	PROPOSED RATES
TJC - 18	MONTHLY MINIMUM CHARGES
TJC - 19	BILLING ANALYSIS
TJC - 20	REVENUE SUMMARY BY METER SIZE AND CUSTOMER CLASS

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SIERRA VISTA SYSTEM - REVISED SCHEDULES  
 REVENUE REQUIREMENTS

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-1  
 PAGE 1 OF 2

LINE NO.	DESCRIPTION	(A) COMPANY REQUESTED	(B) RUCO RECOMMENDED
1	ADJUSTED RATE BASE	\$ 2,574,687	\$ 2,256,646
2	ADJUSTED OPERATING INCOME	31,078	140,678
3	CURRENT RATE OF RETURN (L2 / L1)	1.21%	6.23%
4	REQUIRED RATE OF RETURN	11.00%	8.68%
5	REQUIRED OPERATING INCOME (L4 * L1)	283,216	195,941
6	OPERATING INCOME DEFICIENCY (L5 - L2)	252,138	55,263
7	GROSS REVENUE CONVERSION FACTOR	<u>1.63241</u>	<u>1.55062</u>
8	GROSS REVENUE INCREASE	<u>\$ 411,593</u>	<u>\$ 85,692</u>
9	CURRENT REVENUES T/Y ADJUSTED	896,485	992,980
10	PROPOSED ANNUAL REVENUE (L8 + L9)	1,308,078	1,078,672
11	PERCENTAGE AVERAGE INCREASE	45.91%	8.63%

REFERENCES:

COLUMN (A): COMPANY SCHEDULE A-1  
 COLUMN (B): SCHEDULE TJC-1, PG. 2, TJC-2, AND TJC-8

TJC - 17

TJC - 18

TJC - 19

TJC - 20

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SIERRA VISTA SYSTEM - REVISED SCHEDULES  
 GROSS REVENUE CONVERSION FACTOR

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-1  
 PAGE 2 OF 2

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	REVENUE	1.0000	
2	UNCOLLECTIBLES	<u>0.002316</u>	COMPANY SCH. C-3
3	SUB-TOTAL	0.9977	LINE 1 - LINE 2
4	LESS: TAX RATE	<u>35.28%</u>	NOTE (a)
5	TOTAL	0.6449	LINE 3 - LINE 4
6	REVENUE CONVERSION FACTOR	<span style="border: 1px solid black; padding: 2px;">1.55062</span>	LINE 1/LINE 5

NOTE (a):  
 CALCULATION OF EFFECTIVE TAX RATE

OPERATING INCOME BEFORE TAXES	100.00%
ARIZONA STATE TAX	<u>6.97%</u>
TAXABLE INCOME FEDERAL	93.03%
FEDERAL INCOME TAX RATE	<u>30.52%</u>
SUBTOTAL	28.39%
ADD STATE TAX RATE	35.36%
LINE 3 ABOVE	<u>99.77%</u>
EFFECTIVE TAX RATE	35.28%

TJC - 17

TJC - 18

TJC - 19

TJC - 20

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SIERRA VISTA SYSTEM - REVISED SCHEDULES  
 RATE BASE - ORIGINAL COST

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-2

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO ADJUSTMENTS	(C) RUCO AS ADJUSTED
1	PLANT IN SERVICE/POST-TEST YEAR ADDITIONS	\$ 5,282,359	\$ 155,384	\$ 5,437,743
2	PHOENIX OFFICE & METER SHOP ALLOCATION	133,289	28,651	161,940
3	ACCUMULATED DEPRECIATION	<u>(1,406,900)</u>	<u>(39,723)</u>	<u>(1,446,623)</u>
4	NET PLANT IN SERVICE	\$ 4,008,748	\$ 144,312	\$ 4,153,060
5	CONSTRUCTION WORK IN PROGRESS (CWIP)	<u>-</u>	<u>-</u>	<u>-</u>
6	TOTAL NET PLANT	\$ 4,008,748	\$ 144,312	\$ 4,153,060
7	ADVANCES IN AID OF CONSTRUCTION (AIAC)	(587,611)	(337,114)	(924,725)
8	CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	(699,448)	(42,631)	(742,079)
9	ACCUMULATED AMORTIZATION OF CIAC	113,980	18,668	132,648
10	DEFERRED INCOME TAXES	(331,421)	(49,050)	(380,471)
11	WORKING CAPITAL	<u>70,439</u>	<u>(52,226)</u>	<u>18,213</u>
12	TOTAL RATE BASE	<u>\$ 2,574,687</u>	<u>\$ (318,041)</u>	<u>\$ 2,256,646</u>

REFERENCES:

COLUMN (A): COMPANY SCHEDULE B-1  
 COLUMN (B): SCHEDULE TJC-3  
 COLUMN (C): COLUMN (A) + COLUMN (B)

TJC - 17

TJC - 18

TJC - 19

TJC - 20

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) ADJ.#1	(C) ADJ.#2	(D) ADJ.#3	(E) ADJ.#4	(F) ADJ.#5	(G) ADJ.#6	(H) ADJ.#7	(I) ADJ.#8	(J) ADJ.#9	(K) ADJ.#10	(L) ADJ.#11	(M) RUCCO ADJUSTED
1	PLANT IN SERVICE/POST-TEST YEAR ADDITIONS	\$ 5,282,359	\$ 155,384	15,830		17,440	(4,820)							\$ 5,437,743
2	PHOENIX OFFICE & METER SHOP ALLOCATION	139,289												161,940
3	ACCUMULATED DEPRECIATION	(1,408,900)			(22,283)	(17,440)								(1,448,623)
4	NET PLANT IN SERVICE	\$ 4,008,748	\$ 155,384	\$ 15,830	\$ (22,283)	\$ -	\$ (4,820)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,153,060
5	CONSTRUCTION WORK IN PROGRESS (CWIP)													
6	TOTAL NET PLANT	\$ 4,008,748	\$ 155,384	\$ 15,830	\$ (22,283)	\$ -	\$ (4,820)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,153,060
7	ADVANCES IN AID OF CONSTRUCTION (AIAC)	(587,611)						(937,114)						(924,725)
8	CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	(698,448)							(42,631)					(742,079)
9	ACCUMULATED AMORTIZATION OF CIAC	113,980							18,668					132,648
10	DEFERRED INCOME TAXES	(331,421)								(49,050)				(380,471)
11	WORKING CAPITAL	70,439									(52,226)			18,213
12	TOTAL RATE BASE	\$ 2,574,697	\$ 155,384	\$ 15,830	\$ (22,283)	\$ -	\$ (4,820)	\$ (337,114)	\$ (23,963)	\$ (49,050)	\$ (52,226)	\$ -	\$ -	\$ 2,256,646

ADJUSTMENT #:  
 1. PLANT IN SERVICE/POST-TEST YEAR ADDITIONS  
 2. PHOENIX OFFICE & METER SHOP ALLOCATION  
 3. ACCUMULATED DEPRECIATION  
 4. RECONCILE PHX. OFFICE & METER SHOP AND ACCUM. DEPR.  
 5. REMOVE CWIP FROM PHOENIX OFFICE ALLOCATION  
 6. AIAC - 2002 BALANCE

ADJUSTMENT #:  
 7. CIAC - 2002 BAL. & AMORTIZATION  
 8. ACCUMULATED DEFERRED INCOME TAXES  
 9. WORKING CAPITAL  
 10. NOT USED  
 11. NOT USED

ADJUSTMENT #:  
 7. CIAC - 2002 BAL. & AMORTIZATION  
 8. ACCUMULATED DEFERRED INCOME TAXES  
 9. WORKING CAPITAL  
 10. NOT USED  
 11. NOT USED

REFERENCE:  
 SCHEDULE TJC-4, PAGE 7  
 SCHEDULE TJC-4, PAGE 7  
 SCHEDULE TJC-4, PAGE 7  
 SCHEDULE TJC-5  
 SCHEDULE TJC-6  
 RUCCO D.R. NO. 6.3

REFERENCE:  
 SCHEDULE TJC-4, PAGE 7  
 SCHEDULE TJC-4, PAGE 7  
 SCHEDULE TJC-4, PAGE 7  
 SCHEDULE TJC-5  
 SCHEDULE TJC-6  
 RUCCO D.R. NO. 6.3

REFERENCE:  
 RUCCO D.R. NO. 6.3, TESTIMONY - TJC  
 RUCCO D.R. NO. 6.3  
 SCHEDULE TJC-7, PAGE 3  
 N/A  
 N/A

NOTES:  
 (b) NET OF ACCUMULATED DEPRECIATION  
 (c) GROSS PHOENIX OFFICE AND METER SHOP ADDITIONS ALLOCATED DURING 2002  
 (d) INCLUDES ACCUMULATED DEPRECIATION ON 2002 PHOENIX OFFICE AND METER SHOP ADDITIONS

JC - 19  
 JC - 20

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1990 PLANT VALUE PER COMPANY	1990 ACCUM DEPR. PER COMPANY	1990 NET PLANT PER COMPANY	1991 ADDITIONS PER COMPANY	1991 (RETIREMENTS) PER COMPANY	1991 YEAR END PLANT VALUE PER RUCO	1991 DEPRECIATION EXPENSE PER RUCO	1991 ACCUMULATED DEPRECIATION PER RUCO	1991 YEAR END NET PLANT PER RUCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	40	0	40	0	0	40	0	0	40
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	8,932	0	8,932	0	0	8,932	0	0	8,932
7	314.0	SOURCE OF SUPPLY: WELLS	175,668	38,476	137,192	0	0	175,668	4,251	42,727	132,941
8	320.0	PUMPING PLANT: LAND*	1,881	0	1,881	0	0	1,881	0	0	1,881
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	12,941	2,834	10,107	0	0	12,941	313	3,148	9,793
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	344,148	75,377	268,771	34,956	(15,131)	363,973	8,568	68,814	295,159
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	11,932	2,613	9,319	0	0	11,932	289	2,902	9,030
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	1,033	0	807	37,473	0	38,506	478	705	37,801
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	226	0	0	0	0	0	0	0
15	340.0	TRANSMISSION & DISTRIBUTION: LAND, TANKS & MAINS*	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	226,659	49,644	177,015	0	0	226,659	5,485	55,129	171,530
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	1,152,128	252,345	899,783	52,051	0	1,204,179	28,511	280,857	923,322
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	24,478	5,361	19,117	0	0	24,478	592	5,954	18,524
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	241,739	52,949	188,800	2,343	(337)	243,755	6,875	58,487	185,268
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	112,634	24,670	87,964	2,597	(1,173)	114,058	2,743	26,240	87,818
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	117,352	25,703	91,649	0	0	117,352	2,840	28,543	88,809
24	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	3,468	760	2,708	165	0	3,633	86	846	2,787
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	19,113	4,186	14,927	0	0	19,113	463	4,649	14,464
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	0	0	0
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	6,447	1,412	5,035	0	0	6,447	156	1,568	4,879
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	8,509	1,864	6,645	0	0	8,509	206	2,070	6,439
32	391.2	GENERAL PLANT: OFFICE FURNITURE	5,989	1,312	4,677	0	0	5,989	145	1,457	4,532
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	0	0	0	0	0	0	0
JC-17	394.0	GENERAL PLANT: GARAGE EQUIPMENT	10,431	2,285	8,146	318	0	10,749	256	2,541	8,208
JC-18	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	0	6,608	0	6,608	80	80	6,528
JC-19	397.0	GENERAL PLANT: POWER EQUIPMENT	3,792	831	2,961	0	0	3,792	92	922	2,870
JC-19	397.1	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	19,409	4,251	15,158	0	0	19,409	470	4,721	14,688
JC-19	397.2	GENERAL PLANT: MOBILE RADIOS	166	36	130	373	0	509	9	45	494
JC-20	398.0	GENERAL PLANT: AUTO CONTROLS	74,203	16,252	57,951	21,392	0	95,595	2,055	18,307	77,288
###		TOTALS	\$2,583,102	\$563,388	\$2,019,714	\$158,276	(\$18,641)	\$2,724,737	\$63,962	\$610,705	\$2,114,032

REFERENCE:  
 ACC STAFF D. R. NO. REL 1-24

NOTE:  
 \*NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1992 ADDITIONS PER COMPANY	1992 (RETIREMENTS) PER COMPANY	1992 YEAR END PLANT VALUE PER RUCCO	1992 DEPRECIATION EXPENSE PER RUCCO	1992 ACCUMULATED DEPRECIATION PER RUCCO	1992 YEAR END NET PLANT PER RUCCO	1993 ADDITIONS PER COMPANY	1993 (RETIREMENTS) PER COMPANY	1993 YEAR END PLANT VALUE PER RUCCO	1993 DEPRECIATION EXPENSE PER RUCCO	1993 ACCUMULATED DEPRECIATION PER RUCCO	1993 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES ORGANIZATION*	\$0		\$0			\$0	\$0		\$0		\$0	\$0
2	302.0	INTANGIBLES FRANCHISES*												
3	303.0	INTANGIBLES MISC.*												
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*												
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*												
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*												
7	314.0	SOURCE OF SUPPLY: WELLS	12		8,932			8,932						
8	320.0	PUMPING PLANT: WELLS			4,251			4,251						
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS			12,941			12,941						
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT			3,451			3,451						
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	2,105	(805)	365,273	8,824	76,833	288,440	198		365,471	9,463	77,296	279,175
12	330.0	WATER TREATMENT PLANT: LAND*			11,932	289	3,191	8,741	1,363		13,315	327	3,518	9,797
13	332.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS												
14	340.0	WATER TREATMENT PLANT: EQUIPMENT												
15	341.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	3,426		41,932	973	1,678	40,254			41,932	1,066	2,764	39,168
16	342.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*												
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES												
18	343.0	TRANSMISSION & DISTRIBUTION: TANKS												
19	343.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	72,803		298,462	6,366	61,495	237,967	3,856	(1,272)	302,046	7,750	68,013	234,033
20	344.0	TRANSMISSION & DISTRIBUTION: MAINS	2,639		1,206,918	29,173	310,030	896,788	504		1,207,322	31,263	377,253	866,029
21	345.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	2,189		24,478	592	6,546	17,932	3,543		28,021	680	7,226	20,795
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	2,017	(15)	245,929	5,925	64,397	181,532	17,295	(878)	262,346	6,582	70,100	191,246
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS		(241)	115,634	2,762	28,780	87,054	7,938	(91)	123,681	3,102	31,791	91,890
24	389.1	GENERAL PLANT: LAND - OFFICE*			117,352	2,940	31,363	85,989			117,352	3,039	34,422	82,930
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*												
26	389.3	GENERAL PLANT: LAND - MISC.*												
27	390.1	GENERAL PLANT: OFFICE BUILDINGS			3,633	89	853	2,700			3,633		1,028	2,605
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS			19,113	463	5,111	14,002			19,113	495	5,606	13,507
29	390.3	GENERAL PLANT: MISC. BUILDINGS												
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT			6,447	156	1,724	4,723			6,447	167	1,891	4,556
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT			8,509	206	2,276	6,233	385		8,894	225	2,501	6,393
32	391.2	GENERAL PLANT: OFFICE FURNITURE			5,989	145	1,602	4,387			5,989	155	1,757	4,232
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT												
JC-17	384.0	GENERAL PLANT: GARAGE EQUIPMENT												
JC-18	395.0	GENERAL PLANT: POWER EQUIPMENT			10,749	260	2,801	7,948	1,029		11,778	292	3,059	8,685
JC-19	397.0	GENERAL PLANT: POWER EQUIPMENT	163		6,608	160	240	6,368			6,608	171	411	6,197
JC-19	397.1	GENERAL PLANT: COMMUNICATIONS EQUIPMENT			3,955	94	1,016	2,939	840		4,595	111	1,127	3,468
JC-20	397.2	GENERAL PLANT: MOBILE RADIOS			19,409	470	5,190	14,219			19,409	503	5,953	13,716
JC-20	398.0	GENERAL PLANT: AUTO CONTROLS	41		560	14	58	522			580	15	23	507
JC-20	398.0	GENERAL PLANT: MISC.	2,764		98,359	2,347	20,654	77,705	2,011		100,370	2,574	23,227	77,143
###		TOTALS	\$29,809	(\$1,057)	\$2,814,465	\$86,762	\$676,410	\$2,138,075	\$39,814	(\$2,241)	\$2,851,858	\$73,083	\$747,253	\$2,104,605

REFERENCE:  
 ACC STAFF D.R. NO. REL 1-24

NOTE:  
 \* NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1994 ADDITIONS PER COMPANY	1994 (RETIREMENTS) PER COMPANY	1994 YEAR END PLANT VALUE PER RUCCO	1994 DEPRECIATION EXPENSE PER RUCCO	1994 ACCUMULATED DEPRECIATION PER RUCCO	1994 YEAR END NET PLANT PER RUCCO	1995 ADDITIONS PER COMPANY	1995 (RETIREMENTS) PER COMPANY	1995 YEAR END PLANT VALUE PER RUCCO	1995 DEPRECIATION EXPENSE PER RUCCO	1995 ACCUMULATED DEPRECIATION PER RUCCO	1995 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES ORGANIZATION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES FRANCHISES	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES MISC.	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY LAND - WATER RIGHTS	173	0	884	0	0	884	677	0	1,561	0	0	1,561
5	310.2	SOURCE OF SUPPLY LAND - RESERVOIRS	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY LAND - WELLS	0	0	8,932	0	0	8,932	0	0	8,932	0	0	8,932
7	310.4	SOURCE OF SUPPLY WELLS	288	0	176,129	4,558	56,088	120,041	0	0	176,129	4,552	60,650	115,479
8	320.0	PUMPING PLANT LAND	0	0	1,881	0	0	1,881	0	0	1,881	0	0	1,881
9	321.0	PUMPING PLANT STRUCTURES & IMPROVEMENTS	0	0	12,941	335	4,131	8,810	0	0	12,941	335	4,466	8,475
10	325.0	PUMPING PLANT ELECTRICAL EQUIPMENT	22,127	(1,690)	385,908	9,730	94,337	291,571	24,855	(8,534)	402,229	10,208	96,009	306,220
11	328.0	PUMPING PLANT GAS ENGINE EQUIPMENT	0	0	13,315	345	3,883	9,432	0	0	13,315	345	4,208	9,107
12	330.0	WATER TREATMENT PLANT LAND	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT STRUCTURES & IMPROVEMENTS	0	0	42,061	1,086	2,998	39,063	0	0	42,061	1,089	4,087	37,974
14	332.0	WATER TREATMENT PLANT EQUIPMENT	983	(654)	0	0	0	0	0	0	0	0	0	0
15	340.0	TRANSMISSION & DISTRIBUTION LAND RIGHTS - TANKS & MAINS	0	0	0	0	0	0	0	0	0	0	0	0
16	341.0	TRANSMISSION & DISTRIBUTION STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION STRUCTURE TANKS	4,808	(120)	305,734	7,844	75,777	230,957	5,441	0	312,175	8,015	83,791	228,384
18	343.0	TRANSMISSION & DISTRIBUTION TANKS	1,447	0	1,208,769	31,286	372,581	836,188	6,619	0	1,215,388	31,383	403,974	811,414
19	344.0	TRANSMISSION & DISTRIBUTION MAINS	0	0	28,021	726	7,952	20,069	0	0	28,021	726	8,677	19,344
20	345.0	TRANSMISSION & DISTRIBUTION FIRE SPRINKLERS	8,285	(161)	270,470	6,900	76,840	193,630	6,122	(176)	276,516	7,082	83,746	192,770
21	346.0	TRANSMISSION & DISTRIBUTION SERVICES	511	0	124,192	3,210	35,001	89,191	498	(2,815)	121,875	3,187	35,373	86,502
22	348.0	TRANSMISSION & DISTRIBUTION METERS	0	0	117,852	3,039	37,462	78,890	2,083	0	119,335	3,066	40,528	78,807
23	348.0	TRANSMISSION & DISTRIBUTION HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
24	389.1	GENERAL PLANT LAND - OFFICE	0	0	0	0	0	0	0	0	0	0	0	0
25	389.2	GENERAL PLANT LAND - WAREHOUSE	0	0	0	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT LAND - MISC.	0	0	3,653	0	0	3,653	0	0	3,653	0	0	3,653
27	390.1	GENERAL PLANT OFFICE BUILDINGS	0	0	19,110	485	6,111	12,999	82	(3,633)	19,110	485	6,388	12,715
28	390.2	GENERAL PLANT WAREHOUSE BUILDINGS	0	0	6,447	167	2,058	4,389	0	0	6,447	167	2,225	4,222
29	391.0	GENERAL PLANT OFFICE EQUIPMENT	1,605	0	10,489	251	2,752	7,747	28,941	0	37,440	621	3,373	34,067
30	391.1	GENERAL PLANT ELECTRICAL EQUIPMENT	0	0	5,989	155	1,912	4,077	104	0	6,093	156	2,068	4,025
31	391.2	GENERAL PLANT OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
32	391.2	GENERAL PLANT WAREHOUSE EQUIPMENT	892	0	12,670	317	3,409	9,261	1,019	0	13,689	341	3,751	9,938
33	393.0	GENERAL PLANT GARAGE EQUIPMENT	0	0	6,608	171	582	6,026	0	0	6,608	171	753	5,855
JC - 17	395.0	GENERAL PLANT POWER EQUIPMENT	1,736	0	6,331	141	1,588	5,063	0	0	6,331	141	1,432	4,899
JC - 18	396.0	GENERAL PLANT LAB EQUIPMENT	0	0	19,409	503	6,196	13,213	0	0	19,409	503	6,699	12,710
JC - 19	397.0	GENERAL PLANT COMMUNICATIONS EQUIPMENT	0	0	950	240	258	692	133	0	1,083	177	288	795
387.1	397.2	GENERAL PLANT MOBILE RADIOS	0	0	100,820	2,492	25,827	74,993	3,271	0	103,811	2,662	28,158	75,653
387.2	397.2	GENERAL PLANT AUDIO CONTROLS	0	0	2,850	69	258	2,592	0	0	2,850	69	238	2,612
JC - 20	398.0	GENERAL PLANT MISC.	\$42,855	(\$2,825)	\$2,891,888	\$74,081	\$818,514	\$2,070,732	\$77,848	(\$15,138)	\$2,954,578	\$75,400	\$878,255	\$2,076,323
###		TOTALS												

REFERENCE:  
 ACC STAFF D.R. NO. REL 1-24

NOTE:  
 \* NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1996 ADDITIONS PER COMPANY	1996 (RETIREMENTS) PER COMPANY	1996 YEAR END PLANT VALUE PER RUCCO	1996 DEPRECIATION EXPENSE PER RUCCO	1996 ACCUMULATED DEPRECIATION PER RUCCO	1996 YEAR END NET PLANT VALUE PER RUCCO	1997 ADDITIONS PER COMPANY	1997 (RETIREMENTS) PER COMPANY	1997 YEAR END PLANT VALUE PER RUCCO	1997 DEPRECIATION EXPENSE PER RUCCO	1997 ACCUMULATED DEPRECIATION PER RUCCO	1997 YEAR END NET PLANT VALUE PER RUCCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: PATENTS*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	303.0	INTANGIBLES: MISCS*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	310.0	SOURCE OF SUPPLY - LAND - WATER RIGHTS*	211	0	1,772	0	0	1,845	73	0	1,845	0	0	1,845
5	310.2	SOURCE OF SUPPLY - LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY - LAND - WELLS*	0	0	8,932	0	0	8,932	0	0	8,932	0	0	8,932
7	314.0	SOURCE OF SUPPLY - WELLS	0	0	176,129	4,582	85,212	168,073	0	(8,056)	168,073	4,457	61,613	106,460
8	320.0	PUMPING PLANT: LAND*	0	0	1,881	0	0	1,881	0	0	1,881	0	0	1,881
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	8,140	335	4,801	13,223	0	(149)	13,223	0	4,993	8,330
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	3,207	(854)	404,582	10,448	105,603	432,854	28,294	(22)	432,854	10,845	116,425	316,428
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	13,315	345	4,352	15,310	0	0	15,310	345	4,110	15,655
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
13	330.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
14	333.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	42,061	1,089	5,176	42,214	0	0	42,214	1,091	6,268	35,946
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	312,175	8,085	91,877	312,175	0	0	312,175	8,085	99,962	212,213
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	351,849	0	1,567,237	36,035	440,009	1,127,228	324	(420)	1,567,141	40,590	480,179	1,086,962
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	2,837	0	30,958	9,441	9,441	30,958	0	0	30,958	802	10,243	20,715
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	59,344	(1,360)	334,400	7,910	96,296	244,104	34,042	(3,461)	384,981	9,057	95,892	289,089
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	(186)	121,589	3,154	38,341	83,348	2,870	(394)	123,965	3,183	47,388	76,577
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	17,251	0	136,786	3,318	43,643	136,786	0	0	136,786	0	47,388	89,397
24	382.0	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
25	382.1	GENERAL PLANT: LAND - MISC*	0	0	0	0	0	0	0	0	0	0	0	0
26	382.2	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	82	2	(2,481)	2,543	0	0	2,543	1	(2,542)	2,542
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	19,113	495	7,091	12,022	0	0	19,113	495	7,586	11,527
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
30	391.0	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	6,447	167	2,392	4,055	0	0	6,447	167	2,559	3,888
31	391.1	GENERAL PLANT: OFFICE EQUIPMENT	482	(5,095)	32,807	910	(812)	33,819	1,312	0	34,119	887	34,065	34,065
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	6,093	158	2,226	3,867	0	0	6,093	158	2,284	3,709
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	13,725	351	4,104	8,619	0	0	13,725	351	4,463	9,264
35	395.0	GENERAL PLANT: POWER EQUIPMENT	0	0	6,608	171	824	5,684	0	0	6,608	171	1,096	5,512
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	6,331	164	1,596	4,684	0	0	6,331	164	1,096	5,234
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	19,409	503	7,201	12,208	0	(1,507)	19,409	503	7,704	11,705
38	397.1	GENERAL PLANT: MOBILE RADIOS	12,697	0	13,410	183	288	13,410	74	0	13,484	348	636	12,848
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	103,644	2,684	31,153	72,491	334	0	103,878	2,689	33,842	70,136
40	398.0	GENERAL PLANT: MISC	4,959	0	7,609	133	371	7,609	0	0	7,609	197	568	7,041
TOTALS			\$453,053	(\$7,495)	\$3,400,136	\$81,970	\$953,232	\$2,439,428	\$97,807	(\$14,091)	\$3,453,852	\$98,432	\$1,027,573	\$2,426,279

REFERENCE  
 ACC STAFF D.R. NO. REL 1-24  
 NOTE:  
 \*NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1998 ADDITIONS PER COMPANY	1998 (RETIREMENTS) PER COMPANY	1998 YEAR END PLANT VALUE PER RUCCO	1998 DEPRECIATION EXPENSE PER RUCCO	1998 ACCUMULATED DEPRECIATION PER RUCCO	1998 YEAR END NET PLANT PER RUCCO	1999 ADDITIONS PER COMPANY	1999 (RETIREMENTS) PER COMPANY	1999 YEAR END PLANT VALUE PER RUCCO	1999 DEPRECIATION EXPENSE PER RUCCO	1999 ACCUMULATED DEPRECIATION PER RUCCO	1999 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES: ORGANIZATION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	76	0	1,921	0	0	0	889	0	2,790	0	0	2,790
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	8,932	0	0	0	0	0	8,932	0	0	8,932
7	314.0	SOURCE OF SUPPLY: WELLS	496,833	0	684,966	10,787	72,400	592,506	101	0	685,007	17,222	89,623	575,384
8	320.0	PUMPING PLANT: LAND*	0	0	1,881	0	0	1,881	0	0	1,881	0	0	1,881
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	5,338	345	0	7,985	61	0	13,384	346	5,683	7,701
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	36,312	(16,806)	452,360	11,464	111,084	341,276	56,035	0	508,395	12,442	123,525	384,870
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	13,315	345	5,242	8,073	0	0	13,315	345	5,587	7,728
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	72,011	0	114,225	2,026	8,294	105,931	3,409	0	117,634	3,003	11,296	106,338
14	332.0	WATER TREATMENT PLANT: EQUIPMENT, TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
15	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS, FEES*	0	0	0	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS, FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	312,175	8,085	108,047	204,128	16,220	0	328,495	8,237	116,344	212,151
18	343.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	81,984	0	1,645,125	41,651	521,830	1,127,295	12,960	0	1,658,085	42,890	584,710	1,097,375
19	343.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	30,958	802	11,045	19,913	0	0	30,958	802	11,847	19,111
20	344.0	TRANSMISSION & DISTRIBUTION: MAINS	5,507	(46)	370,442	9,524	105,370	265,072	18,658	(375)	389,904	9,834	114,828	274,076
21	345.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	5,507	(46)	370,442	9,524	105,370	265,072	18,658	(375)	389,904	9,834	114,828	274,076
22	346.0	TRANSMISSION & DISTRIBUTION: SERVICES	1,381	(1,103)	124,243	3,214	43,239	81,004	2,700	(136)	128,457	3,247	46,350	80,147
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	2,398	0	135,184	3,574	50,963	88,221	7,700	0	146,884	3,705	54,657	92,217
24	389.1	GENERAL PLANT: LAND - OFFICE*	66	0	66	0	0	66	0	0	66	0	0	66
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	66	0	66	0	0	66	0	0	66	0	0	66
26	389.3	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	1,629	0	20,742	516	8,103	12,639	0	0	20,742	537	(2,542)	2,542
28	390.2	GENERAL PLANT: OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
29	390.3	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	6,447	167	2,726	3,721	2,483	0	2,483	32	32	2,451
30	391.0	GENERAL PLANT: MISC. BUILDINGS	0	0	34,119	884	938	33,181	12,292	0	45,611	1,033	2,893	3,554
31	391.1	GENERAL PLANT: OFFICE EQUIPMENT	0	0	10,449	214	2,598	7,651	0	(800)	10,449	271	1,170	44,441
32	391.2	GENERAL PLANT: ELECTRICAL EQUIPMENT	4,355	0	0	0	0	0	0	0	0	0	0	0
33	393.0	GENERAL PLANT: OFFICE FURNITURE	85	0	13,810	357	4,818	8,992	215	0	14,025	360	5,178	8,847
JC - 17	394.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	6,608	171	1,267	5,341	0	0	6,608	171	1,438	5,170
395.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	4,824	125	359	4,465	0	0	4,824	125	464	4,340	
JC - 18	396.0	GENERAL PLANT: LAB EQUIPMENT	0	0	19,409	503	8,207	11,202	0	(1,695)	17,714	481	6,982	13,732
397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	1,272	0	14,756	366	1,002	13,754	0	0	14,756	362	40,384	107,104	
JC - 19	397.1	GENERAL PLANT: MOBILE RADIOS	22,021	0	125,989	2,978	36,820	89,179	21,466	0	147,465	3,131	40,384	107,104
397.2	GENERAL PLANT: AUTO CONTROLS	0	0	7,609	197	765	(689)	7,609	0	0	7,609	197	982	6,647
JC - 20	398.0	GENERAL PLANT: MISC.	\$725,931	(\$17,955)	\$4,161,828	\$98,283	\$1,107,911	\$3,046,305	\$155,223	(\$5,007)	\$4,311,044	\$109,420	\$1,214,324	\$3,096,720
###		TOTALS												

REFERENCE:  
 ACC STAFF D.R. NO. REL 1:24

NOTE:  
 \* NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2000 ADDITIONS PER COMPANY	2000 (RETIREMENTS) PER COMPANY	2000 YEAR END PLANT VALUE PER RUO	2000 DEPRECIATION EXPENSE PER RUO	2000 ACCUMULATED DEPRECIATION PER RUO	2000 YEAR END NET PLANT PER RUO	2001 ADDITIONS PER COMPANY	2001 (RETIREMENTS) PER COMPANY	2001 YEAR END PLANT VALUE PER RUO	2001 DEPRECIATION EXPENSE PER RUO	2001 ACCUMULATED DEPRECIATION PER RUO	2001 YEAR END NET PLANT PER RUO
1	301.0	INTANGIBLES: ORGANIZATION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY, LAND - WATER RIGHTS*	543	0	3,333	0	0	3,333	138	0	3,471	0	0	3,471
5	310.2	SOURCE OF SUPPLY, LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY, LAND - WELLS*	0	0	8,932	0	0	8,932	0	0	8,932	0	0	8,932
7	314.0	SOURCE OF SUPPLY, LAND - WELLS*	0	0	665,007	0	0	665,007	204	0	665,211	0	0	665,211
8	320.0	PUMPING PLANT: LAND*	0	0	1,881	17,224	106,846	556,161	0	0	556,161	17,228	124,073	541,138
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	13,384	347	6,030	13,384	0	0	13,384	347	6,377	13,384
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	122,254	(7,455)	623,974	14,654	130,725	492,469	3,110	(228)	492,469	16,178	146,675	479,401
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	666	0	15,384	353	5,941	15,384	1,215	(21)	15,175	378	6,297	14,897
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	14,812	193	18	14,812	0	0	14,812	0	0	14,812
13	331.0	WATER TREATMENT PLANT: EQUIPMENT	21,721	(22,014)	117,941	3,043	(7,675)	123,016	0	0	117,341	3,039	(4,636)	121,977
14	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
15	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
16	342.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
17	342.1	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	28,659	0	357,164	8,879	125,223	231,941	23,465	0	234,406	9,554	134,778	244,847
18	343.0	TRANSMISSION & DISTRIBUTION: MAINS	349,860	0	2,011,445	47,572	612,282	1,389,163	24,669	(1,159)	1,390,014	52,401	663,524	1,371,431
19	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	15,782	0	46,740	1,006	12,853	33,887	83,064	0	46,740	1,211	14,063	32,677
20	345.0	TRANSMISSION & DISTRIBUTION: MISC. BUILDINGS	92,591	(4,967)	476,528	11,207	121,068	355,460	83,064	(37,471)	322,118	12,932	96,596	425,592
21	346.0	TRANSMISSION & DISTRIBUTION: METER BOXES	14,482	(50)	140,929	3,463	49,764	91,165	2,199	(25)	140,904	3,678	53,417	89,686
22	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	41,012	0	187,896	4,335	59,003	128,893	3,447	0	131,340	4,911	63,914	127,429
23	389.1	GENERAL PLANT: LAND - WAREHOUSE*	0	0	66	0	0	66	0	0	66	0	0	66
24	389.2	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
25	389.3	GENERAL PLANT: OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
26	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	0	0	(2,542)	2,542	0	0	0	0	(2,542)	0
27	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	20,742	537	9,177	11,565	0	0	20,742	537	9,714	20,208
28	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	2,483	64	96	2,387	0	0	2,483	64	161	2,322
29	391.0	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	4,447	167	3,060	3,387	0	0	4,447	167	3,220	4,280
30	391.1	GENERAL PLANT: OFFICE EQUIPMENT	75	0	45,336	1,162	2,353	43,333	425	0	46,447	1,189	3,541	42,570
31	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	10,449	271	3,139	7,310	428	0	10,877	276	3,416	7,461
32	394.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
33	394.1	GENERAL PLANT: GARAGE EQUIPMENT	4,325	(78)	18,272	419	5,519	12,753	2,910	0	12,182	511	6,029	15,153
34	395.0	GENERAL PLANT: LAB EQUIPMENT	539	0	7,147	178	1,818	5,331	0	0	5,331	185	1,801	5,346
35	397.0	GENERAL PLANT: POWER EQUIPMENT	766	0	5,590	135	1,818	4,772	0	0	4,772	145	763	4,927
36	397.1	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	17,714	459	7,451	10,263	0	0	10,263	145	763	9,992
37	397.2	GENERAL PLANT: MOBILE RADIOS	554	0	15,310	389	1,774	13,536	6,328	(13,733)	3,981	281	(6,001)	9,982
38	398.0	GENERAL PLANT: AUTO CONTROLS	13,421	0	180,886	3,993	44,355	116,531	21,079	0	137,610	4,448	48,802	133,763
JC - 20	398.0	GENERAL PLANT: MISC.	0	0	7,609	197	1,159	6,450	0	0	7,609	197	1,356	6,253
###		TOTALS	\$721,488	(\$34,584)	\$5,000,968	\$120,269	\$1,300,028	\$3,683,938	\$173,477	(\$52,640)	\$5,121,805	\$190,720	\$1,378,108	\$3,743,697

REFERENCE:  
 ACC STAFF D.R. NO. REL 1-24  
 NOTE:  
 \*NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY  
TEST YEAR ENDED DECEMBER 31, 2001  
SIERRA VISTA SYSTEM - REVISED SCHEDULES  
RATE BASE ADJUSTMENTS #1, #2 & #3 - PLANT IN SERVICE/POST TEST YEAR PLANT,  
PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2002 ADDITIONS PER COMPANY	2002 (RETIREMENTS) PER COMPANY	2002 YEAR END PLANT VALUE PER RUCO	2002 DEPRECIATION EXPENSE PER RUCO	2002 ACCUMULATED DEPRECIATION PER RUCO	2002 YEAR END NET PLANT PER RUCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	0	0	0	0
3	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	1,946	0	5,417	0	0	5,417
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	8,932	0	0	8,932
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	665,211	17,229	141,302	523,909
8	320.0	PUMPING PLANT: LAND*	0	0	1,881	0	0	1,881
9	320.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	13,384	347	6,723	6,661
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	629,469	16,259	146,795	482,674
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	19,532	(16,139)	15,175	393	6,690	8,485
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	14,812	384	961	13,851
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	1,379	(42,383)	76,337	2,508	(44,511)	120,848
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	2,684	(3,439)	379,870	9,848	141,187	238,683
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	211,789	6	2,246,750	55,446	718,978	1,527,772
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	5,844	(18,295)	52,584	1,286	15,350	37,234
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	118,407	(592)	622,230	14,819	93,051	529,179
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	14,385	0	156,896	3,885	56,710	100,186
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	19,492	0	210,835	5,208	69,122	141,713
24	389.1	GENERAL PLANT: LAND - OFFICE*	218	0	218	0	0	218
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	66	0	0	66
26	389.3	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	208	0	208	3	(2,539)	2,748
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	20,742	537	10,251	10,491
29	390.3	GENERAL PLANT: MISC: BUILDINGS	0	0	2,483	64	225	2,258
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	18,244	(4,635)	20,056	343	(1,068)	21,121
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	46,111	1,194	4,796	41,375
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	10,877	282	3,697	7,180
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	0	0	0	0
JC - 17	394.0	GENERAL PLANT: GARAGE EQUIPMENT	2,890	0	24,072	586	6,615	17,456
JC - 18	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	7,147	185	1,986	5,161
JC - 19	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	5,590	145	908	4,682
JC - 19	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	190	0	4,171	106	(5,885)	10,666
JC - 19	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	21,838	566	2,820	19,018
JC - 20	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	182,565	4,728	53,531	129,034
JC - 20	398.0	GENERAL PLANT: MISC.	37	0	7,646	199	1,954	(1,356)
###		TOTALS	\$417,245	(\$85,477)	\$5,453,573	\$136,551	\$1,429,183	\$4,016,942
###		BALANCES PER COMPANY			\$ 5,282,359		\$ 1,406,900	
###		BALANCES PER RUCO			\$ 5,453,573		\$ 1,429,183	
###		LESS: POST-TEST YEAR ALLOCATED PHOENIX OFFICE & METER SHOP ADDITIONS**			\$ 15,830		\$ 22,283	
###		TOTAL ADJUSTMENTS			\$ 155,384		\$ 22,283	

REFERENCES:  
ACC STAFF D.R. NO. REL 1-24  
ACC STAFF D.R. NO. REL 18-1  
RUCO D.R. NO. 6.2

NOTE:  
\* NON-DEPRECIABLE PLANT  
\*\* BASED ON AN ALLOCATION FACTOR OF 0.0302 PER RUCO D.R. NO. 4.2

LINE NO.	DESCRIPTION	TEST YEAR COMPANY
1	GROSS PHOENIX OFFICE PLANT & METER SHOP	\$ 4,002,988
2	ADD: PHOENIX OFFICE CONSTRUCTION WORK IN PROGRESS (CWIP)	126,565
3	GROSS PHOENIX OFFICE PLANT & METER SHOP WITH CWIP	\$ 4,129,553
4	TIMES: ALLOCATION FACTOR	0.0365
5	ALLOCATED GROSS PHOENIX OFFICE PLANT & METER SHOP WITH CWIP	\$ 150,729
6	NET ALLOCATED PHOENIX OFFICE PLANT & METER SHOP WITH CWIP	133,289
7	RUCO ADJUSTMENT TO PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION	\$ 17,440

REFERENCES:  
 LINE 1: COMPANY SCHEDULE B-2 PAGES 10 AND 11  
 LINE 2: COMPANY SCHEDULE B-2 PAGE 10  
 LINE 3: LINE 1 + LINE 2  
 LINE 4: COMPANY SCHEDULE B-1 PAGE 1  
 LINE 5: LINE 3 x LINE 4  
 LINE 6: COMPANY SCHEDULE B-1 PAGE 1 (SUM OF LINES 6 AND 7)

JC - 17  
 JC - 18  
 JC - 19  
 JC - 20

LINE NO.	DESCRIPTION	(A) TEST YEAR COMPANY	(B) TEST YEAR RUCO	
1	GROSS PHOENIX OFFICE PLANT	\$ 3,903,884	\$ 3,903,884	COMPANY SCHEDULE B-2 PAGE 10
2	LESS: ACCUMULATED DEPRECIATION	<u>453,222</u>	<u>453,222</u>	COMPANY SCHEDULE B-2 PAGE 10
3	NET PHOENIX OFFICE PLANT	\$ 3,450,662	\$ 3,450,662	LINE 1 + LINE 2
4	ADD: CWIP	<u>126,565</u>	-	COMPANY SCHEDULE B-2 PAGE 10
5	TOTALS	\$ 3,577,227	\$ 3,450,662	LINE 3 + LINE 4
4	TIMES: ALLOCATION FACTOR	<u>0.0365</u>	<u>0.0365</u>	COMPANY SCHEDULE B-1 PAGE 1
5	ALLOCATED PHOENIX OFFICE PLANT	\$ 130,569	\$ 125,949	COMPANY SCHEDULE B-1 PAGE 1
6	RUCO ADJUSTMENT		<u>\$ (4,620)</u>	LINE 5 COLUMN (B) - LINE 5 COLUMN (A)

JC - 17

JC - 18

JC - 19

JC - 20

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 1999  
 SIERRA VISTA SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENT #9 - WORKING CAPITAL

DOCKET NO. W-1445A-00-0962  
 SCHEDULE TJC-7  
 PAGE 1 OF 4

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	CASH WORKING CAPITAL PER COMPANY	\$ 24,193	COMPANY SCH. B-5, PG. 1
2	CASH WORKING CAPITAL PER RUCO	(19,247)	SCH. TJC-7, PG. 3
3	DECREASE IN CASH WORKING CAPITAL	<u>(43,440)</u>	LINE 2 - LINE 1
4	MATERIALS & SUPPLIES PER COMPANY	17,633	COMPANY SCH. B-5, PG. 1
5	MATERIALS & SUPPLIES PER RUCO	<u>16,542</u>	DATA REQUEST RUCO 6.4 a)
6	MATERIALS & SUPPLIES ADJUSTMENT	(1,091)	LINE 5 - LINE 4
7	PREPAYMENTS PER COMPANY AND SPECIAL DEPOSITS	10,422	COMPANY SCH. B-5, PG. 1
8	PREPAYMENTS PER RUCO	<u>7,667</u>	DATA REQUEST RUCO 6.4 b)
9	PREPAYMENTS ADJUSTMENT	(2,755)	LINE 8 - LINE 7
10	REQUIRED BANK BALANCES PER COMPANY	18,191	COMPANY SCH. B-5, PG. 1
11	REQUIRED BANK BALANCES PER RUCO	<u>13,251</u>	DATA REQUEST RUCO 6.4 c)
12	REQUIRED BANK BALANCE ADJUSTMENT	(4,940)	LINE 11 - LINE 10
13	TOTAL WORKING CAPITAL ADJUSTMENT	<u>(52,226)</u>	LINES 3, 6, 9 & 12

JC - 17

JC - 18

JC - 19

JC - 20

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SIERRA VISTA SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENT #9 - WORKING CAPITAL  
 LEAD/LAG CALCULATION

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-7  
 PAGE 2 OF 4

LINE NO.	DESCRIPTION	EXPENSES PER COMPANY	RUCO ADJUSTMENTS	ADJUSTED EXPENSES	(LEAD)/LAG DAYS	\$ DAYS
1	PURCHASED POWER	\$ 163,660	\$ 35,650	\$ 199,310	32.96	\$ 6,569,258
2	PAYROLL	231,350	(2,495) *	228,855	14.00	3,203,964
3	PURCHASED WATER	-	-	-	N/A	N/A
4	CHEMICALS	14,104	(7,705)	6,399	21.00	134,379
5	PROPERTY & LIABILITY INSURANCE	3,620	(174) *	3,446	(45.27)	(156,001)
6	WORKER'S COMPENSATION	3,141	326 *	3,467	(46.50)	(161,238)
7	HEALTH INSURANCE	45,659	(5,267) *	40,392	(8.92)	(360,296)
8	OTHER O&M EXPENSES	134,186	(114,752) *	19,434	(9.27)	(180,155)
9	DEPRECIATION & AMORTIZATION	142,443	(17,008)	125,435	N/A	N/A
10	FEDERAL & STATE INCOME TAXES	128,549	(53,374)	75,175	61.95	4,657,389
11	DEFERRED INCOME TAXES	5,372	N/A	N/A	N/A	N/A
12	FICA TAXES	17,502	(6,144)	11,358	14.00	159,012
13	FUTA & SUTA TAXES	383	(119)	264	83.10	21,938
14	PROPERTY TAXES	64,639	(11,186)	53,453	212.00	11,332,053
15	REG., CONTRACT, & MISCELLANEOUS FEES	21,865	473 *	22,338	(98.83)	(2,207,700)
16	SALES & OCCUPATION TAXES	70,912	9,112	80,024	37.53	3,003,301
18	PENSION EXPENSE	20,005	(6,624)	13,381	34.72	464,588
JC - 17	TOTAL	\$ 1,067,390	\$ (179,287)	\$ 882,731 *	30.00	\$ 26,480,492
JC - 18						

JC - 19 NOTE

N/A = NON CASH CHARGES EXCLUDED FROM WORKING CAPITAL CALCULATION

JC - 20 \* RUCO RECOMMENDED LEVEL OF OPERATING EXPENSE - SCHEDULE TJC-8, COLUMN (E), LINE 16

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SIERRA VISTA SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENT #9 - WORKING CAPITAL  
 CALCULATION OF CASH WORKING CAPITAL

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-7  
 PAGE 3 OF 4

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	AVERAGE EXPENSE LAG	30.00	SCH. TJC-6, PG. 2
2	AVERAGE REVENUE COLLECTION LAG	<u>22.04</u>	CO. SCH. B-5, PG. 2
3	EXCESS EXPENSE OVER REVENUE LAG	-7.96	LINE 2 - LINE 1
4	TOTAL EXPENSES	\$ 882,731	SCH. TJC-6, PG. 2
5	CASH WORKING CAPITAL REQUIREMENT	(19,247)	(LINE 3 X LINE 4)/365 DAYS
6	PER COMPANY	<u>\$ 24,193</u>	CO. SCH. B-5, PG. 2
7	INCREASE (DECREASE) IN WORKING CAPITAL	<u>\$ (43,440)</u>	LINE 5 - LINE 6

JC - 17

JC - 18

JC - 19

JC - 20

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SIERRA VISTA SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENT #9 - WORKING CAPITAL  
 CALCULATION OF INCOME TAX LAG

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-7  
 PAGE 4 OF 4

<u>LINE NO.</u>	<u>(A) PAYMENT DATE</u>	<u>(B) SERVICE PERIOD MIDPOINT</u>	<u>(C) (LEAD)/LAG DAYS</u>	<u>(D) PAYMENT AMOUNT</u>	<u>(E) DOLLAR DAYS</u>
1	04/12/99	07/01/99	(80.00)	\$ 397,000	(31,760,000)
2	06/11/99	07/01/99	(20.00)	50,000	(1,000,000)
3	09/14/99	07/01/99	75.00	486,000	36,450,000
4	12/14/99	07/01/99	166.00	970,000	161,020,000
5	03/14/00	07/01/99	257.00	<u>(240,000)</u>	<u>(61,680,000)</u>
6	TOTALS			\$ 1,663,000	103,030,000
7	INCOME TAX LAG		61.95		

JC - 17

JC - 18

JC - 19

JC - 20

ARIZONA WATER COMPANY  
TEST YEAR ENDED DECEMBER 31, 2001  
SIERRA VISTA SYSTEM - REVISED SCHEDULES  
OPERATING INCOME - TEST YEAR AND RUCO PROPOSED

DOCKET NO. W-1445A-02-0619  
SCHEDULE TJC-8

LINE NO.	DESCRIPTION	(A) COMPANY TEST YEAR AS FILED	(B) RUCO TEST YEAR ADJUSTMENTS	(C) RUCO TEST YEAR AS ADJUSTED	(D) RUCO PROPOSED CHANGES	(E) RUCO RECOMMENDED
<u>REVENUES - WATER:</u>						
1	REVENUE FROM WATER SALES	\$ 896,485	\$ 96,495	\$ 992,980	\$ 85,692	\$ 1,078,672
2	OTHER REVENUES	-	-	-	-	-
3	TOTAL OPERATING REVENUES	\$ 896,485	\$ 96,495	\$ 992,980	\$ 85,692	\$ 1,078,672
<u>OPERATING EXPENSES:</u>						
2	PURCHASED WATER	\$ -	\$ -	\$ -	\$ -	\$ -
3	OTHER	1,540	(92)	1,448		1,448
4	PURCHASED POWER	162,283	41,058	203,341		203,341
5	PURCHASED GAS	504	45	549		549
6	OTHER	27,471	(3,576)	23,895		23,895
7	WATER TREATMENT	26,475	(273)	26,202		26,202
8	TRANSMISSION & DISTRIBUTION	139,484	(4,544)	134,940		134,940
9	CUSTOMER ACCOUNTS	122,643	(8,041)	114,602		114,602
10	SALES	666	(509)	157		157
11	ADMINISTRATIVE & GENERAL	158,596	(46,684)	111,912		111,912
12	DEPRECIATION & AMORTIZATION	142,443	(17,008)	125,435		125,435
13	PROPERTY TAXES	63,555	(10,102)	53,453		53,453
14	OTHER TAXES	15,946	(4,324)	11,622		11,622
JC - 1	INCOME TAXES	3,802	40,944	44,746	30,429	75,175
JC - 1	TOTAL OPERATING EXPENSES	\$ 865,408	\$ (13,106)	\$ 852,302	\$ 30,429	\$ 882,731
JC - 1	NET INCOME	\$ 31,078	\$ 109,600	\$ 140,678	\$ 55,263	\$ 195,941
JC - 20						

REFERENCES:  
COLUMN (A): CO. SCH. C-1, PG. 2  
COLUMN (B): SCH. TJC-9  
COLUMN (C): COLUMN (A) + COLUMN (B)  
COLUMN (D): SCH. TJC-1  
COLUMN (E): COLUMN (C) + COLUMN (D)

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) ADJ.#1	(C) ADJ.#2	(D) ADJ.#3	(E) ADJ.#4	(F) ADJ.#5	(G) ADJ.#6	(H) ADJ.#7	(I) ADJ.#8	(J) ADJ.#9	(K) ADJ.#10	(L) ADJ.#11	(M) RUCO ADJUSTED
REVENUES - WATER:														
1	REVENUE FROM WATER SALES	\$ 896,485	\$ 170,735	\$ (80,024)		\$ (1,345)	\$ 15,070		\$ (7,941)					\$ 992,980
2	OTHER REVENUES													
3	TOTAL OPERATING REVENUES	\$ 896,485	\$ 170,735	\$ (80,024)	\$ -	\$ (1,345)	\$ 15,070	\$ -	\$ (7,941)	\$ -	\$ -	\$ -	\$ -	\$ 992,980
OPERATING EXPENSES:														
2	PURCHASED WATER	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	OTHER	1,540	(92)											1,448
4	PURCHASED POWER	162,283	36,478			1,388	3,192							203,341
5	PURCHASED GAS	504	45											549
6	OTHER	27,471	(3,576)											23,895
7	WATER TREATMENT	26,475	(639)				366							26,202
8	TRANSMISSION & DISTRIBUTION	139,484	(3,734)			(810)								134,940
9	CUSTOMER ACCOUNTS	122,643	(8,041)											114,602
10	SALES	666	(509)											157
11	ADMINISTRATIVE & GENERAL	158,596	(53,280)	(2,032)			1,789	6,839						111,912
12	DEPRECIATION & AMORTIZATION	142,443							(17,008)					125,435
13	PROPERTY TAXES	63,555								(10,102)				53,453
14	OTHER TAXES	15,946	73,668	(77,992)										11,622
TJC - 11	INCOME TAXES	3,802										40,944		44,746
TJC - 11	TOTAL OPERATING EXPENSES	\$ 865,408	\$ 40,321	\$ (80,024)	\$ -	\$ 578	\$ 5,347	\$ 6,839	\$ -	\$ (17,008)	\$ (10,102)	\$ 40,944	\$ -	\$ 852,302
TJC - 19	NET INCOME	\$ 31,078	\$ 130,415	\$ -	\$ -	\$ (1,923)	\$ 9,722	\$ (6,839)	\$ (7,941)	\$ 17,008	\$ 10,102	\$ (40,944)	\$ -	\$ 140,678
TJC - 20														

ADJUSTMENT #1:  
 1. RECONCILE COMPANY PROPOSED OPERATING INCOME TO 2002 ACTUAL  
 2. REMOVE 2002 REGULATORY ASSESSMENT & SALES TAXES  
 3. ELIMINATE PPAM AND PWAM REVENUES  
 4. ELIMINATE UNBILLED REVENUES & EXPENSES  
 5. ANNUALIZE ADDITIONAL REVENUES & EXPENSES  
 6. AMORTIZATION OF RATE CASE EXPENSE

ADJUSTMENT #2:  
 7. REMOVE MAP SURCHARGE REVENUES  
 8. DEPRECIATION & AMORTIZATION EXPENSE  
 9. PROPERTY TAX EXPENSE  
 10. INCOME TAX EXPENSE  
 11. NOT USED

ADJUSTMENT #3:  
 RUCO D.R. NO. 1.10  
 RUCO D.R. NO. 1.10 & ACC STAFF D.R. NO. REL 19-1  
 RUCO D.R. NO. 7.1 & RUCO D.R. NO. 7.2  
 RUCO D.R. NO. 7.3  
 RUCO D.R. NO. 6.6  
 COMPANY SCHEDULE C-2, PAGE 7, TESTIMONY TJC

ADJUSTMENT #4:  
 RUCO D.R. NO. 1.10  
 RUCO D.R. NO. 1.10 & ACC STAFF D.R. NO. REL 19-1  
 RUCO D.R. NO. 7.1 & RUCO D.R. NO. 7.2  
 RUCO D.R. NO. 7.3  
 RUCO D.R. NO. 6.6  
 COMPANY SCHEDULE C-2, PAGE 7, TESTIMONY TJC

ADJUSTMENT #5:  
 TESTIMONY TJC  
 SCHEDULE TJC-12  
 SCHEDULE TJC-13  
 SCHEDULE TJC-14  
 N/A

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SIERRA VISTA SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #1 - RECONCILE COMPANY  
 PROPOSED OPERATING INCOME TO 2002 ACTUAL

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-10  
 PAGE 1 OF 2

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) 2002 ACTUAL	(C) DIFFERENCE	(D) RUCO ADJUSTMENT
<u>REVENUES - WATER:</u>					
1	REVENUE FROM WATER SALES	\$ 896,485	\$ 1,067,220	\$ 896,485	\$ 170,735
2	OTHER REVENUES	0.00	0.00	0.00	0.00
3	TOTAL OPERATING REVENUES	\$ 896,485	\$ 1,067,220	\$ 896,485	\$ 170,735
<u>OPERATING EXPENSES:</u>					
4	PURCHASED WATER	\$ -	\$ -	\$ -	\$ -
5	OTHER	1,540	1,448	1,540	(92)
6	PURCHASED POWER	162,283	198,761	162,283	36,478
7	PURCHASED GAS	504	549	504	45
8	OTHER	27,471	23,895	27,471	(3,576)
9	WATER TREATMENT	26,475	25,836	26,475	(639)
10	TRANSMISSION & DISTRIBUTION	139,484	135,750	139,484	(3,734)
11	CUSTOMER ACCOUNTS	122,643	114,602	122,643	(8,041)
12	SALES	666	157	666	(509)
13	ADMINISTRATIVE & GENERAL	158,596	105,316	158,596	(53,280)
14	DEPRECIATION & AMORTIZATION	142,443	122,348	142,443	- (a)
15	PROPERTY TAXES	63,555	51,981	63,555	- (a)
> - 17					
16	OTHER TAXES	15,946	89,614	15,946	73,668
> - 18					
17	INCOME TAXES	3,802	52,326	3,802	- (a)
> - 19					
18	TOTAL OPERATING EXPENSES	\$ 865,408	\$ 922,583	\$ 865,408	\$ 40,321
> - 20					
19	NET INCOME	\$ 31,078	\$ 144,637	\$ 31,078	\$ 130,415

REFERENCES:

COLUMN (A): COMPANY SCHEDULE C-1 PAGE 2 OF 5  
 COLUMN (B): DATA REQUEST RUCO 1.10  
 COLUMN (C): COLUMN (B) - COLUMN (A)  
 COLUMN (D): COLUMN (C) LINES 1 THRU 13, LINES 16, 18 & 19

NOTE:

(a) SEPARATE PRO FORMA ADJUSTMENTS NOT INCLUDED IN RECONCILIATION

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SIERRA VISTA SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #1 - RECONCILE COMPANY  
 PROPOSED OPERATING INCOME TO 2002 ACTUAL

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-10  
 PAGE 2 OF 2

LINE NO.	DESCRIPTION	(A) TEST YEAR ACTUAL	(B) 2002 ACTUAL	(C) DIFFERENCE
<u>REVENUES - WATER:</u>				
1	REVENUE FROM WATER SALES	\$ 971,687	\$ 1,067,220	\$ 95,533
2	OTHER REVENUES	0.00	0.00	0.00
3	TOTAL OPERATING REVENUES	\$ 971,687	\$ 1,067,220	\$ 95,533
<u>OPERATING EXPENSES:</u>				
4	PURCHASED WATER	\$ -	\$ -	\$ -
5	OTHER	1,533	1,448	(85)
6	PURCHASED POWER	161,884	198,761	36,877
7	PURCHASED GAS	504	549	45
8	OTHER	27,471	23,895	(3,576)
9	WATER TREATMENT	21,802	25,836	4,034
10	TRANSMISSION & DISTRIBUTION	138,985	135,750	(3,235)
11	CUSTOMER ACCOUNTS	121,012	114,602	(6,410)
12	SALES	666	157	(509)
13	ADMINISTRATIVE & GENERAL	137,373	105,316	(32,057)
14	DEPRECIATION & AMORTIZATION	116,754	122,348	5,594
15	PROPERTY TAXES	59,799	51,981	(7,818)
16	OTHER TAXES	86,383	89,614	3,231
17	INCOME TAXES	28,867	52,326	23,459
18	TOTAL OPERATING EXPENSES	903,033	922,583	19,550
19	NET INCOME	\$ 68,654	\$ 144,637	\$ 75,983

REFERENCES:

COLUMN (A): COMPANY SCHEDULE C-1 PAGE 2 OF 5  
 COLUMN (B): DATA REQUEST RUCO 1.10  
 COLUMN (C): COLUMN (B) - COLUMN (A)

ARIZONA WATER COMPANY  
TEST YEAR ENDED DECEMBER 31, 2001  
SIERRA VISTA SYSTEM  
OPERATING ADJ. #5 - REVENUE ANNUALIZATION FOR 2002

LINE NO.	DESCRIPTION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
1	YEAR END CUSTOMERS - 2002	2,341	2,341	2,341	2,341	2,341	2,341	2,341	2,341	2,341	2,341	2,341	2,341
2	2002 CUSTOMERS	2,295	2,297	2,301	2,297	2,298	2,303	2,308	2,311	2,314	2,300	2,322	2,341
3	INCREASE IN CUSTOMERS - 2002	46	44	40	44	43	38	33	30	27	41	19	-
4	AVERAGE REVENUE FOR THE MONTH	\$ 29.43	\$ 29.56	\$ 30.28	\$ 35.45	\$ 41.68	\$ 49.21	\$ 47.97	\$ 35.99	\$ 41.01	\$ 37.15	\$ 36.27	\$ 32.17
5	INCREASE IN REVENUES	\$ 1,354	\$ 1,300	\$ 1,211	\$ 1,560	\$ 1,792	\$ 1,870	\$ 1,583	\$ 1,080	\$ 1,107	\$ 1,523	\$ 689	\$ -
6	TOTAL INCREASE IN REVENUE	\$ 15,070											
7	INCREASE IN REVENUE PER COMPANY												
8	REVENUE ADJUSTMENT	15,070											
9	GALLONS SOLD PER AVERAGE CUSTOMER	9,492	9,588	10,490	13,118	17,354	22,022	21,079	13,424	16,449	14,043	13,586	11,065
10	INCREASE IN CUSTOMERS	46	44	40	44	43	38	33	30	27	41	19	0
11	INCREASE IN GALLONS	436,829	421,854	419,581	577,182	746,207	836,827	695,592	402,713	444,136	575,763	258,143	0
12	TOTAL INCREASE IN GALLONS	5,814,827											
13	PUMPING COST PER GALLON	0.000549											
14	INCREASE IN PUMPING COST	3,192											
15	WATER TREATMENT COSTS PER GALLON	0.0000663											
16	INCREASE IN WATER TREATMENT COSTS	366											
17	TOTAL INCREASE IN BILLS	405											
18	MONTHLY ACCOUNTING COST PER BILL	4.42											
	INCREASE IN ACCOUNTING COST	1,789											

TJC - 17

TJC - 18

TJC - 19

TJC - 20

LINE #5 = LINE #3 MULTIPLIED BY LINE #4  
LINE #6 = SUMMATION OF LINE #5  
LINE #7 = NO REFERENCE  
LINE #8 = LINE #6 MINUS LINE #7  
LINE #9 = GALLONS SOLD, AWC'S ANNUAL REPORT & MONTHLY CUSTOMERS, RUCO DR #6.6

LINE #10 = LINE #3

LINE #11 = LINE #9 MULTIPLIED BY LINE #10

LINE #12 = SUMMATION OF LINE #11

LINE #13 = CO. WIP C2-5, PAGE 3

LINE #14 = LINE #12 X LINE #13

LINE #15 = CO. WIP C2-5, PAGE 3

LINE #16 = LINE #12 MULTIPLIED BY LINE #15

LINE #17 = SUMMATION OF LINE #3

LINE #18 = CO. WIP C2-5, PAGE 4

LINE #19 = LINE #17 X LINE #18

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SIERRA VISTA SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #8 - DEPRECIATION & AMORTIZATION EXPENSE

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-12

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	(A) ACTUAL TEST YEAR BALANCE PER COMPANY	(B) RUCO ADJUSTMENTS	(C) RUCO ADJUSTED BALANCE	(D) COMPOSITE DEPRECIATION RATE	(E) RUCO RECOMMENDED DEPRECIATION EXPENSE
1	301.0	INTANGIBLES: ORGANIZATION*	\$ -	\$ -	\$0	0.00%	\$ -
2	302.0	INTANGIBLES: FRANCHISES*	-	-	-	0.00%	-
3	303.0	INTANGIBLES: MISC.*	-	-	-	0.00%	-
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	3,470	1	3,471	0.00%	-
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	-	-	-	0.00%	-
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	8,932	-	8,932	0.00%	-
7	314.0	SOURCE OF SUPPLY: WELLS	665,211	-	665,211	2.59%	17,229
8	320.0	PUMPING PLANT: LAND*	1,881	-	1,881	0.00%	-
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	13,385	(1)	13,384	2.59%	347
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	626,077	(1)	626,076	2.59%	16,215
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	15,174	1	15,175	2.59%	393
12	330.0	WATER TREATMENT PLANT: LAND*	-	-	-	0.00%	-
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	14,812	-	14,812	2.59%	384
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	117,341	-	117,341	2.59%	3,039
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	-	-	-	0.00%	-
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	-	-	-	0.00%	-
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	-	-	-	2.59%	-
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	380,625	-	380,625	2.59%	9,858
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	2,034,958	(3)	2,034,955	2.59%	52,705
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	46,740	-	46,740	2.59%	1,211
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	522,118	-	522,118	2.59%	13,523
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	143,103	-	143,103	2.59%	3,706
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	191,343	-	191,343	2.59%	4,956
24	389.1	GENERAL PLANT: LAND - OFFICE*	-	-	-	0.00%	-
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	66	-	66	0.00%	-
26	389.3	GENERAL PLANT: LAND - MISC.*	-	-	-	0.00%	-
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	-	-	-	2.59%	-
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	20,742	-	20,742	2.59%	537
29	390.3	GENERAL PLANT: MISC. BUILDINGS	2,483	-	2,483	2.59%	64
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	6,447	-	6,447	2.59%	167
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	46,109	2	46,111	2.59%	1,194
32	391.2	GENERAL PLANT: OFFICE FURNITURE	10,877	-	10,877	2.59%	282
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	-	-	-	2.59%	-
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	21,180	2	21,182	2.59%	549
35	395.0	GENERAL PLANT: LAB EQUIPMENT	7,147	-	7,147	2.59%	185
36	396.0	GENERAL PLANT: POWER EQUIPMENT	5,590	-	5,590	2.59%	145
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	3,981	-	3,981	2.59%	103
38	397.1	GENERAL PLANT: MOBILE RADIOS	21,838	-	21,838	2.59%	566
39	397.2	GENERAL PLANT: AUTO CONTROLS	182,565	-	182,565	2.59%	4,728
40	398.0	GENERAL PLANT: MISC.	7,609	-	7,609	2.59%	197
41							
42		TEST YEAR TOTALS	\$ 5,121,804	\$ 1	\$ 5,121,805		\$ 132,283
43							
44		POST TEST YEAR ADDITIONS	160,555	155,383	\$315,938	2.59%	8,183
45							
46		GROSS DEPRECIABLE PHOENIX OFFICE AND METER SHOP ALLOCATION	146,109	15,613	161,722 **	2.59%	4,189
47							
48		2002 TOTALS	\$ 5,428,468	\$ 170,997	\$ 5,599,465		\$ 144,654
49							
50		LESS:					
51		AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION @ 2.59% COMPOSITE RATE ***					19,220
52							
53		TOTAL PRO FORMA DEPRECIATION & AMORTIZATION EXPENSE					\$ 125,435
54							
55		DEPRECIATION & AMORTIZATION EXPENSE PER COMPANY					\$ 142,443
56							
57		DEPRECIATION & AMORTIZATION EXPENSE ADJUSTMENT (LINE 53 - LINE 55)					\$ (17,008)

REFERENCES:  
 COLUMN (A): COMPANY SCHEDULE E-5 PAGE 2 OF 4 AND STAFF DATA REQUEST REL 1-24  
 COLUMN (B): COLUMN (C) - COLUMN (A)  
 COLUMN (C): RUCO SCHEDULE TJC-4 PAGE 7  
 COLUMN (D): COMPOSITE DEPRECIATION RATE OF 2.59%  
 COLUMN (E): COLUMN (C) x COLUMN (D)

NOTES:  
 \* NON-DEPRECIABLE PLANT ASSETS  
 \*\* NET OF \$218 IN NON-DEPRECIABLE LEASEHOLD IMPROVEMENTS (\$7,215 x 0.0302 ALLOCATION FACTOR FOR 2002 = \$218)  
 \*\*\* RUCO ADJUSTED CIAC BALANCE x COMPOSITE RATE = \$722,084 x 2.59% = \$19,220

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SIERRA VISTA SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #9 - PROPERTY TAX EXPENSE

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-13

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	REVENUES - 2000	\$ 923,693	COMPANY SCH. C-2, W/P C2-19a
2	REVENUES - 2001	900,775	COMPANY SCH. C-2, W/P C2-19a
3	REVENUES - 2002	987,194	D. R. NO. REL 19-1
4	TOTAL	\$ 2,811,662	SUM LINES 1, 2, & 3
5	3 YEAR AVERAGE	937,221	LINE 4/3 YEARS
6	MULTIPLIER FOR REVENUES (2 X LAST 3 YRS. AVERAGE REVENUE)	x 2	ADOR VALUATION FACTOR
7	REVENUES FOR FULL CASH VALUE	1,874,441	LINE 5 X 2 (MULTIPLIER FOR REVENUES)
8	ADD: 10% OF CWIP BALANCE	11,844	COMPANY SCH. B-2, PG. 4; LINE 4 X 10%
9	LESS: LICENSED VEHICLES	-	STAFF DATA REQUEST REL 23-1
10	FULL CASH VALUE	1,886,285	LINE 7 + LINE 8 MINUS LINE 9
11	ASSESSMENT RATIO	25%	PER ADOR VALUATION METHOD
12	ASSESSED VALUE	471,571	LINE 10 X LINE 11
13	PROPERTY TAX RATE	11.3351%	PER TAX BILLS
14	PROPERTY TAXES PAYABLE PER RUCO	53,453	LINE 12 X LINE 13
15	PROPERTY TAXES PER COMPANY	63,555	COMPANY SCH. C-1, PG. 2
16	ADJUSTMENT	(10,102)	LINE 14 MINUS LINE 15

JC - 17

JC - 18

JC - 19

JC - 20

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SIERRA VISTA SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #10 - INCOME TAXES

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-14

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
<u>FEDERAL INCOME TAXES:</u>			
1	OPERATING INCOME BEFORE INCOME TAXES	\$ 185,424	SCH. TJC-9
LESS:			
2	ARIZONA STATE TAX	8,818	LINE 11
3	INTEREST EXPENSE	<u>58,875</u>	NOTE (a)
4	FEDERAL TAXABLE INCOME	117,731	LINE 1 - LINES 2 & 3
5	FEDERAL INCOME TAX RATE	<u>30.52%</u>	TAX RATE
6	FEDERAL INCOME TAX EXPENSE	35,928	LINE 4 X LINE 5
<u>STATE INCOME TAXES:</u>			
7	OPERATING INCOME BEFORE INCOME TAXES	185,424	LINE 1
LESS:			
8	INTEREST EXPENSE	<u>58,875</u>	NOTE (A)
9	STATE TAXABLE INCOME	126,549	LINE 7 - LINE 8
10	STATE TAX RATE	<u>6.968%</u>	TAX RATE
11	STATE INCOME TAX EXPENSE	8,818	LINE 9 X LINE 10
12	TOTAL INCOME TAXES	44,746	LINE 6 + LINE 11
13	INCOME TAXES PER COMPANY	<u>3,802</u>	COMPANY SCH. C-1, PG. 2
14	ADJUSTMENT	<u>\$ 40,944</u>	LINE 12 - LINE 13

NOTE (a):

TJC - 17 INTEREST SYNCHRONIZATION

TJC - 18 ADJUSTED RATE BASE	\$ 2,256,646
WEIGHTED COST OF DEBT	<u>2.61%</u>
TJC - 19 INTEREST EXPENSE	\$ 58,875

TJC - 20

ARIZONA WATER COMPANY  
TEST YEAR ENDED DECEMBER 31, 2001  
SIERRA VISTA SYSTEM - REVISED SCHEDULES  
OPERATING ADJ. #11 - NOT USED FOR THIS SYSTEM

DOCKET NO. W-1445A-02-0619  
SCHEDULE TJC-15

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SIERRA VISTA SYSTEM - REVISED SCHEDULES  
 COST OF CAPITAL

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-16

LINE NO.	DESCRIPTION	(A) AMOUNT	(B) ADJUSTMENT	(C) ADJUSTED BALANCE	(D) CAPITAL RATIO	(E) COST	(F) WEIGHTED COST
1	SHORT-TERM DEBT	\$ 2,850,000	\$ 1,650,000	\$ 4,500,000	5.62%	4.00%	0.22%
2	LONG-TERM DEBT:	23,000,677	(400,677)	22,600,000	28.24%	8.44%	2.38%
3	COMMON EQUITY	49,442,738	3,473,716	52,916,454	66.13%	9.18%	6.07%
4	TOTAL	\$ 75,293,415	4,723,039	\$ 80,016,454	100.00%		8.68%

REFERENCES:

- COLUMN (A): COMPANY SCH. D - 1
- COLUMN (B): TESTIMONY, WAR
- COLUMN (C): COLUMN (A) + COLUMN (B)
- COLUMN (D): COLUMN (C) ÷ COLUMN (C), LINE 5
- COLUMN (E): TESTIMONY, WAR
- COLUMN (F): COLUMN (D) x COLUMN (E)

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SIERRA VISTA SYSTEM - REVISED SCHEDULES  
 PROPOSED RATES

DOCKET NO. W-01445A-02-0619  
 SCHEDULE TJC-17

LINE NO.	DESCRIPTION	PRESENT RATES	COMPANY PROPOSED	RUCO PROPOSED
1	<b>MONTHLY MINIMUM USAGE CHARGE:</b>			
2				
3	<u>(RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS)</u>			
4	5/8 X 3/4 - INCH	\$ 12.43	\$ 18.25	\$ 13.67
5	1 - INCH	24.86	41.06	32.32
6	2 - INCH	62.15	118.63	93.23
7	3 - INCH	103.58	212.98	176.20
8	4 - INCH	207.16	380.15	390.29
9	6 - INCH	362.53	722.34	761.31
10	8 - INCH	362.53	996.09	833.82
11	10 - INCH	673.27	1,634.84	1,683.18
12				
13	<b>GALLONS INCLUDED IN MONTHLY MINIMUM USAGE CHARGE:</b>			
14				
15	RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS	1,000	0	0
16				
17	<b>COMMODITY RATE (PER 100 GAL. OVER MINIMUM):</b>	\$0.15950	\$ 0.21130	\$ 0.17140
18				
19	<b>COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM):</b>	\$1.59500	\$ 2.11300	\$ 1.71400

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SIERRA VISTA SYSTEM - REVISED SCHEDULES  
 MONTHLY MINIMUM CHARGES

DOCKET NO. W-01445A-02-0619  
 SCHEDULE TJC-18

LINE NO.	METER SIZE	(A) COMPANY PRESENT RATES	(B) COMPANY PROPOSED RATES	(C) COMPANY DOLLAR INCREASE	(D) COMPANY PERCENT. INCREASE	(E) RUCO PROPOSED RATES	(F) RUCO DOLLAR INCREASE	(G) RUCO PERCENT. INCREASE
1	5/8 X 3/4 - INCH	\$ 12.43	\$ 18.25	\$ 5.82	46.82%	\$ 13.67	\$ 1.24	9.98%
2	1 - INCH	24.86	41.06	16.20	65.16%	32.32	7.46	30.01%
3	2 - INCH	62.15	118.63	56.48	90.88%	93.23	31.08	50.01%
4	3 - INCH COMMERCIAL	103.58	212.98	109.40	105.62%	176.20	72.62	70.11%
5	4 - INCH COMMERCIAL	207.16	380.15	172.99	83.51%	390.29	183.13	88.40%
6	6 - INCH	362.53	722.34	359.81	99.25%	761.31	398.78	110.00%
7	8 - INCH	362.53	996.09	633.56	174.76%	833.82	471.29	130.00%
8	10 - INCH	673.27	1,634.84	961.57	142.82%	1,683.18	1,009.91	150.00%
9	GALLONS INCLUDED IN MONTHLY MINIMUM CHARGE	1,000	0			0		

REFERENCES:  
 COLUMN (A) THRU COLUMN (D): COMPANY SCHEDULE H-3, PAGE 2 OF 4  
 COLUMN (E): TESTIMONY WAR  
 COLUMN (F): COLUMN (E) - COLUMN (A)  
 COLUMN (G): COLUMN (F) ÷ COLUMN (A)

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SIERRA VISTA SYSTEM - REVISED SCHEDULES  
 BILLING ANALYSIS

DOCKET NO. W-01445A-02-0619  
 SCHEDULE TJC-19  
 PAGE 1 OF 4

PRESENT RATES

LINE NO.	CONSUMPTION IN GALLONS	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		5/8 - INCH	1 - INCH	2 - INCH	3 - INCH	4 - INCH	6 - INCH	8 - INCH	10 - INCH
1	0	\$ 12.43	\$ 24.86	\$ 62.15	\$ 103.58	\$ 207.16	\$ 362.53	\$ 362.53	\$ 673.27
2	1,000	12.43	24.86	62.15	103.58	207.16	362.53	362.53	673.27
3	2,000	14.03	26.46	63.75	105.18	208.76	364.13	364.13	674.87
4	3,000	15.62	28.05	65.34	106.77	210.35	365.72	365.72	676.46
5	4,000	17.22	29.65	66.94	108.37	211.95	367.32	367.32	678.06
6	5,000	18.81	31.24	68.53	109.96	213.54	368.91	368.91	679.65
7	6,000	20.41	32.84	70.13	111.56	215.14	370.51	370.51	681.25
8	7,000	22.00	34.43	71.72	113.15	216.73	372.10	372.10	682.84
9	8,000	23.60	36.03	73.32	114.75	218.33	373.70	373.70	684.44
10	9,000	25.19	37.62	74.91	116.34	219.92	375.29	375.29	686.03
11	10,000	26.79	39.22	76.51	117.94	221.52	376.89	376.89	687.63
12	15,000	34.76	47.19	84.48	125.91	229.49	384.86	384.86	695.60
13	20,000	42.74	55.17	92.46	133.89	237.47	392.84	392.84	703.58
14	25,000	50.71	63.14	100.43	141.86	245.44	400.81	400.81	711.55
15	50,000	90.59	103.02	140.31	181.74	285.32	440.69	440.69	751.43
16	75,000	130.46	142.89	180.18	221.61	325.19	480.56	480.56	791.30
17	100,000	170.34	182.77	220.06	261.49	365.07	520.44	520.44	831.18
18	125,000	210.21	222.64	259.93	301.36	404.94	560.31	560.31	871.05
19	150,000	250.09	262.52	299.81	341.24	444.82	600.19	600.19	910.93
20	175,000	289.96	302.39	339.68	381.11	484.69	640.06	640.06	950.80
21	200,000	329.84	342.27	379.56	420.99	524.57	679.94	679.94	990.68
22									
23	AVG. NO. OF CUST:	2,220	90	28	2	1	0	0	0
24									
25	AVG. USE (GAL.):	10,131	20,409	118,840	608,213	368,917	N/A	N/A	N/A
26	MONTHLY BILL:	\$ 26.99	\$ 55.82	\$ 250.10	\$ 1,072.08	\$ 793.99	N/A	N/A	N/A
27									
28	MEDIAN USE (GAL.):	7,615	10,971	60,237	96,000	N/A	N/A	N/A	N/A
29	MONTHLY BILL:	\$ 22.98	\$ 40.76	\$ 156.63	\$ 255.11	N/A	N/A	N/A	N/A

RUCO PROPOSED RATES

LINE NO.	CONSUMPTION IN GALLONS	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		5/8 - INCH	1 - INCH	2 - INCH	3 - INCH	4 - INCH	6 - INCH	8 - INCH	10 - INCH
1	0	\$ 13.67	\$ 32.32	\$ 93.23	\$ 176.20	\$ 390.29	\$ 761.31	\$ 833.82	\$ 1,683.18
2	1,000	15.38	34.03	94.94	177.91	392.00	763.02	835.53	1,684.89
3	2,000	17.10	35.75	96.66	179.63	393.72	764.74	837.25	1,686.61
4	3,000	18.81	37.46	98.37	181.34	395.43	766.45	838.96	1,688.32
5	4,000	20.53	39.18	100.09	183.06	397.15	768.17	840.68	1,690.04
6	5,000	22.24	40.89	101.80	184.77	398.86	769.88	842.39	1,691.75
7	6,000	23.95	42.60	103.51	186.48	400.57	771.59	844.10	1,693.46
8	7,000	25.67	44.32	105.23	188.20	402.29	773.31	845.82	1,695.18
9	8,000	27.38	46.03	106.94	189.91	404.00	775.02	847.53	1,696.89
10	9,000	29.10	47.75	108.66	191.63	405.72	776.74	849.25	1,698.61
11	10,000	30.81	49.46	110.37	193.34	407.43	778.45	850.96	1,700.32
12	15,000	39.38	58.03	118.94	201.91	416.00	787.02	859.53	1,708.89
13	20,000	47.95	66.60	127.51	210.48	424.57	795.59	868.10	1,717.46
14	25,000	56.52	75.17	136.08	219.05	433.14	804.16	876.67	1,726.03
15	50,000	99.37	118.02	178.93	261.90	475.99	847.01	919.52	1,768.88
16	75,000	142.22	160.87	221.78	304.75	518.84	889.86	962.37	1,811.73
17	100,000	185.07	203.72	264.63	347.60	561.69	932.71	1,005.22	1,854.58
18	125,000	227.92	246.57	307.48	390.45	604.54	975.56	1,048.07	1,897.43
19	150,000	270.77	289.42	350.33	433.30	647.39	1,018.41	1,090.92	1,940.28
20	175,000	313.62	332.27	393.18	476.15	690.24	1,061.26	1,133.77	1,983.13
21	200,000	356.47	375.12	436.03	519.00	733.09	1,104.11	1,176.62	2,025.98
22									
23	AVG. NO. OF CUST:	2,220	90	28	2	1	0	0	0
24									
25	AVG. USE (GAL.):	10,131	20,409	118,840	608,213	368,917	N/A	N/A	N/A
26	MONTHLY BILL:	\$ 31.03	\$ 67.30	\$ 296.92	\$ 1,218.68	\$ 1,022.61	N/A	N/A	N/A
27									
28	MEDIAN USE (GAL.):	7,615	10,971	60,237	96,000	N/A	N/A	N/A	N/A
29	MONTHLY BILL:	\$ 26.72	\$ 51.12	\$ 196.48	\$ 340.74	N/A	N/A	N/A	N/A

**RUCO PROPOSED CHANGES EXPRESSED IN DOLLARS**

LINE NO.	CONSUMPTION IN GALLONS	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		5/8 - INCH	1 - INCH	2 - INCH	3 - INCH	4 - INCH	6 - INCH	8 - INCH	10 - INCH
1	0	\$ 1.24	\$ 7.46	\$ 31.08	\$ 72.62	\$ 183.13	\$ 398.78	\$ 471.29	#####
2	1,000	2.95	9.17	32.79	74.33	184.84	400.49	473.00	1,011.62
3	2,000	3.07	9.29	32.91	74.45	184.96	400.61	473.12	1,011.74
4	3,000	3.19	9.41	33.03	74.57	185.08	400.73	473.24	1,011.86
5	4,000	3.31	9.53	33.15	74.69	185.20	400.85	473.36	1,011.98
6	5,000	3.43	9.65	33.27	74.81	185.32	400.97	473.48	1,012.10
7	6,000	3.55	9.77	33.39	74.93	185.44	401.09	473.60	1,012.22
8	7,000	3.67	9.89	33.51	75.05	185.56	401.21	473.72	1,012.34
9	8,000	3.79	10.01	33.63	75.17	185.68	401.33	473.84	1,012.46
10	9,000	3.91	10.13	33.75	75.29	185.80	401.45	473.96	1,012.58
11	10,000	4.03	10.25	33.87	75.41	185.92	401.57	474.08	1,012.70
12	15,000	4.62	10.84	34.46	76.00	186.51	402.16	474.67	1,013.29
13	20,000	5.22	11.44	35.06	76.60	187.11	402.76	475.27	1,013.89
14	25,000	5.81	12.03	35.65	77.19	187.70	403.35	475.86	1,014.48
15	50,000	8.79	15.01	38.63	80.17	190.68	406.33	478.84	1,017.46
16	75,000	11.76	17.98	41.60	83.14	193.65	409.30	481.81	1,020.43
17	100,000	14.74	20.96	44.58	86.12	196.63	412.28	484.79	1,023.41
18	125,000	17.71	23.93	47.55	89.09	199.60	415.25	487.76	1,026.38
19	150,000	20.69	26.91	50.53	92.07	202.58	418.23	490.74	1,029.36
20	175,000	23.66	29.88	53.50	95.04	205.55	421.20	493.71	1,032.33
21	200,000	26.64	32.86	56.48	98.02	208.53	424.18	496.69	1,035.31
22									
23	AVG. NO. OF CUST:	2,220	90	28	2	1	0	0	0
24									
25	AVG. USE (GAL.):	10,131	20,409	118,840	608,213	368,917	N/A	N/A	N/A
26	MONTHLY BILL:	\$ 4.04	\$ 11.48	\$ 46.82	\$ 146.59	\$ 228.63	N/A	N/A	N/A
27									
28	MEDIAN USE (GAL.):	7,615	10,971	60,237	96,000	N/A	N/A	N/A	N/A
29	MONTHLY BILL:	\$ 3.74	\$ 10.36	\$ 39.84	\$ 85.64	N/A	N/A	N/A	N/A

**RUCO PROPOSED CHANGES EXPRESSED AS A PERCENTAGE**

LINE NO.	CONSUMPTION IN GALLONS	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		5/8 - INCH	1 - INCH	2 - INCH	3 - INCH	4 - INCH	6 - INCH	8 - INCH	10 - INCH
1	0	10.0%	30.0%	50.0%	70.1%	88.4%	110.0%	130.0%	150.0%
2	1,000	23.8%	36.9%	52.8%	71.8%	89.2%	110.5%	130.5%	150.3%
3	2,000	21.9%	35.1%	51.6%	70.8%	88.6%	110.0%	129.9%	149.9%
4	3,000	20.4%	33.6%	50.6%	69.8%	88.0%	109.6%	129.4%	149.6%
5	4,000	19.2%	32.2%	49.5%	68.9%	87.4%	109.1%	128.9%	149.2%
6	5,000	18.2%	30.9%	48.5%	68.0%	86.8%	108.7%	128.3%	148.9%
7	6,000	17.4%	29.8%	47.6%	67.2%	86.2%	108.3%	127.8%	148.6%
8	7,000	16.7%	28.7%	46.7%	66.3%	85.6%	107.8%	127.3%	148.3%
9	8,000	16.1%	27.8%	45.9%	65.5%	85.0%	107.4%	126.8%	147.9%
10	9,000	15.5%	26.9%	45.0%	64.7%	84.5%	107.0%	126.3%	147.6%
11	10,000	15.0%	26.1%	44.3%	63.9%	83.9%	106.5%	125.8%	147.3%
12	15,000	13.3%	23.0%	40.8%	60.4%	81.3%	104.5%	123.3%	145.7%
13	20,000	12.2%	20.7%	37.9%	57.2%	78.8%	102.5%	121.0%	144.1%
14	25,000	11.5%	19.1%	35.5%	54.4%	76.5%	100.6%	118.7%	142.6%
15	50,000	9.7%	14.6%	27.5%	44.1%	66.8%	92.2%	108.7%	135.4%
16	75,000	9.0%	12.6%	23.1%	37.5%	59.5%	85.2%	100.3%	129.0%
17	100,000	8.7%	11.5%	20.3%	32.9%	53.9%	79.2%	93.1%	123.1%
18	125,000	8.4%	10.7%	18.3%	29.6%	49.3%	74.1%	87.1%	117.8%
19	150,000	8.3%	10.2%	16.9%	27.0%	45.5%	69.7%	81.8%	113.0%
20	175,000	8.2%	9.9%	15.8%	24.9%	42.4%	65.8%	77.1%	108.6%
21	200,000	8.1%	9.6%	14.9%	23.3%	39.8%	62.4%	73.0%	104.5%
22									
23	AVG. NO. OF CUST:	2,220	90	28	2	1	0	0	0
24									
25	AVG. USE (GAL.):	10,131	20,409	118,840	608,213	368,917	N/A	N/A	N/A
26	MONTHLY BILL:	15.0%	20.6%	18.7%	13.7%	28.8%	N/A	N/A	N/A
27									
28	MEDIAN USE (GAL.):	7,615	10,971	60,237	96,000	N/A	N/A	N/A	N/A
29	MONTHLY BILL:	16.3%	25.4%	25.4%	33.6%	N/A	N/A	N/A	N/A

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 SIERRA VISTA SYSTEM - REVISED SCHEDULES  
 REVENUE SUMMARY BY METER SIZE AND CUSTOMER CLASS

DOCKET NO. W-01445A-02-061  
 SCHEDULE TJC-20

LINE NO.	DESCRIPTION	(A) RUCO PROPOSED MINIMUM REVENUE	(B) RUCO PROPOSED COMMODITY REVENUE	(C) RUCO PROPOSED TOTAL REVENUE
1	5/8 X 3/4 - INCH	\$ 364,210	\$ 462,640	\$ 826,849
2	1 - INCH	34,776	37,639	72,415
3	2 - INCH	31,419	68,644	100,062
4	3 - INCH	4,229	25,019	29,248
5	4 - INCH	4,683	7,588	12,271
6	6 - INCH	0	0	0
7	8 - INCH	0	0	0
13	10 - INCH	0	0	0
14				
15	TOTALS	<u>\$ 439,317</u>	<u>\$ 601,530</u>	<u>\$ 1,040,847</u> (a)
16				
17	PERCENTAGE OF TOTAL REVENUE	42.00%	58.00%	100.00%

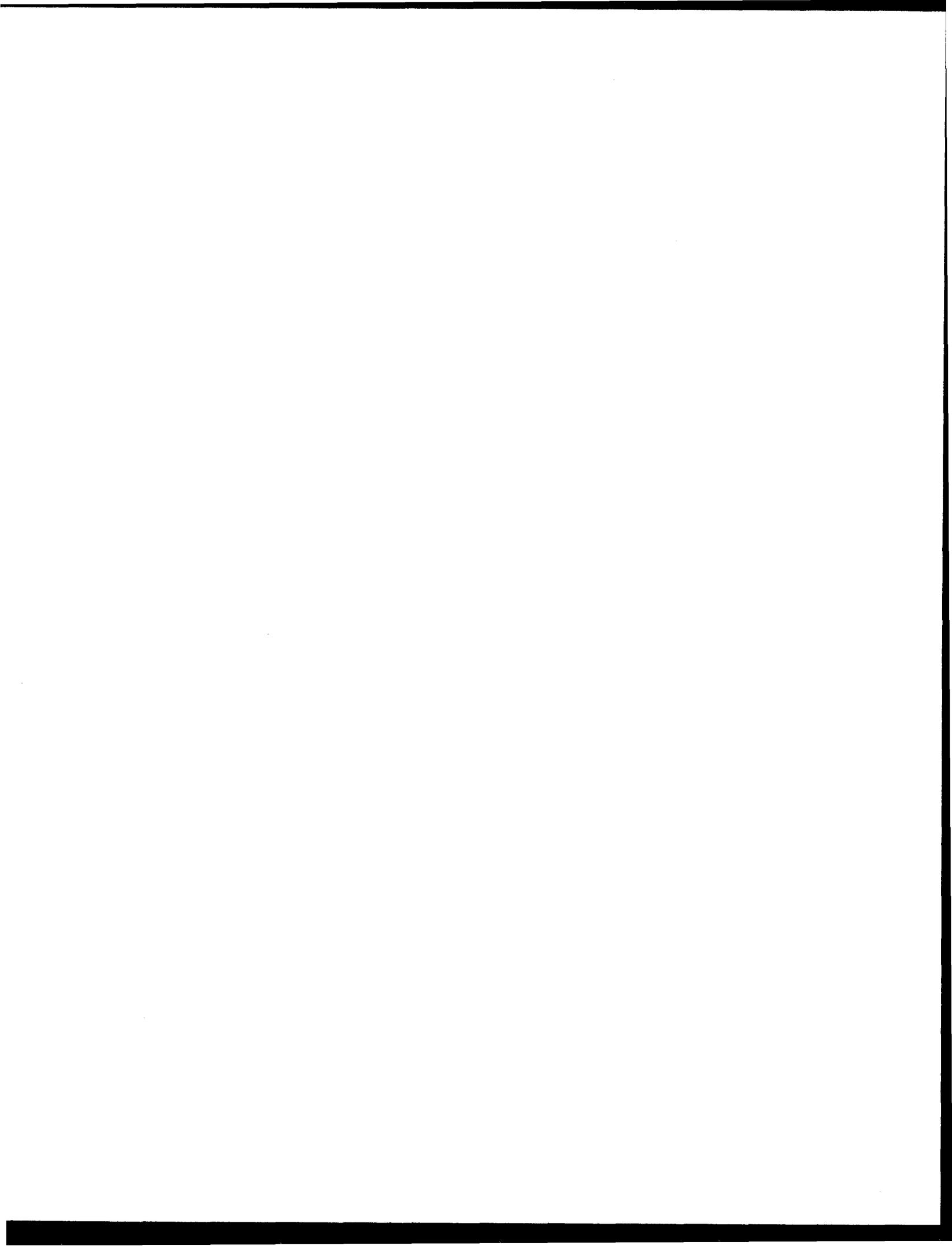
NOTE (a):

RUCO REQUIRED REVENUE		\$ 1,078,672
LESS:		
FIRE SPRINKLER REVENUE	\$ 1,057	
FIRE HYDRANT REVENUE	-	
MISCELLANEOUS REVENUE	29,982	
RENT - WATER PROPERTY REVENUE	-	
OTHER WATER REVENUE	6,786	
TOTAL		<u>\$ 37,825</u>

REVENUE TO BE GENERATED FROM WATER SALES \$ 1,040,847

REFERENCE:

NOTE (a) 2002 REVENUE INFORMATION OBTAINED FROM RUCO D.R. NO. 1.10



**ARIZONA WATER COMPANY  
WINKELMAN SYSTEM - REVISED SCHEDULES  
DOCKET NO. W-1445A-02-0619  
TABLE OF CONTENTS TO SCHEDULES TJC**

SCHEDULE #

TJC - 1	REVENUE REQUIREMENTS
TJC - 2	RATE BASE - ORIGINAL COST
TJC - 3	SUMMARY OF RATE BASE ADJUSTMENTS
TJC - 4	RATE BASE ADJUSTMENTS #1, #2 & #3 - PLANT IN SERVICE/POST TEST YEAR PLANT, PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION
TJC - 5	RATE BASE ADJ. #4 - RECONCILE TEST YEAR ALLOCATED PHOENIX OFFICE & METER SHOP AND ACCUMULATED DEPRECIATION BALANCES
TJC - 6	RATE BASE ADJ. # 5 - REMOVE CWIP FROM PHOENIX OFFICE ALLOCATION
TJC - 7	RATE BASE ADJUSTMENT #9 - WORKING CAPITAL
TJC - 8	OPERATING INCOME - TEST YEAR AND RUCO PROPOSED
TJC - 9	SUMMARY OF OPERATING ADJUSTMENTS
TJC - 10	OPERATING ADJ. #1 - RECONCILE COMPANY PROPOSED OPERATING INCOME TO 2002 ACTUAL
TJC - 11	OPERATING ADJ. #5 - REVENUE ANNUALIZATION FOR 2002
TJC - 12	OPERATING ADJ. #8 - DEPRECIATION & AMORTIZATION EXPENSE
TJC - 13	OPERATING ADJ. #9 - PROPERTY TAX EXPENSE
TJC - 14	OPERATING ADJ. #10 - INCOME TAXES
TJC - 15	OPERATING ADJ. #11 - NOT USED FOR THIS SYSTEM
TJC - 16	COST OF CAPITAL
TJC - 17	PROPOSED RATES
TJC - 18	MONTHLY MINIMUM CHARGES
TJC - 19	BILLING ANALYSIS
TJC - 20	REVENUE SUMMARY BY METER SIZE AND CUSTOMER CLASS

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 WINKELMAN SYSTEM - REVISED SCHEDULES  
 REVENUE REQUIREMENTS

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-1  
 PAGE 1 OF 2

LINE NO.	DESCRIPTION	(A) COMPANY REQUESTED	(B) RUCO RECOMMENDED
1	ADJUSTED RATE BASE	\$ 265,899	\$ 252,049
2	ADJUSTED OPERATING INCOME	9,437	7,380
3	CURRENT RATE OF RETURN (L2 / L1)	3.55%	2.93%
4	REQUIRED RATE OF RETURN	11.00%	8.68%
5	REQUIRED OPERATING INCOME (L4 * L1)	29,249	21,885
6	OPERATING INCOME DEFICIENCY (L5 - L2)	19,812	14,505
7	GROSS REVENUE CONVERSION FACTOR	1.63241	1.26755
8	GROSS REVENUE INCREASE	\$ 32,341	\$ 18,386
9	CURRENT REVENUES T/Y ADJUSTED	98,022	89,552
10	PROPOSED ANNUAL REVENUE (L8 + L9)	130,363	107,938
11	PERCENTAGE AVERAGE INCREASE	32.99%	20.53%

REFERENCES:

COLUMN (A): COMPANY SCHEDULE A-1  
 COLUMN (B): SCHEDULE TJC-1, PG. 2, TJC-2, AND TJC-8

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 WINKELMAN SYSTEM - REVISED SCHEDULES  
 GROSS REVENUE CONVERSION FACTOR

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-1  
 PAGE 2 OF 2

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	REVENUE	1.0000	
2	UNCOLLECTIBLES	<u>0.002316</u>	COMPANY SCH. C-3
3	SUB-TOTAL	0.9977	LINE 1 - LINE 2
4	LESS: TAX RATE	<u>20.88%</u>	NOTE (a)
5	TOTAL	0.7889	LINE 3 - LINE 4
6	REVENUE CONVERSION FACTOR	<span style="border: 1px solid black; padding: 2px;">1.26755</span>	LINE 1/LINE 5

NOTE (a):  
 CALCULATION OF EFFECTIVE TAX RATE

OPERATING INCOME BEFORE TAXES	100.00%
ARIZONA STATE TAX	<u>6.97%</u>
TAXABLE INCOME FEDERAL	93.03%
FEDERAL INCOME TAX RATE	<u>15.00%</u>
SUBTOTAL	13.95%
ADD STATE TAX RATE	20.92%
LINE 3 ABOVE	<u>99.77%</u>
EFFECTIVE TAX RATE	20.88%

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 WINKELMAN SYSTEM - REVISED SCHEDULES  
 RATE BASE - ORIGINAL COST

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-2

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO ADJUSTMENTS	(C) RUCO AS ADJUSTED
1	PLANT IN SERVICE/POST-TEST YEAR ADDITIONS	\$ 428,421	\$ (7,508)	\$ 420,913
2	PHOENIX OFFICE & METER SHOP ALLOCATION	11,320	2,662	13,982
3	ACCUMULATED DEPRECIATION	<u>(119,405)</u>	<u>5,186</u>	<u>(114,219)</u>
4	NET PLANT IN SERVICE	\$ 320,337	\$ 340	\$ 320,676
5	CONSTRUCTION WORK IN PROGRESS (CWIP)	<u>-</u>	<u>-</u>	<u>-</u>
6	TOTAL NET PLANT	\$ 320,337	\$ 340	\$ 320,676
7	ADVANCES IN AID OF CONSTRUCTION (AIAC)	(20,855)	162	(20,693)
8	CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	(1,835)	-	(1,835)
9	ACCUMULATED AMORTIZATION OF CIAC	264	48	312
10	DEFERRED INCOME TAXES	(34,918)	(6,399)	(41,317)
11	WORKING CAPITAL	<u>2,906</u>	<u>(8,000)</u>	<u>(5,094)</u>
12	TOTAL RATE BASE	<u>\$ 265,899</u>	<u>\$ (13,849)</u>	<u>\$ 252,049</u>

REFERENCES:

COLUMN (A): COMPANY SCHEDULE B-1  
 COLUMN (B): SCHEDULE TJC-3  
 COLUMN (C): COLUMN (A) + COLUMN (B)

ARIZONA WATER COMPANY  
TEST YEAR ENDED DECEMBER 31, 2001  
WINKELMAN SYSTEM - REVISED SCHEDULES  
SUMMARY OF RATE BASE ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) ADJ.#1	(C) ADJ.#2	(D) ADJ.#3	(E) ADJ.#4	(F) ADJ.#5	(G) ADJ.#6	(H) ADJ.#7	(I) ADJ.#8	(J) ADJ.#9	(K) ADJ.#10	(L) ADJ.#11	(M) RUCCO ADJUSTED
1	PLANT IN SERVICE/POST-TEST YEAR ADDITIONS	\$ 428,421	\$ (7,508)	1,573 (b)	6,668 (c)	1,482	(392)							\$ 420,913
2	PHOENIX OFFICE & METER SHOP ALLOCATION	11,320 (a)				1,482								13,982
3	ACCUMULATED DEPRECIATION	(119,405)			6,668 (c)	(1,482)								(114,219)
4	NET PLANT IN SERVICE	\$ 320,337	\$ (7,508)	\$ 1,573	\$ 6,668	\$ -	\$ (392)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 320,676
5	CONSTRUCTION WORK IN PROGRESS (CWIP)	\$ 320,337	\$ (7,508)	\$ 1,573	\$ 6,668	\$ -	\$ (392)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 320,676
6	TOTAL NET PLANT	(20,865)					162							(20,693)
7	ADVANCES IN AID OF CONSTRUCTION (AIAC)	(1,835)												(1,835)
8	CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	264							48					312
9	ACCUMULATED AMORTIZATION OF CIAC	(34,918)								(6,399)				(41,317)
10	DEFERRED INCOME TAXES	2,906									(6,000)			(5,094)
11	WORKING CAPITAL	\$ 265,699	\$ (7,508)	\$ 1,573	\$ 6,668	\$ -	\$ (392)	\$ 162	\$ 48	\$ (6,399)	\$ (6,000)	\$ -	\$ -	\$ 252,049
12	TOTAL RATE BASE													

REFERENCE:

RUCCO D.R. NO. 6.3, TESTIMONY - TJC  
RUCCO D.R. NO. 6.3  
SCHEDULE TJC-7, PAGE 3  
N/A  
N/A

ADJUSTMENT #:

7. CIAC - 2002 BAL. & AMORTIZATION  
8. ACCUMULATED DEFERRED INCOME TAXES  
9. WORKING CAPITAL  
10. NOT USED  
11. NOT USED

REFERENCE:

SCHEDULE TJC-4, PAGE 7  
SCHEDULE TJC-4, PAGE 7  
SCHEDULE TJC-4, PAGE 7  
SCHEDULE TJC-8  
SCHEDULE TJC-8  
RUCCO D.R. NO. 6.3

NOTES:

(a) NET OF ACCUMULATED DEPRECIATION  
(b) GROSS PHOENIX OFFICE AND METER SHOP ADDITIONS ALLOCATED DURING 2002  
(c) INCLUDES ACCUMULATED DEPRECIATION ON 2002 PHOENIX OFFICE AND METER SHOP ADDITIONS

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 WINKELMAN SYSTEM - REVISED SCHEDULES #1, #2 & #3 - PLANT IN SERVICE/POST TEST YEAR PLANT,  
 RATE BASE ADJUSTMENTS & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION  
 PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1990 PLANT VALUE PER COMPANY	1990 ACCUM. DEPR. PER COMPANY	1990 NET PLANT PER PRIOR ACC. PER COMPANY	1991 ADDITIONS PER COMPANY	1991 (RETIREMENTS) PER COMPANY	1991 YEAR END PLANT VALUE PER RUCO	1991 DEPRECIATION EXPENSE PER RUCO	1991 ACCUMULATED DEPRECIATION PER RUCO	1991 YEAR END NET PLANT PER RUCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	2,072	0	2,072	0	0	2,072	0	0	2,072
3	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	422	0	422	0	0	422	0	0	422
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	43,348	0	26,022	0	0	43,348	1,049	18,375	24,973
7	314.0	SOURCE OF SUPPLY: WELLS	0	17,326	0	0	0	6,073	147	2,574	3,499
8	320.0	PUMPING PLANT: LAND*	6,073	2,427	3,646	15,421	(8,468)	56,362	1,280	12,561	43,801
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	49,409	19,749	29,660	0	0	2,053	0	870	1,183
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	2,753	0	2,753	3,715
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	2,053	821	1,232	0	0	6,448	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	6,448	2,577	3,871	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	0	0	0	15,039	364	6,375	8,664
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	6,011	0	9,028	0	0	120,041	2,903	50,813	69,228
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	47,910	6,011	71,955	176	0	21,084	1,277	21,818	32,145
18	343.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	119,865	7,011	30,969	2,453	(79)	53,963	467	6,762	14,322
19	344.0	TRANSMISSION & DISTRIBUTION: MAINS	20,620	8,031	12,061	4,260	0	20,092	486	8,517	11,575
20	345.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0
21	346.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	0	0	0	0	0	0	0
22	348.0	TRANSMISSION & DISTRIBUTION: METERS	20,092	0	0	0	0	0	0	0	0
23	349.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0
24	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	127	0	3	73
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT: LAND - MISC.*	127	0	76	0	0	0	0	0	0
27	390.1	GENERAL PLANT: WAREHOUSE BUILDINGS	0	51	0	0	0	0	0	0	0
28	390.2	GENERAL PLANT: OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	0	0	0
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	0	0	0	0	0	0	0
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	1,295	518	777	0	0	1,295	31	549	746
34	394.0	GENERAL PLANT: LAB EQUIPMENT	0	0	0	0	0	0	0	0	0
35	395.0	GENERAL PLANT: POWER EQUIPMENT	873	349	0	0	0	873	0	21	503
36	396.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0
37	397.0	GENERAL PLANT: MOBILE RADIOS	7,841	0	0	0	0	8,113	0	193	4,786
38	397.1	GENERAL PLANT: AUTO CONTROLS	0	3,134	0	272	0	0	0	0	0
39	397.2	GENERAL PLANT: MISC.	\$344,087	\$207,552	\$207,552	\$22,582	(\$9,264)	\$357,405	\$8,428	\$135,699	\$221,706
40	398.0	TOTALS									

REFERENCE:  
 ACC STAFF D.R. NO. REL 1-24

NOTE:  
 \* NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 WINKELMAN SYSTEMS - REVISED SCHEDULES  
 RATE BASE ADJUSTMENTS #1, #2 & #3 - PLANT IN SERVICE/POST TEST YEAR PLANT.  
 PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1992 ADDITIONS PER COMPANY	1992 (RETIREMENTS) PER COMPANY	1992 YEAR END PLANT VALUE PER RUCCO	1992 DEPRECIATION EXPENSE PER RUCCO	1992 ACCUMULATED DEPRECIATION PER RUCCO	1992 YEAR END NET PLANT PER RUCCO	1993 ADDITIONS PER COMPANY	1993 (RETIREMENTS) PER COMPANY	1993 YEAR END PLANT VALUE PER RUCCO	1993 DEPRECIATION EXPENSE PER RUCCO	1993 ACCUMULATED DEPRECIATION PER RUCCO	1993 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	2,072	0	0	2,072	0	0	0	0	0	2,072
3	303.0	INTANGIBLES: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	0	0	0	0	0	0	101	0	0	0	0	101
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	422	0	0	422	0	0	0	0	0	422
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	43,348	1,049	0	23,924	3,826	0	47,174	1,172	20,597	26,577
8	321.0	PUMPING PLANT: LAND*	0	0	6,073	147	0	3,352	0	0	6,073	157	2,879	3,194
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	7,195	0	63,557	1,451	0	48,545	333	(899)	63,191	1,641	14,954	48,237
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	2,053	50	0	1,133	0	0	2,053	53	973	1,080
13	331.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	6,444	156	0	3,559	1,847	0	8,295	191	3,090	5,215
14	332.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
16	341.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	15,039	364	0	8,300	0	0	15,039	390	7,128	7,911
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	617	(66)	120,592	2,912	0	66,933	13,390	(49,678)	84,304	2,653	6,654	77,657
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	0	0	0	0	0	0
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	1,112	(164)	54,911	1,317	0	31,939	2,506	(8,421)	48,396	1,351	15,901	33,495
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	1,222	(1,416)	20,890	508	0	15,037	40	(395)	20,535	434	5,395	14,540
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	20,092	486	0	11,089	0	(4,652)	15,240	468	4,609	10,631
23	389.1	GENERAL PLANT: OFFICE	0	0	0	0	0	0	0	0	0	0	0	0
24	389.1	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
25	389.2	GENERAL PLANT: OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	127	57	0	70	0	0	127	3	60	67
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	1,295	31	0	715	0	0	1,295	34	614	681
35	395.0	GENERAL PLANT: POWER EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
36	396.0	GENERAL PLANT: LAB EQUIPMENT	0	0	873	21	0	482	0	0	873	23	414	459
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
38	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	8,113	196	0	4,590	0	0	8,113	210	3,734	4,379
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	0	0	0	0	0	0	0	0	0	0
40	398.0	GENERAL PLANT: MISC.	\$10,146	\$0	\$365,905	\$8,092	\$142,744	\$223,161	\$22,443	(\$4,045)	\$324,303	\$8,872	\$87,572	\$236,731
TOTALS			\$10,146	(\$1,846)	\$365,905	\$8,092	\$142,744	\$223,161	\$22,443	(\$4,045)	\$324,303	\$8,872	\$87,572	\$236,731

REFERENCE:  
 ACC STAFF D.R. NO. REL 1-24

NOTE:  
 \*NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 WINKELMAN SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENTS #1, #2 & #3 - PLANT IN SERVICE/POST TEST YEAR PLANT,  
 RATE BASE ADJUSTMENTS #1, #2 & #3 - PLANT IN SERVICE/POST TEST YEAR PLANT,  
 PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1994 ADDITIONS PER COMPANY	1994 (RETIREMENTS) PER COMPANY	1994 YEAR END PLANT VALUE PER RUCCO	1994 DEPRECIATION EXPENSE PER RUCCO	1994 ACCUMULATED DEPRECIATION PER RUCCO	1994 YEAR END NET PLANT PER RUCCO	1995 ADDITIONS PER COMPANY	1995 (RETIREMENTS) PER COMPANY	1995 YEAR END PLANT VALUE PER RUCCO	1995 DEPRECIATION EXPENSE PER RUCCO	1995 ACCUMULATED DEPRECIATION PER RUCCO	1995 YEAR END NET PLANT PER RUCCO
1	201.0	INTANGIBLES ORGANIZATION	\$0	\$0	2,072	0	0	2,072	0	0	2,072	0	0	2,072
2	302.0	INTANGIBLES FRANCHISES	0	0	0	0	0	0	0	0	0	0	0	0
3	303.0	INTANGIBLES MISC.	0	0	128	0	0	128	97	0	225	0	0	225
4	310.1	SOURCE OF SUPPLY LAND - WATER RIGHTS	27	0	0	0	0	0	0	0	0	0	0	0
5	310.2	SOURCE OF SUPPLY LAND - RESERVOIRS	0	0	422	0	0	422	0	0	422	0	0	422
6	310.3	SOURCE OF SUPPLY LAND - WELLS	0	0	0	0	0	0	0	0	0	0	0	0
7	314.0	SOURCE OF SUPPLY WELLS	334	0	47,508	1,226	21,823	25,685	0	0	47,508	1,226	23,053	24,455
8	320.0	PUMPING PLANT: LAND	0	0	6,073	157	3,036	6,073	0	0	6,073	157	3,193	2,880
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	63,399	1,839	16,593	48,806	0	0	63,399	1,842	18,235	45,164
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	326.0	PUMPING PLANT: ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND	0	0	2,053	53	1,068	1,027	0	0	2,053	53	1,079	974
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	8,295	215	3,295	5,000	0	0	8,295	215	3,510	4,785
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
15	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES	0	0	0	0	0	0	0	0	0	0	0	0
16	340.2	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	13,616	0	28,655	586	7,694	20,961	0	0	28,655	742	8,437	20,218
18	342.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	84,304	2,183	8,818	75,486	0	0	84,304	2,183	11,001	73,303
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	48,569	1,287	17,188	32,770	0	0	48,569	1,288	18,488	31,762
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	562	0	19,902	522	5,301	14,501	1,363	(2,057)	19,128	504	3,748	1,882
21	345.0	TRANSMISSION & DISTRIBUTION: SETBACKS	483	(1,216)	15,240	395	5,004	10,236	0	0	15,240	395	5,398	9,842
22	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
23	348.1	GENERAL PLANT: LAND - OFFICE	0	0	0	0	0	0	0	0	0	0	0	0
24	388.1	GENERAL PLANT: LAND - WAREHOUSE	0	0	0	0	0	0	0	0	0	0	0	0
25	389.2	GENERAL PLANT: LAND - MISC.	0	0	0	0	0	0	0	0	0	0	0	0
26	390.3	GENERAL PLANT: OFFICE BUILDINGS	0	0	127	3	63	64	0	0	127	3	67	60
27	390.1	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	1,295	34	647	648	0	0	1,295	34	681	614
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
35	395.0	GENERAL PLANT: LAGGED EQUIPMENT	0	0	873	23	436	437	0	0	873	23	469	414
36	396.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
37	397.0	GENERAL PLANT: MOBILE RADIOS	0	0	0	0	0	0	0	0	0	0	0	0
38	397.1	GENERAL PLANT: AUTO CONTROLS	0	0	8,113	210	3,944	4,169	0	0	8,113	210	4,154	3,959
39	397.2	GENERAL PLANT: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
40	398.0	GENERAL PLANT: MISC.	\$15,230	(\$1,216)	\$338,317	\$8,513	\$84,685	\$243,448	\$1,770	(\$2,057)	\$338,090	\$8,509	\$101,502	\$236,528
41		TOTALS												

REFERENCE:  
 ACC STAFF O.R. NO. REL 124

NOTE:  
 \* NON-DEPRECIABLE PLANT

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1996 ADDITIONS PER COMPANY	1996 (RETIREMENTS) PER COMPANY	1996 YEAR END NET PLANT PER RUCCO	1996 DEPRECIATION EXPENSE PER RUCCO	1996 ACCUMULATED DEPRECIATION PER RUCCO	1996 YEAR END NET PLANT PER RUCCO	1997 ADDITIONS PER COMPANY	1997 (RETIREMENTS) PER COMPANY	1997 YEAR END NET PLANT PER RUCCO	1997 DEPRECIATION EXPENSE PER RUCCO	1997 ACCUMULATED DEPRECIATION PER RUCCO	1997 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	2,072	0	0	2,072	0	0	2,072	0	0	2,072
3	303.0	INTANGIBLES: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	32	0	257	0	0	286	0	0	286	0	0	286
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	422	0	0	422	0	0	422	0	0	422
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	47,508	1,230	24,284	47,508	0	0	47,508	1,230	25,514	21,994
8	320.0	PUMPING PLANT: LAND*	0	0	6,073	0	0	6,073	0	0	6,073	157	3,508	2,565
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	32,790	(24,002)	72,187	1,728	76,198	72,187	0	0	72,187	1,870	(2,141)	74,328
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	2,053	53	920	2,053	0	0	2,053	53	1,186	867
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	8,285	215	4,570	8,285	1,235	(95)	9,495	230	3,859	5,576
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
15	340.0	TRANSMISSION & DISTRIBUTION LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION LAND - TANKS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION STRUCTURES	0	0	28,655	742	9,179	28,655	0	0	28,655	742	9,921	18,734
18	342.0	TRANSMISSION & DISTRIBUTION STORAGE TANKS	0	0	84,304	2,183	13,184	84,304	0	0	84,304	2,183	15,368	68,936
19	343.0	TRANSMISSION & DISTRIBUTION MAINS	0	0	0	0	0	0	0	0	0	0	0	0
20	344.0	TRANSMISSION & DISTRIBUTION FIRE SPRINKLERS	0	0	50,248	1,301	19,197	50,248	0	0	50,248	1,301	21,089	29,164
21	345.0	TRANSMISSION & DISTRIBUTION SERVICES	0	0	19,310	498	15,096	19,310	0	(57)	18,733	493	4,182	14,571
22	346.0	TRANSMISSION & DISTRIBUTION METERS	182	0	15,240	393	9,447	15,240	0	0	15,240	395	6,188	9,052
23	348.0	TRANSMISSION & DISTRIBUTION HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0
24	368.1	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
25	369.2	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	127	3	57	127	0	0	127	3	73	54
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
31	391.1	GENERAL PLANT: OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
32	391.2	GENERAL PLANT: OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
33	394.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	1,295	34	581	1,295	0	0	1,295	34	748	547
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	873	23	391	873	0	0	873	23	504	369
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
38	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	8,113	210	4,384	8,113	0	0	8,113	210	4,574	3,539
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	0	0	0	0	0	0	0	0	0	0
40	398.0	GENERAL PLANT: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
41		TOTALS	\$33,004	(\$24,002)	\$347,032	\$8,801	\$260,732	\$347,609	\$1,249	(\$872)	\$347,609	\$8,924	\$94,353	\$253,056

REFERENCE:  
 ACC STAFF D.R. NO. REL 1-24  
 NOTE:  
 \*NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 WINKELMAN SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENTS #1, #2 & #3 - PLANT IN SERVICE/POST TEST YEAR PLANT,  
 PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	1998 ADDITIONS PER COMPANY	1998 (RETIREMENTS) PER COMPANY	1998 YEAR END NET PLANT PER RUCCO	1998 DEPRECIATION EXPENSE PER RUCCO	1998 ACCUMULATED DEPRECIATION PER RUCCO	1998 YEAR END PLANT VALUE PER RUCCO	1999 ADDITIONS PER COMPANY	1999 (RETIREMENTS) PER COMPANY	1999 YEAR END NET PLANT PER RUCCO	1999 DEPRECIATION EXPENSE PER RUCCO	1999 ACCUMULATED DEPRECIATION PER RUCCO	1999 YEAR END PLANT VALUE PER RUCCO	1999 DEPRECIATION EXPENSE PER RUCCO	1999 ACCUMULATED DEPRECIATION PER RUCCO	1999 YEAR END NET PLANT PER RUCCO
1	301.0	INTANGIBLES ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES FRANCHISES*	0	0	2,072	0	0	2,072	0	0	2,072	0	0	0	0	0	2,072
3	303.0	INTANGIBLES PATENTS*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	9	0	275	0	0	275	0	0	358	0	0	358	0	0	358
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	422	0	0	422	0	0	422	0	0	422	0	0	422
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	47,508	0	0	47,508	0	0	47,508	0	0	47,508	0	0	47,508
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	20,764	1,230	26,744	20,764	0	0	6,073	1,230	1,230	27,975	1,230	27,975	19,533
8	321.0	PUMPING PLANT: LAND*	0	0	6,073	157	6,685	2,408	0	0	8,532	0	0	8,532	0	0	8,532
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	15,593	0	87,780	2,072	(70)	87,850	0	(2,448)	85,352	2,242	(276)	85,352	2,242	(276)	85,352
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	2,053	53	1,239	814	1,853	0	3,906	77	0	3,906	77	0	2,590
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	9,435	244	4,104	5,331	13,174	(7,500)	15,109	318	(3,078)	18,187	318	(3,078)	18,187
13	331.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	332.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS & MAINS*	0	0	28,655	742	10,663	17,992	0	0	28,655	742	11,405	19,371	742	11,405	19,371
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	96,206	2,338	16,619	79,587	20,120	0	116,326	2,752	0	116,326	2,752	0	116,326
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	12,969	(1,087)	0	0	0	0	0	0	0	0	0	0	0	0	0
19	343.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	50,253	1,302	22,390	27,863	1,359	(860)	51,612	1,319	0	51,612	1,319	0	51,612
20	344.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	0	18,733	485	4,847	14,888	1,608	0	19,481	495	0	19,481	495	0	19,481
21	345.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	15,240	395	6,562	8,658	1,054	0	16,294	408	0	16,294	408	0	16,294
22	346.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	348.0	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	389.1	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	389.2	GENERAL PLANT: LAND - MISC.*	0	0	127	0	77	50	0	0	127	0	3	127	0	3	127
26	389.3	GENERAL PLANT: OFFICE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	390.0	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28	390.1	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	390.2	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	390.3	GENERAL PLANT: OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	391.0	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	391.1	GENERAL PLANT: OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	391.2	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	1,295	34	782	513	0	0	1,295	34	815	1,295	34	815	480
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35	395.0	GENERAL PLANT: POWER EQUIPMENT	0	0	873	23	527	346	0	0	873	23	0	873	23	0	873
36	396.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
37	397.0	GENERAL PLANT: MOBILE PHONES	0	0	8,113	210	4,784	3,329	0	0	8,113	210	4,994	8,113	210	4,994	3,119
38	397.1	GENERAL PLANT: AUTO CONTROLS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
39	397.2	GENERAL PLANT: MISC.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40	398.0	TOTALS	\$29,591	(\$1,087)	\$575,113	\$9,288	\$102,753	\$272,369	\$39,251	(\$10,808)	\$403,556	\$10,011	\$101,956	\$301,600	\$10,011	\$101,956	\$301,600

REFERENCE:  
 ACC STAFF O.R. NO. REL 124

NOTE:  
 \*NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 WINKELMAN SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENTS #1, #2 & #3 - PLANT IN SERVICE/POST TEST YEAR PLANT,  
 PHOENIX OFFICE & METER SHOP ALLOCATION, AND ACCUMULATED DEPRECIATION

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2000 ADDITIONS PER COMPANY	2000 (RETIREMENTS) PER COMPANY	2000 YEAR END PLANT VALUE PER RUO	2000 DEPRECIATION EXPENSE PER RUO	2000 ACCUMULATED DEPRECIATION PER RUO	2000 YEAR END NET PLANT PER RUO	2001 ADDITIONS PER COMPANY	2001 (RETIREMENTS) PER COMPANY	2001 YEAR END PLANT VALUE PER RUO	2001 DEPRECIATION EXPENSE PER RUO	2001 ACCUMULATED DEPRECIATION PER RUO	2001 YEAR END NET PLANT PER RUO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	2,072	0	0	2,072	0	0	0	0	0	2,072
3	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	59	0	417	0	0	432	0	0	432	0	0	432
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	422	0	0	422	0	0	422	0	0	422
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	47,598	1,230	29,205	18,303	819	0	48,327	1,241	30,446	17,881
8	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	6,073	157	3,980	2,093	0	0	6,073	157	4,137	1,936
10	322.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	85,332	2,210	1,934	83,398	11,559	(7,773)	89,118	2,289	(3,575)	92,697
11	328.0	PUMPING PLANT: ENGINE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	3,906	101	1,417	2,489	0	0	3,906	101	6	2,388
13	331.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	15,483	395	(2,682)	18,165	953	0	16,416	413	(2,269)	18,685
14	332.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	374	0	0	0	0	0	0	0	0	0	0	0
15	340.1	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	0	0	0	0	0	0	0	0	0	0	0	0
16	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	0	0	0	0	0	0	0	0	0	0	0	0
17	341.1	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	28,655	742	12,147	28,861	0	0	28,861	745	12,892	15,969
18	342.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	116,326	3,013	22,364	93,946	206	0	118,404	3,014	25,398	91,006
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0	70	0	0	0	0	0
20	344.0	TRANSMISSION & DISTRIBUTION: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	0	(20)	51,592	1,336	25,026	26,566	0	0	51,592	1,336	26,362	25,230
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	(801)	16,984	484	3,975	14,705	603	(100)	19,183	480	4,365	14,818
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	16,284	422	7,413	8,881	0	0	18,294	422	7,835	8,459
24	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0	0	0	0	0	0	0
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0	0	0	0	0	0	0
26	389.3	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0	0	0	0	0	0	0
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	0	0	127	3	83	127	0	0	127	3	87	40
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	0	0	0	0	0	0
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
31	391.1	GENERAL PLANT: OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0	0
32	391.2	GENERAL PLANT: OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
33	392.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	1,295	34	849	446	0	0	1,295	34	882	419
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	873	23	572	301	0	0	873	23	595	278
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	0	0	0	0	127	0	127	0	2	125
38	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	0	0	0	0	0	0	0	0	0	0
39	397.2	GENERAL PLANT: AUTO CONTROLS	1,622	0	9,735	231	5,225	4,510	0	0	9,735	252	5,478	4,257
40	398.0	GENERAL PLANT: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
41		TOTALS	\$2,055	(\$621)	\$404,790	\$10,393	\$111,529	\$293,261	\$14,340	(\$7,873)	\$411,257	\$10,432	\$114,148	\$297,109

REFERENCE:  
 ACC STAFF D R. NO. REL 1-24

NOTE:  
 \* - NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY  
TEST YEAR ENDED DECEMBER 31, 2001  
WINKELMAN SYSTEM - REVISED SCHEDULES  
RATE BASE ADJUSTMENTS #1, #2 & #3 - PLANT IN SERVICE/POST TEST YEAR PLANT,  
PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	2002 ADDITIONS PER COMPANY	2002 (RETIREMENTS) PER COMPANY	2002 YEAR END PLANT VALUE PER RUCO	2002 DEPRECIATION EXPENSE PER RUCO	2002 ACCUMULATED DEPRECIATION PER RUCO	2002 YEAR END NET PLANT PER RUCO
1	301.0	INTANGIBLES: ORGANIZATION*	\$0	\$0	\$0	\$0	\$0	\$0
2	302.0	INTANGIBLES: FRANCHISES*	0	0	2,072	0	0	2,072
3	303.0	INTANGIBLES: MISC.*	0	0	0	0	0	0
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	193	0	625	0	0	625
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	0	0	422	0	0	422
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	48,327	1,252	31,698	16,629
8	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	(11,559)	6,073	157	4,294	1,779
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	8,099	0	86,468	2,274	(12,865)	99,323
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	0	0	0	0
12	330.0	WATER TREATMENT PLANT: LAND*	0	0	3,906	101	1,620	2,286
13	331.0	WATER TREATMENT PLANT: EQUIPMENT	8,399	0	24,815	534	(1,735)	26,550
14	332.0	TRANSMISSION & DISTRIBUTION: LAND, TANKS & MAINS*	0	0	0	0	0	0
15	340.0	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	0	0	0	0	0	0
16	340.1	TRANSMISSION & DISTRIBUTION: STRUCTURES	41	0	28,902	748	13,640	15,262
17	341.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	116,404	3,015	28,412	87,992
18	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	0	0	0	0
19	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	9	0	51,601	1,336	27,698	23,903
20	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	1,743	(110)	20,816	518	4,773	16,043
21	346.0	TRANSMISSION & DISTRIBUTION: METERS	(0)	0	16,294	422	8,257	8,037
22	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	22	0	22	0	0	22
23	389.1	GENERAL PLANT: LAND - OFFICE*	0	0	0	0	0	0
24	389.2	GENERAL PLANT: LAND - WAREHOUSE*	0	0	0	0	0	0
25	389.3	GENERAL PLANT: LAND - MISC.*	0	0	0	0	0	0
26	390.1	GENERAL PLANT: OFFICE BUILDINGS	21	0	21	0	0	20
27	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	127	3	90	37
28	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0
29	391.0	GENERAL PLANT: OFFICE EQUIPMENT	1,518	(460)	1,058	14	(447)	1,505
30	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	0	0	0	0
31	391.2	GENERAL PLANT: FURNITURE	0	0	0	0	0	0
32	391.2	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	0	0	0	0
33	393.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	1,295	34	916	379
34	394.0	GENERAL PLANT: LAB EQUIPMENT	0	0	0	0	0	0
35	395.0	GENERAL PLANT: POWER EQUIPMENT	0	0	0	0	0	0
36	396.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	2,045	0	2,918	49	644	2,274
37	397.0	GENERAL PLANT: MOBILE RADIOS	0	0	127	3	5	122
38	397.1	GENERAL PLANT: AUTO CONTROLS	0	0	9,735	252	5,730	4,005
39	397.2	GENERAL PLANT: MISC.	469	0	469	6	6	0
40	398.0	TOTALS	\$23,358	(\$12,129)	\$422,486	\$10,718	\$112,737	\$309,286
41		BALANCES PER COMPANY			\$ 428,421		\$ 119,405	
42		BALANCES PER RUCO			\$ 422,486		\$ 112,737	
43		LESS: POST-TEST YEAR ALLOCATED PHOENIX OFFICE & METER SHOP ADDITIONS**			\$ 1,573		\$ (6,668)	
44		TOTAL ADJUSTMENTS			\$ (7,508)		\$ (6,668)	

REFERENCES:  
ACC STAFF D.R. NO. REL 1-24  
ACC STAFF D.R. NO. REL 18-1  
RUCO D.R. NO. 6.2

NOTE:  
\* NON-DEPRECIABLE PLANT  
\*\* BASED ON AN ALLOCATION FACTOR OF 0.0030 PER RUCO D.R. NO. 4.2

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 WINKELMAN SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJ. #4 - RECONCILE TEST YEAR ALLOCATED PHOENIX OFFICE  
 & METER SHOP AND ACCUMULATED DEPRECIATION BALANCES

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-5

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>TEST YEAR COMPANY</u>
1	GROSS PHOENIX OFFICE PLANT & METER SHOP	\$ 4,002,988
2	ADD: PHOENIX OFFICE CONSTRUCTION WORK IN PROGRESS (CWIP)	126,565
3	GROSS PHOENIX OFFICE PLANT & METER SHOP WITH CWIP	\$ 4,129,553
4	TIMES: ALLOCATION FACTOR	0.0031
5	ALLOCATED GROSS PHOENIX OFFICE PLANT & METER SHOP WITH CWIP	\$ 12,802
6	NET ALLOCATED PHOENIX OFFICE PLANT & METER SHOP WITH CWIP	11,320
7	RUCO ADJUSTMENT TO PHOENIX OFFICE & METER SHOP ALLOCATION AND ACCUMULATED DEPRECIATION	\$ 1,482

REFERENCES:

- LINE 1: COMPANY SCHEDULE B-2 PAGES 10 AND 11
- LINE 2: COMPANY SCHEDULE B-2 PAGE 10
- LINE 3: LINE 1 + LINE 2
- LINE 4: COMPANY SCHEDULE B-1 PAGE 2
- LINE 5: LINE 3 x LINE 4
- LINE 6: COMPANY SCHEDULE B-1 PAGE 2 (SUM OF LINES 6 AND 7)

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 WINKELMAN SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJ. # 5 - REMOVE CWIP FROM PHOENIX OFFICE ALLOCATION

LINE NO.	DESCRIPTION	(A) TEST YEAR COMPANY	(B) TEST YEAR RUCO	
1	GROSS PHOENIX OFFICE PLANT	\$ 3,903,884	\$ 3,903,884	COMPANY SCHEDULE B-2 PAGE 10
2	LESS: ACCUMULATED DEPRECIATION	453,222	453,222	COMPANY SCHEDULE B-2 PAGE 10
3	NET PHOENIX OFFICE PLANT	\$ 3,450,662	\$ 3,450,662	LINE 1 + LINE 2
4	ADD: CWIP	126,565	-	COMPANY SCHEDULE B-2 PAGE 10
5	TOTALS	\$ 3,577,227	\$ 3,450,662	LINE 3 + LINE 4
4	TIMES: ALLOCATION FACTOR	0.0031	0.0031	COMPANY SCHEDULE B-1 PAGE 2
5	ALLOCATED PHOENIX OFFICE PLANT	\$ 11,089	\$ 10,697	COMPANY SCHEDULE B-1 PAGE 2
6	RUCO ADJUSTMENT		\$ (392)	LINE 5 COLUMN (B) - LINE 5 COLUMN (A)

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 1999  
 WINKELMAN SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENT #9 - WORKING CAPITAL

DOCKET NO. W-1445A-00-0962  
 SCHEDULE TJC-7  
 PAGE 1 OF 4

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	CASH WORKING CAPITAL PER COMPANY	\$ -	COMPANY SCH. B-5, PG. 2
2	CASH WORKING CAPITAL PER RUCO	(7,635)	SCH. TJC-7, PG. 3
3	DECREASE IN CASH WORKING CAPITAL	(7,635)	LINE 2 - LINE 1
4	MATERIALS & SUPPLIES PER COMPANY	476	COMPANY SCH. B-5, PG. 2
5	MATERIALS & SUPPLIES PER RUCO	463	DATA REQUEST RUCO 6.4 a)
6	MATERIALS & SUPPLIES ADJUSTMENT	(13)	LINE 5 - LINE 4
7	PREPAYMENTS PER COMPANY AND SPECIAL DEPOSITS	885	COMPANY SCH. B-5, PG. 2
8	PREPAYMENTS PER RUCO	762	DATA REQUEST RUCO 6.4 b)
9	PREPAYMENTS ADJUSTMENT	(123)	LINE 8 - LINE 7
10	REQUIRED BANK BALANCES PER COMPANY	1,545	COMPANY SCH. B-5, PG. 2
11	REQUIRED BANK BALANCES PER RUCO	1,316	DATA REQUEST RUCO 6.4 c)
12	REQUIRED BANK BALANCE ADJUSTMENT	(229)	LINE 11 - LINE 10
13	TOTAL WORKING CAPITAL ADJUSTMENT	(8,000)	LINES 3, 6, 9 & 12

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 WINKELMAN SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENT #9 - WORKING CAPITAL  
 LEAD/LAG CALCULATION

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-7  
 PAGE 2 OF 4

LINE NO.	DESCRIPTION	EXPENSES PER COMPANY	RUCO ADJUSTMENTS	ADJUSTED EXPENSES	(LEAD)/LAG DAYS	\$ DAYS
1	PURCHASED POWER	\$ 7,697	\$ (675)	\$ 7,022	40.11	\$ 281,652
2	PAYROLL	22,974	(1,071) *	21,903	14.00	306,639
3	PURCHASED WATER	-	-	-	N/A	N/A
4	CHEMICALS	1,288	(305)	983	26.63	26,177
5	PROPERTY & LIABILITY INSURANCE	327	(28) *	299	(45.27)	(13,553)
6	WORKER'S COMPENSATION	276	18 *	294	(46.50)	(13,692)
7	HEALTH INSURANCE	4,019	(595) *	3,424	(8.92)	(30,543)
8	OTHER O&M EXPENSES	15,306	(12,652) *	2,654	(9.27)	(24,603)
9	DEPRECIATION & AMORTIZATION	13,888	(2,748)	11,140	N/A	N/A
10	FEDERAL & STATE INCOME TAXES	10,731	(1,773)	8,958	61.95	555,004
11	DEFERRED INCOME TAXES	1,207	N/A	N/A	N/A	N/A
13	FICA TAXES	1,541	87	1,628	14.00	22,792
14	FUTA & SUTA TAXES	34	1	35	83.10	2,909
15	PROPERTY TAXES	15,822	(27)	15,795	212.00	3,348,562
16	REG., CONTRACT, & MISCELLANEOUS FEES	1,867	(28) *	1,839	(98.83)	(181,709)
17	SALES & OCCUPATION TAXES	8,340	(182)	8,158	41.30	336,925
18	PENSION EXPENSE	1,761	159	1,920	34.72	66,662
19	TOTAL	\$ 107,080	\$ (19,820)	\$ 86,053 *	54.42	\$ 4,683,222

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 WINKELMAN SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENT #9 - WORKING CAPITAL  
 CALCULATION OF CASH WORKING CAPITAL

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-7  
 PAGE 3 OF 4

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFERENCE</u>
1	AVERAGE EXPENSE LAG	54.42	SCH. TJC-6, PG. 2
2	AVERAGE REVENUE COLLECTION LAG	<u>22.04</u>	CO. SCH. B-5, PG. 2
3	EXCESS EXPENSE OVER REVENUE LAG	-32.38	LINE 2 - LINE 1
4	TOTAL EXPENSES	\$ 86,053	SCH. TJC-6, PG. 2
5	CASH WORKING CAPITAL REQUIREMENT	(7,635)	(LINE 3 X LINE 4)/365 DAYS
6	PER COMPANY	<u>\$ -</u>	CO. SCH. B-5, PG. 2
7	INCREASE (DECREASE) IN WORKING CAPITAL	<u>\$ (7,635)</u>	LINE 5 - LINE 6

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 WINKELMAN SYSTEM - REVISED SCHEDULES  
 RATE BASE ADJUSTMENT #9 - WORKING CAPITAL  
 CALCULATION OF INCOME TAX LAG

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-7  
 PAGE 4 OF 4

<u>LINE NO.</u>	<u>(A) PAYMENT DATE</u>	<u>(B) SERVICE PERIOD MIDPOINT</u>	<u>(C) (LEAD)/LAG DAYS</u>	<u>(D) PAYMENT AMOUNT</u>	<u>(E) DOLLAR DAYS</u>
1	04/12/99	07/01/99	(80.00)	\$ 397,000	(31,760,000)
2	06/11/99	07/01/99	(20.00)	50,000	(1,000,000)
3	09/14/99	07/01/99	75.00	486,000	36,450,000
4	12/14/99	07/01/99	166.00	970,000	161,020,000
5	03/14/00	07/01/99	257.00	<u>(240,000)</u>	<u>(61,680,000)</u>
6	TOTALS			\$ 1,663,000	103,030,000
7	INCOME TAX LAG		<span style="border: 1px solid black; padding: 2px;">61.95</span>		

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 WINKELMAN SYSTEM - REVISED SCHEDULES  
 OPERATING INCOME - TEST YEAR AND RUCO PROPOSED

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-8

LINE NO.	DESCRIPTION	(A) COMPANY TEST YEAR AS FILED	(B) RUCO TEST YEAR ADJUSTMENTS	(C) RUCO TEST YEAR AS ADJUSTED	(D) RUCO PROPOSED CHANGES	(E) RUCO RECOMMENDED
<u>REVENUES - WATER:</u>						
1	REVENUE FROM WATER SALES	\$ 98,022	\$ (8,470)	\$ 89,552	\$ 18,386	\$ 107,938
2	OTHER REVENUES	-	-	-	-	-
3	TOTAL OPERATING REVENUES	\$ 98,022	\$ (8,470)	\$ 89,552	\$ 18,386	\$ 107,938
<u>OPERATING EXPENSES:</u>						
2	PURCHASED WATER	\$ -	\$ -	\$ -	\$ -	\$ -
3	OTHER	759	58	816		816
4	PURCHASED POWER	7,793	(1,191)	6,601		6,601
5	PURCHASED GAS	-	-	-		-
6	OTHER	4,034	(407)	3,627		3,627
7	WATER TREATMENT	2,994	470	3,464		3,464
8	TRANSMISSION & DISTRIBUTION	14,855	(4,368)	10,487		10,487
9	CUSTOMER ACCOUNTS	11,844	(377)	11,467		11,467
10	SALES	56	(27)	29		29
11	ADMINISTRATIVE & GENERAL	13,395	(1,390)	12,005		12,005
12	DEPRECIATION & AMORTIZATION	13,888	(2,748)	11,140		11,140
13	PROPERTY TAXES	15,730	65	15,795		15,795
14	OTHER TAXES	1,380	283	1,663		1,663
15	INCOME TAXES	1,858	3,219	5,077	3,881	8,958
16	TOTAL OPERATING EXPENSES	\$ 88,585	\$ (6,413)	\$ 82,172	\$ 3,881	\$ 86,053
17	NET INCOME	\$ 9,437	\$ (2,057)	\$ 7,380	\$ 14,505	\$ 21,885

REFERENCES:

COLUMN (A): CO. SCH. C-1, PG. 4  
 COLUMN (B): SCH. TJC-9  
 COLUMN (C): COLUMN (A) + COLUMN (B)  
 COLUMN (D): SCH. TJC-1  
 COLUMN (E): COLUMN (C) + COLUMN (D)

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 WINKELMAN SYSTEM - REVISED SCHEDULES  
 SUMMARY OF OPERATING ADJUSTMENTS

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-9

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) ADJ.#1	(C) ADJ.#2	(D) ADJ.#3	(E) ADJ.#4	(F) ADJ.#5	(G) ADJ.#6	(H) ADJ.#7	(I) ADJ.#8	(J) ADJ.#9	(K) ADJ.#10	(L) ADJ.#11	(M) RUCO ADJUSTED
<u>REVENUES - WATER:</u>														
1	REVENUE FROM WATER SALES	\$ 98,022	\$ 3,599	\$ (8,158)	\$ 479	\$ 905	\$ (4,735)		\$ (560)					\$ 89,552
2	OTHER REVENUES													
3	TOTAL OPERATING REVENUES	\$ 98,022	\$ 3,599	\$ (8,158)	\$ 479	\$ 905	\$ (4,735)		\$ (560)					\$ 89,552
<u>OPERATING EXPENSES:</u>														
2	PURCHASED WATER	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -							\$ -
3	OTHER	759	58											816
4	PURCHASED POWER	7,793	(771)			94	(515)							6,601
5	PURCHASED GAS	-	-											-
6	OTHER	4,034	(407)											3,627
7	WATER TREATMENT	2,994	620				(150)							3,464
8	TRANSMISSION & DISTRIBUTION	14,855	(4,319)			(49)								10,487
9	CUSTOMER ACCOUNTS	11,844	(377)											11,467
10	SALES	56	(27)											29
11	ADMINISTRATIVE & GENERAL	13,395	(1,244)	(180)			(547)	581						12,005
12	DEPRECIATION & AMORTIZATION	13,888						(2,748)						11,140
13	PROPERTY TAXES	15,730									65			15,795
14	OTHER TAXES	1,380	8,261	(7,978)										1,663
15	INCOME TAXES	1,858										3,219		5,077
16	TOTAL OPERATING EXPENSES	\$ 88,585	\$ 1,794	\$ (8,158)	\$ -	\$ 45	\$ (1,212)	\$ 581	\$ -	\$ (2,748)	\$ 65	\$ 3,219	\$ -	\$ 82,172
17	NET INCOME	\$ 9,437	\$ 1,805	\$ -	\$ 479	\$ 860	\$ (3,524)	\$ (581)	\$ (560)	\$ 2,748	\$ (65)	\$ (3,219)	\$ -	\$ 7,380

<u>ADJUSTMENT #:</u>	<u>REFERENCE:</u>	<u>ADJUSTMENT #:</u>	<u>REFERENCE:</u>
1. RECONCILE COMPANY PROPOSED OPERATING INCOME TO 2002 ACTUAL	RUCO D.R. NO. 1.10	7. REMOVE MAP SURCHARGE REVENUES	TESTIMONY TJC
2. REMOVE 2002 REGULATORY ASSESSMENT & SALES TAXES	RUCO D.R. NO. 1.10 & ACC STAFF D.R. NO. REL 19-1	8. DEPRECIATION & AMORTIZATION EXPENSE	SCHEDULE TJC-12
3. ELIMINATE PPAM AND PWAM REVENUES	RUCO D.R. NO. 7.1 & RUCO D.R. NO. 7.2	9. PROPERTY TAX EXPENSE	SCHEDULE TJC-13
4. ELIMINATE UNBILLED REVENUES & EXPENSES	RUCO D.R. NO. 7.3	10. INCOME TAX EXPENSE	SCHEDULE TJC-14
5. ANNUALIZE ADDITIONAL REVENUES & EXPENSES	RUCO D.R. NO. 6.6	11. NOT USED	N/A
6. AMORTIZATION OF RATE CASE EXPENSE	COMPANY SCHEDULE C-2, PAGE 7, TESTIMONY TJC		

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 WINKELMAN SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #1 - RECONCILE COMPANY  
 PROPOSED OPERATING INCOME TO 2002 ACTUAL

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-10  
 PAGE 1 OF 2

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) 2002 ACTUAL	(C) DIFFERENCE	(D) RUCO ADJUSTMENT
<u>REVENUES - WATER:</u>					
1	REVENUE FROM WATER SALES	\$ 98,022	\$ 101,621	\$ 98,022	\$ 3,599
2	OTHER REVENUES	0.00	0.00	0.00	0.00
3	TOTAL OPERATING REVENUES	\$ 98,022	\$ 101,621	\$ 98,022	\$ 3,599
<u>OPERATING EXPENSES:</u>					
4	PURCHASED WATER	\$ -	\$ -	\$ -	\$ -
5	OTHER	759	816	759	58
6	PURCHASED POWER	7,793	7,022	7,793	(771)
7	PURCHASED GAS	-	-	-	-
8	OTHER	4,034	3,627	4,034	(407)
9	WATER TREATMENT	2,994	3,614	2,994	620
10	TRANSMISSION & DISTRIBUTION	14,855	10,536	14,855	(4,319)
11	CUSTOMER ACCOUNTS	11,844	11,467	11,844	(377)
12	SALES	56	29	56	(27)
13	ADMINISTRATIVE & GENERAL	13,395	12,151	13,395	(1,244)
14	DEPRECIATION & AMORTIZATION	13,888	11,081	13,888	- (a)
15	PROPERTY TAXES	15,730	14,730	15,730	- (a)
16	OTHER TAXES	1,380	9,641	1,380	8,261
17	INCOME TAXES	1,858	4,453	1,858	- (a)
18	TOTAL OPERATING EXPENSES	\$ 88,585	\$ 89,167	\$ 88,585	\$ 1,794
19	NET INCOME	\$ 9,437	\$ 12,454	\$ 9,437	\$ 1,805

REFERENCES:

COLUMN (A): COMPANY SCHEDULE C-1 PAGE 4 OF 5  
 COLUMN (B): DATA REQUEST RUCO 1.10  
 COLUMN (C): COLUMN (B) - COLUMN (A)  
 COLUMN (D): COLUMN (C) LINES 1 THRU 13, LINES 16, 18 & 19

NOTE:

(a) SEPARATE PRO FORMA ADJUSTMENTS NOT INCLUDED IN RECONCILIATION

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 WINKELMAN SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #1 - RECONCILE COMPANY  
 PROPOSED OPERATING INCOME TO 2002 ACTUAL

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-10  
 PAGE 2 OF 2

LINE NO.	DESCRIPTION	(A) TEST YEAR ACTUAL	(B) 2002 ACTUAL	(C) DIFFERENCE
<u>REVENUES - WATER:</u>				
1	REVENUE FROM WATER SALES	\$ 105,968	\$ 101,621	\$ (4,347)
2	OTHER REVENUES	0.00	0.00	0.00
3	TOTAL OPERATING REVENUES	\$ 105,968	\$ 101,621	\$ (4,347)
<u>OPERATING EXPENSES:</u>				
4	PURCHASED WATER	\$ -	\$ -	\$ -
5	OTHER	747	816	69
6	PURCHASED POWER	7,599	7,022	(577)
7	PURCHASED GAS	-	-	-
8	OTHER	4,034	3,627	(407)
9	WATER TREATMENT	3,361	3,614	253
10	TRANSMISSION & DISTRIBUTION	10,241	10,536	295
11	CUSTOMER ACCOUNTS	11,570	11,467	(103)
12	SALES	56	29	(27)
13	ADMINISTRATIVE & GENERAL	11,508	12,151	643
14	DEPRECIATION & AMORTIZATION	10,839	11,081	242
15	PROPERTY TAXES	14,335	14,730	395
16	OTHER TAXES	9,671	9,641	(30)
17	INCOME TAXES	6,583	4,453	(2,130)
18	TOTAL OPERATING EXPENSES	90,544	89,167	(1,377)
19	NET INCOME	\$ 15,424	\$ 12,454	\$ (2,970)

REFERENCES:

COLUMN (A): COMPANY SCHEDULE C-1 PAGE 4 OF 5  
 COLUMN (B): DATA REQUEST RUCO 1.10  
 COLUMN (C): COLUMN (B) - COLUMN (A)

ARIZONA WATER COMPANY  
TEST YEAR ENDED DECEMBER 31, 2001  
WINKELMAN SYSTEM  
OPERATING ADJ. #5 - REVENUE ANNUALIZATION FOR 2002

LINE NO.	DESCRIPTION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
1	YEAR END CUSTOMERS - 2002	176	176	176	176	176	176	176	176	176	176	176	176
2	2002 CUSTOMERS	192	191	190	188	188	187	187	183	182	177	176	176
3	INCREASE IN CUSTOMERS - 2002	(16)	(15)	(14)	(12)	(12)	(11)	(11)	(7)	(6)	(1)		
4	AVERAGE REVENUE FOR THE MONTH	\$ 36.32	\$ 36.70	\$ 36.11	\$ 37.04	\$ 48.90	\$ 52.35	\$ 65.96	\$ 53.30	\$ 60.30	\$ 45.42	\$ 42.84	\$ 33.22
5	INCREASE IN REVENUES	\$ (581)	\$ (536)	\$ (505)	\$ (445)	\$ (587)	\$ (578)	\$ (726)	\$ (373)	\$ (362)	\$ (45)	\$	\$
6	TOTAL INCREASE IN REVENUE	\$ (4,735)											
7	INCREASE IN REVENUE PER COMPANY												
8	REVENUE ADJUSTMENT												
9	GALLONS SOLD PER AVERAGE CUSTOMER	14,347	13,871	14,322	14,923	23,719	26,382	36,824	26,898	32,255	21,045	19,088	15,669
10	INCREASE IN CUSTOMERS	(16)	(15)	(14)	(12)	(12)	(11)	(11)	(7)	(6)	(1)		
11	INCREASE IN GALLONS	(229,558)	(208,068)	(200,509)	(179,081)	(284,630)	(290,206)	(405,065)	(188,289)	(193,530)	(21,045)		0
12	TOTAL INCREASE IN GALLONS	(2,199,960)											
13	PUMPING COST PER GALLON	0.000234											
14	INCREASE IN PUMPING COST	(515)											
15	WATER TREATMENT COSTS PER GALLON	0.000068											
16	INCREASE IN WATER TREATMENT COSTS	(150)											
17	TOTAL INCREASE IN BILLS	(105)											
18	MONTHLY ACCOUNTING COST PER BILL	5.21											
19	INCREASE IN ACCOUNTING COST	(547)											

REFERENCES:  
 LINE #1 - RUCO DATA REQUEST #6.6  
 LINE #2 - RUCO DATA REQUEST #6.6  
 LINE #3 - LINE #1 MINUS LINE #2  
 LINE #4 - RUCO DR #1.10 = TOTAL MONTH REV. MINUS OTHER REV. / TOTAL MONTHLY CUSTOMERS FOR POST-TEST-YEAR  
 LINE #5 = LINE #3 MULTIPLIED BY LINE #4  
 LINE #6 = SUMMATION OF LINE #5  
 LINE #7 - NO REFERENCE  
 LINE #8 - LINE #6 MINUS LINE #7  
 LINE #9 - GALLONS SOLD, AWC'S ANNUAL REPORT & MONTHLY CUSTOMERS, RUCO DR #6.6  
 LINE #10 = LINE #3  
 LINE #11 = LINE #9 MULTIPLIED BY LINE #10  
 LINE #12 = SUMMATION OF LINE #11  
 LINE #13 - CO. W/P C2-5, PAGE 3  
 LINE #14 = LINE #12 X LINE #13  
 LINE #15 - CO. W/P C2-5, PAGE 3  
 LINE #16 = LINE #12 MULTIPLIED BY LINE #15  
 LINE #17 = SUMMATION OF LINE #3  
 LINE #18 - CO. W/P C2-5, PAGE 4  
 LINE #19 = LINE #17 X LINE #18

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 WINKELMAN SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #8 - DEPRECIATION & AMORTIZATION EXPENSE

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-12

LINE NO.	ACCT. NO.	PLANT ACCOUNT NAME	(A) ACTUAL TEST YEAR BALANCE PER COMPANY	(B) RUCO ADJUSTMENTS	(C) RUCO ADJUSTED BALANCE	(D) COMPOSITE DEPRECIATION RATE	(E) RUCO RECOMMENDED DEPRECIATION EXPENSE
1	301.0	INTANGIBLES: ORGANIZATION*	\$ -	\$ -	\$0	0.00%	\$ -
2	302.0	INTANGIBLES: FRANCHISES*	2,072	-	2,072	0.00%	-
3	303.0	INTANGIBLES: MISC.*	-	-	-	0.00%	-
4	310.1	SOURCE OF SUPPLY: LAND - WATER RIGHTS*	432	-	432	0.00%	-
5	310.2	SOURCE OF SUPPLY: LAND - RESERVOIRS*	-	-	-	0.00%	-
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	422	-	422	0.00%	-
7	314.0	SOURCE OF SUPPLY: WELLS	48,327	-	48,327	2.59%	1,252
8	320.0	PUMPING PLANT: LAND*	-	-	-	0.00%	-
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	6,073	-	6,073	2.59%	157
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	89,117	1	89,118	2.59%	2,308
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	-	-	-	2.59%	-
12	330.0	WATER TREATMENT PLANT: LAND*	-	-	-	0.00%	-
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	3,906	-	3,906	2.59%	101
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	16,417	(1)	16,416	2.59%	425
15	340.0	TRANSMISSION & DISTRIBUTION: LAND - TANKS & MAINS*	-	-	-	0.00%	-
16	340.1	TRANSMISSION & DISTRIBUTION: LAND RIGHTS - FEES*	-	-	-	0.00%	-
17	341.0	TRANSMISSION & DISTRIBUTION: STRUCTURES	-	-	-	2.59%	-
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	28,861	-	28,861	2.59%	747
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	116,404	-	116,404	2.59%	3,015
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	-	-	-	2.59%	-
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	51,591	1	51,592	2.59%	1,336
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	19,182	1	19,183	2.59%	497
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	16,294	-	16,294	2.59%	422
24	389.1	GENERAL PLANT: LAND - OFFICE*	-	-	-	0.00%	-
25	389.2	GENERAL PLANT: LAND - WAREHOUSE*	-	-	-	0.00%	-
26	389.3	GENERAL PLANT: LAND - MISC.*	-	-	-	0.00%	-
27	390.1	GENERAL PLANT: OFFICE BUILDINGS	-	-	-	2.59%	-
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	127	-	127	2.59%	3
29	390.3	GENERAL PLANT: MISC. BUILDINGS	-	-	-	2.59%	-
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	-	-	-	2.59%	-
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	-	-	-	2.59%	-
32	391.2	GENERAL PLANT: OFFICE FURNITURE	-	-	-	2.59%	-
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	-	-	-	2.59%	-
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	1,296	(1)	1,295	2.59%	34
35	395.0	GENERAL PLANT: LAB EQUIPMENT	-	-	-	2.59%	-
36	396.0	GENERAL PLANT: POWER EQUIPMENT	-	-	-	2.59%	-
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	873	-	873	2.59%	23
38	397.1	GENERAL PLANT: MOBILE RADIOS	127	-	127	2.59%	3
39	397.2	GENERAL PLANT: AUTO CONTROLS	9,734	2	9,735	2.59%	252
40	398.0	GENERAL PLANT: MISC.	-	-	-	2.59%	-
41							
42		TEST YEAR TOTALS	\$ 411,255	\$ 3	\$ 411,257		\$ 10,576
43							
44		POST TEST YEAR ADDITIONS	17,167	(7,510)	\$9,656	2.59%	250
45							
46		GROSS DEPRECIABLE PHOENIX OFFICE AND METER SHOP ALLOCATION	12,409	1,551	13,961 **	2.59%	362
47							
48		2002 TOTALS	\$ 440,830	\$ (5,957)	\$ 434,874		\$ 11,187
49							
50		LESS:					
51		AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION @ 2.59% COMPOSITE RATE ***					48
52							
53		TOTAL PRO FORMA DEPRECIATION & AMORTIZATION EXPENSE					\$ 11,140
54							
55		DEPRECIATION & AMORTIZATION EXPENSE PER COMPANY					\$ 13,888
56							
57		DEPRECIATION & AMORTIZATION EXPENSE ADJUSTMENT (LINE 53 - LINE 55)					\$ (2,748)

REFERENCES:

COLUMN (A): COMPANY SCHEDULE E-5 PAGE 3 OF 4 AND STAFF DATA REQUEST REL 1-24  
 COLUMN (B): COLUMN (C) - COLUMN (A)  
 COLUMN (C): RUCO SCHEDULE TJC-4 PAGE 7  
 COLUMN (D): COMPOSITE DEPRECIATION RATE OF 2.59%  
 COLUMN (E): COLUMN (C) x COLUMN (D)

NOTES:

\* NON-DEPRECIABLE PLANT ASSETS  
 \*\* NET OF \$22 IN NON-DEPRECIABLE LEASEHOLD IMPROVEMENTS (\$7,215 x 0.0030 ALLOCATION FACTOR FOR 2002 = \$22)  
 \*\*\* RUCO ADJUSTED CIAC BALANCE x COMPOSITE RATE = \$1,835 x 2.59% = \$48

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 WINKELMAN SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #9 - PROPERTY TAX EXPENSE

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-13

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	REVENUES - 2000	\$88,776	COMPANY SCH. C-2, W/P C2-19a
2	REVENUES - 2001	97,628	COMPANY SCH. C-2, W/P C2-19a
3	REVENUES - 2002	93,460	D. R. NO. REL 19-1
4	TOTAL	\$279,864	SUM LINES 1, 2, & 3
5	3 YEAR AVERAGE	93,288	LINE 4/3 YEARS
6	MULTIPLIER FOR REVENUES (2 X LAST 3 YRS. AVERAGE REVENUE)	x 2	ADOR VALUATION FACTOR
7	REVENUES FOR FULL CASH VALUE	186,576	LINE 5 X 2 (MULTIPLIER FOR REVENUES)
8	ADD: 10% OF CWIP BALANCE	-	COMPANY SCH. B-2, PG. 7; LINE 4 X 10%
9	LESS: LICENSED VEHICLES	-	STAFF DATA REQUEST REL 23-1
10	FULL CASH VALUE	186,576	LINE 7 + LINE 8 MINUS LINE 9
11	ASSESSMENT RATIO	25%	PER ADOR VALUATION METHOD
12	ASSESSED VALUE	46,644	LINE 10 X LINE 11
13	PROPERTY TAX RATE	33.8631%	PER TAX BILLS
14	PROPERTY TAXES PAYABLE	15,795	LINE 12 X LINE 13
15	PROPERTY TAXES PER COMPANY	15,730	COMPANY SCH. C-1, PG. 4
16	ADJUSTMENT	65	LINE 14 MINUS LINE 15

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 WINKELMAN SYSTEM - REVISED SCHEDULES  
 OPERATING ADJ. #10 - INCOME TAXES

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-14

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
<u>FEDERAL INCOME TAXES:</u>			
1	OPERATING INCOME BEFORE INCOME TAXES	\$ 30,843	SCH. TJC-9
LESS:			
2	ARIZONA STATE TAX	1,691	LINE 11
3	INTEREST EXPENSE	<u>6,576</u>	NOTE (a)
4	FEDERAL TAXABLE INCOME	22,577	LINE 1 - LINES 2 & 3
5	FEDERAL INCOME TAX RATE	<u>15.00%</u>	TAX RATE
6	FEDERAL INCOME TAX EXPENSE	3,386	LINE 4 X LINE 5
<u>STATE INCOME TAXES:</u>			
7	OPERATING INCOME BEFORE INCOME TAXES	30,843	LINE 1
LESS:			
8	INTEREST EXPENSE	<u>6,576</u>	NOTE (A)
9	STATE TAXABLE INCOME	24,267	LINE 7 - LINE 8
10	STATE TAX RATE	<u>6.968%</u>	TAX RATE
11	STATE INCOME TAX EXPENSE	1,691	LINE 9 X LINE 10
12	TOTAL INCOME TAXES	5,077	LINE 6 + LINE 11
13	INCOME TAXES PER COMPANY	<u>1,858</u>	COMPANY SCH. C-1, PG. 2
14	ADJUSTMENT	<u>\$ 3,219</u>	LINE 12 - LINE 13

NOTE (a):  
 INTEREST SYNCHRONIZATION

ADJUSTED RATE BASE	\$ 252,049
WEIGHTED COST OF DEBT	2.61%
INTEREST EXPENSE	<u>\$ 6,576</u>

ARIZONA WATER COMPANY  
TEST YEAR ENDED DECEMBER 31, 2001  
WINKELMAN SYSTEM - REVISED SCHEDULES  
OPERATING ADJ. #11 - NOT USED FOR THIS SYSTEM

DOCKET NO. W-1445A-02-0619  
SCHEDULE TJC-15

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 WINKELMAN SYSTEM - REVISED SCHEDULES  
 COST OF CAPITAL

DOCKET NO. W-1445A-02-0619  
 SCHEDULE TJC-16

LINE NO.	DESCRIPTION	(A) AMOUNT	(B) ADJUSTMENT	(C) ADJUSTED BALANCE	(D) CAPITAL RATIO	(E) COST	(F) WEIGHTED COST
1	SHORT-TERM DEBT	\$ 2,850,000	\$ 1,650,000	\$ 4,500,000	5.62%	4.00%	0.22%
2	LONG-TERM DEBT:	23,000,677	(400,677)	22,600,000	28.24%	8.44%	2.38%
3	COMMON EQUITY	49,442,738	3,473,716	52,916,454	66.13%	9.18%	6.07%
4	TOTAL	\$ 75,293,415	4,723,039	\$ 80,016,454	100.00%		8.68%

REFERENCES:

- COLUMN (A): COMPANY SCH. D - 1
- COLUMN (B): TESTIMONY, WAR
- COLUMN (C): COLUMN (A) + COLUMN (B)
- COLUMN (D): COLUMN (C) ÷ COLUMN (C), LINE 5
- COLUMN (E): TESTIMONY, WAR
- COLUMN (F): COLUMN (D) x COLUMN (E)

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 WINKELMAN SYSTEM - REVISED SCHEDULES  
 PROPOSED RATES

DOCKET NO. W-01445A-02-0619  
 SCHEDULE TJC-17

LINE NO.	DESCRIPTION	PRESENT RATES	COMPANY PROPOSED	RUCO PROPOSED
1	<b>MONTHLY MINIMUM USAGE CHARGE:</b>			
2				
3	<u>(RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS)</u>			
4	5/8 X 3/4 - INCH	\$ 12.95	\$ 17.30	\$ 14.25
5	1 - INCH	24.86	38.23	32.25
6	2 - INCH	62.15	110.72	93.16
7	3 - INCH	103.58	198.95	176.42
8	4 - INCH	207.16	354.65	393.50
9	6 - INCH	362.53	674.70	761.31
10	8 - INCH	362.53	934.20	833.82
11	10 - INCH	673.27	1,530.88	1,683.18
12				
13	<b>GALLONS INCLUDED IN MONTHLY MINIMUM USAGE CHARGE:</b>			
14				
15	RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS	1,000	0	0
16				
17	<b>COMMODITY RATE (PER 100 GAL. OVER MINIMUM):</b>	\$0.12330	\$ 0.14910	\$ 0.12680
18				
19	<b>COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM):</b>	\$1.23300	\$ 1.49100	\$ 1.26800

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 WINKELMAN SYSTEM - REVISED SCHEDULES  
 MONTHLY MINIMUM CHARGES

DOCKET NO. W-01445A-02-0619  
 SCHEDULE TJC-18

LINE NO.	METER SIZE	(A) COMPANY PRESENT RATES	(B) COMPANY PROPOSED RATES	(C) COMPANY DOLLAR INCREASE	(D) COMPANY PERCENT. INCREASE	(E) RUCO PROPOSED RATES	(F) RUCO DOLLAR INCREASE	(G) RUCO PERCENT. INCREASE
1	5/8 X 3/4 - INCH	\$ 12.95	\$ 17.30	\$ 4.35	33.59%	\$ 14.25	\$ 1.30	10.04%
2	1 - INCH	24.86	38.23	13.37	53.78%	32.25	7.39	29.73%
3	2 - INCH	62.15	110.72	48.57	78.15%	93.16	31.01	49.90%
4	3 - INCH COMMERCIAL	103.58	198.95	95.37	92.07%	176.42	72.84	70.32%
5	4 - INCH COMMERCIAL	207.16	354.65	147.49	71.20%	393.50	186.34	89.95%
6	6 - INCH	362.53	674.70	312.17	86.11%	761.31	398.78	110.00%
7	8 - INCH	362.53	934.20	571.67	157.69%	833.82	471.29	130.00%
8	10 - INCH	673.27	1,530.88	857.61	127.38%	1,683.18	1,009.91	150.00%
9	GALLONS INCLUDED IN MONTHLY MINIMUM CHARGE	1,000	0			0		

REFERENCES

COLUMN (A) THRU COLUMN (D): COMPANY SCHEDULE H-3, PAGE 4 OF 4  
 COLUMN (E): TESTIMONY WAR  
 COLUMN (F): COLUMN (E) - COLUMN (A)  
 COLUMN (G): COLUMN (F) ÷ COLUMN (A)

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 WINKELMAN SYSTEM - REVISED SCHEDULES  
 BILLING ANALYSIS

DOCKET NO. W-01445A-02-0619  
 SCHEDULE TJC-19  
 PAGE 1 OF 4

PRESENT RATES

LINE NO.	CONSUMPTION IN GALLONS	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		5/8 - INCH	1 - INCH	2 - INCH	3 - INCH	4 - INCH	6 - INCH	8 - INCH	10 - INCH
1	0	\$ 12.95	\$ 24.86	\$ 62.15	\$ 103.58	\$ 207.16	\$ 362.53	\$ 362.53	\$ 673.27
2	1,000	12.95	24.86	62.15	103.58	207.16	362.53	362.53	673.27
3	2,000	14.18	26.09	63.38	104.81	208.39	363.76	363.76	674.50
4	3,000	15.42	27.33	64.62	106.05	209.63	365.00	365.00	675.74
5	4,000	16.65	28.56	65.85	107.28	210.86	366.23	366.23	676.97
6	5,000	17.88	29.79	67.08	108.51	212.09	367.46	367.46	678.20
7	6,000	19.12	31.03	68.32	109.75	213.33	368.70	368.70	679.44
8	7,000	20.35	32.26	69.55	110.98	214.56	369.93	369.93	680.67
9	8,000	21.58	33.49	70.78	112.21	215.79	371.16	371.16	681.90
10	9,000	22.81	34.72	72.01	113.44	217.02	372.39	372.39	683.13
11	10,000	24.05	35.96	73.25	114.68	218.26	373.63	373.63	684.37
12	15,000	30.21	42.12	79.41	120.84	224.42	379.79	379.79	690.53
13	20,000	36.38	48.29	85.58	127.01	230.59	385.96	385.96	696.70
14	25,000	42.54	54.45	91.74	133.17	236.75	392.12	392.12	702.86
15	50,000	73.37	85.28	122.57	164.00	267.58	422.95	422.95	733.69
16	75,000	104.19	116.10	153.39	194.82	298.40	453.77	453.77	764.51
17	100,000	135.02	146.93	184.22	225.65	329.23	484.60	484.60	795.34
18	125,000	165.84	177.75	215.04	256.47	360.05	515.42	515.42	826.16
19	150,000	196.67	208.58	245.87	287.30	390.88	546.25	546.25	856.99
20	175,000	227.49	239.40	276.69	318.12	421.70	577.07	577.07	887.81
21	200,000	258.32	270.23	307.52	348.95	452.53	607.90	607.90	918.64
22									
23	AVG. NO. OF CUST:	165	4	4	1	2	0	0	0
24									
25	AVG. USE (GAL.):	9,554	42,044	61,038	384,358	837,667	N/A	N/A	N/A
26	MONTHLY BILL:	\$ 23.50	\$ 75.47	\$ 136.18	\$ 576.26	\$ 1,238.77	N/A	N/A	N/A
27									
28	MEDIAN USE (GAL.):	6,865	30,625	50,167	99,000	N/A	N/A	N/A	N/A
29	MONTHLY BILL:	\$ 20.18	\$ 61.39	\$ 122.77	\$ 224.41	N/A	N/A	N/A	N/A

RUCO PROPOSED RATES

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 1 - INCH	(C) 2 - INCH	(D) 3 - INCH	(E) 4 - INCH	(F) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	\$14.25	\$32.25	\$93.16	\$176.42	\$393.50	\$761.31	\$833.82	\$1,683.18
2	1,000	15.52	33.52	94.43	177.69	394.77	762.58	835.09	1,684.45
3	2,000	16.79	34.79	95.70	178.96	396.04	763.85	836.36	1,685.72
4	3,000	18.05	36.05	96.96	180.22	397.30	765.11	837.62	1,686.98
5	4,000	19.32	37.32	98.23	181.49	398.57	766.38	838.89	1,688.25
6	5,000	20.59	38.59	99.50	182.76	399.84	767.65	840.16	1,689.52
7	6,000	21.86	39.86	100.77	184.03	401.11	768.92	841.43	1,690.79
8	7,000	23.13	41.13	102.04	185.30	402.38	770.19	842.70	1,692.06
9	8,000	24.39	42.39	103.30	186.56	403.64	771.45	843.96	1,693.32
10	9,000	25.66	43.66	104.57	187.83	404.91	772.72	845.23	1,694.59
11	10,000	26.93	44.93	105.84	189.10	406.18	773.99	846.50	1,695.86
12	15,000	33.27	51.27	112.18	195.44	412.52	780.33	852.84	1,702.20
13	20,000	39.61	57.61	118.52	201.78	418.86	786.67	859.18	1,708.54
14	25,000	45.95	63.95	124.86	208.12	425.20	793.01	865.52	1,714.88
15	50,000	77.65	95.65	156.56	239.82	456.90	824.71	897.22	1,746.58
16	75,000	109.35	127.35	188.26	271.52	488.60	856.41	928.92	1,778.28
17	100,000	141.05	159.05	219.96	303.22	520.30	888.11	960.62	1,809.98
18	125,000	172.75	190.75	251.66	334.92	552.00	919.81	992.32	1,841.68
19	150,000	204.45	222.45	283.36	366.62	583.70	951.51	1,024.02	1,873.38
20	175,000	236.15	254.15	315.06	398.32	615.40	983.21	1,055.72	1,905.08
21	200,000	267.85	285.85	346.76	430.02	647.10	1,014.91	1,087.42	1,936.78
22									
23	AVG. NO. OF CUST:	165	4	4	1	2	0	0	0
24									
25	AVG. USE (GAL.):	9,554	42,044	61,038	384,358	837,667	N/A	N/A	N/A
26	MONTHLY BILL:	\$26.36	\$85.56	\$170.56	\$663.79	\$1,455.66	N/A	N/A	N/A
27									
28	MEDIAN USE (GAL.):	6,865	30,625	50,167	99,000	N/A	N/A	N/A	N/A
29	MONTHLY BILL:	\$22.95	\$71.08	\$156.77	\$301.95	N/A	N/A	N/A	N/A

RUCO PROPOSED CHANGES EXPRESSED IN DOLLARS

LINE NO.	CONSUMPTION IN GALLONS	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		5/8 - INCH	1 - INCH	2 - INCH	3 - INCH	4 - INCH	6 - INCH	8 - INCH	10 - INCH
1	0	\$ 1.30	\$ 7.39	\$ 31.01	\$ 72.84	\$ 186.34	\$ 398.78	\$ 471.29	\$ 1,009.91
2	1,000	2.57	8.66	32.28	74.11	187.61	400.05	472.56	1,011.18
3	2,000	2.60	8.69	32.31	74.14	187.64	400.08	472.59	1,011.21
4	3,000	2.64	8.73	32.35	74.18	187.68	400.12	472.63	1,011.25
5	4,000	2.67	8.76	32.38	74.21	187.71	400.15	472.66	1,011.28
6	5,000	2.71	8.80	32.42	74.25	187.75	400.19	472.70	1,011.32
7	6,000	2.74	8.83	32.45	74.28	187.78	400.22	472.73	1,011.35
8	7,000	2.78	8.87	32.49	74.32	187.82	400.26	472.77	1,011.39
9	8,000	2.81	8.90	32.52	74.35	187.85	400.29	472.80	1,011.42
10	9,000	2.85	8.94	32.56	74.39	187.89	400.33	472.84	1,011.46
11	10,000	2.88	8.97	32.59	74.42	187.92	400.36	472.87	1,011.49
12	15,000	3.06	9.15	32.77	74.60	188.10	400.54	473.05	1,011.67
13	20,000	3.23	9.32	32.94	74.77	188.27	400.71	473.22	1,011.84
14	25,000	3.41	9.50	33.12	74.95	188.45	400.89	473.40	1,012.02
15	50,000	4.28	10.37	33.99	75.82	189.32	401.76	474.27	1,012.89
16	75,000	5.16	11.25	34.87	76.70	190.20	402.64	475.15	1,013.77
17	100,000	6.03	12.12	35.74	77.57	191.07	403.51	476.02	1,014.64
18	125,000	6.91	13.00	36.62	78.45	191.95	404.39	476.90	1,015.52
19	150,000	7.78	13.87	37.49	79.32	192.82	405.26	477.77	1,016.39
20	175,000	8.66	14.75	38.37	80.20	193.70	406.14	478.65	1,017.27
21	200,000	9.53	15.62	39.24	81.07	194.57	407.01	479.52	1,018.14
22									
23	AVG. NO. OF CUST:	165	4	4	1	2	0	0	0
24									
25	AVG. USE (GAL.):	9,554	42,044	61,038	384,358	837,667	N/A	N/A	N/A
26	MONTHLY BILL: \$	2.87	\$ 10.09	\$ 34.38	\$ 87.53	\$ 216.89	N/A	N/A	N/A
27									
28	MEDIAN USE (GAL.):	6,865	30,625	50,167	99,000	N/A	N/A	N/A	N/A
29	MONTHLY BILL: \$	2.77	\$ 9.69	\$ 34.00	\$ 77.54	N/A	N/A	N/A	N/A

RUCO PROPOSED CHANGES EXPRESSED AS A PERCENTAGE

LINE NO.	CONSUMPTION IN GALLONS	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		5/8 - INCH	1 - INCH	2 - INCH	3 - INCH	4 - INCH	6 - INCH	8 - INCH	10 - INCH
1	0	10.0%	29.7%	49.9%	70.3%	89.9%	110.0%	130.0%	150.0%
2	1,000	19.8%	34.8%	51.9%	71.5%	90.6%	110.3%	130.4%	150.2%
3	2,000	18.4%	33.3%	51.0%	70.7%	90.0%	110.0%	129.9%	149.9%
4	3,000	17.1%	31.9%	50.1%	69.9%	89.5%	109.6%	129.5%	149.7%
5	4,000	16.1%	30.7%	49.2%	69.2%	89.0%	109.3%	129.1%	149.4%
6	5,000	15.1%	29.5%	48.3%	68.4%	88.5%	108.9%	128.6%	149.1%
7	6,000	14.3%	28.5%	47.5%	67.7%	88.0%	108.6%	128.2%	148.9%
8	7,000	13.7%	27.5%	46.7%	67.0%	87.5%	108.2%	127.8%	148.6%
9	8,000	13.0%	26.6%	45.9%	66.3%	87.1%	107.8%	127.4%	148.3%
10	9,000	12.5%	25.7%	45.2%	65.6%	86.6%	107.5%	127.0%	148.1%
11	10,000	12.0%	25.0%	44.5%	64.9%	86.1%	107.2%	126.6%	147.8%
12	15,000	10.1%	21.7%	41.3%	61.7%	83.8%	105.5%	124.6%	146.5%
13	20,000	8.9%	19.3%	38.5%	58.9%	81.6%	103.8%	122.6%	145.2%
14	25,000	8.0%	17.4%	36.1%	56.3%	79.6%	102.2%	120.7%	144.0%
15	50,000	5.8%	12.2%	27.7%	46.2%	70.8%	95.0%	112.1%	138.1%
16	75,000	5.0%	9.7%	22.7%	39.4%	63.7%	88.7%	104.7%	132.6%
17	100,000	4.5%	8.3%	19.4%	34.4%	58.0%	83.3%	98.2%	127.6%
18	125,000	4.2%	7.3%	17.0%	30.6%	53.3%	78.5%	92.5%	122.9%
19	150,000	4.0%	6.7%	15.2%	27.6%	49.3%	74.2%	87.5%	118.6%
20	175,000	3.8%	6.2%	13.9%	25.2%	45.9%	70.4%	82.9%	114.6%
21	200,000	3.7%	5.8%	12.8%	23.2%	43.0%	67.0%	78.9%	110.8%
22									
23	AVG. NO. OF CUST:	165	4	4	1	2	0	0	0
24									
25	AVG. USE (GAL.):	9,554	42,044	61,038	384,358	837,667	N/A	N/A	N/A
26	MONTHLY BILL:	12.2%	13.4%	25.2%	15.2%	17.5%	N/A	N/A	N/A
27									
28	MEDIAN USE (GAL.):	6,865	30,625	50,167	99,000	N/A	N/A	N/A	N/A
29	MONTHLY BILL:	13.7%	15.8%	27.7%	34.6%	N/A	N/A	N/A	N/A

ARIZONA WATER COMPANY  
 TEST YEAR ENDED DECEMBER 31, 2001  
 WINKELMAN SYSTEM - REVISED SCHEDULES  
 REVENUE SUMMARY BY METER SIZE AND CUSTOMER CLASS

DOCKET NO. W-01445A-02-061  
 SCHEDULE TJC-20

LINE NO.	DESCRIPTION	(A) RUCO PROPOSED MINIMUM REVENUE	(B) RUCO PROPOSED COMMODITY REVENUE	(C) RUCO PROPOSED TOTAL REVENUE
1	5/8 X 3/4 - INCH	\$ 28,229	\$ 23,998	\$ 52,228
2	1 - INCH	1,548	2,559	4,107
3	2 - INCH	4,472	3,715	8,187
4	3 - INCH	2,117	5,848	7,965
5	4 - INCH	9,444	25,492	34,936
6	6 - INCH	0	0	0
7	8 - INCH	0	0	0
13	10 - INCH	0	0	0
14				
15	TOTALS	<u>\$ 45,810</u>	<u>\$ 61,613</u>	<u>\$ 107,423 (a)</u>
16				
17	PERCENTAGE OF TOTAL REVENUE	43.00%	57.00%	100.00%

NOTE (a):

RUCO REQUIRED REVENUE		\$ 107,938
LESS:		
FIRE SPRINKLER REVENUE	\$ -	
FIRE HYDRANT REVENUE	-	
MISCELLANEOUS REVENUE	306	
RENT - WATER PROPERTY REVENUE	-	
OTHER WATER REVENUE	209	
TOTAL	<u>515</u>	\$ 515

REVENUE TO BE GENERATED FROM WATER SALES \$ 107,423

REFERENCE:

NOTE (a) 2002 REVENUE INFORMATION OBTAINED FROM RUCO D.R. NO. 1.10