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EXHIBIT
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Admitted

ARIZONA WATER COMPANY

DOCKET NO. W-01445A-02-0619

DIRECT TESTIMONY

OF

TIMOTHY J. COLEY

ON BEHALF OF

THE

RESIDENTIAL UTILITY CONSUMER OFFICE

JULY 8, 2003

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INTRODUCTION

Q. Please state your name and business address.

A. My name is Timothy J. Coley. My business address is 1110 W. Washington, Suite 220, Phoenix, Arizona 85007.

Q. By whom are you employed and in what capacity?

A. I am employed by the Residential Utility Consumer Office (RUCO) as a Public Utilities Analyst.

Q. Please state your educational background and qualifications in utility regulation.

A. I have a Masters Degree in Public Administration and Bachelor of Science Degree in Business Management and Administration. I am currently completing my Post-Baccalaureate Certificate in Accountancy at Arizona State University – West. My regulatory utility experience includes nine combined years in various utility auditing and rate analyst positions with RUCO and the Georgia Public Service Commission. I have been employed at RUCO since 2000.

Q. Have you previously testified in rate proceedings before the Arizona Corporation Commission (ACC)?

A. Yes. I have previously presented testimony regarding revenue requirements in rate case proceedings before the ACC.

Q. Please state the purpose of your testimony.

A. The purpose of my testimony is to present findings and recommendations resulting from my analysis and review of Arizona Water Company, Inc. (hereafter referred to as AWC, Company or Arizona Water) Rate Application for a permanent rate increase in the Company's Eastern Group. The Eastern Group is comprised of eight individual water systems that provide water services in southeastern Arizona. I will sponsor the Oracle, San Manuel, Sierra Vista, and Winkelman systems. RUCO witness William A. Rigsby will present the Company's other four systems, which are the Apache Junction, Bisbee, Miami, and Superior systems including the cost of capital and capital structure issues. Mr. Rigsby and I will both individually support RUCO's Post-Test-Year (PTY) position and concerns regarding this case.

Q. Please describe your participation and work effort on this project.

A. I performed the following procedures to determine whether sufficient, relevant, and reliable evidence exists to support the financial data and claims in the Company's application: reviewed and analyzed the Company's application and supporting work papers; reviewed all other interveners' data requests; prepared written data requests and evaluated the Company's responses; reviewed annual reports and prior Commission decisions regarding Arizona Water.

In addition, Mr. Rigsby and I conducted an onsite field audit inspection of the Company's Eastern Group. The onsite audit required three days of visual inspection. The respective System Managers and Mr. Whitehead, AWC Vice

President of Engineering, accompanied Mr. Rigsby and myself during the onsite visits, which provided valuable insight into the Company's overall operations.

Q. What areas will you address in your testimony?

A. I will address rate base and net operating income issues as well as sponsor RUCO's recommended revenue requirements for the Oracle, San Manuel, Sierra Vista, and Winkelman Systems. Mr. Rigsby will present rate base, operating income issues and sponsor RUCO's recommended revenue requirements for Apache Junction, Bisbee, Miami, and Superior. He will also sponsor cost of capital, capital structure, and rate design for the entire Eastern Group Systems.

Q. Please identify the exhibits and schedules that you are sponsoring.

A. My testimony is composed of separate Schedules TJC-1 through TJC-20 for the Oracle, San Manuel, Sierra Vista, and Winkelman Systems located in the AWC Eastern Group.

Q. Does your silence on any issues or matters pertaining to the Company's application constitute RUCO's acceptance of the Company's position?

A. No.

THE TEST YEAR

Q. Did the Company use a "strict" historical test-year?

A. No. The Company used a partial historical test-year and part projected test-year. The Company requested certain post-test-year plant additions and estimated future expenses that extended a full year outside the historical test-year.

Q. What test-year did AWC use for its rate application?

A. The Company began with the test-year ending December 31, 2001 and adjusted that to include selected plant additions through December 31, 2002. The Company also selected certain 2001 test-year expenses, which it adjusted to reflect estimated 2002 levels.

Q. Does RUCO agree with the Company's methodology of mixing and matching rate base and operating components by requesting an additional year beyond the Company's chosen historical test-year?

A. No. RUCO has consistently opposed allowing any company to pick and choose what elements it desires to be inclusive in a rate case outside the historical test-year, while not recognizing all components on the same test-year basis so that a true matching of all rate case elements will result. This violates the matching principle and skews the resultant recommended rates.

Q. What remedy or position is RUCO recommending in this case that would result in a true matching of all rate case components?

A. RUCO recommends that if the Commission considers the Company's selected post-test-year plant additions that it should also recognize the actual revenues, expenses, and investment incurred in the post-test-year. All of those numbers are known and measurable in this case because the Commission's extension of time granted in the procedural order allowed audited numbers and financial statements to be completed and generated for the 2002 post-test-year. This approach more closely conforms to the accounting framework established by Commission rules and principles. Not only does this approach utilize the most current known and measurable test-year numbers available, it also highlights the inaccuracies that resulted from the Company's rate application analysis of pro-forma adjustments based on mere projections when utilized in settling rates.

Q. Please address the inherent weaknesses of accepting pro-forma numbers and adjustments in a rate case?

A. Pro-forma is defined as "provided in advance to prescribe form or describe items." Pro-forma adjustments are estimates of expenses and revenues made by the Company in the absence of actual figures. Albeit, some estimates are inevitably ingrained in the accounting process, but future conditions and events and their effects cannot be perceived with certainty. Pro-forma adjustments place a substantial burden on the accounting profession to measure performance accurately and fairly on a timely basis. Whenever actual known and measurable numbers are available, those figures should always supersede all estimates.

Moreover, estimates are often times inaccurate and highly unreliable resulting in unfair and unreasonable rates.

Q. Please explain more thoroughly, what you meant by your earlier statement that "This approach more closely conforms to the accounting framework established by Commission rules and principles."

A. I made that statement in reference to the matching principle but will expand on it by discussing the two primary qualities that make accounting information useful for decision-making. Relevance and reliability are often referred to as the two primary qualities in the conceptual framework underlying financial accounting.

Relevance

"To be relevant, accounting information must be capable of making a difference in a decision. Relevant information helps users make predictions about the ultimate outcome of past, present, and future events; that is, it has predictive value. Relevant information also helps users confirm or correct prior expectations; it has feedback value. It must be presented on a timely basis.[1]"

Reliability

"Accounting information is reliable to the extent that it is verifiable, is a faithful representation, and is reasonably free of error or bias. Pro-forma adjustments lack neutrality, which is factual, truthful, unbiased information that does not favor one set of interested parties over another. This must be the overriding consideration.[2]"

[1] D. E. Kiesco Ph.D., C.P.A., J. J. Weygandt Ph.D., C.P.A., T. D. Warfield Ph.D., "Conceptual Framework Underlying Financial Accounting," Intermediate Accounting, Tenth Edition, by John Wiley & Sons, Inc., 2001.
[2] Ibid, pg. 38.

By using actual 2002 year-end financial numbers and making the necessary adjustments to the Company's 2001 pro-forma adjusted test-year figures, RUCO's approach adheres to the most fundamental accounting rules and principles. It is the most current accounting information available that is known and measurable. The numbers are actual 2002 revenue and expense items that are both relevant and reliable. Thus, RUCO's methodology is fully representational of all the expenses, revenues, and investments that the Company is entitled to earn a fair and reasonable return because the accounting numbers agree with the events that those numbers purport to represent.

Q. Please summarize your testimony.

A. Taking the Commission's past and recent decisions that allowed post-test-year plant additions into consideration, RUCO has taken an approach that fully recognizes all the ratemaking components based on a 2002 known and measurable post-test-year. This includes all rate base items of plant, accumulated depreciation, accumulated deferred income taxes, advances, contributions-in-aid-of-construction (CIAC), and amortization of CIAC. In other words, all rate base, operating revenues, expenses, and capital structure elements. In taking this counter position, RUCO still maintains and advocates the use of a historical test-year as the best means in achieving the matching principle. When a historical test-year is utilized, there is an automatic matching of all rate base components.

Q. Does RUCO recommend a projected test-year (PTY)?

A. No. To quote Marylee Diaz Cortez in AWC's last Northern Group rate case "the overriding issue here is not whether to use a historic test-year versus a projected test-year, but rather that **one or the other be utilized**. The Company's application as filed would have certain items calculated based on a historical test-year and other items on a projected test-year. By selectively choosing which items to reflect on a historical test-year and which items to base on a projected test-year the Company has intentionally maximized the level of rate base," which will be clearly shown here by utilizing all 2002 actual numbers in the revenue requirement formula.

Q. How does RUCO's actual 2002 test-year differ from the Company's mixed historical/projected approach?

A. There is a significant difference in "Gross Revenue Increase" amounts when utilizing the two approaches as revealed below:

	2001/2002		
System	Company Mixed T/Y	RUCO Actual 2002 T/Y	Difference
Apache Junction	$1,305,661	$(578,088)	$(1,883,749)
Bisbee	612,649	321,793	(290,856)
Sierra Vista	411,593	83,568	(328,025)
Miami	722,718	246,822	(475,896)
San Manuel	446,870	355,068	(91,802)
Oracle	233,328	(18,466)	(251,794)
Winkelman	32,341	19,836	(12,505)
Superior	491,353	280,602	(210,751)

The reason the Company's gross revenue increases are so much larger than that calculated by RUCO is because the Company has selectively chosen what rate base items it wishes to portray in a historical manner and what elements to present utilizing a post-test-year. The Company wants full recognition of post-test-year plant placed in service and accumulated depreciation through December 31, 2002, but Arizona Water fails to also recognize the other rate base components on a 2002 post-test-year basis. RUCO's revenue requirement model has utilized an actual 2002 test-year. In order for the Commission to determine fair and reasonable rates, the Commission will need to use a test-year that is fully matched using "either" a historical, projected or actual test-year. As was shown by RUCO witness Ms. Diaz Cortez in her surrebuttal testimony in the AWC Northern Group rate case and included here in my testimony as Exhibit A in the Appendix, "the choice of a historical or projected test year is irrespective in materiality." But, by mixing and matching rate base components from two different years allows the Company to maximize its requested rate increase in favor of its stockholders and to the detriment of the ratepayers; neutrality is thus lost in favor of one interested party over another. Once neutrality is compromised, one of the two primary qualities, reliability, of the conceptual framework underlying financial accounting is sacrificed. The result would be unfair and unreasonable rates.

SUMMARY

Q. Please summarize the recommendations and adjustments you address in your testimony.

A. In my testimony, I recommend that the most recent known and measurable numbers and financials be adopted, which is post-test-year 2002. This will adhere to the matching principle as well as other validated ratemaking concepts. All my adjustments are based on factual accounting information rather than the Company's estimated pro-forma adjustments. This approach more closely conforms to the accounting framework established by Commission rules and principles.

Rate Base Adjustments:

Plant in Service/Post-Test-Year Plant Additions – This adjustment calculates plant placed in service since the Company's last rate case. This adjustment also recognizes the additions or reductions (dependent on the individual system) in rate base by the actual amount of plant placed in service by December 31, 2002.

Phoenix Office & Meter Shop Allocation – This adjustment allocates the general Phoenix Office and Meter Shop plant items that were placed into service by December 31, 2002 and increases rate base accordingly.

Accumulated Depreciation – This adjustment calculates accumulated depreciation since the Company's last rate case proceeding. It reduces or increases the level of accumulated depreciation (dependent upon the particular system) that was in the Company's rate application.

Reconcile Phoenix Office & Meter Shop and Accumulated Depreciation – This adjustment was necessary to bring the Phoenix Office and Meter Shop back to a

gross amount as opposed to the Company's net amount, which also required debiting (or backing out) the same amount out of accumulated depreciation.

Remove Construction Work In Progress (CWIP) from Phoenix Office Allocation – In accordance with Arizona ratemaking principles, this adjustment removes the PTY CWIP balances from rate base. This adjustment is also necessary to remove CWIP from Company proposed levels of Phoenix Office plant to avoid a double count of post-test-year plant additions placed in service during 2002.

Advances-In-Aid-of-Construction (AIAC) – 2002 Balance – This adjusts AIAC from the amount reported in the Company's application to the actual PTY 2002 amount booked.

Contributions-In-Aid-of-Construction (CIAC) & CIAC Amortization – 2002 Balance This adjusts CIAC from the amount reported in the Company's application to the actual PTY 2002 amount booked. This adjustment also recognizes the amount of CIAC amortization actually booked as opposed to what was estimated and reported in the Company's application.

Accumulated Deferred Income Taxes (ADIT) - This adjusts the ADIT from the amount reported in the Company's application to the actual PTY 2002 amount booked.

Working Capital – This adjustment recalculates working capital based on RUCO's recommended actual operating expenses and correction in the Company's lead/lag days.

Operating Adjustments:

Revenue – Water Sales – This adjustment reconciles the actual 2002 booked amount of water sales from what was estimated and recorded in the Company's rate application.

Remove 2002 Regulatory Assessment & Sales Taxes – This adjustment removes the actual 2002 regulatory assessment and applicable sales taxes from water sales revenue.

Purchased Power (PPAM) & Purchased Water (PWAM) Revenues – This adjustment is to remove purchased power and purchased water adjustment mechanism revenues that are automatically recovered through a surcharge and not part of base rates.

Unbilled Revenues & Expenses – This adjustment eliminates year-end unbilled revenues and expense accruals that were recorded on the Company's books during the period ended December 31, 2002.

Annualize Additional Revenues & Expenses – This adjustment annualizes revenues and associated expenses to 2002 post-test-year-end levels rather than the Company's 2001 average customer count.

Rate Case Expense – This adjustment amortizes the Company's rate case expenses over a three-year period. RUCO recommends that an adjustment be made once the final expense is known and analyzed.

Remove MAP Surcharge Revenues – This adjustment removes the revenues collected through the surcharge for water testing conducted by Arizona Department of Environmental Quality (ADEQ) in the Eastern Group systems with fewer than

10,000 service connections. These revenues are recovered through a separate charge and not included in base rates.

Depreciation & Amortization Expense – This adjustment calculates depreciation and amortization expense based on RUCO's recommended plant levels.

Property Tax Expense – This adjustment calculates property tax expense on the currently effective Arizona Department of Revenue (DOR) formula.

Income Tax Expense – This adjustment calculates the appropriate level of income tax expense given RUCO's recommended operating income.

Rate Design:

RUCO is recommending a single–tier rate design. Please refer to RUCO witness Mr. Rigsby's testimony for further discussion on rate design and rate consolidation issues.

RATEMAKING RULES AND PRINCIPLES

Q. Please describe the Company's rate application.

A. RUCO's actual 2002 post-test-year methodology utilized in this case exemplifies the position RUCO has previously argued before the Commission that by mismatching the various rate base components utilities skew their revenue requirement results significantly. The circumstances ("tolling the time clock") in this case, that allowed RUCO to utilize actual versus pro-forma figures clearly shows the consequences of allowing a company to select what rate base elements it wishes to pose in a historical test-year basis and what components to guise on a projected test-year basis. It is not significant which test-year (historical or projected) a company chooses, but it is extremely critical to match all rate base components to the same

basis or test-year. RUCO has long advocated for the use of a historical-test-year. When actual numbers are used rather than an estimate, a much greater degree of accuracy and certainty will result because future conditions and events and their effects cannot be perceived with certainty.

Q. Can fair and reasonable rates be determined based on the Company's application as filed?

A. No. For the Commission to accept the Company's rate application as filed, it would require the Commission to depart from certain established ratemaking principles such as known and measurable and the matching principle. These principles have served as a basis of utility regulation for over a century. There is "sound" reason why these principles are still in place today and to depart from them would result in unfair, unreasonable, and unbalanced rates for the ratepayer to bear.

Q. Is RUCO departing from its position regarding the use of a historical test-year in this case?

A. No, RUCO is not departing from its policy of utilizing a historical test-year, but in this specific case, it serves as a good example of how estimates and mismatches severely affect the outcome of rates. RUCO strongly prefers and believes that fair and reasonable rates can best be achieved using a historical test-year. However, RUCO acknowledges the recent decisions of the Commission. Fortunately, RUCO is in a position in this case to show the Commission the severity of mismatching since it has been provided with the actual post-test-year figures.

REVENUE REQUIREMENTS

Q. Please summarize the results of your analysis of Arizona Water Company and your recommended revenue requirement.

A. Arizona Water's revenue should be reduced by $(24,335) for the Oracle system, increased by not more than $334,630 for the San Manuel system, increased by not more than $78,405 for the Sierra Vista system, and not increased by more than $17,686 for the Winkelman system. These recommendations are summarized on Schedule TJC-1, page 1 for each system respectively. My recommended original cost rate base ("OCRB") is $2,513,635 for Oracle, $746,978 for San Manuel, $2,256,648 for Sierra Vista, and $252,070 for Winkelman, which are shown on TJC-2. The supporting detail for the OCRB can be found on Schedules TJC-3. RUCO's recommended adjusted operating income, which is also reconciled from the company's rate application to Arizona Water's 2002 actual financials, is $218,255 for Oracle, $64,859 for San Manuel, $195,941 for Sierra Vista, and $21,887 for Winkelman are shown on Schedules TJC-8, and the detail that supports my recommendations can be found on Schedules TJC-9.

RATE BASE

Q. Did Arizona Water address the Environmental Protection Agency's ("EPA") new arsenic maximum contaminant level (MCL) in this rate application?

A. Yes. Three of the Company's officers presented direct testimony addressing the arsenic standard in the rate application. They included Mr. William M. Garfield, AWC's Vice President of Operations, Mr. Michael J. Whitehead, Vice President – Engineering, and Mr. Ralph J. Kennedy, Vice President and Treasurer.

Mr. Garfield testified that the new arsenic treatment facilities must be constructed and operational by January 23, 2006 in order to comply with the EPA's new 10 parts per billion ("ppb") arsenic MCL. He estimated that the Eastern Group would need as many as 21 treatment facilities with a capital cost of $12.5 million.

Mr. Whitehead testified that there were no costs in this case associated with arsenic. He further testified that three of the eight systems in the Eastern Group would be affected by the new EPA standard. These systems are Apache Junction, San Manuel, and Superior.

Mr. Kennedy's direct testimony provided details of how the costs to construct/lease arsenic treatment facilities are to be recovered.

The issue of arsenic treatment was addressed in Phase II of the Company's Northern Group rate case application. In that proceeding, the Commission was asked to consider an arsenic cost recovery mechanism ("ACRM"). The matter was heard before an Administrative Law Judge (ALJ), and the parties are currently awaiting a ruling. Mr. Whitehead testified as part of his direct testimony that the Eastern Group be approved for the same cost recovery mechanism that the Commission ultimately approves for the Northern Group. RUCO incorporates by reference its arguments and positions regarding the ACRM in Phase II of the Northern Group rate case proceeding into this docket.

Rate Base Adjustment #1 – 2002 Pro-forma Plant, Post-Test-Year Plant Additions

Q. Is the Company seeking rate inclusion of post-test-year ("PTY") plant additions?

A. Yes. Arizona Water is requesting all Company invested plant be included in rate base that is revenue neutral, used and useful, and placed in service by December 31, 2002.

Q. Is it true that RUCO has taken exception in the past to PTY plant additions to be included in rate base in Commission proceedings?

A. Yes. RUCO has consistently held that including post-test-year plant creates a mismatch of rate base items that strongly favors the stockholders at the detriment of the ratepayers. In the Northern Group rate case, RUCO filed testimony that pointed out the inherent flaws when the Commission allows PTY plant additions without recognizing all other rate base components on an equal footing.

Q. Please explain why post-test-year plant additions are likely to result in unfair and unreasonable rates.

A. The problem with allowing post-test-year plant additions is there is no recognition of **all** the other rate base items in the same base year as PTY plant additions. For example, in this case, when one rate base item that makes up a substantial amount of rate base is recognized in the 2002 projected-test-year and **all** the other rate base items are based on the 2001 historical test-year, severe mismatches have been created at the peril of the ratepayers. Whereas, a historical test-year automatically matches all rate base items. The matching principle is a long-

standing principle in regulatory utility ratemaking, and with good reason. Fair and reasonable rates cannot be determined when mismatches occur.

Q. Are these mismatches mitigated by the Company's claim that its PTY plant additions are non-revenue producing?

A. No. To restate Ms. Diaz Cortez testimony in the Northern Group rate case, "Matching problems are not just created by revenues but also by expenses. For the most part, the expenses reflected in the test year represent the cost of serving the test year plant. Much of the test year plant has been replaced by these post-test-year plant additions. The cost of service of the new plant will not necessarily be the same as the cost to serve the old plant, thus, there is a mismatch between investment and expenses."

Q. Considering the entire Eastern Group, please provide the dollar amount of PTY plant additions that the Company requests a return and provide the dollar amount produced by these PTY additions based on the Company's requested rate of return.

A. The Company seeks $3.1 million in additional PTY plant additions. Using the Company's requested rate of return of 11%, the PTY plant alone produces an additional $341,000 first year return in earnings for the Company.

Q. Please explain the mismatch that has occurred from the scenario you addressed above.

A. The mismatches are numerous. The Company selectively failed to recognize the following actual 2002 rate base elements, all of which reduce rate base: 1) 2002

additional and unrecognized AIAC balance of $1,594,539, 2) 2002 additional and unrecognized CIAC balance of $739,351, 3) 2002 additional and unrecognized amortization of CIAC balance of $19,149, and 4) an additional actual accumulated deferred income taxes of $885,853, which is a rate base reduction component also. On an equal 2002 PTY basis, the actual 2002 additional AIAC and CIAC net of amortization balances of $2,314,741 plus the unrealized actual 2002 accumulated deferred income taxes of $885,853 would have a rate base reduction effect of $3,200,594. That reduction, if properly recognized in the rate application, would completely eliminate the $341,000 earned on PTY plant additions. In fact, those rate base reductions reduce earnings by $352,065 (a 103% reduction in additional PTY earnings) because the Company has not fully recognized those four actual 2002 rate base items.

Q. Does RUCO continue to maintain that a historical test-year should be the basis for setting rates?

A. Yes. However, since the Commission has ruled in several recent decisions, including Arizona Water's Northern Group, to allow PTY plant additions, RUCO's position in this rate application is to match all rate base components on an actual 2002 post-test-year that is both known and measurable. Due to the Commission's ruling to Staff's motion on "Tolling of the Rate Case Time-Clock," all the actual 2002 PTY financials are available to accurately make the necessary adjustments to true up the Company's pro-forma adjustments to 2002 actuals.

Q. If the Commission was to utilize a 2002 test-year, what are the necessary adjustments to plant?

A. It would be necessary to update all components of the rate base to reflect the year-end 2002 actual balances. As discussed earlier, the Company has reflected certain rate base items on a projected basis (i.e. plant in service and accumulated depreciation) and other rate base items on a test-year basis. This results in mismatches that have biased effects on both rates and ratepayers. ScheduleTJC-2 shows the adjustments necessary to utilize a fully matched post-test-year. These adjustments would decrease the Company's proposed rate base by $305,764 for Oracle, $47,015 for San Manuel, $318,039 for Sierra Vista, and decrease Winkelman's rate base by $13,829.

Rate Base Adjustment #2 – Phoenix Office & Meter Shop Allocation

Q. Please explain the purpose of the Phoenix Office & Meter Shop allocation adjustment.

A. The reason for this adjustment was to allocate the Phoenix Office and Meter Shop on a gross basis inclusive of 2002 PTY depreciation costs. My supporting rate base Schedule TJC-4, page 7 provides detail for the adjustment that increases Oracle's rate base by $13,419, San Manuel's rate base by $10,955, Sierra Vista's rate base by $15,830, and Winkelman's rate base by $1,573 all gross of depreciation expenses.

Rate Base Adjustment #3 – Accumulated Depreciation

Q. Please explain the adjustment to accumulated depreciation.

A. This adjustment increases/decreases accumulated depreciation, depending on the particular system, by RUCO's gross plant in service recommendation and calculation since the Company's last rate case. Schedule TJC-4, page 7 shows the gross plant in service as calculated and recommended by RUCO. These adjustments would increase Oracle's accumulated depreciation by $105,338, decrease San Manuel's accumulated depreciation by $26,651, increase Sierra Vista's accumulated depreciation by $22,283, and decrease Winkelman's accumulated depreciation by $6,668 as shown on Schedules TJC-3.

Rate Base Adjustment #4 – Reconcile Phoenix Office & Meter Shop and Accumulated Depreciation

Q. Please explain the purpose of the adjustment to reconcile the Phoenix Office and Meter Shop along with the corresponding accumulated depreciation adjustment.

A. The simultaneous adjustment simply restates the Company's net of depreciation figure to a gross of depreciation figure. Because the Company's application reflected the accumulated depreciation on the Phoenix Office and Meter Shop, it was necessary to add the accumulated depreciation back into gross plant and remove the same amount from the accumulated depreciation account. Schedule TJC-5 shows the necessary adjustment to restate the Company's proposed net figure back to a gross figure. These adjustments would increase the Company's proposed rate base by $12,423 for Oracle and increase accumulated depreciation by the same amount, $10,559 for San Manuel and increase accumulated

depreciation by the same amount, $17,440 for Sierra Vista and increase accumulated depreciation by the same amount, and $1,482 for Winkelman and increase accumulated depreciation by the same amount.

Rate Base Adjustment #5 – Remove CWIP from Phoenix Office Allocation

Q. Has the Company included any Construction Work in Progress (CWIP) in its rate base in this rate application?

A. Yes.

Q. Is CWIP an allowable rate base element when determining revenue requirements?

A. No. In fact, it would be an extraordinary circumstance in which CWIP would be an allowable expense when determining revenue requirements. CWIP is almost always an item that this Commission and others have disallowed while determining the revenue requirements for any regulated company.

Q. What is the logic for not including CWIP in the rate base?

A. The rationale for not allowing CWIP in rate base is that it is not used and useful in servicing test year customers. I therefore have removed the CWIP balances from the Phoenix Office adjusted test-year rate base component of the revenue requirement. Until plant is used and useful, it provides no benefit to the customer. Accordingly, ratepayers should not be required to pay a return on assets that provide no benefit to them.

Q. What adjustment was necessary to remove CWIP from rate base?

A. The adjustments necessary to remove CWIP from rate base were based on the three-factor allocation factor. These adjustments would all decrease rate base by $3,291 for Oracle, $2,797 for San Manuel, $17,440 for Sierra Vista, and $392 for Winkelman as shown on Schedules TJC-6.

Q. Was there any other reason(s) for removing CWIP in this case; if so why?

A. Yes. Since RUCO used an actual post-test-year, the adjustment was necessary to remove CWIP from the Company's adjusted test-year CWIP account to avoid a double count when 2002 PTY plant additions were allowed.

Rate Base Adjustment #6 – Advances-in-Aid-of-Construction (AIAC)

Q. Did the Company recognize any AIAC balances in its proposed rate base?

A. Yes. The Company's adjusted test-year includes the 2001 recorded AIAC plus an adjustment to remove 2001 AIAC related to 2001 CWIP balances.

Q. What adjustment is necessary to reflect AIAC?

A. An adjustment is necessary to properly match the AIAC balances in the rate application with the 2002 level of plant. The 2002 AIAC balances were obtained in a RUCO data request from the Company. These adjustments simply restate the Company's requested AIAC balances with the actual 2002 recorded balances as follows:

Oracle - $(10,013)	Sierra Vista - $337,114
San Manuel - $0	Winkelman - $(162)

Rate Base Adjustment #7 – CIAC, 2002 Balances & Amortization

Q. Did the Company recognize any CIAC balances and Amortization of CIAC for 2002?

A. Yes. The Company's adjusted test-year recognizes the 2001 CIAC balances.

Q. What adjustment is necessary to properly reflect the CIAC and amortization of CIAC on a post-test-year basis?

A. A rate base adjustment is necessary to properly reflect the 2002 CIAC balances otherwise, there is a mismatched rate base. The actual 2002 CIAC balances and amortization balances were obtained in a RUCO data request from the Company. These adjustments are simply restating the Company requested CIAC balances with the actual 2002 balances as follows:

<u>Reconciliation of CIAC 2002 Actual Balances</u>

Oracle - $11,741	Sierra Vista - $42,631
San Manuel - $0	Winkelman - $0

<u>Reconciliation of CIAC Amortization 2002 Actual Balances</u>

Oracle - $6,838	Sierra Vista - $18,668
San Manuel - $528	Winkelman - $48

Rate Base Adjustment #8 – Accumulated Deferred Income Taxes

Q. Please provide an explanation for your adjustment to Accumulated Deferred Income Taxes.

A. These adjustments are necessary to reconcile the Company's adjusted test-year balances to the actual 2002 post-test-year. These balances were also obtained through a RUCO data request from the Company:

Reconciliation of Accumulated Deferred Income Taxes 2002 Actual Balances

Oracle - $63,763	Sierra Vista - $49,050
San Manuel - $17,534	Winkelman - $6,399

Rate Base Adjustment #9 – Cash & Working Capital

Q. What amount of working capital is the Company requesting?

A. The Company is requesting working capital in the amount of $52,086 for the Oracle system, $28,714 for the San Manuel system, $70,439 for the Sierra Vista system, and $2,906 for its Winkelman system.

Q. How did the Company determine the requested amount of working capital?

A. The Company determined its working capital request utilizing a lead/lag study.

Q. Please explain the concept of working capital?

A. A company's working capital requirement represents the amount of cash the company must have on hand to cover any differences in the time period between when revenues are received and expenses must be paid. The most accurate way to measure the working capital requirement is via a lead/lag study. The lead/lag

study measures the actual lead and lag days attributable to the individual revenues and expenses.

Q. Are you proposing any adjustment to the Company-proposed working capital?

A. Yes. An adjustment is necessary to restate the working capital requirement based on my recommended level of operating expenses. I have decreased the amount of working capital by ($52,718) for the Oracle system, decreased working capital by ($22,351) for the San Manuel system, decreased working capital by ($52,224) for the Sierra Vista system, and decreased the working capital requirement for the Winkelman system by ($7,979). These adjustments are shown on Schedule TJC-7, page 1 – 4. These adjustments are due primarily to the level of expense I am recommending in this case and to a correction in the calculation of the Company's income tax lag.

Q. Why do you disagree with the Company's calculation in the income tax lag?

A. The Company's calculation of its Federal Income Tax lag is incorrect because it assumes that the Company makes monthly payments to the IRS. The IRS requires quarterly payment of taxes not monthly.

Q. What correction to the lead-lag study did you make to correct the income tax day lag?

A. The necessary correction to reflect payments on a quarterly payment schedule versus the Company's monthly payment calculation is to change the tax lag to

61.95 days rather than the 2.52 days the Company used. This calculation is shown on TJC-7, page 2.

Q. Does that conclude your Rate Base Adjustments?

A. Yes.

OPERATING INCOME

Operating Adjustment #1 – Reconcile Company's Estimated Water Sales to 2002 Actuals

Q. Please explain the operating adjustments you made to water sales.

A. These adjustments are simply the difference between what the Company estimated and actual 2002 booked amounts. The majority of the remaining operating adjustments are made in the same manner with a few exceptions as will be noted.

Q. What adjustments were necessary to true up or reconcile the Company's proposed water sales to the actual 2002 water sales that were booked by the Company?

A. The following adjustments are necessary to reflect the actual 2002 earned revenues booked rather that what the Company estimated and proposed in its application (each adjustment is an increase in actual revenues versus what the Company proposed):

<u>Amount of Increase in 2002 Water Sales Revenues</u>

Oracle - $170,819	Sierra Vista - $170,735
San Manuel - $249,317	Winkelman - $3,599

Operating Adjustment #2 – Remove 2002 Regulatory Assessments & Sales Tax From Water Sales Revenue

Q. Please provide an explanation for this adjustment.

A. This adjustment is necessary to remove the regulatory assessment tax and sales tax from the water sales revenue. GAAP allows two methods of recording revenues and both are acceptable when booking revenues. "In many companies, however, the sales tax and the amount of the sale are not segregated at the time sale; both are credited in total in the Sales account.[3]" Arizona Water books the revenue when earned and realized inclusive of all taxes applicable, and then the Company makes an appropriate debit adjustment to the Sales account. My adjustment simply removes the sales tax and regulatory assessments due to the government entity.

Operating Adjustment #3 – Eliminate PPAM and PWAM

Q. Please explain the rationale for eliminating the purchased power and water adjustment mechanisms.

A. These adjustments remove any 2002 revenues that are collected through the separate purchased power and purchased water surcharges and should not be included in base rates because the Company automatically recovers these additional charges through the adjuster mechanism.

[3] D. E. Kiesco Ph.D., C.P.A., J. J. Weygandt Ph.D., C.P.A., T. D. Warfield Ph.D., "Current Liabilities and Contingencies," Intermediate Accounting, Tenth Edition, by John Wiley & Sons, Inc., 2001.

Operating Adjustment #4 – Eliminate Unbilled Revenues & Expenses

Q. Please explain your adjustment to remove any unbilled revenues and expenses.

A. This adjustment is necessary to account for a temporary change from accrual accounting to cash accounting. Water sales occurring at year-end are not collected in revenues until the start of the following new-year, and thus are not booked in the current year. The exact opposite scenario happens at the beginning of each new-year. Water service sales made in the previous December are collected and booked in the upcoming new-year. This has long been acceptable in regulatory accounting to maintain balance from year to year.

Operating Adjustment #5 – Annualize Additional Revenues & Expenses

Q. Has the Company made an adjustment to annualize its test-year revenues and expenses?

A. Yes. However, the Company has failed to recognize its test-year-end number of customers. Instead, it has made an adjustment to increase revenues to reflect the average number of customers during the test-year.

Q. Do you agree with this adjustment?

A. No. Arizona ratemaking requires the use of a test-year-end rate base. It is necessary to annualize revenues to the test-year-end, not test-year-average in order to match the level of net investment reflected in the rate base with the level of revenue that that investment will generate. The Company's adjustment to reflect the average test-year customers would only be appropriate if an average rate base

were used in Arizona ratemaking. Accordingly, the correct adjustment is to use the test-year-end number of customers.

Q. What adjustment is necessary to recognize the 2002 year-end customers?

A. As shown on Schedule TJC-11, page 1, the recognition of the 2002 year-end number of customers increases revenues by $4,001 for Oracle, by $7,179 for San Manuel, by $15,070 for Sierra Vista, and decreases revenues by ($4,735) for Winkelman. Use of the 2002 year-end customer count is necessary to match with the 2002 year-end rate base.

Q. Did you also make the necessary expense adjustments associated with the additional 2002 year-end water sales attributable to the 2002 year-end customer count?

A. Yes, I also recognized and accounted for additional expenses associated with the additional 2002 year-end customer count. To earn this additional revenue, the Company will incur additional costs such as expenses relating to the following:

Oracle - 1) Other – Purchased Power, i.e. pumping cost, increased an additional $566 to pump the additional necessary gallons, 2) Water Treatment costs increased $84, and (3) Customer Accounts increased by $346, which are the billing and accounting costs related to the additional year-end customer count.

San Manuel - Again, I recognized and accounted for the additional expenses required to account for the 2002 year-end customer count. The 1) Purchased Power, i.e. pumping cost, increased an additional $731, 2) Water Treatment increased $210, while the 3) Customer Accounting increased an additional $970.

Sierra Vista – The additional expenses associated with the additional 2002 customers by adjusting the affected expense accounts are as follows: 1) Other – Purchased Power, i.e. pumping cost, increased an additional $3,192 to pump the additional necessary gallons, 2) Water Treatment costs increased by $366, and (3) Customer Accounts increased by $1,789, which are the billing and accounting costs related to the additional year-end customer count.

Winkelman – The additional 2002 year-end customer count will decrease 1) Purchased Power – by $(515), and 2) Water Treatment – by $(150), and 3) Customer Accounting by $(547). All of these adjustments are shown in detail on Schedule TJC-11.

Q. How did you determine what expenses would be affected?

A. Marylee Diaz Cortez, RUCO's Audit Manager, performed a regression analysis to determine what expenses are affected when additional customers are added. That statistical study was made in the Northern Group's rate case and is attached in the Appendix as Exhibit B.

Operating Adjustment #6 – Amortization of Rate Case Expense

Q. Please explain your rate case adjustment.

A. At the time of my direct testimony writing, I am accepting what the Company has stated for rate case expenses. However, I reserve my right to change my position once the Company provides more accurate and final numbers to RUCO for further analysis.

Operating Adjustment #7 – Remove MAP Surcharge Revenues

Q. Please explain your adjustment to the "Monitoring Assistance Program" (MAP) surcharge revenues.

A. These revenues are not included in determining base rates. They are collected through a surcharge and must be removed to determine proper revenue requirements.

Q. What adjustment is necessary to remove the 2002 MAP costs.

A. The Apache Junction system is not required to participate in the mandated water testing program because it exceeds the 10,000 service connections, which is required by ADEQ in order to not participate. San Manuel is not required to participate because it purchases all of its water supply from BHP Copper. The other systems required an adjustment to be removed from revenues as follows:

Bisbee - $1,081	Oracle - $413
Sierra Vista – $673	Winkelman - $45
Miami - $897	Superior - $380

Q. Does RUCO agree with the surcharge?

A. No, RUCO presented its disagreements concerning the surcharge in the AWC Northern Group rate case. In that case, the Commission ruled against RUCO's position. RUCO continues to maintain the same position but in light of the Commission's decision regarding the Northern Group, RUCO will not attempt to relitigate the issue again here.

Operating Adjustment #8 – Depreciation & Amortization Expense

Q. What amount of total depreciation & amortization expense has the Company requested?

A. The Company is requesting depreciation & amortization expense of $129,495 for its Oracle system, $52,727 for its San Manuel system, $142,443 for its Sierra Vista system, and $13,888 for its Winkelman system.

Q. Have you recomputed depreciation & amortization expense?

A. Yes, it was necessary for me to recalculate depreciation expense based on the 2002 year-end plant balances. I also recomputed amortization expense based on the 2002 CIAC balances. I have accepted the Company's proposed depreciation rate, accordingly, and the differences in my recommended depreciation and amortization expense versus the Company's are attributable solely to balance differences.

Q. What is your recommended adjustment?

A. My depreciation and amortization adjustment for the Oracle system is ($4,286), the San Manuel system also requires a reduction of depreciation expense as compared to the Company's amount filed in its Rate Application of ($15,512). The Sierra Vista and Winkelman systems also require depreciation reductions of ($17,008) and ($2,748) respectively. The details of my calculations are shown on Schedule TJC-12.

Q. Does that complete RUCO's Depreciation and Amortization Operating Adjustment?

A. Yes.

Operating Adjustment #9 – Property Tax Expense

Q. Have you reviewed the property tax calculation that the Company used in determining its revenue requirement?

A. Yes.

Q. How did the Company arrive at its property tax amount as reported in its filing?

A. The Company computed its property tax calculation the same way I did using the new ADOR formula. However, the Company has used its projected revenues for purposes of valuation as opposed to its historical revenue.

Q. What adjustment is necessary?

A. It was necessary and proper to recompute the property taxes based on historical revenues as required by the ADOR formula. Oracle, San Manuel, and Sierra Vista required the following adjusted decreases of ($4,917), ($2,184), and ($10,102) respectively. Winkelman required a property tax increase of $65 more than what Arizona Water reported in its rate application. The adjustment is detailed on Schedule TJC-13.

Operating Adjustment #10 – Income Tax Expense

Q. Please discuss your income tax expense adjustment.

A. As shown on Schedule TJC-14, I calculated Arizona Water Company's state and federal income taxes based on RUCO's recommended level of operating income at present water rates.

Q. After reviewing the Company's income tax expense as reported in its filing, do you agree with the tax rates the Company used?

A. No. ADOR has made some recent changes in the corporate tax rate. The current corporate state income tax rate is 6.968% as compared to the 6.95183% used by the Company and supported on Schedule C-3, page 1. This also accounts in part for the difference in the Company's and RUCO's "Gross Revenue Conversion Factor". The Company has computed its Federal Income Tax rate based on total Company income. This Commission has required pro-forma income taxes to be computed on a "stand-alone" basis for each system. My income tax calculations therefore utilize stand-alone net income to determine the tax liability.

Q. What were the necessary adjustments based on RUCO's findings and recommendations?

A. My revenue requirements would warrant an additional $44,169 in state and federal income taxes for Oracle, an additional $35,449 for San Manuel, an additional $43,513 for Sierra Vista, and an additional $3,181 for the Winkelman systems. My calculations are supported in detail on Schedule TJC-14.

Operating Adjustment #11 – Purchased Water

Q. Does the San Manuel system purchase water from a second party?

A. Yes, San Manuel purchases all of its water from a second party.

Q. From whom is the water purchased?

A. As is the case in many of the Eastern Group's water systems, San Manuel was once a mining town. BHP Copper has provided water to the town ever since Arizona Water purchased the infrastructure back in the mid 1950's. AWC does not own any wells in San Manuel. Over the years, BHP Copper has provided all the water for this system. Arizona Water has served as more of a transmission and distribution system while BHP provided the source of water. BHP Copper ceased its mining operations in San Manuel a few years ago but still owns the wells.

Q. Has BHP Copper offered to sell the wells to Arizona Water?

A. No, however, Arizona Water and BHP have several formal agreements that mandates certain situations if something unexpected occurred that would interrupt the water supply for the town of San Manuel. In one of the agreements, the possibility was mentioned that Arizona Water would have the first rights to purchase the wells if for some reason BHP were to decide to sell the wells.

Q. Regarding the agreements you mentioned, is there any concern that San Manuel could suffer an interruption of water service?

A. From what I read, the agreements seemed to cover every scenario that could possibly come up. Therefore, I believe the town has a secure source of water supply now and in the future.

Q. In March 2002, did BHP Copper increase the commodity charge of its water to AWC?

A. Yes. BHP Copper increased the commodity charge from $.60 per thousand gallons to $1.12 per thousand.

Q. Can Arizona Water drill their own wells and supply their own source of water more economically than what BHP is now charging AWC?

A. A hydrology engineer could address that question more accurately than I. Mr. Whitehead did mention to me while on the field audit that BHP Copper had long subsidized the cost of providing water service to San Manuel. Arizona Water did answer some of Staff's data requests that leads me to believe that the new BHP commodity charge is just a reflection of the true cost of continuing to provide a source of supply to San Manuel. Unfortunately, due to the mine closing, San Manuel no longer will enjoy the mine's subsidization of water rates.

COST OF CAPITAL

Q. Has RUCO determined cost of capital and a fair return on common equity?

A. Yes, Mr. Rigsby will sponsor that section of the Rate Application in his testimony.

RATE DESIGN

Q. Have you prepared a schedule showing your recommended monthly minimum rates and commodity rates?

A. Yes.

Q. How did you design your rates?

A. My rate design is shown on Schedule WAR-17. Mr. Rigsby discusses RUCO's Rate Design fully in his testimony section of Rate Design.

Q. Does this complete your testimony on behalf of RUCO on Arizona Water Company's Eastern Group Rate Application?

A. Yes.

Exhibit A

Q. How does RUCO's recommended rate increase differ between the primary historical approach and the secondary projected approach?

A. RUCO's recommended rate increase varies only slightly depending on whether a historical or projected approach is used as compared with the Company's mixed historical/projected approach.

System	RUCO Historical T/Y	RUCO Projected T/Y	Company Mixed T/Y
Lakeside	$166,297	157,334	616,167
Overgaard	37,740	(61,881)	401,059
Sedona	310,229	330,210	809,862
Pinewood	114,909	115,580	333,941
Rimrock	37,919	54,939	124,096

As can be seen above, the amount of required rate increase varies very little based on a historical vs. projected test year. The reason the Company's calculated rate increase is so much larger is not because of the choice of either a historical or projected test year but from its failure to choose one or the other (failure to match all elements). By picking and choosing which items to reflect on a historical vs. projected basis, and mismatching items from various time periods it has maximized the level of its requested rate increase. In order to determine fair and reasonable rates the Commission will need to use a matched test year, irrespective of whether it is historical or projected.

Exhibit B

Q. Has the Company also proposed an adjustment to annualize expenses based on its proposed increase in customers?

A. Yes. The Company has proposed an adjustment to annualize what it calls "variable" expenses in order to match the increased customers with increased costs. The Company claims that these "variable" costs are directly impacted by increases in customers and consumption.

Q. What expenses has the Company defined as variable?

A. The Company has defined the following expenses as variable: Source of Supply, Pumping, Water Treatment, Transmission and Distribution, and Customer Accounting.

Q. Has the Company increased all of these expenses?

A. Yes. The Company maintains that each of these expenses is directly impacted by an increase in the number of customers/gallons sold. The adjustment assumes that there is a one-to-one relationship between cost and number of customers.

Q. Do you agree with the Company's "variable" expense adjustment?

A. No, not in its entirety. While it is true that certain expenses are directly impacted by an increase in sales, not all the expense categories adjusted by the Company are in fact a direct function of sales.

Q. Did you perform an objective analysis to determine which of these expense categories are truly variable?

A. Yes. I have performed a regression analysis on each of the expense categories that the Company has identified as variable. The purpose of this analysis was to determine the degree of correlation between the number of customers and the annual change in each expense. I performed this analysis using actual customer counts for each year and actual expenses for each year 1993 through 1999.

Q. What were the results of this analysis?

A. The following R squared factors were derived from the regression analyses. The R squared factor in a regression analysis assesses the degree of correlation between two data sets. R squared factors range from 0 though 1; 0 represents no correlation between data sets and 1 represents perfect correlation. R squared factors of .75 or greater generally indicate there is a significant relationship between data sets.

Expense Category	R Squared
Source of Supply	.644
Pumping	.887
Transmission & Distribution/Water Treat	.612
Customer Accounting	.983

Q. Which expenses have a significant correlation with the number of customers?

A. The regression analysis indicates that the only expenses that are directly impacted by a change in customer levels are Pumping and Customer Accounting. These expenses all have an R squared factor that exceeds .75, Accordingly these are the only expenses that require annualization. The necessary adjustment to annualize only these expenses is shown on Schedules MDC-9, page 1, lines 16, 21, 22, and 23 for each system.

ARIZONA WATER COMPANY
ORACLE SYSTEM
DOCKET NO. W-1445A-02-0619
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ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
ORACLE SYSTEM
REVENUE REQUIREMENTS

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

LINE NO.	DESCRIPTION	(A) COMPANY REQUESTED	(B) RUCO RECOMMENDED
1	ADJUSTED RATE BASE	$ 2,819,400	$ 2,513,635
2	ADJUSTED OPERATING INCOME	167,200	233,731
3	CURRENT RATE OF RETURN (L2 / L1)	5.93%	9.30%
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	(15,476)
7	GROSS REVENUE CONVERSION FACTOR	1.63241	1.57244
8	GROSS REVENUE INCREASE	$ 233,328	$ (24,335)
9	CURRENT REVENUES T/Y ADJUSTED	827,577	935,677
10	PROPOSED ANNUAL REVENUE (L8 + L9)	1,060,904	911,342
11	PERCENTAGE AVERAGE INCREASE	28.19%	-2.60%

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
ORACLE SYSTEM
GROSS REVENUE CONVERSION FACTOR

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

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	REVENUE	1.0000	
2	UNCOLLECTIBLES	0.002316	COMPANY SCH. C-3
3	SUB-TOTAL	0.9977	LINE 1 - LINE 2
4	LESS: TAX RATE	36.17%	NOTE (a)
5	TOTAL	0.6360	LINE 3 - LINE 4
6	REVENUE CONVERSION FACTOR	1.57244	LINE 1/LINE 5

NOTE (a):
CALCULATION OF EFFECTIVE TAX RATE

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

RIZONA WATER COMPANY
:ST YEAR ENDED DECEMBER 31, 2001
RACLE SYSTEM
ATE BASE - ORIGINAL COST

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

INE 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	(1,468,546)	(117,761)	(1,586,306)
4	NET PLANT IN SERVICE	$ 3,805,422	$ (194,394)	$ 3,611,028
5	CONSTRUCTION WORK IN PROGRESS (CWIP)	-	-	-
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	52,086	(52,718)	(632)
12	TOTAL RATE BASE	$ 2,819,400	$ (305,764)	$ 2,513,635

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
ORACLE SYSTEM
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	(J) ADJ #10	(J) ADJ #11	(I) RUCO 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 (a)		13,419 (b)		12,423	(3,291)							117,496
3	ACCUMULATED DEPRECIATION	(1,468,546)			(105,338) (c)	(12,423)								(1,586,306)
4	NET PLANT IN SERVICE	$ 3,805,422	$ (99,184)	$ 13,419	$ (105,338)	$ -	$ (3,291)	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,811,028
5	CONSTRUCTION WORK IN PROGRESS (CWIP)	-												-
6	TOTAL NET PLANT	$ 3,805,422	$ (99,184)	$ 13,419	$ (105,338)	$ -	$ (3,291)	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,811,028
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 OF CIAC	37,740							6,838					44,578
10	DEFERRED INCOME TAXES	(344,341)								(63,763)				(408,104)
11	WORKING CAPITAL	52,086									(52,718)			(632)
12	TOTAL RATE BASE	$ 2,819,400	$ (99,184)	$ 13,419	$ (105,338)	$ -	$ (3,291)	$ 10,013	$ (4,903)	$ (63,763)	$ (52,718)	$ -	$ -	$ 2,513,635

ADJUSTMENT #:	REFERENCE:
1. PLANT IN SERVICE/POST-TEST YEAR ADDITIONS	SCHEDULE TJC 4, PAGE 7
2. PHOENIX OFFICE & METER SHOP ALLOCATION	SCHEDULE TJC 4, PAGE 7
3. ACCUMULATED DEPRECIATION	SCHEDULE TJC 4, PAGE 7
4. RECONCILE PHX. OFFICE & METER SHOP AND ACCUM. DEPR.	SCHEDULE TJC-5
5. REMOVE CWIP FROM PHOENIX OFFICE ALLOCATION	SCHEDULE TJC-6
6. AIAC - 2002 BALANCE	RUCO D.R. NO. 6.3

ADJUSTMENT #:	REFERENCE:
7. CIAC - 2002 BAL. & AMORTIZATION	RUCO D.R. NO 6.3, TESTIMONY - TJC
8. ACUMULATED DEFERRED INCOME TAXES	RUCO D.R. NO. 6.3
9. WORKING CAPITAL	SCHEDULE TJC-7, PAGE 3
10. NOT USED	N/A
11. NOT USED	N/A

NOTES:
(a) NET OF ACCUMULATED DEPRECIATION
(b) GROSS PHOENIX OFFFICE 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
ORACLE 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*	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*	15,943	0	15,943	0	0	15,943	0	0	15,943
7	314.0	SOURCE OF SUPPLY: 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	268,788	891,250	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	8	24
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	923	214	709	0	0	923	22	236	687
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	0	0	0	0	0	0	0
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	0	0	0	0	0	0	0
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	21,149	4,900	16,249	0	0	21,149	512	5,412	15,737
38	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	0	0	0	0	0	0	0
39	397.2	GENERAL PLANT: AUTO CONTROLS	7,487	1,735	5,752	1,830	0	9,317	203	1,938	7,379
40	398.0	GENERAL PLANT: MISC.	0	0	0	0	0	0	0	0	0
41		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

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
ORACLE 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 RUCO	1992 DEPRECIATION EXPENSE PER RUCO	1992 ACCUMULATED DEPRECIATION PER RUCO	1992 YEAR END NET PLANT PER RUCO	1993 ADDITIONS PER COMPANY	1993 (RETIREMENTS) PER COMPANY	1993 YEAR END PLANT VALUE PER RUCO	1993 DEPRECIATION EXPENSE PER RUCO	1993 ACCUMULATED DEPRECIATION PER RUCO	1993 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*	0	0	0	0	0	0	15,114	0	15,114	0	0	15,114
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	230	0	193,575	4,682	54,160	139,415	48,291	0	241,866	5,639	59,799	182,067
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	18,099	438	5,070	13,029	0	0	18,099	469	5,538	12,561
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	22	0	518,873	12,556	144,847	374,026	0	0	518,873	13,439	158,286	360,587
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	68	789	2,028	0	0	2,817	73	862	1,955
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	6,441	156	1,804	4,637	0	0	6,441	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	188,258
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	18,242	(288)	1,297,067	31,172	327,709	969,358	106,889	(1,656)	1,402,300	34,957	361,010	1,041,290
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	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	16,756	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	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	9,378	227	2,627	6,751	0	0	9,378	243	2,870	6,508
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	771	19	216	555	0	0	771	20	236	535
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	32	1	9	23	4,918	0	4,950	65	73	4,877
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	923	22	259	664	0	0	923	24	282	641
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	0	0	0	0	0	0	0	0	0	0
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	(2,135)	19,014	486	3,763	15,251	0	0	19,014	492	4,256	14,758
38	397.1	GENERAL PLANT: MOBILE RADIOS	753	0	753	9	9	744	0	0	753	20	29	724
39	397.2	GENERAL PLANT: AUTO CONTROLS	5,565	0	14,882	293	2,231	12,651	0	0	14,882	385	2,616	12,266
40	398.0	GENERAL PLANT: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
41		TOTALS	$42,792	($3,081)	$2,781,121	$65,952	$718,564	$2,062,557	$182,587	($2,358)	$2,961,350	$73,238	$789,444	$2,171,906

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

NOTE:
* NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
ORACLE 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	1994 ADDITIONS PER COMPANY	1994 (RETIREMENTS) PER COMPANY	1994 YEAR END PLANT VALUE PER RUCO	1994 DEPRECIATION EXPENSE PER RUCO	1994 ACCUMULATED DEPRECIATION PER RUCO	1994 YEAR END NET PLANT PER RUCO	1995 ADDITIONS PER COMPANY	1995 (RETIREMENTS) PER COMPANY	1995 YEAR END PLANT VALUE PER RUCO	1995 DEPRECIATION EXPENSE PER RUCO	1995 ACCUMULATED DEPRECIATION PER RUCO	1995 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*	6,518	0	21,632	0	0	21,632	3,582	0	25,214	0	0	25,214
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	1,599	0	243,465	6,285	66,084	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	18,099	469	6,007	12,092	0	0	18,099	469	6,476	11,623
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	102,506	(45,210)	576,169	14,181	127,257	448,912	35,294	(20,382)	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	935	1,882	0	0	2,817	73	1,008	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: 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	7,028	90,035	181,232	11,859	(906)	282,220	7,168	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	19,982	(529)	287,589	7,197	80,125	207,464
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	(254)	65,798	1,707	18,210	47,588	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	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	5,699	0	15,077	317	3,186	11,891	685	0	15,762	399	3,586	12,176
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	771	20	256	515	0	0	771	20	276	495
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	4,620
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	1,823	0	2,746	48	330	2,416	0	0	2,746	71	401	2,345
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	0	0	0	0	0	0	0	0	0	0
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	(7,516)	11,498	395	(2,865)	14,363	0	0	11,498	298	(2,567)	14,065
38	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	753	20	48	705	0	0	753	20	68	685
39	397.2	GENERAL PLANT: AUTO CONTROLS	4,103	0	18,985	439	3,055	15,930	742	0	19,727	501	3,556	16,171
40	398.0	GENERAL PLANT: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
41		TOTALS	$278,578	($54,296)	$3,185,632	$78,196	$813,343	$2,372,289	$207,129	($22,026)	$3,370,735	$83,367	$874,684	$2,496,051

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

NOTE:
* NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
ORACLE SYSTEM
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	1996 ADDITIONS PER COMPANY	1996 (RETIREMENTS) PER COMPANY	1996 YEAR END PLANT VALUE PER RUCO	1996 DEPRECIATION EXPENSE PER RUCO	1996 ACCUMULATED DEPRECIATION PER RUCO	1996 YEAR END NET PLANT PER RUCO	1997 ADDITIONS PER COMPANY	1997 (RETIREMENTS) PER COMPANY	1997 YEAR END PLANT VALUE PER RUCO	1997 DEPRECIATION EXPENSE PER RUCO	1997 ACCUMULATED DEPRECIATION PER RUCO	1997 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*	4,450	0	29,664	0	0	29,664	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	243,465	6,306	78,695	164,770	0	0	243,465	6,306	85,001	158,464
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	(288)	18,509	474	6,682	11,827	0	0	18,509	479	7,161	11,348
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	2,770	(543)	593,308	15,338	136,786	456,522	0	0	593,308	15,367	152,152	441,156
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	1,081	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	2,638	3,803
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: 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	103,606	178,614	0	0	282,220	7,309	110,916	171,304
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	171,374	(89)	1,841,861	45,486	484,709	1,357,152	183,596	(494)	2,024,963	50,075	534,290	1,490,673
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	22,555	(193)	309,951	7,738	87,670	222,281	28,146	(765)	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	1,921	21,684	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	33,869	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	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	5,695	0	21,457	482	4,068	17,389	815	0	22,272	566	4,634	17,638
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	771	20	296	475	0	0	771	20	316	455
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	458	4,492	0	0	4,950	128	586	4,364
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	2,746	71	472	2,274	0	0	2,746	71	543	2,203
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	0	0	0	0	0	0	0	0	0	0
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	11,498	298	(2,270)	13,768	0	0	11,498	298	(1,972)	13,470
38	397.1	GENERAL PLANT: MOBILE RADIOS	90	0	843	21	88	755	0	0	843	22	110	733
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	19,727	511	4,067	15,660	334	0	20,061	515	4,582	15,479
40	398.0	GENERAL PLANT: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
41		TOTALS	$213,647	($1,502)	$3,582,880	$88,407	$961,589	$2,621,291	$233,991	($2,620)	$3,814,251	$93,984	$1,052,953	$2,761,298

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

NOTE:
* NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
ORACLE 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	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	46,506	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	152,158	0	0	243,465	6,306	97,613	145,852
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	952	0	19,461	492	7,653	11,808	2,250	(193)	21,518	531	7,991	13,527
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	35,037	0	628,345	15,820	167,973	460,372	11,558	(3,849)	636,054	16,374	180,498	455,556
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	1,590	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	9,367	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	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	118,225	163,995	0	0	282,220	7,309	125,535	156,685
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	162,783	(374)	2,187,372	54,550	588,466	1,598,906	370,963	0	2,558,335	61,457	649,923	1,908,412
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	252,030	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	51,968	6,408	(2,123)	79,364	2,000	22,988	56,376
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	4,560	0	96,991	2,453	36,322	60,669	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	580	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	0	0	4,950	128	715	4,235	0	0	4,950	128	843	4,107
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	644	0	3,390	79	623	2,767	1,509	0	4,899	107	730	4,169
35	395.0	GENERAL PLANT: LAB EQUIPMENT	146	0	146	2	2	144	0	0	146	4	6	140
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	11,498	298	(1,674)	13,172	0	0	11,498	298	(1,376)	12,874
38	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	843	22	132	711	0	0	843	22	154	689
39	397.2	GENERAL PLANT: AUTO CONTROLS	2,014	0	22,075	546	5,128	16,947	1,120	0	23,195	586	5,714	17,481
40	398.0	GENERAL PLANT: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
41		TOTALS	$241,755	($1,284)	$4,054,722	$99,846	$1,151,515	$2,903,207	$457,316	($6,468)	$4,505,570	$108,594	$1,253,641	$3,251,929

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

NOTE:
* NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
ORACLE 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	2000 ADDITIONS PER COMPANY	2000 (RETIREMENTS) PER COMPANY	2000 YEAR END PLANT VALUE PER RUCO	2000 DEPRECIATION EXPENSE PER RUCO	2000 ACCUMULATED DEPRECIATION PER RUCO	2000 YEAR END NET PLANT PER RUCO	2001 ADDITIONS PER COMPANY	2001 (RETIREMENTS) PER COMPANY	2001 YEAR END PLANT VALUE PER RUCO	2001 DEPRECIATION EXPENSE PER RUCO	2001 ACCUMULATED DEPRECIATION PER RUCO	2001 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*	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	243,645	6,308	103,921	139,724	865	0	244,510	6,322	110,242	134,268
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	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)	723,786	17,681	188,796	534,990
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	35,054	908	2,625	32,429	0	0	35,054	908	3,533	31,521
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	27,673	0	39,976	677	3,875	36,101	4,746	0	44,722	1,097	4,972	39,750
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	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	287,053	7,372	140,216	146,837
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	42,777	0	2,601,112	66,815	716,738	1,884,374	113,677	(1,936)	2,712,853	68,816	783,618	1,929,235
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	8,957	(87)	385,583	9,872	122,848	262,735	21,570	(76)	407,077	10,265	133,037	274,040
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	4,094	(1,914)	81,544	2,084	23,158	58,386	654	(423)	81,775	2,115	24,850	56,925
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	933	(799)	102,037	2,641	40,739	61,298	460	0	102,497	2,649	43,388	59,109
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	93	0	93	1	1	92
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	22,554	584	6,376	16,178	4,724	0	27,278	645	7,021	20,257
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	771	20	376	395	0	0	771	20	396	375
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	1,440	0	1,440	19	19	1,421
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	971	3,979	0	0	4,950	128	1,099	3,851
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	1,161	0	6,060	142	872	5,188	1,578	0	7,638	177	1,049	6,589
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	146	4	9	137	0	0	146	4	13	133
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	11,498	298	(1,078)	12,576	0	(3,597)	7,901	251	(4,424)	12,325
38	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	843	22	176	667	17,372	0	18,215	247	422	17,793
39	397.2	GENERAL PLANT: AUTO CONTROLS	1,808	0	25,003	624	6,339	18,664	395	0	25,398	653	6,991	18,407
40	398.0	GENERAL PLANT: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
41		TOTALS	$95,270	($2,800)	$4,598,040	$115,545	$1,366,385	$3,231,655	$282,040	($31,960)	$4,848,120	$119,940	$1,454,365	$3,393,755

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

NOTE:
* NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
ORACLE 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	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*	5,706	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	0	0	35,054	908	4,441	30,613
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	1,819	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	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	1,503	0	288,556	7,454	147,670	140,886
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	158,945	0	2,871,798	72,321	855,939	2,015,859
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	15,513	(180)	422,410	10,742	143,599	278,811
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	1,978	(434)	83,319	2,138	26,554	56,765
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	1,727	(77)	104,147	2,676	45,987	58,159
24	389.1	GENERAL PLANT: LAND - OFFICE*	185	0	185	0	0	185
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	1,368	0	1,461	20	21	1,439
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	27,278	707	7,727	19,551
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	771	20	416	355
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	13,034	(3,929)	9,105	118	(3,811)	12,916
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	1,440	37	56	1,384
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	0	0	0	0
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	4,950	128	1,227	3,723
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	9,079	216	1,266	7,813
35	395.0	GENERAL PLANT: LAB EQUIPMENT	1,441	0	146	4	17	129
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	0	0	0	0
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	8,415	211	(4,213)	12,628
38	397.1	GENERAL PLANT: MOBILE RADIOS	514	0	18,215	472	894	17,321
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	25,398	658	7,649	17,749
40	398.0	GENERAL PLANT: MISC.	0	0	3,105	40	40	0
41		TOTALS	$251,877	($6,740)	$5,093,257	$126,258	$1,573,883	$3,516,309
42								
43		BALANCES PER COMPANY			$ 5,179,022		$ 1,468,546	
44								
45		BALANCES PER RUCO			$ 5,093,257		$ 1,573,883	
46								
47		LESS: POST-TEST YEAR ALLOCATED PHOENIX OFFICE & METER SHOP ADDITIONS**			$ 13,419			
48								
49		TOTAL ADJUSTMENTS			$ (99,184)		$ 105,338	

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 0.0256 PER RUCO D.R. NO. 4.2

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
ORACLE SYSTEM
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)

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

DOCKET NO. W-1445A-02-0619
SCHEDULE TJC-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	0.0260	0.0260	COMPANY SCHEDULE B-1 PAGE 2
5	ALLOCATED PHOENIX OFFICE PLANT	$ 93,008	$ 89,717	COMPANY SCHEDULE B-1 PAGE 2
6	RUCO ADJUSTMENT		$ (3,291)	LINE 5 COLUMN (B) - LINE 5 COLUMN (A)

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

DOCKET NO. W-1445A-00-0962
SCHEDULE TJC-7

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	CASH WORKING CAPITAL PER COMPANY	$ 28,184	COMPANY SCH. B-5, PG. 2
2	CASH WORKING CAPITAL PER RUCO	(21,872)	SCH. TJC-7, PG. 3
3	DECREASE IN CASH WORKING CAPITAL	(50,056)	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	(52,718)	LINES 3, 6, 9 & 12

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

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	(18,163)	86,779	61.95	5,376,320
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
17	PENSION EXPENSE	13,060	1,098	14,158	34.72	491,566
18	TOTAL	$ 781,031	$ (74,839)	$ 693,087 *	33.56	$ 23,258,794

NOTE
N/A = NON CASH CHARGES EXCLUDED FROM WORKING CAPITAL CALCULATION
* RUCO RECOMMENDED LEVEL OF OPERATING EXPENSE - SCHEDULE TJC-8, COLUMN (E), LINE 16

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

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	AVERAGE EXPENSE LAG	33.56	SCH. TJC-7, PG. 2
2	AVERAGE REVENUE COLLECTION LAG	22.04	CO. SCH. B-5, PG. 2
3	EXCESS EXPENSE OVER REVENUE LAG	(11.52)	LINE 2 - LINE 1
4	TOTAL EXPENSES	$ 693,087	SCH. TJC-7, PG. 2
5	CASH WORKING CAPITAL REQUIREMENT	(21,872)	(LINE 3 X LINE 4)/365 DAYS
6	PER COMPANY	$ 28,184	CO. SCH. B-5, PG. 2
7	INCREASE (DECREASE) IN WORKING CAPITAL	$ (50,056)	LINE 5 - LINE 6

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

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

LINE NO.	(A) PAYMENT DATE	(B) SERVICE PERIOD MIDPOINT	(C) (LEAD)/LAG DAYS	(D) PAYMENT AMOUNT	(E) DOLLAR DAYS
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	(240,000)	(61,680,000)
6	TOTALS			$ 1,663,000	103,030,000
7	INCOME TAX LAG		61.95		

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
ORACLE SYSTEM
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
	REVENUES - WATER:					
1	REVENUE FROM WATER SALES	$ 827,577	$ 108,100	$ 935,677	$ (24,335)	$ 911,342
2	OTHER REVENUES	-	-	-		-
3	TOTAL OPERATING REVENUES	$ 827,577	$ 108,100	$ 935,677	$ (24,335)	$ 911,342
	OPERATING EXPENSES:					
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
15	INCOME TAXES	51,469	44,169	95,638	(8,859)	86,779
16	TOTAL OPERATING EXPENSES	$ 660,377	$ 41,569	$ 701,946	$ (8,859)	$ 693,087
17	NET INCOME	$ 167,200	$ 66,531	$ 233,731	$ (15,476)	$ 218,255

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
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	(J) ADJ #10	(J) ADJ #11	(I) RUCO ADJUSTED
	REVENUES - WATER:													
1	REVENUE FROM WATER SALES	$ 827,577	$ 170,819	$ (64,118)	$ (824)	$ (1,364)	$ 4,001		$ (413)					$ 935,677
2	OTHER REVENUES	-												-
3	TOTAL OPERATING REVENUES	$ 827,577	$ 170,819	$ (64,118)	$ (824)	$ (1,364)	$ 4,001	$ -	$ (413)	$ -	$ -	$ -	$ -	$ 935,677
	OPERATING EXPENSES:													
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						99,206
12	DEPRECIATION & AMORTIZATION	129,495								(4,286)				125,209
13	PROPERTY TAXES	57,070									(4,917)			52,153
14	OTHER TAXES	9,895	64,562	(62,159)										12,298
15	INCOME TAXES	51,469										44,169		95,638
16	TOTAL OPERATING EXPENSES	$ 660,377	$ 66,993	$ (64,118)	$ -	$ (2,138)	$ 995	$ 4,871	$ -	$ (4,286)	$ (4,917)	$ 44,169	$ -	$ 701,946
17	NET INCOME	$ 167,200	$ 103,826	$ -	$ (824)	$ 774	$ 3,006	$ (4,871)	$ (413)	$ 4,286	$ 4,917	$ (44,169)	$ -	$ 233,731

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 TJC

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

REFERENCE:
TESTIMONY TJC
SCHEDULE TJC-12
SCHEDULE TJC-13
SCHEDULE TJC-14
N/A

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

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

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) 2002 ACTUAL	(C) DIFFERENCE	(D) RUCO ADJUSTMENT
	REVENUES - WATER:				
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
	OPERATING EXPENSES:				
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)
16	OTHER TAXES	9,895	74,457	9,895	64,562
17	INCOME TAXES	51,469	89,066	51,469	- (a)
18	TOTAL OPERATING EXPENSES	$ 660,377	$ 751,353	$ 660,377	$ 66,993
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
OPERATING ADJ. #1 - RECONCILE COMPANY
PROPOSED OPERATING INCOME TO 2002 ACTUAL

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

LINE NO.	DESCRIPTION	(A) TEST YEAR ACTUAL	(B) 2002 ACTUAL	(C) DIFFERENCE
	REVENUES - WATER:			
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
	OPERATING EXPENSES:			
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
16	OTHER TAXES	63,130	74,457	11,327
17	INCOME TAXES	70,394	89,066	18,672
18	TOTAL OPERATING EXPENSES	694,889	751,353	56,464
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
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	69											
18	MONTHLY ACCOUNTING COST PER BILL	5.01											
19	INCREASE IN ACCOUNTING COST	346											

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
ORACLE SYSTEM
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
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	934,278	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)	x 2	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	-	STAFF DATA REQUEST REL 23-1
10	FULL CASH VALUE	1,718,527	LINE 7 + LINE 8 MINUS LINE 9
11	ASSESSMENT RATIO	25%	PER ADOR VALUATION METHOD
12	ASSESSED VALUE	429,632	LINE 10 X LINE 11
13	PROPERTY TAX RATE	12.1389%	PER TAX BILLS
14	PROPERTY TAXES PAYABLE PER RUCO	52,153	LINE 12 X LINE 13
15	PROPERTY TAXES PER COMPANY	57,070	COMPANY SCH. C-1, PG. 4
16	ADJUSTMENT	(4,917)	LINE 14 MINUS LINE 15

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

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

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
	FEDERAL INCOME TAXES:		
1	OPERATING INCOME BEFORE INCOME TAXES	$ 329,369	SCH. TJC-9
	LESS:		
2	ARIZONA STATE TAX	18,381	LINE 11
3	INTEREST EXPENSE	65,580	NOTE (a)
4	FEDERAL TAXABLE INCOME	245,408	LINE 1 - LINES 2 & 3
5	FEDERAL INCOME TAX RATE	31.48%	TAX RATE
6	FEDERAL INCOME TAX EXPENSE	77,257	LINE 4 X LINE 5
	STATE INCOME TAXES:		
7	OPERATING INCOME BEFORE INCOME TAXES	329,369	LINE 1
	LESS:		
8	INTEREST EXPENSE	65,580	NOTE (A)
9	STATE TAXABLE INCOME	263,789	LINE 7 - LINE 8
10	STATE TAX RATE	6.968%	TAX RATE
11	STATE INCOME TAX EXPENSE	18,381	LINE 9 X LINE 10
12	TOTAL INCOME TAXES	95,638	LINE 6 + LINE 11
13	INCOME TAXES PER COMPANY	51,469	COMPANY SCH. C-1, PG. 2
14	ADJUSTMENT	$ 44,169	LINE 12 - LINE 13

NOTE (a):
INTEREST SYCHRONIZATION

ADJUSTED RATE BASE	$ 2,513,635
WEIGHTED COST OF DEBT	2.61%
INTEREST EXPENSE	$ 65,580

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
ORACLE SYSTEM
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
ORACLE SYSTEM
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
ORACLE SYSTEM
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	$ 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	696.26
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
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%	696.26	204.25	41.51%
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 MONHTLY 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
BILLING ANALYSIS

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

PRESENT 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	$ 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

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
ORACLE SYSTEM
BILLING ANALYSIS

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

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	$ 13.22	$ 42.95	$ 131.35	$ 160.40	$ 300.75	$ 696.26	$ 1,002.50	$ 1,503.75
2	1,000	19.07	48.80	137.20	166.77	307.12	702.11	1,008.87	1,510.12
3	2,000	24.91	54.64	143.04	173.13	313.48	707.95	1,015.23	1,516.48
4	3,000	30.76	60.49	148.89	179.50	319.85	713.80	1,021.60	1,522.85
5	4,000	36.61	66.34	154.74	185.86	326.21	719.65	1,027.96	1,529.21
6	5,000	42.46	72.19	160.59	192.23	332.58	725.50	1,034.33	1,535.58
7	6,000	48.30	78.03	166.43	198.59	338.94	731.34	1,040.69	1,541.94
8	7,000	54.15	83.88	172.28	204.96	345.31	737.19	1,047.06	1,548.31
9	8,000	60.00	89.73	178.13	211.32	351.67	743.04	1,053.42	1,554.67
10	9,000	65.84	95.57	183.97	217.69	358.04	748.88	1,059.79	1,561.04
11	10,000	71.69	101.42	189.82	224.05	364.40	754.73	1,066.15	1,567.40
12	15,000	100.93	130.66	219.06	255.88	396.23	783.97	1,097.98	1,599.23
13	20,000	130.16	159.89	248.29	287.70	428.05	813.20	1,129.80	1,631.05
14	25,000	159.40	189.13	277.53	319.53	459.88	842.44	1,161.63	1,662.88
15	50,000	305.57	335.30	423.70	478.65	619.00	988.61	1,320.75	1,822.00
16	75,000	451.75	481.48	569.88	637.78	778.13	1,134.79	1,479.88	1,981.13
17	100,000	597.92	627.65	716.05	796.90	937.25	1,280.96	1,639.00	2,140.25
18	125,000	744.10	773.83	862.23	956.03	1,096.38	1,427.14	1,798.13	2,299.38
19	150,000	890.27	920.00	1,008.40	1,115.15	1,255.50	1,573.31	1,957.25	2,458.50
20	175,000	1,036.45	1,066.18	1,154.58	1,274.28	1,414.63	1,719.49	2,116.38	2,617.63
21	200,000	1,182.62	1,212.35	1,300.75	1,433.40	1,573.75	1,865.66	2,275.50	2,776.75
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	$ 1,025.01	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	$ 988.61	N/A	N/A

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
ORACLE SYSTEM
BILLING ANALYSIS

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

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	$ (2.32)	$ 4.11	$ 27.77	$ 5.03	$ 93.59	$ 204.25	$ 381.02	$ 830.48
2	1,000	3.53	9.96	33.62	11.40	99.96	210.10	387.39	836.85
3	2,000	3.63	10.06	33.72	12.01	100.57	210.20	388.00	837.46
4	3,000	3.72	10.15	33.81	12.63	101.19	210.29	388.62	838.08
5	4,000	3.82	10.25	33.91	13.24	101.80	210.39	389.23	838.69
6	5,000	3.92	10.35	34.01	13.86	102.42	210.49	389.85	839.31
7	6,000	4.02	10.45	34.11	14.48	103.04	210.59	390.47	839.93
8	7,000	4.11	10.55	34.21	15.09	103.65	210.69	391.08	840.54
9	8,000	4.21	10.64	34.30	15.71	104.27	210.78	391.70	841.16
10	9,000	4.31	10.74	34.40	16.32	104.88	210.88	392.31	841.77
11	10,000	4.41	10.84	34.50	16.94	105.50	210.98	392.93	842.39
12	15,000	4.90	11.33	34.99	20.02	108.58	211.47	396.01	845.47
13	20,000	5.39	11.82	35.48	23.10	111.66	211.96	399.09	848.55
14	25,000	5.88	12.31	35.97	26.18	114.74	212.45	402.17	851.63
15	50,000	8.33	14.76	38.42	41.58	130.14	214.90	417.57	867.03
16	75,000	10.78	17.21	40.87	56.98	145.54	217.35	432.97	882.43
17	100,000	13.23	19.66	43.32	72.38	160.94	219.80	448.37	897.83
18	125,000	15.68	22.11	45.77	87.78	176.34	222.25	463.77	913.23
19	150,000	18.13	24.56	48.22	103.18	191.74	224.70	479.17	928.63
20	175,000	20.58	27.01	50.67	118.58	207.14	227.15	494.57	944.03
21	200,000	23.03	29.46	53.12	133.98	222.54	229.60	509.97	959.43
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	$ 215.51	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	$ 214.90	N/A	N/A

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
ORACLE SYSTEM
BILLING ANALYSIS

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

RUCO PROPOSED CHANGES EXPRESSED AS A PERCENTAGE

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	-14.9%	10.6%	26.8%	3.2%	45.2%	41.5%	61.3%	123.4%
2	1,000	22.7%	25.6%	32.5%	7.3%	48.3%	42.7%	62.3%	124.3%
3	2,000	17.0%	22.6%	30.8%	7.5%	47.2%	42.2%	61.9%	123.3%
4	3,000	13.8%	20.2%	29.4%	7.6%	46.3%	41.8%	61.4%	122.4%
5	4,000	11.7%	18.3%	28.1%	7.7%	45.4%	41.3%	60.9%	121.5%
6	5,000	10.2%	16.7%	26.9%	7.8%	44.5%	40.9%	60.5%	120.5%
7	6,000	9.1%	15.5%	25.8%	7.9%	43.7%	40.4%	60.1%	119.6%
8	7,000	8.2%	14.4%	24.8%	7.9%	42.9%	40.0%	59.6%	118.8%
9	8,000	7.6%	13.5%	23.9%	8.0%	42.1%	39.6%	59.2%	117.9%
10	9,000	7.0%	12.7%	23.0%	8.1%	41.4%	39.2%	58.8%	117.0%
11	10,000	6.6%	12.0%	22.2%	8.2%	40.7%	38.8%	58.4%	116.2%
12	15,000	5.1%	9.5%	19.0%	8.5%	37.7%	36.9%	56.4%	112.2%
13	20,000	4.3%	8.0%	16.7%	8.7%	35.3%	35.3%	54.6%	108.4%
14	25,000	3.8%	7.0%	14.9%	8.9%	33.2%	33.7%	53.0%	105.0%
15	50,000	2.8%	4.6%	10.0%	9.5%	26.6%	27.8%	46.2%	90.8%
16	75,000	2.4%	3.7%	7.7%	9.8%	23.0%	23.7%	41.4%	80.3%
17	100,000	2.3%	3.2%	6.4%	10.0%	20.7%	20.7%	37.7%	72.3%
18	125,000	2.2%	2.9%	5.6%	10.1%	19.2%	18.4%	34.8%	65.9%
19	150,000	2.1%	2.7%	5.0%	10.2%	18.0%	16.7%	32.4%	60.7%
20	175,000	2.0%	2.6%	4.6%	10.3%	17.2%	15.2%	30.5%	56.4%
21	200,000	2.0%	2.5%	4.3%	10.3%	16.5%	14.0%	28.9%	52.8%
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	26.6%	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	27.8%	N/A	N/A

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
ORACLE SYSTEM
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	8,355	3,945	12,300	
7	8 - INCH	0	0	0	
13	10 - INCH	0	0	0	
14					
15	TOTALS	$ 264,684	$ 623,488	$ 888,171	(a)
16					
17	PERCENTAGE OF TOTAL REVENUE	30.00%	70.00%	100.00%	

NOTE (a):

RUCO REQUIRED REVENUE		$ 911,342
LESS:		
FIRE SPRINKLER REVENUE	$ 60	
FIRE HYDRANT REVENUE	-	
MISCELLANEOUS REVENUE	19,334	
RENT - WATER PROPERTY REVENUE	-	
OTHER WATER REVENUE	3,777	
TOTAL		$ 23,171
REVENUE TO BE GENERATED FROM WATER SALES		$ 888,171

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

ARIZONA WATER COMPANY
SAN MANUEL SYSTEM
DOCKET NO. W-1445A-02-0619
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ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
SAN MANUEL SYSTEM
REVENUE REQUIREMENTS

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

LINE NO.	DESCRIPTION	(A) COMPANY REQUESTED	(B) RUCO RECOMMENDED
1	ADJUSTED RATE BASE	$ 793,993	$ 746,978
2	ADJUSTED OPERATING INCOME	(186,410)	(196,499)
3	CURRENT RATE OF RETURN (L2 / L1)	-23.48%	-26.31%
4	REQUIRED RATE OF RETURN	11.00%	8.68%
5	REQUIRED OPERATING INCOME (L4 * L1)	87,339	64,859
6	OPERATING INCOME DEFICIENCY (L5 - L2)	273,749	261,358
7	GROSS REVENUE CONVERSION FACTOR	1.63241	1.28035
8	GROSS REVENUE INCREASE	$ 446,870	$ 334,630
9	CURRENT REVENUES T/Y ADJUSTED	474,250	509,760
10	PROPOSED ANNUAL REVENUE (L8 + L9)	921,120	844,390
11	PERCENTAGE AVERAGE INCREASE	94.23%	65.64%

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
SAN MANUEL SYSTEM
GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	REVENUE	1.0000	
2	UNCOLLECTIBLES	0.002316	COMPANY SCH. C-3
3	SUB-TOTAL	0.9977	LINE 1 - LINE 2
4	LESS: TAX RATE	21.66%	NOTE (a)
5	TOTAL	0.7810	LINE 3 - LINE 4
6	REVENUE CONVERSION FACTOR	1.28035	LINE 1/LINE 5

NOTE (a):
CALCULATION OF EFFECTIVE TAX RATE

OPERATING INCOME BEFORE TAXES	100.00%
ARIZONA STATE TAX	6.97%
TAXABLE INCOME FEDERAL	93.03%
FEDERAL INCOME TAX RATE	15.85%
SUBTOTAL	14.75%
ADD STATE TAX RATE	21.72%
LINE 3 ABOVE	99.77%
EFFECTIVE TAX RATE	21.66%

RIZONA WATER COMPANY
EST YEAR ENDED DECEMBER 31, 2001
AN MANUEL SYSTEM
ATE 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	(736,074)	16,092	(719,982)
4	NET PLANT IN SERVICE	$ 899,230	$ (7,658)	$ 891,572
5	CONSTRUCTION WORK IN PROGRESS (CWIP)	-	-	-
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	28,714	(22,351)	6,363
12	TOTAL RATE BASE	$ 793,993	$ (47,015)	$ 746,978

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
SAN MANUEL SYSTEM
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	$ 1,554,600	($42,467)											$ 1,512,133
2	PHOENIX OFFICE & METER SHOP ALLOCATION	80,704 (a)		10,955 (b)		10,559	(2,797)							99,421
3	ACCUMULATED DEPRECIATION	(736,074)			26,651 (c)	(10,559)								(719,982)
4	NET PLANT IN SERVICE	$ 899,230	$ (42,467)	$ 10,955	$ 26,651	$ -	$ (2,797)	$ -	$ -	$ -	$ -	$ -	$ -	$ 891,572
5	CONSTRUCTION WORK IN PROGRESS (CWIP)	-												-
6	TOTAL NET PLANT	$ 899,230	$ (42,467)	$ 10,955	$ 26,651	$ -	$ (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	(93,372)								(17,534)				(110,906)
11	WORKING CAPITAL	28,714									(22,351)			6,363
12	TOTAL RATE BASE	$ 793,993	$ (42,467)	$ 10,955	$ 26,651	$ -	$ (2,797)	$ -	$ 528	$ (17,534)	$ (22,351)	$ -	$ -	$ 746,978

ADJUSTMENT #:	REFERENCE:	ADJUSTMENT #:	REFERENCE:
1. PLANT IN SERVICE/POST-TEST YEAR ADDITIONS	SCHEDULE TJC 4, PAGE 7	7. CIAC - 2002 BAL. & AMORTIZATION	RUCO D.R. NO 6.3, TESTIMONY - TJC
2. PHOENIX OFFICE & METER SHOP ALLOCATION	SCHEDULE TJC 4, PAGE 7	8. ACUMULATED DEFERRED INCOME TAXES	RUCO D.R. NO. 6.3
3. ACCUMULATED DEPRECIATION	SCHEDULE TJC 4, PAGE 7	9. WORKING CAPITAL	SCHEDULE TJC-7, PAGE 3
4. RECONCILE PHX. OFFICE & METER SHOP AND ACCUM. DEPR.	SCHEDULE TJC-5	10. NOT USED	N/A
5. REMOVE CWIP FROM PHOENIX OFFICE ALLOCATION	SCHEDULE TJC-6	11. NOT USED	N/A

NOTES:
(a) NET OF ACCUMULATED DEPRECIATION
(b) GROSS PHOENIX OFFFICE 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
SAN MANUEL 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*	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	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	1,942	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	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	82,187	38,928	43,259	0	0	82,187	1,989	40,917	41,270
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	441,782	209,249	232,533	9,308	0	451,090	10,804	220,053	231,037
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	84,956	40,239	44,717	13,475	(303)	98,128	2,215	42,152	55,976
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	102,307	48,457	53,850	8,414	(4,186)	106,535	2,527	46,798	59,737
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	49,065	23,240	25,825	2,457	0	51,522	1,217	24,457	27,065
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	3,298	1,562	1,736	0	0	3,298	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
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	35,533	16,830	18,703	1,666	0	37,199	880	17,710	19,489
35	395.0	GENERAL PLANT: LAB EQUIPMENT	2,599	1,231	1,368	0	0	2,599	63	1,294	1,305
36	396.0	GENERAL PLANT: POWER EQUIPMENT	2,695	1,276	1,419	0	0	2,695	65	1,342	1,353
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	14,647	6,938	7,709	0	(1,528)	13,119	336	5,745	7,374
38	397.1	GENERAL PLANT: MOBILE RADIOS	5,857	2,774	3,083	1,555	0	7,412	161	2,935	4,477
39	397.2	GENERAL PLANT: AUTO CONTROLS	13,813	6,542	7,271	8,462	0	22,275	437	6,979	15,296
40	398.0	GENERAL PLANT: MISC.	5,068	2,400	2,668	0	0	5,068	123	2,523	2,545
41		TOTALS	$896,569	$424,658	$471,911	$45,949	($6,017)	$936,501	$22,180	$440,821	$495,680

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
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 RUCO	1992 DEPRECIATION EXPENSE PER RUCO	1992 ACCUMULATED DEPRECIATION PER RUCO	1992 YEAR END NET PLANT PER RUCO	1993 ADDITIONS PER COMPANY	1993 (RETIREMENTS) PER COMPANY	1993 YEAR END PLANT VALUE PER RUCO	1993 DEPRECIATION EXPENSE PER RUCO	1993 ACCUMULATED DEPRECIATION PER RUCO	1993 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*	0	0	0	0	0	0	249	0	249	0	0	249
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	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	11	239	218	0	0	457	12	250	207
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	1,091	0	3,081	61	1,052	2,029	0	0	3,081	80	1,132	1,949
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	1,942	47	1,014	928	0	0	1,942	50	1,064	878
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	7,735	187	3,916	3,819	0	0	7,735	200	4,116	3,619
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	82,187	1,989	42,906	39,281	0	0	82,187	2,129	45,034	37,153
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	140	0	451,230	10,918	230,971	220,259	51,198	0	502,428	12,350	243,321	259,107
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	(802)	(802)	(10)	(812)	10
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	3,101	(496)	100,733	2,406	44,062	56,671	45,276	(3,629)	142,380	3,148	43,581	98,799
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	3,363	(1,853)	108,045	2,596	47,542	60,503	4,017	(1,868)	110,194	2,826	48,500	61,694
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	51,522	1,247	25,703	25,819	0	0	51,522	1,334	27,038	24,484
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	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	3,298	80	1,722	1,576	0	0	3,298	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	288	6,218	5,694	0	0	11,912	309	6,527	5,385
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	283	0	16,905	406	8,655	8,250	2,797	0	19,702	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	11	10	0	0	21	1	12	9
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	4,750	(63)	41,886	957	18,604	23,282	1,341	0	43,227	1,102	19,706	23,521
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	2,599	63	1,357	1,242	43	0	2,642	68	1,425	1,217
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	2,695	65	1,407	1,288	0	0	2,695	70	1,477	1,218
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	13,119	317	6,063	7,056	0	0	13,119	340	6,403	6,716
38	397.1	GENERAL PLANT: MOBILE RADIOS	709	0	8,121	188	3,123	4,998	35	0	8,156	211	3,333	4,823
39	397.2	GENERAL PLANT: AUTO CONTROLS	71	0	22,346	540	7,519	14,827	2,948	0	25,294	617	8,136	17,158
40	398.0	GENERAL PLANT: MISC.	0	0	5,068	123	2,646	2,422	0	0	5,068	131	2,777	2,291
41		TOTALS	$16,168	($2,412)	$950,257	$22,830	$461,239	$489,018	$108,017	($6,299)	$1,051,975	$25,926	$480,866	$571,109

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
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 RUCO	1994 DEPRECIATION EXPENSE PER RUCO	1994 ACCUMULATED DEPRECIATION PER RUCO	1994 YEAR END NET PLANT PER RUCO	1995 ADDITIONS PER COMPANY	1995 (RETIREMENTS) PER COMPANY	1995 YEAR END PLANT VALUE PER RUCO	1995 DEPRECIATION EXPENSE PER RUCO	1995 ACCUMULATED DEPRECIATION PER RUCO	1995 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*	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: 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	262	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	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	1,942	50	1,114	828	0	0	1,942	50	1,165	777
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	7,735	200	4,316	3,419	0	0	7,735	200	4,517	3,218
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	4,667	(840)	86,014	2,178	46,372	39,642	0	0	86,014	2,228	48,600	37,414
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	(552)	0	501,876	13,006	256,327	245,549	250	0	502,126	13,002	269,328	232,798
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	(802)	(21)	(833)	31	0	0	(802)	(21)	(854)	52
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	3,184	(1,119)	144,445	3,714	46,176	98,269	5,147	0	149,592	3,808	49,984	99,608
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	3,614	(146)	113,662	2,899	51,253	62,409	10,856	(7,480)	117,038	2,988	46,761	70,277
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	51,522	1,334	28,372	23,150	0	0	51,522	1,334	29,707	21,815
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	5,835	151	1,992	3,843	0	0	5,835	151	2,143	3,692
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	3,298	85	1,893	1,405	0	0	3,298	85	1,978	1,320
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	10,388	26,311
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
34	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
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	2,642	68	1,493	1,149	0	0	2,642	68	1,562	1,080
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	2,695	70	1,547	1,148	0	0	2,695	70	1,616	1,079
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	13,119	340	6,743	6,376	0	0	13,119	340	7,082	6,037
38	397.1	GENERAL PLANT: MOBILE RADIOS	76	0	8,232	212	3,546	4,686	1,719	0	9,951	235	3,781	6,170
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	25,294	655	8,791	16,503	0	0	25,294	655	9,446	15,848
40	398.0	GENERAL PLANT: MISC.	0	0	5,068	131	2,909	(2,777)	0	0	5,068	131	3,040	2,028
41		TOTALS	$14,224	($2,105)	$1,064,094	$27,396	$506,156	$553,001	$47,579	($7,480)	$1,104,193	$28,068	$526,744	$577,449

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
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	1996 ADDITIONS PER COMPANY	1996 (RETIREMENTS) PER COMPANY	1996 YEAR END PLANT VALUE PER RUCO	1996 DEPRECIATION EXPENSE PER RUCO	1996 ACCUMULATED DEPRECIATION PER RUCO	1996 YEAR END NET PLANT PER RUCO	1997 ADDITIONS PER COMPANY	1997 (RETIREMENTS) PER COMPANY	1997 YEAR END PLANT VALUE PER RUCO	1997 DEPRECIATION EXPENSE PER RUCO	1997 ACCUMULATED DEPRECIATION PER RUCO	1997 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*	71	0	628	0	0	628	22	0	648	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	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	286	171	0	0	457	12	298	159
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	3,081	80	1,371	1,710	702	0	3,783	89	1,460	2,323
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	1,942	50	1,215	727	0	0	1,942	50	1,265	677
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	7,735	200	4,717	3,018	158	0	7,893	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	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	0	0	86,014	2,228	50,828	35,186	0	0	86,014	2,228	53,056	32,958
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	(222)	0	501,904	13,002	282,331	219,573	15,964	0	517,868	13,206	295,537	222,331
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	55	0	(747)	(20)	(874)	127	0	0	(747)	(19)	(893)	146
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	6,773	(208)	158,157	3,959	53,736	102,421	2,837	(50)	158,944	4,081	57,766	101,178
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	4,623	(2,253)	119,408	3,062	47,570	71,838	(1,241)	(323)	117,844	3,072	50,319	67,525
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	51,522	1,334	31,041	20,481	0	0	51,522	1,334	32,376	19,146
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	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	3,298	85	2,063	1,235	3,984	0	7,282	137	2,200	5,082
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	7,453	4,459	0	(406)	11,506	303	7,350	4,156
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	376	(2,500)	34,575	923	8,811	25,764	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	16,864
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	21	1	13	8	0	0	21	1	14	7
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	532	(154)	59,144	1,527	23,583	35,561	1,232	0	60,376	1,548	25,131	35,245
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	2,642	68	1,630	1,012	0	0	2,642	68	1,698	944
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	2,695	70	1,686	1,009	0	0	2,695	70	1,756	939
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	13,119	340	7,422	5,697	0	0	13,119	340	7,762	5,357
38	397.1	GENERAL PLANT: MOBILE RADIOS	1,839	0	11,790	282	4,063	7,727	1,612	0	13,402	326	4,389	9,013
39	397.2	GENERAL PLANT: AUTO CONTROLS	4,393	0	29,687	712	10,158	19,529	634	0	30,321	777	10,935	19,386
40	398.0	GENERAL PLANT: MISC.	0	0	5,068	131	3,171	(3,040)	0	0	5,068	131	3,302	1,766
41		TOTALS	$24,141	($5,115)	$1,123,219	$28,830	$550,459	$567,823	$71,859	($6,615)	$1,188,463	$29,920	$573,764	$614,699

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
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 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*	153,069	0	153,717	0	0	153,717	236	0	153,953	0	0	153,953
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	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	310	147	0	0	457	12	321	136
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	1,027	(340)	4,470	107	1,227	3,243	0	0	4,470	116	1,343	3,127
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	1,942	50	1,316	626	0	(1,822)	120	27	(480)	600
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	15	0	7,908	205	5,124	2,784	0	0	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	10,269	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	211	0	520,152	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	(309)	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	256	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	0	0	11,506	298	7,648	3,858	0	0	11,506	298	7,946	3,560
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	764	(83)	38,076	977	10,637	27,439	13,251	0	51,327	1,158	11,795	39,532
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	23,255	602	6,994	16,261	0	0	23,255	602	7,596	15,659
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	21	1	14	7	1,107	0	1,128	15	29	1,099
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	225	(1,128)	59,473	1,552	25,555	33,918	1,388	0	60,861	1,558	27,114	33,747
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	(24)	2,618	68	1,743	875	0	0	2,618	68	1,810	808
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	2,695	70	1,826	869	0	0	2,695	70	1,896	799
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	13,119	340	8,102	5,017	0	0	13,119	340	8,441	4,678
38	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	13,402	347	4,736	8,666	0	0	13,402	347	5,083	8,319
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	30,321	785	11,721	18,600	292	0	30,613	789	12,510	18,103
40	398.0	GENERAL PLANT: MISC.	832	0	5,900	142	3,444	(3,302)	852	0	6,752	164	3,608	3,144
41		TOTALS	$178,634	($2,358)	$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

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
SAN MANUEL 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	2000 ADDITIONS PER COMPANY	2000 (RETIREMENTS) PER COMPANY	2000 YEAR END PLANT VALUE PER RUCO	2000 DEPRECIATION EXPENSE PER RUCO	2000 ACCUMULATED DEPRECIATION PER RUCO	2000 YEAR END NET PLANT PER RUCO	2001 ADDITIONS PER COMPANY	2001 (RETIREMENTS) PER COMPANY	2001 YEAR END PLANT VALUE PER RUCO	2001 DEPRECIATION EXPENSE PER RUCO	2001 ACCUMULATED DEPRECIATION PER RUCO	2001 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*	164	0	154,117	0	0	154,117	40	0	154,157	0	0	154,157
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	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	124	0	0	457	12	345	112
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	184	0	4,654	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	0	0	0	0	0	0	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	120	3	(477)	597	290	0	410	7	(470)	880
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	7,908	205	5,534	2,374	(4,605)	0	3,303	145	5,679	(2,376)
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	96,283	2,494	60,138	36,145	2,067	0	98,350	2,520	62,658	35,692
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	(270)	0	519,882	13,468	335,914	183,968	2,289	(1,244)	520,927	13,478	348,148	172,779
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	(747)	(19)	(951)	204	45	0	(702)	(19)	(970)	268
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	7,795	(209)	197,662	5,021	70,909	126,753	38,034	(555)	235,141	5,605	75,958	159,183
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	(303)	(1,868)	119,719	3,129	56,989	62,730	1,029	(463)	120,285	3,108	59,634	60,651
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	1,657	(276)	52,903	1,352	36,121	16,782	1,115	(352)	53,666	1,380	37,149	16,517
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	(274)	35,487	0	0	35,213	912	638	34,575
28	390.2	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	7,677	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
34	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
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	2,618	68	1,878	740	0	0	2,618	68	1,946	672
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	2,695	70	1,965	730	0	0	2,695	70	2,035	660
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	(1,801)	11,318	316	6,957	4,361	0	(381)	10,937	288	6,864	4,073
38	397.1	GENERAL PLANT: MOBILE RADIOS	352	0	13,754	352	5,435	8,319	0	0	13,754	356	5,791	7,963
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	30,613	793	13,303	17,310	0	0	30,613	793	14,096	16,517
40	398.0	GENERAL PLANT: MISC.	442	(109)	7,085	179	3,678	(3,499)	0	0	7,085	184	3,862	3,223
41		TOTALS	$10,695	($6,167)	$1,415,596	$32,616	$658,410	$750,280	$43,621	($4,215)	$1,455,002	$33,182	$687,377	$767,625

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
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	0	0	0	0
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	457	12	357	100
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	4,654	121	1,702	2,952
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	410	11	(459)	869
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	(3,303)	0	43	2,419	(2,419)
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	55	0	98,405	2,548	65,206	33,199
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	23,445	0	544,372	13,796	361,944	182,428
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	(702)	(18)	(988)	286
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	8,483	(476)	243,148	6,194	81,676	161,472
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	2,294	(1,304)	121,275	3,128	61,458	59,817
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	1,674	(233)	55,107	1,409	38,324	16,783
24	389.1	GENERAL PLANT: LAND - OFFICE*	151	0	151	0	0	151
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	144	0	35,357	914	1,552	33,806
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	12,495	324	3,751	8,744
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	10,578	0	21,230	413	8,090	13,140
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	52,403	1,357	15,827	36,576
32	391.2	GENERAL PLANT: OFFICE FURNITURE	3,378	0	27,133	659	9,466	17,667
33	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	0	0	1,128	29	117	1,011
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	1,113	0	62,119	1,594	29,559	32,560
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	2,618	68	2,014	604
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	2,695	70	2,105	590
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	24,113	(7,192)	27,858	502	174	27,683
38	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	13,754	356	6,147	7,607
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	30,613	793	14,888	15,725
40	398.0	GENERAL PLANT: MISC.	3,820	0	10,905	233	4,095	(3,862)
41		TOTALS	$80,594	($12,508)	$1,523,088	$34,554	$709,423	$802,993
42		BALANCES PER COMPANY			$ 1,554,600		$ 736,074	
43		BALANCES PER RUCO			$ 1,523,088		$ 709,423	
44		LESS: POST-TEST YEAR ALLOCATED PHOENIX OFFICE & METER SHOP ADDITIONS**			$ 10,955			
45		TOTAL ADJUSTMENTS			$ (42,467)		$ (26,651)	
46								
47								
48								
49								

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 0.0209 PER RUCO D.R. NO. 4.2

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
SAN MANUEL SYSTEM
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)

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

DOCKET NO. W-1445A-02-0619
SCHEDULE TJC-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	0.0221	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)

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 1999
SAN MANUEL SYSTEM
RATE BASE ADJUSTMENT #9 - WORKING CAPITAL

DOCKET NO. W-1445A-00-0962
SCHEDULE TJC-7

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	(12,041)	SCH. TJC-7, PG. 3
3	DECREASE IN CASH WORKING CAPITAL	(19,443)	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	(22,351)	LINES 3, 6, 9 & 12

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

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	(4,011)	36,939	N/A	N/A
10	FEDERAL & STATE INCOME TAXES	(11,982)	25,348	13,366	61.95	828,086
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	$ 206,495	$ 779,531 *	27.68	$ 21,575,682

NOTE
N/A = NON CASH CHARGES EXCLUDED FROM WORKING CAPITAL CALCULATION
* RUCO RECOMMENDED LEVEL OF OPERATING EXPENSE - SCHEDULE TJC-8, COLUMN (E), LINE 16

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

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	AVERAGE EXPENSE LAG	27.68	SCH. TJC-7, PG. 2
2	AVERAGE REVENUE COLLECTION LAG	22.04	CO. SCH. B-5, PG. 2
3	EXCESS EXPENSE OVER REVENUE LAG	(5.64)	LINE 2 - LINE 1
4	TOTAL EXPENSES	$ 779,531	SCH. TJC-7, PG. 2
5	CASH WORKING CAPITAL REQUIREMENT	(12,041)	(LINE 3 X LINE 4)/365 DAYS
6	PER COMPANY	$ 7,402	CO. SCH. B-5, PG. 2
7	INCREASE (DECREASE) IN WORKING CAPITAL	$ (19,443)	LINE 5 - LINE 6

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

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

LINE NO.	(A) PAYMENT DATE	(B) SERVICE PERIOD MIDPOINT	(C) (LEAD)/LAG DAYS	(D) PAYMENT AMOUNT	(E) DOLLAR DAYS
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	(240,000)	(61,680,000)
6	TOTALS			$ 1,663,000	103,030,000
7	INCOME TAX LAG		61.95		

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
SAN MANUEL SYSTEM
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
	REVENUES - WATER:					
1	REVENUE FROM WATER SALES	$ 474,250	$ 35,510	$ 509,760	$ 334,630	$ 844,390
2	OTHER REVENUES	-	-	-		-
3	TOTAL OPERATING REVENUES	$ 474,250	$ 35,510	$ 509,760	$ 334,630	$ 844,390
	OPERATING EXPENSES:					
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	(15,788)	36,939		36,939
13	PROPERTY TAXES	53,253	(2,184)	51,069		51,069
14	OTHER TAXES	12,838	773	13,611		13,611
15	INCOME TAXES	(95,355)	35,449	(59,906)	73,272	13,366
16	TOTAL OPERATING EXPENSES	$ 660,660	$ 45,599	$ 706,259	$ 73,272	$ 779,531
17	NET INCOME	$ (186,410)	$ (10,089)	$ (196,499)	$ 261,358	$ 64,859

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
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
	REVENUES - WATER:													
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
	OPERATING EXPENSES:													
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								(15,788)				36,939
13	PROPERTY TAXES	53,253									(2,184)			51,069
14	OTHER TAXES	12,838	46,366	(45,593)										13,611
15	INCOME TAXES	(95,355)										$ 35,449		(59,906)
16	TOTAL OPERATING EXPENSES	$ 660,660	$ 61,332	$ (47,010)	$ -	$ (196)	$ 1,881	$ 4,141	$ -	$ (15,788)	$ (2,184)	$ 35,449	$ 7,975	$ 706,259
17	NET INCOME	$ (186,410)	$ 187,985	$ -	$ (167,309)	$ (6,471)	$ 5,298	$ (4,141)	$ -	$ 15,788	$ 2,184	$ (35,449)	$ (7,975)	$ (196,499)

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 TJC

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

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
OPERATING ADJ. #1 - RECONCILE COMPANY
PROPOSED OPERATING INCOME TO 2002 ACTUAL

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

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) 2002 ACTUAL	(C) DIFFERENCE	(D) RUCO ADJUSTMENT
	REVENUES - WATER:				
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
	OPERATING EXPENSES:				
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	$ (133,682)	$ (16,535)	$ (133,682)	$ 187,985

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
OPERATING ADJ. #1 - RECONCILE COMPANY
PROPOSED OPERATING INCOME TO 2002 ACTUAL

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

LINE NO.	DESCRIPTION	(A) TEST YEAR ACTUAL	(B) 2002 ACTUAL	(C) DIFFERENCE
	REVENUES - WATER:			
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
	OPERATING EXPENSES:			
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	$ 34.82	$ 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	7,179											
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											

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
SAN MANUEL SYSTEM
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
####	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	52,404	(1)	52,403	2.59%	1,357
####	391.2	GENERAL PLANT: OFFICE FURNITURE	23,755	-	23,755	2.59%	615
####	393.0	GENERAL PLANT: WAREHOUSE EQUIPMENT	1,128	-	1,128	2.59%	29
####	394.0	GENERAL PLANT: GARAGE EQUIPMENT	61,006	-	61,006	2.59%	1,580
####	395.0	GENERAL PLANT: LAB EQUIPMENT	2,618	-	2,618	2.59%	68
####	396.0	GENERAL PLANT: POWER EQUIPMENT	2,695	-	2,695	2.59%	70
####	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	10,937	(0)	10,937	2.59%	283
####	397.1	GENERAL PLANT: MOBILE RADIOS	13,754	(0)	13,754	2.59%	356
####	397.2	GENERAL PLANT: AUTO CONTROLS	30,614	(1)	30,613	2.59%	793
####	398.0	GENERAL PLANT: MISC.	7,084	1	7,085	2.59%	184
####							
####		TEST YEAR TOTALS	$ 1,444,357	$ (7)	$ 1,444,350		$ 33,416
####							
####		POST TEST YEAR ADDITIONS	110,243	(53,112)	57,131	2.59%	1,480
####							
####		GROSS DEPRECIABLE PHOENIX OFFICE AND METER SHOP ALLOCATION	88,466	10,804	99,270 **	2.59%	2,571
####							
####		2002 TOTALS	$ 1,643,066	$ (42,315)	$ 1,600,751		$ 37,467
####							
####	LESS:						
####	AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION @ 2.59% COMPOSITE RATE **						528
####							
####	TOTAL PRO FORMA DEPRECIATION & AMORTIZATION EXPENSE						$ 36,939
####							
####	DEPRECIATION & AMORTIZATION EXPENSE PER COMPANY						$ 52,727
####							
####	DEPRECIATION & AMORTIZATION EXPENSE ADJUSTMENT (LINE 53 - LINE 55)						$ (15,788)

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
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	676,557	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)	x 2	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	-	STAFF DATA REQUEST REL 23-1
10	FULL CASH VALUE	1,161,124	LINE 7 + LINE 8 MINUS LINE 9
11	ASSESSMENT RATIO	25%	PER ADOR VALUATION METHOD
12	ASSESSED VALUE	290,281	LINE 10 X LINE 11
13	PROPERTY TAX RATE	17.5929%	PER TAX BILLS
14	PROPERTY TAXES PAYABLE PER RUCO	51,069	LINE 12 X LINE 13
15	PROPERTY TAXES PER COMPANY	53,253	COMPANY SCH. C-1, PG. 4
16	ADJUSTMENT	(2,184)	LINE 14 MINUS LINE 15

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
SAN MANUEL SYSTEM
OPERATING ADJ. #10 - INCOME TAXES

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

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
	FEDERAL INCOME TAXES:		
1	OPERATING INCOME BEFORE INCOME TAXES	$ (256,405)	SCH. TJC-9
	LESS:		
2	ARIZONA STATE TAX	(19,224)	LINE 11
3	INTEREST EXPENSE	19,488	NOTE (a)
4	FEDERAL TAXABLE INCOME	(256,669)	LINE 1 - LINES 2 & 3
5	FEDERAL INCOME TAX RATE	15.85%	TAX RATE
6	FEDERAL INCOME TAX EXPENSE	(40,682)	LINE 4 X LINE 5
	STATE INCOME TAXES:		
7	OPERATING INCOME BEFORE INCOME TAXES	(256,405)	LINE 1
	LESS:		
8	INTEREST EXPENSE	19,488	NOTE (A)
9	STATE TAXABLE INCOME	(275,893)	LINE 7 - LINE 8
10	STATE TAX RATE	6.968%	TAX RATE
11	STATE INCOME TAX EXPENSE	(19,224)	LINE 9 X LINE 10
12	TOTAL INCOME TAXES	(59,906)	LINE 6 + LINE 11
13	INCOME TAXES PER COMPANY	(95,355)	COMPANY SCH. C-1, PG. 2
14	ADJUSTMENT	$ 35,449	LINE 12 - LINE 13

NOTE (a):
INTEREST SYCHRONIZATION

ADJUSTED RATE BASE	$ 746,978
WEIGHTED COST OF DEBT	2.61%
INTEREST EXPENSE	$ 19,488

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
SAN MANUEL SYSTEM
OPERATING ADJ. #11 - SAN MANUEL PURCHASED WATER EXPENSE

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

LINE NO.	DESCRIPTION	(A) ACTUAL PER COMPANY	(B) PROFORMA PER RUCO
1	JANUARY 2002 PURCHASED WATER EXPENSE	$ 9,585	$ 12,988
2	FEBRUARY 2002 PURCHASED WATER EXPENSE	9,702	14,274
3	TOTAL SAN MANUEL PURCHASED WATER EXPENSE FOR JAN. & FEB. 2002	$ 19,287	$ 27,262
4	RUCO ADJUSTMENT		$ 7,975

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
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
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
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 MONHTLY 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
BILLING ANALYSIS

DOCKET NO. W-01445A-02-0619
SCHEDULE TJC-19

PRESENT 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	$ 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

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
SAN MANUEL SYSTEM
BILLING ANALYSIS

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

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	$ 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

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
SAN MANUEL SYSTEM
BILLING ANALYSIS

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

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	$ 1.40	$ 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

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
SAN MANUEL SYSTEM
BILLING ANALYSIS

DOCKET NO. W-01445A-02-0619
SCHEDULE TJC-19

RUCO PROPOSED CHANGES EXPRESSED AS A PERCENTAGE

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	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
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	$ 331,277	$ 499,967	$ 831,245	(a)
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		$ 13,145
REVENUE TO BE GENERATED FROM WATER SALES		$ 831,245

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

ARIZONA WATER COMPANY
SIERRA VISTA SYSTEM
DOCKET NO. W-1445A-02-0619
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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
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ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
SIERRA VISTA SYSTEM
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	$ 2,256,648
2	ADJUSTED OPERATING INCOME	31,078	145,377
3	CURRENT RATE OF RETURN (L2 / L1)	1.21%	6.44%
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	50,564
7	GROSS REVENUE CONVERSION FACTOR	1.63241	1.55060
8	GROSS REVENUE INCREASE	$ 411,593	$ 78,405
9	CURRENT REVENUES T/Y ADJUSTED	896,485	1,000,248
10	PROPOSED ANNUAL REVENUE (L8 + L9)	1,308,078	1,078,653
11	PERCENTAGE AVERAGE INCREASE	45.91%	7.84%

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
SIERRA VISTA SYSTEM
GROSS REVENUE CONVERSION FACTOR

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

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	REVENUE	1.0000	
2	UNCOLLECTIBLES	0.002316	COMPANY SCH. C-3
3	SUB-TOTAL	0.9977	LINE 1 - LINE 2
4	LESS: TAX RATE	35.28%	NOTE (a)
5	TOTAL	0.6449	LINE 3 - LINE 4
6	REVENUE CONVERSION FACTOR	1.55060	LINE 1/LINE 5

NOTE (a):
CALCULATION OF EFFECTIVE TAX RATE

OPERATING INCOME BEFORE TAXES	100.00%
ARIZONA STATE TAX	6.97%
TAXABLE INCOME FEDERAL	93.03%
FEDERAL INCOME TAX RATE	30.52%
SUBTOTAL	28.39%
ADD STATE TAX RATE	35.36%
LINE 3 ABOVE	99.77%
EFFECTIVE TAX RATE	35.28%

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
SIERRA VISTA SYSTEM
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	(1,406,900)	(39,723)	(1,446,623)
4	NET PLANT IN SERVICE	$ 4,008,748	$ 144,312	$ 4,153,060
5	CONSTRUCTION WORK IN PROGRESS (CWIP)	-	-	-
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	70,439	(52,224)	18,215
12	TOTAL RATE BASE	$ 2,574,687	$ (318,039)	$ 2,256,648

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

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

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
SIERRA VISTA SYSTEM
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) RUCO 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 (a)		15,830 (b)		17,440	(4,620)							161,940
3	ACCUMULATED DEPRECIATION	(1,406,900)	-	-	(22,283) (c)	(17,440)								(1,446,623)
4	NET PLANT IN SERVICE	$ 4,008,748	$ 155,384	$ 15,830	$ (22,283)	$ -	$ (4,620)	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,153,060
5	CONSTRUCTION WORK IN PROGRESS (CWIP)	-	-		-	-	-	-	-	-	-	-	-	-
6	TOTAL NET PLANT	$ 4,008,748	$ 155,384	$ 15,830	$ (22,283)	$ -	$ (4,620)	$ -	$ -	$ -	$ -	$ -	$ -	$ 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	70,439									(52,224)			18,215
12	TOTAL RATE BASE	$ 2,574,687	$ 155,384	$ 15,830	$ (22,283)	$ -	$ (4,620)	$ (337,114)	$ (23,963)	$ (49,050)	$ (52,224)	$ -	$ -	$ 2,256,648

ADJUSTMENT #:	REFERENCE:
1. PLANT IN SERVICE/POST-TEST YEAR ADDITIONS	SCHEDULE TJC 4, PAGE 7
2. PHOENIX OFFICE & METER SHOP ALLOCATION	SCHEDULE TJC 4, PAGE 7
3. ACCUMULATED DEPRECIATION	SCHEDULE TJC 4, PAGE 7
4. RECONCILE PHX. OFFICE & METER SHOP AND ACCUM. DEPR.	SCHEDULE TJC-5
5. REMOVE CWIP FROM PHOENIX OFFICE ALLOCATION	SCHEDULE TJC-6
6. AIAC - 2002 BALANCE	RUCO D.R. NO. 6.3

ADJUSTMENT #:	REFERENCE:
7. CIAC - 2002 BAL. & AMORTIZATION	RUCO D.R. NO 6.3, TESTIMONY - TJC
8. ACUMULATED DEFERRED INCOME TAXES	RUCO D.R. NO. 6.3
9. WORKING CAPITAL	SCHEDULE TJC-7, PAGE 3
10. NOT USED	N/A
11. NOT USED	N/A

NOTES:
(a) NET OF ACCUMULATED DEPRECIATION
(b) GROSS PHOENIX OFFFICE 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
SIERRA VISTA 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*	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	0	0	0	0	0	0	0	0	0
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	1,033	226	807	37,473	0	38,506	478	705	37,801
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	241,749	52,949	188,800	2,343	(337)	243,755	5,875	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
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	10,431	2,285	8,146	318	0	10,749	256	2,541	8,208
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	0	6,608	0	6,608	80	80	6,528
36	396.0	GENERAL PLANT: POWER EQUIPMENT	3,792	831	2,961	0	0	3,792	92	922	2,870
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	19,409	4,251	15,158	0	0	19,409	470	4,721	14,688
38	397.1	GENERAL PLANT: MOBILE RADIOS	166	36	130	373	0	539	9	45	494
39	397.2	GENERAL PLANT: AUTO CONTROLS	74,203	16,252	57,951	21,392	0	95,595	2,055	18,307	77,288
40	398.0	GENERAL PLANT: MISC.	0	0	0	0	0	0	0	0	0
41		TOTALS	$2,583,102	$563,388	$2,019,714	$158,276	($16,641)	$2,724,737	$63,962	$610,709	$2,114,028

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
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 RUCO	1992 DEPRECIATION EXPENSE PER RUCO	1992 ACCUMULATED DEPRECIATION PER RUCO	1992 YEAR END NET PLANT PER RUCO	1993 ADDITIONS PER COMPANY	1993 (RETIREMENTS) PER COMPANY	1993 YEAR END PLANT VALUE PER RUCO	1993 DEPRECIATION EXPENSE PER RUCO	1993 ACCUMULATED DEPRECIATION PER RUCO	1993 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*	0	0	40	0	0	40	671	0	711	0	0	711
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	12	0	175,680	4,251	46,978	128,702	161	0	175,841	4,552	51,530	124,311
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	313	3,461	9,480	0	0	12,941	335	3,796	9,145
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	2,105	(805)	365,273	8,824	76,833	288,440	198	0	365,471	9,463	86,296	279,175
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	11,932	289	3,191	8,741	1,383	0	13,315	327	3,518	9,797
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	0	0	0	0	0	0	0	0	0	0
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	3,426	0	41,932	973	1,678	40,254	0	0	41,932	1,086	2,764	39,168
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	72,803	0	299,462	6,366	61,495	237,967	3,856	(1,272)	302,046	7,790	68,013	234,033
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	2,639	0	1,206,818	29,173	310,030	896,788	504	0	1,207,322	31,263	341,293	866,029
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	24,478	592	6,546	17,932	3,543	0	28,021	680	7,226	20,795
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	2,189	(15)	245,929	5,925	64,397	181,532	17,295	(878)	262,346	6,582	70,101	192,245
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	2,017	(241)	115,834	2,782	28,780	87,054	7,938	(91)	123,681	3,102	31,791	91,890
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	117,352	2,840	31,383	85,969	0	0	117,352	3,039	34,422	82,930
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	3,633	88	933	2,700	0	0	3,633	94	1,028	2,605
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	19,113	463	5,111	14,002	0	0	19,113	495	5,606	13,507
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	6,447	156	1,724	4,723	0	0	6,447	167	1,891	4,556
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	8,509	206	2,276	6,233	385	0	8,894	225	2,501	6,393
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	5,989	145	1,602	4,387	0	0	5,989	155	1,757	4,232
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	10,749	260	2,801	7,948	1,029	0	11,778	292	3,093	8,685
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	6,608	160	240	6,368	0	0	6,608	171	411	6,197
36	396.0	GENERAL PLANT: POWER EQUIPMENT	163	0	3,955	94	1,016	2,939	640	0	4,595	111	1,127	3,468
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	19,409	470	5,190	14,219	0	0	19,409	503	5,693	13,716
38	397.1	GENERAL PLANT: MOBILE RADIOS	41	0	580	14	58	522	0	0	580	15	73	507
39	397.2	GENERAL PLANT: AUTO CONTROLS	2,764	0	98,359	2,347	20,654	77,705	2,011	0	100,370	2,574	23,227	77,143
40	398.0	GENERAL PLANT: MISC.	2,650	0	2,650	32	32	2,618	0	0	2,650	69	101	2,549
41		TOTALS	$90,809	($1,061)	$2,814,485	$66,762	$676,410	$2,138,075	$39,614	($2,241)	$2,851,858	$73,089	$747,259	$2,104,599

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
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 RUCO	1994 DEPRECIATION EXPENSE PER RUCO	1994 ACCUMULATED DEPRECIATION PER RUCO	1994 YEAR END NET PLANT PER RUCO	1995 ADDITIONS PER COMPANY	1995 (RETIREMENTS) PER COMPANY	1995 YEAR END PLANT VALUE PER RUCO	1995 DEPRECIATION EXPENSE PER RUCO	1995 ACCUMULATED DEPRECIATION PER RUCO	1995 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*	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	314.0	SOURCE OF SUPPLY: WELLS	288	0	176,129	4,558	56,088	120,041	0	0	176,129	4,562	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	10,206	96,009	306,220
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	13,315	345	3,863	9,452	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	0	0	0	0	0	0	0	0	0	0
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	983	(854)	42,061	1,088	2,998	39,063	0	0	42,061	1,089	4,087	37,974
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	0	0	0	0	0	0	0	0	0	0
18	342.0	TRANSMISSION & DISTRIBUTION: STORAGE TANKS	4,808	(120)	308,734	7,884	75,777	230,957	5,441	0	312,175	8,015	83,791	228,384
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	1,447	0	1,208,769	31,288	372,581	836,188	6,619	0	1,215,388	31,393	403,974	811,414
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	28,021	726	7,952	20,069	0	0	28,021	726	8,677	19,344
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	8,285	(161)	270,470	6,900	76,840	193,630	6,122	(176)	276,416	7,082	83,746	192,670
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	511	0	124,192	3,210	35,001	89,191	498	(2,815)	121,875	3,187	35,373	86,502
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	117,352	3,039	37,462	79,890	2,083	0	119,435	3,066	40,528	78,907
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	3,633	94	1,122	2,511	82	(3,633)	82	48	(2,463)	2,545
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	19,113	495	6,101	13,012	0	0	19,113	495	6,596	12,517
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	6,447	167	2,058	4,389	0	0	6,447	167	2,225	4,222
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	1,605	0	10,499	251	2,752	7,747	26,941	0	37,440	621	3,373	34,067
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	5,989	155	1,912	4,077	104	0	6,093	156	2,068	4,025
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	892	0	12,670	317	3,409	9,261	1,019	0	13,689	341	3,751	9,938
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	6,608	171	582	6,026	0	0	6,608	171	753	5,855
36	396.0	GENERAL PLANT: POWER EQUIPMENT	1,738	0	6,331	141	1,268	5,063	0	0	6,331	164	1,432	4,899
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	19,409	503	6,196	13,213	0	0	19,409	503	6,699	12,710
38	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	580	15	88	492	133	0	713	17	105	608
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	100,370	2,600	25,827	74,543	3,274	0	103,644	2,642	28,469	75,175
40	398.0	GENERAL PLANT: MISC.	0	0	2,650	69	169	(101)	0	0	2,650	69	238	2,412
41		TOTALS	$42,855	($2,825)	$2,891,888	$74,081	$818,514	$2,070,792	$77,848	($15,158)	$2,954,578	$75,400	$878,758	$2,075,822

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
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	1996 ADDITIONS PER COMPANY	1996 (RETIREMENTS) PER COMPANY	1996 YEAR END PLANT VALUE PER RUCO	1996 DEPRECIATION EXPENSE PER RUCO	1996 ACCUMULATED DEPRECIATION PER RUCO	1996 YEAR END NET PLANT PER RUCO	1997 ADDITIONS PER COMPANY	1997 (RETIREMENTS) PER COMPANY	1997 YEAR END PLANT VALUE PER RUCO	1997 DEPRECIATION EXPENSE PER RUCO	1997 ACCUMULATED DEPRECIATION PER RUCO	1997 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*	211	0	1,772	0	0	1,772	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	4,562	85,212	110,917	0	(8,056)	168,073	4,457	81,613	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	12,941	335	4,801	8,140	531	(149)	13,323	340	4,993	8,330
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	3,207	(854)	404,582	10,448	105,603	298,979	28,294	(22)	432,854	10,845	116,426	316,428
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	13,315	345	4,552	8,763	0	0	13,315	345	4,897	8,418
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	0	0	0	0	0	0	0	0	0	0
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	42,061	1,089	5,176	36,885	153	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	220,298	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	2,937	0	30,958	764	9,441	21,517	0	0	30,958	802	10,243	20,715
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	59,344	(1,380)	334,400	7,910	90,296	244,104	34,042	(3,461)	364,981	9,057	95,892	269,089
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	(186)	121,689	3,154	38,341	83,348	2,670	(394)	123,965	3,181	41,128	82,837
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	17,351	0	136,786	3,318	43,846	92,940	0	0	136,788	3,543	47,389	89,397
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	82	2	(2,461)	2,543	0	(82)	0	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: OFFICE EQUIPMENT	0	0	6,447	187	2,392	4,055	0	0	6,447	167	2,559	3,888
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	462	(5,095)	32,807	910	(812)	33,619	1,312	0	34,119	867	54	34,065
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	6,093	158	2,226	3,867	0	0	6,093	158	2,384	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	355	4,106	9,619	0	0	13,725	355	4,461	9,264
35	395.0	GENERAL PLANT: LAB EQUIPMENT	36	0	6,608	171	924	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	4,735	0	(1,507)	4,824	144	234	4,590
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	19,409	503	7,201	12,208	0	0	19,409	503	7,704	11,705
38	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	13,410	183	288	13,122	74	0	13,484	348	636	12,848
39	397.2	GENERAL PLANT: AUTO CONTROLS	12,697	0	103,644	2,684	31,153	72,491	334	0	103,978	2,689	33,842	70,136
40	398.0	GENERAL PLANT: MISC.	0	0	7,609	139	371	(238)	0	0	7,609	197	568	7,041
41		TOTALS	4,959	0	$3,400,136	$81,970	$953,232	$2,439,428	$67,807	($14,091)	$3,453,852	$88,432	$1,027,573	$2,426,279
			$453,053	($7,495)										

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
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 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*	76	0	1,921	0	0	1,921	869	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	8,932	0	0	8,932	0	0	8,932
7	314.0	SOURCE OF SUPPLY: WELLS	496,833	0	664,906	10,787	72,400	592,506	101	0	665,007	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	13,323	345	5,338	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	0	0	0	0	0	0	84	0	84	1	1	83
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	72,011	0	114,225	2,026	8,294	105,931	3,409	0	117,634	3,003	11,296	106,338
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	108,047	204,128	16,320	0	328,495	8,297	116,344	212,151
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	81,984	0	1,649,125	41,651	521,830	1,127,295	12,960	0	1,662,085	42,880	564,710	1,097,375
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	30,958	802	11,045	19,913	0	0	30,958	802	11,847	19,111
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	5,507	(46)	370,442	9,524	105,370	265,072	18,838	(376)	388,904	9,834	114,828	274,076
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	1,381	(1,103)	124,243	3,214	43,239	81,004	2,390	(136)	126,497	3,247	46,350	80,147
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	2,398	0	139,184	3,574	50,963	88,221	7,700	0	146,884	3,705	54,667	92,217
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*	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	0	0	0	0	(2,542)	2,542	0	0	0	0	(2,542)	2,542
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	1,629	0	20,742	516	8,103	12,639	0	0	20,742	537	8,640	12,102
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0	2,483	0	2,483	32	32	2,451
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	6,447	167	2,726	3,721	0	0	6,447	167	2,893	3,554
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	34,119	884	938	33,181	12,292	(800)	45,611	1,033	1,170	44,441
32	391.2	GENERAL PLANT: OFFICE FURNITURE	4,356	0	10,449	214	2,598	7,851	0	0	10,449	271	2,869	7,580
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	85	0	13,810	357	4,818	8,992	215	0	14,025	360	5,178	8,847
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	6,608	171	1,267	5,341	0	0	6,608	171	1,438	5,170
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	4,824	125	359	4,465	0	0	4,824	125	484	4,340
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	19,409	503	8,207	11,202	0	(1,695)	17,714	481	6,992	10,722
38	397.1	GENERAL PLANT: MOBILE RADIOS	1,272	0	14,756	366	1,002	13,754	0	0	14,756	382	1,384	13,372
39	397.2	GENERAL PLANT: AUTO CONTROLS	22,021	0	125,999	2,978	36,820	89,179	21,466	0	147,465	3,541	40,361	107,104
40	398.0	GENERAL PLANT: MISC.	0	0	7,609	197	765	(568)	0	0	7,609	197	962	6,647
41		TOTALS	$725,931	($17,955)	$4,161,828	$98,293	$1,107,911	$3,046,505	$155,223	($3,007)	$4,314,044	$109,420	$1,214,324	$3,099,720

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
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 RUCO	2000 DEPRECIATION EXPENSE PER RUCO	2000 ACCUMULATED DEPRECIATION PER RUCO	2000 YEAR END NET PLANT PER RUCO	2001 ADDITIONS PER COMPANY	2001 (RETIREMENTS) PER COMPANY	2001 YEAR END PLANT VALUE PER RUCO	2001 DEPRECIATION EXPENSE PER RUCO	2001 ACCUMULATED DEPRECIATION PER RUCO	2001 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*	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: WELLS	0	0	665,007	17,224	106,846	558,161	204	0	665,211	17,226	124,073	541,138
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	13,384	347	6,030	7,354	0	0	13,384	347	6,377	7,007
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	122,254	(7,455)	623,194	14,654	130,725	492,469	3,110	(228)	626,076	16,178	146,675	479,401
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	666	0	13,981	353	5,941	8,040	1,215	(21)	15,175	378	6,297	8,878
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	14,728	0	14,812	193	194	14,618	0	0	14,812	384	578	14,234
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	21,721	(22,014)	117,341	3,043	(7,675)	125,016	0	0	117,341	3,039	(4,636)	121,977
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	28,669	0	357,164	8,879	125,223	231,941	23,461	0	380,625	9,554	134,778	245,847
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	349,360	0	2,011,445	47,572	612,282	1,399,163	24,669	(1,159)	2,034,955	52,401	663,524	1,371,431
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	15,782	0	46,740	1,006	12,853	33,887	0	0	46,740	1,211	14,063	32,677
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	92,591	(4,967)	476,528	11,207	121,068	355,460	83,064	(37,474)	522,118	12,932	96,526	425,592
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	14,482	(50)	140,929	3,463	49,764	91,165	2,199	(25)	143,103	3,678	53,417	89,686
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	41,012	0	187,896	4,335	59,003	128,893	3,447	0	191,343	4,911	63,914	127,429
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	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	0	0	0	0	(2,542)	2,542	0	0	0	0	(2,542)	2,542
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	20,742	537	9,177	11,565	0	0	20,742	537	9,714	11,028
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	2,483	64	96	2,387	0	0	2,483	64	161	2,322
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	0	0	6,447	167	3,060	3,387	0	0	6,447	167	3,227	3,220
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	75	0	45,686	1,182	2,353	43,333	425	0	46,111	1,189	3,541	42,570
32	391.2	GENERAL PLANT: OFFICE FURNITURE	0	0	10,449	271	3,139	7,310	428	0	10,877	276	3,416	7,461
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	4,325	(78)	18,272	418	5,519	12,753	2,910	0	21,182	511	6,029	15,153
35	395.0	GENERAL PLANT: LAB EQUIPMENT	539	0	7,147	178	1,616	5,531	0	0	7,147	185	1,801	5,346
36	396.0	GENERAL PLANT: POWER EQUIPMENT	766	0	5,590	135	618	4,972	0	0	5,590	145	763	4,827
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	17,714	459	7,451	10,263	0	(13,733)	3,981	281	(6,001)	9,982
38	397.1	GENERAL PLANT: MOBILE RADIOS	554	0	15,310	389	1,774	13,536	6,528	0	21,838	481	2,255	19,583
39	397.2	GENERAL PLANT: AUTO CONTROLS	13,421	0	160,886	3,993	44,355	116,531	21,679	0	182,565	4,448	48,802	133,763
40	398.0	GENERAL PLANT: MISC.	0	0	7,609	197	1,159	(962)	0	0	7,609	197	1,356	6,253
41		TOTALS	$721,488	($34,564)	$5,000,968	$120,268	$1,300,028	$3,693,528	$173,477	($52,640)	$5,121,805	$130,720	$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
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	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	0	0	13,384	347	6,723	6,661
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	19,532	(16,139)	629,469	16,259	146,795	482,674
11	328.0	PUMPING PLANT: GAS ENGINE EQUIPMENT	0	0	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	55,448	718,978	1,527,772
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	5,844	0	52,584	1,286	15,350	37,234
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	118,407	(18,295)	622,230	14,819	93,051	529,179
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	14,385	(592)	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	(1,065)	21,121
31	391.1	GENERAL PLANT: ELECTRICAL EQUIPMENT	0	0	46,111	1,194	4,736	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
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	2,890	0	24,072	586	6,615	17,456
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	7,147	185	1,986	5,161
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	5,590	145	908	4,682
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	190	0	4,171	106	(5,895)	10,066
38	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	21,838	566	2,820	19,018
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	182,565	4,728	53,531	129,034
40	398.0	GENERAL PLANT: MISC.	37	0	7,646	198	1,554	(1,356)
41		TOTALS	$417,245	($85,477)	$5,453,573	$136,551	$1,429,183	$4,016,942
42								
43		BALANCES PER COMPANY			$ 5,282,359		$ 1,406,900	
44								
45		BALANCES PER RUCO			$ 5,453,573		$ 1,429,183	
46								
47		LESS: POST-TEST YEAR ALLOCATED PHOENIX OFFICE & METER SHOP ADDITIONS**			$ 15,830			
48								
49		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

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
SIERRA VISTA SYSTEM
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	0.0365
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)

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

DOCKET NO. W-1445A-02-0619
SCHEDULE TJC-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	0.0365	0.0365	COMPANY SCHEDULE B-1 PAGE 1
5	ALLOCATED PHOENIX OFFICE PLANT	$ 130,569	$ 125,949	COMPANY SCHEDULE B-1 PAGE 1
6	RUCO ADJUSTMENT		$ (4,620)	LINE 5 COLUMN (B) - LINE 5 COLUMN (A)

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 1999
SIERRA VISTA SYSTEM
RATE BASE ADJUSTMENT #9 - WORKING CAPITAL

DOCKET NO. W-1445A-00-0962
SCHEDULE TJC-7

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	(19,245)	SCH. TJC-7, PG. 3
3	DECREASE IN CASH WORKING CAPITAL	(43,438)	LINE 2 - LINE 1
4	MATERIALS & SUPPLIES PER COMPANY	17,633	COMPANY SCH. B-5, PG. 1
5	MATERIALS & SUPPLIES PER RUCO	16,542	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	7,667	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	13,251	DATA REQUEST RUCO 6.4 c)
12	REQUIRED BANK BALANCE ADJUSTMENT	(4,940)	LINE 11 - LINE 10
13	TOTAL WORKING CAPITAL ADJUSTMENT	(52,224)	LINES 3, 6, 9 & 12

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

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	(53,394)	75,155	61.95	4,656,193
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
17	PENSION EXPENSE	20,005	(6,624)	13,381	34.72	464,588
18	TOTAL	$ 1,067,390	$ (179,307)	$ 882,711 *	30.00	$ 26,479,296

NOTE
N/A = NON CASH CHARGES EXCLUDED FROM WORKING CAPITAL CALCULATION
* 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
RATE BASE ADJUSTMENT #9 - WORKING CAPITAL
CALCULATION OF CASH WORKING CAPITAL

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

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	AVERAGE EXPENSE LAG	30.00	SCH. TJC-6, PG. 2
2	AVERAGE REVENUE COLLECTION LAG	22.04	CO. SCH. B-5, PG. 2
3	EXCESS EXPENSE OVER REVENUE LAG	-7.96	LINE 2 - LINE 1
4	TOTAL EXPENSES	$ 882,711	SCH. TJC-6, PG. 2
5	CASH WORKING CAPITAL REQUIREMENT	(19,245)	(LINE 3 X LINE 4)/365 DAYS
6	PER COMPANY	$ 24,193	CO. SCH. B-5, PG. 2
7	INCREASE (DECREASE) IN WORKING CAPITAL	$ (43,438)	LINE 5 - LINE 6

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

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

LINE NO.	(A) PAYMENT DATE	(B) SERVICE PERIOD MIDPOINT	(C) (LEAD)/LAG DAYS	(D) PAYMENT AMOUNT	(E) DOLLAR DAYS
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	(240,000)	(61,680,000)
6	TOTALS			$ 1,663,000	103,030,000
7	INCOME TAX LAG		61.95		

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
SIERRA VISTA SYSTEM
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
	REVENUES - WATER:					
1	REVENUE FROM WATER SALES	$ 896,485	$ 103,763	$ 1,000,248	$ 78,405	$ 1,078,653
2	OTHER REVENUES	-	-	-		-
3	TOTAL OPERATING REVENUES	$ 896,485	$ 103,763	$ 1,000,248	$ 78,405	$ 1,078,653
	OPERATING EXPENSES:					
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
15	INCOME TAXES	3,802	43,513	47,315	27,841	75,155
16	TOTAL OPERATING EXPENSES	$ 865,408	$ (10,537)	$ 854,871	$ 27,841	$ 882,711
17	NET INCOME	$ 31,078	$ 114,299	$ 145,377	$ 50,564	$ 195,941

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)

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
SIERRA VISTA SYSTEM
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
	REVENUES - WATER:													
1	REVENUE FROM WATER SALES	$ 896,485	$ 170,735	$ (80,024)		$ (1,345)	$ 15,070		$ (673)					$ 1,000,248
2	OTHER REVENUES	-												-
3	TOTAL OPERATING REVENUES	$ 896,485	$ 170,735	$ (80,024)	$ -	$ (1,345)	$ 15,070	$ -	$ (673)	$ -	$ -	$ -	$ -	$ 1,000,248
2	OPERATING EXPENSES: 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
15	INCOME TAXES	3,802										43,513		47,315
16	TOTAL OPERATING EXPENSES	$ 865,408	$ 40,321	$ (80,024)	$ -	$ 578	$ 5,347	$ 6,839	$ -	$ (17,008)	$ (10,102)	$ 43,513	$ -	$ 854,871
17	NET INCOME	$ 31,078	$ 130,415	$ -	$ -	$ (1,923)	$ 9,722	$ (6,839)	$ (673)	$ 17,008	$ 10,102	$ (43,513)	$ -	$ 145,377

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 TJC

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

REFERENCE:
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
OPERATING ADJ. #1 - RECONCILE COMPANY
PROPOSED OPERATING INCOME TO 2002 ACTUAL

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

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) 2002 ACTUAL	(C) DIFFERENCE	(D) RUCO ADJUSTMENT
	REVENUES - WATER:				
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
	OPERATING EXPENSES:				
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)
16	OTHER TAXES	15,946	89,614	15,946	73,668
17	INCOME TAXES	3,802	52,326	3,802	- (a)
18	TOTAL OPERATING EXPENSES	$ 865,408	$ 922,583	$ 865,408	$ 40,321
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
OPERATING ADJ. #1 - RECONCILE COMPANY
PROPOSED OPERATING INCOME TO 2002 ACTUAL

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

LINE NO.	DESCRIPTION	(A) TEST YEAR ACTUAL	(B) 2002 ACTUAL	(C) DIFFERENCE
	REVENUES - WATER:			
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
	OPERATING EXPENSES:			
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)

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

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	436,629	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	5,814,627											
13	PUMPING COST PER GALLON	0.000549											
14	INCREASE IN PUMPING COST	3,192											
15	WATER TREATMENT COSTS PER GALLON	0.000063											
16	INCREASE IN WATER TREATMENT COSTS	366											
17	TOTAL INCREASE IN BILLS	405											
18	MONTHLY ACCOUNTING COST PER BILL	4.42											
19	INCREASE IN ACCOUNTING COST	1,789											

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
SIERRA VISTA SYSTEM
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
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

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
SIERRA VISTA SYSTEM
OPERATING ADJ. #10 - INCOME TAXES

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

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
	FEDERAL INCOME TAXES:		
1	OPERATING INCOME BEFORE INCOME TAXES	$ 192,692	SCH. TJC-9
	LESS:		
2	ARIZONA STATE TAX	9,324	LINE 11
3	INTEREST EXPENSE	58,875	NOTE (a)
4	FEDERAL TAXABLE INCOME	124,492	LINE 1 - LINES 2 & 3
5	FEDERAL INCOME TAX RATE	30.52%	TAX RATE
6	FEDERAL INCOME TAX EXPENSE	37,990	LINE 4 X LINE 5
	STATE INCOME TAXES:		
7	OPERATING INCOME BEFORE INCOME TAXES	192,692	LINE 1
	LESS:		
8	INTEREST EXPENSE	58,875	NOTE (A)
9	STATE TAXABLE INCOME	133,817	LINE 7 - LINE 8
10	STATE TAX RATE	6.968%	TAX RATE
11	STATE INCOME TAX EXPENSE	9,324	LINE 9 X LINE 10
12	TOTAL INCOME TAXES	47,315	LINE 6 + LINE 11
13	INCOME TAXES PER COMPANY	3,802	COMPANY SCH. C-1, PG. 2
14	ADJUSTMENT	$ 43,513	LINE 12 - LINE 13

NOTE (a):
INTEREST SYCHRONIZATION

ADJUSTED RATE BASE	$ 2,256,648
WEIGHTED COST OF DEBT	2.61%
INTEREST EXPENSE	$ 58,875

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
SIERRA VISTA SYSTEM
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
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
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	$ 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	388.70
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	**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):**	$0.15950	$ 0.21130	$ 0.17140
18				
19	**COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM):**	$1.59500	$ 2.11300	$ 1.71400

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
SIERRA VISTA SYSTEM
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%	388.70	181.54	87.63%
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 MONHTLY 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
BILLING ANALYSIS

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

PRESENT 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	$ 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

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
SIERRA VISTA SYSTEM
BILLING ANALYSIS

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

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	$ 13.67	$ 32.32	$ 93.23	$ 176.20	$ 388.70	$ 335.00	$ 912.50	$ 1,368.75
2	1,000	15.38	34.03	94.94	177.91	390.41	336.77	914.63	1,370.88
3	2,000	17.10	35.75	96.66	179.63	392.13	338.53	916.76	1,373.01
4	3,000	18.81	37.46	98.37	181.34	393.84	340.30	918.89	1,375.14
5	4,000	20.53	39.18	100.09	183.06	395.56	342.07	921.02	1,377.27
6	5,000	22.24	40.89	101.80	184.77	397.27	343.84	923.16	1,379.41
7	6,000	23.95	42.60	103.51	186.48	398.98	345.60	925.29	1,381.54
8	7,000	25.67	44.32	105.23	188.20	400.70	347.37	927.42	1,383.67
9	8,000	27.38	46.03	106.94	189.91	402.41	349.14	929.55	1,385.80
10	9,000	29.10	47.75	108.66	191.63	404.13	350.90	931.68	1,387.93
11	10,000	30.81	49.46	110.37	193.34	405.84	352.67	933.81	1,390.06
12	15,000	39.38	58.03	118.94	201.91	414.41	361.51	944.47	1,400.72
13	20,000	47.95	66.60	127.51	210.48	422.98	370.34	955.12	1,411.37
14	25,000	56.52	75.17	136.08	219.05	431.55	379.18	965.78	1,422.03
15	50,000	99.37	118.02	178.93	261.90	474.40	423.35	1,019.05	1,475.30
16	75,000	142.22	160.87	221.78	304.75	517.25	467.53	1,072.33	1,528.58
17	100,000	185.07	203.72	264.63	347.60	560.10	511.70	1,125.60	1,581.85
18	125,000	227.92	246.57	307.48	390.45	602.95	555.88	1,178.88	1,635.13
19	150,000	270.77	289.42	350.33	433.30	645.80	600.05	1,232.15	1,688.40
20	175,000	313.62	332.27	393.18	476.15	688.65	644.23	1,285.43	1,741.68
21	200,000	356.47	375.12	436.03	519.00	731.50	688.40	1,338.70	1,794.95
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	$ 1,021.02	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

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
SIERRA VISTA SYSTEM
BILLING ANALYSIS

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

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	$ 1.24	$ 7.46	$ 31.08	$ 72.62	$ 181.54	$ (27.53)	$ 549.97	$ 695.48
2	1,000	2.95	9.17	32.79	74.33	183.25	(25.76)	552.10	697.61
3	2,000	3.07	9.29	32.91	74.45	183.37	(25.59)	552.64	698.15
4	3,000	3.19	9.41	33.03	74.57	183.49	(25.42)	553.17	698.68
5	4,000	3.31	9.53	33.15	74.69	183.61	(25.25)	553.71	699.22
6	5,000	3.43	9.65	33.27	74.81	183.73	(25.08)	554.25	699.76
7	6,000	3.55	9.77	33.39	74.93	183.85	(24.90)	554.78	700.29
8	7,000	3.67	9.89	33.51	75.05	183.97	(24.73)	555.32	700.83
9	8,000	3.79	10.01	33.63	75.17	184.09	(24.56)	555.85	701.36
10	9,000	3.91	10.13	33.75	75.29	184.21	(24.39)	556.39	701.90
11	10,000	4.03	10.25	33.87	75.41	184.33	(24.22)	556.93	702.44
12	15,000	4.62	10.84	34.46	76.00	184.92	(23.36)	559.61	705.12
13	20,000	5.22	11.44	35.06	76.60	185.52	(22.50)	562.29	707.80
14	25,000	5.81	12.03	35.65	77.19	186.11	(21.63)	564.97	710.48
15	50,000	8.79	15.01	38.63	80.17	189.09	(17.33)	578.37	723.88
16	75,000	11.76	17.98	41.60	83.14	192.06	(13.04)	591.77	737.28
17	100,000	14.74	20.96	44.58	86.12	195.04	(8.73)	605.17	750.68
18	125,000	17.71	23.93	47.55	89.09	198.01	(4.43)	618.57	764.08
19	150,000	20.69	26.91	50.53	92.07	200.99	(0.13)	631.97	777.48
20	175,000	23.66	29.88	53.50	95.04	203.96	4.16	645.37	790.88
21	200,000	26.64	32.86	56.48	98.02	206.94	8.47	658.77	804.28
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	$ 227.04	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

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
SIERRA VISTA SYSTEM
BILLING ANALYSIS

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

RUCO PROPOSED CHANGES EXPRESSED AS A PERCENTAGE

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	10.0%	30.0%	50.0%	70.1%	87.6%	-7.6%	151.7%	103.3%
2	1,000	23.8%	36.9%	52.8%	71.8%	88.5%	-7.1%	152.3%	103.6%
3	2,000	21.9%	35.1%	51.6%	70.8%	87.8%	-7.0%	151.8%	103.4%
4	3,000	20.4%	33.6%	50.6%	69.8%	87.2%	-7.0%	151.3%	103.3%
5	4,000	19.2%	32.2%	49.5%	68.9%	86.6%	-6.9%	150.7%	103.1%
6	5,000	18.2%	30.9%	48.5%	68.0%	86.0%	-6.8%	150.2%	103.0%
7	6,000	17.4%	29.8%	47.6%	67.2%	85.5%	-6.7%	149.7%	102.8%
8	7,000	16.7%	28.7%	46.7%	66.3%	84.9%	-6.6%	149.2%	102.6%
9	8,000	16.1%	27.8%	45.9%	65.5%	84.3%	-6.6%	148.7%	102.5%
10	9,000	15.5%	26.9%	45.0%	64.7%	83.8%	-6.5%	148.3%	102.3%
11	10,000	15.0%	26.1%	44.3%	63.9%	83.2%	-6.4%	147.8%	102.2%
12	15,000	13.3%	23.0%	40.8%	60.4%	80.6%	-6.1%	145.4%	101.4%
13	20,000	12.2%	20.7%	37.9%	57.2%	78.1%	-5.7%	143.1%	100.6%
14	25,000	11.5%	19.1%	35.5%	54.4%	75.8%	-5.4%	141.0%	99.8%
15	50,000	9.7%	14.6%	27.5%	44.1%	66.3%	-3.9%	131.2%	96.3%
16	75,000	9.0%	12.6%	23.1%	37.5%	59.1%	-2.7%	123.1%	93.2%
17	100,000	8.7%	11.5%	20.3%	32.9%	53.4%	-1.7%	116.3%	90.3%
18	125,000	8.4%	10.7%	18.3%	29.6%	48.9%	-0.8%	110.4%	87.7%
19	150,000	8.3%	10.2%	16.9%	27.0%	45.2%	0.0%	105.3%	85.4%
20	175,000	8.2%	9.9%	15.8%	24.9%	42.1%	0.7%	100.8%	83.2%
21	200,000	8.1%	9.6%	14.9%	23.3%	39.4%	1.2%	96.9%	81.2%
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%	28.6%	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
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	4,664	7,588	12,252	
6	6 - INCH	0	0	0	
7	8 - INCH	0	0	0	
13	10 - INCH	0	0	0	
14					
15	TOTALS	$ 439,298	$ 601,530	$ 1,040,828	(a)
16					
17	PERCENTAGE OF TOTAL REVENUE	42.00%	58.00%	100.00%	

NOTE (a):

RUCO REQUIRED REVENUE		$ 1,078,653
LESS:		
FIRE SPRINKLER REVENUE	$ 1,057	
FIRE HYDRANT REVENUE	-	
MISCELLANEOUS REVENUE	29,982	
RENT - WATER PROPERTY REVENUE	-	
OTHER WATER REVENUE	6,786	
TOTAL		$ 37,825
REVENUE TO BE GENERATED FROM WATER SALES		$ 1,040,828

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

ARIZONA WATER COMPANY
WINKELMAN SYSTEM
DOCKET NO. W-1445A-02-0619
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ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
WINKELMAN SYSTEM
REVENUE REQUIREMENTS

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

LINE NO.	DESCRIPTION	(A) COMPANY REQUESTED	(B) RUCO RECOMMENDED
1	ADJUSTED RATE BASE	$ 265,899	$ 252,070
2	ADJUSTED OPERATING INCOME	9,437	7,934
3	CURRENT RATE OF RETURN (L2 / L1)	3.55%	3.15%
4	REQUIRED RATE OF RETURN	11.00%	8.68%
5	REQUIRED OPERATING INCOME (L4 * L1)	29,249	21,887
6	OPERATING INCOME DEFICIENCY (L5 - L2)	19,812	13,953
7	GROSS REVENUE CONVERSION FACTOR	1.63241	1.26755
8	GROSS REVENUE INCREASE	$ 32,341	$ 17,686
9	CURRENT REVENUES T/Y ADJUSTED	98,022	90,067
10	PROPOSED ANNUAL REVENUE (L8 + L9)	130,363	107,753
11	PERCENTAGE AVERAGE INCREASE	32.99%	19.64%

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
GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	REVENUE	1.0000	
2	UNCOLLECTIBLES	0.002316	COMPANY SCH. C-3
3	SUB-TOTAL	0.9977	LINE 1 - LINE 2
4	LESS: TAX RATE	20.88%	NOTE (a)
5	TOTAL	0.7889	LINE 3 - LINE 4
6	REVENUE CONVERSION FACTOR	1.26755	LINE 1/LINE 5

NOTE (a):
CALCULATION OF EFFECTIVE TAX RATE

OPERATING INCOME BEFORE TAXES	100.00%
ARIZONA STATE TAX	6.97%
TAXABLE INCOME FEDERAL	93.03%
FEDERAL INCOME TAX RATE	15.00%
SUBTOTAL	13.95%
ADD STATE TAX RATE	20.92%
LINE 3 ABOVE	99.77%
EFFECTIVE TAX RATE	20.88%

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
WINKELMAN SYSTEM
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	(119,405)	5,186	(114,219)
4	NET PLANT IN SERVICE	$ 320,337	$ 340	$ 320,676
5	CONSTRUCTION WORK IN PROGRESS (CWIP)	-	-	-
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	2,906	(7,979)	(5,073)
12	TOTAL RATE BASE	$ 265,899	$ (13,829)	$ 252,070

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
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	$ 428,421	$ (7,508)											$ 420,913
2	PHOENIX OFFICE & METER SHOP ALLOCATION	11,320 (a)		1,573 (b)		1,482	(392)							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)	-												-
6	TOTAL NET PLANT	$ 320,337	$ (7,508)	$ 1,573	$ 6,668	$ -	$ (392)	$ -	$ -	$ -	$ -	$ -	$ -	$ 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	2,906									(7,979)			(5,073)
12	TOTAL RATE BASE	$ 265,899	$ (7,508)	$ 1,573	$ 6,668	$ -	$ (392)	$ 162	$ 48	$ (6,399)	$ (7,979)	$ -	$ -	$ 252,070

ADJUSTMENT #:	REFERENCE:
1. PLANT IN SERVICE/POST-TEST YEAR ADDITIONS	SCHEDULE TJC 4, PAGE 7
2. PHOENIX OFFICE & METER SHOP ALLOCATION	SCHEDULE TJC 4, PAGE 7
3. ACCUMULATED DEPRECIATION	SCHEDULE TJC 4, PAGE 7
4. RECONCILE PHX. OFFICE & METER SHOP AND ACCUM. DEPR.	SCHEDULE TJC-5
5. REMOVE CWIP FROM PHOENIX OFFICE ALLOCATION	SCHEDULE TJC-6
6. AIAC - 2002 BALANCE	RUCO D.R. NO. 6.3

ADJUSTMENT #:	REFERENCE:
7. CIAC - 2002 BAL. & AMORTIZATION	RUCO D.R. NO 6.3, TESTIMONY - TJC
8. ACUMULATED DEFERRED INCOME TAXES	RUCO D.R. NO. 6.3
9. WORKING CAPITAL	SCHEDULE TJC-7, PAGE 3
10. NOT USED	N/A
11. NOT USED	N/A

NOTES:
(a) NET OF ACCUMULATED DEPRECIATION
(b) GROSS PHOENIX OFFFICE 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
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*	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*	0	0	0	0	0	0	0	0	0
6	310.3	SOURCE OF SUPPLY: LAND - WELLS*	422	0	422	0	0	422	0	0	422
7	314.0	SOURCE OF SUPPLY: WELLS	43,348	17,326	26,022	0	0	43,348	1,049	18,375	24,973
8	320.0	PUMPING PLANT: LAND*	0	0	0	0	0	0	0	0	0
9	321.0	PUMPING PLANT: STRUCTURES & IMPROVEMENTS	6,073	2,427	3,646	0	0	6,073	147	2,574	3,499
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	49,409	19,749	29,660	15,421	(8,468)	56,362	1,280	12,561	43,801
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	2,053	821	1,232	0	0	2,053	50	870	1,183
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	6,448	2,577	3,871	0	0	6,448	156	2,733	3,715
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	15,039	6,011	9,028	0	0	15,039	364	6,375	8,664
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	119,865	47,910	71,955	176	0	120,041	2,903	50,813	69,228
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0	0	0	0
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	51,589	20,620	30,969	2,453	(79)	53,963	1,277	21,818	32,145
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	17,541	7,011	10,530	4,260	(717)	21,084	467	6,762	14,322
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	20,092	8,031	12,061	0	0	20,092	486	8,517	11,575
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	127	51	76	0	0	127	3	54	73
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	0	0	0	0	0	0	0	0	0
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	1,295	518	777	0	0	1,295	31	549	746
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	0	0	0	0	0	0	0
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	0	0	0	0	0	0	0
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	873	349	524	0	0	873	21	370	503
38	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	0	0	0	0	0	0	0
39	397.2	GENERAL PLANT: AUTO CONTROLS	7,841	3,134	4,707	272	0	8,113	193	3,327	4,786
40	398.0	GENERAL PLANT: MISC.	0	0	0	0	0	0	0	0	0
41		TOTALS	$344,087	$136,535	$207,552	$22,582	($9,264)	$357,405	$8,428	$135,699	$221,706

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

NOTE:
* NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
WINKELMAN 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 RUCO	1992 DEPRECIATION EXPENSE PER RUCO	1992 ACCUMULATED DEPRECIATION PER RUCO	1992 YEAR END NET PLANT PER RUCO	1993 ADDITIONS PER COMPANY	1993 (RETIREMENTS) PER COMPANY	1993 YEAR END PLANT VALUE PER RUCO	1993 DEPRECIATION EXPENSE PER RUCO	1993 ACCUMULATED DEPRECIATION PER RUCO	1993 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	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*	0	0	0	0	0	0	101	0	101	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	422	0	0	422
7	314.0	SOURCE OF SUPPLY: WELLS	0	0	43,348	1,049	19,424	23,924	3,826	0	47,174	1,172	20,597	26,577
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	147	2,721	3,352	0	0	6,073	157	2,879	3,194
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	7,195	0	63,557	1,451	14,012	49,545	333	(699)	63,191	1,641	14,954	48,237
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	2,053	50	920	1,133	0	0	2,053	53	973	1,080
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	6,448	156	2,889	3,559	1,847	0	8,295	191	3,080	5,215
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	15,039	364	6,739	8,300	0	0	15,039	390	7,128	7,911
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	617	(66)	120,592	2,912	53,659	66,933	13,390	(49,678)	84,304	2,653	6,634	77,670
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	1,112	(164)	54,911	1,317	22,972	31,939	2,906	(8,421)	49,396	1,351	15,901	33,495
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	1,222	(1,416)	20,890	508	5,853	15,037	40	(395)	20,535	536	5,995	14,540
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	20,092	486	9,003	11,089	0	(4,852)	15,240	458	4,609	10,631
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	127	3	57	70	0	0	127	3	60	67
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	580	715	0	0	1,295	34	614	681
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	0	0	0	0	0	0	0	0	0	0
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	873	21	391	482	0	0	873	23	414	459
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	0	0	8,113	196	3,523	4,590	0	0	8,113	210	3,734	4,379
40	398.0	GENERAL PLANT: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
41		TOTALS	$10,146	($1,646)	$365,905	$8,692	$142,744	$223,161	$22,443	($64,045)	$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
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 RUCO	1994 DEPRECIATION EXPENSE PER RUCO	1994 ACCUMULATED DEPRECIATION PER RUCO	1994 YEAR END NET PLANT PER RUCO	1995 ADDITIONS PER COMPANY	1995 (RETIREMENTS) PER COMPANY	1995 YEAR END PLANT VALUE PER RUCO	1995 DEPRECIATION EXPENSE PER RUCO	1995 ACCUMULATED DEPRECIATION PER RUCO	1995 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	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*	27	0	128	0	0	128	97	0	225	0	0	225
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	334	0	47,508	1,226	21,823	25,685	0	0	47,508	1,230	23,053	24,455
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	3,036	3,037	0	0	6,073	157	3,193	2,880
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	208	0	63,399	1,639	16,593	46,806	0	0	63,399	1,642	18,235	45,164
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	2,053	53	1,026	1,027	0	0	2,053	53	1,079	974
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	8,295	215	3,295	5,000	0	0	8,295	215	3,510	4,785
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	13,618	0	28,655	566	7,594	20,961	0	0	28,655	742	8,437	20,218
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	84,304	2,183	8,818	75,486	0	0	84,304	2,183	11,001	73,303
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	562	0	49,958	1,287	17,188	32,770	290	0	50,248	1,298	18,486	31,762
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	483	(1,216)	19,802	522	5,301	14,501	1,383	(2,057)	19,128	504	3,748	15,380
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	15,240	395	5,004	10,236	0	0	15,240	395	5,398	9,842
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	127	3	63	64	0	0	127	3	67	60
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	34	647	648	0	0	1,295	34	681	614
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	0	0	0	0	0	0	0	0	0	0
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	873	23	436	437	0	0	873	23	459	414
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	0	0	8,113	210	3,944	4,169	0	0	8,113	210	4,154	3,959
40	398.0	GENERAL PLANT: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
41		TOTALS	$15,230	($1,216)	$338,317	$8,513	$94,869	$243,448	$1,770	($2,057)	$338,030	$8,690	$101,502	$236,528

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

NOTE:
* NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
WINKELMAN 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	1996 ADDITIONS PER COMPANY	1996 (RETIREMENTS) PER COMPANY	1996 YEAR END PLANT VALUE PER RUCO	1996 DEPRECIATION EXPENSE PER RUCO	1996 ACCUMULATED DEPRECIATION PER RUCO	1996 YEAR END NET PLANT PER RUCO	1997 ADDITIONS PER COMPANY	1997 (RETIREMENTS) PER COMPANY	1997 YEAR END PLANT VALUE PER RUCO	1997 DEPRECIATION EXPENSE PER RUCO	1997 ACCUMULATED DEPRECIATION PER RUCO	1997 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	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	257	9	0	266	0	0	266
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	23,224	0	0	47,508	1,230	25,514	21,994
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	3,350	2,723	0	0	6,073	157	3,508	2,565
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	32,790	(24,002)	72,187	1,756	(4,011)	76,198	0	0	72,187	1,870	(2,141)	74,328
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	2,053	53	1,133	920	0	0	2,053	53	1,186	867
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	8,295	215	3,725	4,570	1,235	(95)	9,435	230	3,859	5,576
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	28,655	742	9,179	19,476	0	0	28,655	742	9,921	18,734
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	84,304	2,183	13,184	71,120	0	0	84,304	2,183	15,368	68,936
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	0	0	50,248	1,301	19,787	30,461	5	0	50,253	1,301	21,089	29,164
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	182	0	19,310	498	4,246	15,064	0	(577)	18,733	493	4,162	14,571
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	15,240	395	5,793	9,447	0	0	15,240	395	6,188	9,052
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	127	3	70	57	0	0	127	3	73	54
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	714	581	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	482	391	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	4,364	3,749	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	$86,300	$260,732	$1,249	($672)	$347,609	$8,924	$94,553	$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
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 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	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*	9	0	275	0	0	275	83	0	358	0	0	358
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	26,744	20,764	0	0	47,508	1,230	27,975	19,533
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	3,665	2,408	0	0	6,073	157	3,822	2,251
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	15,593	0	87,780	2,072	(70)	87,850	0	(2,448)	85,332	2,242	(276)	85,608
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	2,053	53	1,239	814	1,853	0	3,906	77	1,316	2,590
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	0	0	9,435	244	4,104	5,331	13,174	(7,500)	15,109	318	(3,078)	18,187
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	28,655	742	10,663	17,992	0	0	28,655	742	11,405	17,250
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	12,989	(1,087)	96,206	2,338	16,619	79,587	20,120	0	116,326	2,752	19,371	96,955
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	0	0	50,253	1,302	22,390	27,863	1,359	0	51,612	1,319	23,709	27,903
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	0	0	18,733	485	4,647	14,086	1,608	(860)	19,481	495	4,282	15,199
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	15,240	395	6,582	8,658	1,054	0	16,294	408	6,991	9,303
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	127	3	77	50	0	0	127	3	80	47
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	34	782	513	0	0	1,295	34	815	480
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	0	0	0	0	0	0	0	0	0	0
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	873	23	527	346	0	0	873	23	549	324
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	0	0	8,113	210	4,784	3,329	0	0	8,113	210	4,994	3,119
40	398.0	GENERAL PLANT: MISC.	0	0	0	0	0	0	0	0	0	0	0	0
41		TOTALS	$28,591	($1,087)	$375,113	$9,288	$102,753	$272,360	$39,251	($10,808)	$403,556	$10,011	$101,956	$301,600

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

NOTE:
* NON-DEPRECIABLE PLANT

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
WINKELMAN 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	2000 ADDITIONS PER COMPANY	2000 (RETIREMENTS) PER COMPANY	2000 YEAR END PLANT VALUE PER RUCO	2000 DEPRECIATION EXPENSE PER RUCO	2000 ACCUMULATED DEPRECIATION PER RUCO	2000 YEAR END NET PLANT PER RUCO	2001 ADDITIONS PER COMPANY	2001 (RETIREMENTS) PER COMPANY	2001 YEAR END PLANT VALUE PER RUCO	2001 DEPRECIATION EXPENSE PER RUCO	2001 ACCUMULATED DEPRECIATION PER RUCO	2001 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	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*	59	0	417	0	0	417	15	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	47,508	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	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	0	0	85,332	2,210	1,934	83,398	11,559	(7,773)	89,118	2,259	(3,579)	92,697
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	3,906	101	1,417	2,489	0	0	3,906	101	1,518	2,388
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	374	0	15,483	396	(2,682)	18,165	933	0	16,416	413	(2,269)	18,685
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	28,655	742	12,147	16,508	206	0	28,861	745	12,892	15,969
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	116,326	3,013	22,384	93,942	78	0	116,404	3,014	25,398	91,006
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	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)	18,680	494	3,975	14,705	603	(100)	19,183	490	4,365	14,818
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	0	0	16,294	422	7,413	8,881	0	0	16,294	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	0	0	0	0	0	0	0	0	0	0
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	127	3	83	44	0	0	127	3	87	40
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	34	849	446	0	0	1,295	34	882	413
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	0	0	0	0	0	0	0	0	0	0
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	0	0	873	23	572	301	0	0	873	23	595	278
38	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	0	0	0	0	127	0	127	2	2	125
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	($821)	$404,790	$10,393	$111,529	$293,261	$14,340	($7,873)	$411,257	$10,492	$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
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	0	6,073	157	4,294	1,779
10	325.0	PUMPING PLANT: ELECTRICAL EQUIPMENT	8,899	(11,559)	86,458	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	0	0	0	0
13	331.0	WATER TREATMENT PLANT: STRUCTURES & IMPROVEMENTS	0	0	3,906	101	1,620	2,286
14	332.0	WATER TREATMENT PLANT: EQUIPMENT	8,399	0	24,815	534	(1,735)	26,550
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	41	0	28,902	748	13,640	15,262
19	343.0	TRANSMISSION & DISTRIBUTION: MAINS	0	0	116,404	3,015	28,412	87,992
20	344.0	TRANSMISSION & DISTRIBUTION: FIRE SPRINKLERS	0	0	0	0	0	0
21	345.0	TRANSMISSION & DISTRIBUTION: SERVICES	9	0	51,601	1,336	27,698	23,903
22	346.0	TRANSMISSION & DISTRIBUTION: METERS	1,743	(110)	20,816	518	4,773	16,043
23	348.0	TRANSMISSION & DISTRIBUTION: HYDRANTS	(0)	0	16,294	422	8,257	8,037
24	389.1	GENERAL PLANT: LAND - OFFICE*	22	0	22	0	0	22
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	21	0	21	0	0	20
28	390.2	GENERAL PLANT: WAREHOUSE BUILDINGS	0	0	127	3	90	37
29	390.3	GENERAL PLANT: MISC. BUILDINGS	0	0	0	0	0	0
30	391.0	GENERAL PLANT: OFFICE EQUIPMENT	1,518	(460)	1,058	14	(447)	1,505
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	0	0	0	0	0	0
34	394.0	GENERAL PLANT: GARAGE EQUIPMENT	0	0	1,295	34	916	379
35	395.0	GENERAL PLANT: LAB EQUIPMENT	0	0	0	0	0	0
36	396.0	GENERAL PLANT: POWER EQUIPMENT	0	0	0	0	0	0
37	397.0	GENERAL PLANT: COMMUNICATIONS EQUIPMENT	2,045	0	2,918	49	644	2,274
38	397.1	GENERAL PLANT: MOBILE RADIOS	0	0	127	3	5	122
39	397.2	GENERAL PLANT: AUTO CONTROLS	0	0	9,735	252	5,730	4,005
40	398.0	GENERAL PLANT: MISC.	469	0	469	6	6	0
41		TOTALS	$23,358	($12,129)	$422,486	$10,718	$112,737	$309,286
42								
43		BALANCES PER COMPANY			$ 428,421		$ 119,405	
44								
45		BALANCES PER RUCO			$ 422,486		$ 112,737	
46								
47		LESS: POST-TEST YEAR ALLOCATED PHOENIX OFFICE & METER SHOP ADDITIONS**			$ 1,573			
48								
49		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
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	0.0031
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
RATE BASE ADJ. # 5 - REMOVE CWIP FROM PHOENIX OFFICE ALLOCATION

DOCKET NO. W-1445A-02-0619
SCHEDULE TJC-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	0.0031	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
RATE BASE ADJUSTMENT #9 - WORKING CAPITAL

DOCKET NO. W-1445A-00-0962
SCHEDULE TJC-7

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	CASH WORKING CAPITAL PER COMPANY	$ -	COMPANY SCH. B-5, PG. 2
2	CASH WORKING CAPITAL PER RUCO	(7,614)	SCH. TJC-7, PG. 3
3	DECREASE IN CASH WORKING CAPITAL	(7,614)	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	(7,979)	LINES 3, 6, 9 & 12

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

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	(1,959)	8,772	61.95	543,454
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	$ (20,006)	$ 85,866 *	54.41	$ 4,671,672

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

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
1	AVERAGE EXPENSE LAG	54.41	SCH. TJC-6, PG. 2
2	AVERAGE REVENUE COLLECTION LAG	22.04	CO. SCH. B-5, PG. 2
3	EXCESS EXPENSE OVER REVENUE LAG	-32.37	LINE 2 - LINE 1
4	TOTAL EXPENSES	$ 85,866	SCH. TJC-6, PG. 2
5	CASH WORKING CAPITAL REQUIREMENT	(7,614)	(LINE 3 X LINE 4)/365 DAYS
6	PER COMPANY	$ -	CO. SCH. B-5, PG. 2
7	INCREASE (DECREASE) IN WORKING CAPITAL	$ (7,614)	LINE 5 - LINE 6

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

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

LINE NO.	(A) PAYMENT DATE	(B) SERVICE PERIOD MIDPOINT	(C) (LEAD)/LAG DAYS	(D) PAYMENT AMOUNT	(E) DOLLAR DAYS
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	(240,000)	(61,680,000)
6	TOTALS			$ 1,663,000	103,030,000
7	INCOME TAX LAG		61.95		

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
WINKELMAN SYSTEM
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
	REVENUES - WATER:					
1	REVENUE FROM WATER SALES	$ 98,022	$ (7,955)	$ 90,067	$ 17,686	$ 107,753
2	OTHER REVENUES	-	-	-		-
3	TOTAL OPERATING REVENUES	$ 98,022	$ (7,955)	$ 90,067	$ 17,686	$ 107,753
	OPERATING EXPENSES:					
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	3,181	5,039	3,733	8,772
16	TOTAL OPERATING EXPENSES	$ 88,585	$ (6,452)	$ 82,133	$ 3,733	$ 85,866
17	NET INCOME	$ 9,437	$ (1,503)	$ 7,934	$ 13,953	$ 21,887

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
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
	REVENUES - WATER:													
1	REVENUE FROM WATER SALES	$ 98,022	$ 3,599	$ (8,158)	$ 479	$ 905	$ (4,735)		$ (45)					$ 90,067
2	OTHER REVENUES	-												-
3	TOTAL OPERATING REVENUES	$ 98,022	$ 3,599	$ (8,158)	$ 479	$ 905	$ (4,735)	$ -	$ (45)	$ -	$ -	$ -	$ -	$ 90,067
	OPERATING EXPENSES:													
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										3,181	-	5,039
16	TOTAL OPERATING EXPENSES	$ 88,585	$ 1,794	$ (8,158)	$ -	$ 45	$ (1,212)	$ 581	$ -	$ (2,748)	$ 65	$ 3,181	$ -	$ 82,133
17	NET INCOME	$ 9,437	$ 1,805	$ -	$ 479	$ 860	$ (3,524)	$ (581)	$ (45)	$ 2,748	$ (65)	$ (3,181)	$ -	$ 7,934

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 TJC

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

REFERENCE:
TESTIMONY TJC
SCHEDULE TJC-12
SCHEDULE TJC-13
SCHEDULE TJC-14
N/A

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

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

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) 2002 ACTUAL	(C) DIFFERENCE	(D) RUCO ADJUSTMENT
	REVENUES - WATER:				
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
	OPERATING EXPENSES:				
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
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
	REVENUES - WATER:			
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)
	OPERATING EXPENSES:			
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

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	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	$ 35.70	$ 36.11	$ 37.04	$ 48.90	$ 52.35	$ 65.96	$ 53.30	$ 60.30	$ 45.42	$ 42.94	$ 33.22
5	INCREASE IN REVENUES	$ (581)	$ (536)	$ (505)	$ (445)	$ (587)	$ (576)	$ (726)	$ (373)	$ (362)	$ (45)	$ -	$ -
6	TOTAL INCREASE IN REVENUE	$ (4,735)											
7	INCREASE IN REVENUE PER COMPANY	-											
8	REVENUE ADJUSTMENT	(4,735)											
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)	-	0
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	(2,199,980)											
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
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
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
OPERATING ADJ. #10 - INCOME TAXES

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

LINE NO.	DESCRIPTION	AMOUNT	REFERENCE
	FEDERAL INCOME TAXES:		
1	OPERATING INCOME BEFORE INCOME TAXES	$ 30,659	SCH. TJC-9
	LESS:		
2	ARIZONA STATE TAX	1,678	LINE 11
3	INTEREST EXPENSE	6,576	NOTE (a)
4	FEDERAL TAXABLE INCOME	22,404	LINE 1 - LINES 2 & 3
5	FEDERAL INCOME TAX RATE	15.00%	TAX RATE
6	FEDERAL INCOME TAX EXPENSE	3,361	LINE 4 X LINE 5
	STATE INCOME TAXES:		
7	OPERATING INCOME BEFORE INCOME TAXES	30,659	LINE 1
	LESS:		
8	INTEREST EXPENSE	6,576	NOTE (A)
9	STATE TAXABLE INCOME	24,082	LINE 7 - LINE 8
10	STATE TAX RATE	6.968%	TAX RATE
11	STATE INCOME TAX EXPENSE	1,678	LINE 9 X LINE 10
12	TOTAL INCOME TAXES	5,039	LINE 6 + LINE 11
13	INCOME TAXES PER COMPANY	1,858	COMPANY SCH. C-1, PG. 2
14	ADJUSTMENT	$ 3,181	LINE 12 - LINE 13

NOTE (a):
INTEREST SYCHRONIZATION

ADJUSTED RATE BASE	$ 252,070
WEIGHTED COST OF DEBT	2.61%
INTEREST EXPENSE	$ 6,576

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
WINKELMAN SYSTEM
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
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
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	$ 12.95	$ 17.30	$ 14.25
5	1 - INCH	24.86	38.23	32.32
6	2 - INCH	62.15	110.72	93.23
7	3 - INCH	103.58	198.95	176.49
8	4 - INCH	207.16	354.65	393.60
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	**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):**	$0.12330	$ 0.14910	$ 0.12640
18				
19	**COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM):**	$1.23300	$ 1.49100	$ 1.26400

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
WINKELMAN SYSTEM
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%	32.32	7.46	30.01%
3	2 - INCH	62.15	110.72	48.57	78.15%	93.23	31.08	50.01%
4	3 - INCH COMMERCIAL	103.58	198.95	95.37	92.07%	176.49	72.91	70.39%
5	4 - INCH COMMERCIAL	207.16	354.65	147.49	71.20%	393.60	186.44	90.00%
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 MONHTLY 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
BILLING ANALYSIS

DOCKET NO. W-01445A-02-0619
SCHEDULE TJC-19

PRESENT 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	$ 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

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
WINKELMAN SYSTEM
BILLING ANALYSIS

DOCKET NO. W-01445A-02-0619
SCHEDULE TJC-19

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	$32.32	$93.23	$176.49	$393.60	$387.50	$865.00	$1,297.50
2	1,000	15.51	33.58	94.49	177.75	394.86	388.82	866.57	1,299.07
3	2,000	16.78	34.85	95.76	179.02	396.13	390.13	868.14	1,300.64
4	3,000	18.04	36.11	97.02	180.28	397.39	391.45	869.71	1,302.21
5	4,000	19.31	37.38	98.29	181.55	398.66	392.76	871.28	1,303.78
6	5,000	20.57	38.64	99.55	182.81	399.92	394.08	872.86	1,305.36
7	6,000	21.83	39.90	100.81	184.07	401.18	395.39	874.43	1,306.93
8	7,000	23.10	41.17	102.08	185.34	402.45	396.71	876.00	1,308.50
9	8,000	24.36	42.43	103.34	186.60	403.71	398.02	877.57	1,310.07
10	9,000	25.63	43.70	104.61	187.87	404.98	399.34	879.14	1,311.64
11	10,000	26.89	44.96	105.87	189.13	406.24	400.65	880.71	1,313.21
12	15,000	33.21	51.28	112.19	195.45	412.56	407.23	888.57	1,321.07
13	20,000	39.53	57.60	118.51	201.77	418.88	413.80	896.42	1,328.92
14	25,000	45.85	63.92	124.83	208.09	425.20	420.38	904.28	1,336.78
15	50,000	77.45	95.52	156.43	239.69	456.80	453.25	943.55	1,376.05
16	75,000	109.05	127.12	188.03	271.29	488.40	486.13	982.83	1,415.33
17	100,000	140.65	158.72	219.63	302.89	520.00	519.00	1,022.10	1,454.60
18	125,000	172.25	190.32	251.23	334.49	551.60	551.88	1,061.38	1,493.88
19	150,000	203.85	221.92	282.83	366.09	583.20	584.75	1,100.65	1,533.15
20	175,000	235.45	253.52	314.43	397.69	614.80	617.63	1,139.93	1,572.43
21	200,000	267.05	285.12	346.03	429.29	646.40	650.50	1,179.20	1,611.70
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:	$26.33	$85.46	$170.38	$662.32	$1,452.41	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:	$22.93	$71.03	$156.64	$301.63	N/A	N/A	N/A	N/A

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
WINKELMAN SYSTEM
BILLING ANALYSIS

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

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	$ 1.30	$ 7.46	$ 31.08	$ 72.91	$ 186.44	$ 24.97	$ 502.47	$ 624.23
2	1,000	2.56	8.72	32.34	74.17	187.70	26.29	504.04	625.80
3	2,000	2.60	8.76	32.38	74.21	187.74	26.37	504.38	626.14
4	3,000	2.63	8.79	32.41	74.24	187.77	26.45	504.72	626.48
5	4,000	2.66	8.82	32.44	74.27	187.80	26.53	505.06	626.82
6	5,000	2.69	8.85	32.47	74.30	187.83	26.61	505.39	627.15
7	6,000	2.72	8.88	32.50	74.33	187.86	26.70	505.73	627.49
8	7,000	2.75	8.91	32.53	74.36	187.89	26.78	506.07	627.83
9	8,000	2.78	8.94	32.56	74.39	187.92	26.86	506.41	628.17
10	9,000	2.81	8.97	32.59	74.42	187.95	26.94	506.75	628.51
11	10,000	2.84	9.00	32.62	74.45	187.98	27.02	507.08	628.84
12	15,000	3.00	9.16	32.78	74.61	188.14	27.43	508.77	630.53
13	20,000	3.15	9.31	32.93	74.76	188.29	27.84	510.46	632.22
14	25,000	3.31	9.47	33.09	74.92	188.45	28.25	512.15	633.91
15	50,000	4.08	10.24	33.86	75.69	189.22	30.30	520.60	642.36
16	75,000	4.86	11.02	34.64	76.47	190.00	32.35	529.05	650.81
17	100,000	5.63	11.79	35.41	77.24	190.77	34.40	537.50	659.26
18	125,000	6.41	12.57	36.19	78.02	191.55	36.45	545.95	667.71
19	150,000	7.18	13.34	36.96	78.79	192.32	38.50	554.40	676.16
20	175,000	7.96	14.12	37.74	79.57	193.10	40.55	562.85	684.61
21	200,000	8.73	14.89	38.51	80.34	193.87	42.60	571.30	693.06
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:	$ 2.83	$ 10.00	$ 34.21	$ 86.06	$ 213.64	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:	$ 2.75	$ 9.64	$ 33.87	$ 77.21	N/A	N/A	N/A	N/A

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
WINKELMAN SYSTEM
BILLING ANALYSIS

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

RUCO PROPOSED CHANGES EXPRESSED AS A PERCENTAGE

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	10.0%	30.0%	50.0%	70.4%	90.0%	6.9%	138.6%	92.7%
2	1,000	19.8%	35.1%	52.0%	71.6%	90.6%	7.3%	139.0%	92.9%
3	2,000	18.3%	33.6%	51.1%	70.8%	90.1%	7.2%	138.7%	92.8%
4	3,000	17.0%	32.2%	50.2%	70.0%	89.6%	7.2%	138.3%	92.7%
5	4,000	16.0%	30.9%	49.3%	69.2%	89.1%	7.2%	137.9%	92.6%
6	5,000	15.0%	29.7%	48.4%	68.5%	88.6%	7.2%	137.5%	92.5%
7	6,000	14.2%	28.6%	47.6%	67.7%	88.1%	7.2%	137.2%	92.4%
8	7,000	13.5%	27.6%	46.8%	67.0%	87.6%	7.2%	136.8%	92.2%
9	8,000	12.9%	26.7%	46.0%	66.3%	87.1%	7.2%	136.4%	92.1%
10	9,000	12.3%	25.8%	45.3%	65.6%	86.6%	7.2%	136.1%	92.0%
11	10,000	11.8%	25.0%	44.5%	64.9%	86.1%	7.2%	135.7%	91.9%
12	15,000	9.9%	21.7%	41.3%	61.7%	83.8%	7.2%	134.0%	91.3%
13	20,000	8.7%	19.3%	38.5%	58.9%	81.7%	7.2%	132.3%	90.7%
14	25,000	7.8%	17.4%	36.1%	56.3%	79.6%	7.2%	130.6%	90.2%
15	50,000	5.6%	12.0%	27.6%	46.2%	70.7%	7.2%	123.1%	87.6%
16	75,000	4.7%	9.5%	22.6%	39.3%	63.7%	7.1%	116.6%	85.1%
17	100,000	4.2%	8.0%	19.2%	34.2%	57.9%	7.1%	110.9%	82.9%
18	125,000	3.9%	7.1%	16.8%	30.4%	53.2%	7.1%	105.9%	80.8%
19	150,000	3.7%	6.4%	15.0%	27.4%	49.2%	7.0%	101.5%	78.9%
20	175,000	3.5%	5.9%	13.6%	25.0%	45.8%	7.0%	97.5%	77.1%
21	200,000	3.4%	5.5%	12.5%	23.0%	42.8%	7.0%	94.0%	75.4%
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:	12.0%	13.2%	25.1%	14.9%	17.2%	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:	13.6%	15.7%	27.6%	34.4%	N/A	N/A	N/A	N/A

ARIZONA WATER COMPANY
TEST YEAR ENDED DECEMBER 31, 2001
WINKELMAN SYSTEM
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	$ 23,923	$ 52,152	
2	1 - INCH	1,551	2,551	4,102	
3	2 - INCH	4,475	3,703	8,178	
4	3 - INCH	2,118	5,830	7,948	
5	4 - INCH	9,446	25,411	34,858	
6	6 - INCH	0	0	0	
7	8 - INCH	0	0	0	
13	10 - INCH	0	0	0	
14					
15	TOTALS	$ 45,820	$ 61,418	$ 107,238	(a)
16					
17	PERCENTAGE OF TOTAL REVENUE	43.00%	57.00%	100.00%	

NOTE (a):

RUCO REQUIRED REVENUE		$ 107,753
LESS:		
FIRE SPRINKLER REVENUE	$ -	
FIRE HYDRANT REVENUE	-	
MISCELLANEOUS REVENUE	306	
RENT - WATER PROPERTY REVENUE	-	
OTHER WATER REVENUE	209	
TOTAL		$ 515
REVENUE TO BE GENERATED FROM WATER SALES		$ 107,238

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