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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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

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ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS SUN CITY WATER DISTRICT.

DOCKET NO. W-01303A-07-0209

**STAFF'S LATE FILED EXHIBIT**

The Arizona Corporation Commission Utilities Division ("Staff"), files its Late-Filed Exhibit S-23.

RESPECTFULLY submitted this 16th day of January, 2008.

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Original and thirteen (13) copies of the foregoing were filed this 16 day of January, 2008 with:

Docket Control  
 Arizona Corporation Commission  
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 Phoenix, Arizona 85007

Copy of the foregoing mailed this 16th day of January, 2008 to:

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Arizona Corporation Commission

**DOCKETED**

**JAN 16 2008**

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**CALCULATION OF BILL IMPACT OF THE PUBLIC SAFETY PROJECTS**

Line No.	Description	Phase I 2009	Phase II 2010	Phase III 2011	Phase IV 2012
1	Original Cost of Public Safety Plant - Hydrants	\$ 339,000	\$ 57,000	\$ 79,500	\$ 112,500
2	Original Cost of Public Safety Plant - Mains	\$ 123,960	\$ 650,615	\$ 560,686	\$ 757,340
3	Total Cost Per Project Phase (L1 + L2)	\$ 464,969	\$ 709,625	\$ 642,197	\$ 871,852
4	<b>Cumulative Cost of Public Safety Projects</b>	<b>\$ 464,969</b>	<b>\$ 1,174,594</b>	<b>\$ 1,816,791</b>	<b>\$ 2,688,643</b>
4	Depreciation Rate				
5	Fire Hydrant	2.00%	2.00%	2.00%	2.00%
6	Transmission and Distribution Mains	1.53%	1.53%	1.53%	1.53%
7	Depreciation Expense ((L1 x L5) + (L2 x L6))	\$ 8,677	\$ 11,094	\$ 10,168	\$ 13,837
8	Depreciation Expense Net of Tax (L7/L13)	\$ 5,328	\$ 6,812	\$ 6,244	\$ 8,496
9	<b>Cumulative Depreciation Expense Net of Tax</b>	<b>\$ 5,328</b>	<b>\$ 12,140</b>	<b>\$ 18,384</b>	<b>\$ 26,880</b>
10	Rate of Return	7.60%	7.60%	7.60%	7.60%
11	<b>Cumulative Required Operating Income (L4 x L10)</b>	<b>\$ 35,338</b>	<b>\$ 89,269</b>	<b>\$ 138,076</b>	<b>\$ 204,337</b>
12	Cumulative Operating Income Deficiency (L9 + L11)	\$ 40,665	\$ 101,409	\$ 156,460	\$ 231,217
13	Gross Revenue Conversion Factor	1.6286	1.6286	1.6286	1.6286
14	<b>Revenue Deficiency (L12 x L 13)</b>	<b>\$ 66,227</b>	<b>\$ 165,155</b>	<b>\$ 254,810</b>	<b>\$ 376,560</b>
15	<b>Unit Cost Per 1,000-gallons (L14/4,688,598)</b>	<b>\$ 0.0141</b>	<b>\$ 0.0352</b>	<b>\$ 0.0543</b>	<b>\$ 0.0803</b>
16	Median Consumption (Gallons)	6,500	6,500	6,500	6,500
17	Average Consumption (Gallons)	8,300	8,300	8,300	8,300
18	<b>Cumulative Bill Impact - Median Consumption ((L16/1,000) x L15)</b>	<b>\$ 0.09</b>	<b>\$ 0.23</b>	<b>\$ 0.35</b>	<b>\$ 0.52</b>
19	<b>Cumulative Bill Impact - Average Consumption ((L17/1,000) x L15)</b>	<b>\$ 0.12</b>	<b>\$ 0.29</b>	<b>\$ 0.45</b>	<b>\$ 0.67</b>