

ORIGINAL

NEW APPLICATION



0000086938

BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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AZ CORP COMMISSION  
DOCKET CONTROL

W-02069A-08-0406

IN THE MATTER OF THE APPLICATION OF  
SUNRISE WATER CO., AN ARIZONA  
CORPORATION, FOR A DETERMINATION OF  
THE CURRENT FAIR VALUE OF ITS UTILITY  
PLANT AND PROPERTY AND FOR  
INCREASES IN ITS RATES AND CHARGES  
BASED THEREON FOR UTILITY SERVICE

DOCKET NO. W-02069A-08-

Arizona Corporation Commission

DOCKETED

AUG -1 2008

APPLICATION  
OF  
SUNRISE WATER COMPANY  
AUGUST 1, 2008

DOCKETED BY nr

1           1.       Sunrise Water Co. ("Sunrise") hereby applies in accordance with A.R.S. § 40-250  
2 and the Commission's Rule R 14-2-103 for a rate increase. Sunrise is a Class B Water Utility.

3           2.       Requested Rate Increase. Sunrise requests a rate increase of \$285,932, or 22%,  
4 to allow it to earn a reasonable rate of return on its original cost rate base. For many years,  
5 Sunrise has experienced steady growth, which resulted in Sunrise being able to pay increasing  
6 expenses and support additional rate base without the need for an increase in rates. However, in  
7 2007 Sunrise undertook several significant construction projects to comply with new federal  
8 standards for arsenic levels in drinking water. The impact of these and other projects on rate  
9 base, together with the impact of steadily increasing expenses and regulatory requirements, have  
10 forced Sunrise to seek a rate increase at this time.

11           3.       Testimony. This Application is supported by the testimony and exhibits of two  
12 witnesses:

13           a.       Marvin E. Collins. Mr. Collins is the Manager of Sunrise, where he is  
14 responsible for Sunrise's day-to-day operations, including water treatment, water

1 distribution, and customer service. He is also responsible for interactions with  
2 developers, and relations with the Commission and other government entities.

3 Mr. Collins first describes Sunrise's service territory and its water infrastructure.  
4 He next discusses recent capital projects required to comply with new federal standards  
5 for arsenic levels in drinking water, and other recently-completed water facilities.  
6 Finally, Mr. Collins discusses Sunrise's employees.

7 b. **Ray L. Jones.** Mr. Jones is the Principle of ARICOR Water Solutions,  
8 LC ("ARICOR"). ARICOR provides a wide range of engineering and regulatory support  
9 services to the private utility, municipal utility, and development sectors.

10 Mr. Jones calculates Sunrise's required revenue increase and sponsors the  
11 required supporting schedules (A-H).

12 4. **Organization of Application.** The Application is organized as follows:

- 13 a. Application (Summary).
- 14 b. Testimony of Marvin E. Collins.
- 15 c. Testimony of Ray L. Jones.
- 16 d. Additional Required Information.
  - 17 1. Public Water System Compliance Status Report - Maricopa
  - 18 County, Environmental Services Department.
  - 19 2. Annual Sampling Fee Invoice for the ADEQ Monitoring
  - 20 Assistance Program.
  - 21 3. Water Use Data Report.
  - 22 4. Inventory of Major Plant in Service.
  - 23 e. Required Schedules (A-H).

24 5. **Requested Relief.** Sunrise asks that the Commission issue an order consistent  
25 with the requests set forth in this Application, as more fully set forth in the accompanying  
26 testimony, exhibits, and schedules.

1 Respectfully submitted on August 1, 2008, by:

2  
3  
4 *for Craig A. Marks* *msc*

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14

1 **Original and 13 copies filed**

2 on August 1, 2008, with:

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9 **Copies of the foregoing delivered on**

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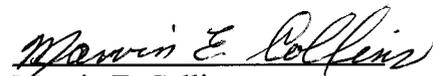
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33  
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35  
36 By:



37 ~~Marvin E. Collins~~

38

**Marvin Collins**

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

MIKE GLEASON, Chairman  
JEFF HATCH-MILLER  
WILLIAM A. MUNDELL  
KRISTIN K. MAYES  
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DOCKET NO. W-02069A-08-

**DIRECT TESTIMONY  
OF  
MARVIN E. COLLINS  
ON BEHALF OF  
SUNRISE WATER COMPANY  
AUGUST 1, 2008**

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1 **EXECUTIVE SUMMARY**

2  
3 Marvin E. Collins testifies as follows:

4  
5 The service area for Sunrise Water Co. ("Sunrise") is located in the northern part of Peoria,  
6 Arizona, bounded by Williams Road on the south, Happy Valley Road on the north, 75th Avenue  
7 on the east and 99th Avenue on the west. As of December 31, 2007, there were 1,324 water  
8 customers; all but two are residential.

9  
10 All water is provided by groundwater. There are seven existing wells, of which five are in  
11 service. One well is currently out of service because arsenic levels exceed current standards, and  
12 one well is being used as an observation well. Sunrise operates seven water storage and booster  
13 pumping facilities with a total storage capacity of over 1.2 million gallons. The only treatment  
14 required for the water is chlorination. The water-distribution system consists of two pressure  
15 zones, with 35-plus miles of water mains varying in size from two to 12 inches.

16  
17 To comply with the new federal arsenic standards, Sunrise decided to temporarily take Well No.  
18 2 out of service and to construct a replacement well and associated facilities. New construction at  
19 Well No. 7 consists of a 400 gpm well, a 500,000-gallon storage tank, booster pumps, and  
20 related equipment. The total cost of Well No. 7 and the associated facilities was approximately  
21 \$2.8 million. Sunrise was able to secure participation by several developers planning new  
22 subdivisions and commercial properties, reducing Sunrise's cost for the Well No. 7 facilities to  
23 \$500,000.

24  
25 Sunrise undertook two additional projects to address the loss of Well No. 2 as a water supply.  
26 These projects improve the Sunrise water distribution system by better interconnecting the  
27 various booster stations, with the principal benefit of allowing water from the Well No. 7 site to  
28 be delivered to areas in the Sunrise water distribution system that were affected by the loss of  
29 Well No.2.

30  
31 Sunrise has ten employees, a President, a Manager, a Field Operation Supervisor, a Controller, a  
32 Customer Service Representative, an Accounts Payable Clerk, two full-time and one part-time  
33 field laborers, and a shared receptionist.

1 I **INTRODUCTION**

2 Q. **PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND TELEPHONE**  
3 **NUMBER.**

4 A. My name is Marvin E. Collins. My business address is 9098 W. Pinnacle Peak Rd.,  
5 Peoria, Arizona 85383, and my business phone is (623) 972-6133.

6 Q. **BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

7 A. I am employed by Sunrise Water Co. ("Sunrise") as its Manager.

8 Q. **WHAT ARE YOUR RESPONSIBILITIES AS SUNRISE'S MANAGER?**

9 A. I am responsible for Sunrise's day-to-day operations, including water treatment, water  
10 distribution, and customer service. I am also responsible for interactions with developers,  
11 and relations with the Arizona Corporation Commission ("Commission") and other  
12 government entities.

13 Q. **PLEASE DESCRIBE YOUR PROFESSIONAL EXPERIENCE.**

14 A. Before joining Sunrise, I held various positions with Citizens Water Resources over a 36-  
15 year career. Most recently, I was Citizens' Manager, Customer and Community  
16 Relations, where I was responsible for customer and community relations for Citizens'  
17 Maricopa and Santa Cruz Counties water/wastewater operations.

18 Q. **DO YOU HAVE ANY PROFESSIONAL AFFILIATIONS?**

19 A. Yes. I belong to and have previously served as Chairperson of the Northwest Valley  
20 Chamber of Commerce, the Surprise Economic Advisory Board, and the Surprise  
21 Economic Development Corporation. I am a Life Member of the Arizona Water and  
22 Pollution Control Association. I also belong to the American Water Works Association,  
23 the American Management Association, and the Rotary Club.

24 Q. **ARE YOU A CERTIFIED OPERATOR?**

1 A. Yes. I am an Arizona Department of Environmental Quality (“ADEQ”) Grade 3 Water  
2 Distribution System Operator, a Grade 2 Water Treatment Plant Operator, a Grade 2  
3 Wastewater Treatment Plant Operator, and a Grade 2 Wastewater Collection System  
4 Operator.

5 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE COMMISSION?**

6 A. Yes, I testified in Docket No. W-01157A-05-0706 to support the request of West End  
7 Water Co. (“West End”) to expand its Certificate of Convenience and Necessity. I also  
8 prepared the rate filing for West End in Docket No. W-01157A-06-0004, and appeared at  
9 the Open Meeting that resulted in Decision No. 68925.

10 **II PURPOSE OF TESTIMONY**

11 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS CASE?**

12 A. Please refer to the Executive Summary, which precedes my direct testimony.

13 **III DESCRIPTION OF SYSTEM**

14 **Q. PLEASE DESCRIBE SUNRISE’S SERVICE TERRITORY.**

15 A. The service area is located in the northern part of Peoria, Arizona, bounded by Williams  
16 Road on the south, Happy Valley Road on the north, 75th Avenue on the east and 99th  
17 Avenue on the west. The Certification of Convenience and Necessity is approximately  
18 2,500 acres, or 3.9 square miles. As of December 31, 2007, there were 1,324 water  
19 customers. Sunrise has only two commercial customers; the remaining customers are  
20 single-family residential homes located on lots varying from 18,000 S.F. to several acres  
21 in size.

22 **Q. HOW DOES SUNRISE OBTAIN ITS WATER SUPPLIES?**

23 A. All water is provided by groundwater. There are seven existing wells, of which five are  
24 in service. One well is currently out of service because arsenic levels exceed current

1 standards, and one well is being used as an observation well. Because of the  
2 hydrogeology in Sunrise's service area, wells do not produce as much as in other parts of  
3 Maricopa County, so that more wells are required than in most similarly sized systems.  
4 Sunrise's wells vary in output from 125 gpm to 500 gpm.

5 **Q. HOW IS WATER DISTRIBUTED TO SUNRISE'S CUSTOMERS?**

6 A. Sunrise operates seven water storage and booster pumping facilities with a total storage  
7 capacity of over 1.2 million gallons. The only treatment required for the water is  
8 chlorination. The water-distribution system consists of two pressure zones, with 35-plus  
9 miles of water mains varying in size from two to 12 inches.

10 **Q. YOU PREVIOUSLY MENTIONED ARSENIC LEVELS – HAS SUNRISE HAD**  
11 **TO DEAL WITH THE NEW FEDERAL ARSENIC STANDARD?**

12 A. Yes. The arsenic level for Sunrise's Well No. 2 is 37 ppb. This is significantly above the  
13 new federal standard for arsenic of 10 ppb, so blending is not an option. Sunrise  
14 participated in the Arsenic Remediation Collation, a non-profit organization to help water  
15 companies dealing with the new arsenic standards, and reviewed several proposals for  
16 arsenic removal. The least cost treatment solution for Well No. 2 had a capital cost of  
17 more than \$500,000, plus an ongoing O&M cost of \$1.25 per thousand gallons treated.  
18 Because the well only produces 200 gallons per minute, Sunrise explored other options,  
19 including temporarily taking Well No. 2 out of service.

20 **Q. HOW DID SUNRISE DECIDE TO SATISFY THE FEDERAL ARSENIC**  
21 **STANDARD?**

22 A. Sunrise decided to temporarily take Well No. 2 out of service and to construct a  
23 replacement well and associated facilities. New construction at Well No. 7 consists of a  
24 400 gpm well, a 500,000-gallon storage tank, booster pumps, and related equipment. The  
25 total cost of Well No. 7 and the associated facilities was approximately \$2.8 million.

1 Sunrise was able to secure participation by several developers planning new subdivisions  
2 and commercial properties, reducing Sunrise's cost for the Well No. 7 facilities to  
3 \$500,000. Well No. 2 will be held in reserve, in the hope that new technology will make  
4 arsenic remediation less expensive. Mr. Jones includes Sunrise's share of the Well No. 7  
5 construction in his rate-base schedules.

6 **Q. HAS SUNRISE CONSTRUCTED ANY OTHER NEW FACILITIES?**

7 A. Yes, with Well No. 2 out of service, the Well No. 2 booster station is fed by a single well  
8 (Well No. 3), making the facility subject to outage during well maintenance. To improve  
9 system reliability, Sunrise connected Well No. 5 to the new storage tank at Well No. 7.  
10 Well No. 5 had previously pumped water straight to the water distribution system. This  
11 connection was constructed as a part of the Well No. 7 improvements and is included in  
12 the cost for the Well No. 7 project discussed above,

13 Sunrise undertook two additional projects to address the loss of Well No. 2 as a water  
14 supply. These projects improve the Sunrise water distribution system by better  
15 interconnecting the various booster stations, with the principal benefit of allowing water  
16 from the Well No. 7 site to be delivered to areas in the Sunrise water distribution system  
17 that were affected by the loss of Well No.2. The first project was an 8-inch water line on  
18 91st Avenue from Pinnacle Peak Road to Monte Lindo. Sunrise next installed an 8-inch  
19 water line on 83rd Avenue from Avendia Del Sol to Mariposa Grande. The total cost of  
20 these water-line improvements was \$168,481.

21 Mr. Jones includes the cost of these facilities in his rate-base schedules

22 **IV EMPLOYEES**

23 **Q. HOW MANY EMPLOYEES DOES SUNRISE HAVE?**

1 A. Sunrise has ten employees, a President, a Manager, a Field Operation Supervisor, a  
2 Controller, a Customer Service Representative, an Accounts Payable Clerk, two full-time  
3 and one part-time field laborers, and a shared receptionist. Mr. Jones includes the labor-  
4 related costs for these employees in his expense schedules.

5 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

6 A. Yes.

**Ray Jones**

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

MIKE GLEASON, Chairman  
JEFF HATCH-MILLER  
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1 **EXECUTIVE SUMMARY**

2  
3 Ray L. Jones testifies as follows:

4  
5 Mr. Jones sponsors the required schedules A-H. The test year for Sunrise Water Co. ("Sunrise")  
6 is the 12-month period ending December 31, 2007. Mr. Jones calculates Sunrise's rate base,  
7 expenses, and revenues after making certain pro-forma adjustments to account for known and  
8 measurable changes to rate base, expenses and revenues and to present a normalized and realistic  
9 relationship between revenues, expenses and rate base.

10  
11 Consistent with recent Commission decisions, Mr. Jones recommends an overall cost of capital  
12 of 10.0 percent for Sunrise.

13  
14 Based on his determinations of rate base, operating income, and required rate of return, Mr.  
15 Jones calculates that Sunrise is entitled to the following rate increase:

Original Cost Rate Base	\$	1,448,154
Adjusted Operating Income	\$	(60,264)
Current Rate of Return		-4.16%
Required Operating Income	\$	144,815
Required Rate of Return		10.0%
Operating Income Deficiency	\$	205,079
Gross Revenue Conversion Factor		1.3942
<b>Increase in Gross Revenue Requirement</b>	<b>\$</b>	<b>285,932</b>

16 Sunrise's current rates consist of a single rate block for all usage. Mr. Jones recommends that  
17 Sunrise adopt a conservation-oriented, three-tier, rate design for ¾" meters and a conservation-  
18 oriented, two-tier, design for larger meters.

1 **I** **INTRODUCTION AND QUALIFICATIONS**

2 **Q. PLEASE STATE YOUR NAME AND ADDRESS?**

3 A. My name is Ray L. Jones. My business address is 25213 N. 49th Drive, Phoenix, Arizona  
4 85083.

5 **Q. WHAT IS YOUR PROFESSIONAL EXPERIENCE?**

6 A. I have an extensive background in the Arizona water and wastewater utility businesses. I  
7 began my career as a Staff Engineer with Citizens Utilities Company ("Citizens") at its  
8 Sun City office in 1985. I held progressively more responsible positions and ultimately  
9 became the Vice President and General Manager for Citizens' Arizona Water and  
10 Wastewater Operations in 1998. When Arizona-American Water Company ("Arizona-  
11 American") purchased Citizens' water and wastewater operations in 2002, I became  
12 Arizona-American's President. In 2004, I left Arizona-American and formed my own  
13 consulting firm, ARICOR Water Solutions, LC ("ARICOR"). ARICOR provides a wide  
14 range of engineering and regulatory support services to the private utility, municipal  
15 utility, and development sectors.

16 **Q. WHAT IS YOUR EDUCATIONAL EXPERIENCE?**

17 A. I have a B.S. in Civil Engineering from Kansas University (1985) and an M.B.A. from  
18 Arizona State University (1991).

19 **Q. DO YOU HOLD ANY PROFESSIONAL LICENSES?**

20 A. I am a licensed Professional Engineer in Arizona and California and I am a Grade 3  
21 Certified Operator for all four Arizona classifications.

22 **Q. WHAT IS YOUR EXPERIENCE BEFORE THE COMMISSION?**

23 A. In my time with Citizens and Arizona-American, I prepared or assisted in the preparation  
24 of multiple filings before the Arizona Corporation Commission ("Commission"),

1 including rate applications and CC&N filings. Since starting ARICOR, I have prepared  
2 several filings and assisted in the preparation of several more filings before the  
3 Commission, including rate applications and CC&N filings. I have also provided  
4 testimony in all of these cases before the Commission. A summary of my regulatory  
5 work experience is attached as Appendix A.

6 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?**

7 A. I am testifying on behalf of the applicant, Sunrise Water, Co. ("Sunrise"). Sunrise seeks a  
8 determination of (i) the fair value of its water utility property for ratemaking purposes,  
9 (ii) a fair and reasonable rate of return thereon, and (iii) increases in its rates and charges  
10 for water utility service in its certificated service area.

11 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

12 A. I testify concerning Sunrise's rate base, its net income (revenue and operating expenses),  
13 its required level of revenues, and its rate design and proposed rates and charges for  
14 service. I sponsor the required filing schedules (A-H) that accompany this filing. I  
15 prepared these schedules based on my investigation and review of the relevant books and  
16 records of Sunrise.

17 **II OVERVIEW OF SUNRISE'S APPLICATION.**

18 **Q. PLEASE SUMMARIZE SUNRISE'S APPLICATION?**

19 A. Sunrise requests a rate increase of \$285,932, or 22%, to allow it to earn a reasonable rate  
20 of return on its original cost rate base. The test year is the 12-month period ending  
21 December 31, 2007. Sunrise also proposes certain pro-forma adjustments to account for  
22 known and measurable changes to rate base, expenses and revenues and to present a  
23 normalized and realistic relationship between revenues, expenses and rate base.

24 **Q. WHY IS SUNRISE FILING FOR NEW RATES AT THIS TIME?**

1 A. Sunrise's current rates were approved in Decision No. 53721 dated August 31, 1983, and  
2 are based on a test year ending July 31, 1982. From 1983 through 2006, Sunrise  
3 experience steady growth, which resulted in Sunrise being able to pay increasing  
4 expenses and support additional rate base without the need for an increase in rates.  
5 However, as more fully explained in Marvin Collins' testimony, in 2007 Sunrise  
6 undertook several significant construction projects to comply with new federal standards  
7 for arsenic levels in drinking water. The impact of these projects on rate base, together  
8 with the impact of steadily increasing expenses and regulatory requirements, have forced  
9 Sunrise to seek a rate increase at this time.

10 **III RATE BASE (B SCHEDULES)**

11 **Q. HOW DID SUNRISE ARRIVE AT ITS TEST-YEAR ORIGINAL COST RATE**  
12 **BASE SHOWN ON SCHEDULE B-1, LINE 24?**

13 A. The original cost rate base was calculated by establishing the balance of utility plant in  
14 service at the end of the test year, December 31, 2007, per Sunrise's books. Typical rate  
15 base deductions and additions were then calculated to arrive at the actual end-of-test-year  
16 rate base shown in column [A], line 24 of Schedule B-2, page 1. Finally, various pro-  
17 forma adjustments to the actual end-of-test-year rate base were made to arrive at the  
18 adjusted end-of-test-year rate base of \$1,448,154.

19 **Q. WHAT ARE RATE BASE ADJUSTMENTS RLJ-1, RLJ-2 AND RLJ-7?**

20 A. Rate Base Adjustments RLJ-1, RLJ-2 and RLJ-7 are adjustments to Plant in Service,  
21 Accumulated Depreciation, and Accumulated Amortization of CIAC to conform  
22 Sunrise's rate base to the requirements of Decision No. 53721.

23 In Decision No. 53721 the Commission established a Plant in Service balance for Sunrise  
24 on July 31, 1983, of \$571,139. The Commission-determined balance was greater than  
25 the Plant In Service balance on Sunrise's books in July 31, 1983. With the exception of

1 Land for Well No. 1 and Well No. 2, Sunrise did not make entries to book the Plant in  
2 Service indentified by the Commission in Decision No. 53721. Rate Base Adjustment  
3 RLJ-1 adjusts the December 31, 2007, Plant in Service balance to conform to Decision  
4 No. 53721.

5 Rate Base Adjustments RLJ-2 and RLJ-7 are also necessary to restate Accumulated  
6 Depreciation and Accumulated Amortization of CIAC to comply with Decision No.  
7 53721, where the Commission established a 5.0% depreciation rate for all depreciable  
8 plant. Sunrise has not recorded depreciation or amortized CIAC at the uniform 5.0% rate  
9 established by the Commission.

10 Rate Base Adjustment RLJ-2 restates the Accumulated Depreciation to conform to the  
11 5.0% rate established by the Commission. Supporting Schedule B-2.2 details the  
12 calculation of Accumulated Depreciation from July 31, 1982, through December 31,  
13 2007.

14 Rate Base Adjustment RLJ-7 also restates the Accumulated Amortization of CIAC to  
15 conform to the 5.0% rate established by the Commission. Supporting Schedule B-2.7  
16 details the calculation of Accumulated Amortization from July 31, 1982, through  
17 December 31, 2007.

18 **Q. WHAT ARE RATE BASE ADJUSTMENTS RLJ-3 AND RLJ-4?**

19 A. Rate Base Adjustments RLJ-3 and RLJ-4 are required to properly account for the tax  
20 impacts of certain advances in aid of construction. Under Federal and State tax law, all  
21 advances received by Sunrise between 1986 and 1996 were treated as taxable income. In  
22 addition, since 2001 advances received for single-customer service lines and meters are  
23 considered income for tax purposes.

1 Sunrise has made entries on its books to track the portion of advances received that are  
2 considered taxable income. Specifically, when Sunrise receives a taxable advance,  
3 Sunrise records a credit to Other Water Revenue and debits a contra account to  
4 Advances, reducing the Advance balance on Sunrise's books. Regardless of the taxable  
5 nature of the Advance, for rate making purposes, the Advance balance should not be  
6 reduced and should remain a deduction to rate base. Accordingly, RLJ-3 removes the  
7 effect of the Advance contra account, so the full value of the Advance account is  
8 deducted from rate base.

9 Since Sunrise has recorded taxable Advances as income and deducted the Advance from  
10 its Advance balance, Sunrise has not accounted for the Deferred Income Tax associated  
11 with the taxable Advances. Once Rate Base Adjustment RLJ-3 is made to restate  
12 Sunrise's Advance balance, it is appropriate to adjust the Accumulated Deferred Income  
13 Tax balance to reflect the income tax-timing difference created by the taxable Advances.  
14 Rate Base Adjustment RLJ-4 calculates the appropriate Accumulated Deferred Income  
15 Tax balance for rate-making purposes.

16 **Q. WHAT ARE RATE BASE ADJUSTMENTS RLJ-5, RLJ-6 AND RLJ-8?**

17 **A.** Rate Base Adjustments RLJ-5, RLJ-6 and RLJ-8 are necessary to reflect known and  
18 measureable post-test-year additions to Plant in Service and to reflect refunds of  
19 Advances made post-test year. These adjustments are needed to present a more realistic  
20 relationship between revenues, expenses, and rate base.

21 Rate Base Adjustment RLJ-5 increases Sunrise's Plant in Service balance to reflect  
22 construction of an 8-inch water line on 91st Avenue from Pinnacle Peak Road to Monte  
23 Lindo, and a 8-inch water line on 83rd Avenue from Avendia Del Sol to Mariposa  
24 Grande. As discussed by Mr. Collins, these projects were needed to comply with the new

1 Federal arsenic standard. The projects are complete and in service as of the date of this  
2 filing and are properly included in Sunrise's rate base.

3 Rate Base Adjustment RLJ-6 decreases Sunrise's Advance balance to reflect the annual  
4 refund of Advances required by line-extension agreements. As required by the  
5 Commission's rules, the refunds will be made on or before August 31, 2008. The amount  
6 of the refund is based on the revenue period July 1, 2007 through June 30, 2008 and is  
7 known and measureable. The refund represents a significant investment in Plant in  
8 Service by Sunrise and is properly included in Sunrise's rate base.

9 Rate Base Adjustment RLJ-8 is necessary to reflect the land cost associated with Well  
10 No. 6, which was placed in service during the test year. As of the end of the test year, the  
11 land parcel for Well No. 6 had not been transferred to Sunrise. The transfer is now  
12 complete and the cost of the land is properly included in rate base.

13 **Q. IS SUNRISE SEEKING WORKING CAPITAL IN ITS RATE BASE?**

14 **A.** In order to simplify this filing, Sunrise is not requesting a working capital allowance.

15 **IV INCOME STATEMENT (C SCHEDULES)**

16 **Q. WHAT ARE INCOME STATEMENT ADJUSTMENTS RLJ-1 AND RLJ-2?**

17 **A.** Income statement adjustments RLJ-1 and RLJ-2 are related to Rate Base Adjustments  
18 RLJ-3 and RLJ-4. The adjustments are necessary to properly account for the tax impacts  
19 of certain advances in aid of construction. Accordingly, Rate Base Adjustment RLJ-1  
20 removes the test-year miscellaneous expense associated with the refund of previously  
21 taxed advances. Rate Base Adjustment RLJ-2 removes test-year revenue resulting from  
22 the receipt of meter and service line advances.

23 **Q. WHAT ARE INCOME STATEMENT ADJUSTMENTS RLJ-3 AND RLJ-4?**

1 A. Income statement Adjustments RLJ-3 and RLJ-4 adjust Office Supplies Expense to  
2 account for known-and-measureable changes to the cost of billing customers. During the  
3 test year Sunrise billed its customers using a postcard bill. In anticipation of  
4 implementing Best Management Practices, as required by new Arizona Department of  
5 Water Resources regulations, in March 2008 Sunrise began using an 8½" x 11" bill  
6 format to allow for conservation-related customer messaging.

7 Income Statement Adjustment RLJ-3 accounts for increases in postage rates between  
8 January 1, 2007, and the date of this filing as well as additional postage cost for the new  
9 8½" x 11" billing format.

10 Income Statement Adjustment RLJ-4 accounts for the increased cost of the 8½" x 11" bill  
11 form as well as the cost of leasing equipment required to fold and stuff the new bill form.

12 **Q. WHAT IS INCOME STATEMENT ADJUSTMENT RLJ-5?**

13 A. Income Statement Adjustment RLJ-5 adjusts book revenues to reflect billed revenues.  
14 Sunrise records revenue on a cash basis. Using billed revenues is more appropriate for  
15 rate-making purposes.

16 **Q. WHAT ARE INCOME STATEMENT ADJUSTMENTS RLJ-6 AND RLJ-13?**

17 A. Income Statement Adjustments RLJ-6 and RLJ-13 reduce Purchased Power Expense and  
18 Insurance – Health and Life Expense, respectively, to eliminate personal expenses  
19 recorded on Sunrise's books.

20 **Q. WHAT IS INCOME STATEMENT ADJUSTMENT RLJ-7?**

21 A. Income Statement RLJ-7 accounts for a known-and-measureable increase in electric  
22 utility rates, which took effect in July 2007. Supporting schedule C-2.7 recalculates the  
23 January through June test-year electric bills as if the higher rates had been in effect. The

1 adjustment is the difference between the calculated electric bills and the actual billings  
2 for January through June.

3 **Q. WHAT ARE INCOME STATEMENTS RLJ-8 AND RLJ-9?**

4 A. Income Statement Adjustment RLJ-8 normalizes hydrant meter sales revenue. Income  
5 Statement Adjustment RLJ-9 adjusts Pumping Power Expense to reflect the normalized  
6 level of hydrant meter sales.

7 During the test year Sunrise, experienced an unusually high level of hydrant meter sales  
8 for two reasons. First, the Maricopa County Flood Control District, in cooperation with  
9 the City of Peoria and Maricopa County Department of Transportation undertook  
10 construction of the 83rd Avenue / Pinnacle Peak Road Drainage Improvement Project.  
11 This project was an extremely large regional project and not representative of normal  
12 construction within Sunrise's service area. Construction water use on this single project  
13 during the test year was in excess of 13 million gallons and represented over 50% of  
14 Sunrise's total test-year hydrant sales. The revenue associated with this regional project  
15 is not recurring and should be removed for the test year to present a realistic relationship  
16 between revenue, expenses, and rate base. Second, like much of Arizona, Sunrise  
17 experienced a development boom beginning in 2005 and ending in 2007. Due to elevated  
18 levels of development activity, the hydrant meter sales in the test year, after removing the  
19 sales for the drainage improvements, are much greater than those historically experienced  
20 by Sunrise and should be normalized.

21 To provide a more normal and realistic relationship between revenue, expenses and rate  
22 base, Income Statement Adjustments RLJ-8 and RLJ-9 are needed. Income Statement  
23 RLJ-8 adjusts hydrant meter revenue to the historical five-year average level of revenue  
24 excluding the sales for the 83rd Avenue / Pinnacle Peak Road Drainage Improvement

1 Project. Income Statement RLJ-9 removes the Purchased Power Expense associated with  
2 test-year hydrant meter sales in excess of the five-year average level of sales.

3 **Q. WHAT IS INCOME STATEMENT ADJUSTMENT RLJ-10?**

4 A. Income Statement Adjustment RLJ-10 normalizes the level of expense charged to capital.  
5 Sunrise charges a portion of its administrative and general expense to capital projects.  
6 The level of expense charged to capital is dependent upon the level of capital  
7 expenditures. Capital expenditures during the test year of approximately \$2.9 million  
8 were nearly 250% of the five-year historic average level of capital expenditures of  
9 approximately \$1.2 million. The record-high level of capital expenditure was due  
10 primarily to the construction of Well No. 7 Booster Station at a cost of approximately  
11 \$2.8 million.

12 The record level of capital expenditure resulted in an unusually high level of  
13 administrative and general expense being charged to capital during the test year, which  
14 resulted in an unusually low level of administrative and general expenses charged to  
15 operations. In order to provide a more normal and realistic relationship between revenue,  
16 expenses and rate base, Income Statement RLJ-9 normalizes administrative and general  
17 expense charged to capital to the historical five-year average level.

18 **Q. WHAT IS INCOME STATEMENT ADJUSTMENT RLJ-11?**

19 A. Sunrise asks to use the plant-account-specific depreciation rates that are recommended  
20 and published by Commission Staff. Income Statement Adjustment RLJ-11 restates  
21 depreciation expense, using these depreciation rates.

22 **Q. WHAT IS INCOME STATEMENT ADJUSTMENT RLJ-12?**

23 A. Income Statement Adjustment RLJ-12 restates property taxes consistent with the method  
24 supported by Commission Staff and approved in numerous recent Commission decisions.

1 Specifically, following the Arizona Department of Revenue - Centrally Valued Properties  
2 method, full cash value was determined by using twice the average of three years of  
3 revenue, plus an addition for CWIP and a deduction for the book value of transportation  
4 equipment. Consistent with Commission practice, I used two times the adjusted revenues  
5 for 2007 and one year of revenue at proposed rates to determine the average revenue. The  
6 assessed value (23 percent of full cash value) was then multiplied by the property tax rate  
7 to determined adjusted property tax expense.

8 **Q. WHAT IS INCOME STATEMENT ADJUSTMENT RLJ-14?**

9 A. Income Statement Adjustment RLJ-14 normalizes Salary and Wage expense. In order to  
10 normalize the expense, the current pay rate of each active employee was used to calculate  
11 a normalized salary expense. The salary expense was used as a base to calculate Social  
12 Security Taxes, Federal Unemployment Tax, Arizona Unemployment Tax, and Arizona  
13 Training Tax payable by Sunrise. Finally, since Sunrise shares employees with West End  
14 Water Company the total loaded Salary and Wage expense was multiplied by the  
15 percentage of time each employee charges to Sunrise to arrive at the normalized Salary  
16 and Wage Expense for Sunrise.

17 **Q. WHAT IS INCOME STATEMENT ADJUSTMENT RLJ-15?**

18 A. Income Statement Adjustment RLJ-15 normalizes Health Insurance Expense. In order to  
19 normalize the expense, the current health insurance cost for each active employee eligible  
20 for insurance coverage was used to determine the base health insurance cost. The base  
21 health insurance cost was reduced by the employee contribution to determine Sunrise's  
22 normalized Health Insurance Expense.

23 **Q. WHAT IS INCOME STATEMENT ADJUSTMENT RLJ-16?**

24 A. Income Statement Adjustment RLJ-16 removes non-utility revenue and expense to  
25 eliminate the effects on income taxes.

1 **Q. WHAT IS INCOME STATEMENT ADJUSTMENT RLJ-17?**

2 A. Sunrise has estimated rate case expense at \$75,000 and proposes to collect the expense  
3 over a three-year amortization period. Sunrise will update the estimate as the case  
4 progresses to reflect any changes in expected total rate case expense. Income Statement  
5 Adjustment RLJ-17 adds the rate case amortization to Sunrise's expenses.

6 **Q. WHAT IS INCOME STATEMENT ADJUSTMENT RLJ-18?**

7 A. Income Statement Adjustment RLJ-18 calculates the test-year Income Tax Expense for  
8 Sunrise, considering the effect of the proposed rate increase. The tax expense is  
9 calculated using Federal and State corporate tax rates, assuming Sunrise filed as a stand-  
10 alone tax entity.

11 **V COST OF CAPITAL (D SCHEDULES)**

12 **Q. WHAT IS SUNRISE'S REQUESTED COST OF EQUITY?**

13 A. Sunrise requests a return on common equity of 10.0%. Sunrise bases its request on a  
14 review of rate orders issued by the Commission during calendar-year 2008. Sunrise has  
15 identified the following rate orders issued during 2008 that contained a return on equity  
16 finding. The identified utilities range from 100% equity capital to a low of 38.5% equity  
17 capital. Based on its review of the Commissions 2008 decisions, a 10.0% return on  
18 equity is appropriate for its capital structure and risk profile.

<u>Company</u>	<u>Docket</u>	<u>Decision No.</u>	<u>Date</u>	<u>Equity Return</u>
Utility Source, LLC	06-0303	70140	1/23/08	8.9%
Cordes Lakes Water Company	07-0256	70170	2/27/08	10.0%
Arizona-American (Sun Cities WW)	06-0491	70209	3/20/08	10.6%
Livco Water Company	07-0506	70308	4/24/08	11.2%
Arizona-American (Sun City Water)	07-0209	70351	5/16/08	10.8%
<b>Average</b>				<b>10.3%</b>

1 **Q. WHAT IS SUNRISE'S REQUESTED COST OF CAPITAL?**

2 A. Because Sunrise's capital structure consists of 100% equity, Sunrise is requesting a  
3 10.0% cost of capital for its original cost rate base.

4 **VI RATE INCREASE**

5 **Q. WHAT IS SUNRISE'S REQUESTED RATE INCREASE?**

6 A Sunrise is entitled to the following rate increase:

Original Cost Rate Base	\$	1,448,154
Adjusted Operating Income	\$	(60,264)
Current Rate of Return		-4.16%
Required Operating Income	\$	144,815
Required Rate of Return		10.0%
Operating Income Deficiency	\$	205,079
Gross Revenue Conversion Factor		1.3942
<b>Increase in Gross Revenue Requirement</b>	<b>\$</b>	<b>285,932</b>

7 **VII RATE DESIGN (H SCHEDULES)**

8 **Q. WHAT ARE THE H SCHEDULES?**

9 A. Schedule H-1 summarizes the revenue billed under present rates and the amount that  
10 would be generated by the proposed increase in metered water rates. Schedule H-2  
11 analyses revenue at present and proposed rates by class and meter size in dollar amount  
12 and percentage. The average number of customers derived from the bill count is also  
13 shown by meter size and in total. Lastly, Schedule H-2 contains a supplemental schedule  
14 that provides a breakdown of revenue at the proposed rates by the components of the  
15 proposed rate design. Schedule H-3 compares present and proposed rates and shows the  
16 changes by blocks. Schedule H-4 compares present and proposed rates and the  
17 percentage increase at various consumption levels for each class of service and meter  
18 size. Schedule H-5 provides the bill count of the bills during the test year.

1 **Q. WHAT ARE SUNRISE'S CURRENT AND PROPOSED RATES?**

2 A. The current and proposed rates are summarized as follows.

Description	Current Rates		Proposed Rates		
	Base Charge	Volume Charge (All Usage)	Base Charge	Volume Charge	
¾" Residential and Commercial Meters	\$12.00	\$2.85	\$15.00	0 - 4,000 gal	\$3.00
				Next 14,000 gal	\$3.40
				Over 18,000 gal	\$3.70
1" Residential and Commercial Meters	\$16.50	\$2.85	\$20.50	First 27,000 gal	\$3.40
				Over 27,000 gal	\$3.70
1½" Residential Meter	\$21.50	\$2.85	\$26.50	First 35,000 gal	\$3.40
				Over 35,000 gal	\$3.70
2" Residential Meter	\$26.50	\$2.85	\$33.00	First 65,000 gal	\$3.40
				Over 65,000 gal	\$3.70
Hydrant Meter	\$25.00	\$2.85	\$40.00	All Usage	\$3.40
Coin Operated Meter	n/a	\$2.85	n/a	All Usage	\$3.40

3 **Q. HAS SUNRISE PROPOSED A CHANGE IN RATE DESIGN?**

4 A. Yes. Sunrise's current rates consist of a single rate block for all usage. Sunrise proposes  
 5 to adopt a conservation-oriented, three-tier, rate design for ¾" meters and a conservation-  
 6 oriented, two-tier, design for larger meters. Hydrant meters and a coin-operated  
 7 standpipe would continue to be billed with a single rate-block. The two-tier rates would  
 8 use the 2<sup>nd</sup> and 3<sup>rd</sup> tier of the ¾" rate and the single rate-block meters would be billed at  
 9 the 2<sup>nd</sup> tier of the ¾" rate. This rate design is consistent with Staff recommend rate  
 10 designs in recent cases.

11 For ¾-inch meters the first break-over point is 4,000 gallons. The next break-over point  
 12 is at 18,000 gallons -- approximately the average usage for the ¾-inch residential meter.  
 13 For 1 and 1½-inch meters, the break-over points are 27,000 and 35,000 gallons,  
 14 respectively. As with the ¾-inch meter, the break-over point for the 1 and 1½-inch

1 meters are at approximately the average usage for the meter size. The 2-inch meter  
2 break-over point has been set at 65,000 gallons. This break-over point was set  
3 substantially below the average usage to encourage additional conservation for Sunrise's  
4 largest water users.

5 **Q. WHAT IS THE IMPACT OF SUNRISE'S PROPOSED RATES ON THE**  
6 **AVERAGE ¾ AND 1-INCH RESIDENTIAL CUSTOMER?**

7 A. The present monthly bill is \$62.68 for a ¾-inch metered residential customer using an  
8 average of 17,782 gallons. The proposed monthly bill is \$73.86 for a ¾-inch metered  
9 residential customer using an average of 17,782 gallons, an increase of \$11.18, or 17.84  
10 percent compared to the present rates. The present monthly bill is \$92.70 for a 1-inch  
11 metered residential customer using an average of 26,737 gallons. The proposed monthly  
12 bill is \$111.41 for a 1-inch metered residential customer using an average of 26,737  
13 gallons, an increase of \$18.71, or 20.18 percent compared to the present rates.

14 **Q. IS SUNRISE PROPOSING ANY CHANGES TO MISCELLANEOUS SERVICE**  
15 **CHARGES AND METER AND SERVICE LINE INSTALLATION CHARGES?**

16 A. Yes. As detailed in Schedule H-3, Sunrise is proposing to increase these charges to be  
17 consistent with those recommend by Staff in recent cases.

18 **Q DID SUNRISE VERIFY AND PROVE THE TEST YEAR REVENUES?**

19 A. Yes. Schedule H-5 lists the number of bills by thousand-gallon block and the cumulative  
20 consumption by rate block for each class of customer and meter size. Several adjustments  
21 to the actual bill counts have been made to allow proper verification and proof of the test  
22 year revenues.

23 First, one half of the estimated number of prorated bills (bills issued for periods shorter  
24 than 25 days and longer than 35 days) are deducted from the bill count at the bottom of

1 Schedule H-5. It is necessary to deduct one half of the prorated bills because the base  
2 charge on a prorated bill is reduced. Counting one half of the prorated bills is appropriate  
3 since most prorated bills occur due to an ownership change on the account. In this case  
4 the former owner's prorated base charge and the new owner's prorated base charge will  
5 equal the tariff monthly base charge. Second, on page 16 of Schedule H-5 an adjustment  
6 is made to bill counts and consumption to conform to Income Statement Adjustment  
7 RLJ-8. This change is necessary so that proposed revenues from fire hydrant meters can  
8 be calculated using Schedule H-5 as the basis. Lastly, the usage by proposed billing  
9 block is shown at the bottom of each H-5 schedule. Since Sunrise bills all usage at a  
10 single consumption rate, the usage by block is not needed to verify and prove revenue. It  
11 is provided so that projected revenues can be calculated from Schedule H-5.

12 As shown on Schedule H-2, line 24, total calculated revenues at present rates for the test  
13 year were \$1,298,323, compared to total per-book adjusted revenues of \$1,296,025  
14 shown on Schedule H-2, line 31. The unreconciled difference of \$2,299 amounts to  
15 0.1774% of per-book adjusted revenues.

16 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

17 **A. Yes.**

**Ray L. Jones P.E.**  
**Principal**  
**ARICOR Water Solutions**  
**25213 N. 49<sup>th</sup> Drive**  
**Phoenix, Arizona 85083**

**EMPLOYMENT HISTORY**

- 2004 – Present      **ARICOR Water Solutions**  
**Principal**  
ARICOR Water Solutions offers a wide range of services to the private and public sectors. Representative projects include water resources strategy development, water rights evaluation and development of regulatory strategies. Services also include consultation on water and wastewater utility formation, management and operations, including preparation and testimony in support of filings before the Arizona Corporation Commission. ARICOR Water Solutions provides water, wastewater and water resource master planning, and owner representation, including value engineering and program management. Finally, ARICOR Water Solutions supports water solutions with contract operations and expert witness testimony and litigation support.
- 2002 to 2004      **Arizona-American Water Company**  
**President**  
Responsible for leadership of the Arizona business activities of Arizona-American Water Company. Key responsibilities include developing and evaluation new business opportunities, developing strategic plans, establishing effective government and community relations, insuring compliance with all regulatory requirements, and providing management and guidance to key operations and support personnel.
- 1998 to 2002      **Citizens Water Resources, Arizona Operations**  
**Vice President and General Manager**  
Responsible for leadership of the Arizona regulated and unregulated business activities of Citizens Water Resources. Key responsibilities included developing and evaluation new business opportunities, developing strategic plans, establishing effective government and community relations, insuring compliance with all regulatory requirements, and providing management and guidance to key operations and support personnel.
- 1990 to 1998      **Citizens Water Resources, Arizona Operations**  
**Engineering and Development Services Manager**  
Responsible for management of a diverse group of business growth related activities. Responsibilities include: marketing of operation and maintenance services (unregulated business growth), management of new development activity (regulated business growth), management of engineering functions (infrastructure planning and construction), management of water resources planning and compliance, management of growth-related regulatory functions (CC&N's and Franchises), and management of capital budgeting functions and capital accounting functions.
- 1985 to 1990      **Citizens Water Resources, Arizona Operations**  
**Civil Engineer**  
Responsible for the planning, coordination and supervision of capital expansion and major maintenance and rehabilitation projects as assigned. Responsible for development of capital program for Maricopa County Operations.

**EDUCATION**

- Arizona State University – Master of Business Administration (1991)  
University of Kansas – Bachelor of Science in Civil Engineering (1985)

**PROFESSIONAL CERTIFICATION**

Registered Professional Engineer – Civil Engineering – Arizona  
Professional Engineer – Civil Engineering – California  
Certified Operator – Wastewater Treatment, Wastewater Collection, Water Treatment, Water Distribution – Arizona

**PROFESSIONAL AFFILIATIONS**

- Director - Water Utilities Association of Arizona (1998 – 2004)
- Member - American Society of Professional Engineers
- Member - American Water Works Association
- Member - Arizona Water Pollution Control Association
- Member - Water Environment Federation

**CIVIC AND COMMUNITY INVOLVEMENT**

- Chairman WESTMARC (2008)
- Director and Member of the Executive Committee- WESTMARC (1998 – Present)
- Co-Chairman, WESTMARC Water Committee (2006 – 2007)
- Chairman-Elect WESTMARC (2007)
- Member – Corporate Contributions Committee, West Valley Fine Arts Council Diamond Ball (Chairman 2005)
- Member – Technical Advisory Committee – Governor’s Water Management Commission (2001)
- Board Member, Manager & Past Chairman – North Valley Little League Softball

**TESTIFYING EXPERIENCE**

Testimony has been provided before the Arizona Corporation Commission in the dockets listed below. Unless otherwise indicated testimony was provided on behalf of the utility.

<b>Filing Year</b>	<b>Utility(ies)</b>	<b>Filing Type(s)</b>	<b>Docket(s)</b>
1992	Sun City West Utilities Company	CC&N Extension (Expansion of Sun City West)	U-2334-92-244
1993	Sun City Water Company Sun City Sewer Company	CC&N Extension (Addition of Coyote Lakes)	U-1656-93-060 U-2276-93-060
1993	Tubac Valley Water Co., Inc.	CC&N Extension (Various Subdivisions on western border)	U-1595-93-241
1993	Sun City West Utilities Company	CC&N Extension (Expansion of Sun City West)	U-2334-93-293
1995	Citizens Utilities Company Sun City Water Company Sun City Sewer Company Sun City West Utilities Company Tubac Valley Water Company	Rate-making	E-1032-95-417 U-1656-95-417 U-2276-95-417 U-2334-95-417 U-1595-95-417
1996	City Water Company Sun City Sewer Company	CC&N Extension (Acquisition of Youngtown)	U-1656-96-282 U-2276-96-282
1996	Citizens Utilities Company	CC&N Extension and Deletion (Realignment of Surprise Bdry.)	E-1032-96-518
1998	Sun City Water Company Sun City West Utilities Company	CAP Water Plan and Accounting Order (Sun Cities CAP plan)	W-01656A-98-0577 SW-02334A-98-0577
2000	Citizens Water Resources Company of Arizona Citizens Water Services Company of Arizona	CC&N Extension and Accounting Order (Anthen Jacka Property and Phoenix Treatment Agreement)	SW-3455-00-1022 SW-3454-00-1022

<b>Filing Year</b>	<b>Utility(ies)</b>	<b>Filing Type(s)</b>	<b>Docket(s)</b>
2000	Citizens Communications Company Citizens Water Services Company of Arizona	CC&N Extension and Approval of Hook-Up Fee (Verrado)	W-0132B-00-1043 SW-0354A-00-1043
2002	Arizona-American Water Company	Ratemaking	WS-01303A-02-0867 WS-01303A-02-0868 WS-01303A-02-0869 WS-01303A-02-0870 WS-01303A-02-0908
2004	Arizona-American Water Company Rancho Cabrillo Water Company Rancho Cabrillo Sewer Company	CC&N Transfer	WS-01303A-04-0089 W-01303A-04-0089 SW-03898A-04-0089
2004	Johnson Utilities Company, LLC (Representing Pulte Home Corporation)	CC&N Extension	WS-02987A-04-0288
2005	Perkins Mountain Utility Company Perkins Mountain Water Company	New CC&N & Initial Rates	WS-20379A-05-0489 W-20380A-05-0490
2005	West End Water Company	CC&N Extension	W-01157A-05-706
2005	Arizona-American Water Company	Approvals Associated with Construction of Surface Water Treatment Facility	W-01303A-05-0718
2006	Arizona-American Water Company	Ratemaking	WS-01303A-06-0403

07/31/08

## **Additional Required Information**



**Maricopa County**  
Environmental Services Department

**PUBLIC WATER SYSTEM COMPLIANCE STATUS REPORT**

System Name: Sunrise Water Co.  
PWS ID#: 07-070

Type of System: Community Number of POE's: 3 Surface Water: No  
Number of Service Connections: 1197 Population Served: 4100

Assigned Monitoring Dates - Initial: 1/1/95 Phase II: 1/1/95 Phase V: 1/1/95

Does the water system have a Certified Operator? Yes

Does the system have major treatment plant deficiencies? No  
Please describe:     

Date of last inspection: April 27, 2007

Does the system have major O & M deficiencies? Minor  
Please describe: 55-206656: install well sign; 55-66797: remove trees and shrubs, address rust on P-tank; 55-571201: install lock, perform general cleanup; 91st Hatfield Booster Sta: Install splash blocks under drains, remove bushes/shrubs

Does the system have water quality monitoring/reporting deficiencies? No  
Please describe:     

General Public Water System Compliance Status? Substantial Compliance

Date of compliance review: 06/13/08 By: Mike Mallette Initials: MKM  
Phone: (602) 506-6644

Requested By: Sunrise Water Fax Number/ Contact:      Tracking Number: 1537  
Supervisor Initials: MM Date: 6-18-08

**Drinking Water Program**  
**John Kolman, Manager**

1001 N. Central Ave., Suite 150 Phoenix, Arizona 85004-1940 Phone: (602) 506-6666 Fax: (602) 506-6925

**SUNRISE WATER CO.**

9098 W. Pinnacle Peak Road  
Peoria, Arizona 85383

Phone: 623-972-6133

Fax: 623-566-8925

e-mail: jdcampbell9098@qwest.net

August 3, 2007

Mr. Michael K. Mallette  
Water Systems Investigator  
Maricopa County Environmental Services  
1001 N. Central Ave., Suite 150  
Phoenix, AZ 85004-1940

Re: PWS 07-070 Sanitary Inspection

Dear Mr. Mallette:

Please be advised that as of July 15, 2007, the items have been corrected that were noted during your Sanitary Site Survey of Sunrise Water Co. Water System on April 27, 2007, and outlined in your follow-up letter dated May 9, 2007.

The following items were completed:

91<sup>st</sup> Avenue and Hatfield Booster Station:

A splash pad was installed under the drain and the brush and shrubs have been removed.

ADWR Well No. 55-206656:

A well sign identifying the well site and emergency phone number has been installed.

ADWR Well No. 55-667797:

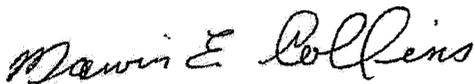
The trees and shrubs have been removed. The pressure tank is scheduled to be painted in coordination with other painting. There is not any structure damage to the pressure tank.

ADWR Well No. 55-571201:

The gate lock has been installed on the south gate. The site has been cleaned, the only things at the site are the poly drums containing liquid chlorine.

If you have any questions, please call me at 623-972-6133.

Cordially,



Marvin E. Collins  
Manager

MEC:kr



**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY  
MONITORING ASSISTANCE PROGRAM  
ANNUAL SAMPLING FEE INVOICE**

\* Pursuant to A.R.S. § 49-113, interest will be charged if full payment is not received by the specified due date. If you dispute the amount listed, please contact ADEQ as soon as possible. To reduce interest costs on an unpaid invoice, you may remit an amount that you believe is not in dispute. However, if nonpayment is due to willful neglect, you may suffer an additional five percent penalty of up to twenty-five percent of the amount due for each month or fraction of a month the amount is past due.

If you have any questions about your invoice, contact W. Scott Steinhagen at (602) 771-4445 or toll-free within Arizona at (800) 234-5677, extension 771-4445.

Pursuant to A.R.S. § 49-360 F and A.A.C. R18-4-224 through R18-4-226, "The director shall establish fees for the monitoring assistance program to be collected from all public water systems..."

Owner Id #: 14240	Invoice Number 64787
To: CAMPBELL, J D 9098 W PINNACLE PEAK ROAD PEORIA AZ 85383	Public Water System ID #: 07070
<i>Sunrise</i> <i>11/15/07</i> <i>6670</i>	Billing for Calendar Year: 2008
	Due Date: December 17, 2007
	Total Amount Due . . . . . \$ 3,619.27
	Amount Paid . . . . . \$

SUNRISE WATER CO.

Duplicate 005083

64787	11/5/07	3,619.27	3,619.27
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12/12/07	5083	ADEQ	\$3,619.27
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**WATER USE DATA SHEET**

<b>NAME OF COMPANY</b>	<b>SUNRISE WATER CO.</b>
<b>ADEQ Public Water System Number</b>	<b>0407-070</b>

<b>MONTH/YEAR (12Months of Test Year)</b>	<b>NUMBER OF CUSTOMERS</b>	<b>GALLONS SOLD (Thousands)</b>	<b>GALLONS PUMPED (Thousands)</b>	<b>GALLONS PURCHASED</b>
1. January 2007	1,305	21,663,935	23,055,800	
2. February 2007	1,305	15,981,160	17,310,000	
3. March 2007	1,307	19,466,620	20,606,000	
4. April 2007	1,310	28,205,930	30,017,400	
5. May 2007	1,311	37,151,870	39,824,200	
6. June 2007	1,310	37,326,120	39,214,500	
7. July 2007	1,309	40,370,770	42,351,200	
8. August 2007	1,313	43,489,382	44,639,200	
9. September 2007	1,316	41,772,768	43,622,800	
10. October 2007	1,320	37,338,870	39,434,800	
11. November 2007	1,326	43,945,156	45,895,100	
12. December 2007	1,324	26,986,445	28,438,000	
13. January 2008	1,323	20,996,769	23,208,600	
<b>STORAGE TANK CAPACITY (Gallons)</b>	<b>NUMBER OF EACH</b>	<b>ARIZONA DEPT. OF WATER RESOURCES WELL I.D. NUMBER</b>	<b>WELL PRODUCTION (Gallons per Minute)</b>	
20,000	1	55-626342	Observation Well	
86,000	1	55-656343	210 (Well temp out of service Arsenic >MCL)	
100,000	3	55-544015	200	
325,000	1	55-566797	230	
500,000	1	55-571201	500	
		55-206656	125	
		55-213220	400	
<b>Other Water Sources in Gallons Per Minute</b>			<b>GPM</b>	
<b>Fire Hydrants on System</b>			<b>YES X NO</b>	
<b>Total Water Pumped Last 13 Months (Gallons in Thousands)</b>			<b>414,695,795</b>	

Company Name: **Sunrise Water Co.**

Test Year Ended: **December 31, 2007**

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

<b>ADWR ID Number*</b>	<b>Pump Horsepower</b>	<b>Pump Yield (gpm)</b>	<b>Casing Depth (Feet)</b>	<b>Casing Diameter (Inches)</b>	<b>Meter Size (inches)</b>	<b>Year Drilled</b>
55-626343	50	200	1190	10	3	1971
55-544015	50	195	1260	12	6	1994
55-566797	60	230	1170	12	6	1998
55-571201	125	500	1230	12	6	1999
55-206656	40	125	850	12	4	2005
55-213220	100	400	1000	12	6	2007

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

<b>Name or Description</b>	<b>Capacity (gpm)</b>	<b>Gallons Purchased or Obtained (in thousands)</b>

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>
5	3	174	3
10	3		
20	6		
25	1		
30	1		
40	2		
50	1		
100	3		

COMPANY NAME: Sunrise Water Co.

Test Year Ended: December 31, 2007

**WATER COMPANY PLANT DESCRIPTION CONTINUED**

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
20,000 gallons	1	5,000 gallons	4
86,000 gallons	1	1,500 gallons	1
100,000 gallons	3	1,000 gallons	1
325,000 gallons	1		
500,000 gallons	1		

**MAINS**

**CUSTOMER METERS**

Size (in inches)	Material	Length (in feet)
2	PVC	320
3		
4	PVC	6,910
5		
6	PVC	108,996
8	PVC	60,460
10	PVC	340
12	PVC	1,760
6	DIP	290
8	DIP	102
12	DIP	6,002

Size (in inches)	Quantity
5/8 X 3/4	
3/4	746
1	549
1 1/2	45
2	10
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

Chemical Feed Pumps for Chlorination

STRUCTURES:

CMU Fences; Chain Link Fences

Electrical Control Bluiding

Steel Water Storage Tanks

OTHER:

## **A Schedules**

**Sunrise Water Co.**  
Test Year Ended December 31, 2007  
Index of Standard Filing Schedules

Exhibit: RLJ-1  
Index  
Page 1  
Witness: Jones

<u>Schedule</u> <u>No.</u>	<u>Title</u>
Schedule A-1	Computation of Increase in Gross Revenue Requirement
Schedule A-2	Summary of Results of Operations
Schedule A-3	Summary of Capital Structure
Schedule A-4	Construction Expenditures and Gross Utility Plant in Service
Schedule A-5	Summary Changes in Financial Position
Schedule B-1	Summary of Original Cost Rate Base Elements
Schedule B-2	Original Cost Rate Base Pro forma Adjustments
Schedule C-1	Adjusted Test Year Income Statement
Schedule C-2	Income Statement Pro forma Adjustments
Schedule C-3	Computation of Gross Revenue Conversion Factor
Schedule D-1	Summary of Cost of Capital
Schedule D-2	Cost of Long Term Debt
Schedule D-3	Cost of Preferred Stock
Schedule D-4	Cost of Common Equity
Schedule E-1	Comparative Balance Sheet
Schedule E-2	Comparative Income Statements
Schedule E-3	Comparative Statement of Changes in Financial Position
Schedule E-4	Statement of Changes in Stockholder's Equity
Schedule E-5	Detail of Utility Plant
Schedule E-7	Operating Statistics
Schedule E-8	Taxes Charged to Operations
Schedule E-9	Notes To Financial Statements
Schedule F-1	Projected Income Statements - Present and Proposed Rates
Schedule F-2	Projected Changes in Financial Position - Present and Proposed Rates
Schedule F-3	Projected Construction Requirements
Schedule F-4	Assumptions Used in Developing Projection
Schedule H-1	Summary of Revenues by Customer Classification - Present and Proposed Rates
Schedule H-2	Analysis of Revenues by Detailed Class
Schedule H-3	Changes In Representative Rate Schedules
Schedule H-4	Typical Bill Analysis
Schedule H-5	Bill Count

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Computation of Increase in Gross Revenue Requirements

Exhibit: RLJ-1  
 Schedule A-1  
 Page 1  
 Witness: Jones

Line			
<u>No.</u>			
1	Original Cost Adjusted Rate Base	\$ 1,448,154	
2			
3	Adjusted Operating Income	(60,264)	
4			
5	Current Rate of Return	-4.16%	
6			
7	Required Operating Income	\$ 144,815	
8			
9	Required Rate of Return	10.00%	
10			
11	Operating Income Deficiency	\$ 205,079	
12			
13	Gross Revenue Conversion Factor	1.3942	
14			
15	Increase in Gross Revenue	\$ 285,932	
16			
17			
18		Projected	
19		Revenue	%
20		Increase Due	Dollar
21	<u>Customer Classification</u>	<u>To Rates</u>	<u>Increase</u>
22			
23	Residential	\$ 275,129	21.93%
24	Commercial	4,600	28.59%
25	Hydrant	5,674	22.44%
26	Coin Standpipe	897	37.96%
27			
28	Total Revenue Increase	\$ 286,300	22.05%
29			
30	<u>Supporting Schedules:</u>		
31	B-1 C-1		
32	C-3 H-1		
33			
34			

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Summary Results of Operations

Exhibit: RJ-1  
 Schedule A-2  
 Page 1  
 Witness: Jones

Line No.	Description	Prior Years Ended		Test Year		Projected Year	
		12/31/05	12/31/06	Actual 12/31/07	Adjusted 12/31/07	Present Rates 12/31/08	Proposed Rates 12/31/08
1	Gross Revenues	\$ 1,091,561	\$ 1,259,706	\$ 1,359,939	\$ 1,304,363	\$ 1,304,363	\$ 1,590,295
2							
3	Revenue Deductions and						
4	Operating Expenses	1,535,561	1,169,454	1,278,881	1,364,627	1,356,653	1,456,405
5							
6	Operating Income	(444,000)	90,253	81,058	(60,264)	(52,290)	133,889
7							
8	Other Income and						
9	Deductions	5,985	25,574	54,790	-	-	-
10							
11	Interest Expense	166,323	-	2,161	-	-	-
12							
13	Net Income	\$ (604,338)	\$ 115,826	\$ 133,686	\$ (60,264)	\$ (52,290)	\$ 133,889
14							
15	Earned Per Average						
16	Common Share	(6,043.38)	1,158.26	1,336.86	(602.64)	(522.90)	1,338.89
17							
18	Dividends Per						
19	Common Share	n/a	n/a	n/a	n/a	n/a	n/a
20							
21	Payout Ratio	n/a	n/a	n/a	n/a	n/a	n/a
22							
23	Return on Average						
24	Invested Capital	-194%	13.4%	9.7%	-4.4%	-3.6%	9.1%
25							
26	Return on Year End						
27	Capital	-155%	8.7%	9.4%	-4.2%	-3.5%	8.8%
28							
29	Return on Average						
30	Common Equity	-107%	11.6%	8.6%	-3.9%	-3.1%	7.9%
31							
32	Return on Year End						
33	Common Equity	-120%	7.8%	8.2%	-3.7%	-3.0%	7.6%
34							
35	Times Bond Interest Earned						
36	Before Income Taxes	n/a	n/a	n/a	n/a	n/a	n/a
37							
38	Times Total Interest and						
39	Preferred Dividends Earned						
40	After Income Taxes	n/a	n/a	n/a	n/a	n/a	n/a
41							
42							
43	<u>Supporting Schedules:</u>						
44	E-2 F-1						
45	C-1						
46							
47							

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Summary of Capital Structure

Exhibit: RLJ-1  
 Schedule A-3  
 Page 1  
 Witness: Jones

Line No.	Description:	Prior Years Ended		Test Year	Projected Year
		12/31/05	12/31/06	12/31/07	12/31/08
1					
2					
3	Short-Term Debt	-	-	-	-
4					
5	Long-Term Debt	-	-	-	-
6					
7	Total Debt	\$ -	\$ -	\$ -	\$ -
8					
9					
10	Preferred Stock	-	-	-	-
11					
12	Common Equity	502,886	1,491,976	1,623,775	1,757,664
13					
14					
15	Total Capital & Debt	\$ 502,886	\$ 1,491,976	\$ 1,623,775	\$ 1,757,664
16					
17					
18	Capitalization Ratios:				
19					
20	Short-Term Debt	0.00%	0.00%	0.00%	0.00%
21					
22	Long-Term Debt	0.00%	0.00%	0.00%	0.00%
23					
24	Total Debt	0.00%	0.00%	0.00%	0.00%
25					
26					
27	Preferred Stock	0.00%	0.00%	0.00%	0.00%
28					
29	Common Equity	100.00%	100.00%	100.00%	100.00%
30					
31					
32	Total Capital	100.00%	100.00%	100.00%	100.00%
33					
34	Weighted Cost of				
35	Short-term Debt	n/a	n/a	n/a	n/a
36					
37	Weighted Cost of				
38	Long-term Debt	n/a	n/a	n/a	n/a
39					
40	Weighted Cost of				
41	Senior Capital	n/a	n/a	n/a	n/a
42					
43					
44					
45					
46					
47	Supporting Schedules:				
48	E-1 D-1				
49					
50					

Sunrise Water Co.  
Test Year Ended December 31, 2007  
Construction Expenditures and Gross Utility Plant In Service

Exhibit: RLJ-1  
Schedule A-4  
Page 1  
Witness: Jones

Line		Construction	Net Plant Placed	Gross Utility
<u>No.</u>	<u>Year</u>	<u>Expenditures</u>	<u>In Service</u>	<u>Plant In Service</u>
1				
2	Prior Year Ended 12/31/2005	\$ 542,355	\$ 127,059	\$ 4,345,818
3				
4	Prior Year Ended 12/31/2006	2,184,689	2,422,434	6,768,252
5				
6	Test Year Ended 12/31/2007	2,827,994	2,983,791	9,752,043
7				
8	Projected Year Ended 12/31/2008	\$ 1,180,000	\$ 1,180,000	\$ 10,932,043
9				
10	<u>Supporting Schedules:</u>			
11	F-3			
12	E-5			
13				
14				

**Sunrise Water Co.**  
 Test Year Ended December 31, 2007  
 Summary Changes In Financial Position

Exhibit: RLJ-1  
 Schedule A-5  
 Page 1  
 Witness: Jones

Line No.		Prior	Prior	Test	Projected Year	
		Year Ended <u>12/31/2005</u>	Year Ended <u>12/31/2006</u>	Year Ended <u>12/31/2007</u>	Present Rates <u>12/31/2008</u>	Proposed Rates <u>12/31/2008</u>
1	<u>Source of Funds</u>					
2	From Operations					
3	Net Income	(604,338)	115,826	133,686	(52,290)	133,889
4	Depreciation and Amortization	203,731	241,973	307,762	395,853	395,853
5	Changes in Working Capital	(36,007)	198,515	(45,532)	-	-
6	Changes in Amounts due to/from Affiliates	(66,348)	(12,582)	7,118	-	-
7	Changes in Accrued Taxes	(6,102)	(1)	(1,118)	-	-
8	Total From Operations	(509,065)	543,732	401,916	343,562	529,742
9						
10	From Financing					
11	Advances in Aid of Construction	149,760	2,323,685	953,798	721,644	721,644
12	Contributions in Aid of Construction	207,456	102,560	106,088	(18,893)	(18,893)
13	Paid In Capital	477,575	873,264	-	-	-
14	Total From Financing	834,791	3,299,508	1,059,886	702,751	702,751
15						
16	Total Funds Provided	325,727	3,843,240	1,461,802	1,046,313	1,232,493
17						
18	<u>Application of Funds</u>					
19	Construction Expenditures	577,689	2,184,689	2,827,994	1,180,000	1,180,000
20						
21	Net Increase/(Decrease) in Cash	(251,963)	1,658,552	(1,366,192)	(133,687)	52,493
22						
23	Cash, Beginning of Year	420,226	168,263	1,826,814	460,622	460,622
24	Cash, End of Year	168,263	1,826,814	460,622	326,936	513,115
25						
26						
27	<u>Supporting Schedules:</u>					
28	E-3					
29	F-2					
30						
31						

## **B Schedules**

**Sunrise Water Co.**  
 Test Year Ended December 31, 2007  
 Summary of Original Cost Rate Base Elements

Exhibit: RLJ-1  
 Schedule B-1  
 Page 1  
 Witness: Jones

Line <u>No.</u>	Original Cost <u>Rate Base*</u>
1	
2	\$ 10,408,383
3	
4	<u>2,492,247</u>
5	
6	7,916,136
7	
8	143,632
9	
10	Less:
11	6,256,352
12	
13	263,407
14	
15	91,855
16	
17	Plus:
18	<u>-</u>
19	
20	<u><u>\$ 1,448,154</u></u>
21	
22	* including pro forma adjustments
23	
24	
25	<u>Supporting Schedules:</u>
26	B-2 B-5
27	B-3 E-1
28	
29	

Recap Schedules:  
 A-1

**Sunrise Water Co.**  
 Test Year Ended December 31, 2007  
 Original Cost Rate Base Pro forma Adjustments

Exhibit: RLJ-1  
 Schedule B-2  
 Page 1  
 Witness: Jones

Line No.	[A] Actual End of Test Year	[B] ADJ RLJ-1	[C] ADJ RLJ-2	[D] ADJ RLJ-3	[E] ADJ RLJ-4	[F] ADJ RLJ-5
1						
2	\$ 9,752,043	\$ 287,858				\$ 168,481
3						
4	1,952,470		539,777			
5						
6	7,799,573	287,858	(539,777)	-	-	168,481
7						
8					143,632	
9						
10						
11	6,052,614			332,094		
12						
13	425,049					
14						
15	(8,945)					
16						
17	416,104	-	-	-	-	-
18						
19	91,855					
20						
21						
22	-					
23						
24	<u>\$ 1,239,001</u>	<u>\$ 287,858</u>	<u>\$ (539,777)</u>	<u>\$ (332,094)</u>	<u>\$ 143,632</u>	<u>\$ 168,481</u>
25						
26						
27						
28						
29						
30	<u>Supporting Schedules:</u>				<u>Recap Schedules:</u>	
31	E-1				B-1	
32						
33						

**Sunrise Water Co.**  
 Test Year Ended December 31, 2007  
 Original Cost Rate Base Pro forma Adjustments

Exhibit: RLJ-1  
 Schedule B-2  
 Page 2  
 Witness: Jones

Line No.	[G] ADJ RLJ-6	[H] ADJ RLJ-7	[I] ADJ RLJ-8	[J] Total Pro Forma Adjustments	[K] Adjusted End of Test Year
1					
2			\$ 200,000	\$ 656,339	\$ 10,408,383
3					
4				539,777	2,492,247
5					
6	-	-	200,000	116,563	7,916,136
7					
8				143,632	143,632
9					
10					
11	(128,356)			203,738	6,256,352
12					
13				-	425,049
14					
15		(152,696)		(152,696)	(161,641)
16					
17	-	(152,696)	-	(152,696)	263,407
18					
19				-	91,855
20					
21					
22				-	-
23					
24	\$ 128,356	\$ 152,696	\$ 200,000	\$ 209,153	\$ 1,448,154
25					
26					
27					
28					
29					
30	<u>Supporting Schedules:</u>				
31	E-1				
32					
33					

Line

No.

1	<u>Adjust Plant In Service Balance to Conform With Decision No. 53721</u>				
2					
3	Commission Decision No. 53721 dated August 31, 1983 established the Original Cost of Plant In Service				
4	less Depreciation to be \$494,038. The finding is based on the Staff Report dated July 31, 1982 in				
5	Docket number U-2069-83-042. In the Staff Report, the Original Cost of Plant In Service was				
6	\$571,139. Sunrise Water Co. did not adjust its Plant in Service Balance to conform to the				
7	Commission finding in Decision No. 53721. This adjustment conforms the July 31, 1982				
8	Plant in Service balance to the Commission finding in Decision No. 53721.				
9					
10		Plant In		Amount	
11		Service		Booked in	
12		Balance per	Balance per	Subsequent	Plant In
13		Decision No.	7/31/1982	Years for PIS	Service
14		<u>53721</u>	<u>G/L</u>	<u>on 7/31/1982</u>	<u>Adjustment</u>
15					
16	Land and Land Rights	\$ 38,000		\$ 33,696	\$ 4,304
17	Structures & Improvements	-	-	-	-
18	Wells & Springs	29,684	13,896	-	15,788
19	Pumping Equipment	23,761	11,124	-	12,637
20	Water Treatment Equipment				
21	Solution Feeders	-	-	-	-
22	Distribution Reservoirs & Standpipes				
23	Storage Tanks	38,064	17,819	-	20,244
24	Pressure Tanks	4,229	1,980	-	2,249
25	Transmission and Distribution Mains	383,304	179,441	-	203,863
26	Services	26,807	12,549	-	14,258
27	Meters	16,521	7,734	-	8,787
28	Hydrants	10,134	4,744	-	5,390
29	Office Furniture and Equipment		-	-	-
30	Computers and Software		-	-	-
31	Tools, Shop and Garage Equipment		-	-	-
32	Miscellaneous Equipment	635	297	-	338
33		<u>\$ 571,139</u>	<u>\$ 249,585</u>	<u>\$ 33,696</u>	<u>\$ 287,858</u>
34					
35	Plant In Service Balance per Decision No. 53721				\$ 571,139
36					
37	Less Plant In Service Balance July 31, 1982 G/L				\$ 283,281
38					
39	Less Amounts Booked in Subsequent Years for PIS on 7/31/1982				\$ 33,696
40					
41	Increase/(Decrease) to Plant In Service Balance				<u>\$ 287,858</u>
42					
43	Adjustment to Rate Base				<u>\$ 287,858</u>
44					
45					

Sunrise Water Co.  
Test Year Ended December 31, 2007  
Rate Base Adjustment RLJ-2

Exhibit: RLJ-1  
Schedule B-2  
Page 4  
Witness: Jones

Line

No.

1	<u>Adjust Accumulated Depreciation Balance to Conform With Decision No. 53721</u>	
2		
3	Commission Order No. 53721 dated August 31, 1983 established a depreciation rate of 5.0%	
4	for all classes of depreciable plant. The depreciation rate is detailed in the Staff Report dated July 31, 1982 in	
5	Docket number U-2069-83-042. This adjustment restates Accumulated Depreciation during the period	
6	July 31, 1982 through December 31, 2007 using the approved 5.0% depreciation rate.	
7		
8		
9		
10	Calculated Accumulated Depreciation Balance at Dec. 31, 2007	\$ 2,492,247
11		
12	Accumulated Depreciation Balance Dec. 31, 2007 G/L	<u>1,952,470</u>
13		
14	Increase/(Decrease) to Accumulated Depreciation Balance	<u>\$ 539,777</u>
15		
16	Adjustment to Rate Base	<u>\$ (539,777)</u>
17		
18	<u>Supporting Schedules:</u>	
19	B-2.2	
20		
21		

Line

No.

1	<u>Adjust Advance Balance to Reflect Advances Recorded As Taxable Income</u>	
2		
3	Sunrise Water Co. records all Advances in Aid of Construction in the Advance account. For those	
4	Advances that are considered income for tax purposes, Sunrise Water Co. records	
5	a debit in a contra account to Advances in Aid of Construction and a credit to	
6	Other Water Revenue. When refunds of taxable advances are made, a credit is recorded in the	
7	Advance contra account and a debit is recorded in Miscellaneous Expense. These entries are	
8	tax entries and should be eliminated for regulatory purposes.	
9		
10	WXA Advance contra account Balance Dec. 31, 2007 G/L	\$ 276,599
11		
12	Meter Advance contra account Balance Dec. 31, 2007 G/L	<u>55,495</u>
13		
14	Increase/(Decrease) to Advance in Aid of Construction Balance	<u>\$ 332,094</u>
15		
16	Adjustment to Rate Base	<u>\$ (332,094)</u>
17		
18		

**Sunrise Water Co.**  
Test Year Ended December 31, 2007  
Rate Base Adjustment RLJ-4

Exhibit: RLJ-1  
Schedule B-2  
Page 6  
Witness: Jones

Line

No.

1	<u>Adjust Accumulated Deferred Income Taxes to Reflect Taxes Paid on Taxable Advances</u>	
2		
3	Sunrise Water Co. does not debit Accumulated Deferred Income Taxes to reflect taxes paid	
4	on taxable Advances. This adjustment is needed to reflect the investment in taxes paid on advanced	
5	plant.	
6		
7		
8	Taxable Advance Balance Dec. 31, 2007 G/L	\$ 332,094
9		
10	Sunrise Water Co. Marginal Tax Rate	<u>43.2505%</u>
11		
12	Increase/(Decrease) to Accumulated Deferred Income Tax Balance	<u>\$ 143,632</u>
13		
14	Adjustment to Rate Base	<u>\$ 143,632</u>
15		
16		

Sunrise Water Co.  
Test Year Ended December 31, 2007  
Rate Base Adjustment RLJ-5

Exhibit: RLJ-1  
Schedule B-2  
Page 7  
Witness: Jones

Line

No.

1	<u>Adjust Plant In Service to reflect post test year plant in service</u>	
2		
3	Sunrise Water Co. has completed two post test year improvement projects related to	
4	removal of Well No. 2 from its system due to high levels of arsenic. These improvements	
5	are non revenue producing and should be included in rate base.	
6		
7		
8	Actual Cost 91st Ave Water Main	\$ 115,270
9		
10	Actual Cost 83rd Ave. Water Main	<u>45,534</u>
11		
12	Total Construction Cost	160,804
13		
14	Construction Overhead Rate	<u>4.77%</u>
15		
16	Capitalized Overhead	7,677
17		
18	Increase/(Decrease) to Plant in Service	<u>\$ 168,481</u>
19		
20	Adjustment to Rate Base	<u>\$ 168,481</u>
21		
22		

Sunrise Water Co.  
Test Year Ended December 31, 2007  
Rate Base Adjustment RLJ-6

Exhibit: RLJ-1  
Schedule B-2  
Page 8  
Witness: Jones

Line

No.

1	<u>Adjust Advance Balance to Reflect Refunds Paid</u>	
2		
3	Sunrise Water Co. refunds advances each year based on revenues for the	
4	12-month period between the previous July 1 and June 30 of the current year.	
5	The refund paid in 2008 is known and measurable and is properly included in rate base.	
6		
7		
8	Total Refund Due July 1, 2007 through June 30, 2008	\$ 128,356
9		
10	Increase/(Decrease) to Advance in Aid of Construction Balance	<u>\$ (128,356)</u>
11		
12	Adjustment to Rate Base	<u>\$ 128,356</u>
13		
14		

Line

No.

1	<u>Adjust Accumulated Amortization of Contributions in Aid of Construction to Conform With Decision No. 53721:</u>	
2		
3	Commission Decision No. 53721 dated August 31, 1983 established a depreciation rate of 5.0%	
4	for all classes of depreciable plant. The depreciation rate is detailed in the Staff Report dated July 31, 1982 in	
5	Docket number U-2069-83-042. Contributions in Aid of Construction should be amortized using the 5.0%	
6	rate approved in Decision No. 53721. Sunrise Water Co. has not amortized Contribution in Aid of Construction	
7	consistent with Decision No. 53721. This adjustment restates Accumulated Contributions in Aid of Construction	
8	during the period July 31, 1982 through Dec. 31, 2007 using the approved 5.0% amortization rate.	
9		
10	Calculated Accumulated Amortization of CIAC Balance at Dec. 31, 2007	\$ 161,641
11		
12	Accumulated Amortization of CIAC Balance Dec. 31, 2007 G/L	<u>8,945</u>
13		
14	Increase/(Decrease) to Accumulated Amortization of CIAC Balance	<u>\$ 152,696</u>
15		
16	Adjustment to Rate Base	<u>\$ 152,696</u>
17		
18	<u>Supporting Schedules:</u>	
19	B-2.7	
20		
21		

Sunrise Water Co.  
Test Year Ended December 31, 2007  
Rate Base Adjustment RLJ-8

Exhibit: RLJ-1  
Schedule B-2  
Page 10  
Witness: Jones

Line

No.

1	<u>Adjust Plant In Service to Include Land Placed in Service during 2007, But Not Recorded Until 2008:</u>	
2		
3	Sunrise Water Co. placed well No. 6 into service in 2007. However, the land transfer was not completed	
4	until 2008. It is appropriate to include the land for Well No. 6 in rate base.	
5		
6	Amount Booked for Well No. 6 Land in 2008	\$ 200,000
7		
8	Increase/(Decrease) to Plant in Service Balance	<u>\$ 200,000</u>
9		
10	Adjustment to Rate Base	<u>\$ 200,000</u>
11		
12		

Line No.		Previous Test Year Jul 31, 1982	Fiscal Year End Jul 31, 1983	Fiscal Year End Jul 31, 1984	Fiscal Year End Jul 31, 1985
1	<b>DEPRECIATION ACCRUAL BY VINTAGE YEAR</b>				
2	Plant In Service Balance /1	\$ 571,139			
3	Plant In Service Additions /2		\$ 9,942	\$ 26,268	\$ 127,226
4	less Non Depreciable Plant Balance/Additions /3	<u>(38,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
5	Depreciable Plant	533,139	9,942	26,268	127,226
6	Depreciation Rate 5% /1	<u>0.05</u>	<u>0.05</u>	<u>0.05</u>	<u>0.05</u>
7	Annual Depreciation Expense	\$ 26,657	\$ 497	\$ 1,313	\$ 6,361
8					
9	<b>DEPRECIATION CALCULATION BY VINTAGE YEAR</b>				
10	Plant In Service Balance/Additions	\$ 571,139	\$ 9,942	\$ 26,268	\$ 127,226
11	Accumulated Depreciation at July 31, 1982 /1	<u>(77,101)</u>	<u>-</u>	<u>-</u>	<u>-</u>
12	Net Plant at July 31, 1982 /4	\$ 494,038	\$ 9,942	\$ 26,268	\$ 127,226
13	Annual Depreciation Accruals /5 /6				
14	7/31/1983	(26,657)	(249)		
15	7/31/1984	(26,657)	(497)	(657)	
16	7/31/1985	(26,657)	(497)	(1,313)	(3,181)
17	7/31/1986	(26,657)	(497)	(1,313)	(6,361)
18	7/31/1987	(26,657)	(497)	(1,313)	(6,361)
19	7/31/1988	(26,657)	(497)	(1,313)	(6,361)
20	7/31/1989	(26,657)	(497)	(1,313)	(6,361)
21	7/31/1990	(26,657)	(497)	(1,313)	(6,361)
22	7/31/1991	(26,657)	(497)	(1,313)	(6,361)
23	7/31/1992	(26,657)	(497)	(1,313)	(6,361)
24	7/31/1993	(26,657)	(497)	(1,313)	(6,361)
25	7/31/1994	(26,657)	(497)	(1,313)	(6,361)
26	7/31/1995	(26,657)	(497)	(1,313)	(6,361)
27	7/31/1996	(26,657)	(497)	(1,313)	(6,361)
28	7/31/1997	(26,657)	(497)	(1,313)	(6,361)
29	7/31/1998	(26,657)	(497)	(1,313)	(6,361)
30	7/31/1999	(26,657)	(497)	(1,313)	(6,361)
31	7/31/2000	(2,870)	(497)	(1,313)	(6,361)
32	7/31/2001	-	(497)	(1,313)	(6,361)
33	12/31/2002	-	(704)	(1,861)	(9,012)
34	12/31/2003	-	(41)	(1,313)	(6,361)
35	12/31/2004	-	-	(109)	(6,361)
36	12/31/2005	-	-	-	(530)
37	12/31/2006	-	-	-	-
38	12/31/2007	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
39	Depreciation 7-31-83 through 12-31-07	\$ (456,038)	\$ (9,942)	\$ (26,268)	\$ (127,226)
40					
41	<b>SUMMARY BY VINTAGE YEAR</b>				
42	Plant In Service Balance	\$ 571,139	\$ 9,942	\$ 26,268	\$ 127,226
43	Accumulated Depreciation	<u>\$ (533,139)</u>	<u>\$ (9,942)</u>	<u>\$ (26,268)</u>	<u>\$ (127,226)</u>
44	Net Plant In Service	\$ 38,000	\$ -	\$ -	\$ -

46 /1 - Staff Report Docket No. U-2069-83-042  
 47 /2 - Sunrise Water Co. Annual Report to ACC  
 48 /3 - Land and Land Rights  
 49 /4 - Decision No. 53721, Docket No. U-2069-83-042  
 50 /5 - Half Year Convention Used  
 51 /6 - Depreciation for year ending 12-31-2002 includes  
 52 17 months depreciation due to change from fiscal  
 53 year to calendar year  
 54

Sunrise Water Co.  
 Calculation of Net Plant In Service  
 All Data Original Cost

Exhibit: RLI -1  
 Work Paper: B-2.2  
 Page 2  
 Witness: Jones

Line No.		Fiscal Year End Jul 31, 1986	Fiscal Year End Jul 31, 1987	Fiscal Year End Jul 31, 1988	Fiscal Year End Jul 31, 1989
1	<b>DEPRECIATION ACCRUAL BY VINTAGE YEAR</b>				
2	Plant In Service Balance /1				
3	Plant In Service Additions /2	\$ 25,343	\$ 27,277	\$ 2,349	\$ 18,923
4	less Non Depreciable Plant Balance/Additions /3	-	-	-	-
5	Depreciable Plant	25,343	27,277	2,349	18,923
6	Depreciation Rate 5% /1	0.05	0.05	0.05	0.05
7	Annual Depreciation Expense	\$ 1,267	\$ 1,364	\$ 117	\$ 946
8					
9	<b>DEPRECIATION CALCULATION BY VINTAGE YEAR</b>				
10	Plant In Service Balance/Additions	\$ 25,343	\$ 27,277	\$ 2,349	\$ 18,923
11	Accumulated Depreciation at July 31, 1982 /1	-	-	-	-
12	Net Plant at July 31, 1982 /4	\$ 25,343	\$ 27,277	\$ 2,349	\$ 18,923
13	Annual Depreciation Accruals /5 /6				
14	7/31/1983				
15	7/31/1984				
16	7/31/1985				
17	7/31/1986	(634)			
18	7/31/1987	(1,267)	(682)		
19	7/31/1988	(1,267)	(1,364)	(59)	
20	7/31/1989	(1,267)	(1,364)	(117)	(473)
21	7/31/1990	(1,267)	(1,364)	(117)	(946)
22	7/31/1991	(1,267)	(1,364)	(117)	(946)
23	7/31/1992	(1,267)	(1,364)	(117)	(946)
24	7/31/1993	(1,267)	(1,364)	(117)	(946)
25	7/31/1994	(1,267)	(1,364)	(117)	(946)
26	7/31/1995	(1,267)	(1,364)	(117)	(946)
27	7/31/1996	(1,267)	(1,364)	(117)	(946)
28	7/31/1997	(1,267)	(1,364)	(117)	(946)
29	7/31/1998	(1,267)	(1,364)	(117)	(946)
30	7/31/1999	(1,267)	(1,364)	(117)	(946)
31	7/31/2000	(1,267)	(1,364)	(117)	(946)
32	7/31/2001	(1,267)	(1,364)	(117)	(946)
33	12/31/2002	(1,795)	(1,932)	(166)	(1,340)
34	12/31/2003	(1,267)	(1,364)	(117)	(946)
35	12/31/2004	(1,267)	(1,364)	(117)	(946)
36	12/31/2005	(1,267)	(1,364)	(117)	(946)
37	12/31/2006	(106)	(1,364)	(117)	(946)
38	12/31/2007	-	(114)	(117)	(946)
39	Depreciation 7-31-83 through 12-31-07	\$ (25,343)	\$ (27,277)	\$ (2,339)	\$ (17,898)
40					
41	<b>SUMMARY BY VINTAGE YEAR</b>				
42	Plant In Service Balance	\$ 25,343	\$ 27,277	\$ 2,349	\$ 18,923
43	Accumulated Depreciation	\$ (25,343)	\$ (27,277)	\$ (2,339)	\$ (17,898)
44	Net Plant In Service	\$ -	\$ -	\$ 10	\$ 1,025

- 45
- 46 /1 - Staff Report Docket No. U-2069-83-042
- 47 /2 - Sunrise Water Co. Annual Report to ACC
- 48 /3 - Land and Land Rights
- 49 /4 - Decision No. 53721, Docket No. U-2069-83-042
- 50 /5 - Half Year Convention Used
- 51 /6 - Depreciation for year ending 12-31-2002 includes
- 52 17 months depreciation due to change from fiscal
- 53 year to calendar year
- 54

Sunrise Water Co.  
 Calculation of Net Plant In Service  
 All Data Original Cost

Exhibit: RLI -1  
 Work Paper: B-2.2  
 Page 3  
 Witness: Jones

Line No.		Fiscal Year End Jul 31, 1990	Fiscal Year End Jul 31, 1991	Fiscal Year End Jul 31, 1992	Fiscal Year End Jul 31, 1993
1	<b>DEPRECIATION ACCRUAL BY VINTAGE YEAR</b>				
2	Plant In Service Balance /1				
3	Plant In Service Additions /2	\$ 89,397	\$ 5,975	\$ 21,853	\$ 16,077
4	less Non Depreciable Plant Balance/Additions /3	-	-	-	-
5	Depreciable Plant	89,397	5,975	21,853	16,077
6	Depreciation Rate 5% /1	0.05	0.05	0.05	0.05
7	Annual Depreciation Expense	\$ 4,470	\$ 299	\$ 1,093	\$ 804
8					
9	<b>DEPRECIATION CALCULATION BY VINTAGE YEAR</b>				
10	Plant In Service Balance/Additions	\$ 89,397	\$ 5,975	\$ 21,853	\$ 16,077
11	Accumulated Depreciation at July 31, 1982 /1	-	-	-	-
12	Net Plant at July 31, 1982 /4	\$ 89,397	\$ 5,975	\$ 21,853	\$ 16,077
13	Annual Depreciation Accruals /5 /6				
14	7/31/1983				
15	7/31/1984				
16	7/31/1985				
17	7/31/1986				
18	7/31/1987				
19	7/31/1988				
20	7/31/1989				
21	7/31/1990	(2,235)			
22	7/31/1991	(4,470)	(149)		
23	7/31/1992	(4,470)	(299)	(546)	
24	7/31/1993	(4,470)	(299)	(1,093)	(402)
25	7/31/1994	(4,470)	(299)	(1,093)	(804)
26	7/31/1995	(4,470)	(299)	(1,093)	(804)
27	7/31/1996	(4,470)	(299)	(1,093)	(804)
28	7/31/1997	(4,470)	(299)	(1,093)	(804)
29	7/31/1998	(4,470)	(299)	(1,093)	(804)
30	7/31/1999	(4,470)	(299)	(1,093)	(804)
31	7/31/2000	(4,470)	(299)	(1,093)	(804)
32	7/31/2001	(4,470)	(299)	(1,093)	(804)
33	12/31/2002	(6,332)	(423)	(1,548)	(1,139)
34	12/31/2003	(4,470)	(299)	(1,093)	(804)
35	12/31/2004	(4,470)	(299)	(1,093)	(804)
36	12/31/2005	(4,470)	(299)	(1,093)	(804)
37	12/31/2006	(4,470)	(299)	(1,093)	(804)
38	12/31/2007	(4,470)	(299)	(1,093)	(804)
39	Depreciation 7-31-83 through 12-31-07	\$ (80,085)	\$ (5,054)	\$ (17,391)	\$ (11,991)
40					
41	<b>SUMMARY BY VINTAGE YEAR</b>				
42	Plant In Service Balance	\$ 89,397	\$ 5,975	\$ 21,853	\$ 16,077
43	Accumulated Depreciation	\$ (80,085)	\$ (5,054)	\$ (17,391)	\$ (11,991)
44	Net Plant In Service	\$ 9,312	\$ 921	\$ 4,462	\$ 4,086
45					
46	/1 - Staff Report Docket No. U-2069-83-042				
47	/2 - Sunrise Water Co. Annual Report to ACC				
48	/3 - Land and Land Rights				
49	/4 - Decision No. 53721, Docket No. U-2069-83-042				
50	/5 - Half Year Convention Used				
51	/6 - Depreciation for year ending 12-31-2002 includes				
52	17 months depreciation due to change from fiscal				
53	year to calendar year				
54					

Sunrise Water Co.  
 Calculation of Net Plant In Service  
 All Data Original Cost

Exhibit: RLJ -1  
 Work Paper: B-2.2  
 Page 4  
 Witness: Jones

Line No.		Fiscal Year End Jul 31, 1994	Fiscal Year End Jul 31, 1995	Fiscal Year End Jul 31, 1996	Fiscal Year End Jul 31, 1997
1	<b>DEPRECIATION ACCRUAL BY VINTAGE YEAR</b>				
2	Plant In Service Balance /1				
3	Plant In Service Additions /2	\$ 18,687	\$ 193,006	\$ 492,574	\$ 316,800
4	less Non Depreciable Plant Balance/Additions /3	-	-	-	-
5	Depreciable Plant	18,687	193,006	492,574	316,800
6	Depreciation Rate 5% /1	0.05	0.05	0.05	0.05
7	Annual Depreciation Expense	\$ 934	\$ 9,650	\$ 24,629	\$ 15,840
8					
9	<b>DEPRECIATION CALCULATION BY VINTAGE YEAR</b>				
10	Plant In Service Balance/Additions	\$ 18,687	\$ 193,006	\$ 492,574	\$ 316,800
11	Accumulated Depreciation at July 31, 1982 /1	-	-	-	-
12	Net Plant at July 31, 1982 /4	\$ 18,687	\$ 193,006	\$ 492,574	\$ 316,800
13	Annual Depreciation Accruals /5 /6				
14	7/31/1983				
15	7/31/1984				
16	7/31/1985				
17	7/31/1986				
18	7/31/1987				
19	7/31/1988				
20	7/31/1989				
21	7/31/1990				
22	7/31/1991				
23	7/31/1992				
24	7/31/1993				
25	7/31/1994	(467)			
26	7/31/1995	(934)	(4,825)		
27	7/31/1996	(934)	(9,650)	(12,314)	
28	7/31/1997	(934)	(9,650)	(24,629)	(7,920)
29	7/31/1998	(934)	(9,650)	(24,629)	(15,840)
30	7/31/1999	(934)	(9,650)	(24,629)	(15,840)
31	7/31/2000	(934)	(9,650)	(24,629)	(15,840)
32	7/31/2001	(934)	(9,650)	(24,629)	(15,840)
33	12/31/2002	(1,324)	(13,671)	(34,891)	(22,440)
34	12/31/2003	(934)	(9,650)	(24,629)	(15,840)
35	12/31/2004	(934)	(9,650)	(24,629)	(15,840)
36	12/31/2005	(934)	(9,650)	(24,629)	(15,840)
37	12/31/2006	(934)	(9,650)	(24,629)	(15,840)
38	12/31/2007	(934)	(9,650)	(24,629)	(15,840)
39	Depreciation 7-31-83 through 12-31-07	\$ (13,003)	\$ (124,650)	\$ (293,492)	\$ (172,920)
40					
41	<b>SUMMARY BY VINTAGE YEAR</b>				
42	Plant In Service Balance	\$ 18,687	\$ 193,006	\$ 492,574	\$ 316,800
43	Accumulated Depreciation	\$ (13,003)	\$ (124,650)	\$ (293,492)	\$ (172,920)
44	Net Plant In Service	\$ 5,684	\$ 68,356	\$ 199,082	\$ 143,880
45					
46	/1 - Staff Report Docket No. U-2069-83-042				
47	/2 - Sunrise Water Co. Annual Report to ACC				
48	/3 - Land and Land Rights				
49	/4 - Decision No. 53721, Docket No. U-2069-83-042				
50	/5 - Half Year Convention Used				
51	/6 - Depreciation for year ending 12-31-2002 includes				
52	17 months depreciation due to change from fiscal				
53	year to calendar year				
54					

Line No.		Fiscal Year End Jul 31, 1998	Fiscal Year End Jul 31, 1999	Fiscal Year End Jul 31, 2000	Fiscal Year End Jul 31, 2001
1	<b>DEPRECIATION ACCRUAL BY VINTAGE YEAR</b>				
2	Plant In Service Balance /1				
3	Plant In Service Additions /2	\$ 54,080	\$ 9,731	\$ 226,804	\$ 1,102,851
4	less Non Depreciable Plant Balance/Additions /3	-	-	-	-
5	Depreciable Plant	54,080	9,731	226,804	1,102,851
6	Depreciation Rate 5% /1	0.05	0.05	0.05	0.05
7	Annual Depreciation Expense	\$ 2,704	\$ 487	\$ 11,340	\$ 55,143
8					
9	<b>DEPRECIATION CALCULATION BY VINTAGE YEAR</b>				
10	Plant In Service Balance/Additions	\$ 54,080	\$ 9,731	\$ 226,804	\$ 1,102,851
11	Accumulated Depreciation at July 31, 1982 /1	-	-	-	-
12	Net Plant at July 31, 1982 /4	\$ 54,080	\$ 9,731	\$ 226,804	\$ 1,102,851
13	Annual Depreciation Accruals /5 /6				
14	7/31/1983				
15	7/31/1984				
16	7/31/1985				
17	7/31/1986				
18	7/31/1987				
19	7/31/1988				
20	7/31/1989				
21	7/31/1990				
22	7/31/1991				
23	7/31/1992				
24	7/31/1993				
25	7/31/1994				
26	7/31/1995				
27	7/31/1996				
28	7/31/1997				
29	7/31/1998	(1,352)			
30	7/31/1999	(2,704)	(243)		
31	7/31/2000	(2,704)	(487)	(5,670)	
32	7/31/2001	(2,704)	(487)	(11,340)	(27,571)
33	12/31/2002	(3,831)	(689)	(16,065)	(78,119)
34	12/31/2003	(2,704)	(487)	(11,340)	(55,143)
35	12/31/2004	(2,704)	(487)	(11,340)	(55,143)
36	12/31/2005	(2,704)	(487)	(11,340)	(55,143)
37	12/31/2006	(2,704)	(487)	(11,340)	(55,143)
38	12/31/2007	(2,704)	(487)	(11,340)	(55,143)
39	Depreciation 7-31-83 through 12-31-07	\$ (26,815)	\$ (4,338)	\$ (89,777)	\$ (381,403)
40					
41	<b>SUMMARY BY VINTAGE YEAR</b>				
42	Plant In Service Balance	\$ 54,080	\$ 9,731	\$ 226,804	\$ 1,102,851
43	Accumulated Depreciation	\$ (26,815)	\$ (4,338)	\$ (89,777)	\$ (381,403)
44	Net Plant In Service	\$ 27,265	\$ 5,393	\$ 137,027	\$ 721,448
45					
46	/1 - Staff Report Docket No. U-2069-83-042				
47	/2 - Sunrise Water Co. Annual Report to ACC				
48	/3 - Land and Land Rights				
49	/4 - Decision No. 53721, Docket No. U-2069-83-042				
50	/5 - Half Year Convention Used				
51	/6 - Depreciation for year ending 12-31-2002 includes				
52	17 months depreciation due to change from fiscal				
53	year to calendar year				
54					

Sunrise Water Co.  
 Calculation of Net Plant In Service  
 All Data Original Cost

Exhibit: RLJ -1  
 Work Paper: B-2.2  
 Page 6  
 Witness: Jones

Line No.		Calendar Year End Dec 31, 2002	Calendar Year End Dec 31, 2003	Calendar Year End Dec 31, 2004	Calendar Year End Dec 31, 2005
1	<b>DEPRECIATION ACCRUAL BY VINTAGE YEAR</b>				
2	Plant In Service Balance /1				
3	Plant In Service Additions /2	\$ 584,935	\$ 142,071	\$ 457,005	\$ 127,059
4	less Non Depreciable Plant Balance/Additions /3	-	-	-	-
5	Depreciable Plant	584,935	142,071	457,005	127,059
6	Depreciation Rate 5% /1	0.05	0.05	0.05	0.05
7	Annual Depreciation Expense	\$ 29,247	\$ 7,104	\$ 22,850	\$ 6,353
8					
9	<b>DEPRECIATION CALCULATION BY VINTAGE YEAR</b>				
10	Plant In Service Balance/Additions	\$ 584,935	\$ 142,071	\$ 457,005	\$ 127,059
11	Accumulated Depreciation at July 31, 1982 /1	-	-	-	-
12	Net Plant at July 31, 1982 /4	\$ 584,935	\$ 142,071	\$ 457,005	\$ 127,059
13	Annual Depreciation Accruals /5 /6				
14	7/31/1983				
15	7/31/1984				
16	7/31/1985				
17	7/31/1986				
18	7/31/1987				
19	7/31/1988				
20	7/31/1989				
21	7/31/1990				
22	7/31/1991				
23	7/31/1992				
24	7/31/1993				
25	7/31/1994				
26	7/31/1995				
27	7/31/1996				
28	7/31/1997				
29	7/31/1998				
30	7/31/1999				
31	7/31/2000				
32	7/31/2001				
33	12/31/2002	(26,810)			
34	12/31/2003	(29,247)	(3,552)		
35	12/31/2004	(29,247)	(7,104)	(11,425)	
36	12/31/2005	(29,247)	(7,104)	(22,850)	(3,176)
37	12/31/2006	(29,247)	(7,104)	(22,850)	(6,353)
38	12/31/2007	(29,247)	(7,104)	(22,850)	(6,353)
39	Depreciation 7-31-83 through 12-31-07	\$ (173,043)	\$ (31,966)	\$ (79,976)	\$ (15,882)
40					
41	<b>SUMMARY BY VINTAGE YEAR</b>				
42	Plant In Service Balance	\$ 584,935	\$ 142,071	\$ 457,005	\$ 127,059
43	Accumulated Depreciation	\$ (173,043)	\$ (31,966)	\$ (79,976)	\$ (15,882)
44	Net Plant In Service	\$ 411,892	\$ 110,105	\$ 377,029	\$ 111,177
45					
46	/1 - Staff Report Docket No. U-2069-83-042				
47	/2 - Sunrise Water Co. Annual Report to ACC				
48	/3 - Land and Land Rights				
49	/4 - Decision No. 53721, Docket No. U-2069-83-042				
50	/5 - Half Year Convention Used				
51	/6 - Depreciation for year ending 12-31-2002 includes				
52	17 months depreciation due to change from fiscal				
53	year to calendar year				
54					

Sunrise Water Co.  
 Calculation of Net Plant In Service  
 All Data Original Cost

Exhibit: RLJ -1  
 Work Paper: B-2.2  
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 Witness: Jones

Line No.		Calendar Year End Dec 31, 2006	Calendar Year End Dec 31, 2007	Summary Totals Dec 31, 2007
1	<b>DEPRECIATION ACCRUAL BY VINTAGE YEAR</b>			
2	Plant In Service Balance /1			\$ 571,139
3	Plant In Service Additions /2	\$ 2,422,434	\$ 2,983,791	\$ 9,502,458
4	less Non Depreciable Plant Balance/Additions /3	<u>(736,640)</u>	<u>-</u>	<u>(774,640)</u>
5	Depreciable Plant	1,685,794	2,983,791	9,298,957
6	Depreciation Rate 5% /1	<u>0.05</u>	<u>0.05</u>	
7	Annual Depreciation Expense	\$ 84,290	\$ 149,190	
8				
9	<b>DEPRECIATION CALCULATION BY VINTAGE YEAR</b>			
10	Plant In Service Balance/Additions	\$ 2,422,434	\$ 2,983,791	\$ 10,073,597
11	Accumulated Depreciation at July 31, 1982 /1	<u>-</u>	<u>-</u>	<u>\$ (77,101)</u>
12	Net Plant at July 31, 1982 /4	\$ 2,422,434	\$ 2,983,791	\$ 9,996,496
13	Annual Depreciation Accruals /5 /6			
14	7/31/1983			\$ (26,906)
15	7/31/1984			\$ (27,811)
16	7/31/1985			\$ (31,648)
17	7/31/1986			\$ (35,462)
18	7/31/1987			\$ (36,778)
19	7/31/1988			\$ (37,518)
20	7/31/1989			\$ (38,050)
21	7/31/1990			\$ (40,758)
22	7/31/1991			\$ (43,143)
23	7/31/1992			\$ (43,838)
24	7/31/1993			\$ (44,787)
25	7/31/1994			\$ (45,656)
26	7/31/1995			\$ (50,948)
27	7/31/1996			\$ (68,087)
28	7/31/1997			\$ (88,322)
29	7/31/1998			\$ (97,594)
30	7/31/1999			\$ (99,189)
31	7/31/2000			\$ (81,315)
32	7/31/2001			\$ (111,687)
33	12/31/2002			\$ (224,092)
34	12/31/2003			\$ (171,601)
35	12/31/2004			\$ (185,333)
36	12/31/2005			\$ (193,993)
37	12/31/2006	(42,145)		\$ (237,623)
38	12/31/2007	<u>(84,290)</u>	<u>(74,595)</u>	<u>\$ (353,007)</u>
39	Depreciation 7-31-83 through 12-31-07	\$ (126,435)	\$ (74,595)	\$ (2,415,146)
40				
41	<b>SUMMARY BY VINTAGE YEAR</b>			
42	Plant In Service Balance	\$ 2,422,434	\$ 2,983,791	\$ 10,073,597
43	Accumulated Depreciation	<u>\$ (126,435)</u>	<u>\$ (74,595)</u>	<u>\$ (2,492,247)</u>
44	Net Plant In Service	\$ 2,295,999	\$ 2,909,196	\$ 7,581,350
45				
46	/1 - Staff Report Docket No. U-2069-83-042			
47	/2 - Sunrise Water Co. Annual Report to ACC			
48	/3 - Land and Land Rights			
49	/4 - Decision No. 53721, Docket No. U-2069-83-042			
50	/5 - Half Year Convention Used			
51	/6 - Depreciation for year ending 12-31-2002 includes			
52	17 months depreciation due to change from fiscal			
53	year to calendar year			
54				

**Sunrise Water Co.**  
 Calculation of Contributions in aid of Construction net of Amortization  
 All Data Original Cost

Exhibit: RLJ-1  
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Line No.		Previous Test Year Jul 31, 1982	Fiscal Year End Jul 31, 1983	Fiscal Year End Jul 31, 1984	Fiscal Year End Jul 31, 1985
1	<b>CIAC AMORTIZATION BY VINTAGE YEAR</b>				
2	CIAC Balance /1	\$ 28,982			
3	CIAC Additions /2	-	\$ -	\$ -	\$ 87,732
5	CIAC Balance	28,982	-	-	87,732
6	Amortization Rate 5% /1	0.05	0.05	0.05	0.05
7	Annual Amortization	\$ 1,449	\$ -	\$ -	\$ 4,387
9	<b>CIAC AMORTIZATION CALCULATION BY VINTAGE YEAR</b>				
10	CIAC Balance/Additions	\$ 28,982	\$ -	\$ -	\$ 87,732
11	Accumulated Amortization at July 31, 1982 /1	-	-	-	-
12	Net CIAC at July 31, 1982	\$ 28,982	\$ -	\$ -	\$ 87,732
13	Annual Amortization /3 /4				
14	7/31/1983	(1,449)	-	-	
15	7/31/1984	(1,449)	-	-	
16	7/31/1985	(1,449)	-	-	(2,193)
17	7/31/1986	(1,449)	-	-	(4,387)
18	7/31/1987	(1,449)	-	-	(4,387)
19	7/31/1988	(1,449)	-	-	(4,387)
20	7/31/1989	(1,449)	-	-	(4,387)
21	7/31/1990	(1,449)	-	-	(4,387)
22	7/31/1991	(1,449)	-	-	(4,387)
23	7/31/1992	(1,449)	-	-	(4,387)
24	7/31/1993	(1,449)	-	-	(4,387)
25	7/31/1994	(1,449)	-	-	(4,387)
26	7/31/1995	(1,449)	-	-	(4,387)
27	7/31/1996	(1,449)	-	-	(4,387)
28	7/31/1997	(1,449)	-	-	(4,387)
29	7/31/1998	(1,449)	-	-	(4,387)
30	7/31/1999	(1,449)	-	-	(4,387)
31	7/31/2000	(1,449)	-	-	(4,387)
32	7/31/2001	(1,449)	-	-	(4,387)
33	12/31/2002	(1,449)	-	-	(6,214)
34	12/31/2003	-	-	-	(4,387)
35	12/31/2004	-	-	-	(4,387)
36	12/31/2005	-	-	-	(366)
37	12/31/2006	-	-	-	-
38	12/31/2007	-	-	-	-
39	Amortization 7-31-83 through 12-31-07	\$ (28,982)	\$ -	\$ -	\$ (87,732)
41	<b>SUMMARY BY VINTAGE YEAR</b>				
42	CIAC Balance	\$ 28,982	\$ -	\$ -	\$ 87,732
43	Accumulated Amortization	\$ (28,982)	\$ -	\$ -	\$ (87,732)
44	Net CIAC	\$ -	\$ -	\$ -	\$ -
46	/1 - Staff Report Docket No. U-2069-83-042				
47	/2 - Sunrise Water Co. Annual Report to ACC				
48	/3 - Half Year Convention Used				
49	/6 - Amortization for year ending 12-31-2002 includes				
50	17 months amortization due to change from fiscal				
51	year to calendar year				

**Sunrise Water Co.**

Calculation of Contributions in aid of Construction net of Amortization  
All Data Original Cost

Exhibit: RLJ-1  
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Line No.		Fiscal Year End Jul 31, 1986	Fiscal Year End Jul 31, 1987	Fiscal Year End Jul 31, 1988	Fiscal Year End Jul 31, 1989
1	<b>CIAC AMORTIZATION BY VINTAGE YEAR</b>				
2	CIAC Balance /1				
3	CIAC Additions /2	\$ -	\$ -	\$ -	\$ -
5	CIAC Balance	-	-	-	-
6	Amortization Rate 5% /1	0.05	0.05	0.05	0.05
7	Annual Amortization	\$ -	\$ -	\$ -	\$ -
8					
9	<b>CIAC AMORTIZATION CALCULATION BY VINTAGE YEAR</b>				
10	CIAC Balance/Additions	\$ -	\$ -	\$ -	\$ -
11	Accumulated Amortization at July 31, 1982 /1	-	-	-	-
12	Net CIAC at July 31, 1982	\$ -	\$ -	\$ -	\$ -
13	Annual Amortization /3 /4				
14	7/31/1983				
15	7/31/1984				
16	7/31/1985				
17	7/31/1986	-	-	-	-
18	7/31/1987	-	-	-	-
19	7/31/1988	-	-	-	-
20	7/31/1989	-	-	-	-
21	7/31/1990	-	-	-	-
22	7/31/1991	-	-	-	-
23	7/31/1992	-	-	-	-
24	7/31/1993	-	-	-	-
25	7/31/1994	-	-	-	-
26	7/31/1995	-	-	-	-
27	7/31/1996	-	-	-	-
28	7/31/1997	-	-	-	-
29	7/31/1998	-	-	-	-
30	7/31/1999	-	-	-	-
31	7/31/2000	-	-	-	-
32	7/31/2001	-	-	-	-
33	12/31/2002	-	-	-	-
34	12/31/2003	-	-	-	-
35	12/31/2004	-	-	-	-
36	12/31/2005	-	-	-	-
37	12/31/2006	-	-	-	-
38	12/31/2007	-	-	-	-
39	Amortization 7-31-83 through 12-31-07	\$ -	\$ -	\$ -	\$ -
40					
41	<b>SUMMARY BY VINTAGE YEAR</b>				
42	CIAC Balance	\$ -	\$ -	\$ -	\$ -
43	Accumulated Amortization	\$ -	\$ -	\$ -	\$ -
44	Net CIAC	\$ -	\$ -	\$ -	\$ -
45					
46	/1 - Staff Report Docket No. U-2069-83-042				
47	/2 - Sunrise Water Co. Annual Report to ACC				
48	/3 - Half Year Convention Used				
49	/6 - Amortization for year ending 12-31-2002 includes				
50	17 months amortization due to change from fiscal				
51	year to calendar year				

Sunrise Water Co.  
 Calculation of Contributions in aid of Construction net of Amortization  
 All Data Original Cost

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Line No.		Fiscal Year End Jul 31, 1990	Fiscal Year End Jul 31, 1991	Fiscal Year End Jul 31, 1992	Fiscal Year End Jul 31, 1993
1	<b>CIAC AMORTIZATION BY VINTAGE YEAR</b>				
2	CIAC Balance /1				
3	CIAC Additions /2	\$ -	\$ -	\$ -	\$ -
5	CIAC Balance	-	-	-	-
6	Amortization Rate 5% /1	0.05	0.05	0.05	0.05
7	Annual Amortization	\$ -	\$ -	\$ -	\$ -
8					
9	<b>CIAC AMORTIZATION CALCULATION BY VINTAGE YEAR</b>				
10	CIAC Balance/Additions	\$ -	\$ -	\$ -	\$ -
11	Accumulated Amortization at July 31, 1982 /1	-	-	-	-
12	Net CIAC at July 31, 1982	\$ -	\$ -	\$ -	\$ -
13	Annual Amortization /3 /4				
14	7/31/1983				
15	7/31/1984				
16	7/31/1985				
17	7/31/1986				
18	7/31/1987				
19	7/31/1988				
20	7/31/1989				
21	7/31/1990	-	-	-	-
22	7/31/1991	-	-	-	-
23	7/31/1992	-	-	-	-
24	7/31/1993	-	-	-	-
25	7/31/1994	-	-	-	-
26	7/31/1995	-	-	-	-
27	7/31/1996	-	-	-	-
28	7/31/1997	-	-	-	-
29	7/31/1998	-	-	-	-
30	7/31/1999	-	-	-	-
31	7/31/2000	-	-	-	-
32	7/31/2001	-	-	-	-
33	12/31/2002	-	-	-	-
34	12/31/2003	-	-	-	-
35	12/31/2004	-	-	-	-
36	12/31/2005	-	-	-	-
37	12/31/2006	-	-	-	-
38	12/31/2007	-	-	-	-
39	Amortization 7-31-83 through 12-31-07	\$ -	\$ -	\$ -	\$ -
40					
41	<b>SUMMARY BY VINTAGE YEAR</b>				
42	CIAC Balance	\$ -	\$ -	\$ -	\$ -
43	Accumulated Amortization	\$ -	\$ -	\$ -	\$ -
44	Net CIAC	\$ -	\$ -	\$ -	\$ -
45					
46	/1 - Staff Report Docket No. U-2069-83-042				
47	/2 - Sunrise Water Co. Annual Report to ACC				
48	/3 - Half Year Convention Used				
49	/6 - Amortization for year ending 12-31-2002 includes				
50	17 months amortization due to change from fiscal				
51	year to calendar year				

**Sunrise Water Co.**  
 Calculation of Contributions in aid of Construction net of Amortization  
 All Data Original Cost

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Line No.		Fiscal Year End Jul 31, 1994	Fiscal Year End Jul 31, 1995	Fiscal Year End Jul 31, 1996	Fiscal Year End Jul 31, 1997
1	<b>CIAC AMORTIZATION BY VINTAGE YEAR</b>				
2	CIAC Balance /1	\$ -	\$ -	\$ -	\$ -
3	CIAC Additions /2	\$ -	\$ -	\$ -	\$ -
5	CIAC Balance	-	-	-	-
6	Amortization Rate 5% /1	0.05	0.05	0.05	0.05
7	Annual Amortization	\$ -	\$ -	\$ -	\$ -
8					
9	<b>CIAC AMORTIZATION CALCULATION BY VINTAGE YEAR</b>				
10	CIAC Balance/Additions	\$ -	\$ -	\$ -	\$ -
11	Accumulated Amortization at July 31, 1982 /1	-	-	-	-
12	Net CIAC at July 31, 1982	\$ -	\$ -	\$ -	\$ -
13	Annual Amortization /3 /4				
14	7/31/1983				
15	7/31/1984				
16	7/31/1985				
17	7/31/1986				
18	7/31/1987				
19	7/31/1988				
20	7/31/1989				
21	7/31/1990				
22	7/31/1991				
23	7/31/1992				
24	7/31/1993				
25	7/31/1994	-			
26	7/31/1995	-	-		
27	7/31/1996	-	-	-	
28	7/31/1997	-	-	-	-
29	7/31/1998	-	-	-	-
30	7/31/1999	-	-	-	-
31	7/31/2000	-	-	-	-
32	7/31/2001	-	-	-	-
33	12/31/2002	-	-	-	-
34	12/31/2003	-	-	-	-
35	12/31/2004	-	-	-	-
36	12/31/2005	-	-	-	-
37	12/31/2006	-	-	-	-
38	12/31/2007	-	-	-	-
39	Amortization 7-31-83 through 12-31-07	\$ -	\$ -	\$ -	\$ -
40					
41	<b>SUMMARY BY VINTAGE YEAR</b>				
42	CIAC Balance	\$ -	\$ -	\$ -	\$ -
43	Accumulated Amortization	\$ -	\$ -	\$ -	\$ -
44	Net CIAC	\$ -	\$ -	\$ -	\$ -
45					
46	/1 - Staff Report Docket No. U-2069-83-042				
47	/2 - Sunrise Water Co. Annual Report to ACC				
48	/3 - Half Year Convention Used				
49	/6 - Amortization for year ending 12-31-2002 includes				
50	17 months amortization due to change from fiscal				
51	year to calendar year				

**Sunrise Water Co.**  
 Calculation of Contributions in aid of Construction net of Amortization  
 All Data Original Cost

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Line No.		Fiscal Year End Jul 31, 1998	Fiscal Year End Jul 31, 1999	Fiscal Year End Jul 31, 2000	Fiscal Year End Jul 31, 2001
1	<b>CIAC AMORTIZATION BY VINTAGE YEAR</b>				
2	CIAC Balance /1				
3	CIAC Additions /2	\$ -	\$ -	\$ 67,743	\$ 20,719
5	CIAC Balance	-	-	67,743	20,719
6	Amortization Rate 5% /1	0.05	0.05	0.05	0.05
7	Annual Amortization	\$ -	\$ -	\$ 3,387	\$ 1,036
8					
9	<b>CIAC AMORTIZATION CALCULATION BY VINTAGE YEAR</b>				
10	CIAC Balance/Additions	\$ -	\$ -	\$ 67,743	\$ 20,719
11	Accumulated Amortization at July 31, 1982 /1	-	-	-	-
12	Net CIAC at July 31, 1982	\$ -	\$ -	\$ 67,743	\$ 20,719
13	Annual Amortization /3 /4				
14	7/31/1983				
15	7/31/1984				
16	7/31/1985				
17	7/31/1986				
18	7/31/1987				
19	7/31/1988				
20	7/31/1989				
21	7/31/1990				
22	7/31/1991				
23	7/31/1992				
24	7/31/1993				
25	7/31/1994				
26	7/31/1995				
27	7/31/1996				
28	7/31/1997				
29	7/31/1998	-	-		
30	7/31/1999	-	-		
31	7/31/2000	-	-	(1,694)	
32	7/31/2001	-	-	(3,387)	(518)
33	12/31/2002	-	-	(4,798)	(1,468)
34	12/31/2003	-	-	(3,387)	(1,036)
35	12/31/2004	-	-	(3,387)	(1,036)
36	12/31/2005	-	-	(3,387)	(1,036)
37	12/31/2006	-	-	(3,387)	(1,036)
38	12/31/2007	-	-	(3,387)	(1,036)
39	Amortization 7-31-83 through 12-31-07	\$ -	\$ -	\$ (26,815)	\$ (7,165)
40					
41	<b>SUMMARY BY VINTAGE YEAR</b>				
42	CIAC Balance	\$ -	\$ -	\$ 67,743	\$ 20,719
43	Accumulated Amortization	\$ -	\$ -	\$ (26,815)	\$ (7,165)
44	Net CIAC	\$ -	\$ -	\$ 40,928	\$ 13,554
45					
46	/1 - Staff Report Docket No. U-2069-83-042				
47	/2 - Sunrise Water Co. Annual Report to ACC				
48	/3 - Half Year Convention Used				
49	/6 - Amortization for year ending 12-31-2002 includes				
50	17 months amortization due to change from fiscal				
51	year to calendar year				

**Sunrise Water Co.**  
 Calculation of Contributions in aid of Construction net of Amortization  
 All Data Original Cost

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Line No.		Calendar Year End Dec 31, 2002	Calendar Year End Dec 31, 2003	Calendar Year End Dec 31, 2004	Calendar Year End Dec 31, 2005
1	<b>CIAC AMORTIZATION BY VINTAGE YEAR</b>				
2	CIAC Balance /1				
3	CIAC Additions /2	\$ -	\$ -	\$ -	\$ 2,280
5	CIAC Balance	-	-	-	2,280
6	Amortization Rate 5% /1	0.05	0.05	0.05	0.05
7	Annual Amortization	\$ -	\$ -	\$ -	\$ 114
8					
9	<b>CIAC AMORTIZATION CALCULATION BY VINTAGE YEAR</b>				
10	CIAC Balance/Additions	\$ -	\$ -	\$ -	\$ 2,280
11	Accumulated Amortization at July 31, 1982 /1	-	-	-	-
12	Net CIAC at July 31, 1982	\$ -	\$ -	\$ -	\$ 2,280
13	Annual Amortization /3 /4				
14	7/31/1983				
15	7/31/1984				
16	7/31/1985				
17	7/31/1986				
18	7/31/1987				
19	7/31/1988				
20	7/31/1989				
21	7/31/1990				
22	7/31/1991				
23	7/31/1992				
24	7/31/1993				
25	7/31/1994				
26	7/31/1995				
27	7/31/1996				
28	7/31/1997				
29	7/31/1998				
30	7/31/1999				
31	7/31/2000				
32	7/31/2001				
33	12/31/2002	-	-	-	-
34	12/31/2003	-	-	-	-
35	12/31/2004	-	-	-	-
36	12/31/2005	-	-	-	(57)
37	12/31/2006	-	-	-	(114)
38	12/31/2007	-	-	-	(114)
39	Amortization 7-31-83 through 12-31-07	\$ -	\$ -	\$ -	\$ (285)
40					
41	<b>SUMMARY BY VINTAGE YEAR</b>				
42	CIAC Balance	\$ -	\$ -	\$ -	\$ 2,280
43	Accumulated Amortization	\$ -	\$ -	\$ -	\$ (285)
44	Net CIAC	\$ -	\$ -	\$ -	\$ 1,995
45					
46	/1 - Staff Report Docket No. U-2069-83-042				
47	/2 - Sunrise Water Co. Annual Report to ACC				
48	/3 - Half Year Convention Used				
49	/6 - Amortization for year ending 12-31-2002 includes				
50	17 months amortization due to change from fiscal				
51	year to calendar year				

**Sunrise Water Co.**  
 Calculation of Contributions in aid of Construction net of Amortization  
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Line No.		Calendar Year End Dec 31, 2006	Calendar Year End Dec 31, 2007	Summary Totals Dec 31, 2007
1	<b>CIAC AMORTIZATION BY VINTAGE YEAR</b>			
2	CIAC Balance /1			\$ 28,982
3	CIAC Additions /2	\$ 104,447	\$ 113,146	\$ 396,067
5	CIAC Balance	104,447	113,146	425,049
6	Amortization Rate 5% /1	0.05	0.05	
7	Annual Amortization	\$ 5,222	\$ 5,657	
8				
9	<b>CIAC AMORTIZATION CALCULATION BY VINTAGE YEAR</b>			
10	CIAC Balance/Additions	\$ 104,447	\$ 113,146	\$ 425,049
11	Accumulated Amortization at July 31, 1982 /1	-	-	-
12	Net CIAC at July 31, 1982	\$ 104,447	\$ 113,146	\$ 425,049
13	Annual Amortization /3 /4			
14	7/31/1983			\$ (1,449)
15	7/31/1984			\$ (1,449)
16	7/31/1985			\$ (3,642)
17	7/31/1986			\$ (5,836)
18	7/31/1987			\$ (5,836)
19	7/31/1988			\$ (5,836)
20	7/31/1989			\$ (5,836)
21	7/31/1990			\$ (5,836)
22	7/31/1991			\$ (5,836)
23	7/31/1992			\$ (5,836)
24	7/31/1993			\$ (5,836)
25	7/31/1994			\$ (5,836)
26	7/31/1995			\$ (5,836)
27	7/31/1996			\$ (5,836)
28	7/31/1997			\$ (5,836)
29	7/31/1998			\$ (5,836)
30	7/31/1999			\$ (5,836)
31	7/31/2000			\$ (7,529)
32	7/31/2001			\$ (9,741)
33	12/31/2002			\$ (13,930)
34	12/31/2003			\$ (8,810)
35	12/31/2004			\$ (8,810)
36	12/31/2005			\$ (4,846)
37	12/31/2006	(2,611)		\$ (7,148)
38	12/31/2007	(5,222)	(2,829)	\$ (12,588)
39	Amortization 7-31-83 through 12-31-07	\$ (7,834)	\$ (2,829)	\$ (161,641)
40				
41	<b>SUMMARY BY VINTAGE YEAR</b>			
42	CIAC Balance	\$ 104,447	\$ 113,146	\$ 425,049
43	Accumulated Amortization	\$ (7,834)	\$ (2,829)	\$ (161,641)
44	Net CIAC	\$ 96,613	\$ 110,317	\$ 263,408
45				
46	/1 - Staff Report Docket No. U-2069-83-042			
47	/2 - Sunrise Water Co. Annual Report to ACC			
48	/3 - Half Year Convention Used			
49	/6 - Amortization for year ending 12-31-2002 includes			
50	17 months amortization due to change from fiscal			
51	year to calendar year			

## **C Schedules**

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Adjusted Test Year Income Statement

Exhibit: RLJ-1  
 Schedule C-1  
 Page 1  
 Witness: Jones

Line No.	Actual for Test Year Ended 12/31/2007	Total Pro forma Adjustments	Test Year Results After Pro forma Adjustments	Proposed Rate Increase	Adjusted With Rate Increase
1	<b>Revenues</b>				
2	\$ 1,349,666	\$ (53,642)	\$ 1,296,025	\$ 285,932	\$ 1,581,956
3	10,273	(1,935)	8,338		8,338
4	<b>\$ 1,359,939</b>	<b>\$ (55,577)</b>	<b>\$ 1,304,363</b>	<b>\$ 285,932</b>	<b>\$ 1,590,295</b>
5	<b>Operating Expenses</b>				
6	\$ 382,937	\$ 31,902	\$ 414,840		\$ 414,840
7	179,081	(9,408)	169,673		169,673
8	14,099	-	14,099		14,099
9	26,549	-	26,549		26,549
10	49,245	4,487	53,733		53,733
11	45,163	-	45,163		45,163
12	2,635	-	2,635		2,635
13	37,664	-	37,664		37,664
14	74,769	-	74,769		74,769
15	11,141	-	11,141		11,141
16	77,595	(26,821)	50,775		50,775
17	-	25,000	25,000		25,000
18	14,287	(36,267)	(21,980)		(21,980)
19	307,762	88,091	395,853		395,853
20	55,953	8,761	64,714		64,714
21	-	-	-	80,852	80,852
22	<b>\$ 1,278,881</b>	<b>\$ 85,745</b>	<b>\$ 1,364,627</b>	<b>\$ 80,852</b>	<b>\$ 1,445,479</b>
23	<b>\$ 81,058</b>	<b>\$ (141,322)</b>	<b>\$ (60,264)</b>	<b>\$ 205,079</b>	<b>\$ 144,815</b>
24	<b>Other Income (Expense)</b>				
25	\$ 54,790	(54,790)	-	-	-
26	(2,161)	2,161	-	-	-
27	<b>\$ 52,628</b>	<b>\$ (52,628)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
28	<b>\$ 133,686</b>	<b>\$ (193,950)</b>	<b>\$ (60,264)</b>	<b>\$ 205,079</b>	<b>\$ 144,815</b>
29					
30					
31	<u>Supporting Schedules:</u>		<u>Recap Schedules:</u>		
32	E-2		A-1		
33	C-2				
34					
35					

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Income Statement Pro forma Adjustments

Exhibit: RLJ-1  
 Schedule C-2  
 Page 1  
 Witness: Jones

Line No.	[A] ADJ <u>RLJ-1</u>	[B] ADJ <u>RLJ-2</u>	[C] ADJ <u>RLJ-3</u>	[D] ADJ <u>RLJ-4</u>	[E] ADJ <u>RLJ-5</u>	
1	<b>Revenues</b>					
2					\$ (5,827)	
3						
4		(1,935)				
4	<b>Total Revenues</b>	\$ -	\$ (1,935)	\$ -	\$ -	\$ (5,827)
5	<b>Operating Expenses</b>					
6						
7						
8						
9						
10			2,649	1,839		
11						
12						
13						
14						
15						
16						
17						
18		(142,925)				
19						
20						
21						
22	<b>Total Operating Expenses</b>	\$ (142,925)	\$ -	\$ 2,649	\$ 1,839	\$ -
23	<b>Operating Income</b>	\$ 142,925	\$ (1,935)	\$ (2,649)	\$ (1,839)	\$ (5,827)
24	<b>Other Income (Expense)</b>					
25						
26						
27	<b>Total Other Income (Expense)</b>	\$ -	\$ -	\$ -	\$ -	\$ -
28	<b>Net Income (Loss)</b>	\$ 142,925	\$ (1,935)	\$ (2,649)	\$ (1,839)	\$ (5,827)

31 Supporting Schedules:

Recap Schedules:

C-1

32  
33  
34

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Income Statement Pro forma Adjustments

Exhibit: RLJ-1  
 Schedule C-2  
 Page 2  
 Witness: Jones

Line No.	[F] ADJ RLJ-6	[G] ADJ RLJ-7	[H] ADJ RLJ-8	[I] ADJ RLJ-9	[J] ADJ RLJ-10
1	<b>Revenues</b>				
2			\$ (47,815)		
3					
4	<b>Total Revenues</b>				
	\$ -	\$ -	\$ (47,815)	\$ -	\$ -
5	<b>Operating Expenses</b>				
6					
7	(5,425)	3,086		(7,069)	
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					106,658
19					
20					
21					
22	<b>Total Operating Expenses</b>				
	\$ (5,425)	\$ 3,086	\$ -	\$ (7,069)	\$ 106,658
23	<b>Operating Income</b>				
	\$ 5,425	\$ (3,086)	\$ (47,815)	\$ 7,069	\$ (106,658)
24	<b>Other Income (Expense)</b>				
25					
26					
27	<b>Total Other Income (Expense)</b>				
	\$ -	\$ -	\$ -	\$ -	\$ -
28	<b>Net Income (Loss)</b>				
	\$ 5,425	\$ (3,086)	\$ (47,815)	\$ 7,069	\$ (106,658)
29					
30					
31	<u>Supporting Schedules:</u>				
32					
33					
34					

**Sunrise Water Co.**  
 Test Year Ended December 31, 2007  
 Income Statement Pro forma Adjustments

Exhibit: RLJ-1  
 Schedule C-2  
 Page 3  
 Witness: Jones

Line No.	[K] ADJ <u>RLJ-11</u>	[L] ADJ <u>RLJ-12</u>	[M] ADJ <u>RLJ-13</u>	[N] ADJ <u>RLJ-14</u>	[O] ADJ <u>RLJ-15</u>
1	<b>Revenues</b>				
2					
3					
4	<b>Total Revenues</b>				
	\$ -	\$ -	\$ -	\$ -	\$ -
5	<b>Operating Expenses</b>				
6				\$ 31,902	
7					
8					
9					
10					
11					
12					
13					
14					
15					
16			(33,157)		6,336
17					
18					
19	88,091				
20		8,761			
21					
22	<b>Total Operating Expenses</b>				
	\$ 88,091	\$ 8,761	\$ (33,157)	\$ 31,902	\$ 6,336
23	<b>Operating Income</b>				
	\$ (88,091)	\$ (8,761)	\$ 33,157	\$ (31,902)	\$ (6,336)
24	<b>Other Income (Expense)</b>				
25					
26					
27	<b>Total Other Income (Expense)</b>				
	\$ -	\$ -	\$ -	\$ -	\$ -
28	<b>Net Income (Loss)</b>				
	\$ (88,091)	\$ (8,761)	\$ 33,157	\$ (31,902)	\$ (6,336)
29					
30					
31	<u>Supporting Schedules:</u>				
32					
33					
34					

Line No.	[P] ADJ RLJ-16	[Q] ADJ RLJ-17	[R] ADJ RLJ-18	[S] Total Adjustments
1	<b>Revenues</b>			
2				\$ (53,642)
3				(1,935)
4	<b>Total Revenues</b>	\$ -	\$ -	\$ -
5	<b>Operating Expenses</b>			
6				\$ 31,902
7				(9,408)
8				-
9				-
10				4,487
11				-
12				-
13				-
14				-
15				-
16				(26,821)
17		25,000		25,000
18				(36,267)
19				88,091
20				8,761
21				-
22	<b>Total Operating Expenses</b>	\$ -	\$ 25,000	\$ -
23	<b>Operating Income</b>	\$ -	\$ (25,000)	\$ -
24	<b>Other Income (Expense)</b>			
25	Interest and Dividend Income	\$ (54,790)		\$ (54,790)
26	Interest Expense	2,161		2,161
27	<b>Total Other Income (Expense)</b>	\$ (52,628)	\$ -	\$ -
28	<b>Net Income (Loss)</b>	\$ (52,628)	\$ (25,000)	\$ -
29				
30				
31	<u>Supporting Schedules:</u>			
32				
33				
34				

Sunrise Water Co.  
Test Year Ended December 31, 2007  
Income Statement Adjustment RLJ-1

Exhibit: RLJ-1  
Schedule C-2  
Page 5  
Witness: Jones

Line

No.

1 Adjust Booked Expenses to Remove Refund of Taxable Advances from Miscellaneous Expense

2

3 Sunrise Water Co. records all Advances in Aid of Construction in the Advance account. For those

4 Advances that are considered income for tax purposes, Sunrise Water Co. records

5 a debit in a contra account to Advances in Aid of Construction and a credit to

6 Other Water Revenue. When refunds of taxable advances are made, a credit is recorded in the

7 Advance contra account and a debit is recorded in Miscellaneous Expense. These entries are

8 tax entries and should be eliminated for regulatory purposes.

9

10 Tax Expense Recorded As Miscellaneous Expense December 21, 2007 G/L

\$ 142,925

11

12 Increase/(Decrease) in Miscellaneous Expense

\$ (142,925)

13

14 Adjustment to Revenues and/or Expenses

\$ (142,925)

15

16

Sunrise Water Co.  
Test Year Ended December 31, 2007  
Income Statement Adjustment RLJ-2

Exhibit: RLJ-1  
Schedule C-2  
Page 6  
Witness: Jones

Line

No.

1	<u>Adjust Booked Revenue to Remove Meter Advance from Other Water Revenue</u>	
2		
3	Sunrise Water Co. records all Advances in Aid of Construction in the Advance account. For those	
4	Advances that are considered income for tax purposes, Sunrise Water Co. records	
5	a debit in a contra account to Advances in Aid of Construction and a credit to	
6	Other Water Revenue. When refunds of taxable advances are made, a credit is recorded in the	
7	Advance contra account and a debit is recorded in Miscellaneous Expense. These entries are	
8	tax entries and should be eliminated for regulatory purposes.	
9		
10	Tax Income Recorded As Other Water Revenue December 31, 2007 G/L	\$ 1,935
11		
12	Increase/(Decrease) in Other Water Revenue	<u>\$ (1,935)</u>
13		
14	Adjustment to Revenues and/or Expenses	<u>\$ (1,935)</u>
15		
16		

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Income Statement Adjustment RLJ-3

Exhibit: RLJ-1  
 Schedule C-2  
 Page 7  
 Witness: Jones

Line

No.

1	<u>Adjust Office Supplies Expense to Reflect Postage Increase</u>		
2			
3	During the Test Year Sunrise Water Co billed its customers using a post card bill. In		
4	anticipation of implementing Best Management Practices as required by new ADWR		
5	regulations, Sunrise has gone to a letter size bill to allow for customer messaging, Each		
6	new bill includes the bill, a return envelope and the mailing envelope. Postage		
7	costs have increased due to the new bill format. In addition postage		
8	rate increases have occurred.		
9			
10	Bills mailed during Test Year per BFA		15,891
11			
12	January 1, 2007 Post Card Rate	\$ 0.24	
13	May 14, 2007 Post Card Rate	\$ 0.26	
14	Percentage of Bills Mailed at \$0.24	33.3%	
15	Percentage of Bills Mailed at \$.026	66.7%	
16	Average Postage Cost per Bill During Test Year	<u>\$ 0.2533</u>	
17			
18			
19	Current Rate for Postage for 8 1/2" x 11" Bill	\$ 0.4200	
20	Average Postage Cost per Bill During Test Year	<u>0.2533</u>	
21	Per Bill Increase in Postage	\$ 0.1667	
22			
23	Total Increase in Postage Expense	<u>\$ 2,649</u>	
24			
25	Increase/(Decrease) in Office Supplies Expense	<u>\$ 2,649</u>	
26			
27	Adjustment to Revenues and/or Expenses	<u>\$ 2,649</u>	
28			
29			

Line			
<u>No.</u>			
1	<u>Adjust Office Supplies Expense to Reflect Bill Form and Handling Cost Increase</u>		
2			
3	During the Test Year Sunrise Water Co. billed its customers using a post card bill. In		
4	anticipation of implementing Best Management Practices as required by new ADWR		
5	regulations, as of March 2008, Sunrise has used a letter size bill to allow for customer		
6	messaging. Each new bill includes the bill, a return envelope and the mailing envelope.		
7	Form costs have increased due to the new bill format. Additionally, Sunrise Water Co.		
8	has leased a Pitney Bowes machine that folds and stuffs the bills.		
9			
10	Bills mailed during Test Year per BFA		15,891
11			
21	Per Bill Cost New Bill Format	\$ 0.09	
22	Per Bill Cost for Post Card Bill Forms during Test Year	\$ 0.06	
23	Per Bill Increase in Bill Form Cost	\$ 0.03	
24			
25	Increase in Bill Form Expense	\$ 477	
26	Pitney Bowes Annual Lease Expense	\$ 1,362	
27			
28	Total Increase in Billing Cost	\$ 1,839	
29			
30	Increase/(Decrease) in Office Supplies Expense	\$ 1,839	
31			
32	Adjustment to Revenues and/or Expenses	\$ 1,839	
33			
34			

Sunrise Water Co.  
Test Year Ended December 31, 2007  
Income Statement Adjustment RLJ-5

Exhibit: RLJ-1  
Schedule C-2  
Page 9  
Witness: Jones

Line

No.

1	<u>Adjust Metered Water Revenue to Reflect Billed Revenue</u>	
2		
3	During the Test Year Sunrise Water Co. recorded Revenue on a cash basis. For regulatory	
4	purposes revenue should reflect billed revenue without regard to actual collections.	
5		
6	Residential and Commercial Metered Water Revenue Dec. 31, 2007 G/L	\$ 1,273,431
7		
8	Residential and Commercial Metered Water Revenue Per Billing Reports	<u>\$ 1,267,603</u>
9		
10	Difference Book (Cash Basis) vs. Billed Revenue	<u>\$ 5,827</u>
11		
12	Increase/(Decrease) in Metered Water Revenue	<u>\$ (5,827)</u>
13		
14	Adjustment to Revenues and/or Expenses	<u>\$ (5,827)</u>
15		
16		

Sunrise Water Co.  
Test Year Ended December 31, 2007  
Income Statement Adjustment RLJ-6

Exhibit: RLJ-1  
Schedule C-2  
Page 10  
Witness: Jones

Line

No.

1 Adjust Purchased Power to Remove Personal Expense

2

3 During the Test Year APS billings for Owner's home were charged to  
4 Purchased Power.

5

6 Personal Utility Expense:

7 January \$ 459.13

8 February \$ 412.04

9 March \$ 287.40

10 April \$ 319.41

11 May \$ 251.48

12 June \$ 351.08

13 July \$ 507.30

14 August \$ 836.94

15 September \$ 700.24

16 October \$ 588.05

17 November \$ 468.35

18 December \$ 243.37

19 Total \$ 5,424.79

20

21 Total Personal Utility Expense Charged to Purchased Power

\$ 5,425

22

23 Increase/(Decrease) in Purchased Power Expense

\$ (5,425)

24

25 Adjustment to Revenues and/or Expenses

\$ (5,425)

26

27

Sunrise Water Co.  
Test Year Ended December 31, 2007  
Income Statement Adjustment RLJ-7

Exhibit: RLJ-1  
Schedule C-2  
Page 11  
Witness: Jones

Line

No.

1 Adjust Purchased Power to Reflect APS Rate Increase

2

3 Calculated Power Adjustment

\$ 3,086

4

5 Total change in Pumping Power Expense due to Rate Increase

\$ 3,086

6

7 Increase/(Decrease) in Purchased Power Expense

\$ 3,086

8

9 Adjustment to Revenues and/or Expenses

\$ 3,086

10

11

12 Supporting Schedules:

13 C-2.7

14

15

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Income Statement Adjustment RLJ-8

Exhibit: RLJ-1  
 Schedule C-2  
 Page 12  
 Witness: Jones

Line

No.

1	<u>Adjust Metered Water Revenue to Reflect Normalized Level of Hydrant Meter Sales</u>	
2		
3	Sunrise Water Co. makes water available from fire hydrants in its service area to contractors	
4	performing construction within its service area. Hydrant meter sales for the Test Year are	
5	significantly above normal levels due to elevated levels of subdivision construction associated with	
6	high levels of real estate development in 2006 - 2007 and a single large flood control project under	
7	construction during 2007. Normalized hydrant meter sales should be used to avoid inclusion of	
8	nonrecurring revenue in the Test Year	
9		
10	Hydrant Meter Sales (gallons):	
11	Calendar Year 2003	1,074,700
12	Calendar Year 2004	3,640,100
13	Calendar Year 2005	4,759,010
14	Calendar Year 2006	19,574,700
15	Calendar Year 2007	<u>24,966,230</u>
16	Total Hydrant Sales (5-Years)	54,014,740
17		
18	Test Year Hydrant Sales for Flood Control Project	<u>(13,068,700)</u>
19	Adjusted Total Hydrant Sales (5-Years)	40,946,040
20		
21	Average Adjusted Hydrant Sales (5-Yr Period) (gallons)	8,189,208
22	Test Year Hydrant Sales	<u>24,966,230</u>
23		
24	Hydrant Sales in excess of 5-Yr Adjusted Average (gallons)	<u>(16,777,022)</u>
25		
26	Revenue Generated Per 1,000 gallons	\$ 2.85
27		
28	Test Year Hydrant Meter Revenue in Excess of 5-Yr Average	<u>\$ (47,815)</u>
29		
30	Increase/(Decrease) in Metered Water Revenue	<u>\$ (47,815)</u>
31		
32	Adjustment to Revenues and/or Expenses	<u>\$ (47,815)</u>
33		
34		

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Income Statement Adjustment RLJ-9

Exhibit: RLJ-1  
 Schedule C-2  
 Page 13  
 Witness: Jones

Line			
<u>No.</u>			
1	<u>Adjust Purchased Power to Reflect Hydrant Meter Sales Adjustment</u>		
2			
3	Hydrant Sales are being normalized to 5-Yr Average Sales. Purchased Power should be		
4	reduced to reflect the normalized level of system demand.		
5			
6	Test Year Purchased Power Cost December 31, 2007 G/L	\$	179,081
7	Less:		
8	Power for Admin/Shop Buildings		2,134
9	Adjustment RLJ-6		<u>5,425</u>
10	Test Year Pumping Power Cost		<u>171,522</u>
11	Pumping Power Adjustment (See RLJ-7)		<u>3,086</u>
12	Adjusted Pumping Power Cost	\$	<u>174,608</u>
13			
14	Test Year Gallons Pumped		<u>414,409,000</u>
15			
16	Test Year Pumping Power Cost per 1,000 gallons	\$	0.4213
17			
18	Hydrant Sales Adjustment (See RLJ-8)		(16,777,022)
19			
20	Test Year Power Cost Attributable to Hydrant Sales Adjustment	\$	<u>7,069</u>
21			
22	Increase/(Decrease) in Purchased Power	\$	<u>(7,069)</u>
23			
24	Adjustment to Revenues and/or Expenses	\$	<u>(7,069)</u>
25			
26			

Line

No.

1	<u>Adjust Miscellaneous Expense to Reflect Normalized Level of Capitalized Overhead</u>		
2			
3	Sunrise Water Co. charges a portion of its administrative and general expenses to capital.		
4	The allocation is based upon the level of capital expenditures in a given year.		
5	During the test year capital expenditures were unusually high. The level of		
6	administrative and general expenses charged to capital should be normalized.		
7			
8			
9	Plant Additions per G/L		
10	Calendar Year 2003	\$ 142,071	
11	Calendar Year 2004	457,005	
12	Calendar Year 2005	127,059	
13	Calendar Year 2006	2,422,434	
14	Calendar Year 2007	<u>2,983,791</u>	
15	Total Plant Additions (5-Years)	\$ 6,132,360	
16			
17	Less: Land Additions	<u>873,264</u>	
18	Plant Additions subject to OH allocation	\$ 5,259,096	
19			
20	Capital Overhead Allocation per G/L		
21	Calendar Year 2003	\$ 3,183	
22	Calendar Year 2004	19,844	
23	Calendar Year 2005	3,388	
24	Calendar Year 2006	67,791	
25	Calendar Year 2007	<u>156,874</u>	
26	Total Capital Overhead (5-Years)	\$ 251,080	
27			
28	Capital Overhead Rate (5-Yr Average)	4.77%	
29			
30	Average Capital Overhead (5-Yr period)	\$ 50,216	
31			
32	Capitalized Overhead during Test Year	<u>\$ 156,874</u>	
33			
34	Capitalized Overhead in excess of Normalized Capital Overhead	<u>\$ 106,658</u>	
35			
36	Increase/(Decrease) in Miscellaneous Expense	<u>\$ 106,658</u>	
37			
38	Adjustment to Revenues and/or Expenses	<u>\$ 106,658</u>	
39			
40			

Line No.		12/31/2007 Plant Balances	Plant Adjustments RLJ-1 RLJ-5 RLJ-8	Adjusted Plant Balances	Staff Rates	Annual Depreciation
1	<u>Adjust Depreciation Expense to Reflect Staff Recommended Depreciation Rates</u>					
2						
3						
4						
5	December 31, 2007 Plant Balances					
6	303 Land and Land Rights	\$ 873,264	\$ 204,304	\$ 1,077,568	0.00%	\$ -
7	304 Structures & Improvements	321,621	-	321,621	3.33%	10,710
8	307 Wells & Springs	1,989,247	15,788	2,005,035	3.33%	66,242
9	311 Pumping Equipment	1,689,043	12,637	1,701,681	12.50%	211,130
10	320 Water Treatment Equipment	-	-	-		-
11	320.2 Solution Feeders	76,874	-	76,874	20.00%	15,375
12	330 Distribution Reservoirs & Standpipes	-	-	-		-
13	330.1 Storage Tanks	439,372	20,244	459,616	2.22%	9,754
14	330.2 Pressure Tanks	48,819	2,249	51,068	5.00%	2,441
15	331 Transmission and Distribution Mains	3,471,502	372,345	3,843,847	2.00%	69,430
16	333 Services	405,494	14,258	419,752	3.33%	13,503
17	334 Meters	21,879	8,787	30,666	8.33%	1,823
18	335 Hydrants	366,179	5,390	371,569	2.00%	7,324
19	340 Office Furniture and Equipment	-	-	-	6.67%	-
20	340.1 Computers and Software	27,777	-	27,777	20.00%	5,555
21	343 Tools, Shop and Garage Equipment	12,763	-	12,763	5.00%	638
22	347 Miscellaneous Equipment	8,207	338	8,545	10.00%	821
23		<u>9,752,043</u>	<u>656,339</u>	<u>10,408,383</u>		
24	Staff Recommended Annual Depreciation				4.44%	\$ 414,746
25						
26	12/31/07 CIAC Balance					425,049
27						
28	Composite Depreciation Rate					<u>4.44%</u>
29						
30	Amortization of CIAC					\$ 18,893
31						
32	Calculated Depreciation Expense using Staff Recommended Depreciation					\$ 395,853
33						
34	Depreciation Recorded during Test Year					<u>\$ 307,762</u>
35						
36	Calculated Depreciation in excess of Test Year Depreciation					<u>\$ 88,091</u>
37						
38	Increase/(Decrease) in Depreciation Expense					<u>\$ 88,091</u>
39						
40	Adjustment to Revenues and/or Expenses					<u>\$ 88,091</u>
41						
42						

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Income Statement Adjustment RLJ-12

Exhibit: RLJ-1  
 Schedule C-2  
 Page 16  
 Witness: Jones

Line			
<u>No.</u>			
1	<u>Adjust Property Taxes to Reflect Proposed Revenues</u>		
2			
3	Adjusted Revenues in year ended 12/31/07	\$	1,304,363
4	Adjusted Revenues in year ended 12/31/07		1,304,363
5	Proposed Revenues	\$	1,590,295
6	Average of three year's of revenue	\$	<u>1,399,673</u>
7	Average of three year's of revenue, times 2	\$	2,799,347
8	Add:		
9	Construction Work In Progress at 10%		5,709
10	Deduct:		
11	Net Book Value of Transportation Equipment	\$	<u>-</u>
12			
13	Full Cash Value	\$	2,805,055
14	Assessment Ratio (2008)		<u>23.0%</u>
15	Assessed Value	\$	645,163
16	Property Tax Rate (Test Year)		<u>10.0306%</u>
17	Property Tax with Proposed Rates	\$	64,714
18	Property Taxes in Test Year		<u>55,953</u>
19	Change in Property Taxes	\$	<u>8,761</u>
20			
21	Increase/(Decrease) in Property Taxes	\$	<u>8,761</u>
22			
23	Adjustment to Revenues and/or Expenses	\$	<u>8,761</u>
24			
25			
26			

Sunrise Water Co.  
Test Year Ended December 31, 2007  
Income Statement Adjustment RLJ-13

Exhibit: RLJ-1  
Schedule C-2  
Page 17  
Witness: Jones

Line		
<u>No.</u>		
1	<u>Adjust Insurance - Health and Life to Remove Personal Expense</u>	
2		
3	During the Test Year health care expenses for Owner were charged to	
4	Insurance - Health and Life.	
5		
6	Total Personal Health Care Expense Charged to Insurance - Health and Life	33,157
7		
8	Increase/(Decrease) in Insurance - Health and Life Expense	<u>\$ (33,157)</u>
9		
10	Adjustment to Revenues and/or Expenses	<u>\$ (33,157)</u>
11		
12		

Sunrise Water Co.  
Test Year Ended December 31, 2007  
Income Statement Adjustment RLJ-14

Exhibit: RLJ-1  
Schedule C-2  
Page 18  
Witness: Jones

Line

No.

1 Adjust Salaries and Wages Expense

2

3 Adjusted Test Year Salary Expense<sup>1</sup>

\$ 414,840

4

5 Test Year Salary Expense per G/L

382,937

6

7 Increase/(Decrease) in Salaries and Wages Expense

\$ 31,902

8

9 Adjustment to Revenues and/or Expenses

\$ 31,902

10

11 <sup>1</sup> Sunrise includes all payroll taxes in its Salaries and Wage Expense Account

12

13 Supporting Schedules:

14 C-2.14

15

16

Sunrise Water Co.  
Test Year Ended December 31, 2007  
Income Statement Adjustment RLJ-15

Exhibit: RLJ-1  
Schedule C-2  
Page 19  
Witness: Jones

Line

No.

1	<u>Adjust Health Insurance Expense</u>	
2		
3	Adjusted Test Year Health Insurance Expense	\$ 50,775
4		
5	Test Year Health Insurance Expense per G/L	44,438
6		
7	Increase/(Decrease) in Health Insurance Expense	<u>\$ 6,336</u>
8		
9	Adjustment to Revenues and/or Expenses	<u>\$ 6,336</u>
10		
11		

Sunrise Water Co.  
Test Year Ended December 31, 2007  
Income Statement Adjustment RLJ-16

Exhibit: RLJ-1  
Schedule C-2  
Page 20  
Witness: Jones

Line

No.

1	<u>Remove Other Income and Expenses to Eliminate Effects on Income Taxes</u>	
2		
3	Test Year Interest Income	\$ 54,790
4	Test Year Interest Expense	<u>(2,161)</u>
5		
6	Total Other Income / (Expense)	\$ 52,628
7		
8	Increase/(Decrease) in Other Income / (Expense)	<u>\$ (52,628)</u>
9		
10	Adjustment to Revenues and/or Expenses	<u>\$ (52,628)</u>
11		
12		

Sunrise Water Co.  
Test Year Ended December 31, 2007  
Income Statement Adjustment RLJ-17

Exhibit: RLJ-1  
Schedule C-2  
Page 21  
Witness: Jones

Line No.		
1	<u>Regulatory Expense</u>	
2		
3	Estimated Rate Case Expense	\$ 75,000
4		
5	Estimated Amortization Period in Years	<u>3</u>
6		
7	Annual Rate Case Expense	25,000
8		
9	Test Year Regulatory Expense	<u>-</u>
10		
11	Increase in Rate Case Expense	\$ 25,000
12		
13	Increase/(Decrease) in Rate Case Expense	<u>\$ 25,000</u>
14		
15	Adjustment to Revenues and/or Expenses	<u>\$ 25,000</u>
16		
17		

Line No.		Test Year Adjusted Results	Adjusted with Rate Increase
1	<u>Calculation of Income Taxes at Proposed Rates</u>		
2			
3			
4	Income Before Taxes	\$ (60,264)	\$ 225,668
6	Arizona Taxable Income	<u>(60,264)</u>	<u>225,668</u>
7			
8	Less Arizona Income Tax 6.9680%	<u>\$ -</u>	<u>\$ 15,725</u>
9			
10	Apparent Arizona Tax Rate <sup>13</sup>		5.4994%
11			
12	Federal Income Before Taxes	\$ (60,264)	\$ 225,668
13	Less Arizona Income Taxes	-	15,725
14	Federal Taxable Income	<u>\$ (60,264)</u>	<u>\$ 209,943</u>
15			
16	FEDERAL INCOME TAXES:		
17	15% BRACKET UP TO 50,000	-	7,500
18	25% BRACKET UP TO 75,000	-	6,250
19	34% BRACKET UP TO 100,000	-	8,500
20	39% BRACKET UP TO 335,000	-	42,878
21	34% BRACKET OVER 335,001	-	-
22			
23	Federal Income Taxes:	<u>\$ -</u>	<u>\$ 65,128</u>
24			
25	Effective Federal Tax Rate		31.0217%
26			
27	Apparent Federal Tax Rate <sup>23</sup>		24.1029%
28			
29	Total Income Tax	<u>\$ -</u>	<u>\$ 80,852</u>
30			
31	Overall Tax Rate	<u>0.0000%</u>	<u>35.8281%</u>
32			
33	Test Year Income Taxes, Per Books	<u>\$ -</u>	
34	Increase in Income Taxes	<u>-</u>	
35			
36	Adjustment to Revenues and/or Expense	<u>\$ -</u>	
37			
38	Test Year Income Taxes, Adjusted		\$ -
39			
40	Increase in Income Taxes		<u>80,852</u>
41			
42	Adjustment to Revenues and/or Expense		<u>\$ 80,852</u>
43			

44 <sup>1</sup> Apparent Arizona Tax Rate is the tax due divided by the total change in Arizona Taxable Income  
 45 <sup>2</sup> Apparent Federal Tax Rate is the tax due divided by the total change in Federal Taxable Income  
 46 <sup>3</sup> Calculation of Apparent Tax Rates is necessary to correctly calculate Gross Revenue Conversion Factor, since  
 47 Test Year Taxable Income is less than zero and is taxed at a rate of zero.  
 48  
 49

APS Bills Issued Prior to Rate Increase

DATE	WELL # 1 Amount	WELL # 2 Amount	WELL # 3 Amount	WELL # 4 Amount	WELL # 5 Amount	WELL # 6 Amount	WELL # 7 Amount	Hatfield & 92nd Amount	83rd & Hatfield Amount	Total
Jan-07	\$ 34.54	\$ 3,057.81	\$164.30	\$3,642.92	\$3,358.15	\$0.00	\$0.00	\$126.43	\$738.15	\$ 11,122.30
Feb-07	\$ 31.48	\$ 2,903.64	\$174.02	\$3,699.23	\$1,740.17	\$0.00	\$0.00	\$23.48	\$717.58	\$ 9,289.60
Mar-07	\$ 33.00	\$ 2,144.41	\$147.92	\$3,413.87	\$1,861.06	\$357.54	\$0.00	\$25.16	\$735.53	\$ 8,718.49
Apr-07	\$ 35.17	\$ 2,861.20	\$860.02	\$3,138.06	\$4,478.77	\$584.23	\$0.00	\$25.64	\$834.40	\$ 12,817.49
May-07	\$ 32.72	\$ 3,115.22	\$289.43	\$4,111.41	\$4,059.09	\$1,421.82	\$0.00	\$51.34	\$967.74	\$ 14,048.77
Jun-07	\$ 31.43	\$ 3,372.84	\$938.79	\$3,945.59	\$4,426.75	\$1,356.51	\$0.00	\$28.35	\$1,194.04	\$ 15,294.30
Jul-07	\$ 31.26	\$ 4,202.46	\$1,488.27	\$4,771.92	\$5,148.75	\$1,641.01	\$0.00	\$28.15	\$1,170.78	\$ 18,482.60
<b>TOTAL</b>	\$ 229.60	\$ 21,657.58	\$ 4,062.75	\$ 26,723.00	\$ 25,072.74	\$ 5,361.11	\$ -	\$ 308.55	\$ 6,358.22	\$ 89,773.55

APS Bills Calculated as if 7/1/07 Rate Increase was in effect

DATE	WELL # 1 Amount	WELL # 2 Amount	WELL # 3 Amount	WELL # 4 Amount	WELL # 5 Amount	WELL # 6 Amount	WELL # 7 Amount	Hatfield & 92nd Amount	83rd & Hatfield Amount	Total
Jan-07	\$ 34.54	\$ 3,109.65	\$165.77	\$3,699.78	\$3,416.84	\$0.00	\$0.00	\$128.50	\$823.43	\$ 11,378.51
Feb-07	\$ 31.48	\$ 2,953.37	\$175.77	\$3,971.59	\$1,771.65	\$0.00	\$0.00	\$31.16	\$729.94	\$ 9,664.95
Mar-07	\$ 33.00	\$ 2,182.47	\$149.15	\$3,625.26	\$1,895.31	\$323.36	\$0.00	\$32.52	\$748.25	\$ 8,989.32
Apr-07	\$ 35.17	\$ 2,910.09	\$924.43	\$3,190.93	\$4,553.09	\$594.26	\$0.00	\$33.47	\$886.00	\$ 13,127.45
May-07	\$ 32.72	\$ 3,169.03	\$433.37	\$4,176.18	\$4,127.84	\$1,554.56	\$0.00	\$54.65	\$1,082.67	\$ 14,631.02
Jun-07	\$ 31.43	\$ 3,453.17	\$996.88	\$4,037.09	\$4,533.33	\$1,488.02	\$0.00	\$35.88	\$1,313.63	\$ 15,889.44
Jul-07	\$ 31.26	\$ 4,300.18	\$1,523.23	\$4,889.33	\$5,271.12	\$1,835.67	\$0.00	\$35.38	\$1,292.31	\$ 19,178.48
<b>TOTAL</b>	\$ 229.60	\$ 22,077.96	\$ 4,368.59	\$ 27,590.17	\$ 25,569.18	\$ 5,795.87	\$ -	\$ 351.57	\$ 6,876.22	\$ 92,859.17

Difference (Power Cost Adjustment)

DATE	WELL # 1 Amount	WELL # 2 Amount	WELL # 3 Amount	WELL # 4 Amount	WELL # 5 Amount	WELL # 6 Amount	WELL # 7 Amount	Hatfield & 92nd Amount	83rd & Hatfield Amount	Total
Jan-07	\$ -	\$ 51.84	\$ 1.47	\$ 56.86	\$ 58.69	\$ -	\$ -	\$ 2.07	\$ 85.28	\$ 256.21
Feb-07	\$ -	\$ 49.73	\$ 1.75	\$ 272.36	\$ 31.48	\$ -	\$ -	\$ 7.68	\$ 12.36	\$ 375.35
Mar-07	\$ -	\$ 38.06	\$ 1.23	\$ 211.39	\$ 34.25	\$ (34.18)	\$ -	\$ 7.36	\$ 12.72	\$ 270.83
Apr-07	\$ -	\$ 48.89	\$ 64.41	\$ 52.87	\$ 74.32	\$ 10.03	\$ -	\$ 7.83	\$ 51.60	\$ 309.96
May-07	\$ -	\$ 53.81	\$ 143.94	\$ 64.77	\$ 68.75	\$ 132.74	\$ -	\$ 3.31	\$ 114.93	\$ 582.25
Jun-07	\$ -	\$ 80.33	\$ 58.09	\$ 91.50	\$ 106.58	\$ 131.51	\$ -	\$ 7.53	\$ 119.59	\$ 595.14
Jul-07	\$ -	\$ 97.72	\$ 34.96	\$ 117.41	\$ 122.37	\$ 194.66	\$ -	\$ 7.23	\$ 121.53	\$ 695.88
<b>TOTAL</b>	\$ -	\$ 420.38	\$ 305.84	\$ 867.17	\$ 496.44	\$ 434.76	\$ -	\$ 43.02	\$ 518.00	\$ 3,085.62

Line No. 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39

Sunrise Water Co.  
Calculation of Adjusted Salary Expense

Exhibit: RL-1  
Work Paper: C-2.14  
Page 1  
Witness: Jones

Test Year Employee Salary Data

Position	Name	Hire Date	Term Date	Status	Type	FT/PT	Weekly Hours	Weekly OT Hours	Rate Beginning Test Year	Rate at 7/07/07	Rate as of 6/15/08
President	J.D. Campbell	4/28/1968		Active	Salary	FT	40		\$ 125,000	\$ 125,000	\$ 129,500
Manager	Marvin Collins	2/11/2002		Active	Salary	FT	40		74,600	77,584	80,000
Admin. Assistant	Kathryn Rose	11/13/2001	3/27/2008	Term	Salary	FT	40		41,819	43,500	-
Admin. Assistant	Donna Sheehan	3/28/2008		Active	Salary	FT	40		-	-	35,360
Controller	Sharon Howard	6/28/1999		Active	Salary	FT	40		55,000	62,500	66,000
Customer Service & Accounts Payable	Sharon Chambers	9/20/2004		Active	Salary	FT	40		30,467	31,686	35,000
Operations Supervisor	Trent Schimmel	6/17/1997		Active	Salary	FT	40		38,625	43,425	45,000
Field Laborer	Frank Grant	7/18/1997		Active	Hourly	FT	40	5	12.35	12.94	13.41
Field Laborer	Jason Spalding	4/23/2007	5/21/2007	Term	Hourly	FT	40	5	10.00	-	-
Field Laborer	William Jay Dye	7/20/2007		Active	Hourly	FT	40		-	12.00	13.00
Laborer	Hermine Bales	5/23/1994		Active	Salary	PT	20		6,559	6,559	6,559
Receptionist	Tina Kovacevick	1/23/2007	8/3/2007	Term	Hourly	FT	40		11.00	11.00	-
Receptionist	Mary Randl	6/4/2007	11/19/2007	Term	Hourly	FT	40		11.00	11.00	-
Receptionist	Brenda Collins	10/29/2007		Active	Hourly	FT	40		-	-	\$ 13.00

Calculation of Adjusted Wage and Tax Expense

Position	Name	Type	Weekly Hours	Weekly OT Hours	Rate as of 6/15/08	Annual Wage Expense	Social Security			Taxes			Total Wage and Tax Expense	Percent of Time Allocated to Sunrise	Total Sunrise Wage and Tax Expense
							OASDI	HI	FUTA	SUTA	ATT	FUTA			
President	J.D. Campbell	Salary	40		\$ 129,500	\$ 129,500	\$ 6,324	\$ 1,878	\$ 56	\$ 62	\$ 7	\$ 137,826	100%	\$ 137,826	
Manager	Marvin Collins	Salary	40		80,000	80,000	4,960	1,160	56	62	7	86,245	80%	68,996	
Admin. Assistant	Donna Sheehan	Salary	40		35,360	35,360	2,192	513	56	62	7	38,190	80%	30,552	
Controller	Sharon Howard	Salary	40		66,000	66,000	4,092	957	56	62	7	71,174	70%	49,822	
Customer Service & Accounts Payable	Sharon Chambers	Salary	40		35,000	35,000	2,170	508	56	62	7	37,802	80%	30,242	
Operations Supervisor	Trent Schimmel	Salary	40		45,000	45,000	2,790	653	56	62	7	48,567	80%	38,854	
Field Laborer	Frank Grant	Hourly	40	5	13.41	32,586	2,020	473	56	62	7	35,204	40%	14,082	
Field Laborer	William Jay Dye	Hourly	40	5	13.00	31,590	1,959	458	56	62	7	34,131	80%	27,305	
Laborer	Hermine Bales	Salary	20		6,559	6,559	407	95	52	4	0	7,117	80%	5,693	
Receptionist	Brenda Collins	Hourly	40		\$ 13.00	26,520	1,644	385	56	62	7	28,673	40%	11,469	
						\$ 488,115	\$ 28,558	\$ 7,078	\$ 556	\$ 558	\$ 63	\$ 524,928		\$ 414,840	

**Test Year Employee Health Insurance Data**

Position	Name	Type of Coverage	2007 Monthly		2008 Monthly		Health Insurance Increase		Notes
			Health Insurance Cost	Cost	Health Insurance Cost	Cost	- Decrease		
President	J.D. Campbell	Employee	\$ 323.72	\$ 418.24			29%		
Manager	Marvin Collins	Employee & Spouse	684.03	882.02			29%		
Customer Service & Accounts Payable	Sharon Chambers	Employee	331.70	425.28			28%		
Operations Supervisor	Trent Schimmel	Employee & Family	1,036.35	1,338.77			29%		
Field Laborer	Frank Grant	Employee	331.70	425.28			28%	Employee pays 25%	
Field Laborer	William Jay Dye	Employee	331.70	425.28			28%	Employee pays 25%	
Laborer	Hermine Bales	Employee	327.74	421.79			29%	Employee pays 25%	
Receptionist	Brenda Collins	Employee	\$ 165.85	\$ 212.64			28%		

**Calculation of Adjusted Wage and Tax Expense**

Position	Name	Type of Coverage	2008 Monthly		2008 Annual		Adjusted Annual Health Insurance Cost	
			Health Insurance Cost	Cost	Health Insurance Cost	Cost	Percentage Paid by Employee	Insurance Cost
President	J.D. Campbell	Employee	\$ 418	\$ 5,019		\$ 5,019	0%	\$ 5,019
Manager	Marvin Collins	Employee & Spouse	882	10,584		10,584	0%	10,584
Customer Service & Accounts Payable	Sharon Chambers	Employee	425	5,103		5,103	0%	5,103
Operations Supervisor	Trent Schimmel	Employee & Family	1,339	16,065		16,065	0%	16,065
Field Laborer	Frank Grant	Employee	425	5,103		5,103	25%	3,828
Field Laborer	William Jay Dye	Employee	425	5,103		5,103	25%	3,828
Laborer	Hermine Bales	Employee	422	5,061		5,061	25%	3,796
Receptionist	Brenda Collins	Employee	213	2,552		2,552	0%	2,552
			\$ 4,549	\$ 54,592		\$ 54,592		\$ 50,775

**Sunrise Water Co.**  
 Test Year Ended December 31, 2007  
 Computation of Gross Revenue Conversion Factor

Exhibit: RLJ-1  
 Schedule C-3  
 Page 1  
 Witness: Jones

Line		
<u>No.</u>		
1	<u>Calculation of Gross Revenue Conversion Factor</u>	
2	Operating Income Before Taxes	100.0000%
3	Apparent State Tax Rate <sup>1</sup>	5.4994%
4	Federal Taxable Income	<u>94.5006%</u>
5	Apparent Federal Tax Rate <sup>1</sup>	24.1029%
6	Effective Apparent Federal Tax Rate	<u>22.7774%</u>
7		
8	Total Apparent Tax Rate	<u>28.2768%</u>
9		
10	Operating Income Percentage	<u>71.7232%</u>
11		
12	Gross Revenue Conversion Factor	<u><u>1.39425</u></u>
13		
14	<u>Calculation of Effective Tax Rate<sup>2</sup></u>	
15	Operating Income Before Taxes	100.0000%
16	Effective State Tax Rate	6.9680%
17	Federal Taxable Income	<u>93.0320%</u>
18	Effective Federal Tax Rate	31.0217%
19	Effective Federal Tax Rate	<u>28.8601%</u>
20		
21	Total Effective Tax Rate	<u><u>35.8281%</u></u>
22		
23	<u>Calculation of Marginal Tax Rate<sup>3</sup></u>	
24	Operating Income Before Taxes	100.0000%
25	Marginal State Tax Rate	6.9680%
26	Federal Taxable Income	<u>93.0320%</u>
27	Marginal Federal Tax Rate	39.0000%
28	Effective Marginal Federal Tax Rate	<u>36.2825%</u>
29		
30	Combined Marginal Tax Rate	<u><u>43.2505%</u></u>

33 <sup>1</sup> Apparent Tax Rates are used in order to correctly calculate the Gross Revenue Conversion Factor.  
 34 <sup>2</sup> The Effective Tax Rate is the basis of the Income Tax Expense and is shown for reference purposes.  
 35 <sup>3</sup> The Combined Marginal Tax Rate is the tax paid on incremental income and is shown for reference purposes.  
 36

## **D Schedules**



**Sunrise Water Co.**  
Test Year Ended December 31, 2007  
Cost of Long-Term and Short-Term Debt

Exhibit: RLJ-1  
Schedule D-2  
Page 1  
Witness: Jones

Line  
No.

- 1
- 2 Not Applicable - No long-term or short-term debt issued or outstanding
- 3
- 4 Supporting Schedules:
- 5
- 6
- 7

Recap Schedules:  
D-1

**Sunrise Water Co.**  
Test Year Ended December 31, 2007  
Cost of Preferred Stock

Exhibit: RLJ-1  
Schedule D-3  
Page 1  
Witness: Jones

Line  
No.

- 1
- 2 Not Applicable - No preferred stock issued or outstanding
- 3
- 4 Supporting Schedules:
- 5
- 6
- 7

Recap Schedules:  
D-1

Sunrise Water Co.  
Test Year Ended December 31, 2007  
Cost of Common Equity

Exhibit: RLJ-1  
Schedule D-4  
Page 1  
Witness: Jones

Line  
No.

- 1
- 2 Sunrise is proposing a 10.0% cost of common equity per its filed testimony
- 3
- 4 Supporting Schedules:
- 5
- 6
- 7

Recap Schedules:  
D-1

## **E Schedules**

Line No.	Projected Year Ended 12/31/2008	Test Year Ended 12/31/2007	Prior Year Ended 12/31/2006	Prior Year Ended 12/31/2005
1	<b>ASSETS</b>			
2				
3	<b>PROPERTY PLANT AND EQUIPMENT</b>			
4	\$ 10,932,043	\$ 9,752,043	\$ 6,768,252	\$ 4,345,818
5	57,088	57,088	212,885	450,630
6	(2,348,323)	(1,952,470)	(1,635,763)	(1,391,903)
7	<u>\$ 8,640,808</u>	<u>\$ 7,856,661</u>	<u>\$ 5,345,374</u>	<u>\$ 3,404,545</u>
8				
9	<b>CURRENT ASSETS</b>			
10	\$ 513,115	\$ 460,622	\$ 1,826,814	\$ 168,263
11	700	700	7,000	-
12	41,402	41,402	2,106	3,334
13	36,181	36,181	43,299	30,717
14	<u>\$ 591,398</u>	<u>\$ 538,905</u>	<u>\$ 1,879,219</u>	<u>\$ 202,314</u>
15				
16	<u>\$ 9,232,207</u>	<u>\$ 8,395,566</u>	<u>\$ 7,224,593</u>	<u>\$ 3,606,860</u>
17				
18	<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
19				
20	\$ 1,757,664	\$ 1,623,775	\$ 1,491,976	\$ 502,886
21				
22	\$ -	\$ -	\$ -	\$ -
23				
24	<b>CURRENT LIABILITIES</b>			
25	\$ 206,236	\$ 206,236	\$ 231,190	\$ 30,350
26	91,855	91,855	86,495	84,935
27	4,983	4,983	6,101	6,102
28	<u>\$ 303,074</u>	<u>\$ 303,074</u>	<u>\$ 323,786</u>	<u>\$ 121,387</u>
29				
30	<b>DEFERRED CREDITS</b>			
31	\$ 6,774,258	\$ 6,052,614	\$ 5,098,816	\$ 2,775,131
32	425,049	425,049	311,903	207,456
33	(27,838)	(8,945)	(1,887)	-
34	<u>\$ 7,171,468</u>	<u>\$ 6,468,717</u>	<u>\$ 5,408,832</u>	<u>\$ 2,982,587</u>
35				
36	<u>\$ 9,232,207</u>	<u>\$ 8,395,566</u>	<u>\$ 7,224,593</u>	<u>\$ 3,606,860</u>
37				
38				
39				
40	<u>Supporting Schedules:</u>	<u>Recap Schedules:</u>		
41	E-5	A-3		
42				
43				

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Comparative Income Statements

Exhibit: RLJ-1  
 Schedule E-2  
 Page 1  
 Witness: Jones

Line No.		Test Year Ended 12/31/2007	Prior Year Ended 12/31/2006	Prior Year Ended 12/31/2005
1	<b>Revenues</b>			
2	Metered Water Revenues	\$ 1,349,666	\$ 1,234,172	\$ 1,073,268
3	Other Water Revenues	10,273	25,534	18,293
4	<b>Total Revenues</b>	<u>\$ 1,359,939</u>	<u>\$ 1,259,706</u>	<u>\$ 1,091,561</u>
5	<b>Operating Expenses</b>			
6	Salaries and Wages	\$ 382,937	\$ 231,625	\$ 212,771
7	Purchased Power	179,081	182,989	129,851
8	Chemicals	14,099	8,974	11,766
9	Repairs and Maintenance	26,549	17,825	14,042
10	Office Supplies Expense	49,245	45,406	43,593
11	Outside Services	45,163	46,151	128,483
12	Water Testing	2,635	2,165	2,035
13	Rents	37,664	148,651	73,064
14	Transportation Expense	74,769	74,266	58,926
15	Insurance - General Liability	11,141	13,566	13,837
16	Insurance - Health and Life	77,595	86,892	92,148
17	Miscellaneous Expense	14,287	15,914	72,359
18	Depreciation Expense	307,762	241,973	203,731
19	Property Taxes	55,953	53,056	478,955
20	<b>Total Operating Expenses</b>	<u>\$ 1,278,881</u>	<u>\$ 1,169,454</u>	<u>\$ 1,535,561</u>
21	<b>Operating Income</b>	<u>\$ 81,058</u>	<u>\$ 90,253</u>	<u>\$ (444,000)</u>
22	<b>Other Income (Expense)</b>			
23	Interest and Dividend Income	\$ 54,790	\$ 25,574	\$ 5,985
24	Interest Expense	(2,161)	-	(166,323)
25	<b>Total Other Income (Expense)</b>	<u>\$ 52,628</u>	<u>\$ 25,574</u>	<u>\$ (160,339)</u>
26	<b>Net Income (Loss)</b>	<u>\$ 133,686</u>	<u>\$ 115,826</u>	<u>\$ (604,338)</u>

29 Supporting Schedules:

Recap Schedules:

A-2

30  
31  
32  
33

**Sunrise Water Co.**  
 Test Year Ended December 31, 2007  
 Comparative Statement of Changes in Financial Position

Exhibit: RLI-1  
 Schedule E-3  
 Page 1  
 Witness: Jones

Line No.		Test Year Ended <u>12/31/2007</u>	Prior Year Ended <u>12/31/2006</u>	Prior Year Ended <u>12/31/2005</u>
1	<u>Source of Funds</u>			
2	From Operations			
3	Net Income	133,686	115,826	(604,338)
4	Depreciation and Amortization	307,762	241,973	203,731
5	Changes in Working Capital	(45,532)	198,515	(36,007)
6	Changes in Amounts due to/from Affiliates	7,118	(12,582)	(66,348)
7	Changes in Accrued Taxes	(1,118)	(1)	(6,102)
8	Total From Operations	401,916	543,732	(509,065)
9				
10	From Financing			
11	Advances in Aid of Construction	953,798	2,323,685	149,760
12	Contributions in Aid of Construction	106,088	102,560	207,456
13	Paid In Capital	-	873,264	477,575
14	Total From Financing	1,059,886	3,299,508	834,791
15				
16	Total Funds Provided	1,461,802	3,843,240	325,727
17				
18	<u>Application of Funds</u>			
19	Construction Expenditures	2,827,994	2,184,689	577,689
20				
21	Net Increase/(Decrease) in Cash	(1,366,192)	1,658,552	(251,963)
22				
23	Cash, Beginning of Year	1,826,814	168,263	420,226
24	Cash, End of Year	460,622	1,826,814	168,263
25				
26				
27	<u>Supporting Schedules:</u>			<u>Recap Schedules:</u>
28				A-5
29				
30				
31				

**Sunrise Water Co.**  
 Test Year Ended December 31, 2007  
 Statement of Changes in Stockholder's Equity

Exhibit: RLJ-1  
 Schedule E-4  
 Page 1  
 Witness: Jones

Line No.		Common Stock	Additional Paid In Capital	Retained Earnings	Total
1					
2					
3					
4	Balance, December 31, 2004	\$ 10,000	\$ 146,859	\$ 472,790	\$ 629,649
5	Additional Paid In Capital		477,575		477,575
6	Dividends			-	-
7	Net Income			(604,338)	(604,338)
8					
9	Balance, December 31, 2005	\$ 10,000	\$ 624,434	\$ (131,548)	\$ 502,886
10	Additional Paid In Capital		873,264		873,264
11	Dividends			-	-
12	Net Income			115,826	115,826
13					
14	Balance, December 31, 2006	\$ 10,000	\$ 1,497,698	\$ (15,722)	\$ 1,491,976
15	Additional Paid In Capital		-		-
16	Dividends			-	-
17	Adjustments/Other			(1,887)	(1,887)
18	Net Income			133,686	133,686
19					
20	Balance, December 31, 2007	\$ 10,000	\$ 1,497,698	\$ 116,077	\$ 1,623,775
21					
22					
23	<u>Supporting Schedules:</u>				<u>Recap Schedules:</u>
24					
25					

**Sunrise Water Co.**  
 Test Year Ended December 31, 2007  
 Detail of Utility Plant

Exhibit: RLI-1  
 Schedule E-5  
 Page 1  
 Witness: Jones

Line No.	Acct. No.	Plant Description	Plant Balance at 12/31/2006	Plant Additions, Reclassifications or Retirements	Plant Balance at 12/31/2007
1					
2	303	Land and Land Rights	\$ 873,264	\$ -	\$ 873,264
3	304	Structures & Improvements	88,321	233,300	321,621
4	307	Wells & Springs	1,496,346	492,902	1,989,247
5	311	Pumping Equipment	484,437	1,204,606	1,689,043
6	320	Water Treatment Equipment			
7	320.2	Solution Feeders	22,313	54,561	76,874
8	330	Distribution Reservoirs & Standpipes			
9	330.1	Storage Tanks	124,236	315,136	439,372
10	330.2	Pressure Tanks	13,804	35,015	48,819
11	331	Transmission and Distribution Mains	2,948,346	523,156	3,471,502
12	333	Services	340,459	65,035	405,494
13	334	Meters	21,879	-	21,879
14	335	Hydrants	306,100	60,079	366,179
15	340	Office Furniture and Equipment		-	
16	340.1	Computers and Software	27,777	-	27,777
17	343	Tools, Shop and Garage Equipment	12,763	-	12,763
18	347	Miscellaneous Equipment	8,207	-	8,207
19					
20		TOTAL WATER PLANT	\$ 6,768,252	\$ 2,983,791	\$ 9,752,043

21  
 22 Supporting Schedules:  
 23  
 24  
 25  
 26

Recap Schedules:  
 E-1  
 A-4

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Operating Statistics

Exhibit: RLJ-1  
 Schedule E-7  
 Page 1  
 Witness: Jones

Line No.		Test Year Ended <u>12/31/2007</u>	Prior Year Ended <u>12/31/2006</u>	Prior Year Ended <u>12/31/2005</u>
1				
2	Gallons Sold - By Class of Service (Thousands)			
3	Residential	362,088	333,801	299,592
4	Commercial	5,527	5,527	5,527
5	Coin Sales	959	959	959
6	Hydrant Sales	24,966	19,575	4,759
7	Total Gallons Sold	<u>393,539</u>	<u>359,861</u>	<u>310,837</u>
8				
9	Average Number of Customers			
10	Residential	1,311	1,287	1,257
11	Commercial	2	2	2
12		<u>1,313</u>	<u>1,289</u>	<u>1,259</u>
13				
14	Gallons Per Residential Customer	299,725	279,179	246,892
15				
16	Revenue Per Residential Customer	\$ 1,037	\$ 979	\$ 868
17				
18	Pumping Cost Per 1,000 Gallons	0.4551	0.5085	0.4177
19				
20				

Sunrise Water Co.  
Test Year Ended December 31, 2007  
Taxes Charged to Operations

Exhibit: RLJ-1  
Schedule E-8  
Page 1  
Witness: Jones

Line No.	Description	Test Year Ended <u>12/31/2007</u>	Prior Year Ended <u>12/31/2006</u>	Prior Year Ended <u>12/31/2005</u>
1				
2				
3	Federal Income Tax	-	-	-
4	State Income Tax	-	-	-
5	Payroll Tax	26,855	16,244	14,922
6	Property Tax	55,953	53,056	478,955
7				
8	Totals	<u>82,808</u>	<u>69,300</u>	<u>493,877</u>
9				
10	<u>Supporting Schedules:</u>			<u>Recap Schedules:</u>
11				
12				

Line

No.

1

The Company does not conduct independent audits.

3

4

The Company uses a cash basis for accounting, except that receivables from associated companies are recorded and certain accounts payable are recorded.

6

7

The Company does not record income tax expense.

8

9

Supporting Schedules:

Recap Schedules:

10

11

## **F Schedules**

**Sunrise Water Co.**  
 Test Year Ended December 31, 2007  
 Projected Income Statements - Present and Proposed Rates

Exhibit: RLJ-1  
 Schedule F-1  
 Page 1  
 Jones  
 Witness:

Line No.	Actual Test Year Ended 12/31/2007	At Present Rates Year Ended 12/31/2008	At Proposed Rates Year Ended 12/31/2008
<b>1 Revenues</b>			
2 Metered Water Revenues	\$ 1,349,666	\$ 1,296,025	\$ 1,581,956
3 Other Water Revenues	10,273	8,338	8,338
<b>4 Total Revenues</b>	<b>\$ 1,359,939</b>	<b>\$ 1,304,363</b>	<b>\$ 1,590,295</b>
<b>5 Operating Expenses</b>			
6 Salaries and Wages	\$ 382,937	\$ 414,840	\$ 414,840
7 Purchased Power	179,081	169,673	169,673
8 Chemicals	14,099	14,804	14,804
9 Repairs and Maintenance	26,549	27,876	27,876
10 Office Supplies Expense	49,245	56,419	56,419
11 Outside Services	45,163	47,421	47,421
12 Water Testing	2,635	2,767	2,767
13 Rents	37,664	39,548	39,548
14 Transportation Expense	74,769	82,246	82,246
15 Insurance - General Liability	11,141	11,698	11,698
16 Insurance - Health and Life	77,595	50,775	50,775
17 Regulatory Expense	-	-	25,000
18 Miscellaneous Expense	14,287	(21,980)	(21,980)
19 Depreciation Expense	307,762	395,853	395,853
20 Property Taxes	55,953	64,714	64,714
21 Income Taxes	-	-	74,752
<b>22 Total Operating Expenses</b>	<b>\$ 1,278,881</b>	<b>\$ 1,356,653</b>	<b>\$ 1,456,405</b>
<b>23 Operating Income</b>	<b>\$ 81,058</b>	<b>\$ (52,290)</b>	<b>\$ 133,889</b>
<b>24 Other Income (Expense)</b>			
25 Interest and Dividend Income	\$ 54,790	\$ -	\$ -
26 Interest Expense	(2,161)	-	-
<b>27 Total Other Income (Expense)</b>	<b>\$ 52,628</b>	<b>\$ -</b>	<b>\$ -</b>
<b>28 Net Income (Loss)</b>	<b>\$ 133,686</b>	<b>\$ (52,290)</b>	<b>\$ 133,889</b>
29			
30 <u>Supporting Schedules:</u>		<u>Recap Schedules:</u>	
31 E-2		A-2	
32			
33			

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Projected Changes In Financial Position - Present and Proposed Rates

Exhibit: RLI-1  
 Schedule F-2  
 Page 1  
 Witness: Jones

Line No.	Test Year Ended <u>12/31/2007</u>	At Present Rates Year Ended <u>12/31/2008</u>	At Proposed Rates Year Ended <u>12/31/2008</u>	
1	<u>Source of Funds</u>			
2	From Operations			
3	Net Income	133,686	(52,290)	133,889
4	Depreciation and Amortization	307,762	395,853	395,853
5	Changes in Working Capital	(45,532)	-	-
6	Changes in Amounts due to/from Affiliates	7,118	-	-
7	Changes in Accrued Taxes	(1,118)	-	-
8	Total From Operations	401,916	343,562	529,742
9				
10	From Financing			
11	Advances in Aid of Construction	953,798	721,644	721,644
12	Contributions in Aid of Construction	106,088	(18,893)	(18,893)
13	Paid In Capital	-	-	-
14	Total From Financing	1,059,886	702,751	702,751
15				
16	Total Funds Provided	1,461,802	1,046,313	1,232,493
17				
18	<u>Application of Funds</u>			
19	Construction Expenditures	2,827,994	1,180,000	1,180,000
20				
21	Net Increase/(Decrease) in Cash	(1,366,192)	(133,687)	52,493
22				
23	Cash, Beginning of Year	1,826,814	460,622	460,622
24	Cash, End of Year	460,622	326,936	513,115
25				
26				
27	<u>Supporting Schedules:</u>		<u>Recap Schedules:</u>	
28	E-3		A-5	
29	F-3			
30				
31				

**Sunrise Water Co.**  
 Test Year Ended December 31, 2007  
 Projected Construction Requirements

Exhibit: RLJ-1  
 Schedule F-3  
 Page 1  
 Witness: Jones

Line  
 No.  
 1  
 2  
 3  
 4  
 5  
 6  
 7  
 8  
 9  
 10  
 11  
 12  
 13  
 14

	Actual	Projected		
	Test Year	Thru	Thru	Thru
	<u>12/31/2007</u>	<u>12/31/2008</u>	<u>12/31/2009</u>	<u>12/31/2010</u>
<u>Property Classification</u>				
Production Plant	1,985,370	\$ -	\$ -	\$ 50,000
Transmission & Distribution Plant	842,624	\$ 1,180,000	\$ 1,125,000	\$ 1,100,000
Total Plant	<u>\$ 2,827,994</u>	<u>\$ 1,180,000</u>	<u>\$ 1,125,000</u>	<u>\$ 1,150,000</u>

Supporting Schedules:

Recap Schedules:  
 F-2 A-4

**Sunrise Water Co.**  
Test Year Ended December 31, 2007  
Assumptions Used in Developing Projection

Exhibit: RLJ-1  
Schedule F-4  
Page 1  
Witness: Jones

Line

No.

1

2 No Customer Growth

3

4 No Change in Per Customer Consumption

5

6 Salaries, Power, Health Insurance, Depreciation and Property Tax Expense Per Test Year Adjustments

7

8 Transportation Expense increase by 10%

9

10 All other expenses increased by 5%

11

12 Supporting Schedules:

Recap Schedules:

13

14

# **G Schedules**

(Not Required)

## **H Schedules**

Sunrise Water Co.

Test Year Ended December 31, 2007

Summary of Revenues by Customer Classification - Present and Proposed Rates

Exhibit: RL-1

Schedule H-1

Page 1

Witness: Jones

Line No.	Customer Classification	Revenues in the Test Year		Proposed Increase	
		Present Rates	Proposed Rates	Amount	%
1					
2	Residential	\$ 1,254,578	\$ 1,529,706	\$ 275,129	21.93%
3	Commercial	16,093	20,693	4,600	28.59%
4	Hydrant	25,289	30,963	5,674	22.44%
5	Coin Standpipe	2,364	3,261	897	37.96%
6					
7	Total Revenues	\$ 1,298,323	\$ 1,584,624	\$ 286,300	22.05%
8					
9	<u>Supporting Schedules:</u>			<u>Recap Schedules:</u>	
10	H-2			A-1	
11					
12					

**Sunrise Water Co.**  
 Test Year Ended December 31, 2007  
 Analysis of Revenue by Detailed Class

Exhibit: RLJ-1  
 Schedule H-2  
 Page 1  
 Witness: Jones

Line No.	Description	Average Number Customers	Average Consumption	Revenues		Proposed	
				Present Rates	Proposed Rates	Increase Amount	Increase %
1							
2	3/4" Residential Meter	733	17,782	\$ 550,946	\$ 663,138	\$ 112,192	20.36%
3							
4	3/4" Commercial Meter	1	82,050	\$ 2,950	\$ 3,739	\$ 789	26.74%
5							
6	1" Residential Meter	531	26,737	\$ 590,495	\$ 724,745	\$ 134,250	22.74%
7							
8	1" Commercial Meter	1	378,492	\$ 13,142	\$ 16,954	\$ 3,811	29.00%
9							
10	1 1/2" Residential Meter	38	33,487	\$ 52,622	\$ 64,958	\$ 12,336	23.44%
11							
12	2" Residential Meter	9	178,604	\$ 60,514	\$ 76,865	\$ 16,351	27.02%
13							
14	3" Hydrant Meter	7		\$ 25,289	\$ 30,963	\$ 5,674	22.44%
15							
16	Coin Operated Standpipe			\$ 2,364	\$ 3,261	\$ 897	37.96%
17							
18							
19	Total Residential	1,311		\$ 1,254,578	\$ 1,529,706	\$ 275,129	21.93%
20	Total Commercial	2		\$ 16,093	\$ 20,693	\$ 4,600	28.59%
21	Total Hydrant	7		\$ 25,289	\$ 30,963	\$ 5,674	22.44%
22	Total Coin Standpipe	-		\$ 2,364	\$ 3,261	\$ 897	37.96%
23							
24	Total Company	1,320		\$ 1,298,323	1,584,624	\$ 286,300	22.05%
25							
26	Metered Water Revenues per G.L.			\$ 1,349,666			
28	Income Statement Adjustment RLJ-5 (Billed Revenue)			(5,827)			
29	Income Statement Adjustment RLJ-8 (Normalized Hyd)			(47,815)			
31	Total Adjusted Booked Revenues			1,296,025			
32	Unreconciled Difference vs. Billed Revenues			\$ 2,299			
33	Percent Revenue Unreconciled			0.1774%			
34							
35	<u>Supporting Schedules:</u>				<u>Recap Schedules:</u>		
36					H-1		
37							
38							

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Analysis of Revenue by Detailed Class

Exhibit: RLJ-1  
 Schedule H-2  
 Page 2  
 Witness: Jones

Supplemental Schedule  
 Breakdown of Revenue at Proposed Rates  
 By Rate Components

Line No.	Description	Revenue at Proposed Rates				Total Revenue
		Base Charge	1st Tier	2nd Tier	3rd Tier	
1						
2	3/4" Residential Meter	\$ 131,850	\$ 101,600	\$ 264,403	\$ 165,285	\$ 663,138
3						
4	3/4" Commercial Meter	\$ 180	\$ 144	\$ 571	\$ 2,844	\$ 3,739
5						
6	1" Residential Meter	\$ 130,585	\$ -	\$ 407,949	\$ 186,212	\$ 724,745
7						
8	1" Commercial Meter	\$ 246	\$ -	\$ 1,103	\$ 15,605	\$ 16,954
9						
10	1 1/2" Residential Meter	\$ 11,925	\$ -	\$ 30,863	\$ 22,170	\$ 64,958
11						
12	2" Residential Meter	\$ 3,729	\$ -	\$ 17,436	\$ 55,700	\$ 76,865
13						
14	3" Hydrant Meter	\$ 3,120	\$ -	\$ 27,843	\$ -	\$ 30,963
15						
16	Coin Operated Standpipe	\$ -	\$ -	\$ 3,261	\$ -	\$ 3,261
17						
18	Total Revenue	\$ 281,635	\$ 101,744	\$ 753,429	\$ 447,815	\$ 1,584,624
19						
20	Percentage of Total	17.77%	6.42%	47.55%	28.26%	100.00%
21						
22						

Line  
No.

				<u>Base Charge</u>			<u>Volume Charge</u>					
				<u>Present</u>	<u>Proposed</u>	<u>Change</u>	<u>Present</u>	<u>Proposed</u>	<u>Change</u>			
<u>Description</u>	<u>Block</u>			<u>Rate</u>	<u>Rate</u>	<u>Change</u>	<u>Rate</u>	<u>Rate</u>	<u>Change</u>			
<u>General Water Service Rates</u>												
3/4" Residential Meter	First	4,000 gal.	\$	12.00	\$	15.00	\$	2.85	\$	3.00	\$	0.15
	Next	14,000 gal.					\$	2.85	\$	3.40	\$	0.55
	Over	18,000 gal.					\$	2.85	\$	3.70	\$	0.85
3/4" Commercial Meter	First	4,000 gal.	\$	12.00	\$	15.00	\$	2.85	\$	3.00	\$	0.15
	Next	14,000 gal.					\$	2.85	\$	3.40	\$	0.55
	Over	18,000 gal.					\$	2.85	\$	3.70	\$	0.85
1" Residential Meter	First	27,000 gal.	\$	16.50	\$	20.50	\$	2.85	\$	3.40	\$	0.55
	Over	27,000 gal.					\$	2.85	\$	3.70	\$	0.85
1" Commercial Meter	First	27,000 gal.	\$	16.50	\$	20.50	\$	2.85	\$	3.40	\$	0.55
	Over	27,000 gal.					\$	2.85	\$	3.70	\$	0.85
1 1/2" Residential Meter	First	35,000 gal.	\$	21.50	\$	26.50	\$	2.85	\$	3.40	\$	0.55
	Over	35,000 gal.					\$	2.85	\$	3.70	\$	0.85
2" Residential Meter	First	65,000 gal.	\$	26.50	\$	33.00	\$	2.85	\$	3.40	\$	0.55
	Over	65,000 gal.					\$	2.85	\$	3.70	\$	0.85
Hydrant Meter	All	gal.	\$	25.00	\$	40.00	\$	2.85	\$	3.40	\$	0.55
Coin Meter	All	gal.	\$	-	\$	-	\$	2.85	\$	3.40	\$	0.55
<u>Other Service Charges</u>												
				<u>Present</u>			<u>Proposed</u>					
				<u>Rates</u>			<u>Rates</u>					
Establishment				\$	10.00			\$	35.00			
Establishment (After Hours)				\$	20.00			\$	50.00			
Reconnection (Delinquent)				\$	10.00			\$	35.00			
Reconnection (Delinquent and After Hours)				\$	20.00			\$	50.00			
Meter Test				\$	5.00				Cost			
Deposit Requirement (Residential)				2 times the average bill				2 times the average bill				
Deposit Requirement (None Residential Meter)				2-1/2 times the average bill				2-1/2 times the average bill				
Deposit Interest				n/t				6.0%				
Re-Establishment (With-in 12 Months)				\$	80.00			Number of Months off system times the monthly minimum bill				
NSF Check				n/t				\$	35.00			
Meter Re-Read (If Incorrect)				n/t				\$	15.00			
Deferred Payment, Per Month				n/t				1.5%				
Late Charge per month				n/t				1.5%				
Charge of Moving Customer Meter				n/t				Cost				
In addition to the collection of regular rates, the utility will collect from its customers a proportionate share of any privilege, sales, use, and franchise tax, per Commission rule A.A.C. 14-2-409(D)(5).												
All items billed at cost shall include labor, materials and parts, overheads and all applicable taxes.												
n/t - no tariff												

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Changes in Representative Rate Schedules

Exhibit: RLJ-1  
 Schedule H-3  
 Page 2  
 Witness: Jones

Line  
No.

1	<u>Service Line and Meter Installation Charges</u>	Present	Proposed
2		<u>Rates</u>	<u>Rates</u>
3			
4	3/4" Meter	\$ 275.00	\$ 700.00
5	1" Meter	\$ 325.00	\$ 810.00
6	1 1/2" Meter	\$ 550.00	\$ 1,075.00
7	2" Meter (PD or Turbo)	\$ 800.00	\$ 1,875.00
8	2" Meter (Compound)	n/t	\$ 2,770.00
9	3" Meter and above	n/t	Cost

10  
 11 All service line and meter advances shall include labor, materials and parts, overheads and all applicable taxes,  
 12 including gross-up taxes for Federal and State taxes, if applicable.

13  
 14 n/t - no tariff

15		Present	Proposed
16	<u>Private Fire Service</u>	<u>Rates<sup>1</sup></u>	<u>Rates</u>
17			
18			
19	4" Fire Line Service	\$ 25.00	\$ 25.00
20	6" Fire Line Service	\$ 35.00	\$ 35.00
21	8" Fire Line Service	\$ 45.00	\$ 45.00

22  
 23 <sup>1</sup> At the time of filing Sunrise had filed a tariff to establish Private Fire Service at the rates indicated.

24  
 25

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Typical Bill Analysis

Exhibit: RLJ-1  
 Schedule H-4  
 Page 1  
 Witness: Jones

3/4" Residential

Line No.	Monthly Consumption	Present Bill	Proposed Bill	Dollar Increase	% Increase	
1	1,000	\$ 14.85	\$ 18.00	\$ 3.15	21.21%	
2	2,000	17.70	21.00	3.30	18.64%	
3	3,000	20.55	24.00	3.45	16.79%	
4	4,000	23.40	27.00	3.60	15.38%	
5	5,000	26.25	30.40	4.15	15.81%	
6	6,000	29.10	33.80	4.70	16.15%	
7	7,000	31.95	37.20	5.25	16.43%	
8	8,000	34.80	40.60	5.80	16.67%	
9	9,000	37.65	44.00	6.35	16.87%	
10	10,000	40.50	47.40	6.90	17.04%	
11	12,000	46.20	54.20	8.00	17.32%	
12	14,000	51.90	61.00	9.10	17.53%	
13	16,000	57.60	67.80	10.20	17.71%	
14	18,000	63.30	74.60	11.30	17.85%	
15	20,000	69.00	82.00	13.00	18.84%	
16	22,000	74.70	89.40	14.70	19.68%	
17	24,000	80.40	96.80	16.40	20.40%	
18	26,000	86.10	104.20	18.10	21.02%	
19	28,000	91.80	111.60	19.80	21.57%	
20	30,000	97.50	119.00	21.50	22.05%	
21	35,000	111.75	137.50	25.75	23.04%	
22	40,000	126.00	156.00	30.00	23.81%	
23	45,000	140.25	174.50	34.25	24.42%	
24	50,000	154.50	193.00	38.50	24.92%	
25	55,000	168.75	211.50	42.75	25.33%	
26	60,000	183.00	230.00	47.00	25.68%	
27	65,000	197.25	248.50	51.25	25.98%	
28	70,000	211.50	267.00	55.50	26.24%	
29	75,000	225.75	285.50	59.75	26.47%	
30	80,000	240.00	304.00	64.00	26.67%	
31	85,000	254.25	322.50	68.25	26.84%	
32	90,000	268.50	341.00	72.50	27.00%	
33	95,000	282.75	359.50	76.75	27.14%	
34	100,000	297.00	378.00	81.00	27.27%	
35	125,000	368.25	470.50	102.25	27.77%	
36	150,000	439.50	563.00	123.50	28.10%	
37	175,000	510.75	655.50	144.75	28.34%	
38						
39	Average Usage					
40		17,782 \$	62.68 \$	73.86 \$	11.18	17.84%
41	Median Usage					
42		13,476 \$	50.41 \$	59.22 \$	8.81	17.48%
43						
44						

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Typical Bill Analysis

Exhibit: RLJ-1  
 Schedule H-4  
 Page 2  
 Witness: Jones

3/4" Commercial

Line No.	Monthly Consumption	Present Bill	Proposed Bill	Dollar Increase	% Increase
1	34,300	\$ 109.76	\$ 134.91	\$ 25.16	22.92%
2	39,300	124.01	153.41	29.41	23.71%
3	45,300	141.11	175.61	34.51	24.45%
4	57,300	175.31	220.01	44.71	25.50%
5	60,300	183.86	231.11	47.26	25.70%
6	65,300	198.11	249.61	51.51	26.00%
7	70,300	212.36	268.11	55.76	26.26%
8	76,300	229.46	290.31	60.86	26.52%
9	93,300	277.91	353.21	75.31	27.10%
10	126,300	371.96	475.31	103.36	27.79%
11	133,300	391.91	501.21	109.31	27.89%
12	183,300	534.41	686.21	151.81	28.41%
13					
14	Average Usage				
15	82,050	\$ 245.84	\$ 311.59	\$ 65.74	26.74%
16	Median Usage				
17	65,300	\$ 198.11	\$ 249.61	\$ 51.51	26.00%
18					
19					

1" Residential

Line No.	Monthly Consumption	Present Bill	Proposed Bill	Dollar Increase	% Increase
1	1,000	\$ 19.35	\$ 23.90	\$ 4.55	23.51%
2	2,000	22.20	27.30	5.10	22.97%
3	3,000	25.05	30.70	5.65	22.55%
4	4,000	27.90	34.10	6.20	22.22%
5	5,000	30.75	37.50	6.75	21.95%
6	6,000	33.60	40.90	7.30	21.73%
7	7,000	36.45	44.30	7.85	21.54%
8	8,000	39.30	47.70	8.40	21.37%
9	9,000	42.15	51.10	8.95	21.23%
10	10,000	45.00	54.50	9.50	21.11%
11	12,000	50.70	61.30	10.60	20.91%
12	14,000	56.40	68.10	11.70	20.74%
13	16,000	62.10	74.90	12.80	20.61%
14	18,000	67.80	81.70	13.90	20.50%
15	20,000	73.50	88.50	15.00	20.41%
16	22,000	79.20	95.30	16.10	20.33%
17	24,000	84.90	102.10	17.20	20.26%
18	26,000	90.60	108.90	18.30	20.20%
19	28,000	96.30	116.00	19.70	20.46%
20	30,000	102.00	123.40	21.40	20.98%
21	35,000	116.25	141.90	25.65	22.06%
22	40,000	130.50	160.40	29.90	22.91%
23	45,000	144.75	178.90	34.15	23.59%
24	50,000	159.00	197.40	38.40	24.15%
25	55,000	173.25	215.90	42.65	24.62%
26	60,000	187.50	234.40	46.90	25.01%
27	65,000	201.75	252.90	51.15	25.35%
28	70,000	216.00	271.40	55.40	25.65%
29	75,000	230.25	289.90	59.65	25.91%
30	80,000	244.50	308.40	63.90	26.13%
31	85,000	258.75	326.90	68.15	26.34%
32	90,000	273.00	345.40	72.40	26.52%
33	95,000	287.25	363.90	76.65	26.68%
34	100,000	301.50	382.40	80.90	26.83%
35	125,000	372.75	474.90	102.15	27.40%
36	150,000	444.00	567.40	123.40	27.79%
37	175,000	515.25	659.90	144.65	28.07%
38	200,000	586.50	752.40	165.90	28.29%
39	225,000	657.75	844.90	187.15	28.45%
40	250,000	729.00	937.40	208.40	28.59%
41	275,000	800.25	1,029.90	229.65	28.70%
42	300,000	871.50	1,122.40	250.90	28.79%
43					
44	Average Consumption				
45	26,737	\$ 92.70	\$ 111.41	\$ 18.71	20.18%
46	Median Consumption				
47	20,500	\$ 74.93	\$ 90.20	\$ 15.28	20.39%
48					
49					

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Typical Bill Analysis

Exhibit: RLJ-1  
 Schedule H-4  
 Page 4  
 Witness: Jones

1" Commercial

Line No.	Monthly Consumption	Present Bill	Proposed Bill	Dollar Increase	% Increase
1	300	\$ 17.36	\$ 21.52	\$ 4.17	24.00%
2	106,300	319.46	405.71	86.26	27.00%
3	129,300	385.01	490.81	105.81	27.48%
4	137,300	407.81	520.41	112.61	27.61%
5	319,300	926.51	1,193.81	267.31	28.85%
6	347,300	1,006.31	1,297.41	291.11	28.93%
7	356,300	1,031.96	1,330.71	298.76	28.95%
8	386,300	1,117.46	1,441.71	324.26	29.02%
9	445,300	1,285.61	1,660.01	374.41	29.12%
10	464,300	1,339.76	1,730.31	390.56	29.15%
11	599,300	1,724.51	2,229.81	505.31	29.30%
12	609,300	1,753.01	2,266.81	513.81	29.31%
13	641,300	1,844.21	2,385.21	541.01	29.34%
14					
15	Average Consumption				
16	378,492	\$ 1,095.20	\$ 1,412.82	\$ 317.62	29.00%
17	Median Consumption				
18	347,800	\$ 1,007.73	\$ 1,299.26	\$ 291.53	28.93%
19					
20					

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Typical Bill Analysis

Exhibit: RLJ-1  
 Schedule H-4  
 Page 5  
 Witness: Jones

1 1/2" Residential

Line No.	Monthly Consumption	Present Bill	Proposed Bill	Dollar Increase	% Increase
1	1,000	\$ 24.35	\$ 29.90	\$ 5.55	22.79%
2	2,000	27.20	33.30	6.10	22.43%
3	3,000	30.05	36.70	6.65	22.13%
4	4,000	32.90	40.10	7.20	21.88%
5	5,000	35.75	43.50	7.75	21.68%
6	6,000	38.60	46.90	8.30	21.50%
7	7,000	41.45	50.30	8.85	21.35%
8	8,000	44.30	53.70	9.40	21.22%
9	9,000	47.15	57.10	9.95	21.10%
10	10,000	50.00	60.50	10.50	21.00%
11	12,000	55.70	67.30	11.60	20.83%
12	14,000	61.40	74.10	12.70	20.68%
13	16,000	67.10	80.90	13.80	20.57%
14	18,000	72.80	87.70	14.90	20.47%
15	20,000	78.50	94.50	16.00	20.38%
16	22,000	84.20	101.30	17.10	20.31%
17	24,000	89.90	108.10	18.20	20.24%
18	26,000	95.60	114.90	19.30	20.19%
19	28,000	101.30	121.70	20.40	20.14%
20	30,000	107.00	128.50	21.50	20.09%
21	35,000	121.25	145.50	24.25	20.00%
22	40,000	135.50	164.00	28.50	21.03%
23	45,000	149.75	182.50	32.75	21.87%
24	50,000	164.00	201.00	37.00	22.56%
25	55,000	178.25	219.50	41.25	23.14%
26	60,000	192.50	238.00	45.50	23.64%
27	65,000	206.75	256.50	49.75	24.06%
28	70,000	221.00	275.00	54.00	24.43%
29	75,000	235.25	293.50	58.25	24.76%
30	80,000	249.50	312.00	62.50	25.05%
31	85,000	263.75	330.50	66.75	25.31%
32	90,000	278.00	349.00	71.00	25.54%
33	95,000	292.25	367.50	75.25	25.75%
34	100,000	306.50	386.00	79.50	25.94%
35	125,000	377.75	478.50	100.75	26.67%
36	150,000	449.00	571.00	122.00	27.17%
37	175,000	520.25	663.50	143.25	27.53%
38	200,000	591.50	756.00	164.50	27.81%
39	225,000	662.75	848.50	185.75	28.03%
40	250,000	734.00	941.00	207.00	28.20%
41	275,000	805.25	1,033.50	228.25	28.35%
42	300,000	876.50	1,126.00	249.50	28.47%
43	325,000	947.75	1,218.50	270.75	28.57%
44	350,000	1,019.00	1,311.00	292.00	28.66%
45	375,000	1,090.25	1,403.50	313.25	28.73%
46	400,000	1,161.50	1,496.00	334.50	28.80%
47	425,000	1,232.75	1,588.50	355.75	28.86%
48	450,000	1,304.00	1,681.00	377.00	28.91%
49					
50	Average Consumption				
51	33,487	\$ 116.94	\$ 140.36	\$ 23.42	20.03%
52	Median Consumption				
53	20,050	\$ 78.64	\$ 94.67	\$ 16.03	20.38%
54					

**2" Residential**

Line No.	Monthly Consumption	Present Bill	Proposed Bill	Dollar Increase	% Increase
1	1,000	\$ 29.35	\$ 36.40	\$ 7.05	24.02%
2	2,000	32.20	39.80	7.60	23.60%
3	3,000	35.05	43.20	8.15	23.25%
4	4,000	37.90	46.60	8.70	22.96%
5	5,000	40.75	50.00	9.25	22.70%
6	6,000	43.60	53.40	9.80	22.48%
7	7,000	46.45	56.80	10.35	22.28%
8	8,000	49.30	60.20	10.90	22.11%
9	9,000	52.15	63.60	11.45	21.96%
10	10,000	55.00	67.00	12.00	21.82%
11	12,000	60.70	73.80	13.10	21.58%
12	14,000	66.40	80.60	14.20	21.39%
13	16,000	72.10	87.40	15.30	21.22%
14	18,000	77.80	94.20	16.40	21.08%
15	20,000	83.50	101.00	17.50	20.96%
16	25,000	97.75	118.00	20.25	20.72%
17	30,000	112.00	135.00	23.00	20.54%
18	35,000	126.25	152.00	25.75	20.40%
19	40,000	140.50	169.00	28.50	20.28%
20	45,000	154.75	186.00	31.25	20.19%
21	50,000	169.00	203.00	34.00	20.12%
22	55,000	183.25	220.00	36.75	20.05%
23	60,000	197.50	237.00	39.50	20.00%
24	65,000	211.75	254.00	42.25	19.95%
25	70,000	226.00	272.50	46.50	20.58%
26	75,000	240.25	291.00	50.75	21.12%
27	100,000	311.50	383.50	72.00	23.11%
28	125,000	382.75	476.00	93.25	24.36%
29	150,000	454.00	568.50	114.50	25.22%
30	175,000	525.25	661.00	135.75	25.84%
31	200,000	596.50	753.50	157.00	26.32%
32	225,000	667.75	846.00	178.25	26.69%
33	250,000	739.00	938.50	199.50	27.00%
34	275,000	810.25	1,031.00	220.75	27.24%
35	300,000	881.50	1,123.50	242.00	27.45%
36	325,000	952.75	1,216.00	263.25	27.63%
37	350,000	1,024.00	1,308.50	284.50	27.78%
38	375,000	1,095.25	1,401.00	305.75	27.92%
39	400,000	1,166.50	1,493.50	327.00	28.03%
40	425,000	1,237.75	1,586.00	348.25	28.14%
41	450,000	1,309.00	1,678.50	369.50	28.23%
42	475,000	1,380.25	1,771.00	390.75	28.31%
43	500,000	1,451.50	1,863.50	412.00	28.38%
44	525,000	1,522.75	1,956.00	433.25	28.45%
45	550,000	1,594.00	2,048.50	454.50	28.51%
46	575,000	1,665.25	2,141.00	475.75	28.57%
47	600,000	1,736.50	2,233.50	497.00	28.62%
48	1,000,000	2,876.50	3,713.50	837.00	29.10%
49					
50	Average Consumption				
51	178,604	\$ 535.52	\$ 674.33	\$ 138.81	25.92%
52	Median Consumption				
53	124,800	\$ 382.18	\$ 475.26	\$ 93.08	24.36%
54					

Hydrant Meter

Line No.	Monthly Consumption	Present Bill	Proposed Bill	Dollar Increase	% Increase
1	50,000	\$ 167.50	\$ 210.00	\$ 42.50	25.37%
2	100,000	310.00	380.00	70.00	22.58%
3	150,000	452.50	550.00	97.50	21.55%
4	200,000	595.00	720.00	125.00	21.01%
5	250,000	737.50	890.00	152.50	20.68%
6	300,000	880.00	1,060.00	180.00	20.45%
7	350,000	1,022.50	1,230.00	207.50	20.29%
8	400,000	1,165.00	1,400.00	235.00	20.17%
9	450,000	1,307.50	1,570.00	262.50	20.08%
10	500,000	1,450.00	1,740.00	290.00	20.00%
11	550,000	1,592.50	1,910.00	317.50	19.94%
12	600,000	1,735.00	2,080.00	345.00	19.88%
13	650,000	1,877.50	2,250.00	372.50	19.84%
14	700,000	2,020.00	2,420.00	400.00	19.80%
15	750,000	2,162.50	2,590.00	427.50	19.77%
16	800,000	2,305.00	2,760.00	455.00	19.74%
17	850,000	2,447.50	2,930.00	482.50	19.71%
18	900,000	2,590.00	3,100.00	510.00	19.69%
19	950,000	2,732.50	3,270.00	537.50	19.67%
20	1,000,000	2,875.00	3,440.00	565.00	19.65%
21	1,500,000	4,300.00	5,140.00	840.00	19.53%
22	2,000,000	5,725.00	6,840.00	1,115.00	19.48%
23	2,500,000	7,150.00	8,540.00	1,390.00	19.44%
24	3,000,000	8,575.00	10,240.00	1,665.00	19.42%
25	3,500,000	10,000.00	11,940.00	1,940.00	19.40%
26	4,000,000	11,425.00	13,640.00	2,215.00	19.39%
27	4,500,000	12,850.00	15,340.00	2,490.00	19.38%
28	5,000,000	14,275.00	17,040.00	2,765.00	19.37%
29					
30	Average Consumption				
31	104,990	\$ 324.22	\$ 396.97	\$ 72.74	22.44%
32	Median Consumption				
33	104,990	\$ 324.22	\$ 396.97	\$ 72.74	22.44%
34					
35					

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Bill Count

Exhibit: RLJ-1  
 Schedule H-5

Witness: Jones

Rate Schedule: General Water Service  
 Description: 3/4" Residential Meter

Minimum Charge: \$ 12.00  
 Commodity Charge: \$ 2.85

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
					No.	% of Total	Amount	% of Total
1	0 - 999	256	300	76,800	256	2.89%	76,800	0.05%
2	1000 - 1999	96	1,300	124,800	352	3.97%	201,600	0.13%
3	2000 - 2999	152	2,300	349,600	504	5.68%	551,200	0.35%
4	3000 - 3999	212	3,300	699,600	716	8.07%	1,250,800	0.80%
5	4000 - 4999	315	4,300	1,354,500	1,031	11.62%	2,605,300	1.67%
6	5000 - 5999	353	5,300	1,870,900	1,384	15.60%	4,476,200	2.86%
7	6000 - 6999	379	6,300	2,387,700	1,763	19.88%	6,863,900	4.39%
8	7000 - 7999	422	7,300	3,080,600	2,185	24.63%	9,944,500	6.36%
9	8000 - 8999	432	8,300	3,585,600	2,617	29.50%	13,530,100	8.66%
10	9000 - 9999	388	9,300	3,608,400	3,005	33.88%	17,138,500	10.96%
11	10000 - 10999	354	10,300	3,646,200	3,359	37.87%	20,784,700	13.30%
12	11000 - 11999	321	11,300	3,627,300	3,680	41.49%	24,412,000	15.62%
13	12000 - 12999	359	12,300	4,415,700	4,039	45.54%	28,827,700	18.44%
14	13000 - 13999	344	13,300	4,575,200	4,383	49.41%	33,402,900	21.37%
15	14000 - 14999	296	14,300	4,232,800	4,679	52.75%	37,635,700	24.08%
16	15000 - 15999	280	15,300	4,284,000	4,959	55.91%	41,919,700	26.82%
17	16000 - 16999	294	16,300	4,792,200	5,253	59.22%	46,711,900	29.89%
18	17000 - 17999	265	17,300	4,584,500	5,518	62.21%	51,296,400	32.82%
19	18000 - 18999	268	18,300	4,904,400	5,786	65.23%	56,200,800	35.96%
20	19000 - 19999	239	19,300	4,612,700	6,025	67.93%	60,813,500	38.91%
21	20000 - 20999	202	20,300	4,100,600	6,227	70.20%	64,914,100	41.53%
22	21000 - 21999	226	21,300	4,813,800	6,453	72.75%	69,727,900	44.61%
23	22000 - 22999	186	22,300	4,147,800	6,639	74.85%	73,875,700	47.26%
24	23000 - 23999	140	23,300	3,262,000	6,779	76.43%	77,137,700	49.35%
25	24000 - 24999	137	24,300	3,329,100	6,916	77.97%	80,466,800	51.48%
26	25000 - 25999	136	25,300	3,440,800	7,052	79.50%	83,907,600	53.68%
27	26000 - 26999	123	26,300	3,234,900	7,175	80.89%	87,142,500	55.75%
28	27000 - 27999	125	27,300	3,412,500	7,300	82.30%	90,555,000	57.94%
29	28000 - 28999	114	28,300	3,226,200	7,414	83.59%	93,781,200	60.00%
30	29000 - 29999	107	29,300	3,135,100	7,521	84.79%	96,916,300	62.01%
31	30000 - 30999	106	30,300	3,211,800	7,627	85.99%	100,128,100	64.06%
32	31000 - 31999	85	31,300	2,660,500	7,712	86.94%	102,788,600	65.76%
33	32000 - 32999	91	32,300	2,939,300	7,803	87.97%	105,727,900	67.64%
34	33000 - 33999	69	33,300	2,297,700	7,872	88.75%	108,025,600	69.11%
35	34000 - 34999	57	34,300	1,955,100	7,929	89.39%	109,980,700	70.36%
36	35000 - 35999	70	35,300	2,471,000	7,999	90.18%	112,451,700	71.94%
37	36000 - 36999	54	36,300	1,960,200	8,053	90.79%	114,411,900	73.20%
38	37000 - 37999	52	37,300	1,939,600	8,105	91.38%	116,351,500	74.44%
39	38000 - 38999	65	38,300	2,489,500	8,170	92.11%	118,841,000	76.03%
40	39000 - 39999	51	39,300	2,004,300	8,221	92.68%	120,845,300	77.31%
41	40000 - 40999	48	40,300	1,934,400	8,269	93.22%	122,779,700	78.55%
42	41000 - 41999	48	41,300	1,982,400	8,317	93.77%	124,762,100	79.82%
43	42000 - 42999	49	42,300	2,072,700	8,366	94.32%	126,834,800	81.15%
44	43000 - 43999	26	43,300	1,125,800	8,392	94.61%	127,960,600	81.87%
45	44000 - 44999	27	44,300	1,196,100	8,419	94.92%	129,156,700	82.63%
46	45000 - 45999	24	45,300	1,087,200	8,443	95.19%	130,243,900	83.33%
47	46000 - 46999	30	46,300	1,389,000	8,473	95.52%	131,632,900	84.22%
48	47000 - 47999	24	47,300	1,135,200	8,497	95.79%	132,768,100	84.94%
49	48000 - 48999	32	48,300	1,545,600	8,529	96.16%	134,313,700	85.93%

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Bill Count

Exhibit: RLJ-1  
 Schedule H-5

Witness: Jones

Rate Schedule: General Water Service Minimum Charge: \$ 12.00  
 Description: 3/4" Residential Meter Commodity Charge: \$ 2.85

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
					No.	% of Total	Amount	% of Total
1	49000 - 49999	26	49,300	1,281,800	8,555	96.45%	135,595,500	86.75%
2	50000 - 50999	23	50,300	1,156,900	8,578	96.71%	136,752,400	87.49%
3	51000 - 51999	16	51,300	820,800	8,594	96.89%	137,573,200	88.02%
4	52000 - 52999	19	52,300	993,700	8,613	97.10%	138,566,900	88.65%
5	53000 - 53999	14	53,300	746,200	8,627	97.26%	139,313,100	89.13%
6	54000 - 54999	18	54,300	977,400	8,645	97.46%	140,290,500	89.75%
7	55000 - 55999	12	55,300	663,600	8,657	97.60%	140,954,100	90.18%
8	56000 - 56999	16	56,300	900,800	8,673	97.78%	141,854,900	90.76%
9	57000 - 57999	13	57,300	744,900	8,686	97.93%	142,599,800	91.23%
10	58000 - 58999	19	58,300	1,107,700	8,705	98.14%	143,707,500	91.94%
11	59000 - 59999	11	59,300	652,300	8,716	98.26%	144,359,800	92.36%
12	60000 - 60999	14	60,300	844,200	8,730	98.42%	145,204,000	92.90%
13	61000 - 61999	7	61,300	429,100	8,737	98.50%	145,633,100	93.17%
14	62000 - 62999	9	62,300	560,700	8,746	98.60%	146,193,800	93.53%
15	63000 - 63999	14	63,300	886,200	8,760	98.76%	147,080,000	94.10%
16	64000 - 64999	10	64,300	643,000	8,770	98.87%	147,723,000	94.51%
17	65000 - 65999	5	65,300	326,500	8,775	98.93%	148,049,500	94.72%
18	66000 - 66999	4	66,300	265,200	8,779	98.97%	148,314,700	94.89%
19	67000 - 67999	8	67,300	538,400	8,787	99.06%	148,853,100	95.23%
20	68000 - 68999	2	68,300	136,600	8,789	99.09%	148,989,700	95.32%
21	69000 - 69999	8	69,300	554,400	8,797	99.18%	149,544,100	95.68%
22	70000 - 70999	3	70,300	210,900	8,800	99.21%	149,755,000	95.81%
23	71000 - 71999	5	71,300	356,500	8,805	99.27%	150,111,500	96.04%
24	72000 - 72999	2	72,300	144,600	8,807	99.29%	150,256,100	96.13%
25	73000 - 73999	4	73,300	293,200	8,811	99.33%	150,549,300	96.32%
26	74000 - 74999	2	74,300	148,600	8,813	99.36%	150,697,900	96.41%
27	75000 - 75999	2	75,300	150,600	8,815	99.38%	150,848,500	96.51%
28	76000 - 76999	4	76,300	305,200	8,819	99.43%	151,153,700	96.70%
29	78000 - 78999	4	78,300	313,200	8,823	99.47%	151,466,900	96.91%
30	79000 - 79999	3	79,300	237,900	8,826	99.50%	151,704,800	97.06%
31	80000 - 80999	1	80,300	80,300	8,827	99.52%	151,785,100	97.11%
32	82000 - 82999	3	82,300	246,900	8,830	99.55%	152,032,000	97.27%
33	83000 - 83999	3	83,300	249,900	8,833	99.58%	152,281,900	97.43%
34	85000 - 85999	2	85,300	170,600	8,835	99.61%	152,452,500	97.54%
35	86000 - 86999	1	86,300	86,300	8,836	99.62%	152,538,800	97.59%
36	87000 - 87999	2	87,300	174,600	8,838	99.64%	152,713,400	97.70%
37	88000 - 88999	2	88,300	176,600	8,840	99.66%	152,890,000	97.82%
38	89000 - 89999	2	89,300	178,600	8,842	99.68%	153,068,600	97.93%
39	90000 - 90999	1	90,300	90,300	8,843	99.70%	153,158,900	97.99%
40	93000 - 93999	2	93,300	186,600	8,845	99.72%	153,345,500	98.11%
41	94000 - 94999	2	94,300	188,600	8,847	99.74%	153,534,100	98.23%
42	95000 - 95999	2	95,300	190,600	8,849	99.76%	153,724,700	98.35%
43	96000 - 96999	1	96,300	96,300	8,850	99.77%	153,821,000	98.41%
44	97000 - 97999	1	97,300	97,300	8,851	99.79%	153,918,300	98.47%
45	98000 - 98999	1	98,300	98,300	8,852	99.80%	154,016,600	98.54%
46	101000 - 101999	3	101,300	303,900	8,855	99.83%	154,320,500	98.73%
47	104000 - 104999	1	104,300	104,300	8,856	99.84%	154,424,800	98.80%
48	106000 - 106999	1	106,300	106,300	8,857	99.85%	154,531,100	98.87%
49	110000 - 110999	1	110,300	110,300	8,858	99.86%	154,641,400	98.94%

**Sunrise Water Co.**  
 Test Year Ended December 31, 2007  
 Bill Count

Exhibit: RLJ-1  
 Schedule H-5

Witness: Jones

Rate Schedule: General Water Service Minimum Charge: \$ 12.00  
 Description: 3/4" Residential Meter Commodity Charge: \$ 2.85

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
					No.	% of Total	Amount	% of Total
1	116000 - 116999	1	116,300	116,300	8,859	99.88%	154,757,700	99.01%
2	117000 - 117999	1	117,300	117,300	8,860	99.89%	154,875,000	99.09%
3	119000 - 119999	1	119,300	119,300	8,861	99.90%	154,994,300	99.16%
4	120000 - 120999	1	120,300	120,300	8,862	99.91%	155,114,600	99.24%
5	122000 - 122999	1	122,300	122,300	8,863	99.92%	155,236,900	99.32%
6	124000 - 124999	1	124,300	124,300	8,864	99.93%	155,361,200	99.40%
7	147000 - 147999	1	147,300	147,300	8,865	99.94%	155,508,500	99.49%
8	153000 - 153999	1	153,300	153,300	8,866	99.95%	155,661,800	99.59%
9	154000 - 154999	1	154,300	154,300	8,867	99.97%	155,816,100	99.69%
10	155000 - 155999	1	155,300	155,300	8,868	99.98%	155,971,400	99.79%
11	159000 - 159999	1	159,300	159,300	8,869	99.99%	156,130,700	99.89%
12	173000 - 173999	1	173,300	173,300	8,870	100.00%	156,304,000	100.00%
13								
14	Totals	8,870		156,304,000	8,870		156,304,000	
15	Prorated Bills <sup>1</sup>	(80)						
16	Bill Total	8,790						
17						Block 1 Usage	33,866,800	
18	Revenue	\$ 105,480		\$ 445,466		Block 2 Usage	77,765,600	
19						Block 3 Usage	44,671,600	
20						Total Usage	156,304,000	
21	Average Number of Customers			733				
22								
23	Average Consumption			17,782				
24								
25	Median Consumption			13,476				
26								
27								
28								

<sup>1</sup>Customer Minimum Charges are prorated for billing periods less than 25 days and greater than 35 days.  
 When homes change ownership during a month, two bills are generated. One for each owner for the portion of the month that owner took water service. The sum of the Minimum Charge billed on each of the two billings will be equal to the monthly minimum charge for the meter size. The reduction in bill count is necessary to avoid double counting billing units during months when account ownership changes. The reduction is based on a total of 144 account ownership changes for Sunrise Water Co. in 2007.

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Bill Count

Exhibit: RLJ-1  
 Schedule H-5

Witness: Jones

Rate Schedule: General Water Service Minimum Charge: \$ 12.00  
 Description: 3/4" Commercial Meter Commodity Charge: \$ 2.85

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
					No.	% of Total	Amount	% of Total
1	34000 - 34999	1	34,300	34,300	1	8.33%	34,300	3.48%
2	39000 - 39999	1	39,300	39,300	2	16.67%	73,600	7.48%
3	45000 - 45999	1	45,300	45,300	3	25.00%	118,900	12.08%
4	57000 - 57999	1	57,300	57,300	4	33.33%	176,200	17.90%
5	60000 - 60999	1	60,300	60,300	5	41.67%	236,500	24.02%
6	65000 - 65999	1	65,300	65,300	6	50.00%	301,800	30.65%
7	70000 - 70999	1	70,300	70,300	7	58.33%	372,100	37.79%
8	76000 - 76999	1	76,300	76,300	8	66.67%	448,400	45.54%
9	93000 - 93999	1	93,300	93,300	9	75.00%	541,700	55.02%
10	126000 - 126999	1	126,300	126,300	10	83.33%	668,000	67.84%
11	133000 - 133999	1	133,300	133,300	11	91.67%	801,300	81.38%
12	183000 - 183999	1	183,300	183,300	12	100.00%	984,600	100.00%
13								
14	Total	12		984,600	12		984,600	
15								
16	Revenue	\$ 144		\$ 2,806		Block 1 Usage	48,000	
17						Block 2 Usage	168,000	
18						Block 3 Usage	768,600	
19	Average Number of Customers			<u>1</u>		Total Usage	984,600	
20								
21	Average Consumption			<u>82,050</u>				
22								
23	Median Consumption			<u>65,300</u>				
24								
25								

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Bill Count

Exhibit: RLJ-1  
 Schedule H-5

Witness: Jones

Rate Schedule: General Water Service Minimum Charge: \$ 16.50  
 Description: 1" Residential Meter Commodity Charge: \$ 2.85

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
					No.	% of Total	Amount	% of Total
1	0 - 999	192	300	57,600	192	2.99%	57,600	0.03%
2	1000 - 1999	64	1,300	83,200	256	3.98%	140,800	0.08%
3	2000 - 2999	71	2,300	163,300	327	5.09%	304,100	0.18%
4	3000 - 3999	91	3,300	300,300	418	6.50%	604,400	0.35%
5	4000 - 4999	115	4,300	494,500	533	8.29%	1,098,900	0.65%
6	5000 - 5999	138	5,300	731,400	671	10.44%	1,830,300	1.07%
7	6000 - 6999	169	6,300	1,064,700	840	13.07%	2,895,000	1.70%
8	7000 - 7999	159	7,300	1,160,700	999	15.54%	4,055,700	2.38%
9	8000 - 8999	188	8,300	1,560,400	1,187	18.47%	5,616,100	3.30%
10	9000 - 9999	175	9,300	1,627,500	1,362	21.19%	7,243,600	4.25%
11	10000 - 10999	159	10,300	1,637,700	1,521	23.66%	8,881,300	5.21%
12	11000 - 11999	162	11,300	1,830,600	1,683	26.18%	10,711,900	6.29%
13	12000 - 12999	172	12,300	2,115,600	1,855	28.86%	12,827,500	7.53%
14	13000 - 13999	181	13,300	2,407,300	2,036	31.67%	15,234,800	8.95%
15	14000 - 14999	171	14,300	2,445,300	2,207	34.33%	17,680,100	10.38%
16	15000 - 15999	178	15,300	2,723,400	2,385	37.10%	20,403,500	11.98%
17	16000 - 16999	174	16,300	2,836,200	2,559	39.81%	23,239,700	13.65%
18	17000 - 17999	147	17,300	2,543,100	2,706	42.10%	25,782,800	15.14%
19	18000 - 18999	170	18,300	3,111,000	2,876	44.74%	28,893,800	16.97%
20	19000 - 19999	162	19,300	3,126,600	3,038	47.26%	32,020,400	18.80%
21	20000 - 20999	148	20,300	3,004,400	3,186	49.56%	35,024,800	20.57%
22	21000 - 21999	140	21,300	2,982,000	3,326	51.74%	38,006,800	22.32%
23	22000 - 22999	132	22,300	2,943,600	3,458	53.80%	40,950,400	24.04%
24	23000 - 23999	130	23,300	3,029,000	3,588	55.82%	43,979,400	25.82%
25	24000 - 24999	132	24,300	3,207,600	3,720	57.87%	47,187,000	27.71%
26	25000 - 25999	141	25,300	3,567,300	3,861	60.07%	50,754,300	29.80%
27	26000 - 26999	112	26,300	2,945,600	3,973	61.81%	53,699,900	31.53%
28	27000 - 27999	99	27,300	2,702,700	4,072	63.35%	56,402,600	33.12%
29	28000 - 28999	109	28,300	3,084,700	4,181	65.04%	59,487,300	34.93%
30	29000 - 29999	113	29,300	3,310,900	4,294	66.80%	62,798,200	36.87%
31	30000 - 30999	90	30,300	2,727,000	4,384	68.20%	65,525,200	38.47%
32	31000 - 31999	100	31,300	3,130,000	4,484	69.76%	68,655,200	40.31%
33	32000 - 32999	85	32,300	2,745,500	4,569	71.08%	71,400,700	41.92%
34	33000 - 33999	86	33,300	2,863,800	4,655	72.42%	74,264,500	43.60%
35	34000 - 34999	76	34,300	2,606,800	4,731	73.60%	76,871,300	45.14%
36	35000 - 35999	77	35,300	2,718,100	4,808	74.80%	79,589,400	46.73%
37	36000 - 36999	65	36,300	2,359,500	4,873	75.81%	81,948,900	48.12%
38	37000 - 37999	65	37,300	2,424,500	4,938	76.82%	84,373,400	49.54%
39	38000 - 38999	67	38,300	2,566,100	5,005	77.86%	86,939,500	51.05%
40	39000 - 39999	76	39,300	2,986,800	5,081	79.04%	89,926,300	52.80%
41	40000 - 40999	71	40,300	2,861,300	5,152	80.15%	92,787,600	54.48%
42	41000 - 41999	62	41,300	2,560,600	5,214	81.11%	95,348,200	55.98%
43	42000 - 42999	64	42,300	2,707,200	5,278	82.11%	98,055,400	57.57%
44	43000 - 43999	61	43,300	2,641,300	5,339	83.06%	100,696,700	59.12%
45	44000 - 44999	77	44,300	3,411,100	5,416	84.26%	104,107,800	61.13%
46	45000 - 45999	61	45,300	2,763,300	5,477	85.21%	106,871,100	62.75%
47	46000 - 46999	55	46,300	2,546,500	5,532	86.06%	109,417,600	64.25%
48	47000 - 47999	47	47,300	2,223,100	5,579	86.79%	111,640,700	65.55%
49	48000 - 48999	46	48,300	2,221,800	5,625	87.51%	113,862,500	66.86%

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Bill Count

Exhibit: RLJ-1  
 Schedule H-5

Witness: Jones

Rate Schedule: General Water Service  
 Description: 1" Residential Meter

Minimum Charge: \$ 16.50  
 Commodity Charge: \$ 2.85

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
					No.	% of Total	Amount	% of Total
1	49000 - 49999	47	49,300	2,317,100	5,672	88.24%	116,179,600	68.22%
2	50000 - 50999	36	50,300	1,810,800	5,708	88.80%	117,990,400	69.28%
3	51000 - 51999	39	51,300	2,000,700	5,747	89.41%	119,991,100	70.45%
4	52000 - 52999	40	52,300	2,092,000	5,787	90.03%	122,083,100	71.68%
5	53000 - 53999	28	53,300	1,492,400	5,815	90.46%	123,575,500	72.56%
6	54000 - 54999	24	54,300	1,303,200	5,839	90.84%	124,878,700	73.32%
7	55000 - 55999	29	55,300	1,603,700	5,868	91.29%	126,482,400	74.26%
8	56000 - 56999	22	56,300	1,238,600	5,890	91.63%	127,721,000	74.99%
9	57000 - 57999	33	57,300	1,890,900	5,923	92.14%	129,611,900	76.10%
10	58000 - 58999	36	58,300	2,098,800	5,959	92.70%	131,710,700	77.33%
11	59000 - 59999	24	59,300	1,423,200	5,983	93.08%	133,133,900	78.17%
12	60000 - 60999	14	60,300	844,200	5,997	93.29%	133,978,100	78.67%
13	61000 - 61999	19	61,300	1,164,700	6,016	93.59%	135,142,800	79.35%
14	62000 - 62999	16	62,300	996,800	6,032	93.84%	136,139,600	79.94%
15	63000 - 63999	27	63,300	1,709,100	6,059	94.26%	137,848,700	80.94%
16	64000 - 64999	22	64,300	1,414,600	6,081	94.60%	139,263,300	81.77%
17	65000 - 65999	15	65,300	979,500	6,096	94.84%	140,242,800	82.34%
18	66000 - 66999	14	66,300	928,200	6,110	95.05%	141,171,000	82.89%
19	67000 - 67999	20	67,300	1,346,000	6,130	95.36%	142,517,000	83.68%
20	68000 - 68999	11	68,300	751,300	6,141	95.54%	143,268,300	84.12%
21	69000 - 69999	15	69,300	1,039,500	6,156	95.77%	144,307,800	84.73%
22	70000 - 70999	10	70,300	703,000	6,166	95.92%	145,010,800	85.14%
23	71000 - 71999	7	71,300	499,100	6,173	96.03%	145,509,900	85.44%
24	72000 - 72999	13	72,300	939,900	6,186	96.24%	146,449,800	85.99%
25	73000 - 73999	13	73,300	952,900	6,199	96.44%	147,402,700	86.55%
26	74000 - 74999	9	74,300	668,700	6,208	96.58%	148,071,400	86.94%
27	75000 - 75999	12	75,300	903,600	6,220	96.76%	148,975,000	87.47%
28	76000 - 76999	6	76,300	457,800	6,226	96.86%	149,432,800	87.74%
29	77000 - 77999	5	77,300	386,500	6,231	96.94%	149,819,300	87.97%
30	78000 - 78999	6	78,300	469,800	6,237	97.03%	150,289,100	88.24%
31	79000 - 79999	5	79,300	396,500	6,242	97.11%	150,685,600	88.48%
32	80000 - 80999	9	80,300	722,700	6,251	97.25%	151,408,300	88.90%
33	81000 - 81999	8	81,300	650,400	6,259	97.37%	152,058,700	89.28%
34	82000 - 82999	5	82,300	411,500	6,264	97.45%	152,470,200	89.52%
35	83000 - 83999	10	83,300	833,000	6,274	97.60%	153,303,200	90.01%
36	84000 - 84999	6	84,300	505,800	6,280	97.70%	153,809,000	90.31%
37	85000 - 85999	4	85,300	341,200	6,284	97.76%	154,150,200	90.51%
38	86000 - 86999	9	86,300	776,700	6,293	97.90%	154,926,900	90.97%
39	87000 - 87999	6	87,300	523,800	6,299	97.99%	155,450,700	91.27%
40	88000 - 88999	8	88,300	706,400	6,307	98.12%	156,157,100	91.69%
41	89000 - 89999	4	89,300	357,200	6,311	98.18%	156,514,300	91.90%
42	90000 - 90999	5	90,300	451,500	6,316	98.26%	156,965,800	92.16%
43	91000 - 91999	2	91,300	182,600	6,318	98.29%	157,148,400	92.27%
44	92000 - 92999	4	92,300	369,200	6,322	98.35%	157,517,600	92.49%
45	93000 - 93999	7	93,300	653,100	6,329	98.46%	158,170,700	92.87%
46	94000 - 94999	5	94,300	471,500	6,334	98.54%	158,642,200	93.15%
47	95000 - 95999	6	95,300	571,800	6,340	98.63%	159,214,000	93.48%
48	96000 - 96999	4	96,300	385,200	6,344	98.69%	159,599,200	93.71%
49	97000 - 97999	2	97,300	194,600	6,346	98.72%	159,793,800	93.82%

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Bill Count

Exhibit: RLJ-1  
 Schedule H-5

Witness: Jones

Rate Schedule: General Water Service  
 Description: 1" Residential Meter

Minimum Charge: \$ 16.50  
 Commodity Charge: \$ 2.85

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
					No.	% of Total	Amount	% of Total
1	98000 - 98999	1	98,300	98,300	6,347	98.74%	159,892,100	93.88%
2	99000 - 99999	5	99,300	496,500	6,352	98.82%	160,388,600	94.17%
3	100000 - 100999	3	100,300	300,900	6,355	98.86%	160,689,500	94.35%
4	101000 - 101999	4	101,300	405,200	6,359	98.93%	161,094,700	94.59%
5	102000 - 102999	2	102,300	204,600	6,361	98.96%	161,299,300	94.71%
6	103000 - 103999	1	103,300	103,300	6,362	98.97%	161,402,600	94.77%
7	104000 - 104999	4	104,300	417,200	6,366	99.04%	161,819,800	95.01%
8	105000 - 105999	5	105,300	526,500	6,371	99.11%	162,346,300	95.32%
9	106000 - 106999	2	106,300	212,600	6,373	99.14%	162,558,900	95.45%
10	107000 - 107999	6	107,300	643,800	6,379	99.24%	163,202,700	95.83%
11	108000 - 108999	3	108,300	324,900	6,382	99.28%	163,527,600	96.02%
12	109000 - 109999	3	109,300	327,900	6,385	99.33%	163,855,500	96.21%
13	110000 - 110999	3	110,300	330,900	6,388	99.38%	164,186,400	96.40%
14	112000 - 112999	2	112,300	224,600	6,390	99.41%	164,411,000	96.53%
15	113000 - 113999	1	113,300	113,300	6,391	99.42%	164,524,300	96.60%
16	114000 - 114999	1	114,300	114,300	6,392	99.44%	164,638,600	96.67%
17	116000 - 116999	2	116,300	232,600	6,394	99.47%	164,871,200	96.81%
18	117000 - 117999	1	117,300	117,300	6,395	99.49%	164,988,500	96.87%
19	118000 - 118999	1	118,300	118,300	6,396	99.50%	165,106,800	96.94%
20	119000 - 119999	1	119,300	119,300	6,397	99.52%	165,226,100	97.01%
21	120000 - 120999	1	120,300	120,300	6,398	99.53%	165,346,400	97.08%
22	121000 - 121999	2	121,300	242,600	6,400	99.56%	165,589,000	97.23%
23	124000 - 124999	1	124,300	124,300	6,401	99.58%	165,713,300	97.30%
24	127000 - 127999	2	127,300	254,600	6,403	99.61%	165,967,900	97.45%
25	128000 - 128999	2	128,300	256,600	6,405	99.64%	166,224,500	97.60%
26	130000 - 130999	2	130,300	260,600	6,407	99.67%	166,485,100	97.75%
27	132000 - 132999	1	132,300	132,300	6,408	99.69%	166,617,400	97.83%
28	133000 - 133999	2	133,300	266,600	6,410	99.72%	166,884,000	97.99%
29	134000 - 134999	1	134,300	134,300	6,411	99.74%	167,018,300	98.07%
30	143000 - 143999	1	143,300	143,300	6,412	99.75%	167,161,600	98.15%
31	144000 - 144999	1	144,300	144,300	6,413	99.77%	167,305,900	98.23%
32	146000 - 146999	1	146,300	146,300	6,414	99.78%	167,452,200	98.32%
33	156000 - 156999	1	156,300	156,300	6,415	99.80%	167,608,500	98.41%
34	158000 - 158999	1	158,300	158,300	6,416	99.81%	167,766,800	98.51%
35	160000 - 160999	1	160,300	160,300	6,417	99.83%	167,927,100	98.60%
36	161000 - 161999	1	161,300	161,300	6,418	99.84%	168,088,400	98.69%
37	176000 - 176999	2	176,300	352,600	6,420	99.88%	168,441,000	98.90%
38	195000 - 195999	1	195,300	195,300	6,421	99.89%	168,636,300	99.02%
39	209000 - 209999	2	209,300	418,600	6,423	99.92%	169,054,900	99.26%
40	229000 - 229999	1	229,300	229,300	6,424	99.94%	169,284,200	99.40%
41	237000 - 237999	1	237,300	237,300	6,425	99.95%	169,521,500	99.54%
42	238000 - 238999	1	238,300	238,300	6,426	99.97%	169,759,800	99.68%
43	249000 - 249999	1	249,300	249,300	6,427	99.98%	170,009,100	99.82%
44	303000 - 303999	1	303,300	303,300	6,428	100.00%	170,312,400	100.00%
45								
46								
47								
48								
49								

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Bill Count

Exhibit: RLJ-1  
 Schedule H-5

Witness: Jones

Rate Schedule: General Water Service Minimum Charge: \$ 16.50  
 Description: 1" Residential Meter Commodity Charge: \$ 2.85

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
					No.	% of Total	Amount	% of Total
1	Totals	6,428		170,312,400	6,428		170,312,400	
2	Prorated Bills <sup>1</sup>	(58)						
3	Bill Total	6,370						
4						Block 2 Usage	119,984,900	
5	Revenue	\$ 105,105		\$ 485,390		Block 3 Usage	50,327,500	
6						Total Usage	170,312,400	
7								
8	Average Number of Customers			531				
9								
10	Average Consumption			26,737				
11								
12	Median Consumption			20,500				
13								
14								
15								

<sup>1</sup>Customer Minimum Charges are prorated for billing periods less than 25 days and greater than 35 days. When homes change ownership during a month, two bills are generated. One for each owner for the portion of the month that owner took water service. The sum of the Minimum Charge billed on each of the two billings will be equal to the monthly minimum charge for the meter size. The reduction in bill count is necessary to avoid double counting billing units during months when account ownership changes. The reduction is based on a total of 144 account ownership changes for Sunrise Water Co. in 2007.

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Bill Count

Exhibit: RLJ-1  
 Schedule H-5

Witness: Jones

Rate Schedule: General Water Service Minimum Charge: \$ 16.50  
 Description: 1" Commercial Meter Commodity Charge: \$ 2.85

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
					No.	% of Total	Amount	% of Total
1	0 - 999	1	300	300	1	7.69%	300	0.01%
2	106000 - 106999	1	106,300	106,300	2	15.38%	106,600	2.35%
3	129000 - 129999	1	129,300	129,300	3	23.08%	235,900	5.19%
4	137000 - 137999	1	137,300	137,300	4	30.77%	373,200	8.22%
5	319000 - 319999	1	319,300	319,300	5	38.46%	692,500	15.25%
6	347000 - 347999	1	347,300	347,300	6	46.15%	1,039,800	22.89%
7	356000 - 356999	1	356,300	356,300	7	53.85%	1,396,100	30.74%
8	386000 - 386999	1	386,300	386,300	8	61.54%	1,782,400	39.24%
9	445000 - 445999	1	445,300	445,300	9	69.23%	2,227,700	49.05%
10	464000 - 464999	1	464,300	464,300	10	76.92%	2,692,000	59.27%
11	599000 - 599999	1	599,300	599,300	11	84.62%	3,291,300	72.47%
12	609000 - 609999	1	609,300	609,300	12	92.31%	3,900,600	85.88%
13	641000 - 641999	1	641,300	641,300	13	100.00%	4,541,900	100.00%
14								
15	Total	13		4,541,900	13		4,541,900	
16	Prorated Bills <sup>1</sup>	<u>(1)</u>						
17	Bill Total	12						
18						Block 2 Usage	324,300	
19	Revenue	\$ 198		\$ 12,944		Block 3 Usage	<u>4,217,600</u>	
20						Total Usage	4,541,900	
21								
22	Average Number of Customers			<u>1</u>				
23								
24	Average Consumption			<u>378,492</u>				
25								
26	Median Consumption			<u>347,800</u>				
27								
28								
29								

<sup>1</sup>Customer Minimum Charges are prorated for billing periods less than 25 days and greater than 35 days. When homes change ownership during a month, two bills are generated. One for each owner for the portion of the month that owner took water service. The sum of the Minimum Charge billed on each of the two billings will be equal to the monthly minimum charge for the meter size. The reduction in bill count is necessary to avoid double counting billing units during months when account ownership changes. The reduction is based on a total of 144 account ownership changes for Sunrise Water Co. in 2007.

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Bill Count

Exhibit: RLI-1  
 Schedule H-5

Witness: Jones

Rate Schedule: General Water Service Minimum Charge: \$ 21.50  
 Description: 1-1/2" Residential Meter Commodity Charge: \$ 2.85

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
					No.	% of Total	Amount	% of Total
1	0 - 999	30	300	9,000	30	6.61%	9,000	0.06%
2	1000 - 1999	17	1,300	22,100	47	10.35%	31,100	0.21%
3	2000 - 2999	13	2,300	29,900	60	13.22%	61,000	0.40%
4	3000 - 3999	19	3,300	62,700	79	17.40%	123,700	0.82%
5	4000 - 4999	14	4,300	60,200	93	20.48%	183,900	1.22%
6	5000 - 5999	6	5,300	31,800	99	21.81%	215,700	1.43%
7	6000 - 6999	17	6,300	107,100	116	25.55%	322,800	2.14%
8	7000 - 7999	10	7,300	73,000	126	27.75%	395,800	2.63%
9	8000 - 8999	13	8,300	107,900	139	30.62%	503,700	3.34%
10	9000 - 9999	13	9,300	120,900	152	33.48%	624,600	4.14%
11	10000 - 10999	13	10,300	133,900	165	36.34%	758,500	5.03%
12	11000 - 11999	6	11,300	67,800	171	37.67%	826,300	5.48%
13	12000 - 12999	5	12,300	61,500	176	38.77%	887,800	5.89%
14	13000 - 13999	9	13,300	119,700	185	40.75%	1,007,500	6.69%
15	14000 - 14999	7	14,300	100,100	192	42.29%	1,107,600	7.35%
16	15000 - 15999	2	15,300	30,600	194	42.73%	1,138,200	7.55%
17	16000 - 16999	9	16,300	146,700	203	44.71%	1,284,900	8.53%
18	17000 - 17999	2	17,300	34,600	205	45.15%	1,319,500	8.76%
19	18000 - 18999	9	18,300	164,700	214	47.14%	1,484,200	9.85%
20	19000 - 19999	7	19,300	135,100	221	48.68%	1,619,300	10.75%
21	20000 - 20999	8	20,300	162,400	229	50.44%	1,781,700	11.82%
22	21000 - 21999	5	21,300	106,500	234	51.54%	1,888,200	12.53%
23	22000 - 22999	6	22,300	133,800	240	52.86%	2,022,000	13.42%
24	23000 - 23999	7	23,300	163,100	247	54.41%	2,185,100	14.50%
25	24000 - 24999	8	24,300	194,400	255	56.17%	2,379,500	15.79%
26	25000 - 25999	6	25,300	151,800	261	57.49%	2,531,300	16.80%
27	26000 - 26999	8	26,300	210,400	269	59.25%	2,741,700	18.19%
28	27000 - 27999	4	27,300	109,200	273	60.13%	2,850,900	18.92%
29	28000 - 28999	6	28,300	169,800	279	61.45%	3,020,700	20.05%
30	29000 - 29999	2	29,300	58,600	281	61.89%	3,079,300	20.43%
31	30000 - 30999	4	30,300	121,200	285	62.78%	3,200,500	21.24%
32	31000 - 31999	5	31,300	156,500	290	63.88%	3,357,000	22.28%
33	32000 - 32999	4	32,300	129,200	294	64.76%	3,486,200	23.13%
34	33000 - 33999	4	33,300	133,200	298	65.64%	3,619,400	24.02%
35	34000 - 34999	3	34,300	102,900	301	66.30%	3,722,300	24.70%
36	35000 - 35999	4	35,300	141,200	305	67.18%	3,863,500	25.64%
37	36000 - 36999	5	36,300	181,500	310	68.28%	4,045,000	26.84%
38	37000 - 37999	4	37,300	149,200	314	69.16%	4,194,200	27.83%
39	38000 - 38999	2	38,300	76,600	316	69.60%	4,270,800	28.34%
40	39000 - 39999	5	39,300	196,500	321	70.70%	4,467,300	29.65%
41	40000 - 40999	5	40,300	201,500	326	71.81%	4,668,800	30.98%
42	41000 - 41999	2	41,300	82,600	328	72.25%	4,751,400	31.53%
43	42000 - 42999	1	42,300	42,300	329	72.47%	4,793,700	31.81%
44	43000 - 43999	2	43,300	86,600	331	72.91%	4,880,300	32.39%
45	44000 - 44999	1	44,300	44,300	332	73.13%	4,924,600	32.68%
46	45000 - 45999	4	45,300	181,200	336	74.01%	5,105,800	33.88%
47	46000 - 46999	1	46,300	46,300	337	74.23%	5,152,100	34.19%
48	47000 - 47999	3	47,300	141,900	340	74.89%	5,294,000	35.13%
49	48000 - 48999	5	48,300	241,500	345	75.99%	5,535,500	36.73%

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Bill Count

Exhibit: RLJ-1  
 Schedule H-5

Witness: Jones

Rate Schedule: General Water Service Minimum Charge: \$ 21.50  
 Description: 1-1/2" Residential Meter Commodity Charge: \$ 2.85

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
					No.	% of Total	Amount	% of Total
1	49000 - 49999	2	49,300	98,600	347	76.43%	5,634,100	37.39%
2	50000 - 50999	4	50,300	201,200	351	77.31%	5,835,300	38.72%
3	51000 - 51999	2	51,300	102,600	353	77.75%	5,937,900	39.40%
4	52000 - 52999	4	52,300	209,200	357	78.63%	6,147,100	40.79%
5	53000 - 53999	1	53,300	53,300	358	78.85%	6,200,400	41.15%
6	54000 - 54999	2	54,300	108,600	360	79.30%	6,309,000	41.87%
7	55000 - 55999	2	55,300	110,600	362	79.74%	6,419,600	42.60%
8	56000 - 56999	2	56,300	112,600	364	80.18%	6,532,200	43.35%
9	57000 - 57999	3	57,300	171,900	367	80.84%	6,704,100	44.49%
10	58000 - 58999	3	58,300	174,900	370	81.50%	6,879,000	45.65%
11	59000 - 59999	1	59,300	59,300	371	81.72%	6,938,300	46.04%
12	60000 - 60999	2	60,300	120,600	373	82.16%	7,058,900	46.84%
13	61000 - 61999	1	61,300	61,300	374	82.38%	7,120,200	47.25%
14	62000 - 62999	2	62,300	124,600	376	82.82%	7,244,800	48.08%
15	63000 - 63999	3	63,300	189,900	379	83.48%	7,434,700	49.34%
16	64000 - 64999	4	64,300	257,200	383	84.36%	7,691,900	51.04%
17	65000 - 65999	3	65,300	195,900	386	85.02%	7,887,800	52.34%
18	66000 - 66999	4	66,300	265,200	390	85.90%	8,153,000	54.10%
19	68000 - 68999	2	68,300	136,600	392	86.34%	8,289,600	55.01%
20	69000 - 69999	3	69,300	207,900	395	87.00%	8,497,500	56.39%
21	70000 - 70999	2	70,300	140,600	397	87.44%	8,638,100	57.32%
22	71000 - 71999	4	71,300	285,200	401	88.33%	8,923,300	59.22%
23	72000 - 72999	1	72,300	72,300	402	88.55%	8,995,600	59.70%
24	73000 - 73999	1	73,300	73,300	403	88.77%	9,068,900	60.18%
25	74000 - 74999	1	74,300	74,300	404	88.99%	9,143,200	60.67%
26	75000 - 75999	1	75,300	75,300	405	89.21%	9,218,500	61.17%
27	76000 - 76999	2	76,300	152,600	407	89.65%	9,371,100	62.19%
28	77000 - 77999	2	77,300	154,600	409	90.09%	9,525,700	63.21%
29	79000 - 79999	1	79,300	79,300	410	90.31%	9,605,000	63.74%
30	80000 - 80999	1	80,300	80,300	411	90.53%	9,685,300	64.27%
31	81000 - 81999	2	81,300	162,600	413	90.97%	9,847,900	65.35%
32	83000 - 83999	2	83,300	166,600	415	91.41%	10,014,500	66.46%
33	86000 - 86999	2	86,300	172,600	417	91.85%	10,187,100	67.60%
34	87000 - 87999	1	87,300	87,300	418	92.07%	10,274,400	68.18%
35	89000 - 89999	2	89,300	178,600	420	92.51%	10,453,000	69.37%
36	91000 - 91999	1	91,300	91,300	421	92.73%	10,544,300	69.97%
37	92000 - 92999	1	92,300	92,300	422	92.95%	10,636,600	70.59%
38	93000 - 93999	1	93,300	93,300	423	93.17%	10,729,900	71.20%
39	95000 - 95999	1	95,300	95,300	424	93.39%	10,825,200	71.84%
40	96000 - 96999	1	96,300	96,300	425	93.61%	10,921,500	72.48%
41	97000 - 97999	2	97,300	194,600	427	94.05%	11,116,100	73.77%
42	100000 - 100999	2	100,300	200,600	429	94.49%	11,316,700	75.10%
43	101000 - 101999	1	101,300	101,300	430	94.71%	11,418,000	75.77%
44	102000 - 102999	1	102,300	102,300	431	94.93%	11,520,300	76.45%
45	104000 - 104999	1	104,300	104,300	432	95.15%	11,624,600	77.14%
46	107000 - 107999	1	107,300	107,300	433	95.37%	11,731,900	77.85%
47	109000 - 109999	2	109,300	218,600	435	95.81%	11,950,500	79.30%
48	114000 - 114999	1	114,300	114,300	436	96.04%	12,064,800	80.06%
49	115000 - 115999	1	115,300	115,300	437	96.26%	12,180,100	80.83%

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Bill Count

Exhibit: RLJ-1  
 Schedule H-5

Witness: Jones

Rate Schedule: General Water Service Minimum Charge: \$ 21.50  
 Description: 1-1/2" Residential Meter Commodity Charge: \$ 2.85

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
					No.	% of Total	Amount	% of Total
1	116000 - 116999	1	116,300	116,300	438	96.48%	12,296,400	81.60%
2	118000 - 118999	1	118,300	118,300	439	96.70%	12,414,700	82.38%
3	121000 - 121999	1	121,300	121,300	440	96.92%	12,536,000	83.19%
4	122000 - 122999	1	122,300	122,300	441	97.14%	12,658,300	84.00%
5	123000 - 123999	4	123,300	493,200	445	98.02%	13,151,500	87.27%
6	127000 - 127999	1	127,300	127,300	446	98.24%	13,278,800	88.12%
7	131000 - 131999	1	131,300	131,300	447	98.46%	13,410,100	88.99%
8	134000 - 134999	1	134,300	134,300	448	98.68%	13,544,400	89.88%
9	141000 - 141999	1	141,300	141,300	449	98.90%	13,685,700	90.82%
10	175000 - 175999	1	175,300	175,300	450	99.12%	13,861,000	91.98%
11	228000 - 228999	1	228,300	228,300	451	99.34%	14,089,300	93.50%
12	244000 - 244999	1	244,300	244,300	452	99.56%	14,333,600	95.12%
13	291000 - 291999	1	291,300	291,300	453	99.78%	14,624,900	97.05%
14	444000 - 444999	1	444,300	444,300	454	100.00%	15,069,200	100.00%
15								
16	Totals	454		15,069,200	454		15,069,200	
17	Prorated Bills <sup>1</sup>	(4)						
18	Bill Total	450						
19						Block 2 Usage	9,077,300	
20	Revenue	\$ 9,675		\$ 42,947		Block 3 Usage	5,991,900	
21						Total Usage	15,069,200	
22								
23	Average Number of Customers			38				
24								
25	Average Consumption			33,487				
26								
27	Median Consumption			20,050				
28								
29								
30								

<sup>1</sup>Customer Minimum Charges are prorated for billing periods less than 25 days and greater than 35 days. When homes change ownership during a month, two bills are generated. One for each owner for the portion of the month that owner took water service. The sum of the Minimum Charge billed on each of the two billings will be equal to the monthly minimum charge for the meter size. The reduction in bill count is necessary to avoid double counting billing units during months when account ownership changes. The reduction is based on a total of 144 account ownership changes for Sunrise Water Co. in 2007.

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Bill Count

Exhibit: RLJ-1  
 Schedule H-5

Witness: Jones

Rate Schedule: General Water Service  
 Description: 2" Residential Meter

Minimum Charge: \$ 26.50  
 Commodity Charge: \$ 2.85

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
					No.	% of Total	Amount	% of Total
1	0 - 999	7	300	2,100	7	6.14%	2,100	0.01%
2	1000 - 1999	3	1,300	3,900	10	8.77%	6,000	0.03%
3	2000 - 2999	1	2,300	2,300	11	9.65%	8,300	0.04%
4	3000 - 3999	1	3,300	3,300	12	10.53%	11,600	0.06%
5	4000 - 4999	2	4,300	8,600	14	12.28%	20,200	0.10%
6	5000 - 5999	2	5,300	10,600	16	14.04%	30,800	0.15%
7	6000 - 6999	1	6,300	6,300	17	14.91%	37,100	0.18%
8	7000 - 7999	1	7,300	7,300	18	15.79%	44,400	0.22%
9	8000 - 8999	1	8,300	8,300	19	16.67%	52,700	0.26%
10	9000 - 9999	2	9,300	18,600	21	18.42%	71,300	0.35%
11	10000 - 10999	2	10,300	20,600	23	20.18%	91,900	0.46%
12	12000 - 12999	3	12,300	36,900	26	22.81%	128,800	0.64%
13	13000 - 13999	1	13,300	13,300	27	23.68%	142,100	0.70%
14	15000 - 15999	3	15,300	45,900	30	26.32%	188,000	0.93%
15	17000 - 17999	2	17,300	34,600	32	28.07%	222,600	1.10%
16	18000 - 18999	2	18,300	36,600	34	29.82%	259,200	1.28%
17	19000 - 19999	2	19,300	38,600	36	31.58%	297,800	1.48%
18	20000 - 20999	1	20,300	20,300	37	32.46%	318,100	1.58%
19	25000 - 25999	1	25,300	25,300	38	33.33%	343,400	1.70%
20	26000 - 26999	1	26,300	26,300	39	34.21%	369,700	1.83%
21	28000 - 28999	1	28,300	28,300	40	35.09%	398,000	1.97%
22	31000 - 31999	1	31,300	31,300	41	35.96%	429,300	2.13%
23	41000 - 41999	1	41,300	41,300	42	36.84%	470,600	2.33%
24	50000 - 50999	1	50,300	50,300	43	37.72%	520,900	2.58%
25	57000 - 57999	1	57,300	57,300	44	38.60%	578,200	2.86%
26	69000 - 69999	1	69,300	69,300	45	39.47%	647,500	3.21%
27	72000 - 72999	1	72,300	72,300	46	40.35%	719,800	3.57%
28	78000 - 78999	1	78,300	78,300	47	41.23%	798,100	3.95%
29	97000 - 97999	1	97,300	97,300	48	42.11%	895,400	4.44%
30	101000 - 101999	1	101,300	101,300	49	42.98%	996,700	4.94%
31	103000 - 103999	1	103,300	103,300	50	43.86%	1,100,000	5.45%
32	104000 - 104999	1	104,300	104,300	51	44.74%	1,204,300	5.97%
33	114000 - 114999	1	114,300	114,300	52	45.61%	1,318,600	6.53%
34	115000 - 115999	1	115,300	115,300	53	46.49%	1,433,900	7.10%
35	118000 - 118999	1	118,300	118,300	54	47.37%	1,552,200	7.69%
36	119000 - 119999	1	119,300	119,300	55	48.25%	1,671,500	8.28%
37	124000 - 124999	1	124,300	124,300	56	49.12%	1,795,800	8.90%
38	125000 - 125999	2	125,300	250,600	58	50.88%	2,046,400	10.14%
39	135000 - 135999	2	135,300	270,600	60	52.63%	2,317,000	11.48%
40	137000 - 137999	1	137,300	137,300	61	53.51%	2,454,300	12.16%
41	140000 - 140999	1	140,300	140,300	62	54.39%	2,594,600	12.86%
42	151000 - 151999	2	151,300	302,600	64	56.14%	2,897,200	14.36%
43	156000 - 156999	1	156,300	156,300	65	57.02%	3,053,500	15.13%
44	163000 - 163999	1	163,300	163,300	66	57.89%	3,216,800	15.94%
45	165000 - 165999	1	165,300	165,300	67	58.77%	3,382,100	16.76%
46	182000 - 182999	1	182,300	182,300	68	59.65%	3,564,400	17.66%
47	199000 - 199999	1	199,300	199,300	69	60.53%	3,763,700	18.65%
48	205000 - 205999	1	205,300	205,300	70	61.40%	3,969,000	19.67%
49	208000 - 208999	1	208,300	208,300	71	62.28%	4,177,300	20.70%

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Bill Count

Exhibit: RLJ-1  
 Schedule H-5

Witness: Jones

Rate Schedule: General Water Service Minimum Charge: \$ 26.50  
 Description: 2" Residential Meter Commodity Charge: \$ 2.85

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
					No.	% of Total	Amount	% of Total
1	217000 - 217999	1	217,300	217,300	72	63.16%	4,394,600	21.77%
2	222000 - 222999	1	222,300	222,300	73	64.04%	4,616,900	22.88%
3	233000 - 233999	2	233,300	466,600	75	65.79%	5,083,500	25.19%
4	237000 - 237999	1	237,300	237,300	76	66.67%	5,320,800	26.36%
5	239000 - 239999	1	239,300	239,300	77	67.54%	5,560,100	27.55%
6	240000 - 240999	1	240,300	240,300	78	68.42%	5,800,400	28.74%
7	248000 - 248999	1	248,300	248,300	79	69.30%	6,048,700	29.97%
8	259000 - 259999	1	259,300	259,300	80	70.18%	6,308,000	31.26%
9	263000 - 263999	1	263,300	263,300	81	71.05%	6,571,300	32.56%
10	264000 - 264999	1	264,300	264,300	82	71.93%	6,835,600	33.87%
11	272000 - 272999	1	272,300	272,300	83	72.81%	7,107,900	35.22%
12	279000 - 279999	1	279,300	279,300	84	73.68%	7,387,200	36.60%
13	281000 - 281999	1	281,300	281,300	85	74.56%	7,668,500	38.00%
14	293000 - 293999	1	293,300	293,300	86	75.44%	7,961,800	39.45%
15	297000 - 297999	1	297,300	297,300	87	76.32%	8,259,100	40.92%
16	300000 - 300999	1	300,300	300,300	88	77.19%	8,559,400	42.41%
17	304000 - 304999	1	304,300	304,300	89	78.07%	8,863,700	43.92%
18	306000 - 306999	1	306,300	306,300	90	78.95%	9,170,000	45.44%
19	321000 - 321999	1	321,300	321,300	91	79.82%	9,491,300	47.03%
20	336000 - 336999	1	336,300	336,300	92	80.70%	9,827,600	48.69%
21	338000 - 338999	1	338,300	338,300	93	81.58%	10,165,900	50.37%
22	347000 - 347999	1	347,300	347,300	94	82.46%	10,513,200	52.09%
23	361000 - 361999	1	361,300	361,300	95	83.33%	10,874,500	53.88%
24	369000 - 369999	1	369,300	369,300	96	84.21%	11,243,800	55.71%
25	400000 - 400999	1	400,300	400,300	97	85.09%	11,644,100	57.69%
26	421000 - 421999	1	421,300	421,300	98	85.96%	12,065,400	59.78%
27	426000 - 426999	1	426,300	426,300	99	86.84%	12,491,700	61.89%
28	437000 - 437999	1	437,300	437,300	100	87.72%	12,929,000	64.06%
29	441000 - 441999	2	441,300	882,600	102	89.47%	13,811,600	68.43%
30	447000 - 447999	2	447,300	894,600	104	91.23%	14,706,200	72.87%
31	454000 - 454999	2	454,300	908,600	106	92.98%	15,614,800	77.37%
32	455000 - 455999	1	455,300	455,300	107	93.86%	16,070,100	79.63%
33	476000 - 476999	1	476,300	476,300	108	94.74%	16,546,400	81.99%
34	490000 - 490999	1	490,300	490,300	109	95.61%	17,036,700	84.41%
35	516000 - 516999	1	516,300	516,300	110	96.49%	17,553,000	86.97%
36	527000 - 527999	1	527,300	527,300	111	97.37%	18,080,300	89.59%
37	537000 - 537999	1	537,300	537,300	112	98.25%	18,617,600	92.25%
38	559000 - 559999	1	559,300	559,300	113	99.12%	19,176,900	95.02%
39	1005000 - 1005999	1	1,005,300	1,005,300	114	100.00%	20,182,200	100.00%
40								
41								
42								
43								
44								
45								
46								
47								
48								
49								

Sunrise Water Co.  
 Test Year Ended December 31, 2007  
 Bill Count

Exhibit: RLJ-1  
 Schedule H-5

Witness: Jones

Rate Schedule: General Water Service Minimum Charge: \$ 26.50  
 Description: 2" Residential Meter Commodity Charge: \$ 2.85

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
					No.	% of Total	Amount	% of Total
1	Total	114		20,182,200	114		20,182,200	
2	Prorated Bills <sup>1</sup>	<u>(1)</u>						
3	Bill Total	113						
4						Block 2 Usage	5,128,200	
5	Revenue	\$ 2,995		\$ 57,519		Block 3 Usage	<u>15,054,000</u>	
6						Total Usage	20,182,200	
7								
8	Average Number of Customers			<u>9</u>				
9								
10	Average Consumption			<u>178,604</u>				
11								
12	Median Consumption			<u>124,800</u>				
13								
14								
15								

<sup>1</sup>Customer Minimum Charges are prorated for billing periods less than 25 days and greater than 35 days. When homes change ownership during a month, two bills are generated. One for each owner for the portion of the month that owner took water service. The sum of the Minimum Charge billed on each of the two billings will be equal to the monthly minimum charge for the meter size. The reduction in bill count is necessary to avoid double counting billing units during months when account ownership changes. The reduction is based on a total of 144 account ownership changes for Sunrise Water Co. in 2007.

**Sunrise Water Co.**  
 Test Year Ended December 31, 2007  
 Bill Count

Exhibit: RLJ-1  
 Schedule H-5

Witness: Jones

Rate Schedule: General Water Service Minimum Charge: \$ 25.00  
 Description: 3" Hydrant Meter Commodity Charge: \$ 2.85

Line No.		Number of Bills	Total Consumption
1			
2			
3	Total	81	24,966,230
4	Adjustment RLJ-8	<u>(3)</u>	<u>(16,777,022)</u>
5	Adjusted Total	78	8,189,208
6			
7	Revenue	\$ 1,950	\$ 23,339
8			
9			
10	Average Number of Customers		<u>7</u>
11			
12	Average Consumption		<u>104,990</u>
13			
14	Median Consumption		<u>104,990</u>
15			
16			

**Sunrise Water Co.**  
 Test Year Ended December 31, 2007  
 Bill Count

Exhibit: RLJ-1  
 Schedule H-5

Witness: Jones

Rate Schedule:	General Water Service	Minimum Charge: \$	-
Description:	Coin Operated Standpipe	Commodity Charge: \$	2.46 <sup>1</sup>

Line No.		Number of Bills	Total Consumption
1			
2			
3	Total	-	959,215
4			
5	Revenue	\$ -	\$ 2,364
6			
7			
8			
9	<sup>1</sup> This rate is calculated by dividing the total gallons delivered by the amount collected.		
10			
11			
12			
13			
14			
15			
16			