

ORIGINAL

NEW APPLICATION



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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

1 FENNEMORE CRAIG, P.C.
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5 Suite 2600
6 Phoenix, Arizona 85012
7 Attorneys for Bella Vista Water Co., Inc.

BEFORE THE ARIZONA CORPORATION COMMISSION

W-02465A-09-0411

8 IN THE MATTER OF THE
9 APPLICATION OF BELLA VISTA
10 WATER CO., INC. AN ARIZONA
11 CORPORATION, FOR A
12 DETERMINATION OF THE FAIR
13 VALUE OF ITS UTILITY PLANTS AND
14 PROPERTY AND FOR INCREASES IN
15 ITS WATER RATES AND CHARGES
16 FOR UTILITY SERVICE BASED
17 THEREON.

DOCKET NO: W-20454A-09-_____

APPLICATION to Arizona Corporation Commission

DOCKETED

AUG 31 2009

DOCKETED BY *MR*

15 Bella Vista Water Co., Inc., an Arizona public service corporation, ("BVWC")
16 hereby applies for an order establishing the fair value of its plant and property used for the
17 provision of public water utility service and, based on such finding, approving permanent
18 rates and charges for utility service designed to produce a fair return thereon. In support
19 thereof, BVWC states as follows:

20 1. BVWC is a public service corporation engaged in providing water utility
21 service in portions of Cochise County, Arizona, pursuant to certificates of convenience
22 and necessity granted by the Arizona Corporation Commission. During the Test Year,
23 BVWC served approximately 7,500 residential customers and 1,000 commercial and
24 industrial customers.

25 2. BVWC's business office is located at 12725 W. Indian School Road,
26 Suite D-101, Avondale, Arizona 85392 and its telephone number is (623) 935-9367.

1 BVWC's primary management contact is Greg Sorensen. Mr. Sorensen is employed by
2 Algonquin Water Services ("AWS") as Director of Operations for the Western Group.

3 3. The persons responsible for overseeing and directing the conduct of this rate
4 application are Greg Sorensen and BVWC's rate case consultant, Mr. Thomas Bourassa.
5 Mr. Sorensen's mailing address is 12725 W. Indian School Road, Suite D-101, Avondale,
6 Arizona 85392 and his telephone number is (623) 298-3753; his telecopier number is
7 (623) 935-1020, and his e-mail address is Greg.Sorensen@algonquinwater.com.
8 Mr. Bourassa's mailing address is 139 W. Wood Drive, Phoenix, Arizona 85029, his
9 telephone number is (602) 246-7150; his telecopier number is (602) 246-1040, and his e-
10 mail address is tjb114@cox.net. **All discovery, data requests and other requests for**
11 **information concerning this Application should be directed to Mr. Sorensen,**
12 **including copies by e-mail, as well as to Gerald Tremblay by email at**
13 **Gerald.Tremblay@algonquinpower.com, and to Mr. Bourassa, with a copy to**
14 **undersigned counsel for BVWC, including by e-mail to jshapiro@fclaw.com and**
15 **wbirk@fclaw.com.**

16 4. BVWC's present rates and charges for utility service were approved by the
17 Commission in Decision No. 65350 (November 1, 2002) using a test year ending
18 December 31, 2000.

19 5. BVWC maintains that revenues from its utility operations are presently
20 inadequate to provide BVWC a fair rate of return on the fair value of its utility plant and
21 property devoted to public water utility service, including significant increases in
22 BVWC's water utility plant. Operating expenses have also increased since the last test
23 year. These changes since the test year in the prior rate proceeding have caused the
24 revenues produced by the current rates and charges for water utility service to become
25 inadequate to meet operating expenses and provide a reasonable rate of return for the
26 water division and BVWC as a whole. Therefore, BVWC requests that certain

1 adjustments to its rates and charges for utility service be approved by the Commission so
2 that BVWC may recover its operating expenses and be given an opportunity to earn a just
3 and reasonable rate of return on the fair value of its property. BVWC agrees to use its
4 original cost rate base as its fair value rate base in this proceeding to minimize disputes
5 and reduce rate case expense.

6 6. Filed concurrently herewith are the schedules required pursuant to A.A.C.
7 R14-2-103. The test year utilized by BVWC in connection with the preparation of such
8 schedules is the 12-month period that ended March 31, 2009. BVWC requests that the
9 Commission utilize such test year in connection with this Application, with appropriate
10 adjustments to obtain a normal or more realistic relationship between revenues, expenses
11 and rate base during the period in which the rates established in this proceeding are in
12 effect.

13 7. During the test year, BVWC's adjusted gross revenues were \$3,526,033.
14 The adjusted operating income was \$94,521, leading to an operating income deficiency of
15 \$588,653. The adjusted fair value rate base was \$6,343,311. Thus, the rate of return
16 during the test year was 1.49% percent.

17 8. BVWC submits that the overall rate of return to BVWC is too low to allow
18 it to pay reasonable dividends, maintain a sound credit rating, and/or enable BVWC to
19 attract additional capital on reasonable and acceptable terms in order to continue the
20 investment in utility plant necessary to adequately serve customers.

21 9. BVWC is requesting an increase in revenues equal to \$958,701, an increase
22 in revenues of 27.19 percent. The adjustments to BVWC's rates and charges that are
23 proposed herein, when fully implemented, will produce a rate of return on the fair value
24 rate base equal to 10.77 percent.

25 10. Filed concurrently in support of this Application is the Direct Testimony of
26 Greg Sorensen, providing an overview of BVWC and discussing BVWC's improvements

1 since the last rate decision. Mr. Sorensen also discusses changes to BVWC's tariffs,
2 including the addition of a low income tariff (Attachment 1) and a hook up fee tariff
3 (Attachment 2). Also filed is the Direct Testimony of Thomas Bourassa, in two separate
4 volumes that collectively provide an overview of BVWC's rate filing, discussion of the
5 revenue requirement, including the "A" through "F" schedules, and the "G" schedules,
6 development of the rate base and income statement adjustments, cost of equity capital and
7 related issues, proposed rates, including the "H" schedules, and discussion of the effects
8 of the proposed rates on customers' bills. BVWC's "D" Schedules, which concern the
9 cost of capital, are attached to the volume of Mr. Bourassa's testimony addressing cost of
10 capital.

11 11. Attached hereto as Attachment 3 are plant descriptions and a completed
12 water use data sheet.

13 WHEREFORE, BVWC requests the following relief:

14 A. That the Commission, upon proper notice and at the earliest possible time,
15 conduct a hearing in accordance with A.R.S. § 40-251 and determine the fair value of
16 BVWC's utility plants and property devoted to providing water utility service;

17 B. Based upon such determination, that the Commission approve permanent
18 adjustments to the rates and charges for water utility service provided by BVWC, as
19 proposed by BVWC herein, or approve such other rates and charges as will produce a just
20 and reasonable rate of return on the fair value of BVWC's utility plant and property; and

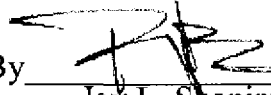
21 C. That the Commission authorize such other and further relief as may be
22 appropriate to ensure that BVWC has an opportunity to earn a just and reasonable return
23 on the fair value of their utility plant and property and as may otherwise be required under
24 Arizona law.

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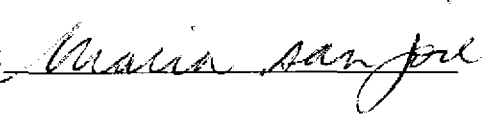
RESPECTFULLY SUBMITTED this 31st day of August, 2009.

FENNEMORE CRAIG, P.C.

By 
Jay L. Shapiro
Patrick J. Black
3003 North Central Avenue
Suite 2600
Phoenix, Arizona 85012
Attorneys for Bella Vista Water Co., Inc.

ORIGINAL and fifteen (15) copies of the foregoing, together with the direct testimonies and schedules supporting this application, were delivered this 31st day of August, 2009, to:

Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

By: 

2206877.1

Bella Vista Water Co., Inc.

Application for a Determination of the
Fair Value of Its Utility Plants and Property and for
Increases in Its Water Rates and Charges

August 31, 2009

Application

Attachment 1

(Low Income Tariff)

DOCKET NO. _____

Cancelling Sheet No. ____

Applies to all WATER and service areas

ALTERNATE RATES FOR WATER (ARW)
DOMESTIC SERVICE – SINGLE FAMILY ACCOMMODATION

APPLICABILITY

Applicable to residential water service for domestic use rendered to low-income households where the customer meets all the Program qualifications and Special Conditions of this rate schedule.

TERRITORY

Within all Customer Service Areas served by Bella Vista Water Company (“BVWC”).

RATES

Fifteen percent (15%) discount applied to the regular filed tariff.

PROGRAM QUALIFICATIONS

1. The BVWC bill must be in your name and the address must be your primary residence or you must be a tenant receiving water service by a sub-metered system in a mobile home park.
2. You may not be claimed as a dependent on another person’s tax return.
3. You must reapply each time you move.
4. You must renew your application every two years, or sooner, if requested.
5. You must notify BVWC within 30 days if you become ineligible for ARW.
6. Your total gross annual income of all persons living in your household cannot exceed the income levels below:

Issued: _____

Effective : _____

ISSUED BY:

Greg Sorensen, Director Of Operations
Bella Vista Water Company
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

DOCKET NO. _____

Cancelling Sheet No. ____

Applies to all **WATER** and service areas

ALTERNATE RATES FOR WATER (ARW)
DOMESTIC SERVICE – SINGLE FAMILY ACCOMMODATION

Effective _____

<u>No. of Person in Household</u>	<u>Total Gross Annual Income</u>
1	\$10,830
2	14,570
3	18,310
4	22,050
5	25,790
6	29,530

For each additional person residing in the household, add \$3,740

For the purpose of the program the “gross household income” means all money and non cash benefits, available for living expenses, from all sources, both taxable and non taxable, before deductions for all people who live in my home. This includes, but is not limited to:

- | | | |
|----------------------------------|------------------------------------|--------------------------------|
| Wages or salaries | Social Security, SSI, SSP | Rental or royalty income |
| Interest or dividends from: | Scholarships, grants, or other aid | Profit from self-employment |
| Savings account, stocks or bonds | used for living expenses | (IRS form Schedule C, Line 29) |
| Unemployment benefits | Disability payments | Worker’s Compensation |
| TANF (AFDC) | Food Stamps | Child Support |
| Pensions | Insurance settlements | Spousal Support |
| Gifts | | |

Issued: _____

Effective : _____

ISSUED BY:

Greg Sorensen, Director Of Operations
 Bella Vista Water Company
 12725 W. Indian School Road, Suite D-101
 Avondale, AZ 85392

DOCKET NO. _____

Cancelling Sheet No. ___

Applies to all WATER and service areas

ALTERNATE RATES FOR WATER (ARW)
DOMESTIC SERVICE – SINGLE FAMILY ACCOMMODATION

SPECIAL CONDITIONS

1. Application and Eligibility Declaration: An Application and eligibility declaration on a form authorized by the Commission is required for each request for service under this schedule. Renewal of a customer’s eligibility declaration will be required, at least, every two years.
2. Commencement of Rate: Eligible customers shall be billed on this schedule commencing with the next regularly scheduled billing period that follows receipt of application by the Utility.
3. Verification: Information provided by the applicant is subject to verification by BVWC. Refusal or failure of a customer to provide documentation of eligibility acceptable to BVWC, upon request by BVWC, shall result in removal from this rate schedule.
4. Notice from Customer: It is the customer’s responsibility to notify BVWC if there is a change of eligibility status.
5. Rebilling: Customers may be re-billed for periods of ineligibility under the applicable rate schedule.
6. Mobile Home Park and Master-metered: A reduction will be calculated in the bill of mobile home park and master-metered customers, who have sub-metered tenants that meet the income eligibility criteria, so an equivalent discount (15%) can be passed through to eligible customer(s).

Issued: _____

Effective : _____

ISSUED BY:

Greg Sorensen, Director Of Operations
Bella Vista Water Company
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

DOCKET NO. _____

Cancelling Sheet No. ____

BELLA VISTA WATER COMPANY
APPLICATION AND DECLARATION FOR
ALTERNATE RATES FOR WATER PROGRAM

Your Name (Please Print)

I am a sub-metered tenant of a mobile home park or apartment complex

Bella Vista Water Company Account No. |_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|

Service Address _____

Mailing Address _____

(if different from above address)

Telephone No. (home) _____ (work) _____

Number of people living in your household: Adults |_|_| + Children |_|_| = Total |_|_|

Total Gross Annual Income of Household _____

Please attach proof of income for eligibility verification.

By signing below, I certify under penalty of perjury that this information is true and correct under the laws of the State of Arizona. I will provide proof of income and I will notify Bella Vista Water Company of any changes that affect my eligibility. I understand that if I receive the discount without meeting the qualifications for it, I may be required to pay back the discount I received.

Customer Signature

Date

Issued: _____

Effective : _____

ISSUED BY:

Greg Sorensen, Director Of Operations
Bella Vista Water Company
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

DOCKET NO. _____

Cancelling Sheet No. ____

Mail completed application to:

Bella Vista Water Company
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

FOR BELLA VISTA WATER COMPANY USE ONLY

Date received _____ Date Verified _____ Verified By _____

Issued: _____

Effective : _____

ISSUED BY:

Greg Sorensen, Director Of Operations
Bella Vista Water Company
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

Bella Vista Water Co., Inc.

Application for a Determination of the
Fair Value of Its Utility Plants and Property and for
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August 31, 2009

Application

Attachment 2

(Hook-Up Fee Tariff)

DOCKET NO. _____

Cancelling Sheet No. ____

Applies to all **WATER** service areas

HOOK UP FEES

I. Purpose and Applicability.

The purpose of the hook-up fees payable to Bella Vista Water Company ("BVWC") pursuant to this tariff is to equitably apportion the costs of constructing additional shared Off-Site Facilities necessary to provide water production, delivery, storage and pressure among all new service connections. These charges are applicable to all new service connections undertaken via Main Extension Agreements or requests for service not requiring a Main Extension Agreement entered into after the effective date of this tariff. The charges are one-time charges and are payable as a condition to BVWC's establishment of service, as more particularly provided below.

II. Definitions.

Unless the context otherwise requires, the definitions set forth in A.C.C. R14-2-401 of the Arizona Corporation Commission's ("Commission") rules and regulations governing water utilities shall apply in interpreting this tariff schedule.

"Applicant" means any party entering into an agreement with BVWC for the installation of water facilities to serve new service connections, and may include Developers and/or Builders of new residential subdivisions and/or commercial and industrial properties.

"BVWC" means Bella Vista Water Company, an Arizona public service corporation.

"Main Extension Agreement" means an agreement whereby an Applicant, Developer and/or Builder agrees to advance the costs of the installation of water facilities necessary or desirable to serve new service connections within a development, or; installs such water facilities necessary or desirable to serve new service connections and transfers ownership of such water facilities to BVWC, which agreement shall require the approval of the Commission pursuant to A.A.C. R14-2-406, and shall have the same meaning as "Water Facilities Agreement" or "Line Extension Agreement."

Issued: _____

Effective : _____

ISSUED BY:

Greg Sorensen, Director Of Operations
Bella Vista Water Company
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

DOCKET NO. _____

Cancelling Sheet No. ____

Applies to all WATER service areas

HOOK UP FEES

“Off-Site Facilities” means wells, storage tanks and related appurtenances necessary for proper operation, including engineering and design costs. Off-Site Facilities also may include booster pumps, pressure tanks, transmission mains and related appurtenances necessary for proper operation, if these facilities are not for the exclusive use of the applicant and will benefit the entire water system or provide regional or division wide benefits.

“Service Connection” means and includes all service connections for single-family residential, commercial, industrial or other uses, regardless of meter size.

III. Off-Site Hook-Up Fee.

For each new service connection, BVWC shall collect a Hook-Up Fee derived as follows:

OFF-SITE HOOK-UP FEE TABLE		
Meter Size	Size Factor	Total Fee
5/8" x 3/4 "	1	\$1,600
3/4"	1.5	\$2,400
1"	2.5	\$4,000
1-1/2 "	5	\$8,000
2"	8	\$12,800
3"	16	\$25,600
4"	25	\$40,000
6" or larger	50	\$80,000

Issued: _____

Effective : _____

ISSUED BY:

Greg Sorensen, Director Of Operations
Bella Vista Water Company
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

DOCKET NO. _____

Cancelling Sheet No. ____

Applies to all WATER service areas

HOOK UP FEES

IV. Terms and Conditions.

(A) Assessment of One Time Hook-Up Fee: The Hook-Up Fee may be assessed only once per parcel, service connection, or lot within a subdivision or commercial/industrial property although a supplemental assessment may apply to conform to the above table if the intended use of a parcel is subsequently altered from that originally intended when the first assessment was paid.

(B) Use of Hook-Up Fee: Hook-up fees may be used only to pay for capital items of Off-Site Facilities, or for repayment of loans obtained to fund the cost of installation of Off-Site Facilities. Hook-Up fees shall not be used to cover repairs, maintenance, or other operating costs. All hook-up fee funds collected by BVWC shall be deposited into a separate account and bear interest.

(C) Time of Payment:

1. For those requiring a Main Extension Agreement: In the event that the person or entity that will be constructing improvements ("Applicant", "Developer" or "Builder") is otherwise required to enter into a Main Extension Agreement, whereby the Applicant, Developer or Builder agrees to advance the costs of installing mains, valves, fittings, hydrants and other on-site improvements in order to extend service in accordance with R-14-2-406(B), payment of the hook-up fee required hereunder shall be made by the Applicant, Developer or Builder concurrent with execution of the Main Extension Agreement.

2. For those connecting to an existing main that was installed pursuant to a Main Extension Agreement that was approved by the Commission: In the event that the Applicant, Developer or Builder for service is not required to enter into a Main Extension Agreement, the hook-up fee charges hereunder shall be due and payable at the time the meter and service line installation fee is due and payable.

Issued: _____

Effective : _____

ISSUED BY:

Greg Sorensen, Director Of Operations
Bella Vista Water Company
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

DOCKET NO. _____

Cancelling Sheet No. ____

Applies to all WATER service areas

HOOK UP FEES

(D) Off-Site Facilities Construction By Developer: BVWC and Applicant, Developer or Builder may agree to construction of Off-Site Facilities necessary to serve a particular development by Applicant, Developer or Builder, which facilities are then conveyed to BVWC. In that event, BVWC shall credit the total cost of such Off-Site Facilities as an offset to hook-up fees due under this tariff or against additional facilities required by the BVWC for the provision of service. If the total cost of the Off-Site Facilities constructed by Applicant, Developer or Builder and conveyed to BVWC is less than the applicable hook-up fees under this tariff, plus any additional requirements imposed by the BVWC then Applicant, Developer or Builder shall pay the remaining amount owed hereunder. If the total cost of the Off-Site Facilities constructed by Applicant, Developer or Builder and conveyed BVWC is more than the applicable hook-up fees under this tariff plus the additional requirements then Applicant, Developer or Builder shall not be entitled to any refunds.

(E) Failure to Pay Charges; Delinquent Payments: BVWC will not be obligated to make an advance commitment to provide or actually provide water service to any Developer, Builder or other Applicant for service in the event that the Developer, Builder or other Applicant for service has not paid in full all charges hereunder. Under no circumstances will BVWC set a meter or otherwise allow service to be established if the entire amount of any payment due hereunder has not been paid.

(F) Large Subdivision Projects: In the event that the Applicant, Developer or Builder is engaged in the development of a residential subdivision containing more than 150 lots, BVWC may, in its discretion, agree to payment of hook-up fees in installments. Such installments may be based on the residential subdivision development's phasing, and should attempt to equitably apportion the payment of charges hereunder based on the Applicant's, Developer's or Builder's construction schedule and water service requirements.

(G) Hook-Up Fees Non-refundable: The amounts collected by BVWC as hook-up fees pursuant to this hook-up fee tariff shall be non-refundable contributions in aid of construction.

Issued: _____

Effective : _____

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Greg Sorensen, Director Of Operations
Bella Vista Water Company
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

DOCKET NO. _____

Cancelling Sheet No. _____

Applies to all WATER service areas

HOOK UP FEES

(H) Use of Hook-Up Fees Received: All funds collected by BVWC as hook-up fees shall be deposited into a separate account and bear interest and shall be used solely for the purposes of paying for the costs of the installation of Off-Site Facilities, including repayment of loans previously obtained for the installation of Off-Site Facilities that will benefit the water system.

(I) Hook-Up Fee in Addition to On-Site Facilities: The hook-up fee shall be in addition to any costs associated with the construction of on-site facilities under a Main Extension Agreement. The applicable hook-up fee under this tariff may not cover the total costs to be borne by Applicant for necessary Off-Site Facilities necessary to provide service to Applicant's property or development.

(J) Disposition of Excess Funds: After all necessary and desirable Off-Site Facilities are constructed utilizing funds collected pursuant to the hook-up fees, or if the hook-up fee has been terminated by order of the Commission, any funds remaining in the account shall be refunded. The manner of the refund shall be determined by the Commission at the time a refund becomes necessary.

(K) Fire Flow Requirements: In the event the Applicant for service has fire flow requirements that require additional facilities beyond those facilities whose costs were included in the hook-up fee, and which are contemplated to be constructed using the proceeds of the hook-up fees, BVWC may require the Applicant to install such additional facilities as are required to meet those additional fire flow requirements, as a non-refundable contribution, in addition to the hook-up fee.

(L) Status Reporting Requirements to the Commission: BVWC shall submit a calendar year hook-up fee status report each January 31st to Docket Control for the prior twelve (12) month period, beginning January 31, 2011, until the hook-up fee tariff is no longer in effect. This status report shall contain a list of all customers that have paid the hook-up fee tariff, the amount each has paid, the physical property in respect of which such fee was paid, the amount of money spent from the account, the amount of interest earned on the funds within the tariff account, and an itemization of all facilities that have been installed using the tariff funds during the 12 month period.

Issued: _____

Effective : _____

ISSUED BY:

Greg Sorensen, Director Of Operations
Bella Vista Water Company
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

Bella Vista Water Co., Inc.

Application for a Determination of the
Fair Value of Its Utility Plants and Property and for
Increases in Its Water Rates and Charges

August 31, 2009

Application

Attachment 3

(Plant Descriptions and Water Use Data Sheet)

COMPANY NAME	Bella Vista Water Co., Inc.	Test Year Ended: 03/31/09
---------------------	------------------------------------	----------------------------------

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled	
55-610120	1	40	240	640	12	4	1956
55-610121	2	50	300	649	12	4	1958
55-610122	3	50	200	605	12	6	1968
55-610123	5	50	300	620	14	4	1972
55-610125	7	100	470	475	16	6	1968
55-610126	8	60	350	645	12	6	1954
55-610127	9	15	65	618	8	3	1954
55-610128	10	15	40	630	10	3	1956
55-610129	11	60	300	696	12	4	1956
55-610130	12	60	200	805	16	4	1972
55-610131	13	75	230	867	16	6	1978
55-610132	14	75	450	600	16	6	1972
55-610133	15	50	300	700	16	4	1972
55-610134	16	50	300	501	12	4	1960
55-518083	18	250	1200	1000	16	10	1987
55-519004	19	125	700	1000	16	8	1987
55-560741	VV1	15	200	400	8	4	1997
55-560742	VV2	15	200	385	8	4	1997
55-610119	STUMP	5	25	250	6	2	1982
55-805652	ASH	5	40	80	8	2	1989
55-536074	RO # 1	1	15	160	8	1	1992
55-553209	WHORSE	7.5	25	608	12	4	1997
55-597128	RO # 2	1.5	20	305	6	2	2003
55-583389	RO # 3	5	25	500	8	1	2001
55-508962	NV16	5	30	215	6	2	1984
55-507217	NV15	5	40	205	6	2	1984
55-642087	NV 3	3	20	243	6	2	1958
55-624091	NV 9	3	12	287	6	1.5	1959
55-200-402	NV17	7.5	17	790	8	2.5	2004
55-203881	Fairfield	15	70	800	8	3	2004
55-641821	NV10	2	17	154	4	1	1998

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
30	6	668	8
25	2		
20	18		
15	10		
10	0		
5	6		
2	6		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
200,000	5	5,000	18
400,000	4	6,000	3
200,000	3	5,000	4
400,000	1		
200,000	1	5,000	6
35,000	1	2,000	1
100,000	4		
1,500,000	2		
200,000	1	5,000	1
17,000	1	1,000	5
7,000	1	5,000	1
100,000	1		
32,000	1	1,000	1
16,000	2	6,600	1
80,000	1	2,000	1
7,000	3	150	4
200,000	1	1,000	2
3,300	1	5,000	2
49,700	1		
17,500	2		
7,900	1		
10,000	1		
211,000	1		

COMPANY NAME Bella Vista Water Co., Inc.

Test Year Ended: 03/31/09

WATER COMPANY PLANT DESCRIPTION (CONTINUED)**MAINS**

Size (in inches)	Material	Length (in feet)
2	Galvanized	27,000
2	Steel	9,000
3	AC	16,000
4	AC	86,500
6	AC	180,600
8	AC	118,895
10	AC	3,300
12	Steel	600
2	PVC	2,935
3	PVC	175
4	PVC	1,330
6	PVC	5,052
8	PVC	11,810
12	PVC	15,000
4	Ductile	154
6	Ductile	851
8	Ductile	3,189
12	Ductile	1,000

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	7,765
3/4	39
1	151
1 1/2	88
2	261
3	24
4	4
6	1

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

TREATMENT EQUIPMENT:

15 Chlorinators – South System

STRUCTURES:

Well # 18 Site building

Fences (around wells & tanks)

Well # 13 Site building

Two small pump sheds

Wall at Apache Booster Station

Well House NV # 10

Wall at Well # 5

4X6 Chlorinator bldgs

Well # 8 Site Building

Well # 19 Building

OTHER:

Four generators

Back hoe, air compressor, trailer, dump truck, water tank

668 hydrants

8 standpipes

Ditch Witch Vector potholing machine

WATER USE DATA SHEET

NAME OF COMPANY: Bella Vista Water Co., Inc.

ADEQ Public Water System Number : *Please see attachment

MONTH/YEAR (12 Months of Test Year)	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
APRIL	8,450	84,334,357	98,555,980	
MAY	8,452	107,305,469	107,460,480	
JUNE	8,482	111,230,350	126,772,720	
JULY	8,490	108,343,628	96,715,740	
AUGUST	8,500	92,945,798	92,887,369	
SEPTEMBER	8,512	88,801,164	91,538,164	
OCTOBER	8,512	81,531,707	95,095,266	
NOVEMBER	8,536	89,921,877	82,534,257	
DECEMBER	8,541	70,289,906	76,355,490	
JANUARY	8,548	77,744,567	75,324,435	
FEBRUARY	8,551	68,167,688	69,120,525	
MARCH	8,554	68,798,669	85,711,641	
TOTALS →		1,049,415,180	1,098,072,067	

Is the Water Utility located in an ADWR Active Management Area (AMA)?

Yes No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

Yes No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system. For explanation of any of the above, please contact the Engineering Supervisor at 602-542-7277.

**Gallons pumped cannot equal or be less than gallons sold.*

1 FENNEMORE CRAIG
A Professional Corporation
2 Jay L. Shapiro (No. 014650)
Patrick J. Black (No. 017141)
3 3003 N. Central Ave.
Suite 2600
4 Phoenix, Arizona 85012
5 Attorneys for Bella Vista Water Co., Inc.

6
7 **BEFORE THE ARIZONA CORPORATION COMMISSION**

8
9
10 IN THE MATTER OF THE
APPLICATION OF BELLA VISTA
11 WATER CO., INC., AN ARIZONA
CORPORATION, FOR A
12 DETERMINATION OF THE FAIR
VALUE OF ITS UTILITY PLANTS AND
13 PROPERTY AND FOR INCREASES IN
ITS WATER RATES AND CHARGES
14 FOR UTILITY SERVICE BASED
THEREON.

DOCKET NO: W-02465A-09-_____

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16
17 **DIRECT TESTIMONY OF**

18
19 **GREG SORENSEN**

20
21 **August 31, 2009**
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2224613.3

1 **I. INTRODUCTION AND PURPOSE OF TESTIMONY**

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

3 A. My name is Greg Sorensen. My business address is 12725 W. Indian School Road,
4 Suite D-101, Avondale, AZ 85392.

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

6 A. On behalf of the Applicant Bella Vista Water Co., Inc. ("BVWC").

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

8 A. I am employed by Algonquin Water Services ("AWS") as Director of Operations
9 for the Western Group. AWS is an affiliate of BVWC through common ownership
10 of stock by the same parent, Algonquin Water Resources of America ("AWRA").

11 **Q. PLEASE SUMMARIZE YOUR RESPONSIBILITIES AS DIRECTOR OF**
12 **OPERATIONS.**

13 A. I oversee the operations and business management functions for AWRA's utility
14 holdings in Arizona. AWS manages and operates 18 utilities in Arizona, Texas,
15 Missouri, and Illinois. I have the responsibility for the daily operations and
16 administration of all the Arizona utilities, for the financial and operating results for
17 each utility, for capital and operating cost budgeting, for rate case planning and
18 oversight and rate setting policies and procedures.

19 **Q. WHAT IS YOUR EDUCATIONAL AND EMPLOYMENT BACKGROUND**
20 **BEFORE BEING EMPLOYED BY AWS?**

21 A. I earned a Bachelor's degree in Accounting from Wake Forest University in 1993.
22 I worked for Arthur Andersen as a staff and then senior auditor for 5 years.
23 Afterwards, I was a Director of Financial Reporting & Analysis, Controller, and
24 VP Finance for Excel Agent Services, an international call center company. I am a
25 Certified Public Accountant in the State of Georgia (license # CPA017709). I have
26 worked for AWS since November 2005 as Controller and Director of Operations.

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

2 A. Yes, I have testified in Commission proceedings involving Gold Canyon Sewer
3 Company, Northern Sunrise Water Company Inc. ("NSWC") and Southern Sunrise
4 Water Company Inc. ("SSWC") water companies. These entities are affiliates of
5 BVWC as they are all wholly owned affiliates of AWRA. My testimony has also
6 been prefiled in the pending rate cases for three other affiliates providing water and
7 sewer utility service in Arizona - Black Mountain Sewer Corporation, Docket No.
8 SW-02361A-08-0609, Litchfield Park Service Company, Docket Nos. SW-
9 01428A-09-0103 and W-01427A-09-0104, and Rio Rico Utilities, Inc., Docket No.
10 WS-02676A-09-0257. NSWC and SSWC have also filed rate cases at the same
11 time as BVWC, and my direct testimony is filed in support of those applications.

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

13 A. The purpose of my testimony is to support BVWC's application for rate relief. I
14 will provide background on BVWC and its operations. I will also summarize
15 significant capital improvements completed by BVWC and other operating cost
16 changes that are contributing to the need for a rate increase.

17 **II. OVERVIEW OF BELLA VISTA WATER CO., INC.**

18 **Q. PLEASE PROVIDE AN OVERVIEW OF BVWC.**

19 A. BVWC provides only water service to its 8,500 customers. There are roughly
20 7,500 residential customers, and more than 1,000 commercial/industrial customers.
21 BVWC's certificated service territory is located in and around the City of Sierra
22 Vista, in Cochise County, Arizona. The area in which we serve is not part of an
23 Active Management Area, although, as noted in recent NSWC and SSWC
24 proceedings, Cochise County has implemented certain rules requiring proof of
25 adequate water supply for new construction/subdivisions, which are helpful in
26 controlling growth and ensuring adequate water supply for people in the area.

1 **Q. DOES BVWC ALSO PROVIDE WATER SERVICE FOR IRRIGATION,**
2 **INCLUDING ANY SCHOOLS, PARKS, GOLF COURSES OR OTHER**
3 **ORNAMENTAL WATER FEATURES?**

4 A. BVWC provides water for irrigation to several HOAs that have need to water the
5 common areas in their subdivisions, to the City of Sierra Vista, and several local
6 schools, including a pre-school, 5 elementary schools, 2 middle schools, a high
7 school and 2 colleges. The City of Sierra Vista provides sewer service in the area,
8 so BVWC does not have effluent to offer our irrigation customers in lieu of
9 groundwater.

10 **Q. PLEASE DESCRIBE BVWC'S WATER RESOURCES.**

11 A. The water system is split into two separate systems: the City System, and the South
12 System. The City System contains 18 wells capable of producing 9.288 MGD, and
13 15 reservoirs totaling 6.143MG of storage. The South System contains 13 wells
14 capable of producing 0.642 MGD, and 12 reservoirs totaling .709 MG of storage.
15 There are approximately 674 customer connections in the South System. The
16 South System has challenges with regard to availability of groundwater in that
17 portion of our service territory.

18 **Q. WHAT IS BVWC'S COMPLIANCE STATUS?**

19 A. To the best of our knowledge, BVWC is currently in compliance with the rules and
20 regulations of the Arizona Department of Environmental Quality, Arizona
21 Department of Water Resources, and Arizona Corporation Commission.¹

22 **Q. WHEN DID THE CURRENT RATES GO INTO EFFECT?**

23 A. BVWC's current rates were approved in Decision No. 65350 (November 1, 2002).
24 These rates were based on a test year ending December 31, 2000. At the time,
25

26 ¹ See Attachment 1.

1 BVWC received a very small increase in revenues.

2 **Q. WHY IS BVWC FILING FOR NEW RATES AT THIS TIME?**

3 A. BVWC is filing at this time for two primary reasons. First, as detailed in
4 Mr. Bourassa's schedules, BVWC earned a return of less than 2% during the test
5 year, and that is not a fair and reasonable rate based upon invested capital. Second,
6 we were required by the Commission to file rate cases for our neighboring NSWC
7 and SSWC systems, which are also significantly under-earning, using a December
8 31, 2008 test year, which was later extended to March 31, 2009. We believe that
9 this provided an opportunity to file a contemporaneous rate case for BVWC and
10 propose consolidation with NSWC and SSWC.

11 **III. SUMMARY OF SIGNIFICANT SYSTEM IMPROVEMENTS AND OTHER**
12 **CHANGES SINCE THE LAST TEST YEAR**

13 **Q. WOULD YOU PLEASE DISCUSS THE SIGNIFICANT IMPROVEMENTS**
14 **THAT BVWC HAS MADE TO ITS WATER UTILITY PLANT AND**
15 **INFRASTRUCTURE SINCE ITS LAST TEST YEAR ENDED ON**
16 **DECEMBER 31, 2000?**

17 A. There have been two significant water main relocations required by the Arizona
18 Department of Transportation and the City of Sierra Vista realigning roads in our
19 service area. As a result of the Highway 92 realignment, we incurred
20 approximately \$638,000 in capital costs to relocate about 4,200 feet of 12-inch
21 water main in 2007. In 2009, we were required to relocate approximately 600 feet
22 of 6 and 8-inch water main for the realignment of Charleston Road. The project
23 was completed in mid-August 2009, at a cost of approximately \$100,000, which is
24 included in the application as post test-year plant. In 2008 and early 2009, BVWC
25 constructed a 35,000 gallon storage tank at the Nicksville site 10 at a cost of
26 \$173,000.

1 In 2004, BVWC invested approximately \$160,000 in a billing system
2 (Cogsdale) for the utility. This was necessary in order to provide quality, accurate
3 and timely billing which would in turn tie in with the general ledger system. Also
4 in 2008 and early 2009, BVWC invested \$300,000 to implement SCADA at
5 several of its well and storage facilities to better improve operations and ensure
6 reliable water supply for its customers.

7 **Q. ANY OTHER SIGNIFICANT CHANGES OR INCREASES IN**
8 **OPERATING EXPENSES SINCE THE LAST TEST YEAR?**

9 A. The most significant operational costs for the BVWC systems are people. The
10 service area is very large for a system with only 8,500 customers, stretching
11 approximately 10 miles from the northern end to the southernmost point, and 7
12 miles across, with hilly terrain existing predominantly in the South System. There
13 are 21 employees working out of our Sierra Vista offices, which provide service to
14 BVWC, NSWC and SSWC. Three operators primarily provide service to the
15 NSWC and SSWC systems, and customer service/administration is shared among
16 the three water utilities to provide better service and economies of scale.
17 Additionally, the local electric utility, SSVEC, implemented a fuel surcharge in
18 August 2008 which increased our power costs.

19 **Q. ANY OTHER SIGNIFICANT CHALLENGES IMPACTING BVWC'S**
20 **OPERATIONS?**

21 A. Availability of water is one of the main concerns facing any water company in
22 Arizona. As a water company in Arizona, we certainly recognize that we live in a
23 desert, that water is a precious and scarce resource worth protecting, and that water
24 conservation is a very important aspect of providing service. Although our
25 Cochise County systems are not located in an Active Management Area, we are
26 implementing Best Management Practices (conservation efforts required for

1 systems located within AMAs) to promote water conservation and public
2 education. Water availability is a matter of particular interest in our South System,
3 where wells often yield less than 50 gallons per minute. This is caused in great
4 part by the Pantano (rock) formation under the ground in this part of our CC&N.
5 Essentially, it is solid rock underneath the South System, which negatively affects
6 the transmissivity of the water.

7 **V. PROPOSED TARIFF CHANGES**

8 **Q. IS BVWC PROPOSING ANY CHANGES OF ITS TARIFF OF RATES AND**
9 **CHARGES?**

10 A. Yes. Specifically, we are proposing a low income tariff, a hook up fee (“HUF”)
11 tariff, and other tariff changes.²

12 **A. Low Income Tariff.**

13 **Q. DOES BVWC CURRENTLY HAVE A LOW INCOME TARIFF?**

14 A. No. The proposed tariff is entirely new to BVWC.

15 **Q. WHY IS BVWC PROPOSING THAT A LOW INCOME TARIFF BE**
16 **APPROVED IN THIS RATE CASE?**

17 A. We understand that low income tariffs are a regulatory tool used to provide some
18 relief to lower income ratepayers, and with the recent downturn in our economy,
19 we understand that the Commission has focused even more on the need for this
20 tariff. As a result, BVWC wants to provide an opportunity for those customers
21 who truly need assistance to lower the cost of water utility service. In his direct
22 testimony, Mr. Bourassa explains in detail how BVWC’s proposed low income
23 tariff will operate. We understand that this model was recently proposed by
24 Mr. Bourassa for Chaparral City Water Company, with support from Staff and the
25

26 ² See Attachment 1 to Application.

1 Residential Utility Consumer Office (“RUCO”), and that it is similar to the model
2 used in California by Golden States Water. The same model was also proposed in
3 the recently filed cases by BVWC’s affiliates, Litchfield Park Service Company
4 and Rio Rico Utilities, Inc.

5 **Q. DOES THE LOW INCOME TARIFF IMPACT BVWC’S REVENUE**
6 **REQUIREMENT?**

7 A. No. The low income tariff shifts the recovery of the revenue requirement between
8 customers. Those customers who pay normal rates for water utility service are
9 subsidizing those customers who obtain a discount on the cost.

10 **Q. HOW DOES BVWC CURRENTLY HANDLE CUSTOMERS WHO GET**
11 **BEHIND ON PAYMENTS OR CANNOT PAY THEIR BILL?**

12 A. BVWC handles these on a case-by-case basis. The general practice is to try to get
13 the payment for past due amounts, and extend the deadline for current amounts
14 until the customer can catch-up. There are certainly other approaches we utilize,
15 including payment plans to allow customers to become current on their bills. Such
16 payment plans usually involve committed payment amounts on specific dates and
17 usually do not extend beyond 90 days. Shutting off service is our last resort, but
18 sometimes it must be done.

19 **B. HUF Tariffs**

20 **Q. DOES BVWC CURRENTLY HAVE A HOOK UP FEE (“HUF”) TARIFF?**

21 A. No.

22 **Q. WHY IS BVWC PROPOSING HUF TARIFFS IN THIS RATE CASE?**

23 A. To assist BVWC in equitably apportioning the cost of constructing additional off-
24 site facilities to provide water production, delivery, storage and pressure among
25 new service connections. As a result, we are proposing a HUF Tariff to address
26 part of the costs for off-site facilities for new service connections.

1 **Q. WHAT WILL BE THE AMOUNT OF THE HUF?**

2 A. The HUFs will be based on meter size. As set forth in the proposed HUF Tariff,
3 the HUFs will be \$1,600 for a 5/8" meter, and \$2,400 and \$4,000 for 3/4" and 1"
4 meter, respectively.

5 **Q. WHAT FACTORS DID BVWC CONSIDER TO ARRIVE AT THESE**
6 **AMOUNTS?**

7 A. There are basically three factors that we considered. First, we desire to keep
8 customer rates within a reasonable range, while allowing BVWC an opportunity to
9 recover its operating costs and earn a reasonable return on the fair value of its rate
10 base. We considered the historical average cost of plant per customer. We also
11 considered our estimated reasonable costs for increased capacity and off-site
12 facilities for new service connections based on our ongoing experience with capital
13 investment.

14 The second factor is fairness. Ideally, all customers within a class should
15 pay the same amount because each customer is contributing to the same extent to
16 the operating and administrative costs of the utility, and each customer is providing
17 a like amount in support of the return on rate base. In other words, each customer
18 within that class is paying his or her cost of service. Each customer (old and new)
19 should have approximately the same amount of utility investment dedicated to his
20 or her needs, with the balance of the capital required to furnish service funded by
21 developers.

22 The third factor is that of balancing invested capital versus contributed
23 capital. Many of the assets utilized within this system are older assets, which need
24 refurbishment or replacement. These types of assets necessitate capital investment
25 by BVWC. These investments likely result in the need for additional rates.
26 Therefore, in this instance, we view a HUF with required CIAC or zero-cost capital

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a favorable situation to allow development to pay the costs for growth, or at least a significant part of it, and allow the utility to invest the funds for system maintenance capital.

C. Other Tariff Changes

Q. WHAT OTHER TARIFF CHANGES IS BVWC PROPOSING?

A. We have requested an increase in the meter and service line installation tariff. This revised cost is more reflective of the current actual cost to provide this service, and places the cost of growth directly on the party causing the cost so it is not borne by the existing customers.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

Bella Vista Water Co., Inc.

Application for a Determination of the
Fair Value of Its Utility Plants and Property and for
Increases in Its Water Rates and Charges

August 31, 2009

Greg Sorensen Direct Testimony

Attachment 1

Arizona Department of Environmental Quality
Drinking Water Monitoring and Protection Unit
 Mail Code 5415B-2
 1110 West Washington Street
 Phoenix, AZ 85007

Drinking Water Compliance Status Report

System Name	System Type	Is system consecutive?
BELLA VISTA CITY	<input checked="" type="checkbox"/> Community	<input type="checkbox"/> Yes, to PWS #
System ID # 02010	<input type="checkbox"/> Non-transient Non-community	<input checked="" type="checkbox"/> No
	<input type="checkbox"/> Transient Non-community	

Overall compliance status	<input checked="" type="checkbox"/> No major deficiencies	<input type="checkbox"/> Major deficiencies
Monitoring and Reporting status	<input checked="" type="checkbox"/> No major deficiencies	<input type="checkbox"/> Major deficiencies
Comments: None		

Operation and Maintenance status	<input checked="" type="checkbox"/> No major deficiencies	<input type="checkbox"/> Major deficiencies
Date of last Sanitary Survey	2-17-06	Inspector: John Eyre, SRO
Major unresolved/ongoing operation and maintenance deficiencies:		
<input type="checkbox"/> unable to maintain 20psi	<input type="checkbox"/> inadequate storage	
<input type="checkbox"/> cross connection/backflow problems	<input type="checkbox"/> surface water treatment rule	
<input type="checkbox"/> treatment deficiencies	<input type="checkbox"/> ATC/AOC	
<input type="checkbox"/> certified operator	<input type="checkbox"/> other =	
Comments: None		

Is an ADEQ administrative order in effect?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Comments: None		

System Information	
Population Served	23100
Service Connections	6600
Number of Entry Points to the Distribution System	15
Number of Sources	18
Initial Monitoring Year	1995
Monitoring Assistance Program (MAP) System	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Evaluation completed by	Donna Calderon, Manager <i>DC</i> Drinking Water Monitoring and Protection Unit		
Phone	602-771-4641	Date	August 6, 2009
<input checked="" type="checkbox"/>	Based upon data submitted by the water system, ADEQ has determined that this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and PWS is in compliance.		
<input type="checkbox"/>	Based upon the monitoring and reporting deficiencies noted above, ADEQ cannot determine if this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and/or PWS is not in compliance.		
<input type="checkbox"/>	Based upon the operation and maintenance deficiencies noted above, ADEQ cannot determine if this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and/or PWS is not in compliance.		

This compliance status report does not guarantee the water quality for this system in the future, and does not reflect the status of any other water system owned by this utility company.

Arizona Department of Environmental Quality
Drinking Water Monitoring and Protection Unit
 Mail Code 5415B-2
 1110 West Washington Street
 Phoenix, AZ 85007

Drinking Water Compliance Status Report

System Name	System Type	Is system consecutive?
BELLA VISTA SOUTH	<input checked="" type="checkbox"/> Community	<input type="checkbox"/> Yes, to PWS #
System ID #	<input type="checkbox"/> Non-transient Non-community	<input checked="" type="checkbox"/> No
02007	<input type="checkbox"/> Transient Non-community	

Overall compliance status	<input checked="" type="checkbox"/> No major deficiencies	<input type="checkbox"/> Major deficiencies
Monitoring and Reporting status	<input checked="" type="checkbox"/> No major deficiencies	<input type="checkbox"/> Major deficiencies
Comments: None		

Operation and Maintenance status	<input checked="" type="checkbox"/> No major deficiencies	<input type="checkbox"/> Major deficiencies
Date of last Sanitary Survey	12-11-08	Inspector
		John Eyre, SRO
Major unresolved/ongoing operation and maintenance deficiencies:		
<input type="checkbox"/> unable to maintain 20psi	<input type="checkbox"/> inadequate storage	
<input type="checkbox"/> cross connection/backflow problems	<input type="checkbox"/> surface water treatment rule	
<input type="checkbox"/> treatment deficiencies	<input type="checkbox"/> ATC/AOC	
<input type="checkbox"/> certified operator	<input type="checkbox"/> other =	
Comments: None		

Is an ADEQ administrative order in effect?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Comments: None		

System Information	
Population Served	2140
Service Connections	666
Number of Entry Points to the Distribution System	9
Number of Sources	13
Initial Monitoring Year	1995
Monitoring Assistance Program (MAP) System	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Evaluation completed by	Donna Calderon, Manager <i>DC</i> Drinking Water Monitoring and Protection Unit		
Phone	602-771-4641	Date	August 6, 2009
<input checked="" type="checkbox"/>	Based upon data submitted by the water system, ADEQ has determined that this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and PWS is in compliance.		
<input type="checkbox"/>	Based upon the monitoring and reporting deficiencies noted above, ADEQ cannot determine if this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and/or PWS is not in compliance.		
<input type="checkbox"/>	Based upon the operation and maintenance deficiencies noted above, ADEQ cannot determine if this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and/or PWS is not in compliance.		

This compliance status report does not guarantee the water quality for this system in the future, and does not reflect the status of any other water system owned by this utility company.

1 FENNEMORE CRAIG, P.C.
2 Jay L. Shapiro (No. 014650)
3 Patrick J. Black (No. 017141)
4 3003 N. Central Ave.
5 Suite 2600
6 Phoenix, Arizona 85012
7 Attorneys for Bella Vista Water Co., Inc.

8 **BEFORE THE ARIZONA CORPORATION COMMISSION**

9 IN THE MATTER OF THE
10 APPLICATION OF BELLA VISTA
11 WATER CO., INC. AN ARIZONA
12 CORPORATION, FOR A
13 DETERMINATION OF THE FAIR
14 VALUE OF ITS UTILITY PLANTS AND
15 PROPERTY AND FOR INCREASES IN
16 ITS WATER RATES AND CHARGES
17 FOR UTILITY SERVICE BASED
18 THEREON.

DOCKET NO: W-02465A-09-_____

19 **DIRECT TESTIMONY OF**

20 **THOMAS J. BOURASSA**

21 **(RATE BASE, INCOME STATEMENT AND RATE DESIGN)**

22 **August 31, 2009**

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 C. Miscellaneous.33

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1 **I. INTRODUCTION, QUALIFICATIONS AND PURPOSE**

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

3 A. My name is Thomas J. Bourassa. My business address is 139 W. Wood Drive,
4 Phoenix, Arizona 85029.

5 **Q. WHAT IS YOUR PROFESSION AND BACKGROUND?**

6 A. I am a Certified Public Accountant and am self-employed, providing consulting
7 services to utility companies as well as general accounting services. I have a B.S.
8 in Chemistry and Accounting from Northern Arizona University (1980) and an
9 M.B.A. with an emphasis in Finance from the University of Phoenix (1991).

10 **Q. COULD YOU BRIEFLY SUMMARIZE YOUR PRIOR WORK AND**
11 **REGULATORY EXPERIENCE?**

12 A. Yes. Prior to becoming a private consultant, I was employed by High-Tech
13 Institute, Inc., and served as controller and chief financial officer. Prior to working
14 for High-Tech Institute, I worked as a division controller for the Apollo Group, Inc.
15 Before joining the Apollo Group, I was employed at Kozoman & Kermode, CPAs.
16 In that position, I prepared compilations and other write-up work for water and
17 wastewater utilities, as well as tax returns.

18 In my private practice, I have prepared and/or assisted in the preparation of
19 several water and wastewater utility rate applications before the Arizona
20 Corporation Commission ("Commission").

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

22 A. I am testifying in this proceeding on behalf of the applicant, Bella Vista Water Co.,
23 Inc. ("BVWC"). BVWC is seeking changes in its rates and charges for water
24 utility service in its certificated service area, which area is located in Cochise
25 County, Arizona.

26

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

2 A. I will testify in support of BVWC's proposed adjustments to its rates and charges
3 for water utility service. I am sponsoring the direct schedules, which are filed
4 concurrently herewith in support of BVWC's application. I was responsible for the
5 preparation of these schedules based on my investigation and review of BVWC's
6 relevant books and records.

7 For convenience, the two portions of my direct testimony, each with the
8 relevant schedules attached, are being filed separately in this case. In this volume
9 of my direct testimony, I address rate base, income statements (revenue and
10 operating expenses), required increases in revenue, rate design and proposed rates
11 and charges for water service. Schedules A through C, E, F and H are attached to
12 this portion of my direct testimony. BVWC has also prepared a cost of service
13 study (G schedules), which are attached to the second volume of my testimony.

14 **Q. PLEASE CONTINUE.**

15 A. In the second volume of my direct testimony, to which the D schedules are
16 attached, I address cost of capital. BVWC is requesting a return on common equity
17 of 12.5 percent. As shown on Schedule D-1, BVWC's capital structure for
18 ratemaking purposes consists of approximately 72 percent equity and 28 percent
19 debt. The weighted cost of capital is 10.77 percent.

20 **Q. IN HIS DIRECT TESTIMONY, MR. SORENSEN MENTIONS BVWC'S**
21 **REQUEST FOR CONSOLIDATION. ARE YOU ALSO ADDRESSING**
22 **CONSOLIDATION?**

23 A. Yes, although like Mr. Sorensen, my testimony in support of the requested
24 consolidation of BVWC, Northern Sunrise Water Company Inc. ("NSWC") and
25 Southern Sunrise Water Company Inc. ("SSWC") is attached to the Joint
26

1 Application that BVWC will file in a separate docket.¹ My direct testimony in
2 support of separate rate applications is also being filed in each of the rate case
3 dockets initiated by NSWC and SSWC. Along with my consolidation testimony, I
4 have also prepared and am I also sponsoring a full, fourth set of schedules that
5 illustrate the rates for a consolidated BVWC.

6 **Q. WHAT DO YOU MEAN BY A “CONSOLIDATED BVWC”?**

7 A. Under the Joint Application for consolidation, BVWC would be the surviving
8 entity with one set of rates and charges for all customers. In other words, NSWC
9 and SSWC would no longer exist.

10 **II. OVERVIEW OF BVWC’S REQUEST FOR RATE RELIEF**

11 **Q. PLEASE SUMMARIZE BVWC’S APPLICATION.**

12 A. The test year used by BVWC is the 12-month period ending March 31, 2009.
13 BVWC is requesting a 10.77 percent return on its fair value rate base (“FVRB”).
14 BVWC is also proposing certain pro forma adjustments to take into account known
15 and measurable changes to rate base, expenses and revenues. These pro forma
16 adjustments are consistent with normal ratemaking and are contemplated by the
17 Commission’s rules and regulations governing rate applications. *See* R14-2-103.
18 These adjustments are necessary to obtain a normal or realistic relationship
19 between revenues, expenses and rate base on a going-forward basis.

20 BVWC’s proposed fair value rate base is \$6,343,311. The increase in
21 revenues to provide for recovery of operating expenses and a 10.77 percent return
22
23

24 ¹ Bella Vista Water Co., Inc., Northern Sunrise Water Company Inc., and Southern Sunrise Water
25 Company Inc.’s Joint Application for Approval of Authority to Consolidate Rates and for the
26 Transfer of Utility Assets to Bella Vista Water Co., Inc. filed on August 31, 2009, *Bella Vista
Water Co., Inc., Northern Sunrise Water Company Inc. and Southern Sunrise Water Company
Inc.*, Docket No. W-02465A-09-____ (“Joint Application”).

1 on rate base is approximately \$958,701, an increase of approximately 27.19 percent
2 over the adjusted and annualized test year revenues.

3 **Q. WHY IS BVWC FILING FOR NEW RATES AT THIS TIME?**

4 A. BVWC is no longer earning a fair return on the fair value of its water plant devoted
5 to service. This is primarily due to increases in operating expenses that have
6 outpaced increases in revenues since the last rate case in December 2000 (Decision
7 No. 65350, November 1, 2001). As a consequence, BVWC's current rate of return,
8 based on the adjusted test year data, is 1.49 percent.

9 Additionally, as mentioned earlier in my testimony, BVWC joins NSWC
10 and SSWC in seeking consolidation of the three companies into one water utility,
11 BVWC. Since NSWC and SSWC were ordered to file at this time, this was the
12 opportunity for BVWC to also file and join in the requested consolidation.

13 **III. SUMMARY OF SCHEDULES**

14 **A. Summary of A, E and F Schedules.**

15 **Q. MR. BOURASSA, LET'S TURN TO BVWC'S SCHEDULES. PLEASE**
16 **DESCRIBE THE SCHEDULES LABELED AS A, E, AND F.**

17 A. The A-1 Schedule is a summary of the rate base, operating income, current
18 operating margin, required operating margin, operating income deficiency, and the
19 increase in gross revenue. A 10.77 percent return on FVRB is requested. The
20 increase in the revenue requirement is \$958,701. Revenues at present, as well as
21 proposed and customer classifications, are also shown on this schedule.

22 The A-2 Schedule is a summary of results of operations for the test year,
23 prior years, and a projected year at present rates and proposed rates.

24 Schedule A-3 contains BVWC's capital structure for the test year and the
25 two prior years.

26

1 Schedule A-4 contains the plant construction, and plant-in-service for the
2 test year and prior years. The projected plant additions are also shown on this
3 schedule.

4 Schedule A-5 is the summary of BVWC's changes in financial position
5 (cash flow) for the prior two years, the test year at present rates, and a projected
6 year at present and proposed rates.

7 The E Schedules are based on BVWC's actual operating results, as reported
8 by BVWC in annual reports filed with the Commission. The E-1 Schedule
9 contains the comparative balance sheet data for the years 2007, 2008, and 2009
10 ending on March 31.

11 Schedule E-2, page 1, contains the income statement for the years 2007,
12 2008, and 2009 ending on March 31.

13 Schedule E-3 contains the statements of changes in BVWC's financial
14 position for the test year and the two prior years.

15 Schedule E-4 provides the changes in membership equity.

16 Schedule E-5 contains BVWC's plant-in-service at the end of the test year,
17 and one year prior to the end of the test year.

18 Schedule E-7 contains operating statistics for the years ended 2007, 2008,
19 and 2009 ending on March 31.

20 Schedule E-8 contains the taxes charged to operations.

21 The accountant's notes to the financial statements and the financial
22 assumptions used in preparing the rate filing schedules are shown on Schedules E-9
23 and F-4, respectively, in accordance with the Commission's standard filing
24 requirements. BVWC does not prepare audited financial statements.

25 Schedule F-1 contains the results of operations at the present rates (actual
26 and adjusted), and at proposed rates.

1 Schedule F-2 contains the summary of changes in financial position (cash
2 flow) for the prior two years, the test year at present rates, and a projected year at
3 present and proposed rates.

4 Schedule F-3 shows BVWC's projected construction requirements for 2010,
5 2011 and 2012.

6 Schedule F-4 contains the assumptions used in developing the adjustments
7 and projections contained in the rate filing.

8 **B. Rate Base (B Schedules).**

9 **Q. WOULD YOU EXPLAIN THE RATE BASE SCHEDULES, WHICH ARE**
10 **LABELED AS THE B SCHEDULES?**

11 A. Yes. I will start with Schedule B-5, which is the working capital allowance. I used
12 the "formula method" of computing the working capital allowance to reduce costs.
13 However, BVWC is not requesting a working capital allowance.

14 **Q. WHY DIDN'T BVWC PREPARE A LEAD-LAG STUDY AND USE THE**
15 **RESULTS OF THAT STUDY TO COMPUTE WORKING CAPITAL?**

16 A. Because the costs to prepare a lead-lag study outweigh the benefits. By way of
17 illustration, in a recent case for Chaparral City Water Company (W-02113A-07-
18 0551), the Residential Utility Consumer Office prepared a lead-lag study and
19 computed a negative \$111,000 of cash working capital. BVWC is roughly one-half
20 the size in terms of the level of expenses. So, let's assume for argument's sake that
21 a lead-lag study would produce negative working capital of \$55,000. If the
22 negative \$55,000 were included in rate base, the impact on the revenue requirement
23 would be a negative \$9,647 (-\$55,000 times 10.77 percent return times the tax
24 factor of 1.6286). In the meantime, BVWC would have incurred \$10,000 just to
25 have the study prepared. Plus, depending on what components of expenses I
26 include in the calculation, BVWC could easily incur more than \$15,000 defending

1 its working capital calculation, all of which increases rate case expense. This is
2 why I believe the costs far outweigh the benefits, and why I have recommended
3 and BVWC has accepted seeking no working capital allowance.

4 **Q. THANK YOU. PLEASE CONTINUE.**

5 A. BVWC did not file Schedules B-3 and B-4. To limit issues in dispute and reduce
6 rate case expense, BVWC is requesting that its original cost rate base ("OCRB") be
7 used as its FVRB.

8 **Q. HAVE YOU PREPARED SCHEDULES SHOWING ADJUSTMENTS TO
9 BVWC'S ORIGINAL COST RATE BASE?**

10 A. Yes. Schedule B-2 shows adjustments to the OCRB cost rate base proposed by
11 BVWC. Schedule B-2, pages 2 through 6, provides the supporting information.
12 These adjustments are, in summary:

13 B-2 adjustment number 1, as shown on Schedule B-2, page 2, adjusts plant-
14 in-service. There are four plant-in-service adjustments included in Adjustment 1.
15 These are shown on Schedule B-2, page 3, and are labeled as adjustments "A",
16 "B", "C", and "D".

17 Adjustment A of B-2 adjustment number 1 adjusts plant-in-service to
18 remove affiliated profit from plant-in-service that was recorded in plant-in-service
19 during the years since BVWC's last rate case.

20 Adjustment B of B-2 adjustment number 1 adjusts plant-in-service to reflect
21 the reconciliation of BVWC's plant-in-service detail to its amount recorded at the
22 end of the test year and as reflected on the E-1 schedule.

23 Adjustment C of B-2 adjustment number 1 adjusts plant-in-service to reflect
24 the costs of a main relocation project (Charleston Road Relocation project) that
25 was completed in August 2009.²

26 ² See Greg Sorensen Direct Testimony ("Sorensen BVWC Dt.") at 5.

1 Q. IS THIS POST TEST YEAR PLANT?

2 A. Yes.

3 Q. HAS THE COMMISSION ALLOWED POST TEST YEAR PLANT IN THE
4 PAST?

5 A. Yes, many times. *See, e.g., Chaparral City Water Company*, Decision No. 68176
6 (September 30, 2005); *Rio Rico Utilities, Inc.*, Decision No. 67279 (October 5,
7 2004); *Arizona Water Company—Eastern Group*, Decision No. 66489 March 19,
8 2004); *Bella Vista Water Co., Inc.*, Decision No. 65350 (November 1, 2002);
9 *Arizona Water Company—Northern Group*, Decision No. 64282 (December 28,
10 2001); *Paradise Valley Water Company*, Decision No. 61831 (July 20, 1999); *Far*
11 *West Water Company*, Decision No. 60437 (September 29, 1997). While this
12 Commission utilizes the historic test year as a starting point, the rules expressly
13 permit, and the Commission has repeatedly allowed, pro forma adjustments,
14 including post-test year plant.

15 Q. WHAT CRITERIA FOR INCLUSION OF POST-TEST YEAR PLANT CAN
16 BE FOUND, IF ANY, IN RECENT COMMISSION DECISIONS?

17 A. In the decisions mentioned previously, the Commission approved the inclusion of
18 post-test year plant in rate base because (i) the plant was revenue neutral (i.e.,
19 providing service to customers at end of test year), and (ii) it has been completed
20 and placed into service within a reasonable time before the hearing, so that it could
21 be inspected and audited.

22 Q. DOES THE POST-TEST YEAR PLANT PROPOSED BY BVWC MEET
23 THESE CRITERIA?

24 A. Yes. The Charleston Road main is necessary to serve the test year-end number of
25 customers and is revenue neutral. In addition, it will be placed into service in
26 sufficient time for the Commission's Staff to inspect the plant and audit the costs.

1 **Q. HAS BVWC ALSO PROPOSED RETIREMENT OF PLANT ASSOCIATED**
2 **WITH THE MAIN RELOCATION?**

3 A. Adjustment D of B-2 adjustment number 1 adjusts plant-in-service to reflect the
4 retirement of mains replaced by the Charleston Road Relocation project.

5 **Q. PLEASE CONTINUE.**

6 A. Adjustment 2 shown on Schedule B-2, page 2, adjusts accumulated depreciation.
7 The details of the accumulated depreciation adjustment are shown on Schedule B-
8 2, page 4. There are two adjustments shown on this schedule and it is labeled as
9 adjustment "A" and "B".

10 Adjustment A of B-2 adjustment 2 reflects the re-computed amounts per
11 BVWC's B-2 plant schedule and takes into consideration the removed affiliate
12 profit.

13 **Q. DO THE PLANT AND ACCUMULATED DEPRECIATION SHOWN ON**
14 **B-2 REFLECT THE LAST COMMISSION RATE ORDER?**

15 A. Yes. *See* Decision No. 65350. A reconciliation of the starting balances for plant-
16 in-service in the instant case is shown on Schedule B-2, page 3.12.

17 For accumulated depreciation, a reconciliation of the starting balances for
18 accumulated depreciation in the instant case is shown on Schedule B-2, page 3.13.

19 The plant shown on Schedule B-2 started with the plant-in-service balances
20 from the last rate case as described above. Plant additions and retirements since
21 the test year in that case have been added to and deducted from total plant shown
22 on Schedule B-2, pages 3.1 to 3.9. As mentioned above, capitalized affiliate profit
23 recorded in the plant additions for each year have been deducted from the plant.
24 Pages 3.1 to 3.11 of the schedule show the details for the accumulated depreciation
25 through the end of the test year using the half-year convention for depreciation.
26

1 **Q. WHAT DEPRECIATION RATES DID YOU EMPLOY TO RECOMPUTE**
2 **ACCUMULATED DEPRECIATION?**

3 A. The rates used to set rates in BVWC's last decision. *See* Decision No. 65350 at 14.

4 **Q. THANK YOU. PLEASE CONTINUE.**

5 A. Adjustment B of B-2 adjustment 2 reflects the retirement of mains associated with
6 the Charleston Road relocation project.

7 B-2 adjustment number 3 as shown on Schedule B-2, page 5 adjusts
8 deferred income taxes. BVWC's computation is based on the adjusted plant-in-
9 service, accumulated depreciation, and contributions in aid of construction
10 ("CIAC") in the instant case and the tax basis of its assets using the tax rate found
11 on Schedule C-3.

12 B-2 adjustment number 4, labeled as 4a and 4b, adjusts CIAC and
13 amortization for CIAC recorded since the prior rate case. The detail of BVWC's
14 proposed CIAC adjustments can be found on Schedule B-2, pages 6 and 6.1 to 6.5.

15 **Q. HOW WAS THE PROPOSED "FAIR VALUE" RATE BASE SHOWN ON**
16 **A-1 DETERMINED?**

17 A. As stated, the FVRB shown on Schedule A-1 is based on OCRB, with no
18 adjustment for the current values of BVWC's plant and property.

19 **C. Income Statement (C Schedules).**

20 **Q. PLEASE EXPLAIN THE ADJUSTMENTS YOU ARE PROPOSING TO**
21 **THE INCOME STATEMENT AS SHOWN ON SCHEDULES C-1 AND C-2.**

22 A. The following is a summary of adjustments shown on Schedule C-1:

23 Adjustment 1 annualizes depreciation expense. The proposed depreciation
24 rate for each component of utility plant is shown on Schedule C-2, page 2. The
25 depreciation rates approved in BVWC's last rate case were account specific rates.
26 However, BVWC proposes to use Staff's typical and customary rates on a going-

1 forward basis. Staff's typical and customary depreciation rates are based on the
2 National Association of Regulatory Commissioners ("NARUC") guidelines. These
3 rates are also asset account specific but are somewhat different than the rates
4 currently being used.

5 Adjustment 2 increases the property taxes based on proposed revenues.
6 BVWC has recognized the reduction in the assessment ratio contained in A.R.S.
7 § 42-15001, entitled "Assessed Valuation of Class One Property". By law, the
8 assessment ratio will be reduced through tax year 2011 to 20 percent. BVWC has
9 proposed a two-year reduction in the assessment ratio or a reduction from the 23
10 percent employed for the 2008 property tax year to 21 percent for 2010 property
11 tax year.

12 **Q. HOW DID YOU COMPUTE THE PROPERTY TAXES AT PROPOSED**
13 **RATES?**

14 A. To determine full cash value, I used the method employed by the Arizona
15 Department of Revenue ("ADOR" or "the Department") – Centrally Valued
16 Properties. This method determines full cash value by using twice the average of
17 three years of revenue, plus an addition for CWIP and a deduction for the book
18 value of transportation equipment. In the instant case, I used two times the
19 adjusted revenues for the year ending March 31, 2009, and one year of revenues at
20 proposed rates. The assessed value (21 percent of full cash value) was then
21 multiplied by the property tax rate to determine adjusted property tax expense.

22 **Q. IS THIS CONSISTENT WITH PRIOR COMMISSION DECISIONS?**

23 A. Yes. *E.g., Chaparral City Water Company*, Decision No. 68176 (September 30,
24 2005) at 13, *Rio Rico Utilities, Inc.*, Decision No. 67279 (October 5, 2004). It is
25 also consistent with the methodology adopted in the last rate case for BVWC. *See*
26 *Decision No. 65350 at 16.*

1 **Q. IS THIS SYNCHRONIZATION OF PROPERTY TAX EXPENSE WITH**
2 **REVENUES PROPER RATE MAKING?**

3 A. Yes. Like income taxes, property taxes must be adjusted to ensure that the new
4 rates are sufficient to produce the revenue requirement. For this reason, the
5 Commission has repeatedly approved the use of proposed revenues to determine an
6 appropriate level of property tax expense to be recovered through rates.

7 **Q. PLEASE CONTINUE WITH YOUR DESCRIPTION OF THE INCOME**
8 **STATEMENT ADJUSTMENTS.**

9 A. Adjustment 3 shows the rate case expense estimated by BVWC. BVWC estimates
10 rate case expense of \$250,000. BVWC proposes that rate case expense be
11 recovered over three years because it believes a three-year cycle for future rate
12 cases is reasonable given this utility's circumstances. While BVWC's last rate
13 case was over eight years ago, the current shareholder, Algonquin Water Resources
14 of America, acquired BVWC in May 2002 and intends to file rate case applications
15 on a regular basis.

16 **Q. HOW DID YOU ARRIVE AT THIS AMOUNT?**

17 A. Based on my experience with rate cases before the Commission, and that of
18 BVWC's counsel.

19 **Q. PLEASE EXPLAIN WHY YOU REFER TO THIS AMOUNT AS AN**
20 **"ESTIMATE"?**

21 A. Because I cannot see the future, I can only make some guesses based on my
22 experience. The specifics of who may intervene, what unique issues may come
23 into dispute, what kind of procedural problems we will encounter, etc. I cannot
24 predict. I know rate cases are lengthy and expensive, but I still have to start with
25 an estimate. If things turn out more complicated than anticipated, BVWC will
26 modify its request to account for that increased expense. Conversely, if the case

1 proceeds and rate case expense is lower than expected, we would make an
2 appropriate adjustment downward.

3 **Q. PLEASE CONTINUE WITH YOUR DISCUSSION OF THE INCOME**
4 **STATEMENT ADJUSTMENTS?**

5 A. Adjustment 4 annualizes revenues to the year-end number of customers. The
6 annualization of revenues is based on the number of customers at the end of the test
7 year, compared to the actual number of customers during each month of the test
8 year. Average revenues by month were computed for the test year. The average
9 revenues were then multiplied by the increase (or decrease) in number of customers
10 for each month of the test year.

11 Adjustment 5 annualizes purchased power expense based on the additional
12 gallons sold from annualizing revenues to the year-end number of customers in
13 Adjustment 4, above. This adjustment is intended to match the additional expense
14 associated with the revenue annualization.

15 Adjustment 6 annualizes chemicals expense based on the additional gallons
16 sold from annualizing revenues to the year-end number of customers in Adjustment
17 4, above. This adjustment is intended to match the additional expense associated
18 with the revenue annualization.

19 Adjustment number 7 increases outside services for known and measurable
20 changes to the general office allocation.

21 Adjustment 8 synchronizes interest expense with rate base.

22 Adjustment 9 reflects income taxes on taxable income based on the tax rate
23 under proposed revenues.

24
25
26

1 **Q. DO THE CONTRACTUAL COSTS BVWC HAS RECORDED IN EXPENSE**
2 **FOR THE TEST YEAR INCLUDE AFFILIATE PROFIT?**

3 A. No. The test year costs reflect actual costs. No profit is included, consistent with
4 Commission decisions for BVWC affiliates, *Black Mountain Sewer Corporation*
5 and *Gold Canyon Sewer Company*. Since acquisition, BVWC's parent has
6 developed methodologies consistent with rate making practices used by similarly
7 situated holding companies where the parent company owns more than one
8 subsidiary utility to allocate and record shared costs.

9 For example, under the allocation methodology, operation labor costs are
10 directly allocated based on operator time, accounting and billing costs are allocated
11 based on a customer allocation factor, and corporate overhead is allocated based
12 upon a 4-factor methodology. BVWC's parent has compared the amounts recorded
13 in expense on the books of BVWC and the allocated cost based on its methodology
14 and has determined that the amounts recorded in expense for the test year were
15 correct.

16 **IV. COST OF SERVICE STUDY (G SCHEDULES).**

17 **Q. WHAT IS A COST OF SERVICE STUDY?**

18 A. A cost of service study is an analysis of the adequacy of water revenues and the
19 revenue requirements to be met by the various classes of customers under both
20 existing and proposed rates. The study begins with an allocation of utility plant
21 and expenses into cost and asset functions which are then allocated to customer
22 classifications. The study attempts to identify the costs resulting from meeting the
23 customers' service requirements. Ideally, the revenues received from each
24 customer class should equal the cost of providing service to that customer class.
25 The cost to provide service includes the operating and maintenance expenses and
26 the capital costs. Operating and maintenance expenses include the costs of

1 operating the system and the costs of maintaining system facilities and equipment.
2 Capital costs include investment-related cash requirements such as debt service,
3 contributions to debt service reserves, and capital requirements not financed by
4 debt. Capital costs also include depreciation expense and either a return on rate
5 base (for-profit utilities) or an operating margin (non-profit utilities) as well as
6 incomes taxes and other taxes, if applicable.

7 **Q. WHY PREPARE A COST OF SERVICE STUDY?**

8 A. Setting aside any regulatory requirements for seeking rate relief, the purpose of
9 preparing a cost of service study is typically as a tool to designing rates to be
10 charged for utility service. The basic premise in establishing rates for the various
11 classes of customers that are both adequate and equitable is that rates should reflect
12 the cost of providing utility service. Generally speaking, regulators should set rates
13 based on the cost of service with the goal that the cost of providing service is
14 allocated equitably among customers and customer classes. But, there are many
15 factors, including non-economic factors, that come into play in the determination
16 of rates and a rate design that allows BVWC to recover its revenue requirement.
17 Water conservation and inverted tier rate designs is the example that may be most
18 familiar to the Commission. Lifeline or discounted rates, like that proposed by
19 BVWC in this case to assist low-income customers in areas with high utility costs,
20 are another example.³ Thus, public policy can have a significant impact on rate
21 design. In the end though, the result has to be BVWC recovering its authorized
22 revenue requirement.

23
24
25 ³ Additional discussion of the factors that may cause departure from strict cost of service based
26 ratemaking are found in Sorensen BVWC Dt. at 7.

1 **Q. HOW IS YOUR COST OF SERVICE STUDY ORGANIZED?**

2 A. The Commission's standard filing requirements call for Schedules G-1 through G-
3 7. I have also included Schedules G-8, G-9, and G-10. These schedules show
4 cost-based rate designs which I will explain later in this testimony.

5 G Schedules with higher numbers, i.e., 5, 6 and 7 contain the allocation
6 factors and actual allocations to functions. These functions are then carried
7 forward to the summary G schedules 1, 2, 3 and 4, which allocate expenses and
8 plant (by function) to classes of customers (by meter size).

9 I will start my analysis using Schedule G-7 and end with Schedules G-2 and
10 G-1. I will then describe Schedules G-8 and G-9.

11 **Q. WHAT IS A "FUNCTION" IN THIS CONTEXT?**

12 A. Functions refer to the plant and the expenses needed to get the water (the
13 commodity) from the source (well or surface water) to the customer. The functions
14 are commodity, demand, customer, meter, and service.

15 Commodity refers to the actual volume of water delivered. The commodity
16 function is used to derive the commodity rate or the rate charged per unit of
17 measurement, i.e., 1,000 gallons of water. Demand refers to how the water system
18 is sized to deliver the water, which is normally determined by total customers and
19 fire flow requirements. Hence, the system is built to be able to deliver water (the
20 commodity) to customers, as well as the demand placed on the water system when
21 water is used to contain or fight a fire.

22 Customer, service, and meter functions are also used to develop the monthly
23 minimum charged to each class of customer. The full cost of the demand function
24 should also be included in the monthly minimum charge. However, the practice of
25 the Commission's Staff has been to allocate a portion of the demand function to
26 both the commodity rate and to the monthly minimum charge, and this has

1 generally been adopted by the Commission in my experience. However, under this
2 approach, unless that portion of the demand function included in the commodity
3 rate is included in the first tier of the commodity rates, then conceivably there is a
4 risk of under-recovery of demand function costs during periods of customer
5 conservation, with a resultant under earning of the allowed return.

6 Demand, customer, service and meter functions refer to the delivery of the
7 water from BVWC's wells, surface sources or reservoirs through the transmission
8 and distribution mains to the individual customer's premises. The costs associated
9 with demand, customer, service and meter functions are incurred whether the
10 customer uses 1,000 gallons or 1,000,000 gallons of water each month.

11 Fire protection assets (e.g., hydrants) and expenses associated with fire
12 protection, including depreciation, should be allocated to the customer function
13 because fire protection generally benefits all customers on the system. This has
14 been the Commission's policy with regard to fire protection costs.

15 **Q. PLEASE DESCRIBE THE TYPE OF COST OF SERVICE STUDY YOU**
16 **PREPARED TO SUPPORT THE PROPOSED RATES, AND PROVIDE A**
17 **MORE DETAILED EXPLANATION OF THE FUNCTIONS YOU USED.**

18 **A.** I used the Commodity / Demand Method for the cost of service study. This method
19 normally separates expenses and assets into three primary functions or
20 components: commodity; demand; customer (with further breakdown of customer
21 costs and plant into meter and service line).

22 Commodity costs are costs that tend to vary (change) with the production or
23 output of water. These costs would consist primarily of power costs, chemicals,
24 water treatment, purchased water, and other variable expenses. In this instance, I
25 included a portion of the demand function into the commodity function, in order to
26 reflect to Commission Staff's past practices.

1 Demand costs are capital and maintenance costs of facilities related to
2 meeting the peak demand or peak usage requirements. The plant assets which
3 cause the bulk of the demand cost are transmission and distribution mains.

4 Customer costs are those costs related to serving and/or having customers,
5 without regard to the amount of water used. These costs would include meter
6 reading, billing, customer accounting and collection, and the capital costs and
7 maintenance costs related to the meters, services, and customer equipment such as
8 meters, service lines, computers, office furniture, transportation equipment, etc.

9 **Q. AFTER COSTS ARE ALLOCATED TO FUNCTIONS, HOW ARE**
10 **EXPENSES AND ASSETS THEN ALLOCATED TO THE INDIVIDUAL**
11 **CLASSES OF CUSTOMERS?**

12 A. After the expenses and assets are allocated to the commodity, demand, customer,
13 service, and meter functions, the values for the functions were then allocated to
14 various customer classes. Customer classes are based on meter sizes on the
15 system.

16 **Q. DOES A COST OF SERVICE STUDY PROVIDE DATA TO DETERMINE**
17 **HOW THE TIERED RATE DESIGN SHOULD BE SET?**

18 A. No. The cost of service study will provide the cost of the commodity, but it will
19 not provide data on where rate tiers should be set. The tiers can be based on
20 studying the usage by the customers.

21 **Q. PLEASE DESCRIBE AND EXPLAIN THE ALLOCATION FACTORS YOU**
22 **USED AND THE SCHEDULES TO WHICH THEY PERTAIN.**

23 A. The allocations for the development of the class allocation factors are shown on
24 Schedule G-7, pages 1 through 3.

25 The commodity allocation is based on the number of gallons of water used
26 by customers on various sizes of meters, plus the gallons from the revenue

1 annualization to year-end number of customers, divided by the total gallons of
2 water sold (including gallons from the revenue annualization) during the test year.
3 Thus, if 80,000,000 gallons of water were sold through the 5/8 inch meters, out of a
4 total of 100,000,000 gallons of water sold by the water utility, this meter size
5 would be allocated 80% of the commodity cost.

6 The demand allocation factor consists of the number of meters for each size
7 of meter on the system, multiplied by the equivalent system weighting of each size
8 of meter. The equivalent weighting is determined by the flow capacity of each
9 meter. A 5/8 inch meter can flow 20 gallons per minute, while a 6 inch meter can
10 flow 1,000 gallons per minute. Thus, one 6 inch meter is equivalent to
11 approximately fifty 5/8 inch meters in terms of system flow capacity. The larger
12 meters are restated into equivalent 5/8 meters to derive a monthly meter charge for
13 the 5/8 inch meter. Then based on flow capacity, monthly minimums are
14 developed for larger meters.

15 The customer allocation factor is the number of customers on each size
16 meter. The allocation is based on total meters, not equivalent meters. It costs no
17 more to read a 6 inch meter than a 5/8 inch meter, and it costs the same to issue a
18 bill.

19 I computed the meter allocation factor by multiplying the number of meters
20 times the most recent cost of installing a meter. Costs were used from the
21 Commission Staff's Engineering memorandum originated by Marlin Scott, Jr.,
22 dated February 21, 2008. The dollar weighted value of meters is then divided by
23 the total computed meter cost to derive the meter allocation factor for each class of
24 customer.

25 The service line allocations were computed in the same manner as the
26 meters. That is, I used the values listed on the Commission Staff's memorandum

1 to derive a total value for the service lines. The allocation to each service line size
2 was the result of dividing the dollar value of the service lines for each customer
3 class by the total dollar value of the service lines.

4 Schedule G-7, page 2.1 lists the allocation factors for repairs and
5 maintenance expense, contractual services, purchased power, purchased water,
6 transportation, chemicals, water testing, and salaries and wages. Allocation factors
7 for these expenses were determined by examining the causal relationships of each
8 expense to the various functions, which may include an examination of the
9 recorded amounts during the test year and the use of professional judgment.

10 The depreciation expense allocations shown on Schedule G-6, page 2, apply
11 the allocation factors shown on Schedule G-7, page 2, times the depreciation
12 expense for each plant asset. For the demand function for Wells, Mains, Water
13 Treatment Equipment, and Pumping Equipment, I assumed an allocation factor of
14 90 percent. Ten percent of plant values and related depreciation expense for Wells,
15 Mains, Water Treatment Equipment, and Pumping Equipment was allocated to the
16 commodity function.

17 The depreciation expense was computed with BVWC's depreciation rates.

18 The operation and maintenance expense allocation to functions (commodity,
19 demand, customer, service, and meter) are shown on Schedule G-6, page 1.

20 On Schedule G-5, page 2, I allocated net plant rather than gross plant, via
21 deducting the accumulated depreciation from each plant asset.

22 I deducted Advances In-Aid-of Construction ("AIAC") and CIAC from the
23 plant balances normally financed with AIAC and CIAC, which would be primarily
24 transmission and distribution mains. I allocated the AIAC and CIAC to both the
25 demand and commodity functions to be consistent with my allocation of the
26

1 transmission and distribution mains. The allocations are shown on Schedule G-5,
2 page 2.

3 Then I computed rate bases for each function (commodity, demand,
4 customer, service and meter). The rate bases by function are shown on Schedule
5 G-5, page 1.

6 Schedule G-4 allocates the commodity, demand, customer, service and
7 meter expenses to meter sizes using the allocation factors developed on Schedule
8 G-7, page 3.

9 Schedule G-3 allocates the rate bases for commodity, demand, customer,
10 service, and meter to customer classes, which are meter sizes.

11 Schedules G-1 and G-2 derive the return on rate base by customer classes
12 (meter sizes) at present and proposed rates, respectively. The returns on rate base
13 (by customers class) are computed by dividing the operating income for each meter
14 size by the rate base for that meter size.

15 Property taxes are allocated based on revenue, as this revenue is the main
16 factor in the method used by the Arizona Department of Revenue to determine the
17 full cash value of the utility.

18 Income Taxes are allocated based on taxable income on Schedules G-1 and
19 G-2.

20 Finally, Schedule G-0 provides a summary of rate base, operating income
21 (present and proposed) and returns provided by each meter size and customer class.

22 **Q. DID YOU PREPARE SCHEDULES SHOWING RATE DESIGNS BASED**
23 **ON THE COST OF SERVICE STUDY?**

24 **A.** Yes. Cost-based monthly minimums and commodity rates are shown on Schedule
25 G-8.

26

1 **Q. PLEASE DISCUSS SCHEDULE G-8.**

2 A. Schedule G-8 computes the cost-based monthly minimums for each meter size and
3 the commodity rates. On Schedule G-8, in the monthly minimums for each size
4 meter, I have included all of the demand-related expenses and capital costs. The
5 computed monthly minimum gives guidance on the rates that should be charged
6 based upon a direct utilization of the cost of service study results, and regardless of
7 customer water usage. As you will note, the proposed rates in the instant case as to
8 monthly minimum charges on the H-3 schedule are noticeably below what the
9 computed monthly minimums shown on Schedule G-8, page 3, because not all of
10 the demand function included within the monthly minimum.

11 Conversely, the computed commodity rate is substantially below the
12 proposed commodity rates on the H-3 schedule under both present and proposed
13 rates, because the proposed commodity rates include a portion of the demand
14 function. The disparity (computed cost vs. proposed rates) continues as you
15 compare the proposed rates using two-tier or three-tier rates.

16 **Q. WHAT IS THE MONTHLY MINIMUM FOR A CUSTOMER ON A 5/8**
17 **INCH METER THAT YOU COMPUTED IN YOUR COST OF SERVICE**
18 **STUDY?**

19 A. The monthly minimum, with no water in that minimum, should be \$28.13 when
20 you include the full allocations for expenses and plant for the function of demand,
21 customer, meter and service line.

22 **Q. HOW DOES THE COMPUTED MONTHLY MINIMUM CHARGE**
23 **COMPARE TO BVWC'S PROPOSED MONTHLY MINIMUM?**

24 A. The proposed monthly minimum for a 5/8 inch meter is \$18.46, or approximately
25 66 percent of the computed monthly minimum of \$28.13 as shown on Schedule G-

26

1 8, page 3. Thus, the proposed monthly minimum is over \$9.60 below the actual
2 cost for the monthly minimum for the previously indicated reason.

3 **Q. WHAT IS THE COMPUTED COMMODITY CHARGE, WITHOUT**
4 **REGARD TO TIERS, THAT WOULD BE DERIVED FROM YOUR COST**
5 **OF SERVICE STUDY?**

6 A. The computed commodity rate is \$0.9091 per 1,000 gallons of water from the cost
7 of service study (Schedule G-8, page 3).

8 **Q. HOW DOES THE COMPUTED COMMODITY RATE COMPARE TO**
9 **BVWC'S PRESENT AND PROPOSED COMMODITY RATES FOR A 5/8**
10 **INCH, AND 3/4 INCH METERED RESIDENTIAL CUSTOMER?**

11 A. The commodity rate under present rates being charged is \$0.97 per 1,000 gallons
12 for the first 5,000 gallons, \$1.89 per 1,000 gallons between 5,000 gallons and
13 25,000 gallons, and \$2.41 per 1,000 gallons over 25,000 gallons. The first tier rate
14 is approximately 1.1 times what it costs to produce the water. The second tier rate
15 is approximately 2 times what it costs to produce the water. The third tier rate is
16 approximately 2.7 times what it costs to produce the water.

17 BVWC's proposed commodity rates are \$1.53 per 1,000 gallons for the first
18 4,000 gallons, \$2.23 per 1,000 gallons for 4,000 to 10,000 gallons, and \$2.63 per
19 1,000 gallons over 10,000 gallons for the 5/8 inch, and 3/4 inch residential meters.
20 The proposed first tier rate is approximately 1.7 times the cost to produce the
21 water. The proposed second tier rates are over 2.5 times the cost to produce the
22 water while the proposed third tier rate is nearly 2.9 times the cost to produce the
23 water. Thus, the proposed first tier, second tier and third tier commodity rates are
24 vastly overstated when compared to the actual cost to produce the water.

25
26

1 **Q. WHAT IS THE IMPACT OF SETTING THE MONTHLY MINIMUMS**
2 **SUBSTANTIALLY BELOW COST?**

3 A. As previously indicated, it adds substantial risk of under earning the allowed
4 return. Inverted multi-tiered rates designs as proposed in this case encourage
5 conservation. If conservation is actually achieved, usage will decline and it will
6 cause a substantial shortfall in the revenues BVWC collects. That means that it
7 will be impossible to actually achieve the authorized return. BVWC's proposed
8 design helps to mitigate some revenue instability by increasing the portion of
9 revenues derived from the monthly minimums. However, since the monthly
10 minimums do not fully cover the demand, customer, meter and service costs (the
11 "fixed" costs in the cost of service), significant revenue instability still exists.

12 **Q. HAVE YOU ILLUSTRATED THIS IMPACT WITH AN EXAMPLE?**

13 A. Yes. Schedule G-9 illustrates what happens when conservation is achieved. On
14 Schedule G-9, page 1, I have constructed an illustration showing the profit or loss
15 from proposed rates that is achieved for the 5/8 inch metered residential customer
16 at increments of 1,000 gallons through 100,000 gallons of monthly usage. The
17 cross-over point going from a loss to a profit is between 9,000 and 10,000 gallons
18 and is substantially above the average usage for the 5/8 inch meter customer class
19 of approximately 6,612 gallons.

20 As you can see, by pricing the monthly minimum substantially below cost
21 and the commodity rate substantially above cost, particularly for the largest
22 customer class (5/8 inch residential), BVWC will under earn if water sales drop.
23 Conversely, if water sales increase, there is the potential to over earn. However, in
24 this particular case, since the average usage is well below the break-even point, the
25 potential to over earn is far less likely than the potential to under earn.

26

1 **Q. WHAT HAPPENS WHEN THE MONTHLY MINIMUMS AND**
2 **COMMODITY RATES ARE NOT PRICED AT COST?**

3 A. Two things can happen. If customers don't conserve and usage increases rather
4 than decreases, BVWC will over earn. If customers conserve, or just use less water
5 due to more rainfall, BVWC will under earn. If usage changes substantially, either
6 up or down, the impacts I just referred to will be magnified.

7 **Q. BUT EVEN IF THE MONTHLY MINIMUMS AND COMMODITY RATES**
8 **ARE PRICED AT COST, WOULDN'T BVWC STILL OVER OR UNDER**
9 **EARN IF CUSTOMERS USE MORE OR LESS WATER THAN HAS BEEN**
10 **ASSUMED FOR RATEMAKING PURPOSES?**

11 A. Yes, but to a lesser extent.

12 **Q. WHAT SPECIAL CONSIDERATIONS HAVE YOU TAKEN INTO**
13 **ACCOUNT IN THE COST OF SERVICE STUDY?**

14 A. The study takes into consideration the annualized gallons produced by annualizing
15 revenues to the year-end level of customers.

16 **Q. WHAT IS THE RANGE OF THE RETURNS FOR THE VARIOUS METER**
17 **SIZES AT PRESENT RATES?**

18 A. As shown on Schedule G-1 and summarized on Schedule G-0, the returns vary
19 substantially between the various meter sizes at present rates. The largest customer
20 classes, the 5/8 inch residential class, provide one of the lowest returns under
21 present rates when compared to the other customer classes. In fact, the return is a
22 negative 0.79 percent. This implies that this class of customers is not paying their
23 respective cost of service and is in fact the largest cause of the overall deterioration
24 to a 1.49 percent rate of return for the test year under present rates. By contrast, the
25 commercial meters, such as the 3/4 inch, 1 inch, 2 inch, 3 inch, and 4 inch are
26 providing returns of 11.90 percent, 5.72 percent, 8.18 percent, 13.53 percent, and

1 32.88 percent, respectively. The greater returns for these meter sizes and customer
2 classes indicate that they are subsidizing the 5/8 inch residential customer class.

3 **Q. WHAT ARE THE RETURNS FOR THE VARIOUS METER SIZES AT**
4 **PROPOSED RATES?**

5 A. As shown on Schedule G-2, the returns at proposed rates also vary between the
6 various meter sizes. However, the proposed rate design moves the 5/8 inch
7 residential class much closer to the cost of service. Even so, the 5/8 inch
8 residential class provides a return below the 10.77 percent requested in the instant
9 case at 8.93 percent. The larger sized meters, such as the 3/4 inch, 1 inch
10 commercial, 1 1/2 inch commercial, 2 inch commercial, 4 inch commercial are
11 providing much higher returns at 15.77 percent, 9.63 percent, 15.64 percent, 20.15
12 percent, and 27.44 percent, respectively.

13 **Q. HOW DO THE OVERALL RETURNS OF THE RESIDENTIAL CLASS**
14 **COMPARE TO THE COMMERCIAL CLASS AT PRESENT AND**
15 **PROPOSED RATES?**

16 A. Under present rates, the residential class is providing a negative 0.78 percent
17 overall return while the commercial class is providing an 8.38 percent overall
18 return. Under proposed rates, the residential class is providing a 8.94 percent
19 overall return while the commercial class is providing a 16.47 percent overall
20 return. The commercial class is still subsidizing the residential class under
21 proposed rates. However, consistent with the concept of gradualism, there is
22 improvement in eliminating subsidization under BVWC's proposed rates.

23 **A. Rate Design (H Schedules).**

24 **Q. WHAT ARE BVWC'S PRESENT RATES FOR WATER SERVICE?**

25 A. BVWC's present rates are:
26

1 MONTHLY SERVICE CHARGES

2	5/8" x 3/4" meters	\$15.00
3	3/4" Meters	\$22.70
4	1" Meters	\$28.10
5	1 1/2" Meters	\$34.50
6	2" Meters	\$42.25
7	3" Meter	\$121.90
8	4" Meters	\$173.00
9	6" Meter	\$950.00
10	8" Meters	\$1295.00

11 Fire Sprinkler Service - 1% of monthly minimum, but no less than \$5.00

12 COMMODITY RATES

13	1 inch and smaller	0 to 5,000 gals	\$ 0.97
14		5,001 to 25,000 gals	\$ 1.89
15		Over 25,000 gals	\$ 2.41
16	1 1/2 inch and larger	1-5,000 gals	\$ 0.97
17		Over 5,000 gals	\$ 1.89

18 **Q. WHAT ARE BVWC'S PROPOSED RATES FOR WATER SERVICE?**

19 A. BVWC's proposed rates are:

20 MONTHLY SERVICE CHARGES

21	5/8" x 3/4" meters	\$18.46
22	3/4" Meters	\$29.07
23	1" Meters	\$36.92
24	1 1/2" Meters	\$69.23
25	2" Meters	\$118.14
26	3" Meters	\$147.68

1	4" Meters	\$184.60
2	6" Meters	\$830.70
3	8" Meters	\$1,329.12

4

5 COMMODITY RATES

6	Residential 5/8" X 3/4" Meters	1 to 4,000 gals	\$ 1.53
7		4,001 to 10,000 gals	\$ 2.23
8		Over 10,000 gals	\$ 2.63
9	Residential 3/4" Meters	1 to 4000 gals	\$ 1.53
10		4,001 to 10,000 gals	\$ 2.23
11		Over 10,000 gals	\$ 2.63
12	Commercial 5/8" X 3/4" Meters	1 to 4,000 gals	\$ 1.45
13		Over 4,000 gals	\$ 1.90
14	Commercial 3/4" Meters	1 to 4,000 gals	\$ 1.45
15		Over 4,000 gals	\$ 1.90
16	1" Meters	1 to 10,000 gals	\$ 1.45
17		Over 10,000 gals	\$ 1.90
18	1 1/2" Meters	1 to 25,000	\$ 1.45
19		Over 25,000	\$ 1.90
20	2" Meters	1 to 50,000	\$ 1.45
21		Over 50,000	\$ 1.90
22	3" Meters	1 to 80,000	\$ 1.45
23		Over 80,000	\$ 1.90
24	4" Meters	1 to 175,000	\$ 1.45
25		Over 175,000	\$ 1.90
26	6" Meters	1 to 450,000	\$ 1.45

1		Over 450,000	\$ 1.90
2	8" Meters	1 to 720,000	\$ 1.45
3		Over 720,000	\$ 1.90
4			
5	Standpipe (bulk, hydrant meters)	All gallons	\$2.63

6 Fire Sprinkler Service - 2% of monthly minimum, but no less than \$15.00

7 **Q. WHAT METER SIZE ARE THE MAJORITY OF CUSTOMERS ON AND**
 8 **WHAT WAS THE AVERAGE MONTHLY BILL DURING THE TEST**
 9 **YEAR ?**

10 A. The largest customer class is the 5/8 inch residential class. As shown on Schedule
 11 H-2, page 1, the average monthly bill under present rates for a 5/8 inch residential
 12 customer using an average 6,612 gallons is \$22.90.

13 **Q. WHAT WILL BE THE AVERAGE 5/8 INCH RESIDENTIAL CUSTOMER**
 14 **AVERAGE MONTHLY BILL UNDER THE NEW RATES?**

15 A. As shown on Schedule H-2, page 1, the average monthly bill under proposed rates
 16 for a 5/8 inch residential customer using an average 6,612 gallons is \$30.40 – a
 17 \$7.51 increase over the present monthly bill or a 32.79 percent increase.

18 **Q. IS BVWC'S RATE DESIGN A CONSERVATION ORIENTED RATE**
 19 **DESIGN?**

20 A. Yes. Inverted tier rate designs are conservation oriented as I discussed earlier in
 21 my testimony. The smaller residential meters (5/8" and 3/4") are on an inverted
 22 three-tier rate design and all other meter sizes are on an inverted two-tier design.

23
 24
 25
 26

1 **B. Other Tariff Changes.**

2 **1. Off-site Facilities Hook-up Fee.**

3 **Q. IS BVWC PROPOSING AN OFF-SITE FACILITIES HOOK-UP FEE**
4 **(HUF)?**

5 A. Yes. A discussion of the proposed HUF tariff is contained in Greg Sorensen's
6 direct testimony.⁴

7 **2. Low Income Tariff.**

8 **Q. IS BVWC PROPOSING A LOW INCOME TARIFF?**

9 A. Yes, a copy is contained in the new tariff pages proposed by BVWC and attached
10 to BVWC's application. The proposed low income tariff is modeled after one I
11 recently proposed for Chaparral City Water Company, which in turn, modeled its
12 low income tariff after one used by its affiliate in California, Golden States Water
13 Company. I have also proposed a similar low income tariff in pending rate cases
14 for three BVWC affiliates in Arizona.

15 **Q. HOW DOES THE LOW INCOME TARIFF WORK?**

16 A. Customers meeting the qualifications as set forth in the proposed tariff would
17 receive a 15 percent discount off their water bill. The primary criteria would be
18 based on the combined gross annual income of all persons living in the household.
19 For example, as shown on the proposed tariff, a 4-person household with a total
20 gross annual income of less than or equal to \$21,200, which amount is 100% of the
21 2008 federal poverty level, would meet the criteria. As defined in the proposed
22 tariff, gross annual household income means all money and non-cash benefits,
23 available for living expenses, from all sources, both taxable and non-taxable, for all
24 people who live in the home.

25
26 ⁴ See Sorensen BVWC Dt. at 8-9.

1 **Q. HOW WOULD A CUSTOMER SIGN UP FOR THE PROGRAM?**

2 A. By completing an application and eligibility declaration and submitting proof of
3 income to BVWC. The form of the application and eligibility declaration would be
4 approved by the Commission.

5 **Q. WOULD THE GROSS ANNUAL INCOME LIMITS BE UPDATED**
6 **ANNUALLY?**

7 A. Yes. Federal poverty guidelines are updated annually and published in the Federal
8 Register (January). Accordingly, BVWC would update its gross annual household
9 income limits annually.

10 **Q. HOW WOULD CUSTOMERS BE MADE AWARE OF THE LOW INCOME**
11 **TARIFF PROGRAM?**

12 A. Providing customers with information about the low income tariff program will be
13 an ongoing process. Notice of the new rates implemented in this rate case would
14 include information about the low income tariff. In addition, new customers would
15 be made aware of the program upon signing up for new service.

16 **Q. HOW WOULD BVWC TRACK THE PROGRAM COSTS AND PROGRAM**
17 **COST RECOVERY?**

18 A. The program costs (the discounts given to participants plus a 10% fee for
19 administration and carrying costs) would be recovered from non-participants via a
20 commodity surcharge. BVWC would maintain a balancing account to keep track
21 of the program costs and the collections made from non-participants. The
22 surcharge would be computed annually based on the prior year costs and
23 collections.

24

25

26

1 **Q. WHEN WOULD THE COMMODITY SURCHARGE TO NON-**
2 **PARTICIPANTS BEGIN?**

3 A. One year after the program begins. In order to determine a basis for the first
4 surcharge computation, BVWC will track the program costs for 12 months. Upon
5 completion of the 12-month period, BVWC will compute a surcharge intended to
6 collect the prior year's program costs over the next 12 months. Accordingly, the
7 first six-month surcharge will be computed by dividing the program costs by the
8 gallons sold to non-participants during the 12-month period. Subsequently, the
9 program costs and surcharge collections will be accumulated in the balancing
10 account for the next 12-month period. The next 12 month's surcharge will be
11 computed by dividing the balancing account balance by the gallons sold to non-
12 participants during the most recent 12-month period.

13 **Q. CAN YOU PLEASE PROVIDE AN ILLUSTRATION?**

14 A. Yes. Assume that during the first 12 months of the program \$10,000 in costs are
15 incurred (including the administrative fee and carrying costs) and 250,000
16 thousand gallons were sold to non-participants during that 12-month period. The
17 commodity surcharge for the second year would be \$0.04 per 1,000 gallons
18 (\$10,000 divided by 250,000 thousand gallons). If during the second 12-month
19 period, \$12,500 in program costs are incurred, \$10,000 is recovered via the
20 surcharge to non-participants, and 300,000 thousand gallons are sold to non-
21 participants, then the commodity surcharge for the third 12-month period would be
22 \$0.05 per 1,000 gallons (\$12,500 program costs for first 12 months less \$10,000 in
23 surcharge collections plus \$12,500 programs costs for the second 12 months)
24 divided by 300,000 thousand gallons).

25

26

1 **Q. WOULD BVWC BE WILLING TO SUBMIT AN ANNUAL REPORT TO**
2 **THE COMMISSION?**

3 A. Yes. BVWC expects that it will need to submit an annual report showing the
4 number of participants for the six-month period, the discounts given to participants,
5 administration fee and carrying costs, and the collections made from non-
6 participants though the surcharge. BVWC would also report the balance of the low
7 income balancing accounts and show a computation of the next 12-month
8 commodity surcharge and submit updated gross annual income guidelines as
9 updated by the federal government.

10 **Q. WOULD THE SURCHARGE APPEAR SEPARATELY ON CUSTOMER**
11 **BILLS?**

12 A. Yes. The surcharge would be identified as "Low Income Assistance Charge."

13 **C. Miscellaneous.**

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

16 A. Yes. As shown on Schedule H-3, page 4, BVWC is proposing meter and service
17 line installation charges be based on actual costs.⁵

18 **Q. IS BVWC PROPOSING ANY CHANGES TO MISCELLANEOUS**
19 **SERVICE CHARGES?**

20 A. No.

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

22 A. Yes.

23

24

25

26

⁵ Sorensen BVWC Dt. at 9.

Bella Vista Water Co., Inc.

Application for a Determination of the
Fair Value of Its Utility Plants and Property and for
Increases in Its Water Rates and Charges

August 31, 2009

Schedules A-C, E-H

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Computation of Increase in Gross Revenue
 Requirements As Adjusted

Exhibit
 Schedule A-1
 Page 1
 Witness: Bourassa

Line No.					
1	Fair Value Rate Base			\$	6,343,311
2					
3	Adjusted Operating Income				94,521
4					
5	Current Rate of Return				1.49%
6					
7	Required Operating Income			\$	683,175
8					
9	Required Rate of Return on Fair Value Rate Base				10.77%
10					
11	Operating Income Deficiency			\$	588,653
12					
13	Gross Revenue Conversion Factor				1.6286
14					
15	Increase in Gross Revenue Revenue Requirement				958,701
16					
17	Adjusted Test Year Revenues			\$	3,526,033
18	Increase in Gross Revenue Revenue Requirement			\$	958,701
19	Proposed Revenue Requirement			\$	4,484,734
20	% Increase				27.19%
21					
22	Customer		Present	Proposed	Dollar
23	Classification		Rates	Rates	Increase
24	5/8 Inch Residential	\$	2,139,103	\$	2,786,212
25	3/4 Inch Residential		11,182		14,791
26	1 Inch Residential		5,821		6,485
27	2 Inch Residential		725		1,604
28	Subtotal	\$	2,156,831	\$	2,809,092
29				\$	652,262
30	5/8 Inch Commercial	\$	124,380	\$	145,010
31	3/4 Inch Commercial		3,382		3,785
32	1 Inch Commercial		89,928		101,834
33	1.5 Inch Commercial		115,753		147,148
34	2 Inch Commercial		651,968		869,595
35	3 Inch Commercial		131,628		132,557
36	4 Inch Commercial		56,353		55,040
37	6 Inch Commercial		12,229		10,647
38	8 Inch Commercial		15,578		15,994
39	Subtotal	\$	1,201,199	\$	1,481,610
40				\$	280,411
41	3 Inch Hydrant	\$	31,719	\$	40,854
42				\$	9,135
43	4 Inch Fire Sprinkler	\$	6,050	\$	18,150
44	6 Inch Fire Sprinkler		2,394		4,187
45	8 Inch Fire Sprinkler		155		319
46	Subtotal	\$	8,599	\$	22,656
47				\$	14,056
48	Subtotal Revenues before Annualization	\$	3,398,348	\$	4,354,212
49	Revenue Annualization		2,124		5,155
50	Miscellaneous Revenues		125,141		125,141
51	Reconciling Amount H-1 to C-1		420		226
52	Total of Water Revenues (a)	\$	3,526,033	\$	4,484,734
53				\$	958,701
54					27.19%
55	SUPPORTING SCHEDULES:				
56	B-1				
57	C-1				
58	C-3				
59	H-1				

Bella Vista Water Company
Test Year Ended March 31, 2009
Summary of Results of Operations

Exhibit
Schedule A-2
Page 1
Witness: Bourassa

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Prior Years Ended</u>		<u>Test Year</u>		<u>Projected Year</u>	
		<u>3/31/2007</u>	<u>3/31/2008</u>	<u>Actual</u> <u>3/31/2009</u>	<u>Adjusted</u> <u>3/31/2009</u>	<u>Present</u> <u>Rates</u> <u>3/31/2010</u>	<u>Proposed</u> <u>Rates</u> <u>3/31/2010</u>
1	Gross Revenues	\$ 3,532,953	\$ 3,546,889	\$ 3,523,909	\$ 3,526,033	\$ 3,526,033	\$ 4,484,734
2							
3	Revenue Deductions and	2,928,149	3,036,318	2,881,203	3,431,512	3,431,512	3,801,560
4	Operating Expenses						
5							
6	Operating Income	\$ 604,804	\$ 510,571	\$ 642,706	\$ 94,521	\$ 94,521	\$ 683,175
7							
8	Other Income and	-	-	-	-	-	-
9	Deductions						
10							
11	Interest Expense	(127,396)	(120,260)	(120,782)	(110,537)	(110,537)	(110,537)
12							
13	Net Income	\$ 477,408	\$ 390,311	\$ 521,924	\$ (16,016)	\$ (16,016)	\$ 572,637
14							
15	Earned Per Average						
16	Common Share	3.14	2.57	3.43	(0.11)	(0.11)	3.77
17							
18	Dividends Per						
19	Common Share	3.00	-	-	-	-	-
20							
21	Payout Ratio	0.96	-	-	-	-	-
22							
23	Return on Average						
24	Invested Capital	4.01%	3.10%	3.75%	-0.13%	-0.12%	4.43%
25							
26	Return on Year End						
27	Capital	3.86%	3.04%	3.48%	-0.13%	-0.12%	4.36%
28							
29	Return on Average						
30	Common Equity	13.32%	10.30%	12.30%	-0.40%	-0.36%	12.06%
31							
32	Return on Year End						
33	Common Equity	13.28%	9.80%	11.59%	-0.40%	-0.36%	11.48%
34							
35	Times Bond Interest Earned						
36	Before Income Taxes	8.11	6.36	5.32	0.00	0.00	0.00
37							
38	Times Total Interest and						
39	Preferred Dividends Earned						
40	After Income Taxes	4.75	4.25	5.32	5.81	5.81	6.18
41							
42							
43	<u>SUPPORTING SCHEDULES</u>						
44	C-1						
45	E-2						
46	F-1						

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Summary of Capital Structure

Exhibit
 Schedule A-3
 Page 1
 Witness: Bourassa

Line No.	Description:	Prior Years Ended		Test Year	Projected Year
		<u>3/31/2007</u>	<u>3/31/2008</u>	<u>3/31/2009</u>	<u>3/31/2010</u>
1					
2					
3	Short-term Debt	\$ -	\$ -	\$ -	\$ -
4					
5	Long-Term Debt	\$ 1,905,306	\$ 1,804,573	\$ 1,697,323	\$ 1,584,033
6					
7	Total Debt	\$ 1,905,306	\$ 1,804,573	\$ 1,697,323	\$ 1,584,033
8					
9	Preferred Stock	-	-	-	-
10					
11	Common Equity	7,451,153	8,270,092	4,504,229	5,076,866
12					
13					
14	Total Capital & Debt	\$ 9,356,459	\$ 10,074,665	\$ 6,201,552	\$ 6,660,899
15					
16					
17	Capitalization Ratios:				
18					
19	Short-term Debt	-	-	-	-
20					
21	Long-Term Debt	20.36%	17.91%	27.37%	23.78%
22					
23	Total Debt	20.36%	17.91%	27.37%	23.78%
24					
25	Preferred Stock	-	-	-	-
26					
27	Common Equity	79.64%	82.09%	72.63%	76.22%
28					
29					
30	Total Capital	100.00%	100.00%	100.00%	100.00%
31					
32	Weighted Cost of				
33	Short-Term Debt	0.00%	0.00%	0.00%	0.00%
34					
35	Weighted Cost of				
36	Long-Term Debt	1.28%	1.12%	1.72%	1.49%
37					
38	Weighted Cost of				
39	Senior Capital	1.28%	1.12%	1.72%	1.49%
40					
41					
42	<u>SUPPORTING SCHEDULES:</u>				
43	E-1				
44	D-1				

Bella Vista Water Company
Test Year Ended March 31, 2009
Construction Expenditures
and Gross Utility Plant in Service

Exhibit
Schedule A-4
Page 1
Witness: Bourassa

Line No.		<u>Construction Expenditures</u>	<u>Net Plant Placed in Service</u>	<u>Gross Utility Plant in Service</u>
1				
4	Prior Year Ended 12/31/2006	1,708,746	1,748,941	22,008,424
5				
6	Prior Year Ended 12/31/2007	833,390	495,525	22,503,949
7				
8	Test Year Ended 12/31/2008	2,870,848	3,205,833	25,709,782
9				
10	Projected Year Ended 12/31/2009	1,400,000	1,400,000	27,109,782
11				
12				
13				
14				
15	<u>SUPPORTING SCHEDULES:</u>			
16	B-2			
17	E-5			
18	F-3			
19				
20				

Bella Vista Water Company
Test Year Ended March 31, 2009
Summary Statements of Cash Flows

Exhibit
Schedule A-5
Page 1
Witness: Bourassa

Line
No.

	Prior Year Ended <u>3/31/2007</u>	Prior Year Ended <u>3/31/2008</u>	Test Year Ended <u>3/31/2009</u>	Projected Year Present Rates <u>3/31/2010</u>	Projected Year Proposed Rates <u>3/31/2010</u>
5 Cash Flows from Operating Activities					
6 Net Income	\$ 477,408	\$ 390,311	\$ 521,924	\$ (16,016)	\$ 572,637
7 Adjustments to reconcile net income to net cash					
8 provided by operating activities:					
9 Depreciation and Amortization	469,614	501,205	551,120	1,009,435	1,009,435
10 Provision for Doubtful Accounts	322,694	(12,254)	(7,939)	-	-
11 Other	-	-	-	-	-
12 Changes in Certain Assets and Liabilities:					
13 Accounts Receivable	41,999	(162,226)	(56,482)	-	-
14 Accounts Receivable, Other	-	-	-	-	-
15 Materials and Supplies Inventory	9,780	-	-	-	-
16 Prepaid Expenses	2,996	(13,324)	13,126	-	-
17 Accounts Payable	(58,839)	288,305	177,198	-	-
18 Intercompany payable	131,928	(60,753)	185,890	-	-
19 Customer Deposits	-	-	-	-	-
20 Taxes Payable	(357,747)	(23,083)	(3,628)	-	-
21 Deferred Income Taxes	21,712	-	-	-	-
22 Other assets and liabilities	11,551	138,546	7,938	-	-
23 Net Cash Flow provided by Operating Activities	\$ 1,073,096	\$ 1,046,727	\$ 1,389,147	\$ 993,419	\$ 1,582,072
24 Cash Flow From Investing Activities:					
25 Capital Expenditures	(1,708,746)	(833,390)	(2,870,848)	(1,400,000)	(1,400,000)
26 Plant Held for Future Use	-	-	-	-	-
27 Changes in Short-term Investments	-	-	-	-	-
28 Net Cash Flows from Investing Activities	\$ (1,708,746)	\$ (833,390)	\$ (2,870,848)	\$ (1,400,000)	\$ (1,400,000)
29 Cash Flow From Financing Activities					
30 Change in Restricted Cash	-	-	-	-	-
31 Net Receipts of Advances-in-Aid of Construction	1,234,401	(9,392)	1,434,796	-	-
32 Net Receipts of Contributions-in-Aid of Construction	14,430	-	(7,500)	-	-
33 Repayments of Long-Term Debt	(103,612)	(100,733)	(107,250)	(113,290)	(113,290)
34 Dividends Paid	(456,748)	(2,149)	-	-	-
35 Deferred Financing Costs	-	-	-	-	-
36 Stock/Paid in Capital	-	-	1	-	-
37 Net Cash Flows Provided by Financing Activities	\$ 688,471	\$ (112,274)	\$ 1,320,047	\$ (113,290)	\$ (113,290)
38 Increase(decrease) in Cash and Cash Equivalents	52,821	101,063	(161,654)	(519,871)	68,782
39 Cash and Cash Equivalents at Beginning of Year	46,708	99,529	200,592	38,938	38,938
40 Cash and Cash Equivalents at End of Year	\$ 99,529	\$ 200,592	\$ 38,938	\$ (480,933)	\$ 107,720
41					
42					

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Summary of Rate Base

Exhibit
 Schedule B-1
 Page 1
 Witness: Bourassa

Line No.		<u>Original Cost</u> <u>Rate base</u>	<u>Fair Value</u> <u>Rate Base</u>
1			
2	Gross Utility Plant in Service	\$ 25,625,205	\$ 25,625,205
3	Less: Accumulated Depreciation	<u>11,909,440</u>	<u>11,909,440</u>
4			
5	Net Utility Plant in Service	\$ 13,715,765	\$ 13,715,765
6			
7	<u>Less:</u>		
8	Advances in Aid of		
9	Construction	6,781,443	6,781,443
10	Contributions in Aid of		
11	Construction	496,445	496,445
12			
13	Accumulated Amortization of CIAC	(230,909)	(230,909)
14			
15	Customer Meter Deposits	556,325	556,325
16	Deferred Income Taxes & Credits	(230,850)	(230,850)
17			
18			
19			
20	<u>Plus:</u>		
21	Unamortized Debt Issuance		
22	Costs	-	-
23	Deferred Reg. Assets	-	-
24	Working capital	-	-
25			
26			
27			
28			
29	Total Rate Base	<u>\$ 6,343,311</u>	<u>\$ 6,343,311</u>
30			
31			
32			
33	<u>SUPPORTING SCHEDULES:</u>		<u>RECAP SCHEDULES:</u>
34	B-2		A-1
35	B-3		
36	B-5		
37	E-1		
38			

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Original Cost Rate Base Proforma Adjustments

Exhibit
 Schedule B-2
 Page 1
 Witness: Bourassa

Line No.		Actual at End of <u>Test Year</u>	Proforma Adjustment <u>Amount</u>	Adjusted at end of <u>Test Year</u>
1	Gross Utility			
2	Plant in Service	\$ 25,709,782	(84,577)	\$ 25,625,205
3				
4	Less:			
5	Accumulated			
6	Depreciation	11,719,489	189,951	11,909,440
7				
8				
9	Net Utility Plant			
10	in Service	\$ 13,990,293		\$ 13,715,765
11				
12	Less:			
13	Advances in Aid of			
14	Construction	6,781,443	-	6,781,443
15				
16	Contributions in Aid of			
17	Construction	496,445	(0)	496,445
18				
19	Accumulated Amort of CIAC	(258,759)	27,850	(230,909)
20				
21	Customer Meter Deposits	556,325	-	556,325
22	Deferred Income Taxes & Credits	(101,160)	(129,690)	(230,850)
23				
24				
25				
26	Plus:			
27	Unamortized Debt Issuance			
28	Costs	-		-
29	Deferred Reg. Assets	-	-	-
30	Working capital	-	-	-
31				
32				
33				
34				
35	Total	<u>\$ 6,515,999</u>		<u>\$ 6,343,311</u>

39 SUPPORTING SCHEDULES:
 40 B-2, pages 2
 41 E-1

RECAP SCHEDULES:
 B-1

42
 43
 44
 45
 46
 47
 48

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Original Cost Rate Base Proforma Adjustments

Exhibit
 Schedule B-2
 Page 2
 Witness: Bourassa

Line No.	Actual at End of Test Year	Proforma Adjustments			Adjusted at end of Test Year
		1 Plant	2 Accumulated Depr.	3 DIT	
1					
2	\$ 25,709,782	(84,577)			\$ 25,625,205
3					
4	Less:				
5	Accumulated		189,951		11,909,440
6	Depreciation				
7					
8					
9	Net Utility Plant				
10	in Service	\$ 13,990,293	\$ (84,577)	\$ -	\$ 13,715,765
11					
12	Less:				
13	Advances in Aid of				
14	Construction	6,781,443			6,781,443
15					
16	Contributions in Aid of				
17	Construction (CIAC)	496,445		(0)	496,445
18					
19	Accumulated Amort of CIAC	(258,759)		27,850	(230,909)
20					
21	Customer Meter Deposits	556,325			556,325
22	Deferred Income Taxes & Credits	(101,160)		(129,690)	(230,850)
23					
24					
25	Plus:				
26	Unamortized Finance				
27	Charges	-			-
28					
29	Allowance for Working Capital				
30					
31	Total	\$ 6,515,999	\$ (84,577)	\$ 129,690	\$ 6,343,311
32					
33					
34					
35					
36					
37					

SUPPORTING SCHEDULES:
 B-2, pages 3-6
 E-1

Bella Vista Water Company
Plant Additions and Retirements

Exhibit
Schedule B-2
Page 3.1

Account No.	Description	Deprec. Rate Before Nov-02	Deprec. Rate After Nov-02	Plant At 12/31/2000	2000 Accum. Depr.	2001 Plant Additions		2001 Adjusted Plant Additions	2001 Plant Retirements	2001 Salvage A/D Only	2001 Plant Balance	2001 Deprec.
						2001 Plant Additions	2001 Plant Additions					
301	Organization Cost	-	-	-	-	-	-	-	-	-	-	-
302	Franchise Cost	-	-	-	-	-	-	-	-	-	-	-
303	Land and Land Rights	-	-	322,875	-	-	-	-	-	-	322,875	-
304	Structures and Improvements	2.50%	2.50%	822,687	207,134	27,953	27,953	27,953	-	-	850,640	20,917
305	Collecting and Impounding Res.	-	-	-	-	-	-	-	-	-	-	-
306	Lake River and Other Intakes	-	-	-	-	-	-	-	-	-	-	-
307	Wells and Springs	2.70%	2.70%	864,013	304,933	48,775	48,775	48,775	-	-	912,788	23,987
308	Infiltration Galleries and Tunnels	-	-	-	-	-	-	-	-	-	-	-
309	Supply Mains	-	-	-	-	-	-	-	-	-	-	-
310	Power Generation Equipment	-	-	-	-	-	-	-	-	-	-	-
311	Electric Pumping Equipment	10.00%	10.00%	1,667,296	991,154	50,667	62,820	62,820	-	-	1,730,116	169,871
320	Water Treatment Equipment	10.00%	10.00%	17,938	9,739	2,571	5,234	5,234	-	-	23,172	2,056
320.1	Water Treatment Equipment	-	-	-	-	-	-	-	-	-	-	-
320.2	Chemical Solution Feeders	-	-	-	-	-	-	-	-	-	-	-
330	Distribution Reservoirs & Standpipe	-	-	-	-	-	-	-	-	-	-	-
330.1	Storage tanks	2.50%	2.50%	1,321,238	498,098	141,588	141,588	141,588	-	-	1,462,827	34,801
330.2	Pressure Tanks	-	-	-	-	-	-	-	-	-	-	-
331	Transmission and Distribution Mains	2.00%	2.00%	7,056,631	2,450,915	219,615	1,463,902	1,683,517	-	-	8,740,148	157,968
333	Services	2.00%	2.00%	829,747	660,025	(20)	(20)	(20)	-	-	829,727	16,595
334	Meters	10.00%	10.00%	903,840	758,362	37,895	-	37,895	-	-	941,735	92,279
335	Hydrants	2.00%	2.00%	457,210	177,863	17,961	749	18,710	-	-	475,920	9,331
336	Backflow Prevention Devices	-	-	-	-	-	-	-	-	-	-	-
339	Other Plant and Miscellaneous Equipment	10.00%	10.00%	-	-	-	-	-	-	-	-	-
340	Office Furniture and Fixtures	6.67%	6.67%	100,023	86,329	-	6,984	6,984	-	-	107,017	6,905
340.1	Computers and Software	6.67%	6.67%	181,264	29,062	-	-	-	-	-	161,264	10,756
341	Transportation Equipment	14.29%	14.29%	190,168	108,206	-	-	-	-	-	190,168	27,175
342	Store Equipment	-	-	-	-	-	-	-	-	-	-	-
343	Tools and Work Equipment	11.76%	11.76%	121,859	80,790	1,197	1,197	1,197	-	-	123,056	14,401
344	Laboratory Equipment	-	-	-	-	-	-	-	-	-	-	-
345	Power Operated Equipment	10.00%	10.00%	-	-	-	-	-	-	-	-	-
346	Communications Equipment	10.00%	10.00%	38,740	20,080	-	-	-	-	-	38,740	3,874
347	Miscellaneous Equipment	6.25%	6.25%	100,766	51,170	-	-	-	-	-	100,766	6,298
348	Other Tangible Plant	-	-	-	-	-	-	-	-	-	-	-
	Rounding	-	-	-	-	-	-	-	-	-	-	-
	Plant Held for Future Use	-	-	-	-	-	-	-	-	-	-	-
	TOTAL WATER PLANT			14,976,295	6,433,860	291,474	1,743,191	2,034,665	-	-	17,010,960	597,212

See B-2, page 3.12 See B-2, page 3.13

Account No.	Description	Deprec. Rate Before	Deprec. Rate After	2002 Plant Additions	2002 Plant Additions	2002 Plant Adjustments	2002 Adjusted Plant	2002 Plant Retirements	2002 Salvage/Adj. A/D Only	2002 Plant Balance	2002 Deprec.	
		Nov-02	Nov-02	2002 Plant Additions	2002 Plant Additions	2002 Plant Adjustments	2002 Adjusted Plant	2002 Plant Retirements	2002 Salvage/Adj. A/D Only	2002 Plant Balance	2002 Deprec.	
301	Organization Cost											
302	Franchise Cost											
303	Land and Land Rights									322,875		
304	Structures and Improvements	2.50%	2.50%							850,640	21,266	
305	Collecting and Impounding Res.											
306	Lake River and Other Intakes											
307	Wells and Springs	2.70%	2.70%							912,788	24,645	
308	Infiltration Galleries and Tunnels											
309	Supply Mains											
310	Power Generation Equipment											
311	Electric Pumping Equipment	10.00%	10.00%	71,076			71,076			1,801,192	176,565	
320	Water Treatment Equipment	10.00%	10.00%							23,172	2,317	
320.1	Water Treatment Equipment											
320.2	Chemical Solution Feeders											
330	Distribution Reservoirs & Standpipe	2.50%	2.50%							1,462,827	36,571	
330.1	Storage tanks											
330.2	Pressure Tanks											
331	Transmission and Distribution Mains	2.00%	2.00%	300,123	54,088		354,211			9,094,359	178,345	
333	Services	2.00%	2.00%	42,378			42,378			872,106	17,018	
334	Meters	10.00%	10.00%	29,063			29,063			870,788	95,626	
335	Hydrants	2.00%	2.00%	43,354			43,354			519,274	9,952	
336	Backflow Prevention Devices											
339	Other Plant and Miscellaneous Equipment	10.00%	10.00%							107,017	7,138	
340	Office Furniture and Fixtures	6.67%	6.67%							161,264	10,756	
340.1	Computers and Software	6.67%	6.67%							195,012	27,521	
341	Transportation Equipment	14.29%	14.29%	4,844			4,844					
342	Stores Equipment											
343	Tools and Work Equipment	11.76%	11.76%							123,066	14,471	
344	Laboratory Equipment											
345	Power Operated Equipment	10.00%	10.00%							38,740	3,874	
346	Communications Equipment	10.00%	10.00%							100,766	6,298	
347	Miscellaneous Equipment	6.25%	6.25%									
348	Other Tangible Plant											
	Rounding											
				490,827	54,088		544,915			17,555,875	632,365	
				Plant Held for Future Use								
				TOTAL WATER PLANT								

Account No.	Description	Deprec.	Deprec.	2003 Plant Additions ¹	2003 Plant Retirements	2003 Salvage A/D Only	2003 Plant Balance	2003 Deprec.
		Rate Before Nov-02	Rate After Nov-02					
301	Organization Cost	-	-	-	-	-	-	-
302	Franchise Cost	-	-	-	-	-	322,875	-
303	Land and Land Rights	2.50%	2.50%	-	-	-	850,840	21,266
304	Structures and Improvements	-	-	-	-	-	-	-
305	Collecting and Impounding Res.	-	-	-	-	-	-	-
306	Lake River and Other Intakes	2.70%	2.70%	21,972	21,972	-	934,760	24,942
307	Wells and Springs	-	-	-	-	-	-	-
308	Infiltration Galleries and Tunnels	-	-	-	-	-	-	-
309	Supply Mains	-	-	-	-	-	-	-
310	Power Generation Equipment	-	-	-	-	-	-	-
311	Electric Pumping Equipment	10.00%	10.00%	105,990	105,990	-	1,907,182	185,419
320	Water Treatment Equipment	10.00%	10.00%	24,705	24,705	-	47,877	3,552
320.1	Water Treatment Equipment	-	-	-	-	-	-	-
320.2	Chemical Solution Feeders	-	-	-	-	-	-	-
330	Distribution Reservoirs & Standpipe	2.50%	2.50%	106	106	-	1,462,933	36,572
330.1	Storage tanks	-	-	-	-	-	-	-
330.2	Pressure Tanks	-	-	-	-	-	-	-
331	Transmission and Distribution Mains	2.00%	2.00%	118,031	118,031	-	9,212,890	183,067
333	Services	2.00%	2.00%	18,726	18,726	-	890,831	17,629
334	Meters	10.00%	10.00%	47,302	47,302	-	1,018,090	71,823
335	Hydrants	2.00%	2.00%	4,242	4,242	-	523,516	10,428
336	Backflow Prevention Devices	-	-	-	-	-	-	-
339	Other Plant and Miscellaneous Equipment	10.00%	10.00%	-	-	-	-	-
340	Office Furniture and Fixtures	6.67%	6.67%	32,875	32,875	-	139,852	8,234
340.1	Computers and Software	6.67%	6.67%	-	-	-	161,264	10,756
341	Transportation Equipment	14.29%	14.29%	8,623	8,623	-	203,635	28,483
342	Stores Equipment	-	-	-	-	-	-	-
343	Tools and Work Equipment	11.76%	11.76%	-	-	-	123,056	13,393
344	Laboratory Equipment	-	-	-	-	-	-	-
345	Power Operated Equipment	10.00%	10.00%	-	-	-	-	-
346	Communications Equipment	10.00%	10.00%	-	-	-	38,740	3,874
347	Miscellaneous Equipment	6.25%	6.25%	-	-	-	100,766	6,296
348	Other Tangible Plant Rounding	-	-	-	-	-	-	-

Plant Held for Future Use
TOTAL WATER PLANT

382,573

382,573

17,938,448

625,738

¹ Affiliate Profit

Account No.	Description	Deprec.	Deprec.	2004 Plant Additions	2004 Plant Adjustments ¹	2004 Adjusted Plant	2004 Plant Retirements	2004 Salvage A/D Only	2004 Plant Balance	2004 Deprec.
		Rate Before Nov-02	Rate After Nov-02							
301	Organization Cost			-	-	-	-	-	-	-
302	Franchise Cost			-	-	-	-	-	-	-
303	Land and Land Rights			-	-	-	-	-	322,875	-
304	Structures and Improvements	2.50%	2.50%	15,322	-	15,322	-	-	855,962	21,458
305	Collecting and Impounding Res.			-	-	-	-	-	-	-
306	Lake River and Other Intakes			-	-	-	-	-	-	-
307	Wells and Springs	2.70%	2.70%	99,307	-	99,307	-	-	1,034,067	26,579
308	Infiltration Galleries and Tunnels			-	-	-	-	-	-	-
309	Supply Mains			-	-	-	-	-	-	-
310	Power Generation Equipment			-	-	-	-	-	-	-
311	Electric Pumping Equipment	10.00%	10.00%	97,537	-	97,537	-	-	2,004,719	195,595
320	Water Treatment Equipment	10.00%	10.00%	-	-	-	-	-	47,877	4,788
320.1	Water Treatment Equipment			-	-	-	-	-	-	-
320.2	Chemical Solution Feeders			-	-	-	-	-	-	-
330	Distribution Reservoirs & Standpipe			1,500	-	1,500	-	-	1,464,433	36,592
330.1	Storage tanks			-	-	-	-	-	-	-
330.2	Pressure Tanks			-	-	-	-	-	-	-
331	Transmission and Distribution Mains	2.00%	2.00%	459,511	-	459,511	-	-	9,671,901	188,643
333	Services	2.00%	2.00%	100,089	-	100,089	-	-	990,920	18,818
334	Meters	10.00%	10.00%	112,553	-	112,553	-	-	1,130,643	107,437
335	Hydrants	2.00%	2.00%	55,861	-	55,861	-	-	578,377	11,029
336	Backflow Prevention Devices			-	-	-	-	-	-	-
339	Other Plant and Miscellaneous Equipment	10.00%	10.00%	-	-	-	-	-	-	-
340	Office Furniture and Fixtures	6.67%	6.67%	31,854	-	31,854	-	-	171,747	10,393
340.1	Computers and Software	6.67%	6.67%	-	-	-	-	-	161,264	10,756
341	Transportation Equipment	14.29%	14.29%	77,639	-	77,639	-	-	281,274	34,647
342	Stores Equipment			-	-	-	-	-	-	-
343	Tools and Work Equipment	11.76%	11.76%	-	-	-	-	-	123,056	-
344	Laboratory Equipment			-	-	-	-	-	-	-
345	Power Operated Equipment	10.00%	10.00%	-	-	-	-	-	-	-
346	Communications Equipment	10.00%	10.00%	8,988	-	8,988	-	-	47,608	4,317
347	Miscellaneous Equipment	6.25%	6.25%	-	-	-	-	-	100,766	6,298
348	Other Tangible Plant			-	-	-	-	-	-	-
	Rounding			-	-	-	-	-	-	-
	Plant Held for Future Use			-	-	-	-	-	-	-
	TOTAL WATER PLANT			1,060,041	-	1,060,041	-	-	18,998,489	677,549

¹ Affiliate Profit

Account No.	Description	Deprec.	Deprec.	2005 Plant Additions	2005 Plant Adjustments ¹	2005 Adjusted Plant	2005 Plant Retirements	2005 Salvage A/D Only	2005 Plant Balance	2005 Deprec.
		Rate Before Nov-02	Rate After Nov-02							
301	Organization Cost	-	-	-	-	-	-	-	-	-
302	Franchise Cost	-	-	-	-	-	-	-	-	-
303	Land and Land Rights	-	-	-	-	-	-	-	322,875	-
304	Structures and Improvements	2.50%	2.50%	1,500	-	1,500	-	-	867,462	21,669
305	Collecting and Impounding Res.	-	-	-	-	-	-	-	-	-
306	Lake River and Other Intakes	-	-	-	-	-	-	-	-	-
307	Wells and Springs	2.70%	2.70%	-	-	-	-	-	1,034,067	27,920
308	Infiltration Galleries and Tunnels	-	-	-	-	-	-	-	-	-
309	Supply Mains	-	-	-	-	-	-	-	-	-
310	Power Generation Equipment	-	-	-	-	-	-	-	-	-
311	Electric Pumping Equipment	10.00%	10.00%	59,445	-	59,445	-	-	2,054,164	203,444
320	Water Treatment Equipment	10.00%	10.00%	11,336	-	11,336	-	-	59,213	5,355
320.1	Water Treatment Equipment	-	-	-	-	-	-	-	-	-
320.2	Chemical Solution Feeders	-	-	-	-	-	-	-	-	-
330	Distribution Reservoirs & Standpipe	-	-	-	-	-	-	-	-	-
330.1	Storage tanks	2.50%	2.50%	-	-	-	-	-	1,464,433	36,611
330.2	Pressure Tanks	-	-	-	-	-	-	-	-	-
331	Transmission and Distribution Mains	2.00%	2.00%	720,627	(5,429)	715,198	-	-	10,387,100	200,590
333	Services	2.00%	2.00%	118,891	(179)	118,712	-	-	1,109,632	21,006
334	Meters	10.00%	10.00%	151,792	-	151,792	-	-	1,282,435	120,654
335	Hydrants	2.00%	2.00%	57,646	-	57,646	-	-	647,023	12,264
336	Backflow Prevention Devices	-	-	-	-	-	-	-	-	-
339	Other Plant and Miscellaneous Equipment	10.00%	10.00%	-	-	-	-	-	-	-
340	Office Furniture and Fixtures	6.67%	6.67%	-	-	-	-	-	171,747	11,456
340.1	Computers and Software	6.67%	6.67%	-	-	-	-	-	161,264	10,756
341	Transportation Equipment	14.29%	14.29%	-	-	-	-	-	281,274	40,194
342	Stores Equipment	-	-	-	-	-	-	-	-	-
343	Tools and Work Equipment	11.76%	11.76%	-	-	-	-	-	123,056	-
344	Laboratory Equipment	-	-	-	-	-	-	-	-	-
345	Power Operated Equipment	10.00%	10.00%	-	-	-	-	-	-	-
346	Communications Equipment	10.00%	10.00%	64,857	-	64,857	-	-	112,465	8,004
347	Miscellaneous Equipment	6.25%	6.25%	5,600	-	5,600	-	-	106,366	6,473
348	Other Tangible Plant	-	-	-	-	-	-	-	-	-
	Rounding	-	-	-	-	-	-	-	-	-
	Plant Held for Future Use	-	-	-	-	-	-	-	-	-
	TOTAL WATER PLANT	-	-	1,201,694	(5,606)	1,196,086	-	-	20,194,575	726,393

¹ Affiliate Profit

Account No.	Description	Deprec.	Deprec.	2006 Plant Additions	2005 Plant Adjustments ¹	2006 Adjusted Plant Additions	2005 Plant Retirements	2006 Salvage A/D Only	2006 Plant Balance	2006 Deprec.
		Rate Before Nov-02	Rate After Nov-02							
301	Organization Cost	-	-	-	-	-	-	-	-	-
302	Franchise Cost	-	-	-	-	-	-	-	-	-
303	Land and Land Rights	-	-	-	-	-	-	322,875	-	-
304	Structures and Improvements	2.50%	2.50%	-	-	-	-	867,462	21,587	-
305	Collecting and Impounding Res.	-	-	-	-	-	-	-	-	-
306	Lake River and Other Intakes	-	-	-	-	-	-	-	-	-
307	Wells and Springs	2.70%	2.70%	-	-	-	-	1,034,067	27,920	-
308	Infiltration Galleries and Tunnels	-	-	-	-	-	-	-	-	-
309	Supply Mains	-	-	-	-	-	-	-	-	-
310	Power Generation Equipment	-	-	-	-	-	-	-	-	-
311	Electric Pumping Equipment	10.00%	10.00%	98,205	(2,251)	95,954	-	2,160,118	211,214	-
320	Water Treatment Equipment	10.00%	10.00%	-	-	-	-	59,213	5,921	-
320.1	Water Treatment Equipment	-	-	-	-	-	-	-	-	-
320.2	Chemical Solution Feeders	-	-	-	-	-	-	-	-	-
330	Distribution Reservoirs & Standpipe	2.50%	2.50%	-	(18,843)	(18,843)	-	1,445,590	36,375	-
330.1	Storage tanks	-	-	-	-	-	-	-	-	-
330.2	Pressure Tanks	-	-	-	-	-	-	-	-	-
331	Transmission and Distribution Mains	2.00%	2.00%	1,106,649	-	1,106,649	-	11,493,749	218,808	-
333	Services	2.00%	2.00%	182,904	(1,108)	181,795	-	1,291,426	24,011	-
334	Meters	10.00%	10.00%	110,081	(1,073)	109,008	-	1,391,443	133,694	-
335	Hydrants	2.00%	2.00%	116,600	(294)	116,306	-	763,329	14,104	-
336	Backflow Prevention Devices	-	-	-	-	-	-	-	-	-
339	Other Plant and Miscellaneous Equipment	10.00%	10.00%	-	-	-	-	-	-	-
340	Office Furniture and Fixtures	6.67%	6.67%	8,090	-	8,090	-	179,637	11,725	-
340.1	Computers and Software	6.67%	6.67%	-	-	-	-	161,264	10,756	-
341	Transportation Equipment	14.29%	14.29%	-	-	-	-	281,274	15,047	-
342	Stores Equipment	-	-	-	-	-	-	-	-	-
343	Tools and Work Equipment	11.76%	11.76%	-	-	-	-	123,056	-	-
344	Laboratory Equipment	-	-	-	-	-	-	-	-	-
345	Power Operated Equipment	10.00%	10.00%	-	-	-	-	-	-	-
346	Communications Equipment	10.00%	10.00%	148,115	-	148,115	-	260,580	18,652	-
347	Miscellaneous Equipment	5.25%	6.25%	-	-	-	-	106,366	6,648	-
348	Other Tangible Plant	-	-	-	-	-	-	-	-	-
	Rounding	-	-	-	-	-	-	-	-	-
	Plant Held for Future Use	-	-	-	-	-	-	-	-	-
	TOTAL WATER PLANT	-	-	1,770,645	(23,570)	1,747,075	-	21,941,550	756,563	-

¹ Affiliate Profit

Halla Vista Water Company
Plant Additions and Retirements

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Account No.	Description	Deprec. Rate Before Nov-02	Deprec. Rate After Nov-02	2007 Plant Additions	2007 Plant Adjustments ¹	2007 Adjusted Plant Additions	2007 Plant Retirements	2007 Salvage A/D Only	2007 Plant Balance	2007 Deprec.
301	Organization Cost									
302	Franchise Cost			4,524		4,524			327,399	
303	Land and Land Rights			46,561	(214)	46,347			914,123	22,270
304	Structures and Improvements	2.50%	2.50%							
305	Collecting and Impounding Res.									
306	Lake River and Other Intakes									
307	Wells and Springs			24,212	(1,855)	22,357			1,056,424	28,222
308	Infiltration Galleries and Tunnels									
309	Supply Mains									
310	Power Generation Equipment									
311	Electric Pumping Equipment	10.00%	10.00%	149,939	(481)	149,458			2,309,577	176,315
320	Water Treatment Equipment	10.00%	10.00%	12,563	(60)	12,503			71,716	6,546
320.1	Water Treatment Equipment									
320.2	Chemical Solution Feeders									
330	Distribution Reservoirs & Standpipe									
330.1	Storage tanks	2.50%	2.50%						1,445,590	36,140
330.2	Pressure Tanks									
331	Transmission and Distribution Mains	2.00%	2.00%						11,493,749	229,875
333	Services	2.00%	2.00%	16,451		16,451			1,307,878	25,993
334	Meters	10.00%	10.00%	9,790		9,790			1,401,233	21,359
335	Hydrants	2.00%	2.00%	66,645	(84)	66,561			629,890	15,932
336	Backflow Prevention Devices									
339	Other Plant and Miscellaneous Equipment	10.00%	10.00%	26,351	(25,989)	362			362	18
340	Office Furniture and Fixtures	6.67%	6.67%	7,438		7,438			167,275	12,243
340.1	Computers and Software	6.67%	6.67%						161,264	10,756
341	Transportation Equipment	14.29%	14.29%						281,274	
342	Stores Equipment									
343	Tools and Work Equipment	11.76%	11.76%	1,412		1,412			124,468	1,412
344	Laboratory Equipment									
345	Power Operated Equipment	10.00%	10.00%	36,567	(1,407)	35,160			35,160	1,758
346	Communications Equipment	10.00%	10.00%	3,141		3,141			263,721	26,215
347	Miscellaneous Equipment	6.25%	6.25%						106,366	6,648
348	Other Tangible Plant									
	Rounding									
	Plant Held for Future Use									
	TOTAL WATER PLANT			405,939	(30,090)	375,819			22,317,463	621,702

¹ Affiliate Profit

Bella Vista Water Company
Plant Additions and Retirements

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Account No.	Description	Deprec. Rate Before Nov-02	Deprec. Rate After Nov-02	2008 Plant Additions	2008 Plant Adjustments ¹	2008 Adjusted Plant Additions	2008 Plant Retirements	2008 Salvage (AUD Only)	2008 Plant Balance	2008 Deprec.
301	Organization Cost	-	-	-	-	-	-	-	-	-
302	Franchise Cost	-	-	-	-	-	-	-	-	-
303	Land and Land Rights	-	-	-	-	59,362	-	-	327,399	-
304	Structures and Improvements	2.50%	2.50%	41,923	(2,561)	39,362	-	-	953,485	23,345
305	Collecting and Impounding Res.	-	-	-	-	-	-	-	-	-
306	Lake River and Other Intakes	2.70%	2.70%	5,712	(243)	5,469	-	-	1,051,893	28,597
307	Wells and Springs	-	-	-	-	-	-	-	-	-
308	Infiltration Galleries and Tunnels	-	-	-	-	-	-	-	-	-
309	Supply Mains	-	-	-	-	-	-	-	-	-
310	Power Generation Equipment	-	-	-	-	-	-	-	-	-
311	Electric Pumping Equipment	10.00%	10.00%	111,779	(797)	110,982	-	-	2,420,559	110,982
320	Water Treatment Equipment	10.00%	10.00%	5,754	-	5,754	-	-	77,479	7,460
320.1	Water Treatment Equipment	-	-	-	-	-	-	-	-	-
320.2	Chemical Solution Feeders	-	-	-	-	-	-	-	-	-
330	Distribution Reservoirs & Standpipe	2.50%	2.50%	823,517	(942)	822,575	-	-	2,258,165	46,422
330.1	Storage tanks	-	-	-	-	-	-	-	-	-
330.2	Pressure Tanks	-	-	-	-	-	-	-	-	-
331	Transmission and Distribution Mains	2.00%	2.00%	855,016	(75,570)	779,446	-	-	12,273,194	237,669
333	Services	2.00%	2.00%	57,455	(97)	57,358	-	-	1,365,236	26,731
334	Meters	10.00%	10.00%	60,593	-	60,593	-	-	1,461,826	60,593
335	Hydrants	2.00%	2.00%	30,257	(300)	29,957	-	-	859,848	16,897
336	Backflow Prevention Devices	-	-	-	-	-	-	-	-	-
339	Other Plant and Miscellaneous Equipment	10.00%	10.00%	80,492	(11,303)	69,189	-	-	69,551	3,486
340	Office Furniture and Fixtures	6.67%	6.67%	12,291	(3,258)	9,033	-	-	196,308	12,792
340.1	Computers and Software	6.67%	6.67%	-	-	-	-	-	161,264	10,756
341	Transportation Equipment	14.29%	14.29%	341	-	341	-	-	281,615	341
342	Stores Equipment	-	-	-	-	-	-	-	-	-
343	Tools and Work Equipment	11.76%	11.76%	2,512	(2,449)	63	-	-	124,531	63
344	Laboratory Equipment	-	-	-	-	-	-	-	-	-
345	Power Operated Equipment	10.00%	10.00%	3,071	(6,693)	(3,612)	-	-	31,548	3,335
346	Communications Equipment	10.00%	10.00%	41,861	(815)	41,046	-	-	304,767	28,424
347	Miscellaneous Equipment	6.25%	6.25%	3,342	(537)	2,805	-	-	109,171	6,736
348	Other Tangible Plant	-	-	-	-	-	-	-	-	-
	Rounding	-	-	-	-	-	-	-	-	-
	Plant Held for Future Use	-	-	-	-	-	-	-	-	-
	TOTAL WATER PLANT			2,135,925	(1,05,555)	2,030,370	-	-	24,347,839	624,641

¹ Affiliate Profit

Account No.	Description	Deprec. Rate Before Nov-02	Deprec. Rate After Nov-02	2009 Plant Additions	2009 Plant Adjustments	2009 Plant Adjustments ¹	2009 Adjusted Plant Additions	2009 Plant Retirements	2009 Salvage (A/D Only)	March 31 2009 Plant Balance	Jan-Mar 2009 Deprec.
301	Organization Cost			-	-	-	-	-	-	-	-
302	Franchise Cost			-	-	-	-	-	-	327,399	-
303	Land and Land Rights			-	-	-	-	-	-	1,312,116	7,080
304	Structures and Improvements	2.50%	2.50%	262,894	98,772	(4,034)	358,631	-	-	-	-
305	Collecting and Impounding Res.			-	-	-	-	-	-	-	-
306	Lake River and Other Intakes			-	-	-	-	-	-	-	-
307	Wells and Springs	2.70%	2.70%	70,286	-	-	70,286	-	-	1,132,179	7,405
308	Infiltration Galleries and Tunnels			-	-	-	-	-	-	-	-
309	Supply Mains			-	-	-	-	-	-	-	-
310	Power Generation Equipment			-	-	-	-	-	-	-	-
311	Electric Pumping Equipment	10.00%	10.00%	67,812	-	(868)	66,944	-	-	2,487,503	61,361
320	Water Treatment Equipment	10.00%	10.00%	32,159	-	-	32,159	-	-	109,639	2,339
320.1	Water Treatment Equipment			-	-	-	-	-	-	-	-
320.2	Chemical Solution Feeders			-	-	-	-	-	-	-	-
330	Distribution Reservoirs & Standpipe	2.50%	2.50%	74,709	2,900	(2,140)	75,469	-	-	2,343,634	14,412
330.1	Storage tanks			-	-	-	-	-	-	-	-
330.2	Pressure Tanks			-	-	-	-	-	-	-	-
331	Transmission and Distribution Mains	2.00%	2.00%	324,865	9,143	(7,176)	325,832	-	-	12,600,027	62,183
333	Services	2.00%	2.00%	34,545	-	-	34,545	-	-	1,399,791	6,913
334	Meters	10.00%	10.00%	25,913	3,470	-	29,383	-	-	1,491,209	29,383
335	Hydrants	2.00%	2.00%	32,564	-	(66)	32,598	-	-	892,445	4,381
336	Backflow Prevention Devices			-	-	-	-	-	-	-	-
339	Other Plant and Miscellaneous Equipment	10.00%	10.00%	-	-	-	-	-	-	69,551	1,739
340	Office Furniture and Fixtures	6.67%	6.67%	7,221	-	(598)	6,622	-	-	202,929	3,329
340.1	Computers and Software	6.67%	6.67%	-	-	-	-	-	-	161,264	2,589
341	Transportation Equipment	14.29%	14.29%	-	13,609	-	13,609	-	-	285,224	10,304
342	Stores Equipment			-	-	-	-	-	-	-	-
343	Tools and Work Equipment	11.76%	11.76%	221	-	(68)	153	-	-	124,683	153
344	Laboratory Equipment			-	-	-	-	-	-	-	-
345	Power Operated Equipment	10.00%	10.00%	-	-	-	-	-	-	31,548	789
346	Communications Equipment	10.00%	10.00%	74,378	57,385	(861)	130,902	-	-	435,668	9,255
347	Miscellaneous Equipment	6.25%	6.25%	3,176	-	(1,999)	1,177	-	-	110,348	1,715
348	Other Tangible Plant			-	-	-	-	-	-	-	-
	Rounding			-	-	-	-	-	-	-	-
	Plant Held for Future Use			-	-	-	-	-	-	-	-
	TOTAL WATER PLANT			1,010,842	186,278	(17,811)	1,179,310	-	-	25,527,149	225,418

¹ Affiliate Profit

Bella Vista Water Company
Plant Additions and Retirements

Exhibit
 Schedule B-2
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Account No.	Description	Deprec. Rate Before Nov-02	Deprec. Rate After Nov-02	Year End Accumulated Depreciation by Account		Dec 31 2002	Dec 31 2003	Dec 31 2004
				Dec 31 2000	Dec 31 2001			
301	Organization Cost	-	-	-	-	-	-	-
302	Franchise Cost	-	-	-	-	-	-	-
303	Land and Land Rights	-	-	-	-	-	-	-
304	Structures and Improvements	2.50%	2.50%	207,134	228,051	249,317	270,583	292,040
305	Collecting and Impounding Res.	-	-	-	-	-	-	-
306	Lake River and Other Intakes	2.70%	2.70%	304,933	323,920	353,565	378,507	405,086
308	Infiltration Galleries and Tunnels	-	-	-	-	-	-	-
309	Supply Mains	-	-	-	-	-	-	-
310	Power Generation Equipment	-	-	-	-	-	-	-
311	Electric Pumping Equipment	10.00%	10.00%	991,154	1,161,025	1,337,590	1,523,009	1,718,604
320	Water Treatment Equipment	10.00%	10.00%	9,739	11,795	14,112	17,864	22,452
320.1	Water Treatment Equipment	-	-	-	-	-	-	-
320.2	Chemical Solution Feeders	-	-	-	-	-	-	-
330	Distribution Reservoirs & Standpipe	2.50%	2.50%	498,098	532,898	569,469	606,041	642,633
330.1	Storage tanks	-	-	-	-	-	-	-
330.2	Pressure Tanks	-	-	-	-	-	-	-
331	Transmission and Distribution Mains	2.00%	2.00%	2,450,915	2,608,883	2,787,228	2,970,296	3,159,139
333	Services	2.00%	2.00%	660,025	676,820	693,638	711,268	730,065
334	Meters	10.00%	10.00%	758,362	850,641	946,267	1,018,090	1,125,527
335	Hydrants	2.00%	2.00%	177,863	187,194	197,146	207,574	218,603
336	Backflow Prevention Devices	-	-	-	-	-	-	-
339	Other Plant and Miscellaneous Equipment	10.00%	10.00%	-	-	-	-	-
340	Office Furniture and Fixtures	6.67%	6.67%	86,329	93,234	100,372	108,607	119,000
340.1	Computers and Software	6.67%	6.67%	29,062	39,818	50,574	61,330	72,087
341	Transportation Equipment	14.28%	14.28%	108,206	135,361	162,903	191,386	226,033
342	Stores Equipment	-	-	-	-	-	-	-
343	Tools and Work Equipment	11.76%	11.76%	86,790	95,191	109,662	123,056	123,056
344	Laboratory Equipment	-	-	-	-	-	-	-
345	Power Operated Equipment	10.00%	10.00%	-	-	-	-	-
346	Communications Equipment	10.00%	10.00%	20,080	23,954	27,828	31,702	36,020
347	Miscellaneous Equipment	6.25%	6.25%	51,170	57,467	63,765	70,063	76,361
348	Other Tangible Plant	-	-	-	-	-	-	-
	Rounding	-	-	-	-	-	-	-

Plant Held for Future Use
TOTAL WATER PLANT
 6,433,860 7,031,072 7,563,437 8,289,175 8,966,724

Bella Vista Water Company
Plant Additions and Retirements

Exhibit
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Account No.	Description	Deprec. Rate Before Nov-02	Deprec. Rate After Nov-02	Year End Accumulated Depreciation by Account		Dec 31 2002	Dec 31 2003	March 31 2003
				Dec 31 2005	Dec 31 2005			
301	Organization Cost	-	-	-	-	-	-	-
302	Franchise Cost	-	-	-	-	-	-	-
303	Land and Land Rights	-	-	-	-	-	-	-
304	Structures and Improvements	2.50%	2.50%	313,708	335,395	357,664	381,010	388,090
305	Collecting and Impounding Res.	-	-	-	-	-	-	-
306	Lake River and Other Intakes	-	-	-	-	-	-	-
307	Wells and Springs	2.70%	2.70%	433,006	460,926	489,147	517,745	525,150
308	Infiltration Galleries and Tunnels	-	-	-	-	-	-	-
309	Supply Mains	-	-	-	-	-	-	-
310	Power Generation Equipment	-	-	-	-	-	-	-
311	Electric Pumping Equipment	10.00%	10.00%	1,922,048	2,133,262	2,309,577	2,420,559	2,481,910
320	Water Treatment Equipment	10.00%	10.00%	27,806	33,728	40,274	47,734	50,073
320.1	Water Treatment Equipment	-	-	-	-	-	-	-
320.2	Chemical Solution Feeders	-	-	-	-	-	-	-
330	Distribution Reservoirs & Standpipe	2.50%	2.50%	679,244	715,619	751,759	796,181	812,553
330.1	Storage tanks	-	-	-	-	-	-	-
330.2	Pressure Tanks	-	-	-	-	-	-	-
331	Transmission and Distribution Mains	2.00%	2.00%	3,359,729	3,578,537	3,808,412	4,046,082	4,108,285
333	Services	2.00%	2.00%	751,091	775,101	801,094	827,825	834,738
334	Meters	10.00%	10.00%	1,246,180	1,379,874	1,401,233	1,461,826	1,491,209
335	Hydrants	2.00%	2.00%	230,867	244,971	260,903	277,800	282,181
336	Backflow Prevention Devices	-	-	-	-	-	-	-
339	Other Plant and Miscellaneous Equipment	10.00%	10.00%	-	-	18	3,514	5,253
340	Office Furniture and Fixtures	6.67%	6.67%	130,455	142,181	154,424	167,216	170,545
340.1	Computers and Software	6.67%	6.67%	82,843	93,599	104,356	115,112	117,801
341	Transportation Equipment	14.29%	14.29%	256,227	281,274	281,274	281,615	291,918
342	Stores Equipment	-	-	-	-	-	-	-
343	Tools and Work Equipment	11.76%	11.76%	123,056	123,056	124,468	124,531	124,683
344	Laboratory Equipment	-	-	-	-	-	-	-
345	Power Operated Equipment	10.00%	10.00%	-	-	1,758	5,093	5,882
346	Communications Equipment	10.00%	10.00%	44,023	62,676	88,891	117,315	126,570
347	Miscellaneous Equipment	6.25%	6.25%	82,834	89,462	96,130	102,865	104,580
348	Other Tangible Plant	-	-	-	-	-	-	-
	Rounding	-	-	-	-	-	-	-
	Plant Held for Future Use	-	-	-	-	-	-	-
	TOTAL WATER PLANT			9,693,117	10,449,680	11,071,382	11,896,023	11,921,440

Bella Vista Water Company
Plant Reconciliation to Prior Rate Case

Exhibit
Schedule B-2
Page 3.12

Line No.	Account No.	Description	Balance Per Company Per 2000 Filing Before Adj.	PTY Plant	Rate Case Adjustments	Intentionally Left Blank	Per Decision 65350 Prior Adjusted Plant	PTY Plant	Rounding	Initial Balance
1	301	Organization Cost	-							-
2	302	Franchise Cost	-							-
3	303	Land and Land Rights	322,875	25,000			347,875	(25,000)		322,875
4	304	Structures and Improvements	822,687	27,953			850,640	(27,953)		822,687
5	305	Collecting and Impounding Res.	-				-			-
6	306	Lake River and Other Intakes	-				-			-
7	307	Wells and Springs	864,013	23,775			887,788	(23,775)		864,013
8	308	Infiltration Galleries and Tunnels	-				-			-
9	309	Supply Mains	-				-			-
10	310	Power Generation Equipment	-				-			-
11	311	Electric Pumping Equipment	1,649,484	50,667	17,812		1,717,963	(50,667)		1,667,296
12	312	Water Treatment Equipment	17,938	2,563			20,501	(2,563)		17,938
13	320.1	Water Treatment Plants	-				-			-
14	320.2	Chemical Solution Feeders	-				-			-
15	330	Distribution Reservoirs & Standpipe	1,321,238	141,568			1,462,826	(141,588)		1,321,238
16	330.1	Storage tanks	-				-			-
17	330.2	Pressure Tanks	-				-			-
18	331	Transmission and Distribution Mains	7,056,631	1,517,990			8,574,621	(1,517,990)		7,056,631
19	333	Services	811,995				829,747			829,747
20	334	Meters	903,840	749	17,752		904,589	(749)		903,840
21	335	Hydrants	457,210				457,210			457,210
22	336	Backflow Prevention Devices	-				-			-
23	339	Other Plant and Miscellaneous Equipment	-				-			-
24	340	Office Furniture and Fixtures	100,023				100,023			100,023
25	340.1	Computers and Software	161,264	6,994			168,258	(6,994)		161,264
26	341	Transportation Equipment	190,168				190,168			190,168
27	342	Stores Equipment	-				-			-
28	343	Tools and Work Equipment	121,859				121,859			121,859
29	344	Laboratory Equipment	-				-			-
30	345	Power Operated Equipment	-				-			-
31	346	Communications Equipment	38,740				38,740			38,740
32	347	Miscellaneous Equipment	100,766				100,766			100,766
33	348	Other Tangible Plant	-				-			-
34		Plant not in Service	3,883		(3,883)		-			-
35		TOTAL	14,944,614	1,797,279	31,681		16,773,574	(1,797,279)		14,976,295

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Original Cost Rate Base Proforma Adjustments
 Adjustment Number 2

Exhibit
 Schedule B-2
 Page 4
 Witness: Bourassa

Line No.	Plant-in-Service	Per Books Accum. Depr.	A Difference to Computed Balance	B Retirement of Main	C Intentionally Left Blank	D Intentionally Left Blank	E Intentionally Left Blank	Adjusted Accum. Depr.
		\$	\$					\$
1								
2								
3								
4	Acct. No.							
5	301	Organization Cost	-	-	-	-	-	-
6	302	Franchise Cost	-	-	-	-	-	-
7	303	Land and Land Rights	-	-	-	-	-	-
8	304	Structures and Improvements	384,618	3,472	-	-	-	388,090
9	305	Collecting and Impounding Res.	-	-	-	-	-	-
10	306	Lake River and Other Intakes	-	-	-	-	-	-
11	307	Wells and Springs	524,337	813	-	-	-	525,150
12	308	Infiltration Galleries and Tunnels	-	-	-	-	-	-
13	309	Supply Mains	-	-	-	-	-	-
14	310	Power Generation Equipment	-	-	-	-	-	-
15	311	Electric Pumping Equipment	2,760,120	(278,210)	-	-	-	2,481,910
16	320	Water Treatment Equipment	42,817	7,256	-	-	-	50,073
17	320.1	Water Treatment Plant	-	-	-	-	-	-
18	320.2	Chemical Solution Feeders	-	-	-	-	-	-
19	330	Dist. Reservoirs & Standpipe	810,833	1,760	-	-	-	812,593
20	330.1	Storage tanks	-	-	-	-	-	-
21	330.2	Pressure Tanks	-	-	-	-	-	-
22	331	Trans. and Dist. Mains	4,089,858	18,407	(12,000)	-	-	4,096,265
23	333	Services	829,468	5,270	-	-	-	834,738
24	334	Meters	1,140,719	350,490	-	-	-	1,491,209
25	335	Hydrants	281,025	1,156	-	-	-	282,181
26	336	Backflow Prevention Devices	-	-	-	-	-	-
27	339	Other Plant and Misc. Equip.	6,280	(1,027)	-	-	-	5,253
28	340	Office Furniture and Fixtures	189,741	(19,196)	-	-	-	170,545
29	340.1	Computers and Software	61,740	56,061	-	-	-	117,801
30	341	Transportation Equipment	259,466	32,452	-	-	-	291,918
31	342	Stores Equipment	-	-	-	-	-	-
32	343	Tools and Work Equipment	123,359	1,324	-	-	-	124,683
33	344	Laboratory Equipment	-	-	-	-	-	-
34	345	Power Operated Equipment	2,405	3,477	-	-	-	5,882
35	346	Communications Equipment	110,440	16,130	-	-	-	126,570
36	347	Miscellaneous Equipment	102,263	2,317	-	-	-	104,580
37	348	Other Tangible Plant	-	-	-	-	-	-
38								
39		TOTALS	\$ 11,719,489	\$ 201,951	\$ (12,000)	\$ -	\$ -	\$ 11,909,440
40								
41		Accumulated Depreciation per Books						\$ 11,719,489
42								
43		Increase (decrease) in Plant-in-Service						\$ 189,951
44								
45		Adjustment to Plant-in-Service						\$ 189,951
46								
47		<u>SUPPORTING SCHEDULES</u>						
48		E-1						
49		B-2, pages 3.1 to 3.13						

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Original Cost Rate Base Proforma Adjustments
 Adjustment 3

Exhibit
 Schedule B-2
 Page 5
 Witness: Bourassa

Line No.	Deferred Income Tax as of March 31, 2009	Adjusted Book Value ¹	Tax Value	Probability of Realization of Future Tax Benefit	Deductible TD (Taxable TD) Expected to be Realized	Tax Rate	Future Tax Asset Current	Future Tax Asset Non-Current	Future Tax Liability Current	Future Tax Liability Non-Current
1	Plant-in-Service	\$ 25,625,205	7,035,952	100.0%	\$ (6,183,368)	38.6%				
2	Accum. Deprec.	(11,909,440)	6,781,443	100.0%	\$ 6,781,443	38.6%		\$ 2,617,561		(2,386,711)
3	CIAC	(496,445)		100.0%	\$ -	38.6%				
4	Fixed Assets	\$ 13,219,320								
5	AIAC									
6	Tax Benefits from O.L. Carry Forward.						\$ -	\$ 2,617,561	\$ -	\$ (2,386,711)
7							\$ -	\$ -	\$ -	\$ -
8							\$ 230,850			
9	Factor						1.00000			
10	Allocated DIT Asset (Liability)						\$ 230,850			
11	DIT Asset (Liability) per books						\$ 101,160			
12	Adjustment to DIT						\$ (129,690)			
13										
14										
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26										

¹ Adjusted - per B-2, page 2

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Original Cost Rate Base Proforma Adjustments
 Adjustment 4

Exhibit
 Schedule B-2
 Page 6
 Witness: Bourassa

Line

No.

1 CIAC and Accumulated Amortization

2

3

4

	<u>Gross CIAC</u>	<u>Accum. Amort.</u>
5 Computed balance at 3/31/2009	\$ 496,445	\$ 230,909
6		
7 Book balance at 3/31/2009	<u>\$ 496,445</u>	<u>\$ 258,759</u>
8		
9 Increase (decrease)	\$ (0)	\$ (27,850)
10		
11		
12 Adjustment to CIAC	<u>\$ (0)</u>	<u>\$ 27,850</u>
13 Label	<u>4a</u>	<u>4b</u>
14		
15		
16		
17		
18		
19 <u>SUPPORTING SCHEDULES</u>		
20 B-2, page 6.1 to 6.5		
21		
22		
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Bella Vista Water Company

Test Year Ended March 31, 2009

Original Cost Rate Base Proforma Adjustments
Contributions-in-aid of Construction and Amortization
Adjustment 4

Exhibit
Schedule B-2
Page 6.1
Witness: Bourassa

Line No.	Balance at 12/31/2000	2001 Activity	Balance at 12/31/2001	2002 Activity	Balance at 12/31/2002
3	403,046		403,046	43,680	446,726
7		14,150		15,304	
8	103,590	14,150	117,740	15,304	133,044
10		3.5107%		3.6020%	
35	403,046		403,046		446,726
24	103,590		117,740		133,044

Bella Vista Water Company

Test Year Ended March 31, 2009

Original Cost Rate Base Proforma Adjustments

Contributions-in-aid of Construction and Amortization
Adjustment 4

Exhibit

Schedule B-2

Page 6.2

Witness: Bourassa

Line No.	2003 Activity	Balance at 12/31/2003	2004 Activity	Balance at 12/31/2004
1				
2				
3				
4	1,400	448,126	25,829	473,955
5				
6				
7	15,607		16,442	
8	15,607	148,652	16,442	165,094
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		448,126		473,955
22				
23				
24		148,652		165,094
25				
26				
Composite Amortization Rate 3.4883%				
Composite Amortization Rate 3.5663%				
Total CIAC Water				
Total Accum. Amort.				

Bella Vista Water Company
 Test Year Ended March 31, 2009

Exhibit
 Schedule B-2
 Page 6.3
 Witness: Bourassa

Original Cost Rate Base Proforma Adjustments
 Contributions-in-aid of Construction and Amortization
 Adjustment 4

Line No.	2005 Activity	Balance at 12/31/2005	2006 Activity	Balance at 12/31/2006
1				
2				
3				
4	15,560	489,515	13,630	503,145
5				
6				
7	17,328		17,114	
8	17,328	182,422	17,114	199,536
9				
10	3.5970%		3.4481%	
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
Total CIAC Water				<u>503,145</u>
Total Accum Amort.				<u>199,536</u>

Bella Vista Water Company

Test Year Ended March 31, 2009

Original Cost Rate Base Proforma Adjustments
Contributions-in-aid of Construction and Amortization
Adjustment 4

Exhibit
Schedule B-2
Page 6.4
Witness: Bourassa

Line No.	2007 Activity	Balance at 12/31/2007	2008 Activity	Balance at 12/31/2008
1				
2				
3				
4	800	503,945	-	503,945
5				
6				
7	14,027		12,929	
8	14,027	213,563	12,929	226,492
9				
10	2.7857%		2.5655%	
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		503,945		503,945
22				
23		213,563		226,492
24				
25				
26				

Total CIAC Water

Total Accum Amort.

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Original Cost Rate Base Proforma Adjustments
 Contributions-in-aid of Construction and Amortization
 Adjustment 4

Exhibit
 Schedule B-2
 Page 6.5
 Witness: Bourassa

Line No	CIAC	2009 Activity	Balance at 3/31/2009
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
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19			
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21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
22		4,417	496,445
23		(7,500)	496,445
24		4,417	496,445
25		4,417	496,445
26		0.8831%	230,909
27			230,909
28			230,909
29			230,909
30			230,909
31			230,909
32			230,909
33			230,909
34			230,909
35			230,909
22	Total CIAC Water		496,445
23			
24			
25	Total Accum Amort.		230,909
26			

Bella Vista Water Company
Test Year Ended March 31, 2009
Income Statement

Exhibit
Schedule C-1
Page 1
Witness: Bourassa

Line No.		Test Year Book Results	Label	Adjustment	Test Year Adjusted Results	Proposed Rate Increase	Adjusted with Rate Increase
1	Revenues						
2	Metered Water Revenues	\$ 3,398,768	4	\$ 2,124	\$ 3,400,892	\$ 958,701	\$ 4,359,593
3	Unmetered Water Revenues	-			-		-
4	Other Water Revenues	125,141			125,141		125,141
5		<u>\$ 3,523,909</u>		<u>\$ 2,124</u>	<u>\$ 3,526,033</u>	<u>\$ 958,701</u>	<u>\$ 4,484,734</u>
6	Operating Expenses						
7	Salaries and Wages	\$ -			\$ -		\$ -
8	Purchased Water	708			708		708
9	Purchased Power	561,026	5	68	561,094		561,094
10	Fuel for Power Production	-			-		-
11	Chemicals	4,272	6	1	4,273		4,273
12	Materials & Supplies	36,932			36,932		36,932
13	Outside Services	4,605			4,605		4,605
14	Outside Services- Legal	35,245			35,245		35,245
15	Outside Services- Other	1,228,657	7	29,388	1,258,045		1,258,045
16	Water Testing	18,805			18,805		18,805
17	Equipment Rental	6,065					
18	Rents	60,600			60,600		60,600
19	Transportation Expenses	78,117			78,117		78,117
20	Insurance - General Liability	38,930			38,930		38,930
21	Insurance - Health and Life	7,290			7,290		7,290
22	Reg. Comm. Exp.	9,017			9,017		9,017
23	Reg. Comm. Exp. - Rate Case	-	3	83,333	83,333		83,333
24	Miscellaneous Expense	65,966			65,966		65,966
25	Bad Debt Expense	9,526			9,526		9,526
26	Depreciation Expense	551,120	1	458,315	1,009,435		1,009,435
27	Taxes Other Than Income	-			-		-
28	Property Taxes	164,322	2	(4,663)	159,659		159,659
29	Income Tax	-	9	(10,068)	(10,068)	370,048	359,980
30	Total Operating Expenses	<u>\$ 2,881,203</u>		<u>\$ 556,374</u>	<u>\$ 3,431,512</u>	<u>\$ 370,048</u>	<u>\$ 3,801,560</u>
31	Operating Income	<u>\$ 642,706</u>		<u>\$ (554,250)</u>	<u>\$ 94,521</u>	<u>\$ 588,653</u>	<u>\$ 683,175</u>
32	Other Income (Expense)						
33	Interest Income	-			-		-
34	Other income (loss)	-			-		-
35	Interest Expense	(120,782)	8	10,245	(110,537)		(110,537)
36	Other Expense	-			-		-
37		-			-		-
38	Total Other Income (Expense)	<u>\$ (120,782)</u>		<u>\$ 10,245</u>	<u>\$ (110,537)</u>	<u>\$ -</u>	<u>\$ (110,537)</u>
39	Net Profit (Loss)	<u>\$ 521,924</u>		<u>\$ (544,005)</u>	<u>\$ (16,016)</u>	<u>\$ 588,653</u>	<u>\$ 572,637</u>

41 SUPPORTING SCHEDULES:

42 C-2

43 E-2

RECAP SCHEDULES:

A-1

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Adjustments to Revenues and Expenses
 Adjustment Number 1

Exhibit
 Schedule C-2
 Page 2
 Witness: Bourassa

Line No.	Acct. No.	Description	Adjusted Original Cost	Proposed Rates	Depreciation Expense
1		<u>Depreciation Expense</u>			
2					
3					
4					
5	301	Organization Cost	-	0.00%	-
6	302	Franchise Cost	-	0.00%	-
7	303	Land and Land Rights	327,399	0.00%	-
8	304	Structures and Improvements	1,312,116	3.33%	43,693
9	305	Collecting and Impounding Res.	-	2.50%	-
10	306	Lake River and Other Intakes	-	2.50%	-
11	307	Wells and Springs	1,132,179	3.33%	37,702
12	308	Infiltration Galleries and Tunnels	-	6.67%	-
13	309	Supply Mains	-	2.00%	-
14	310	Power Generation Equipment	-	5.00%	-
15	311	Electric Pumping Equipment	2,487,503	12.50%	310,938
16	320	Water Treatment Equipment	109,639	3.33%	3,651
17	320.1	Water Treatment Plant	-	3.33%	-
18	320.2	Chemical Solution Feeders	-	20.00%	-
19	330	Dist. Reservoirs & Standpipe	2,343,634	2.22%	52,029
20	330.1	Storage tanks	-	2.22%	-
21	330.2	Pressure Tanks	-	5.00%	-
22	331	Trans. and Dist. Mains	12,698,084	2.00%	253,962
23	333	Services	1,399,781	3.33%	46,613
24	334	Meters	1,491,209	8.33%	124,218
25	335	Hydrants	892,445	2.00%	17,849
26	336	Backflow Prevention Devices	-	6.67%	-
27	339	Other Plant and Misc. Equip.	69,551	6.67%	4,639
28	340	Office Furniture and Fixtures	202,929	6.67%	13,535
29	340.1	Computers and Software	161,264	20.00%	-
30	341	Transportation Equipment	295,224	20.00%	59,045
31	342	Stores Equipment	-	4.00%	-
32	343	Tools and Work Equipment	124,683	5.00%	6,234
33	344	Laboratory Equipment	-	10.00%	-
34	345	Power Operated Equipment	31,548	5.00%	1,577
35	346	Communications Equipment	435,668	10.00%	43,567
36	347	Miscellaneous Equipment	110,348	10.00%	11,035
37	348	Other Tangible Plant	-	10.00%	-
38					
39		TOTALS	\$ 25,625,206		\$ 1,030,286
40					
41					
42		Less: Amortization of Contributions	\$ 496,445	4.2001%	\$ (20,851)
43					
44					
45					
46		Total Depreciation Expense			\$ 1,009,435
47					
48		Test Year Depreciation Expense			551,120
49					
50		Increase (decrease) in Depreciation Expense			458,315
51					
52		Adjustment to Revenues and/or Expenses			\$ 458,315
53					

54 SUPPORTING SCHEDULE

55 B-2, page 3

56 B-2, page 6.4

* Fully Depreciated

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Adjustment to Revenues and Expenses
 Adjustment Number 2

Exhibit
 Schedule C-2
 Page 3
 Witness: Bourassa

Line <u>No.</u>			
1	<u>Property Taxes:</u>		
2			
3	Adjusted Revenues in year ended 3/31/09	\$	3,526,033
4	Adjusted Revenues in year ended 3/31/09		3,526,033
5	Proposed Revenues		<u>4,484,734</u>
6	Average of three year's of revenue	\$	3,845,600
7	Average of three year's of revenue, times 2	\$	7,691,200
8	Add:		
9	Construction Work in Progress at 10%	\$	37,989
10	Deduct:		
11	Book Value of Transportation Equipment		<u>3,305</u>
12			
13	Full Cash Value	\$	7,687,895
14	Assessment Ratio		21%
15	Assessed Value		<u>1,614,458</u>
16	Property Tax Rate		9.8053%
17			
18	Property Tax		158,302
19	Plus: Tax on Parcels		1,357
20			
21	Total Property Tax at Proposed Rates	\$	<u>159,659</u>
22	Property Taxes recorded during the test year		<u>164,322</u>
23	Change in Property Taxes	\$	<u>(4,663)</u>
24			
25			
26	Adjustment to Revenues and/or Expenses	\$	<u>(4,663)</u>
27			
28			

Bella Vista Water Company
Test Year Ended March 31, 2009
ADJUSTMENTS TO REVENUES AND/OR EXPENSES
Adjustment Number 3

Exhibit
Schedule C-2
Page 4
Witness: Bourassa

Line

No.

1	<u>Rate Case Expense</u>	
2		
3	Estimated Rate Case Expense	\$ 250,000
4		
5	Rate Case Expense	<u>\$ 250,000</u>
6		
7	Estimated Amortization Period (in Years)	3.0
8		
9	Annual Rate Case Expense	<u>\$ 83,333</u>
10		
11	Test Year Rate Case Expense	\$ -
12		
13	Increase(decrease) Rate Case Expense	<u>\$ 83,333</u>
14		
15	Adjustment to Revenue and/or Expense	<u>\$ 83,333</u>
16		
17		
18		
19		
20		
21		
22		
23		
24		

Bella Vista Water Company
Test Year Ended March 31, 2009
Adjustment to Revenues and Expenses
Adjustment Number 4

Exhibit
Schedule C-2
Page 5
Witness: Bourassa

Line
No.

1 Revenue Annualization

2

3

4 Revenue Annualization

\$ 2,124

5

6

7

8 Total Revenue from Annualization

\$ 2,124

9

10

11 Adjustment to Revenue and/or Expense

\$ 2,124

12

13 SUPPORTING SCHEDULES

14 C-2 pages 5.1 to 5.13

15 H-1

16

17

18

19

20

Bella Vista Water Company
 5/8 Inch Residential
 Customers to Year End Levels
 Test Year Ended March 31, 2009

Exhibit
 Schedule C-2
 Page 5.1
 Witness: Bourassa

Line No.		Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08
1	Year End Number of Customers	7,405	7,405	7,405	7,405	7,405	7,405	7,405
2	Actual Customers	7,326	7,348	7,373	7,395	7,403	7,384	7,382
3	Increase in Number of Customers/Bills	79	57	32	10	2	21	23
4	Average Revenue / Present Rates	\$ 22.79	\$ 26.72	\$ 27.62	\$ 26.03	\$ 23.27	\$ 22.72	\$ 21.67
5	Revenue Annualization / Present Rates	\$ 1,800	\$ 1,523	\$ 884	\$ 260	\$ 47	\$ 477	\$ 498
6								
7	Increase in Number of Customers	79	57	32	10	2	21	23
8	Average Revenue / Proposed Rates	\$ 30.28	\$ 34.91	\$ 35.98	\$ 34.10	\$ 30.85	\$ 30.20	\$ 28.95
9	Revenue Annualization / Proposed Rates	\$ 2,392	\$ 1,990	\$ 1,151	\$ 341	\$ 62	\$ 634	\$ 666
10	Additional Gallons to be Produced	517,792	492,111	291,611	82,696	13,619	136,911	137,101

Line No.		Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year
11							
12							
13							
14							
15	Year End Number of Customers	7,405	7,405	7,405	7,405	7,405	
16	Actual Customers	7,391	7,381	7,369	7,363	7,405	
17	Increase in Number of Customers/Bills	14	24	36	42	-	340
18	Average Revenue / Present Rates	\$ 22.54	\$ 20.24	\$ 21.19	\$ 19.89	\$ 20.08	
19	Revenue Annualization / Present Rates	\$ 316	\$ 486	\$ 763	\$ 835	\$ -	\$ 7,889
20							
21	Increase in Number of Customers	14	24	36	42	-	
22	Average Revenue / Proposed Rates	\$ 29.99	\$ 27.28	\$ 28.40	\$ 26.86	\$ 27.08	
23	Revenue Annualization / Proposed Rates	\$ 316	\$ 486	\$ 763	\$ 835	\$ -	\$ 10,461
24	Additional Gallons to be Produced	89,943	125,008	205,609	210,890	-	2,303,292

Bella Vista Water Company
 1 Inch Residential
 Customers to Year End Levels
 Test Year Ended March 31, 2009

Exhibit
 Schedule C-2
 Page 5.3
 Witness: Bourassa

Line No.	Month of	Month of	Month of	Month of	Month of	Month of	Month of	Month of
	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	
1	8	8	8	8	8	8	8	8
2	8	8	8	8	8	8	8	8
3	67.92	64.37	77.08	92.87	65.08	63.43	47.83	
4	\$	\$	\$	\$	\$	\$	\$	
5								
6								
7								
8	77.07	73.51	84.91	97.36	74.22	72.56	56.88	
9	\$	\$	\$	\$	\$	\$	\$	
10								
11								
12								
13								
14								
15	8	8	8	8	8	8	8	
16	8	8	8	8	8	8	8	
17								
18	54.21	43.82	41.93	38.15	39.80			
19	\$	\$	\$	\$	\$	\$	\$	
20								
21								
22	63.30	52.85	51.06	48.16	49.43			
23	\$	\$	\$	\$	\$	\$	\$	
24								

Year End Number of Customers
 Actual Customers
 Increase in Number of Customers/Bills
 Average Revenue / Present Rates
 Revenue Annualization / Present Rates
 Increase in Number of Customers
 Average Revenue / Proposed Rates
 Revenue Annualization / Proposed Rates
 Additional Gallons to be Produced
 Year End Number of Customers
 Actual Customers
 Increase in Number of Customers/Bills
 Average Revenue / Present Rates
 Revenue Annualization / Present Rates
 Increase in Number of Customers
 Average Revenue / Proposed Rates
 Revenue Annualization / Proposed Rates
 Additional Gallons to be Produced

Total
 Year

Bella Vista Water Company
 5/8 Inch Commercial
 Customers to Year End Levels
 Test Year Ended March 31, 2009

Exhibit
 Schedule C-2
 Page 5.5
 Witness: Bourassa

Line No.		Month of	Month of	Month of	Month of	Month of	Month of	Month of	Month of	Total Year
		Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08		
1	Year End Number of Customers	381	381	381	381	381	381	381		
2	Actual Customers	389	390	389	388	386	388	387		
3	Increase in Number of Customers/Bills	(8)	(9)	(8)	(7)	(5)	(7)	(6)		
4	Average Revenue / Present Rates	\$ 24.47	\$ 24.55	\$ 24.32	\$ 25.46	\$ 25.89	\$ 25.55	\$ 22.89		
5	Revenue Annualization / Present Rates	\$ (196)	\$ (221)	\$ (195)	\$ (178)	\$ (129)	\$ (179)	\$ (137)		
6										
7	Increase in Number of Customers	(8)	(9)	(8)	(7)	(5)	(7)	(6)		
8	Average Revenue / Proposed Rates	\$ 30.81	\$ 30.88	\$ 30.65	\$ 31.79	\$ 32.23	\$ 31.89	\$ 29.21		
9	Revenue Annualization / Proposed Rates	\$ (246)	\$ (278)	\$ (245)	\$ (223)	\$ (161)	\$ (223)	\$ (175)		
10	Additional Gallons to be Produced	(59,563)	(67,374)	(58,924)	(55,760)	(40,976)	(56,098)	(39,639)		
11										
12										
13										
14										
15	Year End Number of Customers	381	381	381	381	381	381			
16	Actual Customers	386	385	384	380	381	381			
17	Increase in Number of Customers/Bills	(5)	(4)	(3)	(3)	-				(61)
18	Average Revenue / Present Rates	\$ 25.61	\$ 22.43	\$ 24.97	\$ 23.21	\$ 22.46				
19	Revenue Annualization / Present Rates	\$ (128)	\$ (90)	\$ (75)	\$ 23	\$ -				\$ (1,504)
20										
21	Increase in Number of Customers	(5)	(4)	(3)	(3)	1				
22	Average Revenue / Proposed Rates	\$ 31.95	\$ 28.75	\$ 31.31	\$ 29.54	\$ 28.78				
23	Revenue Annualization / Proposed Rates	\$ (128)	\$ (90)	\$ (75)	\$ 23	\$ -				\$ (1,891)
24	Additional Gallons to be Produced	(40,227)	(25,462)	(23,126)	6,779	-				(460,370)

Line No.		Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08
1	Year End Number of Customers	139	139	139	139	139	139	139
2	Actual Customers	136	138	138	138	137	137	137
3	Increase in Number of Customers/Bills	3	1	1	1	2	2	2
4	Average Revenue / Present Rates	\$ 51.69	\$ 60.65	\$ 60.61	\$ 60.43	\$ 53.54	\$ 50.59	\$ 44.33
5	Revenue Annualization / Present Rates	\$ 155	\$ 61	\$ 61	\$ 60	\$ 107	\$ 101	\$ 89
6								
7	Increase in Number of Customers	3	1	1	1	2	2	2
8	Average Revenue / Proposed Rates	\$ 60.76	\$ 69.77	\$ 69.73	\$ 69.55	\$ 62.62	\$ 59.66	\$ 53.36
9	Revenue Annualization / Proposed Rates	\$ 182	\$ 70	\$ 70	\$ 70	\$ 125	\$ 119	\$ 107
10	Additional Gallons to be Produced	44,748	19,657	19,637	19,542	31,789	28,669	22,039
11								
12								
13								
14								
15	Year End Number of Customers	139	139	139	139	139	139	139
16	Actual Customers	137	138	140	139	139	139	139
17	Increase in Number of Customers/Bills	2	1	(1)	-	-	-	14
18	Average Revenue / Present Rates	\$ 48.67	\$ 44.22	\$ 47.79	\$ 45.16	\$ 42.94		
19	Revenue Annualization / Present Rates	\$ 97	\$ 44	\$ (48)	\$ -	\$ -		
20								
21	Increase in Number of Customers	2	1	(1)	-	-		
22	Average Revenue / Proposed Rates	\$ 57.72	\$ 53.25	\$ 56.84	\$ 54.20	\$ 51.97		
23	Revenue Annualization / Proposed Rates	\$ 97	\$ 44	\$ (48)	\$ -	\$ -		\$ 854
24	Additional Gallons to be Produced	26,636	10,964	(12,850)	-	-		210,830

Bella Vista Water Company
 2 Inch Commercial
 Customers to Year End Levels
 Test Year Ended March 31, 2009

Exhibit
 Schedule C-2
 Page 5.9
 Witness: Bourassa

Line No.	Month of	Month of	Month of	Month of	Month of	Month of	Month of	Month of
	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	
1	272	272	272	272	272	272	272	272
2	267	270	269	270	270	270	273	273
3	5	2	3	2	2	(1)	(1)	(1)
4	\$ 194.08	\$ 226.66	\$ 225.19	\$ 241.35	\$ 218.43	\$ 205.31	\$ 194.23	\$ 194.23
5	\$ 970	\$ 453	\$ 676	\$ 483	\$ 437	\$ (205)	\$ (194)	\$ (194)
6								
7	5	2	3	2	2	(1)	(1)	(1)
8	\$ 252.90	\$ 285.65	\$ 284.17	\$ 300.42	\$ 277.38	\$ 264.18	\$ 253.05	\$ 253.05
9	\$ 1,265	\$ 571	\$ 853	\$ 601	\$ 555	\$ (264)	\$ (253)	\$ (253)
10	413,849	200,008	297,682	215,559	191,303	(88,707)	(82,848)	(82,848)

Line No.	Month of	Month of	Month of	Month of	Month of	Month of	Month of	Total Year
	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09			
15	272	272	272	272	272			
16	272	274	273	272	272			
17	-	(2)	(1)	-	-			9
18	\$ 216.35	\$ 171.40	\$ 174.63	\$ 166.86	\$ 163.46			
19	\$ -	\$ (343)	\$ (175)	\$ -	\$ -			\$ 2,102

Line No.	Month of	Month of	Month of	Month of	Month of	Month of	Month of	Total Year
	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09			
21	-	(2)	(1)	-	-			
22	\$ 275.29	\$ 230.10	\$ 233.34	\$ 225.54	\$ 222.11			\$ 2,633
23	\$ -	\$ (343)	\$ (175)	\$ -	\$ -			\$ 932,833
24	-	(141,537)	(72,476)	-	-			

Bella Vista Water Company
 3 Inch Commercial
 Customers to Year End Levels
 Test Year Ended March 31, 2009

Exhibit
 Schedule C-2
 Page 5.10
 Witness: Bourassa

Line No.		Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08
1	Year End Number of Customers	26	26	26	26	26	26	26
2	Actual Customers	25	25	25	25	25	26	26
3	Increase in Number of Customers/Bills	1	1	1	1	1	-	-
4	Average Revenue / Present Rates	\$ 386.59	\$ 431.41	\$ 455.47	\$ 450.72	\$ 449.38	\$ 436.91	\$ 398.43
5	Revenue Annualization / Present Rates	\$ 387	\$ 431	\$ 455	\$ 451	\$ 449	\$ -	\$ -
6								
7	Increase in Number of Customers	1	1	1	1	1	-	-
8	Average Revenue / Proposed Rates	\$ 382.40	\$ 427.45	\$ 451.64	\$ 446.86	\$ 445.52	\$ 432.98	\$ 394.30
9	Revenue Annualization / Proposed Rates	\$ 382	\$ 427	\$ 452	\$ 447	\$ 445	\$ -	\$ -
10	Additional Gallons to be Produced	142,482	166,197	178,926	176,411	175,706	-	-
11								
12								
13								
14								
15	Year End Number of Customers	26	26	26	26	26	26	26
16	Actual Customers	26	26	26	26	26	26	26
17	Increase in Number of Customers/Bills	-	-	-	-	-	-	5
18	Average Revenue / Present Rates	\$ 482.19	\$ 390.58	\$ 422.29	\$ 434.15	\$ 407.21	\$ -	\$ -
19	Revenue Annualization / Present Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,174
20								
21	Increase in Number of Customers	-	-	-	-	-	-	-
22	Average Revenue / Proposed Rates	\$ 478.50	\$ 386.40	\$ 418.28	\$ 430.21	\$ 403.13	\$ -	\$ 2,154
23	Revenue Annualization / Proposed Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 839,722
24	Additional Gallons to be Produced	-	-	-	-	-	-	-

Bella Vista Water Company
 4 Inch Commercial
 Customers to Year End Levels
 Test Year Ended March 31, 2009

Exhibit
 Schedule C-2
 Page 5.11
 Witness: Bourassa

Line No.		Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08
1	Year End Number of Customers	3	3	3	3	3	3	3
2	Actual Customers	4	4	4	4	4	4	4
3	Increase in Number of Customers/Bills	(1)	(1)	(1)	(1)	(1)	(1)	(1)
4	Average Revenue / Present Rates	\$ 1,077.02	\$ 1,256.33	\$ 1,329.81	\$ 1,565.82	\$ 1,344.93	\$ 1,224.20	\$ 843.51
5	Revenue Annualization / Present Rates	\$ (1,077)	\$ (1,256)	\$ (1,330)	\$ (1,566)	\$ (1,345)	\$ (1,224)	\$ (844)
6								
7	Increase in Number of Customers	(1)	(1)	(1)	(1)	(1)	(1)	(1)
8	Average Revenue / Proposed Rates	\$ 1,019.28	\$ 1,199.54	\$ 1,273.40	\$ 1,510.66	\$ 1,288.60	\$ 1,167.24	\$ 784.53
9	Revenue Annualization / Proposed Rates	\$ (1,019)	\$ (1,200)	\$ (1,273)	\$ (1,511)	\$ (1,289)	\$ (1,167)	\$ (785)
10	Additional Gallons to be Produced	(480,750)	(575,625)	(614,500)	(739,375)	(622,500)	(558,625)	(357,200)
11								
12								
13								
14								
15	Year End Number of Customers	3	3	3	3	3	3	3
16	Actual Customers	4	3	3	3	3	3	3
17	Increase in Number of Customers/Bills	(1)	-	-	-	-	-	(8)
18	Average Revenue / Present Rates	\$ 1,052.54	\$ 1,254.84	\$ 1,687.02	\$ 1,672.53	\$ 1,233.42		
19	Revenue Annualization / Present Rates	\$ (1,053)	\$ -	\$ -	\$ -	\$ -		\$ (9,694)
20								
21	Increase in Number of Customers	(1)	-	-	-	-	-	
22	Average Revenue / Proposed Rates	\$ 994.67	\$ 1,198.03	\$ 1,632.50	\$ 1,617.93	\$ 1,176.50		\$ (9,238)
23	Revenue Annualization / Proposed Rates	\$ (1,053)	\$ -	\$ -	\$ -	\$ -		\$ (4,416,376)
24	Additional Gallons to be Produced	(467,800)	-	-	-	-		

Line No.		Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08
1	Year End Number of Customers	99	99	99	99	99	99	99
2	Actual Customers	100	101	100	100	100	101	101
3	Increase in Number of Customers/Bills	(1)	(2)	(1)	(1)	(1)	(5)	(2)
4	Average Revenue / Present Rates	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
5	Revenue Annualization / Present Rates	\$ (5)	\$ (10)	\$ (5)	\$ (5)	\$ (5)	\$ (25)	\$ (10)
6								
7	Increase in Number of Customers	(1)	(2)	(1)	(1)	(1)	(5)	(2)
8	Average Revenue / Proposed Rates	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00
9	Revenue Annualization / Proposed Rates	\$ (15)	\$ (30)	\$ (15)	\$ (15)	\$ (15)	\$ (75)	\$ (30)
10	Additional Gallons to be Produced	-	-	-	-	-	-	-
11								
12								
13								
14								
15	Year End Number of Customers	99	99	99	99	99	99	99
16	Actual Customers	102	101	101	100	100	99	99
17	Increase in Number of Customers/Bills	(3)	(2)	(2)	(1)	(1)	-	(22)
18	Average Revenue / Present Rates	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
19	Revenue Annualization / Present Rates	\$ (15)	\$ (10)	\$ (10)	\$ (10)	\$ (5)	\$ (5)	\$ (110)
20								
21	Increase in Number of Customers	(3)	(2)	(2)	(1)	(1)	-	(22)
22	Average Revenue / Proposed Rates	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00
23	Revenue Annualization / Proposed Rates	\$ (15)	\$ (10)	\$ (10)	\$ (10)	\$ (5)	\$ (5)	\$ (330)
24	Additional Gallons to be Produced	-	-	-	-	-	-	-

Bella Vista Water Company
Test Year Ended March 31, 2009
Adjustment to Revenues and Expenses
Adjustment Number 5

Exhibit
Schedule C-2
Page 6
Witness: Bourassa

Line
No.

1	<u>Annualize Purchase Power Expense</u>	
2		
3	Test Year Purchased Power Expense	\$ 561,026
4		
5		
6	Total Adjusted Purchased Power Expense	<u>\$ 561,026</u>
7		
8	Gallon Sold during Test Year (in 1,000's)	1,054,625
9		
10	Cost per 1,000 gallons	\$ 0.53
11		
12	Additional Gallons from Revenue Annualization (in 1,000's)	128
13		
14		
15	Increase (decrease) in Purchased Power	<u>\$ 68</u>
16		
17	Adjustment to Revenue and/or Expense	<u><u>\$ 68</u></u>
18		
19		
20		
21		

Bella Vista Water Company
Test Year Ended March 31, 2009
Adjustment to Revenues and Expenses
Adjustment Number 6

Exhibit
Schedule C-2
Page 7
Witness: Bourassa

Line

No.

1 Annualize Chemicals Expense

2

3 Test Year Chemicals Expense

\$ 4,272

4

5 Gallon Sold during Test Year (in 1,000's)

1,054,625

6

7 Cost per 1,000 gallons

\$ 0.0041

8

9 Additional Gallons from Revenue Annualization

128

10

11

12 Increase (decrease) in Purchased Power

\$ 1

13

14 Adjustment to Revenue and/or Expense

\$ 1

15

16

17

18

19

20

Bella Vista Water Company
Test Year Ended March 31, 2009
Adjustment to Revenues and Expenses
Adjustment Number 7

Exhibit
Schedule C-2
Page 8
Witness: Bourassa

Line
No.

1	<u>Increase in Allocated General Office Cost (Outside Services)</u>		
2			
3			
4	Increase in Operations Labor	\$ 23,983	
5	Allocation Factor (Factor method - Customer Count)	12.15%	
6	Increase (decrease) in Allocated Operations Labor Cost	\$	2,914
7			
8	Increase in General Overhead Labor	\$ 300,914	
9	Allocation Factor (Factor method - 4-factor)	8.80%	
10	Increase (decrease) in Allocated Operations Labor Cost	\$	26,474
11			
12	Increase (decrease) in Outside Services	\$	<u>29,388</u>
13			
14			
15			
16			
17	Adjustment to Revenue and/or Expense	\$	<u>29,388</u>
18			
19			
20			

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Adjustment to Revenues and Expenses
 Adjustment Number 8

Exhibit
 Schedule C-2
 Page 9
 Witness: Bourassa

Line
No.

1	<u>Interest Synchronization</u>		
2			
3			
4	Fair Value Rate Base	\$ 6,343,311	
5	Weighted Cost of Debt	1.74%	
6	Interest Expense		\$ 110,537
7			
8	Test Year Interest Expense		<u>\$ 120,782</u>
9			
10	Increase (decrease) in Interest Expense		(10,245)
11			
12			
13			
14	Adjustment to Revenue and/or Expense		<u><u>\$ 10,245</u></u>

15					
16					
17	<u>Weighted Cost of Debt Computation</u>				
18				Weighted	
19		<u>Amount</u>	<u>Percent</u>	<u>Cost</u>	<u>Cost</u>
20	Debt	\$ 1,697,323	27.76%	6.28%	1.74%
21	Equity	<u>\$ 4,416,118</u>	<u>72.24%</u>	<u>12.50%</u>	<u>9.03%</u>
22	Total	\$ 6,113,441	100.00%		10.77%
23					
24					

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Adjustment to Revenues and/or Expenses
 Adjustment Number 9

Exhibit
 Schedule C-2
 Page 10
 Witness: Bourassa

Line No.		<u>Test Year Adjusted Results</u>	<u>Adjusted with Rate Increase</u>
1	<u>Income Tax Computation</u>		
2			
3			
4			
5			
6			
7	Taxable Income	\$ (26,084)	\$ 932,617
8			
9	Taxable Income	<u>\$ (26,084)</u>	<u>\$ 932,617</u>
10			
11			
12			
13	Income Before Taxes	<u>\$ (26,084)</u>	<u>\$ 932,617</u>
14			
15	Arizona Income Before Taxes	\$ (26,084)	\$ 932,617
16			
17	Less Arizona Income Tax	<u>\$ (1,818)</u>	<u>\$ 64,985</u>
18	Rate = 6.97%		
19	Arizona Taxable Income	\$ (24,267)	\$ 867,632
20			
21	Arizona Income Taxes	\$ (1,818)	\$ 64,985
22			
23	Federal Income Before Taxes	\$ (26,084)	\$ 932,617
24			
25	Less Arizona Income Taxes	<u>\$ (1,818)</u>	<u>\$ 64,985</u>
26			
27	Federal Taxable Income	<u>\$ (24,267)</u>	<u>\$ 867,632</u>
28			
29			
30			
31	FEDERAL INCOME TAXES:		
32	15% BRACKET	\$ (3,640)	\$ 7,500
33	25% BRACKET	\$ -	\$ 6,250
34	34% BRACKET	\$ -	Federal \$ 8,500 Federal
35	39% BRACKET	\$ -	Effective \$ 91,650 Effective
36	34% BRACKET	\$ -	Tax \$ 181,095 Tax
37		Rate	Rate
38	Federal Income Taxes	<u>\$ (3,640) 13.95%</u>	<u>\$ 294,995 31.63%</u>
39			
40			
41	Total Income Tax	<u>\$ (5,458)</u>	<u>\$ 359,980</u>
42			
43	Overall Tax Rate	<u>20.92%</u>	<u>38.60%</u>
44			
45	Income Tax at Proposed Rates Effective Rate	<u>\$ (10,068)</u>	
46			

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Computation of Gross Revenue Conversion Factor

Exhibit
 Schedule C-3
 Page 1
 Witness: Bourassa

Line		Percentage of Incremental Gross Revenues
<u>No.</u>	<u>Description</u>	
1	Federal Income Taxes	31.63%
2		
3	State Income Taxes	6.97%
4		
5	Other Taxes and Expenses	<u>0.00%</u>
6		
7		
8	Total Tax Percentage	38.60%
9		
10	Operating Income % = 100% - Tax Percentage	61.40%
11		
12		
13		
14		
15	<u>1</u> = Gross Revenue Conversion Factor	
16	Operating Income %	1.6286
17		
18	<u>SUPPORTING SCHEDULES:</u>	<u>RECAP SCHEDULES:</u>
19		A-1
20		

Bella Vista Water Company
Test Year Ended March 31, 2009
Comparative Balance Sheets

Exhibit
Schedule E-1
Page 1
Witness: Bourassa

Line No.		Test Year Ended 3/31/2009	Year Ended 3/31/2008	Year Ended 3/31/2007
1	ASSETS			
2	Plant In Service	\$ 25,709,782	\$ 22,503,949	\$ 22,008,424
3	Non-Utility Plant	-	-	-
4	Construction Work in Progress	379,887	714,872	377,007
5	Less: Accumulated Depreciation	(11,719,489)	(11,156,405)	(10,646,782)
6	Net Plant	<u>\$ 14,370,180</u>	<u>\$ 12,062,416</u>	<u>\$ 11,738,649</u>
7				
8				
9	Debt Reserve Funds	\$ 199,561	\$ 199,561	\$ 199,561
10				
11	CURRENT ASSETS			
12	Cash and Equivalents	\$ 38,938	\$ 200,592	\$ 99,529
13	Restricted Cash	-	-	-
14	Short-term Investments	-	-	-
15	Accounts Receivable, Net	375,672	319,190	156,964
16	Accounts Receivable -Other	-	-	-
17	Materials and Supplies	-	-	-
18	Prepayments	13,691	26,817	13,493
19	Other Current Assets	-	-	126,291
20	Total Current Assets	<u>\$ 428,301</u>	<u>\$ 546,599</u>	<u>\$ 396,277</u>
21				
22	Deferred Debits	\$ 5,919	\$ 13,857	\$ 26,112
23				
24	Other Assets			
25				
26	TOTAL ASSETS	<u>\$ 15,003,961</u>	<u>\$ 12,822,433</u>	<u>\$ 12,360,599</u>
27				
28	LIABILITIES AND STOCKHOLDERS' EQUITY			
29	Common Equity	\$ 4,504,229	\$ 3,982,304	\$ 3,594,142
30				
31	Long-Term Debt, less current	<u>\$ 1,584,165</u>	<u>\$ 1,698,986</u>	<u>\$ 1,805,842</u>
32				
33	CURRENT LIABILITIES			
34	Accounts Payable	\$ 920,486	\$ 743,288	\$ 454,983
35	Current Portion of Long-Term Debt	113,158	105,587	99,464
36	Current Portion of AIAC	-	-	-
37	Payables to Associated Companies	416,394	230,504	291,257
38	Customer Meter Deposits, Current	-	-	-
39	Taxes Payable	(8,765)	(5,137)	17,946
40	Accrued Employee expenses	-	-	-
41	Accrued Interest	-	-	-
42	Other Current Liabilities	-	-	-
43	Total Current Liabilities	<u>\$ 1,441,273</u>	<u>\$ 1,074,242</u>	<u>\$ 863,650</u>
44	DEFERRED CREDITS			
45	Customer Meter Deposits, less current	\$ 556,325	\$ 490,667	\$ 435,153
46	Advances in Aid of Construction	6,781,443	5,412,305	5,477,211
47	Accumulated Deferred Income Taxes	(101,160)	(101,160)	(101,160)
48	Contributions In Aid of Construction	496,445	503,945	503,945
49	Accumulated Amortization of CIAC	(258,759)	(238,856)	(218,184)
50				
51	Total Deferred Credits	<u>\$ 7,474,294</u>	<u>\$ 6,066,901</u>	<u>\$ 6,096,965</u>
52				
53	Total Liabilities & Common Equity	<u>\$ 15,003,961</u>	<u>\$ 12,822,433</u>	<u>\$ 12,360,599</u>
54				
55	SUPPORTING SCHEDULES:		RECAP SCHEDULES:	
56	E-5		A-3	
57				
58				
59				

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Comparative Income Statements

Exhibit
 Schedule E-2
 Page 1
 Witness: Bourassa

Line No.	Test Year Ended <u>3/31/2009</u>	Prior Year Ended <u>3/31/2008</u>	Prior Year Ended <u>3/31/2007</u>
1	Revenues		
2	\$ 3,398,768	\$ 3,419,349	\$ 3,388,242
3	-	-	-
4	125,141	127,540	144,711
5	<u>\$ 3,523,909</u>	<u>\$ 3,546,889</u>	<u>\$ 3,532,953</u>
6	Operating Expenses		
7	\$ -	\$ -	\$ -
8	708	764	-
9	561,026	518,615	470,848
10	-	-	-
11	4,272	6,751	3,219
12	36,932	35,871	106,204
13	4,605	3,555	(2,630)
14	35,245	97,313	20,638
15	1,228,657	1,133,369	1,031,060
16	18,805	13,004	6,245
17	6,065	4,099	10,683
18	60,600	60,600	60,350
19	78,117	55,124	52,504
20	38,930	46,217	40,520
21	7,290	5,558	11,615
22	9,017	7,770	7,262
23	-	-	-
24	65,966	60,132	39,637
25	9,526	9,534	12,825
26	551,120	501,205	469,614
27	-	-	-
28	164,322	222,579	159,607
29	-	254,258	427,948
30			
31	<u>\$ 2,881,203</u>	<u>\$ 3,036,318</u>	<u>\$ 2,928,149</u>
32	<u>\$ 642,706</u>	<u>\$ 510,571</u>	<u>\$ 604,804</u>
33	Other Income (Expense)		
34	-	-	-
35	-	-	-
36	(120,782)	(120,260)	(127,396)
37	-	-	-
38			
39	<u>\$ (120,782)</u>	<u>\$ (120,260)</u>	<u>\$ (127,396)</u>
40	<u>\$ 521,924</u>	<u>\$ 390,311</u>	<u>\$ 477,408</u>
41			
42			
43			
44	<u>SUPPORTING SCHEDULES:</u>	<u>RECAP SCHEDULES:</u>	
45		A-2	
46			
47			
48			
49			
50			
51			
52			
53			
54			
55			
56			

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Comparative Statements of Cash Flows

Exhibit
 Schedule E-3
 Page 1
 Witness: Bourassa

Line No.	Test Year Ended <u>3/31/2009</u>	Prior Year Ended <u>3/31/2008</u>	Prior Year Ended <u>3/31/2007</u>	
1				
2				
3	Cash Flows from Operating Activities			
4	Net Income	\$ 521,924	\$ 390,311	\$ 477,408
5	Adjustments to reconcile net income to net cash			
6	provided by operating activities:			
7	Depreciation and Amortization	551,120	501,205	469,614
8	Adjustments to Depreciation and Amortization	(7,939)	(12,254)	322,694
9	Other			
10	Changes in Certain Assets and Liabilities:			
11	Accounts Receivable	(56,482)	(162,226)	41,999
12	Accounts Receivable, Other			
13	Materials and Supplies Inventory			9,780
14	Prepaid Expenses	13,126	(13,324)	2,996
15	Accounts Payable	177,198	288,305	(58,839)
16	Intercompany payable	185,890	(60,753)	131,928
17	Customer Meter Deposits			
18	Taxes Payable	(3,628)	(23,083)	(357,747)
19	Deferred Income Taxes			21,712
20	Other assets and liabilities	7,938	138,546	11,551
21	Net Cash Flow provided by Operating Activities	<u>\$ 1,389,147</u>	<u>\$ 1,046,727</u>	<u>\$ 1,073,096</u>
22	Cash Flow From Investing Activities:			
23	Capital Expenditures	(2,870,848)	(833,390)	(1,708,746)
24	Plant Held for Future Use			
25	Change In Short-term Investments			
26	Net Cash Flows from Investing Activities	<u>\$ (2,870,848)</u>	<u>\$ (833,390)</u>	<u>\$ (1,708,746)</u>
27	Cash Flow From Financing Activities			
28	Change in Restricted Cash			
29	Net Receipts of Advances-in-Aid of Construction	1,434,796	(9,392)	1,234,401
30	Net Receipts of Contributions-in-Aid of Construction	(7,500)		14,430
31	Repayments of Long-Term Debt	(107,250)	(100,733)	(103,612)
32	Dividends Paid		(2,149)	(456,748)
33	Deferred Financing Costs			
34	Stock/Paid in Capital	1		
35	Net Cash Flows Provided by Financing Activities	<u>\$ 1,320,047</u>	<u>\$ (112,274)</u>	<u>\$ 688,471</u>
36	Increase(decrease) in Cash and Cash Equivalents	(161,654)	101,063	52,821
37	Cash and Cash Equivalents at Beginning of Year	200,592	99,529	46,708
38	Cash and Cash Equivalents at End of Year	<u>\$ 38,938</u>	<u>\$ 200,592</u>	<u>\$ 99,529</u>

40 SUPPORTING SCHEDULES:

RECAP SCHEDULES:

A-5

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Statement of Changes in Stockholder's Equity

Exhibit
 Schedule E-4
 Page 1
 Witness: Bourassa

Line
No.

	<u>Common</u> <u>Stock</u>	<u>Paid-In-Capital</u>	<u>Retained</u> <u>Earnings</u>	<u>Total</u>
1				
2				
3				
4	\$ 1,520,080	\$ 377,948	\$ 1,675,454	\$ 3,573,482
5	Addnl Paid In Capital	-		-
6	Dividends		(456,748)	(456,748)
7	Net Income		477,408	477,408
8	\$ 1,520,080	\$ 377,948	\$ 1,696,115	\$ 3,594,142
9	Addnl Paid In Capital	-		-
10	Dividends		(2,149)	(2,149)
11	Net Income		390,311	390,311
12	\$ 1,520,080	\$ 377,948	\$ 2,084,277	\$ 3,982,304
13	Addnl Paid In Capital	1		1
14	Dividends			-
15	Net Income		521,924	521,924
16	\$ 1,520,080	\$ 377,949	\$ 2,606,201	\$ 4,504,229

17
 18
 19
 20
 21
 22
 23

SUPPORTING SCHEDULES:

RECAP SCHEDULES:

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Detail of Plant in Service

Exhibit
 Schedule E-5
 Page 1
 Witness: Bourassa

Line No.	Acct. No.	Plant Description	Plant Balance at 3/31/2008	Plant Additions, Reclass- ifications or or Retirements	Plant Balance at 3/31/2009
1					
2	301	Organization Cost	\$ -	\$ -	\$ -
3	302	Franchise Cost		-	
4	303	Land and Land Rights	327,399	-	327,399
5	304	Structures and Improvements	928,337	390,588	1,318,925
6	305	Collecting and Impounding Res.		-	
7	306	Lake River and Other Intakes		-	
8	307	Wells and Springs	1,147,660	249	1,147,909
9	308	Infiltration Galleries and Tunnels		-	
10	309	Supply Mains		-	
11	310	Power Generation Equipment		-	
12	311	Electric Pumping Equipment	2,312,586	165,682	2,478,268
13	320	Water Treatment Equipment	71,776	37,923	109,699
14	320.1	Water Treatment Equipment		-	
15	320.2	Checmical Solution Feeders		-	
16	330	Distribution Reservoirs & Standpipe	1,464,433	901,126	2,365,559
17	330.1	Storage tanks		-	
18	330.2	Pressure Tanks		-	
19	331	Transmission and Distribution Mains	11,492,652	1,189,023	12,681,675
20	333	Services	1,309,166	92,000	1,401,166
21	334	Meters	1,403,155	89,127	1,492,282
22	335	Hydrants	840,746	52,443	893,189
23	336	Backflow Prevention Devices		-	
24	339	Other Plant and Miscellaneous Equipment	26,351	80,492	106,843
25	340	Office Furniture and Fixtures	170,568	8,713	179,281
26	340.1	Computers and Software	188,770	-	188,770
27	341	Transportation Equipment	287,800	13,950	301,750
28	342	Stores Equipment		-	
29	343	Tools and Work Equipment	124,467	2,733	127,200
30	344	Laboratory Equipment		-	
31	345	Power Operated Equipment	37,997	1,641	39,638
32	346	Communications Equipment	263,721	173,623	437,344
33	347	Miscellaneous Equipment	106,366	6,518	112,884
34	348	Other Tangible Plant		-	
35		Rounding	(1)	2	1
36		TOTAL WATER PLANT	<u>\$ 22,503,949</u>	<u>\$ 3,205,833</u>	<u>\$ 25,709,782</u>

37
 38 SUPPORTING SCHEDULES
 39
 40
 41

RECAP SCHEDULES:
 A-4
 E-1

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Operating Statistics

Exhibit
 Schedule E-7
 Page 1
 Witness: Bourassa

Line No.		Test Year Ended <u>3/31/2009</u>	Prior Year Ended <u>3/31/2008</u>	Prior Year Ended <u>3/31/2007</u>
1	<u>WATER STATISTICS:</u>			
2				
3				
4				
5	Total Gallons Sold (in Thousands)	1,054,625	1,097,336	1,091,956
6				
7				
8				
9	Water Revenues from Customers:	\$ 3,523,909	\$ 3,546,889	\$ 3,532,953
10				
11				
12				
13				
14	Year End Number of Customers	8,496	8,507	8,085
15				
16				
17	Annual Gallons (in Thousands)			
18	Sold Per Year End Customer	124	129	135
19				
20				
21				
22	Annual Revenue per Year End Customer	\$ 414.77	\$ 416.94	\$ 436.98
23				
24	Pumping Cost Per 1,000 Gallons	\$ 0.5320	\$ 0.4726	\$ 0.4312
25	Purchased Water Cost per 1,000 Gallons	\$ 0.0007	\$ 0.0007	\$ -

Bella Vista Water Company
Test Year Ended March 31, 2009
Taxes Charged to Operations

Exhibit
Schedule E-8
Page 1
Witness: Bourassa

Line No.	Description	Test Year Ended <u>3/31/2009</u>	Prior Year Ended <u>3/31/2008</u>	Prior Year Ended <u>3/31/2007</u>
1	Description			
2				
3	Federal Income Taxes*	\$ -	\$ 211,072	\$ 367,289
4	State Income Taxes*	-	43,186	60,659
5	Payroll Taxes	-	-	-
6	Property Taxes	164,322	222,579	159,607
7				
8	Totals	<u>\$ 164,322</u>	<u>\$ 476,837</u>	<u>\$ 587,555</u>
9				
10				
11	*Computed			
12				
13				
14				

Bella Vista Water Company
Test Year Ended March 31, 2009
Notes To Financial Statements

Exhibit
Schedule E-9
Page 1
Witness: Bourassa

Company does not conduct independent audits

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Projected Income Statements - Present & Proposed Rates

Exhibit
 Schedule F-1
 Page 1
 Witness: Bourassa

Line No.		Test Year Actual Results	At Present Rates Year Ended 3/31/2010	At Proposed Rates Year Ended 3/31/2010
1	Revenues			
2	Metered Water Revenues	\$ 3,398,768	\$ 3,400,892	\$ 4,359,593
3	Unmetered Water Revenues	-	-	-
4	Other Water Revenues	125,141	125,141	125,141
5		<u>\$ 3,523,909</u>	<u>\$ 3,526,033</u>	<u>\$ 4,484,734</u>
6	Operating Expenses			
7	Salaries and Wages	\$ -	\$ -	\$ -
8	Purchased Water	708	708	708
9	Purchased Power	561,026	561,094	561,094
10	Fuel For Power Production	-	-	-
11	Chemicals	4,272	4,273	4,273
12	Materials and Supplies	36,932	36,932	36,932
13	Outside Services	4,605	4,605	4,605
14	Outside Services- Other	35,245	35,245	35,245
15	Outside Services- Legal	1,228,657	1,258,045	1,258,045
16	Water Testing	18,805	18,805	18,805
17	Equipment Rental	6,065	-	-
18	Rents - Building	60,600	60,600	60,600
19	Transportation Expenses	78,117	78,117	78,117
20	Insurance - General Liability	38,930	38,930	38,930
21	Insurance - Vehicle	7,290	7,290	7,290
22	Reg. Comm. Exp. - Other	9,017	9,017	9,017
23	Reg. Comm. Exp. - Rate Case	-	83,333	83,333
24	Miscellaneous Expense	65,966	65,966	65,966
25	Bad Debt Expense	9,526	9,526	9,526
26	Depreciation Expense	551,120	1,009,435	1,009,435
27	Taxes Other Than Income	-	-	-
28	Property Taxes	164,322	159,659	159,659
29	Income Tax	-	(10,068)	359,980
30				
31	Total Operating Expenses	<u>\$ 2,881,203</u>	<u>\$ 3,431,512</u>	<u>\$ 3,801,560</u>
32	Operating Income	<u>\$ 642,706</u>	<u>\$ 94,521</u>	<u>\$ 683,175</u>
33	Other Income (Expense)			
34	Interest Income	-	-	-
35	Other income	-	-	-
36	Interest Expense	(120,782)	(110,537)	(110,537)
37	Other Expense	-	-	-
38	Gain/Loss Sale of Fixed Assets	-	-	-
39	Total Other Income (Expense)	<u>\$ (120,782)</u>	<u>\$ (110,537)</u>	<u>\$ (110,537)</u>
40	Net Profit (Loss)	<u>\$ 521,924</u>	<u>\$ (16,016)</u>	<u>\$ 572,637</u>
41				

Bella Vista Water Company
Test Year Ended March 31, 2009
Projected Statements of Changes in Financial Position
Present and Proposed Rates

Exhibit
Schedule F-2
Page 1
Witness: Bourassa

Line No.	Test Year Ended 3/31/2009	At Present Rates Year Ended 3/31/2010	At Proposed Rates Year Ended 3/31/2010
5	Cash Flows from Operating Activities		
6	\$ 521,924	\$ (16,016)	\$ 572,637
7	Adjustments to reconcile net income to net cash provided by operating activities:		
9	551,120	1,009,435	1,009,435
10	(7,939)		
11	-		
12	Changes in Certain Assets and Liabilities:		
13	(56,482)		
14	-		
15	-		
16	13,126		
17	177,198		
18	185,890		
19	-		
20	(3,628)		
21	-		
22	7,938		
23	<u>\$ 1,389,147</u>	<u>\$ 993,419</u>	<u>\$ 1,582,072</u>
24	Cash Flow From Investing Activities:		
25	(2,870,848)	(1,400,000)	(1,400,000)
26	-		
27	-		
28	<u>\$ (2,870,848)</u>	<u>\$ (1,400,000)</u>	<u>\$ (1,400,000)</u>
29	Cash Flow From Financing Activities		
30	-		
31	1,434,796		
32	(7,500)		
33	(107,250)	(113,290)	(113,290)
34	-		
35	-		
36	1		
37	<u>\$ 1,320,047</u>	<u>\$ (113,290)</u>	<u>\$ (113,290)</u>
38	(161,654)	(519,871)	68,782
39	200,592	38,938	38,938
40	<u>\$ 38,938</u>	<u>\$ (480,933)</u>	<u>\$ 107,720</u>
41			

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Projected Construction Requirements

Exhibit
 Schedule F-3
 Page 1
 Witness: Bourassa

Line No.	Account	<u>2010</u>	<u>2011</u>	<u>2012</u>
1				
2	Account			
3	<u>Number</u> <u>Plant Asset:</u>			
4	301 Organization Cost			
5	302 Franchise Cost			
6	303 Land and Land Rights			
7	304 Structures and Improvements	650,000		
8	305 Collecting and Impounding Res.			
9	306 Lake River and Other Intakes			
10	307 Wells and Springs			
11	308 Infiltration Galleries and Tunnels			
12	309 Supply Mains			
13	310 Power Generation Equipment			
14	311 Electric Pumping Equipment	600,000	450,000	450,000
15	320 Water Treatment Equipment			
16	320.1 Water Treatment Equipment			
17	320.2 Checmical Solution Feeders			
18	330 Distribution Reservoirs & Standpipe			50,000
19	330.1 Storage tanks			
20	330.2 Pressure Tanks			
21	331 Transmission and Distribution Mains		225,000	110,000
22	333 Services			
23	334 Meters			
24	335 Hydrants			
25	336 Backflow Prevention Devices			
26	339 Other Plant and Miscellaneous Equipment			
27	340 Office Furniture and Fixtures			
28	340.1 Computers and Software			
29	341 Transportation Equipment			
30	342 Stores Equipment			
31	343 Tools and Work Equipment			
32	344 Laboratory Equipment			
33	345 Power Operated Equipment			
34	346 Communications Equipment	150,000		
35	347 Miscellaneous Equipment			
36	348 Other Tangible Plant			
37				
38				
39	Total	<u>\$ 1,400,000</u>	<u>\$ 675,000</u>	<u>\$ 610,000</u>
40				
41				
42				

Bella Vista Water Company
Test Year Ended March 31, 2009
Assumptions Used in Rate Filing

Exhibit
Schedule F-4
Page 1
Witness: Bourassa

Line
No.

- 1 Property Taxes were computed using the method used by the Arizona Department
- 2 of Revenue
- 3
- 4 Projected construction expenditures are shown on Schedule A-4.
- 5
- 6 Expense adjustments are shown on Schedule C2, and are explained in the testimony.
- 7
- 8 Accumulated depreciation and depreciation expense were computed at Arizona Corporation
- 9 Commission allowed rated in Prior Commission Decision.
- 10
- 11 Income taxes were computed using statutory state and federal income tax rates.
- 12
- 13
- 14
- 15

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Cost of Service Study, Using Commodity Demand Method
 Summary by Customer Class - Present and Proposed Rates

Line No.	Class	Meter Size	Rate Base	Present Rates Operating Income	Rate of Return	Proposed Rates Operating Income	Rate of Return
5	Residential	5/8 Inch	\$ 4,247,291	\$ (33,738)	-0.79%	\$ 379,441	8.93%
6		3/4 Inch	25,307	76	0.30%	2,313	9.14%
7		1 Inch	9,842	761	7.73%	1,096	11.14%
8		2 Inch	<u>3,425</u>	<u>(324)</u>	<u>-9.47%</u>	<u>258</u>	<u>7.54%</u>
10	Residential		\$ 4,285,864	\$ (33,226)	-0.78%	\$ 383,109	8.94%
12	Commercial	5/8 Inch	\$ 219,774	\$ 4,676	2.13%	\$ 17,256	7.85%
13		3/4 Inch	4,834	575	11.90%	762	15.77%
14		1 Inch	168,874	9,656	5.72%	16,269	9.63%
15		1.5 Inch	200,642	13,357	6.66%	31,383	15.64%
16		2 Inch	1,020,376	83,463	8.18%	205,602	20.15%
17		3 Inch	190,648	25,802	13.53%	23,658	12.41%
18		4 Inch	38,554	12,676	32.88%	10,579	27.44%
19		6 Inch	20,546	4,193	20.41%	2,740	13.34%
20		8 Inch	<u>32,530</u>	<u>4,474</u>	<u>13.75%</u>	<u>4,207</u>	<u>12.93%</u>
22	Commercial		\$ 1,896,777	\$ 158,872	8.38%	\$ 312,457	16.47%
24	Hydrant	3 Inch	\$ 94,439	\$ (1,593)	-1.69%	\$ 4,127	4.37%
26	Fire	4 Inch	\$ 54,159	\$ (22,901)	-42.29%	\$ (12,127)	-22.39%
27		6 Inch	11,521	(6,347)	-55.10%	(4,250)	-36.89%
28		8 Inch	<u>551</u>	<u>(283)</u>	<u>-51.33%</u>	<u>(140)</u>	<u>-25.36%</u>
30	Fire		\$ 66,230	\$ (29,531)	-44.59%	\$ (16,517)	-24.94%
34	Total		<u>\$ 6,343,311</u>	<u>\$ 94,521</u>	<u>1.49%</u>	<u>\$ 683,175</u>	<u>10.77%</u>

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Cost of Service Study, Using Commodity Demand Method
 Operating Margins at Present Rates

Exhibit G-1
 Schedule
 Page 2
 Witness: Bourassa

Line No.	Res	Com	Res	Com	Res	Com	Res	Com	Res	Com	Res	Com
1	5/8 Inch		3/4 Inch		2 Inch		5/8 Inch		3/4 Inch		1 Inch	
2												
3												
4												
5												
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52												
53												
54												

¹ Allocated based on customer counts.
² Operating Expenses and Depreciation computations are shown on Schedule G-4, Page 1.
³ Property Taxes allocation based on Revenues
⁴ Income Tax from Schedule G-1, at Proposed Rates. Income Taxes allocated based on taxable income
⁵ Interest Synchronized Interest Expense. Allocation based on Rate Base
⁶ Rate Base computations are shown on Schedule G-3, Page 1
⁷ Operating Income Divided by Rate Base

Bella Vista Water Company
Test Year Ended March 31, 2009
Cost of Service Study, Using Commodity Demand Method
Summary of Allocation of Expenses to Customer Classes

Line No.	Commodity	Factor	Res 5/8 Inch	Res 3/4 Inch	Res 1 Inch	Res 2 Inch	Com 5/8 Inch	Com 3/4 Inch	Com 1 Inch	Com 1.5 Inch
1	Commodity		917,729							
2	Demand	C-1	\$ 511,240	\$ 1,564	\$ 1,504	\$ 112	\$ 29,290	\$ 843	\$ 21,030	\$ 40,170
3	Customer	D-1	768,643	5,138	2,076	830	39,548	934	36,071	44,115
4	Service	CS-1	969,865	3,767	913	114	43,493	685	15,868	9,703
5	Meter	S-1	46,613	168	45	10	1,945	31	789	536
6		M-1	124,218	505	151	114	3,547	92	2,630	2,680
7										
8	Totals		\$ 2,231,939	\$ 11,143	\$ 4,690	\$ 1,179	\$ 117,823	\$ 2,565	\$ 76,387	\$ 97,204

Factor	Com 2 Inch	Com 3 Inch	Com 4 Inch	Com 6 Inch	Com 8 Inch	Hydrant 3 Inch	Fire 4 Inch	Fire 6 Inch
C-1	\$ 243,697	\$ 44,739	\$ 16,674	\$ 407	\$ 27	\$ 4,432	\$ -	\$ -
D-1	225,870	43,181	7,785	5,190	6,304	23,251	10,276	2,180
CS-1	31,050	2,968	342	114	114	1,598	11,301	2,397
S-1	2,590	312	51	25	36	8	1,692	532
M-1	17,071	2,608	481	302	463	2,140	15,875	6,337
Totals	\$ 520,278	\$ 93,807	\$ 27,334	\$ 6,039	\$ 8,935	\$ 31,430	\$ 39,145	\$ 11,447

Factor	Fire 8 Inch	Blank	Totals
C-1	\$ -	\$ -	\$ -
D-1	-	-	-
CS-1	-	-	-
S-1	-	-	-
M-1	-	-	-
Totals	\$ -	\$ -	\$ -

Line No.	Property Taxes (excluding Income Tax and Property Taxes)	Res 5/8 Inch	Res 3/4 Inch	Res 1 Inch	Res 2 Inch	Com 5/8 Inch	Com 3/4 Inch	Com 1 Inch	Com 1.5 Inch
34	Total Expenses (excluding Income Tax and Property Taxes)	\$ 2,231,938	\$ 11,143	\$ 4,690	\$ 1,179	\$ 117,823	\$ 2,565	\$ 76,387	\$ 97,204
35									
36									
37									
38									
39									
40									
41									
42									
43									
44									
45									
46	Property Taxes, Allocated on Schedules G-1 & G-2								
47	Income Tax, Allocated on Schedules G-1 & G-2								
48	Total Expenses	\$ 3,281,921	\$ 11,143	\$ 4,690	\$ 1,179	\$ 117,823	\$ 2,565	\$ 76,387	\$ 97,204

Factor	Fire 8 Inch	Blank	Totals
C-1	\$ -	\$ -	\$ -
D-1	-	-	-
CS-1	-	-	-
S-1	-	-	-
M-1	-	-	-
Totals	\$ -	\$ -	\$ -

46	Property Taxes, Allocated on Schedules G-1 & G-2	159,659
47	Income Tax, Allocated on Schedules G-1 & G-2	359,980
48	Total Expenses	\$ 3,801,560

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Cost of Service Study, Using Commodity Demand Method
 Allocation of Rate Base by Function

Line No.	Rate Base	Adjusted	Demand	Commodity	Customer	Meter	Service
1	Plant minus (Accumulated Depreciation Contributions in Aid of Construction)	\$ 6,343,311	\$ 4,769,658	\$ 382,237	\$ 1,182,698	\$ -	\$ 8,718
2	Advances in Aid of Construction,						
3	Meter Deposits and Deferred Income Tax)						
4							
5							
6							
7							
8							
9		6,343,311	4,769,658	382,237	1,182,698	-	8,718
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							

Line No.	Account No.	Description	Original Cost Plant	Accumulated Depreciation	Total Net Plant Values	Factor	Demand	Commodity	Customer	Meter	Service
1		Intangible									
2	301	Organization	\$ -	\$ -	\$ -	F-6	\$ -	\$ -	\$ -	\$ -	\$ -
3	302	Franchises	-	-	-	F-6	-	-	-	-	-
4											
5		Subtotal Intangible									
6											
7		Source of Supply & Pumping Plant									
8	303	Land and Land Rights	\$ 327,399	\$ -	\$ 327,399	F-6	\$ -	\$ -	\$ -	\$ -	\$ -
9	304	Structures and Improvements	1,312,116	388,090	924,027	F-4	924,027	-	-	-	-
10	305	Collecting and Impounding Res.	-	-	-	F-1	-	-	-	-	-
11	306	Lakes, Rivers, Other Intakes	-	-	-	F-1	-	-	-	-	-
12	307	Wells and Springs	1,132,179	525,150	607,029	F-1	546,326	60,703	-	-	-
13	308	Infiltration Galleries and Tunnels	-	-	-	F-1	-	-	-	-	-
14	309	Supply Mains	-	0	-	F-1	-	-	-	-	-
15	310	Power Generation Equipment	-	-	-	F-1	-	-	-	-	-
16	311	Electric Pumping Equipment	2,487,503	2,481,910	5,593	F-1	5,034	559	-	-	-
17		Subtotal source of Supply & Pumping Plant	\$ 5,259,198	\$ 3,395,149	\$ 1,864,048	F-2	\$ 1,802,786	\$ 61,262	\$ -	\$ -	\$ -
18											
19		Water Treatment									
20	320	Water Treatment Equipment	\$ 109,639	\$ 50,073	\$ 59,566	F-5	\$ 53,609	\$ 5,957	\$ -	\$ -	\$ -
21		Subtotal Water Treatment	\$ 109,639	\$ 50,073	\$ 59,566		\$ 53,609	\$ 5,957	\$ -	\$ -	\$ -
22											
23		Transmission and Distribution Plant									
24	330	Distribution Reservoirs & Standpipe	\$ 2,343,634	\$ 812,593	\$ 1,531,041	F-3	\$ 1,377,937	\$ 153,104	\$ -	\$ -	\$ -
25	331	Transmission and Distribution Mains	12,698,084	4,096,265	8,601,819	F-3	7,741,037	860,182	-	-	-
26	333	Services	1,399,761	834,738	565,043	F-8	-	-	-	-	565,043
27	334	Meters	1,491,209	1,491,209	-	F-9	-	-	-	-	-
28	335	Hydrants	892,445	282,181	610,264	F-10	-	-	610,264	-	-
29	336	Backflow Prevention Devices	-	-	-	F-1	-	-	-	-	-
30	339	Other Plant and Miscellaneous Equip.	69,551	5,253	64,299	F-1	57,869	6,430	-	-	-
31		Subtotal Transmission and Distribution Plant	\$ 18,894,704	\$ 7,522,238	\$ 11,372,466		\$ 9,177,443	\$ 1,019,716	\$ 610,264	\$ -	\$ 565,043
32											
33		General Plant									
34	340	Office Furniture and Fixtures	\$ 202,929	\$ 170,545	\$ 32,385	F-12	\$ -	\$ -	\$ 32,385	\$ -	\$ -
35	340.1	Computer Equipment	161,264	117,801	43,463	F-12	-	-	43,463	-	-
36	341	Transportation Equipment	295,224	291,918	3,305	F-11	826	-	2,479	-	-
37	342	Stores Equipment	-	-	-	SF-3	-	-	-	-	-
38	343	Tools and Work Equipment	124,683	124,683	-	SF-3	-	-	-	-	-
39	344	Laboratory Equipment	-	-	-	SF-3	-	-	-	-	-
40	345	Power Operated Equipment	31,548	5,882	25,666	SF-3	-	-	25,666	-	-
41	346	Communications Equipment	435,668	126,570	309,098	F-13	77,274	-	231,823	-	-

Bella Vista Water Company

Test Year Ended March 31, 2009

Allocation of Plant, Less Contributions and Advances in Aid of Construction, Meter Deposits and Accumulated Depreciation to Functions

Exhibit
Schedule G-5
Page 2.1
Witness: Bourassa

Line No.	Account No.	Description	Original Cost Plant	Accumulated Depreciation	Total Net Plant Values	Demand	Commodity	Customer	Meter	Service
1		General Plant Continued								
2	347	Miscellaneous Equipment	110,348	104,580	5,768			5,768		
3	348	Other Tangible Plant								
4		Subtotal General Plant	\$ 1,361,665	\$ 941,980	\$ 419,685	\$ 78,101	\$ -	\$ 341,584	\$ -	\$ -
5		Total Plant	\$ 25,625,206	\$ 11,909,440	\$ 13,715,765	\$ 11,111,939	\$ 1,086,935	\$ 951,848	\$ -	\$ 565,043
6										
7		Contributions in Aid of Construction, Net	(496,445)	230,909	(265,536)	\$ (238,982)	\$ (26,554)	\$ -	\$ -	\$ -
8		Advances in Aid of Construction	(6,781,443)		(6,781,443)	(6,103,299)	(678,144)	-	-	-
9		Meter Deposits	(566,325)		(566,325)					(566,325)
10		Deferred Income Tax	230,850		230,850			230,850		
11		Deferred Reg Assets	-		-					
12		Unamortized Debt Service Costs	-		-					
13		Totals	\$ 18,021,843	\$ 12,140,349	\$ 5,881,494	\$ 4,769,658	\$ 382,237	\$ 1,182,698	\$ -	\$ 8,718
14		Rate Bases (Plant - (MIAC, CIAC, Meter Deposits & Accum. Depr.)			\$ 6,343,311	\$ 4,769,658	\$ 382,237	\$ 1,182,698	\$ -	\$ 8,718

Bella Vista Water Company

Test Year Ended March 31, 2009

Cost of Service Study, Using Commodity Demand Method

Allocation of Expenses to Functions

Exhibit
Schedule G-6
Page 1
Witness: Bourassa

Line No.	Description	Adjusted	Factor	Demand	Commodity	Customer	Meter	Service	Totals
		\$		\$	\$	\$	\$	\$	\$
1	Salaries and Wages ¹	708	E-1	-	-	-	-	-	-
2	Purchased Water ¹	561,094	E-5	-	708	-	-	-	708
3	Purchased Power ¹	-	E-4	-	561,094	-	-	-	561,094
4	Fuel For Power Production ¹	-	E-4	-	-	-	-	-	-
5	Chemicals ¹	4,273	E-9	-	4,273	-	-	-	4,273
6	Materials & Supplies/Repairs & Maintenance ¹	36,932	E-1	18,466	18,466	-	-	-	36,932
7	Outside Services ¹	4,605	E-3	1,842	921	1,842	-	-	4,605
8	Outside Services - Legal ¹	36,245	E-3	14,098	7,049	14,098	-	-	36,245
9	Outside Services - Other ¹	1,258,045	E-3	503,218	251,609	503,218	-	-	1,258,045
10	Water Testing ¹	18,805	E-10	9,403	9,403	-	-	-	18,805
11	Equipment Rental	-	E-11	-	-	-	-	-	-
12	Rents - Building	60,600	E-11	-	-	60,600	-	-	60,600
13	Transportation Expenses ¹	78,117	E-8	19,529	-	58,588	-	-	78,117
14	Insurance - General Liability	38,930	SE-3	9,733	-	29,198	-	-	38,930
15	Insurance - Health and Life	7,290	SE-3	-	-	7,290	-	-	7,290
16	Reg. Comm. Exp.	9,017	SE-3	-	-	9,017	-	-	9,017
17	Reg. Comm. Exp. - Rate Case	83,333	SE-3	-	-	83,333	-	-	83,333
18	Miscellaneous Expense	65,966	SE-3	-	-	65,966	-	-	65,966
19	Bad Debt Expense	9,526	SE-3	-	-	9,526	-	-	9,526
20									
21	Depreciation Expense ²	1,009,435		647,208	64,207	127,189	124,218	46,613	1,009,435
22	Taxes Other Than Income	-		-	-	-	-	-	-
23	Subtotal	\$ 3,281,921							
24									
25									
26	Property Taxes, Allocated on Schedules G-1 & G-2	Present Rates							
27	Income Tax, Allocated on Schedules G-1 & G-2 ³	159,659	Proposed Rates						
28		(10,068)							
29	Total	\$ 3,431,512		\$ 1,223,496	\$ 917,729	\$ 969,965	\$ 124,218	\$ 46,613	\$ 3,281,921
30									
31									

¹ Allocation factors see Schedule G-7, page 2.1.

² Depreciation allocation computed on Schedule G-6, Page 2.

³ Income Taxes shown at proposed rates.

Bella Vista Water Company
Test Year Ended March 31, 2009
Allocation of Depreciation Expense to Functions

Line No.	Account No.	Description	Original Cost	Depreciation Rate	Depreciation Expense	Factor	Total Depr. Expense	Demand	Commodity	Customer	Meter	Service
1		Intangible										
2	301	Organization	\$ -		\$ -							
3	302	Franchises	-		-							
4												
5		Subtotal Intangible	\$ -		\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6												
7		Source of Supply & Pumping Plant										
8	303	Land and Land Rights	\$ 327,399	0.000%	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	304	Structures and Improvements	1,312,116	3.330%	43,693	F-4	43,693	43,693	-	-	-	-
10	305	Collecting and Impounding Res.	-	2.500%	-	F-1	-	-	-	-	-	-
11	306	Lakes, Rivers, Other Intakes	-	2.500%	-	F-1	-	-	-	-	-	-
12	307	Wells and Springs	1,132,179	3.330%	37,702	F-1	37,702	33,931	3,770	-	-	-
13	308	Infiltration Galleries and Tunnels	-	6.670%	-	F-1	-	-	-	-	-	-
14	309	Supply Mains	-	2.000%	-	F-1	-	-	-	-	-	-
15	310	Power Generation Equipment	-	5.000%	-	F-1	-	-	-	-	-	-
16	311	Electric Pumping Equipment	2,487,503	12.500%	310,938	F-2	310,938	279,844	31,094	-	-	-
17		Subtotal Source of Supply & Pumping Plant	\$ 5,259,198		\$ 392,333		\$ 392,333	\$ 357,469	\$ 34,864	\$ -	\$ -	\$ -
18												
19		Water Treatment										
20	320	Water Treatment Equipment	109,639	3.330%	3,651	F-5	3,651	3,286	365	-	-	-
21		Subtotal Water Treatment	\$ 109,639		\$ 3,651		\$ 3,651	\$ 3,286	\$ 365	\$ -	\$ -	\$ -
22												
23		Transmission and Distribution Plant										
24	330	Distribution Reservoirs & Standpipe	\$ 2,343,634	2.220%	\$ 52,029	F-3	\$ 52,029	\$ 46,826	\$ 5,203	\$ -	\$ -	\$ -
25	331	Transmission and Distribution Mains	12,698,084	2.000%	253,962	F-3	253,962	228,566	25,396	-	-	-
26	333	Services	1,399,781	3.330%	46,613	F-8	46,613	-	-	-	-	46,613
27	334	Meters	1,491,209	8.330%	124,218	F-9	124,218	-	-	-	124,218	-
28	335	Hydrants	892,445	2.000%	17,849	F-10	17,849	-	-	17,849	-	-
29	336	Backflow Prevention Devices	-	6.670%	-	F-1	-	-	-	-	-	-
30	339	Other Plant and Miscellaneous Equipment	69,551	6.670%	4,639	F-1	4,639	4,175	464	-	-	-
31		Subtotal Transmission and Distribution Plant	\$ 18,894,704		\$ 499,309		\$ 499,309	\$ 279,566	\$ 31,063	\$ 17,849	\$ 124,218	\$ 46,613
32												
33		General Plant										
34	340	Office Furniture and Fixtures	\$ 202,929	6.670%	\$ 13,535	F-12	\$ 13,535	\$ -	\$ -	\$ 13,535	-	-
35	340.1	Computer Equipment*	161,264	20.000%	-	F-12	-	-	-	-	-	-
36	341	Transportation Equipment	295,224	20.000%	59,045	F-11	59,045	14,761	-	44,284	-	-
37	342	Stores Equipment	-	4.000%	-	SF-3	-	-	-	-	-	-
38	343	Tools and Work Equipment	124,683	5.000%	6,234	SF-3	6,234	-	-	6,234	-	-
39	344	Laboratory Equipment	-	10.000%	-	SF-3	-	-	-	-	-	-
40	345	Power Operated Equipment	31,548	5.000%	1,577	SF-3	1,577	-	-	1,577	-	-
41	346	Communications Equipment	435,668	10.000%	43,567	F-13	43,567	10,892	-	32,675	-	-

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Summary of Commodity - Demand Method Functions Factors

Exhibit
 Schedule G-7
 Page 1
 Witness: Bourassa

Line No.	Description	Res 5/8 Inch		Res 3/4 Inch		Res 1 Inch		Res 2 Inch		Com 5/8 Inch		Com 3/4 Inch		Com 1 Inch		Com 1.5 Inch		
		Factor	55.707%	0.170%	0.164%	0.012%	3.192%	0.092%	2.292%	4.377%	0.092%	3.192%	0.076%	2.948%	0.076%	2.948%	0.076%	3.606%
3	Commodity	C-1	55.707%	0.170%	0.164%	0.012%	3.192%	0.092%	2.292%	4.377%	0.092%	3.192%	0.076%	2.948%	0.076%	2.948%	0.076%	3.606%
4	Demand	D-1	62.823%	0.420%	0.170%	0.068%	3.232%	0.076%	2.948%	0.076%	3.232%	0.076%	2.948%	0.076%	2.948%	0.076%	3.606%	
5	Customer	CS-1	87.159%	0.388%	0.094%	0.012%	4.484%	0.071%	1.636%	0.071%	4.484%	0.071%	1.636%	0.071%	1.636%	0.071%	1.000%	
6	Services	S-1	81.097%	0.361%	0.097%	0.020%	4.173%	0.066%	1.693%	0.066%	4.173%	0.066%	1.693%	0.066%	1.693%	0.066%	1.151%	
7	Meters	M-1	55.493%	0.407%	0.122%	0.091%	2.855%	0.074%	2.117%	0.074%	2.855%	0.074%	2.117%	0.074%	2.117%	0.074%	2.158%	
8																		
9																		
10																		
11	Description	Factor	Com 2 Inch	Com 3 Inch	Com 4 Inch	Com 6 Inch	Com 8 Inch	Hydrant 3 Inch	Fire 4 Inch	Fire 6 Inch	Com 2 Inch	Com 3 Inch	Com 4 Inch	Com 6 Inch	Com 8 Inch	Hydrant 3 Inch	Fire 4 Inch	Fire 6 Inch
12	Commodity	C-1	26.554%	4.875%	2.035%	0.044%	0.003%	0.483%	0.000%	0.000%	0.003%	0.003%	0.000%	0.000%	0.003%	0.483%	0.000%	0.000%
13	Demand	D-1	18.461%	3.529%	0.636%	0.424%	0.679%	1.900%	0.840%	0.178%	0.424%	0.679%	1.900%	0.840%	0.679%	1.900%	0.840%	0.178%
14	Customer	CS-1	3.202%	0.306%	0.035%	0.012%	0.012%	0.165%	1.165%	0.247%	0.306%	0.035%	0.012%	0.165%	0.012%	0.165%	1.165%	0.247%
15	Services	S-1	5.556%	0.669%	0.110%	0.054%	0.082%	0.017%	3.630%	1.142%	0.669%	0.110%	0.054%	0.017%	0.082%	0.017%	3.630%	1.142%
16	Meters	M-1	13.742%	2.099%	0.387%	0.243%	0.364%	1.723%	12.780%	5.102%	2.099%	0.387%	0.243%	0.364%	1.723%	12.780%	5.102%	
17																		

Line No.	Description	Fire 8 Inch		Blank		Totals	
		Factor	0.000%	0.000%	100.000%	100.000%	100.000%
18	Commodity	C-1	0.000%	0.000%	100.000%	100.000%	
19	Demand	D-1	0.008%	0.000%	100.000%	100.000%	
20	Customer	CS-1	0.012%	0.000%	100.000%	100.000%	
21	Services	S-1	0.082%	0.000%	100.000%	100.000%	
22	Meters	M-1	0.243%	0.000%	100.000%	100.000%	
23							
24							
25							
26							
27							
28							

SUPPORTING SCHEDULES
 G-7, page 3

Bella Vista Water Company
Test Year Ended March 31, 2009
Cost of Service Study, Using Commodity Demand Method
Development Of Expense Allocation Factors

Line No.	Expense Type	Factor	Total	Demand	Commodity	Customer	Meters	Services
1	Salaries and Wages ⁸	E-1	1.00	0.40	0.20	0.40		
2	Repairs and Maintenance ¹	E-2	1.00	0.50	0.50			
3	Outside Services ²	E-3	1.00	0.40	0.20	0.40		
4	Purchased Power/Fuel for Power Prod. ³	E-4	1.00		1.00			
5	Purchased Water ⁴	E-5	1.00		1.00			
6	Materials and Supplies	E-6	1.00	0.90	0.10			
7	Rents	E-7	1.00			1.00		
8	Transportation ⁵	E-8	1.00	0.25	-	0.75		
9	Chemicals ⁶	E-9	1.00		1.00			
10	Water Testing ⁷	E-10	1.00	0.50	0.50			
11	Specific	SE-1	1.00	1.00				
12	Specific	SE-2	1.00		1.00			
13	Specific	SE-3	1.00			1.00		
14	Specific	SE-4	1.00				1.00	
15	Specific	SE-5	1.00					1.00
16	Specific							
17								
18								

¹ Estimated based on examination of costs in repairs and maintenance and professional judgement.

² Estimated based on examination of costs included in contractual services and professional judgement.

³ 100% related to pumping and water production.

⁴ 100% related to pumping and water production.

⁵ Based on allocation of transportation equipment. See G-7, page 2.

⁶ 100% related to water production.

⁷ Based on allocation of well plant and equipment. See G-7, page 2.

⁸ The Company does not have recorded salaries and wages expense. See allocation of contractual services.

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Cost of Service Study, Using Commodity Demand Method
 Development of Class Allocation Factors

Exhibit
 Schedule G-7
 Page 3
 Witness: Bourassa

COMMODITY ALLOCATION FACTOR (C-1)

Meter Size	Class	(a) Total Gallons (in 1,000's) in Test Year	Percent of Total	Meter Size
5/8 Inch	Res	587,573	55.71%	5/8 Inch
3/4 Inch	Res	1,798	0.17%	3/4 Inch
1 Inch	Res	1,728	0.16%	1 Inch
2 Inch	Res	129	0.01%	2 Inch
5/8 Inch	Com	33,663	3.19%	5/8 Inch
3/4 Inch	Com	969	0.09%	3/4 Inch
1 Inch	Com	24,170	2.29%	1 Inch
1.5 Inch	Com	46,167	4.38%	1.5 Inch
2 Inch	Com	280,083	26.55%	2 Inch
3 Inch	Com	51,419	4.87%	3 Inch
4 Inch	Com	21,462	2.035%	4 Inch
6 Inch	Com	468	0.044%	6 Inch
8 Inch	Com	31	0.003%	8 Inch
3 Inch	Hydrant	5,094	0.483%	3 Inch
4 Inch	Fire	-	0.000%	4 Inch
6 Inch	Fire	-	0.000%	6 Inch
8 Inch	Fire	-	0.000%	8 Inch
Totals		1,054,753	100.00%	Totals

DEMAND ALLOCATION FACTOR (D-1)

Meter Size	Class	Number of Meters and/or Services	Equi- valent Weight	Equivalent Number of Meters and/or Services	Percent of Total
5/8 Inch	Res	7,405	1.0	7,405	62.82%
3/4 Inch	Res	33	1.5	50	0.42%
1 Inch	Res	8	2.5	20	0.17%
2 Inch	Res	1	8.0	8	0.07%
5/8 Inch	Com	381	1.0	381	3.23%
3/4 Inch	Com	6	1.5	9	0.08%
1 Inch	Com	139	2.5	348	2.95%
1.5 Inch	Com	85	5.0	425	3.61%
2 Inch	Com	272	8.0	2,176	18.46%
3 Inch	Com	26	16.0	416	3.53%
4 Inch	Com	3	25.0	75	0.64%
6 Inch	Com	1	50.0	50	0.42%
8 Inch	Com	1	80.0	80	0.68%
3 Inch	Hydrant	14	16.0	224	1.90%
4 Inch	Fire	99	1.0	99	0.84%
6 Inch	Fire	21	1.0	21	0.18%
8 Inch	Fire	1	1.0	1	0.01%
Totals		8,496		11,787	100.00%

CUSTOMER ALLOCATION FACTOR (CS-1)

Meter Size	Class	Number of Meters	Percent of Total	Meter Size
5/8 Inch	Res	7,405	87.16%	5/8 Inch
3/4 Inch	Res	33	0.39%	3/4 Inch
1 Inch	Res	8	0.09%	1 Inch
2 Inch	Res	1	0.01%	2 Inch
5/8 Inch	Com	381	4.48%	5/8 Inch
3/4 Inch	Com	6	0.07%	3/4 Inch
1 Inch	Com	139	1.64%	1 Inch
1.5 Inch	Com	85	1.00%	1.5 Inch
2 Inch	Com	272	3.20%	2 Inch
3 Inch	Com	26	0.31%	3 Inch
4 Inch	Com	3	0.04%	4 Inch
6 Inch	Com	1	0.01%	6 Inch
8 Inch	Com	1	0.01%	8 Inch
3 Inch	Hydrant	14	0.16%	3 Inch
4 Inch	Fire	99	1.17%	4 Inch
6 Inch	Fire	21	0.25%	6 Inch
8 Inch	Fire	1	0.01%	8 Inch
Totals		8,496	100.00%	Totals

SERVICES ALLOCATION FACTOR (S-1) (b)

Meter Size	Class	Number of Services	Install- ation Cost	Weighted Number of Services	Percent of Total
5/8 Inch	Res	7,405	\$ 445.00	3,295,225	81.10%
3/4 Inch	Res	33	445.00	14,685	0.36%
1 Inch	Res	8	495.00	3,960	0.10%
2 Inch	Res	1	830.00	830	0.02%
5/8 Inch	Com	381	445.00	169,545	4.17%
3/4 Inch	Com	6	445.00	2,670	0.07%
1 Inch	Com	139	495.00	68,805	1.69%
1.5 Inch	Com	85	550.00	46,750	1.15%
2 Inch	Com	272	830.00	225,760	5.56%
3 Inch	Com	26	1,045.00	27,170	0.67%
4 Inch	Com	3	1,490.00	4,470	0.11%
6 Inch	Com	1	2,210.00	2,210	0.05%
8 Inch	Com	1	3,315.00	3,315	0.08%
3 Inch	Hydrant	14	50.00	700	0.02%
4 Inch	Fire	99	1,490.00	147,510	3.63%
6 Inch	Fire	21	2,210.00	46,410	1.14%
8 Inch	Fire	1	3,315.00	3,315	0.08%
Totals		8,496		4,063,330	100.00%

METER ALLOCATION FACTOR (M-1) (b)

Meter Size	Class	Number of Meters	Meter Cost	Weighted Dollars of Meters	Percent of Total
5/8 Inch	Res	7,405	\$ 155.00	1,147,775	55.49%
3/4 Inch	Res	33	255.00	8,415	0.41%
1 Inch	Res	8	315.00	2,520	0.12%
2 Inch	Res	1	1,890.00	1,890	0.09%
5/8 Inch	Com	381	155.00	59,055	2.86%
3/4 Inch	Com	6	255.00	1,530	0.07%
1 Inch	Com	139	315.00	43,785	2.12%
1.5 Inch	Com	85	525.00	44,625	2.16%
2 Inch	Com	272	1,045.00	284,240	13.74%
3 Inch	Com	26	1,670.00	43,420	2.10%
4 Inch	Com	3	2,670.00	8,010	0.39%
6 Inch	Com	1	5,025.00	5,025	0.24%
8 Inch	Com	1	7,537.50	7,538	0.36%
3 Inch	Hydrant	14	2,545.00	35,630	1.72%
4 Inch	Fire	99	2,670.00	264,330	12.78%
6 Inch	Fire	21	5,025.00	105,525	5.10%
8 Inch	Fire	1	5,025.00	5,025	0.24%
Totals		8,496		2,068,338	100.00%

(a) Includes customer and gallon sold annualization.

(b) Meter and Service Line cost from Arizona Corporation Commission Memo of February 21, 2008 from Marlin Scott, Jr.. Meter costs based on compound meters. Cost of service line and meter is based on costs allowed for a compound meter installation.

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Cost of Service Study Using Commodity / Demand Method
 Computation of Monthly Minimums for Customer, Service, Meter
 Using Function Costs and Expenses

Exhibit
 Schedule G-8
 Page 1
 Witness: Bourassa

Line No.		Customer	Service	Meter
1	Return on Rate Base	127,377	-	939
2	Misc. Revenues	125,967		
3	Customer, Services and Meter Expenses (From Sch. G-6, Page 1)	969,865	46,613	124,218
4	Property Taxes	159,659		
5	Income Taxes	359,980		
6	Total Revenue Requirement / Customer, Meter & Service (Line 13+15+16+17)	<u>1,742,247</u>	<u>46,613</u>	<u>125,157</u>
7				
8	Customer Charge			
9	Number of Bills =	101,952		
10				12
11	Charge per Bill	<u>\$ 17.09</u>		
12	(Customer Revenue Requirement divided by Annualized Number of Bills)			
13				
14	Service Line and Meter Charge			
15	Equivalent 5/8 Meters		141,444	141,444
16				
17	Charge per Equivalent Meter		<u>\$ 0.33</u>	<u>\$ 0.88</u>
18				
19				
20	CUSTOMER CHARGE:			
21	Monthly Minimum for 5/8 Inch Meter (with no water included in Minimum or Demand Charge)		\$ 17.09	
22	Charge per Bill		0.33	
23	Charge per Equivalent Service Line		<u>0.88</u>	
24	Charge per Equivalent Meter			
25	(Service and Meter Revenue Requirement divided by Annual Equivalent Meters)			
26	Monthly Minimum for 5/8 Inch Meter, WITHOUT Demand Charge Included		<u>\$ 18.30</u>	

11,787 times

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Cost of Service Study Using Commodity / Demand Method
 Computation of Monthly Minimums for Demand Charge

Exhibit
 Schedule G-8
 Page 2
 Witness: Bourassa

Line No.	<u>DEMAND CHARGE:</u>			
1	Return on Rate Base	10.77%		513,692
2	Demand Expenses, from Schedule G-6, Page 1			1,223,496
3	Totals			<u>1,737,189</u>
4	Total Revenue Requirement / Demand Component			141,444
5	Equivalent Number of 5/8 Meters billings			<u>12.28</u>
6	Demand Charge for 5/8 Inch Meter			\$
7	<u>Demand Charge Per Equivalent</u>			
8	5/8 Inch Meter	12.28	1.0	\$ 12.28
9	3/4 Inch Meter	12.28	1.5	\$ 18.42
10	1 Inch Meter	12.28	2.5	\$ 30.70
11	1 1/2 Inch Meter	12.28	5.0	\$ 61.41
12	2 Inch Meter	12.28	8.0	\$ 98.25
13	3 Inch Meter	12.28	16.0	\$ 196.51
14	4 Inch Meter	12.28	25.0	\$ 307.05
15	6 Inch Meter	12.28	50.0	\$ 614.09
16	8 Inch Meter	12.28	80.0	\$ 982.54
17				
18				
19				
20				
21				

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Cost of Service Study Using Commodity / Demand Method
 Computation Demand Charge and Commodity

Exhibit
 Schedule G-8
 Page 3
 Witness: Bourassa

Line No.		Commodity	Customer	Service	Meter	Demand
1	Return on Rate Base	41,167	127,377	939	-	513,682
2	Less: Miscellaneous Revenues		(125,141)			
3						
4	Expenses (From Sch. G-6, Page 1)	917,729	969,865	46,613	124,218	1,223,496
5	Property taxes		159,659			
6	Income Taxes		359,980			
7	Total Revenue Requirement by function	958,896	1,491,739	47,552	124,218	1,737,189
8	Gallons Sold (in 1,000's)(Zero Gallons in Minimum) (G-7, page 3)	1,054,753				
9	Computed Commodity Rate					
10	Annualized Number of Bills		101,952			
11	Equivalent Meters and Service Lines					
12	Customer Charge (line 18 divided by line 21)		\$ 14.63		141,444	141,444
13	Meter, Service Line & Demand Charge (Line 18 divided by Line 22)			\$ 0.34	\$ 0.88	\$ 12.28
14	Total Monthly Minimum Charge for a 5/8 Inch Meter (Sum of Customer, Service Line, Meter and Demand Charge on Lines 23 & Line 24)					\$ 28.13
15						
16						
17						
18	Monthly Minimum					
19	5/8 Inch Meter	\$ 28.13	1.0 \$	28.13		
20	3/4 Inch Meter	\$ 28.13	1.5 \$	42.19		
21	1 Inch Meter	\$ 28.13	2.5 \$	70.32		
22	1 1/2 Inch Meter	\$ 28.13	5.0 \$	140.64		
23	2 Inch Meter	\$ 28.13	8.0 \$	225.02		
24	3 Inch Meter	\$ 28.13	16.0 \$	450.05		
25	4 Inch Meter	\$ 28.13	25.0 \$	703.20		
26	6 Inch Meter	\$ 28.13	50.0 \$	1,406.40		
27	8 Inch Meter	\$ 28.13	80.0 \$	2,250.24		
28						
29						
30						
31						

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Cost of Service Study Using Commodity / Demand Method
 Computation Demand Charge and Commodity

Exhibit
 Schedule G-8
 Page 4
 Witness: Bourassa

Line No. **Single Tier Rate Design with Some Customer and Demand Costs recovered via the Commodity Rate**

1	<u>Revenue Requirements Collected via Commodity Charge</u>				
2					
3					
4					
5					
6	Customer, Service, and Meter Costs	Total		Portion of	
7	Demand Costs	Rev. Req.	\$ 1,663,509	Rev. Req.	\$ 582,228
8	Commodity Costs		1,737,189		608,016
9	Total Costs to be Collected via Commodity		958,896		958,896
10	Gallons Sold				\$ 2,149,140
11					1,054,753
12	Commodity Charge (per 1,000 gallons)				\$ 2.038
13					
14	<u>Revenue Requirement Collected</u>				
15	Monthly Minimum 5/8 Meter				
16	Total Revenue Requirement				\$ 4,359,593
17	Less: Portion of Revenue Requirement Collected via Commodity Charge				(2,149,140)
18	Balance to be Recovered through Monthly Minimum				\$ 2,210,453
19					
20					
21	Number of Equivalent 5/8 Inch Meter Billings				141,444
22					
23	Computed Monthly Minimum 5/8 Inch Meter				\$ 15.63
24					
25					
26	<u>Meter Size</u>	5/8"	Meter	Monthly	
27	5/8 Inch Meter	Minimum	Ratio	Minimum	
28	3/4 Inch Meter	\$ 15.63	1.0	\$ 15.63	
29	1 Inch Meter	\$ 15.63	1.5	\$ 23.44	
30	1 1/2 Inch Meter	\$ 15.63	2.5	\$ 39.07	
31	2 Inch Meter	\$ 15.63	5.0	\$ 78.14	
32	3 Inch Meter	\$ 15.63	8.0	\$ 125.02	
33	4 Inch Meter	\$ 15.63	16.0	\$ 250.04	
34	6 Inch Meter	\$ 15.63	25.0	\$ 390.69	
35	8 Inch Meter	\$ 15.63	50.0	\$ 781.39	
36	10 Inch Meter	\$ 15.63	80.0	\$ 1,250.22	
37					
38					

50.70%

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Comparison of Proposed Rates to Computed Costs
 For a 5/8 Inch Residential Meter

Exhibit
 Schedule G-9
 Page 1
 Witness: Bourassa

Line No.	Water Usage	Monthly		Revenues							Service Line Charges	Meter Charges	Commodity Charges	Total Charges & Costs	Total Revenues minus Total Charges & Costs
		Minimum	Commodity	(1)	(2)	(3)	(4)	(5)	(6)	(7)					
1	-	\$ 18.46	\$ -	\$ 18.46	\$ 12.28	\$ 14.63	\$ 0.34	\$ 0.88	0	\$ 28.13	\$ (9.67)				
2	1,000	18.46	1.53	19.99	12.28	14.63	0.34	0.88	0.909	29.04	(9.05)				
3	2,000	18.46	3.06	21.52	12.28	14.63	0.34	0.88	1.818	29.95	(8.43)				
4	3,000	18.46	4.59	23.05	12.28	14.63	0.34	0.88	2.727	30.86	(7.81)				
5	4,000	18.46	6.12	24.58	12.28	14.63	0.34	0.88	3.636	31.76	(7.18)				
6	5,000	18.46	8.35	26.81	12.28	14.63	0.34	0.88	4.546	32.67	(5.86)				
7	6,000	18.46	10.58	29.04	12.28	14.63	0.34	0.88	5.455	33.58	(4.54)				
8	7,000	18.46	12.81	31.27	12.28	14.63	0.34	0.88	6.364	34.49	(3.22)				
9	8,000	18.46	15.04	33.50	12.28	14.63	0.34	0.88	7.273	35.40	(1.90)				
10	9,000	18.46	17.27	35.73	12.28	14.63	0.34	0.88	8.182	36.31	(0.58)				
11	10,000	18.46	19.50	37.96	12.28	14.63	0.34	0.88	9.091	37.22	0.74				
12	12,000	18.46	24.76	43.22	12.28	14.63	0.34	0.88	10.909	39.04	4.18				
13	14,000	18.46	30.02	48.48	12.28	14.63	0.34	0.88	12.728	40.86	7.62				
14	16,000	18.46	35.28	53.74	12.28	14.63	0.34	0.88	14.546	42.67	11.07				
15	18,000	18.46	40.54	59.00	12.28	14.63	0.34	0.88	16.364	44.49	14.51				
16	20,000	18.46	45.80	64.26	12.28	14.63	0.34	0.88	18.182	46.31	17.95				
17	25,000	18.46	58.95	77.41	12.28	14.63	0.34	0.88	22.728	50.86	26.55				
18	30,000	18.46	72.10	90.56	12.28	14.63	0.34	0.88	27.274	55.40	35.16				
19	35,000	18.46	85.25	103.71	12.28	14.63	0.34	0.88	31.819	59.95	43.76				
20	40,000	18.46	98.40	116.86	12.28	14.63	0.34	0.88	36.365	64.49	52.37				
21	45,000	18.46	111.55	130.01	12.28	14.63	0.34	0.88	40.910	69.04	60.97				
22	50,000	18.46	124.70	143.16	12.28	14.63	0.34	0.88	45.456	73.58	69.58				
23	60,000	18.46	151.00	169.46	12.28	14.63	0.34	0.88	54.547	82.68	86.78				
24	70,000	18.46	177.30	195.76	12.28	14.63	0.34	0.88	63.638	91.77	103.99				
25	80,000	18.46	203.60	222.06	12.28	14.63	0.34	0.88	72.730	100.86	121.20				
26	90,000	18.46	229.90	248.36	12.28	14.63	0.34	0.88	81.821	109.95	138.41				
27	100,000	18.46	256.20	274.66	12.28	14.63	0.34	0.88	90.912	119.04	155.62				

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Comparison of Proposed Rates to Computed Costs
 For a 3/4 Inch Residential Meter

Exhibit
 Schedule G-9
 Page 2
 Witness: Bourassa

Line No.	Water Usage	Monthly Minimum	Revenues			Demand Charges	Customer Charges	Service Line Charges	Meter Charges	Commodity Charges	Total Charges & Costs	Revenues minus Total Charges & Costs
			Minimum	Commodity	Total							
1	-	\$ 29.07	\$ -	\$ 29.07	\$ 18.42	\$ 21.95	\$ 0.50	\$ 1.32	0	\$ 42.19	\$ (13.12)	
2	1,000	29.07	1.53	30.60	18.42	21.95	0.50	1.32	0.909	43.10	(12.50)	
3	2,000	29.07	3.06	32.13	18.42	21.95	0.50	1.32	1.818	44.01	(11.88)	
4	3,000	29.07	4.59	33.66	18.42	21.95	0.50	1.32	2.727	44.92	(11.26)	
5	4,000	29.07	6.12	35.19	18.42	21.95	0.50	1.32	3.636	45.83	(10.64)	
6	5,000	29.07	8.35	37.42	18.42	21.95	0.50	1.32	4.546	46.74	(9.32)	
7	6,000	29.07	10.58	39.65	18.42	21.95	0.50	1.32	5.455	47.65	(8.00)	
8	7,000	29.07	12.81	41.88	18.42	21.95	0.50	1.32	6.364	48.56	(6.68)	
9	8,000	29.07	15.04	44.11	18.42	21.95	0.50	1.32	7.273	49.46	(5.35)	
10	9,000	29.07	17.27	46.34	18.42	21.95	0.50	1.32	8.182	50.37	(4.03)	
11	10,000	29.07	19.50	48.57	18.42	21.95	0.50	1.32	9.091	51.28	(2.71)	
12	12,000	29.07	24.76	53.83	18.42	21.95	0.50	1.32	10.909	53.10	0.73	
13	14,000	29.07	30.02	59.09	18.42	21.95	0.50	1.32	12.728	54.92	4.17	
14	16,000	29.07	35.28	64.35	18.42	21.95	0.50	1.32	14.546	56.74	7.61	
15	18,000	29.07	40.54	69.61	18.42	21.95	0.50	1.32	16.364	58.56	11.05	
16	20,000	29.07	45.80	74.87	18.42	21.95	0.50	1.32	18.182	60.37	14.50	
17	25,000	29.07	58.95	88.02	18.42	21.95	0.50	1.32	22.728	64.92	23.10	
18	30,000	29.07	72.10	101.17	18.42	21.95	0.50	1.32	27.274	69.47	31.70	
19	35,000	29.07	85.25	114.32	18.42	21.95	0.50	1.32	31.819	74.01	40.31	
20	40,000	29.07	98.40	127.47	18.42	21.95	0.50	1.32	36.365	78.56	48.91	
21	45,000	29.07	111.55	140.62	18.42	21.95	0.50	1.32	40.910	83.10	57.52	
22	50,000	29.07	124.70	153.77	18.42	21.95	0.50	1.32	45.456	87.65	66.12	
23	60,000	29.07	151.00	180.07	18.42	21.95	0.50	1.32	54.547	96.74	83.33	
24	70,000	29.07	177.30	206.37	18.42	21.95	0.50	1.32	63.638	105.83	100.54	
25	80,000	29.07	203.60	232.67	18.42	21.95	0.50	1.32	72.730	114.92	117.75	
26	90,000	29.07	229.90	258.97	18.42	21.95	0.50	1.32	81.821	124.01	134.96	
27	100,000	29.07	256.20	285.27	18.42	21.95	0.50	1.32	90.912	133.10	152.17	

(Col. 2 - Col. 8)

Column Number-->

(9)

(8)

(7)

(6)

(5)

(4)

(3)

(2)

(1)

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Comparison of Proposed Rates to Computed Costs
 For a 1 Inch Residential Meter

Exhibit
 Schedule G-9
 Page 3
 Witness: Bourassa

Line No.	Water Usage	Monthly Revenues		Demand Charges	Customer Charges	Service Line Charges	Meter Charges	Commodity Charges	Total Charges & Costs	Total Revenues minus Total Charges & Costs
		Minimum	Commodity							
1	-	\$ 36.92	\$ -	\$ 30.70	\$ 36.58	\$ 0.84	\$ 2.20	0	\$ 70.32	\$ (33.40)
2	1,000	36.92	1.45	30.70	36.58	0.84	2.20	0.909	71.23	(32.86)
3	2,000	36.92	2.90	30.70	36.58	0.84	2.20	1.818	72.14	(32.32)
4	3,000	36.92	4.35	30.70	36.58	0.84	2.20	2.727	73.05	(31.78)
5	4,000	36.92	5.80	30.70	36.58	0.84	2.20	3.636	73.96	(31.24)
6	5,000	36.92	7.25	30.70	36.58	0.84	2.20	4.546	74.87	(30.70)
7	6,000	36.92	8.70	30.70	36.58	0.84	2.20	5.455	75.77	(30.15)
8	7,000	36.92	10.15	30.70	36.58	0.84	2.20	6.364	76.68	(29.61)
9	8,000	36.92	11.60	30.70	36.58	0.84	2.20	7.273	77.59	(29.07)
10	9,000	36.92	13.05	30.70	36.58	0.84	2.20	8.182	78.50	(28.53)
11	10,000	36.92	14.50	30.70	36.58	0.84	2.20	9.091	79.41	(27.99)
12	12,000	36.92	18.30	30.70	36.58	0.84	2.20	10.909	81.23	(26.01)
13	14,000	36.92	22.10	30.70	36.58	0.84	2.20	12.728	83.05	(24.03)
14	16,000	36.92	25.90	30.70	36.58	0.84	2.20	14.546	84.87	(22.05)
15	18,000	36.92	29.70	30.70	36.58	0.84	2.20	16.364	86.68	(20.06)
16	20,000	36.92	33.50	30.70	36.58	0.84	2.20	18.182	88.50	(18.08)
17	25,000	36.92	43.00	30.70	36.58	0.84	2.20	22.728	93.05	(13.13)
18	30,000	36.92	52.50	30.70	36.58	0.84	2.20	27.274	97.59	(8.17)
19	35,000	36.92	62.00	30.70	36.58	0.84	2.20	31.819	102.14	(3.22)
20	40,000	36.92	71.50	30.70	36.58	0.84	2.20	36.365	106.68	1.74
21	45,000	36.92	81.00	30.70	36.58	0.84	2.20	40.910	111.23	6.69
22	50,000	36.92	90.50	30.70	36.58	0.84	2.20	45.456	115.78	11.64
23	60,000	36.92	109.50	30.70	36.58	0.84	2.20	54.547	124.87	21.55
24	70,000	36.92	128.50	30.70	36.58	0.84	2.20	63.638	133.96	31.46
25	80,000	36.92	147.50	30.70	36.58	0.84	2.20	72.730	143.05	41.37
26	90,000	36.92	166.50	30.70	36.58	0.84	2.20	81.821	152.14	51.28
27	100,000	36.92	185.50	30.70	36.58	0.84	2.20	90.912	161.23	61.19

Column Number-->

(Col. 2 - Col. 8)

Total

Revenues

minus

Total

(9)

(6)

(7)

(5)

(4)

(3)

(2)

(1)

(8)

Line No.	Meter Size	Class	Present Revenues \$	Proposed Revenues	Dollar Change	Percent Change	Additional Bills	Additional Gallons to be Pumped (in 1,000's)
1			7,808	10,461	2,572	32.60%	340	2,303
2			(81)	(109)	(28)	0.00%	(3)	(14)
3			-	-	-	0.00%	-	-
4			-	-	-	0.00%	-	-
5	5/8 Inch	Residential	7,808	10,352	2,544	32.58%	337	2,290
6	3/4 Inch	Residential	(1,504)	(1,891)	(386)	0.00%	(61)	(460)
7	1 Inch	Residential	33	42	9	28.00%	1	8
8	2 Inch	Residential	727	854	127	17.46%	14	211
9	5/8 Inch	Commercial	2,625	3,225	600	22.87%	21	1,057
10	3/4 Inch	Commercial	2,102	2,633	531	25.27%	9	933
11	1 Inch	Commercial	2,174	2,154	(20)	-0.91%	5	840
12	1.5 Inch	Commercial	(9,694)	(9,238)	456	0.00%	(8)	(4,416)
13	2 Inch	Commercial	-	-	-	0.00%	-	-
14	3 Inch	Commercial	-	-	-	0.00%	-	-
15	4 Inch	Commercial	-	-	-	0.00%	-	-
16	6 Inch	Commercial	-	-	-	0.00%	-	-
17	8 Inch	Commercial	-	-	-	0.00%	-	-
18		Subtotal	(3,538)	(2,220)	6,405	-181.06%	(19)	(1,829)
19		Commercial	(1,504)	(1,891)	(386)	0.00%	(61)	(460)
20		Commercial	33	42	9	28.00%	1	8
21		Commercial	727	854	127	17.46%	14	211
22		Commercial	2,625	3,225	600	22.87%	21	1,057
23		Commercial	2,102	2,633	531	25.27%	9	933
24		Commercial	2,174	2,154	(20)	-0.91%	5	840
25		Commercial	(9,694)	(9,238)	456	0.00%	(8)	(4,416)
26		Commercial	-	-	-	0.00%	-	-
27		Commercial	-	-	-	0.00%	-	-
28		Commercial	-	-	-	0.00%	-	-
29		Commercial	-	-	-	0.00%	-	-
30		Commercial	-	-	-	0.00%	-	-
31		Subtotal	(2,036)	(2,647)	(611)	0.00%	(12)	(333)
32		Hydrant	(110)	(330)	(220)	0.00%	(22)	-
33		Fire Sprinkler	-	-	-	0.00%	-	-
34		Fire Sprinkler	-	-	-	0.00%	-	-
35		Fire Sprinkler	-	-	-	0.00%	-	-
36		Subtotal	(110)	(330)	(220)	200.00%	(22)	-
37		Total Revenue Annualization	2,124	5,155	8,118	382.19%	284	128

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Revenue Summary

Exhibit
 Schedule H-1
 Page 3
 Witness: Bourassa

With Annualized Revenues to Year End Number of Customers

Line No.	Present Revenues	Proposed Revenues	Dollar Change	Percent Change	Percent of Present Water Revenues	Percent of Proposed Water Revenues
1	\$ 3,398,348	\$ 4,354,212	\$ 955,864	28.13%	100.00%	100.00%
2	2,124	5,155	3,031	142.69%	0.06%	0.12%
3	\$ 3,400,472	\$ 4,359,367	\$ 958,895	28.20%		
4	\$ 125,141	\$ 125,141	-	0.00%	3.68%	2.87%
5	420	226	(194)	-46.18%	0.01%	0.01%
6	\$ 3,526,033	\$ 4,484,734	\$ 958,701	27.19%	0.00%	0.00%
7						
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Line No.	Present Revenues	Proposed Revenues	Dollar Change	Percent Change	Percent of Present Water Revenues	Percent of Proposed Water Revenues
1	\$ 3,398,348	\$ 4,354,212	\$ 955,864	28.13%	100.00%	100.00%
2	2,124	5,155	3,031	142.69%	0.06%	0.12%
3	\$ 3,400,472	\$ 4,359,367	\$ 958,895	28.20%		
4	\$ 125,141	\$ 125,141	-	0.00%	3.68%	2.87%
5	420	226	(194)	-46.18%	0.01%	0.01%
6	\$ 3,526,033	\$ 4,484,734	\$ 958,701	27.19%	0.00%	0.00%
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Line No.	Present Revenues	Proposed Revenues	Dollar Change	Percent Change	Percent of Present Water Revenues	Percent of Proposed Water Revenues
1	\$ 3,398,348	\$ 4,354,212	\$ 955,864	28.13%	100.00%	100.00%
2	2,124	5,155	3,031	142.69%	0.06%	0.12%
3	\$ 3,400,472	\$ 4,359,367	\$ 958,895	28.20%		
4	\$ 125,141	\$ 125,141	-	0.00%	3.68%	2.87%
5	420	226	(194)	-46.18%	0.01%	0.01%
6	\$ 3,526,033	\$ 4,484,734	\$ 958,701	27.19%	0.00%	0.00%
7						
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Revenue per bill count before revenue annualization \$ 3,398,348
 Revenue per GL (metered water revenues) 3,398,768
 Difference (420)
 Difference % -0.01%
 Tolerance % 0.50%
 Tolerance Amount + or - \$ 16,994
 Acceptable? YES

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Customer Summary

Exhibit
 Schedule H-2
 Page 1
 Witness: Bourassa

Line No.	Meter Size, Class	(a) Average Number of Customers at 3/31/2009	Average Bill		Proposed Increase		
			Average Consumption	Present Rates	Proposed Rates	Dollar Amount	Percent Amount
1	5/8 Inch Residential	7,377	6,612 \$	22.90 \$	30.40	7.51	32.79%
2	3/4 Inch Residential	33	4,539	27.10	36.39	9.29	34.27%
3	1 Inch Residential	8	18,005	57.53	66.63	9.10	15.82%
4	2 Inch Residential	1	10,709	57.89	133.67	75.78	130.90%
5	Subtotal	7,419					
6							
7	5/8 Inch Commercial	386	7,365 \$	24.32 \$	30.65	6.33	26.04%
8	3/4 Inch Commercial	6	13,542 \$	43.69	53.00	9.31	21.30%
9	1 Inch Commercial	138	14,485	50.88	59.94	9.06	17.82%
10	1.5 Inch Commercial	83	45,156	115.24	143.78	28.53	24.76%
11	2 Inch Commercial	271	85,760	199.74	258.58	58.85	29.46%
12	3 Inch Commercial	26	164,752	428.68	424.71	(3.97)	-0.93%
13	4 Inch Commercial	4	588,148	1,280.00	1,223.33	(56.67)	-4.43%
14	6 Inch Commercial	1	39,001	1,019.11	887.25	(131.86)	-12.94%
15	8 Inch Commercial	1	2,542	1,297.47	1,332.81	35.34	2.72%
16	Subtotal	916					
17							
18	3 Inch Hydrant	15	30,148 \$	174.28 \$	226.97	52.69	30.23%
19							
20	4 Inch Fire Sprinkler	101	-	5.00	15.00	10.00	200.00%
21	6 Inch Fire Sprinkler	21	-	9.50	16.61	7.11	74.88%
22	8 Inch Fire Sprinkler	1	-	12.95	26.58	13.63	105.27%
23	Subtotal	123					
24							
25							
26							
27	Total	8,472					

(a) Average number of customers of less than one (1), indicates that less than 12 bills were issued during the year.

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Customer Summary

Exhibit
 Schedule H-2
 Page 2
 Witness: Bourassa

Line No.	Meter Size, Class	(a) Average Number of Customers at 3/31/2009	Median Bill		Proposed Increase	
			Present Rates	Proposed Rates	Dollar Amount	Percent
1	5/8 Inch Residential	7,377	19.37 \$	25.70	6.33	32.69%
2	3/4 Inch Residential	33	27.07	36.31	9.24	34.14%
3	1 Inch Residential	8	43.35	52.37	9.03	20.82%
4	2 Inch Residential	1	43.71	120.32	76.61	175.29%
5	Subtotal	7,419				
6	Commercial	386	18.40 \$	23.54	5.14	27.94%
7	5/8 Inch Commercial	6	27.07	35.82	8.76	32.35%
8	3/4 Inch Commercial	138	39.57	49.25	9.68	24.47%
9	1 Inch Commercial	83	83.77	112.13	28.37	33.86%
10	1.5 Inch Commercial	271	112.31	175.42	63.11	56.20%
11	2 Inch Commercial	26	387.76	383.57	(4.19)	-1.08%
12	3 Inch Commercial	4	1,345.87	1,289.55	(56.32)	-4.18%
13	4 Inch Commercial	1	1,027.62	893.78	(133.84)	-13.02%
14	6 Inch Commercial	1	1,295.97	1,330.57	34.60	2.67%
15	8 Inch Commercial	1				
16	Subtotal	916				
17	Hydrant	15	126.27 \$	159.52	33.25	26.33%
18	3 Inch					
19	4 Inch					
20	Fire Sprinkler	101	5.00	15.00	10.00	200.00%
21	6 Inch Fire Sprinkler	21	9.50	16.61	7.11	74.88%
22	8 Inch Fire Sprinkler	1	12.95	26.58	13.63	105.27%
23	Subtotal	123				
24						
25						
26						
27	Total	8,472				

(a) Average number of customers of less than one (1), indicates that less than 12 bills were issued during the year.

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Present and Proposed Rates

Exhibit
 Schedule H-3
 Page 1
 Witness: Bourassa

Line No.	Monthly Usage Charge for: Meter Size (All Classes):	Present Rates	Proposed Rates	Change	Percent Change
1	5/8 Inch	\$ 15.00	\$ 18.46	\$ 3.46	23.07%
2	3/4 Inch	22.70	29.07	6.37	28.06%
3	1 Inch	28.10	36.92	8.82	31.39%
4	1 1/2 Inch	34.50	69.23	34.73	100.67%
5	2 Inch	42.25	118.14	75.89	179.62%
6	3 Inch	121.90	147.68	25.78	21.15%
7	4 Inch	173.00	184.60	11.60	6.71%
8	6 Inch	950.00	830.70	(119.30)	-12.56%
9	8 Inch	1,295.00	1,329.12	34.12	2.63%
10					
11	Fire Sprinkler Service				
12	Fire Sprinklers - 4 Inch (See Note 1 and Note 2)	5.00	15.00	10.00	200.00%
13	Fire Sprinklers - 6 Inch (See Note 1 and Note 2)	9.50	16.61	7.11	74.88%
14	Fire Sprinklers - 8 Inch (See Note 1 and Note 2)	12.95	26.58	13.63	105.27%
15					
16	Gallons In Minimum (All Meter Sizes and Classes)	-	-		
17					
18					
19					
20	Commodity Rates				
21	Meter Size and Class				
22	All Meter Sizes and Classes		(Per 1,000 gallons)		
23		\$	0.97	\$	
24	0 gallons to 5,000 gallons	\$	1.89	\$	
25	5,000 gallons to 25,000 gallons	\$	2.41	\$	
26	Over 25,000 gallons				
27	0 gallons to 4,000 gallons			\$ 1.53	
28	4,001 gallons to 10,000 gallons			\$ 2.23	
29	Over 10,000 gallons			\$ 2.63	
30	5/8 Inch and 3/4 Inch Meter - Residential				
31	0 gallons to 4,000 gallons			\$ 1.45	
32	over 4,000 gallons			\$ 1.90	
33	1 Inch Meter - All classes				
34	0 gallons to 10,000 gallons			\$ 1.45	
35	over 10,000 gallons			\$ 1.90	
36	1.5 Inch Meter - All Classes				
37	0 gallons to 25,000 gallons			\$ 1.45	
38	over 25,000 gallons			\$ 1.90	
39	NT = No Tariff				
40					
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100					

Note 1 - Present Rates are 1% of monthly minimum for comparable sized meters, but not less than \$5.00 per month.
 Note 2 - Proposed rates are 2% of monthly minimum for comparable sized meters, but not less than \$15 per month.

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Present and Proposed Rates

Exhibit
 Schedule H-3
 Page 2
 Witness: Bourassa

Line No.	Commodity Rates Meter Size and Class	Block	Present Rate (Per 1,000 gallons)	Proposed Rate
1				
2				
3				
4				
5	2 Inch Meter - All Classes	0 gallons to 50,000 gallons over 50,000 gallons	\$ 1.45	1.45
6			\$ 1.90	1.90
7				
8	3 Inch Meter - All Classes	0 gallons to 80,000 gallons over 80,000 gallons	\$ 1.45	1.45
9			\$ 1.90	1.90
10				
11	4 Inch Meter - All Classes	0 gallons to 175,000 gallons over 175,000 gallons	\$ 1.45	1.45
12			\$ 1.90	1.90
13				
14	6 Inch Meter - All Classes	0 gallons to 450,000 gallons over 450,000 gallons	\$ 1.45	1.45
15			\$ 1.90	1.90
16				
17	8 Inch Meter - All Classes	0 gallons to 720,000 gallons over 720,000 gallons	\$ 1.45	1.45
18			\$ 1.90	1.90
19				
20				
21	Standpipe (Hydrant, Bulk)	All gallons	NT	\$ 2.63
22				
23				
24				
25	NT = No Tariff			
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				

Bella Vista Water Company
 Changes in Representative Rate Schedules
 Test Year Ended March 31, 2009

Exhibit
 Schedule H-3
 Page 3
 Witness: Bourassa

Line	Present	Proposed
<u>No.</u>	<u>Rates</u>	<u>Rates</u>
<u>Other Service Charges</u>		
1	\$ 30.00	\$ 30.00
2	\$ 45.00	\$ 45.00
3	[a]	[a]
4	\$ 30.00	\$ 30.00
5	\$ 45.00	\$ 45.00
6	\$ 30.00	\$ 30.00
7	\$ 15.00	\$ 15.00
8	\$ 15.00	\$ 15.00
9	1.50%	1.50%
10	[b]	[b]
11	NT	\$ 40.00
12	[c]	[c]
13	Cost	Cost
14	Cost	Cost
15	see H-3, page 4	
16	Cost	Cost
17		
18		
19		
20		
21	[a] Minimum charge times number of full months off the system. per Rule R14-2-403(D).	
22	[b] Greater of \$5.00 or 1.5% of unpaid balance.	
23	[c] Per ACC Rules R14-2-403(B) <u>Residential</u> - two times the average bill.	
24	<u>Commercial</u> - two and one-half times the average bill.	
25		
26		
27		
28	IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM	
29	ITS CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE	
30	TAX. PER COMMISSION RULE 14-2-409D(5).	
31		
32		
33		
34		
35		

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Meter and Service Line Charges

Exhibit
 Schedule H-3
 Page 4
 Witness: Bourassa

Line
No.

1
 2 **Refundable Meter and Service Line Charges**
 3

		Present			Proposed		
		Service	Meter	Total	Service	Meter	
		Line	Install-	Present	Line	Install-	
		<u>Charge</u>	ation	<u>Charge</u>	<u>Charge</u>	ation	
			<u>Charge</u>	<u>Charge</u>		<u>Charge*</u>	
9	5/8 x 3/4 Inch			\$ 350.00	\$ 385.00	At Cost	At Cost
10	3/4 Inch			350.00	385.00	At Cost	At Cost
11	1 Inch			400.00	435.00	At Cost	At Cost
12	1 1/2 Inch			500.00	470.00	At Cost	At Cost
13	2 Inch / Turbine			NT	630.00	At Cost	At Cost
14	2 Inch / Compound			675.00	630.00	At Cost	At Cost
15	3 Inch / Turbine			NT	805.00	At Cost	At Cost
16	3 Inch / Compound			1,500.00	845.00	At Cost	At Cost
17	4 Inch / Turbine			NT	1,170.00	At Cost	At Cost
18	4 Inch / Compound			1,500.00	1,230.00	At Cost	At Cost
19	6 Inch / Turbine			NT	1,730.00	At Cost	At Cost
20	6 Inch / Compound			4,400.00	1,770.00	At Cost	At Cost
21	8 Inch & Larger			NT	At Cost	At Cost	At Cost

22
 23
 24 * Plus actual road crossing costs.

25
 26
 27
 28
 29 N/T = No Tariff

30
 31
 32
 33

Bella Vista Water Company
Test Year Ended March 31, 2009
Hook-Up Fees

Exhibit
Schedule H-3
Page 5
Witness: Bourassa

Line
No.

1

2 **Off-site Facilities Hook-up Fee**

3

4

Present
Charge

Proposed
Charge

5

6 5/8 x 3/4 Inch

NT

\$ 1,600

7

3/4 Inch

NT

2,400

8

1 Inch

NT

4,000

9

1 1/2 Inch

NT

8,000

10

2 Inch

NT

12,800

11

3 Inch

NT

25,600

12

4 Inch

NT

40,000

13

6 Inch or larger

NT

80,000

14

15

16

17

18

19

20

21

NT = No Tariff

22

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36

Bella Vista Water Company
Bill Comparison Present and Proposed Rates
5/8 Inch Residential

Exhibit
 Schedule H-4
 Page 1
 Witness: Bourassa

Meter Size:

<u>Usage</u>	<u>Present Bill</u>	<u>Proposed Bill</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>	
-	\$ 15.00	\$ 18.46	\$ 3.46	23.07%	
1,000	15.97	19.99	4.02	25.17%	
2,000	16.94	21.52	4.58	27.04%	
3,000	17.91	23.05	5.14	28.70%	
4,000	18.88	24.58	5.70	30.19%	
5,000	19.85	26.81	6.96	35.06%	
6,000	21.74	29.04	7.30	33.58%	
7,000	23.63	31.27	7.64	32.33%	
8,000	25.52	33.50	7.98	31.27%	
9,000	27.41	35.73	8.32	30.35%	
10,000	29.30	37.96	8.66	29.56%	
12,000	33.08	43.22	10.14	30.65%	
14,000	36.86	48.48	11.62	31.52%	
16,000	40.64	53.74	13.10	32.23%	
18,000	44.42	59.00	14.58	32.82%	
20,000	48.20	64.26	16.06	33.32%	
25,000	57.65	77.41	19.76	34.28%	
30,000	69.70	90.56	20.86	29.93%	
35,000	81.75	103.71	21.96	26.86%	
40,000	93.80	116.86	23.06	24.58%	
45,000	105.85	130.01	24.16	22.82%	
50,000	117.90	143.16	25.26	21.42%	
60,000	142.00	169.46	27.46	19.34%	
70,000	166.10	195.76	29.66	17.86%	
80,000	190.20	222.06	31.86	16.75%	
90,000	214.30	248.36	34.06	15.89%	
100,000	238.40	274.66	36.26	15.21%	
Average Usage	22.90	30.40	7.51	32.79%	
Median Usage	19.37	25.70	6.33	32.69%	

Present Rates:
 Monthly Minimum: \$ 15.00
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 5,000 \$ 0.97
 Up to 25,000 \$ 1.89
 Over 25,000 \$ 2.41

Proposed Rates:
 Monthly Minimum: \$ 18.46
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 4,000 \$ 1.53
 Up to 10,000 \$ 2.23
 Over 10,000 \$ 2.63

Bella Vista Water Company
 Bill Comparison Present and Proposed Rates
 3/4 Inch Residential

Exhibit Schedule H-4
 Page 2
 Witness: Bourassa

Meter Size:

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ 22.70	\$ 29.07	\$ 6.37	28.06%
1,000	23.67	30.60	6.93	29.28%
2,000	24.64	32.13	7.49	30.40%
3,000	25.61	33.66	8.05	31.43%
4,000	26.58	35.19	8.61	32.39%
5,000	27.55	37.42	9.87	35.83%
6,000	29.44	39.65	10.21	34.68%
7,000	31.33	41.88	10.55	33.67%
8,000	33.22	44.11	10.89	32.78%
9,000	35.11	46.34	11.23	31.99%
10,000	37.00	48.57	11.57	31.27%
12,000	40.78	53.83	13.05	32.00%
14,000	44.56	59.09	14.53	32.61%
16,000	48.34	64.35	16.01	33.12%
18,000	52.12	69.61	17.49	33.56%
20,000	55.90	74.87	18.97	33.94%
25,000	65.35	88.02	22.67	34.69%
30,000	77.40	101.17	23.77	30.71%
35,000	89.45	114.32	24.87	27.80%
40,000	101.50	127.47	25.97	25.59%
45,000	113.55	140.62	27.07	23.84%
50,000	125.60	153.77	28.17	22.43%
60,000	149.70	180.07	30.37	20.29%
70,000	173.80	206.37	32.57	18.74%
80,000	197.90	232.67	34.77	17.57%
90,000	222.00	258.97	36.97	16.65%
100,000	246.10	285.27	39.17	15.92%
Average Usage	27.10	36.39	9.29	34.27%
Median Usage	27.07	36.31	9.24	34.14%

Present Rates:
 Monthly Minimum: \$ 22.70
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 5,000 \$ 0.97
 Over 25,000 \$ 1.89
 Over 25,000 \$ 2.41

Proposed Rates:
 Monthly Minimum: \$ 29.07
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 4,000 \$ 1.53
 Up to 10,000 \$ 2.23
 Over 10,000 \$ 2.63

Bella Vista Water Company
Bill Comparison Present and Proposed Rates
1 Inch Residential

Meter Size:

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ 28.10	\$ 36.92	\$ 8.82	31.39%
1,000	29.07	38.37	9.30	31.99%
2,000	30.04	39.82	9.78	32.56%
3,000	31.01	41.27	10.26	33.09%
4,000	31.98	42.72	10.74	33.58%
5,000	32.95	44.17	11.22	34.05%
6,000	34.84	45.62	10.78	30.94%
7,000	36.73	47.07	10.34	28.15%
8,000	38.62	48.52	9.90	25.63%
9,000	40.51	49.97	9.46	23.35%
10,000	42.40	51.42	9.02	21.27%
12,000	46.18	55.22	9.04	19.58%
14,000	49.96	59.02	9.06	18.13%
16,000	53.74	62.82	9.08	16.90%
18,000	57.52	66.62	9.10	15.82%
20,000	61.30	70.42	9.12	14.88%
25,000	70.75	79.92	9.17	12.96%
30,000	82.80	89.42	6.62	8.00%
35,000	94.85	98.92	4.07	4.29%
40,000	106.90	108.42	1.52	1.42%
45,000	118.95	117.92	(1.03)	-0.87%
50,000	131.00	127.42	(3.58)	-2.73%
60,000	155.10	146.42	(8.68)	-5.60%
70,000	179.20	165.42	(13.78)	-7.69%
80,000	203.30	184.42	(18.88)	-9.29%
90,000	227.40	203.42	(23.98)	-10.55%
100,000	251.50	222.42	(29.08)	-11.56%
Average Usage	18,005	66.63	9.10	15.82%
Median Usage	10,500	52.37	9.03	20.82%

Present Rates:
Monthly Minimum: \$ 28.10
Gallons in Minimum -
Charge Per 1,000 Gallons
Up to 5,000 \$ 0.97
Up to 25,000 \$ 1.89
Over 25,000 \$ 2.41

Proposed Rates:
Monthly Minimum: \$ 36.92
Gallons in Minimum -
Charge Per 1,000 Gallons
Up to 10,000 \$ 1.45
Up to 99,999,999 \$ 1.90
Over 99,999,999 \$ 1.90

Bella Vista Water Company
 Bill Comparison Present and Proposed Rates
 2 Inch Residential

Exhibit H-4
 Schedule H-4
 Page 4
 Witness: Bourassa

Meter Size:

<u>Usage</u>	<u>Present Bill</u>	<u>Proposed Bill</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
-	\$ 42.25	\$ 118.14	\$ 75.89	179.62%
1,000	43.22	119.59	76.37	176.70%
2,000	44.19	121.04	76.85	173.91%
3,000	45.16	122.49	77.33	171.24%
4,000	46.13	123.94	77.81	168.68%
5,000	47.10	125.39	78.29	166.22%
6,000	48.99	126.84	77.85	158.91%
7,000	50.88	128.29	77.41	152.14%
8,000	52.77	129.74	76.97	145.86%
9,000	54.66	131.19	76.53	140.01%
10,000	56.55	132.64	76.09	134.55%
12,000	60.33	135.54	75.21	124.66%
14,000	64.11	138.44	74.33	115.94%
16,000	67.89	141.34	73.45	108.19%
18,000	71.67	144.24	72.57	101.26%
20,000	75.45	147.14	71.69	95.02%
25,000	84.90	154.39	69.49	81.85%
30,000	94.35	161.64	67.29	71.32%
35,000	103.80	168.89	65.09	62.71%
40,000	113.25	176.14	62.89	55.53%
45,000	122.70	183.39	60.69	49.46%
50,000	132.15	190.64	58.49	44.26%
60,000	151.05	209.64	58.59	38.79%
70,000	169.95	228.64	58.69	34.53%
80,000	188.85	247.64	58.79	31.13%
90,000	207.75	266.64	58.89	28.35%
100,000	226.65	285.64	58.99	26.03%
Average Usage	10,709	133.67	75.78	130.90%
Median Usage	1,500	120.32	76.61	175.29%

Present Rates:
 Monthly Minimum: \$ 42.25
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 5,000 \$ 0.97
 Over 5,000 \$ 1.89

Proposed Rates:
 Monthly Minimum: \$ 118.14
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 50,000 \$ 1.45
 Over 50,000 \$ 1.90

Bella Vista Water Company
 Bill Comparison Present and Proposed Rates
 5/8 Inch Commercial

Meter Size:

<u>Usage</u>	<u>Present Bill</u>	<u>Proposed Bill</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
-	\$ 15.00	\$ 18.46	\$ 3.46	23.07%
1,000	15.97	19.91	3.94	24.67%
2,000	16.94	21.36	4.42	26.09%
3,000	17.91	22.81	4.90	27.36%
4,000	18.88	24.26	5.38	28.50%
5,000	19.85	26.16	6.31	31.79%
6,000	21.74	28.06	6.32	29.07%
7,000	23.63	29.96	6.33	26.79%
8,000	25.52	31.86	6.34	24.84%
9,000	27.41	33.76	6.35	23.17%
10,000	29.30	35.66	6.36	21.71%
12,000	33.08	39.46	6.38	19.29%
14,000	36.86	43.26	6.40	17.36%
16,000	40.64	47.06	6.42	15.80%
18,000	44.42	50.86	6.44	14.50%
20,000	48.20	54.66	6.46	13.40%
25,000	57.65	64.16	6.51	11.29%
30,000	69.70	73.66	3.96	5.68%
35,000	81.75	83.16	1.41	1.72%
40,000	93.80	92.66	(1.14)	-1.22%
45,000	105.85	102.16	(3.69)	-3.49%
50,000	117.90	111.66	(6.24)	-5.29%
60,000	142.00	130.66	(11.34)	-7.99%
70,000	166.10	149.66	(16.44)	-9.90%
80,000	190.20	168.66	(21.54)	-11.32%
90,000	214.30	187.66	(26.64)	-12.43%
100,000	238.40	206.66	(31.74)	-13.31%
Average Usage	7,365	30.65	6.33	26.04%
Median Usage	3,500	23.54	5.14	27.94%

Present Rates:
 Monthly Minimum: \$ 15.00
 Gallons in Minimum -
 Charge Per 1,000 Gallons 5,000 \$ 0.97
 Up to 25,000 \$ 1.89
 Over 25,000 \$ 2.41

Proposed Rates:
 Monthly Minimum: \$ 18.46
 Gallons in Minimum -
 Charge Per 1,000 Gallons 4,000 \$ 1.45
 Up to 4,000 \$ 1.90
 Over

Bella Vista Water Company
 Bill Comparison Present and Proposed Rates
 3/4 Commercial

Meter Size:

<u>Usage</u>	<u>Present Bill</u>	<u>Proposed Bill</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
-	\$ 22.70	\$ 29.07	\$ 6.37	28.06%
1,000	23.67	30.52	6.85	28.94%
2,000	24.64	31.97	7.33	29.75%
3,000	25.61	33.42	7.81	30.50%
4,000	26.58	34.87	8.29	31.19%
5,000	27.55	36.77	9.22	33.47%
6,000	29.44	38.67	9.23	31.35%
7,000	31.33	40.57	9.24	29.49%
8,000	33.22	42.47	9.25	27.84%
9,000	35.11	44.37	9.26	26.37%
10,000	37.00	46.27	9.27	25.05%
12,000	40.78	50.07	9.29	22.78%
14,000	44.56	53.87	9.31	20.89%
16,000	48.34	57.67	9.33	19.30%
18,000	52.12	61.47	9.35	17.94%
20,000	55.90	65.27	9.37	16.76%
25,000	65.35	74.77	9.42	14.41%
30,000	77.40	84.27	6.87	8.88%
35,000	89.45	93.77	4.32	4.83%
40,000	101.50	103.27	1.77	1.74%
45,000	113.55	112.77	(0.78)	-0.69%
50,000	125.60	122.27	(3.33)	-2.65%
60,000	149.70	141.27	(8.43)	-5.63%
70,000	173.80	160.27	(13.53)	-7.78%
80,000	197.90	179.27	(18.63)	-9.41%
90,000	222.00	198.27	(23.73)	-10.69%
100,000	246.10	217.27	(28.83)	-11.71%
Average Usage	43.69	53.00	9.31	21.30%
Median Usage	27.07	35.82	8.76	32.35%

Present Rates:
 Monthly Minimum: \$ 22.70
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 5,000 \$ 0.97
 Up to 25,000 \$ 1.89
 Over 25,000 \$ 2.41

Proposed Rates:
 Monthly Minimum: \$ 29.07
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 4,000 \$ 1.45
 Over 4,000 \$ 1.90

Bella Vista Water Company
Bill Comparison Present and Proposed Rates
 1 Inch Commercial

Exhibit H-4
 Schedule H-4
 Page 7
 Witness: Bourassa

Meter Size:

<u>Usage</u>	<u>Present Bill</u>	<u>Proposed Bill</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
-	\$ 28.10	\$ 36.92	\$ 8.82	31.39%
1,000	29.07	38.37	9.30	31.99%
2,000	30.04	39.82	9.78	32.56%
3,000	31.01	41.27	10.26	33.09%
4,000	31.98	42.72	10.74	33.58%
5,000	32.95	44.17	11.22	34.05%
6,000	34.84	45.62	10.78	30.94%
7,000	36.73	47.07	10.34	28.15%
8,000	38.62	48.52	9.90	25.63%
9,000	40.51	49.97	9.46	23.35%
10,000	42.40	51.42	9.02	21.27%
12,000	46.18	55.22	9.04	19.58%
14,000	49.96	59.02	9.06	18.13%
16,000	53.74	62.82	9.08	16.90%
18,000	57.52	66.62	9.10	15.82%
20,000	61.30	70.42	9.12	14.88%
25,000	70.75	79.92	9.17	12.96%
30,000	82.80	89.42	6.62	8.00%
35,000	94.85	98.92	4.07	4.29%
40,000	106.90	108.42	1.52	1.42%
45,000	118.95	117.92	(1.03)	-0.87%
50,000	131.00	127.42	(3.58)	-2.73%
60,000	155.10	146.42	(8.68)	-5.60%
70,000	179.20	165.42	(13.78)	-7.69%
80,000	203.30	184.42	(18.88)	-9.29%
90,000	227.40	203.42	(23.98)	-10.55%
100,000	251.50	222.42	(29.08)	-11.56%
Average Usage	50.88	59.94	9.06	17.82%
Median Usage	39.57	49.25	9.68	24.47%

Present Rates:
 Monthly Minimum: \$ 28.10
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 5,000 \$ 0.97
 Up to 25,000 \$ 1.89
 Over 25,000 \$ 2.41

Proposed Rates:
 Monthly Minimum: \$ 36.92
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 10,000 \$ 1.45
 Over 10,000 \$ 1.90

Bella Vista Water Company
 Bill Comparison Present and Proposed Rates
 1 1/2 Inch Commercial

Meter Size:

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase	
-	\$ 34.50	\$ 69.23	\$ 34.73	100.67%	
1,000	35.47	70.68	35.21	99.27%	
2,000	36.44	72.13	35.69	97.94%	
3,000	37.41	73.58	36.17	96.69%	
4,000	38.38	75.03	36.65	95.49%	
5,000	39.35	76.48	37.13	94.36%	
6,000	41.24	77.93	36.69	88.97%	
7,000	43.13	79.38	36.25	84.05%	
8,000	45.02	80.83	35.81	79.54%	
9,000	46.91	82.28	35.37	75.40%	
10,000	48.80	83.73	34.93	71.58%	
12,000	52.58	86.63	34.05	64.76%	
14,000	56.36	89.53	33.17	58.85%	
16,000	60.14	92.43	32.29	53.69%	
18,000	63.92	95.33	31.41	49.14%	
20,000	67.70	98.23	30.53	45.10%	
25,000	77.15	105.48	28.33	36.72%	
30,000	86.60	114.98	28.38	32.77%	
35,000	96.05	124.48	28.43	29.60%	
40,000	105.50	133.98	28.48	27.00%	
45,000	114.95	143.48	28.53	24.82%	
50,000	124.40	152.98	28.58	22.97%	
60,000	143.30	171.98	28.68	20.01%	
70,000	162.20	190.98	28.78	17.74%	
80,000	181.10	209.98	28.88	15.95%	
90,000	200.00	228.98	28.98	14.49%	
100,000	218.90	247.98	29.08	13.28%	
Average Usage	45,156	115.24	\$ 143.78	\$ 28.53	24.76%
Median Usage	28,500	83.77	\$ 112.13	\$ 28.37	33.86%

Present Rates:
 Monthly Minimum: \$ 34.50
 Gallons in Minimum -
 Charge Per 1,000 Gallons 5,000 \$ 0.97
 Up to 5,000 \$ 1.89
 Over

Proposed Rates:
 Monthly Minimum: \$ 69.23
 Gallons in Minimum -
 Charge Per 1,000 Gallons 25,000 \$ 1.45
 Up to 25,000 \$ 1.90
 Over

Bella Vista Water Company
 Bill Comparison Present and Proposed Rates
 2 Inch Commercial

Exhibit
 Schedule H-4
 Page 9
 Witness: Bourassa

Meter Size:

<u>Usage</u>	<u>Present Bill</u>	<u>Proposed Bill</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>	
-	\$ 42.25	\$ 118.14	\$ 75.89	179.62%	
1,000	43.22	119.59	76.37	176.70%	
2,000	44.19	121.04	76.85	173.91%	\$ 42.25
3,000	45.16	122.49	77.33	171.24%	-
4,000	46.13	123.94	77.81	168.68%	
5,000	47.10	125.39	78.29	166.22%	5,000 \$ 0.97
6,000	48.99	126.84	77.85	158.91%	5,000 \$ 1.89
7,000	50.88	128.29	77.41	152.14%	
8,000	52.77	129.74	76.97	145.86%	
9,000	54.66	131.19	76.53	140.01%	
10,000	56.55	132.64	76.09	134.55%	
12,000	60.33	135.54	75.21	124.66%	
14,000	64.11	138.44	74.33	115.94%	
16,000	67.89	141.34	73.45	108.19%	\$ 118.14
18,000	71.67	144.24	72.57	101.26%	-
20,000	75.45	147.14	71.69	95.02%	
25,000	84.90	154.39	69.49	81.85%	50,000 \$ 1.45
30,000	94.35	161.64	67.29	71.32%	50,000 \$ 1.90
35,000	103.80	168.89	65.09	62.71%	
40,000	113.25	176.14	62.89	55.53%	
45,000	122.70	183.39	60.69	49.46%	
50,000	132.15	190.64	58.49	44.26%	
60,000	151.05	209.64	58.59	38.79%	
70,000	169.95	228.64	58.69	34.53%	
80,000	188.85	247.64	58.79	31.13%	
90,000	207.75	266.64	58.89	28.35%	
100,000	226.65	285.64	58.99	26.03%	
Average Usage					
85,760	\$ 199.74	\$ 258.58	\$ 58.85	29.46%	
Median Usage					
39,500	\$ 112.31	\$ 175.42	\$ 63.11	56.20%	

Bella Vista Water Company
 Bill Comparison Present and Proposed Rates
 3 Inch Commercial

Meter Size:

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ 121.90	\$ 147.68	\$ 25.78	21.15%
1,000	122.87	149.13	26.26	21.37%
2,000	123.84	150.58	26.74	21.59%
3,000	124.81	152.03	27.22	21.81%
4,000	125.78	153.48	27.70	22.02%
5,000	126.75	154.93	28.18	22.23%
6,000	128.64	156.38	27.74	21.56%
7,000	130.53	157.83	27.30	20.91%
8,000	132.42	159.28	26.86	20.28%
9,000	134.31	160.73	26.42	19.67%
10,000	136.20	162.18	25.98	19.07%
12,000	139.98	165.08	25.10	17.93%
14,000	143.76	167.98	24.22	16.85%
16,000	147.54	170.88	23.34	15.82%
18,000	151.32	173.78	22.46	14.84%
20,000	155.10	176.68	21.58	13.91%
25,000	164.55	183.93	19.38	11.78%
30,000	174.00	191.18	17.18	9.87%
35,000	183.45	198.43	14.98	8.17%
40,000	192.90	205.68	12.78	6.63%
45,000	202.35	212.93	10.58	5.23%
50,000	211.80	220.18	8.38	3.96%
60,000	230.70	234.68	3.98	1.73%
70,000	249.60	249.18	(0.42)	-0.17%
80,000	268.50	263.68	(4.82)	-1.80%
90,000	287.40	282.68	(4.72)	-1.64%
100,000	306.30	301.68	(4.62)	-1.51%
Average Usage	428.68	424.71	(3.97)	-0.93%
Median Usage	387.76	383.57	(4.19)	-1.08%

Present Rates:
 Monthly Minimum: \$ 121.90
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 5,000 \$ 0.97
 Over 5,000 \$ 1.89

Proposed Rates:
 Monthly Minimum: \$ 147.68
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 80,000 \$ 1.45
 Over 80,000 \$ 1.90

Bella Vista Water Company
 Bill Comparison Present and Proposed Rates
 4 Inch Commercial
 Meter Size:

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ 173.00	\$ 184.60	\$ 11.60	6.71%
1,000	173.97	186.05	12.08	6.94%
2,000	174.94	187.50	12.56	7.18%
3,000	175.91	188.95	13.04	7.41%
4,000	176.88	190.40	13.52	7.64%
5,000	177.85	191.85	14.00	7.87%
6,000	179.74	193.30	13.56	7.54%
7,000	181.63	194.75	13.12	7.22%
8,000	183.52	196.20	12.68	6.91%
9,000	185.41	197.65	12.24	6.60%
10,000	187.30	199.10	11.80	6.30%
12,000	191.08	202.00	10.92	5.71%
14,000	194.86	204.90	10.04	5.15%
16,000	198.64	207.80	9.16	4.61%
18,000	202.42	210.70	8.28	4.09%
20,000	206.20	213.60	7.40	3.59%
25,000	215.65	220.85	5.20	2.41%
30,000	225.10	228.10	3.00	1.33%
35,000	234.55	235.35	0.80	0.34%
40,000	244.00	242.60	(1.40)	-0.57%
45,000	253.45	249.85	(3.60)	-1.42%
50,000	262.90	257.10	(5.80)	-2.21%
60,000	281.80	271.60	(10.20)	-3.62%
70,000	300.70	286.10	(14.60)	-4.86%
80,000	319.60	300.60	(19.00)	-5.94%
90,000	338.50	315.10	(23.40)	-6.91%
100,000	357.40	329.60	(27.80)	-7.78%
Average Usage	\$ 1,280.00	\$ 1,223.33	\$ (56.67)	-4.43%
Median Usage	\$ 1,345.87	\$ 1,289.55	\$ (56.32)	-4.18%

Present Rates:
 Monthly Minimum: \$ 173.00
 Gallons in Minimum: -
 Charge Per 1,000 Gallons
 Up to 5,000 \$ 0.97
 Over 5,000 \$ 1.89

Proposed Rates:
 Monthly Minimum: \$ 184.60
 Gallons in Minimum: -
 Charge Per 1,000 Gallons
 Up to 175,000 \$ 1.45
 Over 175,000 \$ 1.90

Bella Vista Water Company
 Bill Comparison Present and Proposed Rates
 6 Inch Commercial

Meter Size:

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase	Present Rates:
-	\$ 950.00	\$ 830.70	\$ (119.30)	-12.56%	Monthly Minimum: \$ 950.00
1,000	950.97	832.15	(118.82)	-12.49%	Gallons in Minimum: -
2,000	951.94	833.60	(118.34)	-12.43%	Charge Per 1,000 Gallons
3,000	952.91	835.05	(117.86)	-12.37%	Up to 5,000 \$ 0.97
4,000	953.88	836.50	(117.38)	-12.31%	Over 5,000 \$ 1.89
5,000	954.85	837.95	(116.90)	-12.24%	
6,000	956.74	839.40	(117.34)	-12.26%	
7,000	958.63	840.85	(117.78)	-12.29%	
8,000	960.52	842.30	(118.22)	-12.31%	
9,000	962.41	843.75	(118.66)	-12.33%	
10,000	964.30	845.20	(119.10)	-12.35%	
12,000	968.08	848.10	(119.98)	-12.39%	
14,000	971.86	851.00	(120.86)	-12.44%	Proposed Rates:
16,000	975.64	853.90	(121.74)	-12.48%	Monthly Minimum: \$ 830.70
18,000	979.42	856.80	(122.62)	-12.52%	Gallons in Minimum: -
20,000	983.20	859.70	(123.50)	-12.56%	Charge Per 1,000 Gallons
25,000	992.65	866.95	(125.70)	-12.66%	Up to 450,000 \$ 1.45
30,000	1,002.10	874.20	(127.90)	-12.76%	Over 450,000 \$ 1.90
35,000	1,011.55	881.45	(130.10)	-12.86%	
40,000	1,021.00	888.70	(132.30)	-12.96%	
45,000	1,030.45	895.95	(134.50)	-13.05%	
50,000	1,039.90	903.20	(136.70)	-13.15%	
60,000	1,058.80	917.70	(141.10)	-13.33%	
70,000	1,077.70	932.20	(145.50)	-13.50%	
80,000	1,096.60	946.70	(149.90)	-13.67%	
90,000	1,115.50	961.20	(154.30)	-13.83%	
100,000	1,134.40	975.70	(158.70)	-13.99%	
Average Usage	39,001	1,019.11	\$ 887.25	\$ (131.86)	-12.94%
Median Usage	43,500	1,027.62	\$ 893.78	\$ (133.84)	-13.02%

Bella Vista Water Company
 Bill Comparison Present and Proposed Rates
 8 Inch Commercial

Meter Size:

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase	
-	\$ 1,295.00	\$ 1,329.12	\$ 34.12	2.63%	
1,000	1,295.97	1,330.57	34.60	2.67%	
2,000	1,296.94	1,332.02	35.08	2.70%	
3,000	1,297.91	1,333.47	35.56	2.74%	
4,000	1,298.88	1,334.92	36.04	2.77%	
5,000	1,299.85	1,336.37	36.52	2.81%	
6,000	1,301.74	1,337.82	36.08	2.77%	
7,000	1,303.63	1,339.27	35.64	2.73%	
8,000	1,305.52	1,340.72	35.20	2.70%	
9,000	1,307.41	1,342.17	34.76	2.66%	
10,000	1,309.30	1,343.62	34.32	2.62%	
12,000	1,313.08	1,346.52	33.44	2.55%	
14,000	1,316.86	1,349.42	32.56	2.47%	
16,000	1,320.64	1,352.32	31.68	2.40%	
18,000	1,324.42	1,355.22	30.80	2.33%	
20,000	1,328.20	1,358.12	29.92	2.25%	
25,000	1,337.65	1,365.37	27.72	2.07%	
30,000	1,347.10	1,372.62	25.52	1.89%	
35,000	1,356.55	1,379.87	23.32	1.72%	
40,000	1,366.00	1,387.12	21.12	1.55%	
45,000	1,375.45	1,394.37	18.92	1.38%	
50,000	1,384.90	1,401.62	16.72	1.21%	
60,000	1,403.80	1,416.12	12.32	0.88%	
70,000	1,422.70	1,430.62	7.92	0.56%	
80,000	1,441.60	1,445.12	3.52	0.24%	
90,000	1,460.50	1,459.62	(0.88)	-0.06%	
100,000	1,479.40	1,474.12	(5.28)	-0.36%	
Average Usage	2,542	\$ 1,297.47	\$ 1,332.81	\$ 35.34	2.72%
Median Usage	1,000	\$ 1,295.97	\$ 1,330.57	\$ 34.60	2.67%

Present Rates:
 Monthly Minimum: \$ 1,295.00
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 5,000 \$ 0.97
 Over 5,000 \$ 1.89

Proposed Rates:
 Monthly Minimum: \$ 1,329.12
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 720,000 \$ 1.45
 Over 720,000 \$ 1.90

Bella Vista Water Company
 Bill Comparison Present and Proposed Rates
 3 Inch Hydrant

Exhibit H-4
 Schedule Page 14
 Witness: Bourassa

Meter Size:

<u>Usage</u>	<u>Present Bill</u>	<u>Proposed Bill</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
-	\$ 121.90	\$ 147.68	\$ 25.78	21.15%
1,000	122.87	150.31	27.44	22.33%
2,000	123.84	152.94	29.10	23.50%
3,000	124.81	155.57	30.76	24.65%
4,000	125.78	158.20	32.42	25.78%
5,000	126.75	160.83	34.08	26.89%
6,000	128.64	163.46	34.82	27.07%
7,000	130.53	166.09	35.56	27.24%
8,000	132.42	168.72	36.30	27.41%
9,000	134.31	171.35	37.04	27.58%
10,000	136.20	173.98	37.78	27.74%
12,000	139.98	179.24	39.26	28.05%
14,000	143.76	184.50	40.74	28.34%
16,000	147.54	189.76	42.22	28.62%
18,000	151.32	195.02	43.70	28.88%
20,000	155.10	200.28	45.18	29.13%
25,000	164.55	213.43	48.88	29.71%
30,000	174.00	226.58	52.58	30.22%
35,000	183.45	239.73	56.28	30.68%
40,000	192.90	252.88	59.98	31.09%
45,000	202.35	266.03	63.68	31.47%
50,000	211.80	279.18	67.38	31.81%
60,000	230.70	305.48	74.78	32.41%
70,000	249.60	331.78	82.18	32.92%
80,000	268.50	358.08	89.58	33.36%
90,000	287.40	384.38	96.98	33.74%
100,000	306.30	410.68	104.38	34.08%
Average Usage	30,148	226.97	52.69	30.23%
Median Usage	4,500	159.52	33.25	26.33%

Present Rates:
 Monthly Minimum: \$ 121.90
 Gallons in Minimum Charge Per 1,000 Gallons
 Up to 5,000 \$ 0.97
 Over 999,999,999 \$ 1.89

Proposed Rates:
 Monthly Minimum: \$ 147.68
 Gallons in Minimum Charge Per 1,000 Gallons
 All Gallons \$ 2.63

Bella Vista Water Company
 Bill Comparison Present and Proposed Rates
 4 Inch Fire Sprinkler

Meter Size:

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ 5.00	\$ 15.00	\$ 10.00	200.00%
1,000	5.97	16.45	10.48	175.54%
2,000	6.94	17.90	10.96	157.93%
3,000	7.91	19.35	11.44	144.63%
4,000	8.88	20.80	11.92	134.23%
5,000	9.85	22.25	12.40	125.89%
6,000	11.74	23.70	11.96	101.87%
7,000	13.63	25.15	11.52	84.52%
8,000	15.52	26.60	11.08	71.39%
9,000	17.41	28.05	10.64	61.11%
10,000	19.30	29.50	10.20	52.85%
12,000	23.08	32.40	9.32	40.38%
14,000	26.86	35.30	8.44	31.42%
16,000	30.64	38.20	7.56	24.67%
18,000	34.42	41.10	6.68	19.41%
20,000	38.20	44.00	5.80	15.18%
25,000	47.65	51.25	3.60	7.56%
30,000	57.10	58.50	1.40	2.45%
35,000	66.55	65.75	(0.80)	-1.20%
40,000	76.00	73.00	(3.00)	-3.95%
45,000	85.45	80.25	(5.20)	-6.09%
50,000	94.90	87.50	(7.40)	-7.80%
60,000	113.80	102.00	(11.80)	-10.37%
70,000	132.70	116.50	(16.20)	-12.21%
80,000	151.60	131.00	(20.60)	-13.59%
90,000	170.50	145.50	(25.00)	-14.66%
100,000	189.40	160.00	(29.40)	-15.52%
Average Usage	\$ 5.00	\$ 15.00	\$ 10.00	200.00%
Median Usage	\$ 5.00	\$ 15.00	\$ 10.00	200.00%

Present Rates:
 Monthly Minimum: \$ 5.00
 Gallons in Minimum: -
 Charge Per 1,000 Gallons: 5,000 \$ 0.97
 Up to: 5,000 \$ 1.89
 Over:

Proposed Rates:
 Monthly Minimum: \$ 15.00
 Gallons in Minimum: -
 Charge Per 1,000 Gallons: 175,000 \$ 1.45
 Up to: 175,000 \$ 1.90
 Over:

Bella Vista Water Company

Bill Comparison Present and Proposed Rates

Meter Size: 6 Inch Fire Sprinkler

Exhibit
Schedule H-4
Page 16
Witness: Bourassa

<u>Usage</u>	<u>Present Bill</u>	<u>Proposed Bill</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
-	\$ 9.50	\$ 16.61	\$ 7.11	74.88%
1,000	10.47	18.06	7.59	72.53%
2,000	11.44	19.51	8.07	70.58%
3,000	12.41	20.96	8.55	68.93%
4,000	13.38	22.41	9.03	67.52%
5,000	14.35	23.86	9.51	66.30%
6,000	16.24	25.31	9.07	55.87%
7,000	18.13	26.76	8.63	47.62%
8,000	20.02	28.21	8.19	40.93%
9,000	21.91	29.66	7.75	35.39%
10,000	23.80	31.11	7.31	30.73%
12,000	27.58	34.01	6.43	23.33%
14,000	31.36	36.91	5.55	17.71%
16,000	35.14	39.81	4.67	13.30%
18,000	38.92	42.71	3.79	9.75%
20,000	42.70	45.61	2.91	6.82%
25,000	52.15	52.86	0.71	1.37%
30,000	61.60	60.11	(1.49)	-2.41%
35,000	71.05	67.36	(3.69)	-5.19%
40,000	80.50	74.61	(5.89)	-7.31%
45,000	89.95	81.86	(8.09)	-8.99%
50,000	99.40	89.11	(10.29)	-10.35%
60,000	118.30	103.61	(14.69)	-12.41%
70,000	137.20	118.11	(19.09)	-13.91%
80,000	156.10	132.61	(23.49)	-15.05%
90,000	175.00	147.11	(27.89)	-15.93%
100,000	193.90	161.61	(32.29)	-16.65%
Average Usage	\$ 9.50	\$ 16.61	\$ 7.11	74.88%
Median Usage	\$ 9.50	\$ 16.61	\$ 7.11	74.88%

Present Rates:
 Monthly Minimum: \$ 9.50
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 5,000 \$ 0.97
 Over 5,000 \$ 1.89

Proposed Rates:
 Monthly Minimum: \$ 16.61
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 450,000 \$ 1.45
 Over 450,000 \$ 1.90

Bella Vista Water Company

Bill Comparison Present and Proposed Rates
8 Inch Fire Sprinkler

Exhibit H-4
Schedule H-4
Page 17
Witness: Bourassa

Meter Size:

<u>Usage</u>	<u>Present Bill</u>	<u>Proposed Bill</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
-	\$ 12.95	\$ 26.58	\$ 13.63	105.27%
1,000	13.92	28.03	14.11	101.38%
2,000	14.89	29.48	14.59	98.00%
3,000	15.86	30.93	15.07	95.03%
4,000	16.83	32.38	15.55	92.41%
5,000	17.80	33.83	16.03	90.07%
6,000	19.69	35.28	15.59	79.19%
7,000	21.58	36.73	15.15	70.22%
8,000	23.47	38.18	14.71	62.69%
9,000	25.36	39.63	14.27	56.28%
10,000	27.25	41.08	13.83	50.76%
12,000	31.03	43.98	12.95	41.74%
14,000	34.81	46.88	12.07	34.68%
16,000	38.59	49.78	11.19	29.00%
18,000	42.37	52.68	10.31	24.34%
20,000	46.15	55.58	9.43	20.44%
25,000	55.60	62.83	7.23	13.01%
30,000	65.05	70.08	5.03	7.74%
35,000	74.50	77.33	2.83	3.80%
40,000	83.95	84.58	0.63	0.75%
45,000	93.40	91.83	(1.57)	-1.68%
50,000	102.85	99.08	(3.77)	-3.66%
60,000	121.75	113.58	(8.17)	-6.71%
70,000	140.65	128.08	(12.57)	-8.94%
80,000	159.55	142.58	(16.97)	-10.63%
90,000	178.45	157.08	(21.37)	-11.97%
100,000	197.35	171.58	(25.77)	-13.06%
Average Usage	\$ 12.95	\$ 26.58	\$ 13.63	105.27%
Median Usage	\$ 12.95	\$ 26.58	\$ 13.63	105.27%

<u>Usage</u>	<u>Present Rate</u>	<u>Proposed Rate</u>
Monthly Minimum:	\$ 12.95	\$ 26.58
Gallons in Minimum:	-	-
Charge Per 1,000 Gallons	5,000	5,000
Up to	\$ 0.97	\$ 1.89
Over	\$ 1.89	\$ 1.89

<u>Usage</u>	<u>Present Rate</u>	<u>Proposed Rate</u>
Monthly Minimum:	\$ 26.58	\$ 26.58
Gallons in Minimum:	-	-
Charge Per 1,000 Gallons	720,000	720,000
Up to	\$ 1.45	\$ 1.45
Over	\$ 1.90	\$ 1.90

Bella Vista Water Company
 Test Year Ended March 31, 2009
 5/8 Inch Residential

Exhibit
 Schedule H-5
 Page 1
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
-	-	213	204	208	193	188	208	208	201	223	213	220	217	2,498	2,498	-
1,001	1,000	419	368	370	440	434	511	463	417	463	428	442	472	5,210	7,708	2,608
2,001	2,000	646	484	478	522	621	804	799	629	799	685	867	808	7,941	15,649	14,523
3,001	3,000	774	572	590	753	791	985	988	827	988	838	1008	1056	9,987	25,636	39,496
4,001	4,000	853	695	629	687	851	898	1034	868	1034	971	1091	1104	10,509	36,145	76,282
5,001	5,000	764	653	640	641	770	792	933	814	933	930	895	932	9,568	45,713	119,343
6,001	6,000	679	572	573	530	645	651	751	724	751	754	784	715	8,093	53,806	163,859
7,001	7,000	558	507	455	501	570	479	555	610	555	628	553	545	6,532	60,338	206,320
8,001	8,000	445	421	416	448	460	406	472	434	416	470	374	386	5,148	65,486	244,932
9,001	9,000	356	407	327	338	381	296	294	345	294	340	277	270	4,012	69,498	279,037
10,001	10,000	272	290	322	306	285	262	262	257	201	245	194	202	3,127	72,625	308,745
11,001	11,000	223	269	271	249	229	174	174	222	139	185	146	142	2,471	75,096	334,691
12,001	12,000	172	227	251	194	194	155	155	162	113	132	122	109	2,025	77,121	357,980
13,001	13,000	139	201	185	190	136	102	102	134	85	108	70	70	1,573	78,694	377,643
14,001	14,000	122	170	189	176	117	74	74	106	71	51	52	74	1,359	80,053	395,990
15,001	15,000	114	170	162	137	93	85	85	95	49	42	42	66	1,169	81,222	412,941
16,001	16,000	83	163	148	120	93	74	74	77	61	44	30	35	999	82,221	428,426
17,001	17,000	60	131	129	107	75	63	63	83	24	37	30	32	826	83,047	442,056
18,001	18,000	50	91	99	98	59	36	36	59	26	29	27	24	654	83,701	453,501
19,001	19,000	60	77	102	62	49	47	47	40	24	22	31	16	569	84,270	464,028
20,001	20,000	51	61	101	75	37	40	40	31	17	30	21	21	524	84,794	474,246
21,001	21,000	37	60	90	68	42	40	40	40	13	21	17	11	469	85,263	483,861
22,001	22,000	34	65	64	68	33	24	24	27	11	15	8	11	386	85,649	492,160
23,001	23,000	20	58	51	60	35	18	18	25	11	17	11	11	336	85,985	499,720
24,001	24,000	27	60	60	59	24	24	24	25	11	10	5	8	332	86,317	507,522
25,001	25,000	21	36	50	42	17	15	15	21	8	9	1	2	241	86,558	513,427
26,001	26,000	16	40	41	27	17	7	6	11	6	7	4	5	195	86,753	518,400
27,001	27,000	21	34	42	28	17	21	4	16	4	13	3	6	217	86,970	524,150
28,001	28,000	10	21	33	27	7	6	7	9	7	2	4	6	138	87,108	527,945
29,001	29,000	11	25	28	29	12	6	4	10	4	9	3	5	149	87,257	532,192
30,001	30,000	9	22	32	16	10	12	12	3	4	8	2	5	138	87,395	536,263
31,001	31,000	6	19	26	15	8	8	8	5	8	1	2	6	114	87,509	539,740
32,001	32,000	4	19	17	18	2	3	4	6	4	4	2	9	96	87,605	542,764
33,001	33,000	8	20	23	8	7	8	1	8	1	2	3	1	93	87,698	545,787
34,001	34,000	9	13	19	12	3	2	5	2	1	6	0	1	76	87,774	548,333
35,001	35,000	1	9	12	13	3	3	1	1	3	3	1	0	50	87,824	550,058
36,001	36,000	4	8	8	10	4	1	4	6	4	2	3	3	58	87,882	552,117
37,001	37,000	7	9	7	9	5	3	3	4	1	0	2	1	57	87,939	554,197
38,001	38,000	0	9	16	11	5	2	2	2	0	2	0	3	53	87,992	556,185

Bella Vista Water Company
 Test Year Ended March 31, 2009
 5/8 Inch Residential

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 Schedule H-5
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 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
38,001	39,000	2	6	11	7	2	2	1	3	0	1	1	0	36	88,028	557,571
39,001	40,000	1	6	12	10	2	1	1	2	0	1	0	0	36	88,064	558,993
40,001	41,000	4	5	7	7	3	1	4	4	1	0	2	1	39	88,103	560,572
41,001	42,000	2	9	5	4	2	5	1	1	0	1	1	2	33	88,136	561,942
42,001	43,000	1	3	6	5	3	3	3	0	1	1	0	1	27	88,163	563,089
43,001	44,000	2	6	5	4	0	0	0	1	0	1	1	0	20	88,183	563,959
44,001	45,000	0	6	7	3	1	0	2	1	1	1	0	0	22	88,205	564,938
45,001	46,000	2	0	7	4	2	1	1	1	1	0	0	1	21	88,226	565,894
46,001	47,000	1	5	3	3	0	1	0	1	1	2	1	0	18	88,244	566,731
47,001	48,000	2	3	2	2	2	1	3	2	1	0	1	0	19	88,263	567,633
48,001	49,000	1	3	5	1	2	0	4	2	1	1	0	0	20	88,283	568,603
49,001	50,000	5	5	2	4	1	3	2	2	0	0	0	0	24	88,307	569,791
50,001	51,000	0	1	7	1	0	0	0	0	0	2	0	2	13	88,320	570,448
51,001	52,000	0	1	1	2	1	1	0	0	0	0	1	2	9	88,329	570,911
52,001	53,000	1	2	4	1	1	1	1	1	0	1	0	0	13	88,342	571,594
53,001	54,000	0	3	0	5	0	0	0	2	0	1	1	1	15	88,357	572,396
54,001	55,000	0	1	1	0	1	1	0	0	0	1	0	1	8	88,365	572,832
55,001	56,000	1	3	1	1	1	1	0	0	0	1	0	0	8	88,373	573,276
56,001	57,000	0	1	2	3	1	0	0	0	0	1	1	0	9	88,382	573,785
57,001	58,000	1	2	1	3	1	1	0	0	0	0	0	0	10	88,392	574,360
58,001	59,000	0	0	0	0	0	1	1	1	0	0	0	1	3	88,395	574,535
59,001	60,000	0	1	1	1	2	0	0	0	0	0	1	0	6	88,401	574,892
60,001	61,000	0	0	2	1	0	0	0	0	0	0	1	0	4	88,405	575,134
61,001	62,000	0	1	1	2	1	1	0	0	0	0	0	0	6	88,411	575,503
62,001	63,000	0	0	3	1	1	1	0	0	1	0	0	0	7	88,418	575,941
63,001	64,000	0	0	1	0	0	1	1	0	0	0	1	0	4	88,422	576,195
64,001	65,000	0	1	2	1	0	0	0	1	0	0	2	0	7	88,429	576,646
65,001	66,000	0	0	0	1	1	0	0	0	0	0	0	0	2	88,431	576,777
66,001	67,000	0	0	0	3	1	0	0	0	0	0	0	0	4	88,435	577,043
67,001	68,000	0	1	0	0	0	0	0	1	0	1	0	0	3	88,438	577,246
68,001	69,000	0	0	1	0	0	1	0	0	0	0	0	0	2	88,440	577,383
69,001	70,000	0	0	2	0	0	0	0	2	0	1	0	0	5	88,445	577,730
70,001	71,000	0	1	0	0	1	0	0	1	1	0	0	0	4	88,449	578,012
71,001	72,000	0	0	0	1	1	1	0	0	1	0	0	0	4	88,453	578,298
72,001	73,000	1	0	0	2	0	1	1	0	0	0	0	0	5	88,458	578,661
73,001	74,000	0	1	0	0	0	0	0	1	0	0	0	0	2	88,460	578,808
74,001	75,000	0	1	0	1	0	1	0	0	0	0	0	0	3	88,463	579,031
75,001	76,000	0	0	0	0	0	0	0	0	0	0	0	0	1	88,464	579,107
76,001	77,000	0	2	0	0	0	1	1	1	0	0	0	0	5	88,469	579,489

Bella Vista Water Company
 Test Year Ended March 31, 2009
 5/8 Inch Residential

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 Schedule H-5
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 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
77,001	78,000	0	0	0	1	0	0	0	0	0	0	0	0	1	88,470	579,567
78,001	79,000	0	0	0	1	1	0	0	0	0	0	0	0	3	88,473	579,802
79,001	80,000	0	0	1	0	0	0	0	0	0	1	0	0	3	88,476	580,041
80,001	81,000	0	2	0	0	0	0	0	0	1	0	0	0	3	88,479	580,282
81,001	82,000	0	0	0	0	0	0	0	0	0	0	0	0	1	88,480	580,364
82,001	83,000	0	0	0	0	0	0	0	1	0	0	0	0	1	88,481	580,446
83,001	84,000	0	0	0	0	0	1	0	0	0	0	0	0	1	88,482	580,530
84,001	85,000	0	0	0	0	0	0	0	1	0	0	0	0	1	88,483	580,614
85,001	86,000	0	1	0	0	0	0	0	0	0	0	0	0	1	88,484	580,700
86,001	87,000	0	0	0	0	0	0	0	0	0	0	0	0	1	88,485	580,786
87,001	88,000	1	0	0	1	0	0	0	0	0	0	0	0	2	88,487	580,961
88,001	89,000	0	0	0	0	0	0	0	1	0	0	0	0	1	88,488	581,050
89,001	90,000	0	0	0	0	0	0	0	0	0	0	0	0	-	88,488	581,050
90,001	91,000	0	0	0	0	0	0	0	0	0	0	0	0	-	88,488	581,050
91,001	92,000	0	0	0	0	0	0	0	0	0	0	0	0	-	88,488	581,050
92,001	93,000	0	0	0	0	0	0	0	0	0	0	0	0	1	88,489	581,142
93,001	94,000	0	1	1	0	0	0	0	0	0	0	0	0	2	88,491	581,329
94,001	95,000	0	0	0	0	0	1	0	0	0	0	0	0	2	88,493	581,518
95,001	96,000	0	0	0	0	0	0	0	0	0	0	0	0	-	88,493	581,518
96,001	97,000	0	0	0	0	0	0	0	0	0	0	0	0	-	88,493	581,518
97,001	98,000	0	0	0	0	0	0	0	0	0	0	0	0	-	88,493	581,518
98,001	99,000	0	0	0	0	0	0	0	0	0	0	0	0	-	88,493	581,518
99,001	100,000	0	0	0	0	0	0	0	0	0	0	0	0	-	88,493	581,518
101,450	101,450	0	0	0	0	0	0	0	0	0	0	0	1	1	88,494	581,620
102,340	102,340	0	0	0	1	0	0	0	0	0	0	0	0	1	88,495	581,722
104,140	104,140	0	0	0	1	0	0	0	0	0	0	0	0	1	88,496	581,826
104,290	104,290	0	0	0	0	1	0	0	0	0	0	0	0	1	88,497	581,931
104,320	104,320	0	0	0	0	0	0	0	0	0	1	0	0	1	88,498	582,035
108,860	108,860	0	1	0	0	0	0	0	0	0	0	0	0	1	88,499	582,144
110,110	110,110	0	0	1	0	0	0	0	0	0	0	0	0	1	88,500	582,254
110,800	110,800	0	1	0	0	0	0	0	0	0	0	0	0	1	88,501	582,365
115,930	115,930	0	0	0	1	0	0	0	0	0	0	0	0	1	88,502	582,481
117,780	117,780	0	0	0	1	0	0	0	0	0	0	0	0	1	88,503	582,599
120,290	120,290	0	0	0	0	1	0	0	0	0	0	0	0	1	88,504	582,719
123,240	123,240	0	0	0	0	0	0	0	0	1	0	0	0	1	88,505	582,842
124,910	124,910	0	1	0	0	0	0	0	0	0	0	0	0	1	88,506	582,967
124,990	124,990	0	0	0	0	0	0	0	0	0	1	0	0	1	88,507	583,092
128,923	128,923	0	0	0	0	0	1	0	0	0	0	0	0	1	88,508	583,221
131,830	131,830	0	0	0	1	0	0	0	0	0	0	0	0	1	88,509	583,353

Bella Vista Water Company
 Test Year Ended March 31, 2009
 5/8 Inch Residential

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 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
132,590	132,590	0	0	0	0	0	0	0	0	0	1	0	0	1	88,510	583,485
133,980	133,980	0	0	0	0	0	0	0	0	0	0	0	0	1	88,511	583,619
141,490	141,490	0	0	0	0	1	0	0	0	0	0	0	0	1	88,512	583,761
147,380	147,380	0	0	0	0	0	0	1	0	0	0	0	0	1	88,513	583,908
164,010	164,010	0	1	0	0	0	0	0	0	0	0	0	0	1	88,514	584,072
166,300	166,300	0	0	0	0	0	0	0	0	0	0	0	0	1	88,515	584,238
169,010	169,010	0	0	1	0	0	0	0	0	0	0	0	0	1	88,516	584,407
174,730	174,730	0	0	1	0	0	0	0	0	0	0	0	0	1	88,517	584,582
183,782	183,782	0	0	0	0	0	0	0	0	0	0	0	1	1	88,518	584,766
215,930	215,930	0	0	0	0	0	1	0	0	0	0	0	0	1	88,519	584,982
287,410	287,410	0	0	0	0	0	0	0	0	0	0	0	0	1	88,520	585,269
Totals		7,326	7,348	7,373	7,395	7,403	7,384	7,382	7,391	7,381	7,369	7,363	7,405	88,520		

Average Usage
 Median Usage

6,612
 4,500

Bellia Vista Water Company
 Test Year Ended March 31, 2009
 3/4 Inch Residential

Exhibit
 Schedule H-5
 Page 2
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
1	1,000	1	2	1	2	1	2	3	1	3	2	1	3	26	29	13
1,001	2,000	8	4	5	6	4	6	5	3	4	5	5	7	62	91	106
2,001	3,000	5	4	3	6	5	3	7	7	4	4	4	1	52	143	236
3,001	4,000	6	2	4	5	5	4	3	8	4	4	5	5	55	198	429
4,001	5,000	4	2	4	3	3	3	7	4	3	2	3	6	44	242	627
5,001	6,000	2	8	4	2	7	5	3	3	7	5	4	3	53	295	918
6,001	7,000	1	2	2	2	3	2	3	3	1	5	4	3	31	326	1,120
7,001	8,000	-	2	1	1	-	3	1	-	2	4	2	2	16	342	1,240
8,001	9,000	3	2	2	5	2	1	1	3	-	1	1	1	21	363	1,418
9,001	10,000	2	-	1	-	2	3	1	1	2	-	1	2	15	378	1,561
10,001	11,000	1	3	-	-	-	1	-	2	1	-	2	-	10	388	1,666
11,001	12,000	-	1	1	-	1	-	-	-	-	2	-	-	5	393	1,723
12,001	13,000	1	-	-	1	-	-	-	-	-	-	-	-	2	395	1,748
13,001	14,000	-	-	-	-	-	1	-	-	-	-	-	-	1	396	1,762
14,001	15,000	-	-	-	-	-	-	-	-	-	-	-	-	-	396	1,762
15,001	16,000	-	1	-	-	-	-	-	-	-	-	-	-	1	397	1,777
16,001	17,000	-	-	-	-	-	-	-	-	-	1	-	-	1	398	1,794
17,001	18,000	-	-	-	1	-	-	-	-	-	-	-	-	1	399	1,811
18,001	19,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
19,001	20,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
20,001	21,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
21,001	22,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
22,001	23,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
23,001	24,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
24,001	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
25,001	26,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
26,001	27,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
27,001	28,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
28,001	29,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
29,001	30,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
30,001	31,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
31,001	32,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
32,001	33,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
33,001	34,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
34,001	35,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
35,001	36,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
36,001	37,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
37,001	38,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
38,001	39,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
39,001	40,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
40,001	41,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
41,001	42,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
42,001	43,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
43,001	44,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
44,001	45,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811

Bella Vista Water Company
 Test Year Ended March 31, 2009
 3/4 Inch Residential

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 Schedule H-5
 Page 2
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
45,001	46,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
46,001	47,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
47,001	48,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
48,001	49,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
49,001	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
50,001	51,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
51,001	52,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
52,001	53,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
53,001	54,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
54,001	55,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
55,001	56,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
56,001	57,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
57,001	58,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
58,001	59,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
59,001	60,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
60,001	61,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
61,001	62,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
62,001	63,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
63,001	64,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
64,001	65,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
65,001	66,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
66,001	67,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
67,001	68,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
68,001	69,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
69,001	70,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
70,001	71,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
71,001	72,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
72,001	73,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
73,001	74,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
74,001	75,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
75,001	76,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
76,001	77,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
77,001	78,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
78,001	79,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
79,001	80,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
80,001	81,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
81,001	82,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
82,001	83,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
83,001	84,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
84,001	85,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
85,001	86,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
86,001	87,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
87,001	88,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
88,001	89,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
89,001	90,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
90,001	91,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811

Bella Vista Water Company
 Test Year Ended March 31, 2009
 3/4 Inch Residential

Exhibit
 Schedule H-5
 Page 2
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
91,001	92,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
92,001	93,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
93,001	94,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
94,001	95,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
95,001	96,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
96,001	97,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
97,001	98,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
98,001	99,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
99,001	100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	399	1,811
Totals		34	34	34	33	33	33	33	33	33	33	33	33	399		
														Average Usage	4,539	
														Median Usage	4,500	

Bella Vista Water Company
 Test Year Ended March 31, 2009
 1 Inch Residential

Exhibit
 Schedule H-5
 Page 3
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
1,000	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1,001	2,000	-	-	-	-	1	-	-	-	-	-	-	-	1	1	2
2,001	3,000	-	-	-	1	-	-	-	-	-	-	-	-	1	2	4
3,001	4,000	-	-	-	1	-	-	-	-	-	1	2	2	7	9	29
4,001	5,000	2	1	-	-	-	1	2	-	2	-	-	-	13	22	87
5,001	6,000	-	-	-	-	1	1	-	2	1	-	-	1	6	28	120
6,001	7,000	-	1	1	1	1	-	-	1	-	1	-	-	7	35	166
7,001	8,000	-	-	-	-	-	-	-	-	1	-	1	-	2	37	181
8,001	9,000	-	-	-	1	1	-	-	-	-	-	-	-	2	39	198
9,001	10,000	1	-	-	1	-	-	-	-	1	-	-	-	2	39	198
10,001	11,000	1	1	-	-	-	-	-	-	-	1	-	1	8	47	274
11,001	12,000	-	1	-	-	1	-	-	-	-	-	1	-	4	51	316
12,001	13,000	-	1	-	-	1	-	1	-	1	1	-	-	7	58	396
13,001	14,000	-	-	-	-	-	1	-	1	-	-	-	-	3	61	434
14,001	15,000	-	-	-	1	-	-	-	-	-	-	-	1	2	63	461
15,001	16,000	-	-	-	1	-	-	-	1	-	-	-	-	1	64	475
16,001	17,000	-	1	-	-	-	-	-	1	-	1	-	-	3	67	522
17,001	18,000	-	-	-	-	-	-	-	-	-	-	1	-	2	69	555
18,001	19,000	-	-	-	-	-	-	-	1	-	-	-	-	1	70	572
19,001	20,000	-	-	-	-	-	-	-	-	-	-	-	-	1	71	591
20,001	21,000	-	1	-	-	-	-	-	-	1	-	-	-	1	72	610
21,001	22,000	-	-	-	-	-	-	-	-	-	-	-	-	1	73	631
22,001	23,000	-	-	-	-	-	-	-	-	-	-	-	-	1	73	631
23,001	24,000	-	-	-	-	-	-	-	1	-	-	-	-	3	76	698
24,001	25,000	2	-	-	-	-	-	-	-	-	-	-	-	1	77	722
25,001	26,000	-	-	-	-	-	-	-	-	-	-	-	-	2	79	771
26,001	27,000	-	-	-	-	-	-	-	-	-	-	-	-	1	79	771
27,001	28,000	-	-	-	-	1	-	-	-	-	-	-	-	1	81	826
28,001	29,000	-	-	-	-	-	-	-	1	-	-	-	-	2	81	826
29,001	30,000	-	-	-	-	-	-	-	-	-	-	-	-	1	81	826
30,001	31,000	-	-	-	-	-	-	-	-	-	-	-	-	1	81	826
31,001	32,000	-	-	-	-	-	-	-	-	-	-	-	-	1	81	826
32,001	33,000	-	-	-	-	-	-	-	-	-	-	-	-	1	82	858
33,001	34,000	-	-	-	1	-	-	-	-	-	-	-	-	1	83	892
34,001	35,000	-	-	-	-	-	-	-	-	-	-	-	-	1	84	926
35,001	36,000	-	-	-	-	-	-	-	-	-	-	-	-	1	84	926
36,001	37,000	-	-	-	-	-	-	-	-	-	-	-	-	1	84	926
37,001	38,000	-	-	-	-	-	-	-	-	-	-	-	-	1	84	926
38,001	39,000	-	1	-	-	-	-	-	-	-	-	-	-	1	85	965
39,001	40,000	-	-	-	-	-	-	-	-	-	-	-	-	1	85	965
40,001	41,000	-	-	-	-	-	-	-	-	-	-	-	-	1	85	965

Bella Vista Water Company
 Test Year Ended March 31, 2009
 1 Inch Residential

Exhibit
 Schedule H-5
 Page 3
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
41,001	42,000	-	-	-	-	-	-	-	-	-	-	-	-	-	85	965
42,001	43,000	-	-	-	-	-	-	-	-	-	-	-	-	-	85	965
43,001	44,000	-	-	-	-	1	-	-	-	-	-	-	-	2	87	1,052
44,001	45,000	-	1	-	-	-	-	-	1	-	-	-	-	2	89	1,141
45,001	46,000	-	-	-	-	-	-	-	-	-	-	-	-	-	89	1,141
46,001	47,000	-	-	-	-	-	-	-	-	-	-	-	-	-	89	1,141
47,001	48,000	-	-	-	-	-	-	-	-	-	-	-	-	-	89	1,141
48,001	49,000	-	-	-	-	-	-	-	-	-	-	-	-	-	89	1,141
49,001	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	89	1,141
50,001	51,000	-	-	1	-	-	-	-	-	-	-	-	-	1	90	1,191
51,001	52,000	-	-	-	-	-	-	-	-	-	-	-	-	-	90	1,191
52,001	53,000	-	-	-	-	-	-	-	-	-	-	-	-	-	90	1,191
53,001	54,000	-	-	-	-	-	-	-	-	-	-	-	-	-	90	1,191
54,001	55,000	-	-	-	-	-	-	-	-	-	-	-	-	-	90	1,191
55,001	56,000	-	-	-	-	-	-	-	-	-	-	-	-	-	90	1,191
56,001	57,000	-	-	-	-	-	-	-	-	-	-	-	-	-	90	1,191
57,001	58,000	-	-	-	-	-	-	-	-	-	-	-	-	-	90	1,191
58,001	59,000	-	-	-	-	-	-	-	-	-	-	-	-	-	90	1,191
59,001	60,000	-	-	-	-	-	-	-	-	-	-	-	-	-	90	1,191
60,001	61,000	-	-	-	-	-	-	-	-	-	-	-	-	-	90	1,191
61,001	62,000	-	-	-	-	-	-	-	-	-	-	-	-	-	90	1,191
62,001	63,000	-	-	-	-	-	-	-	-	-	-	-	-	-	90	1,191
63,001	64,000	-	-	-	-	-	-	-	-	-	-	-	-	-	90	1,191
64,001	65,000	-	1	-	-	1	-	-	-	-	-	-	-	3	93	1,385
65,001	66,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385
66,001	67,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385
67,001	68,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385
68,001	69,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385
69,001	70,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385
70,001	71,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385
71,001	72,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385
72,001	73,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385
73,001	74,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385
74,001	75,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385
75,001	76,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385
76,001	77,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385
77,001	78,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385
78,001	79,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385
79,001	80,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385
80,001	81,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385
81,001	82,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385
82,001	83,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385

Bella Vista Water Company
 Test Year Ended March 31, 2009

Exhibit
 Schedule H-5
 Page 3
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
83,001	84,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385
84,001	85,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385
85,001	86,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385
86,001	87,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385
87,001	88,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385
88,001	89,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385
89,001	90,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385
90,001	91,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385
91,001	92,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385
92,001	93,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385
93,001	94,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385
94,001	95,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385
95,001	96,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385
96,001	97,000	-	-	-	-	-	-	-	-	-	-	-	-	-	93	1,385
97,001	98,000	1	-	-	-	-	-	-	-	-	-	-	-	1	94	1,482
98,001	99,000	-	-	1	-	-	-	-	-	-	-	-	-	1	95	1,582
99,001	100,000	-	-	-	-	-	-	-	-	-	-	-	-	1	96	1,728
146,930	146,930	-	-	-	-	-	-	-	-	-	-	-	-	-	96	1,728
		-	-	-	-	-	-	-	-	-	-	-	-	-	96	1,728

Totals	8	8	8	8	8	8	8	8	8	8	8	8	8	8	96	96
Average Usage															18,005	
Median Usage															10,500	

Bella Vista Water Company
 Test Year Ended March 31, 2009
 2 Inch Residential

Exhibit
 Schedule H-5
 Page 4
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
87,001	88,000	-	-	-	-	-	-	-	-	-	-	-	-	-	12	129
88,001	89,000	-	-	-	-	-	-	-	-	-	-	-	-	-	12	129
89,001	90,000	-	-	-	-	-	-	-	-	-	-	-	-	-	12	129
90,001	91,000	-	-	-	-	-	-	-	-	-	-	-	-	-	12	129
91,001	92,000	-	-	-	-	-	-	-	-	-	-	-	-	-	12	129
92,001	93,000	-	-	-	-	-	-	-	-	-	-	-	-	-	12	129
93,001	94,000	-	-	-	-	-	-	-	-	-	-	-	-	-	12	129
94,001	95,000	-	-	-	-	-	-	-	-	-	-	-	-	-	12	129
95,001	96,000	-	-	-	-	-	-	-	-	-	-	-	-	-	12	129
96,001	97,000	-	-	-	-	-	-	-	-	-	-	-	-	-	12	129
97,001	98,000	-	-	-	-	-	-	-	-	-	-	-	-	-	12	129
98,001	99,000	-	-	-	-	-	-	-	-	-	-	-	-	-	12	129
99,001	100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	12	129
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12	129
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12	129

Totals

1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	12	
																Average Usage	10,709
																Median Usage	1,500

Bella Vista Water Company
 Test Year Ended March 31, 2009
 5/8 Inch Commercial

Exhibit
 Schedule H-5
 Page 5
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
-	-	16	16	15	13	19	16	20	20	20	17	21	18	211	211	-
1,001	1,000	85	67	63	67	64	71	78	77	87	76	77	87	899	1,110	450
2,001	2,000	56	59	71	62	57	62	70	55	67	65	63	54	741	1,851	1,562
3,001	3,000	37	46	33	36	31	30	36	36	32	34	37	41	429	2,280	2,635
4,001	4,000	27	27	27	22	26	23	23	22	33	24	29	32	315	2,595	3,737
5,001	5,000	30	23	22	27	27	19	25	25	21	13	22	24	278	2,873	4,988
6,001	6,000	14	15	22	25	27	20	19	17	20	16	17	19	231	3,104	6,259
7,001	7,000	21	11	13	17	16	19	26	17	23	23	19	10	219	3,323	7,683
8,001	8,000	5	20	15	16	10	18	9	14	8	15	11	10	151	3,474	8,815
9,001	9,000	8	8	15	11	10	14	7	11	3	13	8	12	120	3,594	9,935
10,001	10,000	11	9	11	5	13	8	6	14	5	7	4	9	102	3,696	10,804
11,001	11,000	8	11	10	9	10	7	3	3	7	7	11	4	86	3,782	11,707
12,001	12,000	9	6	10	4	4	6	6	7	7	4	9	6	78	3,860	12,604
13,001	13,000	6	7	5	4	3	3	7	8	6	5	4	6	64	3,924	13,404
14,001	14,000	3	4	4	6	5	8	2	4	4	5	2	3	50	3,974	14,079
15,001	15,000	8	6	5	5	2	4	2	7	2	4	3	5	53	4,027	14,848
16,001	16,000	2	7	4	6	4	1	3	3	6	5	4	4	49	4,076	15,607
17,001	17,000	1	5	3	3	2	3	-	3	3	5	3	3	34	4,110	16,168
18,001	18,000	5	1	2	2	5	1	2	2	4	3	6	4	37	4,147	16,816
19,001	19,000	2	3	5	3	6	6	6	3	3	5	3	1	44	4,191	17,630
20,001	20,000	2	2	3	-	1	4	5	3	2	3	2	3	30	4,221	18,215
21,001	21,000	2	2	4	3	3	5	3	-	-	-	-	2	24	4,245	18,707
22,001	22,000	1	3	-	3	3	3	3	1	2	5	3	2	26	4,271	19,266
23,001	23,000	2	1	1	1	2	1	5	2	3	1	-	2	21	4,292	19,739
24,001	24,000	3	3	2	3	2	2	1	5	2	4	3	1	31	4,323	20,467
25,001	25,000	2	3	1	3	1	4	-	1	2	2	1	1	20	4,343	20,957
26,001	26,000	1	3	-	1	3	2	1	1	1	-	1	1	15	4,358	21,340
27,001	27,000	2	1	1	-	4	3	1	1	1	2	1	3	19	4,377	21,843
28,001	28,000	-	-	1	2	-	1	-	-	-	-	1	-	5	4,382	21,981
29,001	29,000	-	1	1	1	1	2	1	2	2	4	1	-	16	4,398	22,437
30,001	30,000	2	2	-	3	-	1	4	2	2	1	-	2	19	4,417	22,997
31,001	31,000	-	1	1	2	1	1	-	2	-	2	-	1	11	4,428	23,333
32,001	32,000	1	1	2	1	2	1	2	-	1	1	-	-	12	4,440	23,711
33,001	33,000	1	1	-	5	2	-	1	-	2	-	-	1	13	4,453	24,133
34,001	34,000	-	2	-	1	1	1	1	-	-	-	1	-	7	4,460	24,368
35,001	35,000	3	3	2	-	1	2	-	1	-	-	-	1	12	4,472	24,782
36,001	36,000	2	1	-	2	2	1	-	-	1	1	-	-	12	4,484	25,208
37,001	37,000	1	-	2	-	1	-	-	-	-	-	-	-	4	4,488	25,354
38,001	38,000	-	-	3	-	1	2	1	1	-	-	2	1	12	4,500	25,804
39,001	39,000	-	-	-	1	-	1	-	-	1	-	1	-	4	4,504	25,958
40,001	40,000	1	2	-	2	1	-	1	-	-	-	-	2	9	4,513	26,313
41,001	41,000	-	-	1	1	-	-	1	-	-	-	-	-	4	4,517	26,475
42,001	42,000	-	1	1	1	4	-	-	-	-	1	-	-	9	4,526	26,849
43,001	43,000	-	-	2	1	1	1	-	-	-	-	-	-	5	4,531	27,061
44,001	44,000	-	1	-	1	1	1	-	1	1	1	1	-	8	4,539	27,409
44,001	45,000	1	-	-	1	-	-	1	-	-	1	1	1	7	4,546	27,721

Bella Vista Water Company
 Test Year Ended March 31, 2009
 5/8 Inch Commercial

Exhibit
 Schedule H-5
 Page 5
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
45,001	46,000	1	-	-	2	-	1	-	1	-	2	-	-	7	4,553	28,039
46,001	47,000	1	-	-	-	-	-	-	-	-	1	1	-	3	4,556	28,179
47,001	48,000	-	-	-	-	-	-	1	-	-	-	1	-	2	4,558	28,274
48,001	49,000	1	-	-	-	1	-	-	-	-	-	-	-	3	4,561	28,419
49,001	50,000	-	2	-	1	-	-	-	-	-	-	-	-	4	4,565	28,617
50,001	51,000	-	-	-	-	1	-	-	1	-	1	-	1	5	4,570	28,870
51,001	52,000	-	-	-	-	-	1	-	-	1	-	-	-	2	4,572	28,973
52,001	53,000	1	-	-	-	-	1	1	-	-	-	-	-	3	4,575	29,130
53,001	54,000	-	-	-	-	-	1	-	1	-	1	-	-	4	4,579	29,344
54,001	55,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4,579	29,344
55,001	56,000	-	-	-	-	-	-	-	-	-	-	-	1	1	4,580	29,400
56,001	57,000	1	-	-	-	-	-	-	-	-	-	-	-	1	4,581	29,456
57,001	58,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4,581	29,456
58,001	59,000	-	-	-	1	-	-	-	-	-	-	-	-	1	4,582	29,515
59,001	60,000	-	-	1	1	-	-	-	1	-	-	-	-	3	4,585	29,693
60,001	61,000	-	-	-	-	-	-	-	-	-	-	-	-	1	4,586	29,754
61,001	62,000	-	-	-	-	-	1	-	-	1	-	-	-	2	4,588	29,877
62,001	63,000	-	-	-	-	1	-	-	-	-	-	-	-	1	4,589	29,939
63,001	64,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4,589	29,939
64,001	65,000	-	-	-	-	1	-	1	-	-	-	-	-	3	4,592	30,133
65,001	66,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4,592	30,133
66,001	67,000	-	-	-	-	1	-	-	1	-	-	-	-	3	4,595	30,332
67,001	68,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4,595	30,332
68,001	69,000	-	-	-	-	-	-	-	-	-	-	-	-	1	4,596	30,401
69,001	70,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4,596	30,401
70,001	71,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4,596	30,401
71,001	72,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4,596	30,401
72,001	73,000	-	-	-	-	-	-	-	1	-	-	-	-	1	4,597	30,473
73,001	74,000	-	-	-	-	-	1	-	-	-	-	-	-	1	4,598	30,547
74,001	75,000	-	-	-	-	-	-	-	-	-	-	1	-	1	4,599	30,621
75,001	76,000	-	-	-	-	-	-	-	1	-	-	-	-	1	4,600	30,697
76,001	77,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4,600	30,697
77,001	78,000	-	1	-	1	-	-	-	-	-	-	-	-	2	4,602	30,852
78,001	79,000	-	-	-	1	-	-	-	-	-	-	-	-	2	4,604	31,009
79,001	80,000	-	-	-	-	-	-	-	-	-	-	-	-	1	4,605	31,088
80,001	81,000	-	-	-	1	-	-	-	-	-	1	-	-	2	4,607	31,249
81,001	82,000	-	-	-	-	-	-	-	-	-	-	1	-	2	4,609	31,412
82,001	83,000	-	-	-	-	-	-	-	-	1	-	-	-	1	4,610	31,495
83,001	84,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4,610	31,495
84,001	85,000	-	1	-	-	-	-	-	-	-	-	-	-	1	4,611	31,579
85,001	86,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4,611	31,579
86,001	87,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4,611	31,579
87,001	88,000	-	-	-	-	-	-	-	1	-	-	-	-	1	4,612	31,667
88,001	89,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4,612	31,667
89,001	90,000	-	-	-	-	-	-	-	-	-	-	-	-	2	4,614	31,846
90,001	91,000	-	-	-	-	-	-	-	-	-	-	-	1	1	4,615	31,936

Bella Vista Water Company
 Test Year Ended March 31, 2009
 5/8 Inch Commercial

Exhibit
 Schedule H-5
 Page 5
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
91,001	92,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4,615	31,936
92,001	93,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4,615	31,936
93,001	94,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4,615	31,936
94,001	95,000	-	-	-	-	-	-	-	-	1	-	-	-	1	4,616	32,031
95,001	96,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4,616	32,031
96,001	97,000	-	1	-	-	-	-	-	-	-	-	-	-	2	4,618	32,224
97,001	98,000	-	-	-	1	-	-	-	-	-	-	-	-	1	4,619	32,321
98,001	99,000	-	-	1	-	-	-	-	-	-	-	-	-	1	4,620	32,420
99,001	100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4,620	32,420
102,020	102,020	1	-	-	-	-	-	-	-	-	-	-	-	1	4,621	32,522
102,390	102,390	-	-	-	-	-	-	-	-	-	1	-	-	1	4,622	32,624
104,690	104,690	-	-	-	-	-	-	-	1	-	-	-	-	1	4,623	32,729
107,050	107,050	-	-	-	-	-	-	-	-	-	-	-	-	1	4,624	32,836
109,760	109,760	-	-	-	-	-	1	-	-	-	-	-	-	1	4,625	32,946
110,850	110,850	-	1	-	-	-	-	-	-	-	-	-	-	1	4,626	33,056
111,500	111,500	-	-	-	-	-	-	-	1	-	-	-	-	1	4,627	33,168
114,260	114,260	-	-	-	-	-	-	-	-	-	-	-	-	1	4,628	33,282
122,150	122,150	-	-	-	1	-	-	-	-	-	1	-	-	1	4,629	33,404
133,280	133,280	-	-	-	-	-	-	-	-	-	-	-	-	1	4,630	33,538
138,790	138,790	-	-	-	-	-	-	-	-	-	-	-	1	1	4,631	33,676
212,690	212,690	-	-	-	-	-	-	-	1	-	-	-	-	1	4,632	33,889
234,562	234,562	1	-	-	-	-	-	-	-	-	-	-	-	1	4,633	34,124
Totals		389	390	389	388	386	388	387	386	385	384	380	381	4,633		
														Average Usage	7,365	
														Median Usage	3,500	

Bella Vista Water Company
 Test Year Ended March 31, 2009
 3/4 Commercial

Exhibit
 Schedule H-5
 Page 6
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
1	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4	2
1,001	2,000	1	-	-	-	-	-	-	-	-	2	1	1	4	10	11
2,001	3,000	2	1	-	-	-	-	-	-	1	-	2	2	6	20	36
3,001	4,000	1	3	-	1	-	-	2	1	-	-	-	-	10	30	71
4,001	5,000	1	-	2	-	-	1	-	-	1	2	-	1	10	39	112
5,001	6,000	-	-	-	-	1	-	-	1	1	-	-	-	4	43	134
6,001	7,000	-	1	1	-	1	-	-	-	-	-	-	-	6	49	173
7,001	8,000	-	-	-	-	-	-	-	-	-	-	-	1	2	51	188
8,001	9,000	1	-	-	1	-	-	-	-	-	-	-	-	2	53	205
9,001	10,000	-	-	-	-	-	1	-	-	-	1	-	-	2	55	224
10,001	11,000	-	-	-	-	-	-	-	-	-	-	-	-	-	55	224
11,001	12,000	-	-	-	1	-	-	-	-	-	-	-	-	-	56	235
12,001	13,000	-	-	-	-	-	-	-	-	-	-	-	-	-	56	235
13,001	14,000	-	-	-	-	-	-	-	-	-	-	-	-	-	57	249
14,001	15,000	-	-	-	-	-	-	-	-	1	-	-	-	-	57	249
15,001	16,000	-	-	-	-	-	-	-	-	-	-	-	-	-	58	264
16,001	17,000	-	-	-	-	-	1	-	-	-	-	-	-	-	59	281
17,001	18,000	-	-	-	-	-	-	-	-	-	-	-	-	-	59	281
18,001	19,000	-	-	-	-	-	-	-	-	-	-	-	-	-	59	281
19,001	20,000	-	-	-	-	-	-	-	-	-	-	-	-	-	59	281
20,001	21,000	-	1	-	-	-	-	1	-	-	-	-	-	-	60	300
21,001	22,000	-	-	-	-	-	-	-	-	-	-	-	-	-	61	321
22,001	23,000	-	-	-	-	-	-	-	-	-	-	-	-	-	61	321
23,001	24,000	-	-	-	-	-	-	-	-	-	-	-	-	-	61	321
24,001	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-	61	321
25,001	26,000	-	-	-	-	-	-	-	-	-	-	-	-	-	61	321
26,001	27,000	-	-	-	-	-	-	-	-	-	-	-	-	-	61	321
27,001	28,000	-	-	-	-	-	-	-	-	-	-	-	-	-	61	321
28,001	29,000	-	-	-	-	-	-	-	1	-	-	-	-	-	62	348
29,001	30,000	-	-	-	-	-	-	-	-	-	-	-	-	-	62	348
30,001	31,000	-	-	-	-	-	-	-	-	-	-	-	-	-	62	348
31,001	32,000	-	-	-	-	-	-	-	-	-	-	-	-	-	62	348
32,001	33,000	-	-	-	-	-	-	-	-	-	-	-	-	-	62	348
33,001	34,000	-	-	-	-	-	-	-	-	-	-	-	-	-	62	348
34,001	35,000	-	-	-	-	-	-	-	-	-	-	-	1	-	63	383
35,001	36,000	-	-	-	-	-	-	-	-	-	-	-	-	-	63	383
36,001	37,000	-	-	-	-	-	-	-	-	-	-	-	-	-	63	383
37,001	38,000	-	-	-	-	-	-	-	-	-	-	-	-	-	63	383
38,001	39,000	-	-	-	-	-	-	-	-	-	-	-	-	-	63	383
39,001	40,000	-	-	-	-	-	-	-	-	1	-	-	-	-	64	422

Bella Vista Water Company
 Test Year Ended March 31, 2009
 3/4 Commercial

Exhibit
 Schedule H-5
 Page 6
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
81,001	82,000	-	-	-	-	-	-	-	-	-	-	-	-	-	70	700
82,001	83,000	-	-	-	-	-	-	-	-	-	-	-	-	-	70	700
83,001	84,000	-	-	-	-	-	-	-	-	-	-	-	-	-	70	700
84,001	85,000	-	-	-	-	-	-	-	-	-	-	-	-	-	70	700
85,001	86,000	-	-	-	-	-	-	-	-	-	-	-	-	-	70	700
86,001	87,000	-	-	-	-	-	-	-	-	-	-	-	-	-	70	700
87,001	88,000	-	-	-	-	-	-	-	-	-	-	-	-	-	70	700
88,001	89,000	-	-	-	-	-	-	-	-	-	-	-	-	-	70	700
89,001	90,000	-	-	-	-	-	-	-	-	-	-	-	-	-	70	700
90,001	91,000	-	-	-	-	-	-	-	-	-	-	-	-	-	70	700
91,001	92,000	-	-	-	-	-	-	-	-	-	-	-	-	-	70	700
92,001	93,000	-	-	-	-	-	-	-	-	-	-	-	-	-	70	700
93,001	94,000	-	-	-	-	-	-	-	-	-	-	-	-	-	70	700
94,001	95,000	-	-	-	-	-	-	-	-	-	-	-	-	-	70	700
95,001	96,000	-	-	-	-	-	-	-	-	-	-	-	-	-	70	700
96,001	97,000	-	-	-	-	-	-	-	-	-	-	-	-	-	70	700
97,001	98,000	-	-	-	-	-	-	-	-	-	-	-	-	-	70	700
98,001	99,000	-	-	-	-	-	-	-	-	-	-	-	-	-	70	700
99,001	100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	70	700
261,470	261,470	-	-	-	-	-	-	-	1	-	-	-	-	1	71	962
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	71	962
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	71	962
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	71	962
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	71	962

Totals		6	6	6	6	6	6	6	6	6	6	6	6	71	13,542	4,500
		Average Usage												13,542		
		Median Usage												4,500		

Bella Vista Water Company
 Test Year Ended March 31, 2009
 1 Inch Commercial

Exhibit
 Schedule H-5
 Page 7
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
-	-	10	9	10	9	5	9	9	8	7	8	11	9	104	104	-
1,001	1,000	10	8	9	7	13	13	15	10	12	12	13	18	140	244	70
2,001	2,000	7	8	11	9	7	10	13	9	17	11	11	12	125	369	258
3,001	3,000	8	4	7	12	9	9	5	10	13	13	8	12	110	479	533
4,001	4,000	8	11	6	7	6	5	6	10	9	9	12	7	96	575	869
5,001	5,000	4	6	5	3	6	4	6	7	2	8	8	7	66	641	1,166
6,001	6,000	3	6	8	7	4	6	5	6	9	5	4	4	67	708	1,534
7,001	7,000	4	6	5	1	3	1	9	4	3	4	1	7	48	756	1,846
8,001	8,000	5	2	2	4	4	3	7	2	8	2	4	3	46	802	2,191
9,001	9,000	10	7	2	5	5	9	9	8	9	5	9	9	83	885	2,897
10,001	10,000	4	3	3	4	3	4	8	4	3	3	6	4	49	934	3,362
11,001	11,000	5	6	5	5	5	10	3	7	4	6	6	7	69	1,003	4,087
12,001	12,000	7	2	3	7	8	5	4	7	3	11	2	2	61	1,064	4,788
13,001	13,000	4	3	9	4	5	4	4	4	4	2	4	2	49	1,113	5,401
14,001	14,000	6	5	5	6	4	1	5	3	4	3	2	3	47	1,160	6,036
15,001	15,000	4	3	7	5	10	6	2	2	3	3	6	3	54	1,214	6,819
16,001	16,000	4	3	2	3	2	4	3	1	2	3	2	5	34	1,248	7,346
17,001	17,000	2	4	3	3	3	2	1	5	-	4	2	5	34	1,282	7,907
18,001	18,000	2	2	1	1	-	4	2	3	4	1	2	3	25	1,307	8,344
19,001	19,000	3	3	3	3	1	5	1	3	1	2	2	1	28	1,335	8,862
20,001	20,000	3	2	2	2	3	4	-	2	1	3	5	1	28	1,363	9,408
21,001	21,000	1	1	1	2	3	6	4	1	3	-	2	-	27	1,390	9,962
22,001	22,000	1	2	1	1	2	1	-	1	-	2	-	-	11	1,401	10,198
23,001	23,000	-	1	2	1	2	1	1	1	3	-	1	3	16	1,417	10,568
24,001	24,000	-	4	-	2	1	1	-	3	-	1	1	1	14	1,431	10,887
25,001	25,000	1	2	-	2	-	-	3	-	1	2	-	-	10	1,441	11,132
26,001	26,000	-	1	2	-	-	-	-	-	1	1	1	-	6	1,447	11,285
27,001	27,000	2	-	2	2	1	1	-	-	-	-	2	2	13	1,460	11,630
28,001	28,000	-	2	1	-	1	2	-	1	1	-	-	-	8	1,468	11,850
29,001	29,000	1	1	-	1	1	-	1	2	-	-	-	-	7	1,475	12,049
30,001	30,000	1	-	-	-	-	-	-	-	-	-	1	-	3	1,478	12,138
31,001	31,000	-	-	1	-	1	-	-	1	-	1	1	-	4	1,482	12,260
32,001	32,000	-	2	1	1	2	-	-	-	-	-	1	1	7	1,489	12,480
33,001	33,000	1	-	1	1	-	1	-	-	-	1	-	-	5	1,494	12,643
34,001	34,000	-	-	-	1	1	-	-	-	-	-	-	-	4	1,498	12,777
35,001	35,000	-	1	-	-	1	-	2	-	2	-	-	-	9	1,507	13,087
36,001	36,000	2	1	-	1	1	-	2	-	-	-	-	-	8	1,515	13,371
37,001	37,000	-	-	2	-	-	-	-	-	1	-	-	-	5	1,520	13,554
38,001	38,000	-	2	-	-	-	-	-	-	-	-	-	-	2	1,522	13,629
39,001	39,000	-	1	-	-	1	-	-	-	-	-	-	1	5	1,527	13,821
40,001	40,000	-	-	-	1	-	-	-	-	1	-	1	-	4	1,531	13,979
41,001	41,000	1	-	-	-	-	-	-	-	-	-	-	-	1	1,532	14,020

Bella Vista Water Company
 Test Year Ended March 31, 2009
 1 Inch Commercial

Exhibit
 Schedule H-5
 Page 7
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
41,001	42,000	1	-	-	-	-	-	-	-	-	1	-	-	1	1,533	14,061
42,001	43,000	-	1	-	-	-	-	1	-	-	-	-	-	5	1,538	14,274
43,001	44,000	-	1	-	2	-	-	-	1	-	-	-	-	4	1,542	14,448
44,001	45,000	-	1	1	1	1	-	-	-	-	-	-	-	5	1,547	14,670
45,001	46,000	-	1	-	-	-	-	-	1	-	-	-	-	2	1,549	14,761
46,001	47,000	-	1	-	-	-	-	-	-	-	-	-	-	1	1,550	14,808
47,001	48,000	1	-	-	1	-	-	-	-	-	-	-	-	4	1,554	14,998
48,001	49,000	1	-	2	-	-	-	-	-	-	-	-	-	3	1,557	15,143
49,001	50,000	-	-	-	1	-	-	-	1	-	-	-	-	4	1,561	15,341
50,001	51,000	-	-	1	-	-	-	-	-	1	1	-	-	3	1,564	15,493
51,001	52,000	1	-	-	1	2	2	-	-	-	1	-	-	5	1,569	15,750
52,001	53,000	-	1	-	-	-	-	1	-	-	-	-	-	4	1,573	15,960
53,001	54,000	-	-	1	1	1	-	-	-	-	-	-	-	4	1,577	16,174
54,001	55,000	-	-	-	-	-	-	-	-	-	-	-	-	-	1,577	16,174
55,001	56,000	1	-	-	-	-	-	-	-	1	-	-	-	2	1,579	16,285
56,001	57,000	-	-	-	-	-	-	-	-	-	-	-	-	1	1,580	16,342
57,001	58,000	-	-	-	-	-	-	-	-	-	-	-	-	3	1,583	16,514
58,001	59,000	-	-	-	1	-	-	-	-	-	-	-	-	-	1,583	16,514
59,001	60,000	-	1	-	-	-	-	-	-	-	2	-	-	5	1,588	16,812
60,001	61,000	-	-	1	-	-	-	-	-	-	-	-	-	2	1,590	16,933
61,001	62,000	-	-	-	-	-	-	-	-	-	-	-	-	1	1,591	16,994
62,001	63,000	-	-	-	-	1	-	-	-	-	-	-	-	1	1,592	17,057
63,001	64,000	-	-	-	-	-	-	-	-	1	1	-	-	3	1,595	17,247
64,001	65,000	-	-	1	-	-	-	-	-	-	-	-	-	1	1,596	17,312
65,001	66,000	-	-	-	-	-	-	1	-	-	-	-	-	2	1,598	17,443
66,001	67,000	1	-	-	-	-	-	-	-	-	-	-	-	1	1,599	17,509
67,001	68,000	1	-	1	-	-	-	-	-	-	-	-	-	2	1,601	17,644
68,001	69,000	-	-	-	-	-	-	1	-	-	-	-	-	3	1,604	17,850
69,001	70,000	-	-	-	-	-	-	-	-	-	-	-	-	-	1,604	17,850
70,001	71,000	-	-	-	1	-	-	-	-	-	-	-	-	1	1,605	17,920
71,001	72,000	1	-	-	-	1	-	-	-	-	-	-	-	2	1,607	18,063
72,001	73,000	-	-	-	-	-	-	-	-	-	-	-	-	1	1,608	18,136
73,001	74,000	-	-	-	-	-	-	-	-	-	-	-	-	-	1,608	18,136
74,001	75,000	-	-	-	-	-	-	-	-	-	-	-	-	-	1,608	18,136
75,001	76,000	-	-	-	-	-	-	-	-	-	-	-	-	-	1,608	18,136
76,001	77,000	-	-	-	-	-	1	-	-	1	-	-	-	2	1,610	18,289
77,001	78,000	-	-	-	-	-	-	-	-	-	-	-	-	-	1,610	18,289
78,001	79,000	-	1	-	-	-	-	-	-	-	-	-	-	2	1,612	18,446
79,001	80,000	-	-	-	-	-	-	-	-	-	-	-	-	-	1,612	18,446
80,001	81,000	-	-	-	-	1	-	-	-	-	-	-	-	1	1,613	18,526
81,001	82,000	-	1	-	-	-	-	-	-	-	-	-	-	1	1,614	18,608
82,001	83,000	-	-	-	-	-	-	1	-	-	-	-	-	5	1,619	19,020

Bella Vista Water Company
 Test Year Ended March 31, 2009
 1 Inch Commercial

Exhibit
 Schedule H-5
 Page 7
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
83,001	84,000	1												4	1,619	19,020
84,001	85,000		1												1,623	19,358
85,001	86,000														1,623	19,358
86,001	87,000			1										2	1,625	19,531
87,001	88,000				1									1	1,626	19,619
88,001	89,000						1							2	1,628	19,796
89,001	90,000														1,628	19,796
90,001	91,000														1,628	19,796
91,001	92,000														1,628	19,796
92,001	93,000														1,628	19,796
93,001	94,000														1,628	19,796
94,001	95,000														1,628	19,796
95,001	96,000	1												1	1,629	19,891
96,001	97,000	1												1	1,630	19,988
97,001	98,000										1			1	1,631	20,085
98,001	99,000														1,631	20,085
99,001	100,000														1,631	20,085
103,272	103,272			1										1	1,632	20,189
104,860	104,860				1									1	1,633	20,293
106,092	106,092							1						1	1,634	20,399
106,536	106,536													1	1,635	20,506
107,432	107,432				1									1	1,636	20,613
109,390	109,390					1								1	1,637	20,723
112,374	112,374						1							1	1,638	20,835
112,900	112,900									1				1	1,639	20,948
119,600	119,600													1	1,640	21,068
129,000	129,000	1												1	1,641	21,197
139,500	139,500										1			1	1,642	21,336
159,500	159,500		1											1	1,643	21,496
176,500	176,500													1	1,644	21,672
178,100	178,100					1								1	1,645	21,850
189,000	189,000						1							1	1,646	22,039
202,700	202,700				1									1	1,647	22,242
217,800	217,800			1										1	1,648	22,460
223,190	223,190				1									1	1,649	22,683
230,420	230,420													1	1,650	22,913
244,370	244,370				1									1	1,651	23,158
258,820	258,820					1								1	1,652	23,417
262,810	262,810						1							1	1,653	23,679
279,410	279,410													1	1,654	23,959
Totals		136	138	138	138	137	137	137	137	138	140	139	139	1,654	1,654	23,959

Bella Vista Water Company
 Test Year Ended March 31, 2009
 1 Inch Commercial

Exhibit
 Schedule H-5
 Page 7
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of	Month of	Month of	Month of	Month of	Month of	Month of	Month of	Average Usage	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
		Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09
											14,485		
													8,500

Average Usage
 Median Usage

Bella Vista Water Company
 Test Year Ended March 31, 2009
 1 1/2 Inch Commercial

Exhibit
 Schedule H-5
 Page 8
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
-	-	2	2	1	4	3	3	2	2	3	2	6	3	33	33	-
1,000	1,000	3	3	4	2	2	5	7	7	6	8	5	7	59	92	30
1,001	2,000	1	1	2	4	6	2	1	2	3	4	5	4	35	127	82
2,001	3,000	3	1	4	2	2	4	3	2	4	2	4	-	31	158	160
3,001	4,000	1	2	1	-	1	2	1	1	1	2	1	7	20	178	230
4,001	5,000	4	2	2	4	1	2	5	3	5	3	2	3	36	214	392
5,001	6,000	1	2	1	4	2	1	2	3	2	4	2	-	24	238	524
6,001	7,000	3	2	2	1	3	1	-	1	2	1	-	-	16	254	628
7,001	8,000	4	2	1	-	1	2	2	2	-	1	2	4	21	275	785
8,001	9,000	1	2	2	2	1	-	1	1	2	1	2	4	19	294	947
9,001	10,000	-	1	2	-	2	1	2	1	-	1	2	-	12	306	1,061
10,001	11,000	2	2	1	1	2	-	1	1	1	2	1	2	16	322	1,229
11,001	12,000	-	-	1	2	2	-	-	2	-	-	-	1	8	330	1,321
12,001	13,000	3	3	1	1	1	1	2	1	2	-	2	-	17	347	1,533
13,001	14,000	-	-	1	2	1	-	1	1	3	1	1	-	11	358	1,682
14,001	15,000	1	3	2	-	1	2	1	1	-	2	2	2	17	375	1,928
15,001	16,000	-	1	-	-	-	-	-	-	-	1	-	2	4	379	1,990
16,001	17,000	1	-	-	2	-	1	-	1	-	1	1	1	8	387	2,122
17,001	18,000	1	-	1	-	-	1	2	-	1	-	-	-	6	393	2,227
18,001	19,000	1	-	-	-	1	1	2	-	-	-	1	-	6	399	2,338
19,001	20,000	-	-	-	-	-	2	2	1	-	-	1	1	10	409	2,533
20,001	21,000	1	1	-	1	1	1	3	-	3	-	-	1	11	420	2,759
21,001	22,000	1	2	1	-	1	1	-	1	-	2	-	1	10	430	2,974
22,001	23,000	-	-	-	-	-	2	-	1	1	1	-	-	5	435	3,086
23,001	24,000	1	2	1	1	2	-	2	1	-	-	1	1	12	447	3,368
24,001	25,000	1	2	1	2	-	1	1	1	2	-	1	-	12	459	3,662
25,001	26,000	1	-	1	2	-	1	2	1	2	-	2	1	13	472	3,994
26,001	27,000	2	1	-	1	-	1	-	-	2	1	1	2	11	483	4,285
27,001	28,000	1	-	1	-	4	-	1	-	1	-	-	2	10	493	4,560
28,001	29,000	-	1	2	-	2	1	2	-	-	2	-	2	14	507	4,959
29,001	30,000	-	1	1	1	-	2	-	-	2	1	1	1	10	517	5,254
30,001	31,000	-	1	2	1	-	-	-	3	1	2	-	1	11	528	5,590
31,001	32,000	-	1	1	1	1	2	2	-	2	-	-	2	12	540	5,968
32,001	33,000	-	1	1	-	-	1	1	-	-	3	3	2	12	552	6,358
33,001	34,000	1	-	2	2	-	2	1	1	-	-	1	-	10	562	6,693
34,001	35,000	1	-	1	1	3	-	1	-	1	1	2	-	11	573	7,072
35,001	36,000	-	2	1	2	1	-	1	1	2	1	2	1	14	587	7,569
36,001	37,000	2	-	2	-	-	-	2	1	-	-	1	-	8	595	7,861
37,001	38,000	3	-	4	1	1	1	4	7	2	2	-	-	25	620	8,799
38,001	39,000	-	1	1	4	2	1	1	-	1	2	1	-	14	634	9,338
39,001	40,000	1	1	1	1	1	1	1	1	1	-	-	-	9	643	9,693
40,001	41,000	-	-	-	1	2	4	1	1	2	-	1	-	13	656	10,220

Bella Vista Water Company
Test Year Ended March 31, 2009
1 1/2 Inch Commercial

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 Schedule H-5
 Page 8
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
41,001	42,000	1	2	1	1	-	1	2	-	1	2	2	2	15	671	10,842
42,001	43,000	1	-	1	-	2	3	-	-	1	2	3	2	14	685	11,437
43,001	44,000	2	1	1	3	1	1	1	1	1	1	1	1	14	699	12,046
44,001	45,000	-	-	1	2	3	1	1	-	1	1	2	2	14	713	12,669
45,001	46,000	3	1	1	-	2	-	1	2	1	1	1	1	13	726	13,261
46,001	47,000	-	3	-	1	1	-	1	1	-	1	2	2	12	738	13,819
47,001	48,000	2	3	2	1	-	1	-	-	-	1	-	-	10	748	14,294
48,001	49,000	2	-	-	-	-	2	1	1	-	1	-	1	7	755	14,633
49,001	50,000	1	2	1	-	-	4	1	2	1	-	-	2	14	769	15,326
50,001	51,000	-	1	-	-	-	1	-	1	1	1	-	-	6	775	15,629
51,001	52,000	-	-	-	2	-	-	1	1	-	1	1	-	6	781	15,938
52,001	53,000	2	-	2	1	-	-	2	2	-	-	-	2	13	794	16,621
53,001	54,000	-	-	-	1	-	-	1	1	1	-	-	-	4	798	16,835
54,001	55,000	1	3	-	-	-	-	-	-	1	1	-	-	8	806	17,271
55,001	56,000	-	1	-	-	1	-	-	-	1	2	-	-	4	810	17,493
56,001	57,000	1	-	-	-	2	1	-	-	1	-	1	-	6	816	17,832
57,001	58,000	-	-	-	2	1	-	1	-	1	-	-	-	5	821	18,119
58,001	59,000	-	-	-	1	1	1	-	1	1	-	-	-	5	826	18,412
59,001	60,000	-	2	-	-	-	-	1	-	-	1	-	-	4	830	18,650
60,001	61,000	2	-	-	-	-	-	1	1	-	-	-	-	4	834	18,892
61,001	62,000	-	-	-	-	-	-	-	-	-	-	-	-	1	835	18,953
62,001	63,000	-	2	-	-	-	-	-	-	-	1	-	-	7	842	19,391
63,001	64,000	2	-	1	-	-	1	-	-	-	-	1	1	3	845	19,581
64,001	65,000	-	-	2	-	-	-	-	-	-	1	-	-	2	847	19,710
65,001	66,000	-	-	-	-	-	-	-	-	-	-	-	-	1	848	19,776
66,001	67,000	1	1	-	-	1	-	-	1	-	-	-	-	4	852	20,042
67,001	68,000	1	-	1	-	1	-	-	-	-	2	-	-	7	859	20,514
68,001	69,000	-	1	-	1	1	1	-	-	-	-	2	-	6	865	20,925
69,001	70,000	-	-	-	2	-	-	-	-	-	-	1	1	5	870	21,273
70,001	71,000	-	-	1	1	-	-	-	-	-	-	-	-	2	872	21,414
71,001	72,000	-	-	-	-	-	1	-	-	-	-	-	-	1	873	21,485
72,001	73,000	-	-	-	-	-	-	-	-	-	-	-	-	2	875	21,630
73,001	74,000	-	-	-	-	-	-	-	-	-	-	-	-	-	875	21,630
74,001	75,000	-	-	1	-	-	-	-	-	-	-	-	-	1	876	21,705
75,001	76,000	1	1	1	-	-	-	-	-	1	-	-	-	4	880	22,007
76,001	77,000	-	-	-	-	-	-	-	-	-	-	-	-	-	880	22,007
77,001	78,000	1	1	-	-	-	-	1	-	-	-	-	-	3	883	22,239
78,001	79,000	-	1	-	-	-	-	-	-	-	-	-	-	1	884	22,318
79,001	80,000	-	-	-	-	-	-	-	-	1	-	-	-	1	885	22,397
80,001	81,000	-	-	-	-	1	-	-	-	-	-	-	-	1	886	22,478
81,001	82,000	-	-	-	-	-	1	-	-	-	-	1	-	3	889	22,722
82,001	83,000	-	-	-	-	-	-	-	1	-	1	-	-	4	893	23,052

Bella Vista Water Company
 Test Year Ended March 31, 2009
 1 1/2 Inch Commercial

Exhibit
 Schedule H-5
 Page 8
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
83,001	84,000	-	-	-	-	-	-	-	-	-	-	-	-	1	894	23,136
84,001	85,000	-	-	-	-	-	-	-	-	-	-	-	-	-	894	23,136
85,001	86,000	-	-	-	-	-	-	-	-	-	-	1	-	1	895	23,221
86,001	87,000	-	-	-	-	-	-	-	-	-	-	-	-	-	895	23,221
87,001	88,000	1	-	-	-	-	-	-	-	-	-	-	-	2	897	23,396
88,001	89,000	-	1	-	-	-	-	-	-	-	-	1	-	4	901	23,750
89,001	90,000	-	-	-	-	-	-	-	-	-	-	-	-	-	901	23,750
90,001	91,000	-	-	-	-	-	-	-	-	1	-	-	-	1	902	23,841
91,001	92,000	-	-	-	1	-	-	-	-	-	-	-	-	1	903	23,932
92,001	93,000	-	-	-	-	-	-	-	-	-	-	-	-	-	903	23,932
93,001	94,000	-	-	-	-	-	-	-	-	-	-	-	-	-	903	23,932
94,001	95,000	-	1	-	-	-	-	-	-	-	-	-	-	1	904	24,027
95,001	96,000	-	-	-	1	-	-	-	-	-	-	-	-	1	905	24,122
96,001	97,000	-	-	-	-	-	-	-	-	-	-	-	-	1	906	24,219
97,001	98,000	-	-	-	-	-	-	-	-	-	-	-	-	-	906	24,219
98,001	99,000	1	-	-	-	1	-	-	-	-	-	-	-	2	908	24,416
99,001	100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	908	24,416
101,001	101,000	-	-	-	-	-	-	-	1	-	-	-	-	1	909	24,517
101,600	101,600	-	-	-	-	1	-	-	-	-	-	-	-	1	910	24,619
102,700	102,700	-	-	-	-	-	-	-	-	-	1	-	-	1	911	24,721
105,100	105,100	-	1	-	-	-	-	-	-	-	-	-	-	1	912	24,826
106,100	106,100	-	-	-	-	-	-	-	1	-	-	-	-	1	913	24,932
109,500	109,500	-	-	1	-	-	-	-	-	-	-	-	-	1	914	25,042
109,600	109,600	1	-	-	-	-	-	-	-	-	-	-	-	1	915	25,152
110,100	110,100	-	-	-	-	-	-	-	-	-	-	-	-	1	916	25,262
110,200	110,200	-	-	-	1	-	-	-	-	-	1	-	-	1	917	25,372
111,200	111,200	-	-	-	-	-	1	-	-	-	-	-	-	1	918	25,483
112,500	112,500	1	-	-	-	-	-	-	-	-	-	-	1	2	920	25,708
112,901	112,901	-	-	-	-	-	-	-	-	-	1	-	-	1	921	25,821
119,200	119,200	-	1	-	-	-	-	-	-	-	-	-	-	1	922	25,940
122,600	122,600	-	-	-	-	-	-	-	1	-	-	-	-	1	923	26,063
127,200	127,200	-	-	-	1	-	-	-	-	-	-	-	-	1	924	26,190
128,200	128,200	-	-	-	-	-	-	-	-	1	-	-	-	1	925	26,318
133,100	133,100	-	-	-	-	-	1	-	-	-	-	-	-	1	926	26,451
133,300	133,300	-	-	-	-	-	-	-	-	-	1	-	-	1	927	26,585
134,000	134,000	1	-	-	-	-	-	-	-	-	-	-	-	1	928	26,719
135,200	135,200	-	-	-	-	-	-	-	-	-	1	-	-	1	929	26,854
138,900	138,900	-	-	-	1	-	-	-	-	-	-	-	-	1	930	26,993
139,000	139,000	-	-	-	-	-	-	-	-	-	-	-	-	1	931	27,132
146,500	146,500	-	-	-	-	-	-	-	-	-	-	-	-	1	932	27,278
149,600	149,600	-	-	-	1	-	-	-	-	-	-	-	-	1	933	27,428
150,000	150,000	-	-	-	-	-	-	-	-	-	-	1	-	1	934	27,578

Bella Vista Water Company
 Test Year Ended March 31, 2009
 1 1/2 Inch Commercial

Exhibit
 Schedule H-5
 Page 8
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
151,400	151,400	-	-	-	-	-	1	-	-	-	-	-	-	1	935	27,729
151,800	151,800	-	-	-	-	-	-	-	-	-	1	-	-	1	936	27,861
151,900	151,900	-	-	-	-	-	-	-	-	-	-	1	-	1	937	28,033
153,800	153,800	-	-	-	1	-	-	-	-	-	-	-	-	1	938	28,187
154,100	154,100	-	-	1	-	-	-	-	-	-	-	-	-	1	939	28,341
154,400	154,400	-	-	-	-	-	1	-	-	-	-	-	-	1	940	28,495
155,430	155,430	-	-	-	-	-	1	-	-	-	-	-	-	1	941	28,651
157,200	157,200	-	-	-	-	-	-	1	-	-	-	-	-	1	942	28,808
157,400	157,400	-	-	-	-	-	-	-	1	-	-	-	-	1	943	28,965
158,500	158,500	-	-	-	-	-	-	-	-	-	-	-	1	1	944	29,124
158,600	158,600	-	-	-	-	-	-	-	-	1	-	-	-	1	945	29,282
161,900	161,900	-	1	-	-	-	-	-	-	-	-	-	-	1	946	29,444
162,100	162,100	-	-	-	-	-	-	-	1	-	-	-	-	1	947	29,606
163,400	163,400	-	-	-	-	-	-	-	-	-	1	-	-	1	948	29,770
169,600	169,600	-	-	-	-	-	1	-	-	-	-	-	-	1	949	29,939
170,200	170,200	-	-	-	-	1	-	-	-	-	-	-	-	1	950	30,109
170,900	170,900	-	-	-	-	-	-	-	-	-	-	-	-	1	951	30,280
172,900	172,900	-	-	-	-	-	-	-	-	1	-	-	-	1	952	30,453
175,300	175,300	-	-	-	-	-	-	-	-	-	-	-	1	1	953	30,629
175,400	175,400	-	-	-	-	-	-	-	-	-	-	1	-	1	954	30,804
189,200	189,200	-	-	-	-	-	-	-	-	-	-	-	1	1	955	30,993
198,600	198,600	-	-	-	-	1	-	-	-	-	-	-	-	1	956	31,192
200,750	200,750	-	-	-	-	1	-	-	-	-	-	-	-	1	957	31,393
202,360	202,360	-	-	1	-	-	-	-	-	-	-	-	-	1	958	31,595
206,230	206,230	-	-	-	-	-	-	-	1	-	-	-	-	1	959	31,801
212,440	212,440	-	1	-	-	-	-	-	-	-	-	-	-	1	960	32,014
214,200	214,200	-	-	-	-	-	-	1	-	-	-	-	-	1	961	32,228
214,970	214,970	-	-	-	-	-	-	-	-	1	-	-	-	1	962	32,443
221,800	221,800	-	-	-	-	-	1	-	-	-	-	-	-	1	963	32,665
223,200	223,200	-	-	-	-	-	-	-	-	-	1	-	-	1	964	32,888
224,500	224,500	-	-	-	-	-	-	-	-	-	-	-	-	1	965	33,112
227,400	227,400	-	-	-	1	-	-	-	-	-	1	-	-	1	966	33,340
236,160	236,160	1	-	-	-	-	-	-	-	-	-	-	-	1	967	33,576
240,900	240,900	-	-	-	-	-	-	-	-	-	-	-	1	1	968	33,817
245,200	245,200	-	-	-	-	-	-	-	-	-	-	-	-	1	969	34,062
246,100	246,100	1	-	-	-	-	-	1	-	-	-	-	-	1	970	34,308
248,300	248,300	-	-	-	-	-	-	-	-	-	-	1	-	1	971	34,556
249,200	249,200	-	-	-	-	-	1	-	-	-	-	-	-	1	972	34,805
252,690	252,690	-	-	-	-	-	-	-	-	-	-	-	1	1	973	35,058
256,400	256,400	-	-	-	-	1	-	-	-	-	-	-	-	1	974	35,315
258,600	258,600	-	-	-	-	-	-	-	-	1	-	-	-	1	975	35,573
258,690	258,690	-	-	-	-	-	-	-	1	-	-	-	-	1	976	35,832

Bella Vista Water Company
 Test Year Ended March 31, 2009
 1 1/2 Inch Commercial

Exhibit
 Schedule H-5
 Page 8
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
267,700	267,700	-	-	1	-	-	-	-	-	-	-	-	-	1	977	36,100
270,600	270,600	-	-	-	-	-	-	-	-	-	1	-	-	1	978	36,370
273,500	273,500	-	-	-	-	1	-	-	-	-	-	-	-	1	979	36,644
277,430	277,430	-	-	-	-	-	-	-	-	-	1	-	-	1	980	36,921
286,000	286,000	-	-	-	-	-	-	-	-	-	-	-	-	1	981	37,207
316,900	316,900	1	-	-	1	-	-	-	-	-	-	-	-	1	982	37,524
322,100	322,100	-	-	-	-	1	-	-	-	-	-	-	-	1	983	37,846
322,200	322,200	1	-	-	-	-	-	-	-	-	-	-	-	1	984	38,168
328,700	328,700	-	-	-	-	-	-	-	-	-	-	-	-	1	985	38,497
340,700	340,700	-	1	-	-	-	-	-	-	-	-	1	-	1	986	38,838
353,000	353,000	-	-	-	-	-	-	-	-	-	-	-	-	1	987	39,191
383,800	383,800	-	-	-	-	1	-	-	-	-	-	-	-	1	988	39,574
391,500	391,500	-	-	1	-	-	-	-	-	-	-	-	-	1	989	39,966
403,700	403,700	-	-	1	-	-	-	-	-	-	-	-	-	1	990	40,370
416,500	416,500	1	-	-	-	-	-	-	-	-	-	-	-	1	991	40,786
441,500	441,500	-	-	-	-	-	-	-	-	1	-	-	-	1	992	41,228
445,800	445,800	-	1	-	-	-	-	-	-	-	-	-	-	1	993	41,673
454,400	454,400	-	1	-	-	-	-	-	-	-	-	-	-	1	994	42,128
518,200	518,200	-	-	1	-	-	-	-	-	-	-	-	-	1	995	42,646
573,700	573,700	-	-	-	-	-	-	-	1	-	-	-	-	1	996	43,220
592,900	592,900	-	-	-	1	-	-	-	-	-	-	-	-	1	997	43,813
612,000	612,000	-	1	-	-	-	-	-	-	-	-	-	-	1	998	44,425
686,000	686,000	-	-	-	-	-	-	-	-	-	-	-	-	1	999	45,111
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	999	45,111
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	999	45,111

Totals	82	81	81	81	82	82	83	84	84	85	85	85	85	85	999	Average Usage	Median Usage
																45,156	28,500

Bella Vista Water Company
 Test Year Ended March 31, 2009
 2 Inch Commercial

Exhibit
 Schedule H-5
 Page 9
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
-	1,000	15	12	9	9	11	9	12	13	16	11	10	10	137	137	-
1,001	2,000	11	8	13	14	9	11	8	7	9	12	10	12	124	261	62
2,001	3,000	5	10	7	6	8	5	7	6	7	13	15	11	100	361	212
3,001	4,000	8	5	6	7	2	4	6	9	10	8	9	13	87	448	430
4,001	5,000	9	8	9	7	11	8	7	9	6	7	8	5	94	542	759
5,001	6,000	4	6	7	4	3	7	5	3	8	3	6	5	61	603	1,033
6,001	7,000	5	3	2	2	7	8	6	6	8	4	5	4	60	663	1,363
7,001	8,000	3	7	2	7	5	5	5	4	4	8	3	8	61	724	1,760
8,001	9,000	4	2	4	1	2	2	8	2	1	5	6	3	40	764	2,060
9,001	10,000	2	4	3	4	3	2	5	3	6	7	6	3	55	819	2,527
10,001	11,000	5	4	5	2	4	8	4	2	4	3	4	4	49	868	2,993
11,001	12,000	1	1	6	3	7	4	3	4	7	2	5	6	49	917	3,507
12,001	13,000	4	3	-	2	2	7	5	7	4	7	6	2	49	966	4,071
13,001	14,000	1	5	3	3	2	2	3	5	3	6	3	5	41	1,007	4,583
14,001	15,000	5	1	1	5	6	3	4	3	4	3	5	2	42	1,049	5,150
15,001	16,000	2	-	1	2	1	3	3	2	1	1	3	1	20	1,069	5,440
16,001	17,000	1	2	3	4	1	2	3	4	2	1	2	2	27	1,096	5,859
17,001	18,000	-	4	1	2	1	2	1	1	3	4	1	3	19	1,115	6,172
18,001	19,000	4	3	-	3	1	2	3	3	3	-	3	5	30	1,145	6,698
19,001	20,000	3	-	4	1	-	-	1	1	3	3	2	4	22	1,167	7,105
20,001	21,000	3	2	2	1	3	1	1	1	3	2	6	3	28	1,195	7,651
21,001	22,000	1	1	2	3	3	1	-	4	4	4	3	3	29	1,224	8,245
22,001	23,000	4	2	3	1	1	1	1	-	5	5	-	4	27	1,251	8,826
23,001	24,000	1	-	1	1	2	-	2	2	-	2	2	2	15	1,266	9,163
24,001	25,000	-	2	1	1	2	1	2	1	2	3	1	1	18	1,284	9,586
25,001	26,000	2	-	3	1	2	-	-	2	2	2	3	3	20	1,304	10,076
26,001	27,000	2	1	1	2	1	3	-	2	2	-	2	1	19	1,323	10,561
27,001	28,000	1	-	3	-	-	1	-	3	1	4	1	2	16	1,339	10,985
28,001	29,000	3	1	1	3	1	-	2	1	-	2	2	-	16	1,355	11,425
29,001	30,000	3	3	2	-	-	-	2	1	-	3	3	1	18	1,373	11,938
30,001	31,000	-	-	1	1	2	2	3	2	3	3	1	2	20	1,393	12,528
31,001	32,000	2	2	1	-	2	2	4	4	2	1	1	3	22	1,415	13,189
32,001	33,000	1	3	2	3	1	1	3	-	4	1	1	2	22	1,437	13,892
33,001	34,000	1	-	1	3	3	1	1	1	3	2	6	2	24	1,461	14,672
34,001	35,000	4	4	3	1	2	3	9	-	2	1	2	1	32	1,493	15,744
35,001	36,000	1	1	2	4	1	3	3	1	2	1	-	2	21	1,514	16,468
36,001	37,000	1	2	4	2	4	2	2	4	2	1	1	2	26	1,540	17,391
37,001	38,000	2	4	4	1	3	1	2	3	4	1	1	1	27	1,567	18,377
38,001	39,000	2	5	2	1	1	2	1	3	1	1	2	3	24	1,591	19,277
39,001	40,000	2	4	1	4	3	4	5	1	3	1	-	1	29	1,620	20,393
		1	3	2	2	5	4	1	3	4	-	1	-	26	1,646	21,420

Bella Vista Water Company
 Test Year Ended March 31, 2009
 2 Inch Commercial

Exhibit
 Schedule H-5
 Page 9
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
40,001	41,000	1	-	5	1	-	1	1	1	3	3	3	1	20	1,666	22,230
41,001	42,000	4	2	2	1	1	2	6	1	1	3	1	2	26	1,692	23,309
42,001	43,000	5	1	4	2	3	3	2	1	1	1	1	5	29	1,721	24,542
43,001	44,000	1	4	1	3	1	4	-	-	-	2	1	1	18	1,739	25,325
44,001	45,000	2	-	1	1	1	2	2	4	1	1	3	2	20	1,759	26,215
45,001	46,000	3	1	2	2	1	3	2	1	-	1	1	4	21	1,780	27,170
46,001	47,000	-	2	1	1	4	1	-	2	2	4	1	2	20	1,800	28,100
47,001	48,000	-	2	2	1	1	2	-	1	-	2	5	3	21	1,821	29,098
48,001	49,000	4	2	-	3	2	1	2	4	3	-	3	2	25	1,846	30,310
49,001	50,000	2	2	2	2	3	3	1	4	1	1	3	4	28	1,874	31,696
50,001	51,000	1	1	1	-	1	1	1	2	1	2	2	-	13	1,887	32,363
51,001	52,000	1	1	1	2	1	2	1	1	1	1	1	-	13	1,900	33,022
52,001	53,000	1	2	2	4	3	2	-	3	-	-	-	3	20	1,920	34,072
53,001	54,000	2	3	3	1	1	-	4	1	4	5	1	2	27	1,947	35,517
54,001	55,000	-	-	1	1	4	1	-	1	3	2	2	1	16	1,963	36,389
55,001	56,000	3	-	-	4	1	2	1	-	2	1	1	1	16	1,979	37,277
56,001	57,000	-	1	2	3	3	1	-	1	2	2	2	2	17	1,996	38,237
57,001	58,000	-	2	3	3	-	1	-	1	1	2	1	1	15	2,011	39,100
58,001	59,000	3	5	-	2	1	-	-	1	1	-	-	1	14	2,025	39,919
59,001	60,000	-	2	2	3	1	4	3	2	-	2	-	3	23	2,048	41,287
60,001	61,000	2	2	2	1	1	1	1	-	2	1	-	1	13	2,061	42,074
61,001	62,000	3	1	3	2	-	1	3	2	-	-	2	-	17	2,078	43,119
62,001	63,000	1	-	-	1	1	1	-	2	1	1	-	-	8	2,086	43,619
63,001	64,000	1	2	3	1	2	-	1	1	2	-	2	-	15	2,101	44,572
64,001	65,000	-	3	1	1	2	1	1	-	1	-	1	6	17	2,118	45,668
65,001	66,000	4	-	3	2	1	1	-	1	2	1	2	-	17	2,135	46,782
66,001	67,000	2	1	-	1	3	-	-	-	1	1	2	-	11	2,146	47,514
67,001	68,000	-	2	-	-	-	1	-	-	2	4	1	-	11	2,157	48,256
68,001	69,000	-	1	-	2	1	-	3	2	1	-	2	2	14	2,171	49,215
69,001	70,000	3	1	2	2	1	-	2	2	1	-	2	1	17	2,188	50,397
70,001	71,000	1	2	-	2	-	3	-	1	1	-	-	1	11	2,199	51,172
71,001	72,000	4	-	2	-	1	-	1	1	-	-	-	1	10	2,209	51,887
72,001	73,000	1	-	-	4	-	5	1	2	1	-	2	1	19	2,228	53,265
73,001	74,000	1	3	2	2	1	1	-	1	3	-	-	1	15	2,243	54,367
74,001	75,000	2	-	2	-	-	1	-	-	1	1	1	-	8	2,251	54,963
75,001	76,000	-	3	-	-	1	5	3	2	-	-	-	1	15	2,266	56,096
76,001	77,000	1	1	1	1	-	1	1	1	1	1	1	-	11	2,277	56,937
77,001	78,000	-	-	-	-	1	1	-	2	1	1	1	-	7	2,284	57,480
78,001	79,000	-	1	2	-	1	2	-	-	2	3	1	-	12	2,296	58,422
79,001	80,000	1	-	1	-	1	1	-	4	-	-	1	2	13	2,309	59,455
80,001	81,000	1	1	1	-	-	-	-	-	-	-	-	-	6	2,315	59,938

Bella Vista Water Company
 Test Year Ended March 31, 2009
 2 Inch Commercial

Exhibit
 Schedule H-5
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 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
81,001	82,000	1	2	-	1	3	-	-	1	-	-	-	-	8	2,323	60,590
82,001	83,000	1	1	1	-	1	1	1	-	-	2	-	-	10	2,333	61,415
83,001	84,000	2	-	1	2	1	-	-	1	-	1	1	2	11	2,344	62,334
84,001	85,000	-	1	2	-	-	2	4	1	-	-	-	-	10	2,354	63,179
85,001	86,000	3	1	-	-	-	1	2	1	-	-	-	1	9	2,363	63,948
86,001	87,000	1	1	3	1	-	2	-	-	-	1	1	2	12	2,375	64,986
87,001	88,000	-	1	-	2	2	-	-	-	-	-	-	-	8	2,383	65,686
88,001	89,000	1	1	-	-	2	-	-	-	-	-	-	-	4	2,387	66,040
89,001	90,000	1	-	-	-	-	2	-	-	1	-	3	-	7	2,394	66,667
90,001	91,000	1	-	1	2	3	2	2	-	1	-	-	-	12	2,406	67,753
91,001	92,000	-	-	-	-	-	1	-	2	2	1	-	-	7	2,413	68,393
92,001	93,000	-	-	-	-	3	-	-	1	-	1	-	-	6	2,419	68,948
93,001	94,000	1	1	-	1	-	-	-	-	-	-	-	1	5	2,424	69,416
94,001	95,000	1	1	-	-	1	-	1	-	2	-	-	-	6	2,430	69,983
95,001	96,000	1	1	-	1	-	-	-	-	-	-	-	-	4	2,434	70,365
96,001	97,000	1	-	-	-	1	-	1	-	-	-	-	2	5	2,439	70,847
97,001	98,000	1	1	-	-	-	-	-	-	-	-	-	1	3	2,442	71,140
98,001	99,000	-	2	1	1	1	1	1	1	-	-	-	1	10	2,452	72,125
99,001	100,000	-	2	1	1	1	1	-	2	-	-	-	-	9	2,461	73,020
100,097	100,097	-	-	-	-	-	-	-	-	-	-	-	-	1	2,462	73,120
100,100	100,100	-	-	-	1	-	-	-	-	1	-	-	-	2	2,464	73,320
100,200	100,200	-	-	-	-	-	-	-	-	-	-	-	-	1	2,465	73,421
100,600	100,600	-	1	-	-	-	-	-	1	-	-	-	-	1	2,466	73,521
100,700	100,700	-	-	-	-	-	-	-	-	-	-	-	-	1	2,467	73,622
100,780	100,780	-	-	-	-	-	-	-	-	1	-	-	-	1	2,468	73,723
100,800	100,800	1	-	-	-	-	-	-	-	-	-	-	-	1	2,469	73,824
100,900	100,900	2	-	-	-	-	-	-	-	-	-	-	-	2	2,471	74,025
101,100	101,100	-	-	-	-	-	-	-	1	-	-	-	-	1	2,472	74,126
101,200	101,200	-	-	-	-	-	1	-	-	-	-	-	-	1	2,473	74,228
101,300	101,300	-	-	-	-	-	-	-	-	-	-	1	-	1	2,474	74,329
101,700	101,700	-	-	-	-	1	-	-	-	-	-	-	-	1	2,475	74,431
101,800	101,800	-	1	-	-	-	-	-	-	-	-	-	1	2	2,477	74,634
102,100	102,100	-	-	-	-	-	-	-	-	-	-	-	-	1	2,478	74,736
102,120	102,120	-	-	-	-	-	1	-	-	-	-	-	-	1	2,479	74,838
102,200	102,200	-	-	-	-	-	1	-	-	-	-	-	-	1	2,480	74,941
102,300	102,300	-	-	-	-	-	-	-	-	-	1	-	-	1	2,481	75,043
102,400	102,400	-	-	-	-	-	-	-	1	-	-	-	-	1	2,482	75,145
102,510	102,510	-	-	-	-	-	-	-	-	-	-	-	1	1	2,483	75,248
102,900	102,900	-	-	-	-	-	-	-	-	-	-	1	-	1	2,484	75,351
103,000	103,000	-	-	-	-	-	-	-	-	-	-	-	1	1	2,485	75,454
103,100	103,100	-	1	-	-	-	-	-	-	-	-	-	1	2	2,487	75,660

Bella Vista Water Company
 Test Year Ended March 31, 2009
 2 Inch Commercial

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 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
103,560	103,560	-	-	-	-	-	-	-	-	-	-	1	-	1	2,488	75,764
103,700	103,700	-	-	1	-	-	-	-	-	-	-	-	-	2	2,490	75,971
103,800	103,800	-	-	-	-	-	-	-	-	-	-	1	-	1	2,491	76,075
103,900	103,900	-	-	-	-	-	-	-	-	-	-	1	-	1	2,492	76,179
104,000	104,000	-	-	-	1	-	-	-	-	-	1	-	-	2	2,494	76,387
104,400	104,400	-	-	-	-	-	-	-	-	1	-	-	-	1	2,495	76,491
104,600	104,600	-	-	-	-	-	1	-	-	1	-	-	-	2	2,497	76,700
104,700	104,700	-	-	-	-	-	-	-	-	-	-	-	-	1	2,498	76,805
104,849	104,849	-	1	-	-	-	-	-	-	-	-	-	-	1	2,499	76,910
104,900	104,900	-	-	-	-	-	-	-	-	-	1	-	-	2	2,501	77,120
105,100	105,100	-	-	-	1	-	-	-	-	-	-	-	-	1	2,502	77,225
105,300	105,300	-	-	1	-	-	-	-	-	2	-	-	-	3	2,505	77,541
105,500	105,500	-	-	1	-	-	1	-	-	-	-	-	-	2	2,507	77,752
105,800	105,800	-	-	-	-	-	-	-	-	1	-	-	-	1	2,508	77,857
106,000	106,000	-	-	-	-	1	-	-	-	-	-	-	-	1	2,509	77,963
106,100	106,100	-	-	-	-	-	-	-	1	-	-	-	-	1	2,510	78,069
106,200	106,200	-	-	-	-	-	1	-	-	-	-	-	-	1	2,511	78,176
106,293	106,293	-	-	-	-	-	-	-	-	-	-	-	-	1	2,512	78,282
106,300	106,300	-	-	-	-	-	-	-	1	-	-	-	-	3	2,515	78,601
106,586	106,586	-	-	-	-	-	-	-	-	-	-	-	-	1	2,516	78,707
107,370	107,370	1	-	-	-	-	-	-	-	-	-	-	-	1	2,517	78,815
107,700	107,700	-	-	-	-	-	-	-	-	-	-	-	-	1	2,518	78,923
107,800	107,800	-	-	-	1	-	-	-	-	-	1	-	-	1	2,519	79,030
108,200	108,200	-	-	-	-	-	1	-	-	-	-	-	-	1	2,520	79,139
108,660	108,660	-	-	-	-	-	-	-	-	-	-	-	-	1	2,521	79,247
108,800	108,800	-	1	-	-	-	-	-	-	-	-	1	-	1	2,522	79,356
109,000	109,000	-	-	-	-	-	-	-	-	-	-	-	-	1	2,523	79,465
109,100	109,100	-	-	-	1	-	-	-	-	-	-	-	-	1	2,524	79,574
109,143	109,143	-	-	1	-	-	-	-	-	-	-	-	-	1	2,525	79,683
109,300	109,300	-	-	-	-	1	-	-	-	-	1	-	-	2	2,527	79,902
109,400	109,400	1	-	-	-	-	-	-	-	-	-	-	-	1	2,528	80,011
109,500	109,500	-	-	-	-	-	-	-	-	1	-	-	-	2	2,530	80,230
109,700	109,700	-	-	-	-	-	-	-	-	-	1	-	-	1	2,531	80,340
109,880	109,880	-	-	-	-	-	-	-	-	-	-	-	-	1	2,532	80,450
110,000	110,000	-	-	-	-	-	-	1	-	-	-	-	-	1	2,533	80,560
110,077	110,077	-	-	-	-	-	-	-	-	-	-	-	-	1	2,534	80,670
110,090	110,090	-	-	-	-	-	-	-	-	-	1	-	-	1	2,535	80,780
110,300	110,300	-	-	-	-	-	1	-	-	-	-	-	-	1	2,536	80,890
110,500	110,500	-	1	-	-	-	-	-	-	-	-	-	-	1	2,537	81,001
110,593	110,593	-	-	-	-	-	-	-	-	1	-	-	-	1	2,538	81,111
110,900	110,900	-	-	1	-	-	-	-	-	-	1	-	-	3	2,541	81,444

Bella Vista Water Company
 Test Year Ended March 31, 2009
 2 Inch Commercial

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 Schedule H-5
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 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
111,000	111,000	-	-	-	-	-	-	-	-	-	-	-	-	1	2,542	81,555
111,100	111,100	-	-	-	-	1	-	-	-	-	-	-	1	2	2,544	81,777
111,700	111,700	-	-	1	-	-	-	-	-	-	-	1	-	2	2,546	82,001
112,100	112,100	-	-	-	-	-	-	-	-	-	-	1	-	1	2,547	82,113
113,100	113,100	-	-	-	-	-	-	-	1	-	-	-	-	1	2,548	82,226
113,267	113,267	-	-	-	1	-	-	-	-	-	-	-	-	1	2,549	82,339
113,300	113,300	-	-	-	-	-	-	-	-	-	-	-	-	1	2,550	82,452
113,410	113,410	-	-	-	1	-	-	1	-	-	-	-	-	2	2,552	82,679
113,500	113,500	-	1	-	-	-	-	-	1	-	-	-	-	2	2,554	82,906
113,700	113,700	-	1	-	-	-	-	-	-	-	-	-	-	1	2,555	83,020
113,900	113,900	-	-	-	-	1	-	-	-	-	-	-	-	1	2,556	83,134
114,400	114,400	-	-	-	-	-	1	-	-	-	-	-	-	2	2,558	83,363
114,500	114,500	-	-	-	-	-	-	-	-	-	-	-	-	1	2,559	83,477
114,800	114,800	-	-	-	-	-	-	1	-	-	-	-	-	1	2,560	83,592
114,900	114,900	-	-	-	-	-	-	-	-	-	-	-	1	2	2,562	83,822
115,160	115,160	-	-	-	-	-	-	-	1	-	-	-	-	1	2,563	83,937
115,200	115,200	-	-	-	-	-	-	-	-	-	-	-	-	1	2,564	84,052
115,800	115,800	-	-	-	-	-	1	-	-	-	-	-	-	1	2,565	84,168
116,000	116,000	-	1	-	-	-	-	-	-	1	-	-	-	2	2,567	84,400
116,300	116,300	-	-	-	-	1	-	-	-	-	-	-	-	1	2,568	84,516
116,700	116,700	-	-	-	-	-	-	-	-	-	-	-	-	2	2,570	84,750
116,800	116,800	-	-	-	-	-	-	-	-	-	-	-	-	1	2,571	84,866
116,900	116,900	-	-	-	-	-	-	-	-	-	-	-	-	1	2,572	84,983
117,000	117,000	-	-	-	-	-	-	-	-	-	-	-	1	1	2,573	85,100
117,130	117,130	-	-	-	-	-	-	-	-	1	-	-	-	1	2,574	85,217
118,100	118,100	-	1	-	-	-	-	-	-	-	-	-	1	1	2,575	85,336
118,200	118,200	-	-	-	-	-	-	-	-	-	-	-	-	1	2,576	85,454
118,300	118,300	1	-	-	-	-	1	-	-	-	-	-	-	1	2,577	85,572
118,600	118,600	-	1	-	-	-	-	-	-	-	-	-	-	2	2,579	85,809
118,700	118,700	-	-	-	-	-	-	-	-	-	1	-	-	1	2,580	85,928
118,800	118,800	-	-	1	-	-	-	-	-	-	-	-	-	1	2,581	86,047
119,300	119,300	-	-	-	-	-	-	-	-	-	-	-	-	1	2,582	86,166
119,400	119,400	-	-	-	-	-	-	-	-	-	-	-	-	1	2,583	86,285
119,600	119,600	-	-	-	-	-	-	-	-	-	-	-	-	2	2,585	86,525
119,700	119,700	-	-	-	-	1	-	-	1	-	-	-	-	2	2,587	86,764
119,800	119,800	-	-	-	-	-	-	-	-	-	-	-	1	1	2,588	86,884
119,900	119,900	-	1	-	-	-	-	-	-	-	-	-	-	2	2,590	87,124
120,000	120,000	-	-	-	-	-	-	-	-	-	-	-	-	1	2,591	87,244
120,200	120,200	-	-	-	-	-	-	-	-	-	1	-	-	1	2,592	87,364
120,220	120,220	-	-	-	-	-	-	-	-	-	-	-	-	1	2,593	87,484
120,420	120,420	-	-	-	-	-	-	-	-	-	-	-	-	1	2,594	87,604

Bella Vista Water Company
 Test Year Ended March 31, 2009
 2 Inch Commercial

Exhibit
 Schedule H-5
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 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
120,700	120,700	-	-	-	-	-	-	-	-	-	-	-	-	1	2,595	87,725
120,760	120,760	-	-	-	-	-	-	-	1	-	-	-	-	1	2,596	87,846
121,000	121,000	-	-	-	-	-	-	-	-	1	-	-	-	1	2,597	87,967
121,400	121,400	-	-	-	1	-	-	-	-	-	-	-	-	2	2,599	88,210
121,600	121,600	-	-	-	-	-	-	-	-	-	-	-	1	1	2,600	88,331
121,800	121,800	-	1	-	-	-	-	-	-	-	-	-	-	1	2,601	88,453
122,100	122,100	-	-	-	-	-	1	-	-	-	-	-	-	1	2,602	88,575
122,200	122,200	-	-	1	-	-	-	-	-	-	-	-	-	1	2,603	88,697
122,400	122,400	-	-	-	-	-	1	-	-	-	-	-	-	1	2,604	88,820
122,600	122,600	-	-	-	-	-	-	1	-	-	-	-	-	1	2,605	88,942
122,800	122,800	-	-	-	-	1	-	-	-	-	-	-	-	1	2,606	89,065
122,900	122,900	-	-	-	-	-	-	-	-	1	-	-	-	1	2,607	89,188
123,000	123,000	-	-	-	1	-	-	-	-	-	-	-	-	2	2,609	89,434
123,100	123,100	-	-	-	-	1	-	-	-	-	-	-	-	1	2,610	89,557
123,400	123,400	-	-	1	-	-	-	-	-	-	-	-	-	2	2,612	89,804
123,500	123,500	-	-	-	-	-	-	-	-	-	-	-	1	1	2,613	89,928
123,700	123,700	-	-	-	-	-	-	-	-	-	-	-	-	1	2,614	90,051
123,800	123,800	-	-	-	-	-	-	-	-	-	-	-	1	1	2,615	90,175
123,900	123,900	-	-	1	-	-	-	1	-	-	-	-	-	2	2,617	90,423
124,000	124,000	-	1	-	-	-	-	-	-	-	-	-	-	1	2,618	90,547
124,200	124,200	-	-	-	1	-	-	-	-	-	-	-	-	1	2,619	90,671
124,500	124,500	-	-	-	-	-	-	-	-	-	1	-	-	1	2,620	90,796
124,700	124,700	-	-	-	-	-	-	-	-	-	-	-	-	1	2,621	90,920
124,900	124,900	-	-	-	1	-	-	-	-	-	-	-	-	1	2,622	91,045
125,000	125,000	-	-	-	-	-	-	-	-	-	-	-	-	1	2,623	91,170
125,080	125,080	-	-	-	-	-	-	-	-	-	-	-	-	1	2,624	91,295
125,100	125,100	-	-	-	-	-	-	-	1	-	-	-	-	1	2,625	91,420
125,400	125,400	-	-	-	-	-	-	-	-	-	-	-	1	1	2,626	91,546
125,700	125,700	-	-	-	1	-	-	-	-	-	-	-	-	1	2,627	91,671
125,800	125,800	1	-	-	-	-	-	-	-	-	-	-	-	1	2,628	91,797
126,418	126,418	-	-	-	-	-	-	1	-	-	-	-	-	1	2,629	91,924
126,700	126,700	-	-	1	-	-	-	-	-	-	-	-	-	1	2,630	92,050
127,300	127,300	-	-	-	-	1	-	-	-	-	-	-	-	1	2,631	92,178
127,398	127,398	-	1	-	-	-	-	-	-	-	-	-	-	1	2,632	92,305
128,000	128,000	-	-	-	-	-	-	-	-	-	-	-	-	1	2,633	92,433
128,200	128,200	-	-	-	-	-	-	-	-	-	-	-	1	1	2,634	92,561
128,480	128,480	-	-	-	-	-	-	-	-	1	-	-	-	1	2,635	92,690
128,600	128,600	-	-	-	1	-	-	-	-	-	-	-	-	1	2,636	92,818
129,100	129,100	-	-	-	-	-	-	-	-	-	-	-	-	1	2,637	92,947
129,200	129,200	-	-	-	-	-	-	-	-	1	-	-	-	1	2,638	93,077
129,800	129,800	-	-	-	-	-	-	-	-	-	-	-	1	1	2,639	93,206

Bella Vista Water Company
 Test Year Ended March 31, 2009
 2 Inch Commercial

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 Schedule H-5
 Page 9
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
130,200	130,200	-	-	-	-	-	-	-	2	-	-	-	-	2	2,641	93,467
130,300	130,300	-	-	-	-	-	-	-	1	-	-	-	-	1	2,642	93,597
130,670	130,670	-	-	-	-	-	-	-	1	-	-	-	-	1	2,643	93,728
130,800	130,800	-	-	-	-	-	-	-	-	-	1	-	-	1	2,644	93,859
131,100	131,100	-	-	-	-	-	-	-	-	-	1	-	-	1	2,645	93,990
131,200	131,200	-	-	-	-	-	-	-	-	1	-	-	-	1	2,646	94,121
131,300	131,300	1	-	-	-	-	-	-	-	-	-	-	1	2	2,648	94,383
131,400	131,400	1	-	1	-	-	-	-	-	-	-	1	-	3	2,651	94,778
131,700	131,700	-	-	-	-	-	-	-	-	-	1	-	-	1	2,652	94,909
133,100	133,100	-	-	-	-	-	-	-	-	-	-	-	-	1	2,653	95,042
133,200	133,200	-	-	-	1	-	-	-	-	-	-	1	-	1	2,654	95,176
133,400	133,400	-	-	-	-	-	-	-	1	-	-	-	-	1	2,655	95,309
133,533	133,533	-	-	-	-	-	-	-	-	-	-	-	-	1	2,656	95,443
133,800	133,800	-	-	-	1	-	-	-	-	-	-	-	-	1	2,657	95,576
133,860	133,860	-	-	-	-	-	-	-	-	-	-	-	-	1	2,658	95,710
133,900	133,900	1	-	-	-	-	-	-	-	-	-	-	-	1	2,659	95,844
134,317	134,317	-	-	-	-	-	-	-	-	-	-	-	-	1	2,660	95,979
134,401	134,401	-	-	-	-	-	-	-	-	-	-	-	-	1	2,661	96,113
134,625	134,625	-	-	-	-	-	-	-	-	-	1	-	-	1	2,662	96,248
134,800	134,800	-	-	-	1	-	-	-	-	-	-	-	-	1	2,663	96,382
134,900	134,900	-	-	1	-	-	-	-	-	-	-	-	-	1	2,664	96,517
135,700	135,700	-	-	-	-	-	-	-	-	-	-	-	-	1	2,665	96,653
135,900	135,900	-	-	-	-	-	-	-	-	-	-	-	-	1	2,666	96,789
136,000	136,000	-	-	-	-	-	-	-	-	-	1	-	-	1	2,667	96,925
136,200	136,200	-	-	-	-	-	-	-	-	-	-	-	-	1	2,668	97,061
136,300	136,300	1	-	-	-	-	1	-	-	-	-	-	-	1	2,669	97,197
136,330	136,330	-	-	-	-	1	-	-	-	-	-	-	-	1	2,670	97,334
136,400	136,400	1	-	-	-	-	-	-	-	-	-	-	-	1	2,671	97,470
136,500	136,500	1	-	-	-	-	-	-	-	-	-	-	-	1	2,672	97,607
136,900	136,900	-	-	-	-	-	-	-	-	1	-	-	-	1	2,673	97,743
137,100	137,100	1	-	-	-	-	-	-	-	-	-	-	-	1	2,674	97,881
137,300	137,300	-	-	-	1	-	-	-	-	-	-	-	-	1	2,675	98,018
137,500	137,500	-	-	1	-	-	-	-	-	-	-	-	-	2	2,677	98,293
137,600	137,600	-	-	-	-	-	-	-	-	-	-	-	-	1	2,678	98,430
137,700	137,700	-	-	-	1	-	-	-	-	-	1	-	-	1	2,679	98,568
137,800	137,800	-	-	-	-	-	-	-	-	1	-	-	-	1	2,680	98,706
138,400	138,400	-	-	1	-	-	-	-	-	-	-	-	-	1	2,681	98,844
138,526	138,526	-	-	-	-	-	1	-	-	-	-	-	-	1	2,682	98,983
139,300	139,300	-	-	-	-	1	-	-	-	-	-	-	-	1	2,683	99,122
140,100	140,100	-	-	-	1	-	-	-	-	-	-	-	-	2	2,685	99,402
140,700	140,700	-	-	-	-	-	-	1	-	-	-	-	-	1	2,686	99,543

Bella Vista Water Company
 Test Year Ended March 31, 2009
 2 Inch Commercial

Exhibit
 Schedule H-5
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 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
140,900	140,900	-	-	-	-	-	1	-	-	1	-	-	-	2	2,688	99,825
141,300	141,300	-	-	-	-	-	-	-	1	-	-	-	-	1	2,689	99,966
141,586	141,586	-	-	-	-	1	-	-	-	-	-	-	-	1	2,690	100,108
141,900	141,900	-	-	-	-	-	-	1	-	-	-	-	-	1	2,691	100,250
142,000	142,000	-	-	-	-	-	1	-	-	-	1	-	-	2	2,693	100,534
142,100	142,100	-	-	-	-	-	-	-	-	-	-	-	-	1	2,694	100,676
142,300	142,300	-	-	-	-	1	-	-	-	-	-	-	-	1	2,695	100,818
142,400	142,400	-	-	-	-	-	-	-	2	-	-	-	-	2	2,697	101,103
142,600	142,600	-	-	1	-	-	-	-	-	-	-	-	-	1	2,698	101,245
142,700	142,700	-	-	-	-	-	1	-	-	-	-	-	-	1	2,699	101,388
142,900	142,900	-	-	-	-	1	-	-	-	-	-	-	-	2	2,701	101,674
143,600	143,600	-	-	-	-	-	-	-	1	-	-	-	-	1	2,702	101,818
144,200	144,200	-	-	-	-	-	-	-	-	1	-	-	-	1	2,703	101,962
144,500	144,500	1	-	-	-	-	-	-	-	-	-	-	-	1	2,704	102,106
145,600	145,600	-	-	-	-	-	-	-	-	-	-	-	-	1	2,705	102,252
145,700	145,700	-	-	-	-	-	-	-	-	-	-	-	-	1	2,706	102,398
145,900	145,900	-	1	-	-	-	-	-	-	-	1	-	-	1	2,707	102,543
146,100	146,100	-	-	-	-	-	-	-	-	-	-	-	-	1	2,708	102,690
146,200	146,200	-	-	-	-	-	2	-	-	-	-	-	-	2	2,710	102,982
146,300	146,300	-	-	-	-	-	-	-	-	-	-	-	1	1	2,711	103,128
146,735	146,735	-	-	-	-	1	-	-	-	-	-	-	-	1	2,712	103,275
146,900	146,900	-	1	-	-	-	-	-	-	-	-	-	-	1	2,713	103,422
147,000	147,000	-	-	-	1	-	-	-	-	-	-	-	-	1	2,714	103,569
147,100	147,100	-	-	-	1	-	-	-	-	-	-	-	-	1	2,715	103,716
147,200	147,200	-	-	-	-	-	-	-	-	-	-	1	-	1	2,716	103,863
147,500	147,500	-	-	-	-	-	-	-	-	1	-	-	-	1	2,717	104,011
147,630	147,630	1	-	-	-	-	-	-	-	-	-	-	-	1	2,718	104,158
148,100	148,100	-	-	-	-	1	-	-	-	-	-	-	-	2	2,720	104,455
148,600	148,600	-	-	-	1	-	-	-	-	-	-	-	-	1	2,721	104,603
149,100	149,100	-	-	-	-	-	-	1	-	-	-	-	-	1	2,722	104,752
149,105	149,105	-	1	-	-	-	-	-	-	-	-	-	-	1	2,723	104,901
149,400	149,400	-	-	-	-	-	-	1	-	-	-	-	-	1	2,724	105,051
150,600	150,600	-	-	-	1	-	-	-	-	-	-	-	-	1	2,725	105,201
151,100	151,100	-	-	-	-	-	-	-	-	-	1	-	-	1	2,726	105,352
151,300	151,300	1	-	-	-	-	-	-	-	-	-	-	-	1	2,727	105,504
152,200	152,200	-	-	-	-	-	-	-	-	1	-	-	-	1	2,728	105,656
152,700	152,700	1	-	-	-	-	-	-	-	-	-	-	-	1	2,729	105,809
152,900	152,900	-	-	-	-	-	-	-	-	-	-	1	-	1	2,730	105,962
153,000	153,000	-	-	-	-	-	-	-	-	-	1	-	-	1	2,731	106,115
153,100	153,100	-	-	-	-	1	-	-	-	-	-	-	-	1	2,732	106,268
153,200	153,200	-	-	1	-	-	-	-	-	-	-	-	-	2	2,734	106,574

Bella Vista Water Company
 Test Year Ended March 31, 2009
 2 Inch Commercial

Exhibit
 Schedule H-5
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 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
153,500	153,500										1			1	2,735	106,728
154,320	154,320								1					1	2,736	106,882
154,900	154,900							1						1	2,737	107,037
155,200	155,200								1					1	2,738	107,192
155,920	155,920										1			1	2,739	107,348
156,200	156,200		1											2	2,741	107,660
156,600	156,600													1	2,742	107,817
157,300	157,300					1								1	2,743	107,974
157,500	157,500		1											1	2,744	108,132
157,700	157,700													2	2,746	108,447
157,900	157,900	1												1	2,747	108,605
158,080	158,080				1									1	2,748	108,763
158,200	158,200													1	2,749	108,921
158,800	158,800								1					1	2,750	109,080
159,300	159,300			1				1						1	2,751	109,239
159,600	159,600													1	2,752	109,399
160,100	160,100													1	2,753	109,559
160,200	160,200	1								1				1	2,754	109,719
160,400	160,400					1								3	2,757	110,200
160,500	160,500													1	2,758	110,361
160,700	160,700								1					1	2,759	110,522
161,200	161,200													1	2,760	110,683
161,260	161,260				1									1	2,761	110,844
161,800	161,800													1	2,762	111,006
162,142	162,142						1							1	2,763	111,168
162,400	162,400													1	2,764	111,330
162,600	162,600													1	2,765	111,493
162,700	162,700					1								1	2,766	111,656
162,800	162,800													1	2,767	111,819
163,500	163,500								1					1	2,768	111,982
164,500	164,500	1												1	2,769	112,147
165,000	165,000													1	2,770	112,312
165,400	165,400				1									1	2,771	112,477
165,700	165,700													1	2,772	112,643
165,800	165,800													1	2,773	112,808
166,200	166,200													2	2,775	113,141
166,230	166,230			1										1	2,776	113,307
166,600	166,600													1	2,777	113,474
168,100	168,100													1	2,778	113,642
168,600	168,600													1	2,779	113,810
168,800	168,800													1	2,780	113,979

Bella Vista Water Company
 Test Year Ended March 31, 2009
 2 Inch Commercial

Exhibit
 Schedule H-5
 Page 9
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
168,900	168,900	-	-	-	-	-	-	1	-	-	-	-	-	1	2,781	114,148
169,000	169,000	1	-	-	-	-	-	-	-	-	-	-	-	1	2,782	114,317
169,400	169,400	-	-	-	-	-	-	-	-	1	-	-	-	1	2,783	114,486
169,700	169,700	-	-	-	-	-	-	-	-	1	-	-	-	1	2,784	114,656
170,000	170,000	-	-	-	-	1	-	-	-	-	-	-	-	1	2,785	114,826
170,100	170,100	1	-	-	-	-	-	-	-	-	-	-	-	1	2,786	114,996
170,500	170,500	-	-	-	-	-	-	-	-	1	-	-	1	1	2,787	115,167
171,300	171,300	-	-	-	-	-	-	-	-	-	-	-	-	1	2,788	115,338
171,400	171,400	-	-	-	-	-	-	-	-	-	-	-	1	1	2,789	115,509
171,800	171,800	-	-	-	-	-	-	1	-	-	-	-	-	1	2,790	115,681
172,100	172,100	-	-	-	-	-	-	-	-	-	1	-	-	1	2,791	115,853
172,800	172,800	-	-	-	-	-	-	-	-	-	1	-	-	1	2,792	116,026
173,900	173,900	-	-	-	-	-	-	-	1	-	-	-	-	1	2,793	116,200
174,100	174,100	-	-	-	-	-	-	-	-	1	-	-	-	1	2,794	116,374
174,500	174,500	-	1	-	-	-	-	-	-	-	-	-	-	2	2,796	116,723
175,000	175,000	-	-	-	-	1	-	-	-	-	-	-	-	1	2,797	116,898
175,500	175,500	-	-	1	-	-	-	-	-	-	-	-	-	1	2,798	117,074
175,800	175,800	1	-	-	-	-	-	-	-	-	-	-	-	1	2,799	117,249
175,900	175,900	-	-	-	1	-	-	-	-	-	-	-	-	1	2,800	117,425
176,100	176,100	-	-	-	-	-	-	1	-	-	-	-	-	1	2,801	117,601
176,700	176,700	-	-	1	-	-	-	-	-	-	-	-	-	1	2,802	117,778
177,300	177,300	-	-	-	-	-	-	-	1	-	-	-	-	1	2,803	117,955
178,600	178,600	-	-	-	-	1	-	-	-	-	-	-	-	1	2,804	118,134
179,400	179,400	-	-	-	-	-	-	1	-	-	-	-	-	1	2,805	118,313
179,460	179,460	-	-	-	-	-	1	-	-	-	-	-	-	1	2,806	118,493
179,500	179,500	-	-	-	-	-	-	-	-	-	-	-	1	1	2,807	118,672
180,100	180,100	-	-	-	-	-	-	-	1	-	-	-	-	1	2,808	118,853
180,200	180,200	-	-	-	-	-	-	1	-	-	-	-	-	1	2,809	119,033
180,700	180,700	-	-	-	1	-	-	-	-	-	-	-	-	1	2,810	119,213
180,885	180,885	-	-	-	-	-	-	-	-	-	-	-	-	1	2,811	119,394
181,300	181,300	-	-	-	-	-	-	-	-	-	-	-	-	1	2,812	119,576
181,400	181,400	-	-	-	-	-	-	-	-	1	-	-	-	1	2,813	119,757
181,700	181,700	-	-	-	-	-	1	-	-	-	-	-	-	1	2,814	119,939
182,100	182,100	-	-	-	-	1	-	-	-	-	-	-	-	1	2,815	120,121
182,800	182,800	-	-	-	1	-	-	-	-	-	-	-	-	1	2,816	120,304
183,300	183,300	-	-	-	-	1	-	-	-	-	-	-	-	1	2,817	120,487
183,500	183,500	-	-	-	-	-	1	-	-	-	-	-	-	1	2,818	120,670
183,700	183,700	-	-	-	-	-	-	-	-	1	-	-	-	1	2,819	120,854
183,900	183,900	-	-	-	-	-	-	-	-	1	-	-	-	1	2,820	121,038
184,260	184,260	-	-	-	-	-	-	-	-	-	-	-	-	1	2,821	121,222
185,323	185,323	-	-	-	-	-	-	-	-	-	-	-	-	1	2,822	121,408

Bella Vista Water Company
 Test Year Ended March 31, 2009
 2 Inch Commercial

Exhibit
 Schedule H-5
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 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
186,300	186,300	-	1	-	-	-	-	-	-	-	-	-	-	1	2,823	121,594
186,550	186,550	-	1	-	-	-	-	-	-	-	-	-	-	1	2,824	121,780
186,600	186,600	-	-	-	-	1	-	-	-	-	-	-	-	1	2,825	121,967
186,800	186,800	-	-	-	1	-	-	-	-	-	-	-	-	1	2,826	122,154
187,200	187,200	-	1	-	-	1	-	-	-	-	-	-	-	2	2,828	122,528
187,900	187,900	-	-	-	-	-	-	-	-	1	-	-	-	1	2,829	122,716
188,600	188,600	-	-	-	-	-	-	-	-	1	-	-	-	1	2,830	122,905
188,900	188,900	-	-	-	-	-	-	-	-	1	-	-	-	1	2,831	123,094
190,200	190,200	-	-	-	1	-	-	-	-	1	-	-	-	2	2,833	123,474
191,800	191,800	1	-	-	-	-	-	-	-	-	-	-	-	1	2,834	123,666
191,968	191,968	1	-	-	-	-	-	-	-	-	-	-	-	1	2,835	123,858
192,300	192,300	-	1	-	-	-	-	-	-	-	1	-	-	2	2,837	124,242
192,700	192,700	-	-	-	-	-	-	-	-	-	-	-	1	1	2,838	124,435
193,000	193,000	-	-	-	-	-	1	-	-	-	-	-	-	1	2,839	124,628
193,260	193,260	-	-	-	-	-	-	-	-	-	-	1	-	1	2,840	124,821
193,400	193,400	-	-	-	-	1	-	-	-	-	-	-	-	1	2,841	125,015
194,000	194,000	-	-	-	-	-	-	-	1	-	-	-	-	1	2,842	125,209
194,900	194,900	-	-	-	-	-	-	-	-	-	-	-	-	1	2,843	125,404
196,000	196,000	-	-	-	1	-	-	-	-	-	-	-	-	1	2,844	125,600
196,468	196,468	-	-	-	-	-	-	-	-	-	-	1	-	1	2,845	125,796
197,200	197,200	1	-	-	-	-	-	-	-	-	-	-	-	1	2,846	125,993
197,500	197,500	-	-	-	-	-	-	1	-	-	-	-	-	1	2,847	126,191
197,600	197,600	-	-	1	-	-	-	-	-	-	-	-	-	1	2,848	126,388
197,700	197,700	-	-	-	-	-	-	-	-	-	1	-	-	1	2,849	126,586
197,800	197,800	-	-	-	-	-	1	-	-	-	-	-	-	1	2,850	126,784
198,700	198,700	-	-	-	-	-	-	1	-	-	-	-	-	1	2,851	126,983
199,100	199,100	-	-	-	-	-	-	-	-	-	-	-	-	1	2,852	127,182
201,000	201,000	-	-	-	-	-	-	-	-	-	-	-	-	1	2,853	127,383
201,100	201,100	-	-	-	-	-	-	-	-	-	-	-	-	1	2,854	127,584
201,300	201,300	-	1	-	-	-	-	-	-	-	-	-	-	1	2,855	127,785
201,400	201,400	-	1	-	-	-	-	-	-	-	-	-	-	1	2,856	127,987
201,500	201,500	-	-	-	-	-	-	1	-	-	-	-	-	1	2,857	128,188
202,100	202,100	-	-	-	-	1	-	-	-	-	-	-	-	1	2,858	128,390
202,700	202,700	-	-	-	-	-	-	-	-	-	-	-	1	1	2,859	128,593
202,882	202,882	-	-	-	-	-	-	-	-	-	-	-	-	1	2,860	128,796
203,100	203,100	-	-	-	-	-	1	-	-	-	-	-	-	1	2,861	128,999
203,181	203,181	-	-	-	-	-	-	-	-	-	-	-	-	1	2,862	129,202
203,300	203,300	-	-	-	-	1	-	-	-	-	-	-	-	1	2,863	129,405
204,100	204,100	-	1	-	-	-	-	-	-	-	-	-	-	1	2,864	129,609
206,900	206,900	-	-	-	-	-	-	-	-	1	-	-	-	1	2,865	129,816
207,500	207,500	-	-	-	-	-	-	-	-	1	-	-	-	1	2,866	130,024

Bella Vista Water Company
 Test Year Ended March 31, 2009
 2 Inch Commercial

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 Schedule H-5
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 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
207,600	207,600	-	-	-	-	1	-	-	-	-	-	-	-	1	2,867	130,231
208,200	208,200	-	-	-	-	-	1	-	-	-	-	-	-	1	2,868	130,440
208,500	208,500	-	-	-	-	1	-	-	-	-	-	-	-	1	2,869	130,648
208,600	208,600	-	-	-	-	-	1	-	-	-	-	-	-	1	2,870	130,857
209,100	209,100	-	-	-	-	-	-	-	1	-	-	-	-	1	2,871	131,066
209,700	209,700	-	1	-	-	-	-	-	-	-	-	-	-	1	2,872	131,276
210,900	210,900	-	-	-	1	-	-	-	-	-	-	-	-	1	2,873	131,486
211,000	211,000	-	1	-	-	-	-	-	-	-	-	-	-	1	2,874	131,697
211,063	211,063	-	-	-	-	-	-	-	-	-	-	-	-	1	2,875	131,908
211,200	211,200	-	-	-	-	-	-	-	-	-	1	-	-	1	2,876	132,120
211,600	211,600	-	-	-	-	-	-	-	-	-	-	-	-	1	2,877	132,331
211,900	211,900	-	1	-	-	-	-	-	-	-	-	-	-	1	2,878	132,543
212,300	212,300	-	-	-	-	-	1	-	-	-	-	-	-	1	2,879	132,755
212,700	212,700	1	-	-	1	-	-	-	-	-	-	-	-	3	2,882	133,394
213,000	213,000	-	-	1	1	-	-	-	-	-	-	-	-	2	2,884	133,820
213,100	213,100	-	-	-	-	-	-	-	-	-	-	-	-	1	2,885	134,033
214,200	214,200	1	-	-	-	-	-	-	-	-	1	-	-	2	2,887	134,461
214,400	214,400	-	-	-	1	-	-	-	-	-	-	-	-	1	2,888	134,675
215,100	215,100	1	-	-	-	1	-	-	-	-	-	-	-	2	2,890	135,106
215,900	215,900	-	-	-	-	-	-	-	-	-	-	-	-	1	2,891	135,322
216,200	216,200	-	-	-	-	-	1	-	-	-	-	-	-	2	2,893	135,754
216,400	216,400	-	-	-	1	-	-	-	-	-	-	-	-	1	2,894	135,970
216,900	216,900	-	-	-	-	-	-	-	1	-	-	-	-	1	2,895	136,187
217,200	217,200	-	-	-	-	-	-	-	-	-	1	-	-	1	2,896	136,404
217,600	217,600	-	-	-	-	-	-	-	-	-	-	-	-	1	2,897	136,622
217,800	217,800	-	-	-	-	-	-	-	-	-	-	-	-	1	2,898	136,840
219,800	219,800	-	-	-	1	-	-	-	-	-	-	-	-	1	2,899	137,060
220,300	220,300	-	-	-	-	-	-	1	-	-	-	-	-	3	2,902	137,721
220,400	220,400	-	-	-	-	-	-	-	-	1	-	-	-	1	2,903	137,941
220,800	220,800	-	-	1	-	-	-	-	-	-	-	-	-	1	2,904	138,162
221,700	221,700	-	-	-	1	-	-	-	-	-	-	-	-	1	2,905	138,383
221,800	221,800	-	-	1	-	-	-	-	-	-	-	-	-	1	2,906	138,605
222,400	222,400	-	-	1	-	-	-	-	-	-	-	-	-	1	2,907	138,828
222,800	222,800	-	-	-	-	-	-	-	1	-	-	-	-	1	2,908	139,050
223,300	223,300	-	-	-	-	-	-	-	-	-	-	-	-	1	2,909	139,274
223,400	223,400	1	-	-	-	-	-	-	-	-	-	-	-	1	2,910	139,497
224,700	224,700	-	-	-	-	1	-	-	-	-	-	-	-	1	2,911	139,722
226,800	226,800	-	-	-	-	-	-	-	-	-	-	-	-	2	2,913	140,175
227,500	227,500	2	-	-	-	-	-	-	-	-	-	-	-	1	2,914	140,403
228,300	228,300	-	-	-	-	-	-	-	-	-	-	-	-	1	2,915	140,631
228,879	228,879	-	-	-	-	-	-	-	-	-	-	-	-	1	2,916	140,860

Bella Vista Water Company
 Test Year Ended March 31, 2009
 2 Inch Commercial

Exhibit
 Schedule H-5
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 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
229,300	229,300	-	-	-	-	-	1	-	-	-	-	-	-	1	2,917	141,089
229,600	229,600	-	-	-	-	-	1	-	-	-	-	-	-	1	2,918	141,319
229,900	229,900	-	1	-	-	-	-	-	-	-	-	-	-	1	2,919	141,549
231,500	231,500	-	-	-	-	-	-	1	-	-	-	-	-	1	2,920	141,780
231,700	231,700	-	-	-	-	-	1	-	-	-	-	-	-	1	2,921	142,012
231,800	231,800	-	-	-	-	-	-	-	-	-	-	1	-	1	2,922	142,244
233,100	233,100	-	-	1	-	-	-	-	-	-	-	-	-	1	2,923	142,477
234,300	234,300	-	-	-	-	1	-	-	-	-	-	1	-	1	2,924	142,711
234,500	234,500	-	-	-	-	-	-	-	-	-	-	-	-	1	2,925	142,946
235,100	235,100	-	-	-	-	-	-	-	-	-	-	1	-	1	2,926	143,181
235,500	235,500	-	-	1	-	-	-	-	-	-	-	-	-	1	2,927	143,416
237,140	237,140	-	-	-	1	-	-	-	-	-	-	-	-	1	2,928	143,654
237,700	237,700	-	1	-	-	-	-	-	-	-	-	-	-	1	2,929	143,891
237,800	237,800	-	1	-	-	-	-	-	-	-	-	-	-	1	2,930	144,129
238,000	238,000	-	-	-	-	-	-	-	-	-	-	-	1	1	2,931	144,367
238,200	238,200	-	-	-	-	-	1	-	-	-	-	-	-	1	2,932	144,605
239,900	239,900	-	-	-	-	-	-	-	-	-	-	1	-	1	2,933	144,845
240,200	240,200	1	-	-	-	-	-	-	-	-	-	-	-	1	2,934	145,085
240,700	240,700	-	-	1	-	-	-	-	-	-	-	-	-	1	2,935	145,326
241,700	241,700	-	-	-	1	-	-	-	-	-	-	-	-	1	2,936	145,568
242,000	242,000	-	-	-	-	-	-	1	-	-	-	-	-	1	2,937	145,810
243,300	243,300	-	-	-	-	-	-	-	-	-	1	-	-	1	2,938	146,053
244,200	244,200	-	1	-	-	-	-	-	-	-	1	-	-	2	2,940	146,542
244,300	244,300	-	-	-	-	-	-	-	-	-	1	-	-	1	2,941	146,786
244,700	244,700	-	-	-	-	-	1	-	-	-	-	-	-	1	2,942	147,031
245,800	245,800	-	-	-	-	-	-	-	-	-	1	-	-	1	2,943	147,276
246,220	246,220	-	-	1	-	-	-	-	-	-	-	-	-	1	2,944	147,523
246,900	246,900	-	-	-	-	-	1	-	-	-	-	-	-	1	2,945	147,769
248,600	248,600	-	-	-	-	-	-	-	-	-	-	-	-	1	2,946	148,018
248,800	248,800	-	-	-	-	-	-	-	1	-	-	-	-	1	2,947	148,267
248,900	248,900	-	-	-	1	-	-	-	-	-	-	-	-	1	2,948	148,516
249,000	249,000	-	1	-	-	-	-	-	-	-	1	-	-	2	2,950	149,014
249,200	249,200	-	-	-	-	-	-	-	-	-	-	-	-	1	2,951	149,263
249,800	249,800	1	-	-	-	-	-	-	-	-	-	-	-	1	2,952	149,513
250,800	250,800	-	-	-	-	-	1	-	-	1	-	-	-	2	2,954	150,014
251,300	251,300	-	-	-	-	-	-	-	-	-	1	-	-	1	2,955	150,266
251,700	251,700	-	-	-	-	-	-	-	-	-	-	-	-	1	2,956	150,517
252,500	252,500	-	-	1	-	-	-	-	-	-	-	-	-	2	2,958	151,022
252,700	252,700	-	-	-	-	-	-	-	-	-	1	-	-	1	2,959	151,275
253,500	253,500	-	1	-	-	-	-	-	-	-	-	-	-	1	2,960	151,529
254,400	254,400	-	-	-	-	-	-	-	1	-	-	-	-	1	2,961	151,783

Bella Vista Water Company
 Test Year Ended March 31, 2009
 2 Inch Commercial

Exhibit
 Schedule H-5
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 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
254,600	254,600	-	-	-	-	-	-	1	-	-	-	-	-	1	2,962	152,038
254,700	254,700	1	-	-	-	-	-	-	-	-	-	-	-	1	2,963	152,292
255,200	255,200	-	-	-	-	-	-	1	-	-	-	-	-	1	2,964	152,547
256,400	256,400	-	-	-	-	-	-	-	1	-	-	-	-	1	2,965	152,804
257,100	257,100	-	-	-	-	-	-	-	-	1	-	-	-	1	2,966	153,061
257,200	257,200	-	-	-	-	1	-	-	-	-	-	-	-	1	2,967	153,318
257,350	257,350	-	-	-	-	1	-	-	-	-	-	-	-	1	2,968	153,575
257,900	257,900	-	-	-	-	1	-	-	-	-	-	-	-	1	2,969	153,833
258,300	258,300	-	-	-	-	-	-	-	1	-	-	-	-	1	2,970	154,092
258,400	258,400	-	1	-	-	-	-	-	-	-	-	-	-	1	2,971	154,350
258,600	258,600	-	-	-	-	-	1	-	-	-	-	-	-	1	2,972	154,609
259,600	259,600	-	-	1	-	-	-	-	-	-	-	-	-	2	2,974	155,128
260,100	260,100	-	1	-	-	-	-	-	-	-	-	-	-	1	2,975	155,388
260,600	260,600	-	-	-	-	-	-	-	-	-	-	1	-	1	2,976	155,649
261,000	261,000	1	-	-	-	-	-	-	-	-	-	-	-	1	2,977	155,910
261,200	261,200	-	-	-	1	-	-	-	-	-	-	-	-	1	2,978	156,171
263,600	263,600	-	-	-	-	-	-	-	-	-	-	-	-	1	2,979	156,434
264,000	264,000	-	-	-	-	-	-	-	1	-	-	-	-	1	2,980	156,698
264,600	264,600	-	1	-	-	-	-	-	-	-	-	-	-	1	2,981	156,963
265,600	265,600	-	-	-	-	-	-	1	-	-	-	-	-	1	2,982	157,229
267,000	267,000	1	-	-	-	-	-	-	-	-	-	-	-	1	2,983	157,496
268,100	268,100	-	-	-	-	1	-	-	-	-	-	-	-	1	2,984	157,764
268,700	268,700	-	-	-	-	-	1	-	-	-	-	-	-	1	2,985	158,032
270,500	270,500	-	-	-	-	-	-	1	-	-	-	-	-	1	2,986	158,303
271,100	271,100	-	-	-	-	-	-	-	-	1	-	-	-	1	2,987	158,574
271,600	271,600	-	-	-	1	-	-	-	-	-	-	-	-	1	2,988	158,846
271,900	271,900	-	-	-	-	-	-	1	-	-	-	-	-	1	2,989	159,117
272,000	272,000	-	1	-	-	-	-	-	-	-	-	-	-	1	2,990	159,389
273,400	273,400	-	-	-	-	-	-	-	1	-	-	-	-	1	2,991	159,663
275,000	275,000	-	-	-	-	-	1	-	-	-	-	-	-	2	2,993	160,213
275,100	275,100	-	1	-	-	-	-	-	1	-	-	-	-	2	2,995	160,763
276,900	276,900	-	-	1	-	-	-	-	-	-	-	-	-	1	2,996	161,040
277,400	277,400	-	-	1	-	-	-	-	-	-	-	-	-	1	2,997	161,317
278,190	278,190	-	-	-	-	-	-	-	-	-	-	-	-	1	2,998	161,596
279,200	279,200	1	-	-	-	-	-	-	-	-	-	-	-	1	2,999	161,875
279,300	279,300	-	-	-	-	-	1	-	-	-	-	-	-	1	3,000	162,154
280,000	280,000	-	-	-	-	1	-	-	-	-	-	-	-	1	3,001	162,434
280,400	280,400	-	1	-	-	-	-	-	-	-	-	-	-	1	3,002	162,714
280,870	280,870	-	-	-	-	-	-	-	-	-	1	-	-	1	3,003	162,995
281,578	281,578	-	-	-	-	-	-	-	-	1	-	-	-	1	3,004	163,277
282,700	282,700	-	-	-	-	-	-	-	-	-	-	-	1	1	3,005	163,560

Bella Vista Water Company
 Test Year Ended March 31, 2009
 2 Inch Commercial

Exhibit
 Schedule H-5
 Page 9
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
285,100	285,100	-	-	1	-	-	-	-	-	-	-	-	-	1	3,006	163,845
285,400	285,400	-	1	-	-	-	-	-	-	-	-	-	-	1	3,007	164,130
285,900	285,900	-	-	-	-	-	1	-	-	-	-	-	-	1	3,008	164,416
287,100	287,100	1	-	-	-	-	-	-	-	-	-	-	-	1	3,009	164,703
287,600	287,600	1	-	-	-	-	-	-	-	-	-	-	-	1	3,010	164,991
289,316	289,316	-	-	-	-	-	-	-	-	1	-	-	-	1	3,011	165,280
290,400	290,400	-	-	-	-	1	-	-	-	-	-	-	-	1	3,012	165,570
293,150	293,150	-	-	-	-	-	-	-	-	1	-	-	-	1	3,013	165,864
293,500	293,500	-	-	-	-	-	-	-	-	-	1	-	-	1	3,014	166,157
293,800	293,800	-	-	-	1	-	-	-	-	-	-	-	-	1	3,015	166,451
294,320	294,320	-	-	-	1	-	-	-	-	-	-	-	-	1	3,016	166,745
294,700	294,700	-	1	-	-	-	-	-	-	-	-	-	-	1	3,017	167,040
295,000	295,000	1	1	1	1	1	1	1	1	1	1	1	1	12	3,029	170,580
295,200	295,200	-	-	1	-	-	-	-	-	-	-	-	-	1	3,030	170,875
296,100	296,100	-	-	1	-	-	-	-	-	-	-	-	-	1	3,031	171,171
296,360	296,360	1	-	-	-	-	-	-	-	-	-	-	-	1	3,032	171,468
296,700	296,700	-	-	1	-	-	-	-	-	-	-	-	-	1	3,033	171,764
297,100	297,100	-	-	1	-	-	-	-	-	-	-	-	-	1	3,034	172,061
298,000	298,000	-	-	-	1	-	-	-	-	-	-	-	-	1	3,035	172,359
298,300	298,300	-	-	-	-	-	-	-	-	1	-	-	-	1	3,036	172,658
299,100	299,100	-	-	-	-	-	-	-	-	-	-	-	-	1	3,037	172,957
300,000	300,000	-	-	-	-	-	-	-	-	-	-	-	-	1	3,038	173,257
302,000	302,000	1	1	1	1	1	1	1	1	1	1	1	1	12	3,050	176,881
302,900	302,900	-	-	1	1	-	-	-	-	-	-	-	-	1	3,051	177,184
303,400	303,400	-	-	-	1	-	-	-	-	-	-	-	-	1	3,052	177,487
303,700	303,700	-	-	-	-	-	-	-	-	-	1	-	-	1	3,053	177,791
304,200	304,200	-	1	-	-	-	-	-	-	-	-	-	-	1	3,054	178,095
304,400	304,400	-	-	-	1	-	-	-	-	-	-	-	-	1	3,055	178,399
304,500	304,500	-	-	1	-	-	-	-	-	-	-	-	-	1	3,056	178,704
304,636	304,636	-	-	-	-	1	-	-	-	-	-	-	-	1	3,057	179,009
304,900	304,900	1	-	-	-	-	-	-	-	-	-	-	-	1	3,058	179,313
304,910	304,910	-	-	-	-	1	-	-	-	-	-	-	-	1	3,059	179,618
305,400	305,400	-	-	-	1	-	-	-	-	-	-	-	-	1	3,060	179,924
306,300	306,300	-	-	-	-	1	-	-	-	-	-	-	-	1	3,061	180,230
307,300	307,300	-	-	-	-	-	-	-	-	-	-	-	1	1	3,062	180,537
307,600	307,600	-	-	-	-	-	-	-	1	-	-	-	-	1	3,063	180,845
307,700	307,700	1	-	-	-	-	-	-	-	-	-	-	-	1	3,064	181,153
308,800	308,800	1	-	-	-	-	-	-	-	-	-	-	-	1	3,065	181,461
312,600	312,600	-	-	-	-	-	-	-	-	-	-	-	1	1	3,066	181,774
314,700	314,700	-	-	-	-	-	-	-	-	-	1	-	-	1	3,067	182,089
315,500	315,500	-	-	1	-	-	-	-	-	-	-	-	-	1	3,068	182,404

Bella Vista Water Company
 Test Year Ended March 31, 2009
 2 Inch Commercial

Exhibit
 Schedule H-5
 Page 9
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
317,200	317,200	-	-	-	-	-	-	-	1	-	-	-	-	1	3,069	182,721
318,000	318,000	-	1	-	-	-	-	-	-	-	-	-	-	1	3,070	183,039
318,200	318,200	-	-	-	-	-	-	-	1	-	-	-	-	1	3,071	183,358
322,200	322,200	-	-	-	1	-	-	-	-	-	-	-	-	1	3,072	183,680
323,060	323,060	-	-	-	-	-	-	-	1	-	-	-	-	1	3,073	184,003
323,900	323,900	-	-	-	-	-	1	-	-	-	-	-	-	1	3,074	184,327
324,031	324,031	-	-	-	-	-	-	-	1	-	-	-	-	1	3,075	184,651
325,000	325,000	-	-	-	-	1	-	-	-	-	-	-	-	1	3,076	184,976
325,400	325,400	-	-	-	-	-	-	-	-	-	-	-	-	1	3,077	185,301
325,700	325,700	-	-	-	-	-	-	1	-	-	-	-	-	1	3,078	185,627
326,000	326,000	-	-	-	1	-	-	-	-	-	-	-	-	1	3,079	185,953
326,600	326,600	-	-	-	-	-	-	-	-	-	-	-	-	1	3,080	186,280
327,320	327,320	-	-	-	-	-	1	-	-	-	-	-	1	1	3,081	186,607
329,500	329,500	-	-	1	-	-	-	-	-	-	-	-	-	1	3,082	186,936
329,600	329,600	-	-	-	-	-	1	-	-	-	-	-	-	1	3,083	187,266
329,800	329,800	-	-	-	-	-	-	1	-	-	-	-	-	1	3,084	187,596
330,600	330,600	-	-	-	-	-	-	1	-	-	-	-	-	1	3,085	187,926
332,600	332,600	-	-	-	-	1	-	-	-	-	-	-	-	1	3,086	188,259
335,000	335,000	-	-	-	-	-	-	-	1	-	-	-	-	1	3,087	188,594
336,200	336,200	-	-	-	-	-	-	-	-	-	-	-	-	1	3,088	188,930
337,200	337,200	-	-	-	-	-	-	-	-	1	-	-	-	1	3,089	189,267
337,400	337,400	-	-	-	-	-	-	-	-	-	1	-	-	1	3,090	189,605
338,500	338,500	-	1	-	-	-	-	-	-	-	-	-	-	1	3,091	189,943
338,600	338,600	-	-	-	1	-	-	-	-	-	-	-	-	1	3,092	190,282
340,700	340,700	-	-	-	-	-	-	-	-	-	-	-	1	1	3,093	190,623
342,100	342,100	-	-	-	-	-	1	-	-	-	-	-	-	1	3,094	190,965
343,400	343,400	-	-	-	-	1	-	-	-	-	-	-	-	1	3,095	191,308
343,600	343,600	-	1	-	-	-	-	-	-	-	-	-	-	1	3,096	191,652
344,900	344,900	-	-	-	-	-	-	1	-	-	-	-	-	1	3,097	191,997
348,200	348,200	-	-	-	-	-	-	-	-	1	-	-	-	1	3,098	192,345
349,900	349,900	-	-	-	-	-	-	-	-	-	-	-	-	1	3,099	192,695
351,800	351,800	-	-	1	-	-	-	1	-	-	-	-	-	1	3,100	193,046
352,000	352,000	-	-	-	-	-	-	-	-	-	-	-	-	1	3,101	193,398
352,500	352,500	-	-	-	-	-	-	-	-	1	-	-	-	1	3,102	193,751
354,100	354,100	-	-	-	-	-	-	-	-	-	1	-	-	1	3,103	194,105
356,100	356,100	-	-	1	-	-	-	-	-	-	-	-	-	1	3,104	194,461
356,600	356,600	-	1	-	-	-	-	-	-	-	-	-	-	1	3,105	194,818
356,700	356,700	-	-	-	-	-	1	-	-	-	-	-	-	1	3,106	195,174
360,200	360,200	1	-	-	-	-	-	-	-	-	-	-	-	1	3,107	195,535
360,500	360,500	-	-	-	-	-	-	-	-	-	1	-	-	1	3,108	195,895
360,900	360,900	-	-	-	-	1	-	-	-	-	-	-	-	1	3,109	196,256

Bella Vista Water Company
 Test Year Ended March 31, 2009
 2 Inch Commercial

Exhibit
 Schedule H-5
 Page 9
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
362,300	362,300	1												1	3,110	196,618
364,400	364,400			1										1	3,111	196,983
365,500	365,500			1										1	3,112	197,348
366,300	366,300											1		1	3,113	197,715
367,400	367,400						1							1	3,114	198,082
368,000	368,000				1									1	3,115	198,450
368,400	368,400									1				1	3,116	198,818
369,400	369,400		1											1	3,117	199,188
370,000	370,000						1							1	3,118	199,558
372,700	372,700											1		1	3,119	199,930
373,300	373,300									1				1	3,120	200,304
375,800	375,800		1											1	3,121	200,680
376,800	376,800				1									1	3,122	201,056
377,900	377,900													1	3,123	201,434
380,200	380,200					1								1	3,124	201,814
380,400	380,400													1	3,125	202,195
381,300	381,300													1	3,126	202,576
381,600	381,600													1	3,127	202,958
383,700	383,700													1	3,128	203,341
390,000	390,000				1									1	3,129	203,731
390,200	390,200	1												1	3,130	204,122
394,600	394,600					1								1	3,131	204,516
395,300	395,300			1										1	3,132	204,912
396,300	396,300								1					1	3,133	205,308
399,800	399,800			1										1	3,134	205,708
403,000	403,000				1									1	3,135	206,111
404,600	404,600						1							1	3,136	206,515
405,800	405,800													1	3,137	206,921
406,000	406,000													1	3,138	207,327
413,000	413,000		1											1	3,139	207,740
413,900	413,900													1	3,140	208,154
419,100	419,100													1	3,141	208,573
422,600	422,600					1								1	3,142	208,996
423,600	423,600													1	3,143	209,419
425,400	425,400						1							1	3,144	209,845
428,000	428,000	1												1	3,145	210,273
434,800	434,800													1	3,146	210,707
435,100	435,100					1								1	3,147	211,143
435,709	435,709													1	3,148	211,578
436,800	436,800							1						1	3,149	212,015
437,600	437,600						1							1	3,150	212,453

Bella Vista Water Company
 Test Year Ended March 31, 2009
 2 Inch Commercial

Exhibit
 Schedule H-5
 Page 9
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
437,900	437,900	-	-	-	-	-	-	-	1	-	-	-	-	1	3,151	212,891
439,200	439,200	-	-	-	-	-	-	-	1	-	-	-	-	1	3,152	213,330
440,600	440,600	-	-	-	-	-	-	-	-	1	-	-	-	1	3,153	213,770
443,300	443,300	-	-	-	-	-	-	-	-	-	-	-	-	1	3,154	214,214
445,900	445,900	-	-	1	-	-	-	-	-	-	-	-	-	1	3,155	214,660
446,000	446,000	-	1	-	-	-	-	-	-	-	-	-	-	1	3,156	215,106
447,800	447,800	-	1	-	-	-	-	-	-	-	-	-	-	1	3,157	215,553
448,900	448,900	-	-	-	-	-	-	-	-	-	-	1	-	1	3,158	216,002
453,700	453,700	-	-	-	-	-	-	-	-	-	-	-	1	1	3,159	216,456
454,100	454,100	-	-	-	-	-	-	-	-	-	1	-	-	1	3,160	216,910
455,400	455,400	-	-	-	-	-	-	1	-	-	-	-	-	1	3,161	217,365
456,300	456,300	-	-	-	-	-	-	-	-	-	-	-	-	1	3,162	217,822
458,300	458,300	-	1	-	-	-	-	-	-	-	-	-	-	1	3,163	218,280
460,000	460,000	-	-	1	-	-	-	-	-	-	-	-	-	1	3,164	218,740
463,000	463,000	-	-	-	-	-	-	-	-	-	-	-	-	1	3,165	219,203
463,200	463,200	-	-	-	-	-	-	-	1	-	-	-	-	1	3,166	219,666
471,744	471,744	-	-	-	-	-	-	-	-	-	-	-	-	1	3,167	220,138
476,700	476,700	-	-	-	1	-	-	-	-	-	-	-	-	1	3,168	220,615
482,400	482,400	1	-	-	-	-	-	-	-	-	-	-	-	1	3,169	221,097
484,500	484,500	-	-	-	1	-	-	-	-	-	-	-	-	1	3,170	221,582
489,300	489,300	-	-	-	-	-	-	-	-	-	1	-	-	1	3,171	222,071
493,500	493,500	-	-	-	-	-	-	-	-	-	-	-	-	1	3,172	222,564
495,000	495,000	1	1	1	1	1	1	1	1	1	1	1	1	12	3,184	228,504
498,000	498,000	-	-	-	-	1	-	-	-	-	-	-	-	1	3,185	229,002
499,400	499,400	-	-	-	-	-	-	-	-	-	-	-	-	1	3,186	229,502
502,522	502,522	-	-	-	-	-	-	-	1	-	-	-	-	1	3,187	230,004
510,100	510,100	-	-	-	-	-	-	-	-	1	-	-	-	1	3,188	230,514
511,300	511,300	-	-	-	-	-	-	-	-	-	-	-	-	1	3,189	231,026
515,500	515,500	-	-	-	-	-	-	-	-	-	-	-	1	1	3,190	231,541
525,100	525,100	-	-	1	-	-	-	-	-	-	-	-	-	1	3,191	232,066
525,985	525,985	-	-	-	-	-	-	-	-	1	-	-	-	1	3,192	232,592
527,900	527,900	-	1	1	1	1	1	1	1	1	1	1	1	2	3,194	233,648
532,800	532,800	-	-	-	-	1	-	-	-	-	-	-	-	1	3,195	234,181
534,232	534,232	-	-	-	-	-	-	-	-	-	1	-	-	1	3,196	234,715
535,700	535,700	-	-	-	-	-	-	-	-	-	-	-	-	1	3,197	235,251
539,675	539,675	-	-	-	-	-	-	-	1	-	-	-	-	1	3,198	235,780
543,200	543,200	-	-	-	-	-	-	-	-	1	-	-	-	1	3,199	236,334
543,734	543,734	-	-	-	-	-	-	-	-	-	-	-	1	1	3,200	236,877
547,300	547,300	-	-	-	-	-	-	-	-	-	-	-	-	1	3,201	237,425
558,900	558,900	-	-	-	-	-	-	-	-	-	-	-	-	1	3,202	237,984
563,900	563,900	-	-	-	-	-	-	-	-	-	-	-	-	1	3,203	238,548

Bella Vista Water Company
 Test Year Ended March 31, 2009
 2 Inch Commercial

Exhibit
 Schedule H-5
 Page 9
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
571,075	571,075	-	-	-	-	-	-	-	-	-	-	1	-	1	3,204	239,119
572,000	572,000	-	-	1	-	-	-	-	-	-	-	-	-	1	3,205	239,691
574,500	574,500	-	-	-	-	-	-	-	-	-	-	-	1	1	3,206	240,265
578,400	578,400	-	-	-	-	-	-	-	1	-	-	-	-	1	3,207	240,844
583,300	583,300	-	-	-	-	1	-	-	-	-	-	-	-	1	3,208	241,427
583,600	583,600	-	-	-	-	-	-	-	-	-	-	-	-	1	3,209	242,010
589,400	589,400	-	1	-	-	-	-	-	-	-	-	1	-	1	3,210	242,600
589,700	589,700	-	-	-	-	1	-	-	-	-	-	-	-	1	3,211	243,190
596,900	596,900	1	-	-	-	-	-	-	-	-	-	-	-	1	3,212	243,786
597,200	597,200	-	-	-	-	-	-	-	1	-	-	-	-	1	3,213	244,384
604,800	604,800	-	1	-	-	-	-	-	-	-	-	-	-	1	3,214	244,988
609,125	609,125	-	-	-	-	-	-	-	1	-	-	-	-	1	3,215	245,598
620,500	620,500	-	-	-	-	-	-	-	-	1	-	-	-	1	3,216	246,218
623,200	623,200	-	-	-	-	-	-	-	-	-	-	-	-	1	3,217	246,841
629,600	629,600	-	-	-	-	-	-	1	-	-	-	-	-	1	3,218	247,471
631,755	631,755	-	-	-	-	-	-	-	-	-	-	-	-	1	3,219	248,103
634,500	634,500	-	-	-	1	-	-	-	-	-	-	-	-	1	3,220	248,737
641,900	641,900	1	-	-	-	-	-	-	-	-	-	-	-	1	3,221	249,379
654,000	654,000	1	-	-	-	-	-	-	-	-	-	-	-	1	3,222	250,033
659,461	659,461	-	-	-	-	-	1	-	-	-	-	-	-	1	3,223	250,692
672,100	672,100	-	-	-	-	-	-	1	-	-	-	-	-	1	3,224	251,365
678,200	678,200	-	-	-	-	-	-	-	-	1	-	-	-	1	3,225	252,043
679,300	679,300	-	-	-	1	-	-	-	-	-	-	-	-	1	3,226	252,722
706,700	706,700	-	-	-	-	-	-	-	-	1	-	-	-	1	3,227	253,429
706,888	706,888	-	-	-	-	-	-	-	1	-	-	-	-	1	3,228	254,136
724,300	724,300	-	-	-	-	-	-	-	-	-	1	-	-	1	3,229	254,860
724,400	724,400	-	1	-	-	-	-	-	-	-	-	-	-	1	3,230	255,584
732,200	732,200	-	-	-	-	-	-	-	-	-	-	-	-	1	3,231	256,317
740,800	740,800	-	-	-	-	-	-	-	-	-	1	-	-	1	3,232	257,057
742,400	742,400	1	-	-	-	-	-	-	-	-	-	-	-	1	3,233	257,800
747,600	747,600	1	-	-	-	-	-	-	-	-	-	-	-	1	3,234	258,547
753,800	753,800	-	-	1	-	-	-	-	-	-	-	-	-	1	3,235	259,301
768,700	768,700	-	1	-	-	-	-	-	-	-	-	-	-	1	3,236	260,070
777,200	777,200	-	-	-	-	-	1	-	-	-	-	-	-	1	3,237	260,847
777,900	777,900	-	-	-	-	1	-	-	-	-	-	-	-	1	3,238	261,625
784,400	784,400	-	-	-	-	-	-	-	1	-	-	-	-	1	3,239	262,409
794,200	794,200	-	1	-	-	-	-	-	-	-	-	-	-	1	3,240	263,204
820,200	820,200	-	-	-	1	-	-	-	-	-	-	-	-	1	3,241	264,024
830,100	830,100	-	-	-	-	-	-	1	-	-	-	-	-	1	3,242	264,854
849,200	849,200	-	-	-	-	-	-	-	-	1	-	-	-	1	3,243	265,703
854,200	854,200	-	-	-	-	-	-	-	1	-	-	-	-	1	3,244	266,557

Bella Vista Water Company
Test Year Ended March 31, 2009
2 Inch Commercial

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
865,900	865,900	-	1	-	-	-	-	-	-	-	-	-	-	1	3,245	267,423
867,100	867,100	-	-	-	-	1	-	-	-	-	-	-	-	1	3,246	268,290
889,000	889,000	-	1	-	-	-	-	-	-	-	-	-	-	1	3,247	269,179
992,715	992,715	-	-	-	-	-	-	-	-	-	-	-	1	3,248	270,172	
1,049,100	1,049,100	-	-	1	-	-	-	-	-	-	-	-	-	1	3,249	271,221
1,084,400	1,084,400	-	-	-	1	-	-	-	-	-	-	-	-	1	3,250	272,305
1,113,300	1,113,300	-	-	1	-	-	-	-	-	-	-	-	-	1	3,251	273,419
1,228,300	1,228,300	-	1	-	-	-	-	-	-	-	-	-	-	1	3,252	274,647
1,233,500	1,233,500	-	-	-	1	-	-	-	-	-	-	-	-	1	3,253	275,881
1,606,200	1,606,200	-	-	-	-	1	-	-	-	-	-	-	-	1	3,254	277,487
1,663,300	1,663,300	-	-	-	1	-	-	-	-	-	-	-	-	1	3,255	279,150
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,255	279,150
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,255	279,150

Totals	267	270	269	270	270	270	273	273	272	274	273	272	272	272	3,255	85,760	39,500
															Average Usage	85,760	
															Median Usage	39,500	

Bella Vista Water Company
 Test Year Ended March 31, 2009
 3 Inch Commercial

Exhibit
 Schedule H-5
 Page 10
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
-	1,000	1	-	-	-	-	1	-	-	-	-	-	-	3	3	-
1,001	2,000	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-
2,001	3,000	-	-	-	-	1	-	-	-	-	-	1	-	2	5	3
3,001	4,000	-	-	-	-	-	-	-	-	-	-	-	1	1	6	6
4,001	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	6	6
5,001	6,000	-	-	-	-	-	-	-	-	-	1	-	-	1	7	11
6,001	7,000	-	-	-	-	-	-	-	-	-	-	-	-	-	7	11
7,001	8,000	-	1	-	-	-	1	-	-	-	-	-	-	4	11	41
8,001	9,000	-	-	-	-	-	-	-	-	-	-	-	-	-	11	41
9,001	10,000	-	-	-	-	-	-	-	-	-	-	-	-	1	12	51
10,001	11,000	1	-	-	-	1	-	-	-	1	-	-	-	4	16	93
11,001	12,000	-	-	-	-	-	-	1	-	-	-	-	-	1	17	104
12,001	13,000	-	-	1	-	-	-	-	-	-	-	-	-	3	20	142
13,001	14,000	1	-	-	-	-	-	-	-	-	1	-	-	1	21	155
14,001	15,000	-	-	1	-	-	-	-	-	-	-	-	-	2	23	184
15,001	16,000	-	-	-	-	-	-	-	-	-	-	1	-	23	184	184
16,001	17,000	-	-	-	-	-	-	-	-	-	-	-	-	24	201	201
17,001	18,000	-	-	-	1	-	-	-	-	-	-	-	-	26	236	236
18,001	19,000	-	-	-	-	-	-	1	1	-	-	-	-	1	27	254
19,001	20,000	-	-	-	-	-	1	-	-	-	-	-	-	2	29	293
20,001	21,000	-	-	-	-	-	-	1	-	1	-	-	-	1	30	314
21,001	22,000	1	-	-	-	-	-	-	-	-	-	-	-	31	335	335
22,001	23,000	-	-	-	-	-	-	1	-	-	-	-	-	34	403	403
23,001	24,000	-	-	-	-	1	-	-	-	1	-	-	-	2	36	450
24,001	25,000	-	-	1	-	-	-	-	-	1	-	-	-	3	39	523
25,001	26,000	-	-	1	-	-	-	-	-	1	-	-	-	3	42	600
26,001	27,000	1	-	-	-	-	-	1	-	1	-	-	-	4	46	706
27,001	28,000	-	-	-	-	-	-	-	-	-	-	-	-	46	706	706
28,001	29,000	-	-	-	-	-	-	-	1	-	1	-	-	4	50	820
29,001	30,000	-	-	-	1	-	-	1	-	-	-	-	-	2	52	879
30,001	31,000	-	1	-	-	-	-	-	-	-	-	-	-	1	53	909
31,001	32,000	-	-	-	-	-	-	-	-	-	1	-	-	1	54	941
32,001	33,000	-	-	-	-	1	-	-	-	-	-	-	-	1	55	973
33,001	34,000	-	-	-	-	-	-	-	-	-	-	-	-	55	973	973
34,001	35,000	-	-	-	1	-	-	-	-	1	-	-	-	3	58	1,077
35,001	36,000	1	-	-	-	1	-	-	1	-	2	-	-	5	63	1,254
36,001	37,000	-	2	-	1	-	-	-	-	-	-	-	-	3	66	1,364
37,001	38,000	-	-	-	-	-	-	-	1	-	-	-	1	2	68	1,439
38,001	39,000	-	-	-	-	-	-	-	-	-	-	-	-	1	69	1,477
39,001	40,000	-	-	-	-	-	-	-	1	-	-	-	-	1	70	1,517
40,001	41,000	-	-	-	-	-	-	-	-	-	-	-	-	-	70	1,517
41,001	42,000	-	-	-	-	-	-	-	-	-	-	-	-	-	70	1,517
42,001	43,000	-	-	-	-	-	-	-	1	-	-	1	-	2	72	1,602

Bella Vista Water Company
 Test Year Ended March 31, 2009
 3 Inch Commercial

Exhibit
 Schedule H-5
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 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
43,001	44,000	-	-	-	-	-	-	-	-	-	-	-	-	-	72	1,602
44,001	45,000	-	-	-	2	-	-	-	-	-	-	-	-	2	74	1,691
45,001	46,000	-	-	-	-	-	-	-	-	-	-	1	-	1	75	1,736
46,001	47,000	-	-	-	-	-	-	-	-	-	-	-	-	-	75	1,736
47,001	48,000	-	-	-	-	1	1	-	-	-	-	-	-	3	78	1,879
48,001	49,000	-	-	-	-	-	-	-	-	-	-	-	-	-	78	1,879
49,001	50,000	-	-	-	1	-	-	-	-	1	-	-	-	2	80	1,978
50,001	51,000	-	-	-	1	-	-	-	-	-	-	-	-	1	81	2,028
51,001	52,000	-	-	1	-	-	-	-	-	-	-	-	-	1	82	2,080
52,001	53,000	-	-	-	-	-	-	1	-	-	-	-	-	1	83	2,132
53,001	54,000	-	-	-	-	-	-	-	-	-	-	-	-	1	84	2,186
54,001	55,000	-	-	-	-	-	-	-	-	-	-	-	-	-	84	2,186
55,001	56,000	-	-	-	-	1	-	-	-	-	-	-	-	1	85	2,241
56,001	57,000	-	-	-	-	-	-	-	-	-	-	-	-	-	85	2,241
57,001	58,000	-	-	-	-	-	-	-	-	-	-	1	-	1	86	2,299
58,001	59,000	-	-	-	-	-	-	-	-	-	-	-	1	1	87	2,357
59,001	60,000	-	-	-	-	-	-	-	-	-	-	-	1	1	88	2,417
60,001	61,000	-	-	-	-	-	-	-	-	1	-	-	-	1	89	2,477
61,001	62,000	-	-	-	-	-	-	1	-	-	-	-	-	1	90	2,539
62,001	63,000	1	1	-	-	-	-	-	-	-	-	-	-	3	93	2,726
63,001	64,000	-	-	-	-	-	-	-	-	-	1	-	-	-	93	2,726
64,001	65,000	-	-	-	-	-	-	-	-	-	-	1	-	1	94	2,791
65,001	66,000	-	-	-	-	-	-	-	-	-	-	-	-	-	94	2,791
66,001	67,000	-	-	-	-	-	-	-	-	-	-	-	-	-	94	2,791
67,001	68,000	-	-	-	-	-	-	-	-	2	-	-	-	2	96	2,924
68,001	69,000	-	-	-	-	-	1	-	-	-	-	-	-	1	97	2,991
69,001	70,000	-	-	-	-	1	-	-	-	-	-	-	-	1	98	3,060
70,001	71,000	-	-	-	-	-	-	-	-	-	-	-	-	-	98	3,060
71,001	72,000	-	-	-	-	-	-	-	-	-	-	-	-	-	99	3,131
72,001	73,000	-	-	-	-	-	-	-	-	-	-	-	-	-	99	3,131
73,001	74,000	-	-	-	1	-	-	-	-	-	-	1	-	2	101	3,278
74,001	75,000	1	-	-	-	-	-	-	-	-	-	-	-	1	102	3,353
75,001	76,000	-	-	-	-	1	-	-	-	-	-	-	-	1	103	3,428
76,001	77,000	-	-	-	-	-	-	-	-	-	-	-	-	-	103	3,428
77,001	78,000	-	-	1	1	-	-	-	-	-	-	-	1	3	106	3,661
78,001	79,000	-	1	-	-	-	-	-	1	-	-	-	-	3	109	3,896
79,001	80,000	-	-	-	-	-	-	-	-	-	-	-	-	1	110	3,976
80,001	81,000	-	-	-	-	-	1	-	-	-	-	-	-	2	112	4,137
81,001	82,000	-	-	-	-	-	-	-	-	-	-	-	-	-	112	4,137
82,001	83,000	-	-	-	-	-	-	-	-	-	-	-	-	-	112	4,137
83,001	84,000	-	-	-	-	-	-	-	-	-	-	-	-	-	112	4,137
84,001	85,000	-	-	-	-	-	-	-	-	-	-	1	-	2	114	4,306
85,001	86,000	-	-	-	-	-	-	-	-	-	-	-	-	1	115	4,391
86,001	87,000	-	-	-	-	-	-	-	-	-	1	-	-	2	117	4,564

Bella Vista Water Company
 Test Year Ended March 31, 2009
 3 Inch Commercial

Exhibit
 Schedule H-5
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 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
67,001	88,000	-	-	-	-	1	-	-	-	-	-	-	-	1	118	4,652
88,001	89,000	-	-	-	-	-	-	-	-	-	-	-	-	-	118	4,652
89,001	90,000	-	-	-	-	-	-	-	-	-	-	-	-	-	118	4,652
90,001	91,000	-	-	-	-	-	-	-	1	-	-	-	-	1	119	4,742
91,001	92,000	-	-	-	-	-	-	-	-	-	-	-	-	-	119	4,742
92,001	93,000	-	-	-	-	-	-	-	-	1	-	-	-	1	120	4,835
93,001	94,000	-	-	-	-	-	-	-	-	-	-	-	-	-	120	4,835
94,001	95,000	-	-	-	-	-	-	-	-	-	-	-	-	-	120	4,835
95,001	96,000	1	-	-	-	-	-	-	-	-	-	-	-	1	121	4,930
96,001	97,000	-	-	-	-	-	-	-	-	-	-	-	-	-	121	4,930
97,001	98,000	1	-	-	-	-	-	-	-	-	-	-	-	1	122	5,028
98,001	99,000	-	-	-	-	-	-	-	2	-	-	-	-	3	125	5,323
99,001	100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	125	5,323
100,454	100,454	-	-	-	1	-	-	-	-	-	-	-	-	-	126	5,424
101,893	101,893	-	-	-	-	-	-	-	-	-	-	1	-	1	127	5,525
102,700	102,700	-	-	-	-	-	-	-	-	-	-	-	1	1	128	5,628
103,200	103,200	-	-	-	-	-	-	-	-	-	-	-	1	1	129	5,731
105,400	105,400	-	-	-	1	-	-	-	-	-	-	-	-	1	130	5,837
106,200	106,200	-	-	-	-	-	-	-	-	-	-	-	-	-	131	5,943
107,600	107,600	-	-	-	-	-	-	-	-	-	-	1	-	1	132	6,051
112,300	112,300	-	-	-	-	1	-	-	-	-	-	-	-	1	133	6,163
112,600	112,600	-	-	-	-	-	-	-	-	-	-	-	-	-	133	6,163
112,769	112,769	-	-	-	1	-	-	-	-	-	1	-	-	1	134	6,275
113,100	113,100	-	-	-	-	-	-	-	-	-	-	-	-	-	135	6,388
114,332	114,332	-	1	-	-	-	-	-	-	-	-	-	-	1	136	6,501
119,200	119,200	-	-	-	-	-	-	-	-	-	-	-	-	-	137	6,616
119,300	119,300	-	-	-	-	-	-	-	-	-	-	-	-	-	138	6,735
120,100	120,100	-	-	-	-	-	-	-	1	-	-	-	-	1	139	6,854
123,474	123,474	-	-	1	-	-	-	-	-	-	-	-	-	1	140	6,974
123,500	123,500	-	-	-	-	1	-	-	-	-	-	-	-	1	141	7,098
124,500	124,500	-	-	-	-	-	-	-	-	-	-	1	-	1	142	7,221
129,200	129,200	-	-	-	-	-	-	-	-	-	-	-	-	-	143	7,346
129,800	129,800	1	-	-	-	-	-	-	-	-	-	-	-	1	144	7,475
130,000	130,000	-	-	-	-	-	-	-	-	-	-	-	-	-	145	7,605
133,100	133,100	-	-	-	-	-	-	-	1	-	-	-	-	1	146	7,735
135,200	135,200	1	-	-	-	-	-	-	-	-	-	-	1	1	147	7,868
136,400	136,400	-	-	-	-	-	-	-	-	1	-	-	-	1	148	8,003
140,881	140,881	-	-	-	-	-	-	-	-	-	-	-	-	-	150	8,276
140,900	140,900	-	-	1	-	-	-	-	-	-	-	-	-	1	151	8,417
143,100	143,100	-	-	-	-	-	-	-	-	-	-	-	-	-	152	8,558
144,300	144,300	-	1	-	-	-	-	-	-	-	-	-	-	1	153	8,701
144,400	144,400	-	-	-	-	-	-	-	-	-	-	-	-	1	154	8,845
145,100	145,100	-	-	-	-	-	-	-	1	-	-	-	-	1	155	8,989
146,336	146,336	-	-	-	-	-	-	-	-	1	-	-	-	1	156	9,134
		-	-	-	-	-	-	-	-	-	-	-	-	1	157	9,281

Bella Vista Water Company
 Test Year Ended March 31, 2009
 3 Inch Commercial

Exhibit
 Schedule H-5
 Page 10
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
146,877	146,877	1												1	158	9,428
147,200	147,200			1										1	159	9,575
147,800	147,800						1							1	160	9,723
148,925	148,925		1											1	161	9,872
149,700	149,700		1											1	162	10,021
150,525	150,525												1	1	163	10,172
150,800	150,800												1	1	164	10,323
152,800	152,800			1										1	165	10,475
153,700	153,700								1					1	166	10,629
153,980	153,980													1	167	10,783
154,000	154,000							1						1	168	10,937
154,118	154,118					1								1	169	11,091
154,190	154,190								1					1	170	11,245
154,448	154,448											1		1	171	11,400
155,300	155,300				1									1	172	11,555
156,100	156,100				1									1	173	11,711
156,200	156,200													1	174	11,867
156,600	156,600			1										1	175	12,024
158,600	158,600	1							1					2	177	12,341
161,100	161,100													1	178	12,502
161,500	161,500	1												1	179	12,664
161,600	161,600	1												1	180	12,825
161,600	161,600	1												1	181	12,987
161,700	161,700					1								1	182	13,150
163,100	163,100	1								1				1	183	13,314
163,313	163,313													1	184	13,477
163,326	163,326													1	185	13,641
163,700	163,700								1					1	186	13,805
164,800	164,800													1	187	13,971
165,900	165,900			1										1	188	14,139
167,500	167,500													1	189	14,309
169,900	169,900													1	190	14,479
170,200	170,200													1	191	14,652
173,000	173,000													1	192	14,827
174,600	174,600													1	193	15,003
176,300	176,300													1	194	15,182
179,100	179,100													1	195	15,362
179,908	179,908													1	196	15,542
179,931	179,931													1	197	15,723
181,300	181,300													1	198	15,905
181,800	181,800													1	199	16,089
184,300	184,300													1	200	16,274
184,800	184,800													1	201	16,460
186,500	186,500													1	202	16,647
186,882	186,882													1		

Bella Vista Water Company
 Test Year Ended March 31, 2009
 3 Inch Commercial

Exhibit
 Schedule H-5
 Page 10
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
190,900	190,900	-	-	-	-	-	1	-	-	-	-	-	-	1	203	16,838
191,100	191,100	-	-	-	-	1	-	-	-	-	-	-	-	1	204	17,029
191,937	191,937	-	-	-	1	-	-	-	-	-	-	-	-	1	205	17,221
192,200	192,200	-	-	-	-	-	-	-	1	-	-	-	-	1	206	17,413
193,400	193,400	-	-	-	1	-	-	-	-	-	-	-	-	1	207	17,607
197,000	197,000	1	-	-	-	-	-	-	-	-	-	-	-	1	208	17,804
197,400	197,400	-	-	-	-	-	1	-	-	-	-	-	-	1	209	18,001
198,200	198,200	-	-	-	-	-	-	-	-	-	-	-	-	1	210	18,199
199,300	199,300	-	-	1	-	-	-	-	-	-	-	-	-	2	212	18,598
202,600	202,600	-	-	-	-	-	1	-	-	-	-	-	-	1	213	18,801
202,700	202,700	1	-	-	-	-	-	-	-	-	-	-	-	1	214	19,003
203,529	203,529	1	-	-	-	-	-	-	-	-	-	-	-	1	215	19,207
204,600	204,600	-	-	-	-	-	-	-	-	-	1	-	-	1	216	19,411
204,700	204,700	-	-	-	-	-	-	-	-	-	1	-	-	1	217	19,616
206,203	206,203	-	-	-	-	-	-	-	-	-	-	-	-	1	218	19,822
208,300	208,300	-	-	-	-	-	-	-	-	-	-	1	-	1	219	20,031
210,110	210,110	-	-	-	-	-	-	-	-	-	-	1	-	1	220	20,241
210,900	210,900	-	-	-	-	-	-	-	-	-	-	-	1	1	221	20,452
211,000	211,000	-	-	-	-	-	-	-	-	1	-	-	-	1	222	20,663
211,900	211,900	-	-	-	-	1	-	-	-	-	-	-	-	1	223	20,875
214,300	214,300	-	-	1	-	-	-	-	-	-	-	-	-	1	224	21,089
217,700	217,700	-	-	1	-	-	-	-	-	-	-	-	-	1	225	21,307
219,000	219,000	-	-	-	-	-	-	-	-	-	-	-	-	1	226	21,526
219,105	219,105	-	-	-	-	-	-	-	1	-	-	-	-	1	227	21,745
219,190	219,190	-	-	-	-	-	-	-	-	-	1	-	-	1	228	21,964
222,000	222,000	-	-	-	-	-	-	-	-	-	1	-	-	1	229	22,186
224,600	224,600	-	-	-	-	-	-	-	-	-	-	-	-	1	230	22,410
228,823	228,823	-	-	-	-	-	-	-	-	-	-	-	-	1	231	22,639
230,400	230,400	-	-	-	-	-	-	1	-	-	-	-	-	1	232	22,870
231,300	231,300	-	-	-	-	-	-	-	-	-	-	1	-	1	233	23,101
232,400	232,400	-	-	-	-	-	-	-	-	-	-	-	-	1	234	23,333
233,200	233,200	-	-	-	-	-	-	-	-	-	1	-	-	1	235	23,567
233,531	233,531	1	-	-	-	-	-	-	-	-	-	-	-	1	236	23,800
238,000	238,000	-	-	-	-	-	-	-	-	-	-	-	-	1	237	24,038
239,100	239,100	-	-	-	1	-	-	-	1	-	-	-	-	1	238	24,277
244,676	244,676	-	-	-	-	-	-	-	-	-	-	-	-	1	239	24,522
244,700	244,700	-	-	-	-	-	-	-	-	1	-	-	-	1	240	24,767
247,700	247,700	-	-	-	-	1	-	-	-	-	-	-	-	1	241	25,014
248,039	248,039	-	-	1	-	-	-	-	-	-	-	-	-	1	242	25,262
250,500	250,500	-	-	-	-	-	-	-	-	-	-	1	-	1	243	25,513
251,511	251,511	-	-	-	1	-	-	-	-	-	-	-	-	1	244	25,764
253,154	253,154	-	-	-	-	-	-	-	-	-	-	-	-	1	245	26,018
263,100	263,100	-	-	-	1	-	-	-	1	-	-	-	-	1	246	26,281
265,300	265,300	-	-	-	1	-	-	-	-	-	-	-	-	1	247	26,546

Bella Vista Water Company
 Test Year Ended March 31, 2009
 3 Inch Commercial

Exhibit
 Schedule H-5
 Page 10
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
265,657	265,657	-	1	-	-	-	-	-	-	-	-	-	-	1	248	26,812
271,969	271,969	-	-	-	-	-	1	-	-	-	-	-	-	1	249	27,084
273,600	273,600	-	1	-	-	-	-	-	-	-	-	-	-	1	250	27,357
276,100	276,100	-	-	-	-	-	-	-	1	-	-	-	-	1	251	27,633
276,300	276,300	-	-	-	-	-	-	-	-	-	-	-	-	1	252	27,910
295,500	295,500	-	-	-	-	-	-	-	-	1	-	-	-	1	253	28,205
296,975	296,975	-	-	-	-	-	-	-	-	-	-	1	-	1	254	28,502
297,600	297,600	-	1	-	-	-	-	-	-	-	-	-	-	1	255	28,800
299,600	299,600	-	-	-	-	-	-	1	-	-	-	-	-	1	256	29,099
302,100	302,100	-	-	1	-	-	-	-	-	-	-	-	-	1	257	29,401
303,000	303,000	-	-	-	-	-	-	-	-	1	-	-	-	1	258	29,704
305,000	305,000	-	-	-	-	-	-	-	-	-	-	-	-	1	259	30,009
310,400	310,400	-	-	-	-	-	-	-	-	-	-	-	-	1	260	30,320
311,707	311,707	-	-	1	-	-	-	-	-	-	-	-	-	1	261	30,631
313,700	313,700	-	-	-	-	-	-	-	-	-	-	-	-	1	262	30,945
317,600	317,600	-	-	-	-	-	-	-	1	-	-	-	-	1	263	31,263
319,800	319,800	-	1	-	-	-	-	-	-	-	-	-	-	1	264	31,582
321,879	321,879	-	-	-	-	-	-	-	-	-	1	-	-	1	265	31,902
328,600	328,600	-	-	1	-	-	-	-	-	-	-	-	-	1	266	32,224
329,200	329,200	-	-	-	-	-	-	-	-	-	-	-	-	1	267	32,553
341,300	341,300	-	-	-	-	-	-	-	-	1	-	-	-	1	268	32,882
347,300	347,300	-	-	-	-	-	-	-	-	-	1	-	-	1	269	33,223
348,800	348,800	-	-	-	-	-	-	-	-	-	-	-	-	1	270	33,571
348,912	348,912	-	-	-	-	-	-	-	-	-	-	-	1	1	271	33,919
355,600	355,600	-	1	-	-	-	-	-	-	-	-	-	-	1	272	34,268
359,900	359,900	-	1	-	-	-	-	-	-	-	-	-	-	1	273	34,624
362,200	362,200	-	-	-	-	-	-	-	-	-	-	-	-	1	274	34,984
364,200	364,200	-	-	-	-	-	1	-	-	-	-	-	-	1	275	35,346
377,800	377,800	-	-	-	-	-	-	-	-	-	-	-	-	1	276	35,710
378,000	378,000	-	-	1	-	-	-	-	-	-	-	-	-	1	277	36,088
389,200	389,200	-	-	-	-	-	-	-	-	-	-	1	-	1	278	36,466
400,100	400,100	-	-	-	-	-	-	-	-	-	-	-	-	1	279	36,855
415,800	415,800	-	-	-	-	-	-	-	-	-	-	-	1	1	280	37,255
419,100	419,100	-	-	-	-	1	-	-	-	-	-	-	-	1	281	37,671
419,185	419,185	-	-	-	-	1	-	-	-	-	-	-	-	1	282	38,090
419,300	419,300	-	-	-	-	-	-	-	-	-	-	-	-	1	283	38,509
419,800	419,800	-	-	-	-	-	-	-	1	-	-	-	-	1	284	38,929
424,608	424,608	-	1	-	-	-	-	-	-	-	-	-	-	1	285	39,349
432,700	432,700	-	-	-	-	-	-	-	-	-	-	-	-	1	286	39,773
432,782	432,782	-	-	-	-	-	-	-	-	1	-	-	-	1	287	40,206
444,100	444,100	-	-	-	-	-	-	-	-	-	-	-	-	1	288	40,639
460,100	460,100	-	-	-	-	-	-	-	-	-	-	-	-	1	289	41,083
461,634	461,634	-	1	-	-	-	-	-	-	-	-	-	-	1	290	41,543
474,500	474,500	-	-	-	-	-	-	-	-	-	-	1	-	1	291	42,004
		-	-	-	-	-	-	-	-	-	-	-	-	1	292	42,479

Bella Vista Water Company
 Test Year Ended March 31, 2009
 3 Inch Commercial

Exhibit
 Schedule H-5
 Page 10
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumul- ative Billing	Cumul- ative Gallons (in 1,000's)
475,200	475,200	-	-	-	-	-	1	-	-	-	-	-	-	1	293	42,954
476,700	476,700	-	-	-	-	-	-	-	1	-	-	-	-	1	294	43,431
479,929	479,929	-	-	-	1	-	-	-	-	-	-	-	-	1	295	43,911
484,500	484,500	-	-	-	-	-	-	-	-	-	-	1	-	1	296	44,395
486,300	486,300	-	-	-	-	-	-	-	1	-	-	-	-	1	297	44,882
487,600	487,600	-	-	-	1	-	-	-	-	-	-	-	-	1	298	45,369
500,000	500,000	-	1	-	-	-	-	-	-	-	-	-	-	1	299	45,869
501,100	501,100	-	-	-	-	-	-	-	-	-	1	-	-	1	300	46,370
507,700	507,700	-	1	-	-	-	-	-	-	-	-	-	-	1	301	46,878
531,852	531,852	-	-	-	-	1	-	-	-	-	-	-	-	1	302	47,410
543,400	543,400	-	-	-	-	-	-	-	-	-	-	1	-	1	303	47,953
563,956	563,956	-	-	-	-	-	-	-	1	-	-	-	-	1	304	48,517
601,841	601,841	-	-	-	-	-	-	-	-	-	1	-	-	1	305	49,119
645,000	645,000	-	-	-	-	-	-	-	1	-	-	-	-	1	306	49,764
814,800	814,800	-	-	-	1	-	-	-	-	-	-	-	-	1	307	50,579
															307	50,579
															307	50,579

Totals	25	25	25	25	25	25	25	26	26	26	26	26	26	26	307
															164,752
															143,100

Average Usage
 Median Usage

Bella Vista Water Company
 Test Year Ended March 31, 2009
 4 Inch Commercial

Exhibit
 Schedule H-5
 Page 11
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
-	1,000	-	1	-	-	1	-	1	-	-	-	-	-	5	5	-
1,001	2,000	-	-	-	-	-	-	-	-	-	-	-	-	2	7	1
2,001	3,000	-	-	-	-	-	-	-	-	-	-	-	-	7	7	1
3,001	4,000	-	-	-	-	-	-	-	-	-	-	-	-	7	8	5
4,001	5,000	-	-	-	-	-	1	-	-	-	-	-	-	8	8	5
5,001	6,000	-	-	-	-	-	-	-	-	-	-	-	-	8	8	5
6,001	7,000	-	-	-	-	-	-	-	-	-	-	-	-	8	8	5
7,001	8,000	-	-	-	-	-	-	-	-	-	-	-	-	8	8	5
8,001	9,000	-	-	-	-	-	-	-	-	-	-	-	-	8	8	5
9,001	10,000	-	-	-	-	-	-	-	-	-	-	-	-	8	8	5
10,001	11,000	-	-	-	-	-	-	-	-	-	-	-	-	8	8	5
11,001	12,000	-	-	-	-	-	-	-	-	-	-	-	-	8	8	5
12,001	13,000	-	-	-	-	-	-	-	-	-	-	-	-	8	8	5
13,001	14,000	-	-	-	-	-	-	-	-	-	-	-	-	8	8	5
14,001	15,000	-	-	-	-	-	-	-	-	-	-	-	-	8	8	5
15,001	16,000	-	-	-	-	-	-	-	-	-	-	-	-	8	8	5
16,001	17,000	-	-	-	-	-	-	-	-	-	-	-	-	8	8	5
17,001	18,000	-	-	-	-	-	-	-	-	-	-	-	-	8	8	5
18,001	19,000	-	-	-	-	-	-	-	-	-	-	-	-	8	8	5
19,001	20,000	-	-	-	-	-	-	-	-	-	-	-	-	8	8	5
20,001	21,000	-	-	-	-	-	-	-	-	-	-	-	-	9	9	23
21,001	22,000	-	-	-	-	-	-	-	-	-	-	-	-	9	9	23
22,001	23,000	-	-	-	-	-	-	-	-	-	-	-	-	9	9	23
23,001	24,000	-	-	-	-	-	-	-	-	-	-	-	-	9	9	23
24,001	25,000	-	-	-	-	-	-	-	-	-	-	-	-	9	9	23
25,001	26,000	-	-	-	-	-	-	1	-	-	-	-	-	10	10	49
26,001	27,000	-	-	-	-	-	-	-	-	-	-	-	-	10	10	49
27,001	28,000	-	-	-	-	-	-	-	-	-	-	-	-	10	10	49
28,001	29,000	-	-	-	-	-	-	-	-	-	-	-	-	10	10	49
29,001	30,000	-	-	-	-	-	-	-	-	-	-	-	-	10	10	49
30,001	31,000	-	-	-	-	-	-	-	-	-	-	-	-	10	10	49
31,001	32,000	-	-	-	-	-	-	-	-	-	-	-	-	10	10	49
32,001	33,000	-	-	-	-	-	-	-	-	-	-	-	-	11	11	81
33,001	34,000	-	-	-	-	-	-	-	-	-	-	-	-	11	11	81
34,001	35,000	-	-	-	-	-	-	-	-	-	-	-	-	11	11	81
35,001	36,000	-	-	-	-	-	-	-	-	-	-	-	-	11	11	81
36,001	37,000	-	-	-	-	-	-	-	-	1	-	-	-	12	12	118
37,001	38,000	-	-	-	-	-	-	-	-	-	-	-	-	12	12	118
38,001	39,000	-	-	-	-	-	-	-	-	-	-	-	-	12	12	118
39,001	40,000	-	-	-	-	-	-	-	1	-	-	-	-	13	13	157
40,001	41,000	-	-	-	-	-	-	-	-	-	-	-	-	13	13	157

Bella Vista Water Company
 Test Year Ended March 31, 2009
 4 Inch Commercial

Exhibit
 Schedule H-5
 Page 11
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
41,001	42,000	-	-	-	-	-	-	-	-	-	-	-	-	-	13	157
42,001	43,000	-	-	-	-	-	-	-	-	-	-	-	-	-	13	157
43,001	44,000	-	-	-	-	-	-	-	-	-	-	-	-	-	13	157
44,001	45,000	-	-	-	-	-	-	-	-	-	-	-	-	-	13	157
45,001	46,000	1	-	-	-	-	-	-	-	-	-	-	-	1	14	203
46,001	47,000	-	-	-	-	-	-	-	-	-	-	-	-	-	14	203
47,001	48,000	-	-	-	-	-	-	-	-	-	-	-	-	-	14	203
48,001	49,000	-	-	-	-	-	-	-	-	-	-	-	-	-	14	203
49,001	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	14	203
50,001	51,000	-	-	-	-	-	-	-	-	-	-	-	-	-	14	203
51,001	52,000	-	-	-	-	-	-	-	-	-	-	-	-	-	14	203
52,001	53,000	-	-	-	-	-	-	-	-	-	-	-	-	-	14	203
53,001	54,000	-	-	-	-	-	-	-	-	-	-	-	-	-	14	203
54,001	55,000	-	-	-	-	-	-	-	-	-	-	-	-	-	14	203
55,001	56,000	-	-	-	-	-	-	-	-	-	-	-	-	-	14	203
56,001	57,000	-	-	-	-	-	-	-	-	-	-	-	-	-	14	203
57,001	58,000	-	-	-	-	-	-	-	-	-	-	-	-	-	14	203
58,001	59,000	-	-	-	-	-	-	-	-	-	-	-	-	-	14	203
59,001	60,000	-	-	-	-	-	-	-	-	-	-	-	-	-	14	203
60,001	61,000	-	-	-	-	-	-	-	-	-	-	-	-	-	14	203
61,001	62,000	-	1	-	-	-	-	-	-	-	-	-	-	2	16	326
62,001	63,000	-	-	-	-	-	-	-	-	-	-	-	-	2	16	326
63,001	64,000	-	-	-	1	-	-	-	-	-	-	-	-	2	18	453
64,001	65,000	-	-	-	-	-	-	-	-	-	-	-	-	2	18	453
65,001	66,000	-	-	-	-	-	-	-	-	-	-	-	-	2	18	453
66,001	67,000	-	-	-	-	-	-	-	-	-	-	-	-	2	18	453
67,001	68,000	-	-	-	-	-	-	-	-	-	-	-	-	2	18	453
68,001	69,000	-	-	-	-	-	-	-	-	-	-	-	-	2	18	453
69,001	70,000	-	-	-	-	-	-	-	-	-	-	-	-	2	18	453
70,001	71,000	-	-	-	-	-	-	-	-	-	-	-	-	2	18	453
71,001	72,000	-	-	-	-	-	-	-	-	-	-	-	-	2	18	453
72,001	73,000	-	-	-	-	-	-	-	-	-	-	-	-	2	18	453
73,001	74,000	-	-	-	-	-	-	-	-	-	-	-	-	2	18	453
74,001	75,000	-	-	-	-	-	-	-	-	-	-	-	-	2	18	453
75,001	76,000	-	-	-	-	-	-	-	-	-	-	-	-	2	18	453
76,001	77,000	-	-	-	-	-	-	-	-	-	-	-	-	2	18	453
77,001	78,000	-	-	-	-	-	-	-	-	-	-	-	-	2	18	453
78,001	79,000	-	-	-	-	-	-	-	-	-	-	-	-	2	18	453
79,001	80,000	-	-	-	-	-	-	-	-	-	-	-	-	2	18	453
80,001	81,000	-	-	-	-	-	-	-	-	-	-	-	-	2	18	453
81,001	82,000	-	-	-	-	-	-	-	-	-	-	-	-	2	18	453
82,001	83,000	-	-	-	-	-	-	-	-	-	-	-	-	2	18	453

Bella Vista Water Company
 Test Year Ended March 31, 2009
 4 Inch Commercial

Exhibit
 Schedule H-5
 Page 11
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
83,001	84,000	-	-	-	-	-	-	-	-	-	-	-	-	-	18	453
84,001	85,000	-	-	-	-	-	-	-	-	-	-	-	-	-	18	453
85,001	86,000	-	-	-	-	-	-	-	-	-	-	-	-	-	18	453
86,001	87,000	-	-	-	-	-	-	-	-	-	-	-	-	-	18	453
87,001	88,000	-	-	-	-	-	-	-	-	-	-	-	-	-	18	453
88,001	89,000	-	-	-	-	-	-	-	-	-	-	-	-	-	18	453
89,001	90,000	-	-	-	-	-	-	-	-	-	-	-	-	-	18	453
90,001	91,000	-	-	-	-	-	-	-	-	-	-	-	-	-	18	453
91,001	92,000	-	-	-	-	-	-	-	-	-	-	-	-	-	18	453
92,001	93,000	-	-	-	-	-	-	-	-	-	-	-	-	-	18	453
93,001	94,000	-	-	-	-	-	-	-	-	-	-	-	-	-	18	453
94,001	95,000	-	-	-	-	-	-	-	-	-	-	-	-	-	18	453
95,001	96,000	-	-	-	-	-	-	-	-	-	-	-	-	-	18	453
96,001	97,000	-	-	-	-	-	-	-	-	-	-	-	-	-	18	453
97,001	98,000	-	-	-	-	-	-	-	-	-	-	-	-	-	18	453
98,001	99,000	-	-	-	-	-	-	-	-	-	-	-	-	-	18	453
99,001	100,000	-	-	-	-	1	-	-	-	-	-	-	-	-	18	453
536,000	536,000	-	-	-	-	1	-	-	-	-	-	-	-	1	19	989
544,000	544,000	1	-	-	-	-	-	-	-	-	-	-	-	1	20	1,533
584,000	584,000	-	-	-	-	-	1	-	-	-	-	-	-	1	21	2,117
595,000	595,000	-	-	-	-	1	-	-	-	-	-	-	-	1	22	2,712
651,000	651,000	-	-	-	-	-	-	-	-	-	-	-	1	1	23	3,363
654,300	654,300	-	-	-	-	1	-	-	-	-	-	-	-	1	24	4,017
684,000	684,000	-	1	-	-	-	-	-	-	-	-	-	-	1	25	4,701
724,000	724,000	-	-	-	-	-	-	1	-	-	-	-	-	1	26	5,425
729,000	729,000	-	-	-	-	-	-	-	-	-	1	-	-	1	27	6,154
741,000	741,000	-	-	1	-	-	-	-	-	-	-	-	-	1	28	6,895
749,000	749,000	-	-	-	-	-	-	1	-	-	-	-	-	1	29	7,644
785,700	785,700	-	-	-	-	-	-	-	1	-	-	-	-	1	30	8,430
936,000	936,000	-	-	-	-	1	-	-	-	-	-	-	-	1	31	9,366
964,000	964,000	-	-	-	-	-	-	-	-	-	-	-	-	1	32	10,330
987,000	987,000	-	-	-	1	-	-	1	-	-	-	-	-	2	34	12,304
1,018,000	1,018,000	-	-	-	-	1	-	-	-	-	-	-	-	1	35	13,322
1,021,000	1,021,000	-	-	-	-	-	-	-	-	-	-	-	1	1	36	14,343
1,046,000	1,046,000	-	-	-	-	-	-	-	-	-	-	-	-	1	37	15,389
1,092,000	1,092,000	-	-	-	-	-	1	-	-	-	-	-	-	1	38	16,481
1,293,000	1,293,000	1	-	-	-	-	-	-	-	-	-	-	-	1	39	17,774
1,360,000	1,360,000	-	-	-	-	-	-	-	-	-	-	-	-	1	40	19,134
1,557,000	1,557,000	-	1	-	-	-	-	-	-	-	-	-	-	1	41	20,691
1,626,000	1,626,000	-	-	-	-	-	-	-	-	-	1	-	-	1	42	22,317
1,655,000	1,655,000	-	-	-	1	-	-	-	-	-	-	-	-	1	43	23,972
1,907,000	1,907,000	-	-	-	-	1	-	-	-	-	-	-	-	1	44	25,879

Bella Vista Water Company
 Test Year Ended March 31, 2009
 4 Inch Commercial

Exhibit
 Schedule H-5
 Page 11
 Witness: Bourassa

Meter Size: -

Usage From:	Usage To:	Month of	Month of	Month of	Month of	Month of	Month of	Month of	Month of	Month of	Month of	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)	
		<u>Apr-08</u>	<u>May-08</u>	<u>Jun-08</u>	<u>Jul-08</u>	<u>Aug-08</u>	<u>Sep-08</u>	<u>Oct-08</u>	<u>Nov-08</u>	<u>Dec-08</u>	<u>Jan-09</u>	<u>Feb-09</u>	<u>Mar-09</u>		
		4	4	4	4	4	4	4	4	3	3	3	44	25,879	
													44	25,879	
													-	25,879	
													-	25,879	
													-	25,879	

Totals 588,148
 623,000

Average Usage
 Median Usage

Bella Vista Water Company
 Test Year Ended March 31, 2009
 6 Inch Commercial

Exhibit
 Schedule H-5
 Page 12
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
1	1,000															
1,001	2,000															
2,001	3,000															
3,001	4,000															
4,001	5,000															
5,001	6,000															
6,001	7,000															
7,001	8,000						1							1	1	8
8,001	9,000													1	1	8
9,001	10,000						1							1	2	17
10,001	11,000													1	3	17
11,001	12,000													1	3	29
12,001	13,000													1	3	29
13,001	14,000													1	3	29
14,001	15,000													1	4	29
15,001	16,000					1								1	4	44
16,001	17,000													1	4	44
17,001	18,000													1	4	44
18,001	19,000													1	4	44
19,001	20,000													1	4	44
20,001	21,000													1	4	44
21,001	22,000													1	4	44
22,001	23,000													1	4	44
23,001	24,000						1							1	5	68
24,001	25,000													1	5	68
25,001	26,000													1	5	68
26,001	27,000													1	5	68
27,001	28,000													1	5	68
28,001	29,000													1	5	68
29,001	30,000													1	5	68
30,001	31,000													1	5	68
31,001	32,000													1	5	68
32,001	33,000													1	5	68
33,001	34,000													1	5	68
34,001	35,000													1	5	68
35,001	36,000													1	5	68
36,001	37,000													1	5	68
37,001	38,000						1							1	6	105
38,001	39,000													1	6	105
39,001	40,000													1	6	105
40,001	41,000													1	6	105

Bella Vista Water Company
 Test Year Ended March 31, 2009
 6 Inch Commercial

Exhibit
 Schedule H-5
 Page 12
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)													
83,001	84,000	-	-	-	-	-	-	-	-	-	-	-	-	-	11	372													
84,001	85,000	-	-	-	-	-	-	-	-	-	-	-	-	-	11	372													
85,001	86,000	-	-	-	-	-	-	-	-	-	-	-	-	-	11	372													
86,001	87,000	-	-	-	-	-	-	-	-	-	-	-	-	-	11	372													
87,001	88,000	-	-	-	-	-	-	-	-	-	-	-	-	-	11	372													
88,001	89,000	-	-	-	-	-	-	-	-	-	-	-	-	-	11	372													
89,001	90,000	-	-	-	-	-	-	-	-	-	-	-	-	-	11	372													
90,001	91,000	-	-	-	-	-	-	-	-	-	-	-	-	-	11	372													
91,001	92,000	-	-	-	-	-	-	-	-	-	-	-	-	-	11	372													
92,001	93,000	-	-	-	-	-	-	-	-	-	-	-	-	-	11	372													
93,001	94,000	-	-	-	-	-	-	-	-	-	-	-	-	-	11	372													
94,001	95,000	-	-	-	-	-	-	-	-	-	-	-	-	-	11	372													
95,001	96,000	-	-	-	-	-	-	-	-	-	-	-	-	-	11	372													
96,001	97,000	-	-	1	-	-	-	-	-	-	-	-	-	1	12	468													
97,001	98,000	-	-	-	-	-	-	-	-	-	-	-	-	-	12	468													
98,001	99,000	-	-	-	-	-	-	-	-	-	-	-	-	-	12	468													
99,001	100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	12	468													
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12	468													
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12	468													
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12	468													
Totals														1	1	1	1	1	1	1	1	1	1	1	1	1	12	39,001	43,500

Average Usage
 Median Usage

Bella Vista Water Company
 Test Year Ended March 31, 2009
 3 inch Hydrant

Exhibit
 Schedule H-5
 Page 14
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
-	-	4	3	4	5	2	7	3	4	3	7	3	4	49	49	-
1,001	1,000	1	1	-	1	1	2	-	2	3	2	1	1	15	64	8
2,001	2,000	2	-	-	-	2	1	-	2	3	-	1	-	9	73	21
3,001	3,000	1	-	1	2	1	-	1	-	-	-	-	1	9	82	44
4,001	4,000	-	-	1	-	-	2	1	-	2	-	2	-	7	89	68
5,001	5,000	-	-	-	-	1	-	-	1	-	-	1	1	4	93	86
6,001	6,000	-	-	1	1	1	-	-	-	1	-	-	-	4	97	108
7,001	7,000	-	-	-	-	-	-	-	-	-	-	1	-	1	98	115
8,001	8,000	-	-	-	1	-	-	-	-	-	-	-	-	1	99	122
9,001	9,000	-	-	-	-	-	-	-	-	-	1	-	-	1	100	131
10,001	10,000	-	-	1	-	1	-	3	2	3	1	2	1	15	115	273
11,001	11,000	-	-	1	-	-	-	-	-	-	-	-	-	1	116	284
12,001	12,000	-	-	-	-	-	-	-	-	-	-	-	-	-	116	284
13,001	13,000	-	-	-	1	-	-	-	-	-	-	-	-	1	117	296
14,001	14,000	1	-	-	-	-	-	-	-	-	-	-	-	1	118	310
15,001	15,000	-	-	1	-	-	-	-	-	-	-	-	-	1	119	324
16,001	16,000	-	-	-	-	-	-	-	-	-	-	-	-	1	119	324
17,001	17,000	-	-	-	-	-	-	-	-	-	-	-	1	120	341	341
18,001	18,000	-	-	-	-	-	-	-	-	-	-	-	-	120	341	341
19,001	19,000	-	-	-	-	-	-	-	-	-	-	1	-	121	359	359
20,001	20,000	1	-	-	1	1	2	2	-	-	-	-	-	7	128	496
21,001	21,000	-	-	-	1	-	-	-	1	-	-	-	-	2	130	537
22,001	22,000	-	-	-	-	-	-	-	-	-	-	-	-	130	537	537
23,001	23,000	-	-	1	-	-	-	-	-	-	-	-	-	131	559	559
24,001	24,000	-	1	-	-	-	-	-	-	-	1	-	-	2	133	606
25,001	25,000	-	-	-	1	-	-	-	-	-	-	-	-	134	631	631
26,001	26,000	-	-	-	-	-	-	1	-	-	-	-	-	135	656	656
27,001	27,000	-	-	-	-	-	-	-	-	-	-	-	-	135	656	656
28,001	28,000	-	-	-	-	-	-	-	-	-	-	-	-	135	656	656
29,001	29,000	-	-	-	-	-	-	-	-	-	-	-	-	135	656	656
30,001	30,000	-	-	-	-	-	-	-	-	-	-	-	-	135	656	656
31,001	31,000	-	-	-	-	1	-	1	-	-	-	-	-	2	137	717
32,001	32,000	-	-	-	-	-	-	-	-	-	-	-	-	138	749	749
33,001	33,000	-	1	-	-	-	-	-	-	-	-	-	-	139	781	781
34,001	34,000	-	-	1	-	-	-	-	-	-	-	-	-	141	848	848
35,001	35,000	-	-	-	-	-	-	-	-	-	-	-	-	141	848	848
36,001	36,000	-	-	-	-	-	-	-	-	-	-	-	-	141	848	848
36,001	37,000	-	-	-	-	-	-	-	-	-	-	-	-	141	848	848

Bella Vista Water Company
 Test Year Ended March 31, 2009
 3 Inch Hydrant

Exhibit
 Schedule H-5
 Page 14
 Witness: Bourassa

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
37,001	38,000	1												1	142	886
38,001	39,000														142	886
39,001	40,000	1												1	143	925
40,001	41,000														143	925
41,001	42,000														143	925
42,001	43,000														143	925
43,001	44,000														143	925
44,001	45,000														143	925
45,001	46,000					1								1	144	971
46,001	47,000		1											3	147	1,110
47,001	48,000														147	1,110
48,001	49,000														147	1,110
49,001	50,000		1				1							3	150	1,259
50,001	51,000		1											1	151	1,309
51,001	52,000														151	1,309
52,001	53,000														151	1,309
53,001	54,000														151	1,309
54,001	55,000														151	1,309
55,001	56,000														151	1,309
56,001	57,000														151	1,309
57,001	58,000	1				1								2	153	1,424
58,001	59,000		1											1	154	1,483
59,001	60,000					1								1	155	1,542
60,001	61,000														155	1,542
61,001	62,000														155	1,542
62,001	63,000														155	1,542
63,001	64,000														155	1,542
64,001	65,000												2	2	157	1,671
65,001	66,000														157	1,671
66,001	67,000														157	1,671
67,001	68,000														157	1,671
68,001	69,000			2										2	159	1,810
69,001	70,000														159	1,810
70,001	71,000														159	1,810
71,001	72,000														159	1,810
72,001	73,000														159	1,810
73,001	74,000														159	1,810
74,001	75,000														159	1,810

Meter Size:

Bella Vista Water Company
 Test Year Ended March 31, 2009
 3 Inch Hydrant

Exhibit
 Schedule H-5
 Page 14
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
75,001	76,000	-	-	-	-	-	-	-	-	-	-	-	-	1	160	1,886
76,001	77,000	-	-	-	-	-	-	-	-	-	-	-	-	-	160	1,886
77,001	78,000	-	-	-	-	-	-	-	-	-	-	-	-	-	160	1,886
78,001	79,000	-	-	-	-	-	-	-	-	-	-	-	-	-	160	1,886
79,001	80,000	-	-	-	-	-	-	-	-	-	-	-	-	-	160	1,886
80,001	81,000	-	-	-	-	-	-	-	-	-	-	-	-	-	160	1,886
81,001	82,000	-	-	-	-	-	1	-	-	-	-	-	-	1	161	1,967
82,001	83,000	1	-	-	-	-	-	-	-	-	-	-	-	1	162	2,050
83,001	84,000	-	-	-	-	-	-	-	-	-	-	-	-	-	162	2,050
84,001	85,000	-	-	-	-	-	-	-	-	-	-	-	-	-	162	2,050
85,001	86,000	-	-	-	-	-	-	-	-	-	-	-	-	-	162	2,050
86,001	87,000	-	-	-	-	-	-	-	-	-	-	-	-	-	162	2,050
87,001	88,000	-	-	-	-	-	-	-	-	-	-	-	-	-	162	2,050
88,001	89,000	-	-	-	-	1	-	-	-	-	-	-	-	1	163	2,138
89,001	90,000	-	-	-	-	-	-	-	-	-	-	-	-	-	163	2,138
90,001	91,000	-	-	-	-	-	-	-	-	-	-	-	-	-	163	2,138
91,001	92,000	-	-	-	-	-	-	-	-	-	-	-	-	-	163	2,138
92,001	93,000	-	-	-	-	-	-	-	-	-	-	-	-	-	163	2,138
93,001	94,000	-	-	-	-	-	-	-	-	-	-	-	-	-	163	2,138
94,001	95,000	-	-	-	-	-	-	-	-	-	-	-	-	-	163	2,138
95,001	96,000	-	-	-	-	-	-	-	-	-	-	-	-	-	163	2,138
96,001	97,000	-	-	-	-	-	-	-	-	-	-	-	-	-	163	2,138
97,001	98,000	-	-	1	-	-	-	-	-	-	-	-	-	1	164	2,236
98,001	99,000	-	-	-	-	-	-	-	-	-	-	-	-	-	164	2,236
99,001	100,000	-	-	-	-	-	-	1	-	-	-	-	-	1	165	2,335
105,800	105,800	-	-	-	-	-	-	-	-	-	-	-	-	-	166	2,441
123,400	123,400	-	-	-	-	-	-	-	-	-	-	-	1	1	167	2,564
132,000	132,000	-	-	1	-	-	-	-	-	-	-	-	-	1	168	2,696
132,600	132,600	-	-	-	-	1	-	-	-	-	-	-	-	1	169	2,829
149,600	149,600	-	-	-	-	-	-	-	-	1	-	-	-	1	170	2,978
154,215	154,215	-	1	-	-	-	-	-	-	-	-	-	-	1	171	3,133
175,600	175,600	-	-	-	-	-	-	1	-	-	-	-	-	1	172	3,308
188,000	188,000	-	-	-	-	1	-	-	-	-	-	-	-	1	173	3,496
197,900	197,900	-	1	-	-	-	-	-	-	-	-	-	-	1	174	3,694
210,900	210,900	-	-	-	-	-	-	-	1	-	-	-	-	1	175	3,905
239,800	239,800	-	-	-	-	-	-	-	-	-	-	-	1	1	176	4,145
252,800	252,800	-	1	-	-	-	-	-	-	-	-	-	-	1	177	4,398
297,200	297,200	-	-	-	-	-	-	-	-	-	-	1	-	1	178	4,695

Bella Vista Water Company
 Test Year Ended March 31, 2009
 3 Inch Hydrant

Exhibit
 Schedule H-5
 Page 14
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
325,300	406,400	-	-	-	-	-	-	-	-	-	1	-	-	1	179	5,020
-	-	-	-	1	-	-	-	-	-	-	-	-	-	1	180	5,427
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	180	5,427
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	180	5,427
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	180	5,427
Totals															180	
															30,148	
															4,500	

Average Usage
 Median Usage

Bella Vista Water Company
Test Year Ended March 31, 2009
4 Inch Fire Sprinkler

Exhibit
 Schedule H-5
 Page 15
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
-	-	100	101	100	100	104	101	101	102	101	101	100	99	1,210	1,210	-
1,001	1,000													-	1,210	-
2,001	2,000													-	1,210	-
3,001	3,000													-	1,210	-
4,001	4,000													-	1,210	-
5,001	5,000													-	1,210	-
6,001	6,000													-	1,210	-
7,001	7,000													-	1,210	-
8,001	8,000													-	1,210	-
9,001	9,000													-	1,210	-
10,001	10,000													-	1,210	-
11,001	11,000													-	1,210	-
12,001	12,000													-	1,210	-
13,001	13,000													-	1,210	-
14,001	14,000													-	1,210	-
15,001	15,000													-	1,210	-
16,001	16,000													-	1,210	-
17,001	17,000													-	1,210	-
18,001	18,000													-	1,210	-
19,001	19,000													-	1,210	-
20,001	20,000													-	1,210	-
21,001	21,000													-	1,210	-
22,001	22,000													-	1,210	-
23,001	23,000													-	1,210	-
24,001	24,000													-	1,210	-
25,001	25,000													-	1,210	-
26,001	26,000													-	1,210	-
27,001	27,000													-	1,210	-
28,001	28,000													-	1,210	-
29,001	29,000													-	1,210	-
30,001	30,000													-	1,210	-
31,001	31,000													-	1,210	-
32,001	32,000													-	1,210	-
33,001	33,000													-	1,210	-
34,001	34,000													-	1,210	-
35,001	35,000													-	1,210	-
36,001	36,000													-	1,210	-
37,001	37,000													-	1,210	-
38,001	38,000													-	1,210	-
39,001	39,000													-	1,210	-
40,001	40,000													-	1,210	-
41,001	41,000													-	1,210	-
42,001	42,000													-	1,210	-

Bella Vista Water Company
 Test Year Ended March 31, 2009
 4 Inch Fire Sprinkler

Exhibit
 Schedule H-5
 Page 15
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
42,001	43,000													-	1,210	-
43,001	44,000													-	1,210	-
44,001	45,000													-	1,210	-
45,001	46,000													-	1,210	-
46,001	47,000													-	1,210	-
47,001	48,000													-	1,210	-
48,001	49,000													-	1,210	-
49,001	50,000													-	1,210	-
50,001	51,000													-	1,210	-
51,001	52,000													-	1,210	-
52,001	53,000													-	1,210	-
53,001	54,000													-	1,210	-
54,001	55,000													-	1,210	-
55,001	56,000													-	1,210	-
56,001	57,000													-	1,210	-
57,001	58,000													-	1,210	-
58,001	59,000													-	1,210	-
59,001	60,000													-	1,210	-
60,001	61,000													-	1,210	-
61,001	62,000													-	1,210	-
62,001	63,000													-	1,210	-
63,001	64,000													-	1,210	-
64,001	65,000													-	1,210	-
65,001	66,000													-	1,210	-
66,001	67,000													-	1,210	-
67,001	68,000													-	1,210	-
68,001	69,000													-	1,210	-
69,001	70,000													-	1,210	-
70,001	71,000													-	1,210	-
71,001	72,000													-	1,210	-
72,001	73,000													-	1,210	-
73,001	74,000													-	1,210	-
74,001	75,000													-	1,210	-
75,001	76,000													-	1,210	-
76,001	77,000													-	1,210	-
77,001	78,000													-	1,210	-
78,001	79,000													-	1,210	-
79,001	80,000													-	1,210	-
80,001	81,000													-	1,210	-
81,001	82,000													-	1,210	-
82,001	83,000													-	1,210	-
83,001	84,000													-	1,210	-
84,001	85,000													-	1,210	-

Bella Vista Water Company
Test Year Ended March 31, 2009
4 Inch Fire Sprinkler

Exhibit
 Schedule H-5
 Page 15
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
85,001	86,000													-	1,210	-
86,001	87,000													-	1,210	-
87,001	88,000													-	1,210	-
88,001	89,000													-	1,210	-
89,001	90,000													-	1,210	-
90,001	91,000													-	1,210	-
91,001	92,000													-	1,210	-
92,001	93,000													-	1,210	-
93,001	94,000													-	1,210	-
94,001	95,000													-	1,210	-
95,001	96,000													-	1,210	-
96,001	97,000													-	1,210	-
97,001	98,000													-	1,210	-
98,001	99,000													-	1,210	-
99,001	100,000													-	1,210	-
Totals		100	101	100	100	104	101	101	102	101	101	100	99	-	1,210	-

Average Usage
 Median Usage

Bella Vista Water Company
 Test Year Ended March 31, 2009
 6 Inch Fire Sprinkler

Exhibit
 Schedule H-5
 Page 16
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
-	-	21	21	21	21	21	21	21	21	21	21	21	21	252	252	-
1	1,000													-	252	-
1,001	2,000													-	252	-
2,001	3,000													-	252	-
3,001	4,000													-	252	-
4,001	5,000													-	252	-
5,001	6,000													-	252	-
6,001	7,000													-	252	-
7,001	8,000													-	252	-
8,001	9,000													-	252	-
9,001	10,000													-	252	-
10,001	11,000													-	252	-
11,001	12,000													-	252	-
12,001	13,000													-	252	-
13,001	14,000													-	252	-
14,001	15,000													-	252	-
15,001	16,000													-	252	-
16,001	17,000													-	252	-
17,001	18,000													-	252	-
18,001	19,000													-	252	-
19,001	20,000													-	252	-
20,001	21,000													-	252	-
21,001	22,000													-	252	-
22,001	23,000													-	252	-
23,001	24,000													-	252	-
24,001	25,000													-	252	-
25,001	26,000													-	252	-
26,001	27,000													-	252	-
27,001	28,000													-	252	-
28,001	29,000													-	252	-
29,001	30,000													-	252	-
30,001	31,000													-	252	-
31,001	32,000													-	252	-
32,001	33,000													-	252	-
33,001	34,000													-	252	-
34,001	35,000													-	252	-
35,001	36,000													-	252	-
36,001	37,000													-	252	-
37,001	38,000													-	252	-
38,001	39,000													-	252	-
39,001	40,000													-	252	-

Bella Vista Water Company
 Test Year Ended March 31, 2009
 6 Inch Fire Sprinkler

Exhibit
 Schedule H-5
 Page 16
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
40,001	41,000													-	252	-
41,001	42,000													-	252	-
42,001	43,000													-	252	-
43,001	44,000													-	252	-
44,001	45,000													-	252	-
45,001	46,000													-	252	-
46,001	47,000													-	252	-
47,001	48,000													-	252	-
48,001	49,000													-	252	-
49,001	50,000													-	252	-
50,001	51,000													-	252	-
51,001	52,000													-	252	-
52,001	53,000													-	252	-
53,001	54,000													-	252	-
54,001	55,000													-	252	-
55,001	56,000													-	252	-
56,001	57,000													-	252	-
57,001	58,000													-	252	-
58,001	59,000													-	252	-
59,001	60,000													-	252	-
60,001	61,000													-	252	-
61,001	62,000													-	252	-
62,001	63,000													-	252	-
63,001	64,000													-	252	-
64,001	65,000													-	252	-
65,001	66,000													-	252	-
66,001	67,000													-	252	-
67,001	68,000													-	252	-
68,001	69,000													-	252	-
69,001	70,000													-	252	-
70,001	71,000													-	252	-
71,001	72,000													-	252	-
72,001	73,000													-	252	-
73,001	74,000													-	252	-
74,001	75,000													-	252	-
75,001	76,000													-	252	-
76,001	77,000													-	252	-
77,001	78,000													-	252	-
78,001	79,000													-	252	-
79,001	80,000													-	252	-
80,001	81,000													-	252	-

Bella Vista Water Company
 Test Year Ended March 31, 2009
 6 Inch Fire Sprinkler

Exhibit
 Schedule H-5
 Page 16
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)													
81,001	82,000														252	-													
82,001	83,000														252	-													
83,001	84,000														252	-													
84,001	85,000														252	-													
85,001	86,000														252	-													
86,001	87,000														252	-													
87,001	88,000														252	-													
88,001	89,000														252	-													
89,001	90,000														252	-													
90,001	91,000														252	-													
91,001	92,000														252	-													
92,001	93,000														252	-													
93,001	94,000														252	-													
94,001	95,000														252	-													
95,001	96,000														252	-													
96,001	97,000														252	-													
97,001	98,000														252	-													
98,001	99,000														252	-													
99,001	100,000														252	-													
Totals														21	21	21	21	21	21	21	21	21	21	21	21	21	252	Median Billing	126
														Average Usage		-	-	Median Usage		-	-								

Bella Vista Water Company
 Test Year Ended March 31, 2009
 8 Inch Fire Sprinkler

Exhibit
 Schedule H-5
 Page 17
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
-	1,000	1	1	1	1	1	1	1	1	1	1	1	1	12	12	-
1,001	2,000													-	12	-
2,001	3,000													-	12	-
3,001	4,000													-	12	-
4,001	5,000													-	12	-
5,001	6,000													-	12	-
6,001	7,000													-	12	-
7,001	8,000													-	12	-
8,001	9,000													-	12	-
9,001	10,000													-	12	-
10,001	11,000													-	12	-
11,001	12,000													-	12	-
12,001	13,000													-	12	-
13,001	14,000													-	12	-
14,001	15,000													-	12	-
15,001	16,000													-	12	-
16,001	17,000													-	12	-
17,001	18,000													-	12	-
18,001	19,000													-	12	-
19,001	20,000													-	12	-
20,001	21,000													-	12	-
21,001	22,000													-	12	-
22,001	23,000													-	12	-
23,001	24,000													-	12	-
24,001	25,000													-	12	-
25,001	26,000													-	12	-
26,001	27,000													-	12	-
27,001	28,000													-	12	-
28,001	29,000													-	12	-
29,001	30,000													-	12	-
30,001	31,000													-	12	-
31,001	32,000													-	12	-
32,001	33,000													-	12	-
33,001	34,000													-	12	-
34,001	35,000													-	12	-
35,001	36,000													-	12	-
36,001	37,000													-	12	-
37,001	38,000													-	12	-

Bella Vista Water Company
 Test Year Ended March 31, 2009
 8 Inch Fire Sprinkler

Exhibit
 Schedule H-5
 Page 17
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Apr-08	Month of May-08	Month of Jun-08	Month of Jul-08	Month of Aug-08	Month of Sep-08	Month of Oct-08	Month of Nov-08	Month of Dec-08	Month of Jan-09	Month of Feb-09	Month of Mar-09	Total Year	Cumulative Billing	Cumulative Gallons (in 1,000's)
38,001	39,000													-	12	-
39,001	40,000													-	12	-
40,001	41,000													-	12	-
41,001	42,000													-	12	-
42,001	43,000													-	12	-
43,001	44,000													-	12	-
44,001	45,000													-	12	-
45,001	46,000													-	12	-
46,001	47,000													-	12	-
47,001	48,000													-	12	-
48,001	49,000													-	12	-
49,001	50,000													-	12	-
50,001	51,000													-	12	-
51,001	52,000													-	12	-
52,001	53,000													-	12	-
53,001	54,000													-	12	-
54,001	55,000													-	12	-
55,001	56,000													-	12	-
56,001	57,000													-	12	-
57,001	58,000													-	12	-
58,001	59,000													-	12	-
59,001	60,000													-	12	-
60,001	61,000													-	12	-
61,001	62,000													-	12	-
62,001	63,000													-	12	-
63,001	64,000													-	12	-
64,001	65,000													-	12	-
65,001	66,000													-	12	-
66,001	67,000													-	12	-
67,001	68,000													-	12	-
68,001	69,000													-	12	-
69,001	70,000													-	12	-
70,001	71,000													-	12	-
71,001	72,000													-	12	-
72,001	73,000													-	12	-
73,001	74,000													-	12	-
74,001	75,000													-	12	-
75,001	76,000													-	12	-
76,001	77,000													-	12	-

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6 Phoenix, Arizona 85012
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8 **BEFORE THE ARIZONA CORPORATION COMMISSION**

9 IN THE MATTER OF THE
10 APPLICATION OF BELLA VISTA
11 WATER CO., INC., AN ARIZONA
12 CORPORATION, FOR A
13 DETERMINATION OF THE FAIR
14 VALUE OF ITS UTILITY PLANTS AND
15 PROPERTY AND FOR INCREASES IN
16 ITS WATER RATES AND CHARGES
17 FOR UTILITY SERVICE BASED
18 THEREON.

DOCKET NO: W-02465A-09-_____

19 **DIRECT TESTIMONY OF**
20 **THOMAS J. BOURASSA**
21 **(COST OF CAPITAL)**

22 **August 31, 2009**

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1 **I. INTRODUCTION**

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

3 A. My name is Thomas J. Bourassa. My business address is 139 W. Wood Drive,
4 Phoenix, Arizona 85029.

5 **Q. ARE YOU THE SAME THOMAS J. BOURASSA THAT FILED DIRECT**
6 **TESTIMONY ON RATE BASE, INCOME STATEMENT, REVENUE**
7 **REQUIREMENT AND RATE DESIGN IN THIS DOCKET?**

8 A. Yes, and all of my background information and testimony regarding my
9 qualifications is contained in that portion of my direct testimony.

10 **II. SUMMARY OF TESTIMONY AND THE PROPOSED COST OF CAPITAL**
11 **FOR BVWC**

12 **Q. WHAT IS THE PURPOSE OF THIS PORTION OF YOUR DIRECT**
13 **TESTIMONY?**

14 A. This portion of my direct testimony will focus on cost of capital issues. I will
15 testify in support of Bella Vista Water Co., Inc.'s ("BVWC") proposed rate of
16 return on its fair value rate base. I am sponsoring BVWC's D Schedules, which
17 are attached to this testimony. As noted above, I am also sponsoring direct
18 testimony that addresses BVWC's rate base, income statement (revenue and
19 operating expenses), required increase in revenue, and its rate design and proposed
20 rates and charges for service. For the convenience of the Commission and the
21 parties, that testimony and my related schedules are being filed separately in this
22 case.

23 **Q. HAVE YOU PREPARED ANY SCHEDULES AND ATTACHMENTS TO**
24 **ACCOMPANY YOUR TESTIMONY?**

25 A. Yes. I have prepared 16 schedules that support my testimony and 1 attachment.
26

1 **Q. PLEASE SUMMARIZE YOUR COST OF CAPITAL TESTIMONY.**

2 A. I determine BVWC's cost of equity falls in the range of 10.3 percent to 16.6
3 percent with the midpoint of the range at 13.4 percent. I am recommending a
4 return on equity ("ROE") of 12.5 percent. My recommendation is based on (i) cost
5 of equity estimates using constant growth and multi-stage growth discounted cash
6 flow ("DCF") models and the capital asset pricing model ("CAPM") for the sample
7 group of publicly traded utilities, (ii) my review of the economic conditions
8 expected to prevail during the period in which new rates will be in effect, (iii) my
9 judgment about the risks associated with small utilities like BVWC not captured by
10 the market data for publicly traded water utilities used in my study, (iv) the
11 financial risk associated with the level of debt in BVWC's capital structure, and
12 (v) additional specific business and operational risks faced by BVWC Company.

13 **Q. PLEASE SUMMARIZE THE APPROACH YOU USED TO ESTIMATE**
14 **THE COST OF EQUITY FOR BVWC.**

15 A. The cost of equity for BVWC cannot be estimated directly because BVWC's
16 common stock is not publicly traded and there is no market data for BVWC.
17 Consequently, I applied the DCF and CAPM models using data from a sample of
18 water utilities selected from the Value Line Investment Survey. There are six
19 water utilities in my sample: American States Water, Aqua America, California
20 Water, Connecticut Water, Middlesex Water, and SJW Corp. As explained later in
21 my testimony, these companies are not really comparable to BVWC, but they are
22 water utilities for which market data are available and because the Arizona
23 Commission's Utilities Division Staff ("Staff") has relied on data for these water
24 utilities in a number of recent water and sewer utility rate cases.

25 My DCF analyses indicate ROE's in the range of 11.2 percent to 13.0
26 percent with a midpoint of 12.1 percent. The CAPM analysis, again using the

1 same sample group, indicates that ROE's in the range of 10.1 percent to 21.0
2 percent is appropriate with a midpoint of 15.6 percent. Both the DCF and CAPM
3 ranges are before consideration of company specific risks.

4 My ROE estimates after consideration of financial risk and small company
5 risk is in the range of 10.3 percent to 16.6 percent with a midpoint of 13.4 percent.
6 Given BVWC's relatively small size compared to the large publicly traded utilities
7 used in my sample, the regulatory methods and policies used in this jurisdiction,
8 and other firm-specific factors, it is my opinion that at the present time, a cost of
9 equity of no less than 12.5 percent is warranted.

10 My recommendation of 12.5 percent balances my judgment about the
11 degree of financial and business risk associated with an investment in BVWC as
12 well as consideration of the current economic environment. A summary of my cost
13 of equity analysis result is shown on Schedule D-4.1.

14 **III. OVERVIEW OF THE RELATIONSHIP BETWEEN RISK AND THE**
15 **EXPECTED RETURN ON AN INVESTMENT**

16 **Q. HOW IS THE COST OF EQUITY TYPICALLY ANALYZED?**

17 A. The cost of equity is the rate of return that equity investors expect to receive on
18 their investment. Investors can choose to invest in many types of assets, not simply
19 publicly traded stock. Each investment will have varying degrees of risk, ranging
20 from relatively low risk assets such as Treasury securities to somewhat higher risk
21 corporate bonds to even higher risk common stocks. As the level of risk increases,
22 investors require higher returns on their investment. Finance models that are used
23 to estimate the cost of equity often rely on this basic concept.

24 **Q. CAN YOU ILLUSTRATE THE CAPITAL MARKET RISK-RETURN**
25 **CONCEPT?**

26 A. Yes. The following graph depicts the risk-return relationship that has become

1 widely known as the Capital Market Line ("CML") ("Figure 1"). The CML
2 illustrates in a general way the risk-return relationship.

3 4 The Capital Market Line (CML)

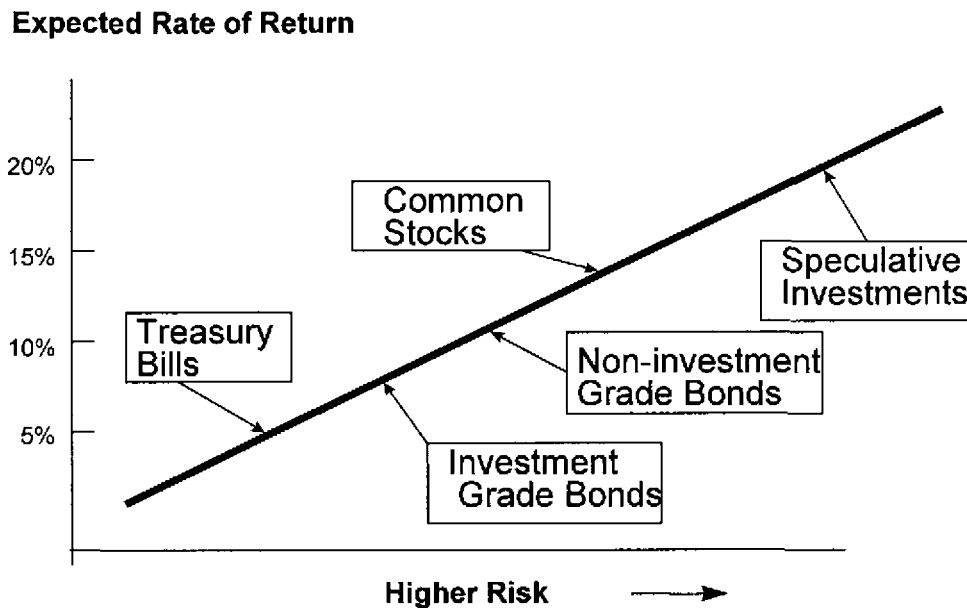


Figure 1

18 The CML can be viewed as a continuum of the available investment opportunities
19 for investors. Investment risk increases moving upward and to the right along the
20 CML. Again, the expected return increases with the risk.

21 **Q. HOW DOES THE RISK-RETURN TRADE-OFF CONCEPT WORK IN**
22 **THE CAPITAL MARKET?**

23 **A.** As already suggested by the CML, the allocation of capital in a free market
24 economy is based upon the relative risk of, and expected return from, an
25 investment. In general, investors rank investment opportunities in the order of their
26 relative risks. Investment alternatives in which the expected return is

1 commensurate with the perceived risk become viable investment options. If all
2 other factors remain equal, the greater the risk, the higher the rate of return
3 investors will require to compensate investors for the possibility of loss of either
4 the principal amount invested or the expected annual income from such investment.

5 Short-term Treasury bills provide a high degree of certainty and in nominal
6 terms (after considering inflation) are considered virtually risk free. Long-term
7 bonds and preferred stocks, having priority claims to assets and fixed income
8 payments, are relatively low risk, but are not risk free. The market values of long-
9 term bonds often fluctuate when government policies or other factors cause interest
10 rates to change. Common stocks are higher and to the right on the CML continuum
11 because they are exposed to more risk. Common stock risk includes the nature of
12 the underlying business and financial strength of the issuing corporation as well as
13 market-wide factors, such as general changes in capital costs.

14 The capital markets reflect investor expectations and requirements each day
15 through market prices. Prices for stocks and bonds change to reflect investor
16 expectations and the relative attractiveness of one investment versus another.
17 While the example provided above seems straightforward, returns on common
18 stocks are not directly observable in advance, in contrast to debt or preferred stocks
19 with fixed payment terms. This means that these returns must be estimated from
20 market data. Estimating the cost of equity capital is a matter of informed judgment
21 about the relative risk of the company in question and the expected rate of return
22 characteristics of other alternative investments.

23 **Q. HOW IS THE COST OF EQUITY FOR A PARTICULAR UTILITY**
24 **DETERMINED?**

25 **A.** The estimation of a utility's cost of equity is complex. It requires an analysis of the
26 factors influencing the cost of various types of capital, such as interest on long-

1 term debt, dividends on preferred stock, and earnings on common equity. The data
2 for such an analysis comes from highly competitive capital markets, where the firm
3 raises funds by issuing common stock, selling bonds, and by borrowing (both long-
4 and short-term) from banks and other financial institutions. In the capital markets,
5 the cost of capital, whether the capital is in the form of debt or equity, is
6 determined by two important factors:

- 7 1) The pure or real rate of interest, often called the risk-free rate of
8 interest; and,
- 9 2) The uncertainty or risk premium (the compensation the investor
10 requires over and above the real or pure rate of interest for subjecting
11 his capital to additional risk).

12 **Q. PLEASE DISCUSS THESE FACTORS IN GREATER DETAIL.**

13 A. The pure rate of interest essentially reflects both the time preference for and the
14 productivity of capital. From the standpoint of the individual, it is the rate of
15 interest required to induce the individual to forgo present consumption and offer
16 the funds thus saved to others for a specified length of time. Moreover, the pure
17 rate of interest concept is based on the assumption that no uncertainty affects the
18 investment undertaken by the individual, i.e., there is no doubt that the periodic
19 interest payments will be made and the principal returned at the end of the time
20 period. In reality, investments without risk do not exist. Every commitment of
21 funds involves some degree of uncertainty.

22 Turning to the second factor affecting the cost of capital, it is generally
23 accepted that the higher the degree of uncertainty, the higher the cost of capital.
24 Investors are regarded as risk adverse and require that the rate of return increase as
25 the risk (uncertainty) associated with an investment increase.

26

1 **Q. CAN YOU PROVIDE SOME PERSPECTIVE ON YOUR PREVIOUS**
2 **DISCUSSION WITH RESPECT TO RETURNS ON COMMON STOCKS?**

3 A. Yes. Conceptually,

4 [1] Required Return for Common Stocks = Return on a risk-free asset + Risk Premium
5

6 where the risk premium investors require for common stocks will be higher than
7 the risk premium they require for investment grade bonds. This relationship is
8 depicted in Figure 1 above. As I will discuss later in this testimony, this concept is
9 the basis of risk premium methods, such as the CAPM, that are used to estimate the
10 cost of equity.

11 **Q. WHAT HAS BEEN THE RECENT EXPERIENCE IN THE U.S. CAPITAL**
12 **MARKETS?**

13 A. In the past 10 years, inflation and capital market costs have generally declined.
14 Interest rates have been lower than in previous decades. Past inflation, as
15 measured by the Consumer Price Index, has been at relatively low levels in the past
16 10 years.

17 The roughly 6 year span of economic expansion after the 2001 recession
18 began to wane in 2007. Year-over-year Gross Domestic Product (“GDP”) growth¹
19 for 2005, 2006, and 2007 was 3.6 percent, 3.1 percent, and 2.7 percent,
20 respectively. GDP growth was, in part, spurred on by low interest rates during this
21 period. The Federal Reserve, having lowered the target Federal Funds rate to 1.0
22 percent by the end of 2003, began raising interest rates in 2004 to help keep the
23 economy from overheating and to help keep inflation in check. By mid-2006, the
24 Federal Reserve had raised the target Federal Funds rate to 5.25 percent.

25
26

¹ GDP percentage change based on current dollars (1930-2008).

1 The economic expansion was broad, taking in the major consumer and
2 industrial sectors for much of its span. However, economic expansion also brought
3 excesses, particularly in the areas of housing, lending practices, and the financial
4 markets.

5 Economic growth slowed in 2007. For 2007, the year-over-year GDP
6 growth had dropped to 2.1 percent with the last quarter of 2007 at a negative 0.2
7 percent. The slow economic growth combined with the excesses during the
8 economic expansion of the previous six years created turmoil in the credit,
9 financial, and housing markets.

10 In order to address the weakening economy, the Federal Reserve, starting in
11 September 2007, took a series of rate cut actions (525 basis points). The reductions
12 in interest rates by the Federal Open Market Committee ("FOMC") were taken in
13 order to promote economic growth and to mitigate risks to economic activity. The
14 target Federal Funds rate stands at zero to .25 percent.

15 GDP growth for the four quarters of 2008 was 0.9 percent, 2.8 percent,
16 negative 0.5 percent, and negative 6.3 percent, respectively. Year-over-year GDP
17 growth for 2008 was 0.4 percent. GDP growth for the first quarter of 2009 was
18 negative 5.5 percent and the estimate for the second quarter is a negative 1.3
19 percent. The recent recession was deep, costing millions of job losses across a
20 number of industries. However, many economists are growing more optimistic
21 about the pace of economic growth later this year. According to the Value Line
22 Investment Survey (August 28, 2009), the recession seems to have run its course.
23 The Blue Chip Financial Forecast ("Blue Chip") consensus forecasts (August 1,
24 2009) of real GDP growth for the third and fourth quarter of 2009 are expected to
25 be a 0.9 percent and 1.4 percent, respectively. While economic growth is expected
26 to improve in the second half of 2009, recovery is expected to be slow as there are

1 risks to the U.S. economy from still overly leveraged households, a banking system
2 still saddled with toxic assets, ballooning federal deficits, the failure of the housing
3 market to stabilize in the year ahead, and continued weakness in business and
4 consumer spending.

5 **Q. WHAT ABOUT THE STATUS OF THE CREDIT MARKETS?**

6 A. Federal Reserve Chairman Ben Bernanke noted in Congressional testimony late
7 last year that financial markets were under considerable stress and that broader
8 retrenchment in the willingness of investors to bear risk, troubles in the credit
9 markets and a weaker outlook of economic growth have added to the stresses on
10 economic growth. After the Federal Reserve lowered the target federal funds rate
11 to zero to 25 basis points in late 2008, the three month Treasury bill yields dropped
12 to near zero, and yields on the two, five, ten and thirty year yield treasuries fell to
13 the lowest levels since the Treasury began regular sales of the securities. More
14 recently, however, yields on longer dated Treasury yields have risen to levels that
15 are 60-130 basis points over their December 2008 levels. Some analysts attribute
16 the run up in yields to rising jitters among investors about the tidal wave of Federal
17 debt issued earlier this year and to the expected debt to be issued to fund the
18 massive \$800 billion "stimulus" package recently enacted by Congress and signed
19 by the President and to the expected additional billions of dollars above the already
20 authorized \$750 billion Trouble Asset Repurchase Program ("TARP") passed last
21 year to address the weaknesses in the credit markets.

22 Arguably, the recent turmoil in the credit markets, the ballooning federal
23 deficits, and weakness in business and consumer spending will continue to have a
24 significant drag on the economy. The current capital markets reflect the
25 uncertainty and relatively low confidence of investors in the financial markets, in
26 the future prospects of strong economic growth, and concerns over higher inflation

1 over the next several years. Naturally, despite relatively low U.S. Treasury yields
2 over the past several years, the premiums required for investors to hold and buy
3 securities is much higher than in the recent past due to this uncertainty.

4 **Q. IS THERE A RELATIONSHIP BETWEEN THE COST OF EQUITY AND**
5 **INTEREST RATES?**

6 A. Yes. All things being equal, the cost of equity moves in the same direction as
7 interest rates. Lower interest rates on U.S. Treasuries (“risk-free” rate) imply
8 lower equity returns and visa versa. However, as indicated by Equation 1 above,
9 the risk premium required to compensate investors also impacts the cost of equity.
10 Higher risk premiums required by investors imply higher equity costs and visa
11 versa. Risk premiums are impacted by uncertainty in future interest rates, business
12 and economic conditions, expected inflation, and other risk factors including
13 interest rate risk, business risk, regulatory risk, financial risk, construction risk, and
14 liquidity risk.

15 The flight to quality and low risk investments as the stock market began to
16 tumble last year drove treasury yields to very low levels. But, as noted earlier, the
17 federal government has and is expected to significantly increase its borrowing in
18 order to “stimulate” the economy and address systemic problems in the credit
19 markets. This in turn, has resulted in increasing yields on Treasuries as investors
20 get jittery about the risks of the massive debt load the federal government is taking
21 on.

22 **Q. IS BVWC AFFECTED BY THESE SAME MARKET UNCERTAINTIES**
23 **AND CONCERNS?**

24 A. Yes, in general, all investors are impacted by bad economic news, and BVWC’s
25 investors are not immune to uncertainty. In the current economic environment,
26 even large publicly traded companies felt the impact. Investment grade bond (Baa)

1 yields rose to over 9 percent towards the end of last year and have remained
2 relatively high. Currently investment grade bond yields are around 6.5 percent
3 (August 21, 2009). Utilities are not immune to the higher capital costs of the
4 current economic environment either. The average beta (a measurement of market
5 risk) for the water utility sample companies has risen significantly over the past
6 couple of years.

7 As discussed above, capital costs have risen significantly over the past year
8 or so. And, smaller utilities like BVWC generally feel the impact worse because
9 they are small, with a small customer base and an inability to attract capital.

10 **Q. WHAT ARE THE RECENT DEVELOPMENTS IN THE WATER UTILITY**
11 **INDUSTRY AFFECTING UTILITY INVESTMENTS AND THE MARKET?**

12 **A.** On the whole, the water utility industry is expected to continue to confront
13 increasing infrastructure demand. According to the *Value Line Investment Survey*,
14 many utilities have facilities that are decades old and in need of significant
15 maintenance and, in some cases, massive renovation and replacement. In addition,
16 the U.S. E.P.A. and state and local regulators continue to impose more stringent
17 environmental quality and operational standards, such as new maximum
18 contaminant levels for public drinking water systems. Additional operational
19 requirements have also been imposed to address the threat of bio-terrorism on U.S.
20 water systems. As infrastructure costs continue to climb, many smaller companies
21 are at a serious disadvantage. Without sufficient resources to fund improvements
22 to meet new and more stringent requirements, many smaller companies are being
23 forced to sell to larger utilities, which have greater operational flexibility and
24 resources, as well as access to capital.

1 Q. WOULD YOU PLEASE DISCUSS IN MORE DETAIL THE IMPACT OF
2 RISK ON CAPITAL COSTS?

3 A. With reference to specific utilities, risk is often discussed as consisting of two
4 separate types of risk: business risk and financial risk.

5 Business risk, the basic risk associated with any business undertaking, is the
6 uncertainty associated with the enterprise's day-to-day operations. In essence, it is
7 a function of the normal day-to-day business environment, both locally and
8 nationally. Business risks include the condition of the economy and capital
9 markets, the state of labor markets, regional stability, government regulation,
10 technological obsolescence, and other similar factors that may impact demand for
11 the business product and its cost of production. For utilities, business risk also
12 includes the volatility of revenues due to abnormal weather conditions, degree of
13 operational leverage, regulation, and regulatory climate. Regulation, for example,
14 can compound the business risk if it is unpredictable in reacting to cost increases
15 both in terms of the time lag and magnitude. Regulatory lag makes it difficult to
16 earn a reasonable return particularly in an inflationary environment and/or when
17 there is significant lag between the timing of investment in capital projects and its
18 recognition in rates. Put simply, the greater the degree of uncertainty regarding the
19 various factors affecting a company's business, the greater the risk of an
20 investment in a company and the greater the compensation required by the
21 investor.

22 Financial risk, on the other hand, concerns the distribution of business risk
23 to the various capital investors in the utility. As I discussed earlier, permanent
24 capital is normally divided into three categories: long-term debt, preferred stock,
25 and common equity. Because common equity owners have only a residual claim
26 on earnings after debt and preferred stockholders are paid, financial risk tends to be

1 concentrated in that element of the firm's capital. Thus, a decision by management
2 to raise additional capital by issuing additional debt concentrates even more of the
3 financial risk of the utility in the common equity owners.

4 An important component of financial risk is construction risk. Construction
5 risk refers to the magnitude of a company's capital budget. If a company has a
6 large construction budget relative to internally generated cash flows it will require
7 external financing. It is important that companies have access to capital funds on
8 reasonable terms and conditions. Utilities are more susceptible to construction risk
9 for two reasons. First, utilities generally have high capital requirements to build
10 plant to serve customers. Second, utilities have a mandated obligation to serve,
11 leaving less flexibility both in the timing and discretion of scheduling capital
12 projects. This is compounded by the limited ability to wait for more favorable
13 market conditions to raise the capital necessary to fund the capital projects.

14 Although often discussed separately, the two types of risks (business and
15 financial) are interrelated. Specifically, a common equity investor may seek to
16 offset exposure to high financial risk by investing in a firm perceived to have a low
17 degree of business risk. In other words, the total risk to an investor would be high
18 if the enterprise was characterized as a high business risk with a large portion of its
19 permanent capital financed with senior debt. To attract capital under these
20 circumstances, the firm would have to offer higher rates of return to its common
21 equity investors.

22 **IV. THE MEANING OF "JUST AND REASONABLE" RATE OF RETURN**

23 **Q. HAVE THE COURTS SET FORTH ANY CRITERIA THAT GOVERN THE**
24 **RATE OF RETURN THAT A UTILITY'S RATES SHOULD PRODUCE?**

25 A. Yes. In 1923, the U.S. Supreme Court set forth the following criteria for
26 determining whether a rate of return is reasonable in *Bluefield Water Works and*

1 *Improvement Co. v. Public Service Commission of West Virginia*, 262 U.S. 679,
2 692-93 (1923):

3 A public utility is entitled to such rates as will permit it to earn a
4 return on the value of the property which it employs for the
5 convenience of the public equal to that generally being made at the
6 same time and in the same general part of the country on investments
7 on other business undertaking which are attended by corresponding
8 risks and uncertainties The return should be reasonably sufficient
9 to assure confidence in the financial soundness of the utility and
 should be adequate, under efficient and economical management to
 maintain and support its credit and enable it to raise money necessary
 for the proper discharge of its public duties. A rate of return may be
 reasonable at one time and become too high or too low by changes
 affecting opportunities for investment, the money market, and
 business conditions generally.

10 In summary, under *Bluefield Water Works*:

- 11 (1) The rate of return should be similar to the return in businesses with
12 similar or comparable risks;
- 13 (2) The return should be sufficient to ensure the confidence in the
14 financial integrity of the utility; and
- 15 (3) The return should be sufficient to maintain and support the utility's
16 credit.

17 **Q. HAVE THESE CRITERIA BEEN APPLIED IN REGULATORY**
18 **PROCEEDINGS?**

19 A. Yes, but the application of the "reasonableness" criteria laid down by the U.S.
20 Supreme Court has resulted in controversy. The typical method of computing the
21 overall cost of capital is quite straightforward: it is the composite, weighted cost of
22 the various classes of capital (debt, preferred stock, and common equity), used by
23 the utility. The weighting is done by calculating the proportion that each class of
24 capital bears to total capital. However, there is no consensus regarding the best
25 method of estimating the cost of equity capital. The increasing regulatory
26 emphasis on objectivity in determining the rate of return has resulted in a

1 proliferation of market-based finance models that are used in equity return
2 determination. As will be discussed more fully below, however, none of these
3 models are universally accepted as the "correct" means of estimating the ROE.

4 **V. THE ESTIMATED COST OF EQUITY FOR BVWC**

5 **A. The Publicly Traded Utilities That Comprise the Sample Group Used to**
6 **Estimate BVWC's Cost of Equity.**

7 **Q. PLEASE BRIEFLY DESCRIBE THE APPROACH YOU FOLLOWED IN**
8 **YOUR COST OF CAPITAL ANALYSIS FOR BVWC.**

9 A. As I have stated, estimating the cost of equity is a matter of informed judgment.
10 The development of an appropriate rate of return for a regulated enterprise involves
11 a determination of the level of risk associated with that enterprise and the
12 determination of an appropriate return for that risk level. Practitioners employ
13 various techniques that provide a link to actual capital market data and assist in
14 defining the various relationships that underlie the equity cost estimation process.

15 Since BVWC is not publicly traded, the information required to directly
16 estimate BVWC's cost of equity is not available. Accordingly, I used a sample
17 group of water utilities as a starting point to develop an appropriate cost of equity
18 for BVWC. There are six water utilities included in the sample group: American
19 States Water, Aqua America, California Water, Connecticut Water, Middlesex
20 Water, and SJW Corp. All these companies are followed by the *Value Line*
21 *Investment Survey*.

22 **Q. ARE THE WATER UTILITIES IN YOUR SAMPLE DIRECTLY**
23 **COMPARABLE TO BVWC?**

24 A. No, but they are utilities for which market data is available. All of them are
25 regulated, they primarily provide water service, although some provide both water
26 and wastewater services, and their primary source of revenues is from regulated

1 services. Therefore, they provide a useful starting point for developing a cost of
2 equity for BVWC. I emphasized “starting point” because BVWC is not publicly
3 traded. Additionally, there is no market data available for smaller utilities, like
4 BVWC, that can be used to develop cost of equity estimates.

5 **Q. DOES THE MARKET DATA PROVIDED BY THE WATER UTILITY**
6 **SAMPLE CAPTURE ALL OF THE MARKET RISKS THAT BVWC**
7 **MIGHT FACE IF IT WERE PUBLICLY TRADED?**

8 A. In my opinion, no. As I stated, there is no comparable market data for utility
9 companies the size of BVWC. The average revenue of the water utility sample
10 companies is nearly 84 times that of BVWC, and the average net plant of the water
11 utility sample companies is nearly 66 times that of BVWC. Even the smallest
12 company in the sample group, Connecticut Water, has over 18 times the net plant
13 of BVWC, and 19 times the revenues.

14 **Q. PLEASE PROVIDE A GENERAL DESCRIPTION OF THE WATER**
15 **UTILITIES IN YOUR SAMPLE.**

16 A. Schedule D-4.2 lists the operating revenues and net plant for the six water utilities
17 as reported by AUS Utility Reports (formerly C.A. Turner Utility Reports) and
18 BVWC. In addition, below is a general description of each of the companies:

- 19 (1) American States Water (AWR) primarily serves the California
20 market through Golden State Water Company, which provides water
21 services to over 254,000 customers within 75 communities in 10
22 counties in the State of California, primarily in Los Angeles, San
23 Bernardino, and Orange counties. It has one subsidiary serving the
24 Arizona market with approximately 13,000 customers in Fountain
25 Hills and Scottsdale. AWR also owns an electric utility service
26 provider with over 23,000 customers, but approximately 91 percent

1 of its revenues were derived from commercial and residential water
2 customers. Revenues for American States were \$318.7 million in
3 2008 and net plant nearly \$724 million at the end of 2008.

4 (2) Aqua America (WTR) owns regulated utilities in Pennsylvania,
5 Ohio, North Carolina, Illinois, Texas, New Jersey, Florida, Indiana,
6 Virginia, Maine, Missouri, New York, and South Carolina, serving
7 over 945,000 customers at the end of 2008. WTR's utility base is
8 diversified among residential water, commercial water, fire
9 protection, industrial water, other water, and wastewater customers.
10 Total revenues for WTR were nearly \$627 million in 2008 and net
11 plant was nearly \$2.58 billion at the end of 2008.

12 (3) California Water Service Group (CWT) owns subsidiaries in
13 California, New Mexico, Washington, and Hawaii serving over
14 180,000 customers. The California operations account for over 95
15 percent of customers and over 96 percent of operating revenues.
16 Revenues for CWT were over \$410 million in 2008 and net plant
17 nearly \$1 billion at the end of 2008.

18 (4) Connecticut Water Services (CTWS) owns subsidiaries in
19 Connecticut and Massachusetts serving over 87,000 customers.
20 Revenues for CTWS were over \$61 million in 2008 and net plant
21 over \$250 million at the end of 2008.

22 (5) Middlesex Water (MSEX) owns subsidiaries in New Jersey and
23 Delaware serving over 105,000 customers and provides water service
24 under contract to municipalities in central New Jersey to a population
25 of over 267,000. Revenues for MSEX were over \$91 million in 2008
26 and net plant was over \$312 million at the end of 2008.

1 (6) SJW Corp. (SJW) owns San Jose Water, which provides water
2 service in a 138 square mile area in San Jose, California, and
3 surrounding communities. Revenues for SJW were over \$220
4 million in 2008 and net plant was over \$492 million at the end of
5 2008.

6 **Q. HOW DOES BVWC COMPARE TO THE SAMPLE WATER UTILITIES?**

7 A. It is smaller. At the end of the test year, BVWC had approximately 8,500
8 customers. Its revenues totaled approximately \$3.5 million, and its net plant-in-
9 service was approximately \$3.7 million. BVWC is located in Cochise County and
10 has a relatively small service territory compared to the sample water companies.

11 **Q. ARE THERE OTHER FACTORS FOR SMALLER UTILITIES, LIKE**
12 **BVWC, WHICH INCREASE RISK?**

13 A. Yes. Because smaller utilities like BVWC are not publicly traded, they have less
14 financial flexibility, which in turn increases risk. BVWC does not have access to
15 the public equity markets and this lack of financial flexibility increases risk
16 because it has no choice but to rely on retained earnings, short-term debt, and
17 privately placed bonds to provide capital for plant improvements and additions
18 necessary to ensure safe and reliable water service to its customers. Further,
19 BVWC does not have a market to issue common stock to the public to raise capital.

20 Water utilities are capital intensive and typically have large construction
21 budgets. BVWC's construction budget for the next three years is over
22 \$2.7 million. As discussed on page 13 of my testimony, firms with large capital
23 budgets face construction risk (a form of financial risk). The size of a utility's
24 capital budget relative to the size of the utility itself often increases construction
25 risk. Larger utilities may be able to fund large capital budgets from earnings and
26 short-term borrowings. For smaller utilities like BVWC, the ability to fund

1 relatively large capital budgets from earnings and short-term debt is difficult to
2 obtain, requiring that additional capital be raised. However, the ability to raise
3 additional capital is in and of itself challenging and compounded by a limited
4 ability to access capital, an obligation to serve, and a limited ability to wait for
5 more favorable market conditions to raise the capital necessary to fund necessary
6 capital projects.

7 **Q. WHAT OTHER RISK FACTORS DISTINGUISH BVWC FROM THE**
8 **LARGER SAMPLE WATER UTILITIES?**

9 A. There are a number of state specific factors that increase the risk to Arizona's
10 private water and wastewater utilities.

11 First, the regulatory environment in which BVWC operates is much
12 different than that of the sample water utilities. Arizona's private water and
13 wastewater utilities face legal constraints that limit their ability to obtain rate relief
14 outside of a general rate case in which the "fair value" of the utility's property is
15 determined and used to set rates. The Arizona Constitution, as interpreted in court
16 decisions, limits the ability of Arizona utilities to utilize adjustment mechanisms,
17 advice letter filings and other streamlined procedures to obtain recovery of costs
18 outside a general rate case, in contrast to many other jurisdictions.

19 Second, the Commission requires the use of an historic test year with
20 limitations on the amount of out-of-period adjustments. This process creates
21 another state-specific factor that increases risk and thus required ROEs for utilities
22 in Arizona. In fact, three out of the six sample water companies operate primarily
23 in California – American States, California Water and SJW Corp. California uses
24 future test years to help better match plant investment and revenues and expenses
25 going forward - the period in which rates will be in effect. California also allows
26 the use of balancing accounts on major operating expenses like purchased power

1 and purchased water to help utilities recover expenses that are beyond their control.
2 A fourth utility in the sample group, Aqua America, has regulatory mechanisms
3 available to it to help reduce risk. In six states in which Aqua America operates
4 water utilities, and two states in which Aqua America operates wastewater utilities,
5 regulatory bodies permit it to add a surcharge to water or wastewater bills to offset
6 the additional depreciation and capital costs associated with certain capital
7 expenditures related to replacing and rehabilitating infrastructure systems. Aqua
8 America also operates in jurisdictions in which it may bill utility customers in
9 accordance with a rate filing that is pending before the respective regulatory
10 commission as well as jurisdictions that authorize the use of expense deferrals and
11 amortization in order to provide for an impact on its operating income by an
12 amount that approximates the requested amount in a rate request. In addition,
13 certain states in which Aqua America operates use a surcharge or credit on bills to
14 reflect changes in certain costs, such as changes in state tax rates, other taxes and
15 purchased water, until such time as the costs are incorporated into base rates.

16 **Q. IT DOESN'T APPEAR THAT BVWC IS ACTUALLY COMPARABLE TO**
17 **THE SAMPLE WATER UTILITIES.**

18 **A.** It really is not for the reasons I have stated. Constraints on the rate making process
19 in Arizona make it difficult to obtain approval of rates that allow Arizona's private
20 water and wastewater utilities to recover the costs of service they will actually
21 incur during the period when new rates are put in place, which can be several years
22 beyond the test year. Risks are higher for BVWC, and the required return on
23 equity should be above the level required by water utilities that operate in states
24 that do not have such limitations imposed, either by law or by agency policy, on
25 the rate-setting system. Unfortunately, as I testified, the approaches commonly
26 used to estimate a utility's cost of equity require market data, which is not available

1 for smaller companies and utilities operating exclusively in Arizona, like BVWC.
2 As a result, much larger, public companies must be used as proxies.

3 But the emphasis on proxy is very important. The criteria established by the
4 Supreme Court in decisions such as *Bluefield Water Works* require the use of
5 comparable companies, i.e., companies that would be viewed by investors as
6 having similar risks. A rational investor would not regard BVWC as having the
7 same level of risk as Aqua America or even Connecticut Water. Consequently, the
8 results produced by the DCF and CAPM methodologies, utilizing data for the
9 sample utilities, often understates the appropriate return on equity for a regulated
10 water utility provider.

11 **Q. YOU PREVIOUSLY DISCUSSED FINANCIAL RISK, WHICH IS**
12 **RELATED TO A FIRM'S CAPITAL STRUCTURE. HOW DO THE**
13 **CAPITAL STRUCTURES OF THE SAMPLE WATER UTILITIES**
14 **COMPARE TO BVWC?**

15 A. Schedule D-4.3 shows that the capital structure of BVWC on March 31, 2009
16 contains 27.8 percent debt and 72.2 percent equity, compared to the average of the
17 water utility sample of 46.9 percent debt and 53.1 percent equity.

18 **Q. IS THERE A RELATIONSHIP BETWEEN A UTILITY'S CAPITAL**
19 **STRUCTURE AND ITS COST OF CAPITAL?**

20 A. Yes. Generally, when a firm engages in debt financing, it exposes itself to greater
21 risk. Once debt becomes significant relative to the total capital structure, the risk
22 increases in a geometric fashion compared to the linear percentage increase in the
23 debt ratio itself. This risk is illustrated by considering the effect of leverage on net
24 earnings. For example, as leverage increases, the equity ratio falls. This creates
25 two adverse effects on the investor. First, equity earnings decline rapidly and may
26 even disappear. Second, the "cushion" of equity protection for debt falls. A

1 decline in the protection afforded debt holders, or the possibility of a serious
2 decline in debt protection, will act to increase the cost of debt financing.
3 Therefore, one may conclude that each new financing, whether through debt or
4 equity, impacts the marginal cost of future financing by any alternative method.
5 For a firm already perceived as being over-leveraged, this additional borrowing
6 would cause the marginal cost of both equity and debt to increase. On the other
7 hand, if the same firm instead employed equity funding, this could actually reduce
8 the real marginal cost of additional borrowing, even if the particular equity
9 issuance occurred at a higher unit cost than an equivalent amount of debt.

10 Having less debt in its capital structure implies that BVWC has less
11 financial risk than the water utility sample, which may offset the other factors that
12 make BVWC more risky than the sample group. However, smaller utilities cannot
13 support the same level of debt as larger utilities and smaller utilities tend to have
14 less debt in their capital structures as a result. Smaller utilities face higher business
15 and operational risk as compared to larger utilities which magnify the financial risk
16 of higher debt levels in their capital structures.

17 **B. Overview of the DCF and CAPM Methodologies**

18 **Q. PLEASE EXPLAIN THE GENERAL APPROACHES TO ESTIMATING**
19 **THE COST OF CAPITAL.**

20 **A.** There two broad approaches:

- 21 1) identify comparable-risk sample companies and estimate the cost of
22 capital directly, and,
- 23 2) find the location of the CML and estimate the relative risk of the
24 company that jointly determines the cost of capital.

25 The DCF model is an example of a method falling into the first general
26 approach. It is a direct method, but uses only a subset of the total capital market

1 evidence. The DCF model rests on the premise that the fundamental value of an
2 asset (stock) is its ability to generate future cash flows to the owner of that asset
3 (stock). I will explain the DCF model in more detail later. For now, the DCF is
4 simply the sum of a stock's expected dividend yield and the expected long-term
5 growth rate. Dividend yields are readily available, but long-term growth estimates
6 are more difficult to obtain.

7 The CAPM is an example of a method falling into the second general
8 approach. It uses information on all securities rather than a small subset. I will
9 explain the CAPM in more detail later. For now, the CAPM is a risk-return
10 relationship, often depicted graphically as the CML. The CAPM is the sum of a
11 risk-free return and a risk premium.

12 Each of these two methods has its own way of measuring investor
13 expectations. In the final analysis, ROE estimates are subjective and should be
14 based on sound, informed judgment rationally articulated and supported by
15 competent evidence. I have applied several versions of the DCF, and two versions
16 of the CAPM to "bracket" the fair cost of equity capital for BVWC, but without
17 taking into account the additional risks that BVWC possesses.

18 **C. Explanation of the DCF Model and Its Inputs**

19 **Q. PLEASE EXPLAIN THE DCF METHOD OF ESTIMATING THE COST OF**
20 **EQUITY.**

21 **A.** The DCF model is based on the concept that the current price of a share of stock is
22 equal to the present value of future cash flows from the purchase of the stock. In
23 other words, the DCF model is an attempt to replicate the market valuation process
24 that sets the price investors are willing to pay for a share of a company's stock. It
25 rests on the assumption that investors rely on the expected returns (i.e., cash flow
26

1 they expect to receive) to set the price of a security. The DCF model in its most
2 general form is:

$$3 \quad [2] \quad P_0 = CF_1/(1+k) + CF_2/(1+k)^2 + \dots + CF_n/(1+k)^n$$

4 where k is the cost of equity; n is a very large number; P_0 is the current stock price;
5 and, CF_1, CF_2, \dots, CF_n are all the expected future cash flows expected to be received
6 in periods 1, 2, ... n .

7 Equation (2) can be written to show that the current price (P_0) is also equal
8 to

$$9 \quad [3] \quad P_0 = CF_1/(1+k) + CF_2/(1+k)^2 + \dots + P_t/(1+k)^t$$

10 where P_t is the price expected to be received at the end of the period t . If the future
11 price (P_t) included a premium (an expected increase in the stock price or capital
12 gain), the price the investor would pay today in anticipation of receiving that
13 premium would increase. In other words, by estimating the cash flows from the
14 purchase of a stock in the form of dividends and capital gains, we can calculate the
15 investor's required rate of return, i.e., the rate of return an investor presumptively
16 used in bidding the current price to the stock (P_0) to its current level.

17 Equation [3] is a Market Price version of the DCF model. As with the
18 general form of the DCF model in equation [2], in the Market Price approach the
19 current stock price (P_0) is the present value of the expected cash inflows. The cash
20 flows are comprised of dividends and the final selling price of the stock. The
21 estimated cost of equity (k) is the rate of return investors expect if they bought the
22 stock at today's price, held the stock and received dividends through the transition
23 period, and then sold it for price (P_t).

24 **Q. CAN YOU PROVIDE AN EXAMPLE TO ILLUSTRATE THE MARKET**
25 **PRICE VERSION OF THE DCF MODEL?**

26 **A.** Yes. Assume an investor buys a share of common stock for \$40. If the expected

1 dividend during the coming year is \$2.00, then the expected dividend yield is 5
2 percent ($\$2.00/\$40 = 5.0$ percent). If the stock price is also expected to increase to
3 \$43.00 after one year, this \$3.00 expected gain adds an additional 7.5 percent to the
4 expected total rate of return ($\$3.00/\$40 = 7.5$ percent). Thus, the investor buying
5 the stock at \$40 per share, expects a total return of 12.5 percent (5 percent dividend
6 yield plus 7.5 percent price appreciation). The total return of 12.5 percent is the
7 appropriate measure of the cost of capital because this is the rate of return that
8 caused the investor to commit \$40 of his capital by purchasing the stock.

9 **Q. PLEASE CONTINUE WITH YOUR DESCRIPTION OF THE DCF**
10 **MODEL.**

11 A. Under the assumption that future cash flows are expected to grow at a constant rate
12 (“g”), equation [2] can be solved for k and rearranged into the simple form:

$$13 \quad [4] \quad k = CF_1/P_0 + g$$

14 where CF_1/P_0 is the expected dividend yield and g is the expected long term
15 dividend (price) growth rate (“g”). The expected dividend yield is computed as the
16 ratio of next period’s expected dividend (“ CF_1 ”) divided by the current stock price
17 (“ P_0 ”). This form of the DCF model is known as the constant growth DCF model
18 and recognizes that investors expect to receive a portion of their total return in the
19 form of current dividends and the remainder through future dividends and capital
20 (price) appreciation. A key assumption of this form of the model is that investors
21 expect that same rate of return (k) every year and that market price grows at the
22 same rate as dividends. This has not been historically true for the water utility
23 sample, as shown by the data in Schedule D-4.4 and Schedule D.4.5. As a result,
24 estimates of long-term growth rates (g) should take this into account.

1 **Q. ARE THERE ANY GENERAL CONCERNS ABOUT APPLYING THE DCF**
2 **MODEL TO UTILITY STOCKS?**

3 A. There are a number of reasons why caution must be used when applying the DCF
4 model to utility stocks. First, the stock price and dividend yield component may be
5 unduly influenced by structural changes in the industry, such as mergers and
6 acquisitions, which influence investor expectations. Second, the DCF model is
7 based on a number of assumptions which may not be realistic given the current
8 capital market environment. The traditional DCF model assumes that the stock
9 price, book value, dividends, and earnings all grow at the same rate. This has not
10 been historically true for the sample water utility companies. Third, the application
11 of the DCF model produces estimates of the cost of equity that are consistent with
12 investor expectations only when the market price of a stock and the stock's book
13 value are approximately the same. The DCF model will understate the cost of
14 equity when the market-to-book ratio exceeds 1.0 and conversely will overstate the
15 cost of equity when the market-to-book ratio is less than 1.0. The reason for this is
16 that the market-derived return produced by the DCF is often applied to book value
17 rate base by regulators. Fourth, the assumption of a constant growth rate may be
18 unrealistic, and there may be difficulty in finding an adequate proxy for the growth
19 rate. Historical growth rates can be downward biased as a result of the impact of
20 anemic historical growth rates in earnings, mergers and acquisitions, restructuring,
21 unfavorable regulatory decisions, and even abnormal weather patterns. Further, by
22 placing too much emphasis on the past, the estimation of future growth becomes
23 circular.

24
25
26

1 **Q. LET'S TURN TO THE SPECIFIC INPUTS USED IN YOUR DCF MODELS.**
2 **WHAT DATA HAVE YOU USED TO COMPUTE THE EXPECTED**
3 **DIVIDEND YIELD (CF_1/P_0) IN YOUR MODELS?**

4 A. First, I computed a current dividend yield (CF_0/P_0). The expected dividend yield
5 (CF_1/P_0) is the current dividend yield (CF_0/P_0) times one plus the growth rate (g). I
6 used the spot price for each of the stocks of the water utilities in the sample group
7 as reported by the Value Line Investment Analyzer for August 21, 2009 for P_0 .
8 The current dividend (CF_0) is the dividend for the next year as reported by Value
9 Line. In my schedules, the current dividend yield is denoted as (D_0/P_0), where D_0
10 is the current dividend and P_0 is the spot stock price. (D_1/P_0) is used to denote the
11 expected dividend yield in the schedules.

12 **Q. WHAT MEASURES OF GROWTH ("g") HAVE YOU USED?**

13 A. For my primary DCF growth estimate, I have used analyst growth forecasts, where
14 available, from four different, widely-followed sources: *Zack's Investment*
15 *Research*, *Morningstar*, *Yahoo Finance*², and *Value Line Investment Survey*.
16 Schedule D-4.6 reflects the analyst estimates of growth. The currently available
17 estimates from these four sources provide at least two estimates for each of the
18 sample water utility companies. When there is no estimate of forward-looking
19 growth for a utility in the water utilities sample, I have assumed investors expect
20 the growth for that utility to equal the average of growth rates for the other water
21 utilities in the sample.

22 **Q. WHY DID YOU USE FORECASTED GROWTH RATES AS YOUR**
23 **PRIMARY ESTIMATE OF GROWTH?**

24 A. The DCF model requires estimates of growth that investors expect in the future and
25

26 ² Yahoo Finance analyst estimates provided by Thompson Financial.

1 not past estimates of growth that have already occurred. Accordingly, I use as a
2 primary estimate of growth analysts' forecasts of growth. Logically, in estimating
3 future growth, financial institutions and analysts have taken into account all
4 relevant historical information on a company as well as other more recent
5 information.³ To the extent that past results provide useful indications of future
6 growth prospects, analysts' forecasts would already incorporate that information.
7 In addition, a stock's current price reflects known historic information on that
8 company, including its past earnings history. Any further recognition of the past
9 will double count what has already occurred. Therefore, forward-looking growth
10 rates should be used.

11 **Q. WHAT OTHER ESTIMATES OF GROWTH DID YOU USE?**

12 A. I use the 5-year historical average growth rates in the stock price, book value per
13 share ("BVPS"), earnings per share ("EPS") and dividends per share ("DPS")
14 along with the average of analyst expectations. Using the historical average of
15 price, BVPS, EPS, and EPS growth is reasonable because investors know that, in
16 equilibrium, common stock prices, BVPS, EPS and DPS will all grow at the same
17 rate and would take information about changes in stock prices and growth in BVPS
18 into account when they price utilities' stocks. As I stated earlier, a basic
19 assumption of the DCF model is that the stock price, BVPS, EPS and DPS all grow
20 at the same rate. While I believe this growth rate gives further recognition to the
21 past that is already incorporated into analyst estimates of growth, I have been
22

23 ³ David A. Gordon, Myron J. Gordon and Lawrence I. Gould, "Choice Among Methods of
24 Estimating Share Yield," *Journal of Portfolio Management* (Spring 1989) 50-55. Gordon,
25 Gordon and Gould found that a consensus of analysts' forecasts of earnings per share growth for
26 the next five years provides a more accurate estimate of growth required in the DCF model than
three different historical measures of growth (historical EPS, historical DPS, and historical
retention growth). They explain that this result makes sense because analysts would take into
account such past growth as indicators of future growth as well as any new information.

1 criticized by Staff in the past for not giving direct consideration to past growth
2 rates in my estimate of growth.

3 **Q. WHAT OTHER CONCERNS DO YOU HAVE ON THE USE OF**
4 **HISTORICAL DPS GROWTH IN YOUR DCF ESTIMATE OF GROWTH?**

5 A. Although I have used historical DPS growth in my estimate, I believe the use of
6 historical DPS growth depresses the growth rate. Attachment 1 shows the constant
7 growth DCF results using historical DPS growth. The result is 6.9 percent. While
8 this is above the current cost of investment grade bonds at 6.5 percent, four of the
9 six indicated cost of equity estimates are well below the cost of investment grade
10 bonds. It is important to keep in mind that there is a great deal of empirical
11 evidence demonstrating that, on average, stocks are riskier than bonds and achieve
12 higher returns. Morningstar, for example, annually publishes its comprehensive
13 study of historical returns on stocks and bonds.⁴

14 Putting aside the potential distortions to the result produced by the DCF
15 model caused by structural changes to the industry and abnormal weather
16 conditions, it does not make sense to employ growth rates that result in indicated
17 equity returns less than the cost of debt, especially when those results fly in the
18 face of a large body of empirical evidence. Investors would not bid up the price of
19 a utility stock if the expected return is equivalent to returns on bonds and other debt
20 investments. As the CML depicted previously illustrates, common stocks are
21 higher and to the right of investment grade bonds on the CML continuum because
22 they are riskier investments. Again, the empirical evidence supports this
23 conclusion. The results using historical DPS growth are unreasonable.

24
25
26 ⁴ Morningstar, *Ibbotson SBBi 2009 Valuation Yearbook*.

1 **Q. WHY DID YOU NOT USE ANALYST ESTIMATES OF DPS GROWTH?**

2 A. Primarily because only one source provides dividend growth estimates (*Value*
3 *Line*). Further, *Value Line* only provides estimates for three of the six companies
4 in my proxy group. The lack of analyst DPS estimates makes these estimates very
5 poor proxies for growth.

6 **D. Explanation of the CAPM and Its Inputs**

7 **Q. PLEASE EXPLAIN THE CAPM METHODOLOGY FOR ESTIMATING**
8 **THE COST OF EQUITY.**

9 A. As I already indicated, the CAPM is a type of risk premium methodology that is
10 often depicted graphically in a form identical to the CML. Put simply, the CAPM
11 formula is the sum of a risk-free rate plus a risk premium. It quantifies the
12 additional return required by investors for bearing incremental risk. The risk-free
13 rate is the reward for postponing consumption by investing in the market. The risk
14 premium is the additional return compensation for assuming risk.

15 The CAPM formula provides a formal risk-return relationship premised on
16 the idea that only market risk matters, as measure by beta. The CAPM formula is:

17
$$(7) k = R_f + \beta(R_m - R_f)$$

18 where k is the expected return, R_f is the risk-free rate, R_m is the market return, $(R_f -$
19 $R_m)$ is the market risk premium, and β is beta.

20 The difficulty with the CAPM is that it is a prospective or forward-looking
21 model while most of the capital market data required to match the input variables
22 above is historical.

23 **Q. WHAT IS THE RISK-FREE RATE?**

24 A. It is the return on an investment with no risk. The U.S. Treasury rate serves as the
25 basis for the risk-free rate because the yields are directly observable in the market
26 and are backed by the U.S. government. Practically speaking, short-term rates are

1 volatile, fluctuate widely and are subject to more random disturbances than long-
2 term rates. In short, long-term Treasury rates are preferred for these reasons and
3 because long-term rates are more appropriately matched to securities with an
4 indefinite life or long-term investment horizon.

5 **Q. WHAT IS BETA AND WHAT DOES IT MEASURE?**

6 A. Beta is a measure of the relative risk of a security and the market. In other words,
7 it is a measure of the sensitivity of a security to the market as a whole. This
8 sensitivity is also known as systematic risk. It is estimated by regressing a
9 security's excess returns against a market portfolio's excess returns. The slope of
10 the regression line is the beta.

11 Beta for the market is 1.0. A security with a beta greater than 1.0 is
12 considered riskier than the market. A security with a beta less than 1.0 is
13 considered less risky than the market.

14 There are computational problems surrounding beta. It depends on the
15 return data, the time period used, its duration, the choice of the market index, and
16 whether annual, monthly, or weekly return figures are used. Betas are estimated
17 with error. Based on empirical evidence, high betas will tend to have a positive
18 error (risk is overestimated) and low betas will have a negative error (risk is
19 underestimated).⁵

20 **Q. WHAT DID YOU USE AS THE PROXY OF THE BETA FOR BVWC?**

21 A. I used the average beta of the sample water utility companies. Betas were obtained
22 from *Value Line Investment Analyzer* (August 21, 2009). *Value Line* is the source
23 for estimated betas that I regularly employ along with Arizona Commission Staff
24 and is widely accepted by financial analysts. The average beta as shown on

25 _____
26 ⁵ Eugene F. Fama and Kenneth R. French, "The Capital Asset Pricing Model: Theory and Evidence," *Journal of Economic Perspectives* (Summer 2004) 25-46.

1 Schedule D-4.13 is 0.82. I should note that because BVWC is not publicly traded,
2 BVWC has no beta. I believe that BVWC, if it were publicly traded, would have a
3 higher beta than the sample water utility companies.

4 **Q. WHY?**

5 A. Smaller companies are more risky than larger companies. In Chapter 7 of
6 Morningstar's *Ibbotson SBBI 2009 Valuation Yearbook*, for example, Ibbotson
7 reports that when betas are properly estimated, betas are larger for small companies
8 than for larger companies. As I will explain later, Ibbotson also finds that even
9 after accounting for differences in beta risk, small firms require an additional risk
10 premium over and above the added risk premium indicated by differences in beta
11 risk.

12 **Q. PLEASE EXPLAIN THE MARKET RISK PREMIUM?**

13 A. The market-risk premium ($R_m - R_f$) is the return an investor expects to receive as
14 compensation for market risk. It is the expected market return minus the risk-free
15 rate. Approaches for estimating the market risk premium can be historical or
16 prospective.

17 Since expected returns are not directly observable, historical realized returns
18 are often used as a proxy for expected returns on the basis that the historical market
19 risk premium follows what is known in statistics as a "random walk." If the
20 historical risk premium does follow the random walk, then one should expect the
21 risk premium to remain at its historical mean. Based on this argument, the best
22 estimate of the future market risk premium is the historical mean. Morningstar's
23 *SBBI Valuation Edition 2009 Yearbook* provides historical market returns for
24 various asset classes from 1926 to 2008. This publication also provides market risk
25 premiums over U.S. Treasury bonds, which make it an excellent source for
26 historical market risk premiums.

1 Prospective market risk premium estimation approaches necessarily require
2 examining the returns expected from common equities and bonds. One method
3 employs applying the DCF model to a representative market index such as the
4 Value Line 1700 stocks (the *Value Line* Composite Index). The expected return
5 from the DCF is measured for a number of periods of time, and then subtracted
6 from the prevailing risk-free rate for each period to arrive at market risk premium
7 for each period. The market risk premium subsequently employed in the CAPM is
8 the average market risk premium of the overall period.

9 **Q. HOW MANY MARKET RISK PREMIUM ESTIMATES DID YOU**
10 **PREPARE IN CONNECTION WITH YOUR ASSIGNMENT FOR BVWC?**

11 A. I prepared two market risk premium estimates: An historical market risk premium
12 and a current market risk premium.

13 **Q. HOW DID YOU ESTIMATE THE HISTORICAL MARKET RISK**
14 **PREMIUM?**

15 A. I used the Morningstar's *Ibbotson SBBI 2009 Valuation Yearbook* measure of the
16 average premium of the market over long-term treasury securities from 1926
17 through 2008. The average historical market risk premium over long-term treasury
18 securities is 6.5 percent.

19 **Q. HOW DID YOU ESTIMATE THE CURRENT MARKET RISK PREMIUM?**

20 A. I derived a market risk premium by, first, using the DCF model to compute an
21 expected market return for each of the past 12 months using *Value Line's*
22 projections of the average dividend yield and average price appreciation (growth)
23 on the *Value Line* 1700 Composite Index. I then subtracted the average 30-year
24 Treasury yield for each month from the expected market returns to arrive at the
25 expected market risk premiums. Finally, I averaged the computed market risk
26 premiums to determine the current market risk premium. The data and

1 computations are shown on Schedule D-4.11. The average current market risk
2 premium is 19.76 percent. Estimates of the current market risk premium have
3 increased significantly over the past 6-12 months. In fact, the 6 and 12 month
4 average of the market risk premium is 24.02 and 26.2, respectively. The 24 month
5 estimate is more conservative at 19.76 percent. The increase in the market risk is
6 not surprising given the financial markets and economic conditions of the past
7 couple of years and the continued uncertainty expected in the capital markets in the
8 future.

9 **Q. HAS THE COMMISSION STAFF EMPLOYED A CURRENT MARKET**
10 **RISK PREMIUM IN THE PAST?**

11 A. Yes. However, Staff's estimation of the current market risk premium is somewhat
12 different. Staff uses a DCF model to compute the current market risk premium as I
13 do. However, Staff uses the median annualized projected 3-5 year price
14 appreciation on the *Value Line* 1700 stocks in conjunction the median dividend
15 yield on the *Value Line* 1700 stocks on a specific date.

16 **Q. WHAT DO YOU ADOPT AS THE RETURN FOR THE RISK-FREE RATE?**

17 A. I use long-term Treasury bond rates as the measure of the risk-free return for use
18 with both CAPM and cost of equity estimates. Morningstar's *Ibbotson S&P 500 2009*
19 *Valuation Yearbook* explains on page 47 that the appropriate choice for the risk-
20 free rate is a return that is no less than the expected return for long-term Treasury
21 securities. Thus, when determining an estimate of the risk-free rate, it is
22 appropriate to adopt a return that is no less than the expected return on the long-
23 term Treasury bond rate. Both of my CAPM estimates are based on a projected
24 estimate of the long-term treasury rates for 2011-2012 of 4.80% as shown on
25 Schedule D-4.10. The 2011-2012 timeframe is the period when new rates will be
26 put in place for BVWC.

1 **E. Financial Risk Adjustment**

2 **Q. PLEASE EXPLAIN YOUR FINANCIAL RISK ADJUSTMENT TO**
3 **REFLECT BVWC'S LOWER LEVEL OF DEBT IN ITS CAPITAL**
4 **STRUCTURE AS COMPARED TO THE SAMPLE WATER UTILITIES?**

5 A. My financial risk estimation is based upon the methodology developed by
6 Professor Hamada of the University of Chicago, which incorporates the beta of a
7 levered firm to that of its unlevered counterpart. The equation is

8
$$\beta_L = \beta_U[1 + (1 - T)\phi]$$

9 where β_L and β_U are the levered and unlevered betas, respectively, T is the tax rate,
10 and ϕ the leverage, defined as the ratio of debt and equity of the firm. In simple
11 terms, I unlever the average beta of the six publicly traded water utilities in my
12 sample using a ratio of the market value of debt and the market value of equity.
13 While I can compute the market value of equity of the sample water utilities based
14 on the current number of shares outstanding and the current stock price, estimating
15 the market value of debt is much more difficult. For purposes of my analysis, I
16 assume the market value of debt is the book value. This is a reasonable assumption
17 and is conservative. Once the unlevered beta is determined, I relever the beta using
18 the capital structure of BVWC. For the market value of equity I multiplied
19 BVWC's book value of equity times the average market-to-book ratio of the
20 sample water utilities. For BVWC's debt, I assume the market value of debt is
21 equal to the book value.

22 The relevered beta is then used in my CAPM models, and the new CAPM
23 results are compared to my original CAPM results. The computed difference is the
24 basis of my financial risk adjustment. My computation of the financial risk
25 adjustment can be found in tables D-4.13, D-4.14, and D-4.15.

26

1 Q. **WHAT IS THE COMPUTED FINANCIAL RISK ADJUSTMENT?**

2 A. A downward adjustment of 90 basis points.

3 Q. **DO YOU HAVE ANY CONCERNS ABOUT THE HAMADA METHOD?**

4 A. Yes. In order to use this method, I have made the assumption that the average beta
5 of the sample water utilities is the beta for BVWC. Since BVWC is a much
6 smaller firm than the sample water utilities, I would expect the beta to be higher.
7 Consequently, the financial risk adjustment is likely overstated.

8 F. **Company Specific Risk Premium**

9 Q. **PLEASE DISCUSS YOUR COMPANY SPECIFIC RISK PREMIUM.**

10 A. As I testified earlier, BVWC is not directly comparable to the sample water utilities
11 because of its small size and the regulatory environment in Arizona. The
12 characteristics such as small size, lack of diversification, limited revenue and cash
13 flow, small customer base, lack of liquidity, as well as the magnitudes of regulatory
14 and construction risk are common to smaller water utilities regardless of the
15 regulatory jurisdiction. These characteristics and magnitudes of risk are unique
16 only in the sense that the large publicly traded water utilities (including the
17 companies in the proxy group) do not possess these same characteristics and
18 magnitudes of risk. With respect to Arizona regulation, the use of historical test
19 year with limited out of period adjustments and the lack of adjuster mechanism
20 increases to the risk of BVWC.

21 Q. **PLEASE DISCUSS SIZE RISK FOR SMALL UTILITY COMPANIES.**

22 A. Investment risk increases as the firm size decreases, all else remaining constant.
23 There is a great deal of empirical evidence that firm size phenomenon exists.
24 Morningstar's *Ibbotson SBBI 2009 Valuation Yearbook* (Chapter 7) reports that
25 smaller companies have experienced higher returns that are not fully explainable
26 by their higher betas and that beta is inversely related to company size. In other

1 words, smaller companies not only have higher betas but higher returns than larger
2 ones. Even after accounting for differences in beta risk, small companies require
3 an additional risk premium over and above the added risk premium indicated by
4 differences in beta risk. Dr. Zepp also reported evidence that the stocks of small
5 water utilities, like BVWC, are more risky than the stocks of larger water utilities,
6 such as those in the water utilities sample.⁶ Even the California PUC conducted a
7 study that showed smaller water utilities are more risky than larger ones.⁷ Based on
8 the evidence it is clear that investors require higher returns on small company
9 stocks than on large company stocks.

10 I have included in Schedule D-4.16 the results of an *Ibbotson* study using
11 annual data reporting the size premium based upon firm size and return data
12 provided in Morningstar *Ibbotson SBBI 2009 Valuation Yearbook* and information
13 contained in a published work by Dr. Thomas M. Zepp. I have estimated that a
14 small company risk premium in the range of 99 to 181 basis points is appropriate.

15 **Q. WHAT COMPANY SPECIFIC RISK PREMIUM DO YOU RECOMMEND**
16 **FOR BVWC?**

17 A. To be conservative, I conclude that a company specific risk premium of no less
18 than 50 basis points is warranted for BVWC to account for its smaller size and
19 regulatory risk.

20 **G. Summary and Conclusions**

21 **Q. HAVE YOU PREPARED A SCHEDULE WHICH SUMMARIZES YOUR**
22 **EQUITY COST ESTIMATES AND PRESENTS YOUR**
23 **RECOMMENDATIONS?**

24 ⁶ Thomas M. Zepp, "Utility Stocks and the Size Effect – Revisited", *The Quarterly Review*
25 *Economics and Finance*, Vol. 43, Issue 3, Autumn 2003, 578-582.

26 ⁷ Staff Report on Issues Related to Small Water Utilities, June 10, 1991 and CPUC Decision 92-
03-093.

1 A. Yes. The equity cost estimates and my recommendations are summarized in
2 Schedule D-4.1.

3 In the first part of my analysis, I applied two versions of the constant growth
4 DCF model. One uses analyst estimates of growth and the other uses historical
5 growth and analyst expectations. See Schedules D-4.8. The DCF models produce
6 an indicated equity cost in the range of 11.1 percent to 13.0 percent, with a
7 midpoint of 12.1 percent.

8 In the second part of my analysis, I applied two versions of the CAPM – a
9 historical risk premium CAPM and a current market risk premium CAPM. The
10 CAPM analyses appear in Schedule D-4.12 and produce an indicated cost of equity
11 in the range of 10.1 percent to 21.0 percent, with a midpoint of 15.6 percent.

12 In the third part of my analysis, I compute a financial risk adjustment to
13 account for the lower level of debt in BVWC's capital structure compared to the
14 sample water utilities. My recommendation is that a downward financial risk
15 adjustment of no more than 90 basis points be applied to BVWC's cost of equity.
16 My financial risk adjustment analysis is shown in schedules D-4.13, D-4.14, and
17 D-4.15.

18 In the fourth part of my analysis, I reviewed the financial literature on the
19 small firm size effect and determined that an appropriate small company size
20 premium for small utilities like BVWC is in the range of 99 to 181 basis points.
21 See Schedule D-4.16. I also considered the risks for BVWC from Arizona's
22 regulatory scheme. My recommendation is that an upward adjustment for
23 company specific risk of no less than 50 basis points be applied to BVWC's cost of
24 equity.

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The range of results of both my DCF and CAPM analyses and other risk adjustments is 10.3 percent to 16.6 percent, with a mid-point of 13.4 percent. See Schedule D-4.1.

Q. WHAT EQUITY RETURN DO YOU RECOMMEND?

A. My recommended return on equity based on BVWC's capital structure is 12.5. It is the mid-point of the range of my over-all results and reflects the application of my expertise and informed judgment to reach a recommendation that I felt I could defend in this proceeding.

Q. DOES THAT CONCLUDE YOUR DIRECT TESTIMONY ON COST OF CAPITAL?

A. Yes.

Bella Vista Water Co., Inc.

Application for a Determination of the
Fair Value of Its Utility Plants and Property and for
Increases in Its Water Rates and Charges

August 31, 2009

Bourassa COC Direct Testimony

Attachment 1

Attachment 1

Bella Vista Water Company
 Discounted Cash Flow Analysis (Water)
 Constant Growth DCF Model - Historical
 Using 5 Year Historical Dividend Growth

Line No.	[1] Current Dividend Yield $(D_t/P_0)^1$	[2] Expected Dividend Yield $(D_t/P_0)^2$	[3] Historical Div. Growth (g) ³	[4] Indicated Equity Cost k=Div Yld + G (Cols.2+3)	[5] Indicated Equity Cost k=Div Yld + G (Cols.2+3)
1	2.95%	3.03%	2.90%	5.9%	*
2	2.92%	3.16%	8.29%	11.5%	11.5%
3	3.05%	3.08%	0.88%	4.0%	*
4	3.88%	3.92%	1.18%	5.1%	*
5	4.57%	4.63%	1.51%	6.1%	*
6	2.90%	3.07%	6.02%	9.1%	9.1%
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					

* Indicated equity cost below current cost of debt (Baa) or negative growth.

¹ Spot Dividend Yield = D_t/P_0 . See Table 9.

² Expected Dividend Yield = $D_t/P_0 = D_0/P_0 * (1+g)$.

³ Growth rate (g). Value Line Analyzer Data (August 21, 2009)

⁴ Federal Reserve. Baa investment grade bonds.

⁵ Blue Chip Financial Forecast (June 2009)

Current Baa interest rate (August 20, 2009)⁴

Blue Chip Forecast Baa Corporate Bond Interest Rate 2012 Top 10⁵

Blue Chip Forecast Baa Corporate Bond Interest Rate 2012 Bottom 10⁵

Blue Chip Forecast Baa Corporate Bond Interest Rate 2012 Consensus⁵

GROUP AVERAGE
 GROUP MEDIAN

3.5%
 3.6%

6.5%

8.5%

6.7%

7.6%

10.3%
 10.3%

Bella Vista Water Co., Inc.

Application for a Determination of the
Fair Value of Its Utility Plants and Property and for
Increases in Its Water Rates and Charges

August 31, 2009

Schedule D

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Summary of Cost of Capital

Exhibit
 Schedule D-1
 Page 1
 Witness: Bourassa

Line No.	Item of Capital	<u>End of Test Year</u>			<u>End of Projected Year</u>				
		Dollar Amount	Percent of Total	(e) Cost Rate	Weighted Cost	Dollar Amount	Percent of Total	(e) Cost Rate	Weighted Cost
1	Long-Term Debt	1,697,323	27.76%	6.28%	1.74%	\$ 1,584,033	24.10%	6.27%	1.51%
3	Stockholder's Equity ¹	4,416,118	72.24%	12.50%	9.03%	4,988,755	75.90%	12.50%	9.49%
5	Totals	\$ 6,113,441	100.00%		10.77%	\$ 6,572,788	100.00%		11.00%

¹ Adjustments to equity

9	Accumm. depreciation adjustment	\$ (189,951)
10	CIAC adjustment	\$ (27,850)
11	Deferred Income Tax Adjustment	\$ 129,690

SUPPORTING SCHEDULES:

- D-1
- D-2
- D-3
- D-4
- E-1

RECAP SCHEDULES:
 A-3

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

Bella Vista Water Company
 Test Year Ended March 31, 2009
 Cost of Long Term Debt

Exhibit
 Schedule D-2
 Page 1
 Witness: Bourassa

Line No.	Description of Debt	End of Test Year				End of Projected Year			
		Amount Outstanding ¹	Annual Interest	Interest Rate	Weighted Cost	Amount Outstanding	Annual Interest	Interest Rate	Weighted Cost
1	WIFA #1	108,754	6,634	6.10%	0.39%	99,968	6,098	6.10%	0.38%
2	WIFA #2	1,545,436	96,744	6.26%	5.70%	1,455,280	91,101	6.26%	5.75%
3	K-Mart	6,140	526	8.56%	0.03%	484	41	8.56%	0.00%
4	BVR/RC-3	13,849	1,011	7.30%	0.06%	9,854	719	7.30%	0.05%
5	BVR/RC-4	16,109	1,113	6.91%	0.07%	12,802	885	6.91%	0.06%
6	BVR-CCCII	7,035	504	7.16%	0.03%	5,645	404	7.16%	0.03%
7			-	0.00%	0.00%	-	-	0.00%	0.00%
8			-	0.00%	0.00%	-	-	0.00%	0.00%
9			-	0.00%	0.00%	-	-	0.00%	0.00%
10			-	0.00%	0.00%	-	-	0.00%	0.00%
11			-	0.00%	0.00%	-	-	0.00%	0.00%
12			-	0.00%	0.00%	-	-	0.00%	0.00%
13	Totals	\$ 1,697,323	\$ 106,532			\$ 1,584,033	99,248		6.27%
14									

SUPPORTING SCHEDULES:

E-1

¹ Includes long-term debt plus long-term debt - current portion on E-1

18
19
20

Bella Vista Water Company
Test Year Ended March 31, 2009
Cost of Preferred Stock

Exhibit
Schedule D-3
Page 1
Witness: Bourassa

Line No.	Description of Issue	<u>End of Test Year</u>			<u>End of Projected Year</u>		
		<u>Shares Outstanding</u>	<u>Amount</u>	<u>Dividend Requirement</u>	<u>Shares Outstanding</u>	<u>Amount</u>	<u>Dividend Requirement</u>
1							
2							
3	NOT APPLICABLE, NO PREFERRED STOCK ISSUED OR OUTSTANDING						
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17	<u>SUPPORTING SCHEDULES:</u>				<u>RECAP SCHEDULES:</u>		
18	E-1				D-1		
19							
20							

Bella Vista Water Company
Test Year Ended March 31, 2009
Cost of Common Equity

Exhibit
Schedule D-4
Page 1
Witness: Bourassa

Line

No.

1

2

3

4

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20

The Company is proposing a cost of common equity of 12.50% .

SUPPORTING SCHEDULES:

E-1

RECAP SCHEDULES:

D-1

**Bella Vista Water Company
Summary of Results**

**Exhibit
Schedule D-4.1
Page 1**

Line No.	<u>Method</u>	<u>Low</u>	<u>High</u>	<u>Midpoint</u>
1				
2				
3				
4				
5				
6	Range DCF Constant Growth Estimates ¹	11.2%	13.0%	12.1%
7				
8	Range of CAPM Estimates ²	10.1%	21.0%	15.6%
9				
10				
11	Average of DCF and CAPM midpoint estimates	10.7%	17.0%	13.8%
12				
13				
14	Financial Risk Adjustment ³	-0.9%	-0.9%	-0.9%
15				
16	Small Company Risk Premium ⁴	0.5%	0.5%	0.5%
17				
18	Indicated Cost of Equity	10.3%	16.6%	13.4%
19				
20				
21				
22	Recommended Cost of Equity			12.5%
23				
24				
25				

¹ See Schedule D-4-8

² See Schedule D-4.12

³ See Schedule D-4.17

⁴ See testimony.

Bella Vista Water Company
Selected Characteristics of Sample Group of Water Utilities

Exhibit
Schedule D-4.2

Line No.	Company ¹	% Water Revenues	Operating Revenues (millions)	Net Plant (millions)	S&P Bond Rating	Moody's Bond Rating
1	American States	77%	\$ 329.4	\$ 735.8	A	A2
2	Aqua America	96%	\$ 642.2	\$ 2,600.8	AA-	NR
3	California Water	98%	\$ 424.0	\$ 1,005.0	AA-	NR
4	Connecticut Water	93%	\$ 67.0	\$ 254.1	AAA	NR
5	Middlesex	89%	\$ 90.8	\$ 323.0	A	NR
6	SJW Corp.	95%	\$ 219.1	\$ 501.0	NR	NR
10	Average	91%	\$ 295.4	\$ 903.3		
13	Bella Vista Water Company	100%	\$ 3.5	\$ 13.7	NR	NR
14	(adjusted as of March 31, 2009)					

¹AUS Utility Reports (August 2009).

**Bella Vista Water Company
Capital Structures**

**Exhibit
Schedule D-4.3**

No.	Company	Book Value ¹		Market Value ¹	
		Long-Term Debt	Common Equity	Long-Term Debt	Common Equity
1	1. American States	46.2%	53.8%	31.2%	68.8%
2	2. Aqua America	54.1%	45.9%	34.5%	65.5%
3	3. California Water	41.7%	58.3%	26.6%	73.4%
4	4. Connecticut Water	47.0%	53.0%	32.3%	67.7%
5	5. Middlesex	46.2%	53.8%	36.5%	63.5%
6	6. SJW Corp.	46.0%	54.0%	34.7%	65.3%
7					
8					
9					
10					
11	Average	46.9%	53.1%	32.6%	67.4%
12					
13	Bella Vista Water Company	27.8%	72.2%	N/A	N/A
14	(as of March 31, 2009)				
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					

¹ Value Line Analyzer Data (August 21, 2009)

Bella Vista Water Company
Comparisons of Past and Future Estimates of Growth

Exhibit
Schedule D-4.4

Line No.	[1]	[2]	[3]	[4]	[5]	[6]	[7]	
	Five-year historical average annual changes							
		Book			Average		Average of Future and Historical Growth	
	Company	Price¹	Value²	EPS²	Col 1-3	Future Growth³	Col 5-6	
1	1. American States	7.34%	4.87%	15.71%	7.71%	6.88%	7.29%	
2	2. Aqua America	4.58%	7.27%	5.21%	6.34%	8.62%	7.48%	
3	3. California Water	11.74%	5.67%	12.22%	7.63%	8.13%	7.88%	
4	4. Connecticut Water	0.19%	3.07%	0.45%	1.22%	12.00%	6.61%	
5	5. Middlesex	Negative	5.76%	8.16%	5.14%	7.33%	6.24%	
6	6. SJW Corp.	12.50%	8.16%	4.37%	7.76%	12.63%	10.19%	
7								
8								
9								
10								
11								
12								
13								
14								
15								
16	GROUP AVERAGE	7.27%	5.80%	7.69%	5.97%	9.26%	7.61%	
17	GROUP MEDIAN	7.34%	5.72%	6.69%	6.98%	8.37%	7.38%	
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								

¹ Average of changes in year-end stock prices ending in 2008. Data from Yahoo Finance website.

² Data derived from Value Line Investment Survey and/or 10K Reports for period 2004 to 2008.

³ See Schedule D-4.6.

Bella Vista Water Company
Comparisons of Past and Future Estimates of Growth

Exhibit
Schedule D-4.5

Line No.	[1]	[2]	[3]	[4]	[5]	[6]	[7]
	Price ¹	Book Value ²	EPS ²	DPS ²	Average Col 1-3	Average Future Growth ³	Average of Future and Historical Growth Col 5-6
3	Ten-year historical average annual changes						
4	Book						
5		Value ²					
6	Company						
7	1. American States	8.16%	4.34%	5.93%	1.80%	6.88%	5.97%
8	2. Aqua America	6.43%	8.40%	6.29%	7.22%	8.62%	7.85%
9	3. California Water	7.01%	3.54%	5.38%	0.90%	8.13%	6.17%
10	4. Connecticut Water	4.94%	3.53%	1.45%	1.22%	12.00%	7.39%
11	5. Middlesex	6.17%	3.98%	3.85%	1.91%	7.33%	5.66%
12	6. SJW Corp.	9.46%	5.29%	5.40%	5.63%	12.63%	9.53%
13							
14							
15	GROUP AVERAGE	7.03%	4.85%	4.72%	3.11%	9.26%	7.09%
16	GROUP MEDIAN	6.72%	4.16%	5.39%	1.86%	8.37%	6.78%
17							
18							
19							

¹ Average of changes in year-end stock prices ending in 2008. Data from Yahoo Finance website.

² Data derived from Value Line Investment Survey and/or 10K Reports for period 1999 to 2008.

³ See Schedule D-4.6.

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

Bella Vista Water Company
Analysts Forecasts of Earnings Per Share Growth

Exhibit
Schedule D-4.6

Line No.	[1]	[2]	[3]	[4]	[5]
	ESTIMATES OF EARNINGS GROWTH				
	<u>Company</u>	<u>Zacks</u> ¹	<u>Morningstar</u> ¹	<u>Yahoo</u> ¹	<u>Value Line</u> ¹
1	1. American States	7.00%	7.00%	4.00%	9.50%
2	2. Aqua America	8.00%	8.29%	8.17%	10.00%
3	3. California Water	8.00%	7.75%	7.75%	9.00%
4	4. Connecticut Water	9.00%		15.00%	
5	5. Middlesex	7.00%		8.00%	7.00%
6	6. SJW Corp.	13.00%	15.00%	10.00%	12.50%
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
					Average Growth (G)
					(Cols.1-4)²
					6.88%
					8.62%
					8.13%
					12.00%
					7.33%
					12.63%
					9.26%
					8.37%

¹ Data as of August 21, 2009

² Where no data available, average of other utilities assumed to estimate for utility.

Bella Vista Water Company
Current Dividend Yields for Water Utility Sample Group

Exhibit
Schedule D-4.7

Line No.	Company	Current Stock Price (P ₀) ¹	Current Dividend (D ₀) ¹	Current Dividend Yield (D ₀ /P ₀) ¹	Average Annual Dividend Yield (D ₀ /P ₀) ^{1,2}
1	1. American States	\$ 33.95	\$ 1.00	2.95%	2.86%
2	2. Aqua America	\$ 17.47	\$ 0.51	2.92%	2.80%
3	3. California Water	\$ 38.35	\$ 1.17	3.05%	3.12%
4	4. Connecticut Water	\$ 22.70	\$ 0.88	3.88%	3.58%
5	5. Middlesex	\$ 15.33	\$ 0.70	4.57%	3.99%
6	6. SJW Corp.	\$ 22.44	\$ 0.65	2.90%	2.27%
7	Average			3.38%	3.10%
8	Median			3.00%	2.99%

¹ Value Line Analyzer Data. Stock prices as of August 21, 2009.

² Average Annual Dividend is dividends declared per share for a year divided by the average annual price of the stock in the same year, expressed as a percentage. For comparison purposes only.

**Bella Vista Water Company
Discounted Cash Flow Analysis
DCF Constant Growth**

**Exhibit
Schedule D-4.8**

Line No.	[1] Average Spot Dividend Yield (D_0/P_0) ¹	[2] Expected Dividend Yield (D_1/P_0) ²	[3] Growth (g)	[4] Indicated Cost of Equity $k=Div\ Yield + g$ (Cols 2+3)
8	3.38%	3.63%	7.61% ³	11.2%
10	3.38%	3.69%	9.26% ⁴	13.0%
19				12.1%

¹ Spot Dividend Yield = D_0/P_0 . See Schedule D-4.7.

² Expected Dividend Yield = $D_1/P_0 = D_0/P_0 * (1+g)$.

³ Growth rate (g). Average of Past and Future Growth. See Schedule D-4.4, column 7

⁴ Growth rate (g). Average of Analyst Estimates Future Growth. See Schedule D-4.6.

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

**Bella Vista Water Company
Market Betas**

**Exhibit
Schedule D-4.9**

<u>Line No.</u>	<u>Company</u>	<u>Beta (β)¹</u>
1	American States	0.80
2	Aqua America	0.65
3	California Water	0.80
4	Connecticut Water	0.85
5	Middlesex	0.80
6	SJW Corp.	1.00
7		
8		
9	Average	0.82
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		

¹ Value Line Investment Analyzer data (August 21, 2009)

Note: Beta is a relative measure of the historical sensitivity of a stock's price to overall fluctuations in the New York Stock Exchange Composite Index. A Beta of 1.50 indicates a stock tends to rise (or fall) 50% more than the New York Stock Exchange Composite Index. The "Beta coefficient" is derived from a regression analysis of the relationship between weekly percent-age changes in the price of a stock and weekly percentage changes in the NYSE Index over a period of five years. In the case of shorter price histories, a smaller time period is used, but two years is the minimum. The Betas are adjusted for their long-term tendency to converge toward 1.00.

**Bella Vista Water Company
Forecasts of Long-Term Interest Rates
2010-2011**

**Exhibit
Schedule D-4.10**

<u>Line No.</u>	<u>Description</u>	<u>2011</u>	<u>2012</u>	<u>Average</u>
1				
2				
3				
4				
5				
6	Blue Chip Consensus Forecasts ¹	4.5%	5.1%	4.8%
7				
8	Value Line ²	4.5%	5.0%	4.8%
9				
10	Average			4.8%
11				
12				
13				
14				

¹ June 2009 Blue Chip Financial Forecasts consensus forecast of 30 Year U.S. Treasury

² Value Line Quarterly forecast, dated August 28, 2009 Long-Term U.S Treasury

15
16
17
18
19
20
21
22
23
24

Bella Vista Water Company
Computation of Current Market Risk Premium

Exhibit
Schedule D-4.11

Line No.	Month	Dividend Yield (Dy/P ₀) ¹	Expected Dividend Yield (Dy/P ₀) ²	Growth (G) ³	Expected Market Return (E)	Monthly Average 30 Year Treasury Rate ⁴	Market Risk Premium (MRP)
1							
2							
3	Aug 2006	2.20%	2.20%	+ 11.69%	= 13.89%	= 5.00%	= 8.89%
4	Sept	2.20%	2.20%	+ 11.34%	= 13.54%	= 4.85%	= 8.69%
5	Oct	2.15%	2.15%	+ 9.75%	= 11.90%	= 4.85%	= 7.05%
6	Nov	2.10%	2.10%	+ 9.72%	= 11.82%	= 4.69%	= 7.13%
7	Dec 2006	2.09%	2.09%	+ 9.41%	= 11.50%	= 4.68%	= 6.82%
8	Jan 2007	2.05%	2.05%	+ 9.57%	= 11.62%	= 4.85%	= 6.77%
9	Feb	2.10%	2.10%	+ 10.47%	= 12.57%	= 4.82%	= 7.75%
10	March	2.10%	2.10%	+ 10.07%	= 12.17%	= 4.72%	= 7.45%
11	April	2.09%	2.09%	+ 9.29%	= 11.38%	= 4.87%	= 6.51%
12	May	2.08%	2.08%	+ 9.15%	= 11.23%	= 4.80%	= 6.33%
13	Jun	2.17%	2.17%	+ 9.71%	= 11.88%	= 5.20%	= 6.68%
14	Jul	2.27%	2.27%	+ 10.91%	= 13.18%	= 5.11%	= 8.07%
15	Aug	2.37%	2.37%	+ 11.32%	= 14.29%	= 4.83%	= 9.46%
16	Sept	2.31%	2.31%	+ 11.16%	= 13.47%	= 4.79%	= 8.68%
17	Oct	2.45%	2.45%	+ 11.90%	= 14.35%	= 4.77%	= 9.58%
18	Nov	2.60%	2.60%	+ 13.41%	= 16.01%	= 4.52%	= 11.49%
19	Dec 2007	2.61%	2.61%	+ 13.51%	= 16.12%	= 4.52%	= 11.60%
20	Jan 2008	2.67%	2.67%	+ 15.19%	= 17.86%	= 4.33%	= 13.53%
21	Feb	2.74%	2.74%	+ 16.47%	= 19.66%	= 4.52%	= 15.14%
22	Mar	2.85%	2.85%	+ 17.64%	= 20.99%	= 4.39%	= 16.60%
23	April	2.89%	2.89%	+ 15.73%	= 18.84%	= 4.44%	= 14.40%
24	May	2.73%	2.73%	+ 15.51%	= 18.66%	= 4.60%	= 14.06%
25	Jun	3.13%	3.13%	+ 18.51%	= 22.22%	= 4.69%	= 17.53%
26	Jul	3.15%	3.15%	+ 18.61%	= 22.35%	= 4.57%	= 17.78%
27	Aug	3.05%	3.05%	+ 17.08%	= 20.67%	= 4.50%	= 16.17%
28	Sept	3.07%	3.07%	+ 19.30%	= 22.96%	= 4.27%	= 18.69%
29	Oct	4.31%	4.31%	+ 30.93%	= 36.16%	= 4.17%	= 31.99%
30	Nov	4.97%	4.97%	+ 35.02%	= 41.73%	= 4.00%	= 37.73%
31	Dec 2008	4.44%	4.44%	+ 29.62%	= 35.38%	= 2.87%	= 32.51%
32	Jan 2009	4.86%	4.86%	+ 30.02%	= 36.34%	= 3.13%	= 33.21%
33	Feb	5.50%	5.50%	+ 35.13%	= 42.56%	= 3.59%	= 38.97%
34	Mar	4.21%	4.21%	+ 27.33%	= 32.69%	= 3.64%	= 29.05%
35	April	3.68%	3.68%	+ 22.05%	= 26.52%	= 3.76%	= 22.76%
36	May	3.46%	3.46%	+ 19.67%	= 23.81%	= 4.23%	= 19.58%
37	Jun	3.25%	3.25%	+ 19.16%	= 23.03%	= 4.52%	= 18.51%
38	Jul	2.90%	2.90%	+ 16.31%	= 19.68%	= 4.41%	= 15.27%
39	Recent 24 Mon Avg	3.33%	3.98%	+ 20.03%	= 24.01%	= 4.26%	= 19.76%
40	Short-term Trends						
41	Recent Twelve Months Avg	3.97%	5.03%	+ 25.10%	= 30.13%	= 3.92%	= 26.20%
42	Recent Nine Months Avg	4.14%	5.27%	+ 26.03%	= 31.30%	= 3.79%	= 27.51%
43	Recent Six Months Avg	3.83%	4.77%	+ 23.28%	= 28.05%	= 4.03%	= 24.02%
44	Recent Three Months Avg	3.20%	3.80%	+ 18.98%	= 22.18%	= 4.39%	= 17.79%

¹ Average Current Dividend Yield (Dy/P₀) of dividend paying stocks. Data from Value Line Investment Analyzer/ Software Data - Value Line 1700 Stocks
² Expected Dividend Yield (Dy/P₀) equals average current dividend yield (Dy/P₀) times one plus growth rate(g).
³ Average 3-5 year price appreciation (annualized). Data from Value Line Investment Analyzer/ Software Data - Value Line 1700 Stocks
⁴ Monthly average 30 year U.S. Treasury. Federal Reserve.

**Bella Vista Water Company
Capital Asset Pricing Model (CAPM)**

**Exhibit
Schedule D-4.12**

Line No.	Rf ¹	+	beta ³	x	Rp	=	k
1							
2							
3	4.8%	+	0.82	x	6.5%	=	10.1%
4							
5	4.8%	+	0.82	x	19.8%	=	21.0%
6							
7							15.6%
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							

¹ Forecasts of long-term treasury yields. See Schedule D-4.10.

² Value Line Investment Analyzer data. See Schedule D.4.9.

³ Historical Market Risk Premium from (Rp) MorningStar S&P 500 Valuation Yearbook Table A-1 Long-Horizon ERP 1926-2008

⁴ Computed using DCF constant growth method to determine current market return on Value Line 1700 stocks and CAPM with beta of 1.0 to compute Current Market Risk Premium (Rp). See Schedule D-4.11.

**Bella Vista Water Company
Financial Risk Computation**

**Exhibit
Schedule D-4.13**

Line No.									
1	<u>CAPM</u>								
2									
3	Historical Market Risk Premium	Rf	+	β	x	(Rp)	=	k	
4	Current Market Risk Premium	4.8%	1	0.82	2	6.5%	3	10.1%	
5		4.8%	1	0.82	2	19.8%	4	21.0%	
6	Average								15.6%
7									
8									
9	<u>CAPM Relevered Beta</u>								
10									
11	Historical Market Risk Premium	Rf	+	β	x	(Rp)	=	k	
12	Current Market Risk Premium	4.8%	1	0.75	5	6.5%	3	9.7%	
13		4.8%	1	0.75	5	19.8%	4	19.6%	
14	Average								14.7%
15									
16	Financial Risk Adjustment								<u>-0.9%</u>
17									
18									
19									
20									
21									
22									
23									
24									
25									

¹ Forecast of long-term treasury yields. See Table 15.

² Value Line Investment Analyzer data. See Table 13.

³ Historical Market Risk Premium from (Rp) MorningStar S&P 500 2009 Valuation Yearbook Table A-1 Long-Horizon ERP 1926-2008

⁴ Computed using DCF constant growth method to determine current market return on Value Line 1700 stocks and CAPM with beta of 1.0 to compute Current Market Risk Premium (Rp). See Table 14.

⁵ Relevered beta found on Table 19.

Bella Vista Water Company
Financial Risk Computation
Unlevered Beta

Exhibit
Schedule D-4.14

Line No.	Company	VL Beta β_L^1	Raw Beta $\frac{Raw \beta_L^2}{Raw \beta_U^2}$	Tax Rate t^3	MV Debt $\frac{D^4}{E^4}$	MV Equity $\frac{E^4}{E^4}$	Unlevered Raw Beta β_{UL}^5
1	American States	0.80	0.70	37.8%	31.2%	68.8%	0.55
2	Aqua America	0.65	0.48	39.7%	34.5%	65.5%	0.36
3	California Water	0.80	0.70	37.7%	26.6%	73.4%	0.57
4	Connecticut Water	0.85	0.78	27.2%	32.3%	67.7%	0.58
5	Middlesex	0.80	0.70	33.2%	36.5%	63.5%	0.51
6	SJW Corp.	1.00	1.00	38.1%	34.7%	65.3%	0.75
11							
12							
13	Sample Water Utilities	0.82	0.73	35.6%	32.6%	67.4%	0.55
14							
15							
16							
17							
18							
19							

¹ Value Line Investment Analyzer data. See Table 13.
 Value Line uses the historical data of the stock, but assumes that a security's beta moves toward the market average over time. The formula is as follows:
 Adjusted beta = $.33 + (.67) * Raw\ beta$
² Raw Beta = $(VL\ beta - .33) / (.67)$
³ Effective tax rates for year ended December 31, 2008.
⁴ See Table 3.
⁵ Raw $\beta_U = Raw \beta_L / (1 + (1-t)*D/E)$

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

Bella Vista Water Company
Financial Risk Computation
Relevered Beta

Exhibit
Schedule D-4.15

Line No.	Unlevered Raw Beta β_{UL}^1	MV Book Debt BD^2	MV Equity Capital EC^2	Tax Rate t^3	Relevered Raw Beta $\beta_{RL} = \beta_U (1 + (1-t)BD/EC)$	VL Adjusted Relevered Beta $\beta_{RL} + .67(Raw Beta)$
5	0.55	17.3%	82.7%	38.60%	0.62	0.75

¹ Unlevered Beta from Table 18.

² Capital Structure of Company (As of December 31, 2008).

	BV (in Millions)	MV (in Millions)	%
17 Long-term Debt	\$ 1,697	\$ 1,697	17.3%
18 Preferred Stock	-	-	0.0%
19 Common Stock	4,416	8,133	82.7%
20 Total Capital	6	10	100.0%

(a) Current market-to-book ratio of sample water utilities. See work papers.

³ Current Tax rate based on test year ending 2008. See Schedule D-1.

Bella Vista Water Company
Size Premium¹

Exhibit
Schedule D-4.16

Line No.	Beta(β)	Size Premium	Risk Premium for Small Water Utilities ⁷
1			
2			
3			
4			
5			
6	1.12	0.90%	
7			
8	1.25	1.56%	
9			
10	1.50	2.83%	
11			
12	1.62	4.43%	1.81%
13			
14			
15			
16			
17			
18			
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Estimated Risk Premium for small water utilities⁶

¹ Data from Table 7-11 of Morningstar, *Ibbotson SBI 2009 Valuation Yearbook*.

² Mid-Cap companies includes companies with market capitalization between \$1,850 million and \$7,360 million.

³ Low-Cap companies includes companies with market capitalization between \$454 million and \$1,849 million.

⁴ Micro-Cap companies includes companies with market capitalization less than \$453 million.

⁵ Decile 10 includes companies with market capitalization between \$1.6 million and \$219 million.

⁶ From Table 2, Thomas M. Zepp, "Utility Stocks and the Size Effect Revisited," *The Quarterly Review of Economics and Finance*, 43 (2003), 578-582.

⁷ Computed as the weighted differences between the Decile 10 risk premium and the indicated risk premiums for the sample water utilities as shown below. Excludes risk due to differences in beta.

Market Cap. (Millions)	Class	Size Premium	Difference to Decile 10	Weight	Weighted Size Premium
\$ 587	Low-Cap	1.56%	2.87%	0.1666667	0.48%
\$ 2,365	Mid-Cap	0.90%	3.53%	0.1666667	0.59%
\$ 794	Low-Cap	1.56%	2.87%	0.1666667	0.48%
\$ 193	Decile 10	4.43%	0.00%	0.1666667	0.00%
\$ 205	Decile 10	4.43%	0.00%	0.1666667	0.00%
\$ 408	Micro-Cap	2.83%	1.60%	0.1666667	0.27%
Weighted Size Premium for small companies					1.81%